

## Information Memorandum concerning Asset Acquisition

## Srivichai Vejvivat Public Company Limited

## The Acquisition of The Bangkok Orthopedic Hospital Company Limited's ordinary shares

The Board of Directors' Meeting of Srivichai Vejvivat Public Company Limited (the "Company") No. 3/2016, which was held on 9 March 2016 had the resolution to approve the entering into the agreement to acquire 100% ordinary shares of The Bangkok Orthopedic Hospital Company Limited ("Sam Yaek Fai Chai") from the existing shareholders of Sam Yaek Fai Chai, namely 1) Mrs. Nongport Suttikul 2) Gold Atlantic Investment Holdings Limited 3) Mrs. Pannee Kunnee and 4) Mr. Thanomchai Kutaweetham (the "Seller"), with the total value of Baht 155,000,000. In this regard, the shares purchase transaction between the Company and the Seller is still subject to the completion of all processes, terms and conditions precedent of each party according to the Share Purchase Agreement which will be mutually agreed and duly signed by the parties (the "Share Purchase Agreement") prior entering into this transaction.

Sam Yaek Fai Chai's shares acquisition transaction is deemed as asset acquisition pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, dated 31 August 2008 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547, dated 29 October 2004 (as amended) ("Acquisition or Disposition Notifications") and is deemed as a purchase or acceptance of transfer of business of other companies or private companies by the public limited company pursuant to Section 107 (2) (b) of the Public Limited Company Act B.E. 2535 (1992) (as amended). Therefore, to comply with Section 107 (2) (b) of the Public Limited Company Act B.E. 2535 (1992) (as amended), such transaction shall be approved by the shareholders' meeting by the votes of shareholders of not less than three-fourths of the total votes of the shareholders who attend the meeting and have the right to vote. The size of this transaction equal to 15.45 % (which is the highest size based on the calculation criteria of the net profit from operating results basis pursuant to the Acquisition or Disposition Notifications). Therefore, the transaction is deemed as type 2 transaction, pursuant to the Acquisition or Disposition Notifications. That is the entering into a transaction between a listed company and a person which is not a listed company, which its size is 15% or more but lower than 50%. The Company has a duty to prepare the Information Memorandum, submit to the Stock Exchange of Thailand ("SET"), and send the Information Memorandum to the shareholders of the Company within 21 days from the SET's disclosure date.

The Company would like to notify the Information of such transaction as follows:

1. **The Disclosed Information pursuant to the Acquisition or Disposition Notifications (Schedule 1)**
- (1) **Date of entering into the transaction**

The Company will enter into the acquisition of 100% Sam Yaek Fai Chai's ordinary shares, in the number of 90,000 shares, from the Seller after the conditions precedent pursuant to the Share Purchase Agreement dated 30 June 2016 are completed and expected to complete an execution of transaction within 30 June 2016.

## (2) Related Contractual Parties and Relationship with the Listed Company

Buyer	Srivichai Vejvivat Public Company Limited
Seller	Existing shareholders of Sam Yaek Fai Chai are as follows: 1) Mrs. Nongport Suttikul 2) Gold Atlantic Investment Holdings Limited 3) Mrs. Pannee Kunnee and 4) Mr. Thanomchai Kutaweetham
Relationship with the listed company	The Company has no relationship with the Seller of Sam Yaek Fai Chai as the related parties. Therefore, such transaction is not considered as a connected transaction according to the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions, dated 31 August 2008 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546, dated 19 November 2003 (as amended).

## (3) The General Characteristics of the Transaction and Size of the Transaction

### 3.1 General Characteristics of the Transaction

The Company will purchase 100% Sam Yaek Fai Chai's ordinary shares, in the number of 90,000 shares, at a par value of Baht 100 per share, from the existing shareholders of Sam Yaek Fai Chai. Bid price is Baht 1,722 on the average per share and the total value of Sam Yaek Fai Chai shares is Baht 155,000,000.

### 3.2 Calculation for the Size of Transaction

Calculation Criteria	Calculation	Transaction Size (%)
1. Net Tangible Assets (NTA)	$\frac{\text{NTA of Sam Yaek Fai Chai} \times 100}{\text{NTA of the Company}}$	7.52
2. Net Profit	$\frac{\% \text{ of the shareholding} \times \text{Net Profit of the Sam Yaek Fai Chai's operating results} \times 100}{\text{Net Profit of the Company}}$	15.45
3. Total Value of Consideration Method	$\frac{\text{Value of Consideration paying to Sam Yaek Fai Chai} \times 100}{\text{Total Asset of the Company}}$	10.72
4. Value of issued securities of the listed company in consideration of the acquisition of assets	$\frac{\text{The number of shares issued for consideration} \times 100}{\text{The number of paid-up issued shares of the Company}}$	Cannot calculate because the Company does not issue the shares for consideration.
<b>Highest size</b>		<b>15.45</b>

This transaction has a maximum transaction size equal to 15.45 % based on net profit from operating results basis, hence it is considered as a Type 2 transaction under the Acquisition or Disposition Notifications which has a value of 15% or more but lower than 50%. Therefore, the Company is required to disclose the Information Memorandum to SET, and sent the Information Memorandum to the shareholders of the Company within 21 days from the SET's disclosure date.

#### (4) Details of Acquired Assets

The asset to be acquired is 90,000 ordinary shares of Sam Yaek Fai Chai, representing 100% of total registered capital with the par value of Baht 100 per share. As of 31 December 2015, Sam Yaek Fai Chai has total registered capital of Baht 9,000,000 divided into 90,000 ordinary shares and all of Sam Yaek Fai Chai's shares were paid-up. The book value is equivalent to Baht 68,045,531 or 756.06 per share.

Sam Yaek Fai Chai operates the hospital operation pursuant to the license for hospital operation, no. 10201009652, issued on 1 January 2009 (the substituted license issued on 27 October 2015) and such license shall valid until 31 December 2018. Details in such license stated that it is a hospital operation, having inpatient department (IPD) and having 59 beds at the hospital named the general medium-sized of Srivichai Hospital.

##### 4.1) General Information of Sam Yaek Fai Chai

Company Name	The Bangkok Orthopedic Hospital Company Limited
Type of Business	Hospital business, having inpatient department (IPD), categorized as a general medium-sized hospital.
Address	240/2-4 Jaransanitwong Road, Bang Khunsri Sub-District, Bangkok Noi District, Bangkok
Registration Number	0105525008687
Registration Date	10 March 1982
Registered Capital	Baht 9,000,000 (paid-up)

##### 4.2) List of Sam Yaek Fai Chai's Shareholders as of 18 November 2015 are as follows:

No.	Name	Number of shares	% of total shares
1	Mrs. Nongport Suttikul	3,000	3.33
2	Gold Atlantic Investment Holdings Limited	44,999	49.99
3	Mrs. Pannee Kunnee	41,501	46.11
4	Mr. Thanomchai Kutaweetham	500	0.55

##### 4.3) List of Sam Yaek Fai Chai's Directors as of 22 December 2015 are as follows:

No.	Name	Position
1	Mrs. Nongport Suttikul	Director
2	Mrs. Pannee Kunnee	Director
3	Mr. Thanomchai Kutaweetham	Director

#### 4.4) Financial Highlight

Balance Sheet	As of 31 December 2015	As of 31 December 2014	As of 31 December 2013	As of 31 December 2012
<b>Assets</b>				
Current Asset	88,425,170.55	51,874,195.00	69,844,947.02	65,463,348.61
Non-Current Asset	27,299,363.70	29,174,087.74	18,393,031.01	12,428,620.42
<b>Total Assets</b>	<b>115,724,534.25</b>	<b>81,048,282.74</b>	<b>88,237,978.03</b>	<b>77,891,969.03</b>
<b>Liabilities and Shareholders' Equity</b>				
Current Liabilities	41,937,358.13	23,136,544.05	34,879,873.64	33,539,306.97
Long Term Liabilities	5,741,645.00	5,548,105.00	478,152.00	0.00
<b>Total Liabilities</b>	<b>47,679,003.13</b>	<b>28,684,649.05</b>	<b>35,358,025.64</b>	<b>33,539,306.97</b>
Shareholders' Equity	68,045,531.12	52,363,633.69	52,879,952.39	44,352,662.06
<b>Total Liabilities and Shareholders' Equity</b>	<b>115,724,534.25</b>	<b>81,048,282.74</b>	<b>88,237,978.03</b>	<b>77,891,969.03</b>

Comprehensive Income Statement	As of 31 December 2015	As of 31 December 2014	As of 31 December 2013	As of 31 December 2012
Total Revenue	192,646,576.66	157,934,732.90	160,004,409.61	156,769,024.41
Total Expense	176,964,679.23	153,073,195.60	150,577,119.58	144,505,062.59
<b>Net Profit (Net Loss)</b>	<b>15,681,897.43</b>	<b>4,861,537.30</b>	<b>9,427,290.03</b>	<b>12,263,961.82</b>
EPS (Baht/share)	174.24	54.02	104.75	136.27
Par Value (Baht)	100.00	100.00	100.00	100.00
Number of Shares (Shares)	90,000.00	90,000.00	90,000.00	90,000.00
Book Value per Share (Baht)	756.06	581.82	587.56	492.81

#### (5) Total Consideration Value and Payment Condition

Subject to the completion of the conditions precedent mutually agreed upon by the parties pursuant to the Share Purchase Agreement, the Company will purchase 100% Sam Yaek Fai Chai's ordinary shares, in the number of 90,000 shares, at a par value of Baht 100 per share, from the existing shareholders of Sam Yaek Fai Chai, at the Bid price of Baht 1,722 on the average per share. Total consideration is Baht 155,000,000 and will be altogether paid by cash. In this regards, the purchase transaction of the Sam Yaek Fai Chai's ordinary shares and its payment of those shares are expected to complete within 30 June 2016.

#### (6) Value of Acquired Asset

90,000 Sam Yaek Fai Chai's ordinary shares, representing 100% of total registered capital, have a par value of Baht 100 per share, paid-up all, and book values as of 31 December 2015 of Baht 756.06 per share. Total value of acquired asset is Baht 68,045,531 based on book value.

**(7) The Criteria of Determine Consideration Value**

The consideration value for the purchase of 90,000 Sam Yaek Fai Chai's ordinary shares, representing 100% of total registered capital, is Baht 155,000,000. Such value is derived from the negotiation between the parties and also based on Discount Cash Flow Approach basis, which has the enterprise value equal to Baht 128.79 – 184.37 million prepared by JayDee Partners Limited, the financial advisor of the Company.

**(8) Expected Benefits for the Company from the Transaction**

The acquisition of Sam Yaek Fai Chai's ordinary shares will increase revenue and profit for the Company, including the flexibility of the operation. It will also generate income and benefit to the Company due to the location of Sam Yaek Fai Chai is closed to Siriraj Hospital. That will cause the doctors of Siriraj Hospital to cure the patients at Sam Yaek Fai Chai. Moreover, there is a construction of the skytrain at Fai Chai junction that will help a convenient transportation to the hospital.

**(9) Source of Fund Used in this Transaction**

The source of fund for the acquisition of Sam Yaek Fai Chai's ordinary shares will come from the loan from the financial institution and internal cash flow of the Company. As of 31 December 2015, the Company has cash and cash equivalents equal to Baht 133.19 million.

**(10) Conditions for Entering into this Transaction**

Certain material conditions precedent of the Share Purchase Agreement as mutually agreed upon by the parties are as follows:

- (a) all the Warranties, given by the Seller, remain true and accurate in all material respects and the Seller has not failed to comply with covenants and undertakings under the Share Purchase Agreement;
- (b) Sam Yaek Fai Chai has already prepared the Sam Yaek Fai Chai's share register book to be accurate and updated and duly executed share transfer in favour of the Purchaser and/or any person designated by the Purchaser in the share register book;
- (c) the Company and/or the Seller has been obtained the consents from debtors and/or counterparties for selling the shares to the Purchaser, including the entering into any transaction specified under the Share Purchase Agreement (if any);
- (d) the Purchaser shall be obtained the resolution from the Board of Directors' meeting and the shareholders' meeting approving the purchasing of the shares from the Seller, including the entering into any transaction specified under the Share Purchase Agreement;
- (e) the Purchaser is satisfied with the results of due diligence (including financial due diligence and others) of Sam Yaek Fai Chai which has been acted prior to the date of entering into the Share Purchase Agreement and any action which will conduct after the purchase date (if any); and
- (f) There is no any event, which the Purchaser is of his opinion, that would have Material Adverse Change to the Sam Yaek Fai Chai's assets or the business status (including financial status or others), the operating results or the operation in the present or in the future of Sam Yaek Fai Chai.

(11) **Opinion of the Board of Directors on the transaction**

The Board of Directors' Meeting No. 3/2016 is of the opinion that entering into the transaction of Sam Yaek Fai Chai's shares acquisition is appropriate and will be beneficial to the Company, including the flexibility of the operation. It will also generate income and benefit to the Company due to the location of Sam Yaek Fai Chai is closed to Siriraj Hospital. That will cause the doctors of Siriraj Hospital to cure the patients at Sam Yaek Fai Chai. Moreover, there is a construction of the skytrain at Fai Chai junction that will help a convenient transportation to the hospital.

(12) **Opinion of the Board of Directors and/or the Audit Committee which is difference from that of the Board of Directors**

-None-

2. **The Responsibility of Directors with respect to the Information Memorandum sent to the Shareholders**

The Board of Directors is responsible for the information stated in this Information Memorandum and certify that all of information in this Information Memorandum is accurate and complete in all respects and does not cause any person to misunderstand according to the best acknowledge of potential on the information obtained by that Board of Directors.

3. **The Qualification of the Independent Financial Advisor**

-None-

4. **The Company's Indebtedness**

(1) The total amount of debt instruments having been issued and those not having been issued pursuant to the resolution of the shareholders meeting which authorizes the board of directors of the listed company to consider issuing them for sale as it deems appropriate.

-None-

(2) The total amount of loans with specified repayment period, including the liability having assets pledged/mortgaged as collateral.

Sam Yaek Fai Chai has a loan payable in the amount of Baht 0.57 million from the car leasing by having Mrs. Nongport Suttikul, the director of Sam Yaek Fai Chai, as a guarantor.

(3) The total value of debts in other categories, including overdrafts, indicating the liability having assets pledged/mortgaged as collateral.

Sam Yaek Fai Chai has not had an overdraft. The current guarantee securities amount are equal to Baht 3.85 million from the guarantee with the Metropolitan Electricity Authority in the amount of Baht 0.45 million by having Sam Yaek Fai Chai as a guarantor. And the guarantee with the National Health Security Office in the amount of Baht 3.40 million by having Mrs. Nongport Suttikul, the director of Sam Yaek Fai Chai, as a guarantor.

(4) Indebtedness to be incurred in the future.

Sam Yaek Fai Chai has entered into the lease agreements since 2016 – 2027.

5. Information relating to Nature of Business Operations and Business Trends of the Listed Company, Subsidiaries and Associated Companies of the Listed Company

5.1 General Information of the Listed Company

Company name	Srivichai Vejvivat Public Company Limited
Type of business	Private Hospital
Sector	Health Care Services
Industry	Service
Address	74/5 Moo 4 Phetkasem Road, Omnoi Sub-District, Krathumbaen District Samut Sakhon Province
Address of Subsidiary Companies	<p><u>Saivichai Development Company Limited</u> 456-456/8 Phetkasem Road, NongkhangPlue Sub-District, Nongkhaem District, Bangkok, 10160</p> <p><u>Srisakorn Vejvivat Company Limited</u> 93/256 Mahachai Intersection, Sethakit 1 Road, Tasai Sub-District, Muang Samut Sakhon District, Samut Sakhon Province, 74000</p> <p><u>Srivichai Vocational School Company Limited</u> 74/5 Moo 4 Phetkasem Road, Omnoi Subdistrict, Krathumbaen District Samut Sakhon, 74130</p>
Registration Number	0107554000062
Registration date	8 September 1967
Conversion Registration to be Public Limited Company	1 March 2011

5.2 Nature of Business Operations and Business Trends of the Listed Company, Subsidiaries and Associated Companies of the Listed Company

(1) Srivichai Vejvivat Public Company Limited

Type of Business : Private Hospital operating under the name “Vichaivej International Hospital Omnoi”, having the registered number of beds in the number of 200 beds.

(2) Business Operations of the Subsidiaries Companies

(2.1) Saivichai Development Company Limited

Type of Business : Private Hospital operating under the name “Vichaivej International Hospital Nongkhaem”, having the registered number of beds in the number of 200 beds.

(2.2) Srisakorn Vejvivat Company Limited

Type of Business : Private Hospital operating under the name “Vichaivej International Hospital Samutsakhon”, having the registered number of beds in the number of 120 beds.

(2.3) Srivichai Vocational School Company Limited

Type of Business : Occupational School operating to produce child and senior caretaker personnel.

(3) Business Operations of the Associated Companies

(3.1) Mahanakorn Mae-sod Vejchakarn Company Limited

Type of Business : Operate private hospital business under the name “Mahanakorn Maesod International Hospital”, having the registered number of beds in the number of 59 beds.



5.3 Summary of financial statements during the past 3 years and the present year until the latest quarter, as well as the explanation and analysis of financial condition and operating result in the past year and the present year until the latest quarter including risk factor which may affect the profit of the listed company.

**Financial Statements for the year 2013, 2014 and 2015**

(Unit : Thousand Baht)

List Financial Statements	Consolidated Financial Statements						Separate Financial Statements					
	31 December 2013		31 December 2014		31 December 2015		31 December 2013		31 December 2014		31 December 2015	
<b>Assets</b>												
<b>Current assets</b>												
Cash and cash equivalents	143,882.56	12.81%	96,686.23	7.46%	133,186.59	9.21%	82,455.98	9.86%	39,632.53	3.75%	70,117.29	5.81%
Contemporary investment	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Trade and other receivables	117,446.84	10.45%	192,114.81	14.82%	185,550.34	12.84%	65,436.69	7.82%	120,982.92	11.44%	105,053.65	8.70%
Short term loan to the related party	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Medicine and supplies	23,757.72	2.11%	24,771.54	1.91%	29,697.44	2.05%	9,265.65	1.11%	8,995.98	0.85%	12,152.46	1.01%
Other current assets	5,399.01	0.48%	4,156.03	0.32%	5,476.81	0.38%	693.37	0.08%	474.79	0.04%	517.36	0.04%
<b>Total current assets</b>	<b>290,486.13</b>	<b>25.86%</b>	<b>317,728.60</b>	<b>24.51%</b>	<b>353,911.18</b>	<b>24.48%</b>	<b>157,851.69</b>	<b>18.87%</b>	<b>170,086.22</b>	<b>16.08%</b>	<b>187,840.76</b>	<b>15.56%</b>
<b>Non-current assets</b>												
Investments in subsidiaries	-	0.00%	-	0.00%	-	-	236,415.60	28.26%	268,131.80	25.35%	268,131.80	22.21%
Other long-term investment	-	0.00%	40,500.00	3.12%	40,500.00	2.80%	-	0.00%	40,500.00	3.83%	40,500.00	3.35%
Investment properties	23,448.74	2.09%	23,109.83	1.78%	23,516.64	1.63%	-	0.00%	-	0.00%	-	0.00%

List Financial Statements	Consolidated Financial Statements						Separate Financial Statements					
	31 December 2013		31 December 2014		31 December 2015		31 December 2013		31 December 2014		31 December 2015	
Property, plant and equipment	641,512.11	57.10%	751,047.11	57.94%	874,865.31	60.52%	437,728.04	52.32%	574,878.60	54.36%	699,894.91	57.89%
Leasehold rights	139,696.36	12.43%	133,657.80	10.31%	127,291.57	8.81%	-	0.00%	-	0.00%	-	0.00%
Deferred tax assets	9,161.54	0.82%	8,368.51	0.65%	4,191.01	0.29%	-	0.00%	-	0.00%	-	0.00%
Other non-current assets	19,114.67	1.70%	21,737.61	1.68%	21,287.97	1.41%	4,691.28	0.56%	3,924.71	0.37%	10,796.17	0.89%
<b>Total non-current assets</b>	<b>832,933.42</b>	<b>74.14%</b>	<b>978,420.85</b>	<b>75.49%</b>	<b>1,091,652.51</b>	<b>75.57%</b>	<b>678,834.92</b>	<b>81.13%</b>	<b>887,435.12</b>	<b>83.92%</b>	<b>1,019,322.88</b>	<b>84.44%</b>
<b>Total assets</b>	<b>1,123,419.55</b>	<b>100.00%</b>	<b>1,296,149.45</b>	<b>100.00%</b>	<b>1,445,563.69</b>	<b>100.00%</b>	<b>836,686.61</b>	<b>100.00%</b>	<b>1,057,521.33</b>	<b>100.00%</b>	<b>1,207,163.65</b>	<b>100.00%</b>
<b>Liabilities and shareholders' equity</b>												
<b>Current liabilities</b>												
Overdraft	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Trade and other payables	151,012.90	13.44%	183,253.63	14.14%	236,908.82	16.39%	61,409.88	7.34%	88,382.40	8.36%	127,460.43	10.56%
Short-term loan from related party	-	0.00%	-	0.00%	-	0.00%	-	0.00%	2,000.00	0.19%	-	0.00%
Current portion of long-term loans that is due within a year	68,496.00	6.10%	73,506.00	5.67%	70,088.00	4.85%	36,000.00	4.30%	25,550.00	2.42%	51,720.00	4.28%
Current portion of liabilities under finance lease agreement	2,995.02	0.27%	3,266.82	0.25%	5,054.61	0.35%	648.75	0.08%	1,606.43	0.15%	1,691.53	0.14%
Deferred income tax payable	4,185.12	0.37%	5,436.23	0.42%	7,267.97	0.50%	2,866.66	0.34%	5,144.12	0.49%	7,231.13	0.60%

List Financial Statements	Consolidated Financial Statements						Separate Financial Statements					
	31 December 2013		31 December 2014		31 December 2015		31 December 2013		31 December 2014		31 December 2015	
Other current liabilities	1,618.31	0.14%	4,898.39	0.38%	2,185.38	0.15%	458.58	0.05%	2,637.69	0.25%	739.69	0.06%
<b>Total current liabilities</b>	<b>228,307.35</b>	<b>20.32%</b>	<b>270,361.07</b>	<b>20.86%</b>	<b>321,504.79</b>	<b>22.24%</b>	<b>101,383.87</b>	<b>12.12%</b>	<b>125,320.64</b>	<b>11.85%</b>	<b>188,842.78</b>	<b>15.64%</b>
<b>Non-current liabilities</b>												
Long-term loans, net of current portion that is due within a year	82,074.00	7.31%	179,968.00	13.88%	186,380.00	12.89%	14,600.00	1.74%	160,450.00	15.17%	174,230.00	14.43%
Liabilities under finance lease agreements, net of current portion that is due within a year	2,006.88	0.18%	9,077.26	0.70%	9,215.22	0.64%	876.26	0.10%	2,536.26	0.24%	1,398.86	0.12%
Provision for long-term employee benefits	12,497.94	1.11%	11,369.23	0.88%	12,827.12	0.89%	4,024.38	0.48%	4,814.95	0.46%	5,457.61	0.45%
Deferred tax liabilities	5,712.61	0.51%	5,674.45	0.44%	5,757.84	0.40%	4,390.17	0.52%	4,164.28	0.39%	4,081.87	0.34%
<b>Total non-current liabilities</b>	<b>102,291.43</b>	<b>9.11%</b>	<b>206,088.95</b>	<b>15.90%</b>	<b>214,180.18</b>	<b>14.82%</b>	<b>23,890.81</b>	<b>2.86%</b>	<b>171,965.49</b>	<b>16.26%</b>	<b>185,159.34</b>	<b>15.34%</b>
<b>Total liabilities</b>	<b>330,598.78</b>	<b>29.43%</b>	<b>476,450.02</b>	<b>36.76%</b>	<b>535,684.97</b>	<b>37.06%</b>	<b>125,274.68</b>	<b>14.97%</b>	<b>297,286.12</b>	<b>28.11%</b>	<b>374,002.12</b>	<b>30.98%</b>
<b>Shareholders' equity</b>												
<b>Share capital</b>												
<b>Registered Capital</b>												

List Financial Statements	Consolidated Financial Statements						Separate Financial Statements					
	31 December 2013		31 December 2014		31 December 2015		31 December 2013		31 December 2014		31 December 2015	
570,666,666 ordinary shares of Baht 1 each (31 December 2013 and 2012 : Ordinary Shares 535,000,000 shares of Baht 1 each.)	535,000.00	47.62%	570,666.67	44.03%	570,666.67	39.48%	535,000.00	63.94%	570,666.67	53.96%	570,666.67	47.27%
<b>Issued and fully paid</b>												
570,665,433 ordinary shares of Baht 1 each (31 December 2013 and 2012 : Ordinary Shares 535,000,000 shares of Baht 1 each.)	535,000.00	47.62%	570,665.43	44.03%	570,665.43	39.48%	535,000.00	63.94%	570,665.43	53.96%	570,665.43	47.27%
Share premium	37,938.12	3.38%	37,938.12	2.93%	37,938.12	2.62%	37,938.12	4.53%	37,938.12	3.59%	37,938.12	3.14%
<b>Retained earnings</b>												
Appropriated - statutory reserve	12,513.42	1.11%	16,842.67	1.30%	21,059.64	1.46%	12,513.42	1.50%	16,842.67	1.59%	21,059.64	1.74%
Unappropriated	156,437.39	13.93%	174,509.59	13.46%	260,371.99	18.01%	125,960.39	15.05%	134,788.99	12.75%	203,498.35	16.86%
Other components of shareholders' equity	34,614.61	3.08%	18,669.50	1.44%	18,669.50	1.29%	-	0.00%	-	0.00%	-	-
Equity attributable to owners of the Company	776,503.54	69.12%	818,625.31	63.16%	908,704.67	62.86%	711,411.93	85.03%	760,235.21	71.89%	833,161.53	69.02%

List Financial Statements	Consolidated Financial Statements						Separate Financial Statements					
	31 December 2013		31 December 2014		31 December 2015		31 December 2013		31 December 2014		31 December 2015	
Non-controlling interests of the subsidiaries	16,317.23	1.45%	1,074.13	0.08%	1,174.05	0.08%	-	0.00%	-	0.00%	-	-
Total shareholders' equity	792,820.77	70.57%	819,699.43	63.24%	909,878.72	62.94%	711,411.93	85.03%	760,235.21	71.89%	833,161.53	69.02%
<u>Total liabilities and shareholders' equity</u>	1,123,419.55	100.00%	1,296,149.45	100.00%	1,445,563.69	100.00%	836,686.61	100.00%	1,057,521.33	100.00%	1,207,163.65	100.00%

For the year 2013, the total assets of the Vichavej International Hospital Group (the “Hospital Group”) was equal to Baht 1,123.42 million, increasing from the year 2012 in an amount of Baht 22.54 million or equivalent to 2.05 percent as a result of cash and cash equivalent increasing in an amount of Baht 7.70 million or equivalent to 5.65 percent, resulting from the growing number of the operating results. Trade and other receivables increased in an amount of Baht 19.95 million or equivalent to 20.46 percent resulting from the expansion of customer data base to the private customers. Most of trade is not due. Moreover, medicine and supplies were left more equal to Baht 0.60 million or equivalent to 2.59 percent resulting from the growing number of the income from the service. Non-current assets increased in an amount of Baht 6.12 million or equivalent to 47.11 percent resulting from the investment of the patient service software system. For the total liabilities was in an amount of Baht 330.60 million, decreased from the year 2012 equal to Baht 22.55 million or equivalent to 6.39 percent. The non-current liabilities decreased in an amount of Baht 36.39 million or equivalent to 26.24 percent resulting from the repayment of the loan pursuant to the loan agreement.

As of 31 December 2014, the total assets of the Hospital Group was equal to Baht 1,296.15 million, increasing from the year 2013 in an amount of Baht 172.73 million or equivalent to 15.38 percent. Owing to the increasing of trade and other receivables in an amount of Baht 74.66 million or equivalent to 63.57 percent resulting from 1) the changing of charging and pay the bill processes of the governmental sectors which caused the governmental debtors could not pay their debt on time and 2) the expansion of customer data base to the private customer. The medicine and supplies were left more equal to Baht 1.01 million or equivalent to 4.25 percent resulting from the growing number of the income of the service including the acquisition of the ordinary shares of Mahanakorn Mae-sod Vejchakarn Company Limited in an amount of Baht 40.50 million. The property, plant and equipment increased in an amount of Baht 109.54 million. For the total liabilities was in an amount of Baht 476.45 million, increasing from the year 2013 in an amount of Baht 145.85 million or equivalent to 44.12 percent. The non-current liabilities increased in an amount of Baht 103.80 million or equivalent to 101.48 percent resulting from the increasing of a long term loan in an amount of Baht 97.90 million or equivalent to 119.29 percent, using for the buildings construction and a supply of any medical devices for support the general customers to comply with the policy of the Hospital Group that focuses on the market expansion to the general customers.

As of 31 December 2015, the total assets of the Hospital Group was equal to Baht 1,445.56 million, increasing from the year 2014 in an amount of Baht 149.40 million or equivalent to 11.53 percent as a result of increasing of the cash and cash equivalent in an amount of Baht 36.49 million or equivalent to 37.74 percent. The medicine and supplies were left more equal to Baht 4.93 million or equivalent to 19.90 percent resulting from the growing number of the income from the service. The property, plant and equipment increased in an amount of Baht 123.81 million resulting from the expansion of the buildings for supporting the general customers according to the Company’s policy. Trade and other receivables decreased in an amount of Baht 6.56 million or equivalent to 3.41 percent. The non-current liabilities was in an amount of Baht 535.68 million, increasing from the year 2014 in an amount of Baht 59.23 million or equivalent to 12.43 percent. While the current liabilities increased in an amount of Baht 51.13 million or equivalent to 18.91 percent resulting from the increasing of trade and other receivables in an amount of Baht 53.66 million or equivalent to 29.28 percent.

Statement of Comprehensive Income for the year 2013, 2014 and 2015

(Unit : Thousand Baht)

List Comprehensive Income	Consolidated Financial Statements						Separate Financial Statements					
	31 December 2013		31 December 2014		31 December 2015		31 December 2013		31 December 2014		31 December 2015	
<b>Revenues</b>												
Revenues from hospital operations	1,106,683.38	97.97%	1,247,101.98	97.70%	1,344,338.01	98.22%	522,577.22	97.31%	622,942.14	97.61%	678,533.37	97.85%
Dividend income	-	0.00%	-	0.00%	-	0.00%	9,418.09	1.75%	10,879.79	1.70%	11,269.18	1.63%
Other income	22,948.15	2.03%	29,308.94	2.30%	24,373.51	1.78%	5,008.56	0.93%	4,380.33	0.69%	3,654.70	0.53%
<b>Total revenues</b>	<b>1,129,631.52</b>	<b>100.00%</b>	<b>1,276,410.92</b>	<b>100.00%</b>	<b>1,368,711.52</b>	<b>100.00%</b>	<b>537,003.86</b>	<b>100.00%</b>	<b>638,202.27</b>	<b>100.00%</b>	<b>693,457.25</b>	<b>100.00%</b>
<b>Expenses</b>												
Cost of hospital operations	845,963.38	74.89%	938,594.17	73.53%	1,011,883.07	73.93%	372,531.61	69.37%	430,304.33	67.42%	477,967.15	68.93%
Selling expenses	30,956.25	2.74%	37,897.44	2.97%	39,244.49	2.87%	10,504.29	1.96%	10,425.52	1.63%	13,395.94	1.93%
Administrative expenses	163,008.85	14.43%	173,383.24	13.58%	183,824.08	13.43%	78,294.99	14.58%	89,450.59	14.02%	95,466.77	13.77%
<b>Total expenses</b>	<b>1,039,928.49</b>	<b>92.06%</b>	<b>1,149,874.86</b>	<b>90.09%</b>	<b>1,234,951.64</b>	<b>90.23%</b>	<b>461,330.90</b>	<b>85.91%</b>	<b>530,180.77</b>	<b>83.07%</b>	<b>586,829.87</b>	<b>84.62%</b>
Profit before finance cost and income tax expenses	89,703.04	7.94%	126,536.06	9.91%	133,759.88	9.77%	75,672.97	14.09%	108,021.50	16.93%	106,627.38	15.38%
Finance cost	11,282.78	1.00%	7,609.88	0.60%	6,932.26	0.51%	4,689.10	0.87%	2,504.36	0.39%	3,615.67	0.52%
<b>Profit before income tax expenses</b>	<b>78,420.26</b>	<b>6.94%</b>	<b>118,926.18</b>	<b>9.32%</b>	<b>126,827.62</b>	<b>9.27%</b>	<b>70,983.87</b>	<b>13.22%</b>	<b>105,517.14</b>	<b>16.53%</b>	<b>103,011.71</b>	<b>14.85%</b>
Income tax expenses	16,782.61	1.49%	23,528.97	1.84%	25,189.61	1.84%	12,155.13	2.26%	18,932.20	2.97%	18,672.28	2.69%

List Comprehensive Income	Consolidated Financial Statements						Separate Financial Statements					
	31 December 2013		31 December 2014		31 December 2015		31 December 2013		31 December 2014		31 December 2015	
<b>Net Profit</b>	61,637.64	5.46%	95,397.21	7.47%	101,638.01	7.43%	58,828.74	10.95%	86,584.94	13.57%	84,339.43	12.16%
<b>Profit attributable to:</b>												
Equity holders of the Company	61,091.48	5.41%	94,398.13	7.40%	101,638.01	7.43%	26,575.83	5.65%	86,584.94	13.57%	84,339.43	12.16%
Non-controlling interests of the subsidiaries	546.17	0.05%	999.08	0.08%	145.55	0.01%	-	0.00%	-	0.00%	-	0.00%
Basic earnings per share : Profit attributable to equity holders of the Company	0.11		0.17		0.18		0.10		0.15		0.15	
The weighted average number of ordinary shares of Baht 1 each (million shares)	570.67		570.67		570.67		570.67		570.67		570.67	



From the consideration of the operating results during the year 2013, the total revenue of the Hospital Group was in an amount of Baht 1,129.63 million, increasing from the year 2012 equivalent to 10.08 percent. The gross profit margin was equal to 23.56 percent, increasing from the year 2012 equivalent to 21.14 percent due to the focus on the market expansion of the Hospital Group to the general customers. As a result, the Hospital Group had more income from such customers, especially the income of the Vichaivej International Hospital Nongkhaem, including the efficiency of an administrative and management of the capital that caused the increasing of the gross profit margin for the year 2013 to the Hospital Group.

For the year 2014, the total revenue of the Hospital Group was in an amount of Baht 1,276.41 million, increasing from the year 2013 equivalent to 12.99 percent. The gross profit margin was equal to 24.74 percent, increasing from the year 2013 equivalent to 23.56 percent due to the focus on the market expansion of the Hospital Group to the general customers since the year 2013. That caused the Hospital Group had more income continually from such customers, especially the income from the Vichaivej International Hospital Nongkhaem, including the efficiency of an administrative and management of the capital that caused the increasing of the gross profit margin for the year 2014 to the Hospital Group.

For the year 2015, the total revenue of the Hospital Group was in an amount of Baht 1,344.34 million, increasing from the year 2014 equivalent to 7.80 percent. The gross profit margin was equal to 24.73 percent, similar to the gross profit margin for the year 2014 that was 24.74 percent owing to the focus on the market expansion of the Hospital Group to the general customers since the year 2013.

For the selling and administrative expenses for the year 2013 was equal to Baht 193.97 million or equivalent to 17.53 percent of the revenue from service. The proportion of the selling and administrative expenses to the total revenue for the year 2013 was equal to 17.17. While the selling and administrative expenses for the year 2014 was equal to Baht 211.28 million or equivalent to 16.94 percent of the revenue from service, increasing from the year 2013 in the same period in an amount of Baht 17.31 million or equivalent to 8.92 percent resulting from the focus on the market expansion of the Hospital Group to the general customers. That caused the necessary of increasing of the public relations of the hospital in every aspect. The proportion of the selling and administrative expenses to the total revenue for the year 2014 was equal to 16.55 percent.

For the selling and administrative expenses for the year 2015 was equal to Baht 223.06 million or equivalent to 16.60 percent of the revenue from service, increasing in an amount of Baht 11.78 million or equivalent to 5.58 percent from Baht 211.28 million in the same period of the previous year. Resulting from the market expansion of the Hospital Group to the general customers and caused the necessary of increasing of the public relations of the hospital in every aspect. The proportion of the selling and administrative expenses to the total revenue for the year 2015 was equal to 16.30 percent.

As a result of listing in the Stock Exchange of Thailand since May 2012 and the potential of expanding the customer data base to the general customers by using advance medical technologies, the modernization of service and the increase of medical staffs, the ambition for serving the best service including the potential of cost and expense management caused the Hospital Group growing continually since the year 2013 – 2015. The net profit was equal to Baht 61.64 million, Baht 95.40 million and Baht 101.64 million, respectively or equivalent to 5.46 percent, 7.47 percent and 7.43 percent, respectively.

### **The Risk Factors which may Affect the Profit of the Listed Company**

#### **(1) Risk from increasing of hospital industry competition**

The private hospital business is highly competitive and is likely to be even more competitive in the future. Apart from the competition with other private hospitals, the Company must also compete with governmental hospitals that expand their medical services such as opening after-hours clinics. Therefore, the Company has renovated and expanded the service area by investing additional department of Vichavej Heart Center, having a mobile medical unit service, setting up the occupational medicine center and also a sports medicine center, and having a midnight clinics in order to respond the community and customers residential surroundings.

#### **(2) Risk in brain drain of medical personnel or key executives**

Presently, the hospital business in Thailand is faced with the problem of lack of medical personnel since the development of medical personnel is subject to the public sector. As a result, there have not been the sufficient medical personnel to meet a demand of this market sector and the Company has had to compete with other hospital operators in retaining and attracting skilled medical personnel, which will affect to the Company's operation costs.

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

#### **(3) Risk of lawsuits and indemnity repayment**

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

It was then required the physicians of the Company to take out insurance in order to protect themselves in case of lawsuits or damage claims. In part of workers, who through their roles, have to set a plan for analyzing the work

process of their units in order to look out for any risks and prepare a proper work system to prevent from arising of such potential risks.

**(4) Risk from any future changes in standards or the regulations governing the Company**

The enforcement of laws or new regulations, as well as, the deliberation of the draft Patient's Protection due to Damages from Public Health Service Provider Act, which protects persons who have been suffered or received damages from public health services with the goal to compensate the patients in a timely manner without having to prove wrongdoing, may affect to the health service providers including the Company. Furthermore, there is also a consideration of setting up a patient protection fund for repay to the patient as compensation so as to protect the suffering persons caused by the public health services. The health care institutions have to make their contribution to such fund according to the criteria and rate specified by the Patient Protection Commission. Therefore, the Company may not be able to guarantee that future changes to the laws and regulations or issuance of new regulations or new policies related to the Company's business will not affect the Company's operations and business opportunities.

However, there is a resolution to determine the responsible person and implementing an investigation system to make sure that any related laws are updated at all times and set the procedures for internal staffs to access to such related laws and standards via the Company's intranet system.

**(5) Risk of reliance on distributors of medicine and medical supplies**

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

Mostly, the distributors are only dealers, not producers. However, the Company can order medicines directly from them or other distributors instead. Therefore, the Company has set up a guideline in case there is shortage of medicines and supplies in the market by contacting the seller or arranging to have reserved medicine while contacting affiliated hospitals to find ways to bargain with the seller or adopt the system of borrowing medicine interchangeably within the Hospital Group. The Hospital Group has also enhanced the potential and knowledge in medicines and supplies of its purchasing unit in order to reduce risk and prevent effect from the trend of medicines and supplies shortage.

**(6) Risk in collecting medical fees**

Since the medical providing service provided by the Company is a service rendered before collecting due treatment fees, the Company then faces the risk of being unable to collect such fees in full amount. For the aforementioned reason, the Company has created a process that would help reduce the risk of being unable to collect treatment fees, for instance, checking the eligibility and financial status of the service recipient. However, there are still some cases which the hospital could not collect treatment fees from the patient, for example, the patient was in critical state that necessitated immediate treatment, otherwise, the patient may be caused death. In such case, the Company had no choice but to provide treatment based on moral and professional code of ethics.

5.4 Financial projections in the present year (if any), including assumptions on trade, economics, industry and review of the figures by a certified public auditor and the opinion of an independent financial advisor that the projections have been carefully prepared.

-None-

5.5 List of the Board of Directors as of 24 March 2016

No.	Name-Surname	Positions
1	Mr. Vichai Vanadurongwan	Chairman of the Board of Directors
2	Mrs. Saisunee Vanadurongwan	Vice Chairman / Chief Executive Officer (CEO)
3	Mr. Mongkon Wanitphakdeedecha	Director
4	Mr. Pongsak Vathana	Director
5	Mr. Surin Premamornkit	Independent director / Audit Committee
6	Mr. Virah Mavichak	Independent director / Chairman of the Audit Committee
7	Mr. Visut Montriwat	Independent director / Audit Committee
8	Ms. Vilawan Vanadurongwan	Director
9	Ms. Nopporn Tirawattanagool	Director
10	Mr. Tinnawat Mahataradol	Director
11	Mr. Porntep Siriwanarangsun	Independent director / Audit Committee

Reference: The Company's affidavit dated 2 March 2016.

5.6 List of first 10 shareholders as of 29 February 2016

No.	Name-Surname	Number of paid-up shares	Percentage of paid-up shares
1	BBTV Equity Company Limited	114,240,000	20.02
2	Mr. Bavonrat Vanadurongwan	93,608,106	16.40
3	Pat Rojmahamongkol, MD	88,000,000	15.42
4	Rungsima Wanitphakdeedecha, MD	58,000,000	10.16
5	Ms. Patcharapan Vanadurongwan	28,000,000	4.91
6	Mr. Somchai Vijitsaengrat	9,840,000	1.72
7	Mr. Kanisorn Ounsaengchan	4,977,940	0.87
8	Assoc.Prof.Vichai Vanadurongwan, M.D.	4,792,320	0.84
9	Ms. Sunee Joitjamrat	4,081,706	0.72
10	Mongkol Wanitphakdeedecha, M.D.	3,940,107	0.69
	Other Shareholders	161,185,254	28.25
	<b>Total</b>	<b>570,665,433</b>	<b>100</b>

Reference: Thailand Securities Depository Company Limited.

5.7 Other information that may materially affect the decision of investors (if any).

-None-

6. **The opinion of the Board of Directors of the Company relating to the sufficiency of working capital. In case of the insufficient working capital, the sources of funds to resolve the situation shall also be included.**

The source of fund will come from the loan from the financial institution and internal cash flow of the Company. As of 31 December 2015, the Company has cash and cash equivalents equal to Baht 133.19 million.

7. **Pending material lawsuits or claims.**

For the year 2011, the Company was sued together with the doctors, who were responsible for this case, as joint-defendants (totaling 3 defendants), to pay damages equal to approximately Baht 11 million. The plaintiff claimed that the doctors, who were responsible for this case, jointly violate the patient during the medical practice. The Company as the business operator and an employer shall be jointly liable with its employees. In this case, the Company and the doctors, who were responsible for this case, filed the answer to the Court of First Instance by denying all charges. Subsequently, the Court of First Instance dismissed the case on 8 July 2013. However, the plaintiff appealed to the Court of Appeal for objection of the Court of First Instance's judgment. Then, on 11 April 2014, the Court of Appeal had a judgment by ordered the Company made a payment to the plaintiff in an amount of Baht 0.2 million together with the interest rate at 7.5 percent per annum from 30 September 2011 until the payment was made in full. Nonetheless, the plaintiff wished to appeal the Court of Appeal's order to the Supreme Court. Currently, the case is in a procedure of asking an approval from the Supreme Court's permission to appeal. However, the administrative department of the Company and the Company's legal advisor believe that this case shall not create any material adverse effect to the Company, therefore the prediction of the loss from the damages are not recorded in the Company's account book.

For the year 2015, the Company was sued together with the doctor, who was responsible for this case, as joint-defendants (totaling 2 defendants), to pay damages equal to approximately Baht 7 million. The plaintiff claimed that the doctor, who was responsible for this case, jointly violate the patient during the medical practice. The Company as the business operator and employer shall be jointly liable with its employees. In this case, the Company and the doctor, who was responsible for this case, filed the answer to the Court of First Instance by denying all charges. Currently, the court has appointed both parties for the hearing process. However, the administrative department of the Company and the Company's legal advisor believe that this case shall not create any material adverse effect to the Company, therefore the prediction of the loss from the damages are not recorded in the Company's account book.

8. Connected interests or transactions between the listed company and directors, management and shareholders directly or indirectly holding shares amounting to 10 percent or more, including the nature of the transaction or the interests

-None-

9. Summaries of material contracts during the past 2 years.

-None-

The Company hereby certifies that the information contained in this report is true and complete in all respects.

Yours sincerely,

Racahda Fongtanakit, Ph.D.

Secretary of the Company