

# ANNUAL REPORT 2016

## รายงานประจำปี 2559



## Vision

Thainakarin... The hospital you can trust.

Thainakarin Hospital has earned trust and respect from the general public since the establishment. The success in excellent care comes from the world class quality in health care, warm hospitality that treats every one like family, affordable price, effective and transparent management and positive attitude staff.

## Medical Executive Committee



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- |   |                             |    |   |    |                             |
|---|-----------------------------|----|---|----|-----------------------------|
| 1 | Prapas Teerakul, M.D.       | 2  | Peera Changkaew, M.D.                           | 3  | Siroj Kanjanapanjapol, M.D. |
| 4 | Virachai Phungrasamee, M.D. | 5  | Hon. Clinical Prof.<br>Chaiporn Phadrakom, M.D. | 6  | Jatuporn Sihanatkathakul    |
| 7 | Charoen Meensook, M.D.      |    |   | 8  | Seree Tuchinda, M.D.        |
| 9 | Vinai Viriyakitjar, M.D.    | 10 | Deja Tanphaichitra, M.D.                        | 11 | Arkom Cheirsilpa, M.D.      |

T

- > Teamwork and staff value  
ทำงานเป็นทีมและมุ่งสร้างคุณค่าให้กับบุคลากร

N

- > Non-stop learning and improvement  
เรียนรู้และพัฒนาอย่างต่อเนื่อง

H

- > Hospitality and quality care  
ดูแลอย่างอบอุ่นและมีคุณภาพ



## *Mission*

- To develop personnel competency, satisfaction and pride in the hospital
- To elevate the health care quality to be a world-class standard.
- To progressively proceed with continuous and sustainable development of the hospital.
- To achieve the best hospitality with a warm and family-like treatment that creates lasting impressions.
- To manage in accordance with the principles of good governance.



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“For all these years, the Company has endeavored to continually improve the quality of performance in all dimensions. With this aim in view, it has adhered to good corporate governance principles”

## Message From The Chairman

During the years 2015-2016, Thainakarin Hospital Public Company Limited cherished a prestigious to earn the trust of customers in its 23-year-long quality medical care services. This was also the time of readiness for significant changes of the Company in effort to steer the organization toward short-and long-term successes.

For all these years, the Company has endeavored to continually improve the quality of performance in all dimensions. With this aim in view, it has adhered to good corporate governance principles, integrity and code of ethics in order to bring to Thainakarin Hospital continuous developments in terms of clinical standards, service quality, as well as personnel enhancement for future growth.

On the occasion of 23<sup>rd</sup> anniversary of Thainakarin Hospital Public Company Limited, I would like to represent the Board of Directors in extending appreciation to all the customers, shareholders, doctors, nurses, business partners, enterprises and staff from all departments for their constant support to the operations of Thainakarin Hospital Public Company Limited. We pledge to be resolute in creating good things for the maximum benefits of all parties.

Jatuporn Sihanatkathakul  
Chairman of the Board

“Over the previous year, Thainakarin Hospital has efficiently implemented the policy on recruitment of specialist doctors and interdisciplinary teams of extensive specialties in order to boost medical care competency and to endorse the Hospital”



## Message From The Chief Medical Officer

It was another glorified year for Thainakarin Hospital to go through various major events in 2015-2016. One achievement that all of us at Thainakarin took pride in was the Hospital's receiving Quality Re-accreditation #3 for the third consecutive time on 12 July 2016, based on the standards certified by the International Society for Quality in Health Care (ISQua). Not only has this success strengthened customer confidence in Thainakarin Hospital's treatments and services, it is also a testimony of the determination and dedication of all our doctors, nurses and staff who have contributed greatly to maintaining the quality of medical care and services to international standards.

Over the previous year, Thainakarin Hospital has efficiently implemented the policy on recruitment of specialist doctors and interdisciplinary teams of

extensive specialties in order to boost medical care competency and to endorse the Hospital's key mission that gives highest priority to saving the patients' lives.

I would like to thank the management, doctors, nurses and all staff for their relentless dedication to providing services, patient care and medical treatments that are of great quality based on international standards, which have resulted in total satisfaction of our customers.

**Charoen Meensook, M.D.**  
Chief Medical Officer



# Directors



1 **Mr. Jatuporn Sihanatkathakul**  
Chairman of the Board

2 **Dr. Charoen Meensuk**  
Director

3 **Prof. Dr. Deja Tanphaichitra**  
Director

4 **Asst. Prof. Dr. Prapas Teerakul**  
Director

5 **Mr. Prapat Suthawate**  
Director

6 **Dr. Arkom Cheirsilpa**  
Director

7 **Mr. Norathep Sihanatkathakul**  
Director





8

**Mr. Sumeth Jenjesda**  
Director

12

**Pol. Gen. Sawat Amornvivat**  
Director and Audit Committee

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**Mr. Thiti Sihanatkathakul**  
Director

13

**Dr. Pridi Hetrakul**  
Director and Audit Committee

10

**Mr. Pitipat Sihanatkathakul**  
Director

14

**Assoc. Prof. Dr. Chertsak Dhiraputra**  
Director and Audit Committee

11

**Mr. Kraisak Kadkum**  
Director and Chairman of  
the Audit Committee

15

**Asst. Prof. Dr. Panya Issarawornrawanich**  
Director and Audit Committee

## *Executives*

# Doctor and **Medical Team**



1 **Dr. Charoen Meensuk**  
Chief Medical Officer

2 **Hon. Clinical Prof. Chaiporn Phadrakom**  
Medical Director and Chief Operating Officer

3 **Dr. Virachai Phungrasamee**  
Deputy Medical Director

4 **Mrs. Nampetch Saraggananda**  
Deputy Medical Director - Nursing

5 **Mrs. Chadarat Siriwat**  
Deputy Chief Operating Officer

6 **Ms. Tippayawan Srichaivoranat**  
Assistant Medical Director -  
Nursing Education

7 **Mrs. Wiboonluk Visitnorapat**  
Assistant Medical Director -  
Nursing Service

## *Executives* Administrative



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8 **Ms. Yutiya Hariwongsanuparb**  
Acting Administrative Director  
and Deputy Administrative Director -  
Business Development


9 **Ms. Malee Boonleechai**  
Senior Deputy Administrative Director -  
Corporate Support

10 **Mrs. Daranee Dhubkaen**  
Deputy Administrative Director -  
Finance and Accounting


11 **Mr. Chaiwat Rungruankijvanich**  
Assistant Administrative Director -  
Front Service

# Awards and Certificates

**Best CEO Award** <<  
 Market for Alternative Investment  
 (mai)



**Platinum Award** <<  
**Hospital Quality 2011**  
 AIA Thailand



**Tokio Marine** <<  
**Taiyou Award 2011**  
 Tokio Marine Life Insurance  
 (Thailand) Pcl.



**Asia's 200 Best** <<  
**Under a Billion**  
 Forbes Asia



**HA-Hospital** <<  
 3<sup>rd</sup> Re-Accreditation



**15<sup>th</sup> Anniversary** <<  
**MAI FANZI Club**  
 Market for Alternative Investment  
 (mai)



**Platinum Award** <<  
**Hospital Quality 2014**  
 AIA Thailand



**Continuous Excellent** <<  
**Quality**  
 Department of Medical Science



**Allianz Ayudhya Hospital** <<  
**Service Awards 2014**  
 Allianz Ayudhya Assurance Pcl.



**Tokio Marine** <<  
**Taiyou Award 2015**  
 Tokio Marine Life Insurance  
 (Thailand) Pcl.





# Medical Technology



▶ Catheterization Laboratory Bi-plane X-ray System:

for diagnosis of abnormalities and treatment of patients with cardiovascular disease.



▶ Magnetic Resonance Imaging Scanner, MRI 3 Tesla Model:

a medical imaging device, without harmful rays, used for identifying abnormalities in the organ systems of the body.



▶ Two-dimensional Echocardiography, Vivid E9 Model:

a very popular model as it renders 2D images in length and depth that show opening and closure of the heart valves, useful in observing the organ motion.



▶ One Complete Shimadzu Set Of Mobile X-Ray System:

a small x-ray unit, with both analog and digital modes, suitable for giving on-site services at patient wards.



▶ Transcranial Doppler (TCD):

the examination of blood flow inside the brain's arteries via high-frequency sound waves transmitted through the skull to the arteries. Once striking red blood cells, the waves reflect back to the computer that processes these wave signals into graphs. The technique helps detect problems in cerebral blood vessels.



## Hospital Information

**Name of Company** : Thainakarin Hospital Public Company Limited or "Thainakarin Hospital"

**Type of Business** : Private hospital

**Address** : 345 Bangna-Trad Rd., km.3.5, Bangna, Bangkok 10260

**Registration Number** : 0107547000974

**Registered Capital** : Baht 180,000,000. The capital is fully paid-up and comprised of 180 million ordinary shares of the par value of Baht 1 per share.

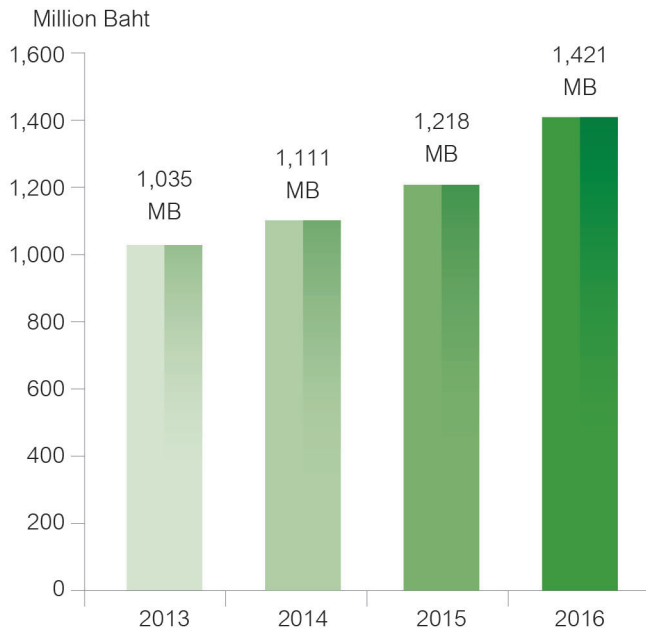
**Website / E-mail address** : [www.thainakarin.co.th](http://www.thainakarin.co.th) / E-mail : [info@thainakarin.co.th](mailto:info@thainakarin.co.th)

**Telephone** : 0 2361 2727, 0 2361 2828

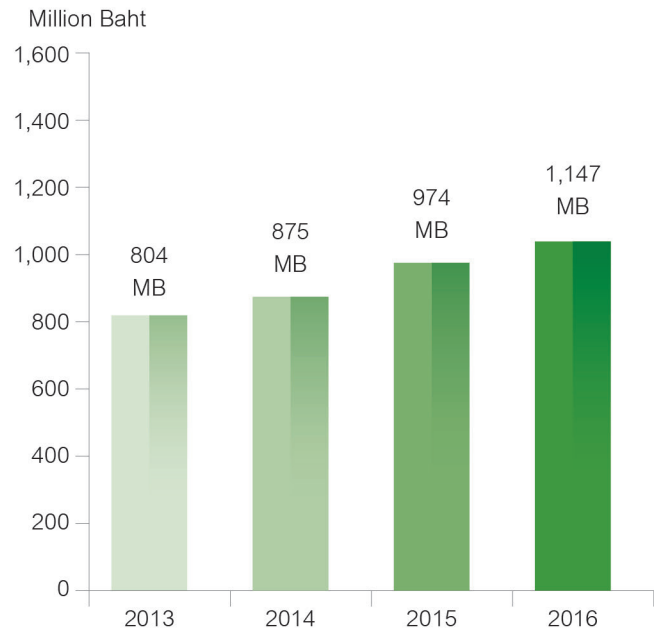
**Fax** : 0 2361 2777

# Financial Highlights

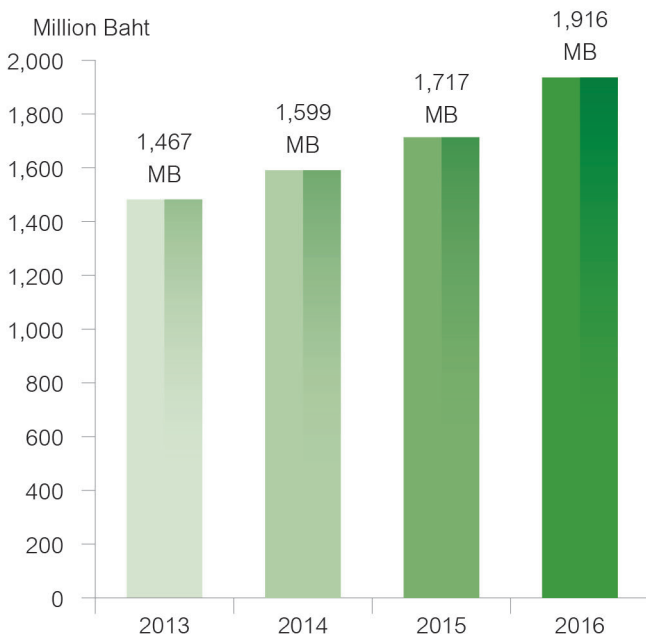
## Total Assets



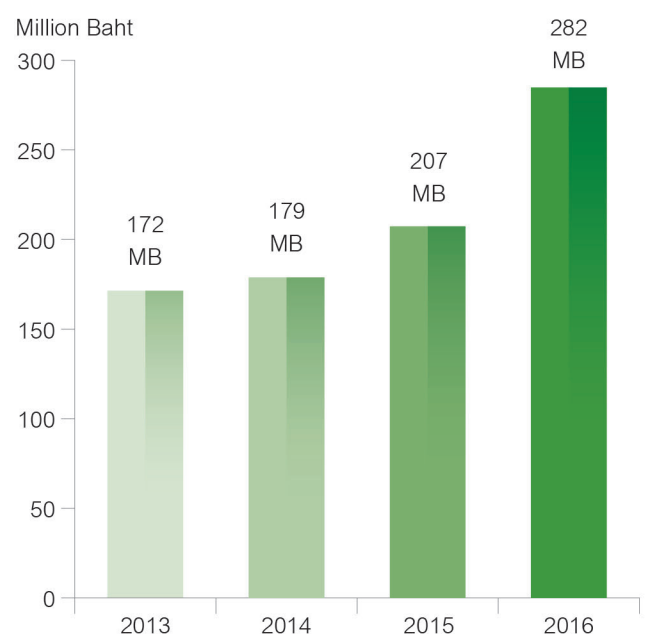
## Total Shareholders' Equity



## Total Revenues



## Profit



# Financial Highlights

Financial Performance (Million Baht)	2016	2015	2014
Total current assets	714.14	668.79	414.41
Total assets	1,420.71	1,217.87	1,110.90
Total current liabilities	227.00	203.24	201.50
Total liabilities	273.81	243.90	235.87
Total shareholders' equity	1,146.90	973.97	875.03
Total revenues	1,915.87	1,716.57	1,598.83
Profit for the year	282.04	206.94	179.11
Basic earnings per share	1.57	1.15	1.00
<b>Financial Ratios</b>			
<b>1. Liquidity Ratio (time)</b>			
1.1 Current ratio	3.15	3.29	2.06
<b>2. Efficiency Ratio (Day)</b>			
2.1 Average Collection Period	18	18	19
2.2 Average Inventory Period	8	9	10
2.3 Average Payment Period	20	21	21
<b>3. Profitability Ratio (%)</b>			
3.1 Gross Profit Margin	26.99	23.88	23.19
3.2 EBITDA Margin	23.45	20.50	19.73
3.3 Net Profit Margin	14.72	12.06	11.20
3.4 Return on Assets	21.38	17.77	16.69
3.5 Return on Equity	26.60	22.38	21.34
<b>4. Financial Policy Ratio (time)</b>			
4.1 Total Liabilities to Equity	0.24	0.25	0.27
4.2 Interest Coverage	-	-	-
<b>5. Other Financial Ratio</b>			
5.1 Growth on Revenues from Hospital Operations (%)	11.65	7.52	8.85
5.2 Growth on Net Profit for the Year (%)	36.29	15.54	3.99
5.3 Book Value per Share (Baht)	6.37	5.41	4.86



# Policy and **Commitment of** **Thainakarin Hospital**

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With vision toward excellence in medical care and services on which its strategic plan was founded over 23 years ago, Thainakarin Hospital has been raising the medical service standards, especially in part of personnel development, in order to satisfy the needs of domestic customers and those from AEC and other countries.

Thainakarin adopts a policy on the upgrade of the hospital's standards of treatment and services on par with premium hospitals in downtown Bangkok in effort to reduce restrictions on long-distance travel during rush hours and enable patients, especially high-risk emergency patients, to quickly and safely gain access to medical care by specialized team of physicians and nurses.

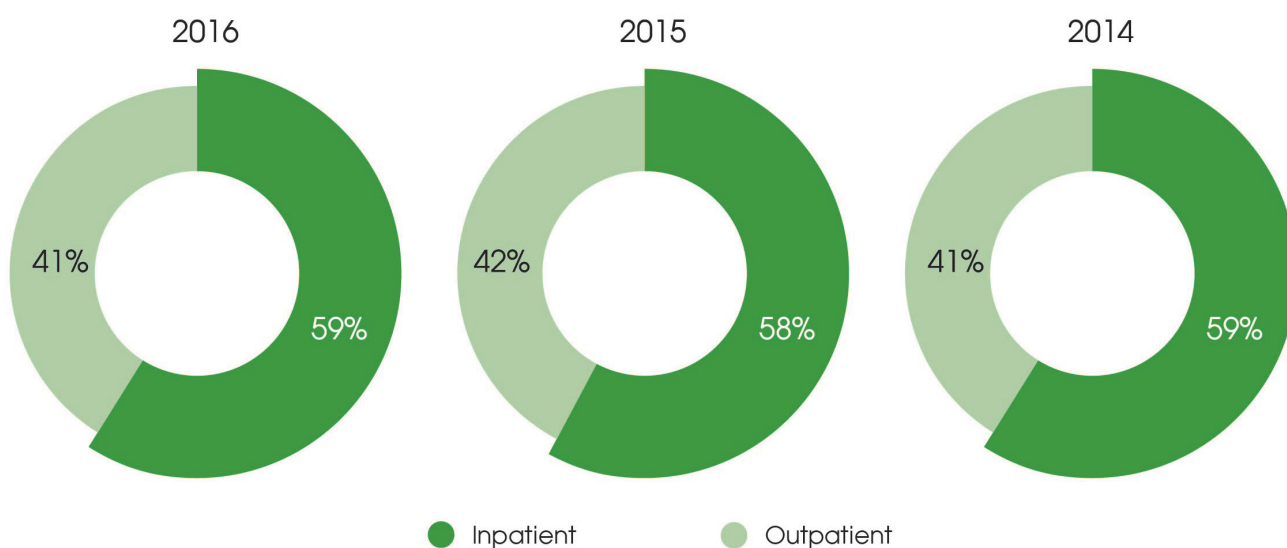
In firm commitment to navigate the organization into the transformation era under harmonious coexistence in the society, Thainakarin Hospital resolves to actively be a good member of quality society under the slogan "Thainakarin...the Hospital you can trust," as follows:

1. Thainakarin Hospital is determined and dedicated to developing medical care that is of easy access, high quality and reasonable prices.
2. Thainakarin Hospital shall train and develop young personnel to be the future of the Hospital that is prospering now and ahead.



## Nature of Business

Thainakarin Hospital Public Company Limited commenced its services of “Thainakarin Hospital”, situated at 345 Bangna-Trad Road km.3.5, Bangna, Bangkok, on 14 June 1993 under the license to operate inpatient medical establishment business. Being the first private hospital in eastern Bangkok, it renders inpatient, outpatient and 24-hour emergency medical services by a multidisciplinary team of specialized doctors with state-of-the-art and high-standard facilities. On-site and mobile health check-up services are also provided. Currently staffed by approximately 358 doctors and 569 nursing staff, the Hospital has an inpatient bed capacity of 190 and daily outpatient capacity of 2,000, with an after-hour clinic in service until 22.00 hrs. Medical services can be divided by types of patients into 2 groups, which are outpatient services (OPD) that accounts for 59% of the Company’s revenue, and inpatient services (IPD) for 41%.



### Revenue Structure

	2016		2015		2014	
	Amount (MB)	Proportion %	Amount (MB)	Proportion %	Amount (MB)	Proportion %
Revenue from medical services						
OPD	1,104.02	57.63	994.94	57.96	922.26	57.68
IPD	782.83	40.86	695.09	40.49	649.55	40.63
Total revenue from medical services	1,886.85	98.49	1,690.03	98.45	1,571.81	98.31
Other revenue	29.02	1.51	26.54	1.55	27.02	1.69
Total revenue	1,915.87	100.00	1,716.57	100.00	1,598.83	100.00

## Types of Products and Services

Outpatient service is available from the following departments and centers:

1. Heart Center
2. Bone & Joint Center
3. Holistic Oncology Center
4. Breast Care Center
5. Hemodialysis Center
6. Check-up Center
7. Skin & Laser Center
8. Dental Center
9. Gastrointestinal Center
10. Lasik Center
11. Diabetes & Endocrinology Clinic
12. Neurology Clinic
13. Traditional Chinese Medical Clinic
14. Mental Health Clinic
15. Hepato-Biliary & Pancreas Clinic
16. Medicine Department
17. Surgery Department
18. Pediatrics Department
19. Obstetrics and Gynecology Department
20. Ear, Nose and Throat Department
21. Laboratory Division
22. X-ray Department
23. Physical Therapy Department
24. Eye Department
25. Emergency Department

### Patient's room types :

1. Operating Room (OR)
2. Anesthesia Induction Room
3. Delivery / Labor Room
4. Intensive Care Unit (ICU)
5. Cath.Lab Department
6. Coronary Care Unit (CCU)
7. Nursery Department
8. Ward

Besides medical services and treatments, TNH also made available at its premises access to high-speed internet connection, 24-hour convenience stores, florist shops, hair salons, coffee shops, bakery shops, maternity shops, optical shop, food center, a Buddhist prayer room and a Muslim prayer room to offer superior convenience to patients and visitors.

## Capacity Utilization

Capacity utilization is assessed based on a comparison between the actual service capacity and projected maximum capacity, divided into OPD and IPD groups. The Hospital's service capacity has increased and is on an upward trend as a result of accessibility and higher customer confidence in the service quality.

OPD	2016	2015	2014
Capacity per day (persons)	2,000	2,000	2,000
Capacity per annum (persons)	732,000	730,000	730,000
Outpatients per annum (persons)	565,388	517,301	496,708
Capacity utilization (%)	77.24	70.86	68.04

IPD	2016	2015	2014
Bed in service (beds)	190	190	190
Total capacity (beds)	69,540	69,350	69,350
Bed occupancy (beds)	42,458	37,810	36,565
Bed occupancy rate (%)	61.06	54.52	52.73

## Procurement of Products or Services

### ▪ Medical Personnel

The Company has a policy to recruit doctors in various specialties, including such other medical personnel as nurses, etc, in order to deliver full-range and quality services. Up to now, it has succeeded in recruiting and retaining proficient medical personnel through appropriate remuneration and fringe benefits, favorable workplace environment, along with constant seminars and training schemes for doctors, nurses and medical staff for their skills development and up-to-date knowledge to ensure of safety services.

### ▪ Medicines and Medical Supplies

As medicines and medical supplies are essential raw materials for hospital business, the Company adopts a procurement process that is stringent in every step, from order placement where details of medicines shall be screened and decided by a committee consisting of doctors, pharmacists and procurement staff established to oversee appropriate medicine procurement, as well as inventory control.

Almost all medicines and medical supplies of the Company are procured domestically, hence no risk of shortage. To ensure availability of supplies, moreover, the Company establishes effective procurement and inventory management systems, alongside assessment of price suitability, efficiency and quality of products being purchased.

## ▪ Medical Equipment and Tools

Due to increasing complexity of diseases nowadays, the Hospital needs latest medical equipment and tools to provide patients with quality services. As it is a large sum of investment, the Company takes into meticulous consideration the necessity and quality of the equipment and tools that can meet adequacy and utilization requirements. The Company has usually made purchases from domestic distributors and also secured clear terms and conditions on prices and after-sales services for the cost-effectiveness and best utilization benefit.

## Operating Assets

### Core Assets

The Company owns a piece of land of 16-3-19.5 rai adjacent to the Thainakarin Hospital's current location, and is presently conducting a feasibility study for making utmost use of the land. It has also acquired from the Thai Red Cross Society a leasehold right over a 6-2-42-rai land at 345, Bangna-Trad Road km.3.5, Bangna, Bangkok, on which the Hospital Establishment and the Company's Head Office are located. The lease runs for a term of 30 years from 9 November 1988 to 8 November 2018, and shall expire in 2 years.

The Company's core assets as of 31 July 2015 are as follows:

(Unit: Million Baht)

Asset	Book Value	Type of Ownership
Land and land improvement	227.12	Owner
Land, construction and work in process	435.86	Please see notes
Operating systems	299.86	Owner
Office equipment and furniture	132.23	Owner
Medical equipment and tools	458.58	Owner
Vehicles	11.53	Owner
Total	1,565.18	
Less: Accumulated depreciation	1,013.45	
<b>Net total</b>	<b>551.73</b>	

**Notes** : The Hospital comprises of 2 buildings 14-story front building and a 7-story rear one, with a combined usable area of 64,325 square meters. The Company has taken out an insurance policy with an insured sum of 800 million Baht for damages to its buildings and equipment for a period from 1 January 2016 to 1 January 2017. Thainakarin Hospital Public Company Limited is the beneficiary of the insurance policy.

## Investment Policy

As of 31 July 2016, the Company has no investment in any firms. However, it has a policy to invest in enterprises associated with and supportive to its hospital business.

# Market and **Competition**

## Overview of Private Hospital Industry in Thailand

According to the World Bank, Thai economy in 2016 shall expand by 2.5% against 2.8% in the previous year. Despite global economic recession and slowdown in national export, Thai economy still showed sign of recovery with a series of economic reforms that afforded new opportunities for economic growth, with tourism sector and fiscal policies as key drivers.

For Thai private hospital industry, it was reported by a research institute that private hospitals, particularly those reliant on Thai customers, shall experience a fiercer competition in 2016. However, customer buying power had no clear sign of recovery, which contrasted with medical fees that tended to gradually rise.

Due to the abovementioned conditions affecting limited purchasing capacity and an increase in medical fees of 5-8% annually, some customers, e.g. those in working-age medium-income group paying for their own medical fees, may have to seek alternative cares from less expensive private hospitals or exercise the rights to welfare program at public hospitals, or even buy medicines from general drug stores.

In addition, healthy lifestyle that is still in the mainstream and on a growing trend, as well as the increasing medical fees, have put more customers to hedge the risk of illness with health insurance plan.

Even with limitations on budget and ability to access efficient and effective treatment, most people desire better quality of life in good health. Consequently, they have become more concerned for their health and turned to better options of medical care at hospitals that can meet such limitations.

## Performance Highlights

Over 23 years of rendering medical services amid the world and national economic uncertainties, Thainakarin Hospital's Board of Directors has attached great importance to short- and long-term investments in tandem with appropriate care of investor benefits and business operations under consistently good corporate governance principles. The Company has implemented its management policy in compliance with corporate vision and philosophies in order to attain efficiency, uphold accountability, and maintain high standard and quality of medical care services. Also recognizing possible impacts of economic problems on health care and support for the public, the Company has carried out CSR activities to promote sustainable co-existence in the society.

During 2015 – 2016, the Company has enhanced its medical care capacity and service strengths in pursuit of service and academic excellence, as follows:

**1. Medical personnel, nurses and other supporting units:** All staff work collaboratively under international standards and quality-based culture, through well-laid planning and coordination among doctors, nurses and multidisciplinary practitioners. The strength of the Company lies in the recruitment of specialist doctors qualified according to the set policy in order to facilitate service delivery and to ensure accessibility for patients and service users to high-standard and specialized treatments.

**2. Promptness of 24-hour emergency services:** More conveniently accessible than other hospitals in the vicinity, Thainakarin Hospital has developed centers for emergency cases, especially in the 2 diseases requiring urgent care, namely:

**2.1 24-hour Emergency Heart Center**

Opened for services since 2005, the center serves emergency patients by a multidisciplinary team of cardiovascular doctors and specialists, along with sophisticated medical equipment for accurate diagnosis.



## 2.2 24-hour Emergency Brain and Neurology Center

Staffed by a team of expert neurologists, the center provides immediate treatment to patients in critical moments of stroke or brain vessel blockage, with swift and professional patient referral process. It is fully equipped with high-performance life-saving equipment and tools for rapid, precise and safe diagnosis.



Brain and Neurology Center

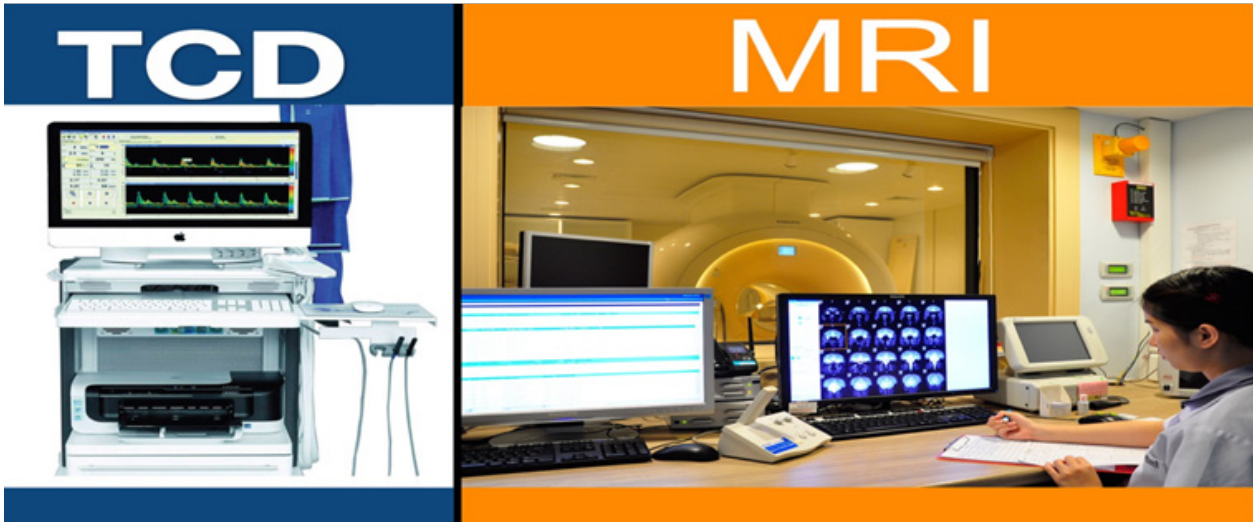
ทีมแพทย์สมองและระบบประสาท  
Brain and Neurology Center Team

ป้องกัน ดูแล รักษา

Brain and Neurology Center

ศูนย์สมองและระบบประสาท  
Brain and Neurology Center

Dr. Sathit Thakulchaiyaporn  
Dr. Nittin Jintachorn  
Dr. Sornrat Kiatpranpanak  
Dr. Nittin Jintachorn  
Dr. Praporn Pongkarn  
Dr. Sathit Thakulchaiyaporn  
Dr. Nittin Jintachorn  
Dr. Sornrat Kiatpranpanak  
Dr. Nittin Jintachorn  
Dr. Praporn Pongkarn



TCD

MRI

TCD (Transcranial Doppler) equipment showing a monitor with waveforms.

MRI (Magnetic Resonance Imaging) equipment showing a control room with a staff member operating the machine.



**3. Integrated capacity development:** The Hospital endeavors to render treatment services and concurrently actualize in all departments and centers the following integrative developments:

- 3.1 Continual personnel development, both in terms of skills and attitude, for readiness to deliver services under quality-based culture.
- 3.2 Human Resources Management, which is the mechanism crucial in driving the organization toward results with fairness. Determined to serve customers to their utmost satisfaction in its service quality and worthiness, the Hospital has therefore based its treatment and services on quality standards, skills, procedures and advanced medical technologies, as well as using materials, equipment, medicines and medical supplies that are hygienic and safe.

#### **4. Continuous development of treatment and service quality**

Thainakarin Hospital is dedicated to delivering patient care with quality and attentiveness, based on the Hospital and Healthcare Services Standard, 60<sup>th</sup> Anniversary Commemoration Edition (Revised Edition, January 2015), of the Healthcare Accreditation Institute (Public Organization). The reference Standard has been certified by the International Society for Quality in Health Care (ISQua), thus ensuring accredited hospitals that this Standard complies with international criteria. The Hospital has been accredited by the Healthcare Accreditation Institute (Public Organization) since 2002, and is one of the first hospitals to receive this quality accreditation.

In 2013, Thainakarin Hospital was granted re-accreditation #2 for quality processes for a period from 28 June 2013 to 27 June 2016. In 2015, the Hospital and Healthcare Services Standard, 60<sup>th</sup> Anniversary Commemoration Edition, was revised for a second time (Revised Edition, April 2015) and the Hospital received re-accreditation #3 under this revised standard on 12 July 2016.



# Risk Factors

Risk factors for the Company's business are identified as follows:

## 1. Risk from shortage of medical personnel

Hospital business requires medical personnel of extensive knowledge, competency and expertise, i.e. doctors, nurses, pharmacists and technologists. The Company is exposed to risk of shortage of these professionals and difficulties in engaging skilled and proficient personnel, such as specialist physicians, to work at Thainakarin Hospital, existing specialty centers or upcoming ones, due to increasing demand from both private and public hospitals. Therefore, the Company holds to the policy of maintaining good relationship with its specialized doctors and facilitating their practices in terms of convenient facilities, medical equipment and tools, including continual personnel development through regular refresher courses. Welfare program, incentive scheme, and favorable work environment are also arranged in effort to forge morale and long-term employee engagement. These strategies help minimize problems associated with personnel shortage.

## 2. Risk from intense competition in hospital business

Competition in medical and healthcare services in Thailand is escalating among public and private hospitals. Many private hospitals have adopted various competitive strategies in relation to prices, service quality and medical expertise so as to retain existing customer base and attract new customers. Therefore, the Company has a probable risk of losing its customers to other hospitals.

The Company has prepared to compete for customer base retention and the status of premium hospital in eastern Bangkok, by investing in advanced medical equipment and information technology system, offering privileges to the Hospital membership, upgrading premises amenities, and improving and expanding service spaces for inpatients and outpatients in order to provide the customers with maximum benefits.

## 3. Risk from changes in government policies

Non-participation in the social security and health insurance schemes is a factor contributing to the difference in the numbers of patients of the Hospital and participating hospitals. Fully aware of such risk, the Company has pursued the policy to develop the quality of its treatment and care services in effort to maximize customer satisfaction, which shall make the Hospital become the better choice of services. However, the Company has taken part in several state-initiated programs, e.g. arrangement provided to patients for reimbursement of renal dialysis expenses from the Social Security Office or government agencies, participation in the Comptroller General's Department's Direct Payment Program for inpatients on elective surgery cases, etc.

#### 4. Risk associated with lease of land

Thainakarin Hospital is situated on the land acquired from the Thai Red Cross Society under a 30-year lease agreement which will be expiring on 8 November 2018. Realizing the risk associated with the forthcoming expiry of the said agreement, the Company and the management have been discussing with the Thai Red Cross Society the renewal of the lease agreement on the land and buildings, which is expected to be renewed for a term of 25-30 years at an appropriate rate as mutually agreed. There is a strong possibility of renewal, as the Company has maintained good relationship with the Thai Red Cross Society and strictly complied with all the contractual terms and conditions, as well as frequently supporting and partaking in the Society's activities.

Apart from that, the Company has already accepted ownership transfer of lands at the side and the back of the Hospital (approximate area of 16-3-19.5 rai in total) purchased at auction from Sukhumvit Asset Management Co., Ltd.

#### 5. Legal dispute

It is widely known that disputes and lawsuits between patients and hospitals or doctors have now increased. Due to rising public awareness of new legislations on benefits and protection of patient/consumer, such as the National Health Act B.E. 2550, the Consumer Case Procedure Act B.E. 2551, etc., along with more stringent regulations of the Medical Council of Thailand on medical establishment advertising, hospitals as well as doctors and nurses must exercise extreme caution in all aspects related to patients and service users. To prevent litigation risk, the Company opts for the policy of negotiation and compromise in dealing with issues by means of explanation and reconciliation, even when such problem is a matter of expectation. The Company has also adopted more meticulous management approaches over activities that are prone to legal risk.

Over the past period, the Company has been involved in a number of legal disputes, but there was no significant impact on the business operation or assets of the Company.



# Shareholding and Management Structure

## Shareholding Structure

### ▪ Company's Securities

The Company's total registered capital is Baht 180 million. The capital is fully paid and has 180 million total shares at the par value of Baht 1 per share.

List of top 10 major shareholders of the Company as of 31 July 2016.

Names of Shareholders	Number of Shares	% of Shareholding
1. Siam Property Development Company Limited	50,000,000	27.77
2. Mr. Jatuporn Sihanatkathakul	21,540,000	11.96
3. Thai NVDR Company Limited	6,929,975	3.85
4. Mrs. Vaewta Looareesuwan	4,430,700	2.46
5. Mr. Phijit Viriyamettakul	3,410,000	1.89
6. Mrs. Nipapat Sihanatkathakul	3,000,000	1.66
7. Mr. Niwatsilp Srisook	3,000,000	1.66
8. Miss Samlee Prommasom	2,900,000	1.61
9. Mr. Charoen Meensook	2,500,000	1.39
10. Mrs. Hattaya Meensook	2,285,500	1.27

Source: Thailand Securities Depository Co., Ltd.

The major shareholders having material influence on the Company's decisions on policies, management and operations are as follows:

1. The Sihanatkathakul family, which includes Mr. Jatuporn Sihanatkathakul, Mr. Suchart Sihanatkathakul, Mrs. Nipapat Sihanatkathakul, Mr. Thiti Sihanatkathakul, Mr. Pitipat Sihanatkathakul, Miss Onaree Sihanatkathakul and Mr. Tosaporn Sihanatkathakul, holds approximately 16 percent shareholding in the Company.
2. Members of the Sihanatkathakul family hold shares in Siam Property Development Company Limited and are authorized directors of Siam Property Development Company Limited.

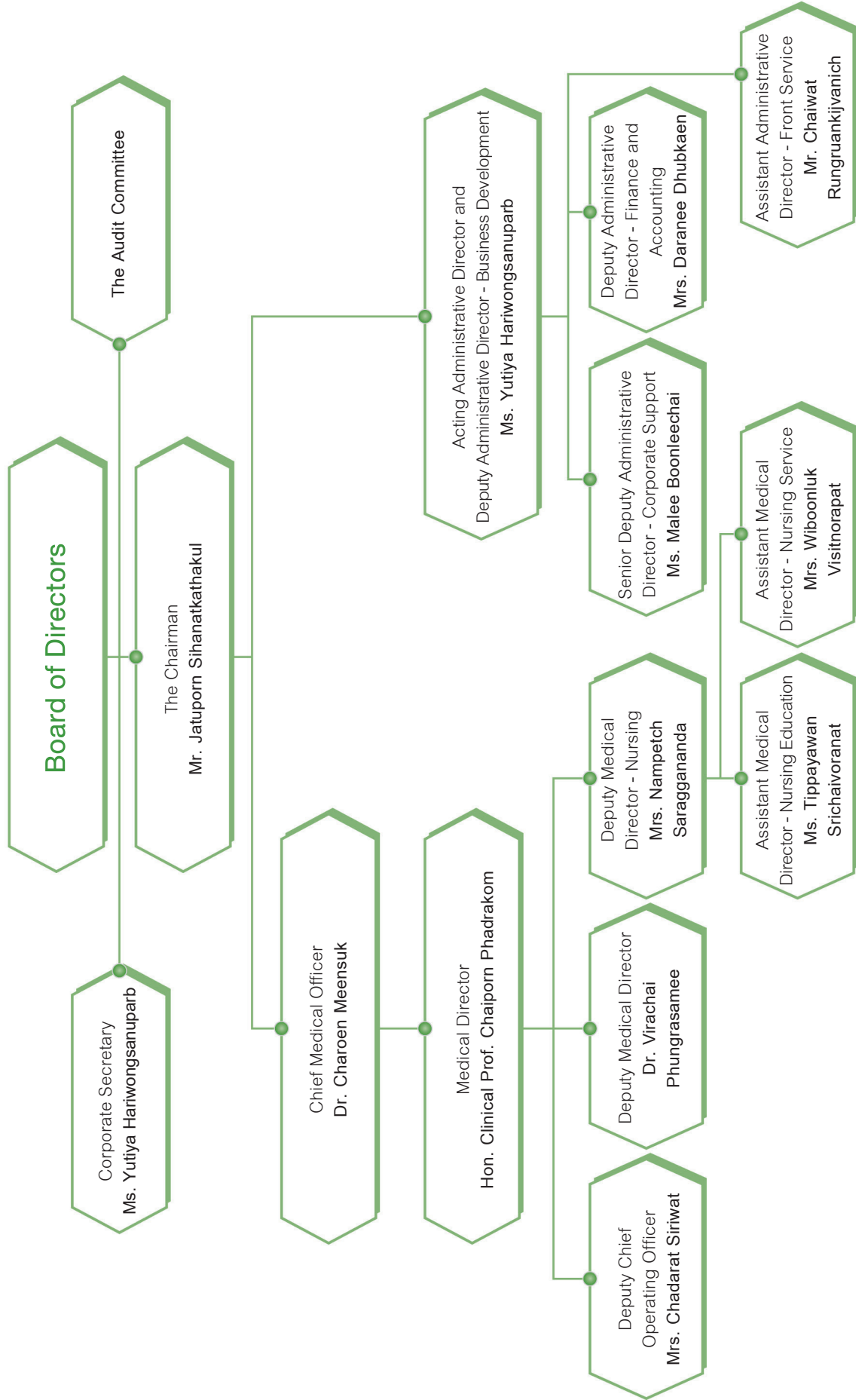
## Dividend Policy

According to the Company's dividend policy, the dividend payment shall be at least 60 percent of the net profit after corporate income tax. Nonetheless, the payout ratio may be lower than the said level if the Company finds it necessary to allocate the net profit to its business expansion.

On 15 September 2016, the Board of Directors, in its meeting no. 3/2016, resolved to propose the 2016 annual dividend payment (from the operating results of the period between 1 August 2015 and 31 July 2016) at the rate of Baht 0.65 per share, totaling Baht 117,000,000 (one hundred and seventeen million baht) to the 2016 annual general meeting of shareholders for approval.



# Management Structure



Remark : Ms. Yutiya Hariwongsanuparb has been appointed as Administrative Director and Deputy Administrative Director of the Company with effective September 1, 2016 onwards.

## Board of Directors

As of 31 July 2016, the Board is comprised of 15 members as detailed below:

1. Mr. Jatuporn	Sihanatkathakul	Chairman of the Board
2. Dr. Charoen	Meensook	Director
3. Prof. Dr. Deja	Tanphaichitra	Director
4. Asst. Prof. Dr. Prapas	Teerakul	Director
5. Mr. Prapat	Suthawate	Director
6. Mr. Sumeth	Jenjesda	Director
7. Dr. Arkom	Cheirsilpa	Director
8. Mr. Thiti	Sihanatkathakul	Director
9. Mr. Pitipat	Sihanatkathakul	Director
10. Mr. Norathep	Sihanatkathakul	Director
11. Mr. Kraisak	Kadkum	Director and Chairman of the Audit Committee
12. Pol. Gen. Sawat	Amornvivat	Director and Member of the Audit Committee
13. Dr. Pridi	Hetrakul	Director and Member of the Audit Committee
14. Assoc. Prof. Dr. Chertsak Dhiraputra		Director and Member of the Audit Committee
15. Asst. Prof. Dr. Panya	Issarawornrawanich	Director and Member of the Audit Committee

### ▪ Company Secretary

Ms. Yutiya Hariwongsanuparb

### ▪ Authorized Director

Two of the six authorized directors, namely Mr. Jatuporn Sihanatkathakul, Dr. Charoen Meensook, Mr. Prapat Suthawate, Asst. Prof. Dr. Prapas Teerakul, Dr. Pridi Hetrakul, and Mr. Thiti Sihanatkathakul shall co-sign and affix the Company's seal to legally bind the Company.

### ▪ Scope of Duty and Responsibility of the Board

The Board shall have the authority, duties and responsibilities to perform acts with care and integrity to ensure the Company's compliance with applicable laws, the corporate purpose, the articles of association, and the resolutions of legitimate shareholders' meetings. Key authority and responsibilities of the Board are as summarized below.

- The Board shall call an annual general meeting of shareholders within 4 months from the end of the Company's accounting period.
- The Board shall convene a Board meeting at least every 3 months.
- The Board shall propose the audited statements of financial positions and the statement of comprehensive income as of the end of the Company's accounting period to a shareholders' meeting for approval.
- The Board may delegate a director, directors or other persons to perform acts on its behalf and under its supervision; or delegate to such persons the authority within the scope as the Board deems

appropriate. Such delegation may be annulled, amended, or re-assigned to other persons as the Board deems appropriate.

The Board may delegate to managing directors the authority and responsibility to perform acts or duties as detailed in the scope of power and responsibilities of managing directors. Such delegation shall not explicitly or implicitly vest managing directors with the power to consider and approve transactions involving conflict of interest between themselves or their related parties and Company or its subsidiaries (if any), unless otherwise permitted by applicable policies and criteria previously approved by the Board.

- (e) The Board shall determine the Company's policies, directions, business plans and budget plans as well as govern managing directors' operations to assure compliance with the policies and directions given by the Board. This clause excludes matters such as capital increase, capital decrease, sale or transfer of entire business or significant part of business, business acquisition, acceptance of business transfer, amendment of the Company's articles of association, etc., which the Board must obtain prior approval from the shareholders' meeting in accordance with regulatory requirements.

The Board also has the duty to oversee the Company's compliance with the Securities and Exchange Act, rules and regulations of the Stock Exchange of Thailand governing, for example, related-party transactions and acquisition or disposal of material assets, and other relevant laws.

- (f) The Board shall approve management structure and the appointment of managing directors and members of committees as appropriate.
- (g) The Board shall monitor the Company's performance and assure that it is consistently in line with business plans and budget plans.
- (h) Directors shall refrain from operating businesses similar to or competing with the Company or being partners in ordinary partnerships, partners with unlimited liability in limited partnerships, or directors of private companies or companies operating businesses similar to and competing the Company, regardless of whether such tenure is for the interest of themselves or others, unless the shareholders' meeting has been notified of the tenure before approving their directorship.
- (i) Directors shall, without delay, notify the Company of their direct and indirect conflict of interest related to the Company's contractual transactions, and change in their possession of shares or debentures of the Company or its subsidiaries.

### ▪ **Scope of Duty and Responsibility of the Chairman of the Board**

- (a) The Chairman of the Board shall review the annual budget allocation plan proposed by the management prior to submission thereof for the Board's approval.
- (b) The Chairman of the Board shall have the authority to approve procurement transactions within the limit of Baht 10,000,000 per transaction.

The Chairman of the Board shall not have the power to approve transactions of the Company and its subsidiaries which involve conflict of interest with himself or his related parties in accordance with rules and regulations of the Stock Exchange of Thailand. Such transactions shall be proposed to the Board's meeting and/or the shareholders' meeting for approval as required by the Company's articles of association or applicable laws, unless they are in the ordinary course of the Company's business and meet the specific approval criteria previously established by the Board.



## Audit Committee

As of 31 July 2016, the Audit Committee is comprised of 5 members as follows:

1. Mr. Kraisaak	Kadkum	Chairman of the Audit Committee
2. Pol. Gen. Sawat	Amornvivat	Member
3. Dr. Pridi	Hetrakul	Member
4. Assoc. Prof. Dr. Chertsak Dhiraputra		Member
5. Asst. Prof. Dr. Panya	Issarawornrawanich	Member

Asst. Prof. Dr. Panya Issarawornrawanich, an assistant professor of Accounting Department, Thammasat Business School, Thammasat University, and a certified public accountant, is an Audit Committee member who possesses extensive accounting and finance knowledge and experience.

### ▪ Acting Secretary to the Audit Committee

Ms. Viyadarat Sintharajiratha

### ▪ Scope of Duties and Responsibilities of the Audit Committee

- a) Review the Company's financial reports to ensure accuracy and adequacy of the quarterly and annual financial reports in collaboration with external auditors and executives concerned. The Audit Committee may recommend external auditors to review and examine any items or transactions which are considered essential and material during the audit process.
- (b) Review the Company's internal control and internal audit to ensure their adequacy and effectiveness in collaboration with external auditors and internal auditors.
- (c) Review the Company's compliance with the Securities and Exchange Act, rules and regulations of the Stock Exchange of Thailand or applicable laws.
- (d) Screen and nominate external auditors for the Company by taking into consideration on the audit fees based on the credibility, resources, and workload of auditing firms concerned as well as the independence and experience of designated auditors.
- (e) Examine the Company's disclosure of related-party transactions or conflict of interest.
- (f) Perform any other duties as assigned by the Board and concurred by the Audit Committee which include, for example, reviewing financial and the executives' compliance with the code of ethics which must be publicly disclosed in important reports such as the management discussion and analysis in accordance with the laws.
- (g) Prepare the Audit Committee's Report which must contain the Audit Committee's opinions regarding the accuracy and reliability of the Company's financial reports and disclosure as well as the adequacy of the Company's internal control. The Audit Committee's Report must be included in the annual report and signed by the Chairman of the Audit Committee.

- (h) Regularly report the Audit Committee's performance to the Board at least quarterly.
- (i) Provide opinions on the performance evaluation, appointment, removal and remuneration of internal auditors.

An office term of the Audit Committee

- Chairman 2 years
- Member 2 years

The Chairman and members of the Audit Committee who retire by rotation may be re-appointed.

### ▪ Qualification of Audit Committee Member and Selection Process

The Board is vested with the authority to appoint 5 persons possessing qualifications in accordance with the Securities and Exchange Act, and notifications, rules and/or regulations stipulated by the Securities and Exchange Commission to serve on the Audit Committee. At least 1 member of the Audit Committee shall have finance and accounting knowledge. Each member of the Audit Committee shall hold an office term of 2 years at a maximum and must meet the following qualification criteria:

1. Holds not more than 5 percent of total voting shares of the Company, its parent company, its subsidiaries, its associate companies or entities of persons who may have conflict of interest.
2. Is not engaged in the Company's management and is not staff, employee, salaried advisor or person with controlling power of the Company, its parent company, its subsidiaries, its associate companies or entities owned by persons who may have conflict of interest.
3. Is not related by blood, marriage or legal registration as father, mother, child or close relative of persons who may have conflict of interest.
4. Does not have business relationship with the Company, its parent company, its subsidiaries, its associate companies or entities owned by persons who may have conflict of interest in a manner that may obstruct his/her independent judgment as well as does not possess any characteristic which may obstruct his/her independent opinion on the Company's business operations.
5. Possesses a suitable level of abilities and experience required for the effective review of financial statements and his/her performance of other duties as a member of the Audit Committee.
6. Each member of the Audit Committee shall be able to offer opinions and recommendations on internal control audit reports prepared by the Internal Audit Department or internal audit service providers.

## Management Team

As of July 31, 2016 the management team is comprised of 11 executives as follows:

1. Dr. Charoen	Meensook	Chief Medical Officer
2. Hon. Clinical Prof. Chaiporn Phadrakom		Medical Director and Chief Operating Officer
3. Ms. Yutiya	Hariwongsanuparb	Acting Administrative Director and Deputy Administrative Director - Business Development
4. Dr. Virachai	Phungrasamee	Deputy Medical Director
5. Mrs. Nampetch	Saraggananda	Deputy Medical Director - Nursing
6. Mrs. Chadarat	Siriwat	Deputy Chief Operating Officer
7. Ms. Malee	Boonleechai	Senior Deputy Administrative Director - Corporate Support
8. Mrs. Daranee	Dhubkaen	Deputy Administrative Director - Finance and Accounting
9. Ms. Tippayawan	Srichaivoranat	Assistant Medical Director - Nursing Education
10. Mrs. Wiboonluk	Visitnorapat	Assistant Medical Director - Nursing Service
11. Mr. Chaiwat	Rungruankijvanich	Assistant Administrative Director - Front Service

### ▪ Scope of Duties and Responsibilities of Chief Medical Officer

Chief Medical Officer shall have the authority, duty and responsibility to give consultation and advice to doctors and formulate medical policies as detailed below:

- (a) Undertake supervision to ensure that the Company's medical policies comply with rules and regulations stipulated by the Ministry of Public Health.
- (b) Provide consultation and advice for doctors about proper medical practices in accordance with professional standard and ethics.

Chief Medical Officer shall not have the power to approve transactions of the Company and its subsidiaries which involve conflict of interest with himself or his related parties in accordance with rules and regulations of the Stock Exchange of Thailand. Such transactions shall be proposed to the Board's meeting and/or the shareholders' meeting for approval as required by the Company's articles of association or applicable laws, unless they are in the ordinary course of the Company's business and meet the specific approval criteria previously established by the Board.

### ▪ Scope of Duties and Responsibilities of Medical Director

Medical Director shall have the authority, duty and responsibility to manage ordinary medical service operations as detailed below:

- (a) Control medical services and day-to-day operations of doctors, nurses, pharmacists and medical staff to ensure compliance with regulatory requirements stipulated by the Ministry of Public Health, the Medical Council of Thailand, Thailand Nursing and Midwifery Council and the Pharmacy Council of Thailand.

- (b) Execute work in accordance with policies, business plans and budget plans approved by the Board.
- (c) Make decisions on recruitment of medical personnel with suitable knowledge and expertise as well as on employment termination.
- (d) Supervise the selection of medicines and medical supplies, equipment and tools.
- (e) Consider, in collaboration with department heads, rates of salary, bonus and compensation of employees, staff and persons hired by the Company within the framework approved by the Board.
- (f) Control service quality to consistently meet health care accreditation standards.

Medical Director shall not have the power to approve transactions of the Company and its subsidiaries which involve conflict of interest with himself or his related parties in accordance with rules and regulations of the Stock Exchange of Thailand. Such transactions shall be proposed to the Board's meeting and/or the shareholders' meeting for approval as required by the Company's articles of association or applicable laws, unless they are in the ordinary course of the Company's business and meet the specific approval criteria previously established by the Board.

#### ▪ **Scope of Duties and Responsibilities of Chief Operating Officer**

Chief Operating Officer shall have the authority, duties and responsibilities to manage and supervise all quality improvement activities of the hospital as detailed below:

- (a) Govern all quality improvement activities of the hospital.
- (b) Manage all risks associated with health care services provided by the hospital.
- (c) Execute work in accordance with policies, business plans and budget plans approved by the Board.
- (d) Consider, in collaboration with department heads, rates of salary, bonus and compensation of employees, staff and persons hired by the Company within the framework approved by the Board.
- (e) Control service quality to consistently meet health care accreditation standards.

Chief Operating Officer shall not have the power to approve transactions of the Company and its subsidiaries which involve conflict of interest with himself or his related parties in accordance with rules and regulations of the Stock Exchange of Thailand. Such transactions shall be proposed to the Board's meeting and/or the shareholders' meeting for approval as required by the Company's articles of association or applicable laws, unless they are in the ordinary course of the Company's business and meet the specific approval criteria previously established by the Board.

#### ▪ **Scope of Duties and Responsibilities of Administrative Director**

Administrative Director shall have the authority, duty and responsibility to manage and supervise ordinary operations and administration of the Company as detailed below:

- (a) Govern and supervise the Company's administration and/or day-to-day operations.
- (b) Execute work in accordance with policies, business plans and budget plans approved by the Board.

- (c) Review the annual budget allocation plan proposed by the management prior to submission of the plan to the Board for approval. Consider and decide on requests for annual budget revision or increase which are urgent and cannot wait until the upcoming Board's meeting. Decisions on such requests shall be reported to the subsequent Board's meeting.
- (d) Approve procurement transactions within the limit of Baht 300,000 per transaction.
- (e) Consider, in collaboration with department heads, rates of salary, bonus and compensation of employees, staff and persons hired by the Company within the framework approved by the Board.
- (f) Serve as an authorized person of the Company who is empowered to manage the Company's business in strict compliance with the corporate purpose, articles of associations, policies, regulations, rules, directives, and resolutions of shareholders' meetings and/or resolutions of the Board's meetings.

Administrative Director shall not have the power to approve transactions of the Company and its subsidiaries which involve conflict of interest with himself or his related parties in accordance with rules and regulations of the Stock Exchange of Thailand. Such transactions shall be proposed to the Board's meeting and/or the shareholders' meeting for approval as required by the Company's articles of association or applicable laws, unless they are in the ordinary course of the Company's business and meet the specific approval criteria previously established by the Board.

The Board's meeting resolved to increase the authority limit of Deputy Administrative Director to Baht 300,000 per transaction which is the same as the authority limit of Administrative Director. Deputy Administrative Director shall not have the power to approve transactions of the Company and its subsidiaries which involve conflict of interest with herself or her related parties in accordance with rules and regulations of the Stock Exchange of Thailand. Such transactions shall be proposed to the Board's meeting and/or the shareholders' meeting for approval as required by the Company's articles of association or applicable laws, unless they are in the ordinary course of the Company's business and meet the specific approval criteria previously established by the Board.

## Director and Executive Nomination

The nomination of directors is proposed to the shareholders' meeting and subject to the majority vote of shareholders. Though the Nomination Committee is not involved in the nomination process, the Company has taken steps to ensure that director candidates meet the qualification criteria as set out in Section 68 of the Public Limited Companies Act B.E. 2535 and possesses professional knowledge and expertise which are beneficial to the Company's business, visionary leadership, integrity, morality, proven record of transparency, and independence.

The Company has established a committee consisting of senior medical, nursing and administrative executives to be responsible for screening and interviewing candidates for executive positions. The remuneration packages of senior executives is based on their scope of duties and responsibilities and benchmarked with other companies of comparable size in the same industry.

## Director and Executive Remuneration

The Company's expenses on remuneration and fringe benefits for directors and executives for the year ended on 31 July 2016 are as shown below:

(1) Total director remuneration in relation to attendance fees and benefits is as listed below:

Name	Board Meeting		Audit Committee Meeting		Total
	No. of Attendance / No. of Meeting	Attendance Fee Amount	No. of Attendance / No. of Meeting	Attendance Fee Amount	
Mr. Jatuporn Sihanatkathakul	4/4	72,000.00	-	-	72,000.00
Dr. Charoen Meensook	3/4	42,000.00	-	-	42,000.00
Mr. Suchart Sihanatkatakul	0/1	-	-	-	-
Prof. Dr. Deja Tanphaichitra	3/4	42,000.00	-	-	42,000.00
Dr. Arkom Cheirsilpa	3/4	42,000.00	-	-	42,000.00
Mr. Prapat Suthawate	4/4	56,000.00	-	-	56,000.00
Asst. Prof. Dr. Prapas Teerakul	4/4	56,000.00	-	-	56,000.00
Mr. Sumeth Jenjesda	4/4	56,000.00	-	-	56,000.00
Mr. Thiti Sihanatkathakul	4/4	56,000.00	-	-	56,000.00
Mr. Pitipat Sihanatkathakul	1/4	14,000.00	-	-	14,000.00
Mr. Norathep Sihanatkathakul	3/3	42,000.00	-	-	42,000.00
Mr. Kraisaak Kadkum	4/4	56,000.00	4/4	72,000.00	128,000.00
Pol. Gen. Sawat Amornvivat	2/4	28,000.00	2/4	28,000.00	56,000.00
Dr. Pridi Hetrakul	4/4	56,000.00	4/4	56,000.00	112,000.00
Assoc. Prof. Dr. Chertsak Dhiraputra	4/4	56,000.00	4/4	56,000.00	112,000.00
Asst. Prof. Dr. Panya Issarawomrawanich	4/4	56,000.00	4/4	56,000.00	112,000.00
<b>Total</b>		<b>730,000.00</b>		<b>268,000.00</b>	<b>998,000.00</b>

Director remuneration refers to remuneration paid to the Company's directors, exclusive of monthly salary and fringe benefits offered to executives. The director remuneration has been approved by the shareholders' meeting.

Medical benefit for directors and their families are limited at Baht 800,000 per year and the Company's expenses on the said benefit in 2016 amounted to Baht 3,882,150 as detailed in the note 6 to the financial statements. All medical expenses which exceed the limit are charged and collected in accordance with the Company's procedures.

## (2) Executive Director and Executive Remuneration

Total remuneration of executive directors and executives of the Company in 2016 amounted to Baht 31.94 million, inclusive of monthly salary, medical benefits and fringe benefits offered to executives.

## Personnel

As of 31 July 2016, the Company has 1,144 permanent employees and 115 contractual employees, now a total of 1,259 employees. Expenses on salary, wages and fringe benefits of employees in 2016 are as shown below.

Category	Amount (Baht)
Salary, overtime, bonus, retiring allowance and others	431.74
Benefits	32.47
Contribution to Social Security Fund	9.76
Contribution to provident fund	2.99
Contribution to Fund for Empowerment of Persons with Disabilities	-
Others	0.10
<b>Total</b>	<b>477.06</b>

## Details of Management and Persons with Controlling power of the Company

### ▪ Directors

Name/Position	Age	Education	Shareholding in the Company (%)	Family Relationship	Work Experience
1. Mr. Jatuporn Sihanatkathakul Chairman of the Board	75	<ul style="list-style-type: none"> <li>B. Acc., Chulalongkorn University</li> <li>Honorary Ph.D., Hotel and Tourism, Dhurakij Pundit University</li> </ul>	11.97	<ul style="list-style-type: none"> <li>Younger brother of Mr. Suchart Sihanatkathakul</li> <li>Father of Mr. Thiti Sihanatkathakul and Mr. Pitipat Sihanatkathakul</li> </ul>	<ul style="list-style-type: none"> <li>Chairman of the Board, Thainakarin Hospital Pcl.</li> <li>President, Thai Tourism Industry Association</li> <li>Managing Director, Mahidol University, College of Management Program</li> <li>Chairman of the Board, Landmark Overseas Development Co.,Ltd.</li> <li>Director, Siam Overseas Development Co., Ltd.</li> <li>Managing Director, Siam Property Development Co., Ltd.</li> </ul>
2. Dr. Charoen Meensuk Director	74	<ul style="list-style-type: none"> <li>M.D. 1967</li> <li>Diplomate American Board of Internal Medicine &amp; Subspecialty Board of Gastroenterology 1968 - 1973</li> <li>New York State Board 1974</li> <li>DTM &amp; H (Liverpool) 1974</li> <li>FACG 1975</li> <li>FACP 1986</li> <li>Director Accreditation Program (DAP) 2005</li> </ul>	1.39	-	<ul style="list-style-type: none"> <li>Director and Chief Medical Officer, Thainakarin Hospital Pcl.</li> <li>Director and Medical Director, Thainakarin Hospital Pcl.</li> <li>Specialist doctor and consultant specialized in internal medicine and gastroenterology, Thainakarin Hospital Pcl.</li> </ul>
3. Prof. Dr. Deja Tanphaichitra Director	73	<ul style="list-style-type: none"> <li>Doctor of Medicine, Faculty of Medicine Siriraj Hospital, Mahidol University</li> <li>Internal Medicine, American Board F.A.C.P. (infectious disease)</li> </ul>	0.21	-	<ul style="list-style-type: none"> <li>Director, Thainakarin Hospital Pcl.</li> <li>Professor and Head of Infectious Disease and Epidemiology Department, Ramathibodi Hospital</li> </ul>
4. Asst. Prof. Dr. Prapas Teerakul Director	61	<ul style="list-style-type: none"> <li>MBA in Management, Ramkhamhaeng University</li> <li>Fellow of The American Academy of Cosmetic Surgery 1987</li> <li>Certificate in Otorhinolaryngology, Faculty of Medicine, Mahidol University</li> <li>B.Sc. in Science</li> </ul>	-	-	<ul style="list-style-type: none"> <li>Director, Thainakarin Hospital Pcl.</li> <li>Medical Director, Thainakarin Hospital Pcl.</li> <li>Deputy Medical Director, Thainakarin Hospital Pcl.</li> <li>Assistant Professor, Department of Otorhinolaryngology, Faculty of Medicine Ramathibodi Hospital, Mahidol University</li> <li>Lecturer, Faculty of Medicine Ramathibodi Hospital, Mahidol University</li> </ul>



	Name/Position	Age	Education	Shareholding in the Company (%)	Family Relationship	Work Experience
5.	Mr. Prapat Suthawate Director	72	<ul style="list-style-type: none"> <li>• Master of Political Science (Government), Chulalongkorn University</li> <li>• Bachelor of Political Science (Public Administration), Ramkhamhaeng University</li> <li>• Diploma in Tourism Management and Development, University of Haifa, Israel</li> </ul>	-	-	<ul style="list-style-type: none"> <li>• Director and Acting Administrative Director, Thainakarin Hospital Pcl.</li> <li>• Guest Lecturer, Faculty of Business Administration, Ramkhamhaeng University</li> <li>• Guest lecturer, Faculty of Business Administration, Kasetsart University</li> <li>• Special Program Director, Rangsit University</li> <li>• Chairman of Working Group, R.S.U. Horizon Travel Co., Ltd., Rangsit University</li> <li>• Administrative Director, Thainakarin Hospital Pcl.</li> <li>• Manager and Advisor, Human Resources Department, Siam Property Development Co., Ltd.</li> </ul>
6.	Mr. Sumeth Jenjesda Director	82	<ul style="list-style-type: none"> <li>• B. Acc. and B. Comm.</li> </ul>	-	-	<ul style="list-style-type: none"> <li>• Director, Thainakarin Hospital Pcl.</li> <li>• Director and Chairman of Audit Committee, Thainakarin Hospital Pcl.</li> <li>• Director and Chairman of Audit Committee, Siam Sport Syndicate Pcl.</li> <li>• Certified Public Accountant, Letrimit Accounting and Law Co., Ltd.</li> </ul>
7.	Dr. Arkom Cheirsilpa Director	69	<ul style="list-style-type: none"> <li>• B.Sc. Mahidol University</li> <li>• M.D.(CIM76 Philippines)</li> <li>• Board of Internal Medicine, The Medical Council of Thailand</li> <li>• Sup - Speciality Board Certified in Medical Oncology</li> <li>• Fellowship in Oncology (RPMI, USA and RMH, UK)</li> <li>• Mini MBA Chulalongkorn University</li> <li>• MBA in Health, Chulalongkorn University</li> <li>• Cert. in Hospital Management, Harvard School of Public Health, USA</li> </ul>	-	-	<ul style="list-style-type: none"> <li>• Received the World Scientists Forum International Awards in Cancer Research and Clinical Oncology "Eminent Scientist of the Year 2007: Asia"</li> <li>• International Research Promotion Council, UK</li> <li>• Director of Holistic Oncology Center and Director, Thainakarin Hospital Pcl.</li> <li>• Advisor, National Oncology Society</li> <li>• Advisor, Thai Society of Clinical Oncology</li> <li>• Medical Consultant, Chulabhorn Hospital, Chulabhorn Research Institute</li> <li>• Deputy Director, National Cancer Institute</li> <li>• Cancer Specialist, Food and Drug Administration Department, Ministry of Public Health</li> </ul>

	Name/Position	Age	Education	Shareholding in the Company (%)	Family Relationship	Work Experience
8.	Mr. Thiti Sihanatkathakul Director	41	<ul style="list-style-type: none"> <li>M.Sc. Analysis, Design and Management of Information Systems, The London School of Economics and Political Science, UK</li> <li>MBA, Huron University, UK</li> <li>BBA, Banking and Finance, Business School, Chulalongkorn University</li> </ul>	0.83	<ul style="list-style-type: none"> <li>Son of Mr. Jatuporn Sihanatkathakul</li> <li>Elder brother of Mr. Pitipat Sihanatkathakul</li> </ul>	<ul style="list-style-type: none"> <li>2008 - Present Director, Thainakarin Hospital Pcl.</li> <li>2010 - Present Director, Corner Décor Co., Ltd.</li> <li>Director, Komars Enterprise Co., Ltd.</li> <li>2003 - Present Director, Kumpoo Thailand Co., Ltd.</li> <li>Deputy Managing Director and Director, Landmark Bangkok Group</li> <li>2001 - 2002 Acting Director of Human Resources Department, Landmark Bangkok Hotel</li> <li>1999 - 2000 Associate Judge, Central Labor Court</li> <li>1998 Marketing Department, Thana Siam Credit Pcl.</li> <li>1997 Management Trainee, Royal Lancaster Hotel, UK</li> </ul>
9.	Mr. Pitipat Sihanatkathakul Director	40	<ul style="list-style-type: none"> <li>M.M. (Organization Development and Management), Assumption University</li> <li>B.Acc., Assumption University</li> <li>Mini MBA, Chulalongkorn University</li> <li>Essentials of Leadership Training Course, London Business School</li> </ul>	0.55	<ul style="list-style-type: none"> <li>Son of Mr. Jatuporn Sihanatkathakul</li> <li>Younger brother of Mr. Thiti Sihanatkathakul</li> </ul>	<ul style="list-style-type: none"> <li>2013 - Present Director, Thainakarin Hospital Pcl.</li> <li>2006 - Present Assistant Administrative Director, Thainakarin Hospital Pcl.</li> <li>2005 - Jul. 2006 Acting Assistant Administrative Director, Thainakarin Hospital Pcl.</li> <li>2004 - 2005 Information Center and PR Advisor, Thainakarin Hospital Pcl.</li> <li>2002 - 2004 Assistant Manager, Board of Directors Office, Siam Property Development Co., Ltd.</li> </ul>
10.	Mr. Norathep Sihanatkathakul Director	56	<ul style="list-style-type: none"> <li>Bachelor of Commerce, Faculty of Commerce and Accountancy, Chulalongkorn University</li> </ul>	-	<ul style="list-style-type: none"> <li>Nephew of Mr. Jatuporn Sihanatkathakul</li> </ul>	<ul style="list-style-type: none"> <li>1998 - Present Director of Legal Affair, Siam Property Development Co., Ltd.</li> <li>1999 - 2001 Associate Judge, Labour Court, Ministry of Justice</li> <li>1993 - 1998 Assistant Manager of Internal Audit Department, Siam Property Development Co., Ltd.</li> </ul>
11.	Mr. Kraisaak Kakkum Director and Chairman of the Audit Committee	53	<ul style="list-style-type: none"> <li>L.L.B. Ramkhamhaeng University</li> <li>Barrister-at-law, Thai Bar Institute</li> <li>Diploma in Business Laws, Thammasat University</li> </ul>	-	-	<ul style="list-style-type: none"> <li>2005 - Present Director and Chairman of the Audit Committee Thainakarin Hospital Pcl.</li> <li>2004 - 2005 Director and Member of the Audit Committee, Thainakarin Hospital Pcl.</li> <li>1994 - Present Lawyer and Executive Director, Sahakarn Law Office Co., Ltd.</li> </ul>
12.	Pol. Gen. Sawat Amornvivat Director and Member of the Audit Committee	81	<ul style="list-style-type: none"> <li>Master of Political Science (Public Administration), Indiana University</li> <li>Master of Social Science (Social Development), Kasetsart University</li> <li>Bachelor's Degree in Public Administration, Royal Police Cadet Academy</li> <li>Certificate, FBI College, USA</li> <li>National Defense College, Class 26</li> </ul>	0.55	-	<ul style="list-style-type: none"> <li>2007 - Present Director and Member of the Audit Committee, Thainakarin Hospital Pcl.</li> <li>2543 - 2549 Chiangmai Senator</li> <li>2540 Member of Constitution Drafting Assembly</li> <li>Member of National Legislative Assembly (2 terms)</li> </ul>

	Name/Position	Age	Education	Shareholding in the Company (%)	Family Relationship	Work Experience
13.	Dr. Pridi Hetrakul Director and Member of the Audit Committee	73	<ul style="list-style-type: none"> <li>• Doctor of Medicine, Faculty of Medicine Siriraj Hospital</li> <li>• American Board of Surgery</li> <li>• FACS, FRCST</li> </ul>	0.83	-	<ul style="list-style-type: none"> <li>• Director and Member of the Audit Committee Thainakarin Hospital Pcl.</li> <li>• Director and Surgeon, Meyo Polyclinic Co., Ltd.</li> </ul>
14.	Assoc. Prof. Dr. Chertsak Dhiraputra Director and Member of the Audit Committee	73	<ul style="list-style-type: none"> <li>• Doctor of Medicine, Faculty of Medicine Siriraj Hospital</li> <li>• M.S.C. Microbiology University of New South Wales, Australia</li> </ul>	-	-	<ul style="list-style-type: none"> <li>• Director and Member of the Audit Committee, Thainakarin Hospital Pcl.</li> <li>• Advisor, Faculty of Medicine Siriraj Hospital</li> <li>• Honorary Advisor, Siriraj Foundation</li> <li>• Lecturer, Faculty of Medicine Siriraj Hospital</li> <li>• Advisor to Hospital Director, Siriraj Hospital</li> <li>• Executive Director, Faculty of Medicine Siriraj Hospital</li> </ul>
15.	Asst. Prof. Dr. Panya Issarawomrawanich Director and Member of the Audit Committee	44	<ul style="list-style-type: none"> <li>• Ph.D. in Accounting, Business School, Chulalongkorn University</li> <li>• M.Acc., Business School, Thammasat University</li> <li>• Diploma (Accounting), Business School, Thammasat University</li> <li>• B.Acc. Business School, Chulalongkorn University</li> </ul>	-	-	<ul style="list-style-type: none"> <li>• Deputy Dean, Student Affairs Department Business School, Thammasat University</li> <li>• Associate Dean for Finance and Planning, Business School, Thammasat University</li> <li>• Director and Member of the Audit Committee Thainakarin Hospital Pcl.</li> <li>• Permanent Lecturer, Assistant Professor of Accounting Department of Business School, Thammasat University</li> <li>• Certified Public Accountant, Federation of Accounting Professions</li> <li>• Head of Accounting Department, Faculty of Business Administration, Mahanakorn University of Technology</li> <li>• Senior Audit Assistant, Ernst and Young</li> </ul>

## Management

	Name/Position	Age	Education	Shareholding in the Company (%)	Family Relationship	Work Experience
1.	Dr. Charoen Meensuk Director	74	<ul style="list-style-type: none"> <li>• M.D. 1967</li> <li>• Diplomate American Board of Internal Medicine &amp; Subspecialty Board of Gastroenterology 1968 – 1973</li> <li>• New York State Board 1974</li> <li>• DTM &amp; H (Liverpool) 1974</li> <li>• FACP 1975</li> <li>• FACP 1986</li> <li>• Director Accreditation Program (DAP) 2005</li> </ul>	1.38	-	<ul style="list-style-type: none"> <li>• Director and Medical Chief Officer, Thainakarin Hospital Pci.</li> <li>• Director and Medical Director, Thainakarin Hospital Pci.</li> <li>• Specialist doctor and consultant specialized in internal medicine and gastroenterology, Thainakarin Hospital Pci.</li> </ul>
2.	Hon. Clinical Prof. Chaiporn Phadrakorn Medical Director and Chief Operating Officer	72	<ul style="list-style-type: none"> <li>• Doctor of Medicine, Faculty of Medicine Siriraj Hospital, Mahidol University</li> <li>• Diplomate in Obstetrics and Gynecology</li> </ul>	-	-	<ul style="list-style-type: none"> <li>• Medical Director, Thainakarin Hospital Pci.</li> <li>• Chief Operating Officer, Thainakarin Hospital Pci.</li> <li>• Advisor, Faculty of Medicine Siriraj Hospital</li> <li>• Head of Department of Obstetrics and Gynecology, Faculty of Medicine Siriraj Hospital</li> <li>• Main Collaborator C.D.C USA Head of STD, Siriraj Hospital</li> </ul>
3.	Ms. Yutiya Hanwongsanuparb Acting Administrative Director and Deputy Administrative Director - Business Development	49	<ul style="list-style-type: none"> <li>• Master of Business Administration, Kasem Bundit University</li> <li>• Bachelor of Arts, Kasem Bundit University</li> <li>• Mini Master in HRM, Chulalongkorn University</li> </ul>	-	-	<ul style="list-style-type: none"> <li>• Administrative Director and Deputy Administrative Director - Business Development, Thainakarin Hospital Pci.</li> <li>• Acting Administrative Director and Deputy Administrative Director - Business Development, Thainakarin Hospital Pci.</li> <li>• Corporate Secretary, Thainakarin Hospital Pci.</li> <li>• Director of Human Resources, The Landmark Bangkok Hotel</li> <li>• Executive Assistant to CEO, CPB Equity Co., Ltd.</li> <li>• Assistant Administrative Director, Thainakarin Hospital Pci.</li> <li>• Executive Assistant to Cluster General Manager, JW Marriott Bangkok Hotel</li> </ul>
4.	Dr. Virachai Phungrasamee Deputy Medical Director	66	<ul style="list-style-type: none"> <li>• Doctor of Medicine, Faculty of Medicine Siriraj Hospital, Mahidol University</li> <li>• Department of Obstetrics and Gynecology, Faculty of Medicine Siriraj Hospital, Mahidol University</li> </ul>	-	-	<ul style="list-style-type: none"> <li>• Deputy Medical Director, Thainakarin Hospital Pci.</li> <li>• Head of Ob-Gyn Department, Thainakarin Hospital</li> <li>• Obstetrician, Thainakarin Hospital</li> <li>• Obstetrician, Hua Chiew Hospital</li> </ul>

	Name/Position	Age	Education	Shareholding in the Company (%)	Family Relationship	Work Experience
5.	Mrs. Nampetch Saraggananda Deputy Medical Director - Nursing	55	<ul style="list-style-type: none"> <li>Master of Public Administration (General Administration), Burapha University</li> <li>Nursing Administration, Chulalongkorn University</li> <li>Mini MBA, Chulalongkorn University</li> <li>Private Hospital Administration, Private Hospital Association</li> <li>B.Sc. in Nursing, Police Nursing College</li> </ul>	-	-	<ul style="list-style-type: none"> <li>Deputy Medical Director - Nursing, Thainakarin Hospital Pcl.</li> <li>Deputy Director - Nursing Unit, Thainakarin Hospital Pcl.</li> <li>Head of Inpatient Service Unit, Thainakarin Hospital Pcl.</li> <li>Head of Delivery Room Unit, Thainakarin Hospital Pcl.</li> <li>Ob-Gyn Room Nurse, Police General Hospital</li> <li>Ob-Gyn Ward Nurse, Police General Hospital</li> <li>Delivery Room Nurse, Police General Hospital</li> </ul>
6.	Mrs. Chadarat Sirivat Deputy Chief Operating Officer	55	<ul style="list-style-type: none"> <li>Bachelor of Public Health, Sukhothai Thammathirat Open University</li> </ul>	-	-	<ul style="list-style-type: none"> <li>Deputy Chief Operating Officer, Thainakarin Hospital Pcl.</li> <li>Director - Nursing Unit, Thainakarin Hospital Pcl.</li> <li>Acting Director - Nursing Unit, Thainakarin Hospital Pcl.</li> <li>Deputy Director - Nursing Unit, Thainakarin Hospital Pcl.</li> <li>Inpatient Department, Mission Hospital</li> </ul>
7.	Miss Malee Bunleechai Deputy Administrative Director - Corporate Support	53	<ul style="list-style-type: none"> <li>B.Econ., Chiangmai University</li> <li>Mini MBA, Thammasat University</li> <li>Mini MBA, Chulalongkorn University</li> </ul>	-	-	<ul style="list-style-type: none"> <li>Senior Deputy Administrative Director - Corporate Support, Thainakarin Hospital Pcl.</li> <li>Deputy Administrative Director - Corporate Support, Thainakarin Hospital Pcl.</li> <li>Acting Deputy Administrative Director - Corporate Support Thainakarin Hospital Pcl.</li> <li>Assistant Administrative Director, Thainakarin Hospital Pcl.</li> <li>Assistant Administrative Director, Thainakarin Hospital Pcl.</li> <li>Manager - Office of Administrative Directors, Thainakarin Hospital Pcl.</li> <li>Manager, Procurement Department, Thainakarin Hospital</li> </ul>
8.	Mrs. Daranee Tubkaen Assistant Administrative Director - Finance and Accounting	58	<ul style="list-style-type: none"> <li>Master of Economic Development (Economics and Project Analysis and Evaluation), National Institute of Development Administration</li> <li>B. Acc. Chulalongkorn University</li> </ul>	-	-	<ul style="list-style-type: none"> <li>Deputy Administrative Director - Finance and Accounting, Thainakarin Hospital Pcl.</li> <li>Assistant Administrative Director - Finance and Accounting, Thainakarin Hospital Pcl.</li> <li>Director - Central Administration Department, Kasemrad Bangkok Hospital, Bangkok Chain Hospital Pcl.</li> <li>Manager - Financial and Accounting, Chaophya Hospital Co., Ltd.</li> <li>Accountant - Computer System Analyst, Bangkok Investment and Finance Co., Ltd.</li> </ul>

	Name/Position	Age	Education	Shareholding in the Company (%)	Family Relationship	Work Experience
9.	Miss Tippayawan Srichivoranat, Assistant Medical Director - Nursing Education	53	<ul style="list-style-type: none"> <li>Master of Business Administration (MBA), Burapha University</li> <li>Bachelor of Nursing Science (B.N.S.) (Second Class Honor), The Thai Red Cross College of Nursing</li> </ul>	-	-	<ul style="list-style-type: none"> <li>Assistant Medical Director - Nursing Education, Thainakarin Hospital Pcl.</li> <li>Assistant Medical Director - Nursing Service, Thainakarin Hospital Pcl.</li> <li>Assistant Nursing Director - Quality Development, Thainakarin Hospital Pcl.</li> <li>The Chief of Nursing Services - Inpatient Department, Thainakarin Hospital Pcl.</li> <li>The Head of Nurse - Nursery Department, Thainakarin Hospital Pcl.</li> <li>Nurse of Nursery Department, Chulalongkorn Hospital</li> </ul>
10.	Mrs. Wiboonluk Visithorapat Assistant Medical Director - Nursing Service	47	<ul style="list-style-type: none"> <li>Master of Arts (Human Resource Development: CCO 5), Ramkhamhaeng University</li> <li>Nursing Specialty Program in Infection Control (4-month specialty course), Faculty of Medicine Ramathibodi Hospital, Mahidol University</li> <li>Bachelor of Nursing Science, The Church of Christ in Thailand</li> </ul>	-	-	<ul style="list-style-type: none"> <li>3 Feb. 2014 - Present • Assistant Medical Director - Nursing Service, Thainakarin Hospital Pcl.</li> <li>Oct. 2011 - 2 Feb. 2014 • Assistant Medical Director - Nursing Education, Thainakarin Hospital Pcl.</li> <li>Sep. 2009 - Oct. 2011 • Assistant Medical Director - Personnel Development, Thainakarin Hospital Pcl.</li> <li>2004 - 2011 • Head Nurse - Infection Control Nurse (ICN)</li> <li>2001 - 2004 • Head Nurse - Educator Nurse Thainakarin Hospital Pcl.</li> <li>1993 - 2001 • Nurse - Intensive Care Unit (ICU), Thainakarin Hospital Pcl.</li> <li>1991 - 1993 • Nurse - Intensive Care Unit (ICU), Bangkok Christian Hospital</li> </ul>
11.	Mr. Chaiwat Rungreueangkitwanit Assistant Admin. Director - Front Service	50	<ul style="list-style-type: none"> <li>Bachelor of General Management, Ramkhamhaeng University</li> <li>Diploma, Hotel Management and Tourism</li> <li>Mini MBA, Chulalongkorn University</li> </ul>	-	-	<ul style="list-style-type: none"> <li>Jan. 2016 - Present • Assistant Administrative Director - Front Service, Thainakarin Hospital Pcl.</li> <li>2006 - 2015 • Manager - Front Office Service, Thainakarin Hospital Pcl.</li> <li>2002 - 2006 • Assistant Managing Director, Nova Media Co., Ltd.</li> <li>1997 - 2002 • Assistant Manager, Support Service Division, BNH Hospital</li> <li>1995 - 1997 • Assistant Manager, Support Service Division, Bumrungrad Hospital</li> <li>1993 - 1995 • Head of Front Office Services, Siam City Hotel (currently The Sukosol Bangkok Hotel)</li> <li>1991 - 1993 • Head of Front Office Services, Grand Hyatt Erawan Bangkok Hotel</li> <li>1988 - 1991 • Front Office Staff, Royal Orchid Sheraton Hotel and Towers</li> </ul>

# Corporate Governance

The Company places much importance on undertaking business under corporate governance principles. With respect to this, the Board of Directors complies with Code of Best Practice for Directors of Listed Companies as specified by the Stock Exchange of Thailand (SET).

Moreover, the Company uses the SET's 15 Principles of Good Corporate Governance as guidelines in business operations for the benefit of promoting corporate transparency and management efficiency, so as to strengthen the confidence of the shareholders, investors and all related parties. Details of its practices are as follows:

## 1. Corporate Governance Policy

The Board recognizes the significance of good corporate governance principles in building business transparency and efficiency, bolstering competitive edge as well as boosting the confidence of the shareholders, investors and all involved parties. The Corporate Governance Policy shall cover the rights and equality of shareholders and stakeholders; the roles, duties, responsibilities and independence of the Company's Board of Directors; the transparency of information disclosure; the risk control and management; the business ethics, etc.

## 2. Rights of Shareholders

The Company attaches much importance to equitable treatment of all shareholders. At each shareholders' meeting, the Company has submitted the meeting invitation along with supporting information of each agenda item to the shareholders for at least 7 days in advance. In addition, the shareholders have equal rights to examine the Company's operations, and to give comments and recommendations independently. The Company also has a policy to allow shareholders who are unable to attend the meeting to appoint an Audit Committee member of the Company as their proxy to attend the meeting and vote on their behalf. Subsequently, the correct and complete minutes of the meeting shall be prepared.

## 3. Rights of Stakeholders

The Company values the rights of all stakeholders, as follows:

- (a) **Personnel** The Company treats every personnel equally and fairly, provides appropriate remunerations as well as trainings and development courses on specialized and language skills, etc.
- (b) **Suppliers and Creditors** The Company treats all suppliers and creditors fairly in accordance to the trade conditions or contractual terms, in order to form good business relationships that are advantageous to all parties.

- (c) **Service Users** The Company observes its responsibility to service users by delivering quality and high-standard services, maintaining patients' confidentiality in strict compliance with the laws, establishing the complaint center to take prompt actions, and evaluating service users' satisfaction through a quarterly survey of service users' satisfaction and need.
- (d) **Competitors** The Company adheres to fair competition practices and refrains from unethical means against competitors.
- (e) **Shareholders** The Company focuses on developing toward continual growth, thereby increasing its revenue, profits and goodwill which shall result in maximum benefit for the shareholders.
- (f) **Community and Society** The Company realizes its responsibility to the environment of communities and the society, especially environmental impacts. Therefore, it puts in place eco-conserving processes, i.e. infectious waste disposal, wastewater treatment, toxic waste disposal, that are efficient and meet legal standards. In addition, the Company arranges complimentary medical care services for communities every year.

#### 4. Shareholders' Meeting

At each shareholders' meeting, the Company has improved meeting procedures and provided all shareholders an equal opportunity to examine the Company's operations, to make enquiries, comments and recommendations. After the meeting, significant enquiries and comments shall be completely and accurately contained in the meeting minutes.

#### 5. Leadership and Vision

Despite no Nomination Committee, the Company's Board consists of directors with expertise, competence and experience in medical, accounting, legal and management fields. The Board shall set policies, vision, strategies, business goals, business plans and corporate budget as well as supervise the Management to efficiently and effectively comply with the specified policies, goals and plans under the legal framework, the Company's Articles of Association and the resolution of the shareholders' meeting, for the maximum benefit of the Company and shareholders as a whole.

The Board has also established effective internal control, internal audit and risk management systems, together with regular monitoring. In this regard, it shall supervise to ensure that all committees and responsible executives comply with the set policies.

#### 6. Conflict of Interest

The Company currently has measures against conflicts of interest that may arise from related-party transactions between the Company and potential conflict-of-interest persons, where the executives and persons with related interest are unable to take part in approval of the transactions. Such related-party transactions shall be carried out in accordance with the laws on securities and exchange, the Public Limited Companies Act B.E. 2535, and the regulations, notifications, orders and requirements of the Stock Exchange of Thailand. Additionally,



the Audit Committee (independent specialists) and the auditors are assigned to review and give opinions on the appropriateness of prices and reasonableness of transactions. Details of the related-party transactions shall be disclosed in the notes to financial statements according to the accounting standards stipulated by the Institute of Certified Accountants and Auditors of Thailand. The Company has set forth clear procedures for approval of future related-party transactions, details as shown under the Internal Control heading. It has also implemented a policy and measures to prohibit executives and related persons from using inside information for personal gain, which require the executives to report the change in their securities holding to the Office of the Securities and Exchange Commission.

## **7. Business Ethics**

The Company has adopted code of ethics or statement as guidelines for the Board, executives and all staff in discharging their duties with honesty, integrity and fairness. The Company shall supervise and monitor to ensure strict compliance with said code of ethics or statement, as well as stipulate disciplinary measures.

## **8. Balance of Power for Non-executive Directors**

As at 31 July 2016, the Company's Board of Directors is comprised of 15 directors, 6 of which were executive directors and 9 non-executive ones. Of the total number, 5 were independent directors and also members of the Audit Committee, representing 33% of the total directors.

All such directors are qualified under the notification of the SET regarding Qualifications and Scope of Duties of the Audit Committee, and shall perform their check-and-balance duties to ensure accurate and fair business management of the Company for the maximum benefit of its shareholders.

## **9. Aggregation or Segregation of Positions**

The Medical Director must not be the same person as the Administrative Director. The Company, by the resolution of the Board meeting, has set a policy to segregate duties of supervision from day-to-day management, and defined clear scopes of authority for each position. Executives shall have neither absolute power over any particular matters, nor authority to delegate any persons to approve or execute transactions in which they or their related persons have interest or may lead to conflict of interest against the Company.

## **10. Remuneration of Directors and Executives**

The shareholders' meeting has clearly fixed remuneration for directors. Remuneration of directors and executives shall be determined commensurate with their assigned roles, duties and responsibilities, and be at an appropriately attractive level to retain competent personnel with the Company. Determination of the remuneration shall be in accordance with the Board-specified principles and policy, and in line with business performance and operating results alongside performance of each executive.

## 11. Board of Directors Meetings

Board of Directors meetings shall convene at least once every 3 months, and special meetings as necessary. From 1 August 2015 to 31 July 2016, the Company held 4 Board meetings, each was attended by more than 70% of total directors. At each meeting, agenda items were clearly specified and meeting invitation was submitted at least 7 days in advance to allow the Board members sufficient time to consider the information. Minutes of the meetings were recorded in writing and, after adopted by the Board, kept for inspection by the Board and concerned parties.

In case a director has any interest or benefit in an agenda item to be considered, he/she must leave the meeting before the consideration of such agenda so that the meeting can consider the matter independently.

## 12. Committees

The Board of Directors has appointed the Audit Committee to assist in corporate governance. Authorities and duties of the Audit Committee have been clearly specified. The Administrative Director and the Medical Director shall be in charge of managing the Company according to the set policies. Moreover, the quality structure has been established in order to enhance the supervision and management of the Company.

There are 25 committees overseeing corporate governance and quality structure management, as follows:

- 1) Hospital Management Committee
- 2) Medical Executive Committee
- 3) Quality Development Committee
- 4) Medical Staff Organization
- 5) Nurses – Service Organization
- 6) Dentist Committee
- 7) Risk Management Committee
- 8) Information Management Committee (IMC)
- 9) Pharmacy and Therapeutics Committee
- 10) Human Resources Management and Development Committee
- 11) Infection - Control Committee
- 12) Medical Utilization Committee (MUC)
- 13) Medical Record Committee
- 14) Occupational Health, Safety and Environment Committee
- 15) Patient care team Surgery
- 16) Patient care team Pediatrics
- 17) Patient care team Medicine

- 18) Patient care team Obstetrics and Gynecology
- 19) Patient care team Cardiology
- 20) Patient care team Orthopedics
- 21) Patient care team Eye Ear Nose Throat
- 22) Patient care team Childbirth Perinatology
- 23) Health Promotion Hospital Committee
- 24) Kidney Transplantation Committee
- 25) Cardiopulmonary Resuscitation Committee

These committees are responsible for overseeing the quality of medical care for patients. Data has been compiled and analyzed for approaches or measures to improve the quality of medical care and services, aiming to attain high quality of services that meet the hospital accreditation standards and relevant regulations.

Consisting of 15 members from medical, nursing and management teams, the Risk Management Committee is responsible for formulating risk management policies and systems pertinent to quality of services and safety of patients. The Committee shall analyze and identify contributory risk factors, develop risk-mitigating measures, as well as assign concerned units to constantly monitor the risks in accordance with the standards of The Healthcare Accreditation Institute (Public Organization).

### **13. Internal Control and Internal Audit**

The Company puts great emphasis on the internal control systems both at management and operational levels, with control measures to optimize the use of resources. Responsibilities for approval, transaction recording and asset custody are segregated in order to promote proper checks and balances. The Company also carries out internal audits of financial-related and financial reporting systems, and periodically reports the results to the executives in charge.

At present, the Company has appointed Dharmniti Internal Audit Co., Ltd. as the internal auditor, and established the Compliance Audit Department to control, audit and oversee the internal systems for more efficiency.

### **14. Reports of the Board of Directors**

The Board of Directors is responsible for the Company's financial statements and financial information in the annual report. The financial statements are prepared according to the accounting standards generally accepted in Thailand, using appropriate accounting policies that are applied on a consistent basis, and based on prudent consideration and best estimates. All significant information is adequately disclosed in the notes to the financial statements.

The Audit Committee, comprised of non-executive directors with accounting expertise, is assigned to review the financial reports and the disclosure of information in the Company's financial statements.

## 15. Investor Relations

The Company attaches much importance to the disclosure of both financial and general information in an accurate, complete, transparent and extensive manner, which is available by telephone at 0 2361 2727 and via the Company's website at [www.thainakarin.co.th](http://www.thainakarin.co.th). It also has a policy to develop channel of the information disclosure continually.

## Supervision over Use of Inside Information

Recognizing the significance of prevention against the use of inside information for personal gain, the Board has set forth a policy to maintain the confidentiality of non-public information and to allow only concerned persons to have access to such information.

The Company has already informed all the directors and executives of the duty to report holdings in the Company's securities, including changes thereof, by them, their spouses and minor children to the Office of the Securities and Exchange Commission in accordance with Section 59 and penalty clauses under Section 275 of the Securities and Exchange Act B.E. 2535.

Additionally, the Company has implemented a regulation prohibiting directors, executives, personnel as well as their spouses and minor children from utilizing the Company's non-public inside information, especially financial information, for personal gain through the trading, transfer or acquisition of the Company's securities. Except for the aforementioned case, the directors, executives, their spouses and minor children that have traded, transferred or acquired the Company's securities must report every such transaction to the Office of the Securities and Exchange Commission within 3 days from the transaction date, as well as submit a copy of the report to the Company Secretary as evidence.

As stipulated in the Company's Articles of Association, all the executives and employees are prohibited from using any of the Company's inside information for their personal gain, otherwise they shall be deemed guilty and subject to punitive actions under employee regulations of the Company.



# Policies on Internal Control and Risk Management

In effort to prevent potential damages to the business, the Company focuses on establishing internal control systems that cover financial activities, operating activities, risk management and supervision at both management and operational levels, thus enabling it to accomplish goals in resource optimization, asset protection, and error, leakage and loss reduction. The control responsibilities for approval, transaction recording and asset custody are segregated in order to secure proper checks and balances. Besides, the Company has put in place internal financial audits, accompanied by periodic monitoring by executives in charge, to ensure that its financial reporting system is accurate and reliable in compliance with relevant regulations and laws.

In 2016, the Board and the Audit Committee has jointly assessed the adequacy of the Company's internal control system in 5 interrelated aspects as follows:

## 1. Organization and Control Environment

The Company has an appropriate organizational structure, with a clear scope of authorities, duties and responsibilities. It has adopted a policy to inculcate a positive corporate culture where employees at all levels perform their duties with accountability, utmost ability and conformity to internal control system. All employees are well aware of their roles, authorities, duties and responsibilities, and also strictly comply with corporate policies and procedures. The adequacy of internal control including actual operations are reviewed and reported regularly to ensure policy compliance.

## 2. Risk Management

The Company has established the Risk Management Committee, with the Medical Director being the Chairman by position. The Committee is in charge of setting policies in relation to risks and safety, laying strategic plan in enterprise risk management, putting in place the risk management system that incorporates risk detection, risk reporting, enterprise risk analysis, continual improvement, preventive measures and contingency plan against potential risks and undesirable incidents in healthcare services. The system shall also promote well-organized risk information management system, safety culture, consistent and efficient risk management practices at enterprise, the Board and working unit levels, together with constant monitoring and assessment of risks in accordance with the standards of The Healthcare Accreditation Institute (Public Organization).

### 3. Management Control

The Company has clearly set out scopes of authorities and duties, approval authority limits of the Management, and regulations and procedures on conflict of interest of directors and senior executives. Pertinent actions by the Management shall be reported to the Board and included as a regular agenda item of the Board meeting on a tri-monthly basis.

### 4. Information and Communication Systems

The Company has developed, in accordance with internal standards of data security, an information system with appropriate control of data and system access, as well as an action plan on protection of information, especially that of customers and employees. The system encompasses such aspects as e-Medical record, human resources management, intra-network and data backup for various processes, in order to enable a stable course of information system risk management.

The Company seeks to enhance its information service system, such as better internet speed to efficiently meet the need of ever-increasing users and higher data transfer, which is in the process of access point upgrade. In addition, the Company has improved its print-out system, which does not only boost service efficiency but also results in cost efficiency.

Overall, the Company's information and communication systems are in an ongoing phase of continuous development, so that the executives and committees can utilize such information most efficiently and effectively.

### 5. Monitoring System

The Company holds meetings to follow up operating performance, risks and key performance indicators on a regular basis. In addition, the Company has implemented risk managing process and analyzed for causes of performance gaps in order to take corrective actions, as per the opinion of the Audit Committee disclosed in the Audit Committee's Report for 2016.



# Report of the **Audit Committee**

The Audit Committee is appointed by the Board of Directors and consists of 5 independent directors, namely Mr. Kraisaak Kadkum, the Chairman of the Audit Committee, Pol. Gen. Sawat Amornvivat, Dr.Pridi Hetrakul, Dr.Chertsak Dhiraputra and Asst. Prof. Dr.Panya Issarawornrawanich. Ms.Viyadarat Sintharajiratha serves as the acting secretary to the Audit Committee.

The Audit Committee has carefully and independently performed duties in accordance with the scope of roles and responsibilities approved by the Board of Directors and in accordance with applicable laws, rules of the Stock Exchange of Thailand and relevant instructions. The Audit Committee members have effectively harnessed knowledge and competencies in such duty performance and received full access to relevant information and good cooperation from executives, internal auditors and auditors. During the 2016 accounting period from 1 August 2015 to 31 July 2016, the Audit Committee held 4 meetings and executives, internal auditors and external auditors were invited to the meetings to provide relevant information as summarized below :

1. Review of quarterly financial statements and 2016 financial statements - The Audit Committee made inquiries and received clarification from executives and auditors regarding the accuracy and adequacy of financial statements and disclosure. The Audit Committee concurs with the auditor that the financial reports are materially accurate, reliable and in accordance with generally accepted accounting standards.
2. Review of internal audit - The Audit Committee has reviewed the scope of work, roles, responsibilities and independence of internal auditors based on the internal audit guidelines stipulated by the Stock Exchange of Thailand. The Audit Committee is of the opinion that the Company's internal controls are adequate, appropriate and effective, and meet good standards.
3. Review of performance and internal controls - The aim of the review is to assess the adequacy and effectiveness of internal controls which are necessary for the Company's goal achievement. The review is based on the reports on internal audits which have been carried out in accordance to approved audit plans and covered key systems of the Company. No material issues are found. The Company has appropriately managed the properties and assets and complied with the Securities and Exchange Act, requirements stipulated by the Stock Exchange of Thailand and applicable laws and regulations. Authority delegation and approval have conformed to applicable procedures and effective internal control principles. The Company has also adhered to and updated the principles of good corporate governance to promote transparency and adapt to changes.
4. Review and opinion on related-party transactions and conflicts of interest - Transactions of the Company are reasonable, transparent and beneficial to the Company. Relevant disclosure has been accurately and adequately made.

5. Screening and nomination of auditors - The Audit Committee has reviewed and rendered opinions on the nomination of auditors to the Board of Directors which will be proposed to the shareholders' meeting for approval. The nominated auditors for 2016 are Miss Kamontip Lertwitworatep, CPA license number 4377 and/or Mr. Wichart Lokatekrawee, CPA license number 4451 and/or Miss Siriwan Suratepin, CPA license number 4604 of EY Office Company Limited. The audit expense budget for the year ended 31 July 2017 includes the audit fee of Baht 1,020,000 and the out-of-pocket expenses within the limit of Baht 30,000.
6. The Audit Committee has dutifully undertaken its responsibilities as assigned by the Board of Directors and is of the opinion that the Company's financial report and operations are correct. The Company has implemented internal controls and internal audits, complied with legal and regulatory requirements and correctly disclosed related-party transactions. In addition, the Company has adhered to the principles of good corporate governance to promote transparency and reliability as well as continuously developed its systems and operations to meet the quality standards and match the business environment.



(Mr. Kraisak Kadkum)

Chairman of the Audit Committee

Thainakarin Hospital Public Company Limited



# Related-party **Transactions**

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In 2016 and as of 31 July 2016, the Company had related-party transactions and outstanding balances with persons of possible conflict of interest as shown in the financial statements and note No.6 to the financial statements.

## **Necessity and Reasonableness**

Related-party transactions are executed based on necessity and reasonableness for the best interest of the Company in line with its normal business practice and fair price basis. The Audit Committee has already given opinions on these related-party transactions in the preceding section.

## **Measures and Procedures for Related-party Transaction**

The Company has strictly complied with the Securities and Exchange Act B.E. 2535, the Stock Exchange of Thailand's regulations, notifications and requirements, and the Public Limited Companies Act B.E. 2535. Directors or persons who have interest in a transaction or may have conflict of interest with the Company shall have no right to approve such transaction, unless otherwise allowed by the Securities and Exchange Act, the Stock Exchange of Thailand's regulations, notifications or requirements, or the Public Limited Companies Act B.E. 2535. Principles regarding execution of related-party transactions as well as acquisition and disposal of the Company's assets have clearly been stipulated in its Articles of Association.

## **Policy or Trend of Future Related-party Transactions**

The Company has laid a policy on future related-party transactions, where the Board shall take into consideration the necessity and reasonableness of transactions along with the Company's best interest in terms of prices and normal business conditions. The Audit Committee is responsible for giving opinions on the necessity and reasonableness of the related-party transactions and compliance with normal business practice, based on comparison with prices on an arm's length basis. As a policy, such related-party transactions as borrowings from persons with possible conflict of interest shall be executed only when the Company is in financial need yet there are no other sources of fund that offer better terms or interest rates closer to market rates than its related persons.

However, it is expected that some of the current related-party transactions shall be carried on for some time in the future since they are beneficial to the Company. Such transactions include guarantees by Mr. Jatuporn Sihanatkathakul for the Company's overdraft facilities and issuance of promissory as mandated by counterparty banks, and electricity payment bonds.

## Measures on Investor Protection

In relation to related-party transactions and acquisition/disposal of assets, the Company has set in its Articles of Association clear regulations prohibiting directors or persons who have interest or may have any conflict of interest in a transaction from voting and approval of such transaction, which is in compliance with the Stock Exchange of Thailand's regulations, notifications or requirements and governing laws. Additionally, the Audit Committee is assigned to give opinions on the necessity and reasonableness of the related-party transactions. Pertinent information shall be disclosed in accordance with the Stock Exchange of Thailand's regulations, and also be included in the Company's financial statements and annual reports.

In the event that the Audit Committee has no expertise in reviewing a future related-party transaction, the Company shall seek opinions thereon from independent experts or the Company's auditors to support decision-making of the Board of Directors or the shareholders, as the case may be.

Related-party transaction report for 2016 and 2015 (as of 31 July 2016)

Related party and relationship	Transaction	Transaction Value (MB)		Necessity and Reasonableness
		2016	2015	
1. Doctors being directors and executives	<b>Doctor's fees :</b> Doctor's fees are paid to directors and executives of the Company	11.40	11.50	The transactions are necessary and reasonable because the directors and executives being doctors are entitled to receive doctor's fees at the rates comparable to other doctors working for the hospital.
	<b>Accrued doctor's fee expenses as of 31 July</b>	0.95	0.90	
2. Siam Property Development Company Limited	<b>Medical fee income :</b> The transactions are in the normal course of the Company's business and charged at the rates applicable to general customers.	0.17	0.25	The transactions are necessary and reasonable. They are considered normal trade transactions and charged at the rates applicable to general customers.
	<b>Medical fee receivables as of 31 July</b>	0.01	0.06	
3. Thep Pongpat Company Limited	<b>Rental fee income :</b> Rental income is from a food court open to visitors for their convenience and to employees as welfare benefits. Rental agreements are fairly priced and based on standard conditions.	0.30	0.30	The transactions are necessary and reasonable. They are considered normal trade transactions.
	<b>Other receivables as of 31 July</b>	0.08	0.24	
4. Directors	<b>Welfare expenses :</b> According to the Company's regulations, medical benefits for directors and their spouse, children and parents are limited at Baht 800,000 per year and do not cover doctor's fees, lab tests and examination by other hospitals and special equipment.	3.88	2.78	The transactions are necessary and reasonable. They are considered normal trade transactions.

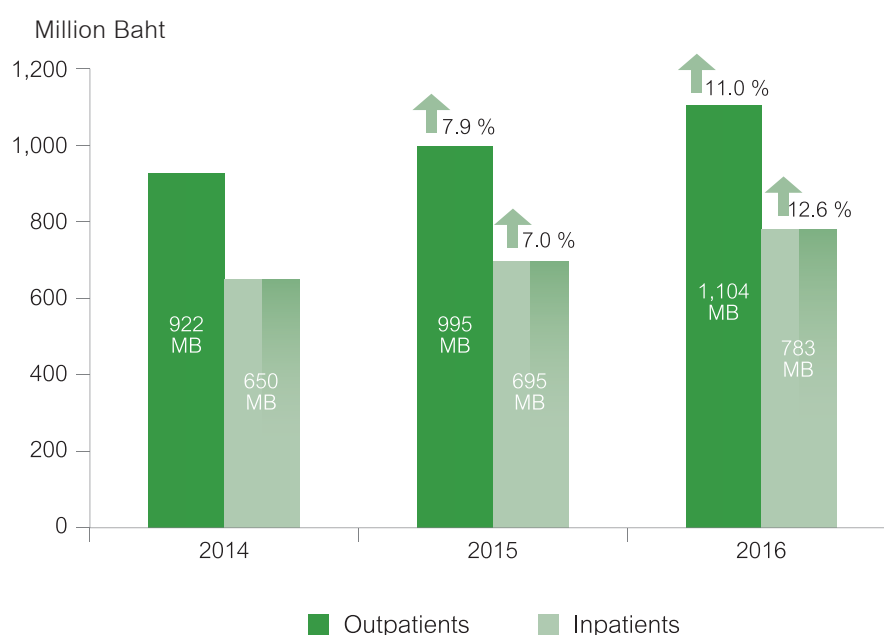
# Management Discussion and Analysis

## Operating Results and Profitability

### Revenue

Operating results for the 2016 financial year from 1 August 2015 to 31 July 2016 registered total revenue of Baht 1,915.87 million, Baht 1,886.85 million or 98.49% of which came from medical service fees. The total revenue improved by Baht 199.29 million or 11.61% when compared to that of 2015 which resulted from growing number of OPD and IPD patients and the rise in medical fees from the opening of clinics for all specialties along with increasing complexity of cases.

Revenues from IPD and OPD medical fees for 2014, 2015 and 2016 are as follows:



Most of the Hospital's customers in 2016 were Thais, consisting largely of self-pay patients, insured patients and contractual parties. The number of patients is likely to grow because of its advantageous location and reputation for great range of specialties.

Other revenues included interest income from investment and rental income which aggregately accounted for 1.51% of total revenue.

## Cost of Medical Services

In 2016, the Company's cost of medical services (including depreciation and amortization) amounted to Baht 1,377.61 million, growing from 2015 by Baht 91.08 million or 7.08% in consonance with the increase of medical fee revenue. The higher cost was contributed by the rising costs of medical personnel due to the Hospital's policy of recruiting specialized doctors in all fields to ensure precise diagnosis and treatment, as well as personnel costs, depreciation of medical equipment and building improvement due to investments made for enhancement of patient care efficiency and medical service technologies.

## Administrative Expense

In 2016, the Company had total administrative expense of Baht 186.73 million, up from 2015 by Baht 14.89 million or 8.66% in response to increment in salaries, staff welfare and annual raise.

## Income Tax

Tax income of the Company in 2016 totaled Baht 69.49 million, expanding from 2015 by Baht 18.23 million or 35.57% as a result of higher operating net profits. Corporate income taxes in 2016 and 2015 were imposed at the rate of 20%.

## Total Comprehensive Income

	2016	2015	2014
Total revenue (Million Baht)	1,915.87	1,716.57	1,598.83
Net profit (Million Baht)	282.04	206.94	179.11
Net profit margin (%)	14.72	12.06	11.20
Gross profit margin (%)	26.99	23.88	23.19
Return on equity (%)	26.60	22.38	21.34

For reasons mentioned above, the Company achieved a satisfactory revenue growth rate of 11.61% and a net profit growth rate of 36.29% when compared to that of 2015. It has firmly pursued the policy on delivering high standard and quality services at fair prices.

## Financial Position

The Company's financial position as of 31 July 2016 is as follows:

Assets			Liabilities and Shareholders' Equity		
	Amount (MB)	Ratio (%)		Amount (MB)	Ratio (%)
Current assets	714.14	50.27%	Current liabilities	227.00	15.98%
Non-current assets	706.57	49.73%	Non-current liabilities	46.81	3.29%
			Shareholders' equity	1,146.90	80.73%
<b>Total</b>	<b>1,420.71</b>	<b>100%</b>	<b>Total</b>	<b>1,420.71</b>	<b>100%</b>

Details of assets can be summarized as follows:

(Unit: Million Baht)

Description	2016	2015	2014
Cash and cash equivalents	106.25	87.30	90.81
Current investments	469.43	451.12	200.96
Trade and other receivables	103.65	98.20	88.45
Inventories	32.31	29.73	31.80
Long-term deposits at financial institutions	135.70	155.60	279.60
Land, buildings and equipment	551.73	353.27	376.93
Other assets	21.64	42.65	42.35
<b>Total assets</b>	<b>1,420.71</b>	<b>1,217.87</b>	<b>1,110.90</b>

As of 31 July 2016, the Company recorded cash and cash equivalents of Baht 106.25 million, comprising Baht 8.48 million cash and Baht 97.77 million bank deposits.

As of 31 July 2016, the Company recorded current investments of Baht 469.43 million, a year-on-year increase of Baht 18.31 million. The Company has adopted a policy to invest cash from operations in fixed deposits at financial institutions and open-ended funds.

As of 31 July 2016, the Company recorded trade and other receivables of Baht 103.65 million, a year-on-year increase of Baht 5.45 million or 5.55% due mostly to incremental net trade receivables which matched with rising revenue.

Details of trade receivables as of 31 July 2016, 2015 and 2014 are as follows:-

Trade Receivables	2016		2015		2014	
	Amount (MB)	Ratio (%)	Amount (MB)	Ratio (%)	Amount (MB)	Ratio (%)
Not yet due	59.95	59.3%	56.87	60.4%	48.65	58.9%
Overdue						
Less than 3 months	35.63	35.3%	31.00	32.9%	28.05	33.9%
3 - 6 months	1.62	1.6%	2.17	2.3%	1.14	1.4%
6 - 12 months	2.04	2.0%	1.89	2.0%	1.60	1.9%
More than 12 months	1.82	1.8%	2.31	2.4%	3.22	3.9%
<b>Total trade receivables</b>	<b>101.06</b>	<b>100.0%</b>	<b>94.24</b>	<b>100.0%</b>	<b>82.66</b>	<b>100.0%</b>
Less: Allowance for doubtful accounts	(3.46)		(2.90)		(3.94)	
<b>Total trade receivables - net</b>	<b>97.60</b>		<b>91.34</b>		<b>78.72</b>	
Average collection period	18 days		18 days		19 days	

Because of the stringent debt management policy, the Company's average collection period remained unchanged at 18 days. In relation to ratios, over 59.3% of the trade receivables were not yet due and the account receivables overdue for more than 12 months, being on a downward trend from 2015 and 2014, equated to only 1.8%. The Company has adopted a policy to set aside an allowance for doubtful accounts for debtors unlikely to make repayments, based on consideration of collection record and debt aging. As of 31 July 2016, the Company recorded Baht 3.46 million as allowance for doubtful accounts.

As of 31 July 2016, the Company's inventories amounted to Baht 32.31 million, divided into medicines and medical supplies of Baht 28.83 million or 89.23% and other materials of Baht 3.48 million.

As of 31 July 2016, the Company had long-term deposits with financial institutions of Baht 135.70 million, on which interest rates ranged from 1.95 - 2.25% p.a.

As of 31 July 2016, the Company's land, buildings and equipment totaled Baht 551.73 million. The Company has accepted the transfer of land from Sukhumvit Asset Management Co., Ltd. and constantly invested in medical equipment to boost its service capacity in support of future growth. In the financial year 2016, the value of its investments was Baht 287.33 million, and depreciation was Baht 86.97 million.

Financial Ratios	2016	2015	2014
Return on fixed assets (%)	62.33	56.68	46.22
Return on assets (%)	21.38	17.77	16.69

Return on fixed assets and return on assets for 2016 were 62.33% and 21.38%, improving steadily as a consequence of pre-investment cost-benefit analyses that led to positive returns.

## Liabilities

Details of liabilities as of 31 July 2016, 2015 and 2014 could be summarized as follows:

(Unit: Million Baht)

Description	2016	2015	2014
Trade and other payables	134.12	126.73	132.90
Doctor fee payables	63.36	53.62	51.89
Income tax payables	28.54	21.90	15.86
Provision for long-term employee benefits	46.28	40.14	33.92
Other liabilities	1.51	1.51	1.30
<b>Total liabilities</b>	<b>273.81</b>	<b>243.90</b>	<b>235.87</b>

As of 31 July 2016, the Company registered trade and other payables of Baht 134.12 million, up from 2015 by Baht 7.39 million or 5.83% attributable to larger purchases of medicines and medical supplies made during the year to serve more visiting patients.

As of 31 July 2016, the Company's doctor fee payable amounted to Baht 63.36 million, increasing from 2015 by Baht 9.74 million or 18.16% in agreement with improving medical fee revenue.

As of 31 July 2016, the Company had income tax payables of Baht 28.54 million, higher than 2015 by Baht 6.64 million or 30.32% which was in line with the growth in net operating profits. Income tax rates for 2016 and 2015 were 20%.

As of 31 July 2016, the Company registered provision for long-term employee benefits of Baht 46.28 million, up from 2015 by Baht 6.14 million or 15.30%. The provision was in accordance with the Thai Accounting Standard 19 re Employee Benefits.

## Shareholders' Equity

Shareholders' equities of the Company as of 31 July 2016, 2015 and 2014 were Baht 1,146.90 million, 973.97 million and 875.03 million respectively, showing a steady growth driven by increasing comprehensive profits net of interim dividend payments.



## ▪ Liquidity

(Unit: Million Baht)

Description	2016	2015	2014
Cash flow from operating activities	382.91	279.61	252.65
Cash flow used in investing activities	(252.36)	(175.12)	(115.91)
Cash flow used in financing activities	(111.60)	(108.00)	(108.00)
Net increase (decrease) in cash and cash equivalents	18.95	(3.51)	28.74
Cash and cash equivalents as of 1 August	87.30	90.81	62.07
Cash and cash equivalents as of 31 July	106.25	87.30	90.81

The Company recorded cash and cash equivalents as of 31 July 2016 and 2015 of Baht 106.25 million and 87.30 million respectively. Details of cash inflows and outflows in 2016 are as follows:

- Net cash from operating activities totaled Baht 382.91 million, up from 2015 by Baht 103.30 million.
- Net cash used in investing activities amounted to Baht 252.36 million, from cash spent on land and medical equipment of Baht 268.74 million. Cash inflow arose from interest income of Baht 12.74 million.
- Net cash used in financing activities totaled Baht 111.60 million from annual dividend payment.

## ▪ Financial Liquidity of the Company

Financial Ratio	2016	2015	2014
Liquidity ratio (time)	3.15	3.29	2.06
Average collection period (day)	18	18	19
Average inventory period (day)	8	9	10
Average payment period (day)	20	21	21

As of 31 July 2016 and 2015, the Company registered fairly high liquidity ratios of 3.15 and 3.29 times respectively, which well reflected its capacity to settle contractual obligations.

As of 31 July 2016 and 2015, the Company's average collection periods were exactly the same at 18 days. Such relatively high ratio exhibited appropriate collection policy of the Company.

As of 31 July 2016 and 2015, the Company's average inventory periods were 8 and 9 days respectively, which indicated efficient inventory management.

As of 31 July 2016 and 2015, the Company recorded average payment periods of 20 and 21 days respectively, which demonstrated its debt settlement ability and boosted the confidence of contractual parties.

## Capital Structure

The Company has a solid capital structure, with the debt to equity ratios as of 31 July 2016 and 2015 being 0.24 and 0.25 times. However, the Company has maintained a rigid policy on financial structure management and control, while keeping an appropriate level of its financial ratios and liquidity.

## Contractual Obligations

As of 31 July 2016, the Company had a land lease obligation with the Thai Red Cross Society executed for construction of the Hospital buildings, expiry of which due in 2018. The Company is currently in the process of negotiating for renewal of the lease agreement and obligations in relation to service agreements. The Company's contractual obligations are as below:

(Unit: Million Baht)

Description	Payment Period		Total
	Within 1 year	1-5 years	
Obligations under land lease agreement	1.7	2.2	3.9
Obligations under service agreements	8.2	0.6	8.8

## Factors Affecting Future Operations

### ▪ Increasing Demand for Medical Care

The Company is confident that private hospital business shall continue to expand due to the rise in demand for medical care among domestic and foreign customers as a result of higher income per capita, need for quality medical care, growing number of elderly population, the launch of AEC in early 2015, as well as the country's positioning as the Medical Hub of Asia shall cause the number of hospital customers to increase.

### ▪ Advantageous Location

Located on Bangna-Trad Road and in close proximity to communities and industrial estates which are continually expanding, the Hospital has gained more customers. With largely middle-market customers, the Hospital adheres to its policy to deliver best medical care services with kindred hospitality at a reasonable price.

### ▪ Capacity Enhancement for Specialty Clinics

Nowadays, diseases have become more complex and meanwhile people can access more medical-related information. Striving to treat complex diseases and to meet higher demand for medical care, the Hospital has therefore boosted its capacity with teams of specialist doctors, state-of-the-art equipment along with experienced support staff. To this end, it has launched a new specialty clinic in 2016, i.e. Brain and Neurology Center that is equipped with advanced apparatus to enhance the Center's efficiency.

# Scope of the Board of Directors’ Responsibilities for Financial Reports

The Board of Directors gives priority to discharging its supervisory duties and responsibilities in accordance with the Company’s Good Corporate Governance Policy. Financial reports and information disclosed in the 2016 Annual Report contain accurate, complete, adequate details, and are prepared in compliance with the generally-accepted accounting standards using appropriate accounting policies that are consistently applied based on prudent consideration. The Board has assigned the Audit Committee to review the Company’s latest financial statements. Said financial reports have been reported to be carefully prepared in accordance with the generally-accepted accounting principles using appropriate accounting policies, and been assessed for the appropriateness of overall items presented in the statements, with adequate information disclosed in the notes to the financial statements. The Audit Committee’s opinions regarding such matters are stated in the Company’s Annual Report and also the Annual Registration Statement for the year 2016.

Additionally, the Board has set up an efficient and effective internal control system to ensure complete and accurate recording of accounting transactions, as well as an asset control system to prevent frauds or material damages.

In summary, the Board is of an opinion that the Company’s overall internal control system is at a satisfactory level to establish reasonable confidence in the reliability of the Company’s financial statements as of 31 July 2016. The external auditor has audited the aforementioned statements according to the generally-accepted auditing standards and viewed that the financial statements present fairly, in all material respects, the financial position and financial performance in accordance with generally-accepted accounting principles.



(Mr. Jatuporn Sihanatkathakul)

Chairman of the Board

# Independent Auditor's Report and Notes to Financial Statements

## To the Shareholders of Thainakarin Hospital Public Company Limited

I have audited the accompanying financial statements of Thai Nakarin Hospital Public Company Limited, which comprise the statement of financial position as at 31 July 2016, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

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

## Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Opinion

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



Kamontip Lertwitworatep

Certified Public Accountant (Thailand) No. 4377

EY Office Limited

Bangkok: 15 September 2016

## Financial Statements and **Notes to Financial Statements**

Thainakarin Hospital Public Company Limited

Statement of financial position

As at 31 July 2016

(Unit : Baht)

		31 July	31 July
	Note	2016	2015
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	106,245,288	87,298,758
Current investments	8	469,428,389	451,117,207
Trade and other receivables	6, 9	103,652,757	98,200,592
Inventories	10	32,312,270	29,732,879
Other current assets		2,496,520	2,435,716
<b>Total current assets</b>		<b>714,135,224</b>	<b>668,785,152</b>
<b>Non-current assets</b>			
Long-term deposits at financial institutions	11	135,700,000	155,600,000
Property, plant and equipment	12	551,727,272	353,275,450
Intangible assets	13	6,375,612	8,269,896
Deposit for land acquisition	24	-	20,600,000
Deferred tax assets	18	12,440,574	11,279,173
Other non-current assets		331,835	62,064
<b>Total non-current assets</b>		<b>706,575,293</b>	<b>549,086,583</b>
<b>Total assets</b>		<b>1,420,710,517</b>	<b>1,217,871,735</b>

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

## Financial Statements and Notes to Financial Statements

Thainakarin Hospital Public Company Limited

Statement of financial position (continued)

As at 31 July 2016

(Unit : Baht)

		31 July	31 July
	Note	2016	2015
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade and other payables	14	134,115,411	126,731,744
Doctor fee payable	6	63,359,496	53,617,849
Income tax payable		28,539,036	21,896,337
Other current liabilities		984,289	995,836
<b>Total current liabilities</b>		<b>226,998,232</b>	<b>203,241,766</b>
<b>Non-current liabilities</b>			
Provision for long-term employee benefits	15	46,284,587	40,136,466
Other non-current liabilities		523,000	523,000
<b>Total non-current liabilities</b>		<b>46,807,587</b>	<b>40,659,466</b>
<b>Total liabilities</b>		<b>273,805,819</b>	<b>243,901,232</b>
<b>Shareholders' equity</b>			
Share capital			
Registered			
180,000,000 ordinary shares of Baht 1 each		180,000,000	180,000,000
Issued and fully paid-up			
180,000,000 ordinary shares of Baht 1 each		180,000,000	180,000,000
Share premium		20,537,768	20,537,768
Retained earnings			
Appropriated - statutory reserve	16	18,000,000	18,000,000
Unappropriated		928,366,930	755,432,735
<b>Total shareholders' equity</b>		<b>1,146,904,698</b>	<b>973,970,503</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,420,710,517</b>	<b>1,217,871,735</b>

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

## Financial Statements and Notes to Financial Statements

Thainakarin Hospital Public Company Limited

Statement of comprehensive income

For the year ended 31 July 2016

(Unit : Baht)

	Note	2016	2015
<b>Profit and loss:</b>			
<b>Revenues</b>			
Revenues from hospital operations		1,886,845,864	1,690,029,010
Other income		29,020,809	26,543,546
<b>Total revenues</b>		<b>1,915,866,673</b>	<b>1,716,572,556</b>
<b>Expenses</b>			
Cost of hospital operations	17	1,377,608,826	1,286,527,972
Administrative expenses		186,731,188	171,844,373
<b>Total expenses</b>		<b>1,564,340,014</b>	<b>1,458,372,345</b>
Profit before income tax expenses		351,526,659	258,200,211
Income tax expenses	18	(69,488,472)	(51,256,961)
<b>Profit for the year</b>		<b>282,038,187</b>	<b>206,943,250</b>
<b>Other comprehensive income:</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	15	3,120,010	-
Less: Income tax effect	18	(624,002)	-
<b>Other comprehensive income for the year</b>		<b>2,496,008</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>284,534,195</b>	<b>206,943,250</b>
<b>Basic earnings per share</b>	19		
Profit		1.57	1.15
<b>Weighted average number of ordinary shares (shares)</b>		<b>180,000,000</b>	<b>180,000,000</b>

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

## Financial Statements and Notes to Financial Statements

## Thainakarin Hospital Public Company Limited

## Statement of changes in shareholders' equity

For the year ended 31 July 2016

(Unit : Baht)

	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
				Appropriated – statutory reserve	Unappropriated	
Balance as at 1 August 2014		180,000,000	20,537,768	18,000,000	656,489,485	875,027,253
Profit for the year		-	-	-	206,943,250	206,943,250
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	206,943,250	206,943,250
Dividend paid	20	-	-	-	(108,000,000)	(108,000,000)
<b>Balance as at 31 July 2015</b>		<b>180,000,000</b>	<b>20,537,768</b>	<b>18,000,000</b>	<b>755,432,735</b>	<b>973,970,503</b>
Balance as at 1 August 2015		180,000,000	20,537,768	18,000,000	755,432,735	973,970,503
Profit for the year		-	-	-	282,038,187	282,038,187
Other comprehensive income for the year		-	-	-	2,496,008	2,496,008
Total comprehensive income for the year		-	-	-	284,534,195	284,534,195
Dividend paid	20	-	-	-	(111,600,000)	(111,600,000)
<b>Balance as at 31 July 2016</b>		<b>180,000,000</b>	<b>20,537,768</b>	<b>18,000,000</b>	<b>928,366,930</b>	<b>1,146,904,698</b>

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



## Financial Statements and Notes to Financial Statements

### Thainakarin Hospital Public Company Limited

#### Statement of cash flows

For the year ended 31 July 2016

(Unit : Baht)

	2016	2015
<b>Cash flows from operating activities</b>		
Profit before tax	351,526,659	258,200,211
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation expenses	89,067,959	87,163,315
Bad debts and doubtful debts	1,781,147	1,104,304
Long-term employee benefit expenses	10,491,731	7,173,376
Loss on disposals of equipment and intangible assets	1,701,384	485,042
Unrealised gain on changes in value of investments	(2,061,182)	(1,117,207)
Interest income	(12,737,343)	(14,803,275)
Profit from operating activities before changes in operating assets and liabilities	439,770,355	338,205,766
Decrease (increase) in operating assets		
Trade and other receivables	(7,227,939)	(14,290,781)
Inventories	(2,579,391)	2,065,364
Other current assets	(60,804)	(40,904)
Other non-current assets	(269,771)	(16,729)
Increase (decrease) in operating liabilities		
Trade and other payables	9,399,387	(1,296,435)
Doctor fee payable	9,741,647	1,732,536
Other current liabilities	(11,547)	149,582
Provision for long-term employee benefits	(1,223,600)	(954,200)
Other non-current liabilities	-	66,000
Cash from operating activities	447,538,337	325,620,199
Cash paid for income tax	(64,631,176)	(46,013,439)
<b>Net cash from operating activities</b>	<b>382,907,161</b>	<b>279,606,760</b>

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

## Financial Statements and Notes to Financial Statements

Thainakarin Hospital Public Company Limited

Statement of cash flows (continued)

For the year ended 31 July 2016

(Unit : Baht)

	2016	2015
<b>Cash flows from investing activities</b>		
Interest received	12,731,970	18,238,812
Increase in current investments	(16,250,000)	(249,041,000)
Decrease in long-term deposits at financial institutions	19,900,000	124,000,000
Cash paid for acquisition of property, plant and equipment	268,742,854	(68,003,680)
Increase in intangible assets	(203,300)	(1,412,631)
Cash received from disposals of equipment	203,553	1,098,874
<b>Net cash used in investing activities</b>	<b>(252,360,631)</b>	<b>(175,119,625)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(111,600,000)	(108,000,000)
<b>Net cash used in financing activities</b>	<b>(111,600,000)</b>	<b>(108,000,000)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>18,946,530</b>	<b>(3,512,865)</b>
Cash and cash equivalents at beginning of year	87,298,758	90,811,623
<b>Cash and cash equivalents at end of year (Note 7)</b>	<b>106,245,288</b>	<b>87,298,758</b>
<b>Supplemental cash flows information</b>		
Non-cash items		
Write-off trade receivables as bad debts	1,222,813	2,138,785
Increase (decrease) in accounts payable construction and equipment purchase	(2,015,720)	(4,873,549)
Decrease in deposit for land acquisition	20,600,000	-

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

# Financial Statements and **Notes to Financial Statements**

## **Thainakarin Hospital Public Company Limited**

### **Statement of changes in shareholders' equity**

**For the year ended 31 July 2016**

#### **1. General information**

Thainakarin Hospital Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in hospital business. The registered office of the Company is at No. 345 Bangna-Trad Road, Kwaeng Bangna, Khet Bangna, Bangkok.

#### **2. Basis of preparation**

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

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

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

#### **3. New financial reporting standards**

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

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

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

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

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

The Company has changed the recognition of actuarial gains and losses in the current period from an immediate recognition in profit or loss to an immediate recognition in other comprehensive income and adjusted the current period's transactions. The change has an effect of decreasing profit for the year ended 31 July 2016 by Baht 2.5 million (net of income tax) and increasing other comprehensive income for the year then ended by Baht 2.5 million (net of income tax). However, the change has no impact on the prior period's financial statements, presented as comparative information.

#### **TFRS 13 Fair Value Measurement**

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

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

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

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

## **4. Significant accounting policies**

### **4.1 Revenue recognition**

#### **Revenue from hospital operations**

Revenues from hospital operations, mainly consisting of medical fees, hospital room sales and medicine sales, are recognised as income when services have been rendered or medicines have been delivered.

#### **Revenue from rental**

Revenue from rental is recognised over the term of the rental agreements.

#### **Interest income**

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

#### **Other income**

Other income is recognised on an accrual basis.

### **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of 3 months or less and not subject to withdrawal restrictions.

#### 4.3 Investments in trading securities

Investments in securities held for trading are stated at fair value. Changes in the fair value, which is determined from the net asset value of these securities, are recorded in profit or loss.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

#### 4.4 Trade accounts receivable and allowance for doubtful accounts

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

#### 4.5 Inventories

Inventories are valued at the lower of cost (first-in first out) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

#### 4.6 Property, plant and equipment and depreciation

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

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

Particulars	Useful lives (years)	
	Assets acquired before 1 August 2004	Assets acquired as from 1 August 2004
Land improvement	30	30
Buildings	25	Over the lease term
Building improvement	10	10
Facility systems	15, 20	3 - 10
Medical accessory equipment	5 - 20	5 - 15
Furniture, fixtures and equipment	8 - 15	5 - 10
Vehicles	10	10

Depreciation is included in determining income. No depreciation is provided on land and assets under construction and installation.

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

#### 4.7 Intangible assets

Intangible assets are measured at cost on the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	Useful lives
Computer software	10 years

#### 4.8 Related party transactions

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

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

#### 4.9 Long-term leases

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

#### 4.10 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised in profit or loss when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

In the assessment of asset impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

#### 4.11 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### 4.12 Employee benefits

##### **Short-term employee benefits**

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

##### **Post-employment benefits and other long-term employee benefits**

###### *Defined contribution plans*

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

###### *Defined benefit plans and other long-term employee benefits*

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

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

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

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit or loss.

For the first-time adoption of TAS 19 Employee Benefits in fiscal year ended 31 July 2012, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in the year 2012.

#### 4.13 Provisions

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

#### 4.14 Income tax

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

##### Current tax

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

##### Deferred tax

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

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

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

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### 4.15 Fair value measurement

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

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

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

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

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



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

## 5. Significant accounting judgements and estimates

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

### Leases

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

### Allowance for doubtful accounts

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

### Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both), liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

### Property, plant and equipment and depreciation

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

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

### Deferred tax assets

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

Post-employment benefits and other long-term employee benefits under defined benefit plans.

The obligations under the post-employment benefit plan and other long-term employee benefit plan are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

#### Litigation

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

## 6. Related party transactions

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

	Transfer pricing policy
Revenue from hospital operations	Based on the price charged to normal customers
Rental income	Rates as stipulated in the agreements
Doctor fee expenses (directors and management)	The same rate as other doctors in the hospital
Medical welfare expenses	Under the Company's regulations, medical welfare benefits are granted to directors, their spouses, children and parents, up to a specified amount per annum. These benefits exclude doctor fees, examinations conducted on other premises and special equipment charges

(Unit: Thousand Baht)

	For the years ended 31 July	
	2016	2015
<b>Transactions with related companies and persons</b>		
Revenue from hospital operations	172	250
Rental income	300	300
Doctor fee expenses (directors and management)	11,395	11,491
Medical welfare expenses	3,882	2,783

The balances of accounts as at 31 July 2016 and 2015 between the Company and its related parties are as follows:

(Unit: Thousand Baht)

	2016	2015
<b>Trade receivables - related parties (Note 9)</b>		
Related companies (related by common shareholders and directors)	13	59
Total trade receivables - related parties	13	59
<b>Other receivables - related parties (Note 9)</b>		
Related companies (related by common shareholders and directors)	83	236
Total other receivables - related parties	83	236
<b>Doctor fee payable - related persons</b>		
Related persons (directors and management)	953	896
Total doctor fee payable - related persons	953	896

#### Directors and management's benefits

During the years ended 31 July 2016 and 2015, the Company had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	2016	2015
Short-term employee benefits	30,287	28,473
Post-employment benefits	1,658	1,503
<b>Total</b>	<b>31,945</b>	<b>29,976</b>

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	2016	2015
Cash	8,483	4,345
Bank deposits	97,762	82,954
<b>Total cash and cash equivalents</b>	<b>106,245</b>	<b>87,299</b>

As at 31 July 2016, bank deposits in savings accounts carried interests between 0.10 and 1.25 percent per annum (2015: between 0.10 and 1.25 percent per annum).

## 8. Current investments

(Unit: Thousand Baht)

	Investments		Interest rate (percent per annum)	
	2016	2015	2016	2015
<u>Fixed deposits at financial institutions</u>				
Fixed deposits at financial institutions (9 - 12 months)	380,300	305,000	1.30 - 2.30	2.25 - 3.00
<b>Total</b>	<b>380,300</b>	<b>305,000</b>		
<u>Investment in trading securities</u>				
TMB M Plus Fund				
Cost	85,950	145,000		
Add: Unrealised gain on changes in value of investment	3,178	1,117		
Fair value	<b>89,128</b>	<b>146,117</b>		
<b>Total current investments</b>	<b>469,428</b>	<b>451,117</b>		

## 9. Trade and other receivables

(Unit: Thousand Baht)

	2016	2015
<b>Trade receivables - related parties</b>		
Aged on the basis of due dates		
Not yet due	6	13
Past due		
Up to 3 months	7	46
Total trade receivables - related parties	13	59
<b>Trade receivables - unrelated parties</b>		
Aged on the basis of due dates		
Not yet due	59,948	56,858
Past due		
Up to 3 months	35,620	30,956
3 - 6 months	1,620	2,168
6 - 12 months	2,042	1,897
Over 12 months	1,821	2,308
Total trade receivables - unrelated parties	101,051	94,187
Less: Allowance for doubtful accounts	(3,462)	(2,903)
Total trade receivables - unrelated parties - net	97,589	91,284
Total trade receivables - net	97,602	91,343
<b>Other receivables</b>		
Other receivables - related parties	83	236
Other receivables - unrelated parties	4,949	5,608
Accrued interest income	1,019	1,014
Total other receivables	6,051	6,858
<b>Total trade and other receivables - net</b>	<b>103,653</b>	<b>98,201</b>

## 10. Inventories

(Unit: Thousand Baht)

	2016	2015
Medicines and medical supplies	28,829	26,279
Supplies and others	3,483	3,454
<b>Total</b>	<b>32,312</b>	<b>29,733</b>

## 11. Long-term deposits at financial institutions

As at 31 July 2016, long-term deposits at financial institutions carried interests between 1.95 and 2.25 percent per annum (2015: 3.30 percent per annum).



As at 31 July 2016, certain equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 409.19 million (2015: Baht 449.49 million).

### 13. Intangible assets

The net book value of intangible assets, which are computer software, as at 31 July 2016 and 2015 is presented below.

		(Unit: Thousand Baht)
<b>Cost</b>		
1 August 2014		18,631
Additions		1,412
31 July 2015		20,043
Additions		203
Write-off		(6)
31 July 2016		20,240
<b>Accumulated amortisation</b>		
1 August 2014		9,812
Amortisation for the year		1,961
31 July 2015		11,773
Amortisation for the year		2,095
Write-off		(4)
31 July 2016		13,864
<b>Net book value</b>		
31 July 2015		8,270
31 July 2016		6,376

### 14. Trade and other payables

			(Unit: Thousand Baht)
	2016	2015	
Trade payables - unrelated parties	80,740	72,375	
Other payables - unrelated parties	12,198	14,159	
Accounts payable - construction and equipment purchase	14,485	16,501	
Accrued expenses	26,692	23,697	
<b>Total trade and other payables</b>	<b>134,115</b>	<b>126,732</b>	

## 15. Provision for long-term employee benefits

Provision for long-term employee benefits, which are compensations on employees' retirement and long service awards, was as follows:

(Unit: Thousand Baht)

	Retirement benefit plan	Long service award plan	Total
<b>As at 1 August 2014</b>	<b>31,422</b>	<b>2,495</b>	<b>33,917</b>
Current service cost	4,659	693	5,352
Interest cost	1,686	135	1,821
Benefits paid during the year	(475)	(479)	(954)
<b>As at 31 July 2015</b>	<b>37,292</b>	<b>2,844</b>	<b>40,136</b>
Current service cost	5,060	768	5,828
Interest cost	1,936	151	2,087
Actuarial (gain) loss arising from			
Demographic assumptions changes	(5,699)	1,280	(4,419)
Financial assumptions changes	8,127	569	8,696
Experience adjustments	(5,548)	728	(4,820)
Benefits paid during the year	(743)	(480)	(1,223)
<b>As at 31 July 2016</b>	<b>40,425</b>	<b>5,860</b>	<b>46,285</b>

Long-term employee benefit expenses included in the profit or loss were as follows:

(Unit: Thousand Baht)

	2016	2015
Current service cost	5,828	5,352
Interest cost	2,087	1,821
Actuarial loss arising from other long-term employee benefits	2,577	-
<b>Total expenses recognised in profit or loss</b>	<b>10,492</b>	<b>7,173</b>
Line items in profit or loss under which such expenses are included		
Cost of hospital operations	7,990	2,677
Administrative expenses	2,502	4,496

The Company expects to pay Baht 1.42 million of long-term employee benefits during the next year (2015: Baht 1.45 million).

As at 31 July 2016, the weighted average duration of the liabilities for long-term employee benefits is 23 years (2015: 23 years).



Key actuarial assumptions used for the valuation are as follows:

	2016 (% per annum)	2015 (% per annum)
Discount rate	2.70	4.52
Future salary increase rate	5.00	5.00
Staff turnover rate (depending on age of employees)	0.00 - 14.66	0.00 - 20.43

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 July 2016 are summarised below.

(Unit: Million Baht)

	Increase 0.5%	Decrease 0.5%
Discount rate	(2.4)	2.6
	Increase 1.0%	Decrease 1.0%
Future salary increase rate	4.9	(4.2)
	Increase 10%	Decrease 10%
Staff turnover rate	(3.0)	3.3

## 16. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

## 17. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	2016	2015
Salaries and wages and other employee benefits	477,063	450,229
Cost of doctors' fee	469,135	420,697
Cost of medicines and supplies	334,868	306,434
Depreciation and amortisation	89,068	87,163
Service fees for outside treatments	21,518	27,375
General supplies	21,360	20,272
Other expenses	151,328	146,202

## 18. Income tax

Income tax expenses for the years ended 31 July 2016 and 2015 are made up as follows:

(Unit: Thousand Baht)

	2016	2015
<b>Current income tax:</b>		
Current income tax charge	71,274	52,048
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(1,786)	(791)
<b>Income tax expenses reported in the statements of comprehensive income</b>	<b>69,488</b>	<b>51,257</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 July 2016 and 2015 are as follows:

(Unit: Thousand Baht)

	2016	2015
Deferred tax relating to actuarial gain	624	-
<b>Income tax recognised in other comprehensive income</b>	<b>624</b>	<b>-</b>

The reconciliation between accounting profit and income tax expenses is presented below.

(Unit: Thousand Baht)

	2016	2015
Accounting profit before tax	351,527	258,200
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	70,305	51,640
Effects of:		
Non-deductible expenses	2,151	286
Additional expenses deductions allowed	(2,968)	(669)
Total	(817)	(383)
<b>Income tax expenses reported in the statements of comprehensive income</b>	<b>69,488</b>	<b>51,257</b>

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	31 July 2016	31 July 2015
<b>Deferred tax assets</b>		
Allowance for doubtful accounts	693	581
Provision for long-term employee benefits	9,257	8,027
Accumulated depreciation - equipment	2,491	2,671
<b>Total</b>	<b>12,441</b>	<b>11,279</b>

## 19. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

## 20. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2014	Annual General Meeting of the shareholders on 20 November 2014	108.0	0.60
Total dividends for 2015		108.0	0.60
Final dividends for 2015	Annual General Meeting of the shareholders on 19 November 2015	111.6	0.62
Total dividends for 2016		111.6	0.62

## 21. Operating segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as executive committee.

The one main reportable operating segment of the Company is the hospital business and the single geographical area of its operations is Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

For the years ended 31 July 2016 and 2015, the Company has no major customer with revenue of 10 percent or more of its revenues

## 22. Provident fund

The Company and its employees have jointly established a provident fund scheme in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 2 percent of basic salary. The fund is managed by TISCO Asset Management Company Limited and will be paid to the employees upon termination in accordance with the fund rules. During the year ended 31 July 2016, the contributions of Baht 2.99 million (2015: Baht 2.73 million) were recognised as expenses in profit or loss.

## 23. Commitments and contingent liabilities

### 23.1 Operating lease commitment

The Company entered into a long-term lease agreement for lease of land on which to construct a hospital building covering a period of 30 years, from November 1988 to November 2018. In April 2006, the lessor transferred the ownership of this land to The Thai Red Cross Society. The agreement is renewable for periods of not less than 5 years each time, with the Company being required to inform The Thai Red Cross Society of its intention to renew at least one year prior to the expiry date.

The future minimum lease payments required under this non-cancellable operating lease contract were as follows:

(Unit: Million Baht)

	As at 31 July	
	2016	2015
<b>Payable:</b>		
In up to 1 year	1.7	1.5
In over 1 year and up to 5 years	2.2	3.8

### 23.2 Commitments under service agreements

The Company had total minimum payments to be paid in the future under the service agreements as follows:

(Unit: Million Baht)

	As at 31 July	
	2016	2015
<b>Payable:</b>		
In up to 1 year	8.2	8.8
In over 1 year and up to 5 years	0.6	2.2

### 23.3 Capital Commitments

As at 31 July 2016, the Company had capital commitments of Baht 36.7 million (2015: Baht 31.3 million) in respect of the acquisitions of medical equipment.

### 23.4 Guarantees

(a) As at 31 July 2016, the Company had credit facilities for overdrafts with a commercial bank of Baht 21.5 million (2015: Baht 21.5 million) guaranteed by the Company's directors, and for short-term loans with a commercial bank of Baht 10.0 million (2015: Baht 10.0 million) guaranteed by the Company's director and secured by the land and construction thereon of a related company.

(b) As at 31 July 2016, the Company had outstanding bank guarantees of approximately Baht 5.2 million (2015: Baht 5.2 million) issued by the bank on behalf of the Company in respect of electricity use as required in the normal course of business.

## 24. Land purchasing

The meeting of the Company's Board of Directors No. 5/2007, held on 5 July 2007, passed a resolution approving the purchase of land adjacent to and behind that of the Company from Sukhumvit Asset Management Co., Ltd. at a total price of Baht 206 million, in case the Company is unable to renew its land lease or to support future expansion of the business. The Company is to pay the cost of the land on the date ownership is transferred, and is responsible for all costs and fees incurred in respect of the transfer. It is also responsible for taking over legal proceedings from the seller, including obligations in respect of litigation to evict the current occupants from the land.

However, Sukhumvit Asset Management Co., Ltd. was unable to transfer the ownership of the land to the Company because a third party petitioned the Court to order the temporary attachment of the land. In September 2007, the Company brought lawsuits seeking to compel Sukhumvit Asset Management Co., Ltd. and the third party to comply with the agreement to purchase and to sell the land and to pay damages for breach of the agreement.

On 21 October 2008, the Court ordered Sukhumvit Asset Management Co., Ltd. to comply with the contract whereby it shall transfer the ownership of the land to the Company and receive the full payment for the land from the Company. Although the final verdict of the case was reached, the land ownership cannot be transferred because there was a separate case between a third party and Sukhumvit Asset Management Co., Ltd. whereby a third party had filed a petition with the Court to order a temporary attachment of such land. Sukhumvit Asset Management Co., Ltd. therefore filed a counterclaim, petitioning the Court to cancel the land attachment. In July 2010, the Court ordered to dismiss the claim filed by Sukhumvit Asset Management Co., Ltd.

However, on 18 May 2009, Sukhumvit Asset Management Co., Ltd. demanded the Company to pay deposit amounting to Baht 20.6 million for the land purchase. The deposit is part of the selling price of the land and there remained outstanding commitments of Baht 185.4 million to be paid in respect of the land on the date of ownership transfer.

On 14 December 2010, the Company filed the petition to cancel the temporary order of consideration protection for the case that the Court adjudged to seize the land. In the year 2012, the Appeal Court adjudged to dismiss the mentioned petition.

In February 2016, the Supreme Court rendered a judgment dismissing a third party's claim and request for injunction with respect to land ownership assignment. As a result, Sukhumvit Asset Management Co., Ltd. had to transfer the land ownership to the Company and receive the remaining payment for the land on the assignment date.

On 26 April 2016, the Company made the remaining payment totaling Baht 185.4 million to Sukhumvit Asset Management Co., Ltd. and obtained the land ownership.

## 25. Litigation

25.1 In August 2010, the Company, as a joint defendant, and a hospital together with doctors (5 defendants in total) were sued for damages amounting to approximately Baht 31.2 million with interest of 7.50 percent per annum from the date the defendants were sued till the case is closed. The plaintiff claimed that doctors who gave treatment jointly committed a tort. The hospitals, as business operators and employers of the doctors, must be also responsible for the tort. The Company and its doctors viewed that they did not commit any wrongful act as claimed by the plaintiff and no actual damage had occurred, they therefore filed a statement of defence.

On 31 January 2011, the plaintiff filed a petition with the Court to amend the lawsuit, reducing the amount of damages to Baht 15 million with interest of 7.50 percent per annum from the date the defendants were sued till the case is closed.

On 29 November 2011, the Court of First Instance rendered the judgment to dismiss the plaintiff. The plaintiff filed an appeal against the Court of First Instance.

On 25 September 2013, the Appeal Court made the same judgment as the Court of First Instance to dismiss the plaintiff.

On 20 December 2013, the plaintiff filed an appeal with the Supreme Court. It is currently waiting for the court to decide whether to accept the appeal.

25.2 In October 2012, the Company and the dentist were sued by the patient, claiming for damages amounting to Baht 155.5 million with interest of 7.50 percent per annum from the date being sued until the payments are settled. The Company and the dentist viewed that they did not commit any wrongful act as claimed by the patient and had defended to the Court.

On 13 February 2014, the Court of First Instance ordered the Company and the dentist performing the treatment procedure to pay compensation for damages amounting to approximately Baht 3.1 million, together with interest thereon at the rate of 7.50 percent per annum.

On 30 May 2014, the Company filed an appeal to the Appeal Court and on 29 July 2015, the Appeal Court delivered the verdict to dismiss the case filed by the plaintiff.

On 25 September 2015, the plaintiff filed an appeal with the Supreme Court. It is currently waiting for the court to decide whether to accept the appeal.

## 26. Financial instruments

### 26.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, long-term deposits at financial institutions, and trade and other payables. The financial risks associated with these financial instruments and how they are managed is described below.

#### Credit risk

The Company is exposed to credit risk primarily with respect to trade and other receivables. The Company manages the risk by adopting appropriate credit control policies and procedures, therefore does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

#### Interest rate risk

The Company's exposure to interest rate risk relates primarily to its deposits at financial institutions. However, most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The interest rate risk is therefore minimal.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below.

(Unit: Million Baht)

	As at 31 July 2016					
	Fixed interest rates		Floating interest rate	Noninterest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 to 5 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	97.76	8.49	106.25	0.10 - 1.25
Current investments	380.30	-	89.13	-	469.43	1.30 - 2.30
Trade and other receivables	-	-	-	103.65	103.65	-
Long-term deposits at financial institutions	-	135.70	-	-	135.70	1.95 - 2.25
	380.30	135.70	186.89	112.14	815.03	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	134.12	134.12	-
	-	-	-	134.12	134.12	

(Unit: Million Baht)

	As at 31 July 2015					
	Fixed interest rates		Floating interest rate	Noninterest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 to 5 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	82.95	4.35	87.30	0.10 - 1.25
Current investments	305.00	-	146.12	-	451.12	2.25 - 3.00
Trade and other receivables	-	-	-	98.20	98.20	-
Long-term deposits at financial institutions	-	155.60	-	-	155.60	3.30
	305.00	155.60	229.07	102.55	792.22	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	126.73	126.73	-
	-	-	-	126.73	126.73	

#### Foreign currency risk

The Company's exposure to foreign currency risk is minimal since the majority of business operations are denominated in Thai Baht.



## 26.2 Fair value of financial instruments

Since the majority of the Company's financial instruments are short-term in nature and bear floating interest rates or interest rates which are close to market rate, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

## 27. Fair values hierarchy

As of 31 July 2016, the Company had the assets that were measured at fair value as follows:

(Unit: Million Baht)

	Level 2	Total
Investment in securities held for trading Debt instruments	89.1	89.1

### Valuation techniques and inputs to Level 2 valuation

The fair value of investments in debt instruments has been determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.

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

## 28. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholders value. As at 31 July 2016, the Company's debt-to-equity ratio was 0.24:1 (2015: 0.25:1).

## 29. Event after the reporting period

On 15 September 2016, the Meeting of the Board of Directors of the Company passed a resolution approving the dividend payment for the year 2016 to the Company's shareholders at Baht 0.65 per share or a total of Baht 117.00 million. The payment of dividend will later be proposed for approval in the Annual General Meeting of the Company's shareholders.

## 30. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 15 September 2016.



# Auditor's Remuneration

This year, the Company's auditor is Miss Kamonthip Lertwitworatep, Certified Public Accountant, License No.4377, from EY Office Limited (formerly known as Ernst & Young Office Limited). The audit fee is Baht 1,020,000 with the out-of-pocket expenses which includes, for example, travel and copying costs as actually incurred but not exceeding Baht 30,000.

## Reference Information

### Securities Registrar

Name : Thailand Securities Depository Co., Ltd.

Address : Stock Exchange of Thailand Building,  
62 Ratchadaphisek Road, Klongtoey, Bangkok 10110

Telephone : 0 2009 9000

Fax : 0 2009 9991

TSD Call Center : 0 2009 9999

Website : <http://www.tsd.co.th>

### Auditor

Name : EY Office Limited

Auditors : Ms. Kanontip Lertwitworatep, Certified Public Accountant,  
License No.4377 and / or

Mr. Wichart Loketekrawee, Certified Public Accountant, License No.4451 and / or

Ms. Siriwan Suratepin, Certified Public Accountant, License No.4604

Address : 33<sup>rd</sup> Floor, Lake Rajada Building,  
193/136-137 Ratchadaphisek Road, Klongtoey, Bangkok 10110

Telephone : 0 2264 0777

Fax : 0 2264 0789

### Internal Auditor

Name : Dharmniti Auditing Co., Ltd.

Address : 267/1 PracharatSai 1 Road, Bangsue, Bangsue, Bangkok , 10800

Telephone : 0 2587 8080

Fax : 0 2586 0301

# Corporate Social **Responsibility (CSR)**

Throughout 23 years in business, Thainakarin Hospital has provided quality and high-standard medical care under the vision of “world-class quality in healthcare, warm hospitality that treats everyone like family, affordable price, effective and transparent management and positive attitude staff,” alongside the code of professional ethics. The Management always holds that hospital business is not about profit-making only, but also the commitment to give best care for the health and quality of life of people, communities, the society and the environment. It is the Company's firm belief that corporate social responsibility contributes to sustainable and robust business growth.

**In this regard, 5 core missions are set forth as follows:**

1. To develop personnel competency, satisfaction and pride in the hospital;
2. To elevate the health care quality to the world-class standard;
3. To progressively proceed with continuous and sustainable development of the hospital;
4. To achieve the best hospitality with a warm and family-like treatment that creates lasting impressions;
5. To manage in accordance with the principles of good governance.

Thainakarin Hospital has pursued the 5 core missions through numerous projects and activities to attain business stability. The Hospital has also devised good corporate governance principles and provision of quality services in order to uplift quality of life and the society whilst helping preserve and restore the environment.

**Thainakarin Hospital's CSR scheme is carried out on the following bases:**

## **1. Fair business conduct**

Thainakarin Hospital adheres to fair business conduct based on ethical principles, transparency, honesty and accountability, in tandem with avoidance of monopoly and piracy. Practices include:

- Giving all vendors equal opportunity to tender in order to prohibit monopoly and price discrimination.
- Comparing prices of products and services in order to promote transparency in procurement and to reduce operating costs, resulting in reasonable prices for customers.
- Set out rules and procedures for procurement in order to uphold business ethics, to refrain from soliciting and offering any benefits, and to protect interests in collaboration with suppliers and creditors.

## 2. Respect for human rights

Appreciating that human rights are the basic rights inherent to all human beings, Thainakarin Hospital embraces respect for human rights under the following practices:

### 2.1 Overall process of services rendered to patients and customers

Thainakarin Hospital recognizes its duty as a medical care service provider with a responsibility to respect the customers' rights. For this reason, staff of all units have been inculcated with full regard for patients' rights according to the 10 principles of the Declaration of Patients' Rights, namely.

1. All patients have the fundamental right to receive healthcare services as specified under the Constitution.
2. All patients have the right to receive services from healthcare providers without discrimination toward economic status, race, religion, social class, belief, political opinion, sex, age, and illness conditions.
3. Patients seeking healthcare services have the right to receive from healthcare providers sufficient and clear information for making decision to accept or refuse treatments by healthcare providers, except in an emergency or where necessary.
4. Patients in life-threatening conditions have the right to receive immediate attention from healthcare providers as necessary, whether or not the patients requested so.
5. Patients have the right to know names, surnames and professional status of the healthcare providers delivering services to them.
6. Patients have the right to seek a second opinion from other healthcare providers and to request for the change of healthcare service provider and establishment.
7. Patients have the right to receive from healthcare providers the strict protection of their personal information, except upon the patients' consent or by legal requirements.
8. Patients have the right to receive complete information for making decision to participate in or withdraw from an experimental research conducted by healthcare providers.
9. Patients have the right to receive information, upon request, about their own treatments as appeared in the medical records, provided that such information does not violate personal rights of a third party.
10. Father, mother or legal representatives may exercise the rights of patients being under 18 years old, or physically or mentally incapacitated.

With respect to this, Thainakarin Hospital has posted up the Declaration of Patients' Rights in all services areas for customers' acknowledgement, promoted ethical conducts of service providers, and focused on active fulfillment of customer needs.

### 2.2 Information

All data in medical records is a kind of health information. Thainakarin Hospital has a clear policy on privacy and confidentiality of patients. A good medical record management system is implemented across the whole process, with chief concern for fundamental rights and best interests of the patients. Medical records of the Hospital can be divided as follows:

1. Paper-based medical record: Information is kept in document form and into medical record files. The Medical Record Development Committee has a responsibility to set pertinent formats and processes, including preparation of new patients' medical records, and determination of information necessary for providing medical care. Important data shall be compiled by personnel in related units, e.g. basic information, benefit-related information by registration officer, patient care information by nurses, diagnostic and treatment information by physicians, etc.

2. Electronic medical record: Relevant data is recorded into the system by all service-providing personnel according to their respective access authorizations and duties. The Medical Record Development Committee, the Information Committee and other related parties are responsible for defining such authorizations, duties as well as information useful for arranging services compliant with recognized standards, such as Hospital Accreditation (HA), ISO 9001, JCI, etc.

All data, in whatever format, is known to be crucial and clear guidelines must be established regarding access authority to each medical record. Thainakarin Hospital staff of all levels have acknowledged and persistently complied with said policy.

Development of healthcare services, the key element of business, relies partly on systematic utilization of intra-organizational information in support of management and operations. For example, healthcare information is presented via electronic channels, e.g. mobile application, aiming to generate the maximum benefits for service users. Working units can also use statistical data as a tool for efficient internal management. The information utilization project is currently under in-depth study of benefits, results and potential risks.

#### **Corporate Social and Environmental Responsibility in Medical Record Execution and Management**

The Company's social and environmental responsibility is reflected in continual improvement of its medical record services, where data from major processes shall be compiled, analyzed, and utilized as the information useful to the wider society. To illustrate this, Thainakarin Hospital has coordinated with its Infectious Disease Control Unit to report statistics, drawn from medical record database, on the now-increasing epidemic cases to relevant government agencies. Based on such information, the authorities have duly carried out disease inspection and prevention in the affected communities, medical treatment, surveillance of infected patients, etc.

The medical record system has been modernized for up-to-date features and, in necessary case, ease of access for service users whilst placing top priority on confidentiality and safety of patients. Examples are e-inquiries system and inter-hospital transfer of medical records, which facilitate prompter patient care process. This supportive exchange of medical information under strict procedures and upon authorized approval shall bring mutual benefits to both the patients and the healthcare providers.

Apart from the appreciation of fundamental rights and needs under the Declaration of Rights by the Medical Council, the Nursing and Midwifery Council, the Pharmacy Council and other related parties, the Hospital has expressed its social responsibility through the medical record execution which is paper-intensive. According to the guidelines for medical record disposal, records retained for over 5 years after last patient contact shall be destroyed by shredding and the shredded papers be recycled. Thainakarin Hospital has therefore contributed to environmental care and, indirectly, deforestation for paper production.

## 2.3 Services

In dedication to its slogan of “Thainakarin...The Hospital you can trust,” the Hospital also gives particular attention to service quality under the following principles:

- Convenient, fast, precise and accurate medical care services shall be provided for everyone.
- Executives shall inspect operations of service units on a daily basis.
- User satisfaction survey shall be conducted to enhance and develop service quality.
- Customer care/complaint unit and system shall be put in place to take corrective actions and improve service quality in every dimension.
- Foreign officers shall be arranged for foreign customers to ensure correct and complete communication and treatment.
- Appointment reminder system is provided to enable continuous treatment for patients and follow-up for treatment evaluation.
- Security unit proactively works to efficiently provide service users with maximum convenience, i.e. handicapped parking space, wheelchair assistance and inter-departmental transfer, fire extinguisher drill on the 15<sup>th</sup> of every month, and hospital-wide security scheme entailing extensive CCTV cameras around the premises, 24-hour security guards stationed inside and outside the buildings together with deserted areas to ensure safety for the lives and possessions of all the customers and staff.

## 2.4 Personnel

Regarding all personnel as valuable assets, Thainakarin Hospital has consistently pursued its strategic plan for personnel management and development toward quality, satisfaction and corporate pride, as well as treating all staff equitably. The Company has selected applicants fairly according to qualifications, duties and responsibilities, conducted recruitment in compliance with labor laws, and endorsed CSR policy by employing persons with disability and giving them an equal opportunity in career progression as other employees.

The Hospital has initiated the Healthy Organization Project to upscale the quality of life and organizational climate. Results of job satisfaction surveys have been continually analyzed for improvement. The project involves implementing a health promotion program to bring about good hygiene among staff, preparing employee welfare packages to facilitate better quality of life, e.g. establishment of provident fund to aid long-term savings, arrangement of sports field and sports day to promote healthiness and tighten staff relationship, and organizing social activities for employees in their birth months to encourage them to take pride in themselves and in the Company, including to foster unity and favorable organizational climate.

Staff training project has been continuously and consistently carried out in all aspects, especially professional personnel development, interdisciplinary professional development, and management skill development. Staff shall acquire knowledge and expertise through appropriate multimodal processes, such as Individual Development Plan (IDP), scholarships for specialist training courses, overseas seminars on medical laboratory technology, etc.

Employee performance evaluation is conducted every year on a fair and equal basis, where results thereof are analyzed for further honing of skills that enable the staff to deliver efficient patient care. Competent staff shall have an opportunity for steady progress in the career path according to usual promotion and transfer process.

Remuneration management is determined in fairness and equality, as appropriate to positions, duties and responsibilities. Remuneration structure is properly reviewed in order to, within the confines of corporate operating results, attract new applicants and capably retain existing personnel.

The Occupational Health and Environment Committee (ENV) oversees to ensure occupational safety for staff on a consistent basis. Work-related injuries shall be examined and reviewed to subsequently develop preventive work procedures. Employees must practice fire and earthquake drills every year for their own and patients' safety.

## 2.5 Policy on Personnel Development and Health Promotion

Thainakarin Hospital values the importance of employees and respects their vested rights. Cherishing them as the resources vital to achievement of corporate goals, the Hospital has adopted plans, with clearly allocated budgets, for concrete development of personnel competency and health according to the established guidelines as follows.

1. Orientation sessions are provided for new employees to familiarize them with corporate culture, management structure, quality development, safety procedures, rights, fringe benefits, and most importantly awareness of respect for patients' rights which is the key element of health care. Given by executives and specialist teams, the sessions aim to help employees understand their duties and responsibilities, ready to learn from experienced colleagues, take part in capacity development, and best utilize such capacity in readiness for driving the Hospital toward future success.

2. Trainings and competency development programs are arranged, divided into 3 groups in line with the Hospital's strategic plans, namely.

- Basic trainings for personnel of all levels, i.e. infection prevention, fire prevention and suppression, occupational health and safety, anti-corruption, hospital quality development, patients' rights, and service excellence.
- Knowledge-intensive and capacity development trainings for professional personnel, which include physicians, nurses, pharmacists, medical technologist, radiological technologists, and dieticians. These specialized courses are provided in the form of in-house and public trainings allied with the 2<sup>nd</sup> strategic plan about management.
- Enhancement trainings for executives, which focus on development of knowledge in parallel with productive attitudes, administrative ethics, anti-corruption, occupational health and safety, as well as managerial reinforcement in such areas as manpower, capital, management process, quality process, and attentive services that leave good impression on both the patients and their family.

3. Employee engagement is strengthened through Wellness Project, where Thainakarin Hospital has continually organized many activities, i.e. health promotion activities, sports events, merit-making on special occasions and the Hospital's anniversary, etc.

4. CSR development is pursued by consistently implanting and building a sense of social responsibility within the organization via Happy Birthday Outing activities for which all staff and executives join together in beneficial activities that serve corporate goals.

- Arranging health checkup, medical treatment, donations of money and necessities for orphans at SOS Children's Village in Samutprakarn province.
- Giving energy-saving lights, household remedy kits, and consumer goods to Phra Non Temple, Suphanburi province.

5. Health promotion initiatives are introduced to encourage physical and mental fitness among personnel. The Hospital gives full support to the care of employee health, which comprise annual checkup, medical care package, vaccination program, activities for sports groups, and personal protect equipment at work.

6. Awareness about workplace safety and occupational health is raised by disseminating knowledge, information and news via various intra-organizational media as well as social network. To this end, actions taken include basic fire prevention and suppression, annual fire and evacuation drill, energy conservation courses, occupational health, safety and the environment courses, infection prevention and control training, basic life support training, etc.

### 3. Anti-Corruption

Ethics and transparency are the heart of business. Thainakarin Hospital has a policy on transparent, fair and complaint-free audit process and internal control system. In this regard, the Hospital shall not reveal confidential information of one vendor, that is product prices, to other suppliers for whatever reason. Medicine bidding has been arranged in collaboration with the Pharmacy Division for the utmost benefits of the organization and stakeholders. A committee has been established to consider and give opinions on the selection of medical equipment, medicines and medical supplies. Products purchased shall be jointly checked by the ordering units, Accounting Division, and Inspection and Inventory Department. The Hospital has put in place internal and external audit systems to examine operations of each unit. It has also provided channels for counterparties to lodge complaints, all of which shall be handled equitably, transparently, attentively and fairly.

In addition, the Hospital seeks to promote the significance and awareness of anti-corruption among employees of all levels, as well as taking internal control measures against corruption and bribery-related conducts of all forms. Such measures include comment/complaint boxes for personnel, together with fair treatment and protection of employees or persons who reported cases or evidences of corruption associated with the Company and affiliates, including protection of employees who refused to involve in corrupt acts.

### 4. Fair Labor Practices

The Hospital respects and obeys the law and code of ethics in treating every employees equally without any discrimination. Pertinent practices are as follows:

- Recruitment system is implemented with respect for human rights and in line with fair labor practices free from discrimination, partiality, exclusion, employment bias and engagement of child labor. The Hospital has opened job opportunities for nearby communities and coordinated with the District Office on job creation for people in the communities.
- Payroll system, disciplinary procedure, and protection of pregnant employees are carried out on a legal, fair and equitable basis.
- Employment of the disabled demonstrates respect for human rights and promotion of career progress and security for disabled people. The Hospital has therefore given career support to persons with disabilities and employed them for positions suitable to their physical and mental conditions, such as telephone operators and officers at various units.
- The Hospital provides job security to its personnel through the long-term employment policy.



## 5. Occupational Safety, Health and Environment

### ▪ Thainakarin Hospital's Policy

The Hospital is committed to act responsibly toward the environment, safety and the society, thereby facilitating the safety and wellbeing of its staff, patients and visitors. This commitment has been adopted as policy and annual action plan under the supervision of the Hospital's Occupational Safety, Health and Environmental Committee, comprised of management-level representatives and employees as representatives of operating-level staff. The organization's physical, environmental and safety structures are managed in accordance with the Hospital and Healthcare Services Standards (60<sup>th</sup> Anniversary Commemoration Edition), BMA Office of Disaster Prevention and Mitigation's standards for mega high-rise buildings, and those of other agencies, etc. These standards provide frameworks for planning, supervision and control. Meanwhile, pertinent information and indicators are used in analyzing and identifying causes in order to consistently take preventive and corrective actions on major physical, environmental and safety structures.

### ▪ Monitoring of Performance

#### Physical environment and safety

- Building inspection is performed by internal units and external experts certified by the Public Works Department on an annual basis, with due structural improvement in compliance with the Building Control Act B.E. 2522 and other relevant laws in order to affirm and ensure service users and staff of solid and safe building structures.
- Occupational health measurements are arranged in accordance with the Labour Protection Act B.E. 2549 and Ministerial Regulation with reference to Standards for Measurement of Heat, Light and Noise in the Workplace.

#### Hazardous Materials and Waste

- Manual for storage and disposal of hazardous materials, such as blades and needles, is issued. Training programs on infection prevention and control as well as waste sorting are constantly arranged for personnel related to patient care and housekeeping.
- Manual for protection against chemical substances is issued. A chemical inventory is also prepared, together with practice guidelines for prevention and management against risk from chemical exposure at work.

#### Emergency and Fire

- Fire extinguishing system and equipment are inspected bimonthly.
- Training programs on basic fire prevention and suppression are arranged for new staff biennially.
- Annual fire evacuation drill is carried out so that all staff are aware of fire-related dangers, able to handle fire incidents properly according to the fire prevention and suppression plan, as well as to identify vulnerabilities for further enhancement of fire protection and suppression system.

#### Utility System

- Guidelines for proper use of utility systems in line with energy efficiency plan, provided that such practices do not affect good quality of services.

### Health Promotion

- Thainakarin Hospital has placed emphasis on health promotion to bring about physical and mental healthiness of its staff, by giving its staff full healthcare support, i.e. annual health checkup, medical program, vaccinations, sports groups, including personal protection equipment at work.

### Environment Protection

- Wastewater treatment system, by Sequence Batch Reactor (SBR), is put in place.
- The new chiller system with environmentally-friendly refrigerant is used.
- Awareness is raised throughout the Hospital about waste reduction, focusing on reuse and efficient use of resources with a sense of eco-friendliness.
- Proper disposal of trashes according to types is campaigned for.

## 6. Community and Social Development

Throughout 23 years of establishment, Thainakarin Hospital has stood resolute in its responsibility to society and the environment. Health promotion activities are thus hosted to develop quality of life and health of people in the surrounding communities, especially the Hospital's contractual parties that have trusted it to provide healthcare services for their employees. Accordingly, health-related activities are arranged to acquaint employees of the counterparty companies within a 30-kilometer radius with correct knowledge and understanding of diseases, thereby enabling them to gain physical and mental healthiness conducive to efficient performance. In 2016, the Company has had Thai Yamaha Motor Co., Ltd. to join the "Health Promotion Hospital" project intended for employees whose checkups showing irregularities relevant to diabetes, high blood pressure and high cholesterol. This 4-month project encompassed knowledge session by specialty doctors and other specialists such as nurses, physical therapists and dieticians, together with constant body mass measurement, fingerstick for diabetes test and blood pressure measurement.

**Child Care:** Having child care as its long-standing foremost mission, Thainakarin Hospital seeks to promote awareness of healthcare benefits among children. To this end, the Hospital and Jairak Kindergarten have collaborated to teach the children how to wash their hands and brush their teeth properly, as well as providing oral health assessment by dentists, nurses and ancillary staff.

**Elderly Care:** The number of aging population is increasing steadily both in Thailand and worldwide, and becomes a high priority for the countries' governments. Also taking elderly care as significant, Thainakarin Hospital has therefore organized the "Hospital Health Promotion Project for Saranjit Elderly Club" to provide such basic health checks as measurements of weight, height, body temperature and blood pressure, fingerstick for diabetes and cholesterol tests, bone density test by nurses, and consultation with doctors.



## Activities for Society and Quality of Life in 2016



1



2



3



4



5



6

1. Carried out Gor.Gai Nai Saimok (ABCs in the Mist) Project at Border Patrol Police Learning Center, Ban Ko-prae, Tambon Mae-khong, Amphoe Mae-sariang, Mae Hong Son, on the occasion of National Children's Day.
2. Engaged in quarterly blood donation activities with the Blood Center of the Thai Red Cross Society under the project of "Blood Donation for Mother of the Nation, to Celebrate 84th Birthday Anniversary of H.M. Queen Sirikit – President of the Thai Red Cross Society"
3. Participated in 14<sup>th</sup> Sky Clinic at BTS Bang Na Station, to provide basic health checkup services, fingerstick for blood glucose (DTX), and bone mineral density test.
4. Hosted Hospital Health Promotion activity at Saranjit Elderly Club, to provide basic health checkup for the elderly.
5. Co-organized the "Work Safety and Environment Week" with Isuzu Engine Manufacturing (Thailand) Co., Ltd.
6. Held a certificate conferral ceremony, on the occasion of the Hospital's 23<sup>rd</sup> anniversary, to award doctors and personnel with outstanding achievements, as well as employees having reached 5, 10, 15 and 20 years' service.

## Internal Activities

### Thainakarin Hospital ... 23 Years of Medical Commitment

At its 23<sup>rd</sup> Anniversary Celebration of Medical Commitment, Thainakarin Hospital has introduced the Neurology Center staffed by specialist doctors and skilled nurses and fully equipped with sophisticated medical equipment for diagnosis of stroke and neurological disorders. Mr. Jatuporn Sihanatkathakul - Chairman of the Board, Dr. Charoen Meensuk - Chief Medical Officer, Honorary Clinical Professor Dr. Chaiporn Phadrakom - Medical Director, Adjunct Clinical Professor Dr. Seree Tuchinda - former Director General of Medical Sciences Department, Dr. Winai Wiriyakijja - former Permanent Secretary of Public Health Ministry, Mrs. Panisara Arayaskul, and Mr. Khunkhao Sindhusen Khaejornbut kindly joined the event.



## External Activities



1

Thainakarin Hospital supported Sri-eamAnusorn School's Walk-Run for Education Project, by sponsoring 50 band t-shirts and putting up a water station in front of the Hospital to give away 1,500 bottles of water.



2

Thainakarin Hospital proudly received IPD Simple Disease Project Certificate at the "Tokio Marine Award 2015" hosted by Tokio Marine Insurance (Thailand) Co., Ltd. at Dusit Princess Hotel. The certificate was conferred to the hospital that rendered high-quality healthcare services with maximum customer satisfaction.



3

Attaching importance to the sustenance of Songkran Festival, Thainakarin Hospital joined the water pouring ceremony and traditional Thai dances at Saranjit Elderly Club, where happiness and smiles were everywhere to share. The Hospital had offered financial support to the Club's activities as well.



4

Thainakarin Hospital gave medicines and medical supplies to Mr. Sunthon Kaewrisai, Director of Samut Prakan Highway District, in support of government agencies' services for drivers during 2016 Songkran holidays.



5

Hospital Health Promotion (PHP) Project was arranged for employees of Thai Yamaha Motor Co., Ltd. Knowledge about non-communicable diseases (NCDs), i.e. diabetes, heart diseases and kidney diseases, was provided for use as practice guidelines. Basic health checkup by specialist doctors was also conducted. The Project had been conducted on a consistent basis to allow effective follow-up and assessment.



“อบอุ่น มั่นใจ

ที่ไทยนครินทร์”

THE HOSPITAL YOU CAN TRUST.

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