



รายงานประจำปี 2558  
**ANNUAL REPORT**  
**2015**

“ดูแลชีวิต...ด้วยจิตใจ”



บริษัท ศรีวิชัยเวชวิวัฒน์ จำกัด (มหาชน)

Srivichai Vejvivat Public Company Limited

[www.vichaivej.com](http://www.vichaivej.com)





## โรงพยาบาลวิชัยเวช อินเตอร์เนชั่นแนล ออมน้อย

74/5 หมู่ 4 ถนนเพชรเกษม ตำบลออมน้อย อำเภอกะกุ่มแบน  
จังหวัดสมุทรสาคร 74130 โทร. 02 431 0070  
แฟกซ์ 02 431 0940, 02 431 0943 **สายด่วน 1792**

### Vichaivej International Hospital Omnoi

74/5 Phetkasem Road, Omnoi, Krathumbaen,  
Samutsakhon 74130 Tel. (+662) 431 0070  
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## โรงพยาบาลวิชัยเวช อินเตอร์เนชั่นแนล นongแขม

456-456/8 ถนนเพชรเกษม แขวงหนองค้างพลู  
เขตหนองแขม กรุงเทพฯ 10160  
โทร. 02 441 6999 แฟกซ์ 02 421 1784

### Vichaivej International Hospital Nongkhaem

456-456/8 Phetkasem Road, Nongkhangplu,  
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Tel. (+662) 441 6999 Fax: (+662) 421 1784



## โรงพยาบาลวิชัยเวช อินเตอร์เนชั่นแนล สมุทรสาคร

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อำเภอเมือง จังหวัดสมุทรสาคร 74000  
โทร. 034 826 708-29 แฟกซ์ 034 826 706

### Vichaivej International Hospital Samutsakhon

93/256 Sethakit1 Road, Tambon Tasai,  
Amphur Muang, Samutsakhon 74000  
Tel. (+6634) 826 708-29 Fax: (+6634) 826 706

**โรงเรียนศรีวิชัยอาชีวศึกษา** 74/5 หมู่ 4 ถนนเพชรเกษม ตำบลออมน้อย อำเภอกะกุ่มแบน จังหวัดสมุทรสาคร 74130 โทร. 1792 ต่อ 1703,1704  
**Srivichai Vocational School** 74/5 Phetkasem Road, Omnoi, Krathumbaen, Samutsakhon 74130 Tel. (+662) 431 0070 Ext. 1703, 1704

### เปิดรับสมัครนักศึกษา

- หลักสูตรการดูแลเด็กเล็กและผู้สูงอายุ  
เพื่อเป็นพนักงานผู้ช่วยพยาบาล (NA)  
วุฒิการศึกษาขั้นต่ำ ม. 3 หลักสูตร 6 เดือน  
ค่าใช้จ่ายตลอดหลักสูตร 31,600 บาท
- หลักสูตรประกาศนียบัตรผู้ช่วยพยาบาล(PN)  
หลักสูตร 1 ปี ค่าใช้จ่ายตลอดหลักสูตร 65,000 บาท  
(เฉพาะผู้จบหลักสูตรการดูแลเด็กเล็กและผู้สูงอายุ และจบ ม.6)



ดูแลชีวิต...ด้วยจิตใจ  
V care V cure V can

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## Vision

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

## Mission

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

## Business Objective

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

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

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

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

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

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

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

**V care**

**V cure**

**V can**



"ดูแลชีวิต... ด้วยจิตใจ"

ดูแลชีวิต... ด้วยจิตใจ  
**V care V cure V can**



## Message from the Chairman

2015 was definitely a year in which world economy as well as Thai economy remained in a volatile situation and experienced continuous slowdown. The situation certainly affected every business including hospital care business. For Vichaivej International Hospital Group, we were still able to operate and achieved higher growth than previous year, with the tendency to maintain continuous high growth due to expansion of specific disease care centers, such as Vichaivej Heart Center, GI Surgery and Endoscopy Center, and Stone and Prostate Center.

Moreover, Vichaivej International Hospital Omnoi expanded its service area and extended the time of service for outpatient department that is equipped with specialist physicians to until after midnight (24:00 hrs.) so as to accommodate community expansion and more traffic congestion. This led Vichaivej International Hospital Group's operating performance of 2015 to still experience target growth and an increase in non capitation patient group with outpatient growth being 6.01% while inpatient growth was 17.83% compared to 2014. Revenues from non capitation customer group accounted 74% while capitation customer group accounted 26% which corresponded with the hospital's policy that hadset revenue ratio of non capitation to capitation at 65:35.

In 2016, the hospital plans to expand its ICU service to provide 30 more beds and introduce integrated medical care service as health care direction of people nowadays reveal that they prefer to take care of their health in advance rather than wait until they are sick and come to see a doctor. For that matter, Srivichai Vejvivat Public Company Limited decided to open the Sports Medicine Center and Thai-Philos Anti-Aging Center as well as offer other wide range of services including colonic detox, chelation, Chinese-Thai medicine, spas, and beauty.

I must thank the management, physicians, nurses, and every staff of Vichaivej International Hospital Group who have dedicated themselves in providing medical care for our patients out of compassion and loving care, and continuously improving their treatments and services. This resultantly has brought satisfaction to our service recipients and enabled the Company's operating performance to achieve its target.

On behalf of the Board of Directors of Srivichai Vejvivat Public Company Limited, I would like to extend my greatest appreciation to the shareholders and all stakeholders who have placed your trust and supported the Company all along. This has enabled the Company to deliver good progress over the years and will definitely support management in leading the Company toward stable and sustainable growth in the future.



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

As at December 31, 2015

1. Assoc. Prof. Vichai Vanadurongwan, M.D., Ph.D., FIMS

Chairman of the Board of Directors



2. Assistant Prof. Dr. Saisunee Vanadurongwan

Vice President/ Chief Executive Office



3. Pongsak Vathana, M.D.

Director



4. Virah Mavichak

Chairman of the Audit Committee / Independent directors



5. Visut Montriwat

Audit Committee / Independent directors



6. Surin Premamornkit

Audit Committee / Independent directors



7. Vilawan Vanadurongwan

Director



8. Nopporn Tirawattanagool

Director



9. Tinnawat Mahatharadol

Director



10. Mongkon Wanitphakdeedecha M.D., M.Sc.

Director

11. Prat Boonyawongvirot, M.D.

Audit Committee / Independent directors

(Pass away on November 13, 2015)





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

### Age

76 years

### Position

- Chairman of the Board of Director

### Education and Experience

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

### Work Experience

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

### Other Positions

#### Listed Company

None

#### Other Company / Organizations / Institutions

- The president of Srivichai Foundation and Srivichai Rescue
- The President of Srivichai Savings Cooperative
- Vice President Asian Federation of Sport Medicine(AISM)
- President, Sports Medicine Association of Thailand (SMAT)
- Advisor to Federation of Thai Industries, Samutsakhon Chapter
- Honorary Director of institute of physical education, Ministry of Tourism and Sports of Thailand
- Honorary Advisor of Office of Sports and Recreation Development, Ministry of Tourism and Sports of Thailand
- Advisor of Faculty of Medicine Siriraj Hospital

### Year of appointed to be a director

2011

### Number of the shareholding

4,792,320 shares / 0.84

### Family Relation with Other Directors

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

### Dispute in the 5 Preceding Years

None



## Assistant Prof. Saisunee Vanadurongwan, M.D. Vice President/ Chief Executive Ofcer

### Age

70 years

### Position

- Vice President/ Chief Executive Officer/Executive Committee

### Education and Experience

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

### Work Experience

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

### Other Positions

#### Listed Company

None

#### Other Company / Organizations / Institutions

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

### Year of appointed to be a director

2011

### Number of the shareholding

3,841,624 shares / 0.67

### Family Relation with Other Directors

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

### Dispute in the 5 Preceding Years

None



## Pongsak Vathana, M.D.

### Director

#### Age

76 years

#### Position

- Director / Vice Chief Executive Officer /  
Director of Vichavej International Omnoi Hospital

#### Education and Experience

- The Medical Council of Thailand Certified Orthopedic Surgeon
- Diploma of American Board of Orthopedic Surgery
- Doctor of Medicine, Faculty of Medicine, Siriraj Hospital, Mahidol University
- Directors Certification Program, class of 30, Thai Institute of Directors Association

#### Work Experience

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

#### Other Positions

##### Listed Company

None

##### Other Company / Organizations / Institutions

- Advisor to Department of Medical Services and Lerdsin Hospital

#### Year of appointed to be a director

2011

#### Number of the shareholding

1,828,571 shares / 0.32

#### Family Relation with Other Directors

None

#### Dispute in the 5 Preceding Years

None



## Virah Mavichak

### Chairman of the Audit Committee / Independent directors

#### Age

72 years

#### Position

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

#### Education and Experience

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

#### Working Experience

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

#### Other Position

##### Listed Company

- Chairman of the Board of Director, Global Connections PCL

##### Other Company / Organizations / Institutions

- Director of Refine Tech Co.,Ltd.
- Independent Director of B.S. Metal Co.,Ltd.

#### Year of appointed to be a director

2011

#### Number of the shareholding

None

#### Family Relation with Other Directors

None

#### Dispute in the 5 Preceding Years

None





## Visut Montriwat

### Audit Committee / Independent directors

#### Age

69 years

#### Position

- Independent directors /Audit Committee

#### Education and Experience

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

#### Working Experience

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

#### Other Position

##### Listed Company

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

##### Other Company / Organizations / Institutions

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

#### Year of appointed to be a director

2011

#### Number of the shareholding

None

#### Family Relation with Other Directors

None

#### Family Relation with Other Directors

None



## Surin Premamornkit

### Audit Committee / Independent directors

#### Age

68 years

#### Position

- Independent directors /Audit Committee / Nomination and Remuneration Committee

#### Education and Experience

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

#### Working Experience

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

#### Other Position

##### Listed Company

Independent Director and Audit Director, Chukai PCL

##### Other Company / Organizations / Institutions

- Director, Thai-Nichi Ventures Co.,Ltd.

#### Year of appointed to be a director

2011

#### Number of the shareholding

None

#### Family Relation with Other Directors

None

#### Dispute in the 5 Preceding Years

None



## Vilawan Vanadurongvan

### Director

#### Age

68 years

#### Position

- Director / Vice Chief Executive Officer / Chairman of Risk Management Committee  
Chairman of the Working Group for Financial and Investment Planning/  
Nomination and Remuneration Committee

#### Education and Experience

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

#### Working Experience

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

#### Other Position

##### Listed Company

None

##### Other Company / Organizations / Institutions

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

#### Year of appointed to be a director

2012

#### Number of the shareholding

None

#### Family Relation with Other Directors

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

#### Dispute in the 5 Preceding Years

None



## Nopporn Tirawattanagool

### Director

#### Age

61 years

#### Position

- Director / Working Group for Financial and Investment Planning Committee

#### Education and Experience

- Master of Accounting, Faculty of Commerce and Accountancy,  
Thammasat University
- Bachelor of Business Administration (in Accounting), Thammasat University
- Director Accreditation Program (DAP) 2003
- Role of the Compensation Committee (RCC) 2009
- Audit Committee Program (ACP) 2010
- Director Certification Program (DCP) 2010
- Financial Institutions Governance Program (FGP) 2011
- Anti-Corruption for Executive Program (ACEP) 2013
- Risk Management Program for Corporate Leaders (RCL)

#### Working Experience

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

#### Other Position

##### Listed Company

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

#### Other Company / Organizations / Institutions

- Director (Authorized Signatory) CKS Holding Co., Ltd.
- Director (Authorized Signatory) Super Assets Co., Ltd.
- Director (Authorized Signatory) C.K.R Co., Ltd.
- Director (Authorized Signatory) The Bangkok Lighters Co., Ltd.
- Director (Authorized Signatory) The Thai Tapioca Flour Produce Co., Ltd.
- Director (Authorized Signatory) Cyber Venture Co., Ltd.
- Director (Authorized Signatory) Khao Kheow Country Club Co., Ltd.
- Director (Authorized Signatory) Siam Puri Engineering Co., Ltd.
- Director (Authorized Signatory) Siam Purimongkol Co., Ltd.
- Director Belle Development Co., Ltd.
- Director (Authorized Signatory) Grand Fortune Co., Ltd.
- Director Bangkok Broadcasting & TV Co., Ltd.
- Director (Authorized Signatory) BBTB Satelvision Co., Ltd.
- Director (Authorized Signatory) GL Asset Co., Ltd.
- Director (Authorized Signatory) Mahakij Holdings Co., Ltd.
- Director (Authorized Signatory) BBTB Production Co., Ltd.
- Director (Authorized Signatory) BBTB Alliance Ltd.
- Director (Authorized Signatory) BBTB Bond Street Building Ltd.
- Director (Authorized Signatory) ITBC Business Consultant Group Co., Ltd.
- Director (Authorized Signatory) Exclusive Senior Care International Co., Ltd.
- Director (Authorized Signatory) BBTB International Holding Company
- Director (Authorized Signatory) Sunrise Equity Co., Ltd.
- Director (Authorized Signatory) BBTB Equity Co., Ltd.

#### Year of appointed to be a director

2014

#### Number of the shareholding

None

#### Family Relation with Other Directors

None

#### Dispute in the 5 Preceding Years

None



## Tinnawat Mahatharadol Director

#### Age

57 years

#### Position

- Director / Working Group for Financial and Investment Planning Committee

#### Education and Experience

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

#### Working Experience

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

#### Other Position

##### Listed Company

Executive Director of Eastern Star Real Estate PCL

#### Other Company / Organizations / Institutions

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

#### Year of appointed to be a director

2014

#### Number of the shareholding

None

#### Family Relation with Other Directors

None

#### Dispute in the 5 Preceding Years

None





## Mongkon Wanitphakdeedecha M.D.,M.Sc. Director

### Age

44 years

### Position

- Director / Vice Chief Executive Officer / Working Group for Financial and Investment Planning/ Director of Vichaivej International Samutsakorn Hospital

### Education and Experience

- M.D., Chulalongkorn University, 1994
- Diploma of General Surgery, Medical Council
- Master of Science (Technology Management), Thammasat University
- Thai Board of Family Medicine
- Certificated Fellowship of Anti-Aging Medicine, the American Academy of Anti-Aging Medicine
- Certificate in Occupational Medicine, Class of 19, Department of Medical Sciences
- Directors Certification Program, Class of 52, Thai Institute of Directors Association
- Role of the Compensation Committee (RCC), Class of 14, Thai Institute of Directors Association
- Certificate of good governance, medical. Executive Class 3 the King Prajadhipok and Medical Council of Thailand

### Working Experience

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

### Other Position

#### Listed Company

None

#### Other Company / Organizations / Institutions

- Director of Srisakornvejavit Co., Ltd.

### Year of appointed to be a director

2011

### Number of the shareholding

3,940,107 shares / 0.69

### Family Relation with Other Directors

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

### Dispute in the 5 Preceding Years

None



## Prat Boonyawongvirot, M.D. Audit Committee / Independent directors (Pass away on November 13, 2015)

### Age

66 years

### Position

- Independent Director and Audit Committee

### Education and Experience

- B.Sc. in Medical Science, Faculty of Medicine Mahidol University
- M.D. Siriraj Medical School. Mahidol University
- Certificate of General Medical Practiced, Thai Medical Council
- M.Sc. in Public Health Science, Mahidol University
- F.I.M.S. (Fellow of International Sport Medicine)
- F.I.C.P. (Fellow of the College of Physician of Thailand)
- Thai Board in Preventive Medicine, Thai Medical Council
- Certificate of Public Health Executive Administrator, Ministry of Public Health
- Certificate of Psychological Security Applied Psychological Institute, Supreme Command Headquarters, Ministry of Defense
- Certificate of Civil Executive Development, Civil Service Commission Office
- Diploma of National Defense College, Supreme Command Headquarters, Ministry of Defense
- Diploma of Politic and Governance in Democratic System for Executive, King Prajadhipok's Institute
- Capital Market Academy class of 8

### Working Experience

- Deputy Director – General, Department of Health
- Deputy Permanent Secretary, Ministry of Mental Health
- Judge Selection Committee of Juvenile Court
- Acting Permanent Secretary, Ministry of Public Health
- Permanent Secretary, Ministry of Public Health
- Acting Minister of Public Health
- Member of the National Legislative Council
- Permanent Secretary, Ministry of Public Health
- Vice President of the Foundation To Be Number 1
- Consultants and dedicated work, communicate the family's under Royal Patronage.
- Director of Princess Mother's Medical Volunteer Foundation
- Director of The Prostheses Foundation of H.R.H. the Princess Mother

### Other Position

#### Listed Company

None

#### Other Company / Organizations / Institutions

- President of the National Medical Emergency.
- President's Administration hospital in Thailand

### Year of appointed to be a director

2011

### Number of the shareholding

None

### Family Relation with Other Directors

None

### Dispute in the 5 Preceding Years

None

# Executive Committee

As at December 31,2015



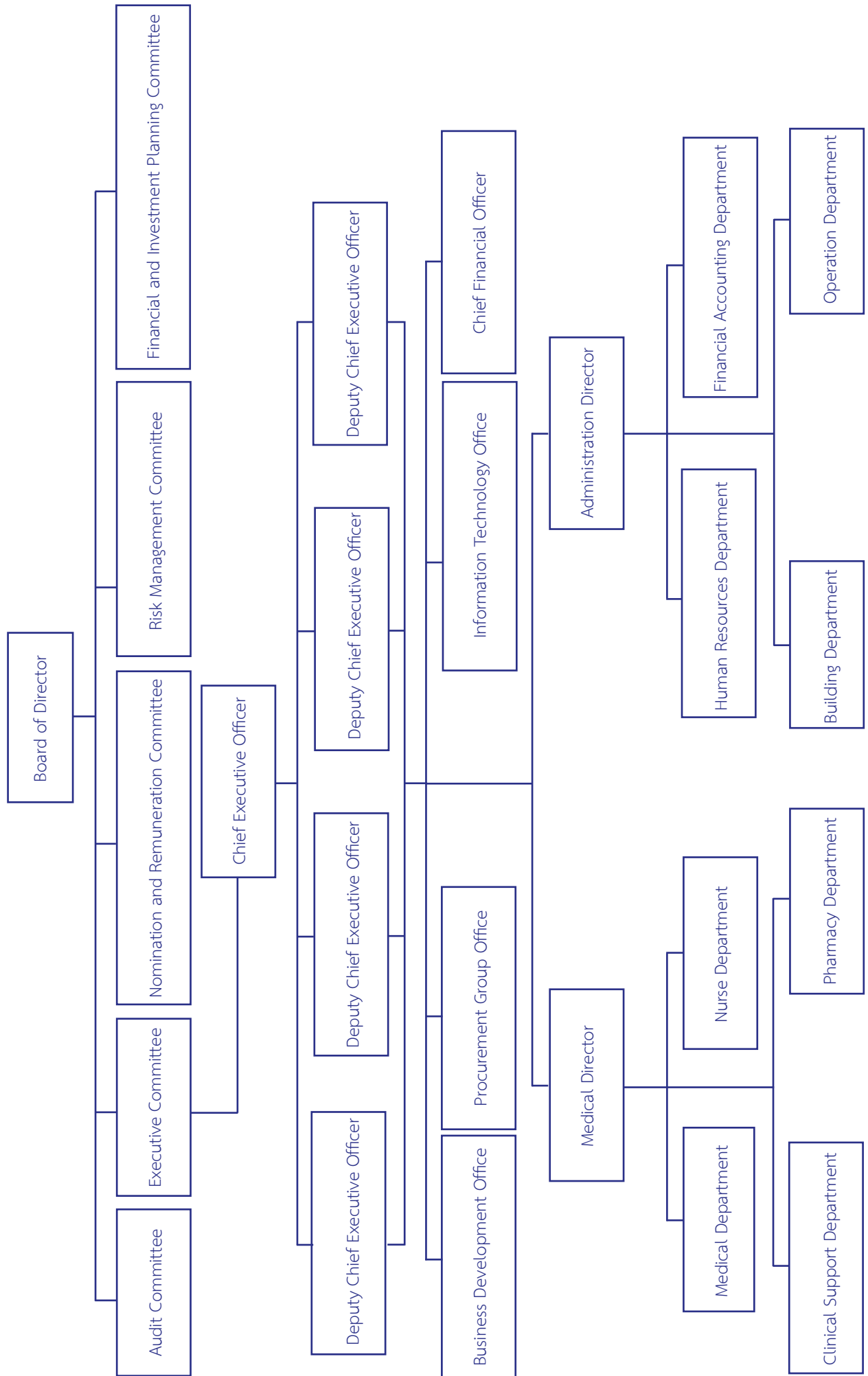
# The Information of Executives and Persons with Managing Authority in Subsidiaries

## As at December 31, 2015

| No. | Name   | Srivichai Vejivatt Public Company Limited   | Saivichai Development Company Limited | Srisakorn Vejivatt Company Limited                               | Srivichai Vocational School Company Limited |
|-----|--|---|---------------------------------------|--|---|
| 1.  | Asst. Prof. Vichai Vanadurongwan,<br>M.D., Ph.D., FIMS | President   | President                             | President  | -   |
| 2.  | Assistant Prof. Saisunee Vanadurongwan,<br>MD          | Vice President<br>Chief Executive Officer<br>Director   | Vice President<br>Director            | Vice President<br>Director                                       | -   |
| 3.  | Pongsak Vathana, MD                                    | Director<br>Vice Chief Executive Officer<br>Vichaiweij International Hospital Onnnoi, Director  | -                                     | -  | President                                   |
| 4.  | Miss Vilawan Vanadurongwan                             | Director<br>Vice Chief Executive Officer<br>Chairman of Risk Management Committee<br>Chairman of Working Group for Financial and Investment Planning<br>The Nomination and Remuneration | Director                              | -  | -   |
| 5.  | Nopporn Tirawattanagool                                | Director<br>Working Group for Financial and Investment Planning   | -                                     | -  | -   |
| 6.  | Tinnawat Mahatharadol                                  | Director<br>Working Group for Financial and Investment Planning   | -                                     | -  | -   |
| 7.  | Mongkon Wanitphakdeechea<br>M.D., M.Sc.                | Director<br>Vice Chief Executive Officer<br>The Nomination and Remuneration<br>Working Group for Financial and Investment Planning  | -                                     | Director<br>Vichaiweij International Hospital Samutskom Director | -   |
| 8.  | Mr. Virah Mavichak                                     | Director<br>Independent Director and Chairman of the Audit Committee<br>Chairman of The Nomination and Remuneration   | -                                     | -  | -   |
| 9.  | Mr. Surin Premamornkit                                 | Director<br>Independent directors and Audit Committee<br>The Nomination and Remuneration  | -                                     | -  | -   |
| 10. | Mr. Visut Montrivat                                    | Director<br>Independent directors and Audit Committee   | -                                     | -  | -   |



# Company's Organization Chart at December 31, 2015



# Report of the Audit Committee

To Shareholders of Srivichai Vejvivat Public Company Limited

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

- |                              |                             |
|------------------------------|-----------------------------|
| 1. Virah Mavichak, Mr        | Chairman of Audit Committee |
| 2. Surin Premamornkit, Mr    | Member of Audit Committee   |
| 3. Visut Montriwat, Mr       | Member of Audit Committee   |
| 4. Prat Boonyawongvirot M.D. | Member of Audit Committee   |

In 2015 The Audit Committee performed its duties within the framework of the Audit Committee charter and works assigned by the Board of Directors, those major issues can be summarized as follows:

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

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

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

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

5. Considered, selected and nominated the Company's independent auditor, which is Mr. Termphong Opanaphan Reg.No. 4501, and/or Mr. Khitsada Lerdwana Reg.No. 4958, and/or and Ms. Maneerat Rattanabundit Reg.No. 5313 from E. Y. Office Limited and their audit fee as the Company's auditor for the fiscal year 2016 to the Board of Directors.

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

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



Virah Mavichak

Chairman of the Audit Committee

# Report of the Risk Management Committee

To. Shareholders of Srivichai Vejvivat Public Company Limited,

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

|               |                    |                       |
|---------------|--------------------|-----------------------|
| 1. Vilawan    | Vanadurongwan      | President             |
| 2. Viroj      | Mavichak           | Advisory              |
| 3. Sakda      | Tangchitwatanakorn | Committee             |
| 4. Kanittha   | Porayanon          | Committee             |
| 5. Hathaiwan  | Suwantaweera       | Committee             |
| 6. Pariwan    | Opachareonsuk      | Committee             |
| 7. Kanlayanee | Kannasut           | Committee             |
| 8. Prapaphan  | Techatanang        | Committee             |
| 9. Tanawan    | Srirattanapitak    | Committee / Secretary |

Throughout 2015, the Risk Management Committee had completely performed its role based on the authority, duty, and responsibility set forth in the risk management framework by arranging altogether 25 meetings, which the key points of the meetings can be summarized as follows.

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

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

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

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

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

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



(Vilawan Vanadurongwan)

Chairman of Risk Management Committee



# Report of the Nomination and Remuneration Committee

Dear Shareholders of Srivichai Vejvivat Public Company Limited

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

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

The list of Structure of Nomination and Remuneration Committee as at December, 31 2015

|            |                               |                                  |
|------------|-------------------------------|----------------------------------|
| 1. Virah   | Mavichak                      | President / Independent Director |
| 2. Surin   | Premamornkit                  | Committee /Independent Director  |
| 3. Vilawan | Vanadurungvan                 | Committee                        |
| 4. Mongkon | Wanitphakdeedecha, M.D.,M.Sc. | Committee                        |

## Meetings in 2015 and Performance

Throughout 2015, the Nomination and Remuneration Committee had completely performed its role based on the implementation framework set forth by arranging altogether 2 meeting which the Committee members attending the meeting accounted 100% of the whole year.

Key points of the meeting are as follows.

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



(Virah Mavichak )

Chairman of Nomination and Remuneration Committee

# Report of the Working Group for Financial and Investment Planning

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

The lists of the Working Group for Financial and Investment Planning Committee as at December, 31 2015 as follows:

|             |                    |                      |
|-------------|--------------------|----------------------|
| 1. Vilawan  | Vanadurongwan      | President            |
| 2. Nopporn  | Tirawattanagool    | Director             |
| 3. Tinnawat | Mahatharadol       | Director             |
| 4. Mongkon  | Wanitphakdeedecha  | M.D., M.Sc.Director  |
| 5. Prut     | Rojanamahamongkol  | Director             |
| 6. Sakda    | Tangjitwattanakorn | Director / Secretary |

Throughout 2015, the Working Group for Financial and Investment Planning Committee had completely performed its role based on the authority, duty, and responsibility set forth in the management framework by arranging altogether 16 meetings, which the key points of the meetings can be summarized as follows.

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



(Vilawan Vanadurongwan)

Chairman of the Working Group for  
Financial and Investment Planning

# Report of the Executive Committee

Dear Shareholders of Srivichai Vejvivat Public Company Limited,

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

The lists of the Executive Committee as at December, 31 2015 as follows:

|                         |                              |  |
|-------------------------|------------------------------|--|
| 1. Asst. Prof. Saisunee | Vanadurongwan,M.D.           | Chief Executive Officer  |
| 2. Pongsak              | Vathana,M.D.                 | Deputy Chief Executive Officer                                 |
| 3. Mongkon              | Wanitphakdeedecha M.D.,M.Sc. | Deputy Chief Executive Officer                                 |
| 4. Vilawan              | Vanadurongwan                | Deputy Chief Executive Officer                                 |
| 5. Sakda                | Tangchitwatanakorn           | Acting Deputy Chief Executive Officer /<br>Executive Committee |
| 6. Sunee                | Thirakaronwongse,M.D.        | Executive Committee  |
| 7. Vatchara             | Cheupraknam                  | Executive Committee  |
| 8. Prayad               | Krongaphiradee               | Executive Committee  |
| 9. Sunee                | Joychumras                   | Executive Committee  |
| 10. Kwanyuen            | Suksomphoj                   | Executive Committee  |
| 11. Rachada             | Fongtanakit, PhD.            | Executive Committee / Secretary                                |

Throughout 2015, the Executive Committee had completely performed its role based on the authority, duty, and responsibility set forth in the management framework by arranging altogether 19 meetings, which the key points of the meetings can be summarized as follows.

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



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

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

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

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

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

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



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

Chief Executive Officer

Srivichai Vejvivat Public Company Limited

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

| Name  | Type               | 31 December<br>2014 | Bought during<br>fiscal period           | Sold during<br>fiscal period | 31 December<br>2015     |
|---|--------------------|---------------------|--|------------------------------|-------------------------|
| Assoc. Prof.<br>Vichai Vanadurongwan,M.D.,Ph.D.,FIMS<br>(Spouse of Ass. Prof. Saisunee<br>Vanadurongwan, M.D.)  | Direct             | 4,792,320           | -  | -                            | 4,792,320               |
| Asst. Prof.Saisunee Vanadurongwan,M.D.<br>(Spouse of Assoc. Prof.<br>Vichai Vanadurongwan,<br>M.D., Ph.D. FIMS) | Direct             | 86,841,624          | 7,000,000                                | 90,000,000<br>*(transfer)    | 3,841,624               |
| Virah Mavichak<br>By Spouse and Minor   | Direct<br>Indirect | -<br>-              | -<br>-                                   | -<br>-                       | -<br>-                  |
| Surin Premamornkit<br>By Spouse and Minor   | Direct<br>Indirect | -<br>-              | -<br>-                                   | -<br>-                       | -<br>-                  |
| Visut Montriwat<br>By Spouse and Minor  | Direct<br>Indirect | -<br>-              | -<br>-                                   | -<br>-                       | -<br>-                  |
| Pongsak Vathana,M.D.<br>By Spouse and Minor   | Direct<br>Indirect | 1,828,571<br>-      | -<br>-                                   | -<br>-                       | 1,828,571<br>-          |
| Nopporn Tirawattanagool<br>By Spouse and Minor  | Direct<br>Indirect | -<br>-              | -<br>-                                   | -<br>-                       | -<br>-                  |
| Tinnawat Mahatharadol<br>By Spouse and Minor  | Direct<br>Indirect | -<br>-              | -<br>-                                   | -<br>-                       | -<br>-                  |
| Vilawan Vanadurongvan<br>By Spouse and Minor  | Direct<br>Indirect | -<br>-              | -<br>-                                   | -<br>-                       | -<br>-                  |
| Mongkon Wanitphakdeedecha<br>M.D.,M.Sc.<br>By Spouse and Minor  | Direct<br>Indirect | -<br>28,000,000     | 3,940,107<br>30,000,000<br>*(transferee) | -<br>-                       | 3,940,107<br>58,000,000 |
| Sakda Tungchiwatanakorn<br>By Spouse and Minor  | Direct<br>Indirect | 1,720,416<br>-      | -<br>13,500                              | -<br>-                       | 1,720,416<br>13,500     |
| Nichapa Roenthongdee<br>By Spouse and Minor   | Direct<br>Indirect | -<br>-              | -<br>-                                   | -<br>-                       | -<br>-                  |
| Total   |                    | 123,182,931         | 40,953,607                               | 90,000,000                   | 74,136,538              |

In 2015, the Board of Directors held altogether 74,136,538 shares or 12.99% of paid-up shares of the Company and did not altogether held shares exceeding 25% of the shares issued by the Company.

Remark : \* According to the notice of The Change in the Shareholding Structure of the Company No.VIH105/2015, reported to SET on December 9,2015.

## Policy and Business Overview



Srivichai Vejvivat Public Company limited (“Company” or “VIH”) was established in 1993 in order to operate a private hospital business under the name Vichaivej International Hospital Omnoi which is a hospital under Vichaivej International Hospital Group. In 1993 when the Company was established, its registered capital was 200 million Baht with major shareholders and controlling directors being Assoc. Prof. Vichai Vanadurongwan, M.D., Ph.D., FIMS and Ass. Prof. Saisunee Vanadurongwan, M.D., who is founder of the hospital Group.

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

At present, Vichaivej International Hospital Group runs secondary general hospital business with 3 hospitals within the Group, that is, 1) Vichaivej International Hospital Omnoi; 2) Vichaivej International Hospital Nongkhaem; and International Hospital Group. The Company and subsidiary companies operate under the management of Ass. Prof. Saisunee Vanadurongwan, M.D. who is the Chief Executive Officer and Vice Chairman since establishment until today.

At the beginning of 2011, Vichaivej International Hospital Group underwent a corporate re-branding to become more modern and be able to reflect the hospital group’s ability in elevating its service potential and undergoing continuous development as well as maintaining consistency with the Company’s vision of wanting to expand its service to reach foreign customers on a wide scale. The hospital group had changed its name from Srivichai Hospital Group to Vichaivej International Hospital Group and underwent logo change as well.

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

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

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

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

As of 31 December 2015, the Company has total registered capital of 570,666,666 Baht, divided into 570,666,666 ordinary shares valued at 1.00 Baht per share in which 570,665,433 Baht was paid-up capital.

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

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

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

revenue from non-capitation IPD, followed by revenue from non-capitation OPD and social security program respectively. In addition, during the same period, the hospital which showed the highest revenue among the hospital group was Vichaivej International Hospital Omnoi, followed by Vichaivej International Hospital Nongkhaem and Vichaivej International Hospital Samutsakorn respectively.

In 2013-2015, the hospital group achieved net profit at 61.64 million Baht, 65.40 million Baht, and 101.64 million Baht respectively, while its operating profit margins were 6.03%, 7.80%, and 8.14% in 2013, 2014, and 2015 respectively. As of 31 December 2015, the Company and subsidiary companies has total assets of 1,445.56 million Baht comprising land, building, and equipment totaling 874.86 million Baht. Meanwhile, the hospital group's total liabilities as of 31 December 2015 was 535.68 million Baht and equity at 909.88 million Baht comprising retained earnings of 281.43 million Baht.

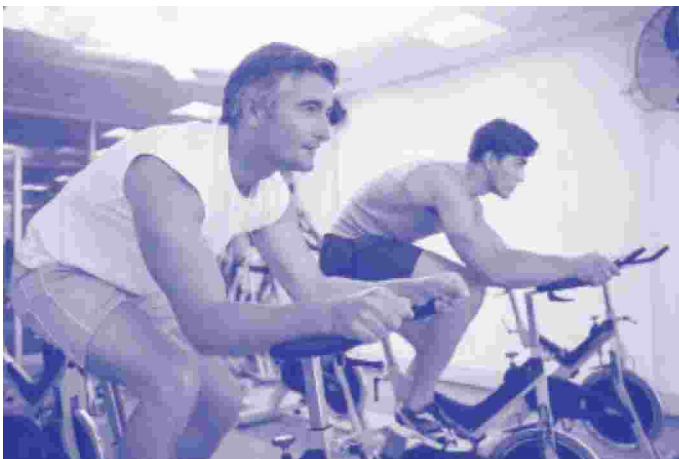
However, the hospital business operated by the Company and its subsidiaries may still encounter impact from certain risk factor which the hospital group has recognized the significance of such risk factor and, therefore, set guideline for preventing and solving the problem in manner suitable to each risk type. The Company has placed great emphasis and close attention on management of different risks as per the details mentioned under risk factors.

Each hospital has different unique features in providing services as follows

Vichaivej International Hospital Omnoi provides 24-hour medical service with specialist physicians ready to provide OPD care until midnight, in addition to the different kinds of specialized treatment available, such as Laparoscopic Surgery Center, Orthopedic Center, Urology Center, Brain Center, Cardiology Clinic,







Pediatric Clinic, Obstetrics and Gynecology clinic, Emergency and Trauma Center, Dental Center, Check - up Center and Anti-aging and Wellness Center. It is the first hospital in Samutsakorn Province and nearby provinces such as Nakhon Pathom, Ratchaburi that has operating rooms under positive pressure system, 100% sterile, dust-free, and moisture-free according to international standards.

Vichaivej International Hospital Nongkhaem has similar clinical services as Vichaivej International Hospital Omnoi with operating rooms under positive pressure system, 100% sterile, dust-free, and moisture-free according to international standards and is most modern in Thonburi zone. The hospital also has Child Development Center, Examination and Analysis Center, renown iSKY Innovative Skin & Laser Surgery Center, Comprehensive Health Check Center, Center of Molecular Genetics and services provided for foreign customers, where marketing has been promoted in several countries in Asia and the Middle East regions

Vichaivej International Hospital Samutsakorn is the first private hospital in Thailand and the only one in Samutsakorn Province that has been selected to participate in the health insurance scheme for migrant workers. Majority of the hospital's revenue comes from this Group of customer because the hospital is located in a factory area densely populated with migrant workers. Vichaivej International Hospital Samutsakorn also has similar comprehensive clinical service capacity as Vichaivej International Hospital Omnoi.

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

## Key Achievements and Progress

Key achievements of the Company and its subsidiaries over the last three years can be summarized as follows.

Vichaivej International Hospital Group has been the head of the medical and first aid unit during The Celebrations on the Auspicious Occasion of His Majesty the King's Birthday, 5th December and The Celebrations on the Auspicious Occasion of Her Majesty the Queen's Birthday, 12th August under the Foundation of King Rama Nine, The Great, since 2000 until present.

Vichaivej International Hospital Group has signed the MOU with Suan Sunandha Rajabhat University in 2007 until present in order to exchange academic knowledge and serve as a practical training facility for the university's nursing students. In 2010, the hospital group signed another MOU with Bangkok Thonburi University aimed at exchanging academic knowledge and serving as a practical training facility for the university's nursing students in order to produce professional nurses and practical nurses (PN).

Vichaivej International Hospital Group cooperated with the National Institute of Emergency Medicine in 2009 until present.

Vichaivej International Hospital Group was certified by the Department of Insurance to be a healthcare institution under the E-Claim system (automatic claim system) of the Road Accident Victims Protection Company Limited (Vichaivej International Hospital Omnoi and Vichaivej International Hospital Nongkhaem in 2007, Vichaivej International Hospital Samutsakorn in 2009 until present).

Vichaivej International Hospital Group jointly signed the Memorandum of Agreement with The Comptroller General's Department under "Direct Payment Program for DRGs in Private Healthcare Institutions" in 2011 until present.

In 2012, Vichaivej International Hospital Group registered as listed securities in the SET.





On 22 December 2012, Srivichai Vocational School Company Limited received the certificate for being the non-formal education institution with very good internal quality guarantee system of 2012 presented by the Office of the Private Education Commission, Ministry of Education.

From 2013 until present, Vichai International Hospital Group signed the MOU with Assumption College Thonburi which supported toward excellence” at youth level during the world competition and also signed the MOU with Banthongyod Badminton School in order to support badminton players.

In 2014, Vichai International Hospital Omnoi was certified with Hospital Accreditation (HA) level 3 for its quality system from the Healthcare Accreditation Institute (Public Organization) and on 8-9 October 2015, Vichai International Hospital Omnoi had passed the Re-Accreditation evaluation.

In 2014, Vichai International Hospital Nongkhaem signed the MOU with Integrated Medical Co., Ltd. and opened the Molecular Genetics Center for conducting health check using innovative technique that reaches deep cellular level.

In 2014, Vichai International Hospital Group signed a collaboration agreement to produce and develop personnel in medicine, nursing, and social servicing, with College of Nursing and Health, Suan Sunandha Rajabhat University.

In 2014, Vichai International Hospital Omnoi built a 4-storey patient ward to support expansion of non-capitation customers, which has been planned to open in the beginning of 2015.

In 2014, BBT Equity Co., Ltd., bought 20% out of total shares in the Company thus changing the structure of major shareholder group of the Company. The move was aimed to support expansion of hospital care business and increase the variety of medical service to be more comprehensive in the future.

In 2014, the Company bought 15% out of total shares in Mahanakorn Mae-sod Vejchakarn Company Limited that operates the Mahanakorn Maesod International Hospital, which is regarded as an investment in area with future potential and a formation of business partnership.

In 2015, Vichai International Hospital Group in collaboration with King's College under the Royal Patronage organized the 15th King's College Sam Pran Mini-half Marathon with award being Her Royal Highness Princess Maha Chakri Sirindhorn's Cup.

In 2015, Vichai International Hospital Group supported Assumption United Football Club.

In 2015, Vichai International Hospital Omnoi opened Building 3 and moved the Pediatric Clinic, Obstetrics and Gynaecology Clinic, Surgery Clinic, and Orthopedic Center from Building 1 to Building 3 on first floor of OPD. Building 1 is for Medicine Clinic, Eye-Ear-Nose-Throat Clinic. Building 3, 2nd floor is the Sports Medicine Center, Thai-Philos Anti-Aging Center, Health Check Center, Physical Therapy Center, while 3rd and 4th floors are inpatient ward with single room totaling 46 beds.

In 2015, Vichai International Hospital Group opened Vichai Heart Center to provide services of examining, providing diagnosis and treatment, and is equipped to care heart patients throughout 24 hours with heart specialist physicians available at the hospital.

In 2015, Srivichai Vocational School Company Limited received the certificate for being a standard non-formal education institution with very good internal quality guarantee system of 2015 presented by the Office of the Private Education Commission, Ministry of Education.

In 2015, Vichai International Hospital Omnoi together with Road Accident Victims Protection Company Limited and ThanaPlaspak Company Limited organized a collaboration signing ceremony to build the organization of road safety.

In 2015, Vichai International Hospital Omnoi opened the midnight clinic with specialist physicians available, the GI Surgery and Endoscopy Center, the Stone and Prostate Center, and the Eye-Ear-Nose-Throat Clinic



## Nature of Business Operation

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

### Revenue Structure

Revenues and profits of the Company and its subsidiaries for the years 2013-2015 (each hospital)

| Name of Hospital                              | 2013          |      | 2014          |      | 2015          |      |
|---|---------------|------|---------------|------|---------------|------|
|   | Thousand baht | %    | Thousand baht | %    | Thousand baht | %    |
| Vichaivej International Hospital Omnoi        |               |      |               |      |               |      |
| : Revenue from sales and services             | 522,577.22    | 47%  | 622,942.14    | 50%  | 678,533.37    | 50%  |
| : Net profit                                  | 58,828.74     | 83%  | 86,584.94     | 81%  | 84,339.43     | 76%  |
| Vichaivej International Hospital Nongkhaem    |               |      |               |      |               |      |
| : Revenue from sales and services             | 300,790.84    | 27%  | 329,279.83    | 26%  | 386,231.48    | 26%  |
| : Net profit (loss)                           | (10,140.68)   | -14% | (85.79)       | 0%   | 19,503.96     | 0%   |
| Vichaivej International Hospital Samuttsakhon |               |      |               |      |               |      |
| : Revenue from sales and services             | 299,054.51    | 26%  | 302,741.18    | 24%  | 299,065.80    | 24%  |
| : Net profit                                  | 21,298.01     | 30%  | 18,027.36     | 17%  | 7,831.76      | 17%  |
| Total revenue before elimination transaction  | 1,122,422.57  | 100% | 1,254,963.15  | 100% | 1,363,830.65  | 100% |
| Value of transaction                          | 15,739.19     | -    | 7,861.17      | -    | 19,492.63     | -    |
| Total revenue after elimination transaction   | 1,106,683.38  | -    | 1,247,101.98  | -    | 1,344,338.02  | -    |
| Total profit before elimination transaction   | 71,055.73     | 100% | 106,277.00    | 100% | 111,675.15    | 100% |
| Value of transaction                          | 9,418.09      | -    | 10,879.79     | -    | 10,037.13     | -    |
| Total profit after elimination transaction    | 61,637.64     | -    | 95,397.21     | -    | 101,638.02    | -    |

Remark : Srivichai Vocational School Limited Company (its subsidiaries) in 2015, with revenue of 3.35 billion baht profit of 1.23 million baht. In 2014 revenues of 4.09 billion baht profit of 1.75 million baht and in 2013 earned 3.02 million baht profit to net income of 1.07 billion baht, which Srivichai Vocational School Limited Company (its subsidiaries) in the list of other income in the consolidated financial statements.

**Revenues of the Company and its subsidiaries for the year 2013 - 2015 (by the type of client).**

| Hospital  | 2013         |      | 2014         |      | 2015         |      |
|---|--------------|------|--------------|------|--------------|------|
|   | Thousand     | %    | Thousand     | %    | Thousand     | %    |
| <b>Vichaivej International Hospital Omnoi</b>       |              |      |              |      |              |      |
| Total Revenues from Capitation                      | 208,567.18   | 19%  | 242,989.71   | 19%  | 240,478.85   | 18%  |
| Total Revenues from Non-Capitation                  | 314,010.04   | 28%  | 379,952.43   | 30%  | 438,054.52   | 32%  |
| Total Revenues from Services                        | 522,577.22   | 47%  | 622,942.14   | 50%  | 678,533.37   | 50%  |
| <b>Vichaivej International Hospital Nongkhaem</b>   |              |      |              |      |              |      |
| Total Revenues from Capitation                      | 1,188.95     | 0%   | 757.81       | 0%   | 2,329.44     | 0%   |
| Total Revenues from Non-Capitation                  | 299,601.89   | 27%  | 328,522.02   | 26%  | 383,902.04   | 28%  |
| Total Revenues from Services                        | 300,790.84   | 27%  | 329,279.83   | 26%  | 386,231.48   | 28%  |
| <b>Vichaivej International Hospital Samutsakhon</b> |              |      |              |      |              |      |
| Total Revenues from Capitation                      | 98,584.40    | 9%   | 111,839.65   | 9%   | 106,400.73   | 8%   |
| Total Revenues from Non-Capitation                  | 200,470.11   | 18%  | 190,901.53   | 15%  | 192,665.06   | 14%  |
| Total Revenues from Services                        | 299,054.51   | 27%  | 302,741.18   | 24%  | 299,065.79   | 22%  |
| Total Revenues before elimination transaction       | 1,122,422.57 | 100% | 1,254,963.15 | 100% | 1,363,830.65 | 100% |
| Value of transaction                                | 15,739.19    |      | 7,861.17     |      | 19,492.63    |      |
| Total Revenues from Services of VIH                 | 1,106,683.38 |      | 1,247,101.98 |      | 1,344,338.02 |      |

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





## Business Operation by Each Product Line

### Nature of Service

As of 31 December 2015, the Company has operated its business in the form of hospital group with three hospitals within the group, and the same time, formed service contracts with 10 hospitals (supra contractor) in order to manage appropriate patient transfer as necessary for each case. The Company also has 19 social security network clinics ready to provide first aid care for social security patients. With such structure, the Company has been able to manage its cost effectively and extend the scope of service to reach the public comprehensively.

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

### Medical Services

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

- Orthopedic Center
- Breast Center
- GI Surgery and Endoscopy Center
- Heart Center
- Mother and Child Comprehensive Health Center
- Dental Center
- Gynecologic Laparoscopic Surgery Center
- G.I. and Liver Center
- Innovative SKin and Laser Surgery Center (iSKY)
- Thai-Philos Anti-Aging Center
- GI Surgery and Endoscopy Center
- Emergency Center
- Gastroenterology and Hepatology Center
- Health Examination Center
- Stone and Prostate Center
- Heart Center
- Artificial Kidney Nephrology Clinic
- Sports Medicine Center
- General Medicine Clinic
- Anti-aging Medicine Clinic
- Stroke and Varicose Vein Clinic
- Neurology Clinic
- Diabetes & Endocrinology Clinic
- Eye-Ear-Throat-Nose Clinic





### Practical Nurse Training Center by Srivichai Vocational School

Srivichai Vejvitat Public Company Limited has invested as major shareholders in Srivichai Vocational School Company Limited which the facility will be mainly used to produce, train, and develop the personnel for Vichaivej International Hospital Group. The emphasis has been to produce nurse aid whose duty is to take care and provide convenience for patients, such as taking care of primary health. Srivichai Vocational School Company Limited plays instrumental role in producing nurse aid personnel for Vichaivej International Hospital Group as a way of reducing personnel shortage and poor quality personnel problems. The training lasts for 6 months and has been certified by the Ministry of education. Furthermore, the Company has formed an agreement with Bangkok Thonburi University in organizing course for practical nurses certified by Thailand Nursing and Midwifery Council. In 2015, the School produced 41 nurse aid staff to work under Vichaivej International Hospital Group that allows the hospitals to have higher quality nursing personnel thereby assuring the patients and customers receiving service with the hospitals. Simultaneously, this serves as a channel for developing hospital personnel's career path.

### Medical Support Service

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



# Marketing and Competition

## Status of Industry and Competition

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

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

## Competitions

Hospital and health-related service business is considered to be one of the businesses that remains in the people's interest as today consumers turn more attention to taking care of their health and having proper hygiene. For that reason, this has led competition to be more intense, from both the competition amongst private hospitals and the competition against state

hospitals that have adjusted their operations to gear toward consumer market more. At the same time, consumers are more educated and start to compare quality and price. This implies that service prices are regulated by the factors of business competition situation, replacement products, buyer's power, and partner's negotiation power. In the past, Vichaivej International Hospital Group has created strong competition power in that it has managed its purchasing operation together as a group and with other hospital partners in order to establish negotiation power against business counterparties, such as medicine and medical supplies suppliers, in order to minimize product costs.

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

## Marketing policy

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

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

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



### Characteristics of target customers

Target customers are separated into 4 groups.

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

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

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



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

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

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

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

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

- Promoting the activities and events of the hospital through leading newspaper such as Thairath, Dailynews, Komchadluek, Matichon , etc. including local newspapers and television media
- Educating the community under various projects, such as through a broadcast on one local radio station FM 96.25 MHz "Happy Hour by Vichaivej" on air every Monday to Friday 14.00 - 15.00 hrs.
- Preparation of the quarterly magazine called "V care" which is distributed to the customers of the hospital, school libraries and offices.

**Sales and distribution channels:** The hospital has several distribution channels. The direct sales focus on customers paying

cash, Life insurance, Contract companies and through the government such as Social Security Scheme.

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

### Setting the treatment fee

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

leaping progress and is fully equipped with tools and equipment while its fees were still low compared to other hospitals.

### Products and services

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

2. Providing medicines and medical supplies: The raw materials and cost of hospital pharmaceutical and Therapeutics Committee. This includes doctors, nurses, pharmacists, and the purchasing department. The Purchasing Department in order to compare quality, price, quantity, and reliability of each distributor before ordering.

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







## Risk Factors

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

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

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

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

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

Vichaivej International Hospital Group has a standard in setting the remuneration fee and welfare to closely match with competitors. Along with that, the hospital has also created a clear and fair evaluation system as well as the hospital's environment that fosters caring attitude among colleagues. Moreover, the hospital grants scholarships to its employees as a gesture of promoting and supporting continual learning that would contribute to developing the organization further.

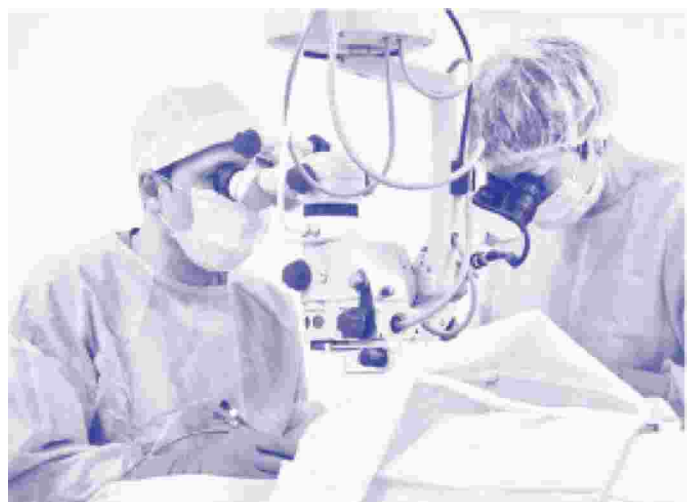
### **Risk of lawsuits**

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

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

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

The enforcement of laws or new regulations, as well as the deliberation of the draft Patient Protection Act, which protects persons who have been wronged or received damages from health care services with the goal to compensate the patients in a timely manner without having to prove wrongdoing, may affect health care providers including the Company. There is also consideration of setting up a patient protection fund to



pay for damages to patients, whereby the health care institutions have to make contribution to such fund according to the criteria and rate specified by the Patient Protection Commission. Therefore, the Company may not be able to guarantee that future changes to laws and regulations or issuance of new regulations or new policies related to the Company's business will not affect the Company's operations and business opportunities.

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

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

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

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

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

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

Since the medical treatment service provided by the Company is a service rendered before collecting due treatment fees, the Company then runs the risk of being unable to collect such fees



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

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

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

## General Information

### Srivichai Vejvivat Public Company Limited

|                     |   |                    |                    |
|---------------------|---|--------------------|--------------------|
| Location            | Private Hospital operating under the name “Vichaivej International Hospital Omnoi”              |                    |                    |
| Location            | 74/5 Moo 4, Phetkasem Road, Omnoi Subdistrict, Krathumbaen District, Samutsakorn Province 74130 |                    |                    |
| Telephone Number    | (+662) 431-0070 and Hotline 1792  | Registered Date    | March 1, 2011      |
| Facsimile           | (+662) 431-1404   | First Trade Date   | May 9, 2012        |
| Website             | www.vichaivej.com   | Registered Capital | 570,666,666 Baht   |
| Email               | bod@vichaivej.com   | Paid-up Capital    | 570,665,433 Baht   |
| Number of beds      | 200 beds  | Common Stock       | 570,665,433 Shares |
| Registration Number | 0107554000062   | Par Value          | 1 Baht             |

## General Information of Subsidiary Companies

### Saivichai Development Company Limited

|                     |  |                    |                      |
|---------------------|--|--------------------|----------------------|
| Type of Business    | Private Hospital operating under the name “Vichaivej International Hospital Nongkhaem” |                    |                      |
| Location            | 456-456/8 Phetkasem Road, NongkhangPlue Subdistrict, Nongkhaem District, Bangkok 10160 |                    |                      |
| Telephone Number    | (+662) 441-6999  | Registered Capital | 150,000,000 Baht     |
| Facsimile           | (+662) 421-1784  | Paid-up Capital    | 150,000,000 Baht     |
| Website             | www.vichaivej.com  | Common Stock       | 30,000,000 Shares    |
| Email               | nongkhaem@vichaivej.com  | Par Value          | 5 Baht               |
| Number of Beds      | 200 beds   | VIH bought         | 99.43% out of Shares |
| Registration Number | 0105530047130  |                    |                      |

## General Information of Subsidiary Companies

### Srisakorn Vejvivat Company Limited

|                     |  |                    |                       |
|---------------------|--|--------------------|-----------------------|
| Type of Business    | Private Hospital operating under the name “Vichaivej International Hospital Samutsakhon”                                 |                    |                       |
| Location            | 93/256 Mahachai Intersection, Sethakit 1 Road, Tasai Subdistrict, Muang Samutsakorn District, Samutsakorn Province 74000 |                    |                       |
| Telephone Number    | (+6634) 826-708-29   | Registered Capital | 99,200,000 Baht       |
| Facsimile           | (+6634) 826-706  | Paid-up Capital    | 99,200,000 Baht       |
| Website             | www.vichaivej.com  | Common Stock       | 19,840,000 Shares     |
| Email               | samutsakhon@vichaivej.com  | Par Value          | 5 Baht                |
| Number of Beds      | 120 beds   | VIH bought         | 99.56 % out of Shares |
| Registration Number | 0105537019778  |                    |                       |

## General Information of Subsidiary Companies

### Srivichai Vocational School Company Limited

|                     |  |                    |                       |
|---------------------|--|--------------------|-----------------------|
| Type of Business    | Occupational School operating to produce child and senior caretaker personnel          |                    |                       |
| Location            | 74/5 Moo 4, Phetkasem Road, Omnoi Subdistrict, Krathumbaen District, Samutsakorn 74130 |                    |                       |
| Telephone Number    | (+662) 431-0070 ext. 1703  | Registered Capital | 100,000 Baht          |
| Facsimile           | (+662) 431-1404  | Paid-up Capital    | 100,000 Baht          |
| Website             | www.srivichai.ac.th  | Common Stock       | 20,000 Shares         |
| Email               | teacher@srivichai.ac.th  | Par Value          | 5 Baht                |
| Registration Number | 0745553005535  | VIH bought         | 99.98 % out of Shares |

## General Information

### Mahanakorn Mae-sod Vejchakarn Company Limited

|                     |   |                    |                    |
|---------------------|---|--------------------|--------------------|
| Type of Business    | Operate private hospital business under the name Mahanakorn Maesod International Hospital |                    |                    |
| Location            | 222 Moo 9, Mae Pa Subdistrict, Mae Sod District, Tak Province                             |                    |                    |
| Telephone Number    | (+6655) 518-200   | Registered Capital | 270,000,000 Baht   |
| Facsimile           | (+6655) 518-205   | Paid-up Capital    | 270,000,000 Baht   |
| Website             | www.nakornmaesot.com  | Common Stock       | 54,000,000 shares  |
| Email               | teacher@srivichai.ac.th   | Par Value          | 5 Baht             |
| Number of Beds      | 59 beds   | VIH bought         | 15 % out of Shares |
| Registration Number | 0105556060761   |                    |                    |

## References

### Securities Registrar

Thailand Securities Depository Company Limited  
The Stock Exchange of Thailand Building,  
Rachadapisek Road, Dindeang District,  
Bangkok 10110, Thailand  
Tel. 02-009-9000 Fax 0-2009-9991

## Auditor

Ernst & Young Thailand Company Limited  
33rd Floor, Lake Rajada Ofce Complex  
193/136-137 New Rajadapisek Road  
Klongtoey District, Bangkok 10110, Thailand  
Tel. 02-264-0777 Fax 02-264-0789-90



# Shareholder

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

## Relationships with Shareholders and Investors

Srivichai Vejvivat Public Company Limited is also responsible for providing accurate and complete information and listen to the opinion of shareholders and investors consistently. Shareholders and investors can contact us for information and provide comments directly to the Office of the Secretary of the Company at Tel. 0-2431-0070 Ext. 1707, 1708, Fax 0-2431-1404 or by e-mail: [shares@vichaivej.com](mailto:shares@vichaivej.com). The Company's annual plan has included development of channels for communication and activities to be held between the shareholders and investors and senior executives of the Company as follows.

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

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

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

**D. Contact with the Board of Directors and Company Secretary:** Shareholders can contact the Board of Directors, committees or directors at the add

**Srivichai Vejvivat Public Company Limited**  
**74/5 Moo 4 Petchkasem Road, Omnoi Subdistrict,**  
**Krathumban District, Samutsakorn Province 74130**  
**Tel. 0-2431-0070 Ext. 1707, 1708 Fax 0-2431-1404**  
**or E-mail: [shares@vichaivej.com](mailto:shares@vichaivej.com)**

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

**E. Newsletters (Media Relations):** The Company disseminates information on the progress of business and public relations activities of the Company through various media relationship forms, such as radio, newspapers and public websites, as well as the website of the Company to promote activities, such as corporate social responsibility (CSR), medical knowledge sharing, community engagement, as well as other internal activities of Vichaivej Hospital. This includes having a 2 local radio waves:

FM 96.25 MHz "Happy Hour by Vichaivej" on-air every Monday to Friday from 14:00-15:00

FM 106.75 MHz "Happy Hour by Vichaivej" on-air every Monday to Friday from 16:00-17:00

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

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

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



## Dividend Policy

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

### Dividend Payout Information

| year                              | 2012   | 2013  | 2014  | 2015  |
|-----------------------------------|--------|-------|-------|-------|
| Earning per share (Baht / share)  | 0.02   | 0.11  | 0.17  | 0.18  |
| Dividend per share (Baht / share) | 4.49   | 3.00  | 12.57 | 2.00  |
| Dividend payout ratio (%)         | 179.97 | 26.27 | 75.98 | 11.25 |



# Shareholding and Management Structure

## Shareholding Structure and the Company Group Structure

Shareholding Structure of the Company as at 31 December 2015



Srivichai Vajvivat Public Company Limited  
 Registered Capital 570,666,666 Baht  
 Paid-up Capital 570,665,433 Baht



Saivichai Development Company Limited  
 Registered Capital 150,000,000 Baht

99.43%



Srivichai Vocational School  
 Company Limited  
 Registered Capital 100,000 Baht

99.98%



Srisakorn Vajvivat Company Limited  
 Registered Capital 99,200,000 Baht

99.56%



Mahanakorn Mae-sod Vejchakarn  
 Company Limited  
 Registered Capital 270,000,000 Baht

15%

The details of the registered capital of Srivichai Vejvivat Public Company Limited and subsidiaries companies as at 31 December 2015

| Company   | ทุนจดทะเบียน<br>(บาท) | Registered Capital<br>(Baht) | bed | area        | The proportion of<br>shares held by VIH |
|---|-----------------------|------------------------------|-----|-------------|---|
| Srivichai Vejvivat Public Company Limited   |                       |                              |     |             |   |
| :Vichavej International Hospital Omnoi<br>บริษัทย่อย                                    | 570,666,666           | 570,665,433                  | 200 | Samutsakhon | -                                       |
| Saivichai Development Company Limited   |                       |                              |     |             |   |
| :Vichavej International Hospital Nongkhaem  | 150,000,000           | 150,000,000                  | 200 | bangkok     | 99.43%                                  |
| Srisakorn Vejvivat Company Limited  |                       |                              |     |             |   |
| :Vichavej International Hospital Samutsakhon  | 99,200,000            | 99,200,000                   | 120 | Samutsakhon | 99.56%                                  |
| Srivichai Vocational School Company Limited   |                       |                              |     |             |   |
| : Srivichai Vocational School   | 100,000               | 100,000                      | -   | Samutsakhon | 99.98%                                  |
| Other Company   |                       |                              |     |             |   |
| Mahanakorn Mae-sod Vejchakarn Company<br>Limited : Nakorn Maesod International Hospital | 270,000,000           | 270,000,000                  | 59  | tak         | 15%                                     |

### Shareholding Structure

The first 10 major shareholders (Section 258-Same Group) as at December 31, 2015 are as follows:

| Name   | As of 31 Dec 2014 |                        | As of 31 Dec 2015 |                        | Change     |        |
|--|-------------------|------------------------|-------------------|------------------------|------------|--------|
|  | No.of shares      | % of Paid<br>up Capita | No.of shares      | % of Paid<br>up Capita | + / (-)    | %      |
| 1.BBT Equity Company Limited                           | 114,240,000       | 20.02                  | 114,240,000       | 20.02                  | -          | -      |
| 2.Bavonrat Vanadurongwan, M.D.                         | 85,008,106        | 14.90                  | 93,608,106        | 16.40                  | 8,600,000  | 10.12  |
| 3.Pat Rojmahamongkol, M.D.                             | 28,000,000        | 4.91                   | 88,000,000        | 15.42                  | 60,000,000 | 214.29 |
| 4.Rungsima Wanitphakdeedechea,M.D.                     | 28,000,000        | 4.91                   | 58,000,000        | 10.16                  | 30,000,000 | 107.14 |
| 5.Patcharapan Vanadurongwan, Ms                        | 28,000,000        | 4.91                   | 28,000,000        | 4.91                   | -          | -      |
| 6.Somchai Vijitsaengrat, Mr                            | 10,670,000        | 1.87                   | 10,670,000        | 1.87                   | -          | -      |
| 7.Kanisorn Ounsangchan, Mr                             | 4,606,640         | 0.81                   | 4,991,940         | 0.87                   | 385,300    | 8.36   |
| 8.Assoc. Prof.Vichai Vanadurongwan,<br>M.D.,Ph.D.,FIMS | 4,792,320         | 0.84                   | 4,792,320         | 0.84                   | -          | -      |
|  | 4,081,706         | 0.72                   | 4,081,706         | 0.72                   | -          | -      |
| 9.Sunee Joitjamrat, Ms                                 | -                 | -                      | 3,940,107         | 0.69                   | 3,940,107  | 100.00 |
| 10.Mongkol Wanitphakdeedechea,M.D.                     |                   |                        |                   |                        |            |        |

The first 10 major shareholders (Section 258-Same Group) as at December 31, 2015 are as follows:

| Name  | No.of shares | % of Paid up Capita |
|---|--------------|---------------------|
| 1. Vanadurongwan Group                          | 284,248,083  | 49.80               |
| Bavonrat Vanadurongwan, M.D.                    | 93,608,106   | 16.40               |
| Pat Rojmahamongkol, M.D.                        | 88,000,000   | 15.42               |
| Rungsima Wanitphakdeedecha,M.D                  | 58,000,000   | 10.16               |
| Patcharapan Vanadurongwan, Ms                   | 28,000,000   | 4.91                |
| Assoc.Prof.VichaiVanadurongwan, M.D.,Ph.D.,FIMS | 4,792,320    | 0.84                |
| Mongkol Wanitphakdeedecha,M.D.                  | 3,940,107    | 0.69                |
| Prut Rojmahamongkol, Mr.                        | 3,940,106    | 0.69                |
| Asst.prof.Saisunee Vanadurongwan, M.D.          | 3,841,624    | 0.67                |
| Viladda Vanadurongwan, Ms.                      | 68,266       | 0.012               |
| Vicha Vanadurongwan, Mr.                        | 57,482       | 0.010               |
| Somsak Opachareonsuk. Ms.                       | 72           | 0.00001             |
| 2. BBTV Equity Company Limited                  | 114,240,000  | 20.02               |
| 3. Vijitsaengrat Group                          | 11,030,166   | 1.93                |
| Somchai Vijitsaengrat, Mr.                      | 10,670,000   | 1.87                |
| Chaiyaphat Vijitsaengrat, Mr.                   | 296,500      | 0.05                |
| Wannarak Vijitsaengrat, Ms.                     | 63,666       | 0.01                |
| 4. Kanisorn Ounsangchan, Mr                     | 4,991,940    | 0.87                |
| 5. Sunee Joitjamrat, Ms                         | 4,081,706    | 0.72                |
| 6. Anantarojwong Group                          | 3,747,033    | 0.66                |
| Vallop Anantarojwong, Mr.                       | 3,317,033    | 0.58                |
| Wanchai Anantarojwong, Mr.                      | 150,000      | 0.03                |
| Sureerat Anantarojwong, Mrs.                    | 140,000      | 0.02                |
| Sukanya Anantarojwong, Ms.                      | 100,000      | 0.02                |
| Vatchara Anantarojwong, Mr.                     | 20,000       | 0.003               |
| Jirapra Anantarojwong, Mrs.                     | 20,000       | 0.003               |
| 7. Jane Manokul, Mr.                            | 3,578,506    | 0.63                |
| 8. Suchart Jaturapittporn, Mr.                  | 2,838,837    | 0.50                |
| 9. Sririauksorn Kritsadanon, Ms.                | 2,474,666    | 0.43                |
| 10. Sawakol Methasawad, Ms                      | 2,419,053    | 0.42                |
| Total   | 433,649,990  | 75.98               |
| 11. Other Shareholders                          | 137,015,443  | 24.02               |
| Grand Total                                     | 570,665,433  | 100.00              |

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

## Management Structure

### Board of Directors

As of December 31, 2015, the Board of Directors is comprised of 10 Directors as followed: six non-executive directors, three of which are independent directors and four executive director namely:

| Name                                       | Position  | Appoint Date   |
|--|---|--|
| <b>Non-Executive Directors</b>             |   |  |
| 1. Vichai Vanadurongwan, M.D., Ph.D., FIMS | Chairman of the Board   | April 24, 2015 (Re-elected)  |
| 2. Virah Mavichak                          | Independent director<br>Chairman of Audit Committee<br>Chairman of Nomination and Remuneration Committee  | April 24, 2015 (Re-elected)<br>March 26, 2014 (Re-elected)<br>January 17, 2014                             |
| 3. Surin Premamornkit                      | Independent director<br>Audit Committee<br>Nomination and Remuneration Committee  | April 5, 2013<br>March 26, 2014 (Re-elected)<br>January 17, 2014   |
| 4. Visut Montriwat                         | Independent director<br>Audit Committee   | April 5, 2013<br>March 26, 2014 (Re-elected)   |
| 5. Prat Boonyawongvirot, M.D.*             | Independent director<br>Audit Committee   | April 24, 2015 (Re-elected)<br>March 26, 2014 (Re-elected)   |
| 6. Nopporn Tirawattanagool                 | Director<br>Working Group for Financial and Investment Planning   | October 17, 2014<br>November 11, 2014  |
| 7. Tinnawat Mahataradol                    | Director<br>Working Group for Financial and Investment Planning   | October 17, 2014<br>November 11, 2014  |
| <b>Executive Directors</b>                 |   |  |
| 8. Saisunee Vanadurongwan, M.D.            | Vice Chairman<br>Chief Executive Officer (CEO)  | April 25, 2014 (Re-elected)<br>December 4, 2013  |
| 9. Pongsak Vathana, M.D.                   | Director<br>Deputy Chief Executive Officer  | April 25, 2014 (Re-elected)<br>December 4, 2013  |
| 10. Vilawan Vanadurongwan                  | Director<br>Deputy Chief Executive Officer<br>Chairman of Risk Management Committee<br>Nomination and Remuneration Committee<br>Chairman of Working Group for Financial and Investment Planning | April 25, 2014 (Re-elected)<br>December 4, 2013<br>April 19, 2015<br>January 17, 2014<br>November 11, 2014 |
| 11. Mongkon Wanitphakdeedecha M.D.         | Director<br>Deputy Chief Executive Officer<br>Nomination and Remuneration Committee<br>Working Group for Financial and Investment Planning  | April 25, 2014 (Re-elected)<br>December 4, 2013<br>January 17, 2014<br>November 13, 2015                   |

Remark: \*Prat Boonyawongvirot, M.D. Independent Director and Audit Committee pass away on November 13, 2015 and retired Directors on November 23, 2015.



## Structure of the Board of Directors

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

## Appointment of Directors

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

1. Each shareholder shall have a number of votes equal to the number of shares held multiplied by the number of the directors to be elected;

2. Each shareholder may exercise all the votes he or she has under (1) to elect one or several persons as director or directors. If several persons are to be elected as directors, the shareholder may allot his or her votes to any person in any number;

3. After the vote, the candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order, until all of the director positions are filled. Where there is an equality of votes cast for candidates in descending order causing the number of directors to be exceeded, the remaining appointments shall be made by drawing lots.

4. In case of a vacancy on the Board of Directors otherwise than by rotation, the Board of Directors shall elect any person who is qualified and not subject to prohibition under the laws as a replacement director at the next meeting of the Board of Directors, except in the case where the remaining term of office of such director is less than two months. The replacement director shall hold the office only for the remaining term of the director whom he replaces.

## Removal and Termination of Directors

1. At every annual general meeting, one-third of the number of the directors shall vacate the office. If the number is not a multiple of three, then the number nearest to one-third must retire from the office.

2. Other than vacancy by rotation, the director shall vacate the office upon:

(1) death; (2) resignation;

(3) lack of qualifications or subject to prohibition under the law;

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

(5) being removed by the court order.

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

## The term of office of Directors.

At every annual general meeting, one-third of the number of the directors shall vacate the office. If the number is not a multiple of three, then the number nearest to one-third must retire from the office. After these Articles of Association become effective, the directors to retire from office pursuant to the first paragraph in the first and the second years shall be determined by ballots. In every subsequent year the directors who have served longest in office shall retire. Upon an occasion where several directors who have been in office for an equal length of time exceed the number of directors to retire from office for such time, the directors due to retire shall be determined by ballots. A retiring director based on the foregoing shall be eligible for re-election.

## Duties and Responsibilities of the Board of Directors

1. Supervision and management of the Company and subsidiary companies to be in accordance with the laws, objectives and regulations of the Company and its subsidiaries as well as the resolution of the shareholders, except in matters that require approval by the shareholders before proceeding, for instance matters that need approval from the shareholders' meeting, related party transactions and purchase or sale of major assets by the rules of the Stock Exchange of Thailand and the Office of the SEC or other government agencies as required and so on.

2. Review and approve key matters namely the policy, work plan and budget, investment in projects not included in the annual budget, management structure, authority in management of policy relating to compliance transactions or any actions that may affect the financial condition, liabilities,

business status and reputation of the Company and its subsidiaries, interim dividend payment as well as other matters stipulated by the Stock Exchange or the law.

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

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

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

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

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

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

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

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

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

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

11. To provide the accounting system, financial reporting and credible auditing, as well as a system of internal control

and internal audit that is effective and efficient, and to approve changes in policies and practices that have material effect on accounting and internal control of the Company and subsidiaries.

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

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

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

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



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

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

### Company Secretary

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

### Remuneration of Directors and Executives

#### Monetary Remuneration

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

Remuneration for the Board of Directors from fiscal year ended 31 December 2015 as the followings:

| Name   | Meeting Fee (Baht) |                                       |                 |                                   |           |
|--|--------------------|---------------------------------------|-----------------|-----------------------------------|-----------|
|  | Board of Directors | Nomination and Remuneration Committee | Audit Committee | Financial and Investment Planning | Total     |
| Non-Executive Directors                            |                    |                                       |                 |                                   |           |
| Assoc.Prof.Vichai Vanadurongwan, M.D., Ph.D., FIMS | 156,000            |                                       |                 |                                   | 156,000   |
| Virah Mavichak                                     | 117,000            | 12,000                                | 144,000         |                                   | 273,000   |
| Surin Premamornkit                                 | 108,000            | 9,000                                 | 99,000          |                                   | 216,000   |
| Prat Boonyawongvirot, M.D.                         | 99,000             |                                       | 90,000          |                                   | 189,000   |
| Visut Montriwat                                    | 117,000            |                                       | 108,000         |                                   | 225,000   |
| Nopporn Tirawattanagool                            | 117,000            |                                       |                 | 144,000                           | 261,000   |
| Tinnawat Mahataradol                               | 117,000            |                                       |                 | 144,000                           | 261,000   |
| Executive Directors                                |                    |                                       |                 |                                   |           |
| Ass.Prof.Saisunee Vanadurongwan, M.D.              | 120,000            |                                       |                 |                                   | 120,000   |
| Pongsak Vathana, M.D.                              | 91,000             |                                       |                 |                                   | 91,000    |
| Vilawan Vanadurongwan                              | 91,000             | 7,000                                 |                 | 192,000                           | 290,000   |
| Mongkon Wanitphakdeedecha M.D., M.Sc.              | 84,000             | 7,000                                 |                 | 14,000                            | 105,000   |
| Total  | 1,217,000          | 35,000                                | 441,000         | 494,000                           | 2,187,000 |

Remark: Prat Boonyawongvirot, M.D. Independent Director and Audit Committee pass away on November 13, 2015 and retired Directors on November 23, 2015.

Besides the meeting allowances per each meeting as showed in the table above, the Company had grant monthly compensation to directors as a total of Baht 700,000 and remuneration committee in an advisory capacity total of Baht 95,000 per year and allocate bonus for 11 directors as a total of Baht 2,500,000. Anyway all remunerations are approved by shareholder meeting in amount which is not exceeded Baht 7,000,000.

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

In 2014, the Company and its subsidiaries paid compensation in the form of salaries, bonuses and other compensation to Executive (As defined by the SEC) of the company's total of six persons in the amount totaling Baht 29,716,875 (in the form of salary, bonus and provident fund. And other remuneration is paid in the administration)

In 2015, the Company and its subsidiaries paid compensation in the form of salaries, bonuses and other compensation to Executive (As defined by the SEC) of the company's total of six persons in the amount totaling Baht 30,942,841 (in the form of salary, bonus and provident fund. And other remuneration is paid in the administration)

### Determination Remuneration of Directors and Executives

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

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

### Board of Directors Meeting

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



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

| Name   | Attendance/Number of Meeting |       |                                       |      |                 |       |                                   |       |                           |       |
|--|------------------------------|-------|---------------------------------------|------|-----------------|-------|-----------------------------------|-------|---------------------------|-------|
|  | Board of Directors           |       | Nomination and Remuneration Committee |      | Audit Committee |       | Financial and Investment Planning |       | Risk Management Committee |       |
|  | 2014                         | 2015  | 2014                                  | 2015 | 2014            | 2015  | 2014                              | 2015  | 2014                      | 2015  |
| Assoc.Prof.Vichai Vanadurongwan, M.D.,Ph.D.,FIMS | 15/15                        | 12/12 | -                                     | -    | -               | -     | -                                 | -     | -                         | -     |
| Ass.Prof.Saisunee Vanadurongwan,M.D.             | 14/15                        | 11/12 | -                                     | -    | -               | -     | -                                 | -     | -                         | -     |
| Pongsak Vathana,M.D.                             | 15/15                        | 12/12 | -                                     | -    | -               | -     | -                                 | -     | -                         | -     |
| Vilawan Vanadurongwan                            | 15/15                        | 12/12 | 2/2                                   | 1/1  | -               | -     | 1/1                               | 16/16 | 23/23                     | 25/25 |
| Mongkon Wanitphakdeedecha M.D.,M.Sc.**           | 15/15                        | 12/12 | 2/2                                   | 1/1  | -               | -     | -                                 | 2/2   | -                         | -     |
| Virah Mavichak                                   | 15/15                        | 12/12 | 2/2                                   | 1/1  | 14/14           | 12/12 | -                                 | -     | -                         | -     |
| Surin Premamornkit                               | 14/15                        | 11/12 | 2/2                                   | 1/1  | 14/14           | 11/12 | -                                 | -     | -                         | -     |
| Visut Montriwat                                  | 15/15                        | 12/12 | -                                     | -    | 14/14           | 12/12 | -                                 | -     | -                         | -     |
| Nopporn Tirawattanagool*                         | 2/15                         | 12/12 | -                                     | -    | -               | -     | 1/1                               | 16/16 | -                         | -     |
| Tinnawat Mahataradol*                            | 2/15                         | 12/12 | -                                     | -    | -               | -     | 1/1                               | 16/16 | -                         | -     |
| Prat Boonyawongvirot, M.D***                     | 14/15                        | 10/12 | -                                     | -    | 14/14           | 10/12 | -                                 | -     | -                         | -     |

\* Nopporn Tirawattanagool and Tinnawat Mahataradol has been appointed as Directors by the Extraordinary General Meeting of Shareholders No. 1/2014 which was held on October 17, 2014 to attend the first meeting in November 2014.

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

\*\*\* Prat Boonyawongvirot, M.D. Independent Director and Audit Committee pass away on November 13, 2015 and retired Directors on November 23, 2015.

## Employees

| No. Staff (Persons)             | Vichaivej International Hospital Omnoi | Vichaivej International Hospital Nongkhaem | Vichaivej International Hospital Samutsakhon | Total        |
|---------------------------------|--|--|--|--------------|
| Doctor                          | 33                                     | 15   | 17   | 65           |
| Advisor Doctor/Part-time Doctor | 80                                     | 103  | 55   | 238          |
| Dentist                         | 9                                      | 15   | 1  | 25           |
| Nurse                           | 89                                     | 81   | 43   | 213          |
| Part-time Nurse                 | 27                                     | 11   | 12   | 50           |
| Practical Nurse (PN)            | 62                                     | 40   | 43   | 145          |
| Nurse Assistant (NA)            | 56                                     | 32   | 30   | 118          |
| Pharmacist                      | 8                                      | 8  | 4  | 20           |
| Radiation Techniques            | 2                                      | 9  | 2  | 13           |
| Physical Therapist              | 4                                      | 4  | 3  | 11           |
| Medical Technician              | 7                                      | 6  | 6  | 19           |
| Other Staff                     | 295                                    | 187  | 228  | 710          |
| <b>Total</b>                    | <b>672</b>                             | <b>505</b>                                 | <b>444</b>                                   | <b>1,621</b> |

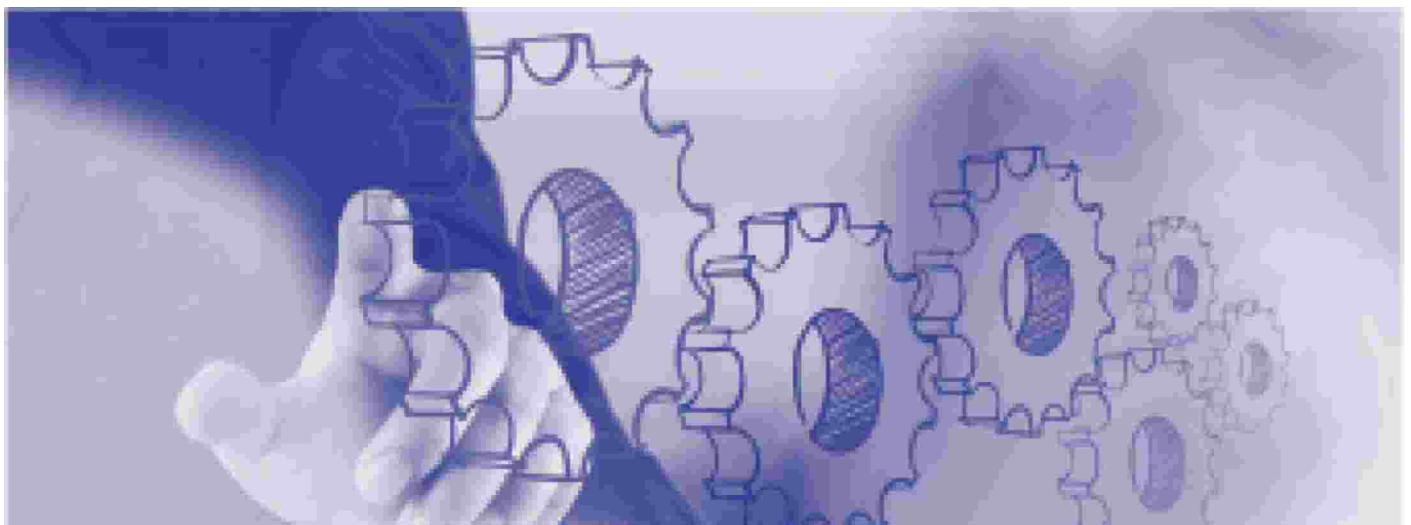


### Employee Compensation

The Board of Directors has set policies and practices regarding compensation and benefits to employees are clear and tangible to comply with the operating results of the company in both the short and long term. Employees of the Company will receive benefits including salaries, overtime pay, benefits, annual funds and other grants, the provident fund and also receive financial assistance for medical treatment and other benefits such as vacation leave, maternity leave etc. During the fiscal year ended December 31, 2015, total compensation of employees as 355,289,506.30 baht by type of compensation as follows.

(Thousand Baht)

| Employee Compensation   | Vichaivej International Hospital Omnoi |            | Vichaivej International Hospital Nongkhaem |            | Vichaivej International Hospital Samutsakhon |            |
|-------------------------|--|------------|--|------------|--|------------|
|                         | 2014                                   | 2015       | 2014                                       | 2015       | 2014   | 2015       |
| Salary                  | 95,898.25                              | 100,091.21 | 76,448.46                                  | 75,397.65  | 82,523.86                                    | 85,651.90  |
| Bonus                   | 5,084.10                               | 5,265.96   | 293.11                                     | 364.05     | 4,609.41                                     | 5,027.98   |
| Provident fund          | 1,355.75                               | 1,428.78   | 4,041.00                                   | 4,019.00   | 1,103.90                                     | 1,114.54   |
| Pension upon retirement | 0.00                                   | 98.76      | 951.35                                     | 979.74     | 964.10                                       | 100.10     |
| Overtime                | 29,625.36                              | 35,538.88  | 0.00                                       | 0.00       | 18,315.95                                    | 18,620.74  |
| Other                   | 5,050.64                               | 3,528.84   | 16,577.13                                  | 21,061.40  | 0.00   | 0.00       |
| Total                   | 137,014.08                             | 142,952.43 | 98,311.04                                  | 101,821.83 | 107,517.21                                   | 110,515.24 |





### **Provident Fund**

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

### **Personnel Development Policy**

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

However, the average number of training hours per employees of the Company the year 2015 equal to 22.17 hours / person / year. This is in accordance with the policy set forth by the Company.

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

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

However, the statistics of accident from working or Injury / illness Severity rate of employees in 2015, equal to 2.95 percent of the total employees in the company.

### **Labor disputes over the past three years**

The Company has no significant labor disputes in the last three years. As at December 31, 2015 the company has employs totaling of 1,621 people and no have any strike or any protest.

# Corporate Governance

## Corporate Governance Policy

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

The Company has had a clearly written corporate governance policy and requires that one responsibility of directors, executives, and employees of Company and its affiliates is to acknowledge and comply with this policy. The Company is to regularly revise the policy, principles, and guidelines in line with its strategies and the approach of corporate governance for listed companies under the Stock Exchange of Thailand (SET). Last updated in 2014, the policy together with its guidelines underwent amendment this year. The contents are now more clearly classified, encompassing key corporate governance principles. The Company publicized the revised policy, principles, and guidelines on its [www.vichaivej.com](http://www.vichaivej.com) to enable those interested to examine and download them. Below are the elements of the corporate governance policy by the principle comprises of 5 categories, namely:

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

In 2015, the Company received assessments related to good corporate governance activities as follows:

The Company received a “Good” accomplishment in the Corporate Governance Report of Thai Listed Companies 2015 which was rated by the Thai Institute of Directors (IOD) in cooperation with the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

The Company was evaluated by the Office of the Securities and Exchange Commission, in cooperation with Thai Investors Association and Thai Listed Companies Association, on the quality of the Annual General Meeting for the year 2015. The

Annual General Meeting of shareholders for the year 2014 was rated “Excellent”

## Board-Committees

The Board of Directors set up 4 sub-committees to help monitor and supervise the operations more closely and regularly report to the Board of Directors. They are The Audit Committee, Executive Committee, Nomination and Remuneration Committee, Risk Management Committee and Working Group to scrutinize and supervise the operation of the Company over specific issues, in order to perform their duties efficiently and effectively as well as to ensure that the Company complies with rules and regulations of the SEC and SET.

## The Audit Committee

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

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

- |                       |                                 |
|-----------------------|---------------------------------|
| 1. Virah Mavichak     | Chairman of the Audit Committee |
| 2. Surin Premamornkit | The Audit Committee             |
| 3. Visut Montriwat    | The Audit Committee             |

And Wanna Maharpong Secretary

Remark: Prat Boonyawongvirot, M.D. Independent Director and Audit Committee pass away on November 13, 2015 and retired Directors on November 23, 2015.

So Mr. Surin Premamornkit and Mr. Visut Montriwat, with qualified knowledge and experience in accounting and finance to review the reliability of the financial statements and Ms. Wanna Maharpong, Internal Audit Manager, serves as Secretary to the Audit Committee.

### Duties and Responsibilities of the Audit Committee

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

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

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

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

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

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

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

- List the conflicts of interest items
- Fraud or significant irregularities or defects of internal control system of the Company or subsidiaries.
- The violation or violations of the law on securities, notification and terms of the Stock Exchange of Thailand, the Securities and Exchange Commission and Capital Market Supervisory Board including laws relevant to the business of the Company and subsidiaries.

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

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

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

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



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

In the scope of duties and responsibilities the Audit Committee has the authority to invite the management, executives or employees of the Company or subsidiaries that are relevant to provide reports, comments, attend meetings, or send documents that are relevant and necessary.

### the Executive Committee

The lists of the Executive Committee as at December, 31 2015 as follows:

1. Asst. Prof. Saisunee Vanadurongwan, M.D.  
Chief Executive Officer
2. Pongsak Vathana, M.D.  
Deputy Chief Executive Officer
3. Mongkon Wanitphakdeedecha M.D., M.Sc.  
Deputy Chief Executive Officer
4. Vilawan Vanadurongwan      Deputy Chief Executive Officer
5. Sakda Tangchitwatanakorn      Executive Committee
6. Prut Rojmahamongkol      Executive Committee
7. Sunee Thirakaronwongse, M.D.      Executive Committee
8. Vachara Chuapaknam      Executive Committee
9. Sunee Joychumras      Executive Committee
10. Kwanyuen Suksomphoj      Executive Committee
11. Rachada Fongtanakit, PhD.      Executive Committee  
/ Secretary

### Duties and Responsibilities of the Executive Committee

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

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



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

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

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

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

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

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



### the Nomination and Remuneration Committee

Appointed by the Board of Directors, the Nomination and Remuneration Committee consists of at least three directors, most of whom must be independent directors. They also must not be Chairman of the Board nor Chief Executive Officer. All of the members fully qualified as directors in accordance to the Nomination and Remuneration Committee Charter.

The list of Structure of Nomination and Remuneration Committee as at December, 31 2015

|   |                                 |
|---|---------------------------------|
| 1. Virah Mavichak                         | President/ Independent Director |
| 2. Surin Premamornkit                     | Committee/ Independent Director |
| 3. Vilawan Vanadurongwan                  | Committee                       |
| 4. Mongkon Wanitphakdeedecha, M.D., M.Sc. | Committee                       |
| Sirirat Chumwangwapee                     | Secretary                       |

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

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

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

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

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

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

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

### Risk Management Committee

The list Risk Management Committee as at December 31, 2015

|                             |                       |
|-----------------------------|-----------------------|
| 1. Vilawan Vanadurongwan    | President             |
| 2. Viroj Mavichak           | Advisory              |
| 3. Sakda Tangchitwatanakorn | Committee             |
| 4. Kanittha Porayanon       | Committee             |
| 5. Hathaiwan Suwantaweerak  | Committee             |
| 6. Pariwan Opachareonsuk    | Committee             |
| 7. Kanlayanee Kannasut      | Committee             |
| 8. Prapaphan Techatanang    | Committee             |
| 9. Tanawan Srirattanapitak  | Committee / Secretary |

### Duties and responsibilities of the Risk Management Committee

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

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

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

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

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

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

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

### Working Group for Financial and Investment Planning

In order to enhance the value of Srivichai Vejvivat Public Company Limited and subsidiaries companies in the future and ensuring that there is ongoing growth and secure financial

position, it was deemed appropriate to appoint the Working Group for Financial and Investment Planning as follows.

|  |                      |
|--|----------------------|
| 1. Vilawan Vanadurongwan                 | President            |
| 2. Nopporn Tirawattanagool               | Director             |
| 3. Tinnawat Mahatharadol                 | Director             |
| 4. Mongkon Wanitphakdeedecha M.D., M.Sc. | Director             |
| 5. Prut Rojanamahamongkol                | Director             |
| 6. Sakda Tangjitwattanakorn              | Director / Secretary |

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

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

#### **Use of Insider Information**

The Company's policy is to uphold ethics and conduct its business with integrity to customers, suppliers and the shareholders of the Company within its regulations and Code of Conduct. In case of internal information of the Company is utilized by the executives or employees for personal gain or revelation confidential information to outsiders including making transactions that may pose potential conflict of interest, these actions are serious misconduct and disciplinary punishment may be taken. The Company will notify the board of directors and executives who perceive internal information that may affect the price of securities. to refrain from trading their shares of the Company one week before and 24 hours after financial statement has been revealed to the public and prohibit disclosure of internal information to others.

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

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

#### **Audit Fees of the Auditors**

The resolution of Annual General Meeting of Shareholders of year 2015 to appoint Mr.Termphong Opanaphan Reg.No. 4501, Mr. Khitsada Lerdwana Reg.No. 4958 and Ms. Maneerat Rattanabundit Reg.No. 5313, The meeting approved to appoint Certified Public Accountants from Ernst and Young Office Limited to be the auditors of the Company and the Subsidiary company for the year 2015. The audit fee of the Company and its subsidiaries for the year 2015 at the total amount of Baht 2,370,000 Baht.

##### **1. Audit fee**

The Company and subsidiaries

Provident Fund paid for the audit fees to the auditors' company for the latest account period amounting to Baht 2,370,000

##### **2. Non – audit fee**

The Company and subsidiaries paid for non-audit fees for

Provident Fund paid for the non - audit fees to the auditors' company for the latest account period amounting to Baht 165,201

#### **Compliance with the Company's Corporate Governance**

Recognizing and valuing the principles of good corporate governance, the Company strictly conform to the rules and regulations in accordance to the corporate governance principles, which can be divided into five articles as follows:

##### **Article 1: Right of Shareholders**

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

##### **1.1 Shareholders' rights protection policy**

The Board of Directors values the rights of shareholders and encourages shareholders to exercise their rights including



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

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

### 1.2 Shareholders' Meeting

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

The Board of Directors has a policy to support and encourage all types of shareholders, including institutional shareholders to attend the shareholders' meeting by requiring the invitation letter of Annual General Meeting of Shareholders to clarify on details about registration procedures and documents used to register for each type of shareholders including 3 types of proxy consisting of Form A, Form B and Form C. Meeting documents can be downloaded through Company's website at least 21 days before the meeting. By the year 2015, the Company's Annual General Meeting of Shareholders on April 24, 2015 and has published a Notice of AGM complete both in Thailand and in English on the website of the Company on April 2, 2015.

#### Pre-proceeding of the Meeting

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

by the Board of Directors and disclosed to shareholders thorough SEC's News the Company's Home Page starting on November 12, 2014

- The Company gives an opportunity to shareholders to propose agenda of the meeting, nominate qualified persons for appointment as a director, and send questions related to the agenda, prior to the Annual General Meeting of Shareholders under the criteria set by the Board of Directors and disclosed to shareholders thorough SEC's News the Company's Home Page.

- The Company prepares the Notice of the Annual General Meeting of shareholders and related documents in both Thai and English languages (for the convenience of foreign shareholders) with complete details, including information about the date, time, and location of the meeting, meeting agenda with a statement indicating the reasons and opinion of the board of directors, issues to take into consideration, proxy forms as set by the Ministry of Commerce, rules and procedures in attendance and the process of voting on each agenda.

- The Company discloses the Notice of Annual General Meeting of Shareholders to shareholders and enclosures through the SET's news and Company's Home Page at least 21 days before the meeting. The Company sends the Notice and enclosures to the shareholders by registered mail at least 21 days before the meeting, which over the time period set by law. The Notice of Annual General Meeting of Shareholders will be advertised in the daily newspapers in the English version and Thai version for 3 consecutive days and 3 days before the meeting.

#### Proceeding of the Meeting

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

- The Company provides the use of a proxy form by shareholders who are unable to attend the meeting to appoint a person or an independent director to attend the meeting and cast votes on their behalf. Shareholders can use the Proxy Form A., B., or C. (for Custodian) as specified by Department of Business Development or the Proxy Forms provided in the Company's Website. The Company encourages shareholders

to use Proxy Form B, which send together with the Notice of the AGM, the required documents/evidence, and the proxy instruction to shareholders. In addition, shareholders can download Proxy Forms via the Company's website.

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

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

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

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

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

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

- Agenda other than those specified in the Notice of meeting must not be raised and no significant changes may be made to the agendas specified without prior notice to the shareholders.

#### **After the shareholders' meeting**

- The Company publishes the resolutions of the shareholders' meeting and voting results of each agenda item through the Stock Exchange of Thailand and the Company's Home Page on the next date of the Annual General Meeting of shareholders.

- The Company prepares minutes of shareholders that are accurate and complete for submission to the Stock Exchange of Thailand and publish on the Company's Home Page within 14 days from the date of the meeting.

The General Meeting of Shareholders for the year 2015, the Company provided an opportunity for shareholders to propose agenda items, nominate candidates for director appointment, and send questions during 12 November to 31 December 2014. At the end of such period, there were no shareholders proposing agenda, candidate, or submit question in advance of the meeting.

On 2 March 2015, the Company published the resolution of the Board of Directors regarding the General Meeting of Shareholders via SET's news and the Company's website and scheduled the 2015 Annual General Meeting of Shareholders on 24 April 2015 at 9.30 AM. The Company set the Record Date, on which shareholders have the rights to attend and to cast vote in the 2015 AGM, on 19 March 2015 and collected the names of shareholders pursuant to Section 225 of the SEC Act B.E. 2535 (Amended B.E. 2551) by means of closing the share register book on 20 March 2015.

The Company published the Notice of the 2015 Annual General Meeting together with the meeting's supporting documents in both Thai and English languages via SET's news and the Company's website on 2 April 2015 or 22 days before the meeting. Thailand Securities Depository Company Limited (TSD) was appointed to be registrar to send the Notice of the 2014 Annual General Meeting to shareholders through registered post since 3 April 2015, or 21 days before the meeting.

The Company held the Annual General Meeting of Shareholders for the year 2015 on Friday, 24 April 2015 at 9.30 AM at Vichaivej International Hospital Omnoi, No. 74/5 Moo 4 Phetkaseam Road, Omnoi, Khathumbann, Samuthsakon. There were 58 shareholders attending the Meeting in person and by proxy, accounted for 417,395,709 shares representing 73.14% of the shares sold.



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

## Article 2: Equitable Treatment of Shareholders

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

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

The Company has measures to prevent the use of inside information. The directors, management, employees and stakeholders are not allowed to use inside information to benefit themselves or others. The Company has set the privacy policy, inside information policy and securities trading of directors, executive, and employees in the Company's Code of Ethics that will be granted to directors, executives and employees on the job. It can be summarized as follows:

Directors, executives and employees at all levels must keep important business information confidential as well as confidential information about the Company and the stakeholders of the Company. The information will not be disclosed to those who are not involved, both inside or outside the Company, or must not be used to seek benefits for themselves and others. This also applies in cases of retirement, resignation or termination of work from the Company, unless the information is already required by law to be disclosed to third parties involved.

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

For the year 2015, the Company has no events that directors, executives, employees, and related persons violated rules of the use of inside information or traded securities by using inside information.

In addition, directors and executives have strictly complied with the Company's Code of Conduct in regard to reporting the purchase and sale of securities of the Company at least 1 day before and after the actual trading date and the changes in the holding securities of the Company to the SEC under Section 59 of the Securities Exchange Act of B.E. 2535.

### 2.2 Governance on the conflict of interest

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

- The Company's directors, executives, managers, and staff members at all levels shall not personally receive any money or benefits from the Company's customers or business partners, or from any other people when working on behalf of the Company.
- The Company personnel should not behave in a manner that may pose a conflict of interest, and should always recognize that they have an interest or benefit in the performance.
- The Company should not support the corruption such as grafting, receiving gifts or any benefits which are not appropriate. If examination and meet such actions will be punished according to the regulations of the company.





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

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

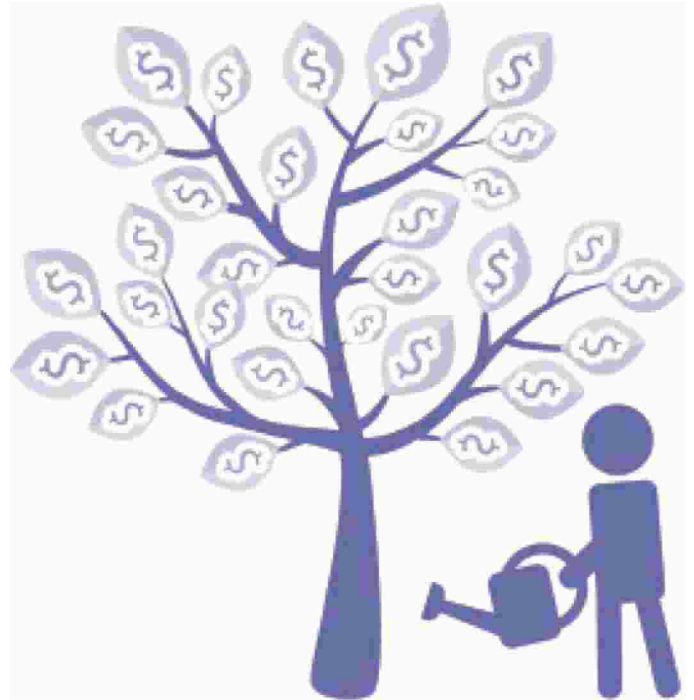
For connected transactions where directors, executives, managers and employees may have a conflict of interest, such persons shall disclose any conflict of interest to the Company prior to engaging in the connected transaction. Director, manager or employees, who have conflict of interest, may not participate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

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

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

### 2.5 Conflict of interest of Directors

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



### Article 3: Role of Stakeholder

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

#### Equitable Treatment of Stakeholders

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

#### Shareholders

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

#### Employees

The Company is committed to the practice of law and regulations on employment with important policy that provide opportunity in employment to all persons equally. Begin with the searching process to hire the person to work with. Recruit-



ment, staffing, training and development can be transferred by us to recruit people with talent and experience to meet the Company needs to join or organization. And realize that the importance of the promotion, suitable compensation and benefits are based on the performance of employees. The Company has established a provident fund to take care of employees in long-term.

#### *Customers*

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

#### *Partners and / or Creditors*

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

#### *Competitors*

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

#### *Community*

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

#### **Whistle-Blowing Service**

The Company recognizes and appreciates the importance of strengthening relationships and understanding of all groups of the Company's stakeholders, namely shareholders, customers, trading partners, creditors, executives and employees of the Company as well as those who get affected by the Company's operations, may file a complaint with or provide information to the Company

when witnessing, knowing or doubting or having reasonable grounds to believe in good faith that employees or the Company breach or violated laws, rules, regulations, good corporate governance principles, business code of conduct, policies and procedures which may result in damage to the Company. Complainants can file their cases by clearly spelling out "Confidential" through the following channels:

To **Chairman of Audit Committee or Independent Director Internal Audit Office**  
**Srivichai Vejvivat Public Company Limited**  
**75/5 Moo 4, Phechkaseam Rd, Omnoi**  
**Krathumbaen, Samuthsakhon 74130**  
**Telephone 02 431 0070 ext 2426**  
**E-mail : virah@vichaivej.com**

or **Corporate Secretary Office**  
**Srivichai Vejvivat Public Company Limited**  
**75/5 Moo 4, Phechkaseam Rd, Omnoi**  
**Krathumbaen, Samuthsakhon 74130**  
**Telephone 02 431 0070 ext 1708**  
**E-Mail : shares@vichaivej.com / bod@vichaivej.com**

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

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

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

### 3.3 Policy on Intellectual Property and Copyright

The Company recognizes the importance of the intellectual property and copy rights of third parties. The Company will comply with the legal requirements on intellectual property and copy rights. Employees must check beforehand that the work or information that belongs to third parties can be used within the Company without violating the intellectual property of others, summarized as follows:

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

### 3.4 Human Rights Policy

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



towards the society and other persons with the policies and guidelines to follow.

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

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

### Article 4: Disclosure and transparency

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

#### 4.1 Disclosure Policy

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

In the year 2015, the Company has complied with the principles of good corporate governance. There is no record of delayed report submission under section 56 for both form 56-1 and form 56-2, including quarterly and yearly financial statements.

#### 4.2 Channel Disclosure

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

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

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

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

#### 4.4 Investor Relations Department

The Company has established an IR Department (Investor Relations) to be responsible for the disclosure of information and any activities of the Company to its shareholders, investors, analysts and the general public. The channels include the Company's Home Page, quarterly performance meeting, analysts meeting, conference call, road show in Thailand and abroad, etc. The Company also prepares the Management Discussion and Analysis (MD&A) on a quarterly basis and IR Newsletter, which published on SET's website and the Company's website, to provide investors and general public for better understanding of the Company's performance. Unauthorized persons are not allow to provide information to the media or the public in any way which may affect the reputation and business operations of the Company.

Investors may contact the Investor Relations Department at 02 431 0070 ext. 1707, 1708 or [shares@vichaivej.com](mailto:shares@vichaivej.com) / [bod@vichaivej.com](mailto:bod@vichaivej.com)



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

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

##### 5.1 Board of Directors' Meeting

##### 5.1.1 Attendance of the Meeting

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

##### 5.1.2 Meeting Agenda

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

##### 5.1.3 Meeting Documents

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



#### 5.1.4 The Meeting

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

#### 5.1.5 Invite management to attend the Meeting

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

#### 5.1.6 Meeting with Non-Executive Directors

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

#### 5.2 Performance Evaluation of the Board of Directors

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

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

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

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



#### Procedures

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

#### Result

Result of Performance Evaluation of the Board of Directors for the year 2015. The criteria for the evaluation represent the percentage in each article as over 85% as "Excellent"

#### 5.2.2 Performance evaluation of the sub-committee

##### Criteria

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

##### Procedures

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

##### Result

Result of Performance evaluation of the sub-committee for the year 2015. The criteria for the evaluation represent the percentage in each article as over 85% as "Excellent"





### *5.2.3 Performance evaluation of the Chief Executive Officer Criteria*

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

#### *Procedures*

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

#### *Result*

Results of the evaluation of the Chief Executive Officer (CEO) for the year 2015 had an average score 90 percent, the rating "excellent".

### *5.3 Development of Directors and Executives*

#### *5.3.1 Development of Directors and Executives*

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

#### *5.3.2 Succession policy*

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

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

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



# Corporate Social Responsibility

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

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

## Corporate Social Responsibility

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

### Policy and Practicality to social

#### 1. The operation with impartiality

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

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

1.3 The rights and equitable treatment of all shareholders. The protection of shareholders's benefit and rights which including the rights to receive dividend and continuously acknowledge company's information at suitable time and continuously. The company also has a duty to publish information in a transparent manner by pass the Shareholders' Meeting which focus to giving priority to shareholders equally without any prejudice.

1.4 Recognizing the important group of stakeholders. Whether the personnel within the organization or external organization stakeholders such as Shareholders, clients, creditors , suppliers, the community Government agencies

and other relevant organizations. These are able to build long-term stability to the organization.

#### 2. Anti-corruption

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

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

#### 3. Respect for human rights

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

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

#### 4. The practice to workers fairly

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

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

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

#### 5. Responsibility to consumer

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

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

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

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

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

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

## 6. Environmental protection

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

6.2 The using of resources in the right amount.

## 7. Participation in development the social and community

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

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

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

7.4 Establishing mutual cooperation between community and hospital.

## 8. The Innovation and the dissemination of innovation

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

## Operations of responsibility in process of business

### Shareholder

At present, Business must race against time so, the various information necessary for the decision. The company has provide a channel of access to information related to the company. Whether the company's website WWW.VICHAJEJ.COM

which can be found at the Investor Relations menu. There are provide to service about the various information, as well as the movement of the company for shareholder and investors have been informed.

### Customer and Consumer

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

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

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

### Personnel

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

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

### The business impact of corporate social responsibility.

In December, 31 2015 The Company is not legal dispute related to corporate social responsibility or environmental impact

## Activities to benet society and the environment

### Vichaivej Internation Omnoi

The Happy Workplace Project, happy organization development is the attempt to perform activities to achieve

the goal of Happy 8. By encourage employees to connect with each other in organization with participate in activities on a voluntary basis such

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

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

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

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

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

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

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

**Happy Family Club:** The club that focuses on creating a happiness family by inviting family members of employee to attend activities such as donation to help the orphanage, disadvantaged and the elderly.

Employees can participate in activities on a voluntary basis or become member in every club. A praiseworthy example for the Happy Body Club is that 18 employees were able to lose weight and restored their BMI value

from overstandard to standard level, in which there was a contest and prize given to the winner.

2. Vichaivej International Hospital Group in collaboration with the Liver Foundation organized "Liver Lover" event to offer free liver enzyme value service to the general public as well as provide knowledge for taking care of their health in order to stay clear of liver disease, in which 270 people came to receive such service in 2015.



3. Organized activity on World Kidney Day under the project called "Love Kidney...Take Early Care" in order to provide service of kidney disease screening as a campaign calling people to take care of their health and stay clear of kidney disease, in which 192 people came to receive such service.

4. Organized activities to screen diabetes condition for the general public and educate as well as advise about diabetes under the project called "Diabetes Care, Less Medicine, More Relief" so that people realize the need for taking care of their health and preventing diabetes disease, in which 165 people came to receive such service in 2015.





5. Organized the “Clean Food Good Taste” project in the workplace with 3 companies participated, which all 3 companies were able to pass the standard assessment for Clean Food Good Taste quality.

6. Vichaivej International Hospital Omnoi organized the “Family Planning for Insured Women” project in the workplace of 21 companies covering 2,000 people.

7. Organized VICHAIVEJ AEROBIC CLUB which was established in 2006 and at present, there are 172 members. The objective is to encourage the people of Omnoi, Omyai, and Sampran communities to exercise so that they have good health, every Monday-Friday at 17.30 – 18.30 hrs.

8. Organized training project to provide knowledge about health in school and workplace on a regularly basis since 2006 whereby in 2015, trainings were organized for 7 schools covering 3,650 participants and 38 workplace covering 26,900 participants.

9. Safety Week activities in the workplace were held and included exhibitions, counseling on health problems plus a variety of health-related games covering altogether 19 companies in 2015.

10. Vichaivej International Hospital Omnoi provided health support for students with overnutrition and malnutrition conditions under the project "Right Nutrition and Healthy Thai Children" covering 2 schools with 75 students participated.

11. Vichaivej International Hospital Omnoi participated in promoting proper dental care for schoolchildren by providing oral check and fluoride application with 4 schools and 2,700 schoolchildren participated in this activity.

12. Vichaivej International Hospital Omnoi initiated the project “GPS Identifies Location...Trusted by Service Users” in order to help emergency patients at their homes as quickly as possible and allow them to receive care from the medical team in time and with ease through accessibility of emergency vehicle ready to rescue every life throughout 24 hours.

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

14. Provide sports medicine unit for check the the performance of the body in mini half-marathon 15th at King's and the winner was getting king's cup from Her Royal Highness Princess Maha Chakri Sirindhorn

15. Organize a roadshow healthy activity to various authorities such as Channel 7

16. Provide recreational activities “Quality Safety Healthy” By providing knowledge about nutrition And knowledge about to check breast by oneself to search breast cancer to various company as Betagen Co., Ltd etc.

### Vichaivej International Hospital Nongkhaem

1. On October 8, 2015 Vichaivej International Hospital Nongkhaem opening the heart center , which is allowed from Department of health service support, The Ministry of public health.

2. Vichaivej International Hospital Nongkhaem Obtained certificate “Food Safety” by Bureau of Quality and Safety of Food Department of Medical Sciences, the Ministry of Public Health.

3. Vichaivej International Hospital Nongkhaem getting a certificate from Bureau of health, Bangkok Metropolitan Administration in the project “ The Toilet of the Year 2015 contest”

4. Vichaivej International Hospital Nongkhaem cooperate Nongkhangphlu Metro Police Station and Fire Station in Nongkhaem, Bangkok, Thailand together to training “preliminary stage of fire control in 2558”

5. Vichaivej International Hospital Nongkhaem was honored as the organization's standards of road safety which assessment by Road Accident Victims Protection Company Limited.

6. Vichaivej International Hospital Nongkhaem cooperate Nongkhangphlu Metro Police Station has made the project up "Rescuer Traffic" by providing training in first aid to traffic police

7. To educate to collegian of Southeast Asia University along with providing a Mobile Health Units by health check-up services and acupuncture on Post -Training day.





8. To set up the booth for health check-up, diabetes screening , detection of hepatitis B virus to married couples who are registered a marriage with Bangrak District Office.

9. A campaign to educate about the influenza as well as how to prevent to staff of Central Plaza Salaya.

10. Joint to publish news The Charity Concert with Mr. Ronnchai Thomyapariwat (Aod-Keereeboon) by provide publicize to invite for health check-up in special price. Total revenue are bringing donate without deducting any expenses.

### **Vichaivej International Hospital Samutsakhon**

1. Throughout the month of March until December 2015 Vichaivej International Hospital Samutsakhon has organized CSR activities work together with Thai Union Group Public Company Limited and Thai Union Manufacturing Co., Ltd. under the project “ Promoting of maternal and child health in the workplace and community”

2. Vichaivej International Hospital Samutsakhon has made an agreement with Local Administration Organization Office of Tha Sai on the prevention of Dengue disease in the community of Tha Sai district at Community Mahachai on Friday, the fourth of December 2015.

3. Health Promotion Department of Vichaivej International Hospital Samutsakhon work together with Physical Therapy Department has visit the house of disabled a total of 81 peoples and donated 14 wheelchairs to disabled experiencing mobility problems.

4. Health Promotion Department of VIHS along with Nursing Department has visit the house of chronic patients (Diabetes / Hypertension) to fallow patients and family members, community including the environment that However,have impact the lives of patients? Whether nutrition, Physical Housing, evaluation of the use medication as the quantity was suitable and correctly? Get side effects from the medication? Has medication is used continuously? Etc.

5. Vichaivej International Hospital Samutsakhon has provided “World Heart Day” activities annual 2015 by providing an aerobic activity.

6. Providing health services to the schools in the area of responsibility by divided into Watklongkru School, Banthasai School and Anusorn Suppamas School, Child Development Center 3 locations include Child Development Center of Banklongkru, Banthasai and Bantonkla



7. VIHS has participated with Thasai Community in the water blessing ceremony seniors activities in 2015 by purpose of the event for Promote the health of the elderly to complete both physically and mentally.

8. Health Promotion Department of VIHS was organized the workshop to educate students such as health check-up primary/ diseases common in school-age children/ Dental Public Health/ Healthy self-care/Nutrition/ Knowledge about AIDS.

9. Health Promotion Department of VIHS has provided as the primary health screening for instance diabetes screening, Hypertension, The visual screening, Screening for depression, The screening osteoarthritis include to educate and advice to elderly in Thasaithong elderly club.

10. Health Promotion Department of VIHS work together with Volunteer Group of Thasai community by providing knowledge and advice about health.

11. In 2015, Health Promotion Department of VIHS together with Volunteer Group of Thasai community to provided Screening for cervical cancer in women between the age of 30-60 years and screening for breast cancer in women aged 35-70 years as well as providing knowledge and advice to communities and enterprises both Thailand and outlander.

12. In 2015, Health Promotion Department of VIHS organized the activities jointly with Thai Union Manufacturing Co., Ltd has provided detection of coliforms in water and food include providing knowledge and advice in cooking hygiene.



13. has been organized the safety week activities jointly with various establishments for instance Asefa Public Company Limited./ Thai Union Manufacturing Co., Ltd / Pataya Food Industries Limited. This activities was held in October 2015.

14. Health Promotion Department jointly with Dental department has provide activities to prevent dental caries in children between the age 9-18-40-42 months by fill fluoride vanish to Preschool Children in Child Development Center 3 locations and provide to knowledge with childcare teachers By focusing on the prevention of decayed tooth the campaign of brushing to Child Development Center all 3 locations.

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

The company to focus on anti-corruption has tried to insert anti-corruption within the various policy of company for instance Policy Governance, Social Responsibility Policy, Ethics Operations which has been approved by the Board of Directors and brought to practice. By providing training for test the potential of the employees and executive at all levels and an orientation for employees and executives at the new arrivals and then has set anti-corruption policy to insert in the annual training plan for employees and executives. As well as, prepared instruction media in the knowledge of the organization to arrange for employees to learn and educate by oneself. Which in 2016, The Company have plans to join the private sector in Thailand's anti-corruption.

#### Conflicts of interest

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

#### Guidelines of Practice

- The company personnel must not take any action to cause a conflict with the organization both directly and indirectly.

- The company personnel not should work the extra jobs from external organizations which pose a conflict of benefit with the company unless executive are allowed.

- Do not use the authority or any action for the benefit of own selves or persons involved.

- The committee or executive of the company to consider various conflicts affecting the organization with transparency by focused the benefit of the organization is critical.

- If you see that the person's close that get the benefit which contrary to the benefit of the organization. Those involved will be disclosed such items that was wondering every time.

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

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

#### Guidelines of Practice

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

- The company personnel must keep company data and customer information is confidential to those no involved, unless was the legal regulations or get the approval of the authority and have signed written authorization.

- There is prohibition no allowed the personnel brought the data to use in the pursuit of their own benefits to make a bad impact on the organization.

- The corporate personnel should be kept both the documents and electronic informations, according to company have defined.

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

- Do not ask or receive-pay any benefits was dishonest to partners and/or creditors.

- To comply with the terms of the contracts to partners strictly, be transparent. Especially, Terms of Guarantee, The Capital Management, overdue repayment which should not be the way to corruption or discloser or concealed of facts that affect damage to creditors.

- The staff is responsible for the procurement of goods and services must focus on value of price and quality.

- Those who are involved with partners and/or creditors should keep the contract documents and various agreements as evidenced in case a conflict of benefits.

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

Practice to competitors

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

### Internal control and internal audit

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

Guidelines of Practice

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

### Practice to employees

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

Guidelines of Practice

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

- Focus on developing knowledge and skills of people in the organization by providing opportunities for employees at all levels continuously.

- Hearing comments and suggestions from employees at all levels equally.

- Practice to employees with politeness.

- Providing to maintain an environment at workplace to secure for the lives and property of employees regularly.

- Administration without any action being unfair to avoid affecting the stability in the work and reduce the pressure on the minds of employees.

- The compliance with labor laws strictly.

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

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

### The practice of employees

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

Guidelines of Practice

- Operation with honestly both customers companies and colleagues and to help promote a good reputation for the organization.

- Protecting company property not damaged and use carefully covering should not be used for a benefit of own.

- Report incidents that resulted in damage of organization to the commander get to know immediately.

- Do not allow the disclosure of information trade to the other individuals, unless authorized by the company beforehand.

- Prohibits the destruction of property, equipment and tools of the company.

- Do not bring the equipment or any other property of the company to an outside organization.

- Do not criticize policy of administrative section in a manner that caused the damage.

- Do not make modifications or tampering documents or clarify any evidence that is not true for a benefits of own.



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

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

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

#### Guidelines of Practice

- The companies has participating in the suitable activities for the public in development and services to social as well as promoting social activities to protect the environment and improving the quality of life in the community.



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

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

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

#### Guidelines of Practice

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

#### Committees sees suitable.

Safety, health and environment in the workplace

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

#### Guidelines of Practice

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

### Practices with customers and consumers.

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

#### Guidelines of Practice

- The companies must treat customers with honesty and equality.
- The companies aims to provide quality products and services for respond to need and satisfaction of customers continuously.
- The companies must disclose correctly information about products and services by focusing the benefits of the customer is important.
- The companies need to focus on safety in the products and services offered to customers strictly and accepts responsibility in case there is a problem on products and services.
- The companies must provide training to its staff to have knowledge and understanding of good practice including security for customers continuously.
- The companies must provide a system to receive complaints-

from customers effectively to complaint was responded to quickly.

### Practice guideline on monitoring the risk of corruption

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

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

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





## Internal Control and Risk Management

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

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

Audit Committee reviewed appropriate and efficient the internal control system and the internal audit by considered in conjunction with the internal auditor and reported to Board of Director to inform or consider in quarterly. In the prior year, Audit Committee has expressed their opinion and recommendation to executive management on matters material. Furthermore, the external auditor, who is EY Office Limited and audited financial statement of the Company for the year ended 2015, have jointed meetings with Audit Committee and expressed the opinion that the internal control system of the Company was satisfactory level and not found error/weakness to have significant impact on the opinion of the external auditor.

In Board of Directors meeting No. 11/2015 as at 17 November 2015, Audit Committee attended the meeting. Board of Directors has assessed the adequacy of internal control system annually by the Securities and Exchange Commission's form in accordance with COSO (The Committee of Sponsoring Organizations of the Tradeway Commission) which included the control environment, the risk management, the control activities, the information and communication, and the monitoring activities. Board of Directors agreed that the Company performed to COSO appropriately.

The Board of Directors agreed that the Company's internal control system. An adequate and appropriate of 5 section.

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

- None-

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

The Company has appointed Ms. Wanna Mahaphong as internal audit manager since 1 March 2015, which was approved by Audit Committee. The committee had considered her qualification, knowledge, and experience of internal audit task, had concluded that she has the right to perform duties appropriately.

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

# Related Transactions

The Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are disclosed in Notes 6. Related party transactions to the financial statements, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties. Details are as follows.

## 1. Relationship

| Subsidiary                                  | Relationship   |
|---|--|
| Srisakorn Vejavit Company Limited.          | Through common shareholdings and directorships         |
| Saivichai Development Company Limited       | Through Through common shareholdings and directorships |
| Srivichai Vocational School Company Limited | Through common directorships                           |

## 2. Pricing Policy

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

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

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



## Financial Highlights

| The consolidated financial statements                       | 2015     | 2014     |
|---|----------|----------|
| Statements of financial position (Unit: Millions of Baht)   |          |          |
| Total Assets  | 1,445.56 | 1,296.15 |
| Total Liabilities   | 535.68   | 476.45   |
| Total Shareholder's Equity                                  | 909.88   | 819.70   |
| Statements of comprehensive income (Unit: Millions of Baht) |          |          |
| Service Income  | 1,344.34 | 1,247.10 |
| Total Revenues  | 1,368.71 | 1,276.41 |
| Net Profit  | 101.64   | 95.40    |
| Common Share Data   |          |          |
| Number of common shares issued (Million shares)             | 570.67   | 570.67   |
| Book value per share (Baht)                                 | 1.59     | 1.43     |
| Basic earnings per Share (Baht)                             | 0.18     | 0.17     |
| Significant Financial Ratios                                |          |          |
| Growth Ratio (Percent)                                      |          |          |
| Growth Rate of Service Income                               | 7.80     | 12.69    |
| Growth Rate of Net Profit Margin                            | 6.54     | 54.77    |
| Profitability Ratios (Percent)                              |          |          |
| Gross Profit Margin   | 24.73    | 24.74    |
| EBITDA Ratio  | 15.30    | 16.13    |
| Net Profit Margin   | 7.43     | 7.47     |
| Rate of Return (Percent)                                    |          |          |
| Return on Assets  | 9.76     | 10.46    |
| Return on Equity  | 11.75    | 11.84    |
| Management of assets and liabilities                        |          |          |
| Current ratio (times)                                       | 1.10     | 1.18     |
| Average collection period (days)                            | 51.27    | 45.30    |
| Average sale period (days)                                  | 9.82     | 9.44     |
| Leverage Ratio (times)                                      |          |          |
| Debt to Equity ratio  | 0.59     | 0.58     |
| Profit Ability Ratio  | 19.30    | 16.63    |

# Management Discussion and Analysis

## The Operations result of the company, its Subsidiaries

| List  | 2015     | 2014     | Changes | Average |
|---|----------|----------|---------|---------|
| Revenues from hospital operations                     | 1,344.34 | 1,247.10 | 97.24   | 7.80    |
| Other Income  | 24.37    | 29.31    | (4.94)  | (16.85) |
| Total revenues  | 1,368.71 | 1,276.41 | 92.30   | 7.23    |
| Cost of hospital operations                           | 1,011.88 | 938.59   | 73.29   | 7.81    |
| Selling expenses                                      | 39.25    | 37.90    | 1.35    | 3.56    |
| Administrative expenses                               | 183.82   | 173.38   | 10.44   | 6.02    |
| Total expenses  | 1,234.95 | 1,149.87 | 85.08   | 7.40    |
| Profit before finance cost<br>and income tax expenses | 133.76   | 126.54   | 7.22    | 5.71    |
| Finance cost  | 6.93     | 7.61     | (0.68)  | 8.94    |
| Profit before income tax expenses                     | 126.83   | 118.93   | 7.90    | 6.64    |
| Income tax expenses                                   | 25.19    | 23.53    | 1.66    | 7.05    |
| Net profit  | 101.64   | 95.40    | 6.24    | 6.54    |
| Profit attributable to:                               |          |          |         |         |
| Equity holders of the Company                         |          |          |         |         |
| Non-controlling interests                             | 101.49   | 94.40    | 7.09    | 7.51    |
| of the subsidiaries                                   | 0.15     | 1.00     | (0.85)  | (85.43) |

## Profitability Ratio

| List                      | 2015   | 2014   | Changes | ร้อยละ |
|---------------------------|--------|--------|---------|--------|
| Gross Profit              | 332.45 | 308.51 | 23.94   | 7.76   |
| Gross Profit Margin Ratio | 24.73% | 24.74% |         |        |
| EBITDA                    | 209.40 | 205.92 | 3.48    | 1.69   |
| EBITDA Ratio              | 15.30% | 16.13% |         |        |
| Net Profit Margin Ratio   | 7.43%  | 7.47%  |         |        |

For the Company's Performance ended December 31, 2015, the Company and its subsidiaries had a net profit of 101.64 million Baht increase from the year 2014 of 6.24 million baht or 6.54 percent.

Service Income for the year ended 31 December 2015 amounted to 1,344.34 million baht, Increase from the year 2014 of 97.24 million baht or 7.80 percent As a result of market expansion strategy focused on customer groups with medical technology and increasing medical personnel and aim for service excellence. Revenue from General Patient increased 103.61 million Baht or 11.62 percent and Revenue social security patients decreased 6.38 million, resulting in total revenues of the Company and its subsidiaries increased by 92.30 million Baht or 7.23 percent from 1,276.41 million to 1,368.71 million Baht.

Cost of hospital operations in 2015 of the Company and its subsidiaries, including 1,011.88 million Baht, an increase from the year 2014 of 73.29 million or 7.81 percent. As results of the growing number of customers are on the rise, cost of the doctors, nurses and staff compensation. Cost of service including depreciation increased.

Selling expenses for the year ended 31 December 2015 amounted to 39.25 million baht, increase from the year 2014 of 1.35 million baht or 3.56 percent As a result of expansion of the development of excellence. And an increase in personnel to support the growth of income group customers. Resulting in employee compensation related to sales. And the cost of advertising and promotion increases.

Administrative expenses for the year ended 31 December 2015 amounted to 183.82 million baht increase from the year 2014 of 10.44 million baht or 6.02 percent as a result of the stock exchange fees, financial advisory fees, the legal counsel fees for support its expansion in the future, including the addition of personnel to support growth market segments in general.

Financial cost totaled 6.93 million, a decrease from the 2014 amount of 0.68 million, or 8.94 percent because of repayment of the loan.

Income tax expenses totaled 25.19 million Baht, up from the year 2014 of 1.66 million, or 7.05 percent cause of increased profit

### Financial Status

| List                         | 2015     | 2014     | Changes | Average |
|------------------------------|----------|----------|---------|---------|
| Total Assets                 | 1,445.56 | 1,296.15 | 149.41  | 11.53   |
| Total Liabilities            | 535.68   | 476.45   | 59.23   | 12.43   |
| Equity Holders of The parent | 908.70   | 818.63   | 90.07   | 11.00   |
| Total Shareholder's Equity   | 909.88   | 819.70   | 90.18   | 11.00   |

The consolidated financial statements of the Company and its subsidiaries as at December 31, 2015 total assets of 1,445.56 million baht, an increase from 2014 of 149.41 million, or 11.53 percent, Due to the Company's cash and cash equivalents increased by 36.49 million baht, trade and other receivables increased by 123.81 million baht and non-current assets increased by 4.93 million baht.

Total liabilities of the Company and its subsidiaries as at December 31, 2015 amounted to 535.68 million baht, up from 59.23 million in 2014, representing a percentage of 12.43 Due to the repayment of the loan agreement and return the promissory note to the Company.

The shareholders of the Company amounted to 908.70 million baht; an increase of 90.07 million baht in 2014 of 11.00 percent

### Liquidity

| List   | 2015     | 2014     | Changes | Average  |
|--|----------|----------|---------|----------|
| Net cash provided by operating activities.           | 224.51   | 127.94   | 96.57   | 75.48    |
| Net cash provided by investing activities.           | (168.06) | (228.66) | 60.60   | (26.50)  |
| Net cash provided by (used in) financing activities. | (19.95)  | 53.53    | (73.48) | (137.27) |
| Cash and cash equivalents as at January 1.           | 96.69    | 143.88   | (47.19) | (32.80)  |
| Cash and cash equivalents as at December 31.         | 133.19   | 96.69    | 36.50   | 37.75    |

Statement of cash flows for the year ended December 31, 2015, the Company and its subsidiaries in cash flow from operating activities in 244.51 million increased from 2014 of 96.57 million baht or 75.48 percent due to lower earnings from operations. Net cash used in investing activities amounted to 168.06 million baht, up from the year 2014 of 60.60 million or 26.50 percent, the cash flow from financing activities amounted to 19.95 million, an decrease from 2014 of 73.48 million equivalent 137.27 is due to receive funds from the capital increase of the Company and partly used to repay loans to financial institutions.

As at 31 December 2015 The Company and its subsidiaries has cash and cash equivalents totalled of 133.19 million baht, decrease from the year 2014 were 36.50 million Baht or 37.75 percent.



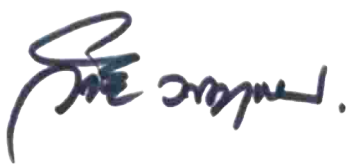
## Report of the Board of Directors on the Financial Statements year 2015

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

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

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

The Board of Directors has the opinion that the Company's overall internal control system is adequate and appropriate. The Board is reasonably confident that the separate financial statements and consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2015 are reliable and complying with generally accepted accounting standards and the practice is in compliance with related law and regulations.



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



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



# Independent Auditor's Report

## To the Shareholders of Srivichaivejvivat Public Company Limited

I have audited the accompanying consolidated financial statements of Srivichaivejvivat Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Srivichaivejvivat Public Company Limited for the same period.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

## Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Srivichaivejvivat Public Company Limited and its subsidiaries and of Srivichaivejvivat Public Company Limited as at 31 December 2015, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Termphong Opanaphan  
Certified Public Accountant (Thailand) No. 4501  
EY Office Limited  
Bangkok: 19 February 2016

Srivichaivejvat Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2015

(Unit: Baht)

|                                 | Note | Consolidated financial statements |                      | Separate financial statements |                      |
|---------------------------------|------|-----------------------------------|----------------------|-------------------------------|----------------------|
|                                 |      | As at                             | As at                | As at                         | As at                |
|                                 |      | 31 December 2015                  | 31 December 2014     | 31 December 2015              | 31 December 2014     |
| <b>Assets</b>                   |      |                                   |                      |                               |                      |
| <b>Current assets</b>           |      |                                   |                      |                               |                      |
| Cash and cash equivalents       | 7    | 133,186,588                       | 96,686,226           | 70,117,286                    | 39,632,527           |
| Trade and other receivables     | 8    | 185,550,338                       | 192,114,808          | 105,053,661                   | 120,982,924          |
| Medicine and supplies           | 9    | 29,697,442                        | 24,771,539           | 12,152,459                    | 8,995,975            |
| Other current assets            |      | 5,476,812                         | 4,156,027            | 517,359                       | 474,793              |
| <b>Total current assets</b>     |      | <b>353,911,180</b>                | <b>317,728,600</b>   | <b>187,840,765</b>            | <b>170,086,219</b>   |
| <b>Non-current assets</b>       |      |                                   |                      |                               |                      |
| Investments in subsidiaries     | 10   | -                                 | -                    | 268,131,802                   | 268,131,802          |
| Other long-term investment      | 11   | 40,500,000                        | 40,500,000           | 40,500,000                    | 40,500,000           |
| Investment properties           | 12   | 23,516,643                        | 23,109,827           | -                             | -                    |
| Property, plant and equipment   | 13   | 874,865,311                       | 751,047,108          | 699,894,913                   | 574,878,603          |
| Leasehold rights                | 14   | 127,291,572                       | 133,657,797          | -                             | -                    |
| Deferred tax assets             | 22   | 4,191,013                         | 8,368,512            | -                             | -                    |
| Other non-current assets        |      | 21,287,974                        | 21,737,609           | 10,796,168                    | 3,924,710            |
| <b>Total non-current assets</b> |      | <b>1,091,652,513</b>              | <b>978,420,853</b>   | <b>1,019,322,883</b>          | <b>887,435,115</b>   |
| <b>Total assets</b>             |      | <b>1,445,563,693</b>              | <b>1,296,149,453</b> | <b>1,207,163,648</b>          | <b>1,057,521,334</b> |

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

Srivichaivejvivat Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2015

(Unit: Baht)

|  |      | Consolidated financial statements |                  | Separate financial statements |                  |
|--|------|-----------------------------------|------------------|-------------------------------|------------------|
|  |      | As at                             | As at            | As at                         | As at            |
|  | Note | 31 December 2015                  | 31 December 2014 | 31 December 2015              | 31 December 2014 |
| Liabilities and shareholders' equity                               |      |                                   |                  |                               |                  |
| Current liabilities  |      |                                   |                  |                               |                  |
| Trade and other payables   | 15   | 236,908,824                       | 183,253,634      | 127,460,430                   | 88,382,404       |
| Short-term loan from related party                                 | 6    | -                                 | -                | -                             | 2,000,000        |
| Current portion of long-term loans                                 | 16   | 70,088,000                        | 73,506,000       | 51,720,000                    | 25,550,000       |
| Current portion of liabilities under finance lease agreements      | 17   | 5,054,614                         | 3,266,824        | 1,691,530                     | 1,606,426        |
| Income tax payable   |      | 7,267,974                         | 5,436,230        | 7,231,131                     | 5,144,119        |
| Other current liabilities  |      | 2,185,382                         | 4,898,385        | 739,686                       | 2,637,687        |
| Total current liabilities  |      | 321,504,794                       | 270,361,073      | 188,842,777                   | 125,320,636      |
| Non-current liabilities  |      |                                   |                  |                               |                  |
| Long-term loans, net of current portion                            | 16   | 186,380,000                       | 179,968,000      | 174,230,000                   | 160,450,000      |
| Liabilities under finance lease agreements, net of current portion | 17   | 9,215,225                         | 9,077,261        | 1,389,857                     | 2,536,259        |
| Provision for long-term employee benefits                          | 18   | 12,827,116                        | 11,369,233       | 5,457,605                     | 4,814,951        |
| Deferred tax liabilities   | 22   | 5,757,835                         | 5,674,454        | 4,081,875                     | 4,164,277        |
| Total non-current liabilities                                      |      | 214,180,176                       | 206,088,948      | 185,159,337                   | 171,965,487      |
| Total liabilities  |      | 535,684,970                       | 476,450,021      | 374,002,114                   | 297,286,123      |

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

Srivichaivejvat Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2015

(Unit: Baht)

|   | Note | Consolidated financial statements |                      | Separate financial statements |                      |
|---|------|-----------------------------------|----------------------|-------------------------------|----------------------|
|   |      | As at                             | As at                | As at                         | As at                |
|   |      | 31 December 2015                  | 31 December 2014     | 31 December 2015              | 31 December 2014     |
| <b>Shareholders' equity</b>                       |      |                                   |                      |                               |                      |
| Share capital                                     | 19   |                                   |                      |                               |                      |
| Registered  |      |                                   |                      |                               |                      |
| 570,666,666 ordinary shares of Baht 1 each        |      | 570,666,666                       | 570,666,666          | 570,666,666                   | 570,666,666          |
| Issued and fully paid                             |      |                                   |                      |                               |                      |
| 570,665,433 ordinary shares of Baht 1 each        |      | 570,665,433                       | 570,665,433          | 570,665,433                   | 570,665,433          |
| Share premium                                     |      | 37,938,115                        | 37,938,115           | 37,938,115                    | 37,938,115           |
| Retained earnings                                 |      |                                   |                      |                               |                      |
| Appropriated - statutory reserve                  | 20   | 21,059,640                        | 16,842,669           | 21,059,640                    | 16,842,669           |
| Unappropriated                                    |      | 260,371,986                       | 174,509,593          | 203,498,346                   | 134,788,994          |
| Other components of shareholders' equity          |      | 18,669,496                        | 18,669,496           | -                             | -                    |
| Equity attributable to owners of the Company      |      | 908,704,670                       | 818,625,306          | 833,161,534                   | 760,235,211          |
| Non-controlling interests of the subsidiaries     |      | 1,174,053                         | 1,074,126            | -                             | -                    |
| <b>Total shareholders' equity</b>                 |      | <b>909,878,723</b>                | <b>819,699,432</b>   | <b>833,161,534</b>            | <b>760,235,211</b>   |
| <b>Total liabilities and shareholders' equity</b> |      | <b>1,445,563,693</b>              | <b>1,296,149,453</b> | <b>1,207,163,648</b>          | <b>1,057,521,334</b> |
|   |      | -                                 | -                    | -                             | -                    |

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



Srivichaivejvivat Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2015

(Unit: Baht)

|   |      | Consolidated financial statements |               | Separate financial statements |              |
|---|------|-----------------------------------|---------------|-------------------------------|--------------|
|   | Note | 2015                              | 2014          | 2015                          | 2014         |
| Profit or loss:   |      |                                   |               |                               |              |
| Revenues  |      |                                   |               |                               |              |
| Revenues from hospital operations   |      | 1,344,338,016                     | 1,247,101,980 | 678,533,370                   | 622,942,143  |
| Dividend income   | 10   | -                                 | -             | 11,269,181                    | 10,879,792   |
| Other income  |      | 24,373,508                        | 29,308,935    | 3,654,700                     | 4,380,332    |
| Total revenues  |      | 1,368,711,524                     | 1,276,410,915 | 693,457,251                   | 638,202,267  |
| Expenses  |      |                                   |               |                               |              |
| Cost of hospital operations   |      | 1,011,883,075                     | 938,594,174   | 477,967,151                   | 430,304,660  |
| Selling expenses  |      | 39,244,486                        | 37,897,444    | 13,395,942                    | 10,425,515   |
| Administrative expenses   |      | 183,824,079                       | 173,383,242   | 95,466,775                    | 89,450,592   |
| Total expenses  |      | 1,234,951,640                     | 1,149,874,860 | 586,829,868                   | 530,180,767  |
| Profit before finance cost and income tax expenses  |      | 133,759,884                       | 126,536,055   | 106,627,383                   | 108,021,500  |
| Finance cost  |      | (6,932,258)                       | (7,609,876)   | (3,615,671)                   | (2,504,364)  |
| Profit before income tax expenses   |      | 126,827,626                       | 118,926,179   | 103,011,712                   | 105,517,136  |
| Income tax expenses   | 22   | (25,189,611)                      | (23,528,973)  | (18,672,285)                  | (18,932,200) |
| Profit for the year   |      | 101,638,015                       | 95,397,206    | 84,339,427                    | 86,584,936   |
| Other comprehensive income:   |      |                                   |               |                               |              |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods                     |      |                                   |               |                               |              |
| Actuarial losses  | 18   | -                                 | (235,899)     | -                             | (2,125,195)  |
| Less: Income tax effect   | 22   | -                                 | 47,260        | -                             | 425,039      |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax |      | -                                 | (188,639)     | -                             | (1,700,156)  |
| Other comprehensive income for the year   |      | -                                 | (188,639)     | -                             | (1,700,156)  |
| Total comprehensive income for the year   |      | 101,638,015                       | 95,208,567    | 84,339,427                    | 84,884,780   |

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

Srivichaivejvat Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2015

(Unit: Baht)

|  | Consolidated financial statements |                   | Separate financial statements |             |
|--|-----------------------------------|-------------------|-------------------------------|-------------|
| Note   | 2015                              | 2014              | 2015                          | 2014        |
| <b>Profit attributable to:</b>                       |                                   |                   |                               |             |
| Equity holders of the Company                        | 101,492,468                       | 94,398,131        | 84,339,427                    | 86,584,936  |
| Non-controlling interests of the subsidiaries        | 145,547                           | 999,075           |                               |             |
|  | <u>101,638,015</u>                | <u>95,397,206</u> |                               |             |
| <b>Total comprehensive income attributable to:</b>   |                                   |                   |                               |             |
| Equity holders of the Company                        | 101,492,468                       | 94,128,378        | 84,339,427                    | 84,884,780  |
| Non-controlling interests of the subsidiaries        | 145,547                           | 1,080,189         |                               |             |
|  | <u>101,638,015</u>                | <u>95,208,567</u> |                               |             |
| <b>Earnings per share</b>                            | 23                                |                   |                               |             |
| Basic earnings per share                             |                                   |                   |                               |             |
| Profit attributable to equity holders of the Company | <u>0.18</u>                       | <u>0.17</u>       | <u>0.15</u>                   | <u>0.15</u> |

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

**Srividhaivejivatt Public Company Limited and its subsidiaries**  
**Statement of changes in shareholders' equity**  
**For the year ended 31 December 2015**

| Consolidated financial statements            |                                  |               |                                  |                |   |   |  |  |  |                            | (Unit: Baht) |
|--|----------------------------------|---------------|----------------------------------|----------------|---|---|--|--|--|----------------------------|--------------|
| Equity attributable to owners of the Company |                                  |               |                                  |                |   |   |  |  |  |                            |              |
| Other components of shareholders' equity     |                                  |               |                                  |                |   |   |  |  |  |                            |              |
| Note   | Issued and paid-up share capital | Share premium | Retained earnings                |                | Difference resulting from business combination under common control | Change in parent's ownership interest in subsidiaries without change in control | Total other components of shareholders' equity | Total equity attributable to owners of the Company | Equity attributable to non-controlling interests of the subsidiaries | Total shareholders' equity |              |
|  |                                  |               | Appropriated - statutory reserve | Unappropriated |   |   |  |  |  |                            |              |
|  | 535,000,000                      | 37,938,115    | 12,513,422                       | 156,437,392    | 37,530,739  | (2,916,130)   | 34,614,609                                     | 776,503,538  | 16,317,234   | 792,820,772                |              |
|  | -                                | -             | -                                | 94,398,131     | -   | -   | -  | 94,398,131   | 999,075  | 95,397,206                 |              |
|  | -                                | -             | -                                | (269,753)      | -   | -   | -  | (269,753)  | 81,114   | (188,639)                  |              |
|  | -                                | -             | -                                | 94,128,378     | -   | -   | -  | 94,128,378   | 1,080,189  | 95,208,567                 |              |
| 19   | 35,665,433                       | -             | -                                | -              | -   | -   | -  | 35,665,433   | -  | 35,665,433                 |              |
|  |                                  |               |                                  |                |   |   |  |  |  |                            |              |
|  | -                                | -             | -                                | -              | -   | (15,945,113)  | (15,945,113)                                   | (15,945,113)                                       | 15,945,113   | -                          |              |
| 10   |                                  |               |                                  |                |   |   |  |  |  |                            |              |
|  | -                                | -             | -                                | -              | -   | -   | -  | -  | (31,716,201)   | (31,716,201)               |              |
| 26   | -                                | -             | -                                | (71,726,930)   | -   | -   | -  | (71,726,930)                                       | (552,209)  | (72,279,139)               |              |
|  |                                  |               |                                  |                |   |   |  |  |  |                            |              |
| 20   | -                                | -             | 4,329,247                        | (4,329,247)    | -   | -   | -  | -  | -  | -                          |              |
|  | 570,665,433                      | 37,938,115    | 16,842,669                       | 174,509,593    | 37,530,739  | (18,861,243)  | 18,669,496                                     | 818,625,306  | 1,074,126  | 819,699,432                |              |
|  |                                  |               |                                  |                |   |   |  |  |  |                            |              |
|  | 570,665,433                      | 37,938,115    | 16,842,669                       | 174,509,593    | 37,530,739  | (18,861,243)  | 18,669,496                                     | 818,625,306  | 1,074,126  | 819,699,432                |              |
|  | -                                | -             | -                                | 101,492,468    | -   | -   | -  | 101,492,468  | 145,547  | 101,638,015                |              |
|  | -                                | -             | -                                | -              | -   | -   | -  | -  | -  | -                          |              |
|  | -                                | -             | -                                | -              | -   | -   | -  | -  | -  | -                          |              |
|  | -                                | -             | -                                | 101,492,468    | -   | -   | -  | 101,492,468  | 145,547  | 101,638,015                |              |
| 26   |                                  |               |                                  | (11,413,104)   | -   | -   | -  | (11,413,104)                                       | (45,620)   | (11,458,724)               |              |
|  |                                  |               |                                  |                |   |   |  |  |  |                            |              |
| 20   | -                                | -             | 4,216,971                        | (4,216,971)    | -   | -   | -  | -  | -  | -                          |              |
|  | 570,665,433                      | 37,938,115    | 21,059,640                       | 260,371,986    | 37,530,739  | (18,861,243)  | 18,669,496                                     | 908,704,670  | 1,174,053  | 909,878,723                |              |
|  |                                  |               |                                  |                |   |   |  |  |  |                            |              |
|  | 570,665,433                      | 37,938,115    | 21,059,640                       | 260,371,986    | 37,530,739  | (18,861,243)  | 18,669,496                                     | 908,704,670  | 1,174,053  | 909,878,723                |              |

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



Srivichai Vej Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2015

| Separate financial statements           |                                  |                |                                  |                |                            | (Unit: Baht) |
|---|----------------------------------|----------------|----------------------------------|----------------|----------------------------|--------------|
| Note                                    | Issued and paid-up share capital | Shares premium | Retained earnings                |                | Total shareholders' equity |              |
|   |                                  |                | Appropriated - statutory reserve | Unappropriated |                            |              |
| <b>Balance as at 1 January 2014</b>     |                                  |                |                                  |                |                            |              |
|   | 535,000,000                      | 37,938,115     | 12,513,422                       | 125,960,391    | 711,411,928                |              |
| Profit for the year                     | -                                | -              | -                                | 86,584,936     | 86,584,936                 |              |
| Other comprehensive income for the year | -                                | -              | -                                | (1,700,156)    | (1,700,156)                |              |
| Total comprehensive income for the year | -                                | -              | -                                | 84,884,780     | 84,884,780                 |              |
| Increase share capital                  | 35,665,433                       | -              | -                                | -              | 35,665,433                 |              |
| Dividend paid                           | -                                | -              | -                                | (71,726,930)   | (71,726,930)               |              |
| Transferred to statutory reserve        | -                                | -              | 4,329,247                        | (4,329,247)    | -                          |              |
| <b>Balance as at 31 December 2014</b>   |                                  |                |                                  |                |                            |              |
|   | 570,665,433                      | 37,938,115     | 16,842,669                       | 134,788,994    | 760,235,211                |              |
| <b>Balance as at 1 January 2015</b>     |                                  |                |                                  |                |                            |              |
| Profit for the year                     | -                                | -              | -                                | 84,339,427     | 84,339,427                 |              |
| Other comprehensive income for the year | -                                | -              | -                                | -              | -                          |              |
| Total comprehensive income for the year | -                                | -              | -                                | 84,339,427     | 84,339,427                 |              |
| Dividend paid                           | -                                | -              | -                                | (11,413,104)   | (11,413,104)               |              |
| Transferred to statutory reserve        | -                                | -              | 4,216,971                        | (4,216,971)    | -                          |              |
| <b>Balance as at 31 December 2015</b>   |                                  |                |                                  |                |                            |              |
|   | 570,665,433                      | 37,938,115     | 21,059,640                       | 203,498,346    | 833,161,534                |              |

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

Srivichaivejvivat Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2015

(Unit: Baht)

|  | Consolidated financial statements |                    | Separate financial statements |                   |
|--|-----------------------------------|--------------------|-------------------------------|-------------------|
|  | 2015                              | 2014               | 2015                          | 2014              |
| <b>Cash flows from operating activities</b>  |                                   |                    |                               |                   |
| Profit before tax  | 126,827,626                       | 118,926,179        | 103,011,712                   | 105,517,136       |
| Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities: |                                   |                    |                               |                   |
| Depreciation and amortisation  | 75,643,578                        | 79,381,778         | 27,416,527                    | 24,596,755        |
| Bad debts and allowance for doubtful accounts  | 504,397                           | 867,784            | 518,565                       | 1,178,932         |
| Reduction of medicine and supplies to net realisable value   | 123,659                           | 152,355            | 118,889                       | 155,247           |
| Gain on disposals of equipment   | (562,519)                         | (4,120,290)        | (471,130)                     | (1,194,248)       |
| Loss on write-off of equipment and intangible assets   | 120,250                           | 227,538            | 32,860                        | 178,857           |
| Expenses of tax write-off  | 11,913,946                        | -                  | 762                           | -                 |
| Provision for long-term employee benefits  | 1,656,743                         | 1,599,499          | 741,414                       | 665,371           |
| Dividend income from subsidiaries  | -                                 | -                  | (11,269,181)                  | (10,879,792)      |
| Interest income  | (592,248)                         | (1,074,656)        | (193,122)                     | (497,120)         |
| Interest expenses  | 6,932,259                         | 7,609,876          | 3,615,671                     | 2,504,365         |
| Profit from operating activities before changes in operating assets and liabilities                  | 222,567,691                       | 203,570,063        | 123,522,967                   | 122,225,503       |
| Operating assets (increase) decrease   |                                   |                    |                               |                   |
| Trade and other receivables  | 6,026,423                         | (75,680,448)       | 15,410,698                    | (56,898,258)      |
| Medicine and supplies  | (5,049,562)                       | (1,166,172)        | (3,275,373)                   | 114,422           |
| Other current assets   | (1,320,785)                       | 301,171            | (42,566)                      | (723,231)         |
| Other non-current assets   | (632,747)                         | (305,456)          | (872,291)                     | 675,962           |
| Operating liabilities increase (decrease)  |                                   |                    |                               |                   |
| Trade and other payables   | 28,492,161                        | 24,062,437         | 20,988,926                    | 21,624,018        |
| Other current liabilities  | (2,713,003)                       | 315,971            | (1,898,001)                   | 179,112           |
| Cash paid for long-term employee benefits  | (198,860)                         | -                  | (98,760)                      | -                 |
| Cash flows from operating activities   | 247,171,318                       | 151,097,566        | 153,735,600                   | 87,197,528        |
| Cash paid for income tax   | (22,657,958)                      | (23,156,942)       | (16,667,675)                  | (15,513,785)      |
| <b>Net cash flows from operating activities</b>  | <b>224,513,360</b>                | <b>127,940,624</b> | <b>137,067,925</b>            | <b>71,683,743</b> |

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



**Srivichaivejvivat Public Company Limited and its subsidiaries**
**Cash flow statement (continued)**
**For the year ended 31 December 2015**

(Unit: Baht)

|   | <b>Consolidated financial statements</b> |                      | <b>Separate financial statements</b> |                      |
|---|--|----------------------|--------------------------------------|----------------------|
|   | <u>2015</u>                              | <u>2014</u>          | <u>2015</u>                          | <u>2014</u>          |
| <b>Cash flows from investing activities</b>   |  |                      |                                      |                      |
| Interest income   | 625,898                                  | 1,219,355            | 193,122                              | 670,216              |
| Increase in other long-term investment  | -  | (40,500,000)         | -                                    | (40,500,000)         |
| Acquisition of investment properties  | (556,834)                                | -                    | -                                    | -                    |
| Acquisition of buildings improvement and equipment  | (160,731,187)                            | (163,305,838)        | (133,195,924)                        | (152,655,723)        |
| Increase in leasehold rights  | (234,190)                                | (542,073)            | -                                    | -                    |
| Acquisition of intangible assets  | (7,728,940)                              | (95,317)             | (6,145,662)                          | (86,222)             |
| Cash receipt from dividend of subsidiaries  | -  | -                    | 11,269,181                           | 10,879,792           |
| Proceeds from sales of equipment  | 564,456                                  | 6,268,799            | 473,056                              | 2,584,499            |
| Cash paid for ordinary shares acquired from non-controlling interests of the subsidiaries | -  | (31,706,902)         | -                                    | (31,706,902)         |
| <b>Net cash flows used in investing activities</b>  | <b>(168,060,797)</b>                     | <b>(228,661,976)</b> | <b>(127,406,227)</b>                 | <b>(210,814,340)</b> |
| <b>Cash flows from financing activities</b>   |  |                      |                                      |                      |
| Cash receipt from short-term loan from related parties                                    | -  | -                    | 20,000,000                           | 2,000,000            |
| Repayment of short-term loan from related parties   | -  | -                    | (22,000,000)                         | -                    |
| Cash receipt from long-term loans from financial institution                              | 76,500,000                               | 172,000,000          | 65,500,000                           | 172,000,000          |
| Repayment of long-term loans from financial institution                                   | (73,506,000)                             | (69,096,000)         | (25,550,000)                         | (36,600,000)         |
| Repayment of liabilities under finance lease agreements                                   | (5,427,794)                              | (5,542,762)          | (2,520,980)                          | (2,713,258)          |
| Interest expenses   | (6,089,597)                              | (6,893,219)          | (3,220,313)                          | (1,986,679)          |
| Dividend paid   | (11,383,190)                             | (36,390,793)         | (11,385,646)                         | (36,392,921)         |
| Dividend paid to non-controlling interests of the subsidiaries                            | (45,620)                                 | (552,209)            | -                                    | -                    |
| <b>Net cash flows from (used in) financing activities</b>                                 | <b>(19,952,201)</b>                      | <b>53,525,017</b>    | <b>20,823,061</b>                    | <b>96,307,142</b>    |
| <b>Net increase (decrease) in cash and cash equivalents</b>                               | <b>36,500,362</b>                        | <b>(47,196,335)</b>  | <b>30,484,759</b>                    | <b>(42,823,455)</b>  |
| Cash and cash equivalents at beginning of year  | 96,686,226                               | 143,882,561          | 39,632,527                           | 82,455,982           |
| <b>Cash and cash equivalents at end of year</b>   | <b>133,186,588</b>                       | <b>96,686,226</b>    | <b>70,117,286</b>                    | <b>39,632,527</b>    |

**Supplemental cash flows information**
**Non-cash related transactions**
**Acquisition of buildings improvement and equipment**

|  |            |            |            |            |
|--|------------|------------|------------|------------|
| for which no cash has been paid                    | 25,074,001 | 8,319,689  | 17,967,966 | 5,435,975  |
| Purchase of vehicle under finance lease agreements | 6,570,000  | 12,346,900 | 1,158,000  | 5,047,900  |
| Stock dividend                                     | -          | 35,665,433 | -          | 35,665,433 |

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

## Srivichaivejvivat Public Company Limited and its subsidiaries

### Notes to consolidated financial statements

### For the year ended 31 December 2015

#### 1. General information

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

#### 2. Basis of preparation

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

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

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

##### 2.2 Basis of consolidation

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

| Company's name                              | Nature of business             | Country of incorporation | Percentage of Shareholding |             |
|---|--------------------------------|--------------------------|----------------------------|-------------|
|   |                                |                          | <u>2015</u>                | <u>2014</u> |
|   |                                |                          | Percent                    | Percent     |
| Saivichai Development Company Limited       | Operating of hospitals         | Thailand                 | 99.43                      | 99.43       |
| Srisakornvejvivat Company Limited           | Operating of hospitals         | Thailand                 | 99.56                      | 99.56       |
| Srivichai Vocational School Company Limited | Operating of vocational school | Thailand                 | 99.98                      | 99.98       |

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

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

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

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

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

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

### 3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

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

The Company and its subsidiaries have adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, some of these standards involve changes to key principles, which are summarised below:

#### **TAS 19 (revised 2014) Employee Benefits**

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognise actuarial gains and losses immediately in other comprehensive income.

#### **TFRS 10 Consolidated Financial Statements**

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 Consolidated and Separate Financial Statements dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

## TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 Interests in Joint Ventures. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

## TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

## TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The management of the Company and its subsidiaries believe that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

## 4. Significant accounting policies

### 4.1 Revenue recognition

#### Revenue for hospital operations

Revenues from hospital operations mainly consist of medical fees, medicine sales and hospital room sales, are recognised as income when services have been rendered or medicine delivered. Except for operating revenues from the Social Security Office which are recognised as income according to annual lump sum amount and adjust relative weights per the number of registrants of the Company and its subsidiaries.

#### Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

#### Revenue from tuition fees and educational media

Revenues from tuition fees and educational media are recognised over the teaching period.

#### Rental income

Rental income is recognised over the rental period and at the rate determined in agreement.

#### Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

#### Dividends

Dividends are recognised when the right to receive the dividends is established.

### 4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

### 4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

### 4.4 Medicine and supplies

Medicine and supplies are valued at the lower of cost (average method) and net realisable value.

### 4.5 Investments

(a) Investment in non-marketable equity security, which the Company classifies as other investment, is stated at cost net of allowance for impairment loss (if any).

(b) Investments in subsidiaries are accounted for in the separate financial statements using the cost method.



#### 4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 5 - 20 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

#### 4.7 Property, plant and equipment/Depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their cost on the straight-line basis over the following estimated useful lives:

|  |       |       |
|--|-------|-------|
| Buildings                                | 40,50 | Years |
| Buildings improvement                    | 5,20  | Years |
| Tools and medical instrument             | 2,10  | Years |
| Office furniture, fixtures and equipment | 3,5   | Years |
| Motor vehicle                            | 5,10  | Years |

Depreciation is included in determining income.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in the profit or loss when the asset is derecognised

#### 4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### 4.9 Leasehold rights

Leasehold rights are initially recognised at the amount transferred to acquire the leasehold rights to land plus the cost of the construction on the land under the lease agreement, which was made in 1999.

Leasehold rights are stated at cost less accumulated amortisation and allowance for loss on impairment of assets (if any). Amortisation is calculated by reference to the cost of the leasehold rights on a straight-line basis over the period specified in the land lease agreements. Amortisation is included in determining income.

No amortisation is provided on construction in progress on leasehold land

#### 4.10 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company or its subsidiaries, whether directly or indirectly, or which are under common control with the Company or its subsidiaries.

They also include individuals which directly or indirectly own a voting interest in the Company or its subsidiaries that gives them significant influence over the Company or its subsidiaries, key management personnel, directors and officers with authority in the planning and direction of the Company's or its subsidiaries' operations.

#### 4.11 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the assets.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

#### 4.12 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in the profit or loss.

#### 4.13 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company, the subsidiaries and their employees have jointly established separate provident funds. The funds are monthly contributed by employees, the Company and the subsidiaries. The funds' assets are held in separate trust funds and the Company and the subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

#### 4.14 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### 4.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### 4.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. A subsidiary applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, a subsidiary measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, a subsidiary determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## 5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

### Allowance for doubtful accounts

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

### Accrued social security income

Such medical income has not yet been received from the Social Security Office. Since the Company and its subsidiaries are not able to determine the exact amount to be received, the management has therefore estimated the amount based on the latest actual collection together with current circumstances.

### Impairment of other investment

The Company treats other investment as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

### Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company’s and its subsidiaries’ plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

### Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

### Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

### Litigation

The Company has contingent liabilities as a result of litigation. The Company’s management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

## 6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

|   |                      |             |                      |             | (Unit: Million Baht)               |
|---|----------------------|-------------|----------------------|-------------|------------------------------------|
|   | Consolidated         |             | Separate             |             |                                    |
|   | financial statements |             | financial statements |             | Pricing policy                     |
|   | <u>2015</u>          | <u>2014</u> | <u>2015</u>          | <u>2014</u> |                                    |
| <u>Transactions with subsidiaries</u>                   |                      |             |                      |             |                                    |
| (eliminated from the consolidated financial statements) |                      |             |                      |             |                                    |
| Medical service income                                  | -                    | -           | 4                    | 2           | Normal price less certain discount |
| Medical service expenses                                | -                    | -           | 11                   | 3           | Normal price less certain discount |
| <u>Transactions with related individuals</u>            |                      |             |                      |             |                                    |
| Medical service income                                  | 1                    | 3           | -                    | -           | Normal price less certain discount |

As at 31 December 2015 and 2014, the balances of the accounts between the Company, its subsidiaries and those related parties are as follows:

|  | (Unit: Thousand Baht) |      |                      |      |
|--|-----------------------|------|----------------------|------|
|  | Consolidated          |      | Separate             |      |
|  | financial statements  |      | financial statements |      |
|  | 2015                  | 2014 | 2015                 | 2014 |
| <u>Trade and other receivables - related parties</u> |                       |      |                      |      |
| (Note 8)   |                       |      |                      |      |
| Subsidiaries   | -                     | -    | 2,932                | 104  |
| Related individuals                                  | 181                   | -    | -                    | -    |
| Total trade and other receivables - related parties  | 181                   | -    | 2,932                | 104  |
| <u>Trade and other payables - related parties</u>    |                       |      |                      |      |
| (Note 15)  |                       |      |                      |      |
| Subsidiaries   | -                     | -    | 5,500                | 226  |
| Related individual                                   | 8                     | -    | -                    | -    |
| Total trade and other payables - related parties     | 8                     | -    | 5,500                | 226  |

#### Loans from related parties

As at 31 December 2015 and 2014, the balances of loans between the Company and the related parties and the movement are as follows:

|   |            | (Unit: Thousand Baht)             |                             |                             |                                   |
|---|------------|-----------------------------------|-----------------------------|-----------------------------|-----------------------------------|
|   |            | Separate financial statements     |                             |                             |                                   |
| Loan from related party                     | Related by | Balance as at<br>31 December 2014 | Increase<br>during the year | Decrease<br>during the year | Balance as at<br>31 December 2015 |
| Srisakornvejvitat Company Limited           | Subsidiary | -                                 | 20,000                      | (20,000)                    | -                                 |
| Srivichai Vocational School Company Limited | Subsidiary | 2,000                             | -                           | (2,000)                     | -                                 |
| <b>Total</b>                                |            | <b>2,000</b>                      | <b>20,000</b>               | <b>(22,000)</b>             | <b>-</b>                          |

#### Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

|                              |  | (Unit: Thousand Baht)                |               |                                  |               |
|------------------------------|--|--------------------------------------|---------------|----------------------------------|---------------|
|                              |  | Consolidated<br>financial statements |               | Separate<br>financial statements |               |
|                              |  | 2015                                 | 2014          | 2015                             | 2014          |
| Short-term employee benefits |  | 36,445                               | 36,601        | 26,227                           | 25,840        |
| Post-employment benefits     |  | 224                                  | 210           | 195                              | 183           |
| <b>Total</b>                 |  | <b>36,669</b>                        | <b>36,811</b> | <b>26,422</b>                    | <b>26,023</b> |

#### 7. Cash and cash equivalents

|               |  | (Unit: Thousand Baht)                |               |                                  |               |
|---------------|--|--------------------------------------|---------------|----------------------------------|---------------|
|               |  | Consolidated<br>financial statements |               | Separate<br>financial statements |               |
|               |  | 2015                                 | 2014          | 2015                             | 2014          |
| Cash          |  | 1,413                                | 1,485         | 525                              | 530           |
| Bank deposits |  | 131,774                              | 95,201        | 69,592                           | 39,103        |
| <b>Total</b>  |  | <b>133,187</b>                       | <b>96,686</b> | <b>70,117</b>                    | <b>39,633</b> |

As at 31 December 2015, the Company and its subsidiaries had bank deposits in saving accounts and fixed deposits which carried interests between 0.10 and 1.80 percent per annum (2014: between 0.125 and 2.50 percent per annum).



## 8. Trade and other receivables

|  | (Unit: Thousand Baht) |             |                      |             |
|--|-----------------------|-------------|----------------------|-------------|
|  | Consolidated          |             | Separate             |             |
|  | financial statements  |             | financial statements |             |
|  | <u>2015</u>           | <u>2014</u> | <u>2015</u>          | <u>2014</u> |
| <u>Trade receivables - related parties</u>       |                       |             |                      |             |
| Aged on the basis of due dates                   |                       |             |                      |             |
| Not yet due                                      | -                     | -           | 2,927                | 99          |
| Total trade receivables - related parties        | -                     | -           | 2,927                | 99          |
| <u>Trade receivables - unrelated parties</u>     |                       |             |                      |             |
| Aged on the basis of due dates                   |                       |             |                      |             |
| Not yet due                                      | 90,955                | 66,750      | 42,382               | 31,392      |
| Past due   |                       |             |                      |             |
| Up to 3 months                                   | 15,028                | 14,986      | 3,985                | 5,758       |
| 3 - 6 months                                     | 4,341                 | 1,895       | 2,826                | 516         |
| 6 - 12 months                                    | 3,155                 | 1,764       | 2,450                | 1,385       |
| Over 12 months                                   | 2,402                 | 3,330       | 2,320                | 1,802       |
| Total  | 115,881               | 88,725      | 53,963               | 40,853      |
| Less: Allowance for doubtful accounts            | (2,320)               | (1,816)     | (2,320)              | (1,802)     |
| Total trade receivables - unrelated parties, net | 113,561               | 86,909      | 51,463               | 39,051      |
| Total trade receivables - net                    | 113,561               | 86,909      | 54,570               | 39,150      |
| <u>Other receivables - related parties</u>       |                       |             |                      |             |
| Other receivable - related party                 | -                     | -           | 5                    | 5           |
| Other accrued income - related individuals       | 181                   | -           | -                    | -           |
| Total other receivables - related parties        | 181                   | -           | 5                    | 5           |
| <u>Other receivables - unrelated parties</u>     |                       |             |                      |             |
| Other receivables                                | 3,104                 | 4,271       | 1,748                | 3,255       |
| Accrued income                                   |                       |             |                      |             |
| Accrued social security income                   | 55,336                | 94,344      | 44,477               | 76,063      |
| Other accrued income                             | 13,368                | 6,591       | 4,254                | 2,510       |
| Total other receivables - unrelated parties      | 71,808                | 105,206     | 50,479               | 81,828      |
| Total other receivables                          | 71,989                | 105,206     | 50,484               | 81,833      |
| Total trade and other receivables - net          | 185,550               | 192,115     | 105,054              | 120,983     |

## 9. Medicine and supplies

(Unit: Thousand Baht)

|                  | Consolidated financial statements |               |  |              |                                |               |
|------------------|-----------------------------------|---------------|--|--------------|--------------------------------|---------------|
|                  | Cost                              |               | Reduce cost to net<br>realisable value |              | Medicine and<br>supplies - net |               |
|                  | 2015                              | 2014          | 2015                                   | 2014         | 2015                           | 2014          |
| Medicine         | 18,581                            | 14,428        | (365)                                  | (241)        | 18,216                         | 14,187        |
| Medical supplies | 9,629                             | 8,739         | (27)                                   | (27)         | 9,602                          | 8,712         |
| Other supplies   | 1,879                             | 1,873         | -                                      | -            | 1,879                          | 1,873         |
| <b>Total</b>     | <b>30,089</b>                     | <b>25,040</b> | <b>(392)</b>                           | <b>(268)</b> | <b>29,697</b>                  | <b>24,772</b> |

(Unit: Thousand Baht)

|                  | Separate financial statements |              |  |              |                                |              |
|------------------|-------------------------------|--------------|--|--------------|--------------------------------|--------------|
|                  | Cost                          |              | Reduce cost to net<br>realisable value |              | Medicine and<br>supplies - net |              |
|                  | 2015                          | 2014         | 2015                                   | 2014         | 2015                           | 2014         |
| Medicine         | 8,571                         | 5,613        | (347)                                  | (231)        | 8,224                          | 5,382        |
| Medical supplies | 3,370                         | 3,003        | (14)                                   | (11)         | 3,356                          | 2,992        |
| Other supplies   | 572                           | 622          | -                                      | -            | 572                            | 622          |
| <b>Total</b>     | <b>12,513</b>                 | <b>9,238</b> | <b>(361)</b>                           | <b>(242)</b> | <b>12,152</b>                  | <b>8,996</b> |

During the current year, the Company and its subsidiaries reduced cost of medicine and supplies by Baht 0.4 million (2014: Baht 0.5 million) (The Company only: Baht 0.3 million and 2014: Baht 0.3 million), to reflect the net realisable value. This was included in cost of hospital operations. In addition, the Company and its subsidiaries reversed the write-down of cost of medicine and supplies by Baht 0.3 million (2014: Baht 0.3 million) (The Company only: Baht 0.2 million and 2014: Baht 0.1 million), and reduced the amount of medicine and supplies recognised as expenses during the year.

## 10. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

| Company's name                              | Paid-up capital |         | Shareholding percentage |             | Cost           |                | (Unit: Thousand Baht)<br>Dividend received during the year |               |
|---|-----------------|---------|-------------------------|-------------|----------------|----------------|--|---------------|
|   |                 |         |                         |             |                |                |  |               |
|   | 2015            | 2014    | 2015<br>(%)             | 2014<br>(%) | 2015           | 2014           | 2015   | 2014          |
| Saivichai Development Company Limited       | 150,000         | 150,000 | 99.43                   | 99.43       | 159,526        | 159,526        | -  | -             |
| Srisakornvejvivat Company Limited           | 99,200          | 99,200  | 99.56                   | 99.56       | 108,506        | 108,506        | 10,271   | 10,360        |
| Srivichai Vocational School Company Limited | 100             | 100     | 99.98                   | 99.98       | 100            | 100            | 998  | 520           |
| <b>Total</b>                                |                 |         |                         |             | <b>268,132</b> | <b>268,132</b> | <b>11,269</b>  | <b>10,880</b> |

On 30 September 2014, in accordance with resolutions passed by the meeting of the Company's Board of Directors No. 10/2014 on 11 August 2014, the Company purchased 1,402,550 ordinary shares of Saivichai Development Company Limited from minor shareholders of that company for a total of Baht 17.39 million, increasing its shareholding to 99.43 percent, and purchased 916,480 ordinary shares of Srisakonvejvivat Company Limited from minor shareholders for a total of Baht 14.33 million, increasing its shareholding to 99.56 percent. The Company recorded difference resulting from increase in shareholding in subsidiaries amounting to Baht 15.95 million as a "Change in parent's ownership interest in subsidiaries without change in control" and presented in other components of shareholders' equity in the consolidated statement of change in shareholders' equity.

## 11. Other long-term investment

The Company has 8,100,000 ordinary shares of Baht 5 each of Mahanakorn Mae-Sod Vejchakarn Company Limited, representing 15 percent of the share capital of that company.

## 12. Investment properties

The net book values of investment properties as at 31 December 2015 and 2014 are presented below.

| (Unit: Thousand Baht)                |                                   |  |         |
|--------------------------------------|-----------------------------------|--|---------|
|                                      | Consolidated financial statements |  |         |
|                                      | Land                              | Buildings and<br>buildings improvement | Total   |
| <b>31 December 2015:</b>             |                                   |  |         |
| Cost                                 | 22,845                            | 9,234                                  | 32,079  |
| <u>Less</u> Accumulated depreciation | -                                 | (8,562)                                | (8,562) |
| Net book value                       | 22,845                            | 672                                    | 23,517  |
| <b>31 December 2014:</b>             |                                   |  |         |
| Cost                                 | 22,845                            | 8,677                                  | 31,522  |
| <u>Less</u> Accumulated depreciation | -                                 | (8,412)                                | (8,412) |
| Net book value                       | 22,845                            | 265                                    | 23,110  |

A reconciliation of the net book value of investment properties for the years 2015 and 2014 are presented below.

| (Unit: Thousand Baht)                |                                   |        |
|--------------------------------------|-----------------------------------|--------|
|                                      | Consolidated financial statements |        |
|                                      | 2015                              | 2014   |
| Net book value at beginning of year  | 23,110                            | 23,449 |
| Acquisition of buildings improvement | 557                               | -      |
| Depreciation charged                 | (150)                             | (339)  |
| Net book value at end of year        | 23,517                            | 23,110 |

As at 31 December 2015, the fair values of the investment properties amounting to Baht 43 million. Its fair value has been determined based on the valuation performed by an accredited independent valuer, using the income approach. Key assumptions used in the valuation include yield rate, inflation rate, long-term vacancy rate and long-term growth in the rental rates (2014: Baht 43 million).

The subsidiary has pledged the above investment properties as collateral against credit facilities received from financial institutions and credit facilities of another subsidiary.

### 13. Property, plant and equipment

|  | Consolidated financial statements |                                     |                              |  |               |  | (Unit: Thousand Baht) |
|--|-----------------------------------|-------------------------------------|------------------------------|--|---------------|--|-----------------------|
|  | Land                              | Buildings and buildings improvement | Tools and medical instrument | Office furniture, fixtures and equipment | Motor vehicle | Assets under installation and under construction | Total                 |
| <b>Cost:</b>   |                                   |                                     |                              |  |               |  |                       |
| 1 January 2014   | 339,820                           | 524,373                             | 245,169                      | 201,768                                  | 56,028        | 38,815   | 1,405,973             |
| Additions  | -                                 | 433                                 | 17,961                       | 9,192                                    | 14,964        | 140,234  | 182,784               |
| Disposals/write-off  | -                                 | (1,415)                             | (9,725)                      | (5,716)                                  | (20,381)      | -  | (37,237)              |
| Transfers in (out)   | -                                 | 1,725                               | -                            | 318                                      | -             | (2,043)  | -                     |
| Capitalised interest   | -                                 | -                                   | -                            | -  | -             | 1,188  | 1,188                 |
| 31 December 2014   | 339,820                           | 525,116                             | 253,405                      | 205,562                                  | 50,611        | 178,194  | 1,552,708             |
| Additions  | -                                 | 3,413                               | 50,736                       | 15,424                                   | 16,495        | 98,528   | 184,596               |
| Disposals/write-off  | -                                 | -                                   | (5,290)                      | (3,542)                                  | (1,497)       | -  | (10,329)              |
| Transfers in (out)   | -                                 | 250,528                             | 4,492                        | 248                                      | -             | (255,268)  | -                     |
| Capitalised interest   | -                                 | -                                   | -                            | -  | -             | 7,779  | 7,779                 |
| 31 December 2015   | 339,820                           | 779,057                             | 303,343                      | 217,692                                  | 65,609        | 29,233   | 1,734,754             |
| <b>Accumulated depreciation:</b>   |                                   |                                     |                              |  |               |  |                       |
| 1 January 2014   | -                                 | 385,057                             | 181,384                      | 154,003                                  | 44,017        | -  | 764,461               |
| Depreciation for the year  | -                                 | 19,723                              | 24,119                       | 22,861                                   | 5,408         | -  | 72,111                |
| Depreciation on disposals/write-off  | -                                 | (1,415)                             | (9,604)                      | (5,595)                                  | (18,297)      | -  | (34,911)              |
| 31 December 2014   | -                                 | 403,365                             | 195,899                      | 171,269                                  | 31,128        | -  | 801,661               |
| Depreciation for the year  | -                                 | 19,076                              | 25,265                       | 17,255                                   | 6,839         | -  | 68,435                |
| Depreciation on disposals/write-off  | -                                 | -                                   | (5,248)                      | (3,463)                                  | (1,496)       | -  | (10,207)              |
| 31 December 2015   | -                                 | 422,441                             | 215,916                      | 185,061                                  | 36,471        | -  | 859,889               |
| <b>Net book value:</b>   |                                   |                                     |                              |  |               |  |                       |
| 31 December 2014   | 339,820                           | 121,751                             | 57,506                       | 34,293                                   | 19,483        | 178,194  | 751,047               |
| 31 December 2015   | 339,820                           | 356,616                             | 87,427                       | 32,631                                   | 29,138        | 29,233   | 874,865               |
| <b>Depreciation for the year</b>   |                                   |                                     |                              |  |               |  |                       |
| 2014 (Baht 56 million included in cost of hospital operations, and the balance in selling and administrative expenses) |                                   |                                     |                              |  |               |  | 72,111                |
| 2015 (Baht 53 million included in cost of hospital operations, and the balance in selling and administrative expenses) |                                   |                                     |                              |  |               |  | 68,435                |



(Unit: Thousand Baht)

Separate financial statements

Cost:

|                      | Land    | Buildings and<br>buildings<br>improvement | Tools and<br>medical<br>instrument | Office furniture,<br>fixtures and<br>equipment | Motor<br>vehicle | Assets under<br>installation and<br>under construction | Total     |
|----------------------|---------|---|------------------------------------|--|------------------|--|-----------|
| 1 January 2014       | 286,127 | 269,008                                   | 79,089                             | 47,248   | 20,539           | 38,321   | 740,332   |
| Additions            | -       | 355                                       | 9,383                              | 5,020  | 7,067            | 140,127  | 161,952   |
| Disposals/write-off  | -       | (1,415)                                   | (3,386)                            | (2,358)  | (5,980)          | -  | (13,139)  |
| Transfers in (out)   | -       | 1,630                                     | -                                  | 1  | -                | (1,631)  | -         |
| Capitalised interest | -       | -   | -                                  | -  | -                | 1,188  | 1,188     |
| 31 December 2014     | 286,127 | 269,578                                   | 85,086                             | 49,911   | 21,626           | 178,005  | 890,333   |
| Additions            | -       | 514                                       | 40,923                             | 8,702  | 1,518            | 92,886   | 144,543   |
| Disposals/write-off  | -       | -   | (2,390)                            | (700)  | (496)            | -  | (3,586)   |
| Transfers in (out)   | -       | 250,528                                   | 1,800                              | 57   | -                | (252,385)  | -         |
| Capitalised interest | -       | -   | -                                  | -  | -                | 7,779  | 7,779     |
| 31 December 2015     | 286,127 | 520,620                                   | 125,419                            | 57,970   | 22,648           | 26,285   | 1,039,069 |

Accumulated depreciation:

|                                     |   |         |         |         |         |   |          |
|-------------------------------------|---|---------|---------|---------|---------|---|----------|
| 1 January 2014                      | - | 198,537 | 54,931  | 33,411  | 15,725  | - | 302,604  |
| Depreciation for the year           | - | 6,972   | 8,964   | 5,898   | 2,629   | - | 24,463   |
| Depreciation on disposals/write-off | - | (1,415) | (3,313) | (2,271) | (4,614) | - | (11,613) |
| 31 December 2014                    | - | 204,094 | 60,582  | 37,038  | 13,740  | - | 315,454  |
| Depreciation for the year           | - | 7,518   | 10,804  | 6,190   | 2,759   | - | 27,271   |
| Depreciation on disposals/write-off | - | -       | (2,372) | (684)   | (495)   | - | (3,551)  |
| 31 December 2015                    | - | 211,612 | 69,014  | 42,544  | 16,004  | - | 339,174  |

Net book value:

|                  |         |         |        |        |       |         |         |
|------------------|---------|---------|--------|--------|-------|---------|---------|
| 31 December 2014 | 286,127 | 65,484  | 24,504 | 12,873 | 7,886 | 178,005 | 574,879 |
| 31 December 2015 | 286,127 | 309,008 | 56,405 | 15,426 | 6,644 | 26,285  | 699,895 |

Depreciation for the year

2014 (Baht 19 million included in cost of hospital operations, and the balance in selling and administrative expenses)

2015 (Baht 19 million included in cost of hospital operations, and the balance in selling and administrative expenses)

|        |
|--------|
| 24,463 |
| 27,271 |



As at 31 December 2015, the Company had an outstanding balance of work under construction of a new building of approximately Baht 25 million (2014: Baht 174 million). Construction of the building has been financed with a loan from a financial institution and borrowing costs totaling approximately Baht 8 million were capitalised during the year ended 31 December 2015 (2014: Baht 1 million). The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation was 4 percent.

As at 31 December 2015, the Company and its subsidiaries had vehicles with net book value of Baht 17 million (2014: Baht 15 million) (The Company only: Baht 5 million and 2014: Baht 6 million) which were acquired under finance lease agreements.

As at 31 December 2015, certain items of buildings improvement and equipment were fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 375 million (2014: Baht 320 million) (the Company only: Baht 104 million and 2014: Baht 80 million).

The Company and its subsidiaries had pledged part of their property with constructions thereon, their book values as at 31 December 2015 are Baht 724 million (2014: Baht 640 million), as collateral against credit facilities received from the commercial bank, and credit facilities of another subsidiary (the Company only: Baht 620 million and 2014: Baht 530 million).

#### 14. Leasehold rights

|                    | (Unit: Thousand Baht)             |                             |   |         |
|--------------------|-----------------------------------|-----------------------------|---|---------|
|                    | Consolidated financial statements |                             |   |         |
|                    | Land rental                       | Construction on leased land | Construction in progress on leased land | Total   |
| <b>Cost:</b>       |                                   |                             |   |         |
| 1 January 2014     | 2,073                             | 165,973                     | -                                       | 168,046 |
| Increases          | -                                 | -                           | 542                                     | 542     |
| Transfers in (out) | -                                 | 518                         | (518)                                   | -       |
| 31 December 2014   | 2,073                             | 166,491                     | 24                                      | 168,588 |
| Increases          | -                                 | 32                          | 203                                     | 235     |
| Transfers in (out) | -                                 | 207                         | (207)                                   | -       |
| 31 December 2015   | 2,073                             | 166,730                     | 20                                      | 168,823 |

(Unit: Thousand Baht)

|   | Consolidated financial statements |                             |                             |         |
|---|-----------------------------------|-----------------------------|-----------------------------|---------|
|   | Land rental                       | Construction on leased land | Construction in progress on | Total   |
|   |                                   |                             | leased land                 |         |
| <b>Accumulated amortisation:</b>  |                                   |                             |                             |         |
| 1 January 2014  | 1,599                             | 26,751                      | -                           | 28,350  |
| Amortisation for the year   | 70                                | 6,510                       | -                           | 6,580   |
| 31 December 2014  | 1,669                             | 33,261                      | -                           | 34,930  |
| Amortisation for the year   | 71                                | 6,530                       | -                           | 6,601   |
| 31 December 2015  | 1,740                             | 39,791                      | -                           | 41,531  |
| <b>Net book value:</b>  |                                   |                             |                             |         |
| 31 December 2014  | 404                               | 133,230                     | 24                          | 133,658 |
| 31 December 2015  | 333                               | 126,939                     | 20                          | 127,292 |
| <b>Amortisation for the year</b>  |                                   |                             |                             |         |
| 2014 (Baht 6 million included in cost of hospital operations, and the balance in selling and administrative expenses) |                                   |                             |                             | 6,850   |
| 2015 (Baht 6 million included in cost of hospital operations, and the balance in selling and administrative expenses) |                                   |                             |                             | 6,601   |

Leasehold rights include transfer fees to acquire the leased land and construction expenses for construction on leased land. The subsidiary made land lease agreement for year 1990 to year 2020. However, in 2005, the land lease agreement was extended for 15 years until 2035.

The subsidiary had pledged its leasehold rights as collateral against credit facilities received from the commercial bank.

## 15. Trade and other payables

|                                    | (Unit: Thousand Baht) |         |                      |        |
|------------------------------------|-----------------------|---------|----------------------|--------|
|                                    | Consolidated          |         | Separate             |        |
|                                    | financial statements  |         | financial statements |        |
|                                    | 2015                  | 2014    | 2015                 | 2014   |
| Trade payables - related parties   | -                     | -       | 5,500                | 226    |
| Trade payables - unrelated parties | 108,194               | 85,228  | 69,406               | 54,268 |
| Other payables - related party     | 8                     | -       | -                    | -      |
| Other payables - unrelated parties | 51,467                | 27,609  | 23,139               | 7,245  |
| Doctor fee payables                | 27,818                | 24,019  | 13,177               | 11,220 |
| Accrued expenses                   | 49,422                | 46,398  | 16,238               | 15,423 |
| Total trade and other payables     | 236,909               | 183,254 | 127,460              | 88,382 |

## 16. Long-term loans

| Loan                                    | Interest rate (%) | Repayment schedule                            | (Unit: Thousand Baht)                |          |                                  |          |
|---|-------------------|---|--------------------------------------|----------|----------------------------------|----------|
|   |                   |   | Consolidated<br>financial statements |          | Separate<br>financial statements |          |
|   |                   |   | 2015                                 | 2014     | 2015                             | 2014     |
| <b>Srivichaivejvivat Plc.</b>           |                   |   |                                      |          |                                  |          |
| 1                                       | MLR-1.5 to MLR    | Monthly installments as from<br>December 2009 | -                                    | 14,600   | -                                | 14,600   |
| 2                                       | MLR-1.25 to MLR-1 | Monthly installments as from<br>December 2014 | 27,200                               | 34,400   | 27,200                           | 34,400   |
| 3                                       | MLR-1.25 to MLR-1 | Monthly installments as from<br>October 2015  | 71,250                               | 75,000   | 71,250                           | 75,000   |
| 4                                       | MLR-1.25 to MLR-1 | Monthly installments as from<br>January 2016  | 75,000                               | 62,000   | 75,000                           | 62,000   |
| 5                                       | MLR-1             | Monthly installments as from<br>January 2016  | 33,500                               | -        | 33,500                           | -        |
| 6                                       | MLR-1             | Monthly installments as from<br>April 2016    | 19,000                               | -        | 19,000                           | -        |
| <b>Saivichai Development Co., Ltd.</b>  |                   |   |                                      |          |                                  |          |
| 7                                       | MLR               | Monthly installments as from<br>January 2010  | 2,630                                | 34,200   | -                                | -        |
| 8                                       | MLR-1 to MLR      | Monthly installments as from<br>June 2012     | 25,950                               | 28,000   | -                                | -        |
| <b>Srisakornvejvivat Co., Ltd.</b>      |                   |   |                                      |          |                                  |          |
| 9                                       | MLR-1 to MLR      | Monthly installments as from<br>August 2013   | 1,938                                | 5,274    | -                                | -        |
| Total                                   |                   |   | 256,468                              | 253,474  | 225,950                          | 186,000  |
| Less: Portion due within one year       |                   |   | (70,088)                             | (73,506) | (51,720)                         | (25,550) |
| Long-term loans, net of current portion |                   |   | 186,380                              | 179,968  | 174,230                          | 160,450  |

The loans are secured by the mortgage part of land with constructions thereon of the Company and subsidiaries, investment properties and leasehold rights of its subsidiaries, and guarantee provided by a subsidiary and director of the Company.

As at 31 December 2015, the long-term credit facilities of the Company which have not yet been drawn down totaling of Baht 28 million (2014: the Company and two subsidiaries companies totaling of Baht 29 million) (Separate financial statements: Baht 28 million, 2014: Baht 13 million).

## 17. Liabilities under finance lease agreements

|  | (Unit: Thousand Baht) |              |                      |              |
|--|-----------------------|--------------|----------------------|--------------|
|  | Consolidated          |              | Separate             |              |
|  | financial statements  |              | financial statements |              |
|  | <u>2015</u>           | <u>2014</u>  | <u>2015</u>          | <u>2014</u>  |
| Liabilities under finance lease agreements                             | 15,519                | 13,799       | 3,308                | 4,574        |
| Less: Deferred interest expenses                                       | (1,249)               | (1,455)      | (227)                | (431)        |
| Total  | 14,270                | 12,344       | 3,081                | 4,143        |
| Less: Portion due within one year                                      | (5,055)               | (3,267)      | (1,691)              | (1,607)      |
| Liabilities under finance lease agreements<br>- net of current portion | <u>9,215</u>          | <u>9,077</u> | <u>1,390</u>         | <u>2,536</u> |

The Company and its subsidiaries have entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are 3 to 5 years.

Future minimum lease payments required under the finance lease agreements were as follows:

|  | (Unit: Thousand Baht)             |              |               |                               |              |              |
|--|-----------------------------------|--------------|---------------|-------------------------------|--------------|--------------|
|  | As at 31 December 2015            |              |               |                               |              |              |
|  | Consolidated financial statements |              |               | Separate financial statements |              |              |
|  | Less than<br>1 year               | 1 - 4 years  | Total         | Less than<br>1 year           | 1 - 4 years  | Total        |
| Future minimum lease payments                  | 5,712                             | 9,807        | 15,519        | 1,851                         | 1,457        | 3,308        |
| Deferred interest expenses                     | (657)                             | (592)        | (1,249)       | (160)                         | (67)         | (227)        |
| Present value of future minimum lease payments | <u>5,055</u>                      | <u>9,215</u> | <u>14,270</u> | <u>1,691</u>                  | <u>1,390</u> | <u>3,081</u> |

|  | (Unit: Thousand Baht)             |              |               |                               |              |              |
|--|-----------------------------------|--------------|---------------|-------------------------------|--------------|--------------|
|  | As at 31 December 2014            |              |               |                               |              |              |
|  | Consolidated financial statements |              |               | Separate financial statements |              |              |
|  | Less than<br>1 year               | 1 - 5 years  | Total         | Less than<br>1 year           | 1 - 3 years  | Total        |
| Future minimum lease payments                  | 3,908                             | 9,891        | 13,799        | 1,878                         | 2,696        | 4,574        |
| Deferred interest expenses                     | (641)                             | (814)        | (1,455)       | (271)                         | (160)        | (431)        |
| Present value of future minimum lease payments | <u>3,267</u>                      | <u>9,077</u> | <u>12,344</u> | <u>1,607</u>                  | <u>2,536</u> | <u>4,143</u> |

## 18. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company and its subsidiaries, was as follows:

|   | Consolidated         |               | (Unit: Thousand Baht) |              |
|---|----------------------|---------------|-----------------------|--------------|
|   | financial statements |               | Separate              |              |
|   | 2015                 | 2014          | 2015                  | 2014         |
| <b>Provision for long-term employee benefits at beginning of year</b> | 11,369               | 12,498        | 4,815                 | 4,024        |
| Included in profit or loss:   |                      |               |                       |              |
| Current service cost  | 1,175                | 1,138         | 538                   | 487          |
| Interest cost   | 482                  | 461           | 203                   | 179          |
| Included in other comprehensive income:                               |                      |               |                       |              |
| Actuarial (gains) losses arising from                                 |                      |               |                       |              |
| Demographic assumptions changes                                       | -                    | 3,321         | -                     | 1,148        |
| Financial assumptions changes   | -                    | (72)          | -                     | (26)         |
| Experience adjustments  | -                    | (3,013)       | -                     | 1,003        |
| Benefits paid during the year   | (199)                | (2,964)       | (98)                  | (2,000)      |
| <b>Provisions for long-term employee benefits at end of year</b>      | <b>12,827</b>        | <b>11,369</b> | <b>5,458</b>          | <b>4,815</b> |

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

|  | Consolidated         |              | (Unit: Thousand Baht) |            |
|--|----------------------|--------------|-----------------------|------------|
|  | financial statements |              | Separate              |            |
|  | 2015                 | 2014         | 2015                  | 2014       |
| Cost of hospital operations                        | 926                  | 831          | 321                   | 282        |
| Selling and administrative expenses                | 731                  | 768          | 420                   | 384        |
| <b>Total expenses recognised in profit or loss</b> | <b>1,657</b>         | <b>1,599</b> | <b>741</b>            | <b>666</b> |

The Company and a subsidiary expect to pay Baht 3.2 million of long-term employee benefits during the next year (Separate financial statements: Baht 3.0 million) (2014: Baht 0.2 million, separate financial statements: Baht 0.1 million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 17 years (Separate financial statements: 17 years) (2014: 17 years, separate financial statements: 17 years).

Significant actuarial assumptions are summarised below:

|   | Consolidated financial statements |               | Separate financial statements |               |
|---|-----------------------------------|---------------|-------------------------------|---------------|
|   | <u>2015</u>                       | <u>2014</u>   | <u>2015</u>                   | <u>2014</u>   |
|   | (% per annum)                     | (% per annum) | (% per annum)                 | (% per annum) |
| Discount rate                             | 4.30                              | 4.30          | 4.30                          | 4.30          |
| Future salary increase rate               | 5.00                              | 5.00          | 5.00                          | 5.00          |
| Staff turnover rate<br>(depending on age) | 0.00 - 25.00                      | 0.00 - 25.00  | 0.00 - 25.00                  | 0.00 - 25.00  |

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

|                             |               | (Unit: Thousand Baht)                |                 |                      |                 |
|-----------------------------|---------------|--------------------------------------|-----------------|----------------------|-----------------|
|                             |               | Sensitivity analysis for assumptions |                 |                      |                 |
|                             |               | Consolidated                         |                 | Separate             |                 |
|                             |               | financial statements                 |                 | financial statements |                 |
|                             | (% per annum) | <u>Increase</u>                      | <u>Decrease</u> | <u>Increase</u>      | <u>Decrease</u> |
| Discount rate               | 1.00          | (1,063)                              | 1,248           | (398)                | 473             |
| Future salary increase rate | 1.00          | 1,494                                | (1,288)         | 577                  | (495)           |
| Staff turnover rate         | 20.00         | (1,774)                              | 2,484           | (697)                | 992             |

## 19. Share capital

On 17 October 2014, the Extraordinary General Meeting of the Company's shareholders No. 1/2014 approved an increase in the registered share capital of the Company from Baht 535.00 million (535,000,000 ordinary shares of Baht 1 each) to Baht 570.67 million (570,666,666 ordinary shares of Baht 1 each) through the issuance of 35,666,666 new ordinary shares with a par value of Baht 1 per share for underlying the stock dividend announcement as discussed in note 26 to the financial statements. The Company registered the increase in its share capital with the Ministry of Commerce on 30 October 2014.

## 20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.



## 21. Expenses by nature

Significant expenses classified by nature are as follows:

|  | Consolidated         |             | (Unit: Thousand Baht) |             |
|--|----------------------|-------------|-----------------------|-------------|
|  |                      |             | Separate              |             |
|  | financial statements |             | financial statements  |             |
|  | <u>2015</u>          | <u>2014</u> | <u>2015</u>           | <u>2014</u> |
| Salaries and wages and other employee benefits     | 424,409              | 404,459     | 199,303               | 187,266     |
| Doctor fees  | 275,356              | 253,043     | 124,993               | 115,089     |
| Depreciation and amortisation                      | 75,644               | 79,382      | 27,417                | 24,597      |
| Medical treatment expense for referred patients    | 97,266               | 95,099      | 72,874                | 63,389      |
| Medicine, medical supplies and other supplies used | 165,331              | 141,869     | 82,521                | 70,109      |

## 22. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

|  | Consolidated         |               | (Unit: Thousand Baht) |               |
|--|----------------------|---------------|-----------------------|---------------|
|  |                      |               | Separate              |               |
|  | financial statements |               | financial statements  |               |
|  | <u>2015</u>          | <u>2014</u>   | <u>2015</u>           | <u>2014</u>   |
| <b>Current income tax:</b>   |                      |               |                       |               |
| Current income tax charge  | 20,929               | 22,727        | 18,754                | 18,733        |
| <b>Deferred tax:</b>   |                      |               |                       |               |
| Relating to origination and reversal of temporary differences                | 4,261                | 802           | (82)                  | 199           |
| <b>Income tax expenses reported in the statement of comprehensive income</b> | <u>25,190</u>        | <u>23,529</u> | <u>18,672</u>         | <u>18,932</u> |

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are made up as follows:

|   | Consolidated         |             | (Unit: Thousand Baht) |             |
|---|----------------------|-------------|-----------------------|-------------|
|   |                      |             | Separate              |             |
|   | financial statements |             | financial statements  |             |
|   | <u>2015</u>          | <u>2014</u> | <u>2015</u>           | <u>2014</u> |
| Deferred tax relating to actuarial losses | -                    | 47          | -                     | 425         |

The reconciliation between accounting profit and income tax expense is shown below.

|  | (Unit: Thousand Baht) |                      |                      |               |
|--|-----------------------|----------------------|----------------------|---------------|
|  | Consolidated          |                      | Separate             |               |
|  | financial statements  |                      | financial statements |               |
|  | 2015                  | 2014                 | 2015                 | 2014          |
| Accounting profit before tax   | 126,828               | 118,926              | 103,012              | 105,517       |
| Applicable tax rate  | 20% and<br>0% to 15%  | 20% and<br>0% to 20% | 20%                  | 20%           |
| Accounting profit before tax multiplied by<br>applicable tax rates               | 25,251                | 23,690               | 20,602               | 21,103        |
| Adjustment in respect of income tax of<br>previous year                          | 1,719                 | -                    | -                    | -             |
| Reversal of differences of accumulated<br>depreciation - Plant                   | (4,831)               | -                    | -                    | -             |
| Effects of:  |                       |                      |                      |               |
| Non-deductible expenses  | 3,859                 | 942                  | 793                  | 303           |
| Tax-exempted dividend income   | -                     | -                    | (2,254)              | (2,176)       |
| Additional expense deductions allowed  | (808)                 | (1,103)              | (469)                | (298)         |
| Total  | 3,051                 | (161)                | (1,930)              | (2,171)       |
| <b>Income tax expenses reported in the<br/>statement of comprehensive income</b> | <b>25,190</b>         | <b>23,529</b>        | <b>18,672</b>        | <b>18,932</b> |

The components of deferred tax assets and deferred tax liabilities are as follows:

|   | (Unit: Thousand Baht)            |                              |                              |                              |
|---|----------------------------------|------------------------------|------------------------------|------------------------------|
|   | Statements of financial position |                              |                              |                              |
|   | Consolidated                     |                              | Separate                     |                              |
|   | financial statements             |                              | financial statements         |                              |
|   | As at<br>31 December<br>2015     | As at<br>31 December<br>2014 | As at<br>31 December<br>2015 | As at<br>31 December<br>2014 |
| <b>Deferred tax assets</b>                                    |                                  |                              |                              |                              |
| Allowance for doubtful accounts                               | 464                              | 360                          | 464                          | 360                          |
| Allowance for diminution in value of<br>medicine and supplies | 79                               | 54                           | 72                           | 48                           |
| Recognition of rental expenses                                | 1,875                            | -                            | -                            | -                            |
| Provision for employee benefits                               | 3,002                            | 3,061                        | 1,240                        | 1,491                        |
| Unused tax loss   | 1,366                            | 12,363                       | -                            | -                            |
| Total   | 6,786                            | 15,838                       | 1,776                        | 1,899                        |
| <b>Deferred tax liabilities</b>                               |                                  |                              |                              |                              |
| Accumulated depreciation - Plant                              | 8,353                            | 13,144                       | 5,858                        | 6,063                        |
| Total   | 8,353                            | 13,144                       | 5,858                        | 6,063                        |

## 23. Earnings per share

Basic earnings per share is calculated by dividing profit for this year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

|   | Consolidated         |             | Separate             |             |
|---|----------------------|-------------|----------------------|-------------|
|   | financial statements |             | financial statements |             |
|   | <u>2015</u>          | <u>2014</u> | <u>2015</u>          | <u>2014</u> |
| Profit for the period (Thousand Baht)                           | 101,492              | 94,398      | 84,339               | 86,585      |
| Weighted average number of ordinary shares<br>(Thousand shares) | 570,665              | 570,665     | 570,665              | 570,665     |
| Earnings per share (Baht per share)                             | 0.18                 | 0.17        | 0.15                 | 0.15        |

## 24. Segment information

The Company and its subsidiaries are principally engaged in the hospital business. A subsidiary is engaged in operating a vocational school, but revenue from this business is immaterial. Therefore, revenues, operating profit and total assets presented in the financial statements relate to the said principal business.

### Geographic information

The Company and its subsidiaries operate in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

### Major customer

For the year 2015, the Company and a subsidiary have revenue from one major customer in amount of Baht 320 million, arising from hospital business (2014: Baht 325 million derived from one major customer, arising from hospital business).

## 25. Provident fund

The Company, its subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees, the Company and its subsidiaries contribute to the fund monthly at the rate of 2 percent of basic salary. The fund, which is managed by the American International Assurance Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2015 amounting to approximately Baht 3 million (2014: Baht 3 million) (the Company only: Baht 1 million and 2014: Baht 1 million) were recognised as expenses.

## 26. Dividends/Stock dividends

| Dividends   | Approved by  | Cash dividend<br>(Thousand Baht) | Dividend per share<br>(Baht) | Stock dividend<br>(Thousand Baht) | Dividend per share<br>(Baht) |
|---|--|----------------------------------|------------------------------|-----------------------------------|------------------------------|
| Final dividends for 2013  | The Annual General Meeting of the shareholders on 25 April 2014                | 32,097                           | 0.06                         | -                                 | -                            |
| Interim dividends from operating profit for the six-month period ended 30 June 2014 | The Extraordinary General Meeting of shareholders No.1/2014 on 17 October 2014 | 3,965                            | 0.00741                      | 35,665                            | 0.06667                      |
| Total dividends for 2014  |  | 36,062                           | 0.06741                      | 35,665                            | 0.06667                      |
| Final dividends for 2014  | The Annual General Meeting of the shareholders on 24 April 2015                | 11,413                           | 0.02                         | -                                 | -                            |
| Total dividends for 2015  |  | 11,413                           | 0.02                         | -                                 | -                            |

## 27. Commitments and contingent liabilities

### 27.1 Capital commitments

As at 31 December 2015, the Company and a subsidiary had capital commitments relating to the construction of buildings and the buildings improvement of approximately Baht 13 million (2014: Baht 42 million) (The Company only: Baht 12 million and 2014: Baht 42 million), and relating to medical service system and acquisition of medical devices and hospital equipment of approximately Baht 11 million (2014: Baht 12 million) (The Company only: Baht 9 million and 2014: Baht 12 million).

### 27.2 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land, property, office spaces and equipment. The terms of the agreements are generally between 1 and 5 years, and 45 years.

Future minimum lease payments required under those operating lease agreements were as follows:

|                             | (Unit: Million Baht)              |      |                               |      |
|-----------------------------|-----------------------------------|------|-------------------------------|------|
|                             | As at 31 December                 |      |                               |      |
|                             | Consolidated financial statements |      | Separate financial statements |      |
|                             | 2015                              | 2014 | 2015                          | 2014 |
| Payable:                    |                                   |      |                               |      |
| In up to 1 year             | 5.6                               | 5.5  | 0.4                           | 0.3  |
| In over 1 and up to 5 years | 13.1                              | 15.6 | 0.1                           | 0.1  |
| In over 5 years             | 33.7                              | 36.0 | -                             | -    |

### 27.3 Service commitments

The Company and its subsidiaries have entered into consulting, cleaning services provider, security services provider, medical equipment maintenance service, and other service agreements with related individual and unrelated parties.

As at 31 December 2015, future minimum payments required under those service contracts were contracting to Baht 16 million (2014: Baht 14 million) (The Company only: Baht 9 million and 2014: Baht 5 million)

### 27.4 Guarantees

There were outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business as follows:

|   | (Unit: Million Baht) |             |                      |             |
|---|----------------------|-------------|----------------------|-------------|
|   | Consolidated         |             | Separate             |             |
|   | financial statements |             | financial statements |             |
|   | <u>2015</u>          | <u>2014</u> | <u>2015</u>          | <u>2014</u> |
| Bank guarantees for the medical treatment service contracts with the Social Security Office | 17                   | 14          | 10                   | 10          |
| Bank guarantees for electricity use   | 3                    | 3           | 1                    | 1           |

### 27.5 Litigation

27.5.1 In 2011, the Company, as a joint defendant, was sued together with a hospital and the attending doctors (3 defendants in total) for damages amounting to approximately Baht 11 million. The plaintiff claimed that the attending doctors had jointly committed a tort in their provision of medical treatment, and that the Company, as the operator of the hospital business and employer of the doctors, was jointly responsible for the wrongful acts of the attending doctors. The Company and its doctors believe that they did not commit any wrongful acts as claimed and they therefore decided to file statements of defence. The Court of First Instance ordered the dismissal of the case on 8 July 2013.

The plaintiff subsequently appealed against the judgement and, on 11 April 2014, the Appeal Court ordered the Company to pay a total of Baht 0.2 million to the plaintiff, together with interest at 7.5 percent per annum from 30 September 2011 until payment is made.

Subsequently, the plaintiff wished to appeal the judgement with the Supreme Court, and is currently seeking permission to appeal from the Supreme Court. However, the management and the legal adviser of the Company believe that the litigation will not result in the Company incurring any material loss, and the Company therefore did not record any liabilities in the accounts.

In 2015, the Company, as a joint defendant, was sued together with a hospital and the attending doctor (2 defendants in total) for damages amounting to approximately Baht 7 million. The plaintiff claimed that the attending doctor had jointly committed a tort in the provision of medical treatment, and that the Company, as the operator of the hospital business and employer of the doctor, was jointly responsible for the wrongful acts of the attending doctor. The Company and the doctor believe that they did not commit any wrongful acts as claimed and they therefore decided to file statements of defence. The court has now set a date for examining witnesses. However, the management and the legal adviser of the Company believe that the litigation will not result in the Company incurring any material loss, and the Company therefore did not record any liabilities in the accounts.

## 28. Fair value hierarchy

As at 31 December 2015, a subsidiary had the assets that were disclosed at fair value using level 3 as follow:

|  | (Unit: Million Baht)              |
|--|-----------------------------------|
|  | Consolidated financial statements |
| <b>Assets for which fair value are disclosed</b> |                                   |
| Investment properties                            | 43                                |

## 29. Financial instruments

### 29.1 Financial risk management

The Company's and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, short-term loans, long-term loans and liabilities under finance lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

#### Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, The Company and its subsidiaries do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

#### Interest rate risk

The Company and its subsidiaries exposure to interest rate risk relates primarily to its cash at banks, short-term borrowings, long-term borrowings and liabilities under finance lease agreements. However, since most of the Company's and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

#### Foreign currency risk

The Company and its subsidiaries had no exposure to foreign currency risk as they rarely have not transactions denominated in other currencies.

### 29.2 Fair values of financial instruments

Since the majority of the Company's and its subsidiaries' financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

## 30. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2015, the Group's debt-to-equity ratio was 0.59:1 (2014: 0.58:1) and the Company's was 0.45:1 (2014: 0.39:1).

## 31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2016.





**Omnoi • Nongkhaem • Samutsakhon**

เปิดบริการ

# ฟิตเนส สปา และความงาม ศูนย์เวชศาสตร์การกีฬา & ฟิตเนส ศูนย์ชะลอวัย ไทย-ฟิลอส มาตรฐานการแพทย์

Philos  ฟิลอส

“พิเศษ! สมาชิกกิตติมศักดิ์  
จ่ายเพียง 50,000 บาท  
รับสิทธิใช้ได้ถึง 100,000 บาท”



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