



# 2017 ANNUAL REPORT

รายงานประจำปี 2560



**AIKCHOL HOSPITAL**  
**PUBLIC COMPANY LIMITED**

บริษัท โรงพยาบาลเอกชล จำกัด (มหาชน)





# งานครบรอบ 36 ปี โรงพยาบาลเอกชล

วันที่ 27 เมษายน 2560





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## Message from the Chairman

Dear Shareholders

Another rapid year has passed, while Thailand's economy remained sluggish amidst political uncertainties. All staff of Aikchol Hospital and Aikchol 2 Hospital therefore have been working harder and raced against time to successfully deliver efficient and satisfactory medical services to patients and the community. In bolstering the confidence on the standard of medical services provided by Aikchol Hospital, the strategic committee meetings were held to define relevant strategic directions, prioritizing patients' safety and ethical practices.

Foreseeing economic potential of Chon Buri, the hospital business is becoming fiercely competitive. The reason is because Chon Buri has become one of the provinces designated as part of Thailand's Eastern Economic Corridor Development Project (EEC) and many more new private hospitals have started up their operation and competing with existing hospitals.

The Board of Directors, Executive Committee, and Audit Committee are also committed to undertake the control and supervision of measurements for the prevention of all risks, especially medical care-related risks.

On behalf of the Board of Directors, I would like to express my sincere appreciation to all shareholders and benefactors for their trust in Aikchol. Our management team, medical staff and all staff have and will continue to dedicate their efforts for the betterment and growth of Aikchol Hospital. I am confident that everyone will continue to actively drive a secure, continual and sustainable growth for our business.

(Mr. Apirag Vanich)

Chairman

Aikchol Hospital Public Company Limited





## General Information

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

## Securities and Shareholders' Information

### 1. Registered Capital and Paid-up Capital

As of December 31, 2017, 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 21, 2017, were:

	Name	No. of shares	%
1	Mr. Apirag Vanich and spouse	19,020,084	12.69%
	<b>Total</b>	<b>19,020,084</b>	<b>12.69%</b>
2	Chean Vanit Co., Ltd.	12,612,000	8.41%
	<b>Total</b>	<b>12,612,000</b>	<b>8.41%</b>
3	Mrs. Tuanjit Kittiwut	9,994,140	6.67%
	<b>Total</b>	<b>9,997,440</b>	<b>6.67%</b>
4	Ms. Phortchana Manoch and spouse	4,377,408	2.92%
	Mr. Siripoj Manoch	1,661,596	1.11%
	Mr. Khunphat Manoch	1,542,384	1.03%
	Mr. Sithipoj Manoch	1,554,484	1.04%
	<b>Total</b>	<b>9,019,672</b>	<b>6.10%</b>
5	Mr. Pongsak Vittayakorn	6,819,060	4.55%
	<b>Total</b>	<b>6,819,060</b>	<b>4.55%</b>
6	Ms. Rojana Vanich	6,026,940	4.02%
	<b>Total</b>	<b>6,026,940</b>	<b>4.02%</b>
7	Ms. Oranuj Vanich	5,801,016	3.87%
	<b>Total</b>	<b>5,801,016</b>	<b>3.87%</b>
8	USB AG SINGAPORE BRANCH	5,380,000	3.59%
	<b>Total</b>	<b>5,380,000</b>	<b>3.59%</b>
9	Ms. Aungkhana Vanich	5,325,984	3.55%
	<b>Total</b>	<b>5,325,984</b>	<b>3.55%</b>
10	Ms. Amornrat Kasemsakdakorn	4,902,040	3.27%
	<b>Total</b>	<b>4,902,040</b>	<b>3.27%</b>

# 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 Dhepchalerm**

Vice Chairman of the Board



**Sucha Nimmannit, M.D.**

Director



**Krisada Banchuin M.D.**

Director



**Mr. Sirichai Manoch**

Director



**Ms. Kanchana Vanich**

Director



**Mrs. Thitawat Pothanant**

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** 53

**Date of appointment as director** : April 15, 1991

### Education

- MBA, Indiana University, USA
- B.S. Agricultural Economics, Purdue University, USA
- Directors Accreditation Program (DAP) (37/2005)
- Directors Certification Program (DCP) (60/2005)
- Finance for Non-Financial Directors (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** : 21.10

### 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** 90

**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 Gypsum Co., Ltd.
- Vanich Pilok Mining 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, USA
- B.S. Business Administration, University of Wisconsin, USA
- Bachelor of Laws, Dhurakij Pundit University
- Directors Certification Program (DCP) (25/2002)
- Financial Statements for Directors (FSD) (13/2011)
- Anti-Corruption for Executive Program (ACEP) (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 Lineal Co., Ltd.
- Vanich Pilok Mining Co., Ltd.

### Family ties among executives

- |                       |         |
|-----------------------|---------|
| - Ms. KanchanaVanich  | Sibling |
| - Mr. Apirag Vanich   | Sibling |
| - Ms. Oranuj Vanich   | Sibling |
| - Mr. Sirichai Manoch | Spouse  |

## Sucha Nimmannit, M.D.

Director, Executive Director, and Deputy Managing Director of Medicine, 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.

Director, Independent Director, Chairman of the Nomination and Remuneration Committee and Chairman of the Audit 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
- Diploma, 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** 74

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

**(%) Share Possession** : 2.92

### Family ties among executives

- Mrs. Phortchana Manoch Spouse

## Ms. Kanchana Vanich

Director

**Age** 60

**Date of appointment as director** : February 23, 1994

### Education

- B.S. Finance, University of Wisconsin, USA
- B.S. Human & Relationship, University of Wisconsin, USA
- Directors Accreditation Program (DAP) (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

## Ms. Oranuj Vanich

Director

**Age** 55

**Date of appointment as director** : April 11, 2011

### Education

- B.S. Marketing, Indiana State University, USA
- Hotel Management Diploma, Hotel Management School, "Les Roches" Switzerland
- Directors Accreditation Program (DAP) (2011)
- Financial Statements for Directors (FSD) (2013)

**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** 70

**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) (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

## Mrs. Thitawat Pothanant

Director, Independent Director, Member of the Audit Committee

**Age** 62

**Date of appointment as director :** April 21, 2017

### Education

- M.B.A. (Finance), ST. John University, New York, U.S.A.
- B.S. (Business Administration), Kasetsart University, Thailand.
- Directors Accreditation Program (DAP) (140/2017)

**Positions held in other listed companies :** None

**Other present positions :** None

### Experience

- First Executive Vice President, Head of Credit Risk Division, Risk Management Group, CIMB Thai Bank Plc.
- Senior Credit Officer, Standard Chartered Bank Philipines.
- Corporate Finance Executive Wholesales Banking Department The Chase Manhattan Bank, N.A., Bangkok Branch.

**(%) Share Possession :** None

**Family ties among executives :** None

## **Associate Professor Atirek Chirabongs M.D.**

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

**Age** 81

**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) (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
- Senior Managing Director of Sport medicine Section of Royal Thai Orthopaedic Surgeons Advising Board of Thai Health Journal.

**(%) Share Possession :** None

**Family ties among executives :** None

## **Pichai Siripornpanich M.D.**

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

**Age** 61

### **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

## **Mrs. Prapaphan Tanthavirat**

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

**Age** 69

### **Education**

- Bachelor of Accountancy, Faculty of Commerce and Accountancy, Thammasat University
- Master of Public Administration, Faculty of Political Science, Thammasat University
- Anti-Corruption The Corporate Secretary (ACPG) (2014)
- Fundamental Practice for Corporate Secretary (FPCS), Class 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

## **Mrs. Somporn Permsuk**

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

**Age** 68

### **Education**

- Bachelor of Public Administration, Sukhothai Thammathirat Open University

### **Experience**

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

**(%) Share Possession** : None



## **Business Overviews and Policies**

### **Background and Nature of Business**

Aikchol Hospital is along-established private hospital, with next year marking the 36<sup>th</sup> 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**

### **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 ER 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, Dermatology (Skin) and Beauty clinic, Heart (cardiac) clinic, an Ophthalmology (Eye) clinic, Urology clinic, Respiratory and Pulmonary clinic (Chest).

## 2017

- In April, Aikchol celebrated its 36<sup>th</sup> Anniversary of the first private hospital in Chon Buri, with its continued commitment to developing all aspects. In 2015, Aikchol Hospital was certified by the internationally recognized Joint Commission





International (JCI), USA. Current data from the beginning of the year shows that Thailand has only 53 JCI-accredited hospitals from 341 hospitals nationwide.

- Aikchol received a “good” quality assessment in the 2017 AGM from the Thai Investors Association.
- The Board of Directors approved the establishment of a Risk Committee to study and work on Aikchol’s anti-corruption measures and to prepare for participation Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC).
- Aikchol Hospital revamped the exterior of Building 1 and the Administration Building to enhance the scenery.
- The internal space has been modified to upscale patient care and treatment by opening up more specialized clinics, such as a Cardiology clinic, a Respiratory and Pulmonary clinic, a Urology clinic and a Dermatology (Skin) clinic.

### **Awards and quality certification**

#### **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.

## **2017**

- In March, Aikchol Hospital and Aikchol 2 Hospital received a certificate of quality improvement in hospitals from the Healthcare Accreditation Institute (Public Organization) for continuously promoting the development of hospital quality (HA).
- In August, Aikchol received a “Certificate of ESG 100 Company” for the second consecutive year from Thaipat Institute as one of the 100 listed companies in Thailand with outstanding performance in environmental, social and sustainable governance out of the 656 listed companies on SET.
- The overall score from the results of the survey on good corporate governance of listed companies by the Thai Institute of Directors (IOD) in 2017 was at a “very good” level.
- Results from the evaluation of the AGM quality were at a “very good” level in the AGM Quality Assessment 2017, organized by the Thai Investors Association.

## **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 a 262-bed hospital established on the November 15, 1978, and located on an area of 12 rai. The hospital consists of two out-patient buildings, one administration building and a restaurant for serving customers who come to visit patients as well as walk in customers, with more than 300 parking spaces. Aikchol is listed on SET, accredited by the Joint Commission International (JCI), USA, an international organization that accredits hospitals around the world.

Nowadays, Aikchol Hospital has organized medical specialists for more specialized medical services and care through the expertise of several teams of doctors and specialized nurses as well as modern medical equipments with accurate diagnostic machines, such as Cardiology Clinic with specialists doctors and nurses, highly trained and experienced in

taking care, treating heart diseases, as well as with Catherization laboratory that has complete staff and fully equipped Coronary Care Unit (CCU). In addition, the hospital also got various clinics such as Gastroenterology Clinic, Urology Clinic, Pulmonary Respiratory (chest) Clinic, Otolaryngology (ENT) Clinic and Dermatology (Skin) and Beauty Clinic.

Aikchol Hospital focuses on all types of patients, both general and with group of patients with private insurance. On the other hand Aikchol 2 Hospital services patients with Social Security Scheme, Company contract, Workmen Compensation Fund, Thai compulsory car/ motor insurance as well as general customers. The target group of workers from nearby industrial estates that has feasible access to the hospital. Thus, the choice of location is very important.

Aikchol Hospital aims to expand its customer base to encompass foreigners as this year foreign patients from foreign organizations have been treated by the hospital. Health trends and government policies are therefore important factors, while wellness trends have encouraged people to go to fitness gyms, seeking good food and good health, which is something that all people should live by in the current world.

The business expansion of Aikchol Hospital is proportional to the growth of the economy because the economic status of the middle-class has also improved. Healthcare clients have spread to every corner of the city. Foreign customers of Aikchol Hospital include seasonal groups, and recurrent patients in health rehabilitation who, though small in size, have confidence in the quality and expertise provided by the hospital.

At the same time, the opening up of the ASEAN free trade area has revived the business sector, leading to a movement of health personnel both in and out of the country, with requirement for an overall increase of the number of ASEAN workers in Thailand. However, the management of manpower in the health care sector still remains a problem, as there is a lack of personnel in health services, and inefficient distribution in both the government and private sectors, as well as in the city and rural areas.

### **Economic Situation**

Though the public sector predicted that the economy has clearly revived continually for the past year and is expected to peak in four years since 2012, most people still feel they do not gain anything from this economic growth, as the growth was concentrated only in some groups.

The revival of the Thai economy this time resulted from tourism and export, where tourism numbers posted a new high, mainly from Asia, China and the Middle East. With the flow of foreign money, the service sectors – restaurants and various shops fully benefited, though the growth is concentrated in some popular tourist provinces. Hospitals also experienced the expanded economy in the form of medical-related tourism.

At present, there is very high competition in the all aspects for hospitals: how to build brands, create trust as well as loyal customers among users.

### **Target groups**

With Aikchol Hospital being located in Chon Buri city, surrounded by government offices, schools, public hospitals as well as being close to Amata Industrial Estate and several housing projects, the hospital attracts a variety of business customers. Aikchol hospital expanded its customer base to include foreign clients by its esteem distinction a JCI accredited standard with many expert doctors on specialized clinics.

Modern clients are a source of the information age and therefore comprise a target group that the hospital wishes to access through mobile communication tools to allow more dissemination of news and information. The client can use the doctor appointment system to access convenient service and to correctly plan to select specialist clinics for treatment. The hospital provides knowledge for health promotion, disease prevention and rehabilitation for a one-stop service at the reasonable price.

Foreigners coming for service at the hospital have increased continually from 2015 right through 2017, and the hospital has raised its standard for chronic or complex diseases requiring special care from specialist doctors to follow the seasonal basic diseases.

### **Procurement of products or services**

Aikchol has a policy to acquire appropriate medical products as follows:

- 1) Acquire medical equipment, supplies, and medicine from domestic and foreign countries, with consideration for product quality, whereby 2-3 companies are evaluated and screened for characteristics of each type and item.
- 2) Appoint a committee with medical doctors to oversee the suitability of modern medical equipment selection and consider whether performance and after-sale service are in compliance with contracts. At the same time, the committee has a duty to prevent monopolization of the same type of product. A central acquisition system was also installed to manage the purchase of medical equipment and supplies of all hospitals in the group to ensure cost-effectiveness and the economies of scale, as well as efficient planning of the budget to respond to appropriate needs. The hospital also put into place a monitoring system of the supply chain logistics from end to end to deliver products safely and accurately so that the hospital may receive the products on time as specified in the contract.

### **Environmental Management**

Aikchol focuses on a business policy that is environmentally conscious and strictly adheres to environmental laws and regulations, promoting personnel to take part in energy



conservation with dedication and aim to reduce impacts on natural resources and the environment. Volunteer activities are arranged for social action while monitoring the implementation of regulations for the occupational health and safety of personnel and communities.

Waste has become a significant problem, affecting community health and quality of life. Aikchol has installed an effective and all-round management system in the collection, separation, transport and elimination by separating waste into hazardous waste, infected waste, and general garbage. A separate company is outsourced to dispose of hazardous and infected waste, in accordance with Ministry of Health standards and legal requirements. Any waste water generated is systematically managed through the treatment of waste water for environmental and health safety.

Aikchol has also joined the Project on Promoting Energy Efficiency in Commercial Building (PEECB), hospital sector, a project initiated by the Department of Alternative Energy Development and Efficiency (DEDE) under the Ministry of Energy in collaboration with United Nations Development Program (UNDP), funded by the Global Environmental Facility (GEF), putting in infrastructure, improvement as well as monitoring and analysis of energy efficiency in the hospital business to reduce greenhouse gas (GHG) emission. As participant of the program, Aikchol changed fluorescent lights to LED lighting for cost-efficiency and heat reduction, installed sensor lights and started a campaign for using stairs instead of elevators and the use of a sleep mode for computer screens, and so on.

## **Risk factors**

### **Risk from deficit of specialists**

Most people see the Thai public health system as more robust than other public health systems, as most health personnel are of excellent quality. However, as medical science, healthcare and technology advance, medical progress is no longer in line with changes in Thai demographic structure. For example, the ratio of elderly citizens increased rapidly in 2016, while the gap of skilled labor development widens, leading to high risks from reliance of specialists, as hospital work requires specialists who are extremely able – doctors, nurses and technical personnel.

Any production or development of skilled workers requires time, and Aikchol started risk mitigation measures by acquiring supplementary personnel from hospitals in similar businesses. Aikchol has enough temporary worker positions in accordance with a Ministry of Public Health regulation and has reorganized its employment and work structure as appropriate.



The hospital also prevents talent loss risks by providing incentives for long-term employment through promotion to higher positions, opportunities to receive scholarships in specific work branches and for renewal of contracts, constant review for increase in annual salaries and compensation, and appropriate welfare. The turnover rate of personnel is currently 1.5%. Apart from support to personnel, the hospital grants scholarships to children of staff with good academic results who have passed schools' selection criteria or if staff require funding assistance, the hospital also provides access to low-interest loan sources to ensure good education for their children.

### **Risks from Government Policy Change, Regulations and Various Laws**

In every government, there are always risks concerning policy and administration of public health, as the government tries to reform the public health structure and develop personnel. Reform of the financing of the National Health Security Funds inevitably affects the Social Security Funds and the Civil Servant Welfare Health Fund that have disparities in benefits and management. The government cannot control the conditions for accessing hospital services due to accumulated problems from previous governments. Aikchol 2 Hospital also started disseminating information to those with health insurance on health promotion and prevention of diseases. A more open access to the public health system is excellent for emergency care or diagnosis, but often this has caused some people to unreasonably neglect their own health or ignore the value of maintaining good health, such as overeating, not exercising, and not stopping such bad habits as smoking and drinking. When people health concern are taken for granted, the budget for public hospitals is never adequate. Though the government may set a policy for the private sector to partially look after the unemployed through various regulations, private hospitals were never invited to take part in the deliberation of the terms of contract with the state. Furthermore, the moves come in the form of law enforcement that private sectors must cooperate. Therefore, any business growth relies on state policy and financial management, such as, Social Security Fund projects, Workmen's Compensation Fund, and the Universal Coverage for Emergency Patients (UCEP) will affect the investment and expansion of the business. It is uncertain whether the government wants to support the private sector or wish to access the benefit of the funds. The Ministry of Public Health still needs to adequately increase the number of health personnel and to improve the national policy, so, with this in mind, what the government has done was to transfer the burden onto private hospitals without any consultation and without reasonable consideration.

### **Risks of Commercial Competition**

The hospital business has become a medical industry trend that the business sector is eyeing with interests. Thais knew that the economy is growing, but have not realized that this

growth is not equal in all sectors. During the last three years (2015-2017), the Thai economy grew by 3.3-3.4% on average due to expansion of the world economy, tourism and export. Though this seems a good indicator overall, consumption and investment have shrunk, especially the consumption of the grassroots population and SME investments.

The Thai economy's potential have decreased, similar to public health, which is slow and ineffective due to an increasing number of patients, because people do not look after themselves, as well as current demographic changes whereby the ratio of the elderly will be higher than the working generation. An indicator of being a developed nation is that when the country becomes a society of the elderly, the economy will slow down.

Another factor is that in opening up a free economy, the results are free movement of products and service. In other words, once many businesses of the same type are launched, there will be large labor movement. Any business relying on competitive pricing will see a more reduced profit margin and may need to close down when faced with low-cost manufacturers. However, in the medical sector, expertise and good health services are determining factors to create confidence and loyalty in clients.

In terms of consumer behavior, those who came for service at Aikchol have different behavior from last year through a process of gradual changes. Because consumers now have a variety of options, especially access to different technology, they no longer want to wait. They require products and services quickly and easily. Granting permits to allow hospitals to be established at almost every corner of the city creates more opportunities for the public to access such services quickly and easily, almost like accessing a convenience store that is open 24 hours a day. The problem, however, is lack of qualified medical personnel. As demand is high with inadequate supply, there must be, of course, headhunters. As a business, if costs are high, the prices of products or services have to be high apparently too. Therefore, if the state promotes establishment of many hospitals without any quality control, competition for survival will remain. Those in the business will have to adjust themselves and their visions, initiate new tactics to entice consumers or those using services to be satisfied enough to become loyal clients. All hospitals face annual policy changes and new strategies to impress customers with their services.

For this reason, Aikchol hospital has to undertake various strategies for marketing, including providing knowledge of the causes of various diseases to customers, providing them with information through the internet and allowing patients to select a variety of treatment - from modern medicine to holistic treatment including mental well-being or natural healing. Another innovation is to bring in modern, expensive medical equipment for diagnosis. Though the cost is high, it is uncertain whether the treatment will work, since this relies on diagnosis and the confidence in the treatment process by experts.

## 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 (2012 - 2016)

Annual dividend payment	2016	2015	2014	2013	2012
Net earnings per share (consolidated financial statements)	1.22	1.07	1.21	1.27	1.15
Dividend payment per share (Baht)	0.63	0.55	0.65	0.64	0.80
Dividend payment in percentage of net profit per share	51.74%	51.46%	53.63%	50.00%	58.02%
Date of payment	19/05/17	18/05/16	18/05/15	08/05/14	29/05/13

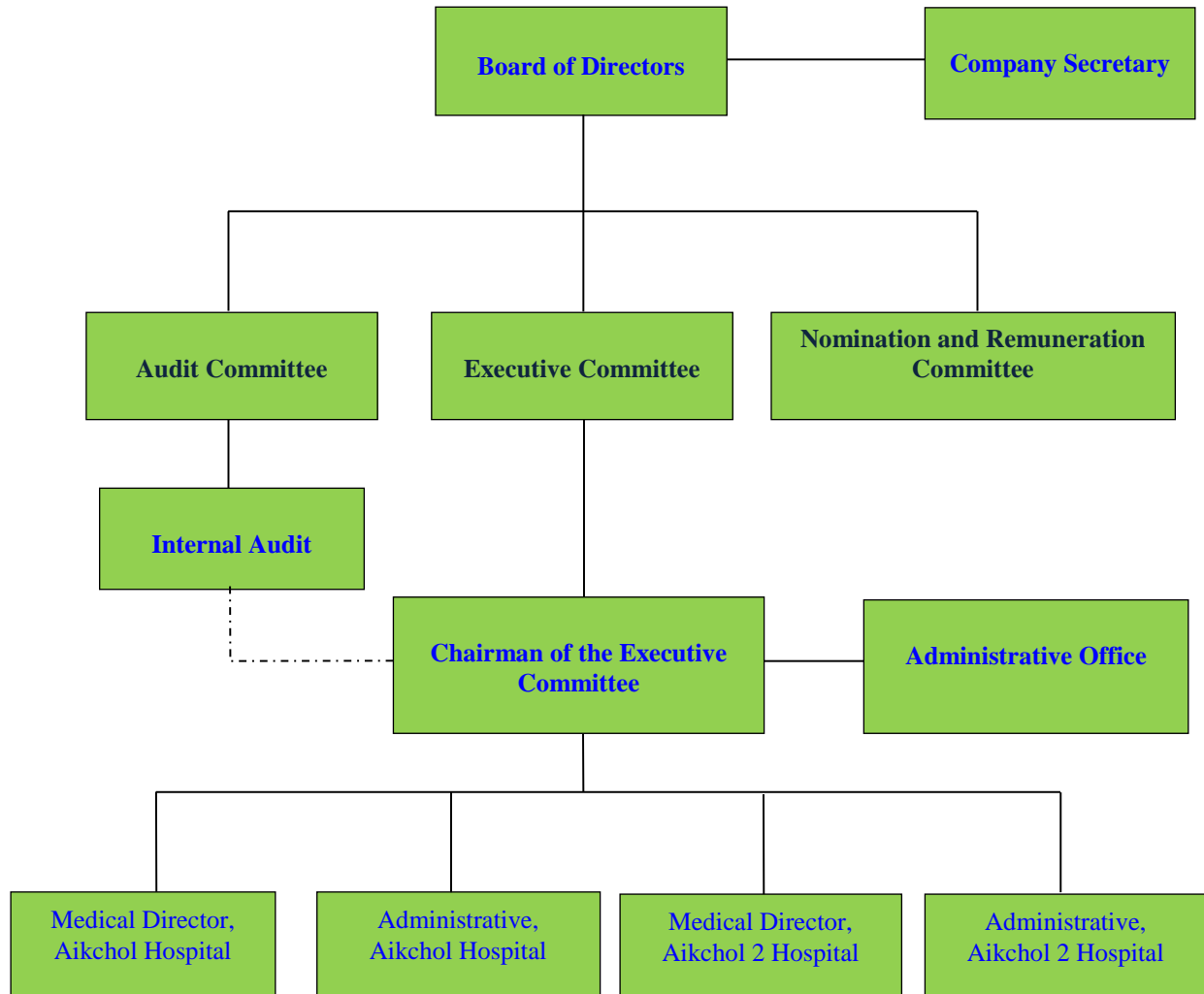
#### Notes:

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, 2017



## 2. Board of Directors

As of December 31, 2017, the Board consisted of:

Name	Meeting Attendance in 2017			
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee
1. Mr. Apirag Vanich	6/6			
2. Mr. Vichai Dhephalerm	6/6	22/24	2/2	
3. Mrs. Phortchana Manoch	6/6			22/22
4. Dr. Sucha Nimmannit	6/6			22/22
5. Dr. Krisada Banchuin	6/6	24/24	2/2	
6. Mr. Sirichai Manoch	6/6			21/22
7. Ms. Kanchana Vanich	5/6			
8. Ms. Oranuj Vanich	5/6			
9. Dr. Sanit Charkrit	6/6			22/22
10. Associate Prof. Dr. Atirek Chivabongs	4/6	23/24	2/2	
11. Mrs. Thitawat Pothanant	5/5	17/17		

**Note :** Mrs.Thitawat Pothanant was appointed Director, by the resolution of the Annual General Meeting of Shareholders No. 39, on April 21, 2017 and was appointed member of the Audit Committee, by the resolution of the Board meeting No. 302, on April 21, 2017.

### 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, its 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.

In 2017, one director attended the “Directors Accreditation Program (DAP) (140/2017) – Mrs. Thitawat Pothanant

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 2017, 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 2017**

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 88.46 percent, which is considered “Good” according to the SET Scale.

Aikchol submitted the assessment outcomes to Board meeting No. 307 on February 12, 2017, 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.	Asso.Prof.Dr. Atirek	Chivabongs	Member
4.	Mrs. Thitawat	Pothanant	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 24 such meetings. in 2017

## **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.	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 2017, the committee held two such meetings.



### 3. Executive Committee

Board Meeting No. 304 of August 30, 2017, 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. Dr. 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 22 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, 2017, 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 2017 and 2016:

(Unit : Thousand Baht)

Name	Remuneration in 2016 total (Baht)	Director's Remuneration				Remuneration in 2017 total (Baht)
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee	
1 Mr.Apirag Vanich	660.00	672.00	-	-	-	672.00
2 Mr. Vichai Dhepchalerm	604.00	372.00	220.00	10.00	-	602.00
3 Mrs. Phortchana Manoch	612.00	372.00	-	-	266.00	638.00
4 Mr. Sucha Nimmannit, M.D	512.00	372.00	-	-	166.00	538.00
5 Mr. Krisada Banchuin, M.D	634.00	372.00	270.00	10.00	-	652.00
6 Mr. Sirichai Manoch	718.00	592.00	-	-	163.00	755.00
7 Ms. Kanchana Vanich	360.00	360.00	-	-	-	360.00
8 Second Lt. Kittit Toranin	62.00	-	-	-	-	-
8 Ms. Oranuj Vanich	372.00	360.00	-	-	-	360.00
9 Mr. Sanit Charkrit, M.D	512.00	372.00	-	-	166.00	538.00
10 Asso.Pro.Dr.Atirek Chivabongs	604.00	348.00	240.00	10.00	-	598.00
11 Mrs. Thitawat Pothanant	-	285.00	200.00	-	-	485.00
	<b>5,650.00</b>	<b>4,477.00</b>	<b>930.00</b>	<b>30.00</b>	<b>761.00</b>	<b>6,198.00</b>

### Management's Remuneration

Salaries, bonuses and meeting allowances paid to executives and members of the Executive Committee in 2016 and 2017:

(Unit : Baht)

2017	2016
28,848,799	24,098,167

### 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.

In 2017, one director attended the “Directors Accreditation Program (DAP) (140/2017) – Mrs. Thitawat Pothanant

## 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
<b>Education</b>	<ul style="list-style-type: none"> <li>- Bachelor of Accounting, Faculty of Commerce and Accountancy, Thammasat University</li> <li>- Master’s Degree in Public Administration, Faculty of Political Sciences, Thammasat University</li> </ul>
<b>Training</b>	<ul style="list-style-type: none"> <li>- Anti-Corruption: The Practical Guide (ACPG), Class 12/2014</li> <li>- Fundamental Practice for Corporate Secretary (FPCS), Class 18/ 2014</li> </ul>

**Present Position**

- 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 2016 and 31 December 2017 of the Company as follows:

Detail	Employees	
	December 31, 2017	December 31, 2016
Doctors and nurses	1,056	1,104
Administrative personnel	291	326
<b>Total</b>	<b>1,347</b>	<b>1,430</b>

### 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 2017 and 2016.

(million Baht)	
2017	2016
535.25	511.99

### 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, in 2017, 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](http://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 2017**

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 2017, the AGM was held on Friday April 21, 2017, 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 301<sup>th</sup> meeting held on February 22, 2017, the Board resolved to hold the 2017 AGM on April 21, 2017. 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, 2017, to January 14, 2018, 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](http://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](http://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](http://www.aikchol.com) or Email address: [ir@aikchol.com](mailto: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 2017:

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. 304/2017, 305/2017 held in 2017 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. 306/2017 held in 2017 was to consider the performance and salaries of executives who had performed their duties for one year.
7. During Board Meeting No. 306/2017 held on December 22, 2017, 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 supports and promotes community and social development by encouraging employees to have a volunteer's mind and participate in helping and doing good deeds for the community and society. This includes both internal and external societies. In 2017, Aikchol was involved in community and social development through the following projects:

### **Aikchol Ruamjai "beach garbage collection" for environmental protection project**

Pollution from waste at natural tourist destinations continues to be a problem despite campaigns for tourists to take their garbage back with them, which were not very effective. One of the tourist attractions that face this problem is Bangsaen Beach.

Aikchol sees the importance of solving and alleviating garbage problems due to tourist waste and natural waste washing up on the beach at tourist attraction sites. Therefore, the Aikchol Ruamjai "beach garbage collection" project for environmental protection was organized to promote employees participation. The project was aimed to stimulate and create public consciousness within the employee to care for the environment, encourage employees to volunteer and participate in community service, foster cooperation among personnel and create good relationships between the Company and the community. Four events took place in 2017.



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

Every drop of blood is valuable and significant in helping nourish human life, not only for routine operations or to treat patients only in times of war or civil unrest, but every blood group is in demand everyday. Aikchol realizes that there is always shortage of blood to assist fellow human beings due to the inability of blood banks to provide enough spare blood to meet patients' need, causing problems in trying to find urgent blood supplies and resulting in delayed treatment or inefficient assistance to patients.

To encourage employees to learn how to share, how to sacrifice and help others, and how to get involved in being blood donors, the Company, together with the Thai Red Cross Society, held a blood donation drive from employees for storage at the Blood Bank to help patients who required blood from both public hospitals in Chon Buri and neighboring provinces. The **“Aikchol Blood”** project and the **“Blood Donation for a Brighter life”** project has been held for eight consecutive years. The event was organized four times in 2017.

### **“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**

The objective of helping save lives quickly, easing suffering and increasing the well-being of the people, Aikchol organized a training program on first-aid care for patients before sending them to the hospital. The program is led by a team of doctors and nurses who are experts and have undergone specialized CPR training. They provide knowledge and CPR training to volunteers from the foundations and employees of various companies. This ongoing activity has been held consecutively for almost 11 years and has received good feedback.

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

In order for life to be truly happy, development of mental intelligence and mental qualities are required. This is something that can be trained and developed through reflection, contemplation and learning from what has already



happened as a direct life experience, or by observing or absorbing experience from others. Development of the mind requires practice, mindfulness and “vipassana” as a way of training continuous consciousness. Continuous and long-lasting mindfulness causes changes in the body that will lead to good physical and mental health, helping with the preventing and curing of many diseases. Those who practice mindfulness will be peaceful, serene, nourished and bright, with good body and brain functions. When the nervous system is relaxed, stress is relieved, allowing bodily systems to function well and strengthening immunity, leading to noticeably decreasing physical illness.

For this very reason, Aikchol has set up the “mindfulness and mind development for a brighter life” dhamma project to promote employees to develop their mindfulness, improve concentration during work, reduce stress and elevate work performance. The practice will also improve their mental foundation, instill moral values, which in turn will lead to treatment services with good consciousness. Many employees and other interested outsiders have taken part in this activity. This activity has also been ongoing for many years as well and in 2017, was held seven times.

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

A happy, fresh and clear work environment, especially good hygiene (both internally and externally), is an important force that helps drive the quality and success of a job. A strong physical health and refreshed spirit result in a balanced working and personal life, and quality of all personnel. In addition to this, the prevalence of obesity or being over weighted is increasing among the current population. Hence, the Company focused on risk factors that affect the living and working conditions of the employees.

To encourage employees to look after their health and obtain knowledge and understanding on how to modify exercising habits to ensure good hygiene, including correct health care, and being aware of dangers that can affect health, the following exercise programs have organized: 1) aerobic exercise, 2) yoga, and 3) NRC (home exercise).

#### **“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. 307 on February 12, 2018, 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 2017, Aikchol held six Board meetings and 22 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 August 30, 2017, 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>2017</u>	<u>2016</u>	<u>2015</u>
<b>Summary of financial statements</b>			
Total Revenues	1,584,015	1,620,160	1,531,291
Medical Service Income	1,547,838	1,585,501	1,500,514
Gross Profit Margin	231,378	300,307	288,470
Net Profit	127,867	182,538	160,211
Total Assets	1,756,979	1,712,711	1,551,709
Total Liabilities	300,808	279,028	222,132
Total Shareholders' Equity	1,456,171	1,433,683	1,329,577
<b>Financial ratios</b>			
<b>Liquidity ratios</b>			
Current Ratio (times)	3.23	3.22	3.52
Quick Ratio (times)	3.04	3.06	3.31
Average Collection Period (days)	16.36	14.75	15.70
Average Inventory period (days)	11.13	9.93	10.24
Average Payable Period (days)	20.89	20.09	20.04
<b>Profitability Ratios</b>			
Gross Profit Margin Ratio (%)	14.95	18.94	19.22
Net profit on Sales (%)	8.07	11.27	10.46
Return on Equity (%)	8.85	13.21	12.47
<b>Efficiency Ratios</b>			
Return on Assets (%)	7.37	11.18	10.66
<b>Financial policy ratio</b>			
Debt to Equity Ratio (times)	0.21	0.19	0.17

## **Management Discussion and Analysis: MD&A**

### **Performance and Profitability**

#### **Hospital Operating Revenue**

This year, the total medical service revenues from Aikchol hospital and Aikchol 2 hospital accounted for Baht 1,547.84 million, a decrease of Baht 37.66 million or 2.38% from last year. This caused by the declining revenue on general patients of Baht 28.14 million or 2.40% and that earned from the Social Security Program of Baht 9.52 million or 2.30%.

#### **Other Revenues**

Other revenues this year totaled to Baht 36.18 million, an increase of Baht 1.52 million or 4.20% from last year. This result came from the interests on income on investment and rental space fees.

#### **Cost of Medical Service and Administrative Expenses**

The total medical service and administrative expenses from the both hospitals this year – including depreciation and amortization – stood at Baht 1,425.55 million, an increase of Baht 32.19 million 2.31% year-on-year.

The medical service cost rose to Baht 31.25 million, primarily due to the restructuring of medical personnel's benefits and expenses spent on computer devices to support new operating and management systems this year.

Administrative expenses increased by Baht 0.94 million, mainly owing to salary adjustment and annual welfare benefits for employees. This resulted in an EBITDA of Baht 218.07 million, a decrease of Baht 70.68 million or 24.48% from last year. The EBITDA margin stood at 13.77%, against 17.82% of 2016.

#### **Interest Expenses**

This year Aikchol had neither interest expenses nor outstanding loans.

#### **Income Tax**

This year, Aikchol's corporate income tax accounted for Baht 30.60 million, Baht 13.67 million or 30.88% lower than last year, which represented expenses as a function of profits.

#### **Annual Net Profit**

This year, a net profit was Baht 127.87 million, Baht 54.67 million or 29.95% lower than last year and the net profit per share was equal to Baht 0.85.

## **Total Comprehensive Income**

This year's total comprehensive income was Baht 1 16.67million, which declined by Baht 69.66 million or 37.39% from the previous year due to a decrease in net profit of Baht 54.67-million and the lower fair value of available-for-sale securities of Bangkok Dusit Medical Services Public Company Limited (BDMS), which underwent revaluation. This included the Baht 15.47 million lower income tax on possible reclassified items this year, losses on reclassified revaluated assets based on actuarial science calculation, and an income tax payment of Baht 0.48 million greater than last year for items not reclassified.

## **Asset Management Capability**

### **Financial Position**

#### **Assets**

Key components relating to significant changes in assets and asset quality as of December 31, 2017, included following:

- Cash and cash equivalents was Baht 466.58 million, increased by of Baht 273.75 million year-on-year, in line with the incoming cash flow and investment on general short-term fixed-income mutual fund with high liquidity.
- Account receivables were Baht 75.08 million, a rise of Baht 5.85 million from the previous year. This represented current account receivables under Aikchol's average of 16 days of debt collection period. Note that these debtors were considered high quality account receivables, such as government agencies, insurance companies, life assurance companies, and other firms with contracts for transferring their employees to receive medical services at the hospital. In conforming to accounting standards, Aikchol undertook quarterly reviews of its reserve amount for doubtful debts and bad debts.
- Long-term investment on available-for-sale securities represented those of Bangkok Dusit Medical Services Public Company Limited, valued at Baht 139.33 million, recorded at book value at the end of 2017.
- Inventories were Baht 44.97 million, went up by Baht 9.62 million. The increasing was to accommodate the growing number of patients, medical check-up programs, and a constant increase in social security beneficiaries. In this case, Aikchol considered inventories as high quality and had no need to set aside provision for an allowance for deteriorated and expired inventories because of short turnover period, which averaged only 11 days.
- Land, buildings and equipment totaled Baht 781.70 million, a decrease of Baht 22.71 million from last year. Aikchol kept investing in land, facility renovation and medical equipment to enhance its service performance and accommodate





future growth, which accounted for Baht 35.74 million, whereas depreciation during the year amounted to Baht 58.09 million.

- Intangible assets accounted for Baht 36.91 million, went up Baht 2.59 million from last year due to the investment on the installation of computer software, which operated since January 1, 2017.

## **Liabilities and Sources of Funds**

### **Suitability of Capital Structure**

The financial structure of Aikchol remains healthy. As of December 31, 2017 and 2016, the debt-to-equity ratios were 0.21 and 0.19, respectively. It firmly maintains its strict management policy and control on its financial structure, keeping financial ratios and liquidity appropriate.

### **Liabilities**

Aikchol was completely free of short-term and long-term loans. Most liabilities were from trade account payables that company consistently settled within their credit term. Non-current liabilities were in the form of retirement benefits for employees accounting for Baht 41.63 million and deferred liabilities of Baht 18.98 million.

### **Shareholders' Equity**

As of December 31, 2017 and 2016, total equity stood at Baht 1,456.17 million and Baht 1,433.68 million, respectively. Equity has steadily increased mainly because of Aikchol's successive increases in retained earnings.

## **Liquidity and Capital Adequacy**

### **Cash Flow**

As of December 31, 2017, Aikchol held net cash and cash equivalents of Baht 273.75 million. Cash and cash equivalents carried over from last year amounted to Baht 192.83 million and totaled Baht 466.58 million at the year-end. See full details below:

- Net cash flow from operating activities was Baht 191.25 million, decrease by Baht 75.89 million. The decrease was a decline in profits of Baht 54.67 million and growth in total current liabilities of Baht 14.26 million.
- Net cash flow from investing activities was Baht 176.68 million, increase by Baht 368.62 million. This primarily caused by the maturity general short-term fixed-income mutual fund.
- Net cash flow from financing activities was Baht 94.18 million, increase by Baht 11.96 million, due to Aikchol's dividend payment.



## **Key Ratios**

In 2017 and 2016, Aikchol maintained current ratios of 3.23 and 3.22, whereas quick ratios were 3.04 in 2017 and 3.06 in 2016. Considering all these ratios, it was found that Aikchol's key current ratios remained robust, demonstrating its high competency in short-term financial obligation payments.

## **Liability Obligations and Off-Balance Sheet Liability Management**

As of December 31, 2017, Aikchol was under bank guarantee obligation with a certain commercial bank. It leveraged its fixed deposit to guarantee the use of electricity provided by the Provincial Electricity Authority and the Social Security Office, a total amount of Baht 23.06 million. Other obligations relating to capital expenditure consisted of building construction, renovation, and purchase and installation of medical equipment, accounting for Baht 12.43 million. This also incorporated with a three-year lease contract on computers and related accessories of Baht 1.38 million.

## **Key Factors Affecting the Performance and Future Financial Status**

Aikchol's business competition outlook remains aggressive. Competitors from the private sector have eagerly stepped into the hospital sector in various manners– business affiliation and partnership alongside an increasing strategy on business mergers and acquisitions. In the meantime, government hospitals have attempted to upgrade their service standards so as to enhance competitiveness. Thus, compelling Aikchol to correspondingly improve higher service quality emphasizing clinical excellence that comply with the Joint Commission International (JCI)' standard to ensure customer satisfaction and safety. It also involves an increasing number of health insurers, another key challenge for private hospitals.

In addition to the hospital sector competition, the domestic hospital business is encountering a shortage of medical personnel and nurses. Graduation of these human resources is highly dependent on the government, causing Aikchol to not only compete with other medical business operations but also try to retain its medical personnel, nurses and experts. These result in an increase in operating costs, such as salary adjustment, welfare and other benefit packages. The hospital, however, sets a provision of its welfare that is competitive with other hospitals in the vicinity together with ensuring the fairness.

Under the current slow economic recovery and an increasing cost of living, these affect a growing in number of social security patients. The increase in social security patients leads to higher-than-expected medical expenses while the lump-sum earned medical income from the Social Security Scheme tends to remain stable. This, as a result, might be disproportionate to the greater number of service users, becoming one of the major factors potentially undermining Aikchol's performance.

## Report of the Audit Committee

Aikchol Hospital Pcl's Audit Committee consists of

- |    |                       |                |          |
|----|-----------------------|----------------|----------|
| 1. | Mr. Krisada           | Banchuin, MD   | Chairman |
| 2. | Mr. Vichai            | Dhepchalerm    | Member   |
| 3. | Assoc.Prof.Dr. Atirek | Chivabongs, MD | Member   |
| 4. | Mrs. Thitawat         | Pothanant      | 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 12 meetings at Aikchol Hospital and another 12 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 (2017) 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 (2018) 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 29, 2018, 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](mailto: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 2018 AGM.

On behalf of the Audit Committee

(Mr. Krisada Banchuin)  
Chairman, Audit Committee

January 29, 2018

## 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, 2017, 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**

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**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**





## 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, 2017, 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, 2017, 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 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 the core transaction that affects the operation and has material value in the financial statements 2017. To ensure that revenue from medical service is recognised correctly and appointment, I pay special attention to revenue recognition.

I assessed the appropriateness and tested the effectiveness of the internal control system 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 near the 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.

#### 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 145.38 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. 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. 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. To ensure that medical service income from Social Security is recognised correctly and appropriately, I have paid special attention to the revenue recognition of medical treatment fee from the Social Security Office as the amount to be received is uncertain and due to the delay of information received.

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.

#### Implementation of computer system

During the period, the company has changed its computer system program for the operation in every segment. Such change is a change to the business expansion that occurred to support future use. In order to ensure accurate data and complete input and processing, I have said special attention to the implementation of computer system.



I have assessed the appropriateness and tested the effectiveness of the computer system by testing general control of computer system, especially in the revenue and cost system. There is a testing of data input and testing of overall computer system processing.

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.



The engagement partner responsible for the audit resulting in this independent auditor's.

(Mr. Pojana Asvasontichai)

Certified Public Accountant

Registration No. 4891

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 7, 2018

**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT DECEMBER 31, 2017**

		<b><u>ASSETS</u></b>	
		Baht	
	Note	2017	2016
<b>Current assets</b>			
Cash and cash equivalents	6	466,576,117	192,830,269
Current investments	7	100,994,721	323,718,640
Trade accounts receivable	8	75,081,151	69,235,326
Accrued income		84,954,710	85,264,980
Inventories	9	44,974,277	35,355,202
Other current assets		3,248,044	6,334,133
<b>Total current assets</b>		<b>775,829,020</b>	<b>712,738,550</b>
<b>Non-current assets</b>			
Fixed deposit pledge as collateral	7	23,138,196	14,424,000
Long-term investment	7	139,333,194	153,333,180
Property, plant and equipment	10	781,700,870	804,409,869
Intangible assets	11	36,913,709	34,320,039
Other non-current assets		64,190	64,190
<b>Total non-current assets</b>		<b>981,150,159</b>	<b>1,006,551,278</b>
<b>Total assets</b>		<b>1,756,979,179</b>	<b>1,719,289,828</b>

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, 2017****LIABILITIES AND SHAREHOLDERS' EQUITY**

	Note	Baht	
		2017	2016
<b>Current liabilities</b>			
Trade accounts payable		75,970,562	74,761,749
Other payable		1,089,885	6,305,407
Accrued expenses	14	116,656,560	110,980,528
Accrued income tax expenses		12,371,106	14,244,250
Other current liabilities	15	34,108,349	19,846,518
<b>Total current liabilities</b>		<b>240,196,462</b>	<b>226,138,452</b>
<b>Non-current liabilities</b>			
Employee benefits obligation	16	41,631,676	36,655,053
Deferred tax liabilities	12	18,980,097	22,813,313
<b>Total non-current liabilities</b>		<b>60,611,773</b>	<b>59,468,366</b>
<b>Total liabilities</b>		<b>300,808,235</b>	<b>285,606,818</b>

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, 2017****LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)**

	Baht	
	2017	2016
<b>Shareholders' equity</b>		
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	1,107,564,196	1,073,876,273
Other components of equity		
Unrealised gain on long-term investments	109,706,558	120,906,547
<b>Total shareholders' equity</b>	<b>1,456,170,944</b>	<b>1,433,683,010</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,756,979,179</b>	<b>1,719,289,828</b>

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

**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED****STATEMENTS OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED DECEMBER 31, 2017**

		Baht	
	Note	2017	2016
<b>Revenues</b>			
Medical service income		1,547,837,570	1,585,500,660
Other income	19	36,177,000	34,659,270
<b>Total revenues</b>		<b>1,584,014,570</b>	<b>1,620,159,930</b>
<b>Expenses</b>			
Cost of medical services		1,316,460,409	1,285,193,994
Administrative expenses		74,044,160	78,415,703
Directors and management's remuneration	22	35,046,799	29,748,167
<b>Total expenses</b>		<b>1,425,551,368</b>	<b>1,393,357,864</b>
<b>Profit before income tax expenses</b>		<b>158,463,202</b>	<b>226,802,066</b>
Income tax expenses	13	30,595,991	44,264,274
<b>Profit for the year</b>		<b>127,867,211</b>	<b>182,537,792</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Loss from changing actuarial estimates		-	598,101
Income tax relating not to be reclassified		-	(119,620)
		<b>-</b>	<b>478,481</b>
<b>Items that may be reclassified subsequently to profit or loss</b>			
Gain (loss) on long-term investment		(13,999,986)	5,333,328
Income tax relating to be reclassified		2,799,997	(1,066,666)
		<b>(11,199,989)</b>	<b>4,266,662</b>
<b>Other comprehensive income (loss) for the year</b>		<b>(11,199,989)</b>	<b>3,788,181</b>
<b>Total comprehensive income for the year</b>		<b>116,667,222</b>	<b>186,325,973</b>
<b>Basic earnings per share (Baht per share)</b>	24	<b>0.85</b>	<b>1.22</b>

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



**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

		Baht					
		Issued and paid-up share capital	Share premium	Retained earnings		Other components equity	Total
	Note			Appropriated to legal reserve	Unappropriated	Unrealised gain from long-term investment	shareholders' equity
<b>Beginning balance as at January 1, 2017</b>		<b>149,909,264</b>	<b>74,000,000</b>	<b>14,990,926</b>	<b>1,073,876,273</b>	<b>120,906,547</b>	<b>1,433,683,010</b>
Dividend	23	-	-	-	(94,179,288)	-	(94,179,288)
Total profit for the year		-	-	-	127,867,211	-	127,867,211
Other comprehensive income-net from income tax							
Loss on changing actuarial estimates		-	-	-	-	(11,199,989)	(11,199,989)
<b>Balance at December 31, 2017</b>		<b>149,909,264</b>	<b>74,000,000</b>	<b>14,990,926</b>	<b>1,107,564,196</b>	<b>109,706,558</b>	<b>1,456,170,944</b>
<b>Beginning balance as at January 1, 2016</b>		<b>149,909,264</b>	<b>74,000,000</b>	<b>14,990,926</b>	<b>974,036,976</b>	<b>116,639,885</b>	<b>1,329,577,051</b>
Dividend	23	-	-	-	(82,220,014)	-	(82,220,014)
Total profit for the year		-	-	-	182,537,792	-	182,537,792
Other comprehensive income-net from income tax							
Gain on long-term investment		-	-	-	-	4,266,662	4,266,662
Loss on changing actuarial estimates					(478,481)	-	(478,481)
<b>Balance at December 31, 2016</b>		<b>149,909,264</b>	<b>74,000,000</b>	<b>14,990,926</b>	<b>1,073,876,273</b>	<b>120,906,547</b>	<b>1,433,683,010</b>

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



**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Baht	
	2017	2016
<b>Cash flows from operating activities</b>		
Profit for the year	127,867,211	182,537,792
Adjustment to reconcile net profit (loss) to net cash provided by (used in) operating activities		
Depreciation and amortisation	59,604,250	61,948,766
Interest income	(5,538,668)	(5,940,056)
Bad debt written off and allowance for doubtful accounts	400,945	156,264
Loss on sale of fixed assets	(5,434)	93,873
Loss on assets written off	306,667	289,449
Dividend income	(2,133,331)	(2,399,998)
Employee benefits obligation cost	7,841,373	6,481,823
Income tax expense	30,595,991	44,264,274
<b>Net profit (loss) provided by operating activities before changes in operational assets and liabilities</b>	<b>218,939,004</b>	<b>287,432,187</b>
(Increase) decrease in operational assets		
Trade accounts receivable	(6,246,770)	(4,682,408)
Accrued income	306,814	(27,538,630)
Inventories	(9,619,075)	(777,176)
Other current assets	3,086,089	2,385,591
Increase (decrease) in operational liabilities		
Trade accounts payable	1,208,813	8,039,065
Accrued expenses	5,676,032	37,698,641
Other current liabilities	14,261,831	8,078,161
Employee benefits abigation	(2,864,750)	(3,775,700)
Cash flows received operating activities	224,747,988	306,859,731
Income tax paid	(33,502,354)	(39,719,183)
<b>Net cash provided by operating activities</b>	<b>191,245,634</b>	<b>267,140,548</b>

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, 2017**

	Baht	
	2017	2016
<b>Cash flows from investing activities</b>		
Interest received	5,542,124	5,904,996
Dividend received	2,133,331	2,399,998
(Increase) decrease in current investments	222,723,919	(103,479,913)
Increase in fixed deposit pledge as collateral	(8,714,196)	-
Purchase of land, plant and equipment	(40,957,210)	(81,911,639)
Purchase of intangible assets	(4,106,840)	(14,928,915)
Sale of equipment	58,374	71,001
<b>Net cash used in investing activities</b>	<b>176,679,502</b>	<b>(191,944,472)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(94,179,288)	(82,220,014)
<b>Net cash used in financing activities</b>	<b>(94,179,288)</b>	<b>(82,220,014)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>273,745,848</b>	<b>(7,023,938)</b>
Cash and cash equivalents at beginning of year	192,830,269	199,854,207
<b>Cash and cash equivalents at end of year</b>	<b>466,576,117</b>	<b>192,830,269</b>

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



## **AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

#### **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 ACCOUNTING STANDARDS ARE EFFECTIVE IN THE CURRENT YEAR**

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the 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, 2017 are as follows:

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



**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2017**

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
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 Resources
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements





**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**DECEMBER 31, 2017**

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
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



**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2017**

The management of the Company evaluated that these 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.

**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.



**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2017**

**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.

**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.



**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2017**

**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.

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.



**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2017**

**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.

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 other comprehensive income.

**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.

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.



**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2017**

**4.12 Expense**

Expenses are recognised on an accrual basis.

**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.)**  
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**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.

**Accrued revenues from hospital operations**

In determining the certain amount of receivable from the social security office provided to patients with severe diseases and of chronic diseases. In this regard, the amount of such income are set, adjusted and accrued based on the latest actual collection within current relative circumstances.

**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.





**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2017**

**Intangible assets**

In recording the initial recognition and measurement of intangible assets as at the acquired date and subsequent impairment testing, the management is required to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

**Deferred tax assets**

Deferred tax assets are 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.

**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	
	2017	2016
Cash on hand	3,477,938	3,209,799
Cash at bank - savings accounts and current accounts	131,832,055	128,363,906
Fixed deposits	-	100,400
Short-term investment not over 3 months	331,266,124	61,156,164
<b>Total</b>	<b>466,576,117</b>	<b>192,830,269</b>

As at December 31, 2017 and 2016, cash at bank-savings accounts have interest at the floating rates at 0.38% and fixed deposits interest are set by the bank at the rates of 0.80% per annum.

As at December 31, 2017 and 2016, 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 1.03% and 1.24%, respectively. Investment units are stated at fair value.



**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2017**

**7. INVESTMENTS**

Consisted of :-

	Baht	
	2017	2016
<b>Current investment</b>		
Mutual fund fixed income (hold to maturity within 1 year)	100,994,721	323,718,640
<b>Total</b>	<b>100,994,721</b>	<b>323,718,640</b>
<b>Fixed deposit pledge as collateral</b>		
Fixed deposit pledge as collateral	23,138,196	14,424,000
<b>Total</b>	<b>23,138,196</b>	<b>14,424,000</b>
<b>Long-term investment</b>		
Equity security available for sale	139,333,194	153,333,180
<b>Total</b>	<b>139,333,194</b>	<b>153,333,180</b>

As at December 31, 2017 and 2016, investment in mutual fund fixed income which the Company intends to hold to maturity within 1 year and has return at the rate of 0.61% per annum and 1.68% per annum, respectively.

As at December 31, 2017 and 2016, fixed deposits in the amount of Baht 23.14 million and 14.42 million, has interest rate at 1.50% per annum and 1.50% per annum, are pledged as collateral for the letters of guarantee issued by a commercial bank, respectively.

As at December 31, 2017 and 2016, 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			
	2017	2016	2017		2016	
			Cost	Market value	Cost	Market value
Bangkok Dusit Medical Services Plc.	0.06	0.06	2.20	139.33	2.20	153.33
<u>Add</u> unrealised gain from revaluation of security			137.13		151.13	
<b>Total</b>			<b>139.33</b>		<b>153.33</b>	



**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2017**

**8. TRADE ACCOUNTS RECEIVABLE**

Consisted of :-

	Baht		
	2017	2016	2015
		(Reclassified)	(Reclassified)
Within credit terms	51,469,099	62,945,614	63,925,672
Overdue:			
Less than 3 months	21,387,565	3,508,891	6,052,205
3-6 months	1,928,526	2,622,938	980,877
6-12 months	591,921	315,780	297,365
Over 12 months	305,076	253,671	197,278
	75,682,187	69,646,894	71,453,397
<u>Less</u> allowance for doubtful accounts	(601,036)	(411,568)	(344,645)
<b>Net</b>	<b>75,081,151</b>	<b>69,235,326</b>	<b>71,108,752</b>

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

In the year 2016, the Company reclassified trade accounts receivable from other current liabilities.

**9. INVENTORIES**

Consisted of :-

	Baht	
	2017	2016
Medicine and medical supplies	37,165,589	29,065,243
Supplies	7,808,688	6,289,959
<b>Total</b>	<b>44,974,277</b>	<b>35,355,202</b>



**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
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**10. PROPERTY, PLANT AND EQUIPMENT**

Consisted of :-

	Baht				
	Balance per book as at Dec. 31, 2016	Additions	Transfer in (Transfer out)	Deductions	Balance per book as at Dec. 31, 2017
<u>Cost</u>					
Land	108,160,300	-	-	-	108,160,300
Buildings and building improvement	880,832,120	7,487,743	13,869,895	(872,528)	901,317,230
Medical equipment	294,118,022	7,771,247	(2,087)	(3,871,373)	298,015,809
Furniture and fixture	34,241,717	700,951	(527,435)	(770,008)	33,645,225
Office equipment	60,702,857	1,728,249	642,022	(779,761)	62,293,367
Vehicles	22,469,849	277,325	-	-	22,747,174
Assets under construction and installation	6,036,389	17,776,175	(13,982,395)	-	9,830,169
Total	1,406,561,254	35,741,690	-	(6,293,670)	1,436,009,274
<u>Less</u> accumulated depreciation					
Buildings and building improvement	332,683,544	30,575,320	-	(689,346)	362,569,518
Medical equipment	185,985,007	19,278,104	-	(3,752,853)	201,510,258
Furniture and fixture	28,972,805	1,548,012	-	(757,813)	29,763,004
Office equipment	41,166,997	5,165,104	-	(734,050)	45,598,051
Vehicles	13,343,032	1,524,541	-	-	14,867,573
Total	602,151,385	58,091,081	-	(5,934,062)	654,308,404
<b>Net</b>	<b>804,409,869</b>				<b>781,700,870</b>

	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</u> accumulated depreciation					
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
<b>Net</b>	<b>781,660,749</b>				<b>804,409,869</b>

**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONT.)****DECEMBER 31, 2017**

The outstanding balance of property, plant and equipment as at December 31, 2016 had been reclassified as follow:-

	As at December 31, 2016 (Baht)	
	As reclassified	As previously reported
<u>Cost</u>		
Buildings and building improvement	880,832,120	860,726,803
Medical equipment	294,118,022	279,013,253
Furniture and fixture	34,241,717	56,945,868
Office equipment	60,702,857	73,208,792
<b>Total</b>	<b>1,269,894,716</b>	<b>1,269,894,716</b>
<u>Accumulated depreciation</u>		
Buildings and building improvement	332,683,544	318,847,101
Medical equipment	185,985,007	175,488,266
Furniture and fixture	28,972,805	44,795,402
Office equipment	41,166,997	49,677,584
	<b>588,808,353</b>	<b>588,808,353</b>

Depreciation of the plant and equipment for the years ended December 31, 2017 and 2016 which were included in cost of medical services and administrative expenses, consisted of :-

	Baht	
	2017	2016
Cost of medical services	50,095,532	50,720,496
Administrative expenses	7,995,549	8,850,129
<b>Total</b>	<b>58,091,081</b>	<b>59,570,625</b>

As at December 31, 2017 and 2016, certain equipment and vehicle items of the Company have been fully depreciated but are still in use of cost in amount of Baht 240.15 million and Baht 203.91 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, 2017 and 2016 of approximately amounted of Baht 591.41 million and Baht 594.47 million, respectively.

As at December 31, 2017 and 2016, 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.



**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2017**

**11. INTANGIBLE ASSETS**

Consisted of :-

	Baht			
	Balance per book as at Dec. 31, 2016	Additions	Transfer in (Transfer out)	Balance per book as at Dec. 31, 2017
<u>Cost</u>				
Computer software	32,757,248	495,589	-	33,252,837
Computer software in progress	24,877,500	3,611,250	-	28,488,750
Total	57,634,748	4,106,839	-	61,741,587
<u>Less</u> accumulated amortization	23,314,709	1,513,169	-	24,827,878
<b>Net</b>	<b>34,320,039</b>			<b>36,913,709</b>

	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
<b>Net</b>	<b>21,769,265</b>			<b>34,320,039</b>

Amortisation of intangible assets for the years ended December 31, 2017 and 2016, which were included in cost of medical services and administrative expenses, consisted of :-

	Baht	
	2017	2016
Cost of medical services	1,296,385	1,500,671
Administrative expenses	216,784	877,470
<b>Total</b>	<b>1,513,169</b>	<b>2,378,141</b>

As at December 31, 2017 and 2016, 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.



**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2017**

**12. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES**

Changes in deferred tax assets and deferred tax liabilities for the year ended December 31, 2017 and 2016 are summarized as follows:

	Baht		
	Balance as at Dec. 31, 16	Revenue (expenses) during the year In profit or loss      In other comprehensive income	Balance as at Dec. 31, 17
Deferred tax assets:			
Trade account receivables	82,314	37,894	120,208
Employee benefit obligation	7,331,010	995,325	8,326,335
Total	<u>7,413,324</u>	<u>1,033,219</u>	<u>8,446,543</u>
Deferred tax liabilities:			
Unrealized gain on remeasuring available for sale			
Investments	(30,226,637)	-	2,799,997
Total	<u>(30,226,637)</u>	<u>-</u>	<u>2,799,997</u>
Deferred tax assets (liabilities)-net	<u>(22,813,313)</u>		<u>(18,980,097)</u>

	Baht		
	Balance as at Dec. 31, 15	Revenue (expenses) during the year In profit or loss      In other comprehensive income	Balance as at Dec. 31, 16
Deferred tax assets:			
Trade account receivables	68,929	13,385	82,314
Employee benefit obligation	6,670,166	541,224	7,331,010
Total	<u>6,739,095</u>	<u>554,609</u>	<u>7,413,324</u>
Deferred tax liabilities:			
Unrealized gain on remeasuring available for sale			
Investments	(29,159,971)	-	(1,066,666)
Total	<u>(29,159,971)</u>	<u>-</u>	<u>(1,066,666)</u>
Deferred tax assets (liabilities)-net	<u>(22,420,876)</u>		<u>(22,813,313)</u>



**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONT.)****DECEMBER 31, 2017****13. TAX EXPENSE (INCOME)****13.1 Major components of tax expense (income)**

For the year ended December 31, 2017 and 2016 consisted of:

	Baht	
	2017	2016
Income tax expense (income) shown in profit or loss :		
Current tax expense:		
Income tax expense for the year	31,629,210	44,818,883
Deferred tax expense (income):		
Changes in temporary differences relating to the original recognition and reversal	(1,033,219)	(554,609)
Total	<u>30,595,991</u>	<u>44,264,274</u>
Income tax relating to components of other comprehensive income:		
Deferred tax relating to:		
Remeasuring available for sale investments	(2,799,997)	1,066,666
Loss from remeasuring actuarial estimates	-	(119,620)
Total	<u>(2,799,997)</u>	<u>947,046</u>

**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, 2017 and 2016 which are summarized as follows:

	Baht	
	2017	2016
Accounting profit for the year	158,463,202	226,802,066
The applicable tax rate (%)	20%	20%
Tax expense (income) at the applicable tax rate	<u>31,692,640</u>	<u>45,360,413</u>
Reconciliation items:		
Tax effect of expenses that are not deductible in determining tax profit:		
- Expenses not allowed as expenses in determining taxable profit	102,297	68,614
Tax effect of income or profit that are not required in determining taxable profit:		
Exemption of non - taxable dividend income	(426,666)	(480,000)
Other	(772,280)	(684,753)
Total reconciliation items	<u>(1,096,649)</u>	<u>(1,096,139)</u>
Total tax expense (income)	<u>30,595,991</u>	<u>44,264,274</u>



**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2017**

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

For the year ended December 31, 2017 and 2016 are summarized as follows:

	Baht			
	2017		2016	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the year	158,463,202		226,802,066	
Tax expense at the applicable tax rate	31,692,640	20.00	45,360,413	20.00
Reconciliation items	(1,096,649)	(0.69)	(1,096,139)	(0.48)
Tax expense at the average effective tax rate	30,595,991	19.31	44,264,274	19.52

**14. ACCRUED EXPENSES**

Consisted of :-

	Baht	
	2017	2016
Accrued directors and management's remuneration	4,316,700	4,000,000
Accrued doctor fee	46,673,942	38,156,078
Accrued wages	8,310,004	9,123,087
Accrued Bonus	35,857,640	34,347,971
Accrued electricity	844,252	1,982,212
Accrued expenses - Social Security	6,661,685	9,558,244
Accrued other expenses	13,992,337	13,812,936
	<b>116,656,560</b>	<b>110,980,528</b>

**15. OTHER CURRENT LIABILITIES**

Consisted of :-

	Baht	
	2017	2016
Withholding tax	1,685,026	704,926
Advance received	18,305,473	14,460,342
Retention payable	1,763,077	2,029,545
Others	12,354,773	2,651,705
<b>Total</b>	<b>34,108,349</b>	<b>19,846,518</b>



**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2017**

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

	Baht	
	2017	2016
As at December 31		
Defined benefits obligation at January 1,	36,655,053	33,350,829
Benefits paid by the plan	(2,864,750)	(3,775,700)
Current service and interest costs	7,841,373	6,481,823
Actuarial loss	-	598,101
Defined benefits obligation at December 31,	<b>41,631,676</b>	<b>36,655,053</b>

**Expenses recognised in statements of comprehensive income**

	Baht	
	2017	2016
For the year ended December 31		
Current service cost	6,979,277	5,389,540
Interest on obligation	862,096	1,092,283
Total	<b>7,841,373</b>	<b>6,481,823</b>

**Principal actuarial assumptions at the reporting date**

	%	
	2017	2016
Discount rate	2.44	2.44
Salary increase rate	6	6
Employee turnover rate	8 - 21	8 - 21
Disability rate	5*	5*

\* reference to mortality rate in B.E. 2008



**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2017**

**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, 2017 are summarized below:

	Baht	
	1% increase	1% decrease
Discount rate	(3,288,274)	3,779,348
Salary increase rate	3,959,563	(3,496,017)
Employee turnover rate	(3,685,473)	3,780,390

**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, 2017****19. OTHER INCOME**

Consisted of :-

	Baht	
	2017	2016
Revenue from sharing of kidney hemodialysis	12,147,790	11,281,800
Rental space income	7,629,694	4,886,190
Interest income	5,538,668	5,940,056
Others	10,860,848	12,551,224
<b>Total</b>	<b>36,177,000</b>	<b>34,659,270</b>

**20. EXPENSES BY NATURE**

Significant expenses by nature for the years ended December 31, 2017 and 2016 are a follow:-

	Baht	
	2017	2016
Personnel	535,246,041	511,993,021
Doctor fee	345,199,280	320,447,808
Medicine, medical supplies and supplies	269,726,029	292,527,580
Depreciation and amortisation	59,604,250	61,948,766
Others	215,775,768	206,440,689
<b>Total</b>	<b>1,425,551,368</b>	<b>1,393,357,864</b>

**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, 2017 and 2016 in the amount of to Baht 5.11 million and Baht 4.71 million, respectively.



**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
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**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. DIVIDENDS**

Year 2017

At The ordinary shareholders' meeting held on April 21, 2017, the shareholders approve the appropriation of dividend from operating results of 2016 of Baht 0.63 per share, 149.91 million shares, amounting to Baht 94.18 million. The dividend will be proposed to pay to shareholders on May 19, 2017.

Year 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.

**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.

	2017	2016
Profit for the year (Baht)	127,867,211	182,537,792
Weighted average number of ordinary share (Shares)	149,909,264	149,909,264
Earnings per share (Baht per share)	0.85	1.22



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**DECEMBER 31, 2017**

**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, 2017 and 2016, the Company's debt-to-equity ratio was 0.21 : 1 and 0.19 : 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.



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**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, 2017, the Company had the following assets and liabilities that were measured at fair value using different levels of inputs as follows :-

	Baht			Total
	Level 1	Level 2	Level 3	
<b>Assets</b>				
Current investments				
- Mutual fund fixed income	-	100,994,721	-	100,994,721
Long-term investments				
- Equity	139,333,194	-	-	139,333,194
<b>Total</b>	<b>139,333,194</b>	<b>100,994,721</b>	<b>-</b>	<b>240,327,915</b>

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

Valuation techniques on fair value and inputs for Level 2 valuations

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.





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**27. COMMITMENTS WITH NON-RELATED PARTIES**

As at December 31, 2017 and 2016, the Company has commitments as follows :-

		Baht	
		2017	2016
27.1	Letters of guarantee issued by a commercial bank to the government unit and the state enterprise.	23,056,001	13,154,000
27.2	Construction and equipment installation agreements	12,428,930	22,417,779
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	1,078,560	2,565,432
	Payable within 2 to 3 years	297,888	855,144
		<b>1,376,448</b>	<b>3,420,576</b>

**29. RECLASSIFICATION**

Certain amounts in the financial statements for the year ended December 31, 2016 have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications were as follow :

		Baht	
		As previously reported	As reclassified
For the year ended December 31, 2016			
Accounts receivable	62,657,144	6,578,182	69,235,326
Other current liabilities	13,268,336	(6,578,182)	19,846,518

**30. 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, 2018 are as follows:



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TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events After the Reporting Period
TAS 11 (revised 2017)	Construction Contracts
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2017)	Earnings Per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible assets
TAS 40 (revised 2017)	Investment Property
TAS 41 (revised 2017)	Agriculture
TFRS 2 (revised 2017)	Share-Based Payment
TFRS 3 (revised 2017)	Business Combinations
TFRS 4 (revised 2017)	Insurance Contracts
TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued Operations



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**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**DECEMBER 31, 2017**

TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 11 (revised 2017)	Joint Arrangements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement
TSIC 10 (revised 2017)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2017)	Operating Leases - Incentives
TSIC 25 (revised 2017)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2017)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2017)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2017)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2017)	Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2017)	Service Concession Arrangements
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 14 (revised 2017)	TAS 19 (revised 2017)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2017)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2017)	Transfers of Assets from Customers
TFRIC 20 (revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2017)	Levies



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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 7, 2018.

## **Related Transactions**

### **Related transactions**

In 2017, 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, 2017

No.	Name	Position	Number of shares held as of December 31, 2016	Number of shares held as of December 31, 2017	Change of shareholding during 2017	% shareholding
1	Mr. Apirag Vanich	Chairman of the Board	16,327,392	16,327,392	-	12.69
	Spouse and minor children		2,249,592	2,692,692	443,100	-
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	Ms. Oranuj Vanich	Director	5,801,016	5,801,016	-	3.87
	Spouse and minor children		-	-	-	-
9	Dr. Sanit Charkrit	Director and Medical Director, Aikchol Hospital	-	-	-	-
	Spouse and minor children		-	-	-	-
10	Associate Prof. Dr. Atirek Chirabongs	Director	-	-	-	-
	Spouse and minor children		-	-	-	-
11	Mrs. Thitawat Pothanant	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**



**โครงการเอกชล สุขภาพดี เพื่อสังคม**



**โครงการเอกชล สุขภาพดี เพื่อสังคม**



**โครงการเลือดเอกชล**



**โครงการเอกชล สุขภาพดี เพื่อสังคม**



**โครงการ BigCleaningDay**



**โครงการมอบทุน บุตรพนักงาน**



# เอกชล

## สุนทรียภาพ แห่งการดูแลรักษา