

# Message from

The Audit Committee



## Dear Shareholders

In 2017, the Audit Committee has performed its duties independently according to the scope, duties and responsibilities assigned by the Board of Directors, in alignment with the requirements and the best practice guidelines of the Securities and Exchange Commission and the Stock Exchange of Thailand. In 2017, the Audit Committee has held 7 meetings with the executives, the external auditor and the internal auditor, in which all members of the Audit Committee attended every meeting in order to consider issues/problems, to exchange the opinions, to listen to a clarification and to provide useful suggestions to the Company's management. The summarized main points are as follows:

1. To review the quarterly financial report and the financial report for the year 2017, by making an inquiry on issue/problems and listening to a clarification from the external auditor regarding completeness, accuracy, reliability of the Company's financial statement as well as adequacy disclosure of sensitive information and changes in key accounting policies/practices. The auditor report for the year 2017 was changed to be a new form in compliance with Federation of Accounting Professions especially in writing about the important findings from the audit for the highest benefits of the financial reports users.

The Committee and the external auditor held a meeting in the absence of the Management to discuss independently regarding any material matters. The Committee findings determined that the Company's financial statements present fairly, in all material aspects, in accordance with generally accepted accounting principle, and the external auditor expressed an unqualified opinion

2. To consider the report of internal audit findings and the evaluation results of internal control system as well as risk evaluation and analysis on various key systems, connected transactions also held a meeting with internal auditor and the Committee concluded that the Company's internal audit system was adequate, appropriate, and effective. In case the Audit Committee considers that there is a point that can improve or enhance the internal control system to be more efficient or more effective, the recommendations from the Committee were given to the Company's Management which obtain very good cooperation. The Committee also considered that the Company's internal audit operations were in line with internal audit guidelines prescribed by the Stock Exchange of Thailand and Standards for the Professional Practice of Internal Auditing, which aim at independence, fairness and neutrality also approve the internal audit plan for the year by focusing on preparing internal audit plan both for the Company and its subsidiaries to be consistent with the evaluation result of internal control system, the assessment and analysis on various key activities as well as the evaluation on risk management of the organization. In 2017, the Audit Committee assigned additional work for an internal auditor to examine information technology system, anti-corruption policy to ensure its security according to international standard with transparent operation.

3. To consider and review connected transaction the acquisition and disposal transaction and the transaction that may have conflict of interests. The Audit Committee examine or review the connected transaction or transaction that may have conflict of interest to be appropriate and to comply with the law and related regulations. In 2017 the Company expanded the scope of business to cover private hospital business and private hospital management business to enhance potential growth to the Company by the acquisition of Principal Healthcare Co., Ltd. ("Principal Healthcare") which was a connected transaction (previous name was Alliance Medical Asia Co., Ltd.). Such investment resulted in the acquisition of 6 Principal Healthcare's subsidiary companies consisting of 1) Pisanuloke Medical Co., Ltd. 2) Paknampo Hospital Co., Ltd. 3) Union Pichit Doctors Co., Ltd. 4) Pitsanuvej Uttaradit Hospital

Co., Ltd. 5) PitsanuvejPattana Co., Ltd. and 6) P.N.P. Hospital Co., Ltd. The Audit Committee considered and did not have an opinion in conflict with Board of Directors and Independent Financial Advisor.

4. To consider the report on compliance with the laws governing securities and exchange market, regulations of the Stock Exchange of Thailand and other laws related to the Company's businesses as well as compliance with the Company's rules and regulations, including the system on connected and conflict of interest transactions (if any) to be operated correctly and in line with the requirement of relevant organizations.

5. To consider the operations on risk management in which the Company formulated the risk management policy and set up Risk Management Committee to consider and give opinion regarding the Charter of Risk Management Committee and operation plan as well as provide understanding about risk management to key related party including Board of Directors, Executives and responsible person for each business unit. In addition, there is a review for the evaluation of risk management method that the Company select to manage risk of the Company including the risk from anti-corruption.

6. To consider the appointment of external auditor and audit fee for the year 2017. The Audit Committee has considered the performance of an external auditor from PricewaterhouseCoopers ABAS Co., Ltd. and concluded that such external auditor is an expert in the profession, independent and has performed his duty well and effectively. Then, the Committee proposed the appointment of Mr.ChanchaiChaiprasit, CPA No. 3760/ or Mr. PisitTangthanukul CPA No. 4095 or Mr. PaiboonTankul CPA No. 4298 from PricewaterhouseCoopers ABAS Co., Ltd., any of the above auditor as the Company's external auditor and allow any of the auditors in the above list to express the opinion on the financial reports. If the auditors in the above list cannot perform the work, PricewaterhouseCoopers ABAS Co., Ltd. shall find other auditor to replace the auditors listed above. Such appointed auditors shall not have any relationship or conflict of interest with the Company or executives or shareholders or related party that may have an impact to his/her duty to perform his/her work independently.

In summary, the Audit Committee performed their duty prudently and independently and was able to express the opinion for the benefit of the Company with the co-operation from the executives and employees of the Company for the access of information. The Audit Committee concluded that the Company has prepared the financial reports with adequate disclosure according to financial reporting standard as well as has implemented effective risk management and internal control system as well as good corporate governance.

(Mr. Yarnsak Manomaiphiboon)  
Chairman of the Audit Committee