



# **ANNUAL REPORT**

## **2016**

## Vision

Vichaivej International Hospital Group is strongly determined to be the leading hospital that operates at international standard level by using modern technology and medical equipment, engaging teams of specialist physicians from every field, and upholding strict moral and ethical principles.

## Mission

“We are firmly determined to provide medical care service that is based on holistic professional standards through use of quality tools and qualified staffs and by adopting a service recipient-centric approach in order to be sure that our service recipients receive utmost satisfaction.”



**Vichaivej International Hospital Group**

**V care**

**V cure**

**V can**

## Business Objective

Vichaivej International Hospital Group's operation focuses on providing superb quality services for patients and others who visit the hospital and on engaging specialized medical treatment combined with preventive measures under the slogan “**V care V cure V can**”. Our objectives are as follows.

1. Develop the hospital group to become one of the leading private hospital groups that is equipped with treatment capability in every field of medicine, with emphasis on accident and Orthopedic care. The objective is to become a medical center for specific disease and eventually escalating into Tertiary Medical Care, involving development of necessary medical personnel and modern diagnostic and treatment facilities ready to administer complicated diseases.

2. Set high standards for quality and service and focus on being customer-centric with a genuine belief that “customers are highly valued individuals which every hospital personnel has to pay close attention and ensure that they receive proper medical treatment, health care, and various services available at the hospital in a proper manner and according to professional standards, which in all creates utmost satisfied experience for the customers.”

3. Establish efficient organizational management process and proper human resources management system that give priority to every single employee, by enhancing the quality, skills, and knowledge of all level staff on a regular basis, meanwhile creating a culture that allows a free exchange of ideas and opinions in order to build a sense of ownership and strong commitment among the employees with the hospital.

4. Develop quality and management operations to be more systematic and consistent by connecting and fostering joint work between management and quality development teams that will enable us to set our goal of improving the quality of medical care and service. The ensuing focus is to reduce risks in terms of medication administration and medical records, complaints, nursing practice, etc. in order to establish patient safety goal and customer satisfaction.

5. Explore opportunities for business or product line expansion by increasing the number of specialty clinics and developing such clinics to serve as integrated specialized centers, to be in line with the company's mission to expand its customer base in the country and abroad.

6. Give priority and social responsibility attention to society and community where hospital is located by promoting safety and good hygiene as well as environment protection care on a regular basis.



# Message from the Chairman

The 2016 performance met our business goals and the Company ended the year with 27.31% revenues increase and 50.82% increase in profit attributable to equity holders of the company. I would like to express my appreciation towards the Board of Directors, the Executive Committee, our team of doctors, nurses, and all medical professionals for their collective effort and contribution to provide health services to all service recipients, willingly and tirelessly. Dedication and determination of all of our staff translated into achievements in line with the business plan of all the 3 hospitals, especially the Vichaivej Heart Center, which was open for service at the Vichaivej International Nongkhaem Hospital. In 2016, the center provided medical treatment for heart patients referred from both public and private hospitals for cardiac catheterization and open-heart surgery in over 900 cases, all of which were successful and our patients were safe and sound. As such, income exceeded the target and I am confident that the Vichaivej Heart Center will hone the momentum of success and firmly progress further in years to come.

Also in 2016, the Company invested in the acquisition of a 59-bed hospital located in Sam Yaek Fai Chai area for renovation under the new name of the Vichaivej Yaekfaichai Hospital. The new hospital is to serve as the medical service center and specialist clinics; and is expected to commence full-scale operation in mid of 2017. In addition, the Company expanded the emergency service area and renovated the specialist clinic to introduce the Excellence Center, fully equipped with a team of medical experts and state-of-the-art medical equipment to enhance the service efficiency on par with metropolitan hospitals. The center aims to serve patients in the West and South to eliminate their trouble from having to get through heavy traffic congestion into town.

The space and structure of buildings of the Vichaivej International Hospital Samutsakhon will be improved and the market area will be transformed to the occupational medicine center offering services by a team of doctors, nurses, and professionals specialized in occupational medicine. Our aim is to build a medical center and data processing center, which meets the international standards, to provide medical check-up for staff of various companies as well as consultancy for their environmental setting to ensure healthy and hygienic workplace.

To keep abreast with the fast-paced medical innovations, Vichaivej International Hospital Group focuses on technological advancement. Our duty is to enable healthy physique and quality life of the general public, which resonates in our slogan “V care V cure V can”.

Honoring our commitment to the shareholders and all stakeholders of the Company and adherence to the good corporate governance are the key drives for the Company to thrive as years pass. On this occasion, I would like to express my gratitude towards all shareholders for your unwavering trust in Srivichai Vejvivat Public Company Limited. On behalf of the Board of Directors, we promise to continue building further growth of the business based on honesty, transparency, auditability, and fairness.



Associate Professor Vichai Vanadurongwan, M.D., Ph.D., FIMS  
Chairman of the Board of Director



# Board of Director

As at December 31, 2016



1.



2.

1. Asso. Prof. Vichai Vanadurongwan, M.D., Ph.D., FMS

Chairman of the Board of Director

2. Asst. Prof. Saisunee Vanadurongwan, M.D.

Vice President/ Chief Executive Officer



3.



4.

3. Pongsak Vathana, M.D.

Director

4. Virah Mavichak

Independent Director/Director



5.



6.

5. Visut Montriwat

Independent Director/Director

6. Surin Premamornkit

Independent Director/Director



7.



8.

7. Porntep Siriwanarangsun, M.D., MPH., Ph.D.

Independent Director/Director

8. Nopporn Tirawattanagool

Director



9.



10.

9. Tinnawat Mahatharadol

Director

10. Vilawan Vanadurongvan

Director



11.



12.

11. Mongkon Wanitphakdeedecha, M.D., M.Sc.

Director

12. Prut Rojmahamongkol

Director





**Asso. Prof. Vichai Vanadurongwan,**

**M.D., Ph.D., FIMS**

**Age**

76 years

**Position**

Chairman of the Board of Director  
(Authorized Signatory) /  
Acting Director of Vichaivej International  
Omnoi Hospital

**Education and Experience**

- Honorary philosophical Doctor of Science (Sport Medicine), Mahidol University
- F.I.M.S., International federation of sport medicine
- Diploma of the Thai Medical Board (Orthopaedic Surgery), The Medical Council, Thailand
- Diploma of the Surgery, Faculty of Medicine Siriraj Hospital, Mahidol University
- Medical Doctor, University of Medicine
- Certificate in Directors Certification Program class of 30/2003, IOD
- Certificate in Directors Accreditation Program class of 89/2011, IOD

**Work Experience**

- Advisor to Ministry of Public Health Ministry of Thailand
- Deputy Dean, Faculty of Medicine and Siriraj Hospital, Mahidol University
- Dean of the college of Sport Science and Technology, Faculty of Medicine and Siriraj Hospital Mahidol University
- Member of Mahidol Council, Mahidol University
- President of Gymnastic Association of Thailand
- Medical Committee of Social Security Fund, Thailand's Labor Ministry
- Advisor to Minister of Sport and Tourism Ministry of Thailand
- Advisor to Minister of Labor Ministry of Thailand
- Vice Minister of Education Ministry of Thailand

**Other Positions**

**Subsidiary Company**

- Chairman of the Board of Director (Authorized Signatory), Saivichai Development Company Limited
- Chairman of the Board of Director (Authorized Signatory), Saivichai Development Company Limited

**Listed Company**

None

**Other Company / Organizations / Institutions**

- Director of Mahanakorn Maesod Company Limited
- The president of Srivichai Foundation and Srivichai Rescue.
- The President of Srivichai Savings Cooperative
- Vice President Asian Federation of Sport Medicine(AISM)
- Honorary Advisor of Office of Sports and Recreation Development, Ministry of Tourism and Sports of Thailand
- Advisor of Faculty of Medicine Siriraj Hospital

**Number year of services**

5 years

**Number of the shareholding includes spouses and dependents**

1.51

**Family Relation with Other Directors**

The spouse of Assistant Prof. Dr. Saisunee Vanadurongwan and  
Father in law of Mongkon Wanitphakdeedecha, M.D.,M.Sc.

**Dispute in the 5 Preceding Years**

None

**Directorship Qualifications according to Applicable laws and does not have prohibited. Qualifications according to the announcement of the Capital Market Supervisory Board**

Yes



**Asst. Prof. Saisunee Vanadurongwan, M.D.**

**Age**

71 Years

**Position**

Vice President (Authorized Signatory) /  
Chief Executive Officer/  
Nomination and Remuneration  
Committee

**Education and Experience**

- M.D., Faculty of Medicine, Siriraj Hospital, Mahidol University, Thailand
- Higher certificate of clinical science in Pathology Siriraj Hospital
- Certificate of Executive Administration Project 31st Badge, Faculty of commerce and Accounting Thammasat University
- Certificate of the High Flyer 4th Badge Institute of Management and Psychology
- Certificate of Environmental Medicine, 3rd Badge Department of Medical Service, Ministry of publish Health
- Certificate of Sport Medicine, Society of Sport Medicine of Thailand
- Certificate of Alternative Medicine in Chelation Therapy, Department for Development of Thai Traditional and Alternative Medicine, Ministry of Public Health
- Certificate of Director Certification Program, class of 52 IOD
- CEO CLUB 2016 : CEO Branding & CEO as a Brand Champion for Sustainability

**Work Experience**

- Honorary Committee of the Committee the Child Protection, Samut Sakhon Province
- Subcommittee of Health Promotion for Workers at the Provincial Level, Samut Sakhon Province
- Development Committee of Strategic combines the tuberculosis and AIDS, Ministry of Health.
- Assistant Professor of Microbiology, Department of Microbiology, Siriraj Hospital
- Medical Committee, Ministry of Laser and Social Affair
- Service Development committee of Public Services for Overseas Laser, Samutsakorn Province

**Other Positions**

**Subsidiary Company**

- Vice President (Authorized Signatory), Saivichai Development Company Limited
- Vice President (Authorized Signatory), Srisakorn Vejvivat Company Limited
- Director (Authorized Signatory), Bangkok Orthopedic Hospital Company Limited

**Listed Company**

None

**Other Company / Organizations / Institutions**

- Vice President of Srivichai hospital Foundation
- Advisory Committee of Internal Security Operations Command, Samut Sakhon Province
- Director of Public Health, The National Council of Women of Thailand
- Executive Committee of Public Health Service for Overseas Labor, Ministry of Public Health
- Advisory Committee of Public Health, The Federation of Samut Sakhon Province

**Number year of services**

5 years

**Number of the shareholding includes spouses and dependents**

1.51

**Family Relation with Other Directors**

The spouse of Associate Professor Vichai Vanadurongwan, M.D., Ph.D., FIMS and Mother in law of Mongkon Wanitphakdeedecha, M.D.,M.Sc.

**Dispute in the 5 Preceding Years**

None

**Directorship Qualifications according to Applicable laws and does not have prohibited. Qualifications according to the announcement of the Capital Market Supervisory Board**

Yes



**Pongsak Vathana, M.D.**

**Age**

77 Years

**Position**

Director (Authorized Signatory)/  
Vice Chief Executive Officer

**Education and Experience**

- The Medical Council of Thailand Certified Orthopedic Surgeon
- Diploma of American Board of Orthopedic Surgery
- Doctor of Medicine, Faculty of Medicine, Siriraj Hospital, Mahidol University
- Directors Certification Program, class of 30/2003
- How to Develop a Risk Management Plan (HRP) class of 4/2013

**Work Experience**

- President of Orthopaedic Foundation Under the Royal Patronage HRH Princess Maha Chakri Sirindhorn, Lersin Hospital
- President of the Orthopaedic Surgeon Club of Thailand
- President of Thailand Orthopaedic Association
- President of the Royal College of Orthopaedic Surgeons of Thailand
- Director of the Orthopaedic Institute, Lersin Hospital
- Director of Lersin Hospital
- First Vice President of the Medical Council of Thailand
- Editor of Journal of ASEAN Orthopaedic association

**Other Positions**

**Subsidiary Company**

Chairman of the Board of Director (Authorized Signatory), Srivichai Vocational School Company Limited

**Listed Company**

None

**Other Company / Organizations / Institutions**

Advisor to Department of Medical Services and Lersin Hospital

**Number year of services**

5 Years

**Number of the shareholding includes spouses and dependents**

0.32

**Family Relation with Other Directors**

None

**Dispute in the 5 Preceding Years**

None

Directorship Qualifications according to Applicable laws and does not have prohibited. Qualifications according to the announcement of the Capital Market Supervisory Board

Yes



**Virah Mavichak**

**Age**

73 Years

**Position**

Independent Director /  
Chairman of the Audit Committee  
Chairman of the Nomination and  
Remuneration Committee

**Education and Experience**

- Honorary Degree of Doctor of Science in Engineering, Dhurakij Pundit University
- Master's degree in chemical engineering, The University of Texas at Austin, USA
- Bachelor of Engineering, Chulalongkorn University.
- Directors Certification Program, Class of 26/2003, IOD
- Audit Committee Program (ACP), Class of 7/2005, IOD
- Role of the Chairman Program (RCP), Class of 17/2007, IOD
- FND - Finance for Non-Finance Directors, Class of 23/2005, IOD

**Work Experience**

- Working Experience
- Distinguished scholar in Faculty of Engineering, Chulalongkorn University.
- The former President of the Council of Engineers
- Director General, Department of Industrial Works Ministry of Industry
- The former members of the Senator of Thailand
- Audit Committee and independent directors, TPT Petrochemicals PCL
- The President and independent directors, TPT Petrochemicals PCL

**Other Position**

**Subsidiary Company**

None

**Listed Company**

Chairman of the Board of Director (Independent director), Global Connections PCL

**Other Company / Organizations / Institutions**

Director of Refine Tech Co.,Ltd.

Independent Director of B.S. Metal Co.,Ltd.

**Number year of services**

5 years

**Number of the shareholding includes spouses and dependents**

None

**Family Relation with Other Directors**

None

**Dispute in the 5 Preceding Years**

None

Directorship Qualifications according to Applicable laws and does not have prohibited. Qualifications according to the announcement of the Capital Market Supervisory Board

Yes





## Visut Montriwat

### Age

70 Years

### Position

Independent directors /  
Audit Committee /  
Nomination and Remuneration  
Committee /  
Chairman of the Corporate Governance  
Committee

### Education and Experience

- M.B.A, Northern Illinois University
- Bachelor of Commerce, Chulalongkorn University
- National Defense College, Class 38
- Director Certification Program (DCP) , Class of 77/2006
- Audit Committee Program (ACP) , Class of 15/2006, IOD
- Role of the Compensation Committee, (RCC), Class of 2/2007, IOD
- Financial Statements for Directors (FSD) , IOD
- Monitoring the System of Internal Control and Risk Management (MIR) , Class of 1/2007, IOD
- Corporate Fraud , Thai Institute of Directors Association
- Monitoring the Quality of Financial Reporting (MFR) , Class of 7/2009, IOD

### Work Experience

- Director of Credit Division, The Comptroller General's Department
- Director of State Enterprise Division, The Comptroller General's Department
- Public Debt Specialist, The Comptroller General's Department
- Deputy Comptroller-General, The Comptroller General's Department
- Deputy Director-General, The Treasury Department
- Deputy Director-General, The Excise Department
- Inspector-General, Ministry of Finance
- Deputy Permanent Secretary, Ministry of Finance
- Director-General, The Treasury Department

### Other Position

#### Subsidiary Company

None

#### Listed Company

Independent Director, Audit Committee, Chairman of the Remuneration Committee of Bangkok Aviation Fuel Services PCL (Thailand).

#### Other Company / Organizations / Institutions

- Director of Aviation Fuel Co. Ltd. Thailand.
- Director of Lynn Phillips Mortgage Credit Foncier Co., Ltd.

### Number year of services

5 years

### Number of the shareholding includes spouses and dependents

None

### Family Relation with Other Directors

None

### Dispute in the 5 Preceding Years

None

Directorship Qualifications according to Applicable laws and does not have prohibited. Qualifications according to the announcement of the Capital Market Supervisory Board

Yes



## Surin Premamorkit

### Age

68 years

### Position

Independent directors /  
Audit Committee /  
Nomination and Remuneration  
Committee

### Education and Experience

- B.A. (Economics in Finance and Banking), Thammasat University
- Directors Accreditation Program (DAP) class of 59/2006, IOD
- Directors Certification Program (DCP) class of 147/2011, IOD
- Audit Committee class of 39, Thai Institute of Directors Association.
- Risk Management (RMT) class of 5/2014, IOD
- Role of the Compensation Committee (RCC) class of 14/2012, IOD
- Finance Executive 8 (FINEX 8), Thai Institute of Banking and Finance Association
- Syndicated Loans, The Euro money Institute, Hong Kong.
- Boss Game Asia, Singapore.

### Work Experience

- Senior Executive Vice President, Bankthai Public Co.,Ltd.
- Director, BT Security Co.,Ltd.
- Director, BT Business Consulting Co.,Ltd.
- Director, BT Asset Management Co.,Ltd.
- Director, BT Insurance Co.,Ltd.
- Director, KTT Leasing Co.,Ltd

### Other Position

#### Subsidiary Company

None

#### Listed Company

Independent Director and Audit Director, Chukai PCL

#### Other Company / Organizations / Institutions

Director, Thai-Nichi Ventures Co.,Ltd.

### Number year of services

5 years

### Number of the shareholding

None

### includes spouses and dependents Family Relation with Other Directors

None

### Dispute in the 5 Preceding Years

None

Directorship Qualifications according to Applicable laws and does not have prohibited. Qualifications according to the announcement of the Capital Market Supervisory Board

Yes



**Porntep Siriwanarangsun**

**MD., MPH., Ph.D**

**Age**

63 years

**Position**

Independent directors /  
Audit Committee

**Education and Experience**

- M.D., Chiang Mai University, Chiang Mai, Thailand
- M.P.H., Mahidol University, Bangkok, Thailand
- Certificate of Epidemiology, Medical Council, Thailand
- Ph.D (Health Planning and Financing), University of London, U.K.
- Certificate of the Community Mental Health Programs, The Medical Council
- Diploma, National Defence
- Directors Certification Program, class of 212/2015, IOD
- Financial Statement for Directors Class of 28/2015, IOD

**Work Experience**

- Director-General, Department of Health
- Director-General, Department of Disease Control
- Deputy Permanent Secretary
- Inspector General, Ministry of Public Health
- Senior Medical Advisor Public Health, Office of the Permanent Secretary, Ministry of Public Health
- Deputy Director – General, Department of Mental Health, Ministry of Public Health
- Director, Bureau of Health Policy and Planning, Office of the Permanent Secretary, Ministry of Public Health
- Provincial Chief Medical Officer, Satun Province
- Director, Wangthong Hospital, Phitsanulok Province
- Audit Committee, The Provincial waterworks authority

**Other Position**

**Subsidiary Company**

None

**Listed Company**

None

**Other Company / Organizations / Institutions**

- Advisor to the Director of the Dental Unit in the Royal Majesty.
- Bangkok Councils Members / Chairman of the Board of Health.
- Director of the Provincial Waterworks Authority
- Executive Director of the Institute of Nuclear Technology
- The Board of Directors of the second plans of the Department of Health.
- Director of National Institute of Standards ISO.
- Member of the Medical Board, Office Fund, Social Security Office.

**Number year of services**

1 years

**Number of the shareholding includes spouses and dependents**

None

**Family Relation with Other Directors**

None

**Dispute in the 5 Preceding Years**

None

**Directorship Qualifications according to Applicable laws and does not have prohibited. Qualifications according to the announcement of the Capital Market Supervisory Board**

Yes



**Nopporn Tirawattanagool**

**Age**

62 years

**Position**

Director /  
Working Group for Financial and  
Investment Planning Committee

**Education and Experience**

- Master of Accounting, Faculty of Commerce and Accountancy, Thammasat University
- Bachelor of Business Administration (in Accounting), Thammasat University
- Director Accreditation Program (DAP) Class of 5/2003, IOD
- Role of the Compensation Committee (RCC) Class of 8/2009
- Audit Committee Program (ACP) Class of 31/2010
- Director Certification Program (DCP) Class of 135/2010
- Financial Institutions Governance Program (FGP) Class of 2/2011
- Anti-Corruption for Executive Program (ACEP) Class of 7/2013
- Risk Management Program for Corporate Leaders (RCL) Class of 1/2015
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- CG Forum 2/2016 “Honest, Cautious, Protective for the director”, Year 2016
- Seminar on “Cyber Security Awareness Training for Senior Executive”, Year 2016

**Work Experience**

- Director (Authorized Signatory), Bank of Ayudhya PCL
- Executive Committee Member, Bank of Ayudhya PCL
- Head of Human Resources, Bank of Ayudhya PCL
- First Executive Vice President, Bank of Ayudhya PCL
- Secretary to the Executive Committee, Bank of Ayudhya PCL

**Other Position**

**Subsidiary Company**

None

**Listed Company**

- Risk and Compliance Committee Member, Director (Authorized Signatory), Nomination and Remuneration Committee Member of Bank of Ayudhya PCL
- Director, Director of Nomination and Compensation Committee, Director of Governance Risk and Compliance Committee, Siam City Cement PCL
- Nomination and Remuneration Committee Member, Sri Ayudhya Capital PCL
- Director, Grand Canal Land PCL

**Other Company / Organizations / Institutions**

Director (Authorized Signatory) CKS Holding Co., Ltd.  
Director (Authorized Signatory) Super Assets Co., Ltd.  
Director (Authorized Signatory) C.K.R Co., Ltd.  
Director (Authorized Signatory) The Bangkok Lighters Co., Ltd.  
Director (Authorized Signatory) The Thai Tapioca Flour Produce Co., Ltd.  
Director (Authorized Signatory) Cyber Venture Co., Ltd.  
Director (Authorized Signatory) Khao Kheow Country Club Co., Ltd.  
Director (Authorized Signatory) Siam Puri Engineering Co., Ltd.



#### Other Company / Organizations / Institutions (Continued)

Director (Authorized Signatory) Siam Purimongkol Co., Ltd.  
Director Belle Development Co., Ltd.  
Director (Authorized Signatory) Grand Fortune Co., Ltd.  
Director Bangkok Broadcasting & TV Co., Ltd.  
Director (Authorized Signatory) BBTB Satelvision Co., Ltd.  
Director (Authorized Signatory) GL Asset Co., Ltd.  
Director (Authorized Signatory) Mahakij Holdings Co., Ltd.  
Director (Authorized Signatory) BBTB Production Co., Ltd.  
Director (Authorized Signatory) BBTB Alliance Ltd.  
Director (Authorized Signatory) BBTB Bond Street Building Ltd.  
Director (Authorized Signatory) ITBC Business Consultant Group Co., Ltd.  
Director (Authorized Signatory) Exclusive Senior Care International Co., Ltd.  
Director (Authorized Signatory) BBTB International Holding Company  
Director (Authorized Signatory) Sunrise Equity Co., Ltd.  
Director (Authorized Signatory) BBTB Equity Co., Ltd.

#### Number year of services

2 years

#### Number of the shareholding includes spouses and dependents

None

#### Family Relation with Other Directors

None

#### Dispute in the 5 Preceding Years

None

#### Directorship Qualifications according to Applicable laws and does not have prohibited. Qualifications according to the announcement of the Capital Market Supervisory Board

None



#### Tinnawat Mahatharadol

##### Age

58 years

##### Position

Director /  
Working Group for Financial and  
Investment Planning Committee

#### Education and Experience

- Master of Business Administration, Ball State University, USA
- Bachelor of Law, Thammasat University
- Directors Certification Program, Class of 205/2015, IOD
- Risk Management Committee Program (RMP), Class of 6/2015, IOD

#### Work Experience

- Corporate Dept. Advisor, Thanachart Bank PCL
- Director, Ayudhya Capital Lease Co., Ltd.
- Executive Committee Member, Bank of Ayudhya PCL
- Chief Financial Officer, Bank of Ayudhya PCL
- Head of treasury, Bank of Ayudhya PCL
- Director, Krungsri Ayudhya Card Co., Ltd.

#### Other Position

##### Subsidiary Company

None

##### Listed Company

Executive Director of Eastern Star Real Estate PCL

#### Other Company / Organizations / Institutions

- Managing Director, Mahatharadol Co., Ltd.
- Director of Sunrise Equity Co., Ltd.
- Director of BBTB Equity Co., Ltd.

#### Number year of services

2 years

#### Number of the shareholding includes spouses and dependents

None

#### Family Relation with Other Directors

None

#### Dispute in the 5 Preceding Years

None

#### Directorship Qualifications according to Applicable laws and does not have prohibited. Qualifications according to the announcement of the Capital Market Supervisory Board

Yes



**Vilawan Vanadurongvan**

**Age**

69 years

**Position**

Director /  
Vice Chief Executive Officer /  
Chairman of Risk Management  
Committee

#### Education and Experience

- Bachelor of Faculty of Commerce and Accountancy, Chulalongkorn University
- Directors Accreditation Program, Class 84/2010 ,IOD
- Risk Management Committee Program, the Thai Institute of Directors Association (IOD)

#### Work Experience

- Information and Communication Technology, Financial sector
- Information and Communication Technology, DIGITAL MEDIA and E-BUSINESS
- Improved workflow “Process Improvement”

#### Other Position

##### Subsidiary Company

Director, Saivichai Development Company Limited

##### Listed Company

None

##### Other Company / Organizations / Institutions

- Committee, Foundation for Research in Information Technology (FRIT)
- Committee, Information Technology center of Thai Red Cross Society
- Honorary Director of the Executive Committee, Faculty of Medicine. Chulalongkorn University

#### Number year of services

4 years

#### Number of the shareholding includes spouses and dependents

None

#### Family Relation with Other Directors

Sister of Associate Professor Vichai Vanadurongvan, M.D., Ph.D., FIMS

#### Dispute in the 5 Preceding Years

None

Directorship Qualifications according to Applicable laws and does not have prohibited. Qualifications according to the announcement of the Capital Market Supervisory Board

Yes



**Mongkon Wanitphakdeedecha**

**M.D.,M.Sc.**

**Age**

45 years

**Position**

Director (Authorized Signatory) /  
Vice Chief Executive Officer /  
Working Group for Financial and Investment Planning/  
Nomination and Remuneration Committee /  
Director of Vichaivej International Samutsakorn Hospital /  
Director of the Medical Department, Vichaivej  
International Omnoi Hospital

#### Education and Experience

- M.D., Chulalongkorn University, 1994
- Diploma of General Surgery, Medical Council
- Master of Science (Technology Management), Thammasat University
- Thai Board of Family Medicine
- Certificated Fellowship of Anti-Aging Medicine, the American Academy of Anti-Aging Medicine
- Certificate in Occupational Medicine, Class of 19, Department of Medical Sciences
- Directors Certification Program, Class of 110/2008, IOD
- Role of the Compensation Committee (RCC), Class of 14/2012, IOD
- Certificate of good governance, medical. Executive Class 3 the King Prajadhipok and Medical Council of Thailand

#### Work Experience

- Medical Deputy Director, Srivichai 5 Hospital
- General Practitioner, Department of Surgery, Bangkok Metropolitan General Hospital Resident, Department of Surgery, Chulalongkorn Hospital

#### Other Position

##### Subsidiary Company

- Director (Authorized Signatory), Srisakorn Vejvivat Company Limited
- Director (Authorized Signatory), Bangkok Orthopedic Hospital Company Limited

##### Listed Company

None

##### Other Company / Organizations / Institutions

None

#### Number year of services

5 years

#### Number of the shareholding includes spouses and dependents

22.35

#### Family Relation with Other Directors

Son in law of Associate Professor Vichai Vanadurongvan, M.D., Ph.D., FIMS and Assistant Prof. Dr. Saisunee Vanadurongvan

#### Dispute in the 5 Preceding Years

None

Directorship Qualifications according to Applicable laws and does not have prohibited. Qualifications according to the announcement of the Capital Market Supervisory Board

Yes





## Mr. Prut Rojmahamongkol

### Age

46 years

### Position

Director /  
Executive Director /  
Working Group for Financial and  
Investment Planning/  
Director of Information Technology  
of Vichaivej Hospital Group/  
Deputy Director of Vichaivej  
International Samutsakorn Hospital

### Education and Experience

- Master Certificate Strategic Organizational Leadership and Management Michigan State University, USA
- M.Sc. Faculty of Information and Communication Information Technology Assumption University
- Director Certification Program class of 135/2010, IOD
- Financial Statement for Director class of 7/2010, IOD
- Bachelor of Architecture, Chulalongkorn University

### Working Experience

- Director of Information Technology, Vichaivej International Hospital Group
- Chairman of the Construction Management, Vichaivej International Hospital Group
- Deputy Director of the Procurement, Vichaivej International Hospital Group
- Deputy Director of the premises, Vichaivej International Hospital Samutsakhon
- Acting Deputy Director of Finance and Accounting, Vichaivej International Hospital Samutsakhon
- Deputy Director of Quality and Technology, Vichaivej International Hospital Samutsakhon
- Director of Saivichai Development Co.,Ltd.
- Assistant deputy of Operations Project, Noble Development Public Company Limited (Thailand)

### Other Position

#### Subsidiary Company

- Director (Authorized Signatory), Srisakorn Vejvivat Company Limited
- Director (Authorized Signatory), Bangkok Orthopedic Hospital Company Limited

### Listed Company

None

### Other Company / Organizations / Institutions

Architect, plan consultants co. ltd

### Number year of services

1 years

### Number of the shareholding includes spouses and dependents

21.01

### Family Relation with Other Directors

Son in law of Associate Professor Vichai Vanadurongwan, M.D., Ph.D., FIMS and Assistant Prof. Dr. Saisunee Vanadurongwan

### Dispute in the 5 Preceding Years

None

Directorship Qualifications according to Applicable laws and does not have prohibited. Qualifications according to the announcement of the Capital Market Supervisory Board

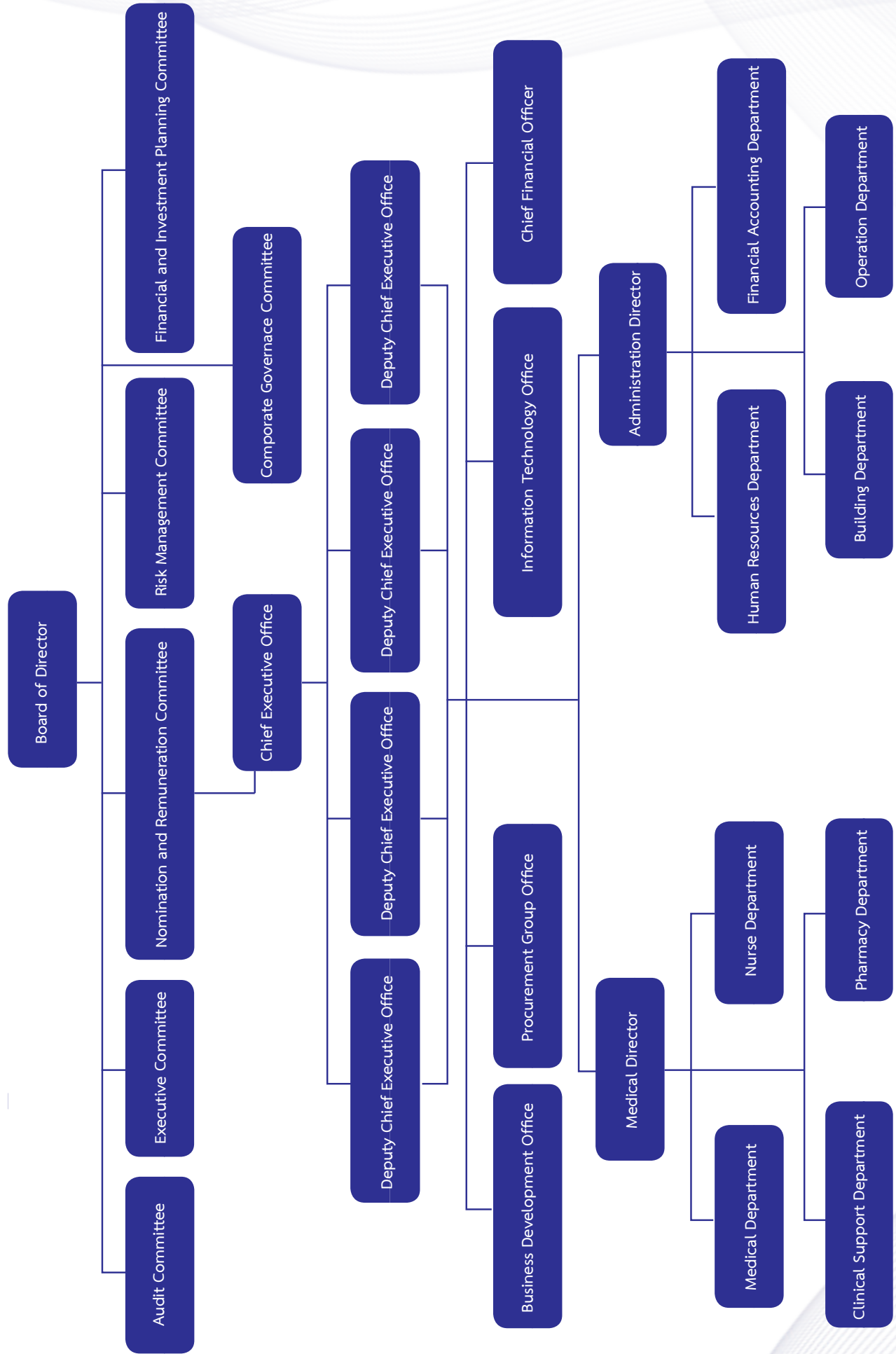
Yes

# Executive Committee





# Organization Chart at December 31, 2016



# Report of the Audit Committee

Dear Shareholders of Srivichai Vejvivat Public Company Limited

The Audit Committee of Srivichai Vejvivat Public Company Limited consists of 4 independent directors as follows

1. Virah Mavichak, Mr	Chairman of Audit Committee
2. Surin Premamornkit, Mr	Audit Committee
3. Visut Montriwat, Mr	Audit Committee
4. Porntep Siriwanarangsun, M.D., MPH., Ph.D.	Audit Committee

2016 The Audit Committee performed its duties within the framework of the Audit Committee charter and works assigned by the Board of Directors, those major issues can be summarized as follows:

1. Reviewed the quarterly and annual financial statements as well as the consolidated statements of the Company and its subsidiaries prior to submission to the due consideration of the Board of Directors. The Audit Committee are in the opinion that the above financial statements are accurate, completely prepared and creditable.

2. Considered and approved the internal audit plan and reviewed the sufficiency of the internal audit systems. The Audit Committee are in the views that the Company has appropriate and effective systems, sufficient to mitigate the risks as identified by the Risk Assessment Committee to an acceptable level.

3. Reviewed and examined the compliance with laws and regulations relating to the Company's business and operations. The Audit Committee has the opinion that the Company has complied with the Securities regulations and Exchange Acts, and has no legal violation that may affect the reputation and financial status.

4. Considered connected or potential conflict of interest transactions. The Audit Committee viewed that all of those transactions are as the Company's normal business and transparent.

5. Considered, selected and nominated the Company's independent auditor, from E. Y. Office Limited and their audit fee as the Company's auditor for the fiscal year 2016 to the Board of Directors.

6. Considered and approved the Company's internal audit division expenditure budget and manpower

The Audit Committee has obtained full cooperation in order to perform its duties and responsibilities as assigned. The Audit Committee has worked with care and with fullest capability for the benefits of the Company; the shareholders and all the stakeholders.



(Virah Mavichak)

Chairman of the Audit Committee  
Srivichai Vejvivat Public Company Limited

# Report of the Nomination and Remuneration Committee

Dear Shareholders of Srivichai Vejvivat Public Company Limited,

The Board of Directors of Srivichai Vejvivat Public Company Limited had appointed the Nomination and Remuneration Committee (NRC) in accordance with the guideline on good corporate governance of listed companies by prescribing the Committee's authority and duty to serve as framework for performing its role. An NRC member must be a person who has well-rounded knowledge, ability, experience, and understanding of the qualifications, duty, and responsibility needed of a committee member, and can dedicate sufficient time to perform his/her role in ensuring that the NRC's performance realizes its objective.

The NRC had performed its duty as prescribed by considering the nomination criteria, guideline, and procedure as well as determining the fees appropriate for the Directors and various committee members in order to propose to the Board of Directors for their consideration and approval before further presentation to the shareholders' meeting in requesting for their consideration and approval every year. This includes considering the fee of the Company's chief officer before proposing to the Board of Directors for their further consideration and approval.

The list of Structure of Nomination and Remuneration Committee as at December, 31 2016

1. Virah Mavichak, Mr	Chairman / Independent Director
2. Surin Premamornkit, Mr	Committee /Independent Director
3. Visut Montriwat, Mr	Committee /Independent Director
4. Assit Prof. Dr. Saisunee Vanadurongwan	Committee
5. Vilawan Vanadurungvan, Miss	Committee
6. Mongkon Wanitphakdeedecha, M.D.,M.Sc.	Committee

Throughout 2016, the Nomination and Remuneration Committee had completely performed its role based on the implementation framework set forth by arranging altogether 2 meeting which the Committee members attending the meeting accounted 100% of the whole year.

Key points of the meeting are as follows.

1. Assess performance of the executives and advisors based on the standards and terms of the employment contract of each person in the past year.
2. Consider the structure and framework of authority and duty of the executives and advisors before presenting to the Board of Directors for their approval.
3. Consider renewing the employment contract of executives and advisors to the Board of Directors.
4. Consider and set the criteria for paying the remuneration fee and attendance fee of the different committees and propose to the Board of Directors for their approval.



(Virah Mavichak)

Chairman of Nomination and Remuneration Committee  
Srivichai Vejvivat Public Company Limited



# Report of the Risk Management Committee

Dear Shareholders of Srivichai Vejvivat Public Company Limited,

The Board of Directors of Srivichai Vejvivat Public Company Limited had appointed the Risk Management Committee to ensure that management and business operation of Srivichai Vejvivat Public Company Limited and its subsidiaries progress in the right direction and consistent with the current economic situations.

The list Risk Management Committee as at December 31, 2016

1. Viroj Mavichak, Dr	Advisory
2. Vilawan Vanadurongwan, Miss	Chairman
3. Sakda Tangchitwatanakorn, Mr	Committee
4. Kanittha Porayanon, Miss	Committee
5. Hathaiwan Suwantaweera, Miss	Committee
6. Pariwan Opachareonsuk, Miss	Committee
7. Pakawadee Mahawongtrakool, Mrs	Committee
8. Kijtjaporn Pomsanarm, Miss	Committee
9. Prapaphan Techatanang, Miss	Committee / Secretary
10. Tanawan Srirattanapitak, Miss	Committee / Assistant of Secretary

Throughout 2016, the Risk Management Committee had completely performed its role based on the authority, duty, and responsibility set forth in the risk management framework by arranging altogether 22 meetings, which the key points of the meetings can be summarized as follows.

1. Define policies, rules, procedures and processes with clarity, transparency, suitability and usefulness to the Company and subsidiaries in terms of the selection, removal or dismissal of Directors and senior executives of the Company and subsidiaries and present these to the Board of Directors for approval.

2. Consider nominating the name of a person who is qualified as a Director of the Company, Committee member and senior management to the Board of Directors in the event that such position is vacant or the term of office ends.

3. Define policy on remuneration for Director, senior executives of the Company and subsidiaries and present this to the Board of Directors for approval.

4. Consider the remuneration for the Board of Directors and committees whereby the remuneration includes meeting attendance fee, salary, bonuses, shares and other related benefits, and present to the shareholders' meeting for consideration and approval.

5. Provide a succession plan for key management position and review on a regular basis by evaluating the importance of the position, recruitment and development to ensure that successor of this management position is educated, competent, experienced and possesses other qualifications fitting and beneficial to the Company and subsidiaries.

6. To perform any other duties assigned by the Board of Directors to be appropriate.



(Vilawan Vanadurongwan)

Chairman of Risk Management Committee  
Srivichai Vejvivat Public Company Limited

# Report of the Working Group for Financial and Investment Planning

Dear Shareholders of Srivichai Vejvivat Public Company Limited,

In order to enhance the value of Srivichai Vejvivat Public Company Limited and subsidiaries companies in the future and ensuring that there is ongoing growth and secure financial position, it was deemed appropriate to appoint the Working Group for Financial and Investment Planning. Structure of the Working Group for Financial and Investment Planning

The lists of the Working Group for Financial and Investment Planning Committee as at December, 31 2016 as follows:

1. Vilawan Vanadurongwan, Miss	Chairman
2. Nopporn Tirawattanagool, Miss	Committee
3. Tinnawat Mahatharadol, Mr	Committee
4. Mongkon Wanitphakdeedecha M.D., M.Sc.	Committee
5. Prut Rojanamahamongkol, Mr	Committee
6. Sakda Tangjitwattanakorn, Dr	Committee / Secretary

Throughout 2016, the Working Group for Financial and Investment Planning Committee had completely performed its role based on the authority, duty, and responsibility set forth in the management framework by arranging altogether 10 meetings, which the key points of the meetings can be summarized as follows.

1. Determine the policy, target, and strategies for finance and investment
2. Plan the direction for investment
3. Find capital for suitable investment
4. Analyze and manage financial and investment risks
5. Regulate, supervise, control, and manage cash flow to be in accordance with the Company's target
6. Perform other tasks as assigned by the Board of Directors and the Chairman



(Vilawan Vanadurongwan)  
Chairman of the Working Group for Financial and  
Investment Planning  
Srivichai Vejvivat Public Company Limited

# Report of the Executive Committee

Dear Shareholders of Srivichai Vejvivat Public Company Limited,

The Board of Directors of Srivichai Vejvivat Public Company Limited had appointed the Executive Committee to ensure that management and business operation of Srivichai Vejvivat Public Company Limited and its subsidiaries progress in the right direction and consistent with the current economic situations.

## Structure of the Executive Committee

The lists of the Executive Committee as at December, 31 2016 as follows:

1. Asst. Prof. Saisunee Vanadurongwan, M.D.	Chief Executive Officer
2. Pongsak Vathana, M.D.	Deputy Chief Executive Officer
3. Mongkon Wanitphakdeedecha M.D., M.Sc.	Deputy Chief Executive Officer
4. Vilawan Vanadurongwan, Miss	Deputy Chief Executive Officer
5. Sakda Tangchitwatanakorn, Ph.D.	Acting Deputy Chief Executive Officer/ Executive Committee
6. Prut Rojmahamongkol, Mr	Executive Committee
7. Sunee Thirakaronwongse, M.D.	Executive Committee
8. Kiatisak Chirasottikul, M.D.	Executive Committee
9. Vatchara Cheupraknam, M.D.	Executive Committee
10. Sunee Joychumras, Mrs	Executive Committee
11. Kwanyuen Suksomphoj, Miss	Executive Committee
12. Rachada Fongtanakit, Ph.D.	Executive Committee / Secretary

Throughout 2016, the Executive Committee had completely performed its role based on the authority, duty, and responsibility set forth in the management framework by arranging altogether 19 meetings, which the key points of the meetings can be summarized as follows.

1. Plan and set policy, direction, strategy, work plans and organizational structure and management-structure of the business operation of the Company and subsidiaries in accordance to economic conditions and competition in the market to present to the Board of Directors for approval.

2. Plan and prepare business plans, annual budgets and the authority in management in various job divisions of the Company and subsidiaries to propose to the Board of Directors for consideration and approval and also to consider and approve the annual budget and budget change and addition to annual expense budget. If there is an urgent necessity, proceed to present to the Board of Directors for further acknowledgement.

3. Audit and operate according to the policies and guidelines for the management of the Company and subsidiaries that has been defined to be effective and conducive for business environment.

4. Monitor the operations of the Company and subsidiaries that has been defined to proceed according to the approved business plan.



5. Consider large investment projects of the Company and subsidiaries in order to provide recommendation to the Board of Directors for approval.

6. Define the details of the selection, training, hiring and termination of employees of the Company and its subsidiaries as well as employee benefits to be appropriate with the circumstances and in accordance with the laws in use today.

7. Other duties as assigned by the Board of Directors occasionally.



(Asst. Prof. Saisunee Vanadurongwan, M.D.)

Chief Executive Officer

Srivichai Vejvivat Public Company Limited



## Statement of change in Shareholdings of directors and management executives (Based on the SEC's denitions)

Name	Type	31 Decem- ber 2016	Bought during fiscal period	Sold during fiscal period	31 December 2015
Vichai Vanadurongwan (Husband of Saisunee Vanadurongwan)	Direct	4,792,320	-	-	4,792,320
Saisunee Vanadurongwan (Wife of VichaiVanadurongwan)	Direct	3,841,624	-	-	3,841,624
Virah Mavichak By Spouse and Minor	Direct Indirect	- -	- -	- -	- -
Surin Premamornkit By Spouse and Minor	Direct Indirect	- -	- -	- -	- -
Visut Montriwat By Spouse and Minor	Direct Indirect	- -	- -	- -	- -
Porntep Siriwanarangsun By Spouse and Minor	Direct Indirect	- -	- -	- -	- -
Pongsak Vathana By Spouse and Minor	Direct Indirect	1,828,571 -	- -	- -	1,828,571 -
Nopporn Tirawattanagool By Spouse and Minor	Direct Indirect	- -	- -	- -	- -
Tinnawat Mahatharadol By Spouse and Minor	Direct Indirect	- -	- -	- -	- -
Vilawan Vanadurongvan By Spouse and Minor	Direct Indirect	- -	- -	- -	- -
Mongkon Wanitphakdeedecha By Spouse and Minor	Direct Indirect	3,940,107 123,608,106	- 65,608,106	- -	3,940,107 58,000,000
Prut Rojmahamongkol By Spouse and Minor	Direct Indirect	3,940,106 116,000,000	- 28,000,000	- -	3,940,106 88,000,000
Sakda Tungchiwatanakorn By Spouse and Minor	Direct Indirect	1,720,416 13,500	- -	- -	1,720,416 13,500
Nichapa Roenthongdee By Spouse and Minor	Direct Indirect	- -	- -	- -	- -
<b>Total</b>		<b>259,684,750</b>	<b>93,608,106</b>	<b>-</b>	<b>166,076,644</b>

In 2016, the Board of Directors held altogether 259,684,750 shares or 45.51% of paid-up shares of the Company.



## Policy and Business Overview



Srivichai Vejvivat Public Company limited (“Company” or “VIH”) was established in 1993 in order to operate a private hospital business under the name Vichaivej International Hospital Omnoi which is a hospital under Vichaivej International Hospital Group.

In 1993 when the Company was established, its registered capital was 200 million Baht with major shareholders and controlling directors being Assoc. Prof. Vichai Vanadurongwan, M.D., Ph.D., FIMS and Ass. Prof. Saisunee Vanadurongwan, M.D., who is founder of the hospital Group.

In 2008, the Company reorganized its structure by purchasing ordinary shares of Saivichai Development Company Limited and Srisakorn Vejvivat Company Limited from the Directors who were former shareholders in order to rearrange the investment structure of the Company that would suit the business operating nature as a hospital Group, with Saivichai Development Company Limited and Srisakorn Vejvivat Company Limited being subsidiary companies.

At the beginning of 2011, Vichaivej International Hospital Group underwent a corporate re-branding to become more modern and be able to reflect the hospital group’s ability in elevating its service potential and undergoing

continuous development as well as maintaining consistency with the Company’s vision of wanting to expand its service to reach foreign customers on a wide scale. The hospital group had changed its name from Srivichai Hospital Group to Vichaivej International Hospital Group and underwent logo change as well.

In 2012, the Company registered as listed securities in the SET with total registered capital of 535 million Baht, divided into 535 million ordinary shares valued at 1.00 Baht per share in which the 535 million Baht was paid-up capital.

In 2014, the Company increased its registered capital at 35,666,666 Baht, which led the new registered capital to be 570,666,666 Baht from originally 535,000,000 Baht, by issuing additional 35,666,666 million ordinary shares valued at 1.00 Baht per share in which the 570,665,433 Baht was paid-up capital.

In the same year, BBT Equity Company Limited bought the Company’s shares at 20% of total shares in the Company which brought about change in the major shareholder group of the Company. The change was executed in order to support expansion of hospital care business and increase the variety of medical service to be more comprehensive in the future.





The Company also purchased shares at 15% of total shares in Mahanakorn Maesod Vejchakarn Company Limited which operates Nakorn Maesod International Hospital, which is regarded as an investment in area with future potential and a formation of business partnership.

Due to the Annual general meeting of shareholders for the year 2016, The meeting had approved the entering into the acquisition of asset by the acquisition of The Bangkok Orthopedic Hospital Company Limited's ordinary shares, in the number of 90,000 shares or equivalent to 100 percent of total registered capital from the existing shareholders, The company had been signed the Share Purchase Agreement relating to the ordinary shares of The Bangkok Orthopedic Hospital Company Limited on 28 June 2016

As of 31 December 2016, the Company has total registered capital of 570,666,666 Baht, divided into 570,666,666 ordinary shares valued at 1.00 Baht per share in which 570,665,433 Baht was paid-up capital.

At present, Vichai International Hospital Group runs secondary general hospital business with 4 hospitals within the Group, that is, 1) Vichai International Hospital Omnoi



2) Vichai International Hospital Nongkhaem; 3) Vichai International Hospital Samutsakorn; and 4) Vichai Yeakfaichai, being operated by the Company. The subsidiary companies comprise Srivichai Vejvitat Public Company limited, Saivichai Development Company Limited, Srisakorn Vejvitat Company Limited, and The Bangkok Orthopedic Hospital Company Limited, respectively. In addition, the Company also has another subsidiary company, Srivichai Vocational School Company limited, which operates business under the name Srivichai Vocational School and serves as a training facility for assistant nurses of Vichai International Hospital Group.

The Company and subsidiary companies operate under the management of Ass. Prof. Saisunee Vanadurongwan, M.D. who is the Chief Executive Officer and Vice Chairman since establishment until today.

The main customer group of Vichai International Hospital Group comprises 2 major groups: 1) Non-capitation customer group, namely general individual customers, contract party customers, member customer type, customers under workmen compensation fund program, and foreign customers; and 2) Capitation customer group, namely customers under social security fund program, customers under Universal Health Care Coverage Project, and customers under foreign laborer health insurance project. Moreover, the Company and subsidiaries have outlined the plan for attracting more target customer groups to use the services provided by the hospital group, such as: 1) private companies, factories, educational institutions; 2) life insurance companies; 3) civil servants and their family under Diagnosis-Related Group (DRG) project; and 4) foreign customers residing in Thailand and came as tourist or to work.





Main revenue of Vichaivej International Hospital Group is divided into 2 major categories based on the nature of customers, that is: 1) Non-capitation; and 2) Capitation. For non-capitation revenue, this is made up of non-capitation OPD and non-capitation IPD revenues. Capitation revenue comprises earnings from the services provided to patients under social security program, patients under Universal Health Care Coverage Project, and patients under foreign laborer health insurance project. The ratio of non-capitation revenue to capitation revenue was 72:28, 72:28, and 74:26 in 2013-2015 respectively. However, revenue of the hospital group is subject to seasonal variation as shown in the quarterly financial statements of 2013-2015.

In terms of operating performance, the Company and subsidiaries achieved total revenue from the hospital group in 2013-2015 equivalent to 1,106.68 million Baht, 1,247.10 million Baht, and 1,344.34 million Baht respectively. The revenue type which has the highest proportion was the revenue from non-capitation IPD, followed by revenue from non-capitation OPD and social security program respectively.

In addition, during the same period, the hospital which showed the highest revenue among the hospital group was Vichaivej International Hospital Omnoi, followed by Vichaivej International Hospital Nongkhaem and Vichaivej International Hospital Samutsakorn respectively.

In 2013-2015, the hospital group achieved net profit at 61.64 million Baht, 65.40 million Baht, and 101.64 million Baht respectively, while its operating profit margins were 6.03%, 7.80%, and 8.14% in 2013, 2014, and 2015 respectively.

As of 31 December 2015, the Company and subsidiary companies have total assets of 1,445.56 million Baht comprising land, building, and equipment totaling 874.86 million Baht. Meanwhile, the hospital group's total liabilities as of 31 December 2015 was 535.68 million Baht and equity at 909.88 million Baht comprising retained earnings of 281.43 million Baht.

However, the hospital business operated by the Company and its subsidiaries may still encounter impact from certain risk factor which the hospital group has recognized the significance of such risk factor and, therefore, set guideline

for preventing and solving the problem in manner suitable to each risk type. The Company has placed great emphasis and close attention on management of different risks as per the details mentioned under risk factors.

Each hospital has different unique features in providing services as follows

Vichaivej International Omnoi Hospital provides 24-hour medical service with specialist physicians ready to provide OPD care until midnight, in addition to the different kinds of specialized treatment available, such as Laparoscopic Surgery Center, Orthopedic Center, Urology Center, Brain Center, Cardiology Clinic, Nephrology Center, Endocrinology Clinic, Gastrointestinal Clinic, Pediatric Clinic, Obstetrics and Gynecology clinic, Emergency and Trauma Center, Dental Center, Check - up Center and Anti-aging and Wellness Center. It is the first hospital in Samutsakorn Province and nearby provinces such as Nakhon Pathom, Ratchaburi that has operating rooms under positive pressure system, 100% sterile, dust-free, and moisture-free according to international standards.





Vichaivej International Nongkhaem Hospital has similar clinical services as Vichaivej International Hospital Omnoi, with the Cardiovascular Center at Vichaivej provides modern medical service for every step of treatment since checking initial symptoms of coronal heart disease or heart disease, treatment of heart disease, and recovering the function of the heart by cardiovascular medical specialists (Dr. Wattana Boonsom) and medical specialist team. Moreover, we also provide modern medical devices and CCU, which enable nursing teams and cardiovascular medical specialist to conduct treatment and give advices to patients effectively 24 hours. The hospital also has Child Development Center, Examination and Analysis Center, renowned iSKY Innovative Skin & Laser Surgery Center, Comprehensive Health Check Center, i-SHA Anti-Aging Center, Center of Molecular Genetics and services provided for foreign customers, where marketing has been promoted in several countries in Asia.

Vichaivej International Samutsakorn Hospital also has similar comprehensive clinical service capacity as Vichaivej International Hospital Omnoi. and has expertise in the provision

of health services offsite such as in the establishment of the private and public sectors and enterprise. Moreover, Vichaivej International Hospital Samutsakorn has a clinic at Mae Sod District, Tak Province that serves Thai and Burmese customers, and has cooperated with partners in the Republic of the Union of Myanmar in examining the health of foreign laborers in Yangon, the Republic of the Union of Myanmar.

Vichaivej Yeakfaichai Hospital In the Midyear of 2016, The Company has invested in Vichaivej Yeakfaichai Hospital by focusing on to develop a treatment for specialty care units due to the location of Vichaivej Yeakfaichai Hospital is closed to Siriraj Hospital. That will cause the doctors of Siriraj Hospital to cure the patients at Sam Yaek Fai Chai. Moreover, there is a construction of the skytrain at Fai Chai junction that will help a convenient transportation to the hospital. Moreover, Vichaivej Yeakfaichai Hospital has a renowned iSKY Innovative Skin & Laser Surgery Center, Orthopedic Center, Check - up Center and Fertility Center







## Nature of Business Operation

Vichaivej International Hospital Group provides patients with 24 hours medical treatment covering every disease in order to satisfy their needs, such as Orthopedic Center, General Surgery and include Urology, Brain Center, General Medicine Clinic and its subspecialty as Cardio Vascular Medicine, Nephrology, Endocrinology, Dermatology and Neurology. Addition service include; Dental Center, Physical Rehabilitation and Plastic Surgery, etc. For inpatient treatment, the Hospital Group is equipped with 520 sickbeds divided into different room types, such as 1) special private single-bed consisting of GRAND VIP, VIP, Deluxe and Standard, 2) special private 2-beds, 3) special private 4-beds, 4) common 8-beds, 5) ICU, and 6) Infant ward.

### Revenue Structure

Revenues and profits of the Company and its subsidiaries for the years 2014-2016 (each hospital)

Name of Hospital	2016		2015		2014	
	Thousand baht	%	Thousand baht	%	Thousand baht	%
<b>Vichaivej International Hospital Omnoi</b>						
: Revenue from sales and services	787,995.17	45%	678,533.37	50%	622,942.14	50%
: Net profit	92,354.81	53%	84,339.43	75%	86,584.94	81%
<b>Vichaivej International Hospital Nongkhaem</b>						
: Revenue from sales and services	533,951.01	30%	386,231.48	28%	329,279.83	26%
: Net profit (loss)	51,766.05	30%	19,503.96	17%	-85.79	0%
<b>Vichaivej International Hospital Samuttsakhon</b>						
: Revenue from sales and services	359,389.10	20%	299,065.80	22%	302,741.18	24%
: Net profit	21,909.52	13%	7,831.76	7%	18,027.36	17%
<b>Vichaivej Yeakfaichai</b>						
: Revenue from sales and services	92,094.73	5%				
: Net profit	5,910.58	3%				
Total revenue before eliminate transaction	1,773,430.01	100%	1,363,830.65	100%	1,254,963.15	100%
Value of eliminate transaction	54,826.70	-	19,492.63	-	7,861.17	
Total revenue after eliminate transaction	1,718,603.31	-	1,344,338.02	-	1,247,101.98	
Total revenue before eliminate transaction	172,691.47	100%	112,907.19	100%	106,277.00	100%
Value of eliminate transaction	19,226.84	-	11,269.17	-	10,879.79	
Total revenue after eliminate transaction	153,464.63	-	101,638.02	-	95,397.21	

**Remark :** 1. Srivichai Vocational School Limited Company (its subsidiary) in 2016, with revenue of 2.72 billion baht profit of 0.75 million baht. In 2015 revenues of 3.35 billion baht profit of 1.23 million baht and in 2014 earned 4.09 million baht profit to net income of 1.75 billion baht, which Srivichai Vocational School Limited Company (its subsidiary) in the list of other income in the consolidated financial statements.

2. The Company acquired shares of The Bangkok Orthopedic Hospital Company Limited on 28 June 2016, So it is cumulative revenue for the period on 1 July – 31 December, 2016

Revenues of the Company and its subsidiaries for the year 2014 - 2016 (by the type of client).

Name of Hospital	2016		2015		2014	
	Thousand baht	%	Thousand baht	%	Thousand baht	%
<b>Vichaivej International Hospital Omnoi</b>						
Revenues from Capitation	239,819.72	14%	240,478.85	18%	242,989.71	19%
Revenues from Non-Capitation	548,175.45	31%	438,054.52	32%	379,952.43	30%
Total revenues from services	787,995.17	45%	678,533.37	50%	622,942.14	50%
<b>Vichaivej International Hospital Nongkhaem</b>						
Revenues from Capitation	1,786.51	0%	2,329.44	0%	757.81	0%
Revenues from Non-Capitation	532,164.50	30%	383,902.04	28%	328,522.02	26%
Total revenues from services	533,951.01	30%	386,231.48	28%	329,279.83	26%
<b>Vichaivej International Hospital Samuttsakhon</b>						
Revenues from Capitation	131,075.85	7%	106,400.73	8%	111,839.65	9%
Revenues from Non-Capitation	228,313.25	13%	192,665.06	14%	190,901.53	15%
Total revenues from services	359,389.10	20%	299,065.79	22%	302,741.18	24%
<b>Vichaivej Yeakfaichai</b>						
Revenues from Capitation	35,982.75	2%				
Revenues from Non-Capitation	56,111.98	3%				
Total revenues from services	92,094.73	5%				
Total revenue before eliminate transaction	1,773,430.01	100%	1,363,830.65	100%	1,254,963.15	100%
Value of eliminate transaction	54,826.70		19,492.63	-	7,861.17	-
Total revenues from services of VIH Group	1,718,603.31		1,344,338.02	-	1,247,101.98	-

**Remark :** 1. Vichaivej International Hospital Nongkhaem cancelled the service for Social Security Scheme customers and accommodates only general patients since 1 January 2012 onwards.

2. The Company acquired shares of The Bangkok Orthopedic Hospital Company Limited on 28 June 2016, So it is cumulative revenue for the period on 1 July – 31 December, 2016



## Business Operation by Each Product Line

### Nature of Service

to manage its cost effectively and extend the scope of service to reach the public comprehensively.

The hospital group provides service to two major customer groups: 1) Non-capitation customer group that pays treatment fees based on actual treatment provided, namely cash customers, life insurance customers, Workmen Compensation Fund customers, contract counterparty customers, right according to the act customers, and others; and 2) Capitation customer group under state project, namely social security customers, Universal Health Care Coverage customers, and foreign laborer health insurance project customers.

### Medical Services

The Company and subsidiary companies in the Vichaivej International Hospital Group are strongly determined to provide medical care services for every type of disease and specialist physicians in every field as follows.

#### Heart Clinic

Cardiovascular Center at Vichaivej provides modern medical service for every step of treatment since checking initial symptoms of coronal heart disease or heart disease, treatment of heart disease, and recovering the function of the heart by cardiovascular medical specialists (Dr. Wattana Boonsom) and medical specialist team. Moreover, we also provide modern medical devices and CCU, which enable nursing teams and cardiovascular medical specialist to conduct treatment and give advices to patients effectively 24 hours.

#### Orthopedic Center

Orthopedic center, Vichaivej International Hospital Group provide treatment service about the bones, muscles, tendons, nerves, bone and joint operation including Osteoporosis and bone disease in children by the professional surgeon's team of Orthopedic who have knowledge, potential, and experience. The hospital we provide service of treatment diseases of the bones, muscles, tendons, nerves and treatment to people who have been injured in sports, exercises or injury from the use of too much.

### Trauma and Emergency Center

Vichaivej International Hospital has a Trauma and Emergency Center. To provide help victims of an accident and emergency accurately and promptly with the team of medical experts and nursing staff with expertise. With all advanced technology devices and the ambulance to rescue fully the Advance Life Support (ALS) and Basic Life Support (BLS) availability with an emergency 24 hours.



### Laparoscopic Surgery Center

Vichaivej International Hospital providing services and surgical treatment of all kinds such as Gastrointestinal surgery, Urology Surgery, Neurological Surgery and surgical correction of defects and disabilities. With the technology of laparoscopic surgery, which method is help wounds heal faster, hurtless, wounds from surgery are small. This is different from old surgical scars that are long and large. Vichaivej International Hospital provides diagnosis and surgical treatment by the specialist team of experienced surgeons with modern medical equipment and nurses who will take care you in a highly integrated.

### Obstetrics Surgery Center

Obstetrics and Laparoscopic Surgery Center at Vichaivej International Hospital provides thorough medical consultation and treatment of Obstetrics / Gynecologic's diseases by highly skilled specialists. Moreover, we perform Obstetrics / Gynecologic service for women of all ages such as check-up, Mammography including biopsy, Thin Prep Cytology, Ultrasound diagnostics, Female reproductive organs and Pelvic exam by Laparoscopic, Laparoscopic surgery remains the leading brink when it comes to Gynecologic surgical techniques since it has a faster recovery time, less pain, less tissue trauma, few complications and better aesthetic result.





### Breast Center

Vichaivej International Hospital recognizes the importance of breast cancer significantly. In addition has establishment of Breast Center and to provide counseling and surgical care for patients of breast cancer or the people who want to know how to prevent of disease. And also provide knowledge to the public about breast self-examination with modern medical device, the diagnosis of breast cancer is correct and accurate by the Mammogram and Ultrasound technology is a safe alternative for patients with breast cancer before the surgery. Monitoring and rehabilitation of physical and mental health of the patient by a team of medical specialists, such as surgeons, radiologists, cancer physicians and nurses, nutritionists, physical therapists, etc., so that the patient has returned to live in society with other people.

### Urology Center

The hospital provides medical care for gallstones and urinary system diseases, such as urinary tract stones, Kidney stone and ureter, Stone in the gallbladder, Kidney cancer, Bladder cancer, Urinary Tract Diseases, Hematuria, etc. under the care of highly experienced medical specialists and nurses who take care of patients throughout the course of treatment until healed.



### Mother and Child Health Center

Mother and Child Health Center at Vichaivej International Hospital, We provide a full range of healthcare services for children. Our experienced and dedicated team of doctors, nurses and staff are committed to providing the best medical care possible for children. Our clinic greets families and

visitors in a bright, modern facility where clients are treated with dignity, respect and kindness.

### Diabetes Mellitus and Endocrinology Center

Vichaivej International Hospital preservation for patients with diabetes and endocrine-related diseases such as Thyroid disease, Adrenal Gland Disorders, Pituitary disease, Obesity and Disorders of Calcium and osteoporosis. By a team of specialist doctors and nurses trained with highly experienced and advanced technology of medical devices to ensure patients in the treatment process. And also promote patients or the general public gets to know the facts about diabetes and endocrine disorders to understand and take care of themselves properly

### Gastroenterology

The hospital has a medical specialist of the digestive system and liver disease with advanced equipment, such as a laparoscope esophagus, Stomach, Duodenum and Colon. Making clear and accurate diagnosis and can also Endoscopy for makes the problems caused by disorders of the digestive system and liver were treated quickly and completely, Includes instructions in caring of the digestive system and vaccination against diseases of the digestive system.

### Medicine Clinic

Vichaivej International Hospital provides medical treatment by a specialist team of doctors and high experience for 24 hours such as Cardiovascular diseases, Neurological, Diseases of the blood, Kidney disease, Skin diseases, Nervous system and the brain. And provide advice and counseling to take care of yourself deprived these diseases. We also encourage patients to have a medical examination to ensure that patients have a healthy body as well.

### Eye Clinic

Vichaivej International hospital provides care for all types of eye diseases for both children and adults. By a team of an experienced ophthalmologists and team of nurses with completed the trainings and according to international standards. Consultation and instructions treatment for people who have visual problems such as Visual acuity measurement, Treatment of cataract, Glaucoma, Pterygia, Retinal surgery, short-sightedness, Presbyopia, Astigmatism, Diabetic Retinopathy, Eye Infection, etc.



### Ear Nose and Throat (ENT) Clinic

Vichaivej International Hospital providing services at all types of ear, nose, throat such as otitis, sinusitis, etc. By a team of medical experts and highly experienced staff with modern medical devices safety throughout the treatment.

### Dialysis Center

Dialysis Center at Vichaivej International Hospital, We provides hemodialysis procedure that cleans and filters the blood from individuals whose kidneys have failed. And we provides dialysis services in a clean, comfortable, and safe environment, using modern dialysis machines, and offering the care under high standard of professional conduct. With 10 State-of-the-Art imported Dialysis Machines and We use Reverse Osmosis water treatment system dedicated to the Dialysis Unit meeting the international standards

### Dental Center

Dental Center at Vichaivej International Hospital, here we provide attentive dental services with advice and recommendations by a highly qualified trained team of dentists as if you were our family member. For your healthy teeth, the dental clinic offers the services such as Restorative dental care, Gum disease treatment, Prosthodontics treatment, Oral surgery, Pediatric dental treatment, Endodontic or root canal treatment, Aesthetic dentistry, etc... With taking care of dentists and nurse keeping you healthy teeth and a bright smile.

### Health Check-up Center

Check-up Center at Vichaivej International Hospital, We offer all types of physical exam and test with accurate results, convenience, comfort and modern facilities including internet access and relaxing atmosphere. We provide comprehensive check-up services for personal and companies. For group check-ups can be arranged at Vichaivej International Hospital or on-site using our team of check-up including doctors, nurses, medical technicians and staff with highly experienced. We personal assist you into the best health checkup package including Annual health check-up program, Pre-employment health check-up program, Pre-Marriage check-up program, Mammography & Breast exams and much more.



### Rehabilitation Clinic

Vichaivej International Hospital have providing Rehabilitation or Physical therapy by a team of physiotherapists that through training and highly experienced. Along with consulting and advice If the patients requires to physical therapy by themselves. It also has the international standard of physical tools and safe for patients such as Lumbar traction & cervical traction, Ultrasound therapy, Electrical Stimulation, Short wave diathermy, Transcutaneous Electrical Nerve Stimulation, Electrical Tilt table, etc.. To ensure that patients can return to normal or close to normal as possible.

### Skin Clinic

Vichaivej International hospital provides treatment for all types of skin diseases such as dermatitis, psoriasis, allergies, vitiligo, melasma, freckles, drug allergy, skin diseases in children and the elderly. Including beauty such as Botox and Filler injections to fix wrinkles, deep cheek, lips up and customize the face, Injection treatment of varicose veins, Treatment of acne, melasma, freckles, and diseases related to the hair.

### Anti-Aging Thai-Philos

Anti-Aging Thai-Philos Center at Vichaivej International Hospital Omnoi provide consultation and beauty care services with team of specialists in dermatology and aesthetic surgeon also Technology with aesthetic adapt to Thai Traditional Medicine and the Chinese Medical to nurture your skin and cosmetics made from natural extracts. Anti-Aging Thai-Philos Center focuses on the care of Healthy on the Inside, Beautiful on the Outside by the service as well as facial skin care, facial Lifting, smooth skin, reduce wrinkles, slimming, weight



loss for beauty and healthy without side effects. It also has Thai massage, relaxing massage, massage therapy for migraine headaches. Services by professional therapist with a variety of massage services to the recipient's convenience.

#### Radiology Center

Vichaiej International hospital provides medical services to patients with care and attention to all the preserve of specialized medical personnel and nurses who have experienced. With medical technologies that have helped to maintain a high quality, fast and efficient. Make the patient trust and confidence that will get good service and satisfaction.

#### Practical Nurse Training Center by Srivichai Vocational School

Srivichai Vejvivat Public Company Limited has invested as major shareholders in Srivichai Vocational School Company Limited which the facility will be mainly used to produce, train, and develop the personnel for Vichaiej International Hospital Group. The emphasis has been to produce nurse aid whose duty is to take care and provide convenience for patients, such as taking care of primary health. Srivichai Vocational School Company Limited plays instrumental role in producing nurse aid personnel for Vichaiej International Hospital Group

as a way of reducing personnel shortage and poor quality personnel problems. The training lasts for 6 months and has been certified by the Ministry of education. Furthermore, the Company has formed an agreement with Bangkok Thonburi University in organizing course for practical nurses certified by Thailand Nursing and Midwifery Council. In 2015, the School produced 41 nurse aid staff to work under Vichaiej International Hospital Group that allows the hospitals to have higher quality nursing personnel thereby assuring the patients and customers receiving service with the hospitals. Simultaneously, this serves as a channel for developing hospital personnel's career path.

#### Medical Support Service

- Medical Records Department
- Diagnostic Radiology Department
- Physical Therapy Department
- Laboratory Unit
- Nutrition Department
- Vehicle Department
- Facilities Department







# Marketing and Competition

## Status of Industry and Competition

Fluctuations in economic conditions in Thailand are caused by different factors, both from changes in values, thoughts, behaviors, specifically the growth of technology, communication systems, including the impact of politics. Cause of hospital business industry in Thailand has been fluctuating continuously and one of the reasons came from the government's decision to expand the health care coverage of The Social Security Scheme, Universal health Coverage, Migrant Health Coverage, and Civil Servant Medical Benefit Scheme. At the same time, the private health care providers have been adjusting their strategies in line with the competition, and in order to comply with changes in behavioral health services including the increase of international patients which has been part of the government's policy in making Thailand the "Medical Hub of Asia".

For keep pace with such changes Vichaivej international Hospital Group has created a combination of its unique selling points in order to develop a clear and positive image for the hospital, and emphasizing on the specialization of the hospital in the treatment of certain ailments is an important part of the strategy. Forming part of this is the creation of a network of business partners in the form of hospital chain that can be effective in terms of hospital operation and management, cost and human resources; the expansion of customer data base and the standardization of services; the modernization of medical equipment and advance technologies.; the development of staff and public relation activities to promote the hospital, such as "The mobile medical unit providing community cares on various occasions", "The project Jit-ar-sa-mo-tor-zai-kuu-chiph" (The motorcycle taxi driver was a volunteer rescue), "Obesity in Children", and school tours to explain about health care etc.

## Competitions

Hospital and health-related service business is considered to be one of the businesses that remains in the people's interest as today consumers turn more attention to taking care of their health and having proper hygiene. For that reason, this has led competition to be more intense, from both the competition amongst private hospitals and the competition against state hospitals that have adjusted their operations to gear toward consumer market more. At the same time, consumers are more educated and start to compare quality and price. This implies that service prices are regulated by the factors of business competition situation, replacement products, buyer's power, and partner's negotiation power. In the past, Vichaivej International Hospital Group has created strong competition power in that it has managed its purchasing operation together as a group and with other hospital partners in order to establish negotiation power against business counterparties, such as medicine and medical supplies suppliers, in order to minimize product costs.

The hospital business competition that Vichaivej International Hospital Group has to face is not just from hospitals in southern part of Bangkok, Samutsakorn Province, and Nakhon Pathom Province only, however, private hospitals in nearby provinces, alternative medicine treatment as well as drug stores and clinics all try to compete in the business in order to take away the market share from Vichaivej International Hospital Group. The reason for such strong competition is due to the locations of the three hospitals which lie in industrial areas with not less than 5,400 factories and densely-populated community zones. However, Private hospital nearby in 10-20 kilometers as the following Vichaivej International Omnoi Hospital



Vichai International Omnoi Hospital	<ul style="list-style-type: none"> <li>- kasemrad Hospital Bangkae</li> <li>- Bangkok Hospital Sanamchan</li> <li>- Thonburi 2 Hospital</li> <li>- Mahachai 2 Hospital</li> </ul>
Vichai International Nongkheam Hospital	<ul style="list-style-type: none"> <li>- Phyathai 3 Hospital</li> <li>- kasemrad Hospital Bangkae</li> <li>- Petkasem Hospital</li> <li>- Bangphai Hospital</li> <li>- Thonburi 2 Hospital</li> </ul>
Vichai International Samutsakhon Hospital	<ul style="list-style-type: none"> <li>- Mahachai 1 Hospital</li> <li>- Mahachai 3 Hospital</li> <li>- Ekachai Hospital</li> <li>- Vibharam Samutsakhon Hospital</li> </ul>
Vichai Yeakfaichai Hospital	<ul style="list-style-type: none"> <li>- Phyathai 3 Hospital</li> <li>- Thonburi Hospital</li> <li>- Bangphai Hospital</li> <li>- Yanhee Hospital</li> <li>- Chaophya Hospital</li> </ul>

### Marketing policy

**Customer:** The current customer of the hospital can be categorized into two: non-capitation and Capitation.

**Non-capitation:** Those who live or work near the hospital and outside the area, but do trust the doctor especially in orthopedic clinic, including office employees, factory workers and the government offices who have the contract with the hospital or customers of insurance companies. We also have group of foreign clients from the Middle East, ASEAN who come to use the medical services of the hospital and avail of cosmetic surgery.

**Capitation:** The patients who are treated in the hospital under a contract and pay annually through The Social Security Scheme, Universal health Coverage, Migrant Health Coverage, and Medical benefits of civil servants and State Enterprise's Employees Scheme.

### Characteristics of target customers

Target customers are separated into 4 groups.

1. The group that lives within the radius of 10-20km of each hospital in which the hospital has publicized among its target customer group so that they are informed and understand the hospital group's expertise in treating bone and joint disease including the standard and readiness to treat other diseases. The hospitals have expanded and introduced new service that promotes strong health or prevents illnesses in addition to general treatment service available in order to attract non-patient customers.

2. The group comprising private companies, factories, educational institutes, banks, schools, government agencies, and business group in the industry that have not formed service contracts with the hospital group including management level staffs who are drawn to use more treatment service from the hospital group. The hospital group assigns its marketing and sales departments to be responsible for publicizing and contacting the various companies.

3. With life insurance companies, the hospital group certainly places great emphasis in doing marketing activities with this customer group as they are perceived to have high growth rate due to public attitude change that turns more attention to taking care of their health. This certainly is consistent with the government's promotion in wanting people to pay more attention to their health, plus the state's policy in allowing the use of premiums to deduct tax. Each hospital within the group would have marketing officers contact and form contracts with life insurers in order to become their contract hospitals and treat their patients. This would offer convenience to patients who come for treatment at the hospital.

4. International customer group that lives in Thailand and comes into the country to do business or work or just as tourists as the hospital recognizes the growth potential in this customer group. The hospital group has started to contact representatives and partners overseas in order for them to send foreign patients in Asia and Middle East to receive treatment at the hospital.



**Quality service at competitive price:** The entire Vichaivej International Hospital Group, focuses on service through the customer relation service center to achieve customer satisfaction which leads to customer loyalty and create an impressive experience for customers.

**The medical:** Vichaivej International Hospital Group focuses on the recruitment of doctors who have specialized knowledge, experience and expertise in each clinic. They are available to patients 24 hours a day, together with nurses and staff who have the knowledge and expertise in each job to deliver maximum benefits to customers.



**Advertising and public relations:** Public relations is one way of creating public awareness and understanding about the capability and service quality of the hospital. We have established community commitment projects such as Provide knowledge about health in schools and workplaces annually, etc..

In addition, it will also promote the national level to the reputation and expertise of the hospital is known and familiar to the public at large, by any method, for example.

- Promoting the activities and events of the hospital through leading newspaper such as Thairath, Dailynews, Komchadluek, Matichon , etc. including local newspapers and television media

- Educating the community under various projects, such as through a broadcast on one local radio station FM 96.25 MHz "Happy Hour by Vichaivej" on air every Monday to Friday 14.00 - 15.00 hrs. And live interviews Dr. Wattana Boonsom specialist cardiovascular disease through radio FM 89.50 MHz broadcast every Saturday at 19:00.

- Preparation of the quarterly magazine called "V care" which is distributed to the customers of the hospital, school libraries and offices.

- Website Vichaivej International Hospital Group including social media such as Facebook, Instagram, Twitter, Google plus, YouTube, Pinterest and Line.

**Sales and distribution channels:** The hospital has several distribution channels. The direct sales focus on customers paying cash, Life insurance, Contract companies and through the government such as Social Security Scheme.

**Social Responsible Activities:** The Hospital aims to run the business with social responsibility and contribution to community as an organization of medical care.

**Setting the treatment fee.**

For cash customer group, the hospital group operates with a pricing policy that takes into account the business operating costs and pricing that is market competitive, such as physician fee, medicine and medical supplies fees, medical equipment fee. For room charges, price would be set by referring to market prices of nearby hospitals, inclusive of items and facilities inside the room. Overriding everything, fees must be set based on pricing fairness principle and with consumers being the focal concern. Each hospital within the group would take into account the income level of target customer group before setting price standard to be consistent and suitable. The group has studied the possibility of adjusting its medical fees to be equivalent with other hospitals at the same level as today Vichaivej International Hospital Group has made leaping progress and is fully equipped with tools and equipment while its fees were still low compared to other hospitals.





## Products and services

### 1. Providing medical staff

Doctors, nurses and staff are a valuable asset in the business. Recruiting doctors also means building a good relationship with them via the development of the medical staff through training and scholarship programs. The Hospital provides on-the-job training for nursing students from Thai universities.

### 2. Providing medicines and medical supplies

The raw materials and cost of hospital pharmaceutical and Therapeutics Committee. This includes doctors,

nurses, pharmacists, and the purchasing department. The Purchasing Department in order to compare quality, price, quantity, and reliability of each distributor before ordering.

### 3. Providing medical equipment

Medical device directors will consider the appropriateness of the tool to compare quality, price, service, delivery, after sales service and reliability of each distributor before ordering.





## Risk Factors

The Company manages the business risk through supervision of the Risk Management Committee that is responsible for formulating risk management policy and risk management guideline, monitoring, assessing and improving operation plan in order to reduce risk caused by both internal and external factors. The Committee needs to ensure efficient risk management and control risk at an acceptable level in accordance to the Company policy, which recognizes the importance of risk management to cope with any situations and changing trends, both inside and outside the organization that change rapidly.

### **Risk from increased hospital industry competition**

The private hospital business is highly competitive and is likely to be even more competitive in the future. Apart from competition with hospitals at the same level, the Company must also compete with low level private hospitals, as well as public hospitals that have also expanded their medical services such as opening after-hours clinics. In that case, the Company has augmented and expanded the service area by investing additionally in Vichavej Heart Center, mobile medical unit service, Occupational Medicine Center, Sports Medicine Center, and midnight clinics in order to respond to community and customers residential surroundings.

### **Risk in losing medical personnel or key executives**

Presently, the hospital business in Thailand is faced with the problem of lack of medical personnel. Great reliance is placed upon the public sector to develop medical personnel and there have not been sufficient medical personnel to meet demand. The Company has had to compete with other hospital operators in retaining and attracting skilled medical personnel, which will affect the Company's operation costs.

Vichavej International Hospital Group has a standard in setting the remuneration fee and welfare to closely match with competitors. Along with that, the hospital has also created a clear and fair evaluation system as well as the hospital's environment that fosters caring attitude among

colleagues. Moreover, the hospital grants scholarships to its employees as a gesture of promoting and supporting continual learning that would contribute to developing the organization further.

### **Risk of lawsuits**

As the hospital business provides medical care services, which relates to the life and health of the patrons, the Company and network hospitals are faced with the risk of being sued by persons receiving medical services. This may affect the Company's reputation and patrons' confidence in the Company and network hospitals. Furthermore, the Act on Court Proceedings for Consumer Cases B.E. 2551 (2008) has laid out a system in considering cases that enable patients to fight for their rights. Patients who have been wronged will receive speedy remedy as the Act provides patients the right to go to court. Businesses are therefore more likely to be sued by patrons or have to pay damages for medical services provided.

It was then required of physicians to take out insurance in order to protect in case of lawsuits or damage claims in part of workers who through their role have to set a plan for analyzing the work process of their unit in order to look out for any risks and prepare proper work system to prevent such risks from arising.

### **Risk from future changes in standards or regulations governing the Company**

The enforcement of laws or new regulations, as well as the deliberation of the draft Patient Protection Act, which protects persons who have been wronged or received damages from health care services with the goal to compensate the patients in a timely manner without having to prove wrongdoing, may affect health care providers including the Company. There is also consideration of setting up a patient protection fund to pay for damages to patients, whereby the health care institutions have to make contribution to such fund according to the criteria and rate specified by the Patient Protection Commission. Therefore, the Company may not be able to guarantee that future changes to laws and regulations or issuance of



new regulations or new policies related to the Company's business will not affect the Company's operations and business opportunities.

However, a resolution has been developed by clearly identifying the responsible person and implementing a confirmation system to make sure that related laws are updated at all times and set the means to access related laws and different standards for internal staffs via the Company's Intranet system.

#### **Risk of reliance on distributors of medicine and medical supplies**

One of the important factors in providing medical services is the sufficient procurement of quality medicine and medical supplies. There are few major distributors of medicine and medical supplies in Thailand. The Company ordered medicine and medical supplies from the 5 major distributors. Therefore, the Company faces risk of dependence on medicine and medical supplies distributors, which may affect bargaining power or operational costs and may have material negative impact on the business, financial status, performance and business opportunities.

Most distributors are only dealers and not producers which the Company can order medicines directly from the producers or other distributors instead.

Guideline has been set in case there is shortage of medicines and supplies in the market by contacting the seller or arranging to have reserved medicine while contacting network hospitals to find ways to bargain with the seller or adopt the system of borrowing medicine interchangeably within the hospital group. In the end, there will be some monitoring to check the outcome after implementing this guideline. At the same time, the hospital group has enhanced the potential and knowledge in medicines and supplies of its purchasing unit in order to reduce risk and prevent effect from the trend of medicines and supplies shortage.

#### **Risk in collecting medical fees**

Since the medical treatment service provided by the Company is a service rendered before collecting due treatment fees, the Company then runs the risk of being unable to collect such fees in full amount. For that reason, the

Company has created a process that would help reduce the risk of being unable to collect treatment fees, for instance, checking the eligibility and financial status of the service recipient. However, it has turned out that there were still some cases which the hospital could not collect treatment fees from the patient as such patient was in critical state that necessitated immediate treatment, otherwise, the patient may die. In such case, the Company had no choice but to provide treatment based on moral and professional code of ethics.

Work plan of the Risk Management Committee for 2015-2017 entails risk analysis and finding of measures to ensure that the strategies would lead to the realization of set targets, whereby 4 areas of risk have been classified as follows.

1. Strategic Risk includes mobile health check project, VIH examination and analysis center project, and heart center project.
2. Financial Risk includes fund for investment, circulating fund, and consistency of revenue-expense to target.
3. Operation Risk includes OPD and emergency room treatment, IPD treatment, surgery room-delivery room, and human resources management operation.
4. IT Risk which involves defining a work procedure including analysis of the work process executed by Vichaivej International Hospital Group, problems and risk finding/data gathering, analysis of risk likelihood and impact, and search for approach to prevent significant risk.







## General Information

### Srivichai Vejvivat Public Company Limited

Type of Business	Private Hospital operating under the name “Vichaivej International Omnoi Hospital”		
Location	74/5 Moo 4, Phetkasem Road, Omnoi Subdistrict, Krathumbaen District, Samutsakorn Province 74130		
Telephone Number	(+662) 441-7899 and Hotline 1792		
Facsimile	(+662) 431-1404	First Trade Date	09 May 2012
Website	www.vichaivej.com	Par Value	1.00 Baht
Email	bod@vichaivej.com	Common Stock	
Number of beds	200 beds	Authorized Capital	570,666,666 Bath
Registration Number	0107554000062	Paid-up Capital	570,665,433 Bath

## General Information of Subsidiary Companies

### Saivichai Development Company Limited

Type of Business	Private Hospital operating under the name “Vichaivej International Nongkhaem Hospital”		
Location	456-456/8 Phetkasem Road, NongkhangPlue Subdistrict, Nongkhaem District, Bangkok 10160		
Telephone Number	(+662) 441-6999	Authorized Capital	150, 000,000 Bath
Facsimile	(+662) 421-1784	Paid-up Capital	150, 000,000 Bath
Website	www.vichaivej.com	Common Stock	30,000,000 shares
Email	nongkhaem@vichaivej.com	Par Value	5.00 Bath
Number of beds	200 beds	The proportion of	
Registration Number	0105530047130	shares held by VIH	99.43%

### Srisakorn Vejvivat Company Limited

Type of Business	Private Hospital operating under the name “Vichaivej International Samutsakhon Hospital”		
Location	93/256 Mahachai Intersection, Sethakit 1 Road, Tasai Subdistrict, Muang Samutsakorn District, Samutsakorn Province 74000		
Telephone Number	(+6634) 826-708-29	Authorized Capital	99,200,000 Baht
Facsimile	(+6634) 826-706	Paid-up Capital	99,200,000 Baht
Website	www.vichaivej.com	Common Stock	19,840,000 shares
Email	samutsakhon@vichaivej.com	Par Value	5.00 Bath
Number of beds	120 beds	The proportion of	
Registration Number	0105537019778	shares held by VIH	99.56%



## Bangkok Orthopedic Hospital Company Limited

Type of Business	Private Hospital operating under the name “Vichaivej Yaekfaichai Hospital”		
Location	240/2-4 Charunsanitwong Road, Banchanghlol, Bangkoknoi, Bangkok 10700		
Telephone Number	(+662) 412-0055-60	Authorized Capital	9,000,000 Bath
Facsimile	(+662) 412-7581-2	Paid-up Capital	9,000,000 Bath
Website	www.vichaivej.com	Common Stock	90,000 shares
Email	yeakfaichai@vichaivej.com	Par Value	100.00 Bath
Number of beds	59 beds	The proportion of	
Registration Number	0105525008687	shares held by VIH	99.99%

## Srivichai Vocational School Company Limited

Type of Business	Occupational School operating to produce child and senior caretaker personnel		
Location	74/5 Moo 4, Phetkasem Road, Omnoi Subdistrict, Krathumbaen District, Samutsakorn 74130		
Telephone Number	(+662) 441-7899 Ext. 1703	Authorized Capital	100,000 Bath
Facsimile	(+662) 431-1404	Paid-up Capital	100,000 Bath
Website	www.srivichai.ac.th	Common Stock	20,000 shares
Email	teacher@srivichai.ac.th	Par Value	5.00 Bath
Registration Number	0745553005535	The proportion of	
		shares held by VIH	99.98%

## Other Company

### Mahanakorn Mae-sod Vejchakarn Company Limited

Type of Business	Private Hospital operating under the name "Nakorn Mae-sod International Hospital"		
Location	222 Moo 9, Mae Pa Subdistrict, Mae sod District, Tak Province		
Number of beds	59 beds	Authorized Capital	270,000,000 Bath
Telephone Number	(+6655) 518-200	Paid-up Capital	270,000,000 Bath
Facsimile	(+6655) 518-205	Common Stock	54,000,000 Shares
Website	www.nakornmaesot.com	Par Value	5.00 Bath
Email	nakornmaesod@gmail.com	The proportion of	
Registration Number	0105556060761	shares held by VIH	15%

## References

### Securities Registrar

Thailand Securities Depository Company Limited  
4th Floor, The Stock Exchange of Thailand Building,  
62Rachadapisek Road, Klongtoey District,  
Bangkok 10110, Thailand  
Tel. 02-229-2800 Fax 0-2359-1259

### Auditor

E Y OFFICE COMPANY LIMITED  
33rd Floor, Lake Rajada Office Complex  
193/136-137 New Rajadapisek Road  
Klongtoey District, Bangkok 10110, Thailand  
Tel. 02-264-9090 Fax 02-264-0789-90



## Shareholder

Srivichai Vejvivat Public Company Limited respects the rights of shareholders to obtain the required information to equally evaluate the Company's growth, in order to determine profitability and return for shareholder, and would disclose operating performance, financial position, as well as supporting true information as required by The Stock Exchange of Thailand (SET) and Securities and Exchange Commission, Thailand (SEC).

### Relationships with shareholders and investors

Srivichai Vejvivat Public Company Limited is also responsible for providing accurate and complete information and listens to the opinion of shareholders and investors consistently. Shareholders and investors can contact us for information and provide comments directly to the Office of the Secretary of the Company at Tel. 0-2441-7899 Ext. 1707, 1708, Fax 0-2431-1404 or by e-mail: [shares@vichaivej.com](mailto:shares@vichaivej.com). The Company's annual plan has included development of channels for communication and activities to be held between the shareholders and investors and senior executives of the Company as follows.

**A. The shareholders' meeting:** The shareholders' meeting is important for the Company as directors and executives will attend the meeting to listen and answer questions raised by the shareholders.

**B. Annual Report and information display:** The Company prepares the annual report and provides information display in order for the shareholders and investors to acknowledge important corporate information. The Company also prepares the annual report in CD format to be distributed among shareholders.

**C. Website:** The Company offers information about the financial reports, lectures, annual reports, minutes of the shareholders' meetings and news about the Company on the Company's website [www.vichaivej.com](http://www.vichaivej.com) to give equal access to information among all the shareholders. Through the website, shareholders, investors, and stakeholders can make comments, as well as propose meeting agenda and candidate whom they think are qualified to be directors prior to the Company sending them meeting invitation letter via the website.

### D. Contact with the Board of Directors and Company

**Secretary:** Shareholders can contact the Board of Directors, committees or directors at the add

Srivichai Vejvivat Public Company Limited  
74/5 Moo 4 Petchkasem Road, Omnoi Subdistrict, Krathumban  
District, Samutsakorn Province 74130 Tel. 0-2441-7899  
Ext. 1707, 1708 Fax 0-2431-1404 or E-mail: [shares@vichaivej.com](mailto:shares@vichaivej.com)

The Company Secretary is responsible for receiving documents sent to the Board of Directors and submitting them to the committee or director involved and at the same time will prepare a summary of all suggestions and issues to be brought to the attention of the Board of Directors each month. This, however, does not include letters sent to the Audit Committee, which will be sent directly to the Audit Committee.

**E. Newsletters (Media Relations):** The Company disseminates information on the progress of business and public relations activities of the Company through various media relationship forms, such as radio, newspapers and public websites, as well as the website of the Company to promote activities, such as corporate social responsibility (CSR), medical knowledge sharing, community engagement, as well as other internal activities of Vichaivej Hospital. This includes having a local radio waves: FM 96.25 MHz "Happy Hour by Vichaivej" on-air every Monday to Friday from 14:00-15:00

The Company also publishes a medical magazine "V care" issued every quarter to disseminate medical knowledge and information as well as advancements of hospitals under Vichaivej International Hospital Group.

**F. Evaluation of information disclosure:** Srivichai Vejvivat Public Company Limited would provide a questionnaire to evaluate the efficiency of information disclosure every time there is a meeting with shareholders, investors and analysts, as these will serve as a guideline in determining the efficiency of the information disclosure.

Srivichai Vejvivat Public Company Limited would like to thank all shareholders and investors for providing information to the Company via different channels on how to improve the operations and make it more efficient in order to create more value to the Company and to the shareholders.





## Dividend Policy



### Dividend Policy

The Company's policy is to pay dividend to shareholders at a rate not less than 50 per cent of net profit after tax and net of all reserves required by law based on the separated financial statements. However, the payment of dividend will depend on the cash flow, investment plan, contract terms and conditions that the Company is bound, including legal restrictions, necessity and other matters appropriate in the future. The resolution of the Board of Directors' approval for dividend payment will have to be proposed for approval by the general meeting of shareholders, unless it is an interim dividend payment whereby the Board of Directors has authority to approve the payment. However, such interim dividend payment has to be reported to the shareholders' following meeting.

### Dividend Payout Information

Year	2016	2015	2014	2013
Dividend per share (Baht / share)	0.10	0.02	0.06	0.03
Interim dividend payment (baht / share)	-	-	0.0741	-
Earnings per share (Baht / share)	0.27	0.18	0.17	0.11
Dividend to earnings ratio (%)	37.28	11.25	75.98	26.27

**Remark :** 1. The Company paid an interim dividend in 2014.

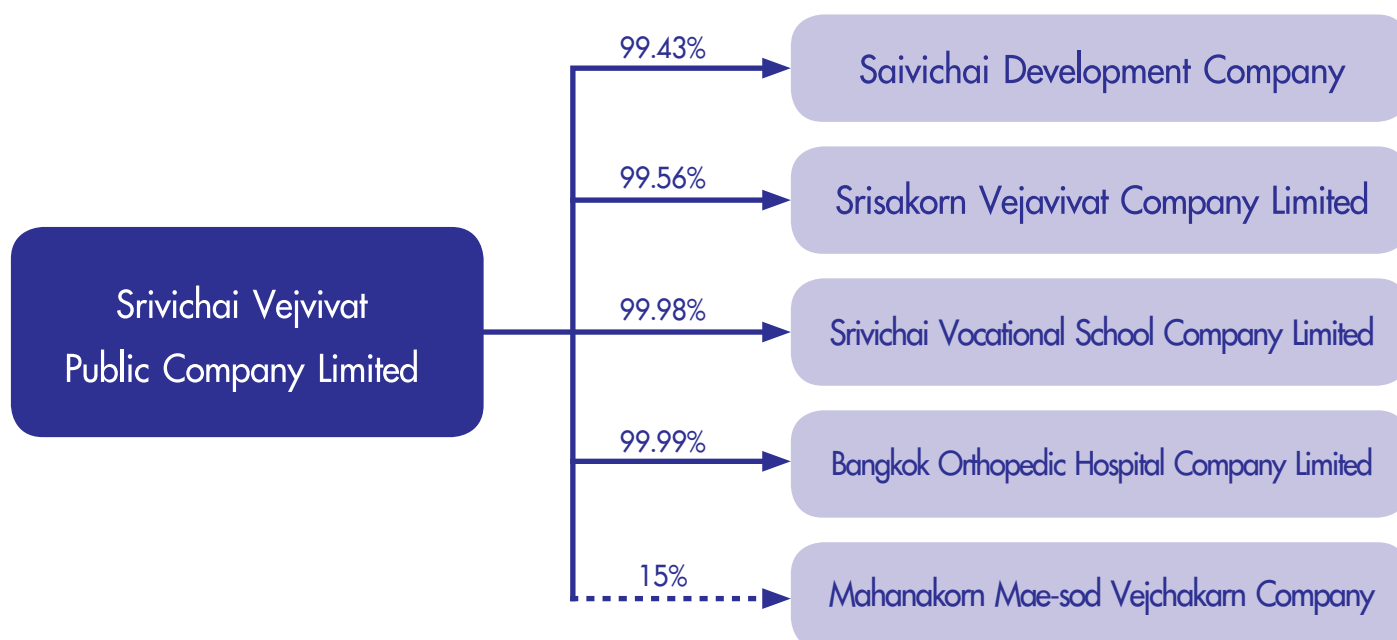
2. The Board of Directors resolved to set dividend payment rate at Baht 0.11 per share, for further proposal to the shareholders' general meeting year 2017 for approval, on April 29, 2017.



# Shareholding and Management Structure

## Shareholding Structure and the Company Group Structure

Shareholding Structure of the Company as at 31 December 2016



Company	Registered Capital (Baht)	Paid-up Capital	Bed	Area	Number of shares	Holding shares	
						No.shares	%
Srivichai Vejvivat Public Company Limited :Vichaivej International Hospital Omnoi	570,666,666	570,665,433	200	Samutsakhon	570,666,666	-	-
<b>Subsidiaries</b>							
Saivichai Development Company Limited :Vichaivej International Hospital Nongkhaem	150,000,000	150,000,000	200	Bangkok	30,000,000	29,829,500	99.43
Srisakorn Vejvivat Company Limited :Vichaivej International Hospital Samutsakhon	99,200,000	99,200,000	120	Samutsakhon	19,840,000	19,752,654	99.56
Srivichai Vocational School Company Limited :Srivichai Vocational School	9,000,000	9,000,000	59	Bangkok	90,000	89,998	99.99
Bangkok Orthopedic Hospital Company Limited : Vichaivej Yaekfaichai Hospital	100,000	100,000	-	Samutsakhon	20,000	19,996	99.98
<b>Other Company</b>							
Mahanakorn Mae-sod Vejchakarn Company Limited: : Nakorn Maesod International Hospital	270,000,000	270,000,000	59	Tak	54,000,000	8,100,000	15



## Shareholding Structure

The first 10 major shareholders as at December 30, 2016 are as follows:

Name	As of 30 Dec 2016		As of 30 Dec 2015		change	
	No.of shares	% of Paid up Capita	No.of shares	% of Paid up Capita	+ / (-)	%
1. Rungsima Wanitphakdeedecha, M.D.	123,608,106	21.66	58,000,000	10.16	65,608,106	113.11
2. Pat Rojmahamongkol, M.D.	116,000,000	20.33	88,000,000	15.42	28,000,000	31.81
3. BBTV Equity Company Limited	114,240,000	20.02	114,240,000	20.02	-	0.09
4. Patcharapan Vanadurongwan, Ms	28,000,000	4.91	28,000,000	4.91	-	-
5. Kachen Benjakul, Mr	12,636,200	2.21	559,700	0.10	12,076,500	>100
6. HSBC (SINGAPORE) NOMINEES PTE LTD	7,255,900	1.27	-	-	7,255,900	>100
7. Sarawadee Vichayanothai, Ms	5,922,400	1.04	-	-	5,922,400	>100
8. Thitima Wangteeraprasert, Mrs	5,340,000	0.94	-	-	5,340,000	>100
9. Vichit Chinwongvorakul, Mr	5,160,000	0.90	-	-	5,160,000	>100
10. Vichya Mekaapirak, Mr	4,850,106	0.85	106	0.00001	4,850,000	>100







Shareholding structure classified by shareholding party categories As of December 30, 2016

Shareholder Category	Number	No. of shares	%
<b>Legal entity</b>			
Thai nationality	20	121,539,599	21.30
Foreign nationality	4	7,255,900	1.27
Total legal entity	24	128,795,499	22.57
<b>Ordinary person</b>			
Thai nationality	2,698	441,801,668	77.42
Foreign nationality	1	68,266	0.01
Total Ordinary person	2,699	441,869,934	77.43
<b>Total</b>	<b>2,723</b>	<b>570,665,433</b>	<b>100</b>

Shareholding structure classified by shareholding ratio As of December 30, 2016

Shareholder Category	Number	No. of shares	%
<b>Legal entity</b>			
Holding shares over 0.5%	3	122,664,100	21.50
Holding shares not over 0.5% but not less than 1 board lot	21	6,131,399	1.07
Holding shares less than 1 board lot	0	0	0.00
<b>Total legal entity</b>	<b>24</b>	<b>128,795,499</b>	<b>22.57</b>
<b>Ordinary person</b>			
Holding shares over 0.5%	18	335,613,762	58.81
Holding shares not over 0.5% but not less than 1 board lot	2,149	106,237,840	18.62
Holding shares less than 1 board lot	532	18,332	0.00
<b>Total ordinary person</b>	<b>2,699</b>	<b>441,869,934</b>	<b>77.43</b>
<b>Total</b>	<b>2,723</b>	<b>570,665,433</b>	<b>100</b>

**Remark:** Refer to the Thailand Securities Depository Company Limited (TSD)

The company not have any Shareholders' Agreement between major shareholders with possible impact on the issuance and offering of securities or on the management of the company, co-signed by the company



## Management Structure

### Board of Directors

As of December 31, 2016, the Board of Directors is comprised of 12 Directors as followed: 6 non-executive directors, 4 of which are independent directors and 6 executive director namely:

Name - Surname	Position	Appoint Date
<b>Non-Executive Directors</b>		
Virah Mavichak, Mr.	Independent director Chairman of Audit Committee Chairman of Nomination and Remuneration Committee	April 24,2015 (Re-elected) March 26,2014 (Re-elected) January 17,2014
Surin Premamornkit, Mr.	Independent director Audit Committee Nomination and Remuneration Committee	April 5, 2013 March 26,2014 (Re-elected) January 17,2014
Visut Montriwat, Mr.	Independent director Audit Committee Nomination and Remuneration Committee Chairman of Corporate Governance Committee	April 5, 2013 March 26,2014 (Re-elected) February 19,2016 December 19,2016
Porntep Siriwanarangsun, MD., MPH., Ph.D	Independent director Audit Committee	April 24,2015 (Re-elected) March 26,2014 (Re-elected)
Nopporn Tirawattanagool, Ms.	Director Working Group for Financial and Investment Planning	October 17,2014 November 11,2014
Tinnawat Mahataradol, Mr.	Director Working Group for Financial and Investment Planning	October 17,2014 November 11,2014
<b>Executive Directors</b>		
Assoc.Prof.VichaiVanadurongwan, M.D.,Ph.D.,FIMS	Chairman of the Board	April 24,2015 (Re-elected)
Ass.Prof.Saisunee Vanadurongwan,M.D.	Vice Chairman Chief Executive Officer (CEO) Nomination and Remuneration Committee	April 25,2014 (Re-elected) December 4,2013 February 19,2016
Pongsak Vathana,M.D.	Director Deputy Chief Executive Officer	
Vilawan Vanadurongwan, Ms.	Director Deputy Chief Executive Officer Chairman of Risk Management Committee Nomination and Remuneration Committee Chairman of Working Group for Financial and Investment Planning	April 25,2014 (Re-elected) December 4,2013 April 19,2015 January 17,2014 November 11,2014
Mongkon Wanitphakdeedecha M.D.,M.Sc.	Director Deputy Chief Executive Officer Nomination and Remuneration Committee Working Group for Financial and Investment Planning	April 25,2014 (Re-elected) December 4,2013 January 17,2014 November 13,2015
Prut Rojmahamongkol,Mr.	Director Working Group for Financial and Investment Planning	April 22, 2016 November 13,2015

**Remark:** Prat Boonyawongvirot, M.D. Independent Director and Audit Committee passed away on November 13, 2015 and retired Directors on November 23, 2015. The Board of Director has considered and approved to appoint Mr.Porntep Siriwanarangsun as a new Director in replacement with effective from 19 February 2016 onward



### Structure of the Board of Directors

According to the Company's articles of association, the Board of Directors shall consist of at least five members. Not less than half of the number of such directors must reside in the Kingdom of Thailand.

### Appointment of Directors

The appointment of directors are prescribed in the Company's article of association, which can be summarized as followed:

1. Each shareholder shall have a number of votes equal to the number of shares held multiplied by the number of the directors to be elected;
2. Each shareholder may exercise all the votes he or she has under (1) to elect one or several persons as director or directors. If several persons are to be elected as directors, the shareholder may allot his or her votes to any person in any number;
3. After the vote, the candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order, until all of the director positions are filled. Where there is an equality of votes cast for candidates in descending order causing the number of directors to be exceeded, the remaining appointments shall be made by drawing lots.
4. In case of a vacancy on the Board of Directors otherwise than by rotation, the Board of Directors shall elect any person who is qualified and not subject to prohibition under the laws as a replacement director at the next meeting of the Board of Directors, except in the case where the remaining term of office of such director is less than two months. The replacement director shall hold the office only for the remaining term of the director whom he replaces.

### Removal and Termination of Directors

1. At every annual general meeting, one-third of the number of the directors shall vacate the office. If the number is not a multiple of three, then the number nearest to one-third must retire from the office.
2. Other than vacancy by rotation, the director shall vacate the office upon:
  - (1) death;
  - (2) resignation;
  - (3) lack of qualifications or subject to prohibition under the law;
  - (4) being removed by resolution of the shareholders

meeting by voting of not less than three-fourths of the number of the shareholders present and entitled to vote and having shares in aggregate not less than one-half of the number of shares held by the shareholders present and entitled to vote;

- (5) being removed by the court order.

3. Any director wishing to resign from the director position shall submit the resignation letter to the Company. The resignation shall take effect upon the date on which the resignation letter reaches the Company.

### The term of office of Directors.

At every annual general meeting, one-third of the number of the directors shall vacate the office. If the number is not a multiple of three, then the number nearest to one-third must retire from the office. After these Articles of Association become effective, the directors to retire from office pursuant to the first paragraph in the first and the second years shall be determined by ballots. In every subsequent year the directors who have served longest in office shall retire.

Upon an occasion where several directors who have been in office for an equal length of time exceed the number of directors to retire from office for such time, the directors due to retire shall be determined by ballots. A retiring director based on the foregoing shall be eligible for re-election.

### Duties and Responsibilities of the Board of Directors

1. Supervision and management of the Company and subsidiary companies to be in accordance with the laws, and regulations of the Company and its subsidiaries as well as the resolution of the shareholders, except in matters that require approval by the shareholders before proceeding, for instance matters that need approval from the shareholders' meeting, related party transactions and purchase or sale of major assets by the rules of the Stock Exchange of Thailand and the Office of the SEC or other government agencies as required and so on.
2. Review and approve key matters namely the policy, work plan and budget, investment in projects not included in the annual budget, management structure, authority in management of policy relating to compliance transactions or any actions that may affect the financial condition, liabilities, business status and reputation of the Company and its subsidiaries, interim dividend payment as well as other matters stipulated by the Stock Exchange or the law.



3. Overseeing the management operations to comply with the policy, plan and budget that have been approved.

4. To consider and approve the appointment of a person who is qualified and has no prohibited characteristics as defined in the Public Companies Limited Act B.E. 2535 (1992) (including the amendments) and securities and exchange laws as well as notifications, provisions, and/or relevant regulations, when Director position is vacant by other causes apart from by rotation, and the appointment of the Chief Executive Officer of the Company and subsidiaries.

5. To Consider appointment and assignment of the role of Committees as follows.

5.1 Establish Committees as deemed appropriate and necessary to perform the responsibilities of the Board of Directors including Audit Committee, Executive Committee, Nomination and Remuneration Committee and Risk Management Committee, etc.

5.2 Consider and approve the role of the Committees, as well as changes in the composition of Committees that have been appointed.

6. Oversee the interests of both major and minor shareholders fairly and treat shareholders and stakeholders justly.

7. Provide a balance of management and/or major shareholder in the appropriate level. It is important to maintain a good ratio or number of independent directors on the Board of Directors of the Company.

8. Ensure that the Board of Directors receives adequate information from management to perform their authorized role, duty and responsibility fully.

9. Ensuring a transparent operation and management of the Company, including related party transactions between the Company and subsidiaries and related parties in order to prevent conflicts of interest by providing accurate and adequate information disclosure, as well as reporting to the Board of Directors regularly.

10. Consider determining and changing the names of Authorized Directors who have the authority to bind the Company and its subsidiaries.

11. To provide the accounting system, financial reporting and credible auditing, as well as a system of internal control and internal audit that is effective and efficient, and to approve changes in policies and practices that have material effect on accounting and internal control of the Company and subsidiaries.

12. Authority to do as following can only be made upon receiving approval from the shareholders' meeting first. For matter where there may be Director or person who may have disagreement, stake or conflicts of interest in the Company or subsidiaries, it is stipulated that that Director who has a stake in the matter shall have not rights to cast a vote for that matter.

12.1 The matter which the law requires the resolution of the shareholders' meeting.

12.2 To perform transaction where Director will have a stake and required by the law or the Stock Exchange of Thailand to receive the approval from the shareholders' meeting.

13. The Board of Directors may authorize a Director or many Directors or other person to perform either one act on behalf of the Board of Directors. This authorization does not include the authorization or sub-authorization that allows the Director or authorized person to approve transaction where the Director or authorized person may have conflicts of interest with the Company or subsidiaries. It is a requirement to seek approval from the shareholders' meeting in all related transactions and the acquisition or selling of important assets of the Company and its subsidiaries, in line with the requirements of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, and/or other relevant government agencies.







### Executive Director (As defined by the SEC)

As of December 31, 2016, Executive Director is comprised of 6 directors as followed:

- |  |   |
|--|---|
| 1. Asst. Prof. Saisunee Vanadurongwan,M.D. | Chief Executive Officer   |
| 2. Pongsak Vathana,M.D.                    | Deputy Chief Executive Officer  |
| 3. Mongkon Wanitphakdeedecha, M.D.,M.Sc.   | Deputy Chief Executive Officer  |
| 4. Vilawan Vanadurongwan                   | Deputy Chief Executive Officer  |
| 5. Sakda Tangchitwatanakorn                | Acting Deputy Chief Executive Officer And Chief Financial Officer (CFO) |
| 6. Nichapa Roenthongdee                    | Finance Accounting Manager  |

### Company Secretary

The Board of Directors appointed the company secretary to take responsibilities in providing advices to the Board and executives regarding the applicable laws and regulations that the Board must recognize and act upon, the corporate governance policies as well as the arrangement of the Board of Directors meetings and the annual general meeting of shareholders. The company secretary must also monitor and coordinate to ensure that the Board and shareholders' resolutions are fully complied. The company secretary is also assigned to keep Company's important documents as required by the laws. The Company has assigned a person who holds the department manager of the Corporate Management Office to perform the duties as the company secretary, presently Rachada Fongtanakit,Ph.d. holds such position.

### Remuneration of Directors and Executives

#### Monetary Remuneration

##### a) Remuneration of Board of Directors

Remuneration for the Board of Directors from fiscal year ended 31 December 2016 as the followings:

Name	Meeting Fee (Baht)				
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Committee Financial and Investment Planning	Total
Non-Executive Directors					
Virah Mavichak	126,000	132,000	24,000	-	282,000
Surin Premamornkit	135,000	108,000	18,000	-	261,000
Visut Montriwat	126,000	99,000	9,000	-	234,000
Porntep Siriwanarangsun	117,000	90,000	-	-	207,000
Nopporn Tirawattanagool	135,000	-	-	90,000	225,000
Tinnawat Mahataradol	126,000	-	-	90,000	216,000
Executive Directors					
Vichai Vanadurongwan	180,000	-	-	-	180,000
Saisunee Vanadurongwan	150,000	-	7,000	-	157,000
Pongsak Vathana	98,000	-	-	-	98,000
Vilawan Vanadurongwan	98,000	-	14,000	120,000	232,000
Vilawan Vanadurongwan	91,000	-	14,000	56,000	161,000
Prut Rojmahamongkol	63,000	-	-	63,000	126,000
Total	1,445,000	429,000	86,000	419,000	2,379,000



Besides the meeting allowances per each meeting as showed in the table above, the Company had grant monthly compensation to Non-Executive Directors as a total of Baht 700,000 and remuneration committee in an advisory capacity total of Baht 28,000 per year and allocate bonus for 12 directors as a total of Baht 2,900,000 Anyway all remunerations are approved by shareholder meeting in amount which is not exceeded Baht 7,000,000.

#### **b) Remuneration of Executive (Identified only as compensation executives)**

In 2015, the Company and its subsidiaries paid compensation in the form of salaries, bonuses and other compensation to Executive (As defined by the SEC) of the company's total of six persons in the amount totaling Baht 30,833,220 (in the form of salary, bonus and provident fund. And other remuneration is paid in the administration)

In 2016, the Company and its subsidiaries paid compensation in the form of salaries, bonuses and other compensation to Executive (As defined by the SEC) of the company's total of six persons in the amount totaling Baht 00,000,000 (in the form of salary, bonus and provident fund. And other remuneration is paid in the administration)

#### **Determination Remuneration of Directors and Executives**

Currently, the company has established a Nomination and Remuneration Committee to consider the remuneration for the Board of Directors and committees whereby the remuneration includes meeting attendance fee, salary, bonuses, shares and other related benefits, and present to the shareholders' meeting for consideration and approval.

For remuneration of senior executives the Company has established the evaluation based on the guidelines of the Board of Director and the Human Resources Department for each level executives in connection with the Company's operating results and performance of each executive.

#### **Board of Directors Meeting**

The Company has scheduled a year in advance by the Board of Directors held a meeting every month to keep you informed of Directors meeting scheduled in advance and can set aside time to attend all sessions of the meeting will be set the agenda in advance and shall continue to follow the work assigned by the Secretary of the Company has delivered notice of the meeting and the agenda at least seven working days to provide the Board of Director with sufficient time to study previous attendance.





The number of meeting and the amount of annual gratuity for the Board of Directors as the followings:

Name	Attendance/Number of Meeting (times)									
	Board of Directors		Nomination and Remuneration Committee		Audit Committee		Financial and Investment Planning		Risk Management Committee	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Assoc.Prof.Vichai Vanadurongwan	15/15	13/13	-	-	-	-	-	-	-	-
Ass.Prof.Saisunee Vanadurongwan	15/15	12/13	2/2	-	-	-	-	-	-	-
Virah Mavichak	14/15	13/13	2/2	2/2	11/12	12/12	-	-	-	-
Surin Premamornkit	15/15	12/13	2/2	2/2	12/12	11/12	-	-	-	-
Visut Montriwat	14/15	13/13	2/2		11/12	12/12	-	-	-	-
Porntep Siriwanarangsun	13/13	-	-	-	10/12	-	-	-	-	-
Pongsak Vathana	14/15	13/13	-	-	-	-	-	-	-	-
Vilawan Vanadurongwan	14/15	13/13	2/2	2/2	-	-	10/10	16/16	21/22	25/25
Nopporn Tirawattanagool	15/15	13/13	-	-	-	-	10/10	16/16	-	-
Tinnawat Mahataradol	14/15	13/13	-	-	-	-	10/10	16/16	-	-
Mongkon Wanitphakdeedecha	13/15	13/13	2/2	2/2	-	-	8/10	2/2	-	-
Prut Rojmahamongkol	9/9	-	-	-		-	9/10	2/2	-	-

**Remark :** 1. Mongkon Wanitphakdeedecha M.D.,M.Sc and Prut Rojmahamongkol has been appointed a working group financial and investment planning by resolution of the Board Directors No. 10/2015 on November 13, 2015, and attended the first meeting in November 2015

2. Prat Boonyawongvirot, M.D. Independent Director and Audit Committee pass away on November 13, 2015 and retired Directors on November 23, 2015. The Board of Director has considered and approved to appoint Mr.Porntep Siriwanarangsun as a new Director in replacement with effective from 19 February 2016 on ward

3. Ass.Prof.Saisunee Vanadurongwan,M.D. and Visut Montriwat has been appointed a Nomination and Remuneration Committee by resolution of the Board Directors on February 19, 2016

4. Prut Rojmahamongkol, Mr. has been appointed as Directors by the General Meeting of Shareholders No. 1/2016 which was held on April 22, 2016 to attend the first meeting in May 2016.

5. In 2016, the company has provided the Board of Directors of a total of 13 times by attending the AGM 2016 and Special Session 1 time

6. The Board of Director has considered and approved to appoint the Corporate Governance Committee on December 19, 2016 There is no meetings yet.



## Employees

As at December 31, 2016, the Company and its subsidiaries employ. (Excluding directors and executive of the Company and its subsidiaries) amounted to 2,030 people, with details as follows

No. Staff (Persons)	Vichaivej International Omnoi Hospital	Vichaivej International Nongkhaem Hospital	Vichaivej International Samutsakhon Hospital	Yaekfaichai Hospital	Total
Doctor	33	14	14	8	69
Advisor Doctor/Part-time Doctor	151	156	71	31	409
Dentist	2	-	1	1	4
Nurse	106	86	44	17	253
Part-time Nurse	34	12	18	15	79
Practical Nurse (PN)	75	38	39	10	162
Nurse Assistant (NA)	68	50	38	31	187
Pharmacist	6	9	3	2	20
Radiation Techniques	4	3	2	1	10
Physical Therapist	4	4	3	3	14
Medical Technician	5	8	8	1	22
Other Staff	240	207	238	116	801
<b>Total</b>	<b>728</b>	<b>587</b>	<b>479</b>	<b>236</b>	<b>2,030</b>

## Employee Compensation

The Board of Directors has set policies and practices regarding compensation and benefits to employees are clear and tangible to comply with the operating results of the company in both the short and long term. Employees of the Company will receive benefits including salaries, overtime pay, benefits, annual funds and other grants, the provident fund and also receive financial assistance for medical treatment and other benefits such as vacation leave, maternity leave etc. During the fiscal year ended December 31, 2016, total compensation of employees as 526,338,089.61 baht





#### Provident Fund

The Company and its subsidiaries and employees have jointly established a fund on February 1, 2007 with TMB Asset Management Co., Ltd., with the aim to build morale among the staff and to motivate employees to work with the Company and its subsidiaries in the long term. Later, the Company and its subsidiaries have changed from TMB Asset Management Limited to American International Assurance Co., Ltd. (Thailand) and the Company has appointed American International Assurance Co., Ltd. (Thailand) to manage the provident fund of the Company and its subsidiaries on October 1, 2011 to the present.

#### Personnel Development Policy

The company has a policy of human resource development in accordance with the vision, mission and goals of business operation by developing personnel to have knowledge of operating and maintenance personnel with the ability to work with the company long term and have career advancement. The company has provided training regularly in addition to training also focuses on the need for training of personnel at all levels in each department, and will consider the training provided is appropriate to the standard career based of each career. The Company has determined that all employees must be trained not less than 20 hours / person / year especially medical staff.

However, the average number of training hours per employees of the Company the year 2016 equal to 20.72 hours / person / year. This is in accordance with the policy set forth by the Company.

#### Safety supervision, Hygiene and Environment in workplace

The company cares and commitment to provide employees and surrounding community are safe in every way such as sanitation and has good environment. It establishes guidelines to ensure safety in the workplace as required by law.

However, the statistics of accident from working or Injury / illness Severity rate of employees in 2016, equal to 1.86 percent of the total employees in the company.

#### Labor disputes over the past three years

The Company has no significant labor disputes in the last three years. As at December 31, 2016 the company has employs totaling of 2,030 people and not have any strike or any protest.



## Corporate Governance



### Corporate Governance Policy

The company respects the rights of shareholders, equitable and accountable to stakeholders to make organizational structure, workflow and process management and operational efficiency. Which is Board of Directors and management have a vision and have responsible for the company's transparency, ethics and accountability including the adequacy of the internal control and monitoring systems.

The Company has had a clearly written corporate governance policy and requires that one responsibility of directors, executives, and employees of Company and its affiliates is to acknowledge and comply with this policy. The Company is to regularly revise the policy, principles, and guidelines in line with its strategies and the approach of corporate governance for listed companies under the Stock Exchange of Thailand (SET). Last updated in 2016, the policy together with its guidelines underwent amendment this year. The contents are now more clearly classified, encompassing key corporate governance principles. The Company publicized the revised policy, principles, and guidelines on its [www.vichaivej.com](http://www.vichaivej.com) to enable those interested to examine and download them.

Below are the elements of the corporate governance policy by the principle comprises of 5 categories, namely:

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Role of Stakeholders
4. Disclosure and Transparency
5. Responsibilities of the Board of Directors

In 2016, the Company received assessments related to good corporate governance activities as follows:

The Company received a “Very Good” accomplishment in the Corporate Governance Report of Thai Listed Companies 2016 which was rated by the Thai Institute of Directors (IOD) in cooperation with the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

The Company was evaluated by the Office of the Securities and Exchange Commission, in cooperation with Thai Investors Association and Thai Listed Companies Association, on the quality of the Annual General Meeting for the year 2016. The Annual General Meeting of shareholders for the year 2014 was rated “Excellent”



## Board-Committees

The Board of Directors set up 6 sub-committees to help monitor and supervise the operations more closely and regularly report to the Board of Directors. They are The Audit Committee, Executive Committee, Nomination and Remuneration Committee, Risk Management Committee, Working Group for Financial and Investment Planning and Corporate Governance Committee to scrutinize and supervise the operation of the Company over specific issues, in order to perform their duties efficiently and effectively as well as to ensure that the Company complies with rules and regulations of the SEC and SET.

## The Audit Committee

The Board appointed the Audit Committee, which consists of fully qualified members against SEC and SET requirements. A minimum of three members must be independent directors, at least one of whom must be adequately qualified and experienced in reviewing the credibility of financial statements. The committee reviews the Company's performance outcomes, financial reports, internal control system, and consider related party transactions, the appropriateness of accounting auditors, including the selection and appointment process.

As of December 31, 2015, the Audit Committee consists of four independent directors as follows:

- |                            |           |
|----------------------------|-----------|
| 1. Virah Mavichak          | Chairman  |
| 2. Surin Premamornkit      | Committee |
| 3. Visut Montriwat         | Committee |
| 4. Porntep Siriwanarangsun | Committee |

Remark: Prat Boonyawongvirot, M.D. Independent Director and Audit Committee passed away on November 13, 2015 and retired Directors on November 23, 2015. The Board of Director has considered and approved to appoint Mr.Porntep Siriwanarangsun as a new director in replacement with effective from 19 February 2016 onward

So Mr. Surin Premamornkit, Mr. Visut Montriwat and Porntep Siriwanarangsun, MD., MPH., Ph.D with qualified knowledge and experience in accounting and finance to review the reliability of the financial statements and Mrs.Naree Phetdum, serves as Secretary to the Audit Committee.

## Duties and Responsibilities of the Audit Committee

1. Ensure that the Company's and subsidiaries' financial reports are correct and adequately disclosed, by coordinating with the external auditor and executives who are responsible for preparing quarterly and annual financial reports.

2. Ensure that the Company's and subsidiaries' system of internal control and internal audit are appropriate and effective. Also, to consider the independence of internal audit unit and approve the appointment, transfer, dismissal of internal audit supervisor, or any other agency responsible for internal audit.

3. Ensure that the operation of Company and subsidiaries complies with the securities and exchange law, terms of the exchange or laws relating to the Company's and subsidiaries' Business.

4. Consider the selection and nominate an individual, who is independent, to act as auditors of the Company and subsidiaries. This includes consideration of the remuneration of the auditor to propose to the Board of Directors to obtain the appointment from the general meeting of shareholders and attending the meeting with the auditors without management involved shall be held at least once a year.

5. Have the authority to hire an independent consultant, if necessary, and determined as necessary to be regarded as expenses of the Company.

6. Consider list of related transactions or items with conflicts of interest in accordance with the laws and regulations of the Stock Exchange and Capital Market Supervisory Board in order to make sure that the list is reasonable and in the best interests of the Company or subsidiaries.

7. During the operation, if the Audit Committee finds or doubts any items or the following activities that may have a significant impact on the financial position or results of operations of the Company or subsidiaries, the Audit Committee must report it to Board of Directors to resolve such items or activities promptly.

- List the conflicts of interest items
- Fraud or significant irregularities or defects of internal control system of the Company or subsidiaries.



- The violation or violations of the law on securities, notification and terms of the Stock Exchange of Thailand, the Securities and Exchange Commission and Capital Market Supervisory Board including laws relevant to the business of the Company and subsidiaries.

If the Board of Directors or executives cannot resolve such items or activities promptly, member of the Audit Committee may report such items or activities to the Securities and Exchange Commission or the Stock Exchange of Thailand.

8. If the auditor of the Company finds a suspicious incident relating to Director, executive or any person responsible for the operation of the Company and subsidiaries that violates the law and the auditor has reported the incident to the Audit Committee, the Audit Committee shall proceed as soon as possible to investigate more and report the results of primary check to the Securities and Exchange Commission and the auditor within 30 days from the date of receipt of a report from the auditor.

9. Formulate report of the Audit Committee to disclose in the annual report of the Company whereby the Chairman of the Audit Committee has to sign in the report. The report must contain at least the following information.

- Opinion on the accuracy, completeness and reliability of financial reports of the Company and subsidiaries.
- Opinion on the adequacy of internal controls of the Company and subsidiaries.
- Opinion on compliance with the Securities and Exchange Law, terms of the exchange and laws relating to the Company's and subsidiaries' business.
- Opinion on the suitability of the auditor.
- Opinion on items that may have the conflict of interest.
- The number of meetings by the Audit Committee and attendance of each member of the Audit Committee.
- Opinion or overall observation that the Audit Committee received from the performance of duties under the Charter.
- Other transactions that shareholders and investors should be aware of under the scope of duties and responsibilities assigned by the Board of Directors.

10. To perform any other duties assigned by the Board of Directors to be appropriate.

In the scope of duties and responsibilities the Audit Committee has the authority to invite the management, executives or employees of the Company or subsidiaries

that are relevant to provide reports, comments, attend meetings, or send documents that are relevant and necessary.

### Structure of the Executive Committee

The lists of the Executive Committee as at December, 31 2016 as follows:

1. Saisunee	Vanadurongwan	CEO
2. Pongsak	Vathana	Deputy CEO
3. Mongkon	Wanitphakdeedecha	Deputy CEO
4. Vilawan	Vanadurongwan	Deputy CEO
5. Sakda	Tangchitwatanakorn	Committee
6. Prut	Rojmahamongkol	Committee
7. Kiatisak	Chirasottikul	Committee
8. Sunee	Thirakaronwongse	Committee
9. Vachara	Chuapaknam	Committee
10. Sunee	Joychumras	Committee
11. Kwanyuen	Suksomphoj	Committee
12. Rachada	Fongtanakit, PhD.	Committee / Secretary

### Duties and Responsibilities of the Executive Committee

1. Plan and set policy, direction, strategy, work plans and organizational structure and management structure of the business operation of the Company and subsidiaries in accordance to economic conditions and competition in the market to present to the Board of Directors for approval.

2. Plan and prepare business plans, annual budgets and the authority in management in various job divisions of the Company and subsidiaries to propose to the Board of Directors for consideration and approval and also to consider and approve the annual budget and budget change and addition to annual expense budget. If there is an urgent necessity, proceed to present to the Board of Directors for further acknowledgement.

3. Audit and operate according to the policies and guidelines for the management of the Company and subsidiaries that has been defined to be effective and conducive for business environment.

4. Monitor the operations of the Company and subsidiaries that has been defined to proceed according to the approved business plan.

5. Consider large investment projects of the Company and subsidiaries in order to provide recommendation to the Board of Directors for approval.

6. Define the details of the selection, training, hiring and termination of employees of the Company and its subsidiaries as well as employee benefits to be appropriate with the circumstances and in accordance with the laws in use today.





7. Other duties as assigned by the Board of Directors occasionally.

The administrative power and giving authority to others which Director deems appropriate does not include the power or authorization to approve any items that the Director or related person may have any conflicts of interest, the stakes, or any other benefits that disagrees with the Company's and subsidiaries' benefits, or any items that is not normal business operations of the Company and subsidiaries. The authorization of such items must be presented to the Board of Directors and/or shareholders' meeting of the Company to consider and approve within the guidelines, rules and regulations of the Company and relevant laws.

#### Structure of the Nomination and Remuneration Committee

Appointed by the Board of Directors, the Nomination and Remuneration Committee consists of at least three directors, most of whom must be independent directors. They also must not be Chairman of the Board. All of the members fully qualified as directors in accordance to the Nomination and Remuneration Committee Charter.

The list of Structure of Nomination and Remuneration Committee as at December, 31 2016

1. Virah Mavichak	Chairman*
2. Surin Premamornkit	Committee*
3. Visut Montriwat	Committee*
4. Saisunee Vanadurongwan	Committee
5. Vilawan Vanadurongwan	Committee
6. Mongkon Wanitphakdeedecha	Committee
and Sirirat Chumwangwapee	Secretary

Remark: \*Independent Director

#### Duties and responsibilities of the Nomination and Remuneration Committee

1. Define policies, rules, procedures and processes with clarity, transparency, suitability and usefulness to the Company and subsidiaries in terms of the selection, removal or dismissal of Directors and senior executives of the Company and subsidiaries and present these to the Board of Directors for approval.

2. Consider nominating the name of a person who is qualified as a Director of the Company, Committee member and senior management to the Board of Directors in the

event that such position is vacant or the term of office ends.

3. Define policy on remuneration for Director, senior executives of the Company and subsidiaries and present this to the Board of Directors for approval.

4. Consider the remuneration for the Board of Directors and committees whereby the remuneration includes meeting attendance fee, salary, bonuses, shares and other related benefits, and present to the shareholders' meeting for consideration and approval.

5. Provide a succession plan for key management position and review on a regular basis by evaluating the importance of the position, recruitment and development to ensure that successor of this management position is educated, competent, experienced and possesses other qualifications fitting and beneficial to the Company and subsidiaries.

To perform any other duties assigned by the Board of Directors to be appropriate

#### Structure of Risk Management Committee

The list Risk Management Committee as at December 31, 2016

1. Viroj	Mavichak	Advisory
2. Vilawan	Vanadurongwan	Chairman
3. Sakda	Tangchitwatanakorn	Committee
4. Kanittha	Porayanon	Committee
5. Hathaiwan	Suwantaweera	Committee
6. Pariwan	Opachareonsuk	Committee
7. Pakawadee	Mahawongtrakool	Committee
8. Kijtjaporn	Pomsanarm	Committee
9. Prapaphan	Techatanang	Committee
10. Tanawan	Srirattanapitak	Committee / Secretary





### Duties and responsibilities of the Risk Management Committee

1. Define policies and guidelines for risk management of the Company and subsidiaries. This covers the financial risk, business and market risks, investment risk and other risks that may affect the operation and reputation of the Company, and presents this to the Board of Directors for consideration and approval.

2. Define criteria to measure risks and limit the risks that the Company and subsidiaries accept.

3. Consider the important risks of the Company and subsidiaries and make recommendations to prevent or reduce risk to an acceptable level.

4. Supervise, monitor and evaluate the results as well as improve action plan to reduce the risk continuously and appropriate to the business circumstances of the Company and subsidiaries.

5. Review the sufficiency of risk management policies and systems by including the effectiveness of the system and compliance with the policy set.

6. Report operations to reduce the risk to the Board of Directors regularly and for important matters where there is impact to the Company and subsidiaries significantly. These must be reported to the Board of Directors for consideration as soon as possible.

7. Perform any other duties assigned by the Board of Directors to be necessary.



### Structure of Working Group for Financial and Investment Planning

In order to enhance the value of Srivichai Vejjivat Public Company Limited and subsidiaries companies in the future and ensuring that there is ongoing growth and secure financial position, it was deemed appropriate to appoint the Working Group for Financial and Investment Planning as follows.

1. Vilawan	Vanadurongwan	Chairman
2. Nopporn	Tirawattanagool	Committee
3. Tinnawat	Mahatharadol	Committee
4. Mongkon	Wanitphakdeedecha	Committee
5. Prut	Rojanamahamongkol	Committee
6. Sakda	Tangitwattanakorn	Committee / Secretary

### Responsibilities of the Working Group for Financial and Investment Planning

1. Determine the policy, target, and strategies for finance and investment

2. Plan the direction for investment

3. Find capital for suitable investment

4. Analyze and manage financial and investment risks

5. Regulate, supervise, control, and manage cash flow to be in accordance with the Company's target

6. Perform other tasks as assigned by the Board of Directors and the Chairman

### Structure of Corporate Governance Committee

The lists of the Corporate Governance Committee as at December, 31 2016 as follows:

1. Visut	Montriwat, Mr	Chairman
2. Rachada	Fongtanakit, PhD.	Committee
3. Saypin	Phaisinhk	Committee
4. Pakkawadee	Mahawongtrakool	Committee
5. Chinnaphat	Upajjit	Committee / Secretary

### Responsibilities of the Corporate Governance Committee

1. To formulate the Corporate Governance Policy, Anti-Corruption Policy, business ethics and code of conduct, and Corporate Social Responsibilities, under legal framework, rules and regulations currently stipulated by regulating organizations such as the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission and



other related agencies as well as international corporate governance standards, and to propose the best practices for the directors management and employees to the Board of Directors for approval



2. To regulate and give advice on policy and guidelines that enable the directors, management and employees to perform duties with responsibility in accordance with the Corporate Governance Policy, Anti-Corruption Policy, and to comply with the best practices, business ethics and code of conduct and Corporate Social Responsibilities.

3. To regularly consider, review and revise the Corporate Governance Policy, Anti-Corruption Policy, business ethics and code of conduct, and Corporate Social Responsibilities at least once (1) a year to keep updated and in line with international standards, laws, rules and regulations as well as recommendations from internal units that have duties in the corporate governance matters as well as suggestions from shareholders on good corporate governance

4. To follow up and assess performance of governance and supervision to prevent and monitor risks of corruption and assess performance of the Corporate Governance Committee and report the results to the Board of Directors at the end of each year

5. To perform any other duties assigned by the Board of Directors

#### Prevention of the Misuse of Insider Information

The company has set up a monitoring system of internal controls by auditors for responsibility on the action plan to achieve the goals, according to the company's efficiency. Including the auditors must be able to create trust and consultation as fair and independent.

#### Guidelines of Practice

1. Internal auditors must be honest, transparent and equitable as well as treatment of confidential information as well.

2. Internal auditors must have not participation in activities as conflict to benefits of the organization.

3. Internal auditors must not use the information to find any benefit for one-self contrary to the law.

4. Practice of internal auditing must adhere to international standards for the Professional Practice of Internal Audit.

The Company has instructed its directors and executives to report any change in their holding of securities of Company in accordance with section 59 and provisions on penalties section 275 stipulated of Securities and Exchange Act B.E 2535 and the regulations of the SET. The directors and Executives must submit one copy of the securities disclosure report to the Company and the Securities and Exchange Commission on the same day.

In addition, the Company has established guidelines promoting corporate governance concerning the use of inside information by sending a reminder requesting cooperation from directors and executives to refrain from buying, selling, or transferring securities at least one month ahead of the company's performance report to SET each quarter. This is intended to follow the Company's corporate governance policy on buying or selling securities and fairness in accessing Company information.







## Audit Fees of the Auditors

The resolution of Annual General Meeting of Shareholders of year 2016 to appoint Mr. Termphong Opanaphan Reg.No. 4501, Mr. Khitsada Lerdwana Reg. No. 4958 and Ms. Maneerat Rattanabundit Reg. No. 5313, The meeting approved to appoint Certified Public Accountants from E Y Office Limited to be the auditors of the Company and the Subsidiary company for the year 2016. The audit fee of the Company and its subsidiaries for the year 2016 at the total amount of Baht 2,955,000 Baht.

### 1. Audit fee

The Company and subsidiaries

- Provident Fund paid for the audit fees to the auditors' company for the latest account period amounting to Baht 2,955,000

### 2. Non – audit fee

The Company and subsidiaries paid for non-audit fees for

- Provident Fund paid for the non - audit fees to the auditors' company for the latest account period amounting to Baht 326,351



## Article 1: Right of Shareholders

The protection of rights of shareholders and facilitate to exercise their rights on various matters as follows

### 1.1 Shareholders' rights protection policy

The Board of Directors values the rights of shareholders and encourages shareholders to exercise their rights including basic rights of the shareholders by law namely the right to sell, buy, or transfer shares; the right to receive the dividend equally; the right to receive

sufficient information; the right to attend shareholders' meetings; the right to propose an agenda; the right to vote at shareholders' meeting to appoint or dismiss directors; determine the remuneration of directors; appointment of auditor and determine the audit fee; and determine issues that fundamentally affects the Company, which may include any changes to the articles of association, memorandum of associations and the decrease or increase share capital and the approval of any special items.

The Board of Directors also set the best practice to look after the interest of shareholders beyond their basic legal rights by providing the right to get any significant Company information on a timely and sufficient basis such as the results of operations, analysis of its operations, the credit rating, and newsletter to shareholders via the company's Home Page that is accessible and convenient

### 1.2 Shareholders' Meeting

The Company has scheduled Annual General Meeting of Shareholders 1 time within 4 months after the fiscal year. If there is an urgent matter that relates to certain conditions, rules or applicable law that needs shareholders' approval, the Company will call an Extraordinary General Meeting of Shareholders.

The Board of Directors has a policy to support and encourage all types of shareholders, including institutional shareholders to attend the shareholders' meeting by requiring the invitation letter of Annual General Meeting of Shareholders to clarify on details about registration procedures and documents used to register for each type of shareholders including 3 types of proxy consisting of Form A, Form B and Form C. Meeting documents can be downloaded through Company's website at least 30 days before the meeting. By the year 2016, the Company's Annual General Meeting of Shareholders on April 22, 2016 and has published a Notice of AGM complete both in Thailand and in English on the website of the Company on March 22, 2016.

#### 1.2.1 Pre-proceeding of the Meeting

- The Company gives an opportunity to shareholders to propose agenda of the meeting, nominate qualified persons for appointment as a director, and send questions related to the agenda, prior to the Annual General Meeting





of Shareholders under the criteria set by the Board of Directors and disclosed to shareholders through SEC's News the Company's Home Page starting on October 16, 2015

- The Company provides the use of a proxy form by shareholders who are unable to attend the meeting to appoint a person or an independent director to attend the meeting and cast votes on their behalf. Shareholders can use the Proxy Form A., B., or C. (for Custodian) as specified by Department of Business Development or the Proxy Forms provided in the Company's Website. The Company encourages shareholders to use Proxy Form B, which send together with the Notice of the AGM, the required documents/evidence, and the proxy instruction to shareholders. In addition, shareholders can download Proxy Forms via the Company's website.

- The Company uses information technology (computer systems and bar code) and the ballot (every agenda) at the shareholders' meeting for the registration of shareholders, vote counting, and vote result for fast, accurate, and reliable information.

- Chairman, directors, chief executive officer, managing director, Chairman of various committees, and auditors are required to attend the shareholders' meeting to provide answers to any questions related to their scope of work.

- Volunteers from the meeting of shareholders (independent parties) act on behalf of the meeting to count or check the votes at the Annual General Meeting or the Extraordinary General Meeting of shareholders.

- Voting is separate for each matter. For example, for the election of directors, the shareholders can vote for each director individually.

- The Company notifies the guideline of the procedure of the meetings of shareholders, including the procedure of casting vote and the right to vote (with Shareholders having 1 vote for 1 share), to the shareholders at the start of the meeting,

- The Company holds clear and transparent vote counting and disclosure of voting results in each agenda at the meeting of shareholders.

- Agenda other than those specified in the Notice of meeting must not be raised and no significant chang-

es may be made to the agendas specified without prior notice to the shareholders.

### 1.2.2 Proceeding of the Meeting

- The Company sets date, time, and place of the meeting of shareholders with consideration to the convenience of the shareholders. The place of the meeting is adequate and easy access (accessible by public bus) and The Company allows shareholders to register for the meeting 2 hours before the meeting starts and organizes easy document checking system.

- The Company provides the use of a proxy form by shareholders who are unable to attend the meeting to appoint a person or an independent director to attend the meeting and cast votes on their behalf. Shareholders can use the Proxy Form A., B., or C. (for Custodian) as specified by Department of Business Development or the Proxy Forms provided in the Company's Website. The Company encourages shareholders to use Proxy Form B, which send together with the Notice of the AGM, the required documents/evidence, and the proxy instruction to shareholders. In addition, shareholders can download Proxy Forms via the Company's website.

- The Company uses information technology (computer systems and bar code) and the ballot (every agenda) at the shareholders' meeting for the registration of shareholders, vote counting, and vote result for fast, accurate, and reliable information.





- Chairman, directors, chief executive officer, managing director, Chairman of various committees, and auditors are required to attend the shareholders' meeting to provide answers to any questions related to their scope of work.
- Volunteers from the meeting of shareholders (independent parties) act on behalf of the meeting to count or check the votes at the Annual General Meeting or the Extraordinary General Meeting of shareholders.
- Voting is separate for each matter. For example, for the election of directors, the shareholders can vote for each director individually.
- The Company notifies the guideline of the procedure of the meetings of shareholders, including the procedure of casting vote and the right to vote (with Shareholders having 1 vote for 1 share), to the shareholders at the start of the meeting,
- The Company holds clear and transparent vote counting and disclosure of voting results in each agenda at the meeting of shareholders.
- Agenda other than those specified in the Notice of meeting must not be raised and no significant changes may be made to the agendas specified without prior



### 1.2.3 After the shareholders' meeting

- The Company publishes the resolutions of the shareholders' meeting and voting results of each agenda item through the Stock Exchange of Thailand and the Company's Home Page on the next date of the Annual General Meeting of shareholders.
- The Company prepares minutes of shareholders that are accurate and complete for submission to the Stock Exchange of Thailand and publish on the Company's Home Page within 14 days from the date of the meeting.

The General Meeting of Shareholders for the year 2016, the Company provided an opportunity for shareholders to propose agenda items, nominate candidates for director appointment, and send questions during 16 October to 30 December 2015. At the end of such period, there were no shareholders proposing agenda, candidate, or submit question in advance of the meeting.

On 9 March 2016, the Company published the resolution of the Board of Directors regarding the General Meeting of Shareholders via SET's news and the Company's website and scheduled the 2016 Annual General Meeting of Shareholders on 22 April 2016 at 9.30 AM. The Company set the Record Date, on which shareholders have the rights to attend and to cast vote in the 2015 AGM, on 23 March 2016 and collected the names of shareholders pursuant to Section 225 of the SEC Act B.E. 2535 (Amended B.E. 2551) by means of closing the share register book on 24 March 2016.

The Company published the Notice of the 2016 Annual General Meeting together with the meeting's supporting documents in both Thai and English languages via SET's news and the Company's website on 22 March 2016 or 30 days before the meeting. Thailand Securities Depository Company Limited (TSD) was appointed to be registrar to send the Notice of the 2016 Annual General Meeting to shareholders through registered post since 1 April 2016, or 21 days before the meeting.

The Company held the Annual General Meeting of Shareholders for the year 2016 on Friday, 22 April 2016 at 9.00 AM at Vichaivej International Hospital Omnoi, No. 74/5 Moo 4 Phetka-seam Road, Omnoi, Khathumbann, Samuthsakon. There were 76 shareholders attending the Meeting in person and by proxy, accounted for 431,172,039 shares representing 75.56% of the shares sold.

The Company must prepare the minutes of the shareholder's meeting and shall notify SET within 14 days after the meeting, in accordance with the SET regulations, and disseminate full details of the meeting. This includes complete and appropriate records of the meeting, voting and questioning process of the shareholders in each session, along with the allocation of video recordings of the AGM for their acknowledgment in the Company's website.



## Article 2: Equitable Treatment of Shareholders

The Company realizes the importance of equitable treatment of shareholders both major and minor shareholders. No shareholder shall have any special privileges over other shareholders. The Company undertakes the following actions:

### 2.1 Measures to prevent the use of inside information

The company recognizes the importance of taking care of inside information throughout. It has been set to have ethical in business matters of confidentiality, data collection, and use of insider information to guide business operations for the board, management and employees to abide.

**Insider Trading** In order to prevent a major effect on the price of securities based on such information, before such information will be disclosed to the public equally by the company has a policy to prevent insider trading using inside information.

The directors, employees, consultants and other persons that work for the company. And related persons (spouse, children, underage. Employees and any other person having control or influence investment decisions). Intends to invest in the shares of the Company. Employees must not buy or sell shares of the Company at the time of the Company defines it as "Black out Period" the period of three days before the disclosure of quarterly and annual financial statements and, within 24 hours after the disclosure of financial statements to the public. And although the company is not defined as a "Black out Period" before the announcement of quarterly or annual. Employees who know the results of operations of

the Company, whether directly or indirectly, Must realize that he possesses inside information of the Company and are not allowed to buy or sell shares of the Company until the Company has been publicly disclosed financial results.

Violations of this policy may be wrong to be punished by the law and is considered a key factor in the evaluation, delegation of responsibilities promoted work, the violators will be disciplinary action, as appropriate. For Directors If a violation of this policy will be warned and punished by penalties in connection with the above.

Directors and executives (as defined by the SEC and SET) and related persons (spouse and minor children) are required to report holdings of securities of the Company to the SEC under Section 59 of the Securities Exchange Act of B.E. 2535 within 3 days from the date of changing ownership. Also, the change in ownership will have to be notified to the Company Secretary to record the changes and summarize the securities held by each director and executive individually. The changes will be informed to the Board of Directors in the next meeting and shall be disclosed in the annual report and Annual Registration Statement (Form 56-1).

For the year 2016, the Company has no events that directors, executives, employees, and related persons violated rules of the use of inside information or traded securities by using inside information.

### 2.2 Governance on the conflict of interest

The Company may in the course of its operation create a conflict of interest with its directors, executives, managers, and employees. Such conflict of interest may appear in different forms. Therefore for the best interest of the Company, the following guidelines regarding the conflict of interests are stipulated as follows:

- The Company's directors, executives, managers, and staff members at all levels shall not personally receive any money or benefits from the Company's customers or business partners, or from any other people when working on behalf of the Company.



- The Company personnel should not behave in a manner that may pose a conflict of interest, and should always recognize that they have an interest or benefit in the performance.

- The Company should not support the corruption such as grafting, receiving gifts or any benefits which are not appropriate. If examination and meet such actions will be punished according to the regulations of the company.

- The Company has provided training to all employees by provide training 1 time per year and an orientation for new employees to be knowledgeable about the policies and practices of the anti-corruption

### 2.3 Engaging in Business with Companies within the group

For connected transactions where directors, executives, managers and employees may have a conflict of interest, such persons shall disclose any conflict of interest to the Company prior to engaging in the connected transaction. Director, manager or employees, who have conflict of interest, may not participate in the consideration or approval of the connected transaction. The authorized person who acts on behalf of the Company shall investigate and review whether the Company's directors, executives, managers, or employees have any relationship and conflicts of interest on such transaction. The definition of relationships shall be in accordance with "the Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions" set by the Stock Exchange of Thailand and The Office of The Securities and Exchange Commission.

### 2.4 Related party transactions amongst companies within the Group

The consideration of related party transactions shall be taken under the conditions and procedures of the Notification of the Board of Governors of the Stock Exchange of Thailand and the Securities and Exchange Commission (SEC). The connected transaction shall be dealt on a fair and arm's length basis and taking into account the Company's best interests. The stakeholders who have conflict of interest must not participate in the approval or consideration the transaction. The related party transactions will be disclosed in the annual report and Annual Registration Statement (Form 56-1)



### 2.5 Conflict of interest of Directors

The Company has stipulated that the directors and executives, including their related persons must prepare and submit a report on the interests, connected transactions and acquisition or disposal of assets belonging to themselves or their related persons to the Company under the Capital Market Commission's and the Stock Exchange of Thailand's regulations. Then the report will be proposed to the Board of Directors' or shareholders' meeting for approval. The directors will not participate or vote on the agenda related to their own interests.

### Article 3: Role of Stakeholder

The company with a focus on rights of stakeholders of the company by recognizing relationships and good cooperation between the company and its stakeholders are factors that enable the company to grow sustainably.

#### 3.1 Equitable Treatment of Stakeholders

The Company, as a representative of the shareholders, is committed to conducting business with transparency, to put in place reliable financial and accounting systems, and to deliver optimum shareholder satisfaction.

##### 3.1.1. Shareholders

The Company recognize that shareholders are owners. The Company has created value for shareholders over the long term, the Company's policy to code of conduct business with honesty and integrity, morality and ethics. The Company will use the best efforts to develop the business to grow and create a good return on investment for shareholders, continuous and sustainable.





### 3.1.2. Employees

The Company is committed to the practice of law and regulations on employment with important policy that provide opportunity in employment to all persons equally. Begin with the searching process to hire the person to work with. Recruitment, staffing, training and development can be transferred by us to recruit people with talent and experience to meet the Company needs to join or organization. And realize that the importance of the promotion, suitable compensation and benefits are based on the performance of employees. The Company has established a provident fund to take care of employees in long-term.

### 3.1.3. Customers

The Company recognizes the importance of customer satisfaction as a key success of our business. The intention to seek ways to meet customer needs effectively. We have set forth the following policies and procedures delivering quality products and services and to meet or exceed the expectations of customers.

### 3.1.4. Partners and / or Creditors

It is our policy to treat partners and / or creditors equally and fairly and attain the best interest of the Company and a fair return of both parties without any conflict of interest. Using correct information to solve the problem and find a solution based on the business relationship.

### 3.1.5. Competitors

It is our policy to treat competitors in accordance with international principles and within the framework of competition law practices that does not violate the confidentiality of trade secrets or know how to partner with fraud and comply with the rules of the competition well. As well as non-confidential information to competitors by means of dishonest or improper.

### 3.1.6. Community

Company policy is doing business in all respects to be legitimate, strict principles with social responsibility. The Company expects its employees to learn and comply with all applicable laws and policies of the Company. Related to their responsibilities and observe the instructions exactly in this Business Ethics and Code of conduct.

## 3.2 Whistle-Blowing Service

The Company recognizes and appreciates the importance of strengthening relationships and understanding of all groups of the Company's stakeholders, namely shareholders, customers, trading partners, creditors, executives and employees of the Company as well as those who get affected by the Company's operations, may file a complaint with or provide information to the Company when witnessing, knowing or doubting or having reasonable grounds to believe in good faith that employees or the Company breach or violated laws, rules, regulations, good corporate governance principles, business code of conduct, policies and procedures which may result in damage to the Company. Complainants can file their cases by clearly spelling out "Confidential" through the following channels:





To Chairman of the Audit Committee /  
Independent Director  
Srivichai Vejjivat Public Company Limited  
74/5 Moo 4, Phetkasem Road, Omnoi  
Subdistrict, Krathumbaen  
District, Samutsakorn Province 74130  
Telephone Number(+662) 441-7899 ext. 4526  
E-mail : virah@vichaivej.com

Or Company Secretary  
Srivichai Vejjivat Public Company Limited  
74/5 Moo 4, Phetkasem Road, Omnoi  
Subdistrict, Krathumbaen  
District, Samutsakorn Province 74130  
Telephone Number(+662) 441-7899 ext. 1149  
E-Mail: shares@vichaivej.com / bod@vichaivej.com

The Company has a process in place for dealing with complaints from employees by considering whether the /complaint concerns a wrongful act and how serious the offense is in order to impose a fair and accurate penalty. The employees can report complaints or feedback directly through the Company's email.

The Company provide confidence for the person who report complaints, the Company strictly keeps all complaints confidential and establishes a process of receiving a complaint and an investigation procedure where the complaints will be only be disclosed to the relevant people. The management division will collect complaints and present them to the audit and risk management committees for its consideration.

In the year 2015, the Company had no complaint in relation to fraud or ethical misconduct or any incident that may cause negative reputation to the Company as the result from the administration of the Board of Directors. Non-executive directors of the Company did not resign due to any CG misconduct. There is no legal dispute on labor issue, consumer right, or business trading activity.

### 3.3 Policy on Intellectual Property and Copyright

The Company recognizes the importance of the intellectual property and copy rights of third parties. The Company will comply with the legal requirements on intellectual property

and copy rights. Employees must check beforehand that the work or information that belongs to third parties can be used within the Company without violating the intellectual property of others, summarized as follows:

1. All the intellectual properties which include the work in progress, innovation in all formats shall be returned to the Company whenever an employee vacates the office.
2. Employees who use the Company's computers should use only the licensed software programs of the Company to avoid violating intellectual property of others.
3. Employees must check before hand that the work or information that belongs to third parties can be used within the Company without violating the intellectual property of others.

### 3.4 Human Rights Policy

The Board of Directors to focus on human rights by adhering to the business operations of the Company in accordance with the law, including human rights, which is a basic right that humans are born with equality. As well as promoting the awareness and consciousness of rights and duties and their responsibilities towards the society and other persons with the policies and guidelines to follow.

1 Promote compliance requirements of human rights and the principles of human rights as a universal standard across all departments throughout the Company, whether they are employees, communities and the society around the company by setting channels are available for complaints, procedures and remedies, as appropriate.

2 Patient Rights, the hospital is certified to comply with the rights of patients, which is a party to get assistance both in physical and mental, as well as get to know the information. Therefore, it is important for patients to get the rights to make the relationship between the hospital and patients based on understanding and trust each other.

### Article 4: Disclosure and transparency

The company to focus on the disclosure of important information about the company correctly, completely. And timely, which includes important information such as financial position, operating performance, shareholding structure and corporate governance practices of the company as follows.



#### 4.1 Disclosure Policy

The Board of Directors discloses all important information including both financial and non-financial information correctly, timely, and accurately in accordance with regulations of the “Securities and Exchange Commission” (SEC), the “Stock Exchange of Thailand” (SET) re: Rules, Conditions and Procedures Governing the Disclosure of Information and Other Acts of a Listed Company and the Guidelines on Disclosure of Information of Listed Companies, and other state agencies.

In the year 2016, the Company has complied with the principles of good corporate governance. There is no record of delayed report submission under section 56 for both form 56-1 and form 56-2, including quarterly and yearly financial statements.

#### 4.2 Channel Disclosure

The Company provides a wide variety of channels for users to access fairly. The information is published both in Thai and English languages through the following channels:

- SET’s news
- Annual Report and Annual Registration Statement (Form 56-1)
- Company’s website ([www.vichaivej.com](http://www.vichaivej.com))

#### 4.3 Information Disclosure Policy or Interview with the Press or Public

The Company has policy to provide information, media advertisement, or public release in a clear and correct manner without misinterpretation. The disclosure information is intended to create better understanding about the Company to all stakeholders based on the aspects of completely, timely, and fairly communication.

#### 4.4 Investor Relations Department

The Company has established an IR Department (Investor Relations) to be responsible for the disclosure of information and any activities of the Company to its shareholders, investors, analysts and the general public. The channels include the Company’s Home Page, quarterly performance meeting, analysts meeting, conference call, road show in Thailand and abroad, etc. The Company also prepares the Management Discussion and Analysis (MD&A) on a quarterly basis and IR Newsletter, which published on SET’s website and the Company’s

website, to provide investors and general public for better understanding of the Company’s performance. Unauthorized persons are not allow to provide information to the media or the public in any way which may affect the reputation and business operations of the Company.

Investors may contact the Investor Relations Department at 02 441 7899 ext. 1707, 1708 or [shares@vichaivej.com](mailto:shares@vichaivej.com) / [bod@vichaivej.com](mailto:bod@vichaivej.com)



#### Article 5: Responsibilities of the Board of Directors

The company to focus on the role and functions of the Board in guiding the direction of the company’s operations, including monitoring the performance of management and the board of its responsibility towards the company and its shareholders as follows

##### 5.1 Board of Directors’ Meeting

###### 5.1.1 Attendance of the Meeting

The Board of Directors shall have regular meetings every month. The meeting schedule is set out in advance since January of each year and designated to be Friday the 3rd of every month. (not less than 6 times per year). The Company Secretary shall notify each director about the schedule and agenda in advance. However, the schedule of meetings can be changed based on the significance of the agenda items to be considered.

###### 5.1.2 Meeting Agenda

The chairman, chairman of executive committee and managing director will together determine the agenda to ensure that all significant matters are included. The directors have the opportunity to freely propose agendas at the meeting that will benefit the Company.



### 5.1.3 Meeting Documents

The Board of Directors assigns the Company Secretary to prepare and send the supporting documents for the meeting to the directors for their consideration at least 7 working days prior to the meeting.

### 5.1.4 The Meeting

The Chairman will allocate sufficient time to consider the issues in each agenda of the meeting.

### 5.1.5 Invite management to attend the Meeting

The Board of Directors encourages the invitation of senior management to attend the Board's meetings to provide additional insights into the agenda items being discussed because of their personal involvement in these areas and to give the opportunity to meet the Board of Directors for their further consideration of a succession plan.

### 5.1.6 Meeting with Non-Executive Directors

The Board of Directors encourages non-executive directors to independently meet and discuss interested matters among themselves without the management participation. The results of the meeting should be notified to the Managing Director.

## 5.2 Performance Evaluation of the Board of Directors

The Nomination and Remuneration Committee set up evaluation of the Board of Directors, Sub-Committee and Chief Executive Officer at least once a year and disclose criteria, procedures, and result of the evaluation in the annual report.

### 5.2.1 Performance Evaluation of the Board of Directors

#### Criteria

The Nomination and Remuneration Committee shall set up an annual performance evaluation of the Board of Directors at least once a year based on the self-assessment guideline provided by the Stock Exchange of Thailand and to adapt it to fit the Company's structure. The self-assessment serves as a framework to monitor the performance of the duties of the Board of Directors, promote collaborative analysis of the operational results and problems which occurred in the operation of business, create good corporate governance and to subsequently disclose the criteria, procedures, and the evaluation result in the annual report.

Criteria in the performance evaluation of the Board of Directors are as follows:

- Structure and qualifications of the Board
- Roles and responsibilities of the Board
- Meeting of the Board
- Act of duties of directors
- Relationship with the management
- Self-development of directors and development of executives
- Thai Institute of Directors' assessment of the Corporate Governance of listed companies

#### Procedures

The Company shall arrange the performance evaluation of the Board of Directors annually to evaluate the previous year operation. The Company Secretary will distribute the evaluation form to each director and present it to the Nomination and Remuneration Committee and to propose it to the Board of Directors for its consideration. The Company shall also use any recommendations on the performance evaluation to improve effectiveness of the Board's operation and maximize the benefits of corporate governance.

#### Result

Result of Performance Evaluation of the Board of Directors for the year 2016. The criteria for the evaluation represent the percentage in each article as over 85% as "Excellent"

### 5.2.2 Performance evaluation of the sub-committee

#### Criteria

The Board of Directors shall evaluate the performance of each sub-committee at least 1 time per year on their leadership, roles and responsibilities, and to set its policy, practice, meeting, management, and relationships with involved persons.

#### Procedures

The Company has evaluated the performance of each of the committees annually to analyses the previous year operation. The Company Secretary will distribute the evaluation form to the Chief Executive Officer to evaluate the performance of each sub-committee and present it to the Board of Directors for its consideration.

#### Result

Result of Performance evaluation of the sub-committee for the year 2016. The criteria for the evaluation represent the percentage in each article as over 85% as "Excellent"





### 5.2.3 Performance evaluation of the Chief Executive Officer

#### *Criteria*

The Board of Directors shall evaluate the performance of the Chief Executive Officer at least once a year on their leadership, set up and implementation of strategy, planning and financial performance, relationship with the Board of Directors, outsiders, and employees, operational management and relationship with other personnel, succession plan, knowledge on product and service, risk management and internal control, corporate governance and business ethics, personal characteristics based on the assessment guideline provided by the Stock Exchange of Thailand.

#### *Procedures*

The Company has evaluated the performance of Chief Executive Officer annually to analyse the previous year operation. The Company Secretary will distribute the evaluation form to independent directors or non-executive directors or Nomination and Remuneration Committee to evaluate the performance and to subsequently present it to the Board of Directors for its consideration.

#### *Result*

Results of the evaluation of the Chief Executive Officer (CEO) for the year 2016 had an average score 90 percent, the rating "excellent".

### 5.3 Development of Directors and Executives

#### 5.3.1 Development of Directors and Executives

The Board of Directors has a policy to support and facilitate training and learning for its directors and executives to ensure their continued improvement and performance, both internal and external training courses. All directors must attend training for understanding of performance of their duties in the capacity as directors

#### 5.3.2 Succession policy

The Board of Directors assigns the Nomination and Remuneration Committee to prepare a succession plan for the position of CEO/President to ensure that the Company is managed at all the time by CEO with appropriate competency and skills. The Company is also assigned Human Resource Department provide a succession plan for executive and management level position in order to prepare in case they cannot perform.

#### 5.3.3 Orientation for New Directors and Enhancement of Business Knowledge

The Board of Directors assigns the secretary of the Board of Directors to prepare information for all new directors so as to inform them of the business information of the Company, a director's roles, duties and responsibilities and compliance with the Company's Corporate Governance Policy and practices. Simultaneously encourage all directors to have better knowledge and understanding of Company's business to enhance their role as efficient directors. Moreover, the Company has policy to improve knowledge to directors regularly.

Name of Director	Course	Training Institute
Saisunee Vanadurongwan	1. CEO CLUB 2016 : CEO Branding & CEO as a Brand Champion for Sustainability	SET
	2. Using JCI Accreditation and High Reliability Principles to Bring Healthcare Quality and Safety	AIA
	3. Regenerative Medicine From Bench to Bedside Applications	ASIA-Pacific Biotech
Nopporn Tirawattanagool	1. Training on International Financial Reporting Standard 9 (IFRS 9)	PwC Thailand
	2. CG Forum 2/2016 "Honest, Cautious, Protective for the director"	SET
	3. Seminar on "Cyber Security Awareness Training for Senior Executive"	ACIS
Sakda Tangchitwatanakorn	Strategic CFO in Capital Markets	SET
Rachada Fongtanakit	Anti-Corruption: The Practical Guide (ACPG)	IOD



## Corporate Social Responsibility

The Company realize about the role mission and responsible governance under business policy alongside with the responsible personnel community and social as well as those related parties including environmental impact formed by the process of service healthcare safety of patients and hygiene of staff at all levels. Therefore, it has been set the policy of Corporate Social Responsibility responsible governance as well as ethics in business and can take the practice seriously and continuously. Which is considered the core mission of the organization.

Moreover, The Company also focused on responsibility and good retaliation back to society. As one of the organizations that provide quality health services to the public according to international standards alongside with the implementation of a sustainable business.

### Corporate Social Responsibility

The company has established business operations by focusing on social responsibility environmental and stakeholders according to the social responsibility of business 8 segment under the rules of the Stock Exchange of Thailand for taken a pragmatic approach strictly.

#### Policy and Practicality to social

##### 1. The operation with impartiality

1.1 The promoting socially responsible on suppliers, purchasing, provide and treat to customers. Having regard to the faithful, obvious and mutual benefit with partners seriously.

1.2 The Fair Competition such as no disinformation or using any other method that does not comply with the rules.

1.3 The rights and equitable treatment of all shareholders. The protection of shareholders' benefit and rights which including the rights to receive dividend and continuously acknowledge company's information

at suitable time and continuously. The company also has a duty to publish information in a transparent manner by pass the Shareholders' Meeting which focus to giving priority to shareholders equally without any prejudice.

1.4 Recognizing the important group of stakeholders. Whether the personnel within the organization or external organization stakeholders such as Shareholders, clients, creditors, suppliers, the community Government agencies and other relevant organizations. These are able to build long-term stability to the organization.

##### 2. Anti-corruption

2.1 Companies have always recognized that Stakeholders themselves and the need to practice the rules strictly .

2.2 Companies should not support the corruption such as grafting, receiving gifts or any benefits which are not appropriate. If examination and meet such actions will be punished according to the regulations of the company.

##### 3. Respect for human rights

3.1 The promotion to practice according to the regulations of human rights under international standards to cover all departments, whether employees, community and social surroundings. By fixing the channel for complaints, review process including suitable compensation.

3.2 The hospital have to practice according announcement of the rights of patients because the patient as a person who must help both body and mind. So the patients. So, the patient is importance individual need to get protect rights for good relations and trust each other between the hospital and a patients.

##### 4. The practice to workers fairly

4.1 Respect for the right to work and not discrimination, do not be force for punish, no child labor, respects for the rights and freedom for association bargaining union law.



4.2 The Social Protection such as the protection of working conditions for employees, wages and compensation, date-time of work, vacations, penalties, welfare, healthcare and various guarantee.

4.3 The protection about health and safety on work. Promoting and maintaining high standards of well-being, both physically and mentally.

#### 5. Responsibility to consumer

5.1 The patients should be receive the rights basic care. Whether healthcare and product pricing sensibly and not misleading Information about goods and services including the product label must specify the method used, warning correctly.

5.2 Manufacturing safe products and do not affect the health of consumers.

5.3 The information of all clients need to be kept secret and should not be disclosed to the public unless required by law or authorized by the customer directly.

5.4 Managing customer relationships both before and after the sale for instance return product back on time define, warranty, compensation for damages, review and improve the complaint continuously, to listen to the opinions of consumers etc.

5.5 The development product and service of business to provide benefits to society and the environment. Products and services must not cause adverse effects on health society and the environment should be designed the product is easy to use, quality and reasonable price.

5.6 Giving to knowledge and information needed to decide on buying goods and services.

#### 6. Environmental protection

6.1 Planning, management control and prevent pollution in hospitals and communities.

6.2 The using of resources in the right amount.

#### 7. Participation in development the social and community

7.1 Participation in community by provide the activities to improve quality of life and health and provide an opportunity for the stakeholders to participate in an exchange of ideas with each other.

7.2 Promote and support participation in education between the hospital and community.

7.3 Healthcare and promoting health. Including support for disease prevention in community.

7.4 Establishing mutual cooperation between community and hospital.

#### 8. The Innovation and the dissemination of innovation

The promoting to positive activities to create effectively and efficiently and developed of knowledge and new ideas by focusing on the exploitation of the new initiatives with social responsibility. Innovation must be targeted to benefit the company or to bring benefits to the wider society and has a positive impact to stakeholders.

#### Operations of responsibility in process of business Shareholder

At present, Business must race against time so, the various information necessary for the decision. The company has provide a channel of access to information related to the company. Whether the company's website [WWW.VICHAIVEJ.COM](http://WWW.VICHAIVEJ.COM) which can be found at the Investor Relations menu. There are provide to service about the various information, as well as the movement of the company for shareholder and investors have been informed.

#### Customer and Consumer

The company focuses on the rights of patients to assess costs to be used as a factor in the decision to use the service. The company will provide service agencies for information and advice on the rights of clients 24 hours.





Companies have realized 10 patients' rights, according to the Medical Council of strictly defined by fixed the individuals in the organization need to kept a secret of patient including medical history.

The company has set of indicators (KPI) for as a tool to measure the performance of employees in each department and each level which may have an impact on the service these include: the number of incidences in the complaint of patient safety. This also includes preventative measures to secure the lives and property of our customers.

#### Personnel

The company has set a policy to develop human resources to comply the vision, mission and goals of the business. The company has developed the capacity of personnel to be knowledgeable in the operation as well as keeping the organization's personnel that are able to remain with the organization in the long term.

Companies has provided training by focusing on training with the professional standards of each profession. Therefore, it was determined that all employees have to go through the process of training a minimum of 20 hours/person/year. Especially, The medical personnel. In 2015, The average amount of training hours per employee is equal 22.17 hours/person/year. This is in accordance with company policy.

#### The business impact of corporate social responsibility.

In December, 31 2016 The Company is not legal dispute related to corporate social responsibility or environmental impact.

#### Activities to benefit society and the environment Vichaivej International Hospital Omnoi

The Happy Workplace Project, happy organization development is the attempt to perform activities to achieve the goal of Happy 8. By encourage employees to connect with each other in organization with participate in activities on a voluntary basis such

- **Happy Body Club:** The club that focuses on health activities under the project "Goodbye obesity" by 95 percent of participants will gain a better understanding about their own health care and 80 percent of those trained will behavior health care better.

- **Happy Heart Club:** The club that focuses on sharing happiness such as singing happy birthday to employees together with HR to bring gifts given to employees who have birthdays that day. And in cases of patients is admitted to the hospital on birthday, the club will be singing happy birthday to the patient to deliver smiles to patients.

- **Happy Money Club:** The club that focuses on financial management maximizes the benefits. There will be activities for knowledge about financial management.

- **Happy Relax Club:** The club that focuses on relaxation and happiness of handicraft By teaching handicrafts such as bracelets, rings and key chains, by teaching every 3 months for 1 times, last Friday in the month.

- **Happy Brain Club:** The club that focuses on learning from data sources on the Internet. To develop knowledge and keep pace with new technology by use the blogs to educate and share knowledge with the knowledge of employees through blogs.

- **Happy Soul Club:** The club that focuses on a moral in lifestyle. There will be the merit making once a month on the first Friday of every month.

- **Happy Society Club:** The club that focuses on socially conscious, community and voluntary activities projects to create public benefit such as donations to help in the wilderness and to encourage the elderly in elderly care center.

- **Happy Family Club:** The club that focuses on creating a happiness family by inviting family members of employee to attend activities such as donation to





help the orphanage, disadvantaged and the elderly.

Employees can participate in activities on a voluntary basis or become member in every club. A praiseworthy example for the Happy Body Club is that 127 employees were able to lose weight and restored their BMI value from overstandard to standard level, in which there was a contest and prize given to the winner.



1. The Orthopedic Center organized a medical seminar on “The “Joint” Surgery Innovation, Small Surgery Wound...Speedy Recovery, and Operable on Any Joint” to provide knowledge on orthopedic diseases and knee and hip joint replacement operations that adopts the minimally invasive surgery technique with less discomfort and speed recovery. The seminar was hosted by an expert lecturer Dr.Bavornrat Vanadurongwan, Orthopedic Surgeon and expert on sports science. The event featured the free physical fitness test by the sports scientists and sports medical experts, and bone mass density test for attendees.

2. An activity was organized in collaboration with Akedaroon School to provide a special lecture for parents on the parent orientation event under the topic of “Good Development ... Starts with Parent”.

3. A training session was held for quality pregnancy under the concept of “Undergo 9 Months of Pregnancy as a Happy MOM” to provide knowledge for care for mom-to-be and her baby. The session was hosted by Dr.Vijit Phanitthum from Department of Obstetrics and Gynecology, and assisted by a team of nurses, traditional medicine experts, and physical therapists to give useful information and recommendations for attendees.

4. Vichaivej International Hospital Omnoi in collaboration with Thai Red Cross, Ratchaburi Center, hosted a blood drive session participated by doctors, nurses, employees, and healthy medical service recipients, for use in the operations of Thai Red Cross.

5. The Healthy Roadshow caravan was on tour to provide free screening service for blood vessel aging, blood pressure, and diabetes for employees and shoppers at Central Department Store Salaya.

6. The Health Promotion Department organized the Germ-Free, Safety, Prudence... and Wash Your Hands Activity at various spots in the hospital to encourage the general public to wash hands correctly to maintain hygienic, disease-free, and safe environment.

7. The Health Promotion Department organized a seminar on disease prevention (How to wash hand correctly) and first aid at the Omnoi Municipal School.

8. The Health Promotion Department arranged for a health troop to teach students of the Phra Pathom Wittayalai School in Nakhon Pathom province.

9. The Health Promotion Department launched a public relation unit to promote the correct hand washing technique to students of Saint Peter Thonburi School to prevent communicable diseases in children.

10. Vichaivej International Hospital Omnoi provided integrated office desks to the Kra Toom Ban Provincial Police Station for investigation service.

11. Vichaivej International Hospital Group in collaboration with the Liver Foundation organized “Liver Lover” event to offer free liver enzyme value service to the general public as well as provide knowledge for taking care of their health in order to stay clear of liver disease.

12. Organized activity on World Kidney Day under the project called “Love Kidney...Take Early Care” in order to provide service of kidney disease screening as a campaign calling people to take care of their health and stay clear of kidney disease.

13. Organized activities to screen diabetes condition for the general public and educate as well as advise about diabetes under the project called “Diabetes Care, Less Medicine, More Relief” so that people realize the need for taking care of their health and preventing diabetes disease.



14. Vichaivej International Hospital Omnoi organized the “Family Planning for Insured Women”

15. Organized VICHAVEJ AEROBIC CLUB which was established in 2006 and at present, there are 225 members. The objective is to encourage the people of Omnoi, Omyai, and Sampran communities to exercise so that they have good health, every Monday-Friday at 17.30 – 18.30 hrs.

16. A Yoga for Health Club was open for service in 2016. Currently, there are 31 members. The objective is to encourage members of communities in Aomnoi, Aomyai, and Sampran to exercise more. Classes are available on Tuesdays and Thursdays from 17.30 hrs. – 18.30 hrs.

17. The Zoomba Club was open for service in 2016. Currently, there are 24 members. The objective is to encourage members of communities in Aomnoi, Aomyai, and Sampran to exercise more. Classes are available on Mondays from 17.30 hrs. – 18.30 hrs.

18. The Ballroom Club was open for service in 2016. Currently, there are 17 members. The objective is to encourage members of communities in Aomnoi, Aomyai, and Sampran to exercise more. Classes are available on Wednesdays and Fridays from 17.30 hrs. – 18.30 hrs

19. Organized training project to provide knowledge about health in school and workplace on a regularly basis since 2006 whereby in 2016, trainings were organized for 8 schools covering 4,236 participants and 28 workplace covering 5,657 participants.

20. Safety Week activities in the workplace were held and included exhibitions, counseling on health problems plus a variety of health-related games covering altogether 19 companies in 2016.

21. Vichaivej International Hospital Omnoi provided health support for students with overnutrition and malnutrition conditions under the project "Right Nutrition and Healthy Thai Children" covering 5 schools with 134 students participated.

22. Vichaivej International Hospital Omnoi participated in promoting proper dental care for schoolchildren by providing oral check and fluoride application with 4 schools

23. Health check up for the elderly by joint activities with Municipal Omyai in a primary health counseling for 2,000 elderly people.

24. The Sports Medical Science Troop was launched to provide physical fitness test at the King's College Sampran Mini-Half Marathon No. 15 for the HRH Princess Maha Chakri Sirindhorn Royal Trophy.

25. The Quality, Safety, Healthy recreational activity was held to provide knowledge on nutrition and self-screening for breast cancer for communities and companies such as Betagen Co., Ltd.

26. Vichaivej International Hospital Omnoi participated in the volunteering medical unit providing medical service at Sanam Luang as a royal tribute in the royal chanting ceremony of King Rama IX.





### Vichaivej International Hospital Nongkhaem

1. Vichaivej International Hospital Group in collaboration with the Liver Foundation organized “Liver Lover” event to offer free liver enzyme value service to the general public as well as provide knowledge for taking care of their health in order to stay clear of liver disease.

2. Vichaivej International Hospital Nongkhaem joined the volunteering medical unit providing medical service at Sanam Luang as a royal tribute in the royal chanting ceremony of King Rama IX.

3. Vichaivej International Hospital Nongkhaem collaborated with the Nongkhaem District Office to provide umbrellas to merchants in Nongkhaem district.

4. Vichaivej International Hospital Nongkhaem provided 1 set of computer and printer to Nongkhangplu Police Station as well as a set of printer to Nongkhaem Police Station.

5. Vichaivej International Hospital Nongkhaem arranged for a first-aid training session for boy and girl scouts of Assumption Thonburi School.

6. Vichaivej International Hospital Nongkhaem provided a first-aid training session to 20 companies and preliminary CPR for 4 companies.

7. Vichaivej International Hospital Nongkhaem arranged for the weight loss activity for 3 schools.

8. Vichaivej International Hospital Nongkhaem held a session to provide knowledge for nutrition for 2 companies.

9. Vichaivej International Hospital Nongkhaem provided a free medical check-up for the Father’s Day event at Assumption School



### Vichaivej International Hospital Samutsakhon

1. Vichaivej International Hospital Samutsakhon organized a CSR activity in collaboration with Thai Union Group PLC. and Thai Union Manufacturing Co., Ltd. under the health promotion for mother and children at production facilities and communities program during January and December 2016. A collaboration was also made with the Samut Sakorn Public Health Provincial Office to present certificates to 2 production facilities, recognizing these 2 entities as the pilot organizations promoting hygiene of mother and children.

2. Vichaivej International Hospital Samutsakhon joined hand with Pattaya Food Industry Co., Ltd. to organize an MOU signing ceremony for the Bright Smile and Strong Teeth for Primary Youth program on 17 June 2016.

3. Vichaivej International Hospital Samutsakhon held an activity to visit the home for patients with chronic diseases (diabetes / raised blood pressure) and disabled persons with mobility impairment in vicinity; and donated 13 wheelchairs to the disabled persons.

4. Vichaivej International Hospital Samutsakhon assembled the public health service unit to provide service at 3 schools (Wat Klong Sru School, Baan Tasai School, and Anusorn Supamas School) and 3 early children development centers (Baan Klong Kru Early Children Development Center, Baan Tasai Early Children Development Center, and Tonkla Elementary School.)

5. Vichaivej International Hospital Samutsakhon coordinated with Tasai community to hold a water pouring, well-wishing ceremony with an aim to promote the physical and mental health of senior citizens and to carry on the cultural heritage of Thailand.

6. Vichaivej International Hospital Samutsakhon assembled a medical mobile unit to provide medical service at production facilities and collaborated with other government agencies during festive seasons.

7. Vichaivej International Hospital Samutsakhon assembled a team of doctors and nurses to provide knowledge on prevention of harm from chemicals and first-aid method to employees of 33 production facilities to enable them to provide first-aid assistance in case of emergency.





8. Vichaivej International Hospital Samutsakhon collaborated with the Tasai Local Administrative Organization and the Mon community in the Tasai community to organize the honey almsgiving ceremony on the full moon night of 10th month at Wat Klong Kru Temple to carry on the local tradition. The hospital also supported the event with first-aid service.

9. Vichaivej International Hospital Samutsakhon hand in hand with the Tasai Public Health Volunteers to provide cervical cancer screening test and breast cancer screening test for women between 30-60, and 35-70 years of age, respectively. Knowledge, advices, and consultation were given to Thais and foreigners in communities, and production facilities in 2016.

10. Vichaivej International Hospital Samutsakhon held the 2016 Children's Day activity for the year 2016 by the swimming pool of the hospital. Children had fun with various activities, including swimming competition, games, quiz, and lucky draws to win prizes.

11. On 14 June, 2016, Vichaivej International Hospital Samutsakhon held a training session for students assigned as health promotion champions for the year 2016 featuring activities to promote and disseminate basic knowledge on health / communicable diseases frequently found in children / dental hygiene / nutrition commandments, and information on AIDs.

12. Vichaivej International Hospital Samutsakhon held an activity to prevent dental cavities in children. A team of public health officers and dental officers visited children, checked their dental health, giving fluoride varnishing service, teaching the correct tooth brushing to early-age children. A training session was provided to the teachers and caretakers at 3 early children development centers (Baan Klong Kru Early Children Development Center, Baan Tasai Early Children Development Center, and Tonkla Elementary School.)

13. Vichaivej International Hospital Samutsakhon held a 2016 Health Tips to Eliminate Chronic Disease workshop for staff of production facilities who were prone to risk of obesity, diabetes, and high blood pressure to take better care of their health.

14. Vichaivej International Hospital Samutsakhon and Thai Union Manufacturing Co., Ltd. collaborated to organize the chloroform test in water and food at production facilities, communities, restaurants, and food stalls as well as provide knowledge and advice about proper and hygienic food preparation in 2016.

15. In 2016, Vichaivej International Hospital Samutsakhon and production facilities in Samutsakhon province namely, ASEFA Co., Ltd., Pattaya Food Industry Co., Ltd., Nitro Chemical Co., Ltd. organized the safety week activity. Fun activities and games were arranged for staff along with health-related quiz to win prizes as well as the screening service for diabetes and raised blood pressure to attendees.

16. Vichaivej International Hospital Samutsakhon organized the preliminary health screening service for Thais and foreigners during the Valentine's Day at the Koong market and Thepnorrarat Temple in Samut Sakorn province. Fun activities, health-related quizzes and games were available for attendees to win prizes. Condoms and birth control pills were distributed in the event.

17. Vichaivej International Hospital Samutsakhon, Tasai Local Administrative Organization, public health volunteers, Thai Union Group PLC. and Thai Union Manufacturing Co., Ltd. held an activity to raise awareness about the danger of Zika virus. Knowledge was disseminated on elimination of mosquitos breeding source and pesticide use to eliminate full-grown ones.







18. Vichaivej International Hospital Samutsakhon held a preliminary medical check-up activity for participants to chant prayers, pay homage, practice the 5 Buddhist commandments, eat vegetarian, and make merit in Katin ceremony at 9 temples. The event was participated by many officers of the local administrative organizations, public health volunteers, and senior citizens.

19. Vichaivej International Hospital Samutsakhon and the Liver Disease Foundation organized the We Love Liver event to provide the free liver's enzyme level screening for the general public.

20. Vichaivej International Hospital Samutsakhon organized the 2016 basic medical check-up activity for Thais and foreigners in communities in vicinity under its responsibility.



#### Vichaivej yaekfaichai Hospital

1. Vichaivej yaekfaichai Hospital organized the Diabetic and Foot Care year 2016 by nurses and physical teams. Measure and cut shoes with foot pads for healthy feet for patients Universal health insurance.

2. Vichaivej yaekfaichai Hospital together with Road Accident Victims Protection Company Limited and bangkok noi police station, organized a volunteer program Cardiopulmonary resuscitation, first aid before moving move patients and knowledge about Car Victims Act.

3. Vichaivej yaekfaichai Hospital provided radio communication to Bangkok Noi Police Station.

#### Guidelines on Prevention of involvement in corruption.

Additional guideline for anti-corruption

The Company attaches significance on anti-corruption and integrated anti-corruption aspects in policies such as compliance, corporate social responsibility, and business ethics. All of the said policies were approved by the Board of Directors and implemented accordingly. To ensure compliance and promote the Company to follow the good corporate governance and to improve the compliance system to enhance efficiency of corporate governance, the Compliance Committee was established on 19 December 2016 with the duty to steer anti-corruption policies, business ethics, and corporate social responsibility. Training and testing will be provided to raise awareness of the staff and directors as well as newly recruited employees and executives through orientation. The Company established compulsory programs for staff and management whereby related materials were incorporated as part of the overall knowledge base of the Company for staff to conduct self-learning. In addition, the guideline for compliance and anti-corruption as well as the assessment of compliance with the anti-corruption policies were conducted and the report thereof was presented to the Board of Directors.

The Company participated in the Coalition of the Anti-Corruption (CAC) and signed off on the declaration of private sector to collaborate with CAC to ensure anti-corruption of all kinds. The Company expected to be accepted to the program in 2017.

#### Conflicts of interest

The corporate personnel should not behave in a way that could pose a conflict of benefit and always be realize that we have a benefits on operations.

#### Guidelines of Practice

- The company personnel must not take any action to cause a conflict with the organization both directly and indirectly.
- The company personnel not should work the extra jobs from external organizations which pose a conflict of benefit with the company unless executive are allowed.



- Do not use the authority or any action for the benefit of own selves or persons involved.
- The committee or executive of the company to consider various conflicts affecting the organization with transparency by focused the benefit of the organization is critical.
- If you see that the person's close that get the benefit which contrary to the benefit of the organization. Those involved will be disclosed such items that was wondering every time.

#### **Confidentiality; Collection of data and Using of internal data**

The company personnel are required to keep the information confidential of the company strictly. If company secrets are disclosed to the public or to competitors may cause serious adverse effects on the organization.

#### **Guidelines of Practice**

The executive or employees companies that have brought the company' information has use in various operations that be careful and keep the information as well.

- The company personnel must keep company data and customer information is confidential to those no involved, unless was the legal regulations or get the approval of the authority and have signed written authorization.
- There is prohibition no allowed the personnel brought the data to use in the pursuit of their own benefits to make a bad impact on the organization.
- The corporate personnel should be kept both the documents and electronic informations, according to company have defined.

#### **Procurement and Practice to partners and/or creditor**

- Do not ask or receive-pay any benefits was dishonest to partners and/or creditors.
- To comply with the terms of the contracts to partners strictly, be transparent. Especially, Terms of Guarantee, The Capital Management, overdue repayment which should not be the way to corruption or discloser or concealed of facts that affect damage to creditors.
- The staff is responsible for the procurement of goods and services must focus on value of price and quality.
- Those who are involved with partners and/or creditors should keep the contract documents and various agreements as evidenced in case a conflict of benefits.

- If found the companies, partners and/or creditors not complying with the agreement that affect damage to organization will be cease operations and reporting to commandants to find solutions further.

#### **Practice to competitors**

- The company must operate under the rules of good and righteousness competitive, honesty and transparency.
- Do not discredit the competitors by distorting the facts.
- Providing to support participation with competitors to benefit consumers or society as a whole.

#### **Internal control and internal audit**

The company has set up a monitoring system of internal controls by auditors for responsibility on the action plan to achieve the goals, according to the company's efficiency. Including the auditors must be able to create trust and consultation as fair and independent.

#### **Guidelines of Practice**

- Internal auditors must be honest, transparent and equitable as well as treatment of confidential information as well.
- Internal auditors must have not participation in activities as conflict to benefits of the organization.
- Internal auditors must not use the information to find any benefit for one-self contrary to the law.
- Practice of internal auditing must adhere to international standards for the Professional Practice of Internal Audit.

#### **Practice to employees**

The employees is a critical factor in business whether, it is in any sectors whatever. Therefore, Companies have to promote and by motivating employees to work for the benefits to the organization as much as possible. Has provided a set of guidelines for good practice and had committed to developing and building confidence to employees at all levels.

#### **Guidelines of Practice**

- Providing fair compensation to employees.
- Adjusting the position, to reward employees who perform well. As well as penalties for employees who break the rules of the company. These things need to be considered and judged equally and based on knowledge



and capabilities of each employee.

- Focus on developing knowledge and skills of people in the organization by providing opportunities for employees at all levels continuously.
- Hearing comments and suggestions from employees at all levels equally.
- Practice to employees with politeness.
- Providing to maintain an environment at workplace to secure for the lives and property of employees regularly.
- Administration without any action being unfair to avoid affecting the stability in the work and reduce the pressure on the minds of employees.
- The compliance with labor laws strictly.

Creating on understanding to the employees in issue of work ethic to promote employees to have good behavior and within the framework of the ethics.

- Provide opportunities for employees to report the clue of corruption or lawbreaking of administrative section to audit committee.

### The practice of employees

The all employees of Srivichai Vejvivat Public Company Limited and subsidiaries has committed working with regard to the ethic of service according professional standards in order to build trust with customers, shareholder, investors include the Colleague.

#### Guidelines of Practice

- Operation with honestly both customers companies and colleagues and to help promote a good reputation for the organization.
- Protecting company property not damaged and use carefully covering should not be used for a benefit of own.
- Report incidents that resulted in damage of organization to the commander get to know immediately.
- Do not allow the disclosure of information trade to the other individuals, unless authorized by the company beforehand.
- Prohibits the destruction of property, equipment and tools of the company.
- Do not bring the equipment or any other property of the company to an outside organization.
- Do not criticize policy of administrative section in a manner that caused the damage.

- Do not make modifications or tampering documents or clarify any evidence that is not true for a benefits of own.
- Do not take any action which caused a rift between employees.
- Do not convince the colleagues to tarnish, pedophilia or to sneaky say on prostitution.
- Do not impute about organizations, colleagues, products, customers and executive.
- Do not make customers disgrace to the public or show aggressive behavior toward others.
- Do not break criminal law to organizations, customers and other individuals.
- Do not use any asset or place that provided for customers.
- Do not claim of money or property from another person for a benefits of own.
- Do not do any action that make misunderstand that to ask a reward from customers.

### Responsibility to the community and society as a whole.

The company focuses on corporate social responsibility and community as a mission to create activities that benefit society by focusing on the development of society, the environment as well as support education etc.

#### Guidelines of Practice

- The companies has participating in the suitable activities for the public in development and services to social as well as promoting social activities to protect the environment and improving the quality of life in the community.
- The companies must be involved in the responsibility for the quality, safety, health and a focus on the environment continues including the use of resources to create the most utility and the impact is minimal.
- The companies is promoting energy conservation. By using the energy and resource efficiency to maintain benefits for future generations.
- The awareness about corporate social responsibility and environment to personnel at all levels continuously.



#### Receiving and giving gifts or any other benefits.

Receiving and giving gifts or any other benefits was not suitable might be impact to the organizations or be cause make the companies lost the benefits, so the companies will not support any act above.

#### Guidelines of Practice

- The employees should avoid giving, Receiving or any other benefits from the business confederate of company.
- Can be give or receive such gifts, according to tradition and must not influence any business decision. Then the gifts received have to kept at centrally.
- If you received a gift in the various festival that is rather high value from the business confederate of company need to report to commander get to know hierarchical.

#### Safety, health and environment in the workplace

The company is attentive to its employees and the communities surrounding to various safety both sanitation and the good environment so has established guidelines to ensure safety in the workplace as according to the law determine.

#### Guidelines of Practice

- The company has set guidelines to prevent accidents and illness at work to all employees seriously. As well as managing the risks affecting work efficiency.
- The Company has complied with the laws and regulations strictly.
- The company has provided training to staff knowledge and understanding about safety to prevent various dangerous in the workplace including has plans of security training annually.

#### Practices with customers and consumers.

Customers and consumers as who purchase goods and services of the business which generates revenue and profit for the organization and make the business has sustainable existence. Therefore, The company must have guidelines and best practice in creating customer satisfaction in all aspects.

#### Guidelines of Practice

- The companies must treat customers with honesty and equality.

• The companies aims to provide quality products and services for respond to need and satisfaction of customers continuously.

• The companies must disclose correctly information about products and services by focusing the benefits of the customer is important.

• The companies need to focus on safety in the products and services offered to customers strictly and accepts responsibility in case there is a problem on products and services.

• The companies must provide training to its staff to have knowledge and understanding of good practice including security for customers continuously.

• The companies must provide a system to receive complaints from customers effectively to complaint was responded to quickly.

#### Practice guideline on monitoring the risk of corruption

The Audit team undertakes its duties and responsibilities to conduct internal control systems, manage corruption-risk, review good governance, provide suggestion continuously, and report to the Audit Committee on any significant finding. However, all audits will apply to the annual audit plan that has been approved by the Audit Committee.

The Audit team and the Executive Committee undertake their duties and responsibilities in testing and evaluating risk of corruption to ensure that the Company has practice, monitor, review and revisit the Anti-Corruption Guidance effectively. Report of any significant findings will be submitted to the Audit Committee and raised to the Board of Director Committee in time.

In the case of the investigation to determine the facts that found the information from the inspection Complaints or evidence which led to believe that there are certain items or actions which may affect the financial status and performance of the company. Including illegal or regulations of the company So, The Audit Committees need to report with The Executive Committees to find guidelines to improve within the period that the Audit Committees sees suitable.





## Internal Control and Risk Management

Board of Director and executive management recognizes that internal control system is important mechanism in reducing business risk and increasing efficient business operation which is included resource allocation appropriately and achieve objective of the Company.

Board of Directors commissioned the Audit Committee has a duty and responsibility in review the appropriateness and effectiveness of internal control system which the executive management provided it to ensure that the Company has adequate internal control system in the risk management, protect the Company's assets from lost or used by unauthorized person, compliance with laws and regulations, and correctness and assurance of the financial statement. In addition, the Audit Committee considers the independence of the internal audit department, and considers the appropriateness and adequacy of personnel in such department, and approves the appointment or dismissal internal audit manager.

Audit Committee reviewed appropriate and efficient the internal control system and the internal audit by considered in conjunction with the internal auditor and reported to Board of Director to inform or consider in quarterly. In the prior year, Audit Committee has expressed their opinion and recommendation to executive management on matters material. Furthermore, the external auditor, who is EY Office Limited and audited financial statement of the Company for the year ended 2016, have jointed meetings with Audit Committee and expressed the opinion that the internal control system of the Company was satisfactory level and not found error/weakness to have significant impact on the opinion of the external auditor.

In Board of Directors meeting No. 13/2016 as at 19 December 2016, Audit Committee attended the meeting. Board of Directors has assessed the adequacy of internal control system annually by the Securities and Exchange Commission's form in accordance with COSO (The Committee of Sponsoring Organizations of the Tradeway Commission) which included the control environment, the risk management, the control activities, the information and communication, and the monitoring activities. Board of Directors agreed that the Company performed to COSO appropriately.

The Board of Directors agreed that the Company's internal control system, an adequate and appropriate of 5 sections.

### Different opinions during the Audit Committee and the Board of Director Committee

- None-

### Information of head of internal audit unit and head of compliance unit

The Company has appointed Mr.Chinnapat Upajit as internal audit manager since 1 August 2016, which was approved by Audit Committee. The committee had considered his qualification, knowledge, and experience of internal audit task, had concluded that he has the right to perform duties appropriately.

In order to consider and approve the appointment, transfer and dismissal of the incumbent internal audit manager of the Company must be approved by the Audit Committee.



## Report of the Board of Directors on the Financial Statements year 2016

The Board of Directors has realized the importance of its role and responsibility on implanting the corporate governance principle into the company's management. This also means to ensure that the Company's financial statement and financial information in the annual report is accurate, complete and in line with the accounting standard. As well as the reins adequate disclosure of information in the notes to the financial statements that can reflect the financial position, performance, and cash flows accurately, transparently and beneficially to the shareholders and general investors

In this regard, the Board of Directors has focused on improving the management structure and internal control systems to boost the creditability of the Company's financial statement. Such improvement also helps guarantee that the Company is equipped with an effective system to monitor its assets and to prevent serious misconducts and other operational irregularities of the Company.

The Board of Directors has appointed the Audit Committee comprising of a number of independent directors, who are fully qualified under the requirements by the Stock Exchange of Thailand. The Audit Committee is mainly responsible for maintaining the quality of the financial report and internal control systems. It is also responsible for any disclosure of connected transactions. The Committee's reviews on such matters will appear in this Annual Report and form 56-1 under the Audit Committee's Report.

The Board of Directors has the opinion that the Company's overall internal control system is adequate and appropriate. The Board is reasonably confident that the separate financial statements and consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2016 are reliable and complying with generally accepted accounting standards and the practice is in compliance with related law and regulations.

(Assoc.Prof.Vichai Vanadurongwan, M.D., Ph.D., FIMS)  
Chairman of the Board

(Ass.Prof.Saisunee Vanadurongwan, M.D.)  
Chief Executive Officer



## Related Transactions

The Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are disclosed in Article 6 Transactions with related parties. Which appears in the notes to the consolidated financial statements and consolidated financial statements of the Company for the year ended December 31, 2016 and 2015, which related party transactions is based on commercial terms and bases agreed upon between the Company and parties related to them. This is normal business in summary, as follows:

### 1. Relationship

Subsidiary	Relationship
Srisakorn Vejavit Company Limited.	Through common shareholdings and directorships
Saivichai Development Company Limited	Through common shareholdings and directorships
Bangkok Orthopedic Hospital Company Limited	Through common directorships
Srivichai Vocational School Company Limited	Through common management

### 2. Pricing Policy

- 2.1 Medical service income and expenses based normal price less certain discount.
- 2.2 Service income and expenses based normal price
- 2.3 Rental income and rental expenses rate in contract price.
- 2.4 Consulting fees rate in contract price.

### 3. Name of directors and executives are related parties

- 1. Assoc. Prof. Vichai Vanadurongwan,M.D.,Ph.D.,FIMS
- 2. Asst. Prof.Saisunee Vanadurongwan,M.D.
- 3. Pongsak Vathana,M.D.
- 4. Mongkon Wanitphakdeedecha M.D.,M.Sc.
- 5. Vilawan Vanadurongvan, Ms
- 6. Prut Rojmahamongkol, Mr



## Management Discussion and Analysis

The Operations result of the company, its Subsidiaries

Unit: Million Baht

List	2016	2015	Changes	Average
Revenues from hospital operations	1,718.60	1,344.34	374.26	27.84
Other Income	23.94	24.37	(0.43)	(1.76)
<b>Total revenues</b>	<b>1,742.54</b>	<b>1,368.71</b>	<b>373.83</b>	<b>27.31</b>
Cost of hospital operations	1,289.96	1,011.88	278.08	27.48
Selling expenses	50.98	39.25	11.73	29.89
Administrative expenses	196.76	183.82	12.94	7.04
<b>Total expenses</b>	<b>1,537.70</b>	<b>1,234.95</b>	<b>302.75</b>	<b>24.52</b>
<b>Profit before finance cost and income tax expenses</b>	<b>204.84</b>	<b>133.76</b>	<b>71.08</b>	<b>53.14</b>
Finance cost	15.74	6.93	8.81	127.13
Profit before income tax expenses	189.10	126.83	62.27	49.10
Income tax expenses	35.64	25.19	10.45	41.48
<b>Net profit</b>	<b>153.46</b>	<b>101.64</b>	<b>51.82</b>	<b>50.98</b>
<b>Profit attributable to:</b>				
Equity holders of the Company	153.07	101.49	51.58	50.82
Non-controlling interests of the subsidiaries	0.39	0.15	0.24	160.00

### Profitability Ratio

Unit: Million Baht

List	2016	2015	Changes	Average
Gross Profit	428.64	332.46	96.18	28.93
Gross Profit Margin Ratio (Percent)	24.94	24.73		
EBITDA	299.46	209.40	90.06	43.01
EBITDA Ratio (Percent)	17.19	15.30		
Net Profit Margin Ratio (Percent)	8.78	7.42		29.89





For the Company's Performance ended December 31, 2016, the Company and its subsidiaries had a net profit of 153.46 million Baht increase from the year 2015 of 51.82 million baht or 50.98 percent.

Service Income for the year ended 31 December 2016 amounted to 1,718.60 million baht, Increase from the year 2015 of 374.26 million baht or 27.84 percent as a result of turnover Vichaivej Yeakfaichai Hospital, which the Company acquired the shares of Bangkok Orthopedic Hospital Company Limited on June 28, 2016 and Vichaivej International Nongkhaem Hospital opens heart center, adjustment strategy to increase income patients in general, with medical technology, adding medical personnel and develop services aimed at excellence. Including the opening of a new building to accommodate patients. Income patients increased 314.81 million baht or 31.64% and income patients pay increase of 59.46 million baht or 17.03% resulting in a total revenue of the Company and its subsidiaries increased to 373.83 million baht or 27.31% from 1,368.71 million baht to 1,742.54 million baht.

Cost of hospital operations in 2016 of the Company and its subsidiaries, including 1,289.96 million Baht, an increase from the year 2015 of 278.08 million or 27.48 percent. As results of the growing number of customers are on the rise, cost of the doctors, nurses and staff compensation. Cost of service including depreciation increased. Including pharmaceuticals and medical supplies increases but the ability to manage costs and cost-effectively, resulting in the cost of hospital operations decreased percentage of 75.27 of the total revenues in 2015, a percentage of 75.06 of the total revenues in 2016.

Selling expenses for the year ended 31 December 2016 amounted to 50.98 million baht, increase from the year 2015 of 11.73 million baht or 29.89 percent as a result of expansion of the development of excellence. And an increase in personnel to support the growth of income group customers. Resulting in employee compensation related to sales. And the cost of advertising and promotion increases.

Administrative expenses for the year ended 31 December 2016 amounted to 196.76 million baht increase from the year 2015 of 12.94 million baht or 7.04 percent as a result of the stock exchange fees, financial advisory fees, the legal counsel fees for support its expansion in the future, including the addition of personnel to support growth market segments in general. Total administrative expenses for the year ended December 31, 2016 amounted to 196.76 million baht, an increase of 12.94 million baht from 2015 or 7.04 percent as a result of exchange fees of Financial Advisor and Legal Adviser, to support its expansion in the future. Including the addition of personnel to support growth market segments in general.

Total financial expenses for the year ended December 31, 2016 amounted to 15.74 million baht, an increase of 8.81 million baht from 2015, or 127.13 percent as a result of loans from financial institutions to invest in expansion and the acquisition of Bangkok Orthopedic Hospital Company Limited as well as expanding the building to accommodate the growing group of customers.

Total income tax expense for the year ended December 31, 2016 of 35.64 million baht, an increase of 10.45 million from 2015 baht or 41.48 per cent as a result of increased profitability.

## Financial Status

Unit: Million Baht

List	2016	2015	Changes	Average
Total Assets	1,752.97	1,445.56	307.41	21.27
Total Liabilities	746.77	535.68	211.09	39.41
Equity Holders of The parent	1,004.71	908.70	96.01	10.57
Total Shareholder's Equity	1,006.20	909.88	96.32	10.59



The consolidated financial statements of the Company and its subsidiaries as at December 31, 2016 total assets of 1,752.97 million baht, an increase from 2015 of 307.41 million, or 21.27 percent, Because of trade receivables and other receivables increased by 52.75 million baht, cash and cash equivalents increased by 44.41 million baht, the Company's property, plant and equipment increased by 110.42 million baht, and pharmaceuticals and supplies increased by 10.10 million baht.

Total liabilities of the Company and its subsidiaries as at December 31, 2016 amounted to 746.77 million baht, up from 211.10 million in 2015, or 39.41 percent Because of long-term loans increased by Baht 71.77 million, trade payables and other payables increased by 61.87 million baht.

The shareholders of the Company amounted to 1,004.71 million baht; an increase of 96.01 million baht in 2015 of 10.57 percent

## Liquidity

Unit: Million Baht

List	2016	2015	Changes	Average
Net cash provided by operating activities.	243.36	233.44	9.92	4.25
Net cash provided by investing activities.	(207.48)	(176.99)	(30.49)	17.23
Net cash provided by (used in) financing activities.	8.52	(19.95)	28.47	(142.71)
Cash and cash equivalents as at January 1.	133.19	96.69	36.50	37.75
Cash and cash equivalents as at December 31.	177.59	133.19	44.40	33.33

Statement of cash flows for the year ended December 31, 2016, the Company erating assets and liabilities increased by 79.87 million baht assets from operations increased by 47.43 million from trade receivables and other receivables. Liabilities from operations decreased by 10.10 million baht and income tax of 35.26 million baht.

Cash flows used in investing activities amounted to 207.48 million baht, down from 30.49 million baht of 2015, representing a 17.23 percent due to the investment in the shares of Bangkok Orthopedic Hospital Company Limited.

Cash flow used in financing activities amounted to 8.52 billion baht, an increase of 28.47 million baht from 2015 or 142.71 percent. Since 2016, with proceeds from long-term loans financial institutions

As at 31 December 2016 The Company and its subsidiaries has cash and cash equivalents totalled of 177.59 million baht, increase from the year 2015 were 44.40 million Baht or 33.33 percent.



## Financial Highlights

The consolidated financial statements	2016	2015
<b>Statements of financial position (Unit: Millions of Baht)</b>		
Total Assets	1,752.97	1,445.56
Total Liabilities	746.77	535.68
Total Shareholder's Equity	1,006.20	909.88
<b>Statements of comprehensive income (Unit: Millions Baht)</b>		
Service Income	1,718.60	1,344.34
Total Revenues	1,742.55	1,368.71
Net Profit	153.46	101.64
<b>Common Share Data</b>		
Number of common shares issued (Million shares)	570.67	570.67
Book value per share (Baht)	1.76	1.59
Basic earnings per Share (Baht)	0.27	0.18
<b>Significant Financial Ratios</b>		
<b>Growth Ratio (Percent)</b>		
Growth Rate of Service Income	27.84	7.80
Growth Rate of Net Profit Margin	50.99	6.54
<b>Profitability Ratios (Percent)</b>		
Gross Profit Margin	24.94	24.73
EBITDA Ratio	17.19	15.30
Net Profit Margin	8.78	7.42
<b>Rate of Return (Percent)</b>		
Return on Assets	12.81	9.76
Return on Equity	16.00	11.75
<b>Management of assets and liabilities</b>		
Current ratio (times)	1.13	1.10
Average collection period (days)	45.01	51.27
Average sale period (days)	9.83	9.82
<b>Leverage Ratio (times)</b>		
Debt to Equity ratio	0.74	0.59
Profit Ability Ratio	13.01	19.30



# Independent Auditor's Report

To the Shareholders of Srivichaivejvivat Public Company Limited

## Opinion

I have audited the accompanying consolidated financial statements of Srivichaivejvivat Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Srivichaivejvivat Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Srivichaivejvivat Public Company Limited and its subsidiaries and of Srivichaivejvivat Public Company Limited as at 31 December 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

## Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.





### Revenue recognition

Revenue from hospital operations is considered an account significant to the financial statements because the revenue amount is high (accounting for approximately 99% of consolidated total revenues) and there are a large number of revenue transactions. The revenue also has a number of components, such as revenue from medical fees, revenue from sales of medicines, revenue from hospital rooms and revenue from medical services, and is derived from provision of services to various types and a large number of customers. There are therefore risks with respect to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Group by

- Assessing and testing the Group's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, and with special consideration given to expanding the scope of the testing of the internal controls which respond to the above risks.
- Performing analytical procedures on disaggregated data to detect possible irregularities in revenue transactions throughout the period, including accounting entries made through journal vouchers.
- On a sampling basis, examining supporting documents for revenue transactions occurring during the period.
- Testing the cut-off of revenue recognition.
- Reviewing of credit notes that the Group issued after the period-end.

### Estimation of accrued medical treatment income

The Group has revenues from the provision of medical services to patients under the government welfare schemes of the Social Security Office and the National Health Security Office. The amounts of such revenues are determined based on government policy, the number of insured persons registered with the Group, and statistical information on the services provided by the Group. As discussed in Note 8 to the financial statements, as at 31 December 2016, the Group had accrued medical treatment income from the two government agencies amounting to Baht 62 million. An estimation of accrued medical treatment income requires management to exercise significant judgement. There is thus a risk of the amount of such accrued income.

I have examined the accrued medical treatment income by

- Assessing and testing the Group's internal controls with respect to the estimation of accrued medical treatment income by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls,
- Assessing the appropriateness of the criteria, methodology and conditions applied by the Group in estimating accrued medical treatment income in accordance with government policy.
- Performing the reasonableness of past estimates of accrued medical income by comparing those estimates with the actual amounts received.
- Examining cash receipt transactions relating to accrued medical treatment income subsequent to the period-end date.



### Business combination

As discussed in Note 1.2 to the financial statements, in June 2016 the Company invested in The Bangkok Orthopedic Hospital Company Limited which is engaged in hospital business. As at the date of acquisition, the Company recognised and measured the assets acquired and liabilities assumed at their fair value and recognised goodwill from the business combination by applying the acquisition method. I have focused on this business acquisition since it is material to the financial statements as a whole, and management was required to exercise substantial judgment when appraising the fair value of the assets acquired and liabilities assumed. Therefore, there is a risk with respect to the recognition and measurement of the assets acquired and liabilities assumed, including recognised goodwill.

I have examined the recognition of the assets acquired and liabilities assumed from the acquisition of business by

- Reviewing the terms and conditions of the agreement and inquired with management as to the nature and objectives of the acquisition in order to evaluate whether the acquisition meets the definition of a business combination under Thai Financial Reporting Standard 3 (Revised: 2015) Business combinations.
- Checking the value of the acquisition to supporting documents and related payments to assess whether it reflected the fair value of the consideration transferred and did not include acquisition-related costs.
- Assessing the fair value of assets acquired and liabilities assumed specified in the documentation of measurement under the acquisition method as prepared by an independent valuation specialist, by considering the methods and significant assumptions used by the independent valuation specialist in calculating the fair value of such assets and liabilities.
- Reviewing the components of the financial model, comparing significant assumptions with the entity's historical information and industry and related economic information such as interest rate and inflation rate, comparing discount rate with the entity's financial costs and industry and evaluating the expertise, ability and integrity of the independent valuation specialist.
- Assessing the rationale of goodwill recognised from the business combination by analysing the pricing model, and reviewing the disclosures related to the business combination in the notes to financial statements.

### Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.



### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Termphong Opanaphan.

Termphong Opanaphan  
Certified Public Accountant (Thailand) No. 4501  
EY Office Limited  
Bangkok: 17 February 2017





# Financial Statement

Srivichaivejvivat Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	177,588,628	133,186,588	53,224,967	70,117,286
Trade and other receivables	8	238,304,259	185,550,338	108,412,819	105,053,661
Medicine and supplies	9	39,795,134	29,697,442	11,376,114	12,152,459
Other current assets		4,818,426	5,476,812	625,198	517,359
<b>Total current assets</b>		<b>460,506,447</b>	<b>353,911,180</b>	<b>173,639,098</b>	<b>187,840,765</b>
<b>Non-current assets</b>					
Restricted bank deposits	10	3,750,300	-	-	-
Investments in subsidiaries	11	-	-	410,999,916	268,131,802
Other long-term investment	12	40,500,000	40,500,000	40,500,000	40,500,000
Investment properties	13	23,310,328	23,516,643	-	-
Property, plant and equipment	14	985,294,848	874,865,311	725,584,716	699,894,913
Leasehold rights	15	137,460,461	127,291,572	-	-
Goodwill	1.2	64,863,745	-	-	-
Deferred tax assets	22	6,194,294	4,191,013	-	-
Other non-current assets		31,088,635	21,287,974	15,345,354	10,796,168
<b>Total non-current assets</b>		<b>1,292,462,611</b>	<b>1,091,652,513</b>	<b>1,192,429,986</b>	<b>1,019,322,883</b>
<b>Total assets</b>		<b>1,752,969,058</b>	<b>1,445,563,693</b>	<b>1,366,069,084</b>	<b>1,207,163,648</b>

The accompanying notes are an integral part of the financial statements.



Srivichaivejvivat Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables	16	298,779,053	236,908,824	106,387,995	127,460,430
Current portion of payable from purchase of investment	1.2	5,193,436	-	5,193,436	-
Current portion of long-term loans	17	85,710,000	70,088,000	73,560,000	51,720,000
Current portion of liabilities under finance lease agreements	18	8,054,501	5,054,614	2,011,857	1,691,530
Income tax payable		7,302,898	7,267,974	1,225,859	7,231,131
Other current liabilities		2,754,552	2,185,382	931,190	739,686
<b>Total current liabilities</b>		<b>407,794,440</b>	<b>321,504,794</b>	<b>189,310,337</b>	<b>188,842,777</b>
<b>Non-current liabilities</b>					
Payable from purchase of investment, net of current portion	1.2	41,174,678	-	41,174,678	-
Long-term loans, net of current portion	17	258,150,000	186,380,000	258,150,000	174,230,000
Liabilities under finance lease agreements, net of current portion	18	7,833,479	9,215,225	1,238,523	1,389,857
Provision for long-term employee benefits	19	17,290,289	12,827,116	3,100,082	5,457,605
Deferred tax liabilities	22	9,104,188	5,757,835	4,645,665	4,081,875
Other non-current liabilities		5,427,084	-	-	-
<b>Total non-current liabilities</b>		<b>338,979,718</b>	<b>214,180,176</b>	<b>308,308,948</b>	<b>185,159,337</b>
<b>Total liabilities</b>		<b>746,774,158</b>	<b>535,684,970</b>	<b>497,619,285</b>	<b>374,002,114</b>

The accompanying notes are an integral part of the financial statements.



Srivichaivejvivat Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
<b>Shareholders' equity</b>					
Share capital					
Registered					
570,666,666 ordinary shares of Baht 1 each		570,666,666	570,666,666	570,666,666	570,666,666
Issued and fully paid					
570,665,433 ordinary shares of Baht 1 each		570,665,433	570,665,433	570,665,433	570,665,433
Share premium		37,938,115	37,938,115	37,938,115	37,938,115
Retained earnings					
Appropriated - statutory reserve	20	25,677,380	21,059,640	25,677,380	21,059,640
Unappropriated		351,761,596	260,371,986	234,168,871	203,498,346
Other components of shareholders' equity		18,669,496	18,669,496	-	-
Equity attributable to owners of the Company		1,004,712,020	908,704,670	868,449,799	833,161,534
Non-controlling interests of the subsidiaries		1,482,880	1,174,053	-	-
<b>Total shareholders' equity</b>		<b>1,006,194,900</b>	<b>909,878,723</b>	<b>868,449,799</b>	<b>833,161,534</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,752,969,058</b>	<b>1,445,563,693</b>	<b>1,366,069,084</b>	<b>1,207,163,648</b>

The accompanying notes are an integral part of the financial statements.



Srivichaivejvivat Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Profit or loss:					
Revenues					
Revenues from hospital operations		1,718,603,313	1,344,338,016	787,995,166	678,533,370
Dividend income	11	-	-	17,378,089	11,269,181
Other income		23,943,162	24,373,508	3,283,618	3,654,700
Total revenues		1,742,546,475	1,368,711,524	808,656,873	693,457,251
Expenses					
Cost of hospital operations		1,289,962,791	1,011,883,075	566,452,065	477,967,151
Selling expenses		50,982,928	39,244,486	21,374,521	13,395,942
Administrative expenses		196,756,032	183,824,079	97,487,170	95,466,775
Total expenses		1,537,701,751	1,234,951,640	685,313,756	586,829,868
Profit before finance cost and income tax expenses		204,844,724	133,759,884	123,343,117	106,627,383
Finance cost		(15,739,195)	(6,932,258)	(14,186,476)	(3,615,671)
Profit before income tax expenses		189,105,529	126,827,626	109,156,641	103,011,712
Income tax expenses	22	(35,640,898)	(25,189,611)	(16,801,834)	(18,672,285)
Profit for the year		153,464,631	101,638,015	92,354,807	84,339,427
Other comprehensive income for the year					
		-	-	-	-
Total comprehensive income for the year		153,464,631	101,638,015	92,354,807	84,339,427
Profit attributable to:					
Equity holders of the Company		153,073,892	101,492,468	92,354,807	84,339,427
Non-controlling interests of the subsidiaries		390,739	145,547		
		153,464,631	101,638,015		
Total comprehensive income attributable to:					
Equity holders of the Company		153,073,892	101,492,468	92,354,807	84,339,427
Non-controlling interests of the subsidiaries		390,739	145,547		
		153,464,631	101,638,015		
Earnings per share					
23					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.27	0.18	0.16	0.15

The accompanying notes are an integral part of the financial statements.





Srivichaivejvivat Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Cash flows from operating activities</b>				
Profit before tax	189,105,529	126,827,626	109,156,641	103,011,712
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	94,613,512	75,643,578	42,015,508	27,416,527
Bad debts and allowance for doubtful accounts (reversal)	(1,420,771)	504,397	(1,475,644)	518,565
Reduction of medicine and supplies to net realisable value (reversal)	(200,446)	123,659	(210,006)	118,889
Gain on disposals of equipment	(76,896)	(562,519)	-	(471,130)
Loss on write-off of equipment and intangible assets	112,013	120,250	7,052	32,860
Expenses of tax write-off	2,754,155	11,913,946	-	762
Expenses of retention write-off	736,874	-	-	-
Provision for long-term employee benefits	1,916,505	1,656,743	642,477	741,414
Dividend income from subsidiaries	-	-	(17,378,089)	(11,269,181)
Interest income	(836,153)	(592,248)	(297,454)	(193,122)
Interest expenses	15,739,675	6,932,259	14,186,475	3,615,671
Profit from operating activities before changes in operating assets and liabilities	302,443,997	222,567,691	146,646,960	123,522,967
Operating assets (increase) decrease				
Trade and other receivables	(35,560,202)	6,026,423	(1,883,514)	15,410,698
Medicine and supplies	(6,448,257)	(5,049,562)	986,351	(3,275,373)
Other current assets	860,981	(1,320,785)	(107,839)	(42,566)
Other non-current assets	(7,258,063)	(632,747)	885,735	(872,291)
Operating liabilities increase (decrease)				
Trade and other payables	24,910,697	36,811,850	(7,445,294)	26,424,901
Other current liabilities	67,660	(2,713,003)	191,504	(1,898,001)
Other non-current liabilities	2,132,574	-	-	-
Cash paid for long-term employee benefits	(3,307,400)	(198,860)	(3,000,000)	(98,760)
Cash flows from operating activities	277,841,987	255,491,007	136,273,903	159,171,575
Cash paid for income tax	(35,261,158)	(22,657,958)	(22,243,316)	(16,667,675)
Interest income	778,413	608,086	285,463	175,310
<b>Net cash flows from operating activities</b>	<u>243,359,242</u>	<u>233,441,135</u>	<u>114,316,050</u>	<u>142,679,210</u>

The accompanying notes are an integral part of the financial statements.



Srivichaivejvitat Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Cash flows from investing activities</b>				
Increase in restricted bank deposits	฿,300,000 )	-	-	-
Interest income	11,991	17,812	11,991	17,812
Cash paid for business acquisition (Note 1.2)	(40,739,641)	-	(96,500,000)	-
Acquisition of investment properties	-	(556,834)	-	-
Acquisition of buildings improvement and equipment	(116,465,995)	(160,731,187)	(61,253,182)	(133,195,924)
Cash paid for purchase of building improvement and equipment	(25,074,001)	(8,319,689)	(17,967,966)	(5,435,975)
	(16,516,553)	(234,190)	-	-
Acquisition of intangible assets	(5,944,868)	(7,728,940)	(5,681,915)	(6,145,662)
	-	-	17,378,089	11,269,181
Proceeds from sales of equipment	548,592	564,456	-	473,056
<b>Net cash flows used in investing activities</b>	<b>(207,480,475)</b>	<b>(176,988,572)</b>	<b>(164,012,983)</b>	<b>(133,017,512)</b>
<b>Cash flows from financing activities</b>				
Cash receipt from short-term loan from related party	-	-	20,000,000	20,000,000
Repayment of short-term loan from related parties	-	-	(20,000,000)	(22,000,000)
Cash receipt from long-term loans from financial institution	167,500,000	76,500,000	167,500,000	65,500,000
Repayment of long-term loans from financial institution	(80,108,000)	(73,506,000)	(61,740,000)	(25,550,000)
Repayment of liabilities under finance lease agreements	(7,164,386)	(5,427,794)	(2,327,594)	(2,520,980)
Dividend paid	(56,668,429)	(11,383,190)	(56,676,579)	(11,385,646)
Dividend paid to non-controlling interests of the subsidiaries	(81,912)	(45,620)	-	-
Interest expenses	(14,954,000)	(6,089,597)	(13,951,213)	(3,220,313)
<b>Net cash flows from (used in) financing activities</b>	<b>8,523,273</b>	<b>(19,952,201)</b>	<b>32,804,614</b>	<b>20,823,061</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>44,402,040</b>	<b>36,500,362</b>	<b>(16,892,319)</b>	<b>30,484,759</b>
Cash and cash equivalents at beginning of year	133,186,588	96,686,226	70,117,286	39,632,527
<b>Cash and cash equivalents at end of year</b>	<b>177,588,628</b>	<b>133,186,588</b>	<b>53,224,967</b>	<b>70,117,286</b>
	-	-	-	-
<b>Supplemental cash flows information</b>				
Non-cash related transactions				
Payable from purchase of investment	46,368,114	-	46,368,114	-
Acquisition of buildings improvement and equipment for which no cash has been paid	30,710,286	25,074,001	3,902,187	17,967,966
Purchase of vehicle under finance lease agreements	7,619,000	6,570,000	2,310,000	1,158,000
Leasehold rights which no cash has been paid	434,918	-	-	-

The accompanying notes are an integral part of the financial statements.



Srivichaivejvivat Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity  
For the year ended 31 December 2016

(Unit: Baht)

Consolidated financial statements										
	Note	Equity attributable to owners of the Company					Other components of shareholders' equity			
		Issued and paid-up share capital	Share premium	Retained earnings		Difference resulting from business combination under common control	Change in parent's subsidiaries without change in control	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated					
<b>Balance as at 1 January 2015</b>		570,665,433	37,938,115	16,842,669	174,509,593	37,530,739	(18,861,243)	18,669,496	818,625,306	819,699,432
Profit for the year		-	-	-	101,492,468	-	-	-	101,492,468	101,638,015
Other comprehensive income for the year		-	-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	101,492,468	-	-	-	101,492,468	101,638,015
Dividend paid	26	-	-	-	(11,413,104)	-	-	-	(11,413,104)	(11,458,724)
Transferred to statutory reserve	20	-	-	4,216,971	(4,216,971)	-	-	-	-	-
<b>Balance as at 31 December 2015</b>		570,665,433	37,938,115	21,059,640	260,371,986	37,530,739	(18,861,243)	18,669,496	908,704,670	909,878,723
<b>Balance as at 1 January 2016</b>		570,665,433	37,938,115	21,059,640	260,371,986	37,530,739	(18,861,243)	18,669,496	908,704,670	909,878,723
Profit for the year		-	-	-	153,073,892	-	-	-	153,073,892	153,464,631
Other comprehensive income for the year		-	-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	153,073,892	-	-	-	153,073,892	153,464,631
Dividend paid	26	-	-	-	(57,066,542)	-	-	-	(57,066,542)	(57,148,454)
Transferred to statutory reserve	20	-	-	4,617,740	(4,617,740)	-	-	-	-	-
<b>Balance as at 31 December 2016</b>		570,665,433	37,938,115	25,677,380	351,761,596	37,530,739	(18,861,243)	18,669,496	1,004,712,020	1,006,194,900

The accompanying notes are an integral part of the financial statements.



Srivichaivejvat Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2016

(Unit: Baht)

	Note	Separate financial statements					Total shareholders' equity
		Issued and paid-up share capital	Shares premium	Appropriated - statutory reserve	Unappropriated		
<b>Balance as at 1 January 2015</b>		570,665,433	37,938,115	16,842,669	134,788,994		760,235,211
Profit for the year		-	-	-	84,339,427		84,339,427
Other comprehensive income for the year		-	-	-	-		-
Total comprehensive income for the year		-	-	-	84,339,427		84,339,427
Dividend paid	26	-	-	-	(11,413,104)		(11,413,104)
Transferred to statutory reserve	20	-	-	4,216,971	(4,216,971)		-
<b>Balance as at 31 December 2015</b>		570,665,433	37,938,115	21,059,640	203,498,346		833,161,534
<b>Balance as at 1 January 2016</b>		570,665,433	37,938,115	21,059,640	203,498,346		833,161,534
Profit for the year		-	-	-	92,354,807		92,354,807
Other comprehensive income for the year		-	-	-	-		-
Total comprehensive income for the year		-	-	-	92,354,807		92,354,807
Dividend paid	26	-	-	-	(57,066,542)		(57,066,542)
Transferred to statutory reserve	20	-	-	4,617,740	(4,617,740)		-
<b>Balance as at 31 December 2016</b>		570,665,433	37,938,115	25,677,380	234,168,871		868,449,799

The accompanying notes are an integral part of the financial statements.





# Srivichaivejvivat Public Company Limited and its subsidiaries

Srivichaivejvivat Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2016

## 1. General information

### 1.1 Corporate information

Srivichaivejvivat Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in hospital business. The registered office of the Company is at 74/5 Moo 4, Phetkasem Road, Omnoi, Krathumbaen, Samutsakorn.

### 1.2 Acquisition of business

On 28 June 2016, the Company purchased 90,000 ordinary shares of The Bangkok Orthopedic Hospital Company Limited, representing 100 percent of its total issued and paid-up capital, from the existing shareholders. The total contract value of the business acquisition is Baht 155 million. As a result of the acquisition, The Bangkok Orthopedic Hospital Company Limited is a new subsidiary. The Company has paid the existing shareholders Baht 96.5 million and has agreed to pay the remaining amount of Baht 58.5 million in 9 annual installments of Baht 6.5 million each.

The Company arranged for the assessment of the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date. The assessment was completed in the fourth quarter of 2016, which was within the period of twelve months from the acquisition of business date allowed by Thai Financial Reporting Standard 3 (revised 2015) Business Combinations.

The fair values of the identifiable assets acquired and liabilities assumed of The Bangkok Orthopedic Hospital Company Limited as at the acquisition of business date are summarised below.



	(Unit: Thousand Baht)
Cash and cash equivalents	55,760
Trade and other receivables	15,727
Medicine and supplies	3,449
Other current assets	203
Restricted bank deposits	450
Property, plant and equipment	43,160
Deferred tax assets	2,401
Other non-current assets	807
Trade and other payables	(30,502)
Income tax payable	(257)
Other current liabilities	(502)
Liabilities under finance lease agreements	(366)
Provision for long-term employee benefits	(5,854)
Deferred tax liability	(3,178)
Other non-current liabilities	(3,294)
Net assets from business acquisition	78,004
Add: Goodwill from business acquisition	64,864
Cost of investment in subsidiary	142,868
Less: Payable from purchase of investment	(46,368)
Cash paid for business acquisition	96,500
Less: Cash and cash equivalents of the subsidiary	(55,760)
Net cash paid for business acquisition	40,740

Goodwill of Baht 65 million from business combination mainly comprises future business expansion.



## 2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

### 2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Srivichaivejvivat Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of Shareholding	
			2016 Percent	2015 Percent
Saivichai Development Company Limited	Operating of hospitals	Thailand	99.43	99.43
Srisakornvejvivat Company Limited	Operating of hospitals	Thailand	99.56	99.56
Srivichai Vocational College Company Limited	Operating of vocational school	Thailand	99.98	99.98
The Bangkok Orthopedic Hospital Company Limited	Operating of hospitals	Thailand	100.00	-

b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries under the cost method.



### 3. New financial reporting standards

#### (a) Financial reporting standards that became effective in the current year

During the year, the Company and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

#### (b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Company and its subsidiaries believe that the revised and new financial reporting standards and interpretations will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

##### TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

This standard will not have any significant impact on the Company and its subsidiaries' financial statements because the management has decided to continue accounting for such investments under the cost method in the separate financial statements.

### 4. Significant accounting policies

#### 4.1 Revenue recognition

##### *Revenue for hospital operations*

Revenues from hospital operations mainly consist of medical fees, medicine sales and hospital room sales, are recognised as income when services have been rendered or medicine delivered. Except for operating revenues from the Social Security Office and National Health Security Office which are recognised as income according to annual lump sum amount and adjust relative weights per the number of registrants of the Company and its subsidiaries.





#### *Rendering of services*

Service revenue is recognised when services have been rendered taking into account the stage of completion.

#### *Revenue from tuition fees and educational media*

Revenues from tuition fees and educational media are recognised over the teaching period.

#### *Rental income*

Rental income is recognised over the rental period and at the rate determined in agreement.

#### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

#### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

### **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

### **4.3 Trade accounts receivable**

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

### **4.4 Medicine and supplies**

Medicine and supplies are valued at the lower of cost (average method) and net realisable value.

### **4.5 Investments**

(a) Investment in non-marketable equity security, which the Company classifies as other investment, is stated at cost net of allowance for impairment loss (if any).

(b) Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

### **4.6 Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 5 - 20 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

### **4.7 Property, plant and equipment/Depreciation**

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).



Depreciation of plant and equipment is calculated by reference to their cost on the straight-line basis over the following estimated useful lives:

Buildings	-	20, 40 and 50	years
Buildings improvement	-	5, 20	years
Tools and medical instrument	-	2 - 10	years
Office furniture, fixtures and equipment	-	3, 5	years
Motor vehicle	-	5, 10	years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in the profit or loss when the asset is derecognised.

#### 4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### 4.9 Leasehold rights

Leasehold rights are initially recognised at the amount transferred to acquire the leasehold rights to land plus the cost of the construction on the land and to acquire the leasehold rights to building under the lease agreement.

Leasehold rights are stated at cost less accumulated amortisation and allowance for loss on impairment of assets (if any). Amortisation is calculated by reference to the cost of the leasehold rights on a straight-line basis over the period specified in the land lease agreements. Amortisation is included in determining income.

No amortisation is provided on construction in progress on leasehold land.

#### 4.10 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses (if any). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the subsidiary's cash generating units that are expected to benefit from the synergies of the combination. The subsidiary estimates the recoverable amount of each cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.



amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

#### 4.11 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company or its subsidiaries, whether directly or indirectly, or which are under common control with the Company or its subsidiaries.

They also include individuals which directly or indirectly own a voting interest in the Company or its subsidiaries that gives them significant influence over the Company or its subsidiaries, key management personnel, directors and officers with authority in the planning and direction of the Company's or its subsidiaries' operations.

#### 4.12 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the assets.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

#### 4.13 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in the profit or loss.

#### 4.14 Employee benefits

##### *Short-term employee benefits*

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### *Post-employment benefits*

##### *Defined contribution plans*

The Company, the subsidiaries and their employees have jointly established separate provident funds. The funds are monthly contributed by employees, the Company and the subsidiaries. The funds' assets are held in separate trust funds and the Company and the subsidiaries' contributions are recognised as expenses when incurred.

##### *Defined benefit plans*

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.



The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

#### 4.15 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### 4.16 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### *Current tax*

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### *Deferred tax*

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### 4.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. A subsidiary applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, a subsidiary measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:





- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, a subsidiary determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## 5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

### Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

### Accrued medical treatment income

Accrued medical treatment income represents medical income that has not been collected from the Social Security Office and National Health Security Office. The Company and its subsidiaries are not able to determine the certain amount to be collected. In this regard, the management is required to make an estimation of such accrued income in accordance with bases, methods and terms specified by such authority, and consider the amount of the latest actual collection together with the current circumstances.

### Impairment of other investment

The Company treats other investment as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

### Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company’s and its subsidiaries’ plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.



#### Goodwill

The initial recognition and measurement of goodwill, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

#### Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

#### Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

#### Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

### 6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.



(Unit: Million Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Medical service income	-	-	19	4
				Normal price less certain discount
Dividend income	-	-	17	11
				Resolution of the Annual General Meeting of the shareholders of subsidiaries
Medical service expenses	-	-	24	11
				Normal price less certain discount
<u>Transactions with related individuals</u>				
Medical service income	1	1	-	-
				Normal price less certain discount

As at 31 December 2016 and 2015, the balances of the accounts between the Company, its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<u>Trade and other receivables - related parties</u>				
(Note 8)				
Subsidiaries	-	-	10,578	2,932
Related individuals	-	181	-	-
Total trade and other receivables - related parties	-	181	10,578	2,932
<u>Trade and other payables - related parties</u>				
(Note 16)				
Subsidiaries	-	-	11,647	5,500
Related individuals	170	8	15	-
Total trade and other payables - related parties	170	8	11,662	5,500
<u>Other non-current liabilities - related parties</u>				
Related individuals	3,295	-	-	-
Total other non-current liabilities - related parties	3,295	-	-	-



#### Loans from related party

As at 31 December 2016 and 2015, the balances of loan between the Company and the related party and the movement are as follows:

		(Unit: Thousand Baht)			
		Separate financial statements			
<u>Loan from related party</u>	<u>Related by</u>	<u>Balance as at</u> <u>31 December 2015</u>	<u>Increase</u> <u>during the year</u>	<u>Decrease</u> <u>during the year</u>	<u>Balance as at</u> <u>31 December 2016</u>
Srisakornvejvivat					
Company Limited	Subsidiary	-	20,000	(20,000)	-
		-	20,000	(20,000)	-

#### Directors and management's benefits

During the years ended 31 December 2016 and 2015, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term employee benefits		34,998	36,445	25,163	26,227
Post-employment benefits		19	224	19	195
Total		<u>35,017</u>	<u>36,669</u>	<u>25,182</u>	<u>26,422</u>

## 7. Cash and cash equivalents

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash		1,629	1,413	640	525
Bank deposits		175,960	131,774	52,585	69,592
Total		<u>177,589</u>	<u>133,187</u>	<u>53,225</u>	<u>70,117</u>

As at 31 December 2016, the Company and its subsidiaries had bank deposits in saving accounts and fixed deposits which carried interests between 0.10 and 1.35 percent per annum (2015: between 0.10 and 1.80 percent per annum).





## 8. Trade and other receivables

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	2016	2015
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	-	-
Past due		
Up to 3 months	-	-
3 - 6 months	-	-
6 - 12 months	-	-
Total trade receivables - related parties	-	-
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	117,582	90,955
Past due		
Up to 3 months	34,743	15,028
3 - 6 months	6,716	4,341
6 - 12 months	2,482	3,155
Over 12 months	955	2,402
Total	162,478	115,881
Less: Allowance for doubtful accounts	(950)	(2,320)
Total trade receivables - unrelated parties, net	161,528	113,561
Total trade receivables - net	161,528	113,561
<u>Other receivables - related parties</u>		
Other receivable - related party	-	-
Other accrued income - related individuals	-	181
Total other receivables - related parties	-	181
<u>Other receivables - unrelated parties</u>		
Other receivables	2,922	3,104
Accrued income		
Accrued social security income	52,286	55,336
Accrued national health security income	9,380	-
Other accrued income	12,188	13,368
Total other receivables - unrelated parties	76,776	71,808
Total other receivables	76,776	71,989
Total trade and other receivables - net	238,304	185,550



## 9. Medicine and supplies

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Medicine and supplies - net	
	2016	2015	2016	2015	2016	2015
Medicine	21,404	18,581	(239)	(365)	21,165	18,216
Medical supplies	16,098	9,629	(65)	(27)	16,033	9,602
Other supplies	2,597	1,879	-	-	2,597	1,879
Total	40,099	30,089	(304)	(392)	39,795	29,697

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Medicine and supplies - net	
	2016	2015	2016	2015	2016	2015
Medicine	7,711	8,571	(131)	(347)	7,580	8,224
Medical supplies	3,115	3,370	(20)	(14)	3,095	3,356
Other supplies	701	572	-	-	701	572
Total	11,527	12,513	(151)	(361)	11,376	12,152

During the current year, the Company and its subsidiaries reduced cost of medicine and supplies by Baht 1.3 million (2015: Baht 0.4 million) (The Company only: Baht 1.0 million and 2015: Baht 0.3 million), to reflect the net realisable value. This was included in cost of hospital operations. In addition, the Company and its subsidiaries reversed the write-down of cost of medicine and supplies by Baht 1.4 million (2015: Baht 0.3 million) (The Company only: Baht 1.2 million and 2015: Baht 0.2 million), and reduced the amount of medicine and supplies recognised as expenses during the year.



## 10. Restricted bank deposits

These represent bank deposits pledged with the bank to secure bank guarantees issued by that bank on behalf of the subsidiary.

## 11. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received during the year	
	2016	2015	2016	2015	2016	2015	2016	2015
			(%)	(%)				
Saivichai Development Company Limited	150,000	150,000	99.43	99.43	159,526	159,526	10,440	-
Srisakornvejvivat Company Limited	99,200	99,200	99.56	99.56	108,506	108,506	4,938	10,271
Srivichai Vocational College Company Limited	100	100	99.98	99.98	100	100	2,000	998
The Bangkok Orthopedic Hospital Company Limited (Note 1.2)	9,000	-	100.00	-	142,868	-	-	-
<b>Total</b>					<b>411,000</b>	<b>268,132</b>	<b>17,378</b>	<b>11,269</b>

## 12. Other long-term investment

The Company has 8,100,000 ordinary shares of Baht 5 each of Mahanakorn Mae-Sod Vejchakarn Company Limited, representing 15 percent of the share capital of that company.

## 13. Investment properties

The net book values of investment properties as at 31 December 2016 and 2015 are presented below.

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	Land	Buildings and buildings improvement	Total
<b>31 December 2016:</b>			
Cost	22,845	9,234	32,079
<u>Less</u> Accumulated depreciation	-	(8,769)	(8,769)
Net book value	22,845	465	23,310
<b>31 December 2015:</b>			
Cost	22,845	9,234	32,079
<u>Less</u> Accumulated depreciation	-	(8,562)	(8,562)
Net book value	22,845	672	23,517



A reconciliation of the net book value of investment properties for the years 2016 and 2015 are presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2016	2015
Net book value at beginning of year	23,517	23,110
Acquisition of buildings improvement	-	557
Depreciation charged	(207)	(150)
Net book value at end of year	23,310	23,517

As at 31 December 2016, the fair values of the investment properties amounting to Baht 51 million. Its fair value has been determined based on the valuation performed by an accredited independent valuer, using the income approach. Key assumptions used in the valuation include yield rate, inflation rate, long-term vacancy rate and long-term growth in the rental rates (2015: Baht 43 million).

The subsidiary has pledged the above investment properties as collateral against credit facilities received from financial institutions and credit facilities of another subsidiary.





#### 14. ที่ดิน อาคารและอุปกรณ์

Unit: 1 thousand Baht

##### Consolidated financial statements

	Land	Buildings and buildings improvement	Tools and medical instrument	Office furniture, fixtures and equipment	Motor vehicle	Assets under installation and under construction	Total
<b>Cost:</b>							
1 January 2015	339,820	525,116	253,405	205,562	50,611	178,194	1,552,708
Additions	-	3,413	50,736	15,424	16,495	98,528	184,596
Disposals/write-off	-	-	(5,290)	(3,542)	(1,497)	-	(10,329)
Transfers in (out)	-	250,528	4,492	248	-	(255,268)	-
Capitalised interest	-	-	-	-	-	7,779	7,779
31 December 2015	339,820	779,057	303,343	217,692	65,609	29,233	1,734,754
Additions	-	5,783	71,260	15,757	6,478	55,517	154,795
Increase from acquisition of business (Note 1.2)	8,400	16,431	57,638	16,549	10,024	-	109,042
Disposals/write-off	-	-	(8,410)	(3,912)	(79)	-	(12,401)
Transfers in (out)	-	54,377	22,794	450	6,091	(83,712)	-
31 December 2016	348,220	855,648	446,625	246,536	88,123	1,038	1,986,190
<b>Accumulated depreciation:</b>							
1 January 2015	-	403,365	195,899	171,269	31,128	-	801,661
Depreciation for the year	-	19,076	25,265	17,255	6,839	-	68,435
Depreciation on disposals/write-off	-	-	(5,248)	(3,463)	(1,496)	-	(10,207)
31 December 2015	-	422,441	215,916	185,061	36,471	-	859,889
Increase from acquisition of business (Note 1.2)	-	7,791	39,268	12,238	6,585	-	65,882
Depreciation for the year	-	25,733	35,906	16,527	8,775	-	86,941
Depreciation on disposals/write-off	-	-	(7,937)	(3,815)	(65)	-	(11,817)
31 December 2016	-	455,965	283,153	210,011	51,766	-	1,000,895
<b>Net book value:</b>							
31 December 2015	339,820	356,616	87,427	32,631	29,138	29,233	874,865
31 December 2016	348,220	399,683	163,472	36,525	36,357	1,038	985,295
<b>Depreciation for the year</b>							
2015 (Baht 53 million included in cost of hospital operations, and the balance in selling and administrative expenses)							68,435
2016 (Baht 70 million included in cost of hospital operations, and the balance in selling and administrative expenses)							86,941



Unit: Thousand Baht

Separate financial statements

	Land	Buildings and buildings improvement	Tools and medical instrument	Office furniture, fixtures and equipment	Motor vehicle	Assets under installation and under construction	Total
<b>Cost:</b>							
1 January 2015	286,127	269,578	85,086	49,911	21,626	178,005	890,333
Additions	-	514	40,923	8,702	1,518	92,886	144,543
Disposals/write-off	-	-	(2,390)	(700)	(496)	-	(3,586)
Transfers in (out)	-	250,528	1,800	57	-	(252,385)	-
Capitalised interest	-	-	-	-	-	7,779	7,779
31 December 2015	286,127	520,620	125,419	57,970	22,648	26,285	1,039,069
Additions	-	3,410	30,848	6,078	2,785	24,344	67,465
Write-off	-	-	(22)	(258)	-	-	(280)
Transfers in (out)	-	49,741	-	152	-	(49,893)	-
31 December 2016	286,127	573,771	156,245	63,942	25,433	736	1,106,254
<b>Accumulated depreciation:</b>							
1 January 2015	-	204,094	60,582	37,038	13,740	-	315,454
Depreciation for the year	-	7,518	10,804	6,190	2,759	-	27,271
Depreciation on disposals/write-off	-	-	(2,372)	(684)	(495)	-	(3,551)
31 December 2015	-	211,612	69,014	42,544	16,004	-	339,174
Depreciation for the year	-	15,603	16,962	7,044	2,159	-	41,768
Depreciation on write-off	-	-	(21)	(252)	-	-	(273)
31 December 2016	-	227,215	85,955	49,336	18,163	-	380,669
<b>Net book value:</b>							
31 December 2015	286,127	309,008	56,405	15,426	6,644	26,285	699,895
31 December 2016	286,127	346,556	70,290	14,606	7,270	736	725,585
<b>Depreciation for the year</b>							
2015 (Baht 19 million included in cost of hospital operations, and the balance in selling and administrative expenses)							27,271
2016 (Baht 33 million included in cost of hospital operations and the balance in selling and administrative expenses)							41,768



During the year ended 31 December 2016, the borrowing costs amounting to Baht 1 million were capitalised as a part of construction of the building (2015: Baht 8 million). The weighted average rate of 2% (2015: 4%) has been used to determine the amount of borrowing costs eligible for capitalization.

As at 31 December 2016, the Company and its subsidiaries had vehicles with net book value of Baht 20 million (2015: Baht 17 million) (The Company only: Baht 6 million and 2015: Baht 5 million) which were acquired under finance lease agreements.

As at 31 December 2016, certain items of buildings improvement and equipment were fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 497 million (2015: Baht 375 million) (the Company only: 114 Baht million and 2015: Baht 104 million).

The Company and its subsidiaries had pledged part of their property with constructions thereon, their book values as at 31 December 2016 are Baht 732 million (2015: Baht 724 million), as collateral against credit facilities received from the commercial bank, and credit facilities of another subsidiary (the Company only: Baht 633 million and 2015: Baht 620 million).

#### 15. Leasehold rights

(Unit: Thousand Baht)				
	Consolidated financial statements			
	Land rental	Construction		Total
		on leased land	in progress on leased land	
<b>Cost:</b>				
1 January 2015	2,073	166,491	24	168,588
Increases	-	32	203	235
Transfers in (out)	-	207	(207)	-
31 December 2015	2,073	166,730	20	168,823
Increases	-	329	16,622	16,951
Transfers in (out)	-	16,442	(16,442)	-
31 December 2016	2,073	183,501	200	185,774



(Unit: Thousand Baht)

	Consolidated financial statements			Total
	Land rental	Construction on leased land	Construction in progress on leased land	
<b>Accumulated amortisation:</b>				
1 January 2015	1,669	33,261	-	34,930
Amortisation for the year	71	6,530	-	6,601
31 December 2015	1,740	39,791	-	41,531
Amortisation for the year	71	6,712	-	6,783
31 December 2016	1,811	46,503	-	48,314
<b>Net book value:</b>				
31 December 2015	333	126,939	20	127,292
31 December 2016	262	136,998	200	137,460
<b>Amortisation for the year</b>				
2015 (Baht 6 million included in cost of hospital operations, and the balance in selling and administrative expenses)				6,601
2016 (Baht 6 million included in cost of hospital operations, and the balance in selling and administrative expenses)				6,783

Leasehold rights include transfer fees paid to acquire leased land and construction expenses for construction on leased land. The subsidiary made an agreement to lease land from 1990 to 2020, but in 2005 the lease was extended by another 15 years, until 2035.

The subsidiary had pledged its leasehold rights as collateral against credit facilities received from the commercial bank.

Another subsidiary entered into an agreement with another individual to lease a building from 2004 to 2024 and an agreement with a related individuals to lease a building from 2016 to 2027.



## 16. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Trade payables - related parties	-	-	11,647	5,500
Trade payables - unrelated parties	118,542	108,194	51,133	69,406
Other payables - related individuals	170	8	15	-
Other payables - unrelated parties	80,712	51,467	12,310	23,139
Doctor fee payables	35,175	27,818	15,455	13,177
Accrued expenses	64,180	49,422	15,828	16,238
Total trade and other payables	298,779	236,909	106,388	127,460

## 17. Long-term loans

			(Unit: Thousand Baht)			
			Consolidated		Separate	
			financial statements		financial statements	
Loan	Interest rate (%)	Repayment schedule	2016	2015	2016	2015
<b>Srivichaivejvivat Plc.</b>						
1	MLR-1.25 to MLR-1	Monthly installments as from December 2014	20,000	27,200	20,000	27,200
2	MLR-1.25 to MLR-1	Monthly installments as from October 2015	56,250	71,250	56,250	71,250
3	MLR-1.25 to MLR-1	Monthly installments as from January 2016	60,000	75,000	60,000	75,000
4	MLR-1	Monthly installments as from January 2016	40,880	33,500	40,880	33,500
5	MLR-1	Monthly installments as from April 2016	24,600	19,000	24,600	19,000
6	MLR-0.75	Monthly installments as from July 2016	129,980	-	129,980	-
<b>Saivichai Development Co., Ltd.</b>						
7	MLR	Monthly installments as from January 2010	-	2,630	-	-
8	MLR-1 to MLR	Monthly installments as from June 2012	12,150	25,950	-	-
<b>Srisakornvejvivat Co., Ltd.</b>						
9	MLR-1 to MLR	Monthly installments as from August 2013	-	1,938	-	-
Total			343,860	256,468	331,710	225,950
Less: Portion due within one year			(85,710)	(70,088)	(73,560)	(51,720)
Long-term loans, net of current portion			258,150	186,380	258,150	174,230





The loans are secured by the mortgage part of land with constructions thereon of the Company and subsidiaries, investment properties and leasehold rights of its subsidiaries, and guarantee provided by a subsidiary and director of the Company.

#### 18. Liabilities under finance lease agreements

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Liabilities under finance lease agreements	16,898	15,519	3,406	3,308
Less: Deferred interest expenses	(1,010)	(1,249)	(155)	(227)
Total	15,888	14,270	3,251	3,081
Less: Portion due within one year	(8,055)	(5,055)	(2,012)	(1,691)
Liabilities under finance lease agreements - net of current portion	7,833	9,215	1,239	1,390

The Company and its subsidiaries have entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are 2 to 5 years.

Future minimum lease payments required under the finance lease agreements were as follows:

	(Unit: Thousand Baht)					
	As at 31 December 2016					
	Consolidated financial statements			Separate financial statements		
	Less than 1 year	1 - 3 years	Total	Less than 1 year	1 - 3 years	Total
Future minimum lease payments	8,702	8,196	16,898	2,133	1,273	3,406
Deferred interest expenses	(647)	(363)	(1,010)	(121)	(34)	(155)
Present value of future minimum lease payments	8,055	7,833	15,888	2,012	1,239	3,251



(Unit: Thousand Baht)

	As at 31 December 2015					
	Consolidated financial statements			Separate financial statements		
	Less than 1 year	1 - 4 years	Total	Less than 1 year	1 - 4 years	Total
Future minimum lease payments	5,712	9,807	15,519	1,851	1,457	3,308
Deferred interest expenses	(657)	(592)	(1,249)	(160)	(67)	(227)
Present value of future minimum lease payments	5,055	9,215	14,270	1,691	1,390	3,081

## 19. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company and its subsidiaries, was as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Provision for long-term employee benefits at beginning of year</b>	12,827	11,369	5,458	4,815
Included in profit or loss:				
Current service cost	1,355	1,175	499	538
Interest cost	561	482	143	203
Increase from acquisition of business (Note 1.2)	5,854	-	-	-
Benefits paid during the year	(3,307)	(199)	(3,000)	(98)
<b>Provisions for long-term employee benefits at end of year</b>	17,290	12,827	3,100	5,458

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cost of hospital operations	1,321	926	373	321
Selling and administrative expenses	595	731	269	420
<b>Total expenses recognised in profit or loss</b>	1,916	1,657	642	741



The Company and its subsidiary expect to pay Baht 1 million of long-term employee benefits during the next year (Separate financial statements: Baht 1 million) (2015: Baht 3 million, separate financial statements: Baht 3 million).

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 14 - 17 years (Separate financial statements: 17 years) (2015: 17 years, separate financial statements: 17 years).

		(Unit: Thousand Baht)			
		31 December 2016			
		Consolidated		Separate	
		financial statements		financial statements	
	(% per annum)	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Discount rate	1.00	(1,583)	1,839	(446)	526
Future salary increase rate	1.00	2,371	(2,047)	643	(544)
Staff turnover rate	20.00	(2,550)	3,489	(827)	1,176

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 and 2015 are summarised below:

		(Unit: Thousand Baht)			
		31 December 2015			
		Consolidated		Separate	
		financial statements		financial statements	
	(% per annum)	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Discount rate	1.00	(1,063)	1,248	(398)	473
Future salary increase rate	1.00	1,494	(1,288)	577	(495)
Staff turnover rate	20.00	(1,774)	2,484	(697)	992

## 20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.



## 21. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Salaries and wages and other employee benefits	526,338	424,409	231,090	199,303
Depreciation and amortisation	94,614	75,644	42,016	27,417
Doctor fees	337,673	275,356	148,096	124,993
Medical treatment expense for referred patients	128,926	97,266	89,043	72,874
Medicine, medical supplies and other supplies used	236,857	165,331	95,942	82,521

## 22. Income tax

Income tax expenses for the years ended 31 December 2016 and 2015 are made up as follows:

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2105</u>
<b>Current income tax:</b>				
Current income tax charge	35,096	20,929	16,238	18,754
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	545	4,261	564	(82)
<b>Income tax expenses reported in the statement of comprehensive income</b>	<u>35,641</u>	<u>25,190</u>	<u>16,802</u>	<u>18,672</u>



The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Accounting profit before tax	189,106	126,828	109,157	103,012
Applicable tax rate	0% and 20%	20% and 0% to 15%	20%	20%
Accounting profit before tax multiplied by applicable tax rates	37,671	25,251	21,831	20,602
Adjustment in respect of income tax of previous year	885	1,719	-	-
Reversal of differences of accumulated depreciation - Plant	-	(4,831)	-	-
Effects of:				
Non-deductible expenses	1,559	3,859	108	793
Tax-exempted dividend income	-	-	(3,475)	(2,254)
Additional expense deductions allowed	(4,474)	(808)	(1,662)	(469)
Total	(2,915)	3,051	(5,029)	(1,930)
<b>Income tax expenses reported in the statement of comprehensive income</b>	<b>35,641</b>	<b>25,190</b>	<b>16,802</b>	<b>18,672</b>





The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	As at 31 December 2016	As at 31 December 2015	As at 31 December 2016	As at 31 December 2015
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	190	464	169	464
Allowance for diminution in value of medicine and supplies	61	79	30	72
Recognition of rental expenses	4,008	1,875	-	-
Provision for employee benefits	3,082	3,002	806	1,240
Unused tax loss	-	1,366	-	-
Loss on fair value adjustment of leasehold rights of subsidiary from acquisition of business	764	-	-	-
<b>Total</b>	<b>8,105</b>	<b>6,786</b>	<b>1,005</b>	<b>1,776</b>
<b>Deferred tax liabilities</b>				
Accumulated depreciation - Plant	8,364	8,353	5,651	5,858
Gain on fair value adjustment of fixed assets of subsidiary from acquisition of business	2,651	-	-	-
<b>Total</b>	<b>11,015</b>	<b>8,353</b>	<b>5,651</b>	<b>5,858</b>

## 23. Earnings per share

Basic earnings per share is calculated by dividing profit for this year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.



	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Profit for the period (Thousand Baht)	153,074	101,492	92,355	84,339
Weighted average number of ordinary shares (Thousand shares)	570,665	570,665	570,665	570,665
Earnings per share (Baht per share)	0.27	0.18	0.16	0.15

#### 24. Segment information

The Company and its subsidiaries are principally engaged in the hospital business. A subsidiary is engaged in operating a vocational school, but revenue from this business is immaterial. Therefore, revenues, operating profit and total assets presented in the financial statements relate to the said principal business.

##### Geographic information

The Company and its subsidiaries operate in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

##### Major customer

For the year 2016, the Company and its subsidiaries have revenues from one major customer in amount of Baht 325 million, arising from hospital business (2015: Baht 320 million derived from one major customer, arising from hospital business).

#### 25. Provident fund

The Company, its subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees, the Company and its subsidiaries contribute to the fund monthly at the rate of 2 percent of basic salary. The fund, which is managed by the American International Assurance Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2016 amounting to approximately Baht 3 million (2015: Baht 3 million) (the Company only: Baht 1 million and 2015: Baht 1 million) were recognised as expenses.

#### 26. Dividends

<u>Dividends</u>	<u>Approved by</u>	<u>Cash dividend (Thousand Baht)</u>	<u>Dividend per share (Baht)</u>
Final dividends for 2014	The Annual General Meeting of the shareholders on 24 April 2015	11,413	0.02
Total dividends for 2015		11,413	0.02
Final dividends for 2015	The Annual General Meeting of the shareholders on 22 April 2016	57,066	0.10
Total dividends for 2016		57,066	0.10



## 27. Commitments and contingent liabilities

### 27.1 Capital commitments

As at 31 December 2016, the Company and its subsidiary had capital commitments relating to the construction of buildings and the buildings improvement of approximately Baht 0.3 million (2015: Baht 12.9 million) (The Company only: Baht 0.2 million and 2015: Baht 12.5 million), and relating to medical service system and acquisition of medical devices and hospital equipment of approximately Baht 60.7 million (2015: Baht 10.7 million) (The Company only: Baht 24.7 million and 2015: Baht 8.7 million).

### 27.2 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land, property, office spaces and equipment. The terms of the agreements are generally between 1 and 45 years.

	(Unit: Million Baht)			
	As at 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Payable:				
In up to 1 year	6.0	3.4	0.5	0.4
In over 1 and up to 5 years	26.1	11.5	-	0.1
In over 5 years	77.1	56.5	-	-

### 27.3 Service commitments

The Company and its subsidiaries have entered into consulting, cleaning services provider, security services provider, medical equipment maintenance service, and other service agreements with related individual and unrelated parties.

As at 31 December 2016, future minimum payments required under those service contracts due within one year were contracting to Baht 12 million (2015: Baht 16 million) (The Company only: Baht 6 million and 2015: Baht 9 million).

### 27.4 Guarantees

There were outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Bank guarantees for the medical treatment service contracts with the Social Security Office	15	17	10	10
Bank guarantees for the medical treatment service contracts with the National Health Security Office	4	-	-	-
Bank guarantees for electricity use	4	3	1	1



## 27.5 Litigation

27.5.1 In 2011, the Company, as a joint defendant, was sued together with a hospital and the attending doctors (3 defendants in total) for damages amounting to approximately Baht 11 million. The plaintiff claimed that the attending doctors had jointly committed a tort in their provision of medical treatment, and that the Company, as the operator of the hospital business and employer of the doctors, was jointly responsible for the wrongful acts of the attending doctors. The Company and its doctors believe that they did not commit any wrongful acts as claimed and they therefore decided to file statements of defence. The Court of First Instance ordered the dismissal of the case on 8 July 2013.

The plaintiff subsequently appealed against the judgement and, on 11 April 2014, the Appeal Court ordered the Company to pay a total of Baht 0.2 million to the plaintiff, together with interest at 7.5 percent per annum from 30 September 2011 until payment is made.

Subsequently, the plaintiff wished to appeal the judgement with the Supreme Court, and is currently seeking permission to appeal from the Supreme Court. However, the management and the legal adviser of the Company believe that the litigation will not result in the Company incurring any material loss, and the Company therefore did not record any liabilities in the accounts.

27.5.2 In 2015, the Company, as a joint defendant, was sued together with a hospital and the attending doctor (2 defendants in total) for damages amounting to approximately Baht 7 million. The plaintiff claimed that the attending doctor had jointly committed a tort in the provision of medical treatment, and that the Company, as the operator of the hospital business and employer of the doctor, was jointly responsible for the wrongful acts of the attending doctor. The Company and the doctor believe that they did not commit any wrongful acts as claimed and they therefore decided to file statements of defence.

On 5 July 2016, the court made appointments with the plaintiff and two defendants in order to examine witnesses, and conducted a mediation. As a result of this, the plaintiff agreed to withdraw the case and the Company paid damages of Baht 0.1 million to the plaintiff on the same date. The case was finalised.

## 28. Fair value hierarchy

As at 31 December 2016, a subsidiary had the assets that were disclosed at fair value using level 3 as follow:

(Unit: Million Baht)	
	Consolidated financial statements
<b>Assets for which fair value are disclosed</b>	
Investment properties	51



## 29. Financial instruments

### 29.1 Financial risk management

The Company's and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, short-term loans, long-term loans and liabilities under finance lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

#### Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, The Company and its subsidiaries do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

#### Interest rate risk

The Company and its subsidiaries exposure to interest rate risk relates primarily to its cash at banks, short-term borrowings, long-term borrowings and liabilities under finance lease agreements. However, since most of the Company's and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

#### Foreign currency risk

The Company and its subsidiaries had no exposure to foreign currency risk as they rarely have not transactions denominated in other currencies.

### 29.2 Fair values of financial instruments

Since the majority of the Company's and its subsidiaries' financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

## 30. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2016, the Group's debt-to-equity ratio was 0.74:1 (2015: 0.59:1) and the Company's was 0.57:1 (2015: 0.45:1).

## 31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 17 February 2017.







## ศูนย์เวชศาสตร์ชะลอวัย Anti-Aging

เวชศาสตร์ชะลอวัย ส่งเสริมสุขภาพให้ดีทั้งระบบ  
เพื่อฟื้นฟูร่างกายให้กลับมาสมดุล สุขภาพแข็งแรง  
และผิวพรรณสดใสคุณเยาว์อีกครั้ง

### เวชศาสตร์ชะลอวัย check up program

1	<b>Multi Vitamins Check up program</b> ราคาพิเศษ <b>6,900</b> บาท ปกติ 7,800 บาท	การตรวจหาระดับของวิตามิน และสารต้านอนุมูลอิสระในร่างกาย
2	<b>Silver Check up program</b> ราคาพิเศษ <b>17,000</b> บาท ปกติ 20,500 บาท	การตรวจหาระดับของวิตามิน สารต้านอนุมูลอิสระ และระดับแร่ธาตุในร่างกาย
3	<b>Gold Check up program</b> ราคาพิเศษ <b>25,000</b> บาท ปกติ 32,900 บาท	การตรวจหาระดับของวิตามิน สารต้านอนุมูลอิสระ และระดับแร่ธาตุ การหาสารบ่งชี้การอักเสบ ความเสี่ยงในการเกิดโรคหัวใจและหลอดเลือด
4	<b>Diamond Check up program (Male)</b> ราคาพิเศษ <b>35,000</b> บาท ปกติ 47,950 บาท	การตรวจหาระดับของวิตามิน แร่ธาตุ สารบ่งชี้มะเร็ง สารบ่งชี้การอักเสบ ความเสี่ยงของการเกิดโรคหัวใจและหลอดเลือด การตรวจอนุมูลอิสระ และสารต้านอนุมูลอิสระ ฮอร์โมนที่สำคัญสำหรับเพศชาย
5	<b>Diamond Check up program (Female)</b> ราคาพิเศษ <b>35,000</b> บาท ปกติ 47,950 บาท	การตรวจหาระดับของวิตามิน แร่ธาตุ สารบ่งชี้มะเร็ง สารบ่งชี้การอักเสบ ความเสี่ยงของการเกิดโรคหัวใจและหลอดเลือด การตรวจอนุมูลอิสระ และสารต้านอนุมูลอิสระ ฮอร์โมนที่สำคัญสำหรับเพศหญิง
6	<b>Hormone Check up program</b> ราคาพิเศษ <b>6,900</b> บาท ปกติ 12,750 บาท	การตรวจหาความผิดปกติของระดับฮอร์โมนต่างๆ ที่สำคัญในการทำงาน ของร่างกาย และฮอร์โมนแห่งวัยชรา





# ดูแลชีวิต ด้วยจิตใจ V care V cure V can

บริษัท ศรีวิชัยเวชวิวัฒน์ จำกัด (มหาชน)  
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