



Ladprao General Hospital
Public Company Limited (LPH)



GREEN HOSPITAL

ANNUAL REPORT 2016

รายงานประจำปี
2559

วิสัยทัศน์ VISION

บริษัทฯ มีเป้าหมายในการเป็นผู้นำ
โรงพยาบาลเอกชนในย่านลาดพร้าว

พันธกิจ MISSION

บริษัทฯ มีพันธะสัญญาที่จะให้การดูแลสุขภาพ
แก่ผู้มารับบริการ ด้วยเทคโนโลยีที่ทันสมัย
การให้บริการที่ประทับใจ รับผิดชอบต่อสังคม
และมีการพัฒนาคุณภาพอย่างต่อเนื่อง



Ladprao General Hospital
Public Company Limited (LPH)

Content

01

Message from the
Chairman

03

Board of Directors

10

Policies and Overall
Business Operations

12

Business Operation
Characteristics

14

Risk Factors

16

General Information
and Other Significant
Information

17

Securities and
Shareholder
Information

18

Management
Structure

25

Corporate
Governance Policy

39

Corporate Social
Responsibilities

43

Internal Control and
Risk Management

45

Related Transactions

48

Key Financial Figures

54

Management
Discussion and
Analysis

61

Audit Committee
Report

62

Financial Statement

MESSAGE from the Chairman



The global economy has experienced wavering fluctuation since early 2016 due to the anxiety concerning widespread terrorist incidents and Brexit that dramatically contributed to adversely affect the world commercial system and the future of Thailand's economy.

Thailand's economic situation previously outpaced the year 2015 which boosted by government's economic stimulus policy regarding investment and expenditure. Tourism industry also contributed to the upsurge of national income even facing sudden sluggish in the fourth quarter from our nation's loss that saddened everyone across the country and a crackdown from the official policy against zero-dollar package tours sent to a drop of Chinese tourists but viewed to restore by the first quarter of 2017. However, the overall economic performance has revitalized from previous year despite weaken domestic demand following fallen agricultural prices and gradual export growth.





Due to a recovery signal of our domestic economy since 2015, private hospitals have been being challenged on achieving competitive advantage of high quality of medical treatment and service, superior technological equipment, and advance expertise. International demand for healthcare services in Thailand has been rising and supporting Thai private hospital industry growth due to its high treatment standard and quality with competitive pricing. As well increasingly been internationally recognized as one of the key destinations for medical tourism fashioned “Medical Holiday/Vacation Package” accounted for 80 percent of foreign patients that mainly for health checkup, cosmetic surgery, and dentistry. Thailand is predicted to completely enter ageing society which will be accounted for 20 percent of the country’s population in the year 2021. Such mounting of ageing population will drive substantial demand for medical services in private healthcare sector.

The year 2016 proved challenging for reachable targets as planned. Shifting to five excellence centers drove a rising revenue of 42 percent compared with those in year

2015. A recorded 12 percent out-patient improvement drove an increase of 8 percent for the overall and contributed to the advanced 58 percent net profit. Every corporate achievement has been through the efforts and contributions of employees at all level who untiring keep working efficiently along with the management strategic move.

It has been our commitment since years passed to reach a leading hospital standard and gain a competitive advantage by advancing of medical treatment quality and service under corporate governance and ethics aimed to fully satisfied customers at all needs and strive for our stable and sustainable growth.

On behalf of our management, doctor & nurse team, and employee at all levels would like to express our gratitude to all shareholders and clients for your unwavering support and trust. We will continue our stance of disciplined professional service for our sustainable growth onwards.

Prof. Dr. Somsak Lohlekha
Chairman of the Board



Information of Directors and Executive Officers



Prof. Dr. Somsak Lohlekha

Chairman/ Authorized Signatory
Age (Yrs) 74

Education

- Doctor of Microbiology University of Illinois United States of America
- Doctor of Medicine Mahidol University
- Diploma of Biochemistry Tulane University, United States of America

Training history

- Director Accreditation Program (DAP) 67/2007 - Thai Institute of Directors

Holding positions in other listed companies

- None

Holding positions in other Non listed companies

- Chairman of Ladprao General Hospital 2 Company Limited
- Chairman of L.P. Holding Company Limited
- Chairman of Ladprao Education Company Limited
- Chairman of Asia Business Management Center Company Limited
- Director of Golden Star Partner Limited Partnership

Duration (Year)

- 24

Relation With Management

- None

Qualified legal director And without any prohibited characteristics as announced by Securities and Exchange Commission

- Yes

Illegal record in past 10 years

- None



Mr. Pipat Savetvilas

Vice Chairman/ Authorized Signatory
Age (Yrs) 67

Education

- High School of Wat Suthi Wararam School

Training history

- Director Accreditation Program (DAP) 67/2007 - Thai Institute of Directors

Holding positions in other listed companies

- None

Holding positions in other Non listed companies

- Director of Ladprao General Hospital 2 Company Limited
- Director of L.P. Holding Company Limited
- Managing Director of Oregon Co.Ltd.
- Director of Pijittporn Holding Company Limited
- Director of Siam Plastic Products Company Limited

Duration (Year)

- 26

Relation With Management

- Brother in law of Chief Executive Officer and Managing Director

Qualified legal director And without any prohibited characteristics as announced by Securities and Exchange Commission

- Yes

Illegal record in past 10 years

- None

Remark : Information of Directors and Executive Officers at 31 December 2016





Assoc.Prof.Dr.Wirat Wongsangnak

Director/ Vice Chair of Management Committee
/ Authorized Signatory
Age (Year) 64

Education

- Doctor of Medicine (Surgery) The University of Glasgow
- Master of Science (Surgery), Mahidol University
- Doctor of Medicine, Chulalongkorn University

Training History

- Director Accreditation Program (DAP) 14/2004 - Thai Institute of Directors
- Director Certification Program (DCP) 201/2015 - Thai Institute of Directors
- Role of the Nomination and Governance Committee (RNG) 7/2015 - Thai Institute of Directors

Holding positions in other listed companies

- None

Holding positions in other Non listed companies

- Chairman of Asia Medical and Agricultural Laboratory and Research Center Company Limited
- Director of Asia Business Management Center Company Limited
- Vice Chairman of Ladprao Education Company Limited
- Director of L.P. Holding Company Limited
- Director of Ladprao General Hospital 2 Company Limited

Duration (Year)

- 24

Relation With Management

- None

Qualified legal director And without any prohibited characteristics as announced by Securities and Exchange Commission

- Yes

Illegal record in past 10 years

- None



Dr.Ungoon Chantanavanich

Director/ Chief Executive Officer
/ Authorized Signatory
Age (Year) 59

Education

- Doctor of Business Administration, University of South Australia
- Master of Business Administration, Thammasat University
- Bachelor of Laws, Ramkhamhaeng University

Training History

- Director Accreditation Program (DAP) 67/2007 - Thai Institute of Directors

Holding positions in other listed companies

- None

Holding positions in other Non listed companies

- Director of Asia Medical and Agricultural Laboratory and Research Center Company Limited
- Director of Asia Business Management Center Company Limited
- Director of Ladprao Education Company Limited
- Director of L.P. Holding Company Limited
- Director of Ladprao General Hospital 2 Company Limited

Duration (Year)

- 26

Relation With Management

- Old Brother of Managing Director

Qualified legal director And without any prohibited characteristics as announced by Securities and Exchange Commission

- Yes

Illegal record in past 10 years

- None

Remark : Information of Directors and Executive Officers at 31 December 2016





Mrs. Supaporn Kantamanond

Director/ Managing Director/ Authorized Signator
Age (Year) 58

Education

- Master of Business Administration, National Institute of Development Administration
- Doctor of Dental, Chulalongkorn University

Training History

- Director Accreditation Program (DAP) 67/2007 - Thai Institute of Directors

Holding positions in other listed companies

- None

Holding positions in other Non listed companies

- Director of Asia Business Management Center Company Limited
- Director of L.P. Holding Company Limited
- Director of Ladprao General Hospital 2 Company Limited

Duration (Year)

- 26

Relation With Management

- Young Sister of Chief Executive Office

Qualified legal director And without any prohibited characteristics as announced by Securities and Exchange Commission

- Yes

Illegal record in past 10 years

- None



Mrs. Vidchuda Ampornphol

Director
Age (Year) 66

Education

- Bachelor of Business Administration, Thammasat University

Training History

- Director Accreditation Program (DAP) 67/2007 - Thai Institute of Directors

Holding positions in other listed companies

- None

Holding positions in other Non listed companies

- Director of Asia Business Management Center Company Limited
- Director of L.P. Holding Company Limited
- Managing Director of Triya Company Limited
- Director of Paradise Island Resort Company Limited

Duration (Year)

- 25

Relation With Management

- None

Qualified legal director And without any prohibited characteristics as announced by Securities and Exchange Commission

- Yes

Illegal record in past 10 years

- None

Remark : Information of Directors and Executive Officers at 31 December 2016





Dr.Somchao Tanterdtham

Director

Age (Year) 63

Education

- Master of Business Administration, Thammasat University
- Master of Business Administration, Ramkhamhaeng University
- Doctor of Medicine Chulalongkorn University

Training History

- Director Accreditation Program (DAP) 8/2004 - Thai Institute of Directors
- Director Certification Program (DCP) 128/2010 - Thai Institute of Directors
- CEO Performance Evaluation 2004 - Thai Institute of Directors
- Diploma, National Defence College, The Joint State - Private Sector Course Class 9 (๑๒๕๐ 399), Thailand National Defence College

Holding positions in other listed companies

- Managing Director of N.C. Housing Public Company Limited

Holding positions in other Non listed companies

- Director of L.P. Holding Company Limited
- Director of N.C. Property Management Company Limited
- Director of N.C.Estate Company Limited
- Director of Namchai Golf Management Company Limited
- Director of Thanya Cart Management Company Limited
- Director of Quality Living Management Company Limited
- Director of Sathapornwattana Construction Company Limited
- Director of S.C. Construction and Decoration Company Limited
- Director of Namchai Property Development Company Limited
- Director of NCH 2555 Holding Company Limited

Duration (Year)

- 9

Relation With Management

- None

Qualified legal director And without any prohibited characteristics as announced by Securities and Exchange Commission

- Yes

Illegal record in past 10 years

- None



Asst.Prof.Dr.Piboon Limrapat

Independent Director

/ Chairman of the Audit Committee

Age (Year) 76

Education

- Doctor of Economics University of Illinois, United States of America
- Master of Economics, University of Philippines
- Bachelor of Economics, Thammasat University

Training History

- The Role of Compensation Committee Program (RCC) 8/2009 - Thai Institute of Directors
- Director Certification Program (DCP) 19/2002 - Thai Institute of Directors
- Audit Committee Program (ACP) 1/2004 - Thai Institute of Directors
- The Role of the Chairman Program (RCP) 3/2001 - Thai Institute of Directors

Holding positions in other listed companies

- Independent Director / Chairman of the Audit Committee of N.C.Housing Public Company Limited.

Holding positions in other Non listed companies

- Chairman of Chukai Public Company Limited.

Duration (Year)

- 12

Relation With Management

- None

Qualified legal director And without any prohibited characteristics as announced by Securities and Exchange Commission

- Yes

Illegal record in past 10 years

- None

Remark : Information of Directors and Executive Officers at 31 December 2016





Mr.Kunthon Nakporm

Independent Director/ Audit Committee
Age (Year) 72

Education

- Master of Business Administration, Northwestern University, United States of America
- Bachelor of Economics, Thammasat University

Training History

- Director Accreditation Program (DAP) 25/2004 - Thai Institute of Directors
- Audit Committee Program (ACP) 42/2013 - Thai Institute of Directors

Holding positions in other listed companies

- None

Holding positions in other Non listed companies

- Chairman of PrimPramPran Company Limited

Duration (Year)

- 12

Relation With Management

- None

Qualified legal director And without any prohibited characteristics as announced by Securities and Exchange Commission

- Yes

Illegal record in past 10 years

- None



Mrs.Benjawan Thanapaisanpipat

Independent Director/ Audit Committee
Age (Year) 60

Education

- Master of Business Administration, Thammasat University
- Bachelor of Commerce and Accountancy, Chulalongkorn University

Training History

- Director Accreditation Program (DAP) 13/2004 - Thai Institute of Directors
- Audit Committee Program (ACP) 29/2009 - Thai Institute of Directors

Holding positions in other listed companies

- None

Holding positions in other Non listed companies

- Manager of Benj Accounting Company Limited

Duration (Year)

- 12

Relation With Management

- None

Qualified legal director And without any prohibited characteristics as announced by Securities and Exchange Commission

- Yes

Illegal record in past 10 years

- None

Remark : Information of Directors and Executive Officers at 31 December 2016





Miss Thippawan Uthaisang

Independent Director/ Audit Committee

Age (Year) 58

Education

- Master of Business Administration, Thammasat University
- Bachelor of Commerce and Accountancy, Thammasat University
- Bachelor of Laws Sukhothai Thammathirat Open University

Training History

- Director Certification Program (DCP) 29/2003 - Thai Institute of Directors
- Role of the Compensation Committee (RCC) 17/2003 - Thai Institute of Directors
- Audit Committee Program (ACP) 23/2008 - Thai Institute of Directors
- Thailand National Defence College (2000)

Holding positions in other listed companies

- Chairman of The Nomination and Remuneration Committee / the Audit Committee of Winner Group Enterprise Public Company Limited
- Chairman of the Audit Committee of Prodigy Public Company Limited
- Independent Director of Eason Paint Public Company Limited

Holding positions in other Non listed companies

- Managing Director of Papermate (Thailand) Company Limited
- Chairman of the Audit Committee of Aira and Aiful Public Company Limited

Duration (Year)

- 7

Relation With Management

- None

Qualified legal director And without any prohibited characteristics as announced by Securities and Exchange Commission

- Yes

Illegal record in past 10 years

- None

Remark : Information of Directors and Executive Officers at 31 December 2016

Information of Company Secretary



Mr. Vitavas Pirmphol

Company Secretary

Age (Year) 60

Education

- Master of Public Administration, National Institute of Development Administration
- Bachelor of Laws, Ramkhamhaeng University

Training History

- Effective Minute Taking (EMT) 32/2009 - Thai Institute of Directors
- Company Secretary Program (CSP) 32/2009 - Thai Institute of Directors
- Anti-Corruption: The Practical Guide (ACPG) 18/2015 - Thai Institute of Directors

Holding positions in other Non listed companies

- Director of Asia Business Management Center Company Limited

Duration (Year)

- 9

Remark : Information at 31 December 2016



1. Policies and Overall Business Operations

The Company is engaged in the business of a private hospital by providing general medical treatment services and serving as a center for various medical specializations. The Company has an expert team of doctors with regular treatment knowledge and technology training along with service provision using modern medical equipment, causing the Hospital to have service provision which received international standard acceptance. The Hospital received Level 3 Hospital Accreditation, which was the highest level for the aforementioned accreditation, from the Healthcare Accreditation Institute (Public Organization). This accreditation certifies that the Hospital has good work system management capable of facilitating quality and safe service provision with the determination to work with quality and continual quality improvement in addition to regular self-examinations to create confidence in service recipients with regard to international standard treatment quality and professional management.

Ladprao General Hospital Public Co., Ltd. (the Company) is engaged in the following three businesses: (1) hospital service businesses operated by the Company and Ladprao General Hospital 2 Co., Ltd., (2) food, agricultural and medicinal product analysis, testing and research services operated by a subsidiary, Asia Medical and Agricultural Laboratory and Research Center (AMARC) and (3) the business of supporting medical services and business development by a subsidiary, Asia Business Management Center Co.,Ltd. (ABMC). The first two businesses are considered the Company's primary businesses while the third business is operated to support internal performance by the Company and its subsidiaries.



Vision :

A private hospital leader in Ladprao area

Mission :

Health care for people with modern technology, Impressive services, Social responsibility and with continuous quality development.

The hospital is a business with competition concerning readiness in terms of modern medical equipment, specialist medical personnel in each field and comprehensive and quick service provision in response to higher service recipient needs. Therefore, the Company has guidelines to develop the Hospital's treatment service provision capacity with the following goals:

- To become a holistic medical center in each field of medicine with emphasis on specialist medicine center development leading to medical excellence beginning with the support of rising senior adult population trends such as the Gastrointestinal and Liver Center, the Eye Center, the Orthopedic Surgery Center, the Brain and Nerve Center and the Skin and Beauty Center. Senior adults are seeking treatment in larger numbers at the aforementioned medical centers such as laparoscopic treatment of patients with food-related illnesses, treatment of patients with eye conditions such as cataracts or glaucoma, treatment of patients with orthopedic problems such as senior adults with arthritis of the knee or osteoporosis including patients with dementia or Alzheimer's Disease, etc. Furthermore, skin and complexion treatments for senior adults such as laser treatments to erase marks, blemishes and freckles are also escalating.
- To maintain leadership as a leading hospital for mothers and children on Ladprao Rd. by providing comprehensive obstetricsgynecology services and pediatric treatments with specialist doctors in every field.



- To become a comprehensive health examination center and dental center provide annual health examination services for individual customers, annual health examination services for employees and executives of organizations who are party to contracts inside and outside the facilities, health examinations for life insurance, health examination before working and health examinations before going to work overseas, etc.

The Company services with the following primary service recipients: General service recipients and Service recipients according to Social Security Scheme rights



2. The Hospital has a total of 109 rooms and 180 beds to provide services for patients. Inside hospital rooms, the Hospital focuses on patients' cleanliness and hygiene in a warm, home-like setting, which is a factor contributing to positive mental health among patients. The Hospital has prepared many types of rooms to provide service based on service recipient needs such as rooms with eight beds, rooms with four beds, special double bed rooms, special single bed rooms, VIP rooms, suites, ICU rooms and quarantine rooms.

The business Food, Agricultural and Medicinal Product Analysis, Testing and Research Service : AMARC is engaged in of performing laboratory analysis research classified by laboratory service capacity as follows: (a) fresh food and processed food product analysis, agricultural, animal husbandry and fishery product testing with microorganism and contaminant test/research capacity, chemical analysis including analysis for physical contaminants of the aforementioned products for service recipients to use findings for various objectives such as import or export permission requests in addition to requests for various quality certificates, etc.; (b) pharmaceutical analyses such as tests for compounds in drugs or contaminants; (c) medical analysis to providing findings from analysis of patients' symptoms as a key factor for correct and accurate treatment and (d) measuring device calibration services to support accurate calibration results for devices such as weighing machines and thermometers, etc

The business of Supporting Medical Services and Business Development: ABMC, a subsidiary in which the Company holds 99.99 percent of registered and paid-up capital. This business supports the Hospital's work and business development in the Company and its subsidiaries with the objective to operate and provide services in support of the Hospital's medical statistics work by employing experts to prepare treatment statistics for social security patients. Furthermore, ABMC also provides support services for the Hospital's legal work by providing legal consultation, pressing charges and following-up to collect debts, etc., along with providing support in management work and business management. ABMC employed personnel with appropriate qualifications to perform the duty of providing consultation and participating in business management and development, making plans and setting business policies for the Company and its subsidiaries.



2. Business Operation Characteristics

The corporation and subsidiaries were engaged in the following three businesses: Overall Business Operations of the Company and its Subsidiaries

Business Type	Operated By	Service Characteristics
(1) Hospital Service Businesses	LPH Registered Capital: 375.00 Million Baht Paid-Up Capital: 375.00 Million Baht Par Value: 0.50 Baht	Private hospital business services in providing general treatment for diseases and medical center services including out-patient, in-patient and emergency patient services with the following primary service recipients: <ul style="list-style-type: none"> • General service recipients. • Service recipients according to Social Security Scheme rights.
	A Subsidiary (LP2) 99.99 Percent Shares Held by the Company Registered Capital: 50.00 Million Baht Paid-Up Capital 12.50 Million Baht Par Value 10.00 Baht	LP2 currently has no business operations. However, the Company has a project to construct and operate the new hospital in the future through LP2. The Company is currently studying investment possibility.
(2) Food, Agricultural and Medicinal Product Analysis, Testing and Research	A Subsidiary (AMARC) 97.14 Percent Shares Held by the Company Registered and Paid-Up Capital: 100.00 Million Baht Par Value: 10.00 Baht.	Laboratory analysis/research services divided according to AMARC laboratories as follows: <ul style="list-style-type: none"> • Food and Agricultural Product Analysis Laboratory. • Medical and Pharmaceutical Laboratory. • Instrument Calibration Laboratory. • Scientific Research and Development Laboratory.
(3) Support for Medical Service Provision and Business Development	A Subsidiary (ABMC) 99.99 Percent Shares Held by the Company Registered and Paid-Up Capital: 100.00 Million Baht Par Value: 10.00 Baht.	Provision of services in support of medical service provision and business development as follows: <ul style="list-style-type: none"> • Medical statistics support for the Company. • Legal support for the Company. • Business development support for the Company and its subsidiaries.

(1) Hospital Service Business

Hospital service businesses are currently operated by the Company as a private medical facility admitting patients for overnight stays (a private hospital) under the name of Ladprao General Hospital (the Hospital) with a capacity of 180 beds. The Hospital was opened to provide public health services with continual service development emphasizing treatment quality and efficiency combined with health promotion, disease prevention and patient recovery to help the public have better health and quality of life. The Hospital provides services meeting all standards in every field of medicine such as internal medicine, pediatrics, women's health, ophthalmology, otolaryngology, general surgery, orthopedic surgery, cardiology and neurology, skin and beauty, dentistry and hemodialysis, etc. Furthermore, the Company aims to achieve medical excellence by developing capacity to treat various diseases in support of domestic population structure changes which will have more senior adults in order to become a community hospital that covers service recipients from every age group living in the Ladprao neighborhood and nearby areas. The Company provides services for out-patients with expert teams of physicians in each field. Moreover, the Hospital provides in-patient services with various types of patient rooms based on service recipient needs with doctor and nursing teams ready to provide care for patients 24 hours a day.



Service Characteristics Classified by Patient Service Provision

1) Out-Patient Service

The Hospital is able to provide services in every field of medicine with 110 treatment service rooms and procedure rooms capable of providing services for customers at the maximum number of approximately 3,400 patients per day.

2) In-Patient Services

The Hospital has a total of 109 rooms and 180 beds to provide services for patients.

Ratio of Service Classified by Service Recipients

1) *General Service Recipients*– General service recipients consisted of the following:

- 1.1) Personal payers are service users who paid for treatment in real treatment costs without exercising any insurance entitlements, including member groups with special discounts according to the Hospital's conditions.
- 1.2) Contracted parties are service users where the Company of original affiliation has made medical service contracts with the Hospital and are composed of service recipients who have insurance policies with the insurance company on a daily basis and service recipients who are under the jurisdiction of organizations that are party to contracts with the Hospital such as educational institutes and companies which are party to contracts, etc., and service recipients with rights according to the Protection for Motor Vehicle Accident Victims. The Company will collect treatment costs from the insurance company of contract parties or directly from the contract party organization.
- 1.3) Other groups such as civil services and government enterprises, foreign patients including service recipients with other rights such as the Workmen's Compensation Fund for persons who encountered work-related hazards and three emergency foundations established by the National Health Security Office, etc.

2) Social Security – The Hospital provides services under social security entitlements and the Hospital will receive treatment expenses from the Social Security Office based on the conditions specified by the Social Security Office.

(2) Food, Agricultural and Medicinal Product Analysis, Testing and Research Service

AMARC is engaged in the business of performing laboratory analysis research classified by laboratory service capacity as follows: (a) fresh food and processed food product analysis, agricultural, animal husbandry and fishery product testing with microorganism and contaminant test/research capacity, chemical analysis including analysis for physical contaminants of the aforementioned products for service recipients to use findings for various objectives such as import or export permission requests in addition to requests for various quality certificates, etc.; (b) pharmaceutical analyses such as tests for compounds in drugs or contaminants; (c) medical analysis to providing findings from analysis of patients' symptoms as a key factor for correct and accurate treatment and (d) measuring device calibration services to support accurate calibration results for devices such as weighing machines and thermometers, etc.

(3) The Business of Supporting Medical Services and Business Development

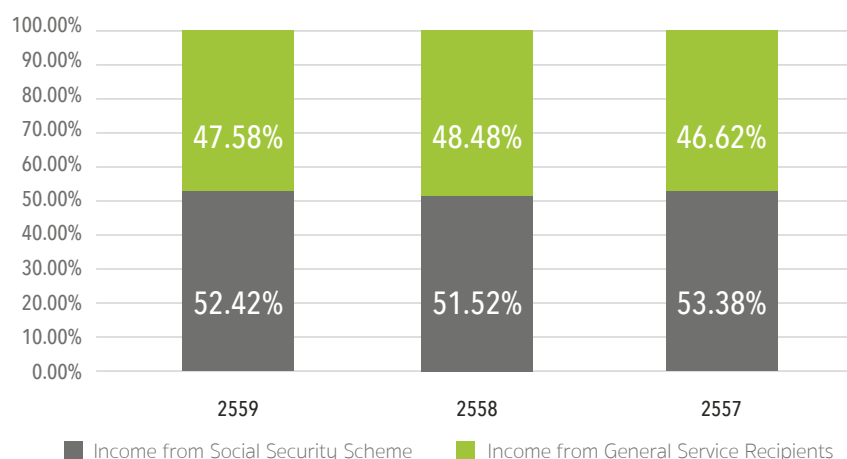
The business of supporting medical services and business development is operated by ABMC, a subsidiary in which the Company holds 99.99 percent of registered and paid-up capital. This business supports the Hospital's work and business development in the Company and its subsidiaries with the objective to operate and provide services in support of the Hospital's medical statistics work by employing experts to prepare treatment statistics for social security patients. Furthermore, ABMC also provides support services for the Hospital's legal work by providing legal consultation, pressing charges and following-up to collect debts, etc., along with providing support in management work and business management. ABMC employed personnel with appropriate qualifications to perform the duty of providing consultation and participating in business management and development, making plans and setting business policies for the Company and its subsidiaries.



Income Structure

Income	Operated By	2016		2015		2014	
		MB.	%	MB.	%	MB.	%
1. Treatment Income	LPH	1,213.16	89.01	1,145.71	91.24	1,044.08	91.86
- Personal Payment and Other Income		635.88	46.66	590.27	47.01	557.37	49.04
- Social Security Scheme Income		577.28	42.36	555.44	44.23	486.71	42.82
2. Service Income	AMARC	115.32	8.46	98.40	7.83	84.40	7.43
- Analysis Income		115.32	8.46	98.40	7.83	84.40	7.43
3. Other Income		34.44	2.53	11.59	0.93	8.09	0.71
- รายได้จากเงินลงทุนสุทธิของกองทุนส่วนบุคคล		21.94	1.61	-	-	-	-
- Rent Payments		5.33	0.39	4.61	0.37	4.15	0.36
- Other		7.17	0.53	6.98	0.56	3.94	0.35
รวม		1,362.92	100.00	1,255.70	100.00	1,136.57	100.00

Ratio of General Service Recipient and Social Security Income to Total Income



3. Risk Factors

The risk factors in the Company's business operations can be categorized as follows:

3.1 Strategic Risks

3.1.1 Risks from Competition in the Private Hospital Business

Currently medical service businesses are likely to be in high competition including quality of medical treatment & services, location wise, and pricing of among private hospitals. Regarding the risks associated with such rivalry. Those factors thus drives the Company to make effort to satisfy & build customer loyalty and gain competitive advantage striving for achieving the sustainable growth by offering better efficient services, emphasizing on high-ages patients, implementing advanced and high standard technology medical equipment, and serving with experienced physicians and staff as Excellence Center.

3.1.2 Investment Expansion Risk

According to the change of plan in utilizing the new established building as the Excellent Center instead of Social Security Service Center aimed to serve elderly and ones needed special care, caused the construction delay off what had formerly planned. The building structure and facilities have to be more to be modernized with safety design to be in lines with the new strategy. The construction work is expected to complete and ready for soft opening in the 2nd quarter. Full operating scale is planned to be in the third quarter of this year.



Meanwhile, the investment in Ladprao Lamlukka Hospital is well going by plan of which currently on process of building and facilities blueprint for the official submission that aimed to start the construction in early 2018.

3.1.3 Government Health Policy, Regulations, and Standard Risks

Currently, revenues from social security medical program have been relatively high, thus the Company may be at risk to be affected by the change of official insurance scheme. However, the management believes that the social security is the country-based system and is perceived to be quite stable. However, the management has considered setting up the policy for an appropriate reserve for doubtful account closely monitored the change of official policy through various channels including through the Hospitals Association for Development of Social Security.

3.1.4 Interest Rate Risks

The Company and its subsidiaries are exposed to interest rate risk relates primarily to its cash at banks and some parts of bank overdrafts facility. The Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market. However, the management believed that the future fluctuation on market interest rate would not significantly affect their operations and/or cash activities, therefore no financial derivatives was adopted to manage such risks.

3.2 Operation Risks

3.2.1 Medical Personnel Shortage Risks

According to the nature of hospital business which has much relied on high quality health care personnel in various specialized fields, then the Company may possibly face a shortage of qualified medical specialists and health care personnel especially specialty fields in the future.

Therefore, the Company has set the policy aimed to reduce such risks by providing attractive and competitive remuneration benefit package, offering grants and special contractual benefits to target specialists, and developing unblemished employee evaluation process via performance base.

3.2.2 Risks of being lawsuits

Businesses engaged in providing medical services have practically involved risk of being sued by either patients or groups of patients' relatives due to their unsatisfaction of the standard of services or treatment. The Company has realized such those risk factors when conducting business. It has been committed to enhance the standards of treatment process and also evaluate and continuously fulfill customer satisfaction through the quality improvement program. These proactive actions would assist to lessen risks of being lawsuits. As of December 31, 2016 the Company has had no legal dispute case that would significantly affect the Company's business which is neither able to quantify nor affect against the Company's assets of assessed value in excess of 5 percent of shareholders' equity.

3.3 Financial Risks

3.3.1 The Risk Associated With Uncertain Receivable

The general practice and ethic for providing medical treatment and service to patients, excluding of Social security scheme, has to be at first without attention on prepaid or deposit. The Company may then face risks of being unable to collect parts or all medical bills after completion of such services.

Thus, the Company has set the policy to progressively notify patients on the incurred costs of treatment and service during their admission and also has a receivable management unit to monitor, prevent, and minimize such risks as well as expedite the collection or even work altogether with them to solve any collectible problems.



4. General Information and Other Significant Information

Company Name	Ladprao General Hospital Public Company Limited (The Company)
Company Name (English)	Ladprao General Hospital Public Company Limited (LPH)
Business Type	Private medical facility business which admits patients for overnight stays under the name of Ladprao General Hospital
Company Registration No.	0107536000161
Main Office Location	2699, Ladprao Rd., KlongchaokunSng, Wangthonglang, Bangkok, 10310
Tel.	02-530-2244, 02-530-2556-69
Fax.	02-539-8490
Home Page	http://www.Ladpraohospital.com
E-mail Address	Ladprao@Ladpraohospital.com
Registered Capital	375,000,000 baht (three hundred and seventy-five million baht)
Paid-Up Capital	375,000,000 baht (three hundred and seventy-five million baht)
Common Shares	750,000,000 shares (seven hundred and fifty million shares)
Par Value	0.50 baht per share
Securities Registrar	Thai Securities Depository Company Limited, 93, Stock Exchange of Thailand Building, Ratchadaphisek, Dindaeng, Dindaeng, Bangkok, 10400, Tel: 02-009-9000, Fax: 02-009-9991
Auditor	Dharmniti Auditing Co., Ltd., 267/1, Pracharaj Rd., Sai 1, Bang Sue, Bang Sue, Bangkok, 10800, Tel: 02-587-8080, Fax: 02-586-0301



5. Securities and Shareholder Information

5.1 Registered and Paid-Up Capital

As of 31 December 2016, the Company has issued and paid-up registered capital at 375,000,000 baht divided into 750,000,000 common shares at a par value of 0.50 baht per share

5.2 Shareholders

The Company has ten major shareholders as of 14 March 2016 as follows:

Shareholders	Shares Held (Shares)	Shareholding Ratio (%)
1. LP Holding Co., Ltd.	202,269,600	26.97
2. Mr. Pipat Savetvilas	34,393,684	4.59
3. Mrs. Sunee Tantaterdtam	30,062,410	4.01
4. Union Capital Co., Ltd.	25,410,000	3.39
5. Mrs. Wimontip Pongsatorn	23,100,000	3.08
6. Kasikorn Bank Public Co., Ltd.	16,800,000	2.24
7. Dr. Ungoon Chantanavanich	14,684,848	1.96
8. Krungthai-AXA Life Insurance PCL.	13,950,300	1.86
9. Krung Thai Selective Equity Fund	11,854,700	1.58
10. SCB Dividend Stock 70/30 Long Term Equity Fund	11,143,700	1.49
Total	383,669,242	51.17

5.3 Dividend Payout Policy

The Company intends to operate on the basis of good, transparent and accountable corporate management principles with primary consideration given to the interest of every interested person group. The Company is also aware of shareholders' rights as investors and the Company's owners. Therefore, to add value for shareholders in the long-term, the Company has specified dividend payment policy for the Company and its subsidiaries as follows:

1) The Company's Dividend Payout Policy

The Company has the policy to pay dividends to shareholders at no less than 50 percent of net profit from the separate financial statement after deducting juristic person income tax and every type of appropriation specified by law and the Company's regulations. However, the aforementioned dividend payout may have changes depending on necessity and other suitability as considered by the Board of Directors. Annual dividend payouts require approval from the general shareholders' meeting except for interim dividend payouts. The Board of Directors may approve occasional interim dividend payouts if the Company is seen to have sufficient profit and the Board of Directors is to report the aforementioned interim dividend payouts to the next general shareholders' meeting.

2) Subsidiaries' Dividend Payout Policy

Subsidiaries' dividend payout consideration is under approval consideration by the Board of Directors and general shareholders' meeting of each subsidiary. The Company's subsidiaries have the policy to pay dividends to shareholders at the rate of no less than 50 percent of net profit from the separate financial statement after deducting juristic person income tax and every type of appropriation specified by law and the Company's regulations. However, the aforementioned dividend payout may have changes depending on necessity and other suitability as considered by the Board of Directors and the general shareholders' meeting of each subsidiary. Annual dividend payouts require approval from the general shareholders' meeting of each subsidiary except for interim dividend payouts. The Board of Directors of each subsidiary may approve occasional interim dividend payouts if the Company is seen to have sufficient profit. And, in order for subsidiaries' dividend payouts to be in accordance with good corporate governance principles, transparency and accountability, the Board of Directors of each subsidiary is to report the aforementioned interim dividend payouts to the next Board of Directors/general shareholders' meeting.



6. Management Structure

6.1 The Board of Directors of the Company and Its Subsidiaries

The Board of Directors as of 31 December 2016 comprised 12 directors and the Boards of Directors of subsidiaries have the following details:

Name	Company	Subsidiary		
		AMARC	ABMC	LP2
Prof.Dr.Somsak Lohlekha	Chairman	-	Director	Director
Mr.Pipat Savetvilas	Deputy Chairman	-	-	Director
Dr.Somchao Tanterdtham	Director	-	-	-
Dr.Chantorntree Darakananada	Director*	-	-	-
Mrs.Vidchuda Ampornphol	Director	Director	-	-
Dr.Ungoon Chantanavanich	Director	Director	Director	Director
Mrs.Supaporn Kantamanond	Director	-	Director	Director
Assoc.Prof.Dr.Wirat Wongsangnak	Director	Director	Director	Director
Asst.Prof.Dr.Piboon Limprapat	Independent Director/Chairman of the Audit Committee	-	-	-
Mrs.Benjawan Thanapaisanpipat	Independent Director/Audit Director	-	-	-
Mr.Kunthon Nakporm	Independent Director/Audit Director	-	-	-
Miss Thippawan Uthaisang	Independent Director/Audit Director	-	-	-

Remark : Dr.Chantorntree Darakananada had resigned out of Director with 24 February 2016

Directors with Signatory Authority on the Company's Behalf

Directors with authority to sign and bind the Company to obligations consist of Prof. Dr. Somsak Lohlekha, Mr. Pipat Savetvilas, Assoc. Prof. Dr. Wirat Wongsangnak, Dr. Ungoon Chantanavanich and Mrs.Supaporn Kantamanond. Two out of the five aforementioned directors are to sign together on the Company's behalf and affix seals.

Authority, Duties and Responsibilities of the Board of Directors

The Board of Directors, as a representative for shareholders, play key roles in governing the Company's management in compliance with the law, the Company's rules and regulations and the general shareholders' meeting resolutions, including specification of the Company's visions, obligations, strategies and policies with maximum benefit for shareholders and monitoring the Management Department's performance. Furthermore, the Board of Directors also has authority and responsibilities as specified by law, rules, objectives and resolutions of the Company's general shareholders' meeting including the following actions:

- (1) Perform duties and govern the Company's business in compliance with the law, objectives, regulations, resolutions of Board of Directors' meetings including the general shareholders' meeting with responsibility, caution, honesty and attention to preserving the Company's interests.
- (2) Specify the Company's and its subsidiaries' vision, strategy, business direction, policy, goal, business plan, budget, management structure and approval authority as proposed by the Management Department in addition to governing administration and performance by the Management Department or any person assigned to perform the aforementioned duties in order to effectively comply with specified policies and add the highest value for the Company and shareholders.
- (3) Continually and regularly monitor and evaluate performance by the Management Department to achieve strategies and be in line with plans and budgets along with ensuring systems and mechanisms for appropriate remuneration for executives.
- (4) Ensure the Company and its subsidiaries have appropriate and effective accounting systems along with arranging for reliable financial and auditing reports in addition to adequate and proper internal control and internal audit systems.



- (5) Consider approval for the acquisition or distribution of properties (in cases where transaction size does not require consideration by the general shareholders' meeting), invest in new businesses and perform in compliance with the law, notifications and related rules and regulations.
- (6) Consider approval for related transactions (in cases where transaction size does not require consideration by the general shareholders' meeting), invest in new businesses and perform in compliance with the law, notifications and related rules and regulations.
- (7) Consider interim dividend payout approval for the Company's shareholders.
- (8) Review risk management processes and policy in addition to monitoring performance.
- (9) Prevent conflicts of interest between the Company's and its subsidiaries' interested persons. Cases where any director has interests in any transactions conducted with the Company or increased or decreased shareholding ratios in the Company and its subsidiaries are to be reported to the Company by the aforementioned directors without delay.
- (10) Arrange for good corporate governance policies, corporate social responsibility policies, anti-corruption policies and effective adaptation of the aforementioned policies.
- (11) Appoint sub-committees such as the Audit Committee, the Executive Committee, The Nomination and Remuneration Committee and/or any other sub-committees in order to help and support performance of duties by the Board of Directors as deemed fitting.
- (12) Appoint the Corporate Secretary to assist the Board of Directors in working to ensure the Company's business operations are in compliance with the law and related regulations.
- (13) Request professional opinions from external organizations if necessary to accompany appropriate decision-making.
- (14) Prepare annual reports and take responsibility for financial statement preparation and disclosure to reveal the Company's financial status and performance in the past year for presentation to the Shareholders Meeting.
- (15) Host annual general shareholders' meetings within four months after the end of the Company's accounting cycle.
- (16) Consider approval on various topics by considering interested persons and interest with fairness.
- (17) Assign a director, several directors or other persons to perform any actions on behalf of the Board of Directors.

Assignment of the Board of Directors' authority, duties and responsibilities will have no characteristics of granting authority or sub-granting authority causing the Board of Directors or persons authorized by the Company to be able to approve transactions in which that person or other persons may have conflicts (as defined in the Securities and Exchange Notification or Capital Market Supervisory Board Notifications), interests or receive benefit in any characteristic or any other potential conflicts of interest with the Company or its subsidiaries except for approval granted to transactions in line with policy and criteria considered approved by the general shareholders' meeting or the Board of Directors.

Terms in Office for Directors

The Company's directors have a term of three years in position per term. At every annual general shareholders' meeting, the Company's directors are out of office at one-third of all directors. If the number of directors cannot be divided into three parts, directors are to resign by the number closest to one-third. Directors who are out of office may be reselected into office. Directors who have to leave office in the first and second year after registering the Company drew lots and directors who were in position the longest in later years will be the directors who will leave their positions.

Board Self- Assessment

The Board has established an annual self-assessment for the overall performance of the Board of Directors, Sub-Committee (Executives Committee, Nomination and Remuneration Committee and Audit Committee), and of members on an individual basis. The assessment has been conducted based on the self-assessment guidelines provided by the Stock Exchange of Thailand and in accordance with the Company's Good Corporate Governance principles.

The self-assessment serves as a framework to monitor the performance of Board of Directors' duties, analysis of the functioning results, problems, and obstacles that arise in the previous year operation, and summarize in the performance evaluation report. The Company shall also use any recommendation to improve effectiveness of the Board's operation onwards. The results of



self-assessment the Board of Directors and Sub-Committee for the year 2016 summarized in the Board of Directors' Meeting No.6/2016 held on December 15, 2016 are as follows:

Self- Assessment for the Board of Directors

Principles: The self-evaluation forms have been organized for the Board and of members on an individual basis based on the self-assessment guidelines provided by the Stock Exchange of Thailand but adapted to fit the Company's Board structure. The performance evaluation results will be a key paths to stipulate and enhance the efficiency of the Board onwards.

The assessment shall cover the following criteria:

1. Structure and qualifications of the Board of Directors;
2. Roles, duties and responsibilities of the Board of Directors;
3. Meeting of the Board of Directors;
4. Acts of duty of the Board of Directors;
5. Relationship with the Company's Management;
6. Self-development of directors and executives.

Result of 2016 Performance Evaluation of the Board of Directors and of members on an individual basis regarding the overall 6 criteria was scored at 93.21% which represented in a range of "Excellence" performance.

Self- Assessment for the Executive Board

Principles: The self-evaluation for the Executive Board organized in a form to evaluate the performance of the Board's duties and of members on an individual basis aimed to attain the following objectives:

- 1) To monitor the performance of the Board's duties, analysis of the functioning results, problems, and obstacles that arise in the previous year operation;
- 2) To stipulate and enhance the efficiency of the Executive Board onwards.

The assessment shall cover the major 3 criteria as follows:

1. Structure and qualifications of the Sub-Committee;
2. Meeting of the Sub-Committee;
3. Acts of duty of the Executive Board;

Result of 2016 Performance Evaluation of the Executive Board and of members on an individual basis regarding the overall 3 criteria was scored at 88.89% which represented in a range of "Very Good" performance.

Self- Assessment for the Nomination and Remuneration Committee

Principles: The self-evaluation for the Nomination and Remuneration Committee organized in a form to evaluate the performance of the Committee's duties and of members on an individual basis aimed to attain the following objectives:

- 1) To monitor the performance of the Committee's duties, analysis of the functioning results, problems, and obstacles that arise in the previous year operation;
- 2) To stipulate and enhance the efficiency of the Nomination and Remuneration Committee onwards.

The assessment shall cover the major 3 criteria as follows:

1. Structure and qualifications of the Sub-Committee;
2. Meeting of the Sub-Committee;
3. Acts of duty of the Nomination and Remuneration Committee;

Result of 2016 Performance Evaluation of the Nomination and Remuneration Committee and of members on an individual basis regarding the overall 3 criteria was scored at 99.11% which represented in a range of "Excellence" performance.



Self- Assessment for the Nomination and Remuneration Committee

Principles: The self-evaluation for the Audit Committee organized in a form to evaluate the performance of the Committee's duties and of members on an individual basis aimed to attain the following objectives:

- 1) To monitor the performance of the Committee's duties, analysis of the functioning results, problems, and obstacles that arise in the previous year operation;
- 2) To stipulate and enhance the efficiency of the Audit Committee onwards.

The assessment shall cover the major 3 criteria as follows:

1. Structure and qualifications of the Sub-Committee;
2. Meeting of the Sub-Committee;
3. Acts of duty of the Audit Committee;

Result of 2016 Performance Evaluation of the Audit Committee and of members on an individual basis regarding the overall 3 criteria was scored at 96.09% which represented in a range of "Excellence" performance.

Report on Shareholding Changes of Directors and Executives in the Company and Its Subsidiaries in 2016

N0	Name	Position	No. of Shares Held As of 31 Dec 2016	No. of Shares Held As of 31 Dec 2015	Increase (Decrease) in Shares	Shareholding Ratio in the Company (%)
1	Prof.Dr.Somsak Lohlekha	Chairman of the Board	7,765,360	7,765,360	-	1.04
2	Mr.Pipat Savetvilas	Deputy Vice Chairman of the Board	33,893,684	34,393,684	500,000	4.59
3	Dr.Somchao Tanterdtham	Director	1,987,840	1,987,840	-	0.27
4	Dr.Chantomtree Darakananada	Director	100,000	100,000	-	0.01
5	Mrs.Vidchuda Ampornphol	Director	1,141,160	1,141,160	-	0.15
6	Dr.Ungoon Chantanavanich	Director	14,684,848	14,684,848	-	1.96
7	Mrs.Supaporn Kantamanond	Director	6,078,260	6,073,260	(5,000)	0.81
8	Assoc.Prof.Dr.Wirat Wongsangnak	Director	4,232,920	3,222,920	(1,010,000)	0.43
9	Asst.Prof.Dr.Piboon Limprapat	Independent Director/Chairman of the Audit Committee	1,000,000	1,000,000	-	0.13
10	Mrs.Benjawan Thanapaisanpipat	Independent Director/Audit Director	1,096,600	1,096,600	-	0.15
11	Mr.Kunthon Nakporm	Independent Director/Audit Director	2,833,340	1,725,005	(1,108,335)	0.23
12	Miss Thippawan Uthaisang	Independent Director/Audit Director	1,000,000	1,000,000	-	0.13

6.2 Executives

The list of executives as of 31 December 2016 comprised six executives as follows:

Names	Positions
Dr.Ungoon Chantanavanich	Chief Executive Officer
Mrs.Supaporn Kantamanond	Managing Director
Assoc. Prof. Dr.Amporn Jongsareejit	Medical Department Administrator
Mr. Vitavas Pirmphol	Deputy Managing Director
Miss Surajit Jantawong	Deputy Managing Director
Miss Chomsri Chaiwachirasak	Deputy Managing Director



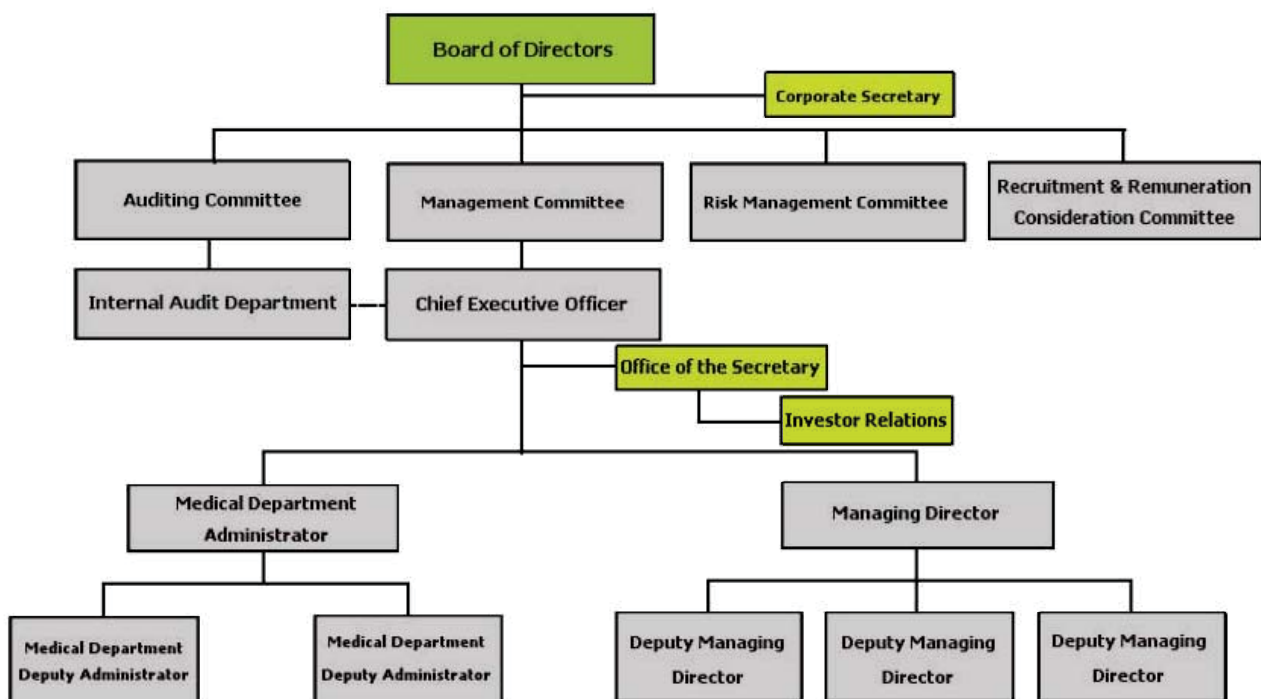
Chief Executive Officer's Scope of Authority and Duty

The Chief Executive Officer's scope of authority and duty as approved by the Board of Directors Meeting No. 12/2014 on 12 December 2014 was as follows:

- (1) To decide in significant matters for the Company, designate the Company's missions, objectives, guidelines and policies including overall governance of performance, production, customer relations and the Chief Executive Officer is required to be responsible to the Board of Directors.
- (2) To have the authority to approve expenses or spending according to the Company's projects, investment or purchase/sale of permanent properties as approved by the Executive Committee and/or the Board of Directors within the approved balance according to scope of approval authority.
- (3) To consider the Company's fundraising topics for presentation to the Executive Committee.
- (4) To have the authority to employ, appoint, discharge, remove and fire employees. To set wage rates, rewards, raise salaries, remuneration and bonuses for employees from the level of Deputy Managing Directors and lower.
- (5) To act on the Company's behalf and represent the Company to outside persons in related businesses in the interests of the Company.
- (6) To operate businesses related to the Company's general administration.
- (7) To perform any other duties assigned by the Audit Committee, The Nomination and Remuneration Committee, the Risk Management Committee and/or the Board of Directors.
- (8) To have the authority to grant power and/or assign other persons to perform specific tasks by granting power and/or the aforementioned assignment to be within the scope for granting power according to power of attorney letters given and/or to comply with regulations, specifications or orders determined by the Company's Board of Directors.

Authority, duty and responsibility entrusted to the Chief Executive Officer are required to have no characteristics allowing the Chief Executive Officer or a person granted power by the Chief Executive Officer to approve transactions in which that person or a person with potential conflict (as defined in the Securities and Exchange Commission Notification or the Capital Market Supervisory Board) may have interests or benefits in any characteristic or may have any other conflicts of interest with the Company or its subsidiaries, except when approving transactions in agreement with policy and criteria approved by the general shareholder's meeting or the Board of Directors.

The Company's Organization Chart as of 31 December 2016:



Corporate Secretary

Mr. Wittawat Permpon functions as the Corporate Secretary for compliance with the Securities and Exchange Act of B.E. 2535 (1992) (including revisions and additions). The Corporate Secretary has the primary duty of working on behalf of the Company and/or the Board of Directors to prepare and store directors' registrations, Board of Director meeting invitation letters, minutes to the Board of Directors' meetings, the Company's annual reports, minutes to general shareholders' meetings and store reports on interest-holding reported by directors or executives in addition to performing any other action notified and specified by the Capital Market Supervisory Board in addition to sending copies of interest-holding reports according to Article 89/14 prepared by directors for the Chairman of the Board and the Chairman of the Audit Committee to acknowledge within seven business days from the date when the Company received that report. Furthermore, the Corporate Secretary also has the following duties:

- (1) Provide basic consultation regarding the law and the Company's rules and regulations enquired by the Board of Directors and monitor to have accurate and regular compliance in addition to reporting significant changes to specifications and/or the law for the Company's business operations to the Board of Directors' acknowledgement.
- (2) Manage shareholders' meetings and Board of Directors meetings in compliance with the law, the Company's regulations and related practices.
- (3) Record minutes to shareholders' meetings and Board of Directors' meetings in addition to monitoring to ensure practices according to resolutions of the shareholders' meeting and the Board of Directors' meeting.
- (4) Provide disclosure of information and information reports in areas of responsibility for related agencies in compliance with the regulations and specifications of the aforementioned agencies.
- (5) Ensure that activities performed by the Board of Directors and any other actions are compliant with the law and/or Capital Market Supervisory Board Notifications and/or assignments by the Board of Directors

6.4 Directors' and Executives' Remuneration

6.4.1 Monetary Remuneration

Directors' remuneration is composed of meeting gratuities paid based on the number of times when directors are in attendance at meetings as follows:

รายชื่อ	Director		Audit Directors		The Nomination and Remuneration Committee		Executive Directors	
	Volume	Meeting Gratuities	Volume	Meeting Gratuities	Volume	Meeting Gratuities	Volume	Meeting Gratuities
1. Prof.Dr.Somsak Lohlekha	6/6	180,000						
2. Mr.Pipat Savetvilas	6/6	150,000						
3. Dr.Somchao Tanterdtham	6/6	120,000						
4. Assoc.Prof.Dr.Wirat Wongsangnak	6/6	120,000			3/3	60,000	12/12	120,000
5. Dr.Ungoon Chantanavanich	6/6	120,000			3/3	60,000	12/12	108,000
6. Mrs.Supaporn Kantamanond	6/6	120,000					12/12	96,000
7. Dr.Chantornree Darakananada	5/6	100,000						
8. Mrs.Vidchuda Ampornphol	6/6	120,000						
9. Asst.Prof.Dr.Piboon Limprapat	6/6	120,000	4/4	120,000	3/3	90,000		
10. Mr.Kunthon Nakporm	6/6	120,000	4/4	80,000	3/3	60,000		
11. Mrs.Benjawan Thanapaisanpipat	6/6	120,000	4/4	80,000				
12. Miss Thippawan Uthaisang	6/6	120,000	4/4	80,000				

Consultant's Remuneration

In 2016, the Company's subsidiary, Asia Business Management Center Co., Ltd. (ABMC), engaged in business support for the Company with the objective of supporting business expansions by the Company and its subsidiaries in the fields of medical statistics, legal work and corporation business development. Two directors were employed to provide consultation for the Company's corporation with total remuneration of 6.90 million baht.



Executive Remuneration

In 2016, the Company paid remuneration to seven executives (other than remuneration as directors) in the form of salaries, bonuses and other returns from the Company at 22.71 million baht.

6.4.2 Non-Monetary Remuneration

The Company has the policy to give other remuneration to directors and executives such as office cars, mobile phones, medical treatment expenses and expenses related to office cars and mobile phones for use in working such as fuel costs and phone service fees, etc.

6.5 Personnel

6.5.1 Personnel Numbers

Personnel	As Of 31 December 2016	
	Regular Employees	Temporary/Irregular Employees
Doctors	46	367
Medical Department	416	50
Medical Technique Department	108	36
Management Department	125	-
Total	695	443

6.5.2 Employee Remuneration

Remuneration	31 December 2016 (MB.)
Doctor's Fees	190.16
Salaries	238.78
Bonus	29.35
Overtime	64.60
Social Security Contributions	5.94
Provident Fund Contributions	2.33
Total	531.16

6.5.3 Provident Fund

The Company established the Provident Fund by participating in the "Registered Advanced Retirement Provident Fund" managed by Thanachart Fund Management Co., Ltd. with the objective of building morale and encouragement among employees in addition to motivating employees to work with the Company in the long-term.

6.5.4 Personnel Development Policy

It is the Company's policy to develop personnel with the objective of developing personnel to have knowledge and capabilities in working while also retaining personnel with knowledge and capabilities to work with the Company in the long-term with career advancement. The Company has provided regular training inside and outside facilities by preparing training plans every year, surveying training needs of personnel at every level in each department along with considering appropriate training preparations for work in each field.



7. Corporate Governance Policy

Corporate Governance Policy

In the past, the Board of Directors complied with laws, objectives, regulations and decisions of the Company's shareholders' meeting in addition to adhering and complying with the Principles of Good Corporate Governance of Listed Companies based on the guidelines prescribed by the Stock Exchange as the Company's operational guidelines for performance efficiency while also creating transparency for investors, thereby building confidence in the Company's business operations among outside persons. The Company's good corporate governance policy covers principles in five sections with the following practice guidelines:

Section 1 – Shareholders' Rights

The Company recognizes and gives importance to shareholders' basic rights as investors in securities and the Company's owners such as rights to purchase, sell and transfer securities held by shareholders, the right to receive a share of the Company's profits, the right to receive adequate information, the right to attend shareholders' meetings, the right to express opinions, the right to participate in making decisions related to significant topics involving the Company such as dividend allocations, director appointment or removal, auditor appointments, significant transaction approvals impacting the Company's business operation direction, revisions to the Company's memorandum of association and regulations, etc.

The Company took the following actions in various topics to promote and facilitate shareholders in exercising rights:

(1) The Company sends meeting invitations with information accompanying meetings according to various agendas for shareholders to acknowledge no less than seven days in advance of the meeting date or at any other time required by law or other related regulations. Each meeting agenda is accompanied by the Board of Directors' opinions and adequate information accompanying the meeting to allow shareholders time to study information before meeting dates. Furthermore, the Company announces the aforementioned information on the Company's website prior to the shareholders' meeting date.

(2) In cases where shareholders are unable to personally attend meetings, the Company allows shareholders to grant proxy rights to any independent director or person to attend meetings on behalf of shareholders by using any form of letter for granting power of attorney sent by the Company with meeting appointments.

(3) The Company has policy to facilitate shareholders by holding shareholders' meetings at convenient places for traveling. Furthermore, the Company attaches shareholders' meeting maps to meeting invitations along with selecting appropriate dates and allocating sufficient times to hold meetings.

(4) Prior to the shareholders' meeting date, the Company allows shareholders to send opinions, recommendations or inquiries before the meeting date based on the criteria determined by the Company. The Company notifies the aforementioned criteria via the Company's website.

(5) At meetings, the Company allows shareholders equal rights to express opinions, recommendations or ask questions in various agendas independently before making decisions in any agenda. In addition, the Company's directors and executives who are involved will attend shareholders' meetings to answer questions at the meeting.

(6) The Company supports the use of voting ballots on every agenda for transparency and accountability.

(7) The Company arranges for independent persons to help count votes on each agenda.

(8) After meetings, the Company prepares minutes to the meeting with the recording of accurate and complete relevant information along with recording question issues and significant contents in minutes to the meeting to allow shareholders to examine. Furthermore, the Company records videos of meetings for storage and reference. Moreover, the Company disseminates votes on each agenda and the minutes to shareholders' meetings on the Company's website for shareholders to consider.

Section 2 – Equitable Shareholders Treatment

The Company requires equitable treatment of every major shareholder, minor shareholder, executive shareholder, non-executive shareholder, Thai shareholder and foreign shareholder as follows:

(1) The Company notifies the Stock Exchange of Thailand regarding meeting schedules and related agendas along with disseminating via the Company's website at least 28 days before shareholders' meetings. Furthermore, the Company also prepares and disseminates meeting invitations in Thai and English on the Company's website.



(2) The Company facilitates minority shareholders in nominating directors or proposing additional agendas before the shareholders' meeting date. The Company clearly specifies criteria related to methods for allowing minority shareholders to nominate directors or criteria for consideration to add agendas proposed by minority shareholders in advance.

(3) At each meeting, the Company gives equal opportunities to every shareholder. Before convening the meeting, the Chairman of the meeting explains about exercising voting rights, methods for counting votes of shareholders in each agenda and offer opportunities for every person who is in attendance to express opinions, recommendations and enquiries in each agenda by using an appropriate amount of time. The Chairman of the meeting will continue the meeting according to agendas. In addition, the Company does not allow executives to add meeting agendas which were not announced to shareholders in advance without necessity, especially significant agendas for which shareholders require time to study information before making decisions.

(4) On the agenda to elect directors, the Company supports individual elections.

(5) The Company requires directors to report interest-holdings in any meeting agenda before giving consideration to agendas related to the Board of Directors' meeting and recording on the minutes to the Board of Directors' meeting. Furthermore, the Company forbids significant interested directors who are unable to propose independent opinions on related agendas from participation in that agenda.

(6) The Company specified guidelines to store and prevent use of the Company's inside information by forbidding persons or agencies with knowledge of inside information from disclosing the aforementioned information to unrelated agencies or persons. In cases where any person discloses the aforementioned information or uses inside information for his/hers or others' personal gain or carry out transactions with potential conflicts of interest, that person is considered to have committed severe crimes requiring disciplinary actions. Furthermore, the Company stipulates that every director and executive with duties to report securities holdings in compliance with the law to have the duty to prepare the aforementioned reports and send reports to the Corporate Secretary regularly for disclosure in the annual report.

Section 3 – Roles of Interested Persons

The Company gives importance to the rights of every interested person or group such as internal interested persons consisting of the Company's shareholders and employees or external interested persons consisting of trading partners and customers, etc. The Company is well aware that support and opinions from every interested person or group will be beneficial to the Company's operations and business development. Therefore, the Company will comply with the law and related specifications to ensure the rights of the aforementioned interested persons receive good care. Furthermore, the Company considers the rights of every interested parties in the Company's business operations based on the following guidelines:

Shareholders: The Company operates its businesses with transparency and efficiency along with the determination to achieve excellent performance and secure growth the shareholders' maximum long-term benefits along with disclosing information to shareholders with transparency and reliability.

Employees: The Company treats employees equally and fairly with proper remuneration. Furthermore, the Company gives importance to the regular development of employees' skills, knowledge, abilities and capacity such as by hosting lectures, seminars and training to provide equal opportunities for every employee and create motivation for employees who are highly skilled and capable to remain to develop the organization further. Moreover, the Company has set anti-corruption guidelines and instills every employee to comply with the law and related regulations such as restrictions against use of inside information, etc.

Trading Partners: The Company has processes for selecting training partners by allowing trading partners to compete based on equal information and the Company selects trading partners fairly under the Company's criteria for assessing and selecting trading partners. Furthermore, the Company prepares appropriate and fair contract forms for both parties along with arranging for systems to monitor and ensure complete compliance with contract conditions while also preventing corruption and unlawful behaviors in every step of the procurement process. The Company purchases goods from trading partners according to trade conditions and strict compliance to contracts with trading partners.

Customers: The Company takes responsibility for customers by maintaining goods and service quality and standards, including responding to customer needs with the utmost completeness and coverage to emphasize long-term customer satisfaction. Moreover, the Company provides post-sale services and accurate information regarding the Company's goods and



services in addition to arranging processes enabling customers to report problems or improper service provision so the Company prevents and rapidly solves problems related to goods and services.

Creditors: The Company complies with the conditions of contracts with creditors in repaying principal amounts, interest and care for guarantees.

Competitors: The Company behaves within the framework of good competition with ethics inside legal frameworks along with supporting and promoting free and fair competition policies.

Society and the Public: The Company recognizes and gives importance to safety for society, the environment and quality of life for persons related to the Company's operations and the Company promotes conscientiousness and responsibility toward the environment and society among the Company's employees while also arranging for compliance with the law and various regulations. In addition, the Company attempts to participate in activities to create and maintain the environment and society along with promoting culture in localities where the Company operates business.

In addition, interested persons are able to enquire for details, report complaints or clue to illegal actions, financial report accuracy, erroneous internal control systems or violations to the Company's business ethics via the Company's independent directors or audit directors. Complaints and clues will be protected and confidential.

Section 4 – Disclosure and Transparency

(1) The Board of Directors places importance on the disclosure of accurate, complete, adequate, transparent and up-to-date information, including financial information and general information as well as other information affecting the Company's securities prices, all of which influence the decision-making processes of the Company's investors and stakeholders by disclosing information based on the criteria of the Securities and Exchange Commission and the Stock Exchange of Thailand.

(2) The Company arranges Investor Relations Department staff to perform the duty of communicating with investors or shareholders. The Company holds regular meetings to analyze performance along with disseminating the Company's financial information and general information to shareholders, securities analysts, reliability ranking companies and related government agencies via various channels such as reports to the Securities and Exchange Commission, the Stock Exchange of Thailand and the Company's securities. Furthermore, the Company places importance on regular information disclosure in Thai and English to provide regular news for shareholders via the Company's website. The data on the Company's website is regularly updated and includes the Company's vision, mission, financial statement, public relation news, annual report, corporate structure and executives including shareholding structure and major shareholders, meeting invitations, the Company's registration documents and various charters, etc.

(3) The Company gives importance to the Company's financial statements and financial information appearing in annual reports. The Audit Committee reviews financial report and internal control system quality in addition to adequately disclosing significant information in remarks accompanying financial statements and reports for the Board of Directors along with preparing reports on the Committee's responsibilities to financial reports for presentation with the auditor's report in annual reports. Furthermore, the Committee supports the Management Department to prepare management discussion and analysis to accompany financial statement disclosure in every quarter.

(4) The Company discloses information regarding each director, the Board of Directors' and sub-committees' roles and duties, number of meetings and attendance during the past year and opinions from performing duties including continual professional training and knowledge improvements on annual reports and forms showing the Company's annual information in addition to disclosing remuneration policy and remuneration characteristics and details for the Company's and its subsidiaries' directors and high-ranking executives (if any).

(5) The Company provides disclosure of auditing fees and fees for other services performed by the auditor.

(6) The Company arranges for summaries of approved reports on corporate governance and business ethics policy, risk management policy and environment and social care policy including performance in compliance with the aforementioned policies and cases where the aforementioned policies could not be carried out with reasons for disclosure by reporting via various channels such as annual reports and the Company's website, etc.



Section 5 – Responsibilities of the Board of Directors

1. Board of Directors and Sub-Committee Structure

The Board of Directors is composed of persons with knowledge, ability and experience capable of benefiting the Company with significant roles in setting the organization's policies and overall view, including significant roles in governing, auditing and evaluating the Company's performance according to plans.

The Board of Directors is currently composed of 12 directors with three directors from the Management Department and five non-executive directors. The Board of Directors has directors with independent qualifications or one-third of the Board, creating proper balance in considering and voting on various topics. Directors have a term in office of no more than three years as prescribed by related laws. Furthermore, the Company's directors and executives may hold positions as directors or executives in other companies in the corporation or other companies while maintaining compliance with specifications of the Securities and Exchange Commission, the Stock Exchange of Thailand and related agencies in addition to requirements for reports to Board of Directors' meetings.

In addition, the Board of Directors appoints sub-committees to help in corporate governance as follows:

(1) The Executive Committee: The Executive Committee consists of four executive directors who perform the duty of supporting the Board of Directors with managing the Company's business in accordance with any policy, plan, regulation and order, including goals set under frameworks assigned by the Board of Directors.

(2) The Audit Committee: The Audit Committee consists of four audit directors who perform the duty of supporting the Board of Directors in governance, management audits, internal control, risk management and good governance along with financial report preparations in order for the Company's operations and information disclosure to be transparent and reliable.

(3) The Nomination and Remuneration Committee: This committee is composed of four directors who function to recruit appropriate persons to become directors and high-ranking executives, consider remuneration forms and criteria for directors and high-ranking executives and present opinions to the Board of Directors to consider approval and/or present to the shareholders' meeting for further consideration of approval (depending on the case) in order to be concurrent with the Company's good corporate governance policy and principles of good corporate governance of the Stock Exchange of Thailand in order to ensure transparency and fairness for every interested person, including being effective for the organization.

(4) The Risk Management Committee: The Risk Management Committee comprises eight risk management directors who support the Board of Directors in setting risk management policies to cover the entire organization and governing to ensure proper risk management systems or processes to reduce impacts on the Company's business.

The Chairman of the Board of Directors is not the same person as the Chairman of the Executive Committee in order to divide duties in setting overall policy and governance from regular management. Independent directors are elected to become the Chairman of the Board of Directors.

Moreover, the Company has arranged for the Corporate Secretary to perform duties related to Board of Directors' meetings and shareholders' meetings in addition to supporting the work of the Board of Director by providing consultation related to specifications of the law and regulations related to performance of duties by the Board of Directors including coordinating compliance with the Board of Directors' resolutions.

2. Board of Directors' Roles, Duties and Responsibilities

The Board of Directors has responsibilities to shareholders regarding the Company's business operations with duties to specify the Company's policies and operational directions including governing management based on goals and creating guidelines leading to long-term benefits for shareholders under legal specifications and business ethics. In the meantime, the Board of Directors also considers the interest of every interested party with details appearing on the Board of Directors' charter.

(1) Corporate Governance Policy

The Company prepared the Company's corporate governance policy in writing and presented the policy to the Board of Directors' meeting for approval. In addition, the Company prepared good corporate governance handbooks to provide guidelines for directors, executives and employees in complying with the aforementioned policy. The Board of Directors arranges annual reviews for the aforementioned policy.



(2) Business Operation Ethics

The Company intends to operate the Company's business with transparency, morals and responsibility to interested persons including society and the environment. The Company specified practices in writing for the Board of Directors, executives and employees to uphold as principles for practice as follows:

- (a) Business Ethics on Responsibility to Shareholders.
- (b) Business Ethics on Customer Relations.
- (c) Business Ethics on Trading Partner, Trading Competitor and Creditor Relations.
- (d) Business Ethics on Responsibility to Employees.
- (e) Business Ethics on Responsibility to Society and the Environment.

The Company will announce and notify for every employee to acknowledge and have strict compliance.

(3) Conflicts of Interest

The Company has policy for considering the elimination of problems from conflicts of interest with attention to detail, honesty, reason and independence under a good ethical framework primarily for the benefit of the Company by specifying for persons who are involved or related to considered transactions to disclose information regarding personal interests and the interests of related persons to the Company without participating in considerations or having the authority to approve the aforementioned transactions.

The Company has policy to carry out related transactions and transactions with conflicts of interest while having consistency with the law including regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. Furthermore, the Company will disclose the aforementioned transactions in annual reports and the annual disclosure report form (Form 56-1).

(4) Internal Control

The Company has effective internal control systems for internal governance and control at the executive and operational level. The Company has established the Internal Audit Department to assess internal control system sufficiency and report to the Audit Committee according to auditing plans.

(5) Risk Management

The Company established the Risk Management Committee to support the Board of Directors in setting risk management policy to cover the entire organization and govern to sure there are risk management systems or processes to appropriately reduce impacts on the Company's business.

(6) Committee Reports

The Audit Committee is under obligation to review financial reports by holding meetings with the Accounting Department and the auditor before presenting financial reports to the Board of Directors on a quarterly basis. The Board of Directors is responsible for the consolidated financial statement of the Company and its subsidiaries (if any) including financial information appearing on annual reports.

3. Board of Directors' Meetings and Self-Assessment

The Company hosts Board of Directors' meetings at least every quarter with additional meetings as necessary by clearly setting meeting agendas in advance and having an agenda to regularly consider performance monitoring. The Company sends meeting invitations with meeting agendas and documents accompanying meetings to every director for no less than seven days before the meeting to allow the Board of Directors to have sufficient time for studying information before participation in the meeting except for cases with necessary and urgent causes. The Company also records minutes to the meeting and collects certified documents for use as reference and accountability. At every meeting, executives and people involved should attend to provide accurate and information and details in time to accompany decisions.

In reaching a resolution, the Board of Directors' meeting uses a majority vote with one director casting one vote. Interested directors will not participate in meetings and vote on that topic. In case of tied votes, the Chairman of the meeting will cast another vote to decide the vote.

Furthermore, the Board of Directors supports annual performance evaluations at least once a year to modify and review performance by setting clear meeting topics before measuring the aforementioned evaluation outcomes to collect opinions for presentation to the meeting in addition to disclosing criteria, steps and overall evaluation outcomes on the annual report.



4. Remuneration

Directors' remuneration may be in the form of meeting gratuities, monthly salaries, traveling expenses and quartering expenses, all of which are required to be within average criteria when compared to the same industry by considering adequacy to duties and responsibilities of directors. Executives receive remuneration in the form of salaries and annual bonuses mainly by considering the Company's performance. Total annual remuneration for the Board of Directors and executives must not be abnormally high when compared to mean returns of companies listed on the Stock Exchange of Thailand by considering maximum shareholder benefits.

Directors' remuneration requires approval from the Company's annual shareholders' meeting.

5. Director and Executive Development

The Board of Directors has the policy to promote and provide convenience, training and education for persons involved in the Company's corporate governance system such as directors, audit directors, executives and the Corporate Secretary, etc., in order to continually improve performance. Training and education may be carried out in the Company or by outsourcing to other institutes.

In cases with changes in directors or new directors, the Management Department will provide documents and information beneficial to the work of new directors in addition to providing recommendations on the Company's business characteristics and business operation guidelines for new directors.

The Board of Directors will arrange for rotations in assignments with the expertise of executives and employees by considering the suitability of tasks and time. The Chief Executive Officer will specify time range and consider performance to create development and succession plans for the Company while also developing more knowledge and ability among executives and employees in order to be able to work with interchangeably.

6. Board of Directors

The Board of Directors' structure is composed of five committees, namely, the Board of Directors, the Audit Committee, the Executive Committee, The Nomination and Remuneration Committee and the Risk Management Committee. The scope of authority and duty of the Company's various sub-committees are as follows:

(1) Audit Committee

As of 31 December 2015, the Executive Committee has four directors as follows:

- | | | |
|----|-------------------------------|---|
| 1. | Asst.Prof.Dr.Piboon Limprapat | Audit Committee Chairman/Independent Director |
| 2. | Mr.Kunthon Nakporm | Audit Director/Independent Director |
| 3. | Mrs.Benjawan Thanapaisanpipat | Audit Director/Independent Director |
| 4. | Miss Thippawan Uthaisang | Audit Director/Independent Director |

Miss Jintana Tongprayoon is the Secretary of the Audit Committee.

Remarks: Two audit directors had sufficient knowledge and experience to review financial statement reliability, namely, (1) Mrs.Benjawan Thanapaisanpipat, who graduated with a master's degree in business management from Thammasart University and a bachelor's degree in accounting from the Faculty of Commerce and Accountancy, Chulalongkorn University, while she is also a manager at Benj Auditing Office, and (2) Miss Thippawan Uthaisang, who graduated with a master's degree in business management from Thammasart University and a bachelor's degree in accounting from the Faculty of Commerce and Accountancy, Thammasart University.

Audit Committee's Authority, Duty and Responsibility

- (1) Review to ensure the Company has accurate financial reports and sufficient disclosure of information.
- (2) Review for the Company to have proper and effective internal control and internal audit systems in addition to considering independence of internal audit agencies and approving consideration to appoint, transfer and terminate employment of internal audit agency supervisors or any other agencies responsible for internal audits.
- (3) Review to ensure the Company's compliance with laws on securities and exchange, specifications of the Stock Exchange of Thailand and any other laws related to the Company's business.



(4) Consider, select and nominate persons with independence to perform duties as the Company's auditor and propose remuneration for the aforementioned persons, including participating in meetings with the auditor without the Management Department in attendance at least once per year.

(5) Consider related transactions or transactions with potential conflicts of interest in accordance with laws on securities and exchange including notifications, specifications of the Stock Exchange of Thailand and any other laws related to the Company's business in order to ensure that the aforementioned transactions are logical and made for the Company's maximum benefit.

(6) Prepare the Audit Committee's reports by disclosing on the Company's annual report. The aforementioned report is required to be signed by the Chairman of the Audit Committee and contain at least the following information:

- (a) Opinions regarding the accuracy, completeness and reliability of the Company's financial reports.
- (b) Opinions regarding the sufficiency of the Company's internal control systems.
- (c) Opinions regarding compliance with laws on securities and exchange, specifications of the Stock Exchange of Thailand and any other laws related to the Company's business.
- (d) Opinions regarding the auditor's suitability.
- (e) Opinions regarding transactions with potential conflicts of interest.
- (f) Number of Audit Committee meetings and attendance by each audit director.
- (g) Overall opinion or observation of the Audit Committee from working in compliance with the charter.
- (h) Other transactions which the Audit Committee consider that shareholders and investors in general should have

knowledge under the scope of duties and responsibilities assigned by the Board of Directors.

(7) Review the Company's risk management efficiency and appropriateness.

(8) Review and propose revisions to the Audit Committee's scope of authority, duty and responsibility in concurrence with situations.

(9) Audit and interrogate related persons under the authority and duty of the Audit Committee with the power to employ or use special experts to help with audits and interrogations.

(10) If the following transactions or actions with potentially significant impacts on the Company's financial status and performance were encountered, the Audit Committee is to report to the Board of Directors to make corrections within the time considered appropriate by the Audit Committee.

- (a) Transactions with conflicts of interest.
- (b) Corruption, abnormalities or significant errors in internal control systems.
- (c) Violations of laws on securities and exchange, specifications of the Stock Exchange of Thailand or laws related to the Company's business.

If the Board of Directors or executives fail to make corrections within the aforementioned time, any audit director may report the aforementioned transactions or actions to the Securities and Exchange Commission or the Stock Exchange of Thailand.

(11) Provide opinions regarding appointment, termination of employment, performance, budget and rates of the Internal Audit Department for the Management Department.

(12) Prepare the Audit Committee's performance reports for the Board of Directors at least once a year.

(13) Revise and review corporate governance, corporate social responsibility and anti-corruption policies and processes.

(14) Perform any other tasks assigned by the Board of Directors with approval from the Audit Committee.

(2) Executive Committee

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

- | | | |
|----|-------------------------------------|-------------------------------------|
| 1. | Assoc.Prof.Dr.Wirat Wongsangnak | Chairman of the Executive Committee |
| 2. | Dr.Ungoon Chantanavanich | Deputy Executive Director |
| 3. | Mrs.Supaporn Kantamanond | Executive Director |
| 4. | Assoc. Prof. Dr.Amporn Jongsareejit | Executive Director |



Mr. Vitavas Pirmphol is the Secretary of the Executive Committee.

Executive Committee's Authority, Duty and Responsibility

- (1) Prepare and set visions, missions, policies, strategies, budgets, management structure and management authority for presentation to the Board of Directors for consideration of approval and operate as approved by the Board of Directors including checking and monitoring the aforementioned performance effectively.
- (2) Manage and control business operations related to the Company's general management.
- (3) Approve entry into contracts and/or any transactions related to the Company's normal business operations (such as purchases/sales, investments or joint ventures with other persons to carry out the Company's normal transactions for benefits in operating according to the Company's objectives) within authority limits.
- (4) Approve loans and any loan requests from financial institutes, borrow and pawn, mortgage or guarantee the Company and its subsidiary within the authority limits.
- (5) Approve the appointment of various necessary consultants in various fields for the Company's operation under the framework of budgets approved by the Board of Directors in each year.
- (6) Set frameworks and policies for determining salaries, monthly salary raises, bonus payments, remuneration and rewards for employees and executives (except for high-ranking executives).
- (7) Perform any other actions assigned by the Board of Directors or policies specified by the Board of Directors.
- (8) Authorize any person or persons to perform any actions on behalf of the Executive Committee.

The granting of authority, duty and responsibility by the Executive Board will not have characteristics of granting authority and allowing the Executive Committee or persons authorized by the Executive Committee to be able to approve transactions in which that person or persons with conflict (as defined in Securities and Exchange Commission Notifications or Capital Market Supervisory Board Notifications) may have interest or benefits in any characteristics or any other conflicts of interest with the Company and its subsidiaries, except for transactions approved in compliance with the policy and criteria approved by the Board of Directors' meeting.

(3) The Nomination and Remuneration Committee

As of 31 December 2015, The Nomination and Remuneration Committee has four directors as follows:

- | | | |
|----|---------------------------------|--|
| 1. | Asst.Prof.Dr.Piboon Limprapat | The Nomination and Remuneration Chairman |
| 2. | Mr.Kunthon Nakporm | The Nomination and Remuneration Director |
| 3. | Assoc.Prof.Dr.Wirat Wongsangnak | The Nomination and Remuneration Director |
| 4. | Dr.Ungoon Chantanavanich | The Nomination and Remuneration Director |

Mr. Vitavas Pirmphol is the Secretary of The Nomination and Remuneration Committee.

The Nomination and Remuneration Committee Authority, Duty and Responsibility

Nomination

- (1) Set director recruitment policy, qualifications, criteria and methods (including the Company's sub-committees) including for high-ranking executives to propose to the Board of Directors for consideration of approval.
- (2) Select and nominate persons with approval qualifications in accordance with specified regulations and laws to hold positions as the Company's directors, sub-committee directors and high-ranking executives in order for the Board of Directors to consider and/or present to the shareholders' meeting for further consideration of approval (depending on the case).

In nominating directors, The Nomination and Remuneration Committee will consider experience in at least one field which are vital for positions (such as in the field of medicine, finance, business management, marketing, human resource management, law and management, etc.) in addition to considering ability to help the Board of Directors' performance be more thorough, ability to make business decisions with reason, ability to think strategically and leadership experience demonstration including high professional expertise and honesty along with other appropriate personal qualifications.

- (3) Ensure that the Board of Directors and sub-committees have appropriate sizes and components for the organization including appropriate adjustments to be concurrent with the environment. The Board of Directors and sub-committees must be composed of persons with knowledge, capabilities, skills and experience in various areas necessary for business operations.
- (4) Disclose recruitment process policy and details in the Company's annual report.



(5) Review and summarize succession plan preparation outcomes and appropriate management consistency for high-ranking executives on an annual basis along with reporting to the Board of Directors.

(6) Perform any other tasks assigned by the Board of Directors or policies specified by the Board of Directors.

Remuneration

(1) Specify policies, criteria or methods for consideration of remuneration and other benefits including proposing remuneration for directors and high-ranking executives to the Board of Directors' meeting for approval and/or the shareholders' meeting for further consideration of approval (depending on the case) by having clear, transparent and appropriate criteria in line with good practice guidelines. Consideration is to take place by comparing with the same industry at the same level in addition to considering experience and scopes of duties and responsibilities.

(2) Ensure the Company's directors and high-ranking executives receive appropriate returns for duties and responsibilities.

(3) Perform any other tasks assigned by the Board of Directors or policies specified by the Board of Directors.

(4) Risk Management Committee

As of 31 December 2015, the Risk Management Committee has seven directors as follows:

- | | | |
|----|-------------------------------------|--|
| 1. | Dr.Ungoon Chantanavanich | Chairman of the Risk Management Committee |
| 2. | Assoc. Prof. Dr.Amporn Jongsareejit | Deputy Chairman of the Risk Management Committee |
| 3. | Mr. Vitavas Pirmphol | Risk Management Director |
| 4. | Miss Chomsri Chaiwachirasak | Risk Management Director |
| 5. | Miss Surajit Jantawong | Risk Management Director |
| 6. | Mrs. Plernpit Leelahoot | Risk Management Director |
| 7. | Miss Poonyanoot Titchayapat | Risk Management Director |

Miss Surajit Jantawong is the Secretary of the Risk Management Committee

Risk Management Committee's Authority, Duty and Responsibility

The Risk Management Committee has the following scope of authority, duty and responsibility:

(1) Identify risks encountered by the Company or expected to occur and impact the Company in addition to setting policy for risk management outside the organization and inside the organization to cover at least the following four issues:

- Financial Risk
- Operational Risk
- Strategic Risk
- Compliance Risk

(2) Specify strategy, structure and resources used in organization risk management to be consistent with the Company's risk management policy, strategy and business director.

(3) Set balance or activity type according to risk for use as operational criteria according to each type of risk situation to present to the Board of Directors for consideration of approval.

(4) Oversee and review policies, strategies and methods of practice to ensure appropriate risk management strategy implementation in practice

(5) Appoint work committees to assess and monitor risk in the entire organization.

(6) Perform any other tasks assigned by the Board of Directors.

The Chairman of the Risk Management Committee or assigned persons are to report outcomes from Risk Management Committee meetings to the Audit Committee to consider before presentation to the Board of Directors in every quarter.

7. Recruitment and Appointment of Directors and the Highest-Ranking Executives

Persons selected to be appointed as the Company's directors and executives are required to have all qualifications according to Article 68 of the Public Company Limited Act of B.E. 2535 (1992) and the Company's regulations in addition to not having forbidden characteristics according to the Capital Market Supervisory Board Notification No. Tor. Jor. 28/2551 on Permission Request and Permission to Sell New Shares dated 15 December 2008 with the criteria for selecting and appointing directors and executives:



- (1) The Board of Directors

The Board of Directors' components are as follows:

- (1) The Board of Directors is not required to be the Company's shareholders.

(2) The Board of Directors are to have numbers as specified by the shareholders' meeting with the requirement to have at least five directors and no less than half of all directors are required to have residence in the Kingdom.

(3) The Board of Directors is composed of independent directors at no less than one-third of all directors and no less than three directors.

The Board of Directors will select and nominate persons with specified qualifications to be the Company's directors before presenting the names of the aforementioned persons to the shareholders' meeting for further consideration of election approval. Qualifications for the Company's directors are as follows:

(1) Knowledge, ability, honesty, business ethics and sufficient time to devote knowledge, capabilities and perform duties for the Company.

(2) Complete qualifications without forbidden characteristics according to laws of public companies limited and other related laws including characteristics demonstrating lack of appropriateness to receive confidence to manage a business with public shareholders as specified by the Securities and Exchange Commission.

(3) No operation in businesses with the same conditions in competition with the Company's business or status as a partner or director in other juristic persons operating businesses with the same conditions as the Company in competition with the Company's business for his/her or others' personal gains unless the shareholders' meeting was notified before appointment decisions.

(4) Independent directors are required to have independence qualifications specified by the Company in agreement with the same guidelines as the Capital Market Supervisory Board Notification which specified independent director specifications. In addition, independent directors are required to be capable of equal care for the benefit of every shareholder without causing conflicts of interest. Furthermore, independent directors are required to be able to participate in Board of Directors' meetings and present independent opinions.

The Company stipulates that directors without executive duties be independent directors from the Management Department and shareholders with controlling authority who have no business relationships with the Company which will create limitations in expressing independent opinions. Moreover, independent directors must have the following additional qualifications:

(a) Shareholding at no more than one percent of all shares with rights to vote in the Company, the mother company, subsidiaries, joint ventures, major shareholders or persons with authority to control the Company. This includes shares held by persons related to that independent director.

(b) Independent directors must not be or have never been directors involved in management, hired workers, employees, consultants with regular salaries or persons with authority to control the Company, the mother company, subsidiaries, joint ventures, subsidiaries at the same level, major shareholders or persons with authority to control the Company unless independent directors did not have the aforementioned characteristics for no less than two years prior to submitting requests for permission to the Securities and Exchange Commission.

The aforementioned forbidden characteristics do not include cases where independent directors were civil servants or consultants for the government sector as the Company's major shareholders or persons with authority to control the Company.

(c) Independent directors are required to not be related by blood or legal registration as a father, mother, spouse, sibling and child including a spouse of the children of other directors, executives, major shareholders, persons with control authority or persons who will be nominated to become a direct, executive or person with authority to control the Company or its subsidiaries.

(d) No business relationships or never had business relationships with the Company, the mother, company, subsidiaries, joint venture, major shareholders or persons with control authority in the Company with characteristics potentially preventing independent judgment including not being or having been a significant shareholder or person with control authority of persons who have business relationships with the Company, the mother company, subsidiaries, joint ventures, major shareholders or persons with authority to control the Company unless that person did not have the aforementioned characteristics for no less than two years before submitting requests for permission to the Securities and Exchange Commission.



The aforementioned business relationships include normal trade transactions for business operations, real-estate rents or leases, transactions related to assets or services, financial assistance provision or receipt by receiving or providing loans, guarantees or assets as collateral for liabilities including other similar behaviors causing the Company or contract parties to have debts to pay to the other party at three percent of the Company's net tangible assets or twenty million baht and up, depending on which amount is lower. The aforementioned debt calculation is to be in accordance with methods for calculating related transactions according to the Capital Market Supervisory Board Notification on Criteria for Related Transactions. However, in considering the aforementioned debts, debts incurred in the period of one year before business relationships with the same person are to be included.

(e) Independent directors are required to not be or had been an auditor for the Company, subsidiaries, joint ventures, major shareholders or persons with authority to control the Company while also not being a significant shareholder, a person with control authority or a partner in an auditing office which provides auditors for the Company, the mother company, subsidiaries, joint ventures, major shareholders or persons with authority to control the Company unless that independent director has not had the aforementioned characteristics for no less than two years before the date requests for permission were submitted to the Securities and Exchange Commission.

(f) Independent directors are required to not be or had been a provider of any professional service including service provision as a legal or financial consultant with service fees exceeding two million baht per year for the Company, the mother company, subsidiaries, joint ventures, major shareholders or persons with authority to control the Company while also not being a significant shareholder, a person with control authority or a partner of persons who provide services in the aforementioned professions unless that independent director has not had the aforementioned characteristics for no less than two years before the date requests for permission were submitted to the Securities and Exchange Commission.

(g) Independent directors are required to not be directors appointed to represent the Company's directors, major shareholders or shareholders related to major shareholders.

(h) Independent directors are required to not operate in businesses with the same conditions and significant competition with the business of the Company or its subsidiaries or be a significant partner in a partnership or a director involved in management of hired workers, employees, consultants with regular salaries or a person holding shares exceeding one percent of all shares with rights to vote in other companies operating in the same business as the Company with significant competition against the business of the Company or its subsidiaries.

(i) No other characteristics preventing independent opinions regarding the Company's performance.

(2) Audit Directors

The Board of Directors or the shareholders' meeting is to appoint independent the Company's independent directors as audit directors. The Audit Committee is composed of at least three independent directors with at least one audit director who has sufficient accounting or financial knowledge and experience to perform the duty of reviewing the financial statement. Audit directors are required to have the following qualifications.

(1) Complete qualifications in being an independent director according to criteria and conditions prescribed by the Securities and Exchange Commission, the Capital Market Supervisory Board and/or the Stock Exchange of Thailand.

(2) Audit directors are required to not be directors assigned by the Board of Directors to make decisions involving business operations of the Company, the mother company, subsidiaries, joint ventures, subsidiaries at the same level, major shareholders or persons with authority to control the Company.

(3) Audit directors are required to not be directors of the Company, subsidiaries or subsidiaries at the same level which are registered companies.

(4) Sufficient knowledge and experience to perform duties as an audit director. At least one audit director is required to have sufficient knowledge and experience to review financial statement reliability.

(3) Executive Directors

The Board of Directors selects and appoints persons to hold positions as executive directors. The Executive Committee is composed of at least three members who are not required to have positions as the Company's directors. Executive directors are required to have the following qualifications:



(1) Knowledge, ability, honesty, business ethics and sufficient time to devote knowledge, abilities and perform duties for the Company.

(2) Complete qualifications and no forbidden characteristics according to laws on public limited companies and other related laws.

(3) Executive directors are required to not be persons who operate businesses with the same characteristics as the Company's business and in competition with the Company's business or participate as a partner or director in other juristic persons which operate businesses with the same characteristics in competition with the Company's business for his/her or others' personal gains unless the Board of Directors' meeting was notified before appointment decisions.

(4) The Nomination and Remuneration Directors

The Nomination and Remuneration Committee consists of at least three members who are the Company's directors. One independent director is to hold position as the Chairman of the The Nomination and Remuneration Committee. Executive directors are required to have the following qualifications:

(1) Knowledge, ability, honesty, business ethics and sufficient time to devote knowledge, abilities and perform duties for the Company.

(2) Complete qualifications and no forbidden characteristics according to laws on public limited companies and other related laws.

(3) Executive directors are required to not be persons who operate businesses with the same characteristics as the Company's business and in competition with the Company's business or participate as a partner or director in other juristic persons which operate businesses with the same characteristics in competition with the Company's business for his/her or others' personal gains unless the Board of Directors' meeting was notified before appointment decisions.

(4) The Chairman of The Nomination and Remuneration Committee is required to be an independent director to help in being a leader to push for independent performance of duties by The Nomination and Remuneration Committee.

(5) Risk Management Directors

The Board of Directors selects and appoints persons who will become risk management directors. The Risk Management Committee is composed of at least five members who are not required to be the Company's directors. Risk management directors are required to have the following qualifications:

(1) Knowledge, ability, honesty, business ethics and sufficient time to devote knowledge, abilities and perform duties for the Company.

(2) Complete qualifications and no forbidden characteristics according to laws on public limited companies and other related laws.

(3) Executive directors are required to not be persons who operate businesses with the same characteristics as the Company's business and in competition with the Company's business or participate as a partner or director in other juristic persons which operate businesses with the same characteristics in competition with the Company's business for his/her or others' personal gains unless the Board of Directors' meeting was notified before appointment decisions.

(6) Executives

The Company has the policy to recruit executives by selecting persons with knowledge, abilities and experience related to the business with approval from the Board of Directors and/or persons assigned by the Board of Directors.

8. Governing the Performance of the Company's and Its Subsidiaries

The Company has policy to invest and manage subsidiaries and joint ventures by investing in related, similar or beneficial businesses which support the Company's business operations to improve the Company's security and performance.



Furthermore, in governing the performance of the Company and its subsidiaries, the Company sends the Company's representatives who have suitable qualifications and experience for the business in which the Company has invested to become directors of the Company's aforementioned subsidiaries and joint ventures. The aforementioned representatives may be a chairman, the chief executive officer, director, a high-ranking executive or any person from the Company without conflicts of interest with the business of the aforementioned subsidiaries and joint ventures. The Company's representatives are required to manage the business of subsidiaries and joint ventures according to regulations and criteria specified in regulations and laws related to business operations of that subsidiary and/or joint venture in order for the Company to be able to control businesses and performance of subsidiaries and joint ventures as an agency of the Company. Furthermore, representatives sent to become a director in the aforementioned subsidiaries and joint ventures are in accordance with the Company's shareholding ratio and/or agreements in the case of joint ventures.

The Company monitors performance of subsidiaries and joint ventures closely while also ensuring data collection and recording of accounts belonging to subsidiaries and joint ventures for the Company to examine.

9. Inside Information Utilization Oversight

The Company has policies and methods to oversee directors and executives in using the Company's inside information which are undisclosed to the public for personal gain as follows:

The Company places importance on preventing use of the Company's inside information by having a policy forbidding the Company's directors, executives, employees and hired workers from disclosing the Company's secrets and/or inside information undisclosed to the public or directly and indirectly seeking his/her or others' personal gain for returns or no returns. Furthermore, the Company's directors, executives, employees and hired workers are forbidden from purchasing/selling the Company's securities by using inside information, the Company specified the following guidelines to prevent inside information utilization:

(1) The Company educates the Company's directors and executives regarding duties to report securities held by the Company's directors and executives, spouses and children who have not reached legal age to the Securities and Exchange Commission according to Article 56 and punishments according to Article 275 of the Securities and Exchange Act of B.E. 2535 (1992) (including revisions and additions) along with reporting acquisition or sale of securities owned by the Company's directors and executives, spouses and children who have not reached legal age to the Securities and Exchange Commission according to Article 246 and punishments according to Article 298 of the Securities and Exchange Act of B.E. 2535 (1992) (including revisions and additions).

(2) The Company requires the Company's directors and executives including spouses and children who have not reached legal age to prepare and disclose reports on securities holdings and reports on changes in the Company's securities holding to the to the Securities and Exchange Commission according to Article 59 and punishments according to Article 275 of the Securities and Exchange Act of B.E. 2535 (1992) (including revisions and additions) along with preparing copies of this report to deliver to the Company on the same date as sending reports to the Securities and Exchange Commission.

(3) Directors, executives, employees and hired workers belonging to the Company and its subsidiaries who are aware of significant inside information with influence or effects on changes in the price of securities are required to abstain from purchasing/selling the Company's securities in the period of 30 days before that financial statement or inside information is disclosed to the public. Furthermore, the aforementioned information is required to not be disclosed to others in the period of 24 hours after the aforementioned information was disclosed to the public until that information has been reported to the Stock Exchange of Thailand. Violations of the aforementioned regulations are considered as violations to discipline by the Company according to the Company's work regulations and the Company will consider appropriate punishments in each case ranging from verbal warnings, written warnings, probationary periods and termination of employment.



10. Conflicts of Interest Policy

The Board of Directors has specified a policy to prevent conflicts of interest based on the principle that any decision to carry out business activities are required to be made only for the Company's ultimate benefit. Furthermore, actions causing conflicts of interest should be avoided by specifying for persons who are related or interested in transactions being considered to notify the Company of relationships or personal interests in the aforementioned transactions along with abstaining from participation in decision considerations in addition to having no power to approve that transaction.

11. Auditor's Fee

For the accounting cycle ended on 31 December 2015, the General Shareholder's Meeting of 2015 of the Company and its subsidiaries held on 3 April 2015 considered and approved remuneration paid by the Company and its subsidiaries to the auditor, Dharmniti Auditing Co., Ltd., at 1,825,000 baht and fees for auditing services and certification of practice according to conditions of subsidiaries' Board of Investment (BOI) cards at 35,000 baht per card (not including out of pocket expenses according to contract conditions).



8. Corporate Social Responsibilities

The Company has realized and committed to providing best care with integrity for the community and environment since the Company was established by operating Company's business with ethical care and corporate social responsibilities towards all stakeholders, the economy, society and the environment as the main mission that would be strictly adhered to as practices so as to lead to a commitment to a sustainable development and a meaningful social contribution.

1. Policy and Framework for CSR

The core mission and responsible governance policy of Ladprao General Hospital Public Co., Ltd. is to engage in the business of providing health care and medical treatment to serve quality healthcare to all patients with efficient, advanced and high standard technology medical equipment and modern technology, impressive services, corporate social responsibilities and ongoing quality development. The Company's mission then set out the policy and framework focusing on corporate social responsibility of strong governance hospital business practices, decisions and daily tasks with social contribution especially public interests and concerns that address health issues of the various underprivileged which then leads to ongoing sustainable quality development. The CSR framework and initiatives are to ensure transparency, good governance and fair practices for vendors and interested parties that involved in CSR, safety standards, environmental care, and a meaningful social contribution.

Hence, the Company has set the policy and framework for corporate social responsibilities comprising CSR in process that has been involved in business operation and CSR after-process of all activities for social and environmental contribution.

2. Performance and Preparing Reports

The company has initiated and committed to engage in social responsibility activities which is part of CSR in-process as follows:

1) Fair Business Practices

The company is firmly committed to operating its business with honesty, fairness, a code of conduct and persistence in trade competition based on the principles of business ethics, the law and equitable trade competition, including the refusal of any behavior that would obstruct fair competition, e.g. searching for the trade secrets of competitors, collecting, receiving and offering any dishonest trade benefits in the purchase of medical supplies, equipment and instruments by setting up product evaluation and standardization to by considering the maximum benefit for patients while maintaining consistent standards for all vendors. In addition, the Company respects the intellectual rights of other people. The company has policy for personnel to engage in practice that is compliant with the law or specifications regarding intellectual property rights such as using computer programs that are properly copyrighted in compliance with the law, etc. In addition, the Company has campaigns to promote and instill sub-consciousness among company employees at every level in order to build corporate social responsibility.

2) Anti-Corruption

The company manages its business based on a foundation of transparency, ethics, firm commitment to the principles of good governance and legal practice concerning the prevention and resistance to corruption, the offering or acceptance of bribery with public or private sector officials. The company has established a corporate structure for clearly delegating duties and responsibilities, work processes and chain of command in each unit. Neither direct nor indirect engagement in practice or consenting to corruption of any type is prohibited covering every unit involved and compliance with the anti-corruption policy on a regular basis. The objective is to create a balance of authority and strictness in proper auditing. Any actions falling under the scope of corruption involving the Company must be reported to a superior or a responsible person for the examination which the guilt must be considered for disciplinary actions as prescribed by company regulations or subject to legal penalties if are illegal. The company supports parties to contracts, trade partners or other persons who are under obligation to perform duties in relation to the Company, reports on violations of the Company's anti-corruption policy. In addition, the Company supports parties to contracts, trade partners or other persons who are under obligation to perform duties in relation to the Company, reports on violations of the Company's anti-corruption policy.



3) Respecting Human Rights

The company has policy for supporting and respecting the protection of human rights by stipulating that the employees, patients and customers are entitled to fair treatment without discrimination due to issues concerning personal health or economic, or social status. The company's business must not involve in any violation of human rights, e.g. use of child labor and sexual harassment, etc. In addition, the Company is responsible for having all patients informed of their rights and developing channels for filing complaints from people whose human rights are violated due the Company's business operations. Moreover, the aforementioned are remedied as deemed fitting.

4) Fair Treatment of Labor

The company recognizes the importance of developing human rights and fair treatment of labor as factors that will contribute to added value for the business and build competitive capacity with sustainable growth for the Company in the future. Hence, the Company has set the policies in Section 7: Human Resources Management to serve as guidelines for the standard treatment of all employees in recruitment and selection, welfare and remuneration policies, annual performance evaluation, termination of employment. The Company has also arranged for annual health examination for personnel at all levels and offer good occupational safety and hygiene in the workplace for all employees.

5) Responsibility to Customers

The company is firmly committed to continually develop the service of high quality to meet the needs and satisfaction of customers adhered with the principle of responsibility, honesty and responsiveness to customers as being parts of the Company's family members. Doctors and experts in various fields are to provide high quality services to ensure customers receive the best appropriate treatment with proper quality meeting international standards. The company has established a customer relations and communication system for use in hearing of customer opinions so as to efficiency handling complaints about service provision. Customer information are maintained as the confidentiality and not illegally used. In addition, the company holds various activities to build and promote sustainable relationships with customers.

6) Environmental Care Policy

The company recognizes the importance as CSR aimed to operate its business safely and with consideration of impacts in the areas of occupational health and the environmental care and conservation. The company holds its activities under environmental management standards, including performance and control of practice in compliance with the laws governing environmental conservation, regulation on infectious waste disposal, the collection, transport and disposal of garbage or waste, and the control of pollution, including other related laws with strict compliance. In addition, the Company gives attention to other related details, e.g. using recycled paper bags for drugs etc.

Energy conservation is also a policy that is communicated to staff at all levels and implemented in accordance with the hospital's energy conservation measures. In addition, the Company participated in the energy management project run by the Department of Alternative Energy Development and Efficiency.

7) Participation in Community or Social Development

The Company recognizes its responsibility to communities and society. Thus, it has policy for offering social assistance and development with a commitment to healthcare service provision to society, e.g. projects for the promotion of health knowledge and mobile medical units in Bangkok Metropolitan area, including support for key health campaigns, e.g. training on health care in communities. In addition, the Company publicizes about health knowledge for society via the Company's website and has policy for supporting education for the youth by making donations and offering student scholarships.

3. CSR-after Process Activities for Social and Environmental Benefits

The Company, with the recognition of being a leading community medical service provider, has initiated and continued to engage in a number of social and community projects and perform CSR-after-process activities as part of sustainable society development in the following 5 areas:

1) Society and Religious Promotion

The Company realizes of the belief that Religious is the center of heart and soul and is the guidance for people developing good moral and ethics. The following activities have been incorporated among the employees to cultivate customs and traditions satisfied with religious.



- “Ladprao Hospital Kathin Ceremony” at Oawyai Temple, Amphur Muang, Trat Province. This Kathin Project jointly established and organized by the Company and Ladprao Hospital Foundation. The donated fund was utilized for the renovation of the ancient decayed sermon hall in a monastery so as to be used as holy place for religious activities as normal.
- Campaign for Attending Temple Activities: Merit Making 9 Monastery in Singh Buri Province. This Project welcomed and encouraged employees to participate to cultivate the preservation of respectable customs and traditions.

Beside the religious promotion activities, we are committed to supporting the communities and society through various activities for sustainable development of society well-being as follows:

- Project to Construct Rest Room for Elderly and Disable of Oawyai Hospital. This project was jointly organized by Ladprao Hospital Foundation to ensure their safety and hygiene.
- Donation of Fund for food serving the disability and their caretakers including ordinary medicines given for basic treatment of general patients residing in Bangpakong Community.
- Donation of Fund for Football League of Nawaminthrachinuthit Triamudomsuksanomklao Football Association aimed to promote the national sports for the youth.
- Being A Promoter of Gifts for holding children’s activities regarding Children’s Day celebrated at Wanthonglang District Office and Ladprao Fire Station on National Children’s Day for the year 2016.
- Provision of hospital aid for a female child age of 6 years old named Kanokwan Nakpan residing in Angthong Province for her serious injury from hot water scalded accident.

2) Youth and Education

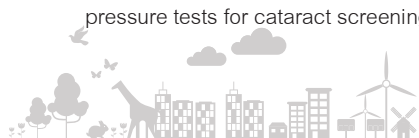
The Company recognizes the importance of education and youth as importance driving forces for the future of the nation through the following supportive social activities for youth and education, for instances:

- Donation for School Renovation Project organized by Ladprao Hospital Foundation. The purpose of donated fund is to renovate school library, acquire computer and sport equipment and appliance, and develop learning and teaching activities so as to enhance the education of underprivileged students to gain advance up to standard to extent their quality of being good citizen.
- Scholarships Project granted to the qualified students at Watbuengthonglang School who possess good behavior and strong academic performance but have financial need in order to support their future study and leverage their knowledge for future development of their community.
- Academic Loan Support for the Company’s employees to stimulate their knowledge and skills for their superior work contribution.

3) Health Promotion

The Company intends to cultivate consciousness of the people in society to realize the importance of health care in order to have good physical health and mental health, as well as to cultivate an awareness of living with good health care as well as physical exercise through various health promotion activities, for instances of the followings:

- Futsal league against contract parties. The purpose of the league is to promote health exercise and build up inter-companied relationships of all participating the activities.
- Health Promotion Project through Internal 2016 Futsal league. The purpose is not only to strengthen Company employees’ health and relationships among participants but to have them spend time to benefit and unite the harmony.
- Health Visit Project. The project is to have hospital pediatrician and nurses go out to visit community school and carry out health checks for schoolchildren. The 2016 Health Visit covering 1) Ladprao Bilingual School 2) Udomsuksa School 3) Settabutr Upatham School and 4) Chokchai (Teacher Kiew) Ladprao School.
- Free Mobile Medical Care Service Project. This project was sponsored by MCOT and the Hospital in the 12th Anniversary Celebration Event for Mahanakorn Folk Song LTM FM95MHz “Sing Father’s Song Altogether” on December 18,2016 dedicated to the Royal Charity carrying out basic health, skin and face, as well as bone mineral density checks, and blood & eye pressure tests for cataract screening.



4. Environmental Care Promotion

The Company recognizes the importance of environment protection and conservation by building knowledge and cultivating consciousness of all staff and people in neighboring community through Environmental Care Projects as follows:

- “Green Hospital” and “Offer Pintoware via Reduce Foam Box Use” Project.
- Campaign: Green Roof for Reducing Heat Absorption”.
- Energy Saving Project by changing fluorescent lamps or Thin Tube:T8 to Slim Tube:T5.

5. Organizational Relationships Promotion

The Company emphasizes on continually strengthening relationships among all in organization through various relation activities of which in 2016 comprising:

- 23rd Anniversary Celebration of Ladprao General Hospital With (Annual Merit Making).
- Annual Merit Making for Employee residing at Welfare Hall of residence.
- Annual Sacrifice Making for Brahma.
- 12th Anniversary Celebration of Ladprao Special Care Center.
- New Year Celebration Party.

Corporate Social Responsibilities



01

Policy and Framework
for CSR



02

Performance and
Preparing Reports

- Fair Business Practices
- Anti-Corruption
- Respecting Human Rights
- Fair Treatment of Labor
- Responsibility to Customers
- Environmental Care Policy
- Participation in Community or Social Development



03

CSR-after Process Activities for
Social and Environmental Benefits

- Society and Religious Promotion
- Youth and Education
- Health Promotion
- Environmental Care Promotion
- Organizational Relationships Promotion



9. Internal Control and Risk Management

1. Board of Directors' opinion about the Company's internal control system

According to Board of Directors' Meeting No. 1/2016 on the 24th of February 2016 which all four audit committees attended the meeting, the Board had reviewed and evaluated the Company's internal control system by gathering all information and evidence from the management executives and internal auditor of the following five aspects comprising corporate and environmental conditions, risk assessment, control and compliance activities, information technological communication and the monitoring system. The Board then rendered the opinion that the Company internal control system currently has an appropriateness and effectiveness to ensure the business and the assets undertaking of the Company and its subsidiaries have been well protected from such an illegal or unauthorized use by the executives. The Company has demonstrated a commitment to integrity and governance to comply with the internal control system regarding the connected transactions with the Company's shareholders directors, executive and related parties including any potential conflicts of interest.

2. Performance in Relation to the Company's Internal Control System

Since the year 2014, the Company has appointed "Aim to Prosperity Co., Ltd" as the independent internal audit firm to perform the auditing duty in assessing the associated risks and adequacy of the internal auditing systems for the Company and its subsidiaries by coordinating with Company's internal auditing unit and team. The duty has been carried out by coordinating with and gaining recommendation by the (outsourced) independent auditor and consequently monitored to ensure the improvement and compliance with such recommendations.

According to the duty conducting for the assessment of Company's internal control system, the internal auditor had audited and evaluated the adequacy of such systems in and across departments throughout totaling 35 system units in November 2016. The auditing demonstrated that the Company has already governed with an appropriately efficient internal control system and adequate main risk control activities undertaking of corporate environment and administration, accounting, finance, human resources, purchasing, HA quality center, information technology, property management and security, and medical treatment and administration which can be summarized as follows:

(1) Purchasing System

- Strive to validate list of qualified suppliers (ASL "Approved Supplier List")
- Obtain competitive price by comparing of at least two traders for each purchase.
- A drug committee was set up to consider new drugs' appearance and justify ethical buying consequences.
- Organize an asset inspection commission comprising personnel from various units to ensure the conformity of the receiving materials and goods.
- Requisition notes for purchases must be authorized in compliance with the Company's authorizing instruction.
- Purchase orders should be properly clarified by the responsible officials/units.

(2) Accounting System

- The company has set the policy to review management accounts on a regular monthly basis.
- The signatures in the disbursement requests must be reviewed to ensure the proper authorization prior to have the finance official authorized such payments.
- Bank reconciliations statements have been prepared on a monthly basis for all bank accounts.
- The accounting and finance program and database are holdup in the Company's server and regularly back-up to secure such data on monthly basis.
- Bookkeeping documents and database have been categorized and stored in proper section and order.

(3) Finance System

- Corporate cheque-books have been safely kept in the secured place undertaking by the Finance Department Manager.



- “A/C Payee Only” has been stamped on every check paid.
- Financial reports including receipts and their copies have been printed out and reviewed by the finance supervisor on regular daily basis.
- An internal system has been set for controlling all cashiers on each shift to inflexibly deliver all cash received together with its financial documents to the central safe cabinet of the Finance Department.

(4) Human Resources System

- The utilization of Human Resource Management Software (HRMI) to professionally and efficiently manage Company's workforce.
- Employee codes have been set to record the actual working hours.
- Everyone must be complied with the proper guideline regarding authorized form.
- Employee performance evaluation has been conducted by supervisors at least twice a year.
- Any application documents submitted for employment have been securely kept in a safe cabinet with an organized manner.
- The company application standard form has been regularly revised and updated.

(5) Information Technology Management System

- All information technology server and its computer network appliances have been stored in a secured room under proper temperature air-conditioner.
- The IT database has been regularly holdup in back-up tape on daily basis.

(6) Corporate and Environmental Management

- The authorized organizational chart showing proper lines of organized duty has been announced to all employees across the organization.
- Work procedure and job description has been set for each and every department.
- Lines and levels of authority has been organized and communicated to acknowledge all employees.
- Corporate goals and objectives have been set with annual budget and plan.
- Employee discipline has been set and communicated to one and all.
- A strong room has been arranged for the storage of the Company's vital official papers.
- The hospital has committed to engage in high level quality system and standard and been granted accreditation HA from the Healthcare Accreditation Institute (Public Organization).
- The Company has the effective risk management process governed by risk management commission and closely monitor by the executive board on regular monthly basis.



10. Related Transaction

As of 31 December 2016, the Company had the following three subsidiaries:

1. Asia Medical and Agricultural Laboratory and Research Center Company Limited (AMARC)

AMARC is engaged in the business of providing medical and agricultural testing & analysis, and research. The company has a 97.14-percent shareholding in AMARC. AMARC then holds the status of the Company's subsidiary with the following three directors in common: Mr. Wirat Wongsangnak, Mr. Ungoon Chantanavanich and Mrs. Vidchuda Ampornphol.

2. Asia Business Management Center (ABMC)

ABMC is engaged in the business of medical service provision and business development support. The company bought investment in ABMC from LP Holding for the amount of 449,930 shares at a Baht 10 par value each on the 22nd of September 2014 resulted in an increase from 55.00 percent to 99.99 percent of shareholding. It holds the status of the Company's subsidiary with the following four directors in common: Mr. Somsak Lohlekha, Mr. Wirat Wongsangnak, Mr. Ungoon Chantanavanich and Mrs. Supaporn Kantamanond.

3. Ladprao General Hospital 2

At present, LP2 is not yet operated, but is currently engaged in the process of conducting investment planning and strategies for the construction and/or operations of a new established private hospital as planned. It holds the status of the Company's subsidiary having the Company hold 99.99 percent stake and have the following five directors in common: Mr. Somsak Lohlekha, Mr. Wirat Wongsangnak, Mr. Ungoon Chantanavanich, Mrs. Supaporn Kantamanond and Mr. Pipat Savetvilas.

During the year 2016, the Company conducted the following related transactions with its subsidiaries and related persons comprising: dividend income/expense, a service provision contract for medical treatment; management fee for medical statistics, marketing events with activities including advertising media and public relations, office rental charge and land lease; miscellaneous services and general security deposits; (additional details described in the notes to financial statements).

1. Characteristics of Relationships

In 2016, the Company and its subsidiaries engaged in related transactions with connected persons subject to potential conflicts of interest regarding shareholders, directors, executives and/or affiliated and related persons/ companies as follows:

Persons/Juristic Persons with Potential Conflicts of Interest	Characteristics of Relationships
LP Holding Co., Ltd.	LP Holding is engaged in the business as a holding company. LP Holding holds 26.80 percent of the Company's paid-up capital at the par value of Baht 375.00 million and holding the status of a major shareholder in the Company with the following six directors in common with the Company comprising: Mr.Somsak Lohlekha, Mr.Wirat Wongsangnak, Mr.Ungoon Chantanavanich, Mrs.Supaporn Kantamanond, Mr.Pipat Savetvilas and Mr.Somchao Tanterdtham.
Ladprao Education Co., Ltd. (LBS)	LBS is engaged in education business of operating Ladprao Bilingual School serving for preschool and primary levels. Partly, LBS shareholders are of the same group as the Company's and have the following three directors in common: Mr.Somsak Lohlekha, Mr.Wirat Wongsangnak, Mr.Ungoon Chantanavanich.
Ladprao General Hospital Foundation (Foundation)	Ladprao General Hospital Foundation was established on 10 September 2007 with the following objectives: <ul style="list-style-type: none"> - Promoting community health. - Funding medical treatment assistance for serious and chronic diseases for which without government support. - Promoting education and sports for the nation's youths. - Supporting medical research. - Performance or cooperation in other public interest charity



Persons/Juristic Persons with Potential Conflicts of Interest	Characteristics of Relationships
	<ul style="list-style-type: none"> Prohibited involvement in any political activities of any kind. <p>The Foundation has the following three directors in common with the Company: Mr.Somsak Lohlekha, Mr.Ungoorn Chantanavanich and Mrs.Supaporn Kantamanond.</p>
Oregon Aluminum Co., Ltd. (Oregon)	<p>Oregon's business is being a contractor for glass and aluminum installation.</p> <ul style="list-style-type: none"> Mr.Pipat Savetvilas, as a director and shareholder in Oregon with a shareholding of 22.00 percent and being a director and shareholder in the Company, together with related persons defined under Section 258 directly and indirectly have an 8.12-percent of paid-up capital valued at par of Baht 375 million shareholding in the Company and serve as a director in the following subsidiaries: LP2 Mr. Pipat Savetvilas is Mrs. Somchit Savetvilas' husband who is the older sister of Mr.Ungoorn Chantanavanich and Mrs.Supaporn Kantamanond.
Adtech Co., Ltd. (Adtech)	<p>Adtech is engaged in the business of building design & related service provision and construction management.</p> <ul style="list-style-type: none"> Mr. YongYuth Winyoonpradit, a director and shareholder in Adtech, has a shareholding of 33 percent. Mr. Winyoonpradit is Mrs. Somjai Winyoonpradit's husband who is the older sister of Mr.Ungoorn Chantanavanich and Mrs.Supaporn Kantamanond. The Winyoonpradit together with Adtech group directly and indirectly hold shares in the Company-amounting to 1.83 percent of the paid-up capital valued at par of Baht 375 million.
Mr.Ungoorn Chantanavanich	<p>The company shareholder directly and indirectly hold totaling the amount of 9.85 percent of the paid-up capital valued at par of Baht 375.00 million.</p> <ul style="list-style-type: none"> Holds the positions of direction and chief executive officer in the Company. Holds the position of director in AMARC, ABMC, LP2, LP Holding, and LBS. Older brother of Mrs.Supaporn Kantamanond.
Mrs. Supaporn Kantamanond	<p>Direct and indirect company shareholdings at 1.32 percent of the paid-up capital valued at par of Baht 375.00 million</p> <ul style="list-style-type: none"> Holds the positions of director and managing director of the Company. Holds the position of director in ABMC, LP2 and LP Holding. Younger sister of Mr.Ungoorn Chantanavanich.
Mr.Wirat Wongsangnak	<p>Holds the position of director in the Company. Mr.Wirat Wongsangnak and related persons defined under Article 258 directly and indirectly hold shares in the Company at 1.26 percent of the paid-up capital valued at par of Baht375.00 million and is a director in the following subsidiaries: AMARC, ABMC and LP2.</p>
Mr.Somsak Lohlekha	<p>Holds the position of chairman of the Company's board of directors; directly and indirectly holds Company shares amounting to 2.54 percent of the paid-up capital valued at par of Baht375.00 million and services as a director in the following subsidiaries: ABMC and LP2.</p>



2. Related Transaction Value and Balance for Persons and/or Juristic Persons with Potential Conflicts of Interest

Person/Juristic Person with Potential Conflict	Type of Related Transaction	As of 31 December 2015		Necessity & Reason
		Transaction Value	Balance	
Asia Medical and Agricultural Laboratory and Research Center Co., Ltd.	Rental Security Deposit	0.00	1,667,940.00	The company ordinary collected a deposit for the rental charge.
	Rental Income -Building Lease	6,672,000.00	0.00	A contract was made to lease the parts of building area with related out space located at Ladprao soi 122 covering floor 1st-4th in approximately 3,500 sq.m. to AMARC for its use of head office at monthly rental charges of Baht 556,000.
	Medical Treatment Service Provision	663,320.85	245,632.45	In case of medical services provided for AMARC personnel, AMARC directly paid the agreed portion to the Company while the remaining part was collected from the service recipients as per general clients.
	Dividend Income	3,399,882.50	0.00	- According to resolution of 2015 Annual General Shareholders' Meeting held on 25 th of May 2016, AMARC paid dividends to the shareholders from its 2015 performance at the rate of Baht 0.35 each share.
	Infectious waste charge	32,550.00	4,800.00	Reimburse and charge for the cost of infectious waste disposal fee.
Asia Business Management Center Co.,Ltd.	Dividend Income	9,999,300.00	0.00	-Paid out the dividend (No.2/2016) on May 19, 2016 at the rate of Baht 6.00 per share following the decision of the Annual General Shareholders' Meeting No.9/2016. -Paid out the interim dividend (No.4/2016) on September 9, 2016 at the rate of Baht 4.00 per share regarding the Board of Directors' resolution of the Annual General Shareholders' Meeting No.3/2016 held on August 11, 2016.
	Management Fee	33,600,000.00	8,150,000.00	*The Company has an obligation regarding the payment of management fees under the Social Security section for three-year Service agreement comprising: <ul style="list-style-type: none"> November 1, 2015 to March 31, 2016; at the rate of Baht 2.00 million monthly with the service fee at 20% of surplus during the forecasted annual revenue the Company has received from the Office of Social Security. April 1, 2016 to October 31, 2018; the monthly rate was agreed at the rate of Baht 2.80 million monthly due to the greater workload from the



11. Key Financial Figures

Statements of Financial Position as at December 31 of the 3-year period:

Description	2016		2015		2014 (Restated)#	
	Million Baht	%	Million Baht	%	Million Baht	%
Current assets						
Cash and cash equivalents	120.06	6.13	589.34	31.76	2.14	0.19
Temporary investments	410.95	20.98	16.50	0.89	-	-
Trade and other receivables	100.54	5.13	90.34	4.87	50.19	4.41
Accrued revenues from hospital operations	150.65	7.69	135.09	7.28	174.73	15.35
Inventories	19.37	0.99	19.43	1.05	17.81	1.56
Other current assets	3.12	0.16	3.98	0.21	3.74	0.33
Total current assets	804.69	41.09	854.67	46.06	248.61	21.84
Non-current assets						
Long term fixed deposit			0.40	0.02	-	-
Restricted deposit	40.72	2.08	63.08	3.40	0.68	0.06
Investment property	74.48	3.80	74.60	4.02	74.72	6.56
Property, plant and equipment	949.21	48.47	774.87	41.76	734.59	64.53
Land leasehold right	20.40	1.04	21.85	1.18	14.74	1.29
Intangible assets	36.26	1.85	29.86	1.61	29.85	2.62
Deferred tax assets	30.50	1.56	32.36	1.74	32.93	2.89
Other non-current assets	2.26	0.12	3.78	0.20	2.25	0.20
Total non-current assets	1,153.83	58.91	1,000.80	53.94	889.77	78.16
Total assets	1,958.53	100.00	1,855.47	100.00	1,138.38	100.00

(#) 2014 financial figures were restated as show in 2015 audited financial statements.



Description	2016		2015		2014 (Restated)#	
	Million Baht	%	Million Baht		Million Baht	%
Current liabilities						
Overdrafts from financial institutions	21.66	1.11	2.62	0.14	55.57	4.88
Trade and other payables	168.25	8.59	180.96	9.75	141.03	12.39
Current portion of long-term liabilities						
Liabilities under financial lease agreements	20.89	1.07	14.71	0.79	8.84	0.78
Long-term loans from financial institution			-	-	57.40	5.04
Short-term loans from related persons & parties			-	-	43.80	3.85
Income tax payables	8.75	0.45	2.05	0.11	5.63	0.49
Others current liabilities	10.28	0.52	6.10	0.33	6.80	0.60
Total current liabilities	229.83	11.74	206.44	11.13	319.06	28.03
Non - current liabilities						
Liabilities under financial lease agreements	65.56	3.35	40.24	2.17	17.31	1.52
Long-term loans from financial institution			-	-	243.38	21.38
Employee benefit obligations	44.53	2.27	31.91	1.72	28.48	2.50
Deferred tax liabilities	3.74	0.19	3.38	0.18	2.39	0.21
Other non-current liabilities	7.59	0.39	2.36	0.13	1.66	0.15
Total other non-current liabilities	121.41	6.20	77.89	4.20	293.22	25.76
Total liabilities	351.25	17.93	284.33	15.32	612.28	53.79

Description	2016		2015		2014 (Restated)#	
	Million Baht	%	Million Baht		Million Baht	%
Shareholders' equity						
Share capital						
Authorized share capital						
750,000,000 ordinary shares, Baht 0.50 par value	375.00	19.15	375.00	20.21	375.00	32.94
Issued and fully paid-up						
750,000,000 ordinary shares, Baht 0.50 par value	375.00	19.15	375.00	20.21	-	-
550,000,000 ordinary shares, Baht 0.50 par value	-	-	-	-	275.00	24.16
Premium on ordinary shares	922.83	47.12	922.83	49.74	45.25	3.97
Premium from purchasing of investment in subsidiary	5.63	0.29	5.63	0.30	5.63	0.49
Ratified earning						
Appropriated						
Legal reserve	37.50	1.91	37.50	2.02	37.50	3.29
Unappropriated	265.28	13.54	229.25	12.36	161.80	14.21
Total equity attributable to owners of the company	1,606.24	82.01	1,570.21	84.63	525.17	46.13
Non-controlling interests of the subsidiaries	1.03	0.05	0.93	0.05	0.92	0.08
Total shareholders' equity	1,607.28	82.07	1,571.14	84.68	526.10	46.21
Total liabilities and shareholders' equity	1,958.53	100.00	1,855.47	100.00	1,138.38	100.00

(#) 2014 financial figures were restated as show in 2015 audited financial statements.



Statements of Comprehensive Income for the 3- year ended December 31:

Description	2016		2015		2014 (Restated)#	
	Million Baht	%	Million Baht		Million Baht	%
REVENUES						
Revenues from hospital operations	1,213.16	89.01	1,145.71	91.24	1,044.08	91.86
Revenues from services	115.32	8.46	98.40	7.84	84.40	7.43
Other incomes						
Investments income, net of private fund	21.94	1.61	-	-	-	-
Rental income	5.33	0.39	4.61	0.37	4.15	0.36
Others	7.17	0.53	6.98	0.56	3.95	0.35
Total revenues	1,362.93	100.00	1,255.70	100.00	1,136.57	100.00
EXPENSES						
Cost of hospital operations	919.25	67.45	880.98	70.16	764.59	67.27
Cost of services	63.24	4.64	54.72	4.36	50.98	4.49
Services and administrative expenses	153.02	11.23	141.57	11.27	137.48	12.10
Management remuneration	36.64	2.69	33.39	2.66	34.94	3.07
Finance costs	3.01	0.22	19.59	1.56	25.54	2.25
Total expenses	1,175.16	86.22	1,130.24	90.01	1,013.53	89.17
Profit before income tax expenses	187.77	13.78	125.46	9.99	123.05	10.83
Income tax expenses	31.65	2.32	24.90	1.98	22.16	1.95
Profit for the year	156.12	11.45	100.56	8.01	100.88	8.88
Other comprehensive income :						
Items that will not be reclassified to profit or loss						
Actuarial loss on the defined employee benefit plans, net income tax	(7.39)	(0.54)	-	-	(6.89)	(0.61)
Other comprehensive income (loss) for the year	(7.39)	(0.54)	-	-	(6.89)	(0.61)
Total comprehensive income for the year	148.73	10.91	100.56	8.01	93.99	8.27
Profit attributable to						
Owners of the company	155.90	11.44	100.45	8.00	98.98	8.71
Non-controlling interests of the subsidiaries	0.22	0.02	0.11	0.01	1.91	0.17
	156.12	11.45	100.56	8.01	100.88	8.88
Total comprehensive income attributable to						
Owners of the company	148.53	10.90	100.45	8.00	92.20	8.11
Non-controlling interests of the subsidiaries	0.20	0.01	0.11	0.01	1.80	0.16
	148.73	10.91	100.56	8.01	93.99	8.27
Basic earnings per share	0.21		0.17		0.18	
Attributable to owners of the company						

(#) 2014 financial figures were restated as show in 2015 audited financial statements.



Statements of Cash Flow for the 3-year ended December 31:

Description	2016	2015	2014 (Restated)#
	Million Baht	Million Baht	Million Baht
Cash flows from operating activities			
Profit for the year	156.12	100.56	100.88
Adjustments to profit for the year to cash provided by (used in) from operations:			
Interest income	(2.01)	(1.68)	(0.19)
Investments income from private fund	(17.00)	-	-
Unrealized gain on investments from private fund	(4.94)	-	-
(Gain) loss from sales of fixed assets	0.37	1.42	(0.53)
Other incomes - consultant payable	(2.15)	-	-
Doubtful accounts (reversal)	4.92	2.65	(2.19)
Bad debts	0.91	0.88	2.09
Written off withholding tax	1.47	0.68	0.22
Depreciation	60.52	55.14	51.15
Amortization	3.84	2.74	2.63
Employee benefit expenses	6.52	4.55	4.37
Finance costs	3.01	19.59	25.54
Income tax expenses	31.65	24.90	22.16
Profit from operations before changes in operating assets and liabilities	243.22	211.42	206.13
Changes in operating assets - (Increase) Decrease			
Trade and other receivables	(11.18)	(43.51)	6.74
Accrued revenues from hospital operations	(17.98)	39.65	(114.51)
Inventories	0.06	(1.62)	1.34
Current assets	1.65	(0.23)	(1.37)
Other non-current assets	1.52	(1.53)	0.48
Changes in operating liabilities - Increase (Decrease)			
Trade and other payables	(11.27)	38.73	35.49
Other currents liabilities	4.18	(0.70)	(1.24)
Other non - current liabilities	5.23	0.70	0.28
Cash generated from operation	215.44	242.90	133.34
Cash received from interest income	1.47	1.74	-
Cash paid for employee benefit obligations	(2.98)	(1.12)	-
Cash paid for income tax	(23.32)	(22.01)	(23.94)
Net cash provided by operating activities	190.62	221.52	109.40

(#) 2014 financial figures were restated as show in 2015 audited financial statements.



Statements of Cash Flow for the 3-year ended December 31: (continued)

Description	2016	2015	2014 (Restated)#
	Million Baht	Million Baht	Million Baht
Cash flows from investing activities			
Increase in long-term fixed deposit	(1.01)	(0.40)	
(Increase) decrease in temporary investments	(388.11)	(16.90)	0.21
Cash received from investments of private fund	14.48		
(Increase) decrease in restricted deposits	22.35	(62.40)	0.88
Cash received from short-term loans to related persons	-	-	2.30
Cash paid for purchase of property, plant and equipment	(187.03)	(55.54)	(31.78)
Cash paid for purchase of intangible assets	(8.26)	(1.48)	(7.57)
Cash received from sale of fixed assets	0.45	0.13	0.65
Cash paid for land leasehold right	-	(8.42)	-
Cash received from interest income	0.63	-	0.34
Net cash used in investing activities	(546.50)	(144.61)	(34.98)
Cash flows from financing activities			
Cash receive for paid-up capital	-	971.99	-
Increase (decrease) in overdrafts from financial institution	19.04	(52.95)	35.97
Cash received from short-term loans from related company	-	-	29.43
Cash paid for short-term loans from related company	-	-	(24.73)
Cash received from short-term loans from related persons and parties	-	48.10	63.70
Cash paid for short-term loans from related persons and parties	-	(91.90)	(49.40)
Cash paid for liabilities under financial lease agreements	(19.34)	(12.68)	(20.47)
Cash received from long-term loans from financial institution	-	7.30	15.07
Cash paid for long-term loans from financial institution	-	(308.07)	(77.80)
Cash paid for share of non-controlling interests of investment	-	-	(4.50)
Dividend payment	(112.50)	(33.00)	(60.50)
Dividend paid to non-controlling interests	(0.10)	(0.10)	(0.57)
Cash paid for interest expenses	(0.50)	(18.39)	(23.81)
Net cash provided by (used in) financing activities	(113.40)	510.29	(117.61)
Net increase (decrease) in cash and cash equivalents	(469.28)	587.20	(43.19)
Cash and cash equivalents at beginning of the year	589.34	2.14	45.33
Cash and cash equivalents at end of the year	120.06	589.34	2.14

(#) 2014 financial figures were restated as show in 2015 audited financial statements.



Key Financial Ratios:

Description	unit	2016	2015	2014(#)
Liquidity Ratios				
Current Ratio	times	3.50	4.14	0.78
Quick Ratio	times	3.40	4.03	0.71
Activity Ratios				
Account Receivable Turnover	times	13.92	17.71	21.04
Average Collection Period	days	26.22	20.61	17.35
Fixed Asset Turnover	times	1.58	1.66	1.53
Account Payable Turnover	times	5.63	5.81	6.42
Average Payment Period	days	64.87	62.80	56.82
Cash Cycle	days	(31.44)	(34.92)	(31.19)
Inventory Turnover	times	50.64	50.25	44.13
Average Sale (Inventory) Period	days	7.21	7.26	8.27
Total Asset Turnover	times	0.71	0.84	1.02
Leverage Ratios				
Debt/Equity Ratio	times	0.22	0.18	1.17
Interest Coverage Ratio	times	360.19	7.66	6.61
Profitability Ratios				
Gross Profit Margin	%	26.04	24.79	27.73
Net Profit Margin	%	11.44	8.00	8.71
Return on Asset (ROA)	%	10.00	9.69	13.34
Return on Equity (ROE)	%	9.82	9.59 ⁽¹⁾	19.58
Financial Ratio				
Dividend Payout	%	96.21 ⁽³⁾	112.00 ⁽²⁾	61.13

(1) an increase of shareholders' equity as at December 31, 2015 of Baht 877.58 million mainly due to the IPO.

(2) dividend payout as percentage of 2015 annual consolidated net profit comprising dividend paid from operating results (59.73%) and from unappropriated retained earning (52.27%).

(3) dividend payout as percentage of 2016 annual consolidated net profit comprising dividend paid from operating results (67.35%) and from unappropriated retained earning (28.86%).

(#) 2014 financial figures were restated as show in 2015 audited financial statements.



12. Management Discussion and Analysis

BUSINESS POLICY AND OVERALL OPERATION

Overall Operating Performance

The business operation of the Company and its subsidiaries covers 3 main business sectors comprising hospital and related healthcare services, scientific analytical and diagnostic laboratory service of medical healthcare, food, agricultural, pharmaceutical, clinical trial, as well as calibration and hospital management and consulting services having details as follows:

1. HEALTH CARE SERVICES: operated and managed by

- Ladprao General Hospital Public Company Limited ("LPH", "Company" or "Hospital") operates a private hospital business in Bangkok providing complete general healthcare services (General Hospital) and special medical care for both outpatients and inpatients including emergency with 24-hour ambulatory service. The Company has always emphasized the importance of quality healthcare with efficient, advanced and high standard technology medical equipment and experienced physicians and staff under the registered hospital name of "Ladprao Hospital" ("Hospital") with 180 licensed beds and capacity over 3,400 outpatients per day.
- Ladprao General Hospital 2 Company Limited ("LP2") (Subsidiary) LP2 has not yet operated. The company has been established with the objective to operate the new established private hospital providing healthcare services as planned.

2. SCIENTIFIC ANALYTICAL And DIAGNOSTIC SERVICES And RESEARCH For MEDICAL, AGRICULTURAL, FOOD AND DRUG operated by

- Asia Medical and Agricultural Laboratory and Research Center Co., Ltd. ("AMARC") (Subsidiary) operates full services in scientific analytical and diagnostic laboratory which include medical healthcare, food, agricultural, pharmaceutical testing and clinical trial, as well as equipment calibration with scientific expertise, modern methodology and highly efficient technological equipment aimed as providing high quality results with international standard.

3. HOSPITAL MANAGEMENT AND CONSULTING SERVICES: operated by

- Asia Business Management Center Co., Ltd. ("ABMC") (Subsidiary) is a company focused on providing hospital management and consulting services including medicinal statistics, legal counseling, and business development. Since the current services mainly support only for the Company realized as inter-transaction therefore its revenues are not consolidated in the Company financial statements.

Since the present Company's revenues are from its hospital and related healthcare services providing to various types of customers both general and Social Security patients, the variety of income base strengthen the revenue growth. The Company is one of the leading healthcare service providers on Ladprao and its surrounding areas recognized as high quality hospital with excellent doctors supported by experienced colleagues, advanced technology and responsive service in a comforting environment. The Company also has its location advantage due to not only situated among the high population density area surrounded by a number of growing private enterprises, shopping centers, schools, education centers and organizations but also supported by being in the official developing zone according to the city plan. In addition, the continually support from government on public health knowledge enhance and stipulate public health awareness as well which therefore support the Company sustainable growth.

In addition, the Company reported the service performance from scientific analytical and diagnostic laboratory of food, agricultural, pharmaceutical and medical operating by AMARC (subsidiary). The revenue from this testing service sector has continuously increased mainly due to growing customer base both new and existing ones who have recognized AMARC, been satisfied and impressed with the in-time reliable and efficient high quality services with certified international standard.

● Analysis on Operating Performance

Revenues

The Consolidated revenue structure for the year 2016 mainly derived from 3 business sectors, having details as earlier mentioned, comprising hospital and related healthcare services operating by the Company, scientific analytical and diagnostic laboratory service of medical healthcare, food, agricultural, pharmaceutical, clinical trial, as well as calibration under AMARC



(subsidiary) and hospital management & development and consulting services operating by ABMC which its revenues are not consolidated in the financial statements for its support only for the Company that realized as inter-transaction, .

The Company revenue structure is as follows:

Revenues Structure	Company	2016		2015		2014 (Restated)	
		Million Baht	%	Million Baht	%	Million Baht	%
1. HOSPITAL REVENUES	LPH	1,213.16	89.01	1,145.71	91.24	1,044.08	91.86
- Hospital Revenues from general clients		635.88	46.66	590.27	47.01	557.37	49.04
- Revenues from Social Security Fund		577.28	42.35	555.44	44.23	486.71	42.82
2. SERVICE REVENUES	AMARC	115.32	8.46	98.40	7.83	84.40	7.43
- Scientific Testing & Research		115.32	8.46	98.40	7.83	84.40	7.43
3. OTHER REVENUES		34.44	2.53	11.59	0.93	8.09	0.71
- Investments income, net of private fund		21.95	1.61	-	-	-	-
- Rental income		5.33	0.39	4.61	0.37	4.15	0.36
- Others		7.17	0.53	6.98	0.56	3.94	0.35
Total Revenues		1,362.92	100.00	1,255.70	100.00	1,136.57	100.00

The consolidated revenues for the year 2016 totaling of Baht 1,362.93 million increased from last year by 8.54% comprising the revenue from hospital operation amounted to Baht 1,213.16 million, or an average of 89.01%, testing and analytical service revenue operating by AMARC (subsidiary) of Baht 115.32 million or 8.46% and other income of Baht 34.45 million or 2.53% of total revenues respectively.

Growing of 8.54% consolidated revenues over the same period of last year generated from not only hospital and service revenues that raised by 5.89% and 17.20% respectively but miscellaneous income also grew by 197.11% which was mainly driven by the increasing hospital visits via growing healthcare spending, enlarged customer base of the subsidiary (AMARC), and greater return on investment of Company Private Fund.

Operating Performance

Revenue from Hospital Operation

The Company's sources of income are mainly from 2 customer segments comprising the revenues from general clients and patients under the Social Security Scheme which have details as follows:

Revenue from Hospital Operation	2016		2015		2014 (Restated)	
	Million Baht	%	Million Baht	%	Million Baht	%
- Hospital Revenues from general clients	635.88	52.42	590.27	51.52	557.37	53.38
Outpatients (OPD)	365.00	30.09	325.49	28.41	311.52	29.83
Inpatients (IPD)	270.88	22.33	264.78	23.11	245.85	23.55
- Revenues from Social Security Fund	577.28	47.58	555.44	48.48	486.71	46.62
Total Revenues from Hospital Operation	1,213.16	100.00	1,145.71	100.00	1,044.08	100.00

The Company reported its 2016 revenues from hospital operation totaling of Baht 1,213.16 million accounted for 89.01% of total revenues and increased from the previous year 2015 by 5.89%. The revenue growth was driven by the increase in pay per bill of general patients mainly due to Hospital's more complex of quality services and treatments provided with efficient and advanced technology medical equipment and experienced physicians and staff.

Hospital Revenues from general clients

The Company had its 2016 hospital revenues from general clients in the amount of Baht 635.88 million accounted for 52.42% of total revenues from hospital operation and increased from the previous year 2015 by 7.73%.

In 2016, the hospital revenue from outpatients of Baht 365.00 million, which accounted for 57.40 of hospital revenues from general clients, increased from the previous year 2015 by 12.14%. Whereas the other 42.60% was derived from inpatients of Baht 270.88 million and also grew from 2015 at the rate of 2.30%.



The growth of revenues from general clients was primarily generated by the increase in general patients and higher average income by case following the implemented policy of expansion of medical specialty centers to cover diseases with high complexity including growing demanded segment, such as Skin Beauty and Dermatology Center and Elderly Care Treatment which therefore influencing more clients to generally visit the hospital.

Hospital Revenues from Social Security Fund

The Company had revenue from Social Security Fund totaling of Baht 577.28 million, accounted for 47.58% of hospital revenues, an increase of 3.93% from 2015 mainly caused by the growing revenue from Extra Fee-for-Service in case of Chronic diseases which was based on patients classification and actual service workloads provided to SSS patients as well as the consequence of incremental income based on Capitation Payment following the granted an incremental of 10,000 social security quota in March 2016 of which more members gradually subscribed.

The Company's revenues from the Social Security Fund (SSF) mainly comprise 3 major categories in accordance with the Social Security Scheme ("SSS") as follows:-

1) Revenues from Social Security Service based on Capitation Payment The hospital will receive its service payment from the Social Security Office (SSO) based on the number of Social Security Scheme members (SSS-members) who have selected the Hospital as the main health service provider and registered as LPH- SSS members (LPH-SSS Members) consisted of 2 types of payment as followings:

- 1.1) **Social Security Service revenue by Capitation based on registered members** The hospital has its right to receive monthly payment from SSO based on the number of SSS-members who have selected the Hospital as the main health service provider and registered as LPH- SSS members
- 1.2) **Social Security Service revenue based on Hospital Accreditation (HA)** A hospital has its right to receive incremental payment if it has been granted the Hospital Accreditation (HA). LPH receives the incremental monthly special payment from SSO since the Hospital has been granted the highest: 3rd (third) hierarchy which is the highest level of hospital accreditation at the rate of Baht80 per LPH- SSS member per year.

2) Revenues from Social Security Service based on Fee-for Service According to the social security, fee-for-service scheme, a SS-health service provider has its right to receive payment from SSO on case-mix basis of actual service provided to SSS patients and the weighted average severity of diseases which has been divergent for any service provider as the case maybe, comprising:-

- 2.1 **Revenues from Extra Fee-for-Service in case of Chronic diseases** This type of extra payment is the fee-for-service based on patients classification and actual service workloads provided to SSS patients consisted of 2 categories: (1) Service for Out-patients (OPD) in case of 26 registered Chronic diseases announced by the SSO, for examples, Hypertension , Diabetes Millitus, Chronic Hepatitis and Liver Cirrhosis,etc. and (2) Service for In-patients (IPD) with adjusted relative weight less than 2 (AdjRW< 2). The SSO considers its allocation payment based on the weighted relative case-mix basis or Diagnosis Related Group (DRGs) given comparative figures in accordance with the relative weight adjusted by in-patient admitted hospital days (Adjusted Relative Weight, AdjRW). The SSO reserves the budget from the social security fund for this type of extra service payment at the announced rate of Baht432 per SSS member per annum. Therefore, the SS reserved budget will be allocated as extra payment to the hospitals and all service providers for the aforementioned services of chronic diseases.
- 2.2 **Revenues from Extra Fee-for-Service in case of Severe Diseases** This extra payment is the fee-for-service based on patients with severe diseases and need to be admitted as in-patients having a serious degree of special care with the justified AdjRW of equal or greater than 2 (AdjRW >=2). Any hospital has their rights to gather their records of the workloads submit to the SSO to receive the extra fee for their services. The SS patient charge rate in case of severe diseases was set at the rate of Baht 10,000 per one unit of AdjRW weight for the year 2015.

2) Revenues from Social Security Service based on Reimbursement The hospital will receive its extra service payment from the Social Security Office (SSO) in case of retrospective reimbursement as officially announced by the SSO, for examples,



reimbursement for the medicines supported for chemotherapy of cancer patients and for the artificial organs; i.e. Prosthesis hip & eye. The hospital then directly submits the invoice regarding its actual professional services and/or artificial organs to the SSO for reimbursement.

Revenues from Services

In 2016, the Company reported revenues from scientific and laboratory testing services totaling of Baht 115.32 million, or equivalent to 8.46% of total consolidated revenues, an increase of 17.20% from 2015.

The service revenue structure comprising:

Revenues from Scientific and Laboratory testing & Research	2016		2015		2014 (Restated)	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Food and Agricultural Lab	105.03	91.07	87.09	88.30	72.18	83.77
2. Medical and Pharmaceutical Lab	2.86	2.48	5.24	5.32	9.21	10.68
3. Calibration Lab	5.98	5.19	5.21	5.29	3.90	4.53
4. Other Services*	1.45	1.26	1.07	1.09	0.88	1.02
Sub-total: before inter- transaction	115.32	100.00	98.61	100.00	86.17	100.00
Less: Inter-transactions	—	-	0.21	-	1.77	-
Total	115.32	-	98.40	-	84.40	-

Note: Other services involve charges for extra laboratory reports requested by clients.

The revenue from service has continuously increased mainly due to growing customer base who have recognized AMARC, satisfied and impressed with the efficient and high quality services delivering to with the certified international standard, well-experienced professional consultation, and the being accredited laboratory granted from the accreditation and/or recognizing government bodies. It is also a firm policy to develop professionalisms as marketing team to penetrate, establish, and expand its client's base not only at center but broaden through regionals to strengthen its continual growth.

Other Income

For the year 2015, the Company had Baht 34.45 million of income other than revenues from hospital operation and scientific testing and laboratory service accounted for 2.53% of total revenues, an increase of 197.11% from the previous year 2015 comprising: 1) investment income –net of Private Fund 2) rental income and 2) others; having details as following:-

1) Investment Income –net of Private Fund recorded in the consolidated statement of comprehensive income for the year 2016 totaling of Baht 21.95 million or 1.61% of total consolidated revenues , an increase of 100.00% from previous year 2015 due to the fact of 2016 being the first year of fund establishment and investment.

2) Rental income stated in 2016 consolidated statements of Baht 5.33 million or 0.39% of total revenues, an increase of 15.60% from previous year 2015. This income derived from various rental activities included of merchandisers, food & beverage shops and restaurants situated in the Hospital's building as well as the apartment and land at Wangthonglang sub-district, Bangkok district, etc.

3) Consolidated other income for the year 2016 of Baht 7.17 million or 0.53% of total revenues, a YoY growth of 2.76% from previous year 2015 mainly from receivable interests. These earnings consisted of income from unused portion of medical treatment program, interest receivables of the Company and its subsidiaries, rental and utility charges from rental areas as well as profit from sales of assets, etc.

Cost of Services

The Company reported consolidated cost of services for the year 2016 of Baht 982.49 million, accounted for 83.61% of total cost, an increase of 5.00% from last year 2015. The aggregate cost comprising cost of hospital operations, operated by the Company and cost of services managed by the subsidiary. The main cost was for hospital operations which were accounted for 93.56% of total consolidated cost with an increase of 4.34% YoY.

Cost of Hospital Operations

Cost of hospital operations for the year 2016 was Baht 919.25 million, or equivalent to 75.77% of revenue from hospital operations, a growth of 4.34% from last year 2015 mainly caused by an increase of cost of doctors, nurses, and medical specialists so as to reserve the growth of intensify medical services and excellent specialty centers with on-going expansion according to the committed to the Company's growth objectives to engage in high level of international medical services standard. The major content comprised doctors' fee, nurses' benefits, as well as medicines and medical supplies.



The contribution of operating cost to the revenue from hospital operations had increased from 76.89% in 2015 to 75.77% in 2016 mainly caused by the higher growth rate of income than cost incurred while having upper revenue per head and better control of social security cost of services in 2016.

Cost of Services

Cost of services for the year 2016 was Baht 63.24 million or 4.64% of the aggregate revenues. The content involved the cost of scientific testing with laboratory analysis operating by AMARC comprising salaries and wages for scientists and scientific testing experts, laboratory chemicals and agents, and depreciation accounted for 41.99%, 36.35%, and 13.51% of total cost of services respectively. However, the increased cost was justification as efficient controlling of testing cost, including man-hour and chemical agents utilized, for its conforming higher growth rate of 17.20 of laboratory service revenue.

Services and Administrative Expenses and Management Remuneration

Services and administrative expenses and management remuneration of the Company and subsidiaries comprising employee benefits, management and directors remuneration, advisory fees, marketing and public relation, utilities, and administrative expenses, etc. The expenses for the year 2016 of Baht 189.66 million or equivalent to 13.92% of total revenues, an increase of 8.40% from last year 2015. Increase of Services and administrative expenses and management remuneration was mainly due to the higher depreciation following the investment in assets for Company expansion, the recruitment of additional employees to cope with the company growth, the allowance for doubtful accounts, and the increase in promotion & marketing, advertising, public relation activities, and information technology system to support the opening and the launch of hospital excellent service centers in/and the new building.

Financing Costs

The consolidated financing costs for the Company and its subsidiaries for the year 2016 amounted to Baht 3.01 million, a decrease of 84.65% from last year 2015. The substantial lower financing costs mainly resulted from the use of proceeds to fully repay all loan from financial institution at the end of last October, 2015 while none of lending activities occurred during the year 2016.

Profits

Profitability Ratio	2016		2015		2014 (Restated)	
	Million Baht	%	Million Baht	%	Million Baht	%
Gross Profit	345.99	26.04	308.41	24.71	312.91	27.73
Net Profit for the Year	156.12	11.45	100.56	8.01	100.88	8.88
Profit attributable to Owners of the Company	155.90	11.44	100.45	8.00	98.98	8.71

Gross Profit and Gross Profit Margin

The Company and its subsidiaries reported gross profit for the year 2016 accounted for 26.04% of total revenues from hospital operation greater than the previous year of 24.79% due mainly to higher growth of hospital revenues than its incurred costs gearing by the efficient cost control policy even facing of preparing and retaining experienced doctors, physicians, specialists and expertise team for upcoming expansion so as to be able to offer excellent care and deliver better service outcome to clients.

Net Profit and Net Profit Margin

The Company and its subsidiaries reported Baht 156.12 million net profit for the year 2016 or net profit margin of 11.45% which was better of or grown by 3.44% compared with last year caused the consolidated net profit attributable to equity owners of the Company for the year 2016 advanced to Baht 155.90 million, a growth of 55.21% over same period of last year. The growing performance was mainly driven by not only growing consolidated revenues of hospital and service with greater return on investment of Company Private Fund but also qualified and efficient 2016 costs and expenses management. The Company and subsidiaries' free of long term debt positions also enhanced the financial health reserved for its sustainable growth.

Analysis on Financial Position

Assets

The Company and its subsidiaries reported total assets as at December 31, 2016 of Baht 1,958.53 million having the current assets of Baht 804.69 million and the non-current accounted for Baht 1,153.83 million, or equivalent to 41.09% and 58.91% of total assets respectively. The classification of major items is as following:-



Cash and cash equivalents and temporary investments

Cash and cash equivalents and temporary investments as at December 31, 2016 was totaling of Baht 120.06 million or equivalent to 6.13% of total assets, a decrease from the year 2015 YoY due to the switch the excess portion of liquidity asset to earn more return by investing in Company private fund.

Trade and other receivables

As at December 31, 2016 the Company and its subsidiaries reported trade and other receivables totaling of Baht 100.54 million, or equivalent to 5.13% of total assets which consisted of:

Trade and other receivables	2016 Million Baht	2015 Million Baht	2014 (Restated) Million baht
Receivable from Social Security Office	11.62	34.33	1.08
Trade receivable - other	68.07	56.00	47.46
Total	79.69	90.33	48.54
(Less) Allowance for doubtful accounts	(9.76)	(7.26)	(4.62)
Total trade and other receivables -net	69.93	83.06	43.92

According to the above data table, the receivable from Social Security Office was decreased mainly due to the efficient payment from the Social Security Office. If considered only the trade receivable – other than from Social Security Office, there was reported of Baht 68.07 million which was in corresponded with growing revenues from normal course of business operation.

Receivable Aging Analysis	2016		2015		2014 (Restated)	
	Million Baht	%	Million Baht	%	Million Baht	%
Within credit term	24.61	30.88	21.94	24.29	20.28	41.78
Less than 3 months	36.51	45.83	31.13	34.46	18.06	37.20
3-6 months	5.77	7.24	17.33	19.19	4.44	9.14
6-12 months	5.88	7.38	15.52	17.18	2.23	4.60
Over 12 months	6.91	8.67	4.41	4.88	3.53	7.28
Total	79.69	100.00	90.33	100.00	48.54	100.00

The Company had the proportion of total accrued income within credit term altogether with less than 180 days to the total outstanding receivables increased by 6.01% due to the greater amount of receivables following Company's growing revenues from normal course of business operation. Hence, it is the Company's policy to cope with uncontrolled loss of receivables by having allowances in relation to unreceivables' aging that is to set 50% of receivables of which aging lines between 181-360 days for doubtful account and 100% of ones if aging far beyond 1 year.

Accrued revenues from hospital operations

As at December 31, 2016 the Company accrued its net revenues from hospital operations by Baht 150.64 million or equivalent to 7.69% of total assets with the following details:

Accrued hospital revenues	2016		2015		2014 (Restated)	
	Million Baht	%	Million Baht	%	Million Baht	%
Accrued revenues from hospital operations of Chronic diseases	62.85	41.72	54.40	40.27	50.00	28.61
Accrued revenues from hospital operations provided to patients with severe diseases	84.25	55.93	75.15	55.63	119.18	68.20
Accrued social security income – other	5.96	3.95	5.54	4.10	5.56	3.18
Allowance for doubtful account	(2.42)	-1.60	-	-	-	-
Total	150.64	100.00	135.09	100.00	174.73	100.00



Accrued medical treatment income represents medical income that has not been collected from the Social Security Office. The Company is not able to determine the certain amount to be collected. In this regard, the management is required to make an estimation of such accrued income in accordance with bases, methods and terms specified by such authority, and consider the amount of the latest actual collection together with the current circumstances. Accrued revenues from hospital operations provided to patients with Chronic diseases and with severe diseases were increased by 15.53% and 12.11% respectively mainly due to higher amount of registered types and SS patients admitted with such diseases .

Inventory

As at December 31, 2016 the Company and its subsidiaries have their inventory left totaling Baht 19.37 million or equivalent to 0.99% of total assets comprising medicines, medical supplies, miscellaneous and laboratory having details as follows:

Inventory	2016		2015		2014 (Restated)	
	Million Baht	%	Million Baht	%	Million Baht	%
Medicines	9.81	50.64	9.02	46.43	9.52	53.45
Medical supplies	3.03	15.64	3.71	19.09	5.27	29.59
Miscellaneous	3.60	18.59	4.15	21.35	1.36	7.64
Laboratory chemicals	2.93	15.13	2.55	13.12	1.66	9.32
Total	19.37	100.00	19.43	100.00	17.81	100.00

The overall status for the Company and its subsidiaries as at December 31, 2016 showed the inventory amounted to Baht 19.37 million decreasing from 2015-YOY by 0.31% reflected of more efficient inventory management.

Investment Property

As at December 31, 2016 the Company and its subsidiaries reported Baht 74.48 million of Investment Property value, equivalent to 3.80% of total assets comprising land and sport court owned by the Company but has been leased to Ladprao Education Co., Ltd. (LBS) for being the location of Ladprao Bi-Lingual School which also disclosed in the section of related parties' transaction.

Property, Plant and Equipment

As at December 31, 2016 the Company has its property, plant and equipment accounted for 48.47% of total assets with the value of Baht 949.21 million. The increase was generated by the incremental investment in the hospital buildings' renovation and the medical equipment and supplies in lines with the policy of striving to be excellent medical service provider.

SOURCES OF FUND

Liabilities

As at December 31, 2016, the Company and its subsidiaries reported their liabilities of Baht 351.25 million raised by 23.54% with the ratio of non-current liabilities to total liabilities of 34.57% increased by Baht 43.52 million from previous year mainly due to the incremental amount of investment in equipment by financial lease contracts and employee benefit obligations from recruits during the year.

Shareholders' Equity

As at December 31, 2016, the shareholders' equity value for the Company and its subsidiaries totaling of Baht 1,607.28 million, an increase by 2.30% mainly driven by total comprehensive income for the year 2016.



Audit Committee Report

ATTN: Shareholders of Ladprao General Hospital Public Co., Ltd.

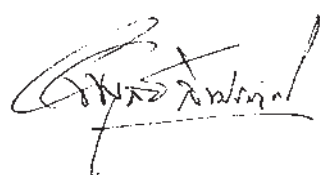
The audit Committee of Ladprao General Hospital Public Co., Ltd. has independently functioned duties in accordance with the audit committee charter, the notifications of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). The Company Audit Committee comprising 4 independent directors as the following:

Asst.Prof.Dr. Piboon Limprapat as	Chairman of the Audit Committee
Mr. Kunthon Nakporm	Audit Committee
Mrs. Benjawan Thanapaisanpipat	Audit Committee
Miss Thippawan Uthaisang	Audit Committee

Every committee has possessed their qualification, knowledge, and experience in finance, accounting, and corporate management in accordance with the Charter of the Audit Committee. In 2016, the Audit Committee held 4 quarterly meetings in which every audit committee and the independent auditor duly attended to fulfill its roles and responsibilities as stipulated in the audit committee charter comprising:

- Reviewed the quarterly and annual financial statements of the company and its subsidiaries by querying and gathering comments from management and the auditor. The audit committee has agreed that the financial statements have been correctly prepared in accordance with general accounting standards and all financial reports had adequate disclosure.
- Reviewed and assessed to ensure the internal control and audit system including risk management have been appropriate, effective, sufficient and adequate to the acceptable level for enhancing the Company in achieving its operation goals.
- Reviewed to safeguard the company's practices in compliance with the laws governing securities and exchange, stock exchange specifications or laws related to the company's business.
- Considered, selected and nominated the company's independent auditor including auditor' remuneration.
- Considered and reviewed to ensure the disclosure of accurate and adequate information belonging to the company in cases of connected transactions or transactions with potential conflicts of interest.
- Prepared quarterly reports on the activities of the Audit Committee to the Company's Board of Directors for the benefit of the business administration.

According to this fiscal year, the Audit Committee has rendered the opinion that the company's risk management, internal control, and corporate governance have transparent and effective disclosure of information. Financial reports are fairly presented in all material aspects, prepared in accordance with generally accepted standard, and appropriately disclosed, thereby enabling the Company to effectively achieve its goals.



Asst. Prof. Dr. Piboon Limprapat
Chairman of the Audit Committee
24 February 2016



Independent Auditor's Report

To the Shareholders and Board of Directors of
Ladprao General Hospital Public Company Limited

Opinion

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

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Ladprao General Hospital Public Company Limited and its subsidiaries as at December 31, 2016, its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of Ladprao General Hospital Public Company Limited as at December 31, 2016, its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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



Key Audit Matters

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

Revenue recognition from Social Security

As the Company has the revenue from in-patients Social Security with high cost diseases as shown in the consolidated and separate financial statements of 2016 amounting to Baht 176.07 million or 14.00% of the total revenue, The Management estimates recognition from the real received, which the Company will receive the income from the Social Security Office under the calculation approach and the rate specified in accordance with the announcement of the Medical Board issued under the Social Security Act B.E. 2533 dated February 10, 2012. Regarding the measuring process of the revenue amount to be recognized, it requires significant judgment of the management due to the uncertainty related to the amount to be received. It depends on the allocation of the Social Security Office in each year by considering the calculation according to the processing data of the Central Office for Healthcare Information. I therefore focus on revenue recognition from Social Security, due to the amount received from the Social Security Office is uncertain and the data received has been delayed.

I have considered the Company's information related to in-patients with high cost diseases by testing the completeness of document recording the number of users to the Social Security against the recording system of Social Security, testing the accuracy of the estimates of the management by comparing between the estimate guidelines of the management and guidelines, procedures and conditions announced by the Social Security Office and testing the items in journal entries the revenue recognition, including the comparison with historical data on money received.

Other Information

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



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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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



- Identify and assess the risks of material misstatement of the consolidated financial statements and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



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

(Miss. Sulalit Ardsawang)
Certified Public Accountant
Registration No. 7517

Dharmniti Auditing Company Limited
Bangkok, Thailand
February 24, 2017



LADPRAO GENERAL HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

		ASSETS				
		Baht				
		Consolidated financial statements		Separate financial statements		
Notes		2016	2015	2016	2015	
Current assets						
	Cash and cash equivalents	5	120,060,192.44	589,336,833.70	97,024,807.87	568,978,134.68
	Temporary investments	6	410,950,829.92	16,500,000.00	409,944,873.64	-
	Trade and other receivables	4, 7	100,543,049.58	90,337,790.55	79,126,565.82	76,690,729.77
	Accured revenues from hospital operations	8	150,646,725.84	135,085,207.93	150,646,725.84	135,085,207.93
	Inventories	9	19,369,278.87	19,431,561.53	14,184,770.75	15,191,522.77
	Other current assets		3,124,885.99	3,981,721.47	589,678.44	2,205,156.24
	Total current assets		804,694,962.64	854,673,115.18	751,517,422.36	798,150,751.39
Non-current assets						
	Fixed deposits		-	400,000.00	-	-
	Fixed deposits pledged as collateral	10	40,723,788.29	63,078,565.05	30,328,774.90	52,394,000.00
	Investments in subsidiaries	11	-	-	118,618,650.20	118,618,650.20
	Investment property	12	74,481,478.02	74,602,318.98	211,193,557.79	218,402,285.15
	Property, plant and equipment	13	949,206,434.59	774,870,885.73	781,672,914.91	608,911,986.25
	Land leasehold right	14	20,398,056.03	21,846,107.88	20,398,056.03	21,846,107.88
	Intangible assets	15	36,257,994.21	29,863,713.60	16,314,612.67	9,444,218.19
	Deferred tax assets	16	30,504,543.88	32,357,734.99	30,309,500.48	28,677,270.58
	Other non-current assets		2,258,736.41	3,781,034.51	1,131,326.00	1,221,252.00
	Total non-current assets		1,153,831,031.43	1,000,800,360.74	1,209,967,392.98	1,059,515,770.25
Total assets			1,958,525,994.07	1,855,473,475.92	1,961,484,815.34	1,857,666,521.64

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



LADPRAO GENERAL HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2016

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2016	2015	2016	2015
Current liabilities					
Overdrafts from financial institutions	17	21,663,583.32	2,620,310.41	21,663,583.32	2,620,310.41
Trade and other payables	4, 18	168,252,069.22	180,962,479.14	162,719,193.87	170,658,954.41
Current portion of liabilities under financial lease agreements	19	20,893,920.61	14,713,951.79	19,978,665.48	10,508,633.36
Income tax payables		8,745,473.56	2,046,891.36	8,745,473.56	2,046,891.36
Others current liabilities		10,278,285.76	6,095,103.46	5,455,652.15	1,355,142.80
Total current liabilities		229,833,332.47	206,438,736.16	218,562,568.38	187,189,932.34
Non - current liabilities					
Liabilities under financial lease agreements	19	65,560,449.02	40,236,247.30	65,560,449.02	39,320,992.17
Employee benefit obligations	20	44,526,095.00	31,914,440.94	40,751,777.00	29,356,368.94
Deferred tax liabilities	16	3,738,024.87	3,378,229.52	-	-
Other non - current liabilities	4	7,592,676.81	2,364,252.54	12,803,599.49	7,575,175.22
Total non - current liabilities		121,417,245.70	77,893,170.30	119,115,825.51	76,252,536.33
Total liabilities		351,250,578.17	284,331,906.46	337,678,393.89	263,442,468.67

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



LADPRAO GENERAL HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2016

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Shareholders' equity					
Share capital					
Authorized share capital					
750,000,000 ordinary shares, Baht 0.50 par value		375,000,000.00	375,000,000.00	375,000,000.00	375,000,000.00
Issued and fully paid-up					
750,000,000 ordinary shares, Baht 0.50 par value		375,000,000.00	375,000,000.00	375,000,000.00	375,000,000.00
Premium on ordinary shares		922,834,728.00	922,834,728.00	922,834,728.00	922,834,728.00
Premium from purchasing of investment in subsidiary		5,627,738.31	5,627,738.31	-	-
Retained earnings					
Appropriated					
Legal reserve		37,500,000.00	37,500,000.00	37,500,000.00	37,500,000.00
Unappropriated		265,278,659.09	229,245,580.62	288,471,693.45	258,889,324.97
Total equity attributable to owners of the company		1,606,241,125.40	1,570,208,046.93	1,623,806,421.45	1,594,224,052.97
Non-controlling interests		1,034,290.50	933,522.53	-	-
Total shareholders' equity		1,607,275,415.90	1,571,141,569.46	1,623,806,421.45	1,594,224,052.97
Total liabilities and shareholders' equity		1,958,525,994.07	1,855,473,475.92	1,961,484,815.34	1,857,666,521.64

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



LADPRAO GENERAL HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2016

		Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2016	2015	2016	2015
REVENUES					
Revenues from hospital operations		1,213,158,112.01	1,145,710,443.30	1,213,821,432.86	1,146,195,690.44
Revenues from services		115,323,242.66	98,400,758.09	-	-
Other incomes					
Investments income, net of private fund	6	21,939,639.70	-	21,939,639.70	-
Dividend income	4, 11	-	-	13,399,182.50	4,899,777.50
Rental income	4	5,333,863.07	4,614,163.85	12,005,863.07	11,286,163.85
Others	4	7,171,841.34	6,979,223.62	4,873,984.15	6,758,896.70
Total revenues		1,362,926,698.78	1,255,704,588.86	1,266,040,102.28	1,169,140,528.49
EXPENSES					
Cost of hospital operations	4	919,251,802.62	880,975,930.86	919,251,802.62	881,191,733.61
Cost of services		63,241,666.49	54,722,863.51	-	-
Services and administrative expenses	4	153,017,714.46	141,568,888.67	138,826,004.67	124,665,126.58
Management remuneration	4	36,638,746.00	33,391,845.12	28,374,970.00	26,021,674.12
Finance costs	4	3,005,771.14	19,585,419.11	2,762,771.74	20,831,264.84
Total expenses		1,175,155,700.71	1,130,244,947.27	1,089,215,549.03	1,052,709,799.15
Profit before income tax expenses		187,770,998.07	125,459,641.59	176,824,553.25	116,430,729.34
Income tax expenses	26	31,647,828.18	24,902,083.68	27,847,914.22	22,169,718.28
Profit for the year		156,123,169.89	100,557,557.91	148,976,639.03	94,261,011.06
Other comprehensive income :					
Items that will not be reclassified to profit or loss					
Actuarials loss on the defined employee benefit plans,					
net income tax	20	(7,389,205.95)	-	(6,894,270.55)	-
Other comprehensive income (loss) for the year		(7,389,205.95)	-	(6,894,270.55)	-
Total comprehensive income for the year		148,733,963.94	100,557,557.91	142,082,368.48	94,261,011.06

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



LADPRAO GENERAL HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2016

		Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2016	2015	2016	2015
REVENUES					
Revenues from hospital operations		1,213,158,112.01	1,145,710,443.30	1,213,821,432.86	1,146,195,690.44
Revenues from services		115,323,242.66	98,400,758.09	-	-
Other incomes					
Investments income, net of private fund	6	21,939,639.70	-	21,939,639.70	-
Dividend income	4, 11	-	-	13,399,182.50	4,899,777.50
Rental income	4	5,333,863.07	4,614,163.85	12,005,863.07	11,286,163.85
Others	4	7,171,841.34	6,979,223.62	4,873,984.15	6,758,896.70
Total revenues		1,362,926,698.78	1,255,704,588.86	1,266,040,102.28	1,169,140,528.49
EXPENSES					
Cost of hospital operations	4	919,251,802.62	880,975,930.86	919,251,802.62	881,191,733.61
Cost of services		63,241,666.49	54,722,863.51	-	-
Services and administrative expenses	4	153,017,714.46	141,568,888.67	138,826,004.67	124,665,126.58
Management remuneration	4	36,638,746.00	33,391,845.12	28,374,970.00	26,021,674.12
Finance costs	4	3,005,771.14	19,585,419.11	2,762,771.74	20,831,264.84
Total expenses		1,175,155,700.71	1,130,244,947.27	1,089,215,549.03	1,052,709,799.15
Profit before income tax expenses		187,770,998.07	125,459,641.59	176,824,553.25	116,430,729.34
Income tax expenses	26	31,647,828.18	24,902,083.68	27,847,914.22	22,169,718.28
Profit for the year		156,123,169.89	100,557,557.91	148,976,639.03	94,261,011.06
Other comprehensive income :					
Items that will not be reclassified to profit or loss					
Actuarials loss on the defined employee benefit plans,					
net income tax	20	(7,389,205.95)	-	(6,894,270.55)	-
Other comprehensive income (loss) for the year		(7,389,205.95)	-	(6,894,270.55)	-
Total comprehensive income for the year		148,733,963.94	100,557,557.91	142,082,368.48	94,261,011.06

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



LADPRAO GENERAL HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit attributable to					
Owners of the company		155,902,946.68	100,445,180.41	148,976,639.03	94,261,011.06
Non-controlling interests of the subsidiaries		220,223.21	112,377.50	-	-
		<u>156,123,169.89</u>	<u>100,557,557.91</u>	<u>148,976,639.03</u>	<u>94,261,011.06</u>
Total comprehensive income attributable to					
Owners of the company		148,533,078.47	100,445,180.41	142,082,368.48	94,261,011.06
Non-controlling interests of the subsidiaries		200,885.47	112,377.50	-	-
		<u>148,733,963.94</u>	<u>100,557,557.91</u>	<u>142,082,368.48</u>	<u>94,261,011.06</u>
Basic earnings per share					
Attributable to owners of the company	27	<u>0.21</u>	<u>0.17</u>	<u>0.20</u>	<u>0.16</u>





LADPRAO GENERAL HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2016

	Baht						
	Consolidated financial statements						
	Issued and paid-up share capital	Premium on ordinary shares	Premium from purchasing of investment in subsidiary	Retained earnings	Total share holders' equity of the company	Non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated to legal reserve			
				Unappropriated			
Notes							
Balance at December 31, 2014	275,000,000.00	45,245,628.00	5,627,738.31	37,500,000.00	525,173,766.52	921,262.53	526,095,029.05
Paid - up capital	100,000,000.00	877,589,100.00	-	-	977,589,100.00	-	977,589,100.00
Dividend payment	-	-	-	-	(33,000,000.00)	-	(33,000,000.00)
Dividend payment for non-controlling interests	-	-	-	-	-	(100,117.50)	(100,117.50)
Total comprehensive income for the year	-	-	-	-	100,445,180.41	112,377.50	100,557,557.91
Balance at December 31, 2015	375,000,000.00	922,834,728.00	5,627,738.31	37,500,000.00	1,570,208,046.93	933,522.53	1,571,141,569.46
Dividend payment	-	-	-	-	(112,500,000.00)	-	(112,500,000.00)
Dividend payment for non-controlling interests	-	-	-	-	-	(100,117.50)	(100,117.50)
Total comprehensive income for the year	-	-	-	-	148,533,078.47	200,885.47	148,733,963.94
Balance at December 31, 2016	375,000,000.00	922,834,728.00	5,627,738.31	37,500,000.00	1,606,241,125.40	1,034,290.50	1,607,275,415.90

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

LADPRAO GENERAL HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Notes	Baht				
		Separate financial statements				
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings	Total shareholders' equity	
				Appropriated to legal reserve	Unappropriated	
Balance at December 31, 2014		275,000,000.00	45,245,628.00	37,500,000.00	197,628,313.91	555,373,941.91
Paid-up capital	22	100,000,000.00	877,589,100.00	-	-	977,589,100.00
Dividend payment	24	-	-	-	(33,000,000.00)	(33,000,000.00)
Total comprehensive income for the year		-	-	-	94,261,011.06	94,261,011.06
Balance at December 31, 2015		375,000,000.00	922,834,728.00	37,500,000.00	258,889,324.97	1,594,224,052.97
Dividend payment	24	-	-	-	(112,500,000.00)	(112,500,000.00)
Total comprehensive income for the year		-	-	-	142,082,368.48	142,082,368.48
Balance at December 31, 2016		375,000,000.00	922,834,728.00	37,500,000.00	288,471,693.45	1,623,806,421.45

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



LADPRAO GENERAL HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit for the year	156,123,169.89	100,557,557.91	148,976,639.03	94,261,011.06
Adjustments to profit for the year to cash provided by (used in) from operations:				
Interest income	(2,013,084.97)	(1,681,399.27)	(1,598,075.96)	(1,573,382.78)
Investments income from private fund	(17,004,425.75)	-	(17,004,425.75)	-
Unrealized gain on investments from private fund	(4,935,213.95)	-	(4,935,213.95)	-
Loss from sales of fixed assets	365,281.93	1,416,634.88	264,407.90	1,285,734.18
Other incomes - consultant payable	(2,151,350.00)	-	-	-
Dividend income	-	-	(13,399,182.50)	(4,899,777.50)
Doubtful accounts	4,921,697.56	2,646,707.87	5,159,241.51	2,598,981.59
Bad debts	909,696.95	880,749.58	909,696.95	880,749.58
Written off withholding tax	1,465,760.06	684,700.68	-	-
Depreciation	60,523,438.55	55,135,293.34	54,013,274.92	47,425,831.69
Amortization	3,843,451.85	2,738,614.10	3,048,490.58	2,024,532.20
Employee benefit expenses	6,519,183.00	4,552,962.79	5,752,570.00	4,109,367.79
Finance costs	3,005,771.14	19,585,419.11	2,762,771.74	20,831,264.84
Income tax expenses	31,647,828.18	24,902,083.68	27,847,914.22	22,169,718.28
Profit from operations before changes in operating assets and liabilities	243,221,204.44	211,419,324.67	211,798,108.69	189,114,030.93
Changes in operating assets - (Increase) Decrease				
Trade and other receivables	(11,178,424.10)	(43,508,210.48)	(3,602,818.78)	(42,473,500.87)
Accrued revenues from hospital operations	(17,982,463.09)	39,649,538.92	(17,982,463.09)	39,649,538.92
Inventories	62,282.66	(1,617,959.05)	1,006,752.02	(1,383,224.34)
Current assets	1,650,249.50	(234,039.28)	1,615,477.80	(189,404.70)
Other non - current assets	1,522,298.10	(1,533,328.02)	89,926.00	(1,185,000.00)
Changes in operating liabilities - Increase (Decrease)				
Trade and other payables	(11,270,867.16)	38,732,240.18	(8,740,912.78)	36,790,297.45
Other currents liabilities	4,183,182.30	(703,847.38)	4,100,509.35	(499,136.39)
Other non - current liabilities	5,228,424.27	700,912.64	5,228,424.27	700,912.64
Cash generated from operation	215,435,886.92	242,904,632.20	193,513,003.48	220,524,513.64
Cash received from interest income	1,472,481.15	1,742,717.48	1,106,791.95	1,467,589.97
Cash paid for employee benefit obligations	(2,975,000.00)	(1,116,780.00)	(2,975,000.00)	(1,116,780.00)
Cash paid for income tax	(23,317,168.49)	(22,009,493.52)	(21,057,994.41)	(21,314,220.24)
Net cash provided by operating activities	190,616,199.58	221,521,076.16	170,586,801.02	199,561,103.37

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



LADPRAO GENERAL HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Increase in long-term fixed deposit	(1,005,956.28)	(400,000.00)	-	-
Increase in temporary investments	(388,109,659.69)	(16,500,000.00)	(405,009,659.69)	-
Cash received from investments of private fund	14,477,947.55	-	14,477,947.55	-
(Increase) decrease in restricted deposits	22,354,776.76	(62,395,180.65)	22,065,225.10	(52,394,000.00)
Cash paid for purchase of property, plant and equipment	(187,034,299.16)	(55,540,177.20)	(171,686,785.35)	(51,230,130.46)
Cash paid for purchase of intangible assets	(8,263,479.25)	(1,479,478.83)	(7,929,256.40)	(256,800.00)
Cash received from sale of fixed assets	454,360.00	130,000.00	454,360.00	130,000.00
Cash paid for land leasehold right	-	(8,421,052.64)	-	(8,421,052.64)
Dividend received from subsidiaries	-	-	13,399,182.50	4,899,777.50
Cash received for interest income	629,797.76	-	536,751.66	-
Net cash used in investing activities	(546,496,512.31)	(144,605,889.32)	(533,692,234.63)	(107,272,205.60)
Cash flows from financing activities				
Cash received for paid-up capital	-	971,986,375.00	-	971,986,375.00
Increase (decrease) in overdrafts from financial institutions	19,043,272.91	(52,953,740.73)	19,043,272.91	(46,635,207.42)
Cash received for short-term loans from related company	-	-	-	25,770,000.00
Cash paid for short-term loans from related company	-	-	-	(85,290,000.00)
Cash received for short-term loans from related persons and parties	-	48,100,000.00	-	48,100,000.00
Cash paid for short-term loans from related persons and parties	-	(91,900,000.00)	-	(73,400,000.00)
Cash paid for liabilities under financial lease agreements	(19,340,530.03)	(12,681,310.60)	(15,135,211.60)	(6,447,262.60)
Cash received from long-term loans from financial institution	-	7,295,800.00	-	7,295,800.00
Cash paid for long-term loans from financial institution	-	(308,072,978.00)	-	(308,072,978.00)
Dividend payment	(112,500,000.00)	(33,000,000.00)	(112,500,000.00)	(33,000,000.00)
Dividend paid to non-controlling interests	(100,117.50)	(100,117.50)	-	-
Cash paid for interest expenses	(498,953.91)	(18,388,245.64)	(255,954.51)	(24,638,171.88)
Net cash provided by (used in) financing activities	(113,396,328.53)	510,285,782.53	(108,847,893.20)	475,668,555.10
Net increase (decrease) in cash and cash equivalents	(469,276,641.26)	587,200,969.37	(471,953,326.81)	567,957,452.87
Cash and cash equivalents at beginning of the year	589,336,833.70	2,135,864.33	568,978,134.68	1,020,681.81
Cash and cash equivalents at end of the year	120,060,192.44	589,336,833.70	97,024,807.87	568,978,134.68

Additional disclosure items to cash flows statements

Non-cash transaction :

Liabilities under financial lease agreements	48,082,165.53	39,620,000.00	48,082,165.53	39,620,000.00
--	---------------	---------------	---------------	---------------

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



NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

1. GENERAL INFORMATION

1.1 Legal status

The Company was established under Thai law.

The Company was registered as public company limited under the Limited Public Company on March 11, 1993.

The Company was listed on the SET (Stock Exchange of Thailand) on October 28, 2015.

1.2 The registered office

The registered address of the Company is at 2699 Ladprao Road, Klongchaokunsing, Wangthonglang, Bangkok, Thailand.

1.3 Nature of the Company's business

The Company is principally engaged in hospital business.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis for preparation of the financial statements

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

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

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

2.2 Basis of consolidated financial statements preparation

- a) The consolidated financial statements include the financial statements of Ladprao General Hospital Public Company Limited and its subsidiaries are as follows:-



Name of Subsidiaries	Type of business	Head office	Percentage of holding (% of share capital)	
			2016	2015
Ladprao General Hospital 2 Co., Ltd.	Private Hospital (Pre- operating stage)	Bangkok	99.99	99.99
Asia Medical and Agricultural Laboratory and Research Center Co, Ltd.	Scientific analytical and diagnostic services and research for medical, agricultural, food and drug	Bangkok	97.14	97.14
Asia Business Management Center Co, Ltd.	Hospital Management & Consulting services	Bangkok	99.99	99.99

- b) The consolidated financial statements are prepared by using uniform accounting policies. So that the transaction and the others event which are the same or the similar circumstances have been used the identical policies to record those transaction.
- c) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- d) 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

The Company prepared the separate financial statements for the benefit of the public which presented investments in subsidiaries under the cost method.

2.3 The new and revised accounting standards are effective in the current year

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

Conceptual Framework for Financial Reporting (revised 2015)

TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 11 (revised 2015)	Construction Contracts



TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2015)	Earnings Per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agriculture
TFRS 2 (revised 2015)	Share-Based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance Contracts
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 10 (revised 2015)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2015)	Operating Leases - Incentives



TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2015)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2015)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2015)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 14 (revised 2015)	TAS 19 (revised 2015)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies

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



3. ACCOUNTING POLICIES

3.1 Revenue and expense recognition

Revenues from hospital operations, mainly consisting of medical service, hospital room and medicine charges, are recognized as income when services have been rendered or medicine delivered.

Revenues from Social Security Office of the treatment and service to patients are under the social security system, it's recognized as revenue when it meets certain conditions.

Revenues from services are recognized when the service are rendered.

Revenues from obtaining dividends are recognized as income when the right to receive the dividends is established.

Interest income are recognized on an accrual basis based on the effective rate.

Other income and expense are recognized on an accrual basis.

Investment income recognizes on an accrual basis as follows:-

Interest income is recognized on the accrual time basis.

Interest income arising from amortization of premium or discount of debt security is calculated by effective rate basis.

Dividend income is recognized when dividend is declared.

Gain or loss on sale of investments is recognized on trade date and the cost of investments is calculated by the weighted average cost basis.

Unrealized gain (loss) from valuation of investments is recognized as income or expense in the statement of comprehensive income.

3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash, cash at banks and deposits at financial institutions and all highly liquid investments with an original maturity of 3 months or less and without withdrawal restrictions.

3.3 Temporary investment

General investment comprises fixed deposit with maturity of 3-12 months.

Investment in securities held-for-trading as investments in private fund, are stated at fair value.

Fair value of securities held by private fund calculated by fair value of listed securities (including the subscription rights) is based on the closing price of securities quoted on the Stock Exchange of Thailand. The fair value of bills of exchange, treasury bills, debentures and bonds are calculated from the latest yield-rate quoted on The Thai Bonds Market Association.



3.4 Trade receivable and allowance for doubtful accounts

Trade receivable is stated at the net realized 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 as of the reported date.

3.5 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is calculated on weighted average basis.

The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties, transportation charges and other direct costs incurred in acquiring the inventories less all trade discounts, allowances or rebates.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

3.6 Investments in subsidiaries

Subsidiaries are those companies in which the Company has the power to control the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights.

In separate financial statement, investments in subsidiaries are stated at cost net of allowance for impairment (if any).

3.7 Investment property

Investment property, including the property held to earn rental income or for capital appreciation or for both. It is not intended for sale or use in the business as usual, process procurement of goods, services, management.

Investments properties are stated at cost less accumulated depreciation and loss on impairment.

Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful lives of each item. The estimated useful lives are 20-30 years.

3.8 Property, plant and equipment and depreciation

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

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets including any other costs directly attributable to bringing the assets to a



working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, which are the obligations of the company (if any).

Expenditure related to renewal or improvement of assets which will materially increase the replacement value of the assets will be combined as investment cost. The costs of the repair and maintenance servicing of property, plant and equipment are recognized as expenses for the period incurred.

Depreciation of plant and equipment is calculated by cost less residual value on the straight-line basis over the following estimated useful lives:-

	Useful lives (year)
Building	20-30
Building improvement	15, 20
Structure on leasehold property	Lease contract period
Utility systems	15-30
Laboratory equipment	10-15
Medical equipment and instruments	15
Others	5

No depreciate is provided for construction in progress.

The Company and its subsidiaries have reviewed the residual value and useful lives of the assets every year.

The depreciation is separately recorded if any of the components significantly cost compared with its original cost.

Depreciation is included in determining business performance.

Property, plant and equipment are written off at disposal. Any gain or loss arising from sale or disposal of an asset is recognized in the statement of comprehensive income.

3.9 Borrowing costs

Borrowing costs directly attributed to the acquisition or construction of an asset that necessarily takes long time to put in ready to use or available for sale state are capitalized as part of the cost of the respective asset until that asset condition is ready for its intended use. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs arising from such borrowing.

3.10 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses which intangible assets were as follows:



3.10.1 Computer program

Computer program are stated at cost less accumulated amortization. Amortization is charged to expenses on a straight-line basis over the estimated useful life of 10 years.

3.10.2 Computer network

Computer network are stated at cost less accumulated amortization. Amortization is charged to expenses on a straight-line basis over the estimated useful life of 10 years.

3.10.3 The certified laboratory standard

The subsidiary's intangible assets represented the certified laboratory standards. Their costs are composed of the development cost of analytical testing procedures and all relevant processes of official approval for the certified standard and the accredited laboratory from the accreditation and/or recognizing government bodies. After being approved, the subsidiary will be granted the certified standard and the accredited laboratory and able to provide certified laboratory services to customers. Such incurred development costs are recorded as "The certified laboratory standard".

The Subsidiary can continually render its services subject to the on-going renewal of 2 years certification from Bureau of Laboratory Quality Standards, Ministry of Public Health, 3 years certification from Bureau of Laboratory Accreditation, Ministry of Science and Technology and from Thai Industrial Standards Institute (TISI), Ministry of Industry.

Subsidiary considers to write-off the certified laboratory standard as an expense when it is restrained and/or retreated by the accreditation and/or recognizing government bodies or considered as unsatisfied future economic benefits for the company.

3.11 Impairment of assets

The carrying amounts of the Company and its subsidiaries, other than inventories are reviewed at the reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive income.

Calculation of recoverable amount

The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.



Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. All reversals of impairment losses are recognized in the statement of comprehensive income.

3.12 Leases

Financial leases

Leases which transfer to the Company most of substantial risks and rewards of ownership others than legal title, are accounted for as financial leases. At the inception of the lease, the fair value of assets is recorded together with the obligation, excluding interest element, to pay future rentals (if any). Interest or financial charges are recognized as expenses in the statement of comprehensive income in proportion to the principal balance.

Operating leases

Leases where most of the substantial risks and rewards of ownership of assets still remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

3.13 Financial instruments

The Company and its subsidiaries have no policy to speculate in or engage in the trading of any financial derivative instruments.

Financial instruments carried in the balance sheets include deposits at financial institutions, accounts receivable, accounts payable, bank overdrafts, short-term loans from financial institutions, long-term loans, income tax payable, accrued expenses and finance lease payable. The particular accounting methods adopted are disclosed in the individual policy statements associated with each item.

3.14 Using of accounting estimation

Preparation of financial statements in conformity with the financial reporting standards requires management to estimate and make assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results may differ from those aforesaid estimation.



3.15 Provisions

The Company and its subsidiary companies provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

3.16 Employee benefits

Short-term employment benefits

The Company and its subsidiaries recognize salary, wage, bonus and contributions to social security fund as expenses when incurred.

Post-employment benefits (Defined contribution plans)

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

Post-employment benefits (Defined benefit plans)

The Company and its subsidiaries have obligation in respect of the severance payments that it must pay to the employees upon retirement under the labor law. The Company treats these severance payment obligations as a defined benefit plan.

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

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

Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in other comprehensive income as a part of retain earning.



3.17 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

3.18 Income tax

Income tax comprises current income tax and deferred tax.

Current tax

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

Deferred tax

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

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company and its subsidiaries will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.



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

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

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

3.19 Basic earnings per share

Basic earnings per share are calculated by dividing profit for the year with the weighted average number of the issued and paid-up shares at the end of the period.

3.20 Significant accounting judgements and estimates

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

Allowance for doubtful accounts

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

Accrued revenues from hospital operations

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

Impairment of investment in subsidiary

In determining reviews the impairment of investment in the subsidiary, the management is required to prepare projections of the cash flows expected to be generated by the investment in the future, and to choose a suitable discount rate in order to calculate the present value of those cash flows.



Leases

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

Investment property and depreciation

In determining depreciation of investment property, the management is required to make estimates of the useful lives and residual values of the investment property and to review the useful lives and residual values when there are any changes.

In addition, the management is required to review investment property for impairment on a periodical basis and record the impairment loss when it is determined that the recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review.

In determining the fair value disclosure of investment property, the management used the income approach supported by current and previous valuations by an independent appraiser.

Property, plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review the estimated useful lives and residual values when there are any changes.

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

Intangible assets

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

Deferred tax assets

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



Post-employment benefits (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.

4. RELATED PARTIES TRANSACTIONS

The Company and its subsidiaries have certain transactions with its related parties. These companies are related through common shareholdings and/or directorships. The effects of these transactions are reflected in the accompanying financial statements on the basis mutual determined by the Company and related parties.

Relationships with related parties that control the Company or are being controlled by the Company or have transactions with the Company and its subsidiaries are as follows:

Related parties	Nature of relationships
1. Subsidiaries	
1.1. Ladprao General Hospital 2 Co., Ltd.	99.99% shareholding
1.2 Asia Medical and Agricultural Laboratory and Research Center Co., Ltd.	97.14% shareholding
1.3 Asia Business Management Center Co., Ltd.	99.99% shareholding
2. Related company	
2.1. L.P. Holding Co., Ltd.	shareholding in the Company 26.80%
2.2 Ladprao Education Co., Ltd.	Common directors
2.3 Asia Medical Laboratory and Research Center Co., Ltd.	Common directors
2.4 Ladprao Hospital Foundation	Common directors
3. Related person	Directors of the Company

Related parties significant transactions in statements of financial position as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade receivable				
- Subsidiary				
Asia Medical and Agricultural Laboratory and Research Center Co., Ltd.	-	-	245,632.45	221,027.10
Total	-	-	245,632.45	221,027.10



	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Accrued expenses				
- Subsidiary				
Asia Business Management Center Co., Ltd.	-	-	8,000,000.00	4,000,000.00
Total	-	-	8,000,000.00	4,000,000.00
Deposit				
- Subsidiaries				
Asia Medical and Agricultural Laboratory and Research Center Co., Ltd.	-	-	1,667,940.00	1,667,940.00
Asia Business Management Center Co., Ltd.	-	-	4,000,000.00	4,000,000.00
Total	-	-	5,667,940.00	5,667,940.00

Related parties significant transactions in the statements of comprehensive income as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Revenues from hospital operations				
- Subsidiary				
Asia Medical and Agricultural Laboratory and Research Center Co., Ltd.	-	-	663,320.85	485,247.14
- Related companies				
Ladprao Education Co., Ltd.	941,492.58	638,546.11	941,492.58	638,546.11
Total	941,492.58	638,546.11	1,604,813.43	1,123,793.25
Rental income				
- Subsidiary				
Asia Medical and Agricultural Laboratory and Research Center Co., Ltd.	-	-	6,672,000.00	6,672,000.00
- Related companies				
Ladprao Education Co., Ltd.	2,400,000.00	-	2,400,000.00	-
Asia Medical Laboratory and Research Center Co., Ltd.	-	1,700,000.00	-	1,700,000.00
Total	2,400,000.00	1,700,000.00	9,072,000.00	8,372,000.00
Dividend income				
- Subsidiaries				
Asia Medical and Agricultural Laboratory and Research Center Co., Ltd.	-	-	3,399,882.50	3,399,882.50
Asia Business Management Center Co., Ltd.	-	-	9,999,300.00	1,499,895.00
Total	-	-	13,399,182.50	4,899,777.50



	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cost of hospital operations				
- Subsidiary				
Asia Medical and Agricultural Laboratory and Research Center Co., Ltd.	-	-	-	215,802.75
Total	-	-	-	215,802.75
Management fee				
- Subsidiary				
Asia Business Management Center Co., Ltd.	-	-	33,600,000.00	24,000,000.00
Total	-	-	33,600,000.00	24,000,000.00
Training expense				
- Related companies				
Ladprao Education Co., Ltd.		200,000.00	-	200,000.00
Total		200,000.00	-	200,000.00
Interest expense				
- Subsidiaries				
Ladprao General Hospital 2 Co., Ltd.	-	-	-	448,815.13
Asia Medical and Agricultural Laboratory and Research Center Co., Ltd.	-	-	-	2,036,963.03
Asia Business Management Center Co., Ltd.	-	-	-	153,570.22
- Related companies				
L.P. Holding Co., Ltd.	-	108,389.73	-	108,389.73
- Related persons	-	2,274,675.29	-	1,741,853.42
Total	-	2,383,065.02	-	4,489,591.53

Management remuneration

Management remuneration represents the benefits payable to the directors and the Company's management as described in accordance with the Securities and Exchange Act including salaries, related benefit and remuneration except doctor fees.



Management remuneration for the years ended December 31, 2016 and 2015 as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Short-term employee benefits	35,648,625.00	32,633,500.00	27,464,625.00	25,349,500.00
Post-employment benefits	990,121.00	758,345.12	910,345.00	672,174.12
Total	36,638,746.00	33,391,845.12	28,374,970.00	26,021,674.12

On July 1, 2016 the Company entered into the Hospital Management Contracts with the executive for the period of 3 years commencing from July 1, 2016 to June 30, 2019 for Ladprao Hospital and Ladprao 2 Hospital at a certain monthly rate of Baht 0.25 million and Baht 0.15 million, respectively and therefore recorded the remuneration in the consolidated for the year ended December 31, 2016 at the amount of Baht 2.40 million and the separate of Baht 1.50 million.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash on hand	822,353.35	1,110,663.41	741,464.00	1,064,145.41
Deposits at banks - current accounts	4,310,178.50	3,928,611.08	(1,163,164.48)	1,246,740.54
- savings accounts	20,572,963.48	69,817,959.53	3,091,811.24	66,087,649.05
- special saving account	94,354,697.11	500,579,599.68	94,354,697.11	500,579,599.68
- fixed deposit 3 months	-	13,900,000.00	-	-
Total cash and cash equivalents	120,060,192.44	589,336,833.70	97,024,807.87	568,978,134.68

As at December 31, 2016 and 2015, the Company has special saving with one Thai Bank at fixed interest rate of 1.30% - 1.40% per annum.

Cash at bank-current account with credit balance, the Company has made an agreement to allow the bank to automatically transfer funds from the savings account to such current account, in case of an overdraft.



6. TEMPORARY INVESTMENTS

Temporary investments consisted of :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deposits at bank - fixed deposit 5 months	1,005,956.28	16,500,000.00	-	-
Investment in securities held-for-trading				
- Private fund	409,944,873.64	-	409,944,873.64	-
Total temporary investments	410,950,829.92	16,500,000.00	409,944,873.64	-

As at December 31, 2016 and 2015, the Company has the temporarily investments at the amount of Baht 1.01 million and Baht 16.50 million, respectively by investing in fixed bank deposits and 5-18 months certificate of deposits at the return rate 1.25% - 3.00% per annum.

On January 25, 2016, the Company has acquired the capital to invest in the private funds amounted Baht 500.50 million (comprising 500,500,000 units) and during the second quarter of 2016, the Fund had decreased its capital and paid to the Company at the amount of Baht 100 million. As a result, the balance of investment units of the private fund as at December 31, 2016 is 402,667,604.71 units.

Investments income from private fund for the years ended December 31, 2016 and 2015, as recorded in statement of comprehensive income are as follows :-

	Baht	
	Consolidated/Separate financial statements	
	2016	2015
Investment income	8,208,427.09	-
Realized gain from investment	9,616,899.76	-
Unrealized gain from investment	4,935,213.95	-
Total expenses	(820,901.10)	-
Total investments income	21,939,639.70	-



7. TRADE AND OTHER RECEIVABLES

Trade and other receivables consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade receivable;				
Receivable from Social Security Office	11,625,235.00	34,331,944.64	11,625,235.00	34,331,944.64
Trade receivable - other	68,074,419.33	56,001,518.99	52,351,781.14	44,849,829.60
Total	79,699,654.33	90,333,463.63	63,977,016.14	79,181,774.24
Less Allowance for doubtful accounts				
Beginning balance	(7,266,118.66)	(4,619,410.79)	(6,875,045.43)	(4,276,063.84)
(Increase) Decrease	(2,500,752.38)	(2,646,707.87)	(2,738,296.33)	(2,598,981.59)
Ending balance	(9,766,871.04)	(7,266,118.66)	(9,613,341.76)	(6,875,045.43)
Trade receivable - net	69,932,783.29	83,067,344.97	54,363,674.38	72,306,728.81
Other receivable;				
Accrued income	4,605,363.13	1,968,078.50	-	-
Prepaid expense	7,253,635.09	3,713,258.57	6,260,309.97	2,870,921.29
Advance payable	1,144,947.38	656,120.79	920,589.88	648,147.34
Accrued interest income	84,654.26	173,848.20	60,325.16	105,792.81
Receivable sale of securities	14,082,674.78	-	14,082,674.78	-
Accrued investment income	2,526,478.20	-	2,526,478.20	-
Others	912,513.45	759,139.52	912,513.45	759,139.52
Total other receivable	30,610,266.29	7,270,445.58	24,762,891.44	4,384,000.96
Total trade and other receivables -net	100,543,049.58	90,337,790.55	79,126,565.82	76,690,729.77

Trade receivable can be classified by age analysis as follow:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Within credit terms	24,609,815.37	21,944,891.28	18,862,828.93	16,362,638.13
Less than 3 months	36,515,364.54	31,128,151.83	28,502,799.51	26,052,329.07
3-6 months	5,776,849.74	17,331,701.05	5,191,123.70	17,232,235.99
6-12 months	5,885,194.48	15,519,395.29	4,703,997.23	15,484,862.10
Over 12 months	6,912,430.20	4,409,324.18	6,716,266.77	4,049,708.95
Total trade receivable	79,699,654.33	90,333,463.63	63,977,016.14	79,181,774.24



8. ACCRUED REVENUES FROM HOSPITAL OPERATIONS

Accrued revenues from hospital operations consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Accrued revenues from hospital operations of Chronic diseases	62,855,383.00	54,398,015.00	62,855,383.00	54,398,015.00
Accrued revenues from hospital operations Provided to patients with severe diseases	84,253,405.11	75,145,002.93	84,253,405.11	75,145,002.93
Accrued social security income - other	5,958,882.91	5,542,190.00	5,958,882.91	5,542,190.00
Total accrued revenues from hospital operations	153,067,671.02	135,085,207.93	153,067,671.02	135,085,207.93
Less Allowance for doubtful account	(2,420,945.18)	-	(2,420,945.18)	-
Total accrued revenues form hospital operations	150,646,725.84	135,085,207.93	150,646,725.84	135,085,207.93

9. INVENTORIES

Inventories consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Medicines	9,809,082.51	9,022,076.85	9,809,082.51	9,022,076.85
Medical supplies	3,030,226.76	3,710,073.47	3,030,226.76	3,710,073.47
Miscellaneous	3,600,769.82	4,149,473.75	1,345,461.48	2,459,372.45
Laboratory chemicals	2,929,199.78	2,549,937.46	-	-
Total inventories	19,369,278.87	19,431,561.53	14,184,770.75	15,191,522.77

10. RESTRICTED DEPOSITS

As at December 31, 2016 and 2015, the Company and its subsidiary's fixed deposit 3 - 12 months and saving accounts amounting to Baht 40.72 million and Baht 63.08 million, respectively as well as Baht 30.33 million and Baht 52.39 million, respectively, in the separate financial statements were pledged as collateral for the letter of guarantee issued by a local commercial bank and to secure bank overdraft with interest at the rate 1.1% - 1.5% per annum. Any interests earned by the Company are not restricted.

On July 29, 2016, the Bank already released the pledged fixed deposit 3 - 12 months secured for the issued letter of guarantee amounting to Baht 13.40 million (the separate amounting to Baht 13.00 million) to the Company and subsidiary.



11. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as represented in separate financial statements, as follows:

Name of subsidiaries	Paid up share capital		Percentage of Shareholding (%)		Separate financial statements	
					Cost method (Baht)	
	2016	2015	2016	2015	2016	2015
1. Ladprao General Hospital 2 Co., Ltd.	12,500,000.00	12,500,000.00	99.99	99.99	12,499,850.00	12,499,850.00
2. Asia Medical and Agricultural Laboratory and Research Center Co., Ltd.	100,000,000.00	100,000,000.00	97.14	97.14	97,139,500.20	97,139,500.20
3. Asia Business Management Center Co., Ltd.	10,000,000.00	10,000,000.00	99.99	99.99	9,999,300.00	9,999,300.00
Total investments in subsidiaries					119,638,650.20	119,638,650.20
Less Allowance for impairment of investments						
- Ladprao General Hospital 2 Co., Ltd.					(1,020,000.00)	(1,020,000.00)
Investment in subsidiaries - net					118,618,650.20	118,618,650.20

Dividend from subsidiary companies for the years ended December 31, 2016 and 2015 were as follows :

Name of subsidiaries	Type of business	Relationship	Baht	
			Separate financial statements	
			2016	2015
1. Ladprao General Hospital 2 Co., Ltd.	Private Hospital (Pre- operating Stage)	Shareholders /Co – directors	-	-
2. Asia Medical and Agricultural Laboratory and Research Center Co., Ltd.	Scientific analytical and diagnostic services and research for medical, agricultural, food and drug	Shareholders /Co – directors	3,399,882.50	3,399,882.50
3. Asia Business Management Center Co., Ltd.	Hospital Management & Consulting services	Shareholders /Co - directors	9,999,300.00	1,499,895.00
Total dividend			13,399,182.50	4,899,777.50

The subsidiaries that have material non-controlling interests

The Consolidated financial statements has consolidated Asia Medical and Agricultural Laboratory and Research Center Co, Ltd. that have material non-controlling interest:

Name of subsidiaries	Proportion of ownership interests and voting rights held by non-controlling interests		Baht			
			Profit(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	2016	2015	2016	2015	2016	2015
Asia Medical and Agricultural Laboratory and Research Center Co, Ltd.	2.86	2.86	200,885.47	112,377.50	1,074,602.86	973,834.93
Other	0.00	0.00	-	-	(40,312.36)	(40,312.36)
Total			200,885.47	112,377.50	1,034,290.50	933,522.57



Summarized financial information in respect of Asia Medical and Agricultural Laboratory and Research Center Co, Ltd. before any intragroup eliminations.

	Baht	
	2016	2015
Current assets	35,133,917.62	37,507,535.71
Non-current assets	93,861,728.59	89,445,833.35
Current liabilities	11,870,872.45	14,123,838.11
Non-current liabilities	6,657,262.72	5,885,987.50
Revenues	115,677,593.53	100,864,693.42
Profit attributable to the non-controlling interests	220,223.21	112,377.50
Other comprehensive income to the non-controlling interests	200,885.47	112,377.50
Dividends paid to non-controlling interests	100,117.50	100,117.50
Net cash provided by operating activities	10,142,768.30	13,375,396.59
Net cash provided by (used in) investing activities	(1,422,093.77)	19,178,258.51
Net cash used in financing activities	(7,871,400.83)	(28,894,333.94)
Net increase cash	849,273.70	3,659,321.16

12. INVESTMENT PROPERTY

Investment property consisted of:

	Baht		
	Consolidated financial statements		
	Balance as at	transactions during the year	
	December 31, 2015	Increase	Decrease
<u>Cost</u>			
Land and Land improvement	74,251,714.87	-	-
Sport court	1,517,331.34	-	-
Total	75,769,046.21	-	-
<u>Accumulated depreciation</u>			
Sport court	(1,166,727.23)	(120,840.96)	-
Total	(1,166,727.23)	(120,840.96)	-
Investment property - net	74,602,318.98		



	Baht			
	Consolidated financial statements			
	Balance as at	transactions during the year		Balance as at
	December 31, 2014	Increase	Decrease	December 31, 2015
<u>Cost</u>				
Land and Land improvement	74,251,714.87	-	-	74,251,714.87
Sport court	1,517,331.34	-	-	1,517,331.34
Total	75,769,046.21	-	-	75,769,046.21
<u>Accumulated depreciation</u>				
Sport court	(1,045,886.27)	(120,840.96)	-	(1,166,727.23)
Total	(1,045,886.27)	(120,840.96)	-	(1,166,727.23)
Investment property - net	74,723,159.94			74,602,318.98

	Baht			
	Separate financial statements			
	Balance as at	transactions during the year		Balance as at
	December 31, 2015	Increase	Decrease	December 31, 2016
<u>Cost</u>				
Land and Land improvement	106,251,714.87	-	-	106,251,714.87
Building Center's laboratory and research	113,583,357.18	-	-	113,583,357.18
Building systems and infrastructure	41,416,642.82	-	-	41,416,642.82
Sport court	604,204.59	-	-	604,204.59
Total	261,855,919.46	-	-	261,855,919.46
<u>Accumulated depreciation</u>				
Building Center's laboratory and research	(27,421,861.56)	(3,782,325.72)	-	(31,204,187.28)
Building systems and infrastructure	(15,778,172.27)	(3,305,560.68)	-	(19,083,732.95)
Sport court	(253,600.48)	(120,840.96)	-	(374,441.44)
Total	(43,453,634.31)	(7,208,727.36)	-	(50,662,361.67)
Investment property - net	218,402,285.15			211,193,557.79



	Baht			
	Separate financial statements			
	Balance as at	transactions during the year		Balance as at
	December 31, 2014	Increase	Decrease	December 31, 2015
<u>Cost</u>				
Land and Land improvement	106,251,714.87	-	-	106,251,714.87
Building Center's laboratory and research	113,583,357.18	-	-	113,583,357.18
Building systems and infrastructure	41,416,642.82	-	-	41,416,642.82
Sport court	604,204.59	-	-	604,204.59
Total	261,855,919.46	-	-	261,855,919.46
<u>Accumulated depreciation</u>				
Building Center's laboratory and research	(23,639,535.84)	(3,782,325.72)	-	(27,421,861.56)
Building systems and infrastructure	(12,472,611.59)	(3,305,560.68)	-	(15,778,172.27)
Sport court	(132,759.52)	(120,840.96)	-	(253,600.48)
Total	(36,244,906.95)	(7,208,727.36)	-	(43,453,634.31)
Investment property - net	225,611,012.51			218,402,285.15

The Company provides the land lease to a related company. The lease agreement is made for 3 years period from November 26, 2013 to November 25, 2016 and a monthly rental charges at Baht 100,000.00 and since July 20, 2015, the Company has revised a monthly rental charges at the Baht 200,000.

The Company also provides the building lease to a subsidiary. The lease agreement is made for 2 years and 3 months and the monthly rental charges for the years ended December 31, 2015 and 2014 amounting to Baht 6.67 million. The Company has classified the investment properties which are leased to subsidiary as land, plant and equipment in the consolidated financial statements of the Company.

In 2013, the Company has the investment properties valued by an independent professional appraiser. By the market approach, the land has the appraised value of Baht 118.83 million, whereas, In 2015 the buildings which are intended for rent are appraised by the income approach taken into account of net income from market rental. The discounted cash flow is determined at a rate of 10 percent considering risk-free rate of government bonds plus reasonable rate of business risk resulted the appraised value of Baht 151 million. The fair value of investment property appraised by independent professional appraiser in the consolidated and separate financial statements is equal to Baht 118.83 million and Baht 269.83 million, respectively.



13. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of:

	Baht			
	Consolidated financial statements			
	Balance as at December 31, 2015	transactions during the year		
		Increase	Decrease	Balance as at December 31, 2016
<u>Cost</u>				
Land	147,664,192.18	-	-	147,664,192.18
Hospital buildings and improvements	523,511,681.00	28,421,744.55	-	563,057,125.29
Building Center's laboratory and research	76,553,603.48	1,545,869.22	-	78,099,472.70
Dormitory buildings and improvements	35,973,184.35	-	-	35,973,184.35
Building systems and infrastructure	74,092,042.55	5,075,545.00	-	80,172,062.89
Buildings on Leasehold	13,471,059.45	144,956.42	-	21,725,303.69
Medical equipment and supplies	288,586,360.34	66,194,947.19	(29,891,590.35)	324,889,717.18
Laboratory and Equipment	112,563,011.37	11,884,757.35	(1,707,040.70)	122,740,728.02
Equipment room patients	3,583,805.89	190,740.00	(140,533.37)	3,634,012.52
Equipment and office equipment	43,733,055.36	11,746,671.19	(3,453,664.64)	51,404,391.91
Furniture and fixtures	20,437,405.01	2,119,902.94	(625,060.30)	22,192,876.11
Vehicles	33,030,782.40	1,506,500.00	-	34,537,282.40
Assets under construction	46,659,973.15	107,252,355.87	-	133,414,237.66
Total	1,419,860,156.53	236,083,989.73	(35,817,889.36)	1,619,504,586.90
<u>Accumulated depreciation</u>				
Hospital buildings and improvements	(273,803,740.60)	(15,169,819.99)	-	(288,973,560.59)
Building Center's laboratory and research	(21,240,233.24)	(2,642,153.32)	-	(23,882,386.56)
Dormitory buildings and improvements	(24,817,860.67)	(622,632.36)	-	(25,440,493.03)
Building systems and infrastructure	(27,236,272.63)	(5,299,465.56)	-	(32,535,738.19)
Buildings on Leasehold	(7,332,694.94)	(3,484,990.37)	-	(10,817,685.31)
Medical equipment and supplies	(154,400,959.56)	(17,797,087.81)	29,196,347.32	(143,001,700.05)
Laboratory and Equipment	(61,265,700.21)	(7,453,056.11)	1,621,604.12	(67,097,152.20)
Equipment room patients	(3,539,593.93)	(52,410.38)	140,480.37	(3,451,523.94)
Equipment and office equipment	(34,279,266.87)	(3,778,609.83)	3,430,422.06	(34,547,361.45)
Furniture and fixtures	(14,995,544.46)	(1,049,674.44)	624,769.02	(15,420,449.88)
Vehicles	(22,077,403.69)	(3,052,697.42)	-	(25,130,101.11)
Total	(644,989,270.80)	(60,402,597.59)	35,013,622.89	(670,298,152.31)
Property, plant and equipment - net	774,870,885.73			949,206,434.59



	Baht			
	Consolidated financial statements			
	Balance as at	transactions during the year		
	December 31, 2014	Increase	Decrease	Balance as at December 31, 2015
			(Transfer-out)	
<u>Cost</u>				
Land	147,664,192.18	-	-	147,664,192.18
Hospital buildings and improvements	521,666,531.00	333,542.00	-	523,511,681.00
Building Center's laboratory and research	76,537,667.48	15,936.00	-	76,553,603.48
Dormitory buildings and improvements	35,973,184.35	-	-	35,973,184.35
Building systems and infrastructure	72,192,423.05	1,899,619.50	-	74,092,042.55
Buildings on Leasehold	13,560,190.21	-	(254,840.00)	13,471,059.45
Medical equipment and supplies	261,530,205.18	42,263,790.00	(15,207,634.84)	288,586,360.34
Laboratory and Equipment	109,607,655.80	3,789,245.77	(833,890.20)	112,563,011.37
Equipment room patients	5,103,955.83	-	(1,520,149.94)	3,583,805.89
Equipment and office equipment	46,470,998.39	3,041,970.07	(5,779,913.10)	43,733,055.36
Furniture and fixtures	72,348,594.20	137,152.60	(52,048,341.79)	20,437,405.01
Vehicles	36,532,878.87	-	(3,502,096.47)	33,030,782.40
Assets under construction	3,016,304.24	45,320,986.15	-	46,659,973.15
Total	1,402,204,780.78	96,802,242.09	(79,146,866.34)	1,419,860,156.53
<u>Accumulated depreciation</u>				
Hospital buildings and improvements	(259,223,344.69)	(14,580,395.91)	-	(273,803,740.60)
Building Center's laboratory and research	(15,055,770.18)	(6,184,463.06)	-	(21,240,233.24)
Dormitory buildings and improvements	(24,195,228.31)	(622,632.36)	-	(24,817,860.67)
Building systems and infrastructure	(24,478,504.55)	(2,757,768.08)	-	(27,236,272.63)
Buildings on Leasehold	(5,765,576.55)	(1,821,955.39)	254,837.00	(7,332,694.94)
Medical equipment and supplies	(154,814,852.37)	(13,380,054.85)	13,793,947.66	(154,400,959.56)
Laboratory and Equipment	(54,431,868.59)	(7,584,627.96)	750,796.34	(61,265,700.21)
Equipment room patients	(4,799,869.15)	(259,742.72)	1,520,017.94	(3,539,593.93)
Equipment and office equipment	(37,040,531.21)	(3,014,624.65)	5,775,888.99	(34,279,266.87)
Furniture and fixtures	(65,373,270.17)	(1,668,963.08)	52,046,688.79	(14,995,544.46)
Vehicles	(22,440,251.84)	(3,139,224.32)	3,502,072.47	(22,077,403.69)
Total	(667,619,067.61)	(55,014,452.38)	77,644,249.19	(644,989,270.80)
Property, plant and equipment - net	734,585,713.17			774,870,885.73



	Baht				
	Separate financial statements				
	Balance as at December 31, 2015	transactions during the year			Balance as at December 31, 2016
		Increase	Decrease	Transfer-in	
				(Transfer-out)	
<u>Cost</u>					
Land	115,664,192.18	-	-	-	115,664,192.18
Hospital buildings and improvements	523,511,681.00	28,421,744.55	-	11,123,699.74	563,057,125.29
Dormitory building and improvements	35,973,184.35	-	-	-	35,973,184.35
Building systems and infrastructure	33,005,638.49	5,075,545.00	-	1,004,475.34	39,085,658.83
Buildings on Leasehold	13,471,059.45	144,956.42	-	8,109,287.82	21,725,303.69
Medical equipment and supplies	288,586,360.34	66,194,947.19	(29,891,590.35)	-	324,889,717.18
Equipment room patients	3,583,805.89	190,740.00	(140,533.37)	-	3,634,012.52
Equipment and office equipment	35,994,488.10	9,919,128.95	(2,983,096.69)	(621,670.00)	42,308,850.36
Furniture and fixture	16,365,334.54	2,119,902.94	(625,060.30)	260,628.46	18,120,805.64
Vehicles	31,453,231.00	1,506,500.00	-	-	32,959,731.00
Assets under construction	46,659,973.15	107,252,355.87	-	(20,498,091.36)	133,414,237.66
Total	1,144,268,948.49	220,825,820.92	(33,640,280.71)	(621,670.00)	1,330,832,818.70
<u>Accumulated depreciation</u>					
Hospital buildings and improvements	(273,817,713.78)	(15,169,819.99)	-	-	(288,987,533.77)
Dormitory building and improvements	(24,827,211.73)	(622,632.36)	-	-	(25,449,844.09)
Building systems and infrastructure	(9,607,611.50)	(2,275,065.65)	-	-	(11,882,677.15)
Buildings on Leasehold	(7,332,694.94)	(3,484,990.37)	-	-	(10,817,685.31)
Medical equipment and supplies	(154,400,959.56)	(17,797,087.81)	29,196,347.32	-	(143,001,700.05)
Equipment room patients	(3,539,593.93)	(52,410.38)	140,480.37	-	(3,451,523.94)
Equipment and office equipment	(27,409,012.36)	(3,300,169.14)	2,959,916.11	80,093.19	(27,669,172.20)
Furniture and fixture	(13,922,309.15)	(1,049,674.44)	624,769.02	-	(14,347,214.57)
Vehicles	(20,499,855.29)	(3,052,697.42)	-	-	(23,552,552.71)
Total	(535,356,962.24)	(46,804,547.56)	32,921,512.82	80,093.19	(549,159,903.79)
Property, plant and equipment - net	608,911,986.25				781,672,914.91



	Baht			
	Separate financial statements			
	Balance as at	transactions during the year		
	December 31, 2014	Increase	Decrease	Balance as at December 31, 2015
<u>Cost</u>				
Land	115,664,192.18	-	-	115,664,192.18
Hospital buildings and improvements	521,666,531.00	333,542.00	-	523,511,681.00
Dormitory building and improvements	35,973,184.35	-	-	35,973,184.35
Building systems and infrastructure	31,106,018.99	1,899,619.50	-	33,005,638.49
Buildings on Leasehold	13,560,190.21	-	(254,840.00)	13,471,059.45
Medical equipment and supplies	261,530,205.18	42,263,790.00	(15,207,634.84)	288,586,360.34
Equipment room patients	5,103,955.83	-	(1,520,149.94)	3,583,805.89
Equipment and office equipment	38,672,211.54	2,804,926.10	(5,482,649.54)	35,994,488.10
Furniture and fixture	68,276,523.73	137,152.60	(52,048,341.79)	16,365,334.54
Vehicles	34,955,327.47	-	(3,502,096.47)	31,453,231.00
Assets under construction	3,016,304.24	45,320,986.15	-	46,659,973.15
Total	1,129,524,644.72	92,760,016.35	(78,015,712.58)	1,144,268,948.49
<u>Accumulated depreciation</u>				
Hospital buildings and improvements	(259,237,317.87)	(14,580,395.91)	-	(273,817,713.78)
Dormitory building and improvements	(24,204,579.37)	(622,632.36)	-	(24,827,211.73)
Building systems and infrastructure	(7,498,067.34)	(2,109,544.16)	-	(9,607,611.50)
Buildings on Leasehold	(5,765,576.55)	(1,821,955.39)	254,837.00	(7,332,694.94)
Medical equipment and supplies	(154,814,852.37)	(13,380,054.85)	13,793,947.66	(154,400,959.56)
Equipment room patients	(4,799,869.15)	(259,742.72)	1,520,017.94	(3,539,593.93)
Equipment and office equipment	(30,256,835.36)	(2,634,591.54)	5,482,414.54	(27,409,012.36)
Furniture and fixture	(64,300,034.86)	(1,668,963.08)	52,046,688.79	(13,922,309.15)
Vehicles	(20,862,703.44)	(3,139,224.32)	3,502,072.47	(20,499,855.29)
Total	(571,739,836.31)	(40,217,104.33)	76,599,978.40	(535,356,962.24)
Property, plant and equipment - net	557,784,808.41			608,911,986.25

The cost of fully depreciated assets of the Company and its subsidiaries that has been still in use as at December 31, 2016 and 2015 in the consolidated financial statements amounted to Baht 115.50 million and Baht 128.84 million, respectively and in the separate financial statements amounted to Baht 84.99 million and Baht 108.36 million, respectively.

As at December 31, 2016 and 2015, the Company has medical equipment and vehicles under the financial lease agreement at net book value of Baht 91.82 million and Baht 51.57 million, respectively.

As at December 31, 2016 and 2015, a subsidiary has entered into one and two of sell and leaseback agreements, respectively (Financial lease) with a local company for the purchase of laboratory equipment at net book value of Baht 4.56 million and Baht 16.00 million, respectively.



14. LAND LEASEHOLD RIGHT

Land leasehold right represented the initial prepaid land rental paid to lessor under the lease agreements consisted of:

Lease agreements	Periods	Baht	
		Consolidated financial statements/ Separate financial statements	
		2016	2015
Agreement No.1	April 2013 - March 2043	15,789,473.69	15,789,473.69
Agreement No.2 - 4	January 2014 - December 2023	8,910,416.47	8,910,416.47
Total		24,699,890.16	24,699,890.16
Less Accumulated amortization		(4,301,834.13)	(2,853,782.28)
Land leasehold right - net		20,398,056.03	21,846,107.88

For the years ended December 31, 2016 and 2015, the Company has amortized land leasehold right of Baht 1.44 million and Baht 1.31 million, respectively and recorded the rental payment of Baht 1.66 million and Baht 1.66 million, respectively as service and administrative expenses.

As at December 31, 2016 and 2015, the Company has land lease agreements for car parking space (4 contracts) as follows:

- Agreement No. 1 Lease agreement for period of 20 years commencing from April 1, 2013 to March 31, 2033. The rental charges are as follows:

<u>Term of periods</u>	<u>Rental charge (Baht/year)</u>
April 1, 2013 - March 31, 2023	447,368.42
April 1, 2023 - March 31, 2033	492,105.26

On August 1, 2015, the Company had entered into an agreement to extend the lease term from 20 years to 30 years, the Company had paid for the land leasehold right the additional amount of Baht 8.42 million rental charge are as follows:

<u>Term of periods</u>	<u>Rental charge (Baht/year)</u>
April 1, 2033 - March 31, 2043	584,375.00

- Agreement No. 2 - 4 Lease agreement for period of 10 years commencing from January 1, 2014 to December 31, 2023. The rental charges are Baht 1,220,905.26 per year.



15. INTANGIBLE ASSETS

Intangible assets consisted of:

	Baht			
	Consolidated financial statements			
	Balance as at	transactions during the year		Balance as at
	December 31, 2015	Increase	Decrease	December 31, 2016
<u>Cost</u>				
Computer software	14,919,207.22	1,289,500.00	(59,700.00)	7,418,310.00
Computer network	-	4,501,404.40	-	-
Certificate standards test	13,812,878.42	-	-	146,625.46
The computer program during the installation	6,796,640.00	2,197,352.00	-	(6,796,640.00)
The certificate standards test under consideration	1,658,599.98	275,222.85	-	(146,625.46)
total	37,187,325.62	8,263,479.25	(59,700.00)	621,670.00
<u>Accumulated amortization</u>				
Computer software	(7,323,612.02)	(2,224,777.09)	44,324.55	(80,093.19)
Computer network	-	(170,622.91)	-	-
total	(7,323,612.02)	(2,395,400.00)	44,324.55	(80,093.19)
Intangible assets - net	29,863,713.60			36,257,994.21

	Baht			
	Consolidated financial statements			
	Balance as at	transactions during the year		Balance as at
	December 31, 2014	Increase	Decrease	December 31, 2015
<u>Cost</u>				
Computer software	14,162,707.22	756,500.00	-	-
Certificate standards test	13,837,357.64	-	(27,987.67)	3,508.45
The computer program during the installation	6,539,840.00	256,800.00	-	-
The certificate standards test under consideration	1,211,959.66	466,178.83	(16,030.06)	(3,508.45)
total	35,751,864.52	1,479,478.83	(44,017.73)	-
<u>Accumulated amortization</u>				
Computer software	(5,901,740.00)	(1,421,872.02)	-	-
total	(5,901,740.00)	(1,421,872.02)	-	-
Intangible assets - net	29,850,124.52			29,863,713.60



	Baht			
	Separate financial statements			
	Balance as at	transactions during the year		Balance as at
	December 31, 2015	Increase	Decrease	December 31, 2016
				(Transfer-out)
<u>Cost</u>				
Computer software	7,077,901.63	1,230,500.00	-	7,418,310.00
Computer network	-	4,501,404.40	-	-
The computer program during the installation	6,796,640.00	2,197,352.00	-	(6,796,640.00)
total	13,874,541.63	7,929,256.40	-	621,670.00
<u>Accumulated amortization</u>				
Computer software	(4,430,323.44)	(1,429,815.82)	-	(80,093.19)
Computer network	-	(170,622.91)	-	-
total	(4,430,323.44)	(1,600,438.73)	-	(80,093.19)
Intangible assets - net	9,444,218.19			16,314,612.67

	Baht		
	Separate financial statements		
	Balance as at	transactions during the year	
	December 31, 2014	Increase	Decrease
<u>Cost</u>			
Computer software	7,077,901.63	-	-
The computer program during the installation	6,539,840.00	256,800.00	-
total	13,617,741.63	256,800.00	-
<u>Accumulated amortization</u>			
Computer software	(3,722,533.32)	(707,790.12)	-
total	(3,722,533.32)	(707,790.12)	-
Intangible assets - net	9,895,208.31		9,444,218.19

16. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities as follows:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deferred tax assets	30,504,543.88	32,357,734.99	35,118,847.09	32,339,286.35
Deferred tax liabilities	(3,738,024.87)	(3,378,229.52)	(4,809,346.61)	(3,662,015.77)
	26,766,519.01	28,979,505.47	30,309,500.48	28,677,270.58



Changing for the years ended December 31, 2016 and 2015 are summarized as follows:

	Baht			
	Consolidated financial statements			
	As at December	Revenue (expenses) during the year		As at December
	31, 2015	In profit or loss	In other comprehensive income	31, 2016
Deferred tax assets:				
Trade receivable	1,375,009.09	1,031,848.30	-	2,406,857.39
Property, plant and equipment	25,093,003.47	(531,369.17)	-	24,561,634.30
Employee benefit obligations	6,088,414.99	578,718.70	1,678,265.11	8,345,398.80
Tax loss carry forward	3,463,323.21	(3,463,323.21)	-	-
Total	36,019,750.76	(2,384,125.38)	1,678,265.11	35,313,890.49
Deferred tax liabilities:				
Financial lease agreements	7,040,245.29	(520,083.40)	-	7,560,328.69
Unrealized gain from valuation of investment	-	(987,042.79)	-	987,042.79
Total	7,040,245.29	(1,507,126.19)	-	8,547,371.48

	Baht			
	Consolidated financial statements			
	As at December	Revenue (expenses) during the year		As at December
	31, 2014	In profit or loss	In other comprehensive income	31, 2015
Deferred tax assets:				
Trade receivable	855,212.77	519,796.32	-	1,375,009.09
Property, plant and equipment	25,622,565.27	(529,561.80)	-	25,093,003.47
Employee benefit obligations	5,465,476.23	622,938.76	-	6,088,414.99
Tax loss carry forward	5,230,703.81	(1,767,380.60)	-	3,463,323.21
Total	37,173,958.08	(1,154,207.32)	-	36,019,750.76
Deferred tax liabilities:				
Financial lease agreements	6,627,861.13	412,384.16	-	7,040,245.29
Total	6,627,861.13	412,384.16	-	7,040,245.29



	Baht			
	Separate financial statements			
	As at December	Revenue (expenses) during the year		As at December
	31, 2015	In profit or loss	In other comprehensive income	31, 2016
Deferred tax assets:				
Trade receivable	1,375,009.09	1,031,848.30	-	2,406,857.39
Property, plant and equipment	25,093,003.47	(531,369.17)	-	24,561,634.30
Employee benefit obligations	5,871,273.79	555,514.10	1,723,567.51	8,150,355.40
Total	32,339,286.35	1,055,993.23	1,723,567.51	35,118,847.09
Deferred tax liabilities:				
Financial lease agreements	3,662,015.77	(160,288.05)	-	3,822,303.82
Unrealized gain from investment valuation of	-	(987,042.79)	-	987,042.79
Total	3,662,015.77	(1,147,330.84)	-	4,809,346.61

	Baht			
	Separate financial statements			
	As at December	Revenue (expenses) during the year		As at December
	31, 2014	In profit or loss	In other comprehensive income	31, 2015
Deferred tax assets:				
Trade receivable	855,212.77	519,796.32	-	1,375,009.09
Property, plant and equipment	25,622,565.27	(529,561.80)	-	25,093,003.47
Employee benefit obligations	5,272,756.23	598,517.56	-	5,871,273.79
Total	31,750,534.27	588,752.08	-	32,339,286.35
Deferred tax liabilities:				
Financial lease agreements	4,239,037.61	(577,021.84)	-	3,662,015.77
Total	4,239,037.61	(577,021.84)	-	3,662,015.77



17. OVERDRAFTS FROM FINANCIAL INSTITUTIONS

Overdrafts from financial institutions consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Overdrafts from financial institutions				
Unsecured	-	-	-	-
Secured (*)	21,663,583.32	2,620,310.41	21,663,583.32	2,620,310.41
Total overdrafts from financial institutions	21,663,583.32	2,620,310.41	21,663,583.32	2,620,310.41

Credit lines (Million Baht)

Overdrafts from financial institutions

Unsecured	15	15	15	15
Secured (*)	40	40	30	30

* As at December 31, 2016 and 2015, secured by 3-month-fixed deposit of the Company amounted to Baht 30 million (note 10) and the subsidiary amounted to Baht 10 million with interest rate of 0.75% and 1.50% per annum + fixed interest of the restricted deposit respectively.

18. TRADE AND OTHER PAYABLES

Trade and other payables consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade payable	53,804,050.90	56,170,347.27	49,887,356.03	53,208,721.75
Other payable				
Advance revenues from hospital operations	5,216,915.00	4,569,915.00	5,216,915.00	4,569,915.00
Advance received	779,708.42	907,186.71	725,442.47	842,564.73
Accrued doctors' fee	21,504,056.49	20,267,484.41	21,504,056.49	20,267,484.41
Accrued revenues from hospital operations	44,622,493.17	64,636,875.15	44,622,493.17	64,636,875.15
Accrued expenses	35,021,378.51	31,921,323.00	33,706,232.25	24,992,234.07
Payable from purchase of securities	4,114,386.92	-	4,114,386.92	-
Others	3,189,079.81	2,489,347.60	2,942,311.54	2,141,159.30
Total other payable	114,448,018.32	124,792,131.87	112,831,837.84	117,450,232.66
Total trade and other payables	168,252,069.22	180,962,479.14	162,719,193.87	170,658,954.41



19. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS

Liabilities under financial lease agreements consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Due within 1 year				
Minimum payment	24,255,242.66	17,185,477.20	23,327,909.25	12,816,399.60
Finance cost	(3,361,322.05)	(2,471,525.41)	(3,349,243.77)	(2,307,766.24)
Present value of minimum payment	20,893,920.61	14,713,951.79	19,978,665.48	10,508,633.36
Due over 1 year but not over 5 years				
Minimum payment	70,293,457.50	43,899,647.26	70,293,457.50	42,972,312.85
Finance cost	(4,733,008.48)	(3,663,399.96)	(4,733,008.48)	(3,651,320.68)
Present value of minimum payment	65,560,449.02	40,236,247.30	65,560,449.02	39,320,992.17

As at December 31, 2016 and 2015, the Company and its subsidiaries have engaged in 19 and 15 outstanding financial lease agreements, respectively which Three of them are by the sell and leaseback, with two local companies to acquire medical and laboratory equipment and 6 financial lease agreements with local companies for the vehicle purchase. The repayment are 60 monthly installments. The assets ownership transfer shall be made after last installment. The subsidiary has the Company as guarantor for its with 1 financial lease agreement.

20. EMPLOYEE BENEFIT OBLIGATIONS

Movement of employee benefits obligations for the years ended December 31, 2016 and 2015 as follows:

The statements of financial position

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Defined benefit obligations at beginning balance	31,914,440.94	28,478,258.15	29,356,368.94	26,363,781.15
Actuarial loss	9,067,471.06	-	8,617,838.06	-
Benefits paid by the plan	(2,975,000.00)	(1,116,780.00)	(2,975,000.00)	(1,116,780.00)
Current service costs and interest	6,519,183.00	4,552,962.79	5,752,570.00	4,109,367.79
Defined benefit obligations at ending balance	44,526,095.00	31,914,440.94	40,751,777.00	29,356,368.94



Expense recognized in comprehensive income

For the years ended December 31, 2016 and 2015

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Current service costs				
Cost of hospital operations	3,428,455.09	2,330,126.83	3,105,628.00	2,168,033.91
Services and administrative expenses	980,728.63	487,393.78	705,122.40	358,621.86
Management remuneration	636,837.63	327,883.89	582,342.64	273,265.73
	5,046,021.35	3,145,404.50	4,393,093.04	2,799,921.50
Interest on obligations	1,473,161.65	1,407,558.29	1,359,476.96	1,309,446.29
Total	6,519,183.00	4,552,962.79	5,752,570.00	4,109,367.79

Expense recognized in other comprehensive income:

For the years ended December 31, 2016 and 2015

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Actuarial loss - net income tax	7,389,205.95	-	6,894,270.55	-

Principal actuarial assumptions in the estimates based on the actuarial principles

For the years ended December 31, 2016 and 2015

	Percentage			
	Consolidated Financial statements		Separate Financial statement	
	2016	2015	2016	2015
Discount rate	3.58	4.64	3.58	4.64
Salary increase rate	5.00	5.00	5.00	5.00
Employee turnover rate				
Less than 30 years	5.00 - 35.00	1.00 - 30.00	5.00 - 30.00	8.00 - 25.00
Age 31 - 40 years	5.00 - 17.00	1.00 - 15.00	5.00 - 15.00	4.00 - 15.00
Age 41 - 50 years	1.00 - 5.00	1.00 - 5.00	2.00 - 3.00	3.00 - 5.00
Age 51 - 60 years	0.00 - 1.00	0.00 - 1.00	0.00 - 1.00	0.00 - 1.00
Disability rate	5.00 of mortality rate	5.00 of mortality rate	5.00 of mortality rate	5.00 of mortality rate
Mortality rate	80.00 of Thai mortality table 2008	80.00 of Thai mortality table 2008	80.00 of Thai mortality table 2008	80.00 of Thai mortality table 2008



Sensitivity analysis

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

	Baht			
	Consolidated financial statements		Separate financial statements	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(4,740,531.00)	5,671,526.00	(4,213,214.00)	5,028,936.00
Salary increase rate	5,814,348.00	(4,955,727.00)	5,168,177.00	(4,416,058.00)
Turnover rate	(5,031,115.00)	4,194,636.00	(4,468,174.00)	3,686,005.00

21. CAPITAL MANAGEMENT

The primary objectives for capital management of the Company and its subsidiaries are to ensure the appropriate financial structure and sustain future development of business. According to the statements, the financial position as at December 31, 2016 and 2015 are as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Debt to equity ratio	0.22 : 1	0.18 : 1	0.21 : 1	0.17 : 1

22. SHARE CAPITAL

Year 2015

On October 16 and 19-21, 2015, the Company made an initial public offering of 200,000,000 shares at the offering price of Baht 5.00 each, totaling Baht 1,000 million. On October 22, 2015, the Company completely received all payment for the initial public offering. The Company issued shares to

- Public Investors amounting to 181,540,000 shares
- Directors and/or Executives of the Company and/or its subsidiaries amounting to 18,460,000 shares

The Company registered the change in its paid-up capital from Baht 275 million (550,000,000 ordinary shares of Baht 0.50 each) to Baht 375 million (750,000,000 ordinary shares of Baht 0.50 each) with the Ministry of Commerce on October 22, 2015.

The Stock Exchange of Thailand (SET) approved the listing of Company's ordinary shares as securities on the SET, and allowed for publicly trading commencing on October 28, 2015. The Company incurred expenses relating to the shares offering totaling Baht 22.41 million (net of income tax of Baht 5.60 million), and these were presented as a deduction from the premium on ordinary shares.



23. LEGAL RESERVE

In compliance with the Public Company Act, B.E.2535 (1992), the Company has to set aside a portion of annual net profit for legal reserve not less than 5% of annual net profit until this reserve is not less than 10% of authorized capital. Such reserve is not allowed to pay for dividend.

24. DIVIDEND AND LEGAL RESERVE

Company

Year 2016

According to the minutes of the Annual General Shareholders' Meeting No.27/2016 dated April 25, 2016, it was approved to pay the annual dividend of 2015 at Baht 0.15 per share for 750,000,000 shares amounting to Baht 112.50 million. The dividend paid on May 24, 2016.

Year 2015

At the Company Annual General Meeting of Shareholders no. 26/2015, held on dated April 3, 2015, the shareholders resolved to approve the dividend payment for 275,000,000 ordinary shares from 2014 annual net profit at Baht 0.22 per share and had a resolution to acknowledge the interim dividend paid for 275,000,000 ordinary shares on October 21, 2014, from net profit for the nine-months period ended September 30, 2014 at Baht 0.10 per share, amounting to Baht 27.50 million. The shareholders also approved the second dividend payment for 550,000,000 ordinary shares at Baht 0.06 per share, totaling Baht 33.00 million. This dividend payment was made on May 1, 2015.

Subsidiary - Asia Medical and Agricultural Laboratory and Research Center Co.,Ltd.

Year 2016

According to the minutes of the Annual General Shareholders' Meeting of the subsidiary No. 12/2016 dated April 23, 2016, it was approved to pay the dividends from the net profit of 2015 at Baht 0.35 per share for 10,000,000 shares amounting to Baht 3.50 million after the appropriation of a legal reserve amount of Baht 205,930.39. The dividend paid on May 25, 2016.

Year 2015

At the Annual General Meeting of Shareholders for the year 2015, held on April 3, 2015, the shareholders resolved to approve the allocation of unappropriated retained earnings as at December 31, 2014 for the dividend payment at Baht 1.35 per share. The interim dividend had been already paid to the shareholders on November 18, 2014 at Baht 1.00 per share amounting to Baht 10.00 million. Thus, the remaining dividends payable to the shareholders was at Baht 0.35 per share totaling Baht 3.50 million. This dividend payment was made on May 1, 2015.



Subsidiary - Asia Business Management Center Co.,Ltd.

Year 2016

According to the minutes of the Annual General Shareholders' Meeting of the subsidiary No.9/2016 dated April 23, 2016, it was approved to pay the dividends from net profit of 2015 at Baht 6.00 per share for 1,000,000 shares amounting to Baht 6.00 million. The dividend paid on May 19, 2016.

According to the minutes of the Board of Directors of the Company No.3/2016 dated August 11, 2016, it was approved to pay the interim dividends of 2016 from the operation of the six-month period ended June 30, 2016 at Baht 4.00 per share for 1,000,000 shares amounting to Baht 4.00 million. The dividend paid on September 9, 2016.

Year 2015

At the Company Annual General Meeting of Shareholders no. 8/2015, held on April 3, 2015, the shareholders resolved to approve the allocation of unappropriated retained earnings as at December 31, 2014 for the dividend payment at Baht 16.50 per share and had a resolution to acknowledge the interim dividend allocated from the retained earnings as at September 30, 2014 that already paid on December 25, 2014, at Baht 15 per share totaling Baht 15.00 million. The shareholders also approved the second dividend payment at Baht 1.50 per share amounting to Baht 1.50 million and the appropriation of legal reserve amounting to Baht 790,000.00. This dividend payment was made on May 1, 2015.

25. EXPENSES BY NATURE

Significant expenses classified by nature are as follow:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Change in inventories	(62,282.66)	1,617,959.05	(1,006,752.02)	1,383,244.34
Purchase medicines, medical supplies and other supplies	170,992,792.95	169,146,005.59	170,992,792.95	169,146,005.59
Cost of medical and laboratory supplies	12,954,171.87	11,784,872.20	-	-
Outside laboratory contracts	8,082,476.27	6,317,760.23	-	-
Doctors' fee	204,957,585.01	188,778,789.67	204,957,585.01	188,778,789.67
Employee benefit expenses	362,112,209.05	342,927,299.28	318,168,178.34	306,673,448.43
Compensation, social security patients	128,338,064.50	129,296,885.50	128,338,064.50	129,296,885.50
Depreciation and amortization expenses	64,366,890.40	57,873,907.44	57,061,765.49	49,450,363.89
Rental expenses	7,237,043.44	5,783,715.80	7,237,043.44	5,783,715.80
Utility expenses	29,711,226.82	28,351,326.14	22,427,274.49	22,648,795.26
Repair and maintenance expenses	23,427,892.98	18,218,792.34	16,143,940.65	13,992,651.57



26. INCOME TAX EXPENSES

26.1 Major components of tax expense for the years ended December 31, 2016 and 2015 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Income tax expense shown in profit or loss :				
Current tax expense:				
Income tax expense for the year	27,756,576.61	17,732,767.20	27,756,576.61	17,732,767.20
Effects of income tax related to the share offering	-	5,602,725.00	-	5,602,725.00
Deferred tax expense :				
Changes in temporary differences relating to the original recognition and reversal	3,891,251.57	1,566,591.48	91,337.61	(1,165,773.92)
Total	31,647,828.18	24,902,083.68	27,847,914.22	22,169,718.28
Income tax relating to component of other comprehensive income :				
Deferred tax relating to :				
Actuarial loss	1,678,265.11	-	1,723,567.51	-
Total	1,678,265.11	-	1,723,567.51	-

26.2 The reconciliation between the accounting profit and income tax expense for the years ended December 31, 2016 and 2015 are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Accounting profit before tax expense for the year	187,770,998.07	125,459,641.59	176,824,553.25	116,430,729.34
The applicable tax rate (%)	20	20	20	20
Tax expense (income) at the applicable tax rate	37,554,199.61	25,091,928.32	35,364,910.65	23,286,145.87
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	390,464.47	206,229.47	20,526.66	62,755.31
Tax effect of income or profit that are not required in determining taxable profit:				
- Exemption of non-taxable dividend income	(469,998.50)	-	(2,679,836.50)	(979,955.50)
- Expenses allowed as expenses in determining tax able	(5,003,239.79)	(201,907.40)	(4,821,931.66)	(199,227.40)
The amount of previously unrecognized tax losses for a prior period that is used current tax expense	191,710.88	(83,199.89)	-	-
Unrecognized tax losses on deferred tax assets	-	-	-	-
Others	(1,015,308.49)	(110,966.82)	(35,754.93)	-
Total reconciliation items	(5,906,371.43)	(189,844.64)	(7,516,996.43)	(1,116,427.59)
Total tax expense	31,647,828.18	24,902,083.68	27,847,914.22	22,169,718.28



As at December 31, 2016 and 2015, the two subsidiary have the accumulated tax losses that have not been yet utilized and recorded as deferred tax assets amounting to Baht 24.46 million and Baht 25.83 million, respectively, since the companies still have considered the subsidiary and rationale for its utilization of deferred tax assets compared with their financial plans.

26.3 The reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2016 and 2015 are summarized as follows:

	Consolidated financial statements			
	2016		2015	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the year	187,770,998.07		125,459,641.59	
Income tax expense at the applicable tax rate	37,554,199.61	20.00	25,091,928.32	20.00
Reconciliation items	(5,906,371.43)	(3.00)	(189,844.64)	(3.90)
Income tax expense at the average effective tax rate	31,647,828.18	17.00	24,902,083.68	16.10

	Separate financial statements			
	2016		2015	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the year	176,824,553.25		116,430,729.34	
Income tax expense (income) at the applicable tax rate	35,364,910.65	20.00	23,286,145.87	20.00
Reconciliation items	(7,516,996.43)	(4.00)	(1,116,427.59)	(0.96)
Income tax expense at the average effective tax rate	27,847,914.22	16.00	22,169,718.28	19.04

27. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributable to shareholders of the Company (excluded other comprehensive income) by the weighted average number of ordinary shares which are issued and paid-up during the year.

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Profit of the company (Baht)	155,902,946.68	100,445,180.41	148,976,639.03	94,261,011.06
Weighted average number of ordinary shares (Shares)	750,000,000	588,904,110	750,000,000	588,904,110
Basic earnings per share (Baht per share)	0.21	0.17	0.20	0.16



28. PROVIDENT FUND

The Group has set up and registered provident fund in accordance with the Provident Fund Act B.E. 2530 (1987), in order to encourage savings and welfare promotion, as well as the fringe benefits upon resignation or retirement to its employees according to the Company's regulation. The fund is partly contributed by the employees and another part by the Group at the rate of 2% of their basic salaries. Hereby, the Group has appointed Thanachart Fund Management Company Limited as the fund manager to manage the established Fund.

Provident fund contributions made by the Group for their employees and recognized as expense in the statements of comprehensive income for the years ended December 31, 2016 and 2015 amounting to Baht 2.63 million and Baht 2.47 million, respectively in consolidated financial statements and Baht 2.33 million and Baht 2.24 million, respectively in Separate financial statements of the Company.

29. PROMOTIONAL PRIVILEGES

The subsidiary was granted certain privileges as following:

1. Promotional Certificate no.	1506(4)/2004*	1935(4)/2009	1825(4)/2011	59-1557-1-00-2-0
2. Date of granted the promotional certificate	June 23, 2004	October 19, 2009	July 21, 2011	November 28, 2016
3. Date of privilege execution	May 12, 2008	July 19, 2013	July 1, 2015	Not Start execution
4. The promotional investment in the business	Scientific laboratory test	Calibration test	Scientific laboratory test	Scientific laboratory test
5. Major privileges for the Company				
5.1 Exempt from corporate income tax on profit derived from the operation that has been promoted started from the first day of realizing sales and/or services income. (1)**	8 years	8 years	8 years	8 years
5.2 Exempt from corporate income tax for the dividends derived from profits from the business which has been promoted (in clause 5.1)	8 years	8 years	8 years	8 years
(1)** In case of suffering loss of business during the tax exemption period, the granted Company is allowed to carry the accumulated loss so as to deduct from future taxable income incurred (if any) after the ending of tax privileges but shall not exceed five years from the date of the its expiration.				

* The major privilege (No.5) of Promotion certificate No. 1506(4)/2004 was ended on May 12, 2016.



30. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2016, the Company and its subsidiaries have commitments and contingent liabilities as follow:

30.1 There were contingent liabilities associated with outstanding bank guarantees issued by a local commercial bank which required for the normal course of business totaling Baht 23.10 million as for the Company amounting to Baht 22.42 million and its subsidiary Baht 0.68 million.

30.2 The Company has an obligation regarding the payment of management fees to its subsidiary, Asia Business Management Center Co., Ltd. as follows:

30.2.1 Service agreement under the Social Security section has three-year agreement with the rate of service fee as follows:

- November 1, 2015 to March 31, 2016; Baht 2.00 million monthly
- April 1, 2016 to October 31, 2018; Baht 2.80 million monthly

And the service fee at 20% of surplus during the forecasted annual revenue the Company has received from the Office of Social Security.

30.2.2 The additional service contract under the Social Security section on supportive statistics aimed to enhance management efficiency corresponding to the expansion scope of social security services such as the incremental medical check-up starting in 2017 charged at Baht 0.08 million monthly for 4-month period of work starting November 1, 2016 to February 28, 2017.

30.2.3 The agreement for 2017 Marketing Event & Activities Organizer starting January 1- December 31, 2017 aimed to support the launch of hospital excellent service centers in the new building including the Company existing service expansion at the charge of Baht 3.00 million with 30% advance payment when signing.

30.2.4 Marketing and advertising media & public relation Agreement are performed for a year to support the opening of excellent service centers in/and the new building at Baht 0.30 million monthly starting October 1, 2016 to September 30, 2017.

30.2.5 The 6-month contract for the streamline of all media relations, promotion & marketing via the Company information technology system and web base at the total value of Baht 1.80 million with 25% advance payment upon signing.



30.3 The Company has commitment in respect the Hospital Management Contracts period of 3 years commencing from July 1, 2016 to June 30, 2019 for Ladprao Hospital and Ladprao 2 Hospital at a monthly rate of Baht 0.25 million and Baht 0.15 million, respectively.

30.4 The Company has commitments under the rental contracts as follow:

Contracts	Baht		
	Due within 1 year	Due 1- 5 years	More than 5 years
<u>Third parties</u>			
- Rental of office building (1)	360,000.00	660,000.00	-
- Rental of land (2)	5,628,273.68	7,993,094.72	13,765,823.64
Total	5,988,273.68	8,653,094.72	13,765,823.64

- (1) The Company has commitments in respect of office rental contracts with other persons for the period of 3 years commencing from November 1, 2016 to October 31, 2019.
- (2) The Company has commitments in respect of land lease agreements with other persons
 - 2.1) Contract period of 30 years commencing from April 1, 2013 to March 31, 2043 with outstanding lease value of Baht 13.56 million.
 - 2.2) Contract period of 10 years commencing from January 1, 2014 to December 31, 2023 with outstanding lease value (3 contracts) totaling of Baht 8.55 million.
 - 2.3) Contract period of 3 years commencing from May 1, 2015 to April 30, 2018 with outstanding lease value of Baht 5.28 million.

30.5 The Company has commitment of capital expenditure in relation to the Building, Systems Construction and installment computer network agreements for its payable totaling of Baht 53.17 million.

31. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Fair value hierarchy

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

Level 2 - Use of inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (e.g. prices) or indirectly (e.g. derived from prices).

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



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

Baht				
Consolidated / Separate financial statements				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investment in securities held-for-trading				
- Private fund	139,672,303.10	270,272,570.54	-	409,944,873.64

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

Valuation techniques and inputs for Level 2 valuations

The fair value of investments in debt securities are calculated from the latest yield-rate quoted on The Thai Bonds Market Association.

32. FINANCIAL INSTRUMENTS

32.1 Risk management

The Company and its subsidiaries manage their financial risk exposure on financial assets and financial liabilities in the normal business by its internal management and control system, and the Company and its subsidiary do not hold or issue any derivative financial instruments.

32.2 Interest rate risk

The Company and its subsidiaries are exposed to interest rate risk relates primarily to its cash at banks and some parts of bank overdrafts facility. The Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market. However, the management believed that the future fluctuation on market interest rate would not significantly affect their operations and/or cash activities, therefore no financial derivatives was adopted to manage such risks.



As at December 31, 2016, the significant financial assets and financial liabilities classified by types of interest rates were as follows:

	Baht			
	Consolidated financial statements			
	Floating interest rate	Fixed interest rates	Non-interest bearing	Total
<u>Financial Assets</u>				
Cash and cash equivalents	20,572,963.48	94,354,697.11	5,132,531.85	120,060,192.44
Temporary investments	-	1,005,956.28	-	1,005,956.28
Trade accounts receivable and other receivable	-	-	100,543,049.58	100,543,049.58
Restricted deposit	-	40,723,788.29	-	40,723,788.29
<u>Financial liabilities</u>				
Bank overdrafts and short-term loans from financial institutions	-	21,663,583.32	-	21,663,583.32
Trade accounts payable and other payable	-	-	168,252,069.22	168,252,069.22
Liabilities under financial leases agreements	-	86,454,369.63	-	86,454,369.63
Other current liabilities	-	-	7,592,676.81	7,592,676.81

	Baht			
	Separate financial statements			
	Floating interest rate	Fixed interest rates	Non-interest bearing	Total
<u>Financial Assets</u>				
Cash and cash equivalents	3,091,811.24	94,354,697.11	(421,700.48)	97,024,807.87
Trade accounts receivable and other receivable	-	-	79,126,565.82	79,126,565.82
Restricted deposit	-	30,328,774.90	-	30,328,774.90
<u>Financial liabilities</u>				
Bank overdrafts and short-term loans from financial institutions	-	21,663,583.32	-	21,663,583.32
Trade accounts payable and other payable	-	-	162,719,193.87	162,719,193.87
Liabilities under finance leases agreement	-	85,539,114.50	-	85,539,114.50
Other current liabilities	-	-	12,803,599.49	12,803,599.49

32.3 Credit risk

The Company and its subsidiaries are exposed to credit risk of trade accounts receivable. The management of the Company and its subsidiaries manage this risk by establishing appropriate credit control policies and procedures. Therefore, it does not expect to incur material losses from debt collection more than the amount already provided in the allowance for doubtful accounts.



32.4 Foreign currency risk

The Company and its subsidiaries do not consider themselves exposed to foreign currency risk since the Company and its subsidiaries perform only domestic business activities.

32.5 Liquidity risk

The Company and its subsidiaries manage its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company's and its subsidiaries' operations as well as securing and reducing the impact of fluctuations in cash flow by establish reasonable short-term credit facilities from financial institutions.

32.6 Fair value

The value of financial instruments as presented in the financial statements are mostly bear floating interest rates or fixed interest rates which are close to market rate. The management believes that the fair value does not materially differ from the amount presented in the statements of financial position.

33. OPERATING SEGMENT

The Company and its subsidiaries are organized into business units based on their products and services and have 2 principal segments and mainly geographical area of their operations in Thailand, as follows:

Operating segments	Nature of service of segments
Hospital	- Hospital services, health care center, and service contract with Social Security Office
Scientific testing & Research	- Scientific analytical and diagnostic services and research for medical, agricultural, food and drug

The operating segment's performance is regularly reviewed by the chief operating decision maker, Chief Executive Officer, in order to make decisions about the allocation of resources to the segment and assess its performance. Segment performance is measured based on operating profit or loss on the basis consistent with that used to assess operating profit or loss in the financial statements.



Business activities are classified by product segments for the years ended December 31, 2016 and 2015 as follows :-

	Consolidated financial statements (Baht)					
	Hospital		Scientific testing & Research		Total	
	2016	2015	2016	2015	2016	2015
Revenues	1,213,158,112.01	1,145,710,443.30	115,323,242.66	98,400,758.09	1,328,481,354.67	1,244,111,201.39
Cost of services	919,251,802.62	880,975,930.86	56,720,005.09	49,537,236.51	975,971,807.71	930,513,167.37
Gross profit	293,906,309.39	264,734,512.44	58,603,237.57	48,863,521.58	352,509,546.96	313,598,034.02
Other income					34,445,344.11	11,253,075.22
Other expenses					196,178,121.86	179,806,048.54
Finance costs					3,005,771.14	19,585,419.11
Income tax expenses					31,647,828.18	24,902,083.68
Profit for the year					156,123,169.89	100,557,557.91
Fixed assets as at December 31,						
Property, plant and equipment	631,021,244.27	554,999,772.31	130,294,005.00	130,068,424.35	761,315,249.27	685,068,196.66
Common property, plant and equipment					187,891,185.32	89,802,689.07
Total property, plant and equipment					949,206,434.59	774,870,885.73
Leasehold right of land	20,398,056.03	21,846,107.88	-	-	20,398,056.03	21,846,107.88
Intangible assets	-	-	15,746,701.25	15,471,478.40	15,746,701.25	15,471,478.40
Common intangible assets					20,511,292.96	14,392,235.20
Total intangible assets					36,257,994.21	29,863,713.60

34. THE ACCOUNTING STANDARDS ARE NOT YET EFFECTIVE IN THE CURRENT YEAR

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

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

TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events After the Reporting Period
TAS 11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment



TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 20 (revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2016)	Earnings Per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible assets
TAS 40 (revised 2016)	Investment Property
TAS 41 (revised 2016)	Agriculture
TAS 104 (revised 2016)	Accounting for Trouble Debt Restructuring
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments Disclosure and Presentation
TFRS 2 (revised 2016)	Share-Based Payment
TFRS 3 (revised 2016)	Business Combinations
TFRS 4 (revised 2016)	Insurance Contracts
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2016)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 10 (revised 2016)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2016)	Operating Leases - Incentives



TSIC 25 (revised 2016)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2016)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2016)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2016)	Applying the Restatement Approach under TAS 29 (revised 2016) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2016)	Service Concession Arrangements
TFRIC 13 (revised 2016)	Customer Loyalty Programmes
TFRIC 14 (revised 2016)	TAS 19 (revised 2016)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2016)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
TFRIC 20 (revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2016)	Levies

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

35. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Board of directors on February 24, 2017.





Ladprao General Hospital
Public Company Limited (LPH)



Ladprao General Hospital
Public Company Limited (LPH)

บริษัท โรงพยาบาล ลาดพร้าว จำกัด (มหาชน)

2699 ถนนลาดพร้าว 95-97 แขวงคลองเจ้าคุณสิงห์

เขตวังทองหลาง กรุงเทพฯ 10310

โทรศัพท์ 0-2530-2244, 0-2530-2388, 0-2530-2556-69

โทรสาร 0-2539-8490

อีเมล ladprao@ladpraohospital.com

www.ladpraohospital.com

Ladprao General Hospital Public Company Limited (LPH)

2699 ถนนลาดพร้าว 95-97 แขวงคลองเจ้าคุณสิงห์

เขตวังทองหลาง กรุงเทพฯ 10310

Tel : 0-2530-2244, 0-2530-2388, 0-2530-2556-69

Fax : 0-2539-8490

E-mail : ladprao@ladpraohospital.com

www.ladpraohospital.com