



AIKCHOL HOSPITAL
PUBLIC COMPANY LIMITED

บริษัท โรงพยาบาลเอกชล จำกัด (มหาชน)

ANNUAL REPORT 2016

รายงานประจำปี 2559





ปวงข้าพระพุทธเจ้า ขอน้อมเกล้าน้อมกระหม่อมรำลึกในพระมหากรุณาธิคุณหาที่สุดมิได้
ข้าพระพุทธเจ้าคณะผู้บริหาร แพทย์ พยาบาล และเจ้าหน้าที่ บริษัท โรงพยาบาลเอกชล จำกัด (มหาชน)



โรงพยาบาลเอกชล



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Message from the Chairman

Dear Shareholders

How time flies! Aikchol Hospital has now operated for 36 years since its establishment in 1981, while Aikchol 2 Hospital celebrated its 10th anniversary on November 20, 2016. In an economic slowdown, we must move forward steadily and sustainably. All hospital staff, from doctors, nurses, to other staff members, are fully committed to their responsibilities to provide most to patients and their relatives, including those who contact the hospital.

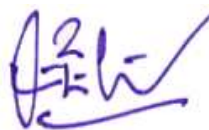
All this year, Aikchol Hospital and Aikchol 2 Hospital have sustained continuous development. We have added more specialists and procured advanced medical devices and equipments to serve the number of patients that keeps increasing through time.

The medical business remains crucial for patients. It is Aikchol's key policy and principle to adhere to patients' safety during treatment. This includes morality, ethics, and compassion in our business conduct.

Moreover, the working team is aware of potential risks and has relentlessly been carefully monitoring them as a preventive measure.

Aikchol Hospital and Aikchol 2 Hospital have treated a high number of patients for diverse ailments, including acute and severe diseases. The team of doctors and nurses worked hard to save many lives and eased their suffering, which is a great merit. We would like to share this merit with all shareholders who partake in this good deed.

On behalf of the Board of Directors, I would like to thank all shareholders and patrons for always trusting the hospital, and the medical team and all teams for staying united and working together for the prosperity of Aikchol Hospital Plc. The utmost commitment will be considered a major role in developing Aikchol to ensure its steady and sustainable growth.



(Mr. Apirag Vanich)

Chairman

Aikchol Hospital Public Company Limited



General Information

Company Name	: Aikchol Hospital Public Company Limited
Registered Number of PLC	: 0107537001064
Type of Business	: Private Hospital
Registered Capital	: 149,909,264 common shares
Registered Paid-up Capital	: Baht 149,909,264 Baht
Par Value per Share	: Baht 1.00
Listed Date	: January 10,1992
Accounting Period	: 1 January – 31 December
Web Site	: www.aikchol.com
E-mail address	: info@aikchol.com
Contact	: <u>Head Office : Aikchol Hospital</u> 68/3 Moo 2 Prayasatja Rd., Bansuan Sub-district, Muang District, Choburi Province 20000 Telephone 0-3827-3840-7, 0-3893-9999 Facsimile 0-3827-3848 <u>Branch Office : Aikchol 2 Hospital</u> 31/2 Moo.3 Angsila Rd., Muang District, Choburi Province 20000 Telephone 0-3893-9888 Facsimile 0-3893-9800
The Share Registration	: Telephone 0-3893-9999 Ext.1126, Facsimile 0-3827-3848
Department	E-mail : ir@aikchol.com , kullanit@aikchol.com
Share Registrar	: Thailand Securities Depository Company Limited. 62 The Stock Exchange of Thailand Building, Rachadapisek Rd., Klongtoey, Bangkok 10110 Telephone 0-2229-2800 Facsimile 0-2359-1259 Web Site www.tsd.co.th
Auditor	: Dharmniti Auditing Company Limited. 178 Dharmniti Building, 6 th -7 th Floor, Sai Permsap (Prachachuen 20), Prachachuen Road, Bangsue, Bangkok 10800 Telephone 0-2555-0600 Facsimile 0-2555-0664, 0-2555-0665 Web Site www.dharmniti.co.th
Legal Advisor	: International Legal Counsellors Thailand Ltd. 18 th Floor, Sathorn City Tower 175 South Sathorn Road Bangkok 10120, Thailand Telephone 0-2679-6005 Facsimile 0-2679-6041

Securities and Shareholders' Information

1. Registered Capital and Paid-up Capital

As of December 31, 2016, AHC's registered capital was Baht 150,000,000, with paid-up capital of Baht 149,909,264 comprising 149,909,264 common shares at a par value of Baht 1.

2. Shareholding Structure

The top ten significant shareholders on the latest closing date of the shareholders register book on April 22, 2016, were:

	Name	No. of shares	%
1	Mr. Apirag Vanich and spouse	18,576,984	12.39%
	Total	18,576,984	12.39%
2	Chean Vanit Co., Ltd.	12,612,000	8.41%
	Total	12,612,000	8.41%
3	Mrs. Tuanjit Kittiwut	9,994,140	6.67%
	Ms. Niyada Kittiwut	3,300	0.00%
	Total	9,997,440	6.67%
4	Ms. Phortchana Manoch and spouse	4,377,408	2.92%
	Mr. Siripoj Manoch	1,554,396	1.03%
	Mr. Khunphat Manoch	1,542,384	1.03%
	Mr. Sithipoj Manoch	1,554,484	1.04%
	Total	9,019,672	6.02%
5	Mr. Pongsak Vittayakorn	7,066,260	4.71%
	Total	7,066,260	4.71%
6	Ms. Rojana Vanich	6,026,940	4.02%
	Total	6,026,940	4.02%
7	Ms. Oranuj Vanich	5,801,016	3.87%
	Total	5,801,016	3.87%
8	USB AG SINGAPORE BRANCH	5,380,000	3.59%
	Total	5,380,000	3.59%
9	Ms. Aungkhana Vanich	5,325,984	3.55%
	Total	5,325,984	3.55%
10	Ms. Amornrat Kasemsakdakorn	5,233,340	3.49%
	Total	5,233,340	3.49%

Profile of the Board of Directors and Executives



Mr. Apirag Vanich
Chairman of the Board



Mrs. Phortchana Manoch
Vice Chairman of the Board



Mr. Vichai Dhepchalerms
Vice Chairman of the Board



Sucha Nimmannit, M.D.
Director



Krisada Banchuin M.D.
Director



Mr. Sirichai Manoch
Director



Ms. Kanchana Vanich
Director



Second Lieutenant Kitt Toranin
Director



Ms. Oranuj Vanich
Director



Sanit Charkrit M.D.
Director



**Associate Professor
Atirek Chivabongs M.D.**
Director



Pichai Siripornpanich M.D.
Medical Director
Aikchol 2 Hospital



Mrs. Prapaphan Tanthavirat
Administrative Director
Aikchol Hospital



Mrs. Somporn Permsuk
Administrative Director
Aikchol 2 Hospital

Mr. Apirag Vanich

Chairman of the Board

Age 52

Date of appointment as director : April 15, 1991

Education

- MBA., Indiana University
- B.S. Agricultural Economics, Purdue University
- Directors Accreditation Program (DAP) (37/2005)
- Directors Certification Program (DCP) (60/2005)
- Finance for Non-Financial Director (FND) (19/2005)
- Role of the Chairman Program (RCP) (13/2006)
- Leadership Program, Capital Market Academy

Positions held in other listed companies

Chairman of Univanich Palm Oil Plc.

Other present positions

Chairman

- Chean Vanich Co., Ltd.
- Chean Vanich Transport Co., Ltd.
- Vanich Pilok Mining Co., Ltd.
- Vanich Gypsum Co., Ltd.
- Vanich Lineal Co., Ltd.
- Phuket Rubber Co., Ltd.
- Phuket Ngow Hock Co., Ltd.
- Aik Rock Industry Co., Ltd.

(%) Share Possession : 20.8

Family ties among executives

Mrs. Phortchana	Manoch	Sibling
Ms. Kanchana	Vanich	Sibling
Ms. Oranuj	Vanich	Sibling

Mr. Vichai Dhepchalerm

Vice Chairman of the Board, Independent Director, Member of the Audit Committee

Member of the Nomination and Remuneration Committee

Age 89

Date of appointment as director : September 12, 1978

Education

- Associate Mining Engineer
- Directors Accreditation Program (DAP) (2005)

Positions held in other listed companies : None

Other present positions

Director

- Vanich Pilok Mining Co., Ltd.
- Vanich Gypsum Co., Ltd.
- Phangnga Timber Co., Ltd.
- Tycoon Andaman Co., Ltd.

(%) Share Possession : 0.50

Family ties among executives : None

Mrs. Phortchana Manoch

Vice Chairman of the Board and Chairman of the Executive Board

Age 63

Date of appointment as director : April 27, 1981

Education

- M.S.Hospital Administration, University of Wisconsin, U.S.A
- B.S.Business Administration, University of Wisconsin, U.S.A
- Bachelor of Laws, Dhurakij Pundit University
- Directors Certification Program (DCP) (25/2002)
- Financial Statement for Director (FSD) (13/2011)
- Anti-Corruption for Executive Program (ACEP) (13/2014)
- Good Governance for Medical Executives 2012, King Prajadhipok's Institute

Positions held in other listed companies

Director of Univanich Palm Oil Plc

(%) Share Possession : 2.92

Other present positions

Director

- Chean Vanich Co., Ltd.
- Vanich Pilok Mining Co., Ltd.
- Vanich Lineal Co., Ltd.

Family ties among executives

Mr. Apirag	Vanich	Sibling
Ms. Kanchana	Vanich	Sibling
Ms. Oranuj	Vanich	Sibling
Mr. Sirichai	Manoch	Spouse

Sucha Nimmannit, M.D.

Director, Member of the Executive Board, and Deputy Medical Director, Aikchol Hospital

Age 78

Date of appointment as director : September 12, 1978

Education

- Doctor of Medicine, Faculty of Medicine, Siriraj Hospital, Mahidol University
- Exequatur in Family Medicine, Medical Council of Thailand
- Directors Accreditation Program (DAP) (2005)

Positions held in other listed companies : None

Other present positions : None

Experience

- Physician, Chon Buri Hospital

(%) Share Possession : 0.66

Family ties among executives : None

Krisada Banchuin M.D.

Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee.

Age 71

Date of appointment as director : September 12, 1978

Education

- Doctor of Medicine, Faculty of Medicine, Ramathibodi Hospital, Mahidol University
- DIP.American Board of Pediatrics
- Diploma, Thai Board of Pediatrics, Medical Council of Thailand
- Exequatur in Family Medicine, Medical Council of Thailand
- Directors Accreditation Program (DAP) (2005)
- Directors Certification Program (DCP) (2012)
- Role of the Compensation Committee (RCC) (2012)
- Audit Committee and Continuing Development Program (ACP) (2013)
- Monitoring the System of Internal Control and Risk Management (MIR) (2013)
- Monitoring the Internal Audit Function (MIA) (2013)
- Monitoring the Quality of Financial Reporting (MFR) (2013)

Positions held in other listed companies : None

Other present positions

Faculty director (outside expert), Faculty of Sports Science, Burapha University

Experience

- Physician, Chon Buri Hospital
- Member of Academic Council, Burapha University
- Physician, Dr. Krisada Clinic

(%) Share Possession : 0.14

Family ties among executives : None

Mr. Sirichai Manoch

Director and Member of the Executive Board

Age 73

Date of appointment as director : June 25, 1992

Education

- Associate Mining Engineer
- Directors Accreditation Program (DAP) (2004)

Positions held in other listed companies : None

Other present positions

Sale Manager of Preya Mining Limited Partnership

Experience

Managing Director

- Krissiri Mining Co., Ltd.
- Pilok Hill Ltd.,Patr
- Managing Director Sirichai & Brother Co.,Ltd.
- T.T. Mining Co.,Ltd.

(%) Share Possession : 2.92

Family ties among executives

Mrs. Phortchana Manoch Spouse

Ms. Kanchana Vanich

Director

Age 59

Date of appointment as director : February 23, 1994

Education

- B.S.Finance University of Wisconsin, U.S.A.
- B.S.Human & Relationship University of Wisconsin, U.S.A.
- Directors Accreditation Program (DAP) (36/2005)

Other training : None

Positions held in other listed companies

Director of Univanich Palm Oil Plc

Other present positions

Director

- Chean Vanich Co., Ltd.
- Chean Vanich Transport Co., Ltd.
- Vanich Pilok Mining Co., Ltd.
- Vanich Gypsum Co., Ltd.
- Vanich Lineal Co., Ltd.
- Phuket Rubber Co., Ltd.
- Phuket Ngow Hock Co., Ltd.

(%) Share Possession : None

Family ties among executives

Mrs. Phortchana	Manoch	Sibling
Mr. Apirag	Vanich	Sibling
Ms. Oranuj	Vanich	Sibling

Second Lieutenant Kitti Toranin

Independent Director, Member of the Audit Committee,
and Member of the Nomination and Remuneration Committee

Age 84

Date of appointment as director : April 29, 1998

Education

- Advanced Diploma in Accounting, Thammasat University
- Directors Accreditation Program (DAP) (2004)

Positions held in other listed companies : None

Other present positions

Certified Public Accountant No. 86

Experience

- Director, Administrative Office, Thailand Tobacco Monopoly,
Ministry of Finance
- Head, Internal Control Division, Thailand Tobacco Monopoly,
Ministry of Finance

(%) Share Possession : None

Family ties among executives : None

Ms. Oranuj Vanich

Director

Age 54

Date of appointment as director : April 11, 2011

Education

- B.S. Marketing Indiana State University, U.S.A.
- Hotel Management Diploma, Hotel Management School "Les Roches" Switzerland.
- Directors Accreditation Program (DAP) (92/2011)
- Financial Statements for Directors (FSD) (19/2556)

Positions held in other listed companies : None

Other present positions

Executive Director

- Vanich Gypsum Co., Ltd.
- Chean Vanich Transport Co., Ltd.
- Chean Vanich Co., Ltd.

(%) Share Possession : 3.87

Family ties among executives

Mrs. Phortchana	Manoch	Sibling
Ms. Kanchana	Vanich	Sibling
Mr. Apirag	Vanich	Sibling

Sanit Charkrit M.D.

Director, Member of the Executive Board and Medical Director, Aikchol Hospital

Age 69

Date of appointment as director : April 18, 2014

Education

- Bachelor of Medical Science, Chulalongkorn University
- Doctor of Medicine, Chulalongkorn University
- Bachelor of Laws, Sukhothai Thammathirat Open University
- Directors Accreditation Program (DAP) (121/2015)

Positions held in other listed companies : None

Other present positions : None

Experience

Director

- Chiang Kham Hospital, Phayao Province
- Phrae Hospital, Phrae Province

(%) Share Possession : None

Family ties among executives : None

Associate Professor Atirek Chivabongs M.D.

Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee

Age 80

Date of appointment as director : October 15, 2014

Education

- Associate Degree of Medical Science, Chulalongkorn University
- Doctor of Medicine, University of Medical Science
- Advanced Diploma in Clinical Science, Major in Surgery at University of Medical Science.
- Ph.D, Cum Laude, University of Cologne (Dr.med.,c.l.), Federal Republic of Germany
- Diploma, Facharzt Fuer Orthopaedie of Germany
- Diploma, Sportarct
- Diploma, Orthopedic
- Bachelor of Laws, Sukhothai Thammathirat Open University
- Directors Accreditation Program (DAP) (121/2015)

Positions held in other listed companies : None

Other present positions

- President of Jiwapong Visahakit Co., Ltd.
- President of Sinbenjapon Co., Ltd.
- Vice President City Disaster Protection Co., Ltd.
- Adviser Faculty of Medicine Siriraj Hospital, Mahidol University
- Professor, Department of Orthopaedic Surgery and Physical Medicine, Faculty of Medicine Siriraj Hospital, Mahidol University
- Professor, College of Sports Science and Technology, Mahidol University
- Expert, Thai Industrial Standards Institute Ministry of Industry
- Expert, Fund Social Security office
- Expert, Department of Health
- Senior Managing Director of The Royal College of Family Physicians of Thailand

(%) Share Possession : None

Family ties among executives : None

Pichai Siripornpanich M.D.

Advisor to the Executive Board and Medical Director, Aikchol 2 Hospital

Age 60

Education

- Faculty of Medicine, Siriraj Hospital, Mahidol University
- Development Program for Deputy Directors of the Medical Department of the Regional/ General Hospitals and the Hospitals under Ministry of Public Health (5th Class) year 2012
- Advanced Program for Ministry of Public Health Executives (28th Class) year 2013

Experience

- Deputy Director of Medicine, Chon Buri Hospital
- Director, Kamphaeng Phet Hospital, Kamphaeng Phet Province

(%) Share Possession : None

Family ties among executives : None

Mrs. Prapaphan Tanthavirat

Advisor to the Executive Board, Administrative Director, Aikchol Hospital, and Company Secretary

Age 68

Education

- Bachelor of Accountancy, Faculty of Commerce and Accountancy, Thammasat University
- Master of Public Administration, Faculty of Political Science, Thammasat University
- Anti-Corruption the Practical Guide (ACPG) (2014)
- Fundamental Practice for Corporate Secretary (FPCS) (18/2008)

Experience

- Deputy Managing Director of Administration, Chon Buri Hospital
- Expert/Deputy Director of Financial Administration Bureau, National Health Security Office
- Director of Financial Administration Bureau, National Health Security Office

(%) Share Possession : None

Family ties among executives : None

Mrs. Somporn Permsuk

Advisor to the Executive Board and Administrative Director, Aikchol 2 Hospital

Age 67

Education

- Bachelor of Public Administration, Sukhothai Thammathirat Open University

Experience

- Deputy Managing Director of Administration, Mae Sod Hospital, Tak Province

(%) Share Possession : None

Family ties among executives : None

Notes :

- 1.The share possession of each executive includes the relevant shareholders under Article 258 of the Securities and Exchange Act
- 2.No executives have unlawful records.
- 3.Directors Profile as of 31 December 2016.

Business Overviews and Policies

Background and Nature of Business

Aikchol Hospital is along-established private hospital, with next year marking the 36th anniversary of operation in healthcare service.

Founded by the visionary Dr. Aikapoj Vanich, who anticipated rapid development in Chon Buri province and the Eastern Seaboard, Aikchol's forerunner "Aikchol Hospital Company Limited" started its business in 1978 with 22 million Baht in registered capital. Responding to his concerns about people's health issues and their increasing needs for hospital services, Aikchol was Chon Buri's first private hospital.

Aikchol Hospital, registered as an 80-bed facility, was launched in 1981. Listed on the Stock Exchange of Thailand in 1992, Aikchol's shares was traded under the AHC ticker symbol. In 1994, it registered conversion to a public company limited under the name of "Aikchol Public Company Limited", with 125 million Baht in registered capital. Later, Aikchol started operating its branch in 2006 under the name of Aikchol 2 Hospital.

The Company operates two hospitals:

1. Aikchol Hospital, a 262-bed registered facility for in-patients, located on 12-3-87 rai of land; and
2. Aikchol 2 Hospital, a 100-bed registered facility for in-patients, located on 15 rai of land.

Certified for their conformance to the Hospital Accreditation standard, both hospitals provide fully integrated healthcare services in diverse fields of medical care by specialist physicians and competent personnel. Fully equipped with the latest medical equipment for detailed, prompt diagnosis of complex diseases, the hospitals offer medical care for patients from insurance companies, company contracts, Social Security Fund and other groups of out-patients and in-patients.

Vision, missions and operational strategies

Vision : To be Exceptionally Excellent Hospital by the year 2019.

Missions :

1. Provide one-stop healthcare services with standard quality in four aspects.
2. Provide treatments for complex diseases by teams of professional physicians and qualified staff members and with modern devices and advanced technologies.



3. Provide services by minimizing waiting time.

Business milestones

2014

- To enhance the quality and efficiency of its medical diagnosis and services, Aikchol procured modern medical equipment, including:
 - 128-slice CT scanner** capable of acquiring 128 high-quality images in a single rotation with minimum radiation exposure for patients.
 - Remote-controlled Digital Fluoroscopy system** X-rays to obtain real-time images.
 - Phacoemulsification system** enabling the Ophthalmology Section to perform cataract surgery more efficiently with no corneal complication.
- In enhancing customers' convenience, improvements were made at both hospitals. For namely, the parking lot beside Aikchol Hospital was improved and expanded, while Aikchol 2 Hospital's car park was also improved, with parking spaces expanded to handle more than 450 vehicles. The hospital building was renovated to provide sufficient space for 12 ICU beds. The administration building was revamped, adding another floor to increase working space for the rising number of personnel.

2015

Aikchol Hospital has passed the accreditation assessment undertaken from October 26 to 30 by the Joint Commission International (JCI), became the first hospital in Muang district of Chon Buri province to earn the US standard accreditation from JCI.

The interior of Aikchol Hospital's building was revamped, focusing on safety and the achievement of international standards for healthcare quality and facilities, starting from:

- **Emergency Room (ER):** Besides facilitating isolated zones for individual diagnosis of incoming patients with infection diseases, ER's space was expanded to handle the growing number of patients with severe accident injuries and those requiring prolonged observation in isolated rooms, such as those having serious communicable diseases or acute respiratory failures. Aikchol Hospital's OR provides around-the-clock service.
- **Outpatient Department (OPD):** More examination rooms were added to facilitate better segregation of disease categories.
- **Operating Room Department (OR):** The department's system flow underwent total renovation on structural partition and interior.



- Intensive Care Unit (ICU): Improved and separated patients' rooms, set up an isolated zone for immune compromised patients who are at risk of infection, and partitioned the area into small rooms for individual patients, with more space provided to enhance their privacy.
- Labor Room and Nursery Department (LDR): Provided separate zones for women in labor, neonatal care for healthy newborns and neonatal care for sick newborns.

Furthermore, the well arranged, tidy and hygienic design of the interior, and hospital's external structure was likewise improved. The part of the wall adjoining the hospital's entrance was removed. The parking lot was transformed into spacious and orderly appearance with more accessibility and security protection. An ambiance of shaded beautiful park was made to provide relaxation to patient's relatives and visitors.

Modern medical equipment were procured and constantly calibrated to maintain international standards of quality, ensuring that patients are provided with safe, high-quality services

2016

- In April, The Board approved the purchase of 217 square wah of land next to Aikchol Hospital to extend its service in the future.
- In September, Aikchol Public Company Limited signed a memorandum of understanding (MOU) with Bumrungrad Hospital and 36 affiliated hospitals from every region to treat patients continually, efficiently, and safely; cooperate on academic matters; develop competency in healthcare services; and engage in other collaborations in the future.
- In October, Aikchol Hospital, following the Unicef policy, joined project activities with a team from Thaipat Institute on "Promoting Children-Friendly Business". This involved the sharing of experience, knowledge, and promotion in the assessed competency of a kid-friendly business, as well as finding an opportunity to support children's rights according to the commercial standard of the organization.
- In November, Aikchol Hospital and Aikchol 2 Hospital invited auditors from The Healthcare Accreditation Institute for another extension. This is the third and second re-accreditation of the hospitals respectively.
- The Company was assessed with 100 (full) marks, regarded as excellence in shareholders' meeting management 2016 by the Thai Investors Association.

For the past year, the Company continuously improved both internal and external facilities in order to provide convenience and safety for healthcare customers, such as the installation of rooftops and lighting at parking lots and more closed-circuit televisions (CCTVs), and development of a new information technology system which has partially been launched since the end of 2016.

In the medical field, Aikchol Hospital launched special clinics with experts to promote the treatment quality and healthcare services, such as an Ear-Nose-Throat clinic, Skin and Beauty clinic, Heart (cardiac) clinic, an Eye clinic, Urology clinic, Lung Disease, and Respiratory System clinic.

Awards and quality certification

2014

- Aikchol Hospital and Aikchol 2 Hospital successfully passed the Healthcare Accreditation Institute's annual re-accreditation assessment.
- Both hospitals were presented with Gold Hospital Awards by the International Assurance Co., Ltd., in recognition of their high standards of service quality.

2015

- Aikchol Hospital was the first hospital in Muang district of Chonburi province to earn US standard accreditation on patient safety and quality of healthcare from the Joint Commission International (JCI).
- On August 11, Aikchol Hospital won the 2015 Award for its compliance with the Persons with Disabilities Empowerment Act B.E. 2550 (2007) and its amended version (No. 2) B.E. 2556 (2013).
- Aikchol 2 Hospital was presented with the Muang Thai Life Assurance MODERN Hospital Award 2015 by the Muang Thai Life Assurance Public Company Limited in recognition of its exemplary medical services management.

2016

- In May, Aikchol Hospital won an “In appreciation of your participation - IPD Simple Disease Project” by Tokio Marine Award 2015. This was to recognize a hospital as having top-quality healthcare service and with the highest customers’ satisfaction.
- In May, Aikchol 2 Hospital won “e-Claim Awards 2015” - a hospital reward for the project with over 90% (2,001 in 3,000 calls) informative records within 48 hours from The Road Accident Victims Protection Co., Ltd. This was to recognize a hospital that achieved efficient records via the e-Claim system.



- In June, Thaipat Institute awarded an “ESG 100 Certificate” to Aikchol for being a top-100 listed firm in Thailand that has an outstanding business in promotion of the environmental, social and governance accomplishment.
- In September, The Department of Older Person, Ministry of Social Development and Human Security, Thaipat Institute, and the Foundation for Thailand Rural Reconstruction Movement Under the Royal Patronage awarded a certificate of appreciation to Aikchol for joining the network of age-friendly businesses.

Shareholding structure within the Group

Aikchol has no subsidiary or joint-venture company

Relationship with major shareholder's groups

Aikchol has no relationship with any business group of its major shareholder.

Nature of Business

Aikchol Hospital is along-established private hospital, with next year marking the 36th anniversary of operation in healthcare service. At present, its core business is medical service provision. The number of its outpatients keeps increasing due to increasing needs for medical treatment and healthcare in many fields. Above all, are medical technological development. As a result, Aikchol plans to extend specialty clinics for patients, such as Skin and Beauty, Ear-Nose-Throat and Allergy, Respiratory system, Urological, and Cardiology clinics.

Aikchol’s advantages over rivals have enabled it to offer premium health services with quality and efficiency at lower equipment and operating costs. The present economic situation has a milder effect on the hospital than on other businesses.

For the past year, customers have retained faith and trust in Aikchol’s medical quality and services. The two hospitals kept purchasing more sophisticated medical apparatus as well as renovating their facilities for clients while maintaining budget control to enable the public to gain affordable access to services.

With a strong medical and nursing team, Aikchol has become an outstanding hospital in Chon Buri. In addition, the launch of a heart disease center has yielded additional income to the company. Inaugurated in August 2013, the Cardiac Catheterization Laboratory has made good progress. Currently the center of trauma and emergency brain surgery has improved medical personnel’s competency and skills to develop emergency medicine networks and patient transfer.

Competition

Both Hospitals are prepared for groups of new patients, particularly foreigners who are interested in healthcare services at affordable costs compared to other Asian countries. Thailand has safe transportation, good atmosphere, and many tourist attractions, thus drawing more and more foreign patients.

In addition, since Aikchol had achieved accreditation from The Joint Commission International (JCI), the number of foreign patients has increased. In return Aikchol focused in these customers, who can afford medical expenses. This strategy comes from agencies receiving patients from the government's Medical Hub Project. Meanwhile, to increase service standards, Aikchol has provided training on service-mindedness and assigned experts to give English lessons to employees.

Target groups

Amid a competitive atmosphere for the hospital business, people are deeply concerned about their health, so hospitals have to prepare themselves to cope with customers' needs for medical treatment or healthcare services. Since Aikchol 2 Hospital caters to general and social-security patients, in a given year of sluggish economy, most clients turn to their social security medical services, resulting in high social security expenses.

Therefore, Aikchol 2 Hospital has different capital cost management from Aikchol Hospital; it deals with general clients, ones under life insurance coverage and ones under contracts with companies or factories, as well as foreign patients.

To date, the medical business on the high-end for customers from the Middle East has borne the brunt of the low oil price crisis, causing a drop in the number of patients receiving Thai healthcare services. In the news, these countries have adopted a policy to curb their citizens receiving medical care overseas by improving their own hospital competencies and supporting internal healthcare services.

Thanks to technological advancement, clients' behavior has changed. Sophisticated medical apparatus aids patient condition improvement, particularly endoscopic surgeries with tiny wounds. The length of hospital stays has therefore decreased while turnover rates of in-patients have increased.

On the other hand, the number of out-patients has soared with people's health concerns. Mild illnesses prompt some people to see doctors in the belief that innovative medicine accelerates diagnosis.

Aikchol's vision is clear: to become a leading hospital in the Eastern Region with a focus on serving clients' needs and attracting target groups. The mission is to improve its personnel and quality processes in parallel with medical progress and taking care of patients, both physically and mentally, as well as stress from illnesses in a courteous manner.



In 2016, Aikchol Hospital and Aikchol 2 Hospital signed a memorandum of understanding (MOU) with Bumrungrad Hospital to efficiently extend their medical treatment bases up to the highest international standard. In addition, academic collaboration was agreed in areas of mutual interest.

One of the MOU elements is to develop a comprehensive health system under modern medical technology together with the application of leading medical personnel's knowledge to patients. This is an area where both companies will cooperate to give access to medical care with advanced medical knowhow to provide a choice for patients' desire for physical recovery at their own residences.

Procurement of products and services

Since quality is imperative, Aikchol's purchasing policy on drugs and medical supplies focuses on both local and overseas companies, distributing purchasing to more than 2-3 firms so as to assess after-sales maintenance and services and avoid monopoly. Central procurement for drugs and medical supplies regarding appropriate price and efficiency is applied to affiliated hospitals. In addition, an audit of shipment or supply chain from the origin to customers or service users is of concern, specifically safety, quantity, and conformance to contracts.

Environmental impacts of production processes

Valuing energy conservation, the environment, and natural resources, Aikchol's policy is for all employees to participate in CSR social activities in communities, since their security is of concern besides our compliance with laws and regulations.

Aikchol recently won "Certification of Excellent Achievement in appreciation for outstanding dedication and accomplishment", as a demonstration building promoting energy efficiency under the commercial buildings (PEECB) project. This initiative was a collaboration between the Department of Alternative Energy Development and Efficiency, Ministry of Energy, and the United Nations Development Program (UNDP) under the support of Global Environmental Facility (GEF). Its objective is to plan, do, check, act, and analyze to promote energy efficiency in the hospital-building business sector and decrease greenhouse gas emissions. Aikchol participated in the project to drive a promotional campaign among workers for awareness of energy conservation and development of managerial systems for efficient energy consumption.

Risk factors

Risk factors in the Process of Laws, Regulations and Standards

Though the business of healthcare service is under the control of the Ministry of Public Health, some guidelines do not drive government and the private sector in the same direction, since rules' and regulations' standards are constantly changing and amended.

The establishment of new laws or policies regarding prevention and compensatory rates of protection and reimbursement to victims occasionally affects private hospitals.

However, amid the unpredictably risky circumstances, Aikchol Hospital and affiliated hospitals have strong desire for health service management to reduce risks through quality management standard systems. The Joint Commission International (JCI) - American Standard and the Hospital Accreditation (HA) from Healthcare Accreditation Institute (Public Organization) have certified Aikchol Hospital. Likewise, Hospital Accreditation (HA) has certified Aikchol2 Hospital.

Economic Conditions

During an economic crisis, customers cannot afford services and are cautious in purchasing. The National Statistics Bureau reveals that the Thai population is turning into a society of the elderly, with 15% out of 64.5 million. In addition, the Office of the National Economic and Social Development Board (NESDB) predicted that in five years or in 2020, Thailand will have about 13 million elderly people with an average age of 60. In the future, this is significant to national development and a great barrier to macroeconomic growth, owing to the decrease of manpower. The government should have policies to raise productivity and improve labor efficiency or to develop technology for less labor use.

Expansion toward an elderly society is a challenge and calls for adaptation of the new diversified balance of goods and services, such as anti-aging and anti-wrinkle products. Beauty centers will become more and more accepted. In addition, healthy foods, healthcare courses and elderly home care are of interest to customers who are able to pay at full prices.

On the other hand, increasing treatment and healthcare costs for the elderly has become the government's problem in responding to this structural change of the population. For hospitals taking care of social security groups, if patients do not care for themselves by eating healthy food or doing exercises regularly, they are at risk of obesity, diabetes mellitus, hypertension or heart disease. These are chronic diseases with costly treatment. As a result, the government should drive health policies to promote the elderly (age 60-70) to maintain good health and lengthen work ages and work hours to as much as the younger (age 20-60). Likewise, the elderly issue becomes a problem-solving financial model for self-improvement to a higher competency or caliber, that is, earning a living and saving enough money. This is



because healthcare and treatment might incur high expenditure that should not be a burden to descendants or the country.

Public expenditure on population health, particularly the elderly, indeed appears to increase. Since expenses on healthcare service and other welfare burden the government, financial plans or measures are needed to reduce these costs.

Personnel depletion

Hospital is a relatively secure business, with customers continuously using healthcare services for both prevention and treatment. Private hospitals today are growing their networks to every province for treatment service on diseases, either new or old episodes. Still, shortage of medical personnel remains a big problem. In 2015, the number of pharmaceutical graduates was inadequate, as its educational system has extended the didactic curriculum. Though nurses are the mainspring of the medical system, they are still in short supply every year.

The search for qualified and skilled medical personnel calls for development and enhancement. The launch of many private hospitals has scrambled for these personnel with the government sector. In addition, it is now costly to keep them in the organization for as long as possible.

In the past year, only 130,000 out of 180,000 registered nurses worked in the system, while the demand for registered nurses in the medical field is high as 160,000. In 2020, it is anticipated that unless the production of nurse graduates is enough, the shortage will increase to 50,000 while Thai society has even more elderly with increasing age. Annually, graduate 10,000 nurses, but only 80% enter the system.

After five years of hard work, low income and grueling daily shifts, the number of remaining nurses is down to 50%. Therefore, private educational institutes request didactic support from the government to increase nurse supply. Apart from accommodating the nurse shortage, this would alleviate and enhance parity of healthcare service among people in peripheral and rural areas.

To promote graduation of nursing schools, Aikchol granted more scholarships while giving opportunities for nurses and nurse assistants to observe hospital practices to enhance their skills and experience to cope with real-life careers.

Aikchol laid down an incentive scheme under which those accomplishing foreign-language command up to certain levels will receive more premium compensation. Each year, it regularly trains nurse personnel on academic subjects as well as nursing quality systems for quality work processes. It also strives for service users' satisfaction and recommendation by word of mouth.

As for the academic development of physicians, Aikchol is now supported by Bumrungrad Hospital in the form of E-Medical Meetings to train them on modern medical technologies and approaches.

Dividend Payment Policy

Barring compelling circumstances, the Board's policy is to propose to the shareholders' meeting dividend payment of no less than 50% of Aikchol's net income (profit) after income tax deduction.

Dividend profile for the past five years (2011 - 2015)

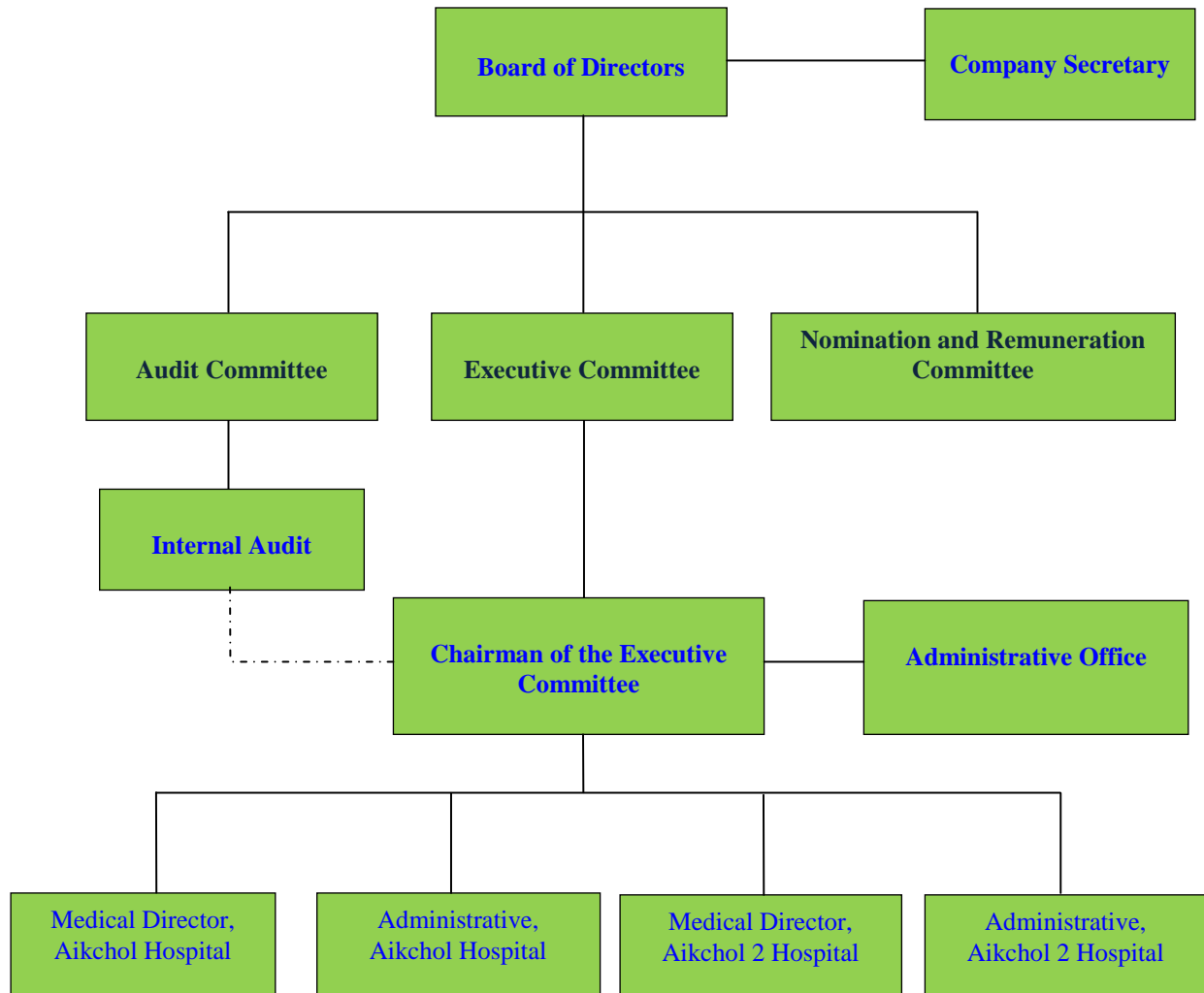
Annual dividend payment	2015	2014	2013	2012	2011
Net earnings per share (consolidated financial statements)	1.07	1.21	1.27	1.15	8.14
Dividend payment per share (Baht)	0.55	0.65	0.64	0.80	3.50
Dividend payment in percentage of net profit per share	51.46%	53.63%	50.00%	58.02%	43.00%
Date of payment	18/05/16	18/05/15	08/05/14	29/05/13	08/05/12

Notes:

1. On May 8, 2012, AHC registered a change in par value from Baht 10 to Baht 1 per share by the resolution of the 2012 AGM (No. 34), held on April 18, 2012.
2. Based on its performance in 2012, Aikchol paid out stocks and cash dividends at the rate of Baht 0.80 per share:
 - 2.1 Cash dividend of Baht 0.60 per share
 - 2.2 Stock dividend of up to 25,000,000 shares at Baht 1 par value, equivalent to Baht 25,000,000, to existing shareholders under a 5:1 ratio, equivalent to Baht 0.20 of dividend per share, with cash payment for the remainder at Baht 0.20 per share

Management Structure

1. Management Structure as of December 31, 2016



2. Board of Directors

As of December 31, 2016, the Board consisted of:

Name	Meeting Attendance in 2016			
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee
1. Mr. Apirag Vanich	5/6			
2. Mr. Vichai Dhepchalerm	6/6	22/22	3/3	
3. Mrs. Phortchana Manoch	6/6			20/20
4. Mr. Sucha Nimmannit, M.D	6/6			20/20
5. Mr. Krisada Banchuin, M.D	5/6	22/22	3/3	
6. Mr. Sirichai Manoch	6/6			18/20
7. Ms. Kanchana Vanich	5/6			
8. Second Lt. Kitti Toranin	1/6	4/22	-	
9. Ms. Oranuj Vanich	6/6			
10. Mr. Sanit Charkrit, M.D.	6/6			20/20
11. Associate Prof. Dr. Atirek Chivabongs	6/6	22/22	2/3	

Note : Associate Prof. Dr. Atirek Chivabongs was appointed member of the Nomination and Remuneration Committee, by the resolution of the Board meeting No.297, on June 22, 2016

Authority and Limitation of the Board

Under Aikchol's regulations, two of the three directors, namely (1) Mr. Apirag Vanich (2) Mrs. Phortchana Manoch, and (3) Dr. Sucha Nimmannit, M.D. are authorized to jointly sign and affix Aikchol's seal.

Board Structure

The Board consists of 11 directors: four executive directors, three non-executive directors, and four independent directors (which accounts for 40% or no less than one-third of the Board). The directors have the qualifications and expertise to sufficiently create checks and balances and a management review mechanism.



Executive Directors

The executive director is a member of the Board or a full-time management director, and receives a regular salary or other benefits under company 's regulations and social welfare .

Non-Executive Directors

A non-executive director is not involved in the day-to-day management of Aikchol and does not receive regular remuneration. He or she may be appointed by the major shareholder, or represent them.

Independent Directors

An independent director is not involved in the management of Aikchol or its associated company, is dependent of the management, the major shareholder, or its controllers. He or she has no business or relationship with Aikchol or its associated company which may affect the interests of Aikchol or the shareholders.

Independent directors have the qualifications in compliance with SET's and SEC's regulations as follows:

1. Share holding should not exceed 1 % of the voting shares of Aikchol, its subsidiaries, associates, or persons who could pose conflicts of interest (including the shares held by connected parties under Article 258 of the Securities and Exchange Act).
2. Must not be the person or who have not been involved in the management as wage earners, employees, advisers on the payroll of Aikchol, or those who have control over Aikchol and its holding company, is subsidiaries, associates, sister companies, the major shareholder, or those with control over Aikchol for at least two years before the appointment.
3. Must not be persons of blood relationship or legal registration as father, mother, spouse, sibling, and children, including the spouses of the children and of the executives, the major shareholder, controllers, or those who are recommended as executives, or controllers of Aikchol or its subsidiaries.
4. Must not have or have not had business relationship with Aikchol, its holding company, subsidiaries, associates, or juristic persons who could pose conflicts of interest that may hamper the independent exercise of discretion; are not or have not been the major shareholder, directors who are not independent directors, or executives of those who have business relationship with Aikchol, or juristic persons who could pose conflicts of interest for at least two years before the appointment.
5. Must not and have not been the an auditor of Aikchol, its holding company, subsidiaries, associates, or juristic persons who could pose conflicts of interest, and are not the major shareholder, directors who are not independent directors, executives, or

managing partners of the auditing office that the auditor of Aikchol, or the juristic persons who could pose conflicts of interest are attached to for at least two years before the date of appointment.

6. Must not or have not been professional advisers, whether legal or financial, with consulting fees of more than 2 million baht a year from Aikchol, its holding company, subsidiaries, associates, or juristic persons who could pose conflicts of interest. If the professional advisers are juristic persons, this should include the major shareholder, directors who are not independent directors, executives, or managing partners of the professional advisers for at least two years before the date of appointment.

7. Must not have appointed as the representatives of Aikchol's directors, the major shareholder, or shareholders who are connected with Aikchol's major shareholder.

8. Must not have any characteristics that hinder the ability to express freely the views on the operation of Aikchol.

Duties and Responsibilities of the Board

1. Perform its duties under laws, objectives, and regulations of Aikchol.
2. Review, approve, and modify Aikchol's vision and missions before disseminating to the public.
3. Approve major policies and strategies, financial targets, operating plans, budgets; monitor and ensure plan implementation.
4. Follow up and assess the performance of the management and establish suitable remuneration.
5. Approve the acquisition of funds and other resources required to ensure that Aikchol's operation fully conforms to its missions and strategies.
6. Ensure that financial reporting and auditing systems are reliable, and that risk management and internal control systems are suitable.
7. Resolve conflicts of interest, as well as the misuse of Aikchol's assets or malfeasance of connected transactions.
8. Put in place an efficient anti-corruption system, ensuring the management's alertness, recognition, and compliance with Aikchol's anti-corruption measures.
9. Appoint members of the Executive Committee, and delegate specific authority and duties to the Executive Committee to manage the Company. Members of the Executive Committee are entitled to remuneration and bonuses as specified by the Board meeting, provided, however, that the rights of such members to the remuneration and benefits under Aikchol's regulations as directors, officers or employees are not affected.



10. Appoint qualified candidates without forbidden characteristics as stipulated by the Public Limited Companies Act (1992) and the law on securities and exchange, as well as relevant rules or regulations of directorship, or both, if the post is vacated because of reasons other than term completion.
11. Appoint qualified independent directors without forbidden characteristics as stipulated by the law on securities and exchange, an announcement of the Capital Market Supervisory Board, as well as SET's rules or regulations, or both, or submit a list of potential candidates to the shareholders' meeting for approval.
12. Appoint qualified members of the Audit Committee in compliance with the law on securities and exchange, an announcement of the Capital Market Supervisory Board, as well as SET's rules or regulations, or both.
13. Appoint the Chair of the Executive Committee and conduct annual assessment of each person's performance.
14. Appoint the Company Secretary in compliance with the law on securities and exchange, responsible for preparing and filing documents and other duties as defined by the Capital Market Supervisory Board; facilitating activities of the Board and Aikchol, such as the meetings of the Board and the shareholders; providing the Board and Aikchol with legal advice and assorted regulations that they need to know and comply with; as well as ensuring that the Board and the Company disclose information with correctness, completeness, and transparency.
15. Submit a list of his or her own assets, including that of the spouse and children not yet of legal age who hold shares in Aikchol and its affiliates, and inform the Board meeting every time there is a change to the information.
16. Attend at least one director training course organized by the Thai Institute of Directors (IOD), such as Directors Accreditation Program (DAP) or Directors Certification Program (DCP) or equivalent to increase skill and ability to perform work.
17. Approve the healthcare quality and patients' safety program, regularly acknowledge and respond to reports on such subjects.
18. Other duties as stipulated by the announcements, rules, regulations, acts, or laws governing the Company.

Agenda for the Meetings of the Board

The Board schedules meetings every two months, or with extraordinary sessions called as necessary. The agenda is explicitly set in advance, along with agenda on monitoring of operation outcomes on regular basis. The Company's secretary inform the meeting notices with the agenda and accompanying documents seven days ahead of the meeting date to allow

the directors sufficient time to study the documents before each meeting. Each meeting generally takes about 3 hours. In 2016, the Board held six meetings.

Under the Articles of Association, at a meeting of the Board of Directors, the presence of no less than a half of the total number of directors is required to constitute a quorum, whereas the Board's resolution requires a majority vote of attending directors. Any director with a vested interest on any agenda item is barred from voting on that item. In the event of a tied vote, the Chairman of the meeting is entitled to cast the decisive vote.

Orientation of New Directors

The Company arranges business orientation sessions for newly-appointed directors and encourages them to attend training programs organized by the Thai Institute of Directors (IOD) so as to develop, support, and enhance the performance of the Board.

Performance Assessment of the Board in 2016

The Board undertakes annual self-assessment by assessing the performance on an individual basis and compiles the assessment to review performance, problems, and obstacles during the past year to increase efficiency and effectiveness of its work and improve relationships between the directors and the management.

The assessment of the performance of the Board this year revealed the performance at 88.00 percent, which is considered “Good” according to the SET Scale.

Aikchol submitted the assessment outcomes to Board meeting No. 300 on December 20, 2016, in encouraging the performance of the directors.

Committees

The Board appoints the Audit Committee, the Nomination and Remuneration Committee, and the Executive Committee, whose scopes of authority, duties, and responsibilities are clearly defined in their respective charters.

Aikchol has disclosed the directorships in other companies as shown in the Board's structure. None of the directors holds more than five directorships in listed companies.

1. Audit Committee

The Audit Committee consists of four independent directors with a term of two years as follows:

1.	Dr. Krisada	Banchuin	Chairman
2.	Mr. Vichai	Dhepchalerm	Member
3.	Second Lt. Kitti	Toranin	Member
4.	Asso.Prof.Dr. Atirek	Chivabongs	Member



Qualifications

Members of the Audit Committee must be independent directors appointed by the Board or the shareholders' meeting, and have the following qualifications as specified by SEC:

1. Must not be directors assigned by the Board to decide on the operation of Aikchol, its holding company, subsidiaries, associates, or juristic persons who could pose conflicts of interest.
2. Must not be directors of the holding company, subsidiaries, or sister companies that are listed companies.
3. For the benefit of the consideration of the qualifications, definitions appear below:
 - 3.1 "Holding company" means the company that holds more than 50% of the paid-up shares in a listed company (directly or indirectly).
 - 3.2 "Subsidiary" means the company where a listed company holds more than 50% of the paid-up shares (directly or indirectly).
 - 3.3 "Major shareholder" means the shareholder (directly or indirectly) in a listed company or a subsidiary combined, accounting for more than 10% of the paid-up capital of the company or the subsidiary, including the shares held by connected parties.
 - 3.4 "Executive" means an executive director, manager, employee from manager upward, or any person at the same level but is called otherwise with the authority of management of the company and subsidiaries, including the employee with whom the company or subsidiaries enter into a contract to have all or some authority in the management of the company or subsidiaries.
 - 3.5 "Connected party" means the party under Article 258 (1) - (2) of the Securities and Exchange Act (1992)
 - 3.6 "Independent (free) view" means free expression of views or report of the assigned work without having to consider benefit concerning assets or positions and not falling under the influence of any parties, including no pressing circumstance that hinders the ability to properly express one's view.



Duties and Responsibilities

1. Review Aikchol's financial reporting to ensure accuracy and adequacy.
2. Review Aikchol's internal control system and internal audit system to ensure suitability and efficiency, determine Internal Audit's independence, as well as approving the appointment, transfer, dismissal of, and penalty to the chief of Internal Audit by jointly assessing the case with the highest-ranking management.
3. Review Aikchol's compliance with the law on securities and exchange, SET's regulations, and laws relating to Aikchol's business.
4. Review the suitability of the risk management system and risk management measures.
5. Review the accuracy and suitability of medical treatment standards.
6. Review the internal process on whistle-blowing and complaint-making, especially about improper financial statements or other issues, ensuring that the whistle-blower is confident about independent investigation and suitable follow-ups.
7. Review the evidence of internal investigation and report to the Board for consideration in case of suspected corrupt practices, irregularities, or major flaws in the internal control system.
8. Approve Internal Audit's charter.
9. Approve Internal Audit's annual audit plans.
10. Consider, select, and nominate an independent party as Aikchol's external auditor, and propose audit fees, as well as attending a non-management meeting with the external auditor at least once a year.
11. Review connected transactions or the transactions potentially leading to conflicts of interests, and ensure their compliance with the law and SET's regulations, sensibility, and maximum benefit of Aikchol.
12. Prepare a committee report for disclosure in Aikchol's annual report, to be countersigned by the Chairman and must contain at least the following information:
 - 12.1 Opinions on the accuracy, completeness, and creditability of Aikchol's financial reports.
 - 12.2 Opinions on the adequacy of Aikchol's internal control system.
 - 12.3 Opinions on compliance with the securities and exchange laws, SET's regulations, or laws related to Aikchol's business.
 - 12.4 Opinions on the suitability of the external auditor.



- 12.5 Opinions on the transactions potentially leading to conflicts of interests.
- 12.6 The number of the committee meetings, and the attendance of such meetings by each member.
- 12.7 Opinion or overall comments received by the committee based on its performance under its charter.
- 12.8 Other transactions that the shareholders and the general investors should be aware of, subject to the scope of Board-assigned duties and responsibilities.
- 12.9 Other Board-assigned tasks, with the consent of the Audit Committee.
13. Other duties
 - 13.1 Reviews the charter of the Audit Committee annually to consider the necessity to change its responsibilities, recommend changes if necessary, and submit the case to the Board for approval.
 - 13.2 The Audit Committee may seek advice from independent external advisers if necessary, at Aikchol's expense.

In performing the above duties, the Audit Committee must be directly responsible to the Board, while the Board must be responsible to the public for the operation of Aikchol.

Agenda for the Meetings of the Nomination and Remuneration Committee

The Audit Committee holds a monthly meeting, with an extraordinary meeting in case of emergencies. Each meeting takes two days, one at Aikchol Hospital and the other at Aikchol 2 Hospital for closer operation follow-up. Meeting notices with accompanying documents are forecast in the same manner as those of the Board meetings. The Committee held 22 such meetings. in 2016

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of independent directors with a term of two years as follows:

- | | | | |
|----|----------------------|-------------|----------|
| 1. | Dr. Krisada | Banchuin | Chairman |
| 2. | Mr. Vichai | Dhepchalerm | Member |
| 3. | Second Lt. Kitt | Toranin | Member |
| 4. | Asso.Prof.Dr. Atirek | Chivabongs | Member |



Duties and Responsibilities

Nomination

1. Define recruitment policies, criteria, and procedures for directors and persons with the authority of management and submit them to the Board for approval.
2. Select and nominate qualified candidates in compliance with relevant rules and laws for the positions of directors, committee members, and persons with the authority of management, and submit them to the Board for consideration.

In nominating directors, the committee takes into account the experience in at least one major field for the Board (such as medicine, finance, business administration, marketing, human resource management, law, and management) as well as the ability to caution the work of the Board, the ability to decide on business matters based on reason, strategic thinking, leadership, as well as high-level professionalism, honesty, and proper personal qualifications.

3. Ensure that the Board and the committees command proper sizes and compositions, modify the sizes and compositions to suit the changing environment, and ensure that both of them consist of qualified, skilled, and experienced persons.
4. Disclose the recruitment policies and procedures in Aikchol's annual report.
5. Review and summarize suitable succession plans and continuous management for the positions of top executives annually and report to the Board for acknowledgment.

Remuneration

1. Define the remuneration policies, criteria, procedures as well as other benefits; recommend remuneration for top executives based on clear, transparent criteria and submit it to the Board for consideration.
2. Ensure that the directors and top executives receive proper remuneration in line with their duties and responsibilities.
3. Define the guidelines for performance assessment of the directors and the persons with the management authority for annual remuneration consideration.
4. Disclose the policy on remuneration consideration and remuneration in various forms, prepare a report on remuneration consideration with at least



the details on targets, operation, and views of the committee in Aikchol's annual report.

5. Recommend suitable remuneration for the directors and committee members to the Board for consent before their submitting to the shareholders' meeting for approval.
6. Perform other Board-assigned acts.

Agenda for the Meetings of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee convenes whenever it wishes to nominate or appoint new director or executive. The Chairman will ask the Secretary to forward meeting notices with accompanying documents in the same manner as those for the Board meetings. In 2016, the committee held three such meetings.

3. Executive Committee

Board Meeting No. 298 of August 19, 2016, appointed an Executive Committee with a one-year term. Membership of the Executive Committee will end upon termination of directorship of Aikchol, resignation, death, or dismissal by Board resolution. When an executive director ends directorship before term completion, the Board will appoint a qualified director to replace him or her for only as long as the remaining term.

The Executive Committee currently consists of:

- | | | |
|-------------------|----------|---------------------|
| 1. Ms. Phortchana | Manoch | Chairman |
| 2. Dr. Sucha | Nimmanit | Executive director |
| 3. Mr. Sirichai | Manoch | Executive director |
| 4. Mr. Sanit | Charkrit | Executive director. |

Duties and Responsibilities

1. Define plans and operating plans based on the Board-assigned policies to meet Aikchol's objectives.
2. Define the core business structure of Aikchol, that is, medical treatment and its supporting units in compliance with the economic situations and competition, and submit this to the Board for approval.
3. Define business plans, budgets, management authority, and responsibility of each department and submit them to the Board for approval.
4. Approve financial operation within a Board-defined limit.
5. Maintain an internal control system to safeguard the capital of the shareholders and the assets of Aikchol.

6. Be responsible for the efficiency of the internal audit system, covering financial audit, operational audit, compliance audit, and managerial audit, especially risk management.
7. Be responsible for relevant third parties such as business partners and contractual parties to ensure joint profit and satisfaction, honoring of creditors' conditions, and stewardship of collaterals.
8. Exert stewardship of the development and promotion of a safe environment, a sound work environment, and a teamwork corporate culture.
9. Be responsible for the management of employees, who are valuable resources and Aikchol's success factor by recognizing their rights.
10. When witnessing any unethical or unlawful practice, monitor and report it to the Board or the Audit Committee.
11. Disclose performance data in the annual report as required by law and relevant regulations for transparency and good corporate governance.
12. Perform other Board-assigned tasks.

Agenda for the Meetings of the Executive Committee

The Executive Committee meets twice a month (every other week). Meeting notices with accompanying documents are forwarded in the same manner as those for the Board meetings. For the Executive Committee there were 20 meetings.

At each committee meeting, the minutes of the meeting are in written form, properly filed, and traceable. The contents of the minutes cannot be changed without prior approval of the meeting of each committee. The documents are always ready for inspection by the Board or relevant parties.

2. Executives

The top executives of Aikchol as of December 31, 2016, are as follows:

Name		Name
1.	Mrs. Phorthana	Manoch Chairman of the Executive Committee
2.	Dr. Sanit	Charkrit. Medical Director, Aikchol Hospital
3.	Dr. Pichai	Siripornpanich Medical Director, Aikchol 2 Hospital
4.	Mrs. Prapaphan	Tanthavirat Administrative Director, Aikchol Hospital
5.	Mrs. Somporn	Permsuk Administrative Director, Aikchol 2 Hospital

Duties and Responsibilities of the Executives

The Executive Committee and the executives have the authority and duty to manage the Company under the policy, targets, operating plans, and annual budget aligned with the resolutions of the Board meetings, as well as approving financial matters and assets in ordinary business transactions within the amount specified by the Board.

3. Directors' and Executives' Remuneration

Criteria for the determination of directors' remuneration are based on detailed screening and vetting of their experiences, scopes of duties and responsibilities as approved by the shareholders, together with regular assessment of their performance as a guide for their remuneration.

- 1) Directors' remuneration is paid through bonuses and meeting allowances.
- 2) The remuneration of subcommittee members is paid through meeting allowances.
- 3) Executives' remuneration is paid through salaries and bonuses, based on their duties, responsibilities and performance, as well as the performance of Aikchol.

Details of the Directors' and executives' remuneration are as follows:

3.1 Remuneration in Monetary Form

Bonuses and meeting allowances paid to **directors and members of subcommittees** in 2016 and 2015:

(Unit : Thousand Baht)

Name	Remuneration in 2015 total (Baht)	Director' s Remuneration				Remuneration in 2016 total (Baht)
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee	
1 Mr.Apirag Vanich	672.00	660.00	-	-	-	660.00
2 Mr. Vichai Dhepchalerm	596.00	372.00	220.00	12.00	-	604.00
3 Mrs. Phorthana Manoch	608.00	372.00	-	-	240.00	612.00
4 Mr. Sucha Nimmannit, M.D	508.00	372.00	-	-	140.00	512.00
5 Mr. Krisada Banchuin, M.D	564.00	372.00	250.00	12.00	-	634.00
6 Mr. Sirichai Manoch	726.00	582.00	-	-	136.00	718.00
7 Ms. Kanchana Vanich	360.00	360.00	-	-	-	360.00
8 Second Lt. Kittit Toranin	634.00	12.00	50.00	-	-	62.00
9 Ms. Oranuj Vanich	360.00	372.00	-	-	-	372.00
10 Mr. Sanit Charkrit, M.D	508.00	372.00	-	-	140.00	512.00
11 Asso.Pro.Dr.Atirek Chivabongs	560.00	372.00	220.00	12.00	-	604.00
	6,096.00	4,218.00	740.00	36.00	656.00	5,650.00

Management's Remuneration

Salaries, bonuses and meeting allowances paid to executives and members of the Executive Committee in 2015 and 2016:

(Unit : Baht)

2016	2015
24,098,167	25,357,300

3.2 Other Remuneration : None

4. Development of Directors and Executives

The Company encourages and supports training and coaching for directors, executives, company's secretary, and others, to constantly improve their performance. The Board attends seminars organized by relevant agencies, such as IOD and SET, to develop and to increase skills and efficiency in the performance of their duties as directors. Individual directors also took part in IOD training and seminars.

5. Company Secretary

The Board appointed **Mrs. Prapaphan Tanthavirat** as Company Secretary with the responsibilities and duties as stipulated by the law on securities and exchange and an announcement of the Capital Market Supervisory Board. Such duties and responsibilities included disclosure of information and reporting to governing agencies in conformity to the laws, regulations, and the Company's policy, ensuring that the resolutions of the Board and shareholders' meetings are implemented accordingly and in compliance with corporate governance principles, and any other duties as may be assigned by the Board.

Duties and Responsibilities of the Company Secretary

1. Provide the directors with legal advice and remind them of the company's assorted rules and regulations, ensure that the operations are in compliance with the laws and regulations, and inform the Board of any significant changes.
2. Prepare shareholders' meetings, and Board meetings in accordance with the laws, the company's regulations and relevant procedures.
3. Record the minutes of the Board and the shareholders' meetings, and ensure that the resolutions of the Board and the shareholders' meetings are implemented accordingly.
4. Inform the shareholders of their rights and the Company's news.
5. Facilitate activities of the Board.

Company Secretary

Company Secretar	Ms. Prapaphan Tanthavirat
Education	<ul style="list-style-type: none"> - Bachelor of Accounting, Faculty of Commerce and Accountancy, Thammasat University - Master's Degree in Public Administration, Faculty of Political Sciences, Thammasat University
Training	<ul style="list-style-type: none"> - Anti-Corruption: The Practical Guide (ACPG), Class 12/2014 - Fundamental Practice for Corporate Secretary (FPCS), Class 18/ 2014
Present Position	<ul style="list-style-type: none"> - Advisor to the Executive Committee - Managing Director of Administration, Aikchol Hospital - Company Secretary

6. Nomination and appointment of directors and executives

6.1 Nomination and appointment of directors and independent directors

The Nomination and Remuneration Committee consists of three members, all are independent directors. The committee is assigned by the Board to screen qualified candidates for the post of directors and propose a list to the Board for consideration and approval. If the post is vacated because of reasons other than term completion, the resolution of the Board must consist of at least three-quarters of the votes of the remaining directors. If this is an appointment of new directors, the committee will submit a list of qualified candidates to the Board for consideration before forwarding it to the shareholders' meeting for approval.

Since independent directors must account for at least one-third of the Board, their nomination relies on the same process as that of the Board directors. The qualifications of independent directors are as stated under "Responsibilities of the Committees" in the annual report.

The Aikchol Board gives an opportunity for the shareholders to nominate persons with appropriate qualifications as directors.

The voting procedure is as follows:

- (1) One shareholder holds one vote per share
- (2) In electing directors, votes can be cast for individual candidates, or a collective vote cast for the entire numbers of directors to be elected, as the meeting sees appropriate. In voting one or more persons as directors, each voted candidate



will receive the vote according to all the shares held by the shareholder under (1), and the votes cast are indivisible.

- (3) Candidates with the highest votes are to be appointed directors up to the number open at the given meeting. If more candidates receive equal votes resulting to more number of directors than required, the Chairman of the meeting must cast a deciding vote.

If a post is vacated because of reasons other than term completion, at the next Board meeting the Board may elect a qualified person who without forbidden characteristics as a director in compliance with the Public Limited Company Act and the applicable law on securities and exchange, except when the remaining term of the predecessor is less than two months. The resolution of the Board on this appointment must consist of at least three-quarters of the votes of the remaining directors.

6.2 Nomination and appointment of senior executives

In nominating senior executives from the levels of managing director, deputy managing director, to assistant managing director, the Executive Committee will screen candidates with all the qualifications required, such as knowledge, skills, and experience that are beneficial to the conduct of Aikchol's operation. That person should possess an in depth understanding of the business and the competencies to manage it to achieve the objectives and goals set by the Board. When everything is completed, it would be submitted to the Nomination and Remuneration Committee for consideration and then to the Board for approval.

6.3 Succession plans

The Company has prepared succession plans and considered competent persons for senior executive positions. The executive nomination process is carried out according to the company's policy and conditions. Apart from expertise, qualified persons must be conscientious and smart, ready to upgrade skills, and must have experience in the relevant business. In addition, the leaders must have great vision and compliance with the company's missions. All of which are the key to the hospital's success.

7. Use of inside information

Exerting its control of the use of inside information under corporate governance, Aikchol stated in writing procedures to guide and make it a responsibility of its directors, executives, and employees. A policy on trading of company securities and the exploitation of information form part of Aikchol's code of conduct. Below are the guidelines:

1. All Aikchol employees must maintain internal data and documents that cannot be publicized, since they would lead to undue exploitation for themselves, family members, or associates.
2. Executives and employees of the units with the privilege of such inside information cannot engage in trading of Aikchol securities within one month before the publicity of the financial statements.
3. Directors' and executives' securities portfolios are disclosed as required by the Securities and Exchange Act or the announcement of the Capital Market Supervisory Board, or both. Directors and executives are to prepare and report their securities trading within one month of their initial appointment and within three days of every change to the Office of the SEC as well as the Company Secretary at the same time.
4. Aikchol requires all directors and executives to observe the regulations of SET and SEC on the preparation and disclosure of the portfolios of executives and the external auditor by disclosing their portfolio reports to SEC within 30 days of their appointment and within three days of each trading or transfer of securities. Failure to observe this would subject them to punishment under the Securities and Exchange Act B.E. 2535 (1992). The Board has defined procedures and punitive measures in the company's work regulations to prevent employees' abuse of inside information for personal gains, which is in conflict with or may harm Aikchol's interests.

8. Audit fees

1. The audit fees for this year for Dharmniti Auditing Co., Ltd., equaled 895,000 baht.
2. There was no non-audit fee.

9. Employees

9.1 Number of employees as at 31 December 2015 and 31 December 2016 of the Company as follows:

Detail	Employees	
	December 31, 2016	December 31, 2015
Doctors and nurses	1,104	973
Administrative personnel	326	292
Total	1,430	1,265

9.2 Employees' Remuneration

The remuneration paid to the employees this year (Remuneration consisted of salaries, daily wages, overtime pay, professional fees, living allowances, bonuses, contribution to the social security fund and the provident fund, medical welfare, and others) in 2016 and 2015.

(million Baht)	
2016	2015
511.99	472.19

9.3 Human Resource Development

- 1) In enhancing the quality of its healthcare services, Aikchol emphasizes improving employees' knowledge, work skills and efficiency, together with their promotion of constant self-development practices among executives and other employees.

To this end, internal and external training is provided to employees, whose training hours averaged 43.2 hours per person in 2016, comprising environmental and other training courses, which included:

- Employee engagement is stressed. For this purpose, a variety of activities are held, such as the New Year Party, internal sports, merit-making on every Buddhist holy day and New Year's day, and dharma practice to "Develop the soul, develop the man".
 - Orientation sessions are held to educate newcomers on Aikchol's organization, management structure, the executives, their superiors and co-workers from other divisions, as well as the roles, duties and responsibilities, as well as Aikchol's regulations and culture.
- 2) Every employees is encouraged to attend training courses, both internal and external, with the training hours set annually. The training included professional courses, and managerial competency and skills development courses.
 - 3) Conscious of the safety of the workplace and work areas, Aikchol staged fire drills as well as training organized by the Committee of Occupational Safe and Healthy, Health and Environment of the Workplace for all employees.
 - 4) Recognizing the importance of social responsibility, Aikchol encourages all executives and employees to participate in SET's activities to learn and understand more about social responsibility. Aikchol has always stressed its responsibility toward society and holds various social activities such as "Aikchol's Blood Donation" and CPR training programs for government agencies and foundations.

Corporate Governance

The Board is fully aware of its role, duties, and responsibilities for the corporate governance (CG) of Aikchol. It stated that it will determine the structure of relationships between the shareholders, committees, management, and all stakeholders, which will lead to competitiveness enhancement and long-term added value to Aikchol for the shareholders' interests, and eventually it will lead to Aikchol's sustainable and stable growth which results taking into account of the interests of the other stakeholders.

One of the Board's major roles is to monitor CG. The Chairman of the Executive Committee and the executives are assigned to comply with all CG policies announced by the authorities and adapt them to Aikchol's guidelines.

1. Corporate Governance Policy

Responsible for all its investor, the Board is committed to respond to the shareholders' needs, provide confidence to investors and business stakeholders, create added value to the corporation, and promote sustainable growth. To this end, the operation of Aikchol adheres to good CG. Aikchol defines the management and the monitoring mechanisms so that its operation may run efficiently and meet the defined objectives and targets, based on transparency, responsibilities toward all stakeholders, as well as corporate social responsibilities for the benefit of all.

The Board defined a CG policy and disclosed it on Aikchol's website at www.aikchol.com. The CG policy covered these areas: (1) Rights of the shareholders, (2) Equitable treatment of shareholders, (3) Role of stakeholders, (4) Information disclosure and transparency and (5) Responsibilities of the Board.

Corporate Governance Practices in Year 2016

This year's major CG practices are summarized as follows:

Section 1 Rights of the shareholders

1. Rights and Equality

Aikchol values the fundamental rights of shareholders, namely the rights to purchase, sell and transfer shares, receive part of its profit, freely and equitably attend shareholders' meetings to exercise their voting rights, participate in decision-making on key matters, appoint or dismiss directors, determine directors' remuneration, appoint the external auditor and determine their fees, and receive sufficient information promptly through easily accessible channels. Shareholders are encouraged to fully exercise their rights through shareholders' meetings.



Aikchol promotes and facilitates the meeting attendance of shareholders and institutional investors by choosing each shareholders' meeting venue that is easily accessible by mass transportation systems.

2. Scheduling Shareholders' Meeting

2.1 Aikchol schedules an annual general meeting of shareholders (AGM) within four months of the annual closing date of its accounting books. For urgent matters that may affect or involve the shareholders' interests and may require the shareholders' approval, the Board can call a special meeting on a case-by-case basis.

2.2 In 2016, the AGM was held on Friday April 22, 2016, at Meeting Room 1 on the third floor of Building 2, Aikchol Hospital, 68/3 Moo 2 Prayasatja Road, Ban Suan Sub-district, Muang District, Chon Buri Province. No extraordinary general meeting (EGM) was called this year.

3. Meeting Notices

3.1 During its 295th meeting held on February 19, 2016, the Board resolved to hold the 2016 AGM on April 22, 2016. The resolutions, agenda and date of such meeting were disclosed and disseminated through SET's website to inform shareholders in advance.

3.2 This year, meeting notices were sent to the shareholders 23 days before the meeting date. To provide the shareholders with adequate information to make decisions and fully exercise their rights, the notices contained detailed information, rationale and comments of the Board on each agenda item, detailed instructions about the documents that shareholders need to bring with them on the meeting date to reserve their rights to attend the meeting and exercise their votes, together with other complementary documents.

3.3 For shareholders' convenience, Aikchol disclosed meeting notices and relevant documents at its website before mailing them at least 30 days ahead of the meeting date.

3.4 Aikchol publicizes its meeting notice through Thai daily newspapers for three consecutive days and at least 14 days ahead of the meeting date.

3.5 Aikchol offers shareholders to propose meeting agenda and nominate directors 45 days before the meeting date.



4. Conduct of Shareholders' Meeting

4.1 Shareholders are allowed to register before the meeting, or send a proxy form with documentary evidence to Aikchol at least one day ahead of the meeting date to avoid causing distraction on the meeting date.

4.2 Shareholders may choose to attend either the entire meeting or any specific agenda item, while those arriving after the meeting have started are entitled to register, attend the meeting in progress and exercise their voting rights on the remaining items.

4.3 Duty stamps are provided free of charge for shareholders' proxies.

4.4 Before commencing the meeting, the Chairman introduces Aikchol's directors, executives, auditors and the legal adviser who acts as a neutral party, and explains meeting rules and voting procedures to the shareholders.

4.5 Aikchol conducts shareholders' meetings transparently and accountably, with the Chairman of the Board, Chairperson of the Executive Committee, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee, all directors and executives, the legal adviser and the external auditor attending the meeting to address questions and here shareholders' opinions.

4.6 Before casting their votes on each agenda item, shareholders are equitably provided with adequate time to express their opinions, provide recommendations and raise questions on the item, as well as getting clear and precise answers from the Chairman and executives.

4.7 For the nomination of directors, shareholders are required to cast their votes to elect the proposed candidates one by one.

4.8 After the vote counting, the Company Secretary informs the assembly in detail about the resolutions for each agenda item and the numbers of approve, disapprove and abstention votes.

4.9 The Chairman conducts the meeting by strictly following respective agenda items as stated in the meeting notice and does not propose additional agenda items without notifying the shareholders in advance.

4.10 A post-meeting session is held for the attending directors and executives to answer additional questions raised by the shareholders.

4.11 Aikchol provides an adequate number of staff with modern technology to facilitate the verification of shareholders' documents, with duty stamps available for shareholders' proxies.

4.12 Minutes of the meeting and shareholders' queries are completely and precisely recorded.



5. Disclosure of Shareholders' Meeting's Outcomes

5.1 On the evening of the meeting date, Aikchol disseminates the meeting's resolutions and the voting result of each agenda item through SET's communication channels.

5.2 Aikchol disseminates the minutes of the meeting through SET's communication channels and Aikchol's website, together with submitting them to SET and SEC within 14 days of the meeting date.

Section 2 Equitable treatment of shareholders

Aikchol treats all its shareholders equally, regardless of the number of shares held, whether they are major, minor, institutional, Thai and foreign shareholders, have the same following practices:

1. Access to information

Aikchol facilitates shareholders with equality of access to information with SET's channel as the main channel. The Vice Chairman of the Board and the Company Secretary are authorized to disclose its information. The shareholders also have access to the information via Aikchol's website or may request it from responsible units, including the Company Secretary and Share Registration.

2. Bilingual document preparation

The disclosed data are in Thai and English, publicized via SET's portal, which includes the notice of each shareholders' meeting and accompanying documents, minutes of each shareholders' meeting, and data on the company's website so that all shareholders, Thais and foreigners, may have equitable access to its information.

3. The rights of shareholders to propose in advance, additional meeting agenda items and nominate directors

From December 1, 2016, to January 14, 2017, Aikchol allowed shareholders to propose an agenda item for the meeting and nominate qualified directors with suitable qualifications in advance by following the criteria and procedures provided on Aikchol's website and SET's communication channels. Aikchol's independent directors will screen and submit the proposed matters to the Board for consideration and approval.

4. Appointing Proxies

To maintain the rights of the shareholders who cannot attend a meeting in person, they can assign proxies to any independent director of Aikchol or other persons to



attend the meeting and vote on their behalf. Aikchol has prepared Proxy Form B, defined by the Ministry of Commerce, for the shareholders to have a say in the direction of the votes. The proxy form, with the meeting notice and accompanying documents, is sent to the shareholders in advance. However, if the shareholders wish to use another form of delegation, Aikchol has publicized all Proxy Forms on its website.

5. Voting Ballots

Voting ballots are used for all agenda items, notably for the nomination of individual directors, whereby each shareholder's votes are equal to the number of Aikchol shares held.

6. No extra agenda item

At each AGM, the Chairman of the meeting conducts the meeting by strictly following respective agenda items as stated in the meeting notice and no extra agenda item will be proposed without notifying the shareholders in advance..

7. Reporting of Aikchol's securities portfolio

The Board requires all directors and executives to report to the Company Secretary all Aikchol securities under their portfolios and those of their related persons, including any portfolio change.

8. Use of inside information

Under the policy to prevent the abuse of inside information defined by the Board, Aikchol's directors, executives and employees in units related to financial statements are forbidden from buying or selling Aikchol securities during the one-month period before the public disclosure of Aikchol's financial statements (Corporate Governance Handbook).

Section 3 Roles of Stakeholders

Aikchol is committed to conducting its business with responsibility to all stakeholders, society and the environment. Below are Aikchol's major stakeholders:

1. Shareholders:

Basic rights defined by law and by its regulations, including the right to investigate the number of shares held, to receive share certificate, to attend, to vote, and to express opinions freely at shareholders' meetings, and to fair remuneration, Aikchol's shareholders are entitled to an equal and timely access to information and, as



the owner of Aikchol, to freely propose recommendations and opinions on the company's business conduct at shareholders' meetings.

2. Customers / Patients:

The services provided to the patients are under sound ethics and of acceptable standards, with the safety and satisfaction of patients and efficiency of the services as top priorities.

3. Business Partners/ Contractual Parties:

Aikchol wants its acquisition of goods and services to be of acceptable standards. Aikchol clearly maintains that the quality of goods and services must be worth their prices according to the terms and conditions specified in contracts made in an ethical and fair manner, as follows:

3.1 Strictly conform to all contractual obligations agreed with business partners in a transparent and equitable manner

3.2 Prohibit fraudulent practices with business partners, either by requesting, accepting or providing any commercial benefit

3.3 Inform business partners in advance to jointly find a reasonable solution if Aikchol cannot comply with any contractual obligation.

4. Business Competitors:

Aikchol observes a good competition framework, complies with relevant laws and treats its competitors in a fair manner and with integrity. Aikchol recognizes business competitors as a driver of the improvement of Aikchol's quality and efficiency of services provided to customers and patients.

5. Employees:

Constantly recognizing that employees are valuable resources and vital drivers of the company toward fulfilling its goals, Aikchol provides all employees with:

5.1 Equitable and fair treatment, regardless of origin, race, religion, gender, marital status, language, or position, with zero-tolerance for any exploitation of child labor, human trafficking and all forms of malfeasance and corruption.

5.2 Appropriate compensation in line with Aikchol's performance by utilizing a performance-based remuneration system as criteria for performance assessment, salary increase and annual bonus payment, together with a provident fund that provides employees with long-term financial assurance.



5.3 Other forms of welfare, including healthcare or medical expense contribution to the employees and their families, loans for needy employees and scholarships for their children.

5.4 Work environment that safeguards employees' lives, physical health and properties, with fire drills and diverse courses of training arranged for all employees to ensure their safety and the safety of Aikchol.

5.5 Encouragement to regularly attend additional training in work-related courses to enhance their caliber, with employees' training hours averaged at 43.2 per person in 2016.

5.6 Strongly opposing violation of intellectual property rights or copyright, Aikchol requires all employees to use copyrighted computer software.

5.7 All employees are allowed to share ideas and, if problems arise, to directly voice their complaints or make recommendations to executives to improve work processes, while the "Aikchol Star" Project creates inspiration and encouragement for employees who strictly observe Aikchol's regulations and requirements.

6. Communities, society, and the environment

Aikchol operates its business with social and environmental awareness by upholding safety standards, minimizing environmental impacts, supporting community charity activities and participating in energy-saving programs to foster energy conservation habits.

Section 4 Disclosure of Information and Transparency

Aikchol is committed to accurate, complete, equitable, transparent, and timely disclosure of its financial and general information to the shareholders, investors, and the public as specified by applicable laws and regulations.

1. Disclosure on the remuneration of directors and the holding of Aikchol shares by directors and executives

1.1 The remuneration of directors and executives are disclosed in the Annual Information Disclosure Form (Form 56-1), the Annual Report Form (Form 56-2), and Aikchol's website: www.aikchol.com.

1.2 As specified by Article 59 of the Securities and Exchange Act, directors and executives must report their shareholding portfolios to SEC each time there are a purchase, sale, or transfer of shares.



2. Information Disclosure

2.1 The Vice Chairman of the Board or the Company Secretary, or both, performs the duty of disclosing financial and non-financial information so that Aikchol's shareholders and stakeholders are equitably provided with reliable and adequate information in a timely manner.

2.2 In ensuring shareholders' convenient, prompt, and efficient access to additional information, Aikchol regularly puts complete, timely information updates on its website. Aikchol discloses its information through the following channels:

- 1) SET and SEC electronics systems
- 2) Annual Information Disclosure Form (Form 56-1) and Annual Report Form (Form 56-2)
- 3) AHC's website: www.aikchol.com
- 4) Dispatch of AGM notices by mail.

2.3 In conformance to Securities and Exchange Commission (SEC) laws and SET's regulations, Aikchol prepares an annual report on the responsibility of the Board to financial statements, countersigned by the Chairman of the Board and the Chairman of the Executive Committee.

2.4 Besides disclosing its constantly updated information through Form 56-1, the annual report, and SET website under legal obligation, Aikchol communicates with its shareholders and investors via Aikchol's website under the Investor Relations section.

2.5 Aikchol's Share Registration Department facilitates the company's communication with institutional investors, shareholders, analysts, and relevant governmental agencies. Interested investors may request Aikchol's information at Tel. 0-3893-9999 Ext. 1126, AHC website: www.aikchol.com or Email address: ir@aikchol.com.

3. Information Disclosure Activities

3.1 In 2016, Aikchol held three meetings for investors with Aikchol's executives.

3.2 Presentation of information to investors (Road Show) 1 time abroad (Russian)



Section 5 Responsibilities of the Board

The Chairman of the Board and the Chairman of the Executive Committee will have separate duties and responsibilities and must not be the same person. The Chairman of the Board is elected by the directors. He chairs meetings, ensures that the Board meetings proceed by the order of the agenda, encourages all directors to participate by questioning or making remarks, giving advice and making recommendations to executives, supports business operation, and does not interfere in the management of Aikchol. The Chairman of the Executive Committee manages the operation of Aikchol and ensures that it complies with regulations, resolutions of shareholders' meetings, resolutions of the Board meetings, Aikchol's policy, and business operating plans and relevant laws. Moreover, the Board has four independent directors, who scrutinize the checks, balance the management commitment and review the management performance.

The Board performed the following activities in 2016:

1. Held Board meetings to review Aikchol's vision and define corporate goals
2. Developed performance evaluation forms for the Board as a whole and its subcommittees
3. Developed a form for all directors to evaluate the performance of Chair of the Executive Committee.
4. Monitored the management's performance by requiring the management to submit a progress report of its operations at every Board meeting.
5. During Meeting No. 229/2016 held in 2016 to evaluate the performance of executive directors, the individuals to be evaluated must leave the meeting to allow free, transparent and unbiased discussion of their performances.
6. An agenda item of Board Meeting No. 300/2016 held in 2016 was to consider the performance and salaries of executives who had performed their duties for one year.
7. During Board Meeting No. 300/2016 held on December 20, 2016, the directors set in advance Board meeting dates and important agenda items for the whole year.
8. None of the directors held more than five directorships in listed companies.

Corporate Social Responsibility

“Committed to creating a business that sustainably saves lives, society, and the environment” is Aikchol’s CSR resolution. Through these years, it has implemented several CSR projects. All employees have shown various forms of support by dedicating their time and professional knowledge, such as medical and nursing, for the benefit of others. They have also been willing to provide children and youths with financial aid.

1. Fair Business Conduct

Viewing that fair business conduct will gain stakeholders’ trust, it has been adhering to this principle by taking the following actions:-

- 1) Procuring copyrighted computer software and refraining from intellectual property infringement
- 2) All improper incidents, which signify unfair practices against the company or other organizations, must be made known via incident reports
- 3) Having developed its Corporate Governance Handbook and a charter for each of its committees, Aikchol ensures that all committees and executives perform their duties with integrity in full compliance with applicable laws and corporate governance regulations. This demonstrates its commitment to corporate governance, ethical business practices and social responsibility.
- 4) All employees are required to follow Aikchol's Code of Conduct. New employees must acknowledge its business practices, rules and regulations based on its code of conduct handbook. It believes that this guideline will play a part in building all stakeholders’ trust and confidence.

2. Anti-Corruption

The company promotes its management system to operate with ethics, integrity, and social responsibility. The Board defined practical guidelines to prevent and eliminate corruption. It assigned the Audit Committee to review, audit, and lay out a proper and effective system. This is because it values a good system, which will mitigate operational risks, immediately detect errors, streamline regulatory structures, and prevent corruption.

It is a company policy to promote anti-corruption practices among suppliers and forge their awareness. It communicated with them that Board directors, executives, and all employees must not accept any gifts or benefits.

The company established a transparent audit process and an internal control system, with complaint-making channels. It also expects all employees to monitor



compliance. Furthermore, Aikchol has an explicit internal risk reporting system via the intranet to access and report risk information.

The implemented guidelines consist of:

- Formulate policies to prevent and counter corruption by establishing risk assessment in various aspects and communicating to Aikchol's employees and outsiders to encourage Aikchol's social responsibility commitment.
- Formulate procedures to control and prevent risks, such as regulations on procurement, disbursement of expenditure budget approval, for charitable donation, entertainment, and gifts, which must be recorded for transparency to prevent the abuse of Aikchol's properties.
- Communicate policies to prevent and combat corruption to all departments within the Company via various channels such as employees' training, orientations, supervisor meetings, as well as communication via the intranet and Aikchol's website.
- Aikchol provides channels for reporting any signs of corruption activities. If anyone witnesses violation, unlawful or unethical act, or non-compliance with Aikchol's policies which could lead to corruption, the Company will provide protection to individuals who provides relevant reports and will strive to prevent further harm to him or her.
- The Audit Committee is responsible for reviewing and formulating annual plans to ensure that Aikchol exercises sufficient corporate governance in line with its policies.

3. Respect for Human Rights

The company conducts business by adhering to virtues and humanity. It respects human rights and dignity, which are the fundamental rights and lead it to equally treat all personnel and stakeholders. It enables employees with lawful rights and freedom by allocating the right jobs for their competence and potential. Furthermore, Aikchol continuously generates income for the disabled by employing them based on their competence.

It focuses on efficient and effective treatment, has a policy on patients' rights, and publicly announces it so that all patients may be aware of their rights and responsibilities. It also defines a policy to safeguard confidential information and privacy of patients and all employees.



4. Fair Treatment of Employees

Aikchol, valuing employees as corporate growth engine, focuses on fair employee treatment. It applies equity and non-discrimination principles and ethically treats all employees. This leads to the company's solid foundation as well as steady and sustainable corporate development.

The company treats all employees in compliance with laws and internal regulations. It not only respects their rights and responsibilities, but also offers equal employment opportunities. It does not employ child labor. Instead, it offers everyone an equal chance regardless of race, religion, political view, gender, or disability. Moreover, Aikchol creates a positive work environment by keeping the workplace safe and hygienic, which meets the principles of occupational health, and fosters a supportive corporate culture.

Recognizing the importance of employment, Aikchol offers fair and appropriate compensation and welfare management so that the employees may receive competitive payment that is suitable for their talents and specialized skills while enjoying a good quality of life. To encourage them to put their full efforts into working effectively, it fairly promotes, rotates, rewards, and disciplines them. Additionally, the company focuses on employee development by offering each of them a chance to attend continuing training, which enhances their skills, capability, competencies, and work experience.

5. Accountability to Consumers

Focusing on efficient and effective work systems that meet standards to gain patients' trust in its quality of service, Aikchol applies hospital-related standards in patient service, such as JCI and HA. It established a dedicated committee to regulate and review the standards and employ fair marketing practices without propaganda. It also provides accurate and comprehensive information before treatment, such as causes of symptoms, treatment methods, medical expenses, preventive guidelines, and post-treatment instructions. Furthermore, it gives patients a chance to decide and a right to choose, such as other treatment options and choices of accommodation, to optimize their satisfaction. It also collects the patients' comments and complaints for continual improvement of healthcare services.

6. Environmental Management

The company is committed to the optimal utilization of natural resources and energy, strictly complies with environmental laws, and promotes employee participation in communities.



It appointed an Environmental, Occupational Health and Safety Committee to supervise, monitor, and scrutinize the hospitals' safety and environmental operation. It constructed a standardized wastewater treatment system, which improves the quality of waste water based on the standard of the Department of Health, Ministry of Public Health, before discharging it into public waterways. It regularly checks the quality of treated water and procures environment-friendly supplies for hospitals, such as products certified by the Thailand Environment Institute (TEI) made from eco-friendly processes which utilize recycled pulp, or both.

7. Community or Social Development

Aikchol advocates community and social development. It encourages employees to adopt a volunteer mind and take part in helping and engaging in public service for communities and society, which means both internal and external society. In 2016, the company established the following projects to develop communities and society:

“Elderly’s Health Promotion” Project

Since Thailand is becoming an aging society, the elderly’s needs and health problems will soon exceed the capacity of the national healthcare service. As a hospital, Aikchol foresees the upcoming issue of this aging group. It therefore organized an “Elderly’s Health Promotion” project at the Social Welfare Development Center for the Elderly in Chon Buri. A team of physicians, nurses, and hospital employees offered them basic health education, health screening tests, exercise sessions, and recreational activities.

“Aikchol Blood” and “Donation of Blood for Better Lives” Project

Because it is aware of blood shortage for saving lives, the company has conducted its “Aikchol Blood” project and “Donation of Blood for Better Lives” project for seven consecutive years. Many times, the Blood Bank has insufficient blood supply to serve patients’ needs. As a result, it must labor to find emergency blood supply, which causes delayed treatment or deters the hospital from efficiently saving the patients in a timely way.

To encourage employees to share, help others, and participate in supplying blood, Aikchol, joining the Thai Red Cross Society, hosted blood donation activities. It drew blood from volunteer employees and patients’ relatives and stored it in the Blood Bank to save lives of patients in public hospitals in Chon Buri and surrounding provinces.



“Health knowledge improvement for children” Project

Believing that knowledge fundamentally prevents disease and epidemics, Aikchol hosted an activity to promote learning and provide lectures related to first aid, wearing personal protective equipment (PPE), and properly washing hands to prevent the spread of germs. Teachers and students could apply the knowledge to their everyday life and transfer this practical knowledge to family members and those around them.

The company also donated sport equipment, medicine, and medical supplies to schools’ first-aid rooms to forge good relationship between community schools and the hospital.

“Mangrove Forest Conservation” Project

Aikchol, in collaboration with the Department of Marine and Coastal Resources, promoted employee participation in social activities. The “Mangrove Forest Conservation” project helped employees recognize the importance of conserving the environment around the hospital. This project also rehabilitated mangrove forests for a better landscape to restore the habitats of aquatic animals and return them to nature. In 2016, this project was organized four times, with 377 participating employees.

“Goodwill for Children” Project

The company is committed to creating equality in society by offering orphans in Chon Buri orphanages opportunities for physical, mental, and social development. Aikchol and employees therefore donated money, consumer products, educational equipment, and toys.

“Medical Checkup and Basic Healthcare Services for Local Communities”

Joint Project with Government Agencies

The company, joining hands with government agencies, dispatched teams of physicians and nurses to provide information about diseases and basic medical check-up services, vital signs checkup, and give post-checkup consultation. It also provided mobile first-aid units and ambulances for events hosted by government agencies.

“Basic Cardio-Pulmonary Resuscitation (CPR)” Training

Aikchol considers fast and effective basic life-saving practices necessary for increasing survival rates. It therefore cooperated with several foundations in



conducting first-aid training before taking patients to the hospital. It hosted “Basic CPR” training, with an expert team of physicians and nurses as CPR instructors, to educate volunteers from foundations and office workers. This activity, in its 10th year, has been well recognized.

“Practicing Mindfulness for Purer Mind and Better Life” Meditation Retreat

The company encouraged its employees to practice mindfulness and concentrate on their work to relieve stress and enhance work efficiency. This helped develop spiritual foundation and instills morals so that employees may serve patients with good awareness. In 2016, a large number of employees and outsiders participated in this course, which has been held for many years.

“Aikchol Selfie Healthy” and “SLIM in Healthy Workplace” Project

Currently, the Thai population is increasingly facing obesity or overweight. Aikchol therefore foresees the risks that may affect employees’ way of life and work.

To encourage employees to take care of their health, adopt a special diet for the disease, and learn about risks to health problems, it hosted a “Selfie Healthy” project with the following details:

1. Hosting a “Three Factors to Reduce Risks” training session, with the hospital’s nutritionists as trainers, to educate the participants to change their consumption behavior with three key factors that reduce risks and encourage them to properly exercise.
2. An “Aerobic for Health” activity to burn excess fat. It promoted this activity among communities and patients so that they might join the activity each day.

“Scholarship” Project

The “Scholarship” Project is held annually because Aikchol believes that the nation’s future lies in the hands of children, who will become Thailand’s key taskforce. As a result, it offered scholarships to underprivileged young people who were diligent in their studies for their educational activities. We would like these children to leverage the knowledge gained to further develop their communities and society. It has implemented the following scholarship projects:

- 1.1) Scholarships for nursing students at public universities to promote the development of nursing personnel and mitigate nurse shortage

- 1.2) Scholarships for children of employees
- 1.3) Scholarships for students in nearby communities.

Internal control and risk management

Aikchol values an efficient internal control system at management and operating levels. The Board supervises and assigns the Audit Committee to ensure that the company commands a suitable, effective system because the Board recognizes that a good system lessens business and process risks to acceptable levels, helps it detect shortcomings within a reasonable period, and enables Aikchol's financial reports to be accurate and credible and its business to achieve goals. The Board has established an explicitly written charter for the Audit Committee's work guidelines that agrees with corporate governance principles and the regulations of the stock exchange on the qualifications and work scope of audit committees.

Aikchol's Internal Audit Department ensures that the company's core business and financial activities follow defined guidelines and that an appropriate and efficient internal control system is in place to ensure that risks will be effectively managed to enable the company to achieve its goals in compliance with the law and Aikchol's regulations.

At Board Meeting No. 301 on February 15, 2017, the Board and the Audit Committee assessed the internal control system, based on the "Internal Control System Sufficiency Evaluation Form" prepared by the Securities and Exchange Commission (SEC), summarized as follows:

1. Internal Audit in the Organization

Aikchol has defined a clear set of vision, mission, and values to drive the organization toward sustainability and excellence, and has defined clear goals, short-term and long-term strategic plans, as well as rewarding its personnel proportionally to their goal achievement. A suitable organizational structure is in place, as are explicit scopes of responsibility of the committees in their respective charters. Established are operating procedures that keep administration prudent, preventing abuse of company properties. Therefore Aikchol commands a sound organizational structure and environment, critical for an effective internal control system.

2. Risk Assessment

Aikchol appointed a Risk Management Committee, charged with defining a risk management policy in line with its quality improvement plan; devising key guidelines or terms of reference to prevent and resolve risks; coordinating and acknowledging risk data from departments and other risk programs; giving a key risk overview for each applicable program; monitoring the assessment of the risk management system;



compiling and analyzing individual risk trends for reporting to the Executive Committee or relevant departments to manage, monitor, and analyze assorted corporate risks to prevent and plan qualitative control. These duties are carried out in parallel with quality improvement under international JCI standards and national HA standards, with continual surveillance by healthcare accreditation institutes. Therefore, Aikchol commands adequately effective risk management to lower business risks to acceptable levels.

3. Control of the management

Aikchol has defined the scope, authority, approval levels, and maximum approval authority of the management in its manual on financial approval authority and scopes. Standard operating procedures are clearly stated in the business ethics manual for conflicts of interest of directors, executives, and employees. Every two months, a report on management performance is submitted to the Board as a standing agenda item at its meeting.

4. Information system and communication

Aikchol's information system and communication comes under the Information System and Technology Department, which regularly updates the system to make it ready for use at all times.

Regarding matters for the Board's consideration, the Board must have adequate key information for their decision-making, and reports and related documents must be submitted to the Board seven days in advance. The Company Secretary will advise the Board on assorted rules and regulations, take care of the Board's activities, ensure that the Board's resolutions are complied with, and centralize important documents such as the director roster, Board meeting notices and minutes, and shareholders' meeting notices and minutes are prepared and systematically filed to be ready for inspection by shareholders on directors' performance. Aikchol also provides internal and external communication channels for anti- corruption reporting.

5. Monitoring

For 2016, Aikchol held six Board meetings and 20 Executive Committee meetings in monitoring business against goal achievement. The Internal Audit Department is responsible for the auditing and independently reports the findings to the Audit Committee twice a month.

On the whole, the Board's view is that Aikchol commands an adequate system for internal control of transactions with the major shareholder, directors, executives, and



related parties. As for other topics concerning internal control, the Board holds the same view.

Chief of Internal Audit

The Board has appointed Miss Taweeporn Kaewsailert chief of Internal Audit.

The Audit Committee has provided its views on the qualifications of the chief of Internal Audit as suitable for efficiently heading the unit. Under the Audit Committee Charter, dated June 22, 2016, the appointment, removal, transfer, and dismissal of the person must have the consent of the Audit Committee.

Summary of Financial Information

	(Unit :Thousand Baht)		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Summary of financial statements			
Total Revenues	1,620,160	1,531,291	1,524,512
Medical Service Income	1,585,501	1,500,514	1,494,598
Other Revenue	34,659	30,777	29,914
Cost of Medical Services	1,285,194	1,212,044	1,193,050
Gross Profit Margin	300,307	288,470	301,548
Administrative Expenses	108,164	119,984	105,260
Income tax Expenses	44,264	39,052	44,509
Net Profit	182,538	160,211	181,693
Basic Earnings Per Share (Baht)	1.22	1.07	1.21
Total Current Assets	706,160	585,791	564,681
Total Non-current Assets	1,006,551	965,918	889,434
Total Assets	1,712,711	1,551,709	1,454,115
Total Current Liabilities	219,560	166,360	167,487
Total Non-current Liabilities	59,468	55,772	46,783
Total Liabilities	279,028	222,132	214,270
Total Shareholders' Equity	1,433,683	1,329,577	1,239,845

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Financial ratios			
Liquidity ratios			
Current Ratio (times)	3.22	3.52	3.37
Quick Ratio (times)	3.06	3.31	3.17
Cash Flow ratio (times)	1.38	1.33	1.39
Accounts Receivable Turnover (times)	24.75	23.25	24.15
Average Collection Period (days)	14.75	15.70	15.11
Inventory Turnover (times)	36.76	35.65	36.91
Average Inventory period (days)	9.93	10.24	9.89
Payable Turnover (times)	18.17	18.21	18.63
Average Payable Period (days)	20.09	20.04	19.59
Cash Cycle (days)	4.59	5.89	5.41
Profitability Ratios			
Gross Profit Margin Ratio (%)	18.94	19.22	20.18
Return on Medical Income (%)	11.51	10.68	12.16
Operating Margin Ratio (%)	12.12	11.23	13.13
Other Income Margin Income (%)	2.14	2.01	1.96
Cash Flow to Profit Margin Ratio (%)	139.03	132.24	107.58
Net profit on Sales (%)	11.27	10.46	11.92
Return on Equity (%)	13.21	12.47	15.36
Efficiency Ratios			
Return on Assets (%)	11.18	10.66	13.20
Return on Fixed Assets (%)	29.78	27.90	30.78
Fixed Assets Turnover (times)	0.99	1.02	1.11
Financial policy ratio			
Debt to Equity Ratio (times)	0.19	0.17	0.17

Management Discussion and Analysis : MD&A

Business Overview

Aikchol operates two private hospitals. Aikchol Hospital provides medical services to all general patients, including those with insurance coverage and those transferred from firms with contractual healthcare insurance packages for their employees. Aikchol2 Hospital provides medical services to all general patients and patients with social security benefits. Most of the patients are residents of the Chon Buri urban areas and employees of factories and plants in industrial clusters within Chon Buri and its vicinity. The hospitals are in the heart of town and along the coast in an industrialized economic area, both populous and continuously growing and expanding. The investors move their manufacturing bases further to the Gateway of East Coast to avoid inland natural disasters. The regional population growth and rapid local business expansion with in proximity are inevitable.

Both Aikchol Hospital and Aikchol 2 Hospital are well-known for their international-standard medical services, consistent quality system improvement and reasonable medical charges. The hospitals, however, face aggressive strategic competition from large medical service operators expanding into the Eastern Region. Impacts from Thailand's economic deceleration and a shortage of medical personnel also affect the hospitals' financial pursuance. To maintain international medical standards and customer complacency despite shortage of medical profession in the market, personnel benefits are remarkably set to be higher than the market borderline. These factors inordinately affect the Company's management performance.

Performance and Profitability

Hospital Operating Revenue

The year 2016 medical service operating revenue from both hospitals totaled Baht 1,585.50 million, a rise of Baht 84.99 million or 5.7% from Baht 1,500.51 million last year. The revenue from general patients rose by Baht 39.85 million or 3.5%, and that from patients with social security benefits rose by Baht 45.14 million or 12.2%. The year's ratio between general patients and patients with social security benefits was 71:29 while the yeas 2015 record was 75:25.

Detailed descriptions of the two hospitals are as follows.

1. Aikchol Hospital earned Baht 992.88 million this year, Baht 41.55 million or 4.4% higher than the last year's revenue of Baht 951.33 million. The favorable financial performance was largely driven by improved medical service standards despite the OPD general patient number dropped by 4.1% and the IPD general patient number dropped by 5.1%. Bed occupancy varies from month to month, with an average of 68%.



2. Aikchol 2 Hospital generated a total revenue of Baht 592.61 million this year, an increase of 7.3% or Baht 41.43 million from Baht 549.18 million last year. While the number of OPD general patient decreased by 0.7% and the number of IPD patient decreased by 14.2%, the revenue from social security rose by Baht 45.14 million, equivalent to 12.2%. As of the year-end, the numbers of patients with social security benefits stood at 138,458 and 148,873 for 2016 and 2015 respectively, compared with the quota limited by the Social Security Office at 130,000 (with 15% allowance).

Other Revenues

Other revenues this year totaled Baht 34.66 million, a rise of Baht 3.88 million or 12.6% from last year, mainly due to a higher return on investment in short-term high-liquidity state mutual funds with 1.24% return per year, compared with the 1.32% per year investment return in 2015; and in a 1-year fixed-income fund with 1.60%-1.85% return per year, compared with 1.88%-2.55% per year investment return in 2015. The total interest rate return was Baht0.90 million, a 13.1% drop from the previous year. Incidentally, hemodialysis service revenue was up by Baht1.24 million, or 12.4%.

Costs of Medical Treatment and Administrative Expenses

The year 2016 cost of medical treatment and administrative expenses for the two hospitals totaled Baht 1,393.36 million, an increase of 4.6% last year by Baht 61.33 million, primarily due to higher costs of medicine, medical supplies and consumables with a combined increase of Baht 9.44 million, or 3.3% from last year, as disbursement grew in line with the revenue increase. Medical doctors' fees rose by Baht 19.48 million, or 6.5% from the previous year, following the growing medical charges and human resource expenses marked up by Baht 39.80 million, or 8.4%, corresponding to the annual compensation adjustment. Depreciation and amortization also increased by Baht 4.06 million, or 5.3%. The year 2016 preliminary profit was recorded at 18.9%, a drop from 19.2% last year due to higher costs of medical treatment. However, when compared with the total annual income, the year 2016 ratio of the medical treatment costs and administrative expenses to total annual income was 86.0%, close to 87.0% last year.

Interest Expenses

Without any outstanding debt, Aikchol has no interest expenses.

Income Tax

The year 2016 corporate income tax stood at Baht 44.26 million, Baht 5.21 million or 13.3% higher than last year. The year 2015-2016 income tax is prorated to the annual profit at the 20% tax bracket.

Annual Net Profit

The year 2016 net profit was Baht 182.54 million, an increase of Baht 22.33 million or 13.9% from the previous year. Net profit per share grew from Baht 1.07 last year to Baht 1.22 in 2016.

Total Annual Net Profit

The year 2016 total annual net profit amounted to Baht 186.33 million, a drop of Baht 0.55 million or 0.3%, mainly driven by the re-valuation of the book value of the potential asset divestiture Bangkok Dusit Medical Services Public Company Limited, including the lower income tax than the previous year by Baht 22.40 million due to account re-allocation. Another factor includes a re-allocation of the financial loss derived from the insurance computation process and a reduction of Baht 0.48 million on income tax re-allocation.

Asset Management Capability

Balance Sheets

Assets

Significant changes to the assets and their quality as of December 31, 2016, included the following.

- Baht 192.83 million in cash and cash equivalents, a drop of Baht 7.02 million, corresponding to the liquidity movement. The majority of cash was utilized in short-term investment for higher returns.
- Baht 323.72 million in short-term current investment, up by Baht 103.48 million, contributed by one-year fixed-income funds with an average return of 1.68% as of year 2016 year-end and 1.88% at last year-end.
- Baht 62.66 million in net account receivables, down by Baht 2.05 million from last year, including current account receivables of Baht 58.84 million, or Baht 0.30 million higher than year 2015. These account receivables are high quality with an average payment period of 15 days, including government agencies, insurance and life insurance companies, and firms with medical contracts with Aikchol to provide medical services for their employees. Nevertheless, Aikchol has continuously reviewed its allowance for doubtful accounts and write-offs every quarter under the regulated financial reporting standard.



- Long-term investment in securities for sale was put in Bangkok Dusit Medical Services Public Company Limited. The recorded fair value was Baht 153.33 million at the end of year 2016.
- Baht 35.36 million in inventory, an increase of Baht 0.78 million. The higher number of patients led to an increase in medicine and medical supply inventories by Baht 0.08 million, or 0.3%, and consumables by Baht 0.69 million, or 12.4%. With the average turn-around period of all inventories of only 10 days and all inventories are of good quality and actively circulated, there is no need to set up an allowance for deteriorated and expired inventory.
- Baht 804.41 million in net assets of land, building and equipment, up by Baht 22.75 million. Aikchol maintains records of all tangible fixed assets, including renovation, repairs, modifications, as well as medical devices and equipment under generally acceptable accounting principles. Depreciation is applied at the optimal economic value under regulations. A total of Baht 82.77 million of tangible fixed assets was added this year mainly on premise expansion, parking space renovation, IPD facility improvement, CCTV installation in all areas, computer hardware upgrades for new systems and medical device investments, such as volume-controlled and pressure-controlled respirators, cautery electrosurgical devices and microscopes.
- Baht 34.32 million in net intangible assets, an increase of Baht 12.55 million from amortization over the year and additional investment in software being implemented at Baht 14.93 million.

Liabilities and Sources of Fund

Capital Structure Suitability

Aikchol's financial structure is solid, with a debt-equity ratio (D/E) of 0.19 and 0.17 as of year-end 2016 and 2015, compared to 0.77 of the average D/E of other six major hospitals with market capitalization over Baht 10,000 million listed on the Stock Exchange of Thailand. This is very low ratio, when compared to other health service companies in the group, demonstrates a relatively conservative financial management policy and a high potential for financial funding by any financial institutions for future capital investment.

Liabilities

Aikchol is totally free of short-term and long-term loans. Most of the liabilities are accounts payable, which are always paid as scheduled. Non-current liabilities include Baht 36.66 million in employee retirement reserves and Baht 22.81 million deferred income tax.

Shareholders' Equity

The total equity at the end of year 2016 and 2015 was Baht 1,433.68 million and Baht 1,329.58 million respectively. The continuous rise in shareholders' equity is driven by Aikchol's consistently substantial profits and the increase in other components of the shareholding structure, including profits expected on capital gains of Baht 120.91 million and Baht 116.64 million respectively.

Liquidity and Capital Adequacy

Cash Flow

Aikchol's total bank deposits and current investment stood at Baht 516.55 million at the end of year 2016, sufficient for all accounts payable under the payment schedule, including corporate income tax, dividends and others, without a need for loans. This also covers planned investment for medical device and equipment as well as service facility expansion under the business plan to maintain maximum operating efficiency and modernization in support of the growing number of patients.

Key Current Ratios

Aikchol's current ratios for year 2016 and 2015 were 3.22 and 3.52. The quick ratios for the same period, the ability of Aikchol to pay its current liabilities, were 3.06 and 3.31. All of these and other financial ratios clearly demonstrate stable financial status and Aikchol's capability of handling short-term and current financial obligations.

Liability Obligations and Off-Balance Sheets Liability Management

As of December 31, 2016, Aikchol was under an outstanding bank guarantee with one commercial bank for the use of electricity provided by the Provincial Electricity Authority of Thailand and as a guarantee with the Social Security Office, backed by Aikchol's fixed account of Baht 13.15 million. Other liability obligations related to capital expenses consisted of Baht 22.41 million scheduled payments for building renovation, including medical equipment purchase and installation, and Baht 3.42 million minimum deferred payment on a three-year lease of computers systems.

Key Factors and Influences Impacting Operating Performance or Future Financial Status

Aikchol's business competition outlook remains more aggressive, with both large private newcomers entering the market and public incumbents upgrading their services with specialized medical institutions and off-hour medical clinics. These service facilities are medical service alternatives for Aikchol's target customers of the mid-market segment, adding risks to Aikchol's business.



In addition to the hospitalization market competition, all domestic hospitals have been facing a shortage of medical and nursing personnel, with profession production relying profoundly on the government. Aikchol aggressively competes in retaining highly qualified medical personnel, with efforts including adjustments to compensation and other benefits, resulting in higher operating costs. However, these adjustments are closely reviewed by Aikchol's Board of Directors to ensure that costs remain under defined limits.

Under current economic conditions of high household debts, an increasing number of patients with social security benefits is inevitable, and so are the higher costs and burdens to Aikchol. With patient referral cases to more advanced hospitals for complicated or escalated situations (Supra Contractors), higher costs per person are expected for patients despite the fixed income turn-key agreement between Aikchol and the Social Security Office. The related revenue may therefore not always be growing linearly with the increasing number of patients, marking another challenge concerning the Social Security Office.

Report of the Audit Committee

Aikchol Hospital Pcl's Audit Committee consists of

- | | | | |
|----|-----------------------|----------------|----------|
| 1. | Mr. Krisada | Banchuin, MD | Chairman |
| 2. | Second Lt. Kitt | Toranin | Member |
| 3. | Mr. Vichai | Dhepchalerm | Member |
| 4. | Assoc.Prof.Dr. Atirek | Chivabongs, MD | Member. |

All four members are independent directors, one of whom is knowledgeable about finance and accounting. Mr. Sirichai Manoch serves as secretary to the committee.

This year, the committee held 11 meetings at Aikchol Hospital and another 11 at Aikchol 2 Hospital to perform their duties under the Board-assigned scope, SET requirements, and an announcement of SEC, highlighted as follows:

1. Reviewed this year's (2016) quarterly and annual financial statements reviewed and audited by the external auditor before tabling them to the Board for approval. The representatives of the committee, the management, and the external auditor joined a meeting before each approval was given.

The committee agreed with the external auditor that Aikchol's financial statement preparation were essentially accurate and credible under generally accepted accounting principles, with adequate disclosure of information.

2. Reviewed the efficiency and adequacy of Aikchol's internal control system.

The committee's view is that Aikchol commanded a suitable internal control system, with efficiency and adequacy to lower its risks to manageable levels.

3. Approved this year's (2017) audit plans of internal audit and reviewed quarterly audit reports, while insisting that internal audit follow up assigned matters to ensure that corrections or improvements were made in line with the recommendations of the committee or internal audit.
4. Reviewed Aikchol's compliance with Securities and Exchange Laws, SET-related requirements, or legislation relevant to Aikchol's businesses.

The committee regarded that Aikchol had not violated no law, requirement, or relevant legislation.



5. Reviewed related connections or transactions with potential conflicts of interest with Aikchol to ensure that it had followed regular business conditions and observed relevant laws.

The committee's view is that Aikchol had completely disclosed such information.

6. Having performed its Board-assigned duties, the Committee regarded that it had performed its roles stated in the Audit Committee Charter with adequate competency, caution and independence with particular regard for Aikchol's business being under transparent and credible management.
7. Confer with the external auditor in the absence of the Management Committee on January 23, 2017, by virtue of external auditor's independence in reporting problems or limitations as a result of the audit.
8. Since this Committee supports good corporate governance, shareholders and employees may act as whistleblowers on complaints, queries about financial statements, or queries about the internal control system direct to the Committee and the Management as stated in the company's code of conduct or mail to E-mail: cg@aikchol.com.

Finally, the Audit Committee selected Dhamniti Auditing Co., Ltd., as the external auditor and nominated its fee for this year (895,000 baht) before tabling the decision to the Board for subsequent shareholders' approval at the 2017 AGM.

On behalf of the Audit Committee

(Mr. Krisada Banchuin)

Chairman, Audit Committee

January 23, 2016


Responsibilities of the Board for the Financial Reports

The Board of Directors of Aikchol Hospital are responsible for financial statements and financial information revealed in this annual report prepared in accordance to Thai generally accepted accounting standards. The Company applies proper accounting policies on a consistent basis with utmost discretion on judgement and estimation.

The Board establishes and maintains an effective financial internal control system to reasonably ensure that its accounting reports are correct, complete, and sufficient for protecting the hospital's assets. The system could also identify weaknesses within the organization, in order to prevent any irregularity or significant business misconduct.

The Board has appointed the Audit Committee, which comprises non-management members, to take charge of the quality of financial reports and financial internal control system. The recommendations of Audit Committees have appeared in this annual report.

Considering the management structure and the internal control system as well as the findings of the certified external auditor, the Board believes that information involving financial status, business performance, and cash flow presented in Aikchol's financial statements as of December 31, 2016, are essentially and reasonably accurate under generally accepted accounting principles.



Mr. Apirag Vanich
Chairman of the Board



Ms. Phortchana Manoch
Chairman of the Executive Committee



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**



REPORT OF THE AUDITOR

To The Shareholders and Board of Directors of
Aikchol Hospital Public Company Limited

Opinion

I have audited the financial statements of Aikchol Hospital Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Aikchol Hospital Public Company Limited as at December 31, 2016, and its financial performance and its 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 Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. 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 our professional judgment, 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.



Revenue recognition

The revenue from medical service is significant in amount in the financial statements for the year ended 2016 and directly affects the financial performance of the Company. I therefore focus on revenue recognition to ensure that revenue is recognised accurately.

I assessed the appropriateness and tested the effectiveness of the internal controls of the Company with respect to the revenue cycle by examining supporting documents, on a sampling basis, for actual medical service transactions occurring during the year and the near end of the reporting period. I also audited credit notes that the Company issued after the period-end. In addition, I performed analytical procedures of disaggregated data to detect possible irregularities in medical service transactions throughout the period, particularly for accounting entries made through journal vouchers.

The above test results are satisfactory. In my opinion, the revenue recognition is appropriate.

Medical treatment revenue recognition and the estimate of accrued revenue from the Social Security Office

The Company has the revenue from the Social Security Office from in-patients with high cost diseases as presented in the financial statements amounting to Baht 132.25 million. It affects the revenue recognized by the Company in each period and such revenue is significant when compared to the Company's total revenue. The Company will receive the income from the Social Security Office under the calculation approach and the rate specified in accordance with the announcement of the Medical Board issued under the Social Security Act B.E. 2533 dated February 10, 2012. Regarding the measuring process of the revenue amount to be recognized, it requires significant judgment of the management due to the uncertainty related to the amount to be received. It depends on the allocation of the Social Security Office in each year by considering the calculation according to the processing data of the Central Office for Healthcare Information. I have stated that the medical treatment revenue recognition from the Social Security Office is a significant risk that requires special attention in the audit due to the amount received from the Social Security Office is uncertain and the data received has been delayed in order to ensure that the medical treatment revenue from the Social Security Office is recognized correctly and appropriately.

I have considered the Company's information with respect to in-patients with high cost diseases by testing the completeness of the recording of the use of Social Security service against the recording system of the Social Security, testing the accuracy of the estimates of the management by comparing between the basis of the management and the basis, procedures and conditions announced by the Social Security Office and testing the items in the journal entries prepared by the management with respect to the recognition of revenue estimate, including the comparison with the past information on money received.

The above test results are satisfactory. In my opinion, the medical treatment revenue estimate from the Social Security Office is appropriate.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report 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 will 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 identified above when it becomes available 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, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct 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 Company's ability to continue as a going concern, disclosing, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 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 Standards on Auditing, I exercise professional judgment 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 Company'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 Company'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 Company 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.

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 we 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.

(Mr. Pojana Asvasontichai)

Certified Public Accountant

Registration No. 4891

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 21, 2017

**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT DECEMBER 31, 2016**

		<u>ASSETS</u>	
		Baht	
	Note	2016	2015
Current assets			
Cash and cash equivalents	6	192,830,269	199,854,207
Current investments	7	323,718,640	220,238,727
Trade accounts receivable	8	62,657,144	64,709,182
Accrued income		85,264,980	57,691,290
Inventories	9	35,355,202	34,578,026
Other current assets		6,334,133	8,719,724
Total current assets		706,160,368	585,791,156
Non-current assets			
Fixed deposit pledge as collateral	7	14,424,000	14,424,000
Long-term investment	7	153,333,180	147,999,852
Property, plant and equipment	10	804,409,869	781,660,749
Intangible assets	11	34,320,039	21,769,265
Other non-current assets		64,190	64,190
Total non-current assets		1,006,551,278	965,918,056
Total assets		1,712,711,646	1,551,709,212

Notes to financial statements form an integral part of these statements.

**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED****STATEMENT OF FINANCIAL POSITION (CONT.)****AS AT DECEMBER 31, 2016****LIABILITIES AND SHAREHOLDERS' EQUITY**

	Note	Baht	
		2016	2015
Current liabilities			
Trade accounts payable		74,761,749	66,722,683
Other payable		6,305,407	5,442,979
Accrued expenses	14	110,980,528	73,281,887
Accrued income tax expenses		14,244,250	9,144,550
Other current liabilities	15	13,268,336	11,768,357
Total current liabilities		219,560,270	166,360,456
Non-current liabilities			
Employee benefits obligation	16	36,655,053	33,350,829
Deferred tax liabilities	12	22,813,313	22,420,876
Total non-current liabilities		59,468,366	55,771,705
Total liabilities		279,028,636	222,132,161

Notes to financial statements form an integral part of these statements.

**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED****STATEMENT OF FINANCIAL POSITION (CONT.)****AS AT DECEMBER 31, 2016****LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)**

	Baht	
	2016	2015
Shareholders' equity		
Share capital		
Authorised share capital		
150,000,000 ordinary shares of Baht 1 each	150,000,000	150,000,000
Issued and paid-up share capital		
149,909,264 ordinary shares of Baht 1 each	149,909,264	149,909,264
Share premium	74,000,000	74,000,000
Retained earnings		
Appropriated to legal reserve	14,990,926	14,990,926
Unappropriated	1,073,876,273	974,036,976
Other components of equity		
Unrealised gain on long-term investments	120,906,547	116,639,885
Total shareholders' equity	1,433,683,010	1,329,577,051
Total liabilities and shareholders' equity	1,712,711,646	1,551,709,212

Notes to financial statements form an intergral part of these statements.

**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED****STATEMENTS OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED DECEMBER 31, 2016**

		Baht	
	Note	2016	2015
Revenues			
Medical service income		1,585,500,660	1,500,514,397
Other income	19	34,659,270	30,776,881
Total revenues		1,620,159,930	1,531,291,278
Expenses			
Cost of medical services		1,285,193,994	1,212,043,711
Administrative expenses		78,415,703	88,530,921
Directors and management's remuneration	22	29,748,167	31,453,300
Total expenses		1,393,357,864	1,332,027,932
Profit before income tax expenses		226,802,066	199,263,346
Income tax expenses	13	44,264,274	39,052,214
Profit for the year		182,537,792	160,211,132
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Loss from changing actuarial estimates		598,101	-
Income tax relating not to be reclassified		(119,620)	-
		478,481	-
Items that may be reclassified subsequently to profit or loss			
Gain on long-term investment		5,333,328	33,333,300
Income tax relating to be reclassified		(1,066,666)	(6,666,660)
		4,266,662	26,666,640
Other comprehensive income for the year		3,788,181	26,666,640
Total comprehensive income for the year		186,325,973	186,877,772
Basic earnings per share (Baht per share)	24	1.22	1.07

Notes to financial statements form an integral part of these statements.



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2016

		Baht				
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Other components equity
				Appropriated to legal reserve	Unappropriated	Unrealised gain from long-term investment
						Total shareholders' equity
Beginning balance as at January 1, 2016		149,909,264	74,000,000	14,990,926	974,036,976	116,639,885
Dividend	23	-	-	-	(82,220,014)	-
Total profit for the year		-	-	-	182,537,792	-
Other comprehensive income-net from income tax						
Gain on long-term investment		-	-	-	-	4,266,662
Loss on changing actuarial estimates		-	-	-	(478,481)	-
Balance at December 31, 2016		149,909,264	74,000,000	14,990,926	1,073,876,273	120,906,547
Beginning balance as at January 1, 2015		149,909,264	74,000,000	14,990,926	910,972,000	89,973,245
Dividend	23	-	-	-	(97,146,156)	-
Total profit for the year		-	-	-	160,211,132	-
Other comprehensive income-net from income tax						
Gain on long-term investment		-	-	-	-	26,666,640
Balance at December 31, 2015		149,909,264	74,000,000	14,990,926	974,036,976	116,639,885

Notes to interim financial statements form an integral part of these statements.

**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED****STATEMENTS OF CASH FLOWS****FOR THE YEAR ENDED DECEMBER 31, 2016**

	Baht	
	2016	2015
Cash flows from operating activities		
Profit for the year	182,537,792	160,211,132
Adjustment to reconcile net profit (loss) to net cash provided by (used in) operating activities		
Depreciation and amortisation	61,948,766	57,893,896
Interest income	(5,940,056)	(6,838,341)
Bad debt written off and allowance for doubtful accounts	156,264	727,180
Loss on sale of fixed assets	93,873	2,460,154
Loss on assets written off	289,449	234,617
Dividend income	(2,399,998)	(1,533,332)
Employee benefits obligation cost	6,481,823	6,417,615
Income tax expense	44,264,274	39,052,214
Net profit (loss) provided by operating activities before changes in operational assets and liabilities	287,432,187	258,625,135
(Increase) decrease in operational assets		
Trade accounts receivable	1,895,774	(2,046,217)
Accrued income	(27,538,630)	19,348,915
Inventories	(777,176)	(1,161,565)
Other current assets	2,385,591	(5,999,678)
Increase (decrease) in operational liabilities		
Trade accounts payable	8,039,065	345,181
Accrued expenses	37,698,641	5,929,076
Other current liabilities	1,499,979	(377,382)
Employee benefits abigation	(3,775,700)	(3,584,630)
Cash flows received operating activities	306,859,731	271,078,835
Income tax paid	(39,719,183)	(48,267,120)
Net cash provided by operating activities	267,140,548	222,811,715

Notes to financial statements form an intergral part of these statements.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Baht	
	2016	2015
Cash flows from investing activities		
Interest received	5,904,996	6,925,679
Dividend received	2,399,998	1,533,332
(Increase) decrease in current investments	(103,479,913)	920,373
Increase in other non-current assets	-	(10,000)
Decrease in fixed deposit pledge as collateral	-	464,092
Purchase of land, plant and equipment	(81,911,639)	(88,678,625)
Purchase of intangible assets	(14,928,915)	(14,873,000)
Sale of equipment	71,001	1,039,272
Net cash used in investing activities	(191,944,472)	(92,678,877)
Cash flows from financing activities		
Dividends paid	(82,220,014)	(97,146,156)
Net cash used in financing activities	(82,220,014)	(97,146,156)
Net increase (decrease) in cash and cash equivalents	(7,023,938)	32,986,682
Cash and cash equivalents at beginning of year	199,854,207	166,867,525
Cash and cash equivalents at end of year	192,830,269	199,854,207

Notes to financial statements form an integral part of these statements.



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

1. GENERAL INFORMATION

Aikchol Hospital Public Company Limited, “the Company”, is incorporated in Thailand. A registered office is at 68/3 Moo 2, Phrayasatja Road, Amphoe Muang, Choburi and a branch is at 31/2 Moo 3, Tambol Samed, Amphoe Muang, Choburi. The Company operates in Choburi Province. And it is well known in medical and nursing care services under the trademark namely, “Aikchol Hospital”.

The Company was listed on the Stock Exchange of Thailand on January 10, 1992.

The principal activities of the Company are providing full hospital services including diseases protection, medical treatment, health strengthening and health rehabilitation services with 362 beds in service.

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the Thai financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543.

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

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 such financial statements in Thai language.

3. THE NEW AND REVISED ACCOUNTING STANDARDS ARE EFFECTIVE IN THE CURRENT YEAR

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the new and revised accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards, which are effective for the fiscal year beginning on or after January 1, 2016 are as follows:

Conceptual Framework for Financial Reporting (revised 2015)

TAS 1 (revised 2015) Presentation of Financial Statements

TAS 2 (revised 2015) Inventories



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2016

TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 11 (revised 2015)	Construction Contracts
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2015)	Earnings Per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agriculture
TFRS 2 (revised 2015)	Share-Based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance Contracts
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2015)	Operating Segments



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2016

TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 10 (revised 2015)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2015)	Operating Leases - Incentives
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2015)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2015)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2015)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 14 (revised 2015)	TAS 19 (revised 2015)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies

The management of the Company is evaluating that these new and revised accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations do not have any significant impact on the financial statements in current year.



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2016

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, savings accounts and current accounts and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

4.2 Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts (if any).

The allowance for doubtful accounts is estimated losses are based on a percentage of outstanding receivables classified by aging of accounts receivable. Assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

4.3 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

4.4 Investment

Investment in debt securities which the Company intent and able to hold investment in debt securities to maturity is classified in current investment. Investment in debt securities is stated at amortisation cost net from impairment loss (if any). Interest income is recognized by using the effective interest rate method in statement of comprehensive income.

Investment in equity security in a marketable equity security is classified as being available-for-sale and is stated at fair value, with any resultant gain or loss being recognised directly in equity, and recorded as gains as losses in the statement of comprehensive income when the securities are sold.

The fair value of security available for sale is determined as the quoted bid price at the statement of financial position date.



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2016

4.5 Property, plant and equipment

Property at cost, plant and equipment are stated at cost less accumulated depreciation. Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company (if any).

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:-

Buildings and building improvements	10 - 50	Years
Medical equipment	10	Years
Furniture and fixtures	5 - 10	Years
Office equipment	5 - 10	Years
Vehicles	8 - 10	Years

The Company has reviewed the residual value and useful life of the assets on a regular basis.

No depreciation is provided on freehold land or assets under construction and installation.

Property, plant and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.

4.6 Intangible asset

Computer software with finite useful lives are stated at cost less accumulated amortization and allowance on impairment (if any).

Amortisation is charged to the statement of comprehensive income on a straight-line basis over the period for which the Computer software are expected to generate economic benefit from 5 to 10 years

4.7 Impairment

The carrying amounts of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in the statement of comprehensive income unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2016

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognized directly in equity is recognised in the statement of comprehensive income even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in the statement of comprehensive income is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the statement of comprehensive income.

4.8 Trade and other accounts payable

Trade and other accounts payable are stated at cost.

4.9 Provision

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

4.10 Employee benefits

Short-term employment benefits

The Company recognizes salary, wage, bonus and contributions to social security fund and provident fund as expenses when incurred.

Post-employment benefits (Defined contribution plans)

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognized as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Company has obligations in respect of the severance payments it must pay to the employees upon retirement under the labor law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan.



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2016

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in profit or loss.

4.11 Revenue

Revenue from medical service is exempt from value added taxes and is arrived at after deduction of trade discounts.

Revenues from medical service

Revenues from medical service, mainly consisted of medicine and medical supplies, patient room service charge, medical profession charge and other service are recognised as income when the services are delivered, base on an accrual basic.

Revenues from social security is recognised on an accrual basic.

Revenues from food and beverage

Revenues from food and beverage is recognised when delivered, base on an accrual basic.

Interest and dividend income

Interest income is recognised in the statement of comprehensive income as it accrues. Dividend income is recognised in the statement of comprehensive income on the date the Company's right to receive payments established. In the case of quoted securities is usually the ex-dividend date.

Others income

Others income is recognised on an accrual basis.

4.12 Expense

Expenses are recognised on an accrual basis.



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2016

4.13 Operating lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under an operating lease are recognized as expense on a straight-line basis over the lease term.

4.14 Income tax

Current tax

The Company records income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rates at 20% of profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities.

Deferred tax assets and liabilities are measured at the tax rates that the Company expect to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2016

4.15 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 amounts reported in the financial statements and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon past collection history, aging profile of outstanding debts.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement in evaluating the conditions and details of the agreement whether significant risk and rewards of ownership of the leased asset has been transferred.

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 plant and equipment and to review the estimated 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 the impairment loss when it is determined that the recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognized 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 utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2016

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.

5. SEASONAL OPERATION

The company's business is not affected significantly by seasonal or cyclical factor during the year.

6. CASH AND CASH EQUIVALENTS

Consisted of :-

	Baht	
	2016	2015
Cash on hand	3,209,799	5,798,764
Cash at bank - savings accounts and current accounts	128,363,906	92,580,286
Fixed deposits	100,400	100,000
Short-term investment not over 3 months	61,156,164	101,375,157
Total	192,830,269	199,854,207

As at December 31, 2016 and 2015, cash at bank-savings accounts have interest at the floating rates at 0.38% and 0.38%, respectively and fixed deposits interest are set by the bank at the rates of 0.80% per annum and 0.80% per annum, respectively.

As at December 31, 2016 and 2015, short-term investment is investment in government securities money market mutual funds and saving fixed income mutual funds with high liquidity which has return at the rate of 1.24% and 1.32%, respectively. Investment units are stated at fair value.



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2016

7. INVESTMENTS

Consisted of :-

	Baht	
	2016	2015
Current investment		
Mutual fund fixed income (hold to maturity within 1 year)		
6 months	323,718,640	220,238,727
Total	323,718,640	220,238,727
Fixed deposit pledge as collateral		
Fixed deposit pledge as collateral	14,424,000	14,424,000
Total	14,424,000	14,424,000
Long-term investment		
Equity security available for sale	153,333,180	147,999,852
Total	153,333,180	147,999,852

As at December 31, 2016 and 2015, investment in mutual fund fixed income which the Company intends to hold to maturity within 1 year and has return at the rate of 1.68% per annum and 1.88% per annum, respectively.

As at December 31, 2016 and 2015, fixed deposits in the amount of Baht 14.42 million and 14.42 million, has interest rate at 1.50% per annum and 1.63% per annum, are pledged as collateral for the letters of guarantee issued by a commercial bank, respectively.

As at December 31, 2016 and 2015, the Company invests in available for sale securities. Investment units are stated at fair value.

Equity security available for sale consisted of:-

	Holding of interest (%)		Million Baht			
	2016	2015	2016		2015	
			Cost	Market value	Cost	Market value
Bangkok Dusit Medical						
Services Plc.	0.06	0.06	2.20	153.33	2.20	148.00
<u>Add unrealised gain from</u>						
revaluation of security			151.13		145.80	
Total			153.33		148.00	



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2016

8. TRADE ACCOUNTS RECEIVABLE

Consisted of :-

	Baht	
	2016	2015
Within credit terms	58,842,076	58,540,903
Overdue:		
Less than 3 months	1,041,025	5,287,950
3-6 months	2,616,161	747,862
6-12 months	315,779	287,904
Over 12 months	253,671	189,208
	63,068,712	65,053,827
<u>Less</u> allowance for doubtful accounts	(411,568)	(344,645)
Net	62,657,144	64,709,182

The normal credit term granted by the Company ranges from 30 days to 120 days.

During the year 2016 and 2015, the Company reversed and wrote bad debts off in the amount of Baht 0.09 million and Baht 0.73 million, respectively. The Company has considerate that they will not able to collect the money from all those receivable accounts.

9. INVENTORIES

Consisted of :-

	Baht	
	2016	2015
Medicine and medical supplies	29,065,243	28,982,022
Supplies	6,289,959	5,596,004
Total	35,355,202	34,578,026



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2016

10. PROPERTY, PLANT AND EQUIPMENT

Consisted of :-

	Baht				
	Balance per book as at Dec. 31, 2015	Additions	Transfer in (Transfer out)	Deductions	Balance per book as at Dec. 31, 2016
<u>Cost</u>					
Land	88,160,300	20,000,000	-	-	108,160,300
Buildings and building improvement	830,255,137	815,000	30,041,309	(384,643)	860,726,803
Medical equipment	269,529,517	11,550,231	239,300	(2,305,795)	279,013,253
Furniture and fixture	55,238,351	2,590,092	1,147,309	(2,029,884)	56,945,868
Office equipment	63,528,821	8,723,896	3,444,722	(2,488,647)	73,208,792
Vehicles	20,978,465	1,885,384	-	(394,000)	22,469,849
Assets under construction and installation	3,464,565	37,209,464	(34,637,640)	-	6,036,389
Total	1,331,155,156	82,774,067	235,000	(7,602,969)	1,406,561,254
<u>Less accumulated depreciation</u>					
Buildings and building improvement	291,055,909	28,134,858	-	(343,666)	318,847,101
Medical equipment	156,800,064	20,595,807	239,298	(2,146,903)	175,488,266
Furniture and fixture	43,053,475	3,660,850	(24,172)	(1,894,751)	44,795,402
Office equipment	46,273,735	5,753,304	19,873	(2,369,328)	49,677,584
Vehicles	12,311,224	1,425,806	-	(393,998)	13,343,032
Total	549,494,407	59,570,625	234,999	(7,148,646)	602,151,385
Net	781,660,749				804,409,869

	Baht				
	Balance per book as at Dec. 31, 2014	Additions	Transfer in (Transfer out)	Deductions	Balance per book as at Dec. 31, 2015
<u>Cost</u>					
Land	88,160,300	-	-	-	88,160,300
Buildings and building improvement	788,052,755	10,515,000	39,706,787	(8,019,405)	830,255,137
Medical equipment	243,251,788	10,169,941	23,556,012	(7,448,224)	269,529,517
Furniture and fixture	53,969,512	4,001,901	458,832	(3,191,894)	55,238,351
Office equipment	61,122,553	2,618,066	1,526,153	(1,737,951)	63,528,821
Vehicles	20,978,465	-	-	-	20,978,465
Assets under construction and installation	5,657,761	63,054,588	(65,247,784)	-	3,464,565
Total	1,261,193,134	90,359,496	-	(20,397,474)	1,331,155,156
<u>Less accumulated depreciation</u>					
Buildings and building improvement	270,747,582	24,969,582	-	(4,661,255)	291,055,909
Medical equipment	143,424,179	20,744,677	(4,093)	(7,364,699)	156,800,064
Furniture and fixture	42,754,533	3,387,767	(101,359)	(2,987,466)	43,053,475
Office equipment	42,895,360	4,922,934	105,452	(1,650,011)	46,273,735
Vehicles	10,617,797	1,693,427	-	-	12,311,224
Total	510,439,451	55,718,387	-	(16,663,431)	549,494,407
Net	750,753,683				781,660,749



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2016

Depreciation of the plant and equipment for the years ended December 31, 2016 and 2015 which were included in cost of medical services and administrative expenses, consisted of :-

	Baht	
	2016	2015
Cost of medical services	50,720,496	47,503,377
Administrative expenses	8,850,129	8,215,010
Total	<u>59,570,625</u>	<u>55,718,387</u>

As at December 31, 2016 and 2015, certain equipment and vehicle items of the Company have been fully depreciated but are still in use of cost in amount of Baht 203.99 million and Baht 170.20 million, respectively.

A portion of land, building and construction in progress, including future construction were pledged as collateral security for the long-term loan and a bank overdraft with a net book value as at December 31, 2016 and 2015 of approximately amounted of Baht 594.47 million and Baht 592.40 million, respectively.

As at December 31, 2016 and 2015, the Company covered All Risks Insurance Policy (ARIP) with an insurer. The sum insured has already been covered the value of the assets. The ARIP is renewed on an annual basis and a portion of proceeds from insurance claims under the ARIP.

11. INTANGIBLE ASSETS

Consisted of :-

	Baht			
	Balance per book as at Dec. 31, 2015	Additions	Transfer in (Transfer out)	Balance per book as at Dec. 31, 2016
<u>Cost</u>				
Computer software	27,832,833	4,924,415	-	32,757,248
Computer software in progress	14,873,000	10,004,500	-	24,877,500
Total	42,705,833	14,928,915	-	57,634,748
<u>Less</u> accumulated amortization	20,936,568	2,378,141	-	23,314,709
Net	<u>21,769,265</u>			<u>34,320,039</u>

	Baht			
	Balance per book as at Dec. 31, 2014	Additions	Transfer in (Transfer out)	Balance per book as at Dec. 31, 2015
<u>Cost</u>				
Computer software	27,832,833	-	-	27,832,833
Computer software in progress	-	14,873,000	-	14,873,000
Total	27,832,833	14,873,000	-	42,705,833
<u>Less</u> accumulated amortization	18,761,059	2,175,509	-	20,936,568
Net	<u>9,071,774</u>			<u>21,769,265</u>



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2016

Amortisation of intangible assets for the years ended December 31, 2016 and 2015, which were included in cost of medical services and administrative expenses, consisted of :-

	Baht	
	2016	2015
Cost of medical services	1,500,671	1,348,383
Administrative expenses	877,470	827,126
Total	2,378,141	2,175,509

As at December 31, 2016 and 2015, certain intangible assets items of the Company have been fully amortised but they are still in used of cost in the amount of Baht 6.55 million and Baht 6.55 million, respectively.

12. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Changes in deferred tax assets and deferred tax liabilities for the year ended December 31, 2016 and 2015 are summarized as follows:

	Baht		
	Balance as at	Revenue (expenses) during the	Balance as at
		year	
	Dec. 31, 15	In profit or loss	Dec. 31, 16
		In other comprehensive income	
Deferred tax assets:			
Trade account receivables	68,929	13,385	82,314
Employee benefit obligation	6,670,166	541,224	7,331,010
Total	6,739,095	554,609	7,413,324
Deferred tax liabilities:			
Unrealized gain on remeasuring available for sale			
Investments	(29,159,971)	-	(30,226,637)
Total	(29,159,971)	-	(30,226,637)
Deferred tax assets (liabilities)-net	(22,420,876)		(22,813,313)



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2016

	Baht		
	Balance as at	Revenue (expenses) during the	Balance as at
	Dec. 31, 14	year In profit or loss In other comprehensive income	Dec. 31, 15
Deferred tax assets:			
Trade account receivables	124,386	(55,457)	68,929
Employee benefit obligation	6,103,569	566,597	6,670,166
Total	6,227,955	511,140	6,739,095
Deferred tax liabilities:			
Unrealized gain on remeasuring available for sale			
Investments	(22,493,311)	-	(29,159,971)
Total	(22,493,311)	-	(29,159,971)
Deferred tax assets (liabilities)-net	(16,265,356)		(22,420,876)

13. TAX EXPENSE (INCOME)

13.1 Major components of tax expense (income)

For the year ended December 31, 2016 and 2015 consisted of:

	Baht	
	For the years end December 31,	
	2016	2015
Income tax expense (income) shown in profit or loss :		
Current tax expense:		
Income tax expense for the year	44,818,883	39,563,354
Deferred tax expense (income):		
Changes in temporary differences relating to the original recognition and reversal	(554,609)	(511,140)
Total	44,264,274	39,052,214
Income tax relating to components of other comprehensive income:		
Deferred tax relating to:		
Remeasuring available for sale investments	1,066,666	6,666,660
Loss from remeasuring actuarial estimates	(119,620)	-
Total	947,046	6,666,660



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2016

13.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate

For the year ended December 31, 2016 and 2015 which are summarized as follows:

	Baht	
	For the years end December 31,	
	2016	2015
Accounting profit for the year	226,802,066	199,263,346
The applicable tax rate (%)	20%	20%
Tax expense (income) at the applicable tax rate	45,360,413	39,852,669
Reconciliation items:		
Tax effect of expenses that are not deductible in determining tax profit:		
- Expenses not allowed as expenses in determining taxable profit	68,614	68,255
Tax effect of income or profit that are not required in determining taxable profit:		
Exemption of non - taxable dividend income	(480,000)	(306,666)
Other	(684,753)	(562,044)
Total reconciliation items	(1,096,139)	(800,455)
Total tax expense (income)	44,264,274	39,052,214

13.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate

For the year ended December 31, 2016 and 2015 are summarized as follows:

	Baht			
	2016		2015	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the year	226,802,066		199,263,346	
Tax expense at the applicable tax rate	45,360,413	20.00	39,852,669	20.00
Reconciliation items	(1,096,139)	(0.48)	(800,455)	(0.40)
Tax expense at the average effective tax rate	44,264,274	19.52	39,052,214	19.60



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2016

14. ACCRUED EXPENSES

Consisted of :-

	Baht	
	2016	2015
Accrued directors and management's remuneration	4,000,000	4,330,000
Accrued doctor fee	38,156,078	32,199,785
Accrued wages	9,123,087	7,691,842
Accrued Bonus	34,347,971	-
Accrued electricity	1,982,212	2,377,082
Accrued expenses - Social Security	9,558,244	11,814,031
Accrued other expenses	13,812,936	14,869,147
	110,980,528	73,281,887

15. OTHER CURRENT LIABILITIES

Consisted of :-

	Baht	
	2016	2015
Withholding tax	704,926	3,559,614
Advance received	7,882,160	5,044,203
Retention payable	2,029,545	968,674
Others	2,651,705	2,195,866
Total	13,268,336	11,768,357

16. EMPLOYEE BENEFITS OBLIGATION**The statements of financial position**

	Baht	
	2016	2015
For the year ended December 31		
Defined benefits obligation at January 1,	33,350,829	30,517,844
Benefits paid by the plan	(3,775,700)	(3,584,630)
Current service and interest costs	6,481,823	6,417,615
Actuarial loss	598,101	-
Defined benefits obligation at December 31,	36,655,053	33,350,829



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2016

Expenses recognised in statements of comprehensive income

	Baht	
	2016	2015
For the year ended December 31		
Current service cost	5,389,540	5,405,424
Interest on obligation	1,092,283	1,012,191
Total	<u>6,481,823</u>	<u>6,417,615</u>

Principal actuarial assumptions at the reporting date

	%	
	2016	2015
Discount rate	2.44	3.42
Salary increase rate	6	6
Employee turnover rate	8 - 21	8 - 22
Disability rate	5*	5*

* reference to mortality rate in B.E. 2008

Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2016 are summarized below:

	Baht	
	1% increase	1% decrease
Discount rate	(2,872,032)	3,299,241
Salary increase rate	3,102,813	(2,755,941)
Employee turnover rate	(3,218,135)	3,299,243



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2016

17. RESERVES AND LEGAL RESERVES

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

Unrealised gain/loss

Unrealised gain/loss recognised in shareholders’ equity relate to cumulative net changes in the fair value of available for sale investment.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

18. SEGMENT INFORMATION

The Company has established its business operation in single segment which is hospital business and has single geographical operation in Thailand. Therefore, the valuation basis, revenue information, profit from operation, all assets and liabilities have been shown in the financial statements which are the same as internal report presented to the highest authority persons in the Company’s operation.

Information about major customers

The groups of the Company’s major customers include individuals, group of policyholders of the insurance company, group of contract parties’ company and group of insured on social security who requires using the hospital service at the package rate from the government sectors.

**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONT.)****DECEMBER 31, 2016****19. OTHER INCOME**

Consisted of :-

	Baht	
	2016	2015
Revenue from sales of food and beverages	-	2,254,283
Revenue from sharing of kidney hemodialysis	11,281,800	10,040,100
Rental space income	4,886,190	3,787,623
Interest income	5,940,056	6,838,341
Others	12,551,224	7,856,534
Total	34,659,270	30,776,881

20. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2016 and 2015 are a follow:-

	Baht	
	2016	2015
Personnel	511,993,021	472,193,642
Doctor fee	320,447,808	300,968,471
Medicine, medical supplies and supplies	292,527,580	283,085,363
Depreciation and amortisation	61,948,766	57,893,896
Others	206,440,689	217,886,560
Total	1,393,357,864	1,332,027,932

21. PROVIDENT FUND

The defined contribution plans comprise provident funds established by companies in the Company for their employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates 3% of their basic salaries and by the Company at rates 3% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager. The Company's contributions for the years ended December 31, 2015 and 2014 in the amount of to Baht 4.41 million and Baht 4.04 million, respectively.

**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONT.)****DECEMBER 31, 2016****22. DIRECTORS AND MANAGEMENT'S REMUNERATION**

Directors and management's remuneration represent the benefits paid to the Company's directors and management such as salaries and related benefit including the benefit paid by other means. The Company's directors and management are the persons who are defined under the Securities and Exchange Act.

Directors of the Company is consisted of board of directors, audit committee and nomination and remuneration committee.

Management of the Company is consisted of executive board, chief medical officer and hospital administrator.

23. DIVIDENDSYear 2016

At The ordinary shareholders' meeting held on April 22, 2016, the shareholders approve the appropriation of dividend from operating results of 2015 of Baht 0.55 per share, 149.91 million shares, amounting to Baht 82.22 million. The dividend will be proposed to pay to shareholders on May 18, 2016.

Year 2015

At The ordinary shareholders' meeting held on April 24, 2015, the shareholders approve the appropriation of dividend from operating results of 2014 of Baht 0.65 per share, 149.91 million shares, amounting to Baht 94.15 million. The dividend will be proposed to pay to shareholders on May 18, 2015.

24. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year periods by the weighted average number of ordinary shares which are issued and paid-up during the year.

	2016	2015
Profit for the year (Baht)	182,537,792	160,211,132
Weighted average number of ordinary share (Shares)	149,909,264	149,909,264
Earnings per share (Baht per share)	1.22	1.07



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2016

25. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the statement of financial position as at December 31, 2016 and 2015, the Company's debt-to-equity ratio was 0.19 : 1 and 0.17 : 1, respectively.

26. FINANCIAL INSTRUMENTS

26.1 Financial risk management policies

The Company is exposed to normal business risks from changes in market interest rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

26.2 Interest rate risk

Interest rate risk is the risk that future movements in market interest rates, which may affect the interest earnings and expenses in the present and future years. The Company is primarily exposed to interest rate risk that relates primarily to deposit at Financial institution and short term investments due to changes in interest rates. The Company has no policy to use any derivative financial instruments to reduce this risk.

26.3 Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations of the financial condition of its counterparties, to provide a term of payment, and to require partial payment of deposit, or call for collateral as other security. Therefore, it does not expect to incur material losses from debt collection more than the amount already provided in the allowance for doubtful accounts.



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2016

26.4 Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

26.5 Fair value of financial instruments

The Company uses the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on unobservable market data.

As of December 31, 2016, the Company had the following assets and liabilities that were measured at fair value using different levels of inputs as follows :-

	Thousand Baht			Total
	Level 1	Level 2	Level 3	
Assets				
Current investments				
- Mutual fund fixed income	-	323,718,640	-	323,718,640
Long-term investments				
- Equity	153,333,180	-	-	153,333,180
Total	153,333,180	323,718,640	-	477,051,820

During the current year, there were no transfers within the fair value hierarchy.

Valuation techniques on fair value and inputs for Level 2 valuations

- (a) The fair value of investments in non-listed investment units on the Stock Exchange of Thailand, is calculated by using the return as announced by the fund managers.



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2016

27. COMMITMENTS WITH NON-RELATED PARTIES

As at December 31, 2016 and 2015, the Company has commitments as follows :-

	Baht	
	2016	2015
27.1 Letters of guarantee issued by a commercial bank to the government unit and the state enterprise.	13,154,000	13,154,000
27.2 Construction and equipment installation agreements	22,417,779	34,499,091
27.3 Operating lease commitments, the company has entered into an agreement in respect of lease of computer and equipment from a company. The term of the agreement is generally 3 years, future minimum rental payable was as follows:-		
Payable within 1 year	2,565,432	1,011,471
Payable within 2 to 3 years	855,144	5,075,684
	3,420,576	6,087,155

28. LITIGATION

As at December 30, 2005, the Company is claimed by shareholders (plaintiff) of a company that sold land, building and equipment to the Company. If the Company fails to transfer the said assets, the Company has to pay the amount of Baht 500 million. However, two authorized directors (the guarantors) of the seller's Company have entered in to a guarantee contract to be held liable for any damages in the amount of Baht 310 million with an interest rate at 7.5% per annum.

Progress of the Case

Subsequently, the Civil Court has passed judgement dismissing the lawsuit on January 19, 2010. Afterwards, the plaintiff has filed an appeal whereby the Appeal Court has considered and passed a decision confirming the judgement of the Civil Court on April 21, 2011. And on July 25, 2011, the Company filed the request to amend the plaintiff's petition filed with the Supreme Court which the Appeal court judge had dismissed the plaintiff.

As at December 31, 2016, the lawsuit status is still on the process of the request to amend the plaintiff's petition filed.

The Company has contingent liabilities as a result of litigation. The management has displayed judgement to assess the results of the litigation and believed that no loss will result. There for, no contingent liabilities are recorded as at the end of the reporting period.



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2016

29. THE REVISED ACCOUNTING STANDARDS ARE NOT YET EFFECTIVE IN THE CURRENT YEAR

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards that are revised.

These revised accounting standards which are effective for the fiscal year beginning on or after January 1, 2017 are as follows:

Conceptual Framework for Financial Reporting (revised 2015)

TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events After the Reporting Period
TAS 11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 20 (revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2016)	Earnings Per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets



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DECEMBER 31, 2016

TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible assets
TAS 40 (revised 2016)	Investment Property
TAS 41 (revised 2016)	Agriculture
TAS 104 (revised 2016)	Accounting for Trouble Debt Restructuring
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments Disclosure and Presentation
TFRS 2 (revised 2016)	Share-Based Payment
TFRS 3 (revised 2016)	Business Combinations
TFRS 4 (revised 2016)	Insurance Contracts
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2016)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 10 (revised 2016)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2016)	Operating Leases - Incentives
TSIC 25 (revised 2016)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2016)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2016)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2016

TFRIC 7 (revised 2016)	Applying the Restatement Approach under TAS 29 (revised 2016) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2016)	Service Concession Arrangements
TFRIC 13 (revised 2016)	Customer Loyalty Programmes
TFRIC 14 (revised 2016)	TAS 19 (revised 2016)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2016)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
TFRIC 20 (revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2016)	Levies

The management of the Company believes that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standards interpretations which are revised will not have any significant impact on the financial statements for the year when they are initially applied.

30. TO APPROVED THE FINANCIAL STATEMENTS

These financial statements were authorised for issue by Board of Directors of the Company on February 21, 2017.

Related Transactions

Related transactions

In 2016, the Company was engaged in no connected transaction, as regulated by the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

Measures and approval procedures for connected transactions

The Company has in place measures and approval procedures for connected transactions, as regulated by SEC and SET. Connected transactions are subjected for approval of the Board of Directors or at shareholders' meeting, or both, depending on the case.

Policy and trends for connected transactions

With strictly adherence to SEC and SET regulations, Aikchol manages its business with transparency under its strong corporate governance policy.

Changes in portfolios of directors and the management

Data as of December 31, 2016

No.	Name	Position	Number of shares held as of December 31, 2015	Number of shares held as of December 31, 2016	Change of shareholding during 2016	% shareholding
1	Mr. Apirag Vanich	Chairman of the Board	16,327,392	16,327,392	-	12.39
	Spouse and minor children		2,249,592	2,249,592	-	-
2	Mr. Vichai Dhepchalerm	Vice Chairman of the Board	270,000	270,000	-	0.50
	Spouse and minor children		480,000	480,000	-	-
3	Mrs. Phortchana Manoch	Vice Chairman of the Board	3,389,808	3,389,808	-	2.92
	Spouse and minor children		987,600	987,600	-	-
4	Dr. Sucha Nimmannit	Director	993,588	993,588	-	0.66
	Spouse and minor children		-	-	-	-
5	Dr. Krisada Banchuin	Director	215,268	215,268	-	0.14
	Spouse and minor children		-	-	-	-
6	Mr. Sirichai Manoch	Director	987,600	987,600	-	2.92
	Spouse and minor children		3,389,808	3,389,808	-	-
7	Mrs. Kanchana Chitrudiamphai	Director	-	-	-	-
	Spouse and minor children		-	-	-	-
8	Second Lt. Kittit Toranin	Director	-	-	-	-
	Spouse and minor children		-	-	-	-
9	Ms. Oranuj Vanich	Director	5,801,016	5,801,016	-	3.87
	Spouse and minor children		-	-	-	-
10	Dr. Sanit Charkrit	Director and Medical Director, Aikchol Hospital	-	-	-	-
	Spouse and minor children		-	-	-	-
11	Associate Prof. Dr. Atirek Chivabongs	Director	-	-	-	-
	Spouse and minor children		-	-	-	-
12	Mrs. Prapaphan Tanthavirat	Administrative Director, Aikchol Hospital	-	-	-	-
	Spouse and minor children		-	-	-	-
13	Mrs. Somporn Permsuk	Administrative Director, Aikchol 2 Hospital	-	-	-	-
	Spouse and minor children		-	-	-	-
14	Dr. Pichai Siripornpanich	Medical Director, Aikchol 2 Hospital	-	-	-	-
	Spouse and minor children		-	-	-	-



CSR

CORPORATE SOCIAL RESPONSIBILITY

AHC

โรงพยาบาลเอกชล
AIKCHOL HOSPITAL



โครงการธรรมะรุ่น 6



โครงการเลือด เอกชล



โครงการ มอบความสุขบ้านล่อเรนโซ
พนัสนิคม



โครงการมอบของเล่นเด็ก
โรงเรียนวัดเขาเชิงเทียนเทพาราม



โครงการ Big Cleaning Day



โครงการมอบทุน บุตรพนักงาน

โรงพยาบาลเอกชล AIKCHOL HOSPITAL



ได้รับการรับรองคุณภาพและมาตรฐานโดย
Joint Commission International (JCI)
and Hospital Accreditation (HA)



www.aikchol.com

โรงพยาบาลเอกชล : 038 939 999

โรงพยาบาลเอกชล 2 : 038 939 888

