

ANNUAL REPORT | 2016

ONCOLOGY SOLUTIONS PROVIDER
TECHNOLOGY FOR LIFE

BIZ

BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED

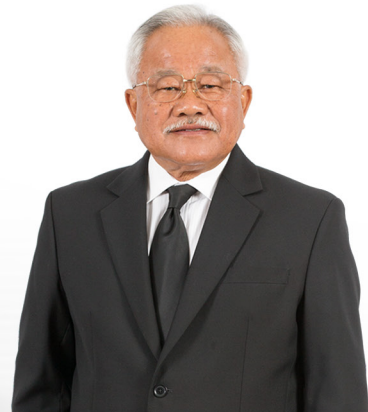
ONCOLOGY SOLUTIONS PROVIDER TECHNOLOGY FOR LIFE

Content

Message from Chairman of the Board	2
Message from Chief Executive Officer	3
Board of Directors	4
Executive Committee	8
Summary of Financial Information	9
Policy and Overview of Business Operations	10
General Information and other Important	11
Business Operations	15
Key Risk Factors	35
Assets in Business Operations	43
Management and Corporate Governance	46
Management Structure	47
Corporate Governance	56
Social Responsibility	71
Connected Transactions	75
Key Financial Data	80
Management Discussion and Analysis	86
The Board of Directors' Duties on Financial Disclosure	102
Audit Committee's Report	103
Financial Statements	105
Notes to Financial Statements	118

Message from Chairman of the Board

“...I hereby affirm that the company will conduct its business towards development, progress and growth in both the supply of equipment and quality of service, enabling clients at all levels to have access to treatment, with the expectation that these services will be expanded to cover the entire country...”



During 2016, “Business Alignment” or “BIZ” made great progress by becoming a listed company on the Market for Alternative Investment (mai); this allowed BIZ to bring in advanced technology for the treatment of cancer patients, comprehensively expanding its services in Thailand. Our company has a vision to be a leading provider and distributor of medical and health care equipment, including maintenance services, specializing in equipment for treating cancer patients so that they can have access to newer and safer cancer treatment technology.

On July 28, 2016, BIZ increased its registered capital of 150 million Baht to 200 million Baht, as well as allocating newly issued shares of 100,000,000 shares at a par value of 0.50 Baht for an Initial Public Offering (IPO) on the Stock Exchange with great confidence from shareholders and investors, due to their assurance that the company has conducted its business with honesty and transparency throughout its operations at all levels, coupled with the company’s adherence to the principles of good corporate governance as prescribed by relevant authorities on the Stock Exchange of Thailand, to the fullest reasonable extent and for the best interests of the business and shareholders as a whole.

As Chairman of the Board, I hereby affirm that the company will conduct its business towards development, progress and growth in both the supply of equipment and quality of service, enabling clients at all levels to have access to treatment, with the expectation that these services will spread throughout the entire country in the near future. Moreover, we are also committed to being a leading provider of the most advanced technology in the field of cancer treatment in the ASEAN region, as well as managing the company to maintain good ethics and morals, henceforth building security, progress and sustainable benefits to the company, executives, staff and shareholders from now and into the future.

A handwritten signature in black ink, which appears to read "W. Moleechad". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

(Mr. Woodtipong Moleechad)

Chairman of the Board

Business Alignment Public Company Limited

Message from the Chief Executive Officer

“...I saw a future business opportunity with respect to radiological equipment for medicine, particularly equipment for treating cancer with radiation.”



Due to my expertise, having graduated directly from the field of radiology and my experience working with a medical equipment company as a specialist for radiation products where I was responsible for the import and distribution of foreign medical equipment and supplies related to radiology, I saw a future business opportunity with respect to radiological equipment, particularly medical equipment for treating cancer with radiation therapy.

This was a business opportunity for which I had talent and solidly established expertise, which led me to start this company to import, supply and install equipment for cancer treatment with radiation since the year 2000. Presently, Business Alignment Public Co., Ltd. has become a listed company on the Market for Alternative Investment (mai) as of July 2016. As a result, the company is well equipped in terms of personnel and funding for the provision of modern and highly efficient technology which will accommodate the medical field's existing needs for radiation equipment to treat cancer. While radiation therapy have been developed technologically to the level that it is as today, the available treatment is still insufficient for the number of cancer patients in the country which is increasing yearly. This indicates that the opportunity for business in this field will continue in the future.

For the operating results in the year 2016, the company's total revenue was 743.23 million Baht and net profit 70.24 million Baht, an increase of 133.33% and 237.85%, respectively, from the previous year. The main cause for the net profit increase over the previous year is our personnel, who have shown greater efficiency at work. Also, the company's listing on the Market for Alternative Investment further reduced our financial costs. Last year, the company installed and delivered radiation equipment high in technology and precision to many hospitals. This will help cancer patients to have greater access to cancer treatment and further aligns with the vision of the company, which states, "We are a leading provider, distributor as well as maintenance service provider of medical and health care equipment, particularly in the treatment of cancer patients, providing cancer patients with access to newer and safer cancer treatment technology."

Finally, on behalf of the Chief Executive Officer, I would like to thank the management and staff at all levels who have worked with high dedication, including all our suppliers, contract parties, and other related parties throughout our entire business for the support you have provided, in all forms, whether directly or indirectly. The company has determined that in the year 2017, it will advance fully in accordance with its business goals for growth and progress both in terms of business and technology for the treatment of cancer patients with radiation therapy throughout the ASEAN region.

A handwritten signature in black ink, appearing to read 'Sompong Chunekeityanone'.

[Mr. Sompong Chunekeityanone]

Chief Executive Officer

Business Alignment Public Company Limited

Board of Directors

MR. WOODTIPONG MOLEECHAD

Position

- Chairman of the Board
- Independent Director

Age 68

Shareholding Percentage as of 31/1/2017 -
Changes in number of Shares during the year -
Relationship between the executive -
The indirect shareholding of spouse and immature children -
Appointment Date 16 DEC 2015

Education and Training

- Bachelor of Economics Program, Thammasat University
- Anti-Corruption for Executive Program (Thailand Institute of Directors: IOD) Year 2015
- Director Certification Program Update (Thailand Institute of Directors: IOD) Class 3/2015
- Director Certification Program (Thailand Institute of Directors: IOD) Class 130/2010

5 Years' Work Experience

Positions in other public companies

2012 - Present • Chairman of the Board International Research Corporation Public Co., Ltd
• Independent Director
2012 - Present • Consultant MFC Asset Management Public Co., Ltd.
2009 - Present • Chairman of the Board Symphony Communication Public Co., Ltd.

Positions in other companies

2016 - Present • Independent Director Triple i Logistics Co., Ltd.
• Chairman of Audit Committee
2012 - 2015 • Director Alsolar 1 Co., Ltd.
2009 - 2015 • Member of the Council of Experts King Mongkut's Institute of Technology Lat Krabang, Bangkok
2008 - 2014 • Director Department of issuing, Bank of Thailand
2010 - 2013 • Director Sukhumvit Asset Management Co., Ltd.
• Audit Committee
• Member of Corporate Affairs



MS. SRIRAT CHUCHOTTAWORN

Position

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

Age 48

Shareholding Percentage as of 31/1/2017 -
Changes in number of Shares during the year -
Relationship between the executive -
The indirect shareholding of spouse and immature children -
Appointment Date 16 DEC 2015

Education and Training

- Bachelor of Science, Faculty of IT in Business, Chulalongkorn University
- Bachelor of Engineering, King Mongkut's Institute of Technology Ladkrabang
- Advisory permission from SAP in financial accounting and management accounting. (Certified SAP consultant in FI/CO)
- Director Certification Program (Thailand Institute of Directors: IOD) class 219/2016

5 Years' Work Experience

Positions in other public companies

None

Positions in other companies

2013 - Present • Director Any I Corporation Co., Ltd.
2011 - Present • Director Code IT Consulting Co., Ltd.
2011 - Present • Director I Coach Co., Ltd.
2011 - Present • Director ITS Trade Ship Co., Ltd.
2010 - Present • Director I H R Consulting Co., Ltd.
2009 - Present • Director Baseline Technology Consultants Co., Ltd.
2006 - Present • Director ECM Consulting Co., Ltd.



MR. VIPOOTA TRAKULHOON

Position

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

Age 50

Shareholding Percentage as of 31/1/2017 -
 Changes in number of Shares during the year -
 Relationship between the executive -
 The indirect shareholding of spouse and immature children -
 Appointment Date 16 DEC 2015

Education and Training

- Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Business Administration, Major of Banking and Finance, Chulalongkorn University
- Director Accreditation Program (Thailand Institute of Directors: IOD) Class 117/2015

5 Years' Work Experience

Positions in other public companies

2014 - Present • Director Milicon Steel Public Co., Ltd
 2014 - Present • Independent Director McTRIC Public Co., Ltd
 2011 - 2013 • Executive Vice President Krunghthai Bank Public Co., Ltd
 Head of Corporate Banking Group

Positions in other companies

2016 - Present • Independent Director Triple I Logistics Co., Ltd.
 • Audit Committee
 2014 - Present • Director Creative Power Co., Ltd.
 2013 • Chairman of the Board Krungh Thai IBJ Leasing Co., Ltd.

MR. THANAWAT LERTWATTANARAK

Position

- Independent Director
- Audit Committee
- Nomination and Remuneration Committee

Age 46

Shareholding Percentage as of 31/1/2017 -
 Changes in number of Shares during the year -
 Relationship between the executive -
 The indirect shareholding of spouse and immature children -
 Appointment Date 16 DEC 2015

Education and Training

- Mater degree in Industrial Engineering (Manufacturing) University of Tennessee, Knoxville, USA)
- Bachelor degree in Industrial Engineering from University of Tennessee, Knoxville, USA)
- Bachelor of Science, Major of Computer Science King Mongkut's Institute of Technology Lat Krabang
- Director Certification Program (Thailand Institute of Directors: IOD) Class 219/2016

5 Years' Work Experience

Positions in other public companies

None

Positions in other companies

2013 - Present • Director Any I Corporation Co., Ltd.
 2011 - Present • Director Code IT Consulting Co., Ltd.
 2011 - Present • Director I Coach Co., Ltd.
 2011 - Present • Director ITS Trade Ship Co., Ltd.
 2010 - Present • Director I H R Consulting Co., Ltd.
 2009 - Present • Director Baseline Technology Consultants Co., Ltd.
 2006 - Present • Director Consultant ECM Consulting Co., Ltd.
 2004- Present • Director I am consulting Co., Ltd.



MR. SOMPONG CHUNEKITYANONE

Position

- Director
- Executive Chairman
- Chairman of Risk Management Sub-Committee
- Nomination and Remuneration Committee
- Chief Executive Officer
- Chief Operating Officer (Acting)

Age 54

Shareholding Percentage as of 31/1/2017	32.06%
Changes in number of Shares during the year	-
Relationship between the executive	-
The indirect shareholding of spouse and immature children	-
Appointment Date	12 MAY 2000

Education and Training

- Master of Business Administration, National Institute of Development Administration (NIDA)
- Master of Science, Department of Forensic Science, Mahidol University
- Bachelor of Science, Department of Radiological Technology, Mahidol University
- Director Certification Program (Thailand Institute of Directors: IOD) Class 204/2015

5 Years' Work Experience

Positions in other public companies

None

Positions in other companies

None

MR. VORAVID SILAPUSID

Position

- Director
- Executive Committee
- Risk Management Sub-Committee
- Nomination and Remuneration Committee
- Chief Financial Officer
- Human Resource Manager(Acting)

Age 51

Shareholding Percentage as of 31/1/2017	31.31%
Changes in number of Shares during the year	-
Relationship between the executive	-
The indirect shareholding of spouse and immature children	0.75%
Appointment Date	12 MAY 2000

Education and Training

- Master of Development Economics Major of Financial Economics, National Institute of Development Administration (NIDA)
- Master of Engineering, Major of Engineering Industrial and Manufacturing, Asian Institute of Technology
- Bachelor of Engineering, Major of Electronic, King Mongkut's Institute of Technology Lat Krabang
- Director Certification Program (Thailand Institute of Directors: IOD) Class 205/2016

5 Years' Work Experience

Positions in other public companies

None

Positions in other companies

None



MR. NOPPADOL SUNTANAPHANICH

Position

- Director
- Executive Committee
- Risk Management Sub-Committee
- Service and IT Manager

Age 44

Shareholding Percentage as of 31/1/2017	6.00%
Changes in number of Shares during the year	-
Relationship between the executive	-
The indirect shareholding of spouse and immature children	-
Appointment Date	3 APR 2015

Education and Training

- Bachelor of Industrial Technology (Faculty of Engineering), Mahanakorn University of Technology
- Directors Accreditation Program (Thailand Institute of Directors: IOD) Class 123/2016

5 Years' Work Experience

Positions in other public companies

None

Positions in other companies

None

MS. SRISUNUN ANUCHORNPHAN

Position

- Company Secretary
- Secretary of Nomination and Remuneration Committee
- Secretary of Executive Committee
- Secretary of Risk Management Sub-Committee
- Secretary of Audit Committee

Age 39

Shareholding Percentage as of 31/1/2017	-
Changes in number of Shares during the year	-
Relationship between the executive	-
The indirect shareholding of spouse and immature children	-
Appointment Date	23 DEC 2016
	Effective date 1 January 2017

Education and Training

- Master of Business Administration for Executive, Rangsit University
- Bachelor of Business Administration Major Personnel Management Faculty of Humanities and Social Sciences, Burapha University
- Company Reporting Program (CRP) (Thailand Institute of Directors: IOD) Class 13/2015
- Company Secretary Program (CSP) (Thailand Institute of Directors: IOD) Class 46/2012
- Corporate Secretary Development Program (Faculty of Commerce and Accountancy, Chulalongkorn University) Class 12/2005

5 Years' Work Experience

Positions in other public companies

- 1999 - 2016 • Company Secretary Business Online Public Co., Ltd. and Admin Manager

Positions in other companies

None



Executive Committee

MR. SOMPONG CHUNEKITYANONE

Position

- Director
- Executive Chairman
- Chairman of Risk Management Sub-Committee
- Nomination and Remuneration Committee
- Chief Executive Officer
- Chief Operating Officer (Acting)



Age 54

Shareholding Percentage as of 31/1/2017	32.06%
Changes in number of Shares during the year	-
Relationship between the executive	-
The indirect shareholding of spouse and immature children	-
Appointment Date	12 MAY 2000

Education and Training

- Master of Business Administration, National Institute of Development Administration (NIDA)
- Master of Science, Department of Forensic Science, Mahidol University
- Bachelor of Science, Department of Radiological Technology, Mahidol University
- Director Certification Program (Thailand Institute of Directors: IOD) Class 204/2015

5 Years' Work Experience

Positions in other public Companies	None
Position in other companies	None

MR. VORAVID SILAPUSID

Position

- Director
- Executive Committee
- Risk Management Sub-Committee
- Nomination and Remuneration Committee
- Chief Financial Officer
- Human Resource Manager(Acting)



Age 51

Shareholding Percentage as of 31/1/2017	31.31%
Changes in number of Shares during the year	-
Relationship between the executive	-
The indirect shareholding of spouse and immature children	0.75%
Appointment Date	12 MAY 2000

Education and Training

- Master of Development Economics Major of Financial Economics, National Institute of Development Administration (NIDA)
- Master of Engineering, Major of Engineering Industrial and Manufacturing, Asian Institute of Technology
- Bachelor of Engineering, Major of Electronic, King Mongkut's Institute of Technology Lat Krabang
- Director Certification Program (Thailand Institute of Directors: IOD) Class 205/2016

5 Years' Work Experience

Positions in other public Companies	None
Position in other companies	None

MR. NOPPADOL SUNTANAPHANICH

Position

- Director
- Executive Committee
- Risk Management Sub-Committee
- Service and IT Manager



Age 44

Shareholding Percentage as of 31/1/2017	6.00%
Changes in number of Shares during the year	-
Relationship between the executive	-
The indirect shareholding of spouse and immature children	-
Appointment Date	3 APR 2015

Education and Training

- Bachelor of Industrial Technology (Faculty of Engineering), Mahanakorn University of Technology
- Directors Accreditation Program (Thailand Institute of Directors: IOD) Class 123/2016

5 Years' Work Experience

Positions in other public Companies	None
Position in other companies	None

MS. SUKANLAYA KHAMNUAN

Position

- Executive Committee
- Risk Management Sub-Committee
- Financial and Accounting Manager



Age 32

Shareholding Percentage as of 31/1/2017	-
Changes in number of Shares during the year	-
Relationship between the executive	-
The indirect shareholding of spouse and immature children	-
Appointment Date	23 DEC 2015

Education and Training

- Bachelor of Business Administration Major of Accounting, Ramkhamhaeng University
- Directors Accreditation Program (Thailand Institute of Directors: IOD) During Class 136/2017

5 Years' Work Experience

Positions in other public Companies	None
Position in other companies	None

Summary of Financial Information

(Unit : million Baht)

For the year ended Decemeber 31	Y2014 ⁽¹⁾	Y2015 Audited	Y2016 Audited
Total Assets	249.57	374.13	628.91
Total Liabilities	29.57	134.82	117.79
Total Equity	220.00	239.31	511.12
Revenue from sales and services	1,062.62	310.54	737.84
Total Revenues	1,064.35	318.94	743.23
Gross Profit	128.38	48.98	122.66
Profit before tax	86.44	26.15	83.69
Net Profit	69.13	20.79	70.24
Financial Ratio			
Current Ratio (time)	9.55	2.80	6.14
Gross profit Margin (%)	12.08	15.77	16.62
Operating Profit Margin (%)	9.26	5.80	11.94
Net Profit Margin (%)	6.49	6.52	9.45
Return on Total Assets (%)	10.31	6.67	14.00
Return on Equity (%)	34.03	9.05	18.72
Debt to Equity Ratio (time)	0.13	0.56	0.23
Earning per share (Baht) ⁽²⁾	6.91	2.08	0.23
Book Value per Share ⁽²⁾ (par value 0.50 Baht)	22.00	23.93	1.28

Remark : ⁽¹⁾For the year 2014, the Company has prepared a cash flow statement for the year ended December 31, 2014 for further comparison.

⁽²⁾The 2016 -Annual General Meeting of Shareholders on 12 March 2016 resolved to change the par value of 100 Baht per share was 0.50 Baht per share calculates earnings per share for the years 2013 to 2015 the number of shares adjusted value. par 0.50 Baht per share for the comparison, to earnings per share.

Policy and Overview of Business Operations

Vision, Mission

The vision and mission of the company in running its business operations are:

Vision

To be the provider, distributor and maintenance service provider of medical and health equipments especially for cancer patients in order for them to be able to access the treatment which is more safe and using modern technology.

Mission

1. Import, distribute and install medical equipments to allow doctors and related medical personnels to treat cancer patients with modern technology, at the same time allowing the patients to access the mentioned technology conveniently.
2. Be the center for development in curing patients with the hospitals, doctors and medical personnels especially for cancer in order to better the quality of life of the patients after the treatment
3. Manage and administer under the corporate governance and medical ethics to ensure that the management and administrations are run effectively and efficiently.
4. Create the highest satisfaction for all related parties, both directly and indirectly affected, in terms of quality, price, delivery and international standard service
5. Increase its business foundation to other health and public health related business to prevent and promote good health and better quality of life to the public.





BIZ





General Information and other Important

Listed Company	:	Business Alignment Public Co., Ltd.
Registration Number	:	0107559000079
Security Symbol	:	BIZ
Business Operations	:	Distribute and install medical equipments for radiotherapy treatment and maintenance service.
Headquarters Address	:	92/45 Sathorn Thani 2 Building, 16th Floor, Sathorn Nua Road, Silom, Bangrak, Bangkok 10500 Tel. : 02-636-6828-9 Fax. : 02-236-3167
Website	:	www.bizalignment.com
Registered Capital	:	200 million Baht
Paid-up Capital (after IPO)	:	200 million Baht
Par value per share	:	0.50 Baht
Common Shares Securities Registrar	:	The Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building 1st Floor, Tower B (next to Chinese Embassy) 93 Ratchadaphisek Road, Dindaeng Bangkok 10400 Tel. : 02-009-9000 Fax. : 02-009-9991 TSD Call center : 02-009-9999
Auditor	:	M.R.& Associates Co., Ltd. Mr. Pisit Chiwaruangroch C.P.A. Registration No. 2803 705-706 Chao Phraya Tower (Shangri-La Hotel) 89 Soi Wat Suan Plu, Charoengkrung Rd., Bangrak, Bangkok 10500 Tel. : 02-630-7500 Fax. : 02-630-7506
Financial Advisor	:	Asset Pro Management Co., Ltd. 999/9 The Offices at CentralWorld, 10th Floor Room 1011-1012 Rama I Rd., Patumwan, Bangkok 10330 Tel. : 02-264-5678 Fax. : 02-264-5679

Notable Changes and Development

Since its establishment in 2000, there are important changes and development in the company as follows:

Year	Notable Changes
2000	<ul style="list-style-type: none"> - May 12, 2000: The company was registered with 1 million Baht registered capital with 10,000 common shares, at 100 Baht value per share. The office was located at 312/20 Soi Kiatchai, Asoke-Dindang Rd., Dindang, Bangkok. Its business operation was to import medical equipments especially radiation machine for cancer treatment and othe related equipments - The company was appointed as a distributor of Varian Medical Systems Inc. ("Varian") which is the world's leading company from USA in producing and distributing medical equipments and software system for cancer treatment through radiation therapy, proton beam therapy and mineral implant therapy using up-to-date technology as well as x-ray tubes for medical purposes and linear accelerators for container inspection using high energy x-ray. We can say that Varian is the well known provider and distributor of high quality radiation therapy equipments among the medical industry both domestically and internationally.
2006	<ul style="list-style-type: none"> - April 24, 2006: The office relocated to 69/6 Tang Hua Pak Building, 3rd Floor, Soi Suksa Wittaya, Silom Rd., Silom, Bangrak, Bangkok to cater for the business expansion and increase the convenience in coordinating with the customers and medical equipment production companies - June 27, 2006: The company increased its registered capital from 1 million Baht to 2 million Baht by releasing 10,000 more common shares, at 100 Baht value per share and offered these shares to the original shareholders proportionally and also offered the common shares to 2 new shareholders at 300 Baht per share and these were collected in one time to support the fast expansion and the changing order behaviour of the customers which was more Turn Key style. This meant that the company needed to take greater responsibility in renovating the room or building as well as constructing and providing related equipments so that the purchased radiation machines can work at its full capacity to ensure top effectiveness. This caused the company to alter the business policy from only importing the radiation equipments to being a solution provider in cancer treat ment which included providing the equipments and other related fixtures, constructing and renovating the venue to be suitable for cancer treatment for both public and private hospitals.
2008	<p> The company was awarded the " Award for outstanding achievement 100% market share FY 2006/2007" from Varian Medical Systems Inc.</p>
2010	<ul style="list-style-type: none"> - December 21, 2010: The company was contracted to purchase one TrueBeams radiation machine for cancer treatment including installation and room renovation from Chulabhorn Hospital which was the first radiation machine with up-to-date technology and high accuracy in ASEAN region at the time. The machine was tested in November 2011 and was officially used in March 2012. <p> The company was awarded the "Award for Record Orders FY 2009" from Varian Medical Systems Inc.</p>

Year	Notable Changes
2011	<p> The company was awarded the “Award for 100% for Thailand 2011” from Varian Medical Systems Inc.</p> <p> The company was awarded the “Emerging Market Rising Star 2011” from Thermo Fisher Scientific Inc.</p>
2012	<p>- The company received purchase orders for TrueBeams linear accelerator including installation and building construction from Songklanagarind Hospital, Faculty of Medicine, Prince of Songkla University (1 unit), Srinagarind Hospital, Faculty of Medicine, Khon Kaen University (1 unit), Chulalongkorn Hospital, Thai Red Cross Society (2 units) and Faculty of Medicine, Siriraj Hospital, Mahidol Univeristy (1 unit). This resulted in Thailand having the highest number of TrueBeams radiation machines in ASEAN region. This was the highest state-of-the-art technology in cancer treatment at the time in the region which was of equal quality as in the USA and European countries.</p> <p> The company was awarded the “Award for placing order for a record 16M including TrueBeams” from Varian Medical Systems Inc.</p>
2013	<p> The company was awarded the “Award for Excellent Sales Performance and Market Share” from Varian Medical Systems Inc.</p>
2014	<p>- November 19, 2014: The company increased its registered capital from 2 million Baht to 5 million Baht and released 30,000 more common shares, at 100 Baht value per share and offered these shares to the original shareholders proportionally to support the fast-growing expansion of the business.</p>
2015	<p>- June 12, 2015: The office was relocated to 92/45 Sathorn Thani 2 Building, 16th Floor, Sathorn Nua Rd., Silom, Bangrak, Bangkok to allow more convenience in coordinating with customers.</p>
2016	<p>- February 4, 2016: The Extraordinary General Meeting of Shareholders No. 1/2016 passed a resolution to increase its registered capital to 150.00 million Baht. By issuing new ordinary shares of 1.45 million shares at par value of 100 Baht to 100 Baht IPO. Offered to original shareholders in proportion. The restructuring costs for the preparation of a listing on the Market for Alternative Investment (mai).</p> <p>- March 12, 2016: Annual General Meeting of Shareholders for the year 2016 has approved the capital increase of 200.00 million Baht into ordinary shares of 400,000,000 shares at par value of Baht 0.50 per share, divided into ordinary shares from capital increase of 100,000,000 shares with a par. Baht 0.50 per share to be offered to the public initial public offering: IPO or 25 percent of the paid-up capital after the offering IPO.</p> <p>- March 21, 2016: The company was registered as a public company.</p> <p>- July 28, 2016: First day of trading of BIZ on the Market for Alternative Investment (mai).</p>

Relations to Business Groups of Key Shareholders

Related Company

1. Sathorn Sixteen Company Limited

Established Date	July 10, 2014
Head Office Address	92/45 Sathorn Thani 2 Building, 16 th Floor, Sathorn Nua Rd., Silom, Bangrak, Bangkok
Business Operations	Real Estate Rental
Registered Capital	1 million Baht
Paid-up Capital	1 million Baht
Board of Directors	1) Mr. Sompong Chunekitiyanone 2) Mr. Voravid Silapusid 3) Mr. Noppadol Suntanaphanich
Authorized Directors	Any two signatures of three directors with company's seal shall bind the company.
Company Shareholders	1) Mr. Sompong Chunekitiyanone, 42.5% of paid-up registered capital of Sathorn Sixteen Co., Ltd. 2) Mr. Voravid Silapusid, 42.5% of paid-up registered capital of Sathorn Sixteen Co., Ltd. 3) Mr. Noppadol Suntanaphanich, 10% of paid-up registered capital of Sathorn Sixteen Co., Ltd. 4) Mrs. Sarin Chinudomsap, 5% of paid-up registered capital of Sathorn Sixteen Co., Ltd.
Relations	Common directors and common shareholders who are Mr. Sompong Chunekitiyanone, Mr. Voravid Silapusid, Mr. Noppadol Suntanaphanich

Business Operations

Business Alignment Public Company Limited or BIZ operates the distribution and installation of medical equipments for cancer treatment through radiotherapy by importing the equipments from world's leading professional in cancer treatment equipment and technology. The company's operations also include the maintenance service of the mentioned equipments. The key clients include hospitals under faculties of medicine, hospitals in the Cancer Hospital Group under Medical Department, Ministry of Public Health, other public hospitals, public health departments and organizations and private hospitals.

The company is the sole importer and exclusive distributor of radiation machine equipments for Varian Medical Systems Inc. and its affiliates, which is the world's leading company with great credibility and widely accepted among the medical industry personnel from all over the world as the medical equipment provider and modern software system for cancer treatment. The company has been trusted as the exclusive distributor for over 15 years. Additionally, the company also works with many suppliers overseas such as IBA Dosimetry GmbH (Germany), Thermo Fisher Scientific Inc. (USA), Xstrahl Limited (United Kingdom), Deltabit Oy (Finland), Vision RT Ltd (United Kingdom), Computerized Imaging Reference Systems, Inc. (CIRS) (USA), Radiation Product Design, Inc. (USA) and Ashland Inc.(USA). Beside from distribution, the company also provides maintenance service of the medical equipments to the clients who ordered from the company to ensure its functionality throughout its usage period.

The key product that the company offers is radiation treatment equipment especially the linear accelerator which is the key equipment in teletherapy. This product is highly important and has high value to the project. Moreover, the company acts as the solution provider which means the company is responsible for providing the equipment as well as a full circle service to ensure that our clients will be able to operate the machine to its highest effectiveness. Therefore, the company is responsible for providing everything starting from the construction process, renovation process to ensure the room is of high standard to increase to prevent radiation leak as well as providing other necessary equipments to ensure the effectiveness of the treatment such as treatment planning computer system, oncology information system, quality assurance and pretreatment verification tool and other supporting equipments. In addition, the company provides maintenance service to lengthen the usage life of the equipment.

Company's Revenue Structure

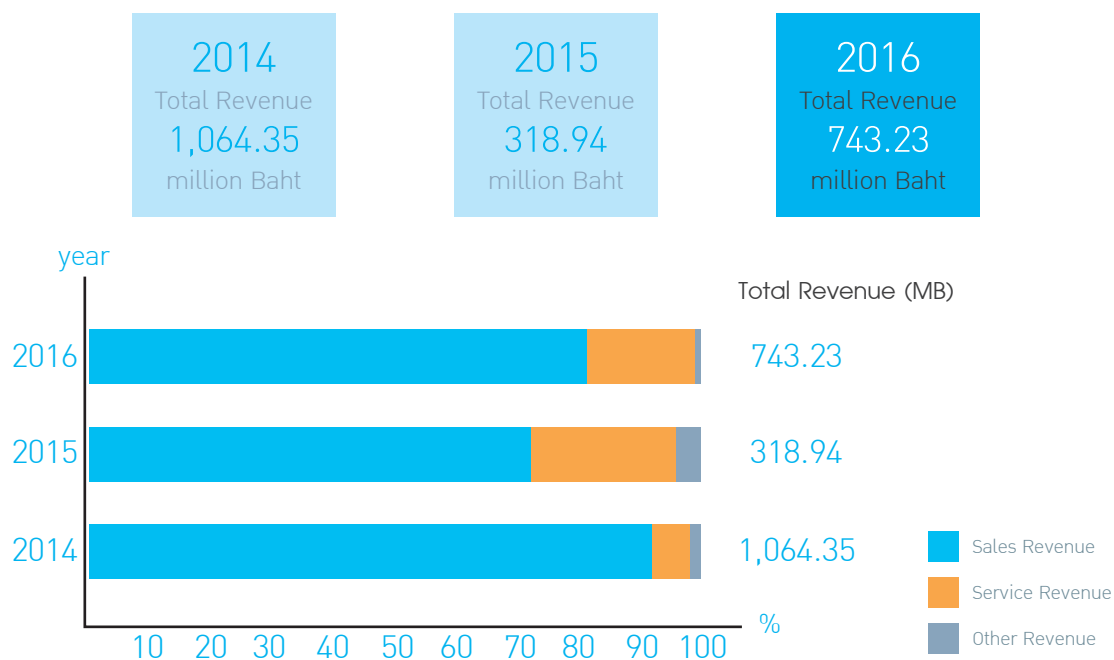
Revenue Structure based on Revenue Type

The company's revenue can be divided into 2 categories: 1) sales revenue which comes from selling and installing the medical equipments and 2) service revenue which comes from providing the maintenance service. During 2014-2016, the company's revenue structure is as follows:

Revenue Type	2014		2015		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenue	999.58	93.92	236.71	74.22	607.12	81.68
Service Revenue ^{/1}	63.04	5.92	73.83	23.15	130.72	17.59
Total Sales and Service Revenue	1,062.62	99.84	310.54	97.37	737.84	99.27
Other Revenue ^{/2}	1.73	0.16	8.40	2.63	5.39	0.73
Total Revenue	1,064.35	100.00	318.94	100.00	743.23	100.00

Notes: ^{/1} Service Revenue includes revenue generated from maintenance service for radiation machine and other related equipments as well as revenue generated from software upgrades related to radiotherapy equipments

^{/2} Other revenue includes interests, profits gained from currency exchange, profits from selling investment capitals and other income



Sales and Service Revenue Structure based on Customer Type

Sales and service revenue structure based on customer type between 2014 - 2016 is as follows:

Customer Type	2014		2015		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Public Hospitals	1,062.20	99.96	306.99	98.86	725.32	98.30
1.1 Hospitals under faculties of medicine ^{/1}	751.71	70.74	261.26	84.13	235.32	31.89
1.2 Cancer hospitals ^{/2}	192.10	18.08	32.69	10.53	372.76	50.52
1.3 General hospitals ^{/3}	118.39	11.14	13.04	4.20	117.24	15.89
2. Private Hospitals	0.00	0.00	0.00	0.00	0.00	0.00
3. Others ^{/4}	0.42	0.04	3.55	1.14	12.52	1.70
Total Sales and Service Revenue	1,062.62	100.00	310.54	100.00	737.84	100.00

- Notes:
- ^{/1} Hospitals under faculties of medicine includes hospitals in universities and medical schools of faculties of medicine or medical colleges which are mostly under the Ministry of Education. These are super tertiary care medical centers with highest capabilities in service and treatment readiness as they are for educational purposes in order to manufacture new medical personnel and conduct new research
 - ^{/2} Cancer hospitals include hospitals under the Medical Department which focus on developing their expertise in oncology excellence
 - ^{/3} General hospitals include hospitals under the Ministry of Public Health which can be provincial hospitals, regional hospitals or district hospitals with tertiary care or super tertiary care capabilities
 - ^{/4} Others include departments or organizations which are not medical clinics or hospitals such as the Department of Medical Sciences, Office of Atom of Peace or Synchrotron Light Research Institute

Sales Revenue Structure based on Product Type and Job Type

Sales revenue structure based on product type and job type during 2014 - 2016 is as follows:

Sales Revenue based on Product Type and Job Type	2014		2015		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Teletherapy Projects ^{/1}	973.39	97.38	186.92	78.97	580.05	95.54
2. Brachytherapy Projects ^{/1}	0.00	0.00	0.00	0.00	0.00	0.00
3. Equipment and System ^{/2}	24.16	2.42	31.82	13.44	0.00	0.00
4. Others ^{/3}	2.03	0.20	17.97	7.59	27.07	4.46
Total Sales Revenue	999.58	100.00	236.71	100.00	607.12	100.00

- Notes:
- ^{/1} Sales revenue from Type 1 and Type 2 are project work types which include the value of other equipments in the project but the key equipments will be the teletherapy machines and brachytherapy machines respectively.
 - ^{/2} Equipment and system includes the groups of equipments which are high technology equipments or systems such as radiation simulation machine, treatment planning system and radiotherapy patients database system. This can either be a project work type or a one-off sales work type
 - ^{/3} Others include the groups of equipments which are part of the key equipment such as applicators for afterloaders, or batteries. They could also be the groups of equipments which are for the treatment process such as quality assurance and pretreatment verification tool or gafchromic film.

Type of Products and Services

The present, Business Alignment Public Co., Ltd. or BIZ operates the distribution and installation of medical equipments for cancer treatment through radiotherapy and offers maintenance service to the clients who ordered from the company. Nowadays, we are the exclusive distributor for 2 leading providers

Company	Country	Type of Products
Varian Medical Systems Inc.	USA	Linear accelerators, treatment planning computer system, radiotherapy patient database system
Mobius Medical Systems, LP	USA	Quality assurance and pretreatment verification tool

Additionally, the company also works with many suppliers overseas including:

Company	Country	Type of Products
IBA Dosimetry GmbH	Germany	Linear accelerators' quality assurance and inspection machine.
Thermo Fisher Scientific Inc.	USA	Radiation Survey meter device.
Xstrahl Limited.	UK	Superficial X-Ray machine.
Vision RT Ltd.	UK	Patient's positioning device.
Deltabit Oy	Finland	Pretreatment patient identification device.
Radiation Product Design, Inc.	USA	Radiotherapy equipments.
Computerized Imaging Reference Systems, Inc.	USA	Quality assurance Phantoms.
Ashland Inc.	USA	Radiation film dosimetry.
Best Medical Canada Ltd.	Canada	Radiation dosimetry device.
QFix	USA	Patient Immobilization device.
C-Rad	Sweden	Patient's motion detection device in radiotherapy.

The company can categorize its product and service types based on revenue type as follows:

1. Sales Revenue generated from the distribution and installation of the following equipment types:

1.1 Treatment Delivery Equipment

This is the main equipment that the company sells which is the equipment used in radiotherapy and is of the highest value when compared to the other functions or equipment types of the company. Treatment Delivery equipments can be categorized into 2 groups:

- **Linear Accelerator**

Used for teletherapy cancer treatment by using radiation from high energy x-ray far from treatment area onto the cancer cells area to destroy them. This is an equipment with state-of-the-art technology, high accuracy and can be used on several cancer cells area in the body. That is why this equipment is the main revenue source for the company today.

The Linear Accelerator that we import is from Varian Medical Systems Inc. and its group of companies (“Varian”) who is the world’s leader in radiotherapy technology, proton beam therapy and mineral implant therapy. We can say that Varian is the well known provider and distributor of high quality radiation therapy equipments among the medical industry both domestically and internationally.

Images of different models of Linear Accelerator



Clinac iX



Trilogy



True Beam



Edge

- **Brachytherapy Afterloader**

Used for brachytherapy cancer treatment by placing the fully covered radioactive, namely Iridium 192, near the treatment area into the affected parts of the body. This type of treatment allows the high volume of radiation into the affected body parts accurately and can reduce the harm to the tissue surrounding the cancer cells so it is suitable for certain types of cancer only.

Image of the Brachytherapy Afterloader



1.2 Equipment and System Type

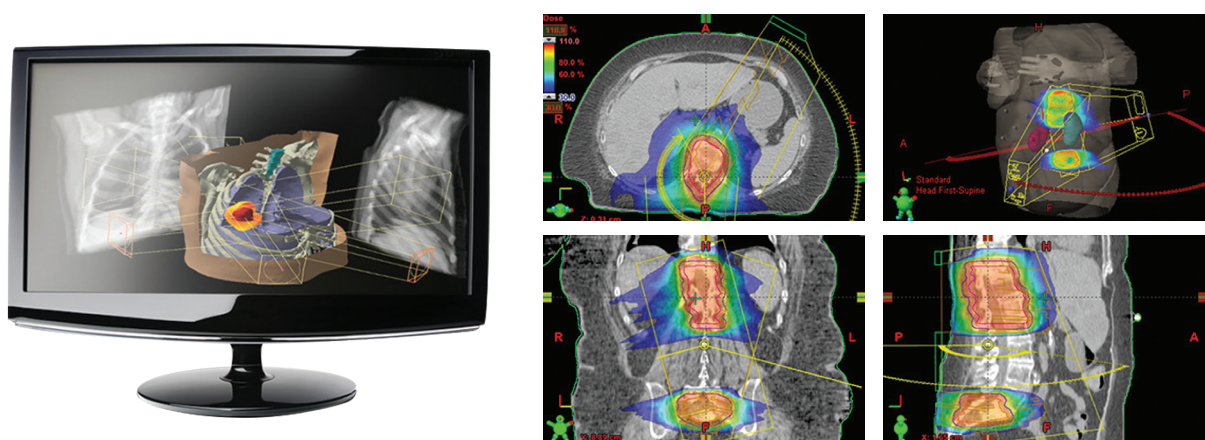
This equipment type relates to high level technology equipment and system which is used together with the radiation machine in the radiotherapy process. The key equipment in this group include hardware and software system for treatment planning system, oncology information system and radiation simulation.

- **Treatment Planning System**

This is a software system used in planning the treatment to ensure accuracy in the radiotherapy process and prevent any harm that may happen to the surrounding tissue which can cause more harm to the patient. The software system uses state-of-the-art computer system and can plan the treatment in different ways such as 2D or 3D treatment, Intensity Modulated Radiation Therapy (IMRT), Volumetric Modulated Arc Therapy (VMAT) by using the x-ray film of the patient from the treatment 3D simulation machine to support the treatment planning process. Radiologists can accurately determine the shape and size of the designated treatment area or body parts. Medical physicists can plan the treatment in different techniques and process the calculation to see how the radiation spreads in the cancer tumors. Then, radiologists can assess to select the best treatment for each patient. The spread of radiation must cover as much of the cancer tumors as possible and least affect the surrounding body parts but must also meet the set criteria. Once the radiologists agrees with the plan, the medical

physicists will send the treatment plan to the linear accelerators through the computer network system to begin the treatment.

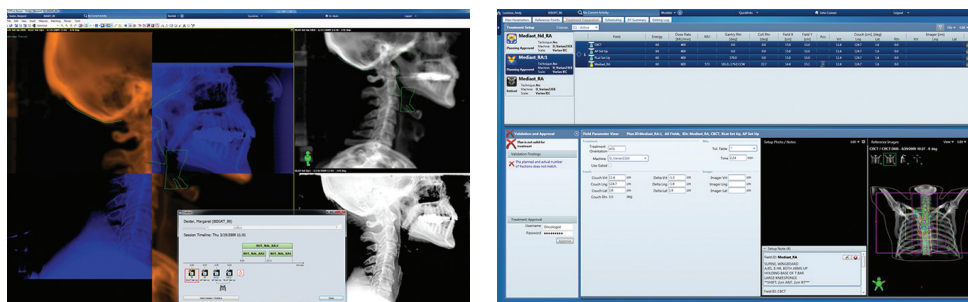
Images of the Treatment Planning System



- **Oncology Information System**

This is a software system used to record and verify the level of radiation the patient is receiving throughout the treatment process. It is also the information system that supports the hospital's electronic medical records and patients' appointment system in radiotherapy and oncology clinics for radiotherapy and chemotherapy patients. It can also support the administration of the image information in radiotherapy in order to check for accuracy of the radiation area and location.

Images of the Oncology Information System



1.3 Other Equipment

These are the supporting equipments for the key equipment such as applicators for the Afterloader or the group of equipments that is used in supporting the treatment process such as the Quality Assurance and Pretreatment Verification Tool, Gafchromic film, Motion Detector during radiation process and patients' immobilization solution

2. Revenue from Maintenance Services

Service revenue comes from the maintenance services for the medical equipment after the warranty period is over according to the sales contract. This warranty usually lasts 1-2 years after the handover of the equipment depending on each agreement.

A continuous maintenance service helps the equipment to last longer and work effectively throughout their usage life. The company will issue a contract regarding the maintenance agreement between the company and the client that the company will provide the maintenance service every time there is an issue or when the maintenance period is due to ensure that the equipment can work to its highest capacity throughout its usage life period. Each contract is for 1 year and most of our clients will renew this contract on a regular basis because without a proper maintenance, the machine cannot run effectively. The company also provides maintenance services to equipment that are not in the maintenance agreements on a case by case basis depending on the issues that have arisen such as Chiller system maintenance or air-conditioning system maintenance. Moreover, the company also provides upgrade services to the software system related to radiotherapy which helps the system to be more effective such as software upgrade for the treatment planning system.

Marketing and Competitions

Marketing Strategy

The linear accelerators and other supporting equipment imported and distributed by the company are considered unique with high technology application. This means that in the overall business conditions, there are only a few companies in the market and the expert personnel in the mentioned equipment also play a vital role in driving the business. Therefore, the company employs the following marketing strategies on the competitors and target customers.

Product Strategy

The company's policy primarily focuses on the quality of the product because the product is related to the quality of life of cancer patients as well as the patients' loved ones. Therefore, the company focuses on the quality of the product as its first priority by only selling products of international standard and that are well-accepted among the medical personnel both domestically and internationally. Most products are imported from overseas suppliers who have been certified on their production standard in different types such as Good Manufacturing Practice (GMP) and Quality Management System such as ISE 13485:2003 as well as certified by the Food and Drugs Administrations. All products sold by the company must have sales certification documents and quality control process certification documents from either public or private organization that the government of that country and must be tested by the Food and Drugs Administration

according to the 2006 Ministry of Public Health announcement (Issue 34) under the Medical Device Act 1988. The company distributes from 2 companies which are Varian Medical Systems, Inc. and Mobius Medical Systems, LP (USA) along with many key suppliers in different countries such as IBA Dosimetry GmbH (Germany), Thermo Fisher Scientific Inc. (USA), Xstrahl Limited. (UK), Deltabit Oy (Finland), Vision RT Ltd. (UK), Computerized Imaging Reference Systems, Inc. (CIRS) (USA), Radiation Product Design, Inc. (USA) and Ashland Inc. (USA) which are all of high quality and well-accepted by the medical personnel both domestically and internationally.

Beside from focusing on product standard, the company also has the policy to run the business as a solution provider in cancer treatment. This means that the company not only provides and sells the linear accelerators and their related products, it also looks after the constructions and renovations of the space to be suitable for radiotherapy cancer treatment. From this, the company is also able to fully serve the clients' needs and gain trusts from the clients until today.

Beside from distributing and installing the linear accelerators for radiotherapy, the company also places its value on the after sales service especially maintenance service on the equipment for clients who ordered from the company. This helps the equipment to run at its full effectiveness through its usage life as we know that without the proper maintenance and fixing, the equipment couldn't run properly and could affect the cancer patients receiving the treatment.

Price Strategy

The company has the policy in setting the pricing by adding the proper profit rate to the cost of the product known as Cost Plus Margin. Pricing of the product will be controlled based on the related cost such as product cost, insurance and delivery cost, exchange rate risk, installation cost plus import duty and margin by basing on the price of the production company which is a Free on Board (FOB) or Carriage and Insurance Paid To (CIP) type. The company also uses credit services to import Letter of Credit (L/C) products or Trust Receipt (T/R) products as well as setting up forward foreign currency contracts from financial institutions to reduce the risk from the fluctuation in currency exchange. The payment method depends on the agreements and conditions as agreed in the purchasing contracts which differ for each client.

For the maintenance service that occurs after the warranty period, the company will charge based on Cost Plus Margin also.

Place Strategy

As the product and service of company is the medical tool for cancer treatment which aim at the clients in medical industry, the company needs our personnel in sales, marketing and after sales to be well informed in the product and service in order to provide the correct advice to the clients and point out the benefits gained from using the products and services of the company. Therefore, our sales team is the key in our distribution success.

The product and service presentation will be operated by the sales and marketing department which has 2 main access to the clients, one is from following the notice of procurement of the government sectors and the other is from receiving the direct contact from clients. In the past, most high value sales come from the notice of procurement of the government sectors. From this, there are 2 ways to go which is either through electronic bidding or through special procurement process which follows the government procurement process set by the Comptroller General's Department, Ministry of Finance. Due to the nature of the product which is unique and has a lot of details, the procurement must pass the Terms of Reference (TOR) from the government procurement process. For the sales of smaller values products usually come directly from the client to the company.

Beside from following the notice of procurement above, the company also sets strategies to meet the target clients to inform them of the development and advancement in the product periodically to allow those target clients to realize the importance of these equipments and be able to continuously serve the growing needs of cancer patients. If any clients become interested, they will contact the company directly for more information and start the procurement process based on the client's internal process. Moreover, the company also coordinates with the target clients and offers sessions or seminars to provide knowledge about the products before they make their final decision.

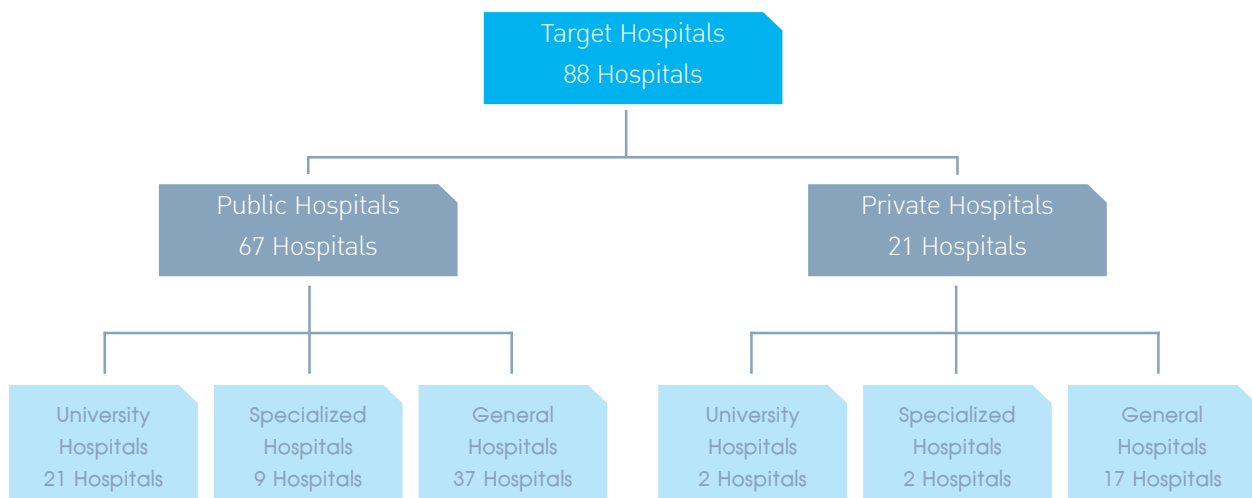
Promotion Strategy

As this is a business that requires specific expertise with unique users and few competitors, the company does not do PR. Also, because we have been trusted by the people in the medical and radiotherapy industry both in terms of product quality and after sales service, there is no need for the company to do lots of PR. Moreover, the company cannot run advertisement on the product due to the restrictions announced in the 2010 FDA Announcement regarding the criteria, procedures and conditions in advertising medical tools, number 3.2.4 which stated that one shall not advertise the dangerous medical tools which the linear accelerators are qualified as one of the dangerous tools. However, the product that the company imports is well-known and well-accepted worldwide among the radiotherapy doctors and experts.

However, the company runs continuous marketing activities and public relation activities to promote the company and inform clients about the product knowledge on a regular basis through seminars and academic fairs of Thai Association of Radiation Oncology and Thai Medical Physicist Society which are organized specifically for the medical personnel to promote the products to the directly concerned party and to build a strong image of the company and build brand recognition and brand awareness to the target clients.

Target Clients

The target clients of the company are the public and private domestic hospitals which are in the tertiary level. The structure of our target clients is as presented in the diagram below.



Source: National Statistical Office and Bureau of Policy and Strategy, Office of the Permanent Secretary of Public Health

Most clients of the company are university hospitals under the Faculties of Medicine, specialized hospitals and large general hospitals. These can be divided into:

1. University hospitals under the Faculties of Medicine such as Faculty of Medicine, Siriraj Hospital, Mahidol University, Chulalongkorn Hospital, Thai Red Cross Society, Faculty of Medicine, Ramathibodi Hospital, Mahidol University, Srinagarind Hospital, Faculty of Medicine, Khon Kaen University and Songklanagarind Hospital, Faculty of Medicine, Prince of Songkla University
2. Specialized hospitals such as Lopburi Cancer Hospital, Chonburi Cancer Hospital, Ubonratchathani Cancer Hospital, Maha Vajiralongkorn Thanyaburi Hospital Patumthani, Chulabhorn Hospital and Bangkok Cancer Detection and Treatment Center
3. General hospitals such as Sawan Pracha Rak Hospital, Maharaj Nakhon Ratchasima Hospital and Bhumibol Adulyadej Hospital

Industry Situation

Situation of the hospitals in Thailand with radiotherapy service

At present, the list of hospitals in Thailand in tertiary level and super tertiary level and the hospitals with radiotherapy service are as follows:

Public Hospitals	Number of Hospitals ^{/1}	Hospitals with Radiotherapy Service ^{/2}
University Hospitals	21	12
Cancer Specialized Hospitals	9	9
General Hospitals	37	7
Total Public Hospitals	67	28
Public Hospitals	Number of Hospitals ^{/1}	Hospitals with Radiotherapy Service ^{/2}
University Hospitals	2	0
Cancer Specialized Hospitals	2	2
Large Private Hospitals (more than 250 beds)	17	5
Total Private Hospitals	21	7
Total Public and Private Hospitals	88	35

Sources : 1. Number of hospitals taken from Thai Association of Radiation Oncology
2. Number of hospitals with radiotherapy service taken from Business Alignment Public Co., Ltd.

Note : ^{/1} Number of hospitals shown will only include hospitals in tertiary and super tertiary levels which are large sized hospitals and the target clients of the company

From the data above, it can be seen that there are 67 tertiary and super tertiary level public hospitals, 28 of which offer radiotherapy service. 12 out of 21 university hospitals, all 9 cancer specialized hospital and 7 out of 37 general hospitals currently offer radiotherapy.

There are 21 targeted private hospitals, 7 of which already offer radiotherapy services. None out of the 2 university hospitals, all 2 cancer specialized hospital and only 5 out of 17 general hospitals currently offer radiotherapy.

Situation of the Cancer Patients

The present, Cancer is the most commonly found disease and one of the first causes of death around the world. Death from cancer accounts for 15% of all death causes. World Health Organization (WHO) found that there were 8.4 million people who died from cancer and tumors in the year 2012 worldwide. In addition, WHO forecast that in 2015, number of deaths will increase to 8.9 million people which accounts for 15.59% of all death causes and that in the year 2030, number of deaths will rise to 12.9 million people which accounts for 18.45% of all death causes. The data from "Cancer Incidents in the year 2012 from World Health Organization" suggested that for every 100,000 people, there can be 338.1 new cancer patients maximum, 63.4 new cancer patients minimum and 182.3 new cancer patients on average.

From the cancer forecast data by World Health Organization during the year 2012 - 2035, it can be seen that the trend is moving upwards. It has been forecast that there would be 123,000 new cancer patients in the year 2012, 131,885 in the year 2015, 149,578 in the year 2020, 168,093 in the year 2025 and 185,735 in the year 2030 and 201,209 in the year 2035.

The data from "Death ratio from Cancer compared with all causes of death in Thailand" suggested that during 2007-2014, 50,000 -70,000 Thai people passed away because of cancer, which accounts for 13.59 -16.09%. The trend is also moving upwards and cancer is the number one cause of death in Thailand.

The data from "Death Rate separated by Cancer Type per 100,000 People of Thailand in the year 2010-2014 which was a diagram from the Ministry of Public Health suggesting the death rate from different cancer type patients in Thailand showed that liver cancer has the highest death rate at 20% per year, followed by throat cancer, bronchus cancer and lung cancer. The main factor of both liver cancer and lung cancer is due to the lifestyle behavior of the patient.

Situation of the Radiotherapy Equipment in Thailand

Today, there are not sufficient radiotherapy equipment for cancer patients who need them. The new cancer patients forecast from WHO suggested that the number is likely to increase. Despite cancer being the number one cause of death in Thailand, patients today still do not have access to the necessary radiotherapy treatment as 1 linear accelerator can support approximately 400-500 patients per year (data from Oxford University research in association with International Network For Cancer Treatment and Research (INCR) by Mr. Massoud Samiei under the topic "Challenge of Making Radiotherapy Accessible in Developing Countries", year 2013) However, today the data from Thai Association of Radiation Oncology together with the research from the company suggested that Thailand has only 70 LINAC while the number of cancer patients is expected to rise to 65,943 in the year 2015. (WHO forecast the new cancer patients in the year 2015 at 131,885 which the research from Oxford University in association with International Network For Cancer Treatment and Research (INCR) by Mr. Massoud Samiei under the topic "Challenge of Making Radiotherapy Accessible in Developing Countries", In the year 2013 pointed out that at least 50% of cancer patients need to be treated with radiotherapy.

Therefore, this brings the ratio of cancer patients to LINAC in the year 2015 to 942:1 which is more than the capacity that Thailand currently has. The number suggested that Thailand needs at least 165 LINAC to support the cancer patients which means an additional 95 LINAC. (Source: LINAC Capacity Data from International Network For Cancer Treatment and Research (INCR) by Mr. Massoud Samiei under the topic "Challenge of Making Radiotherapy Accessible in Developing Countries", year 2013 and Number of LINAC from Thai Association of Radiation Oncology).

Apart from the needed LINAC mentioned above, there is also a need for replacing the Cobalt-60 Machine with the LINAC due to its treatment limitation. At present, there are 16 Cobalt-60 Machine in Thailand which is in need of replacement to increase the effectiveness in the treatment according to the reasons stated above. For this reason, together with the need for 95 additional LINAC mentioned above, the market needs a total of 111 additional LINAC. (Source: Number of LINAC from Thai Association of Radiation Oncology).

Competition Situation

LINAC Manufacturers

As manufacturing a LINAC requires advanced technology, there is not a lot of manufacturers in the market. Today Thailand cannot manufacture its own LINAC either so importing the machine from overseas companies such as Varian Medical Systems, Inc. (USA) or Elekta AB (Sweden) is still required. The 2 mentioned companies are considered as the main manufacturer and distributor in LINAC in the world. There is also LINAC imported from China which has very low market share and so far Thailand has not imported any from China.

Competitors in Thailand

The import of medical equipments is a fast-growing industry especially ones with advanced technology such as linear accelerators. Today there are only 2 companies which import and distribute the linear accelerators, and our company is the exclusive distributor of LINAC from Varian Medical Systems, Inc. (USA) while our competitor imports from Elekta AB who is also the key competitor of Varian in the world market. This allows the 2 mentioned companies to dominate the LINAC industry in Thailand.

From the data of the number of LINAC in Thailand presented above, Varian has the highest market share in Thailand with 36 LINACs or accounts for 51.43% of the market, While Elekta has 22 LINACs which accounts for 31.43% of the market. Siemens also has 12 LINACs which accounts for 17.14% of the market but it has been in use for a long time already. However, Siemens has recently altered its business operations to focus on manufacturing and developing the imaging systems equipment such as CT Scan instead as it cannot compete with the other 2 major manufacturers in the market.

Product and Service Provider

The company operates the business as the solution provider in radiotherapy to hospital clients. Therefore, the distribution of the product focuses on projects which means that the company also takes on the responsibility of construction and renovations of the radiotherapy room as well as providing and installing supporting equipments related to radiotherapy treatment to make sure that it works efficiently. Then the company will hand over to the clients once all of the projects is completed.

As a project work, the company must find personnel in all related aspects such as constructions, renovations, installation and maintenance. The company also looks after the procurement of the equipments needed for the effective treatment and installation of the equipments to ensure that the machine can work perfectly.

In distributing the radiotherapy medical equipments such as LINAC, Treatment Planning System and Radiotherapy patients database system, the company imports products from Varian Medical Systems Inc. and its group of companies ("Varian") and the company is appointed as the exclusive distributor of Varian in Thailand.

For other products, the company imported and purchased from 12 overseas suppliers which are

1. IBA Dosimetry GmbH (Germany)
2. Thermo Fisher Scientific Inc. (USA)
3. Xstrahl Limited. (UK)
4. Deltabit Oy (Finland)
5. Vision RT Ltd.(UK)
6. Computerized Imaging Reference Systems, Inc. (CIRS) (USA)
7. Radiation Product Design, Inc.(USA)
8. Ashland Inc.(USA)
9. Best Medical Canada Ltd. (Canada)
10. QFix (USA)
11. C-Rad (Sweden)
12. Mobius Medical Systems, LP (USA)

Recruitment

Project and warehouse of the company are responsible for assessing the possibility of the installation of different equipments, system wiring, and installation for equipments used in the radiotherapy room, radiotherapy simulator room and afterloader room. They are responsible for coordinating with the engineers, architects, project consultants and clients to prepare the space and other things to be ready for the installation as well as assessing and following up on the project to ensure that it is completed according to the project time frame. They are also responsible for coordinating with the sales team and the clients in providing the necessary equipments that match the clients' needs. Therefore, the project and warehouse of the company must have the engineering or radiology knowledge or have worked in medical physics.

For the installation process especially the Varian products, the manufacturer will install for the clients.

For the maintenance service, our after sales personnel will coordinate with the manufacturer team to run system check up for all LINAC and important software system. For the maintenance of the afterloader, the company's after sales personnel will be responsible for changing the minerals as scheduled.

For these reasons, the company puts an emphasis on selecting the personnel who has the expertise in the area and has passed the training from the manufacturing company and has some past experience in the maintenance of medical equipments for cancer treatment.

Contractors

In the pre-installation process, some clients will ask the company to take charge of the constructions or renovations of the space for the LINAC to match the international standard and be suitable for the use of the machine. Therefore, the company has to hire outsource contractors to do this. These contractors include constructions worker, designers and build-in designers as the company does not have its own contractors.

As LINAC is a high radiation machine, the installation process must be done in a specifically designed room to prevent any danger that may occur from the radiation. This is why the company needs to select the suitable and professional contractors to do this. The company has a set selection criteria for these contractors to ensure satisfactions to all our clients.

Sales and Maintenance Process

Sales Process (through electronic bidding and special procurement)

1. Product Presentation and Consideration Process

For the procurement process, clients have 2 options which depends on the detail and the complexity of the product.

1.1. Electronic Bidding

1.1.1 When client has the desire to purchase the product, the procurement board will invite the LINAC distributors to present the information to the board to support the drafting of the Terms of Reference (TOR).

1.1.2 After the initial product presentation, the sales team of the company will follow up on the procurement announcement of the company and draft the TOR according to the announcement on the clients' websites and government's procurement website by the Comptroller Generals' Department, Ministry of Finance. The company will review the announcement to see if the company has the right qualifications according to the announcement or not by looking at the TOR. If so, the sales and marketing team of the company will calculate the costs, and in the case where the space renovation is needed, the company will assign the engineer, architect and company consultant to inspect the area and assess the cost of constructions or renovations and add it to the original costs. Then the administration team will prepare the quotation for the bidding.

1.2 Special Procurement

If the clients wish to purchase through special procurement process, they must appoint a special procurement board to set the estimate cost and prepare the details of the needed equipments and invite the companies to present the quotation.

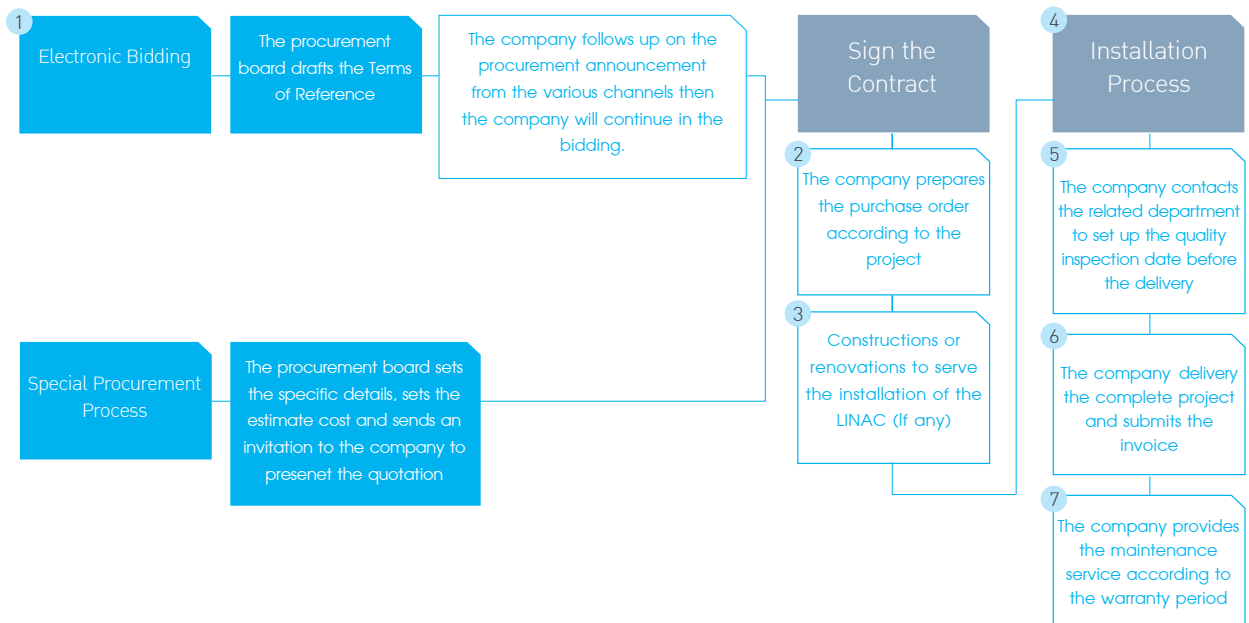
2. After the company has received the selection process results or has been invited by the clients to be the provider or distributor from one of the above processes, the company will contact its partners overseas to prepare the purchase order according to the project and prepare the necessary documents to process the loan from the bank as well as any other necessary documents for contract signing.

3. In the case where space renovation is needed, the company will coordinate with outsource contractors to run the constructions or renovations. The company will monitor the work process of the contractors closely to ensure the necessary standard is met.

4. After the product has been delivered to Thailand, the company will process the installation of the product in the designated space according to the clients.

5. Once the installation is complete, the company will set up an appointment with the client for quality inspection before the hand over. This will also include any necessary trainings, both domestic and overseas, to doctors or related officers so that they are able to operate the machine correctly.
6. The company hands over the project to the client and places the invoice for payment according to the terms in the contract.
7. The company provides the maintenance service to the equipment according the agreed warranty period as stated in the contract.

Distribution Process Diagram



Moreover, in the case where the project is worth less than 100,000 Baht, the company may follow the price agreement method or in the case where the project is worth more than 100,000 Baht but not exceeding 2,000,000 Baht, the company may follow the price survey method.

Maintenance Service Process

1. After the warranty period, the company will prepare the quotation for the maintenance service to the client for consideration before signing the maintenance agreement to continue the maintenance on the equipments.
2. The company will send the engineer in to run the maintenance service or in some cases the clients will coordinate with the company to find the experts from the manufacturing company to provide the maintenance service on the equipments according to the maintenance agreement.
3. The company sends the invoice to the client for payment collection as agreed in the maintenance agreement.

The company has a clear policy in handing over the equipments which must be accurate according to the agreed time frame in the contract including the quality of the product must be according to the purchasing agreement as well as the commitment in quality control of the installation and maintenance service throughout its usage life.

Environmental Consequences

The business operation of the company has no external environmental consequence. However, the company puts its emphasis on the environmental management as LINAC has high radiation energy which could be harmful to human. Therefore, to prevent radiation leak to be within the international standard, the company focuses greatly on the selection of the personnel who is the expert and has many years of experience in constructions, renovations and installation of the machine to be correct according to international standard.

Unfinished Project

As of December 31, 2016, the company has 1 unfinished project worth 169 million Baht which is expected to be finish by the year 2017.

No.	Project	Start Date	End Date	Expected Delivery Date
1.	LINAC with treatment planning system for Bangkok Hospital	Aug 6, 2016	Jun 2, 2017	within Q2 of 2017

Source: Company's data

However, the accounting standards to recognize the revenue of the company specifies that the revenue will be recognized once the project is complete and handed over. Therefore, if the mentioned unfinished project postpones its hand over date or fails to hand over according to schedule, which mostly occurs due to the unreadiness of the hospital or the space where the machine needs to be installed, this will affect the hand over date and the revenue recognition of the company for each accounting term.

Key Risk Factors

The company has the following key risk factors.

Business Operations Risks

1. Risks from dependency on the key manufacturer in USA

In distributing radiotherapy medical equipments such as LINAC, treatment planning system and radiotherapy patients database system, the company imports products from Varian Medical Systems Inc. and its group of companies ("Varian") from USA and the key manufacturer and distributor of radiotherapy medical equipments and software system, as well as proton beam therapy and mineral implant therapy using advanced technology including x-ray tube for medical purposes and linear accelerators for container inspection using high energy x-ray. Varian is regarded as the high quality manufacturer and distributor of radiotherapy equipments and is highly accepted among the radiotherapy industry both domestically and internationally.

The company was appointed as the exclusive importer and distributor of Varian in Thailand since the establishment of the company until now which is more than 15 years. The ratio of the cost of sales and service from Varian in the year 2014-2016 is 664.93 million Baht, 206.81 million Baht and 455.62 million Baht which accounts for 71.17%, 79.07% and 74.06% of sales and service cost respectively.

From the data above, it can be seen that the company has high dependency on Varian for its business operation. Beside from the cost ratio from Varian which shows high dependency from the company for its business operation, the Varian products both LINAC, treatment planning system and radiotherapy patient database system are considered as the main products which generate the main revenue for the company and is key to the company's success in selling other supporting products. Therefore, if the company fails to continue to be the exclusive distributor of Varian or in the case where Varian faces any problems in its business operation and becomes unable to distribute to the company, this will have a dramatic impact on the company that could make the company unable to continue its operation.

However, the company has been working with Varian for over 15 years since the establishment of the company and the company has been appointed as the exclusive distributor since 2000. Throughout this time, the company has been able to operate its business well and has been an important part in distributing Varian products to Thai clients. Moreover, Varian is the key medical equipments and software system provider for radiotherapy in USA and is registered on the New York Stock Exchange, with stable financial status with over 3,099.10 million USD in revenue in the year 2015 and 3,217.80 million USD in the year 2016 with over 7,300 employees which works in the factories across North America, Europe and China including 70 sales offices around the world (Source: Varian Medical Systems 2015 Annual Report). From this data, the chance of a problem in Varian's business operation is low and the company strongly believes that it can remain the exclusive distributor in Thailand continuously as the 2 companies have had strong partnership and there is no reason for Varian to cancel the appointment as the exclusive distributor in Thailand.

2. Risk from not able to follow the key conditions as stated in the appointment agreement with Varian

In the appointment agreement with Varian, it has stated some conditions of being an exclusive distributor which could be a risk in the business operations in the future.

First is the duration of the current contract which is for a period of 2 years (October 1, 2015 - September 30, 2017). Therefore, should Varian decide not to renew the contract with the company, this poses a risk for the company every 1 - 2 years depending on the stated duration in the agreement. However, the company does not see any concern in the renewal of the contract based on the past 15 years performance of the company and the continuous renewal of the contract for the past 15 years which shows the trust and dependency between the company and Varian.

Next is the minimum purchase order that the company has to order from Varian which stated that the company must order at least 8 million USD worth of products from Varian in the year 2016 and 10 million USD in the year 2017. If the company fails to reach the minimum purchase order as stated in the agreement, Varian reserves all rights not to renew the contract as the exclusive distributor. However, the company does not see any concern in this matter as the company maintains a regular communication, negotiation and update with Varian regarding the situations that may affect the purchase order. In the past, when the company failed to reach its minimum order, the company would communicate and negotiate with Varian and clarified the issue to Varian and were never asked not to be renewed.

3. Risk from the increase of competition

The medical equipments import business is a fast-growing industry especially the ones with advanced technology such as radiotherapy machine which Thailand cannot manufacture and must be imported from overseas. To do so, the company needs to have registered for a license to manufacture or import the medical equipments according to the law. However, this does not stop new competitors to enter into the industry much.

Therefore, the company has the risk of new competitors and also the risk of Varian to run its own operation in the country against the company. This will not enable the company to continue its operations as the key products of the company are from Varian.

However, the company views that the rising of new competitors or for Varian to run its own operations in the country are highly impossible due to 3 reasons.

Firstly, radiotherapy equipments that are highly-accepted by the medical personnel domestically and internationally only come from 2 key manufacturers. One of them is by Varian Medical Systems Inc. (Varian) from USA which the company is representing. The other is by Elekta AB from Sweden which the company's competitor is representing. Therefore, the risk in new competitors within the country that will have the same potential as the company is very unlikely as the distribution of medical equipments especially ones related to cancer treatment requires knowledge and expertise in the product. Moreover, the company has its strength in being the solution provider for the clients which includes providing the equipments and supporting equipments, renovating the space to be suitable for installation and after sales maintenance service. And the reputation of the company for over a decade has build strong credibility to Varian which means that the chance that Varian will change its distributor is highly unlikely as there is a chance that the new distributor might not be able to operate up to the standard of the company which will reflect negatively on Varian itself.

Secondly, Varian has its cost both monetary and time in managing the sales, marketing and after-sales service. To run the mentioned operations in a non-familiar territory to Varian might not be worth it especially when compared with the sales ratio in Thailand. As a result, to appoint a distributor who is familiar with the territory and target clients and understands the culture and environment of its own country is probably better and can create more value to Varian.

Lastly, Varian alone cannot serve the needs of the clients in Thailand which need a full circle solution provider who can take responsibility in all aspects including space preparation to installation like what the company is currently operating. As this makes the clients experience more convenient, faster and less complicated. When comparing with other countries such as Singapore which does not need a distributor who is a solution provider, this allows Varian to be able to operate its own business there where clients will take care of the other aspects themselves. The company sees that as long as the needs of Thai clients still remain this way, it will be impossible for Varian to compete with the company.

Though the company has many advantages, it still realizes the risk in business competitions. Therefore, the company has the policy to differentiate itself through better service quality as well as improving the effectiveness of the company's work process. The company believes that we can maintain and improve the capacity of the company for the distribution of these products in Thailand in the long run.

4. Risk from Revenue Recognition Standard based on Accounting Standards

The key revenue of the company comes from distributing and installing the medical equipments for radiotherapy patients. Most of the sales revenue comes from high value projects which usually are the ones where the key product is the teletherapy machine which is worth 50-250 million Baht on average per project. In the year 2014-2016, the company generated 973.39 million Baht, 186.92 million Baht and 580.05 million Baht from these projects respectively which accounted for 97.38%, 78.97% and 95.54% of total sales revenue respectively. The standard for recognizing revenue based on the accounting standards stated that the company may recognize new revenue only when the company has transfer the risk in the product to the client. For large scale projects, this will take approximately 210-360 days (from the signing date) to complete the project and hand over to the clients and recognize the revenue at one time. Therefore, should the company not be able to install or hand over the project within the scheduled accounting terms or the project was postponed, the company will face the risk of unstable income on each accounting term as the revenue will have to be moved to the following term once it has been handed over.

However, the company fully realizes the risk from using this standard, and it focuses mainly on the management of the project to ensure that everything will run according to the scheduled time frame. In the past, the company never fails to hand over the project to the clients on time unless the reasons were from the clients' unreadiness for the company to install the machine which caused the postponement in the revenue recognition.

5. Risk from most customers are hospitals affiliated with the government

In the past, the company's target clients are mainly hospitals affiliated with the government. One key factor that sets the need for these hospitals to order from the company or not is the budget allocated from the supervised department. This means that even if the hospitals would like to purchase from the company but if the budget allocation does not support the purchase, the hospitals may not be able to order. This will have a dramatic impact on the sales revenue of the company and may affect the operation for each accounting term.

Moreover, the annual budget allocation for the governmental departments is done on a seasonal basis which means that it will cover the period from October 1 to September 30 of the following year. In each fiscal year, if the clients are allocated with sufficient budget, the purchase order may begin and contracts will be signed during the 4th quarter (after budget allocation). Then, it will take the company between 210-360 days from the signing date to complete the project and recognize the revenue which would be around the 3rd or 4th quarter of the following year. Therefore, with the mentioned nature of the annual budget, it can be seen that the company will see higher revenue in the 3rd and 4th quarter of the year while the 1st and 2nd quarter, the company may not see high revenue as there may be no hand over of high value projects.

With the 2 reasons above, the company may face the risk of not receiving the purchase order from public hospitals if they are not allocated with sufficient budget in each fiscal year, together with the nature of the annual budget allocation also mentioned above may cause the company to generate low revenue continuously on each accounting terms. These factors affect the unstable and fluctuated income of the company

However, the company still has another revenue from maintenance service which is another continuous revenue following on from the key products of the company and this income is a more stable one for each year. This means that if the company can increase its sales of products, it will gain more revenue from maintenance service which will bring more stability to the company's overall revenue

6. Risk from the niche nature of the business in terms of products and market conditions

The key products of the company such as LINAC or hardware and software of the treatment planning system are specialized products with advanced technology with high value and low manufacturers. These factors impact the nature of the market condition of this business. In another word, the target clients of the company are in a niche market which is only for public health services. Moreover, the key products of the company especially the LINAC has an average life of 12 -15 years until another machine is required to replace the old one. At present, there are only 6 out of 36 LINAC sold from Varian that is more than 7 years old. And the change in the technology of the LINAC may require a long time to develop and experiment as it is the medical equipments with direct effect to the patients. Therefore, the market condition and demand in the products may be limited to these clients only and to the limited time frame that take a long time before another replacement machine is needed. If we look at the data of the life of the LINAC by Varian above, it can be seen that there are 30 machines which have been in use for less than 7 years which will take a long time until another machine is required to be ordered.

Because of this, it may affect the company's ability to expand its revenue in the long run and the company may face the risk of unstable and fluctuated revenue in the future.

However, the company realizes this risk in unstable and fluctuated revenue as it is a key factor that will

impact the business operations and revenue of the company. The company does not see that being in a niche market will affect the operations of the company as there is not enough radiotherapy machine for cancer patients anyway based on the data from World Health Organization which suggested that the trend of cancer patients in Thailand is likely to rise continuously. At present, there are 70 LINAC in Thailand which is equal to 942 patients to one machine per year. This is not enough to serve the patients as each LINAC has the capacity to treat 400-500 patients per machine per year. With this reason, the company feels that the existing target clients will still have the demand to purchase the products continuously and the budget allocation to the target clients (both for public and private hospitals) will become essential and will be the opportunity that the supervised departments must consider to invest in product.

7. Risk in following the related orders, rules and regulations

In operating the distribution and installation of the radiotherapy machine by importing from the expert company overseas including the maintenance service, the company must follow the orders, announcements, rules, regulations, act and related law such as 2008 Medical Device Act, Ministry of Public Health Announcement, FDA Orders and Announcement, 2008 Responsibility for unsafe products Act by the Office of the Consumer Protection Board, Office of the National Anti-Corruption Commission 2011 Announcement on the criteria and process of accounting showing the P&L of the projects that an individual or a juristic person agrees with governmental agencies. This is to control the business operations of the manufacturers, importers and distributors of medical equipments and to protect the safety and rights of the consumers. Moreover, as the target clients are university hospitals, cancer hospitals under the Ministry of Public Health and other public hospitals which uses electronic bidding or special procurement process, the government has develop the procurement system to be more effective and of high standard.

Therefore, as the business operations under the control of the law, rules and regulations above, the company must follow to them strictly because if the company fails to do so whether by human error or ignorance, it may result in the halt in the company's operation and could incur additional cost to the company. For example, if the company fails to renew its license to import medical equipments in time, the company may not be allowed to import the product which caused the company not to be able to sell the product to the clients which in the end will result in the delay in the hand over of the project and affect the revenue of the company.

However, to reduce this risk, the company puts the emphasis on the communication to all employees to

realize the importance of following orders, announcements, rules, regulations, act and related law and following up on any changes to these rules and regulations from observing government announcement or communicating with the clients on a regular basis. In addition, the company also focuses on monitoring the license and other related documents in distributing the products of the company in every step to ensure that everything is under control and will not cause the delay in the hand over of the project to the clients. Since its establishment, the company has never had an issue related to this that have caused a loss in the business operations.

Management and Administration Risk

Risk from Dependency of the key Directors

At present, the key Directors of the company includes Mr. Sompong Chunekitiyanone, Director, Executive Chairman and CEO and key shareholder of the company for 32.06% of the paid-up capital as of January 31, 2017 and Mr. Voravid Silapusid, Director, Managing Director, Chief Financial Officer and Human Resources Director and key shareholder of the company for 31.31% of the paid-up capital as of January 31, 2017. Both of them have been in the business for a long time with clear visions and has the direct responsibility to set the policy, directions and business operations of the company. Therefore, the change in these mentioned Directors may cause the company to face an issue in its future business operations. To decentralize and reduce the risk on the dependency of these key directors, the company has set up its organization chart to include honorable directors with long-term experience in management and operations and allow managers of different levels to take part in the decision and setting the directions of the company more. The company also decentralize the management authority and responsibility clearly. However, Mr. Sompong Chunekitiyanone and Mr. Voravid Silapusid will still be the ones who set the main policy of the company. As for the othe details, these will be decided by other members of the management team to reduce the risk in dependency on the key Directors.

Financial Risk

Risk from the fluctuation in foreign currency exchange

As the medical equipments need to be imported from overseas such as USA, Germany, UK, and Sweden which sets the payment conditions to be paid in foreign currency. In the year 2014-2016, the company mports account for 71.47%, 66.48% and 63.05% of the sales and service cost respectively. Therefore, the company may face a risk in the fluctuation of the foreign currency exchange. If there is an economic situation that soften the Thai Baht when compared to the foreign currency, this could have a negative effect on the overall operation of the company as can be seen that in the year 2014-2016, the company's profits and loss from foreign currency exchange are at 0.83 million Baht, -4.41 million Baht and 3.92 million Baht respectively.

However, to reduce the effects from the fluctuation in the foreign currency exchange, the company has the policy to manage the risk by using currency hedging for foreign currency. The company has no policy in gaining profits from this fluctuation whatsoever. Therefore, the company sets its policy that if the company uses Letter of Credit, the company will do forward contract and use the currency exchange as of the date of the contract. Moreover, the company also monitors and assesses the risk in foreign currency exchange through economic news analysis for its business operations.



Assets in Business Operations

Assets Table as of December 31, 2016

Asset Types	Asset Description	Ownership	Contingencies	Net Value as of December 31, 2016 (Thousand Baht)	Usage
1. Cars and their improvements	Trucks and trucks roofs	Company	-No-	663	To use in communication and deliver the products
2. Equipments	Small medical equipments	Company	-No-	121	To use in installing and quality inspection of the radiotherapy system
3. Office Supplies	Office supplies used at the company's office	Company	-No-	2,038	To use within the office
4. Rental Office Renovation	Renovation of the company's rental office located at 92/45 Sathorn Thani 2 Building, 16th Floor, Sathorn Nua Rd., Silom, Bangrak, Bangkok	Company	-No-	1,262	To use within the office
Total				4,084	

Intangible Assets

As of December 31, 2016, the company's intangible assets include computer programs whose net value is 195,803 Baht

Important Contracts in Business Operations

Agreements and Certification as Distributor

Details - Agreements as the exclusive distributor of Varian Medical Systems Pacific, Inc. ("Varian")

Contract Party	Varian Medical Systems Pacific, Inc.
Contract Duration	October 1, 2015 - September 30, 2017 (24 months)
Contract Type/ Product	Exclusive Distributor Agreement in Thailand about radiotherapy Products

Details - Agreements as the exclusive distributor of Varian Medical Systems Pacific, Inc. ("Varian") in Cambodia

Contract Party	Varian Medical Systems Pacific, Inc.
Contract Duration	November 1, 2016 - September 30, 2017
Limitation of the Product Provider	In the case the Varian sales directly to the clients in Cambodia, Varian must pay the commission fee to the distributor
Products	Radiotherapy Products

Details - Agreements as the distributor of Deltabit Oy.

Contract Party	Deltabit Oy.
Contract Duration	November 25, 2015
Contract Type / Product.	Distribution Agreement to distribute the products and sets its pricing and distribute freely in Thailand / Patient Confirmation System

Details - Agreements as the exclusive distributor of Mobius Medical Systems, LP.

Contract Party	Mobius Medical Systems, LP.
Contract Duration	Phase 1: January 1, 2016 - December 31, 2018 (36 months) Phase 2: January 1, 2018 - January 1, 2019 (12 months) (contract will be renewed automatically but in the case where one party states the request not to renew the contract in writing, the contract will be terminated)
Contract Type / Product	Exclusive Distributor Agreement about Treatment Plan Verification Software

Beside from the asset inside the office, the company also has 2 other types of assets that are likely to be damaged. First is the products that are waiting to be installed and second is the products that are in the cargo space that the company rents and from the delivery from port to cargo and from cargo to clients' space. The company has made an insurance agreement for the full value of the products on each purchase both for products that are waiting to be installed including constructions and system works in the client's space and products in the cargo area and products that are being delivered to the clients' space.

Investment in the Subsidiary Companies and Associates

As of December 31, 2016, the company has no investment in any subsidiary company and associate. However, to consider an investment in a subsidiary company or associate, the company will focus on the business that will support and benefit the operations of the company first by taking into account the profits, risk and liquidity of the company carefully. The investment must be considered by the Board of Directors and Shareholders Meeting according to the approved authorization and must be done in accordance with the requirements and announcement of the Capital Market Supervisory Board and the Stock Exchange Market of Thailand as well as any related laws, rules and regulations and order announcements. The company will monitor the consideration by assigning members of the board of directors or the directors of the companies as a board member to control the direction and policy in management to align with company's business operations.

Legal Disputes

As of December 31, 2016, the company has no legal dispute that may bring negative consequences to the business operations of the company and the company has no legal dispute that may bring negative consequences to the assets of the company which is worth more than 5% of the shareholders.

Management and Corporate Governance

As of December 31, 2016 the company has a registered capital and paid-up capital of 200,000,000 Baht, divided into 400,000,000 ordinary shares with a par value of 0.50 Baht per share.

Shareholders Structure

The names of the major shareholders of the company as of date January 31,2016 are as follows:

No.	Name of Shareholder	Number of shares	Percentage(%)
1.	MR. SOMPONG CHUNEKITYANONE ¹	128,250,000	32.06
2.	Group Family SILAPUSID	128,258,200	32.06
	2.1 MR. VORAVID SILAPUSID ²	125,250,000	31.31
	2.2 MRS. SIVIKA SILAPUSID	3,008,200	0.75
3.	MR. NOPPADOL SUNTANAPHANICH ³	24,000,000	6.00
4.	MRS. SARIN CHINUDOMSAP	13,075,500	3.27
5.	THAI NVDR Co., Ltd.	7,075,600	1.77
6.	MR. NATTAPONG PHANRATTANAMONGKHOL	6,248,400	1.56
7.	MR. CHAVENG SUWANRAT	3,596,000	0.90
8.	MR. BENJAPHOL LEELANIRAMON	2,360,000	0.59
9.	MR. CHAOWARAT VEHPINYO	1,850,000	0.46
10.	Other Shareholders	85,286,300	21.33
Total of Shares		400,000,000	100.00

NOTE: ¹ MR. SOMPONG CHUNEKITYANONE as the Director, Executive Chairman, Chief Executive Officer, Chairman of Risk Management sub-Committee, Nomination and Remuneration Committee and Deputy Operation Officer (Acting)

² MR. VORAVID SILAPUSID as the Director, Executive Committee, Deputy Financial & Human Resource Officer, Risk Management, sub-Committee Nomination and Remuneration and Human Resource Manager (Acting)

³ MR. NOPPADOL SUNTANAPHANICH as the Director, Executive Committee, Service & IT Manager and Risk Management sub-Committee

Other securities issued

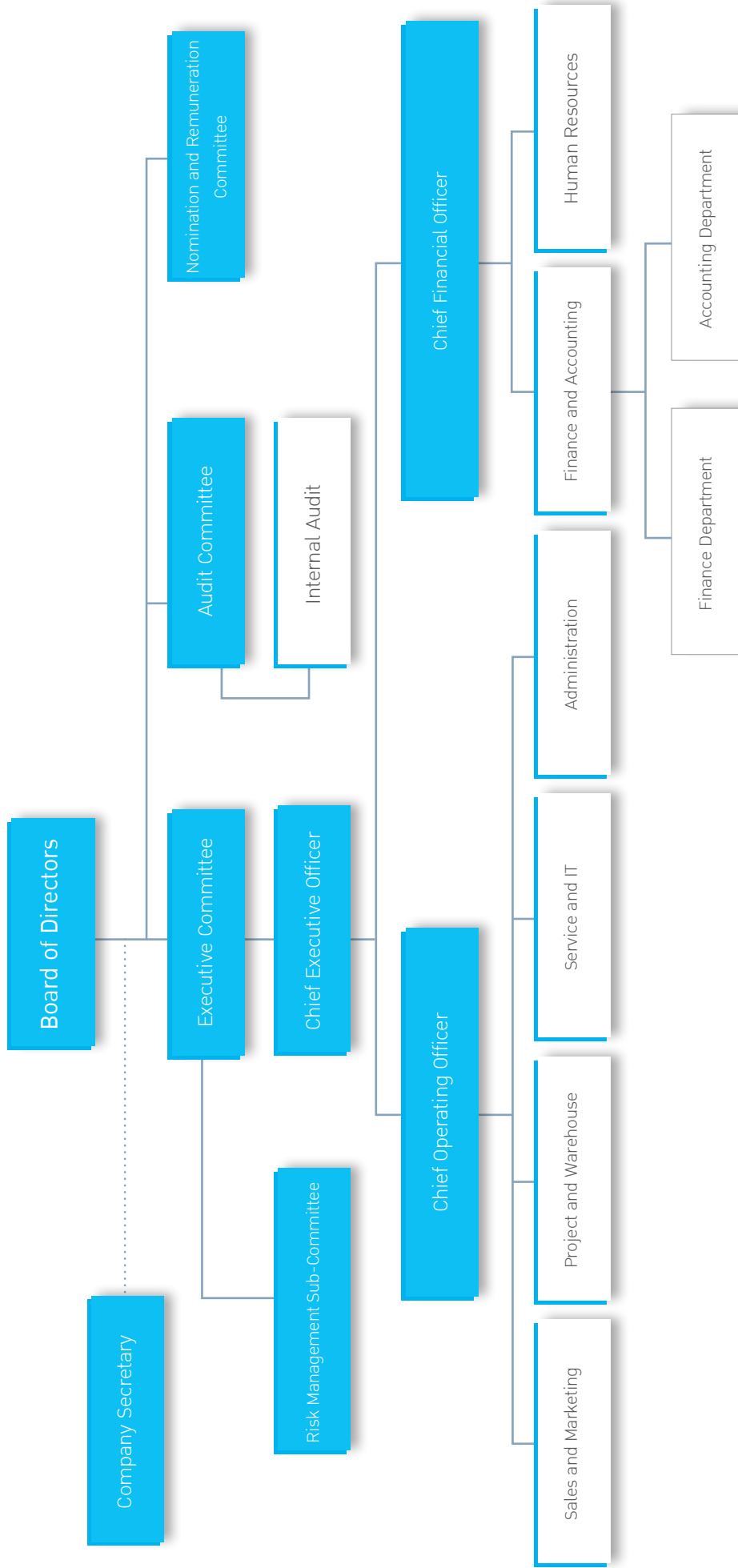
-None-

Dividend Policy

The company has set a policy for the annual dividend to be paid out at a rate of not less than 40 per cent of the net profit after the deduction of all reserves as defined in the Articles of Association and the law, barring the occurrence of other necessitating events, and in the event that dividend payout does not significantly affect the normal operations of the company.

However, these dividends are subject to change depending on operation results, the company's financial situation, liquidity, investment plans as well as factors impacted by the business administration, and other necessitating events or situations which may appropriate a change in the future. Payout shall be made at the discretion of the Board of Directors, as the aforesaid dividends are under their jurisdiction. In any case, the Board of Directors' resolution to approve any payment of dividends must be proposed to the shareholders' meeting for consideration, except in the case of an interim dividend payment. The Board of Directors has the authority to approve an interim dividend payment, providing it is reported at the following shareholders' meeting.

Management Structure



Note: - The internal audit of the company is outsourced by appointing the Honor Audit and Advisory Co. Ltd.

Board of Directors

As of December 31, 2016 the company's Board of Directors consisted of seven members as follows,

Name		Position
1. Mr. Woodtipong	Moleechad	Chairman of the Board/Independent Director
2. Ms. Srirat	Chuchottaworn	Director/Chairman of the Audit Committee/Independent Director
3. Mr. Vipoota	Trakulhoon	Director/Audit Committee/Independent Director
4. Mr. Thanawat	Lertwattanak	Director/Audit Committee/Independent Director
5. Mr. Sompong	Chunekitiyanone	Director
6. Mr. Voravid	Silapusid	Director
7. Mr. Noppadol	Suntanaphanich	Director

Note: ^{/1} Mr. Noppadol Suntanaphanich was appointed Director on 3 April 2015. He has been an employee of the company since 1 August 2004.

Ms. Srisunun Anuchornphan being appointed as the Company Secretary.

Names of directors who are authorized signatories of the company: Mr. Sompong Chunekitiyanone,

Mr. Voravid Silapusid and Mr. Noppadol Suntanaphanich - Any two signatures of three directors with company's seal shall bind the company.

Scope of Duties and Responsibilities of the Board of Directors

1. The Board of Directors must perform its duties with responsibility, carefulness and integrity as well as in compliance with the laws, company objectives, the Articles of Association and resolutions of the shareholders.
2. The Board of Directors may consider for appointment a person who possesses the qualifications and does not possess any characteristics prohibited under the Public Company Act of B.E. 2535 (1992) and the laws governing SEC and SET and any notifications, regulations and/or rules relevant to the position of Director, in case a vacancy is created due to a cause other than retirement by rotation of directors.
3. The Board of Directors may consider and appoint Executive Directors chosen from the directors of the company as well as specify the scope of power, duties and responsibilities of directors.
4. The Board of Directors may consider and appoint Independent Directors and Audit Committee members based on the qualifications and prohibited characteristics under the laws governing SEC and SET, including relevant rules, regulations and/or notifications from the Stock Exchange of Thailand (SET) or they may also propose members of the company to the shareholders' meeting for appointment as Independent Directors or appointment to the Audit Committee.
5. The Board of Directors may consider, specify and amend the list of directors with the power to authorize in the company.
6. The Board of Directors may appoint any person as their proxy to operate the company under the control of the Board or may grant said person with power to act on its behalf and/or during a specific period of time as deemed appropriate by the Board. The Board of Directors may revoke, cancel, change or amend the proxy whenever it deems appropriate.

7. The Board of Directors may approve transactions of acquisition or disposition of assets, unless the aforesaid transactions are required to be subject to approval at a shareholders' meeting. In either case, approval shall be in compliance with the relevant notifications, regulations and/or rules of the SET.
8. The Board of Directors may approve related transactions, unless the aforesaid transactions are required to be subject to approval at a shareholders' meeting. In either case, such approval shall be in compliance with the relevant notifications, regulations and/or rules of the SET.
9. The Board of Directors may approve the payment of interim dividends to shareholders in the event that the company has made sufficient profits to do so. Such payments may be reported at the following shareholders' meeting.
10. The Board of Directors shall determine the company's vision, policy and operational direction, business strategies and annual budget and supervise management to ensure compliance with the policy efficiently and effectively so as to provide maximum economic value for shareholders as well as sustainable growth.
11. The Board of Directors shall evaluate the performance and remuneration of directors and senior management.
12. The Board of Directors shall be responsible for business profits and performance of the management, with attention and care throughout all of its operations.
13. The Board of Directors must ensure that management employs appropriate and effective risk management systems.
14. The Board of Directors shall establish clear and measurable targets for business operation to be adopted as guidelines in setting the company's performance goals, taking into account their feasibility and reasonability.
15. The Board of Directors shall be consistently accountable to shareholders and operate by protecting the interests of shareholders, disclosing information that is material to investors correctly and completely with adherence to high standards and transparency.
16. The Board of Directors shall evaluate of the performance and remuneration of senior executives.
17. The Board of Directors must ensure that management employs appropriate and effective risk management systems.
18. The Board of Directors may consider and decide on significant matters such as policies and business plans for large investment projects, with authority to manage the acquisition or disposition of assets and any other items specified by the law.
19. The Board of Directors shall determine the power and level of approval for transactions and various tasks related to the company's operation by any committee or person as appropriate and in compliance with related legal requirements, the policies of which are to be formulated into an operation manual which must be reviewed at least one (1) time per year.
20. The Board of Directors shall provide an accounting system, financial reporting and reliable auditing and must also ensure to provide a procedure for assessing internal controls.
21. The Board of Directors shall approve the proposed appointment of the auditor and consider the yearly audit fee, which shall be presented to shareholders for their approval.
22. The Board of Directors shall report on its responsibilities in preparing the financial statements by presenting the statements together with audit results in the annual report, covering all key issues in accordance with the designated policy guidelines for directors of listed companies in the Stock Exchange of Thailand.
23. The Board of Directors shall supervise the performance of various sub-committees in accordance with any specified charters.
24. The Board of Directors must personally evaluate results of its own operations and also evaluate its overall performance results.

Term of Office of the Directors

The Board of Directors is responsible for managing the business operations of the company. The directors' term of office has been appointed in accordance with the regulations of the company, which is that at the Annual General Meeting of Shareholders one-third (1/3) of those who are directors at the time are to retire. If the number of directors at the time is not divisible by three, then the number nearest to one third (1/3) of the directors shall retire from office. Retired directors may be chosen to return to their position again.

For any committee devoted to a specific purpose, namely the Audit Committee, the term of office is three years, one year being defined as the period between the date of the Annual General Meeting of Shareholders in the year of the appointment and the Annual General Meeting of Shareholders of the following year. Directors who retire at the end of their terms may also be nominated and appointed to their positions again.

However, any action taken to grant powers, duties and responsibilities to the Board of Directors shall not result in empowering or granting any power of attorney which may authorize the Board of Directors or a grantee to approve transactions in which s/he or any other person may have a conflict of interest (as defined in SEC and SET notifications) with the company or its subsidiaries.

Meeting Attendance of the Directors in the year 2016

Name	Year 2015		Year 2016	
	Board Meeting	Audit Committee Meeting	Board Meeting	Audit Committee Meeting
1. Mr. Woodtipong Moleechad	(1)/(1)	-	(8)/(8)	
2. Ms. Srirat Chuchottaworn	(1)/(1)	(1)/(1)	(8)/(8)	(5)/(5)
3. Mr. Vipoota Trakulhoon	(1)/(1)	(1)/(1)	(8)/(8)	(5)/(5)
4. Mr. Thanawat Lertwattanak	(1)/(1)	(1)/(1)	(8)/(8)	(5)/(5)
5. Mr. Sompong Chunekitayanone	(7)/(7)	-	(8)/(8)	
6. Mr. Voravid Silapusid	(7)/(7)	-	(8)/(8)	
7. Mr. Noppadol Suntanaphanich	(5)/(5)	-	(8)/(7)	

Remark: (Total meeting / meeting Attendance)

Management

Management Team

As of December 31, 2016, the company's Management team consisted of seven members as follows:

Name	Position
1. Mr. Sompong Chunekitayanone	Chief Executive Officer/Chief Operating Officer (Acting)
2. Mr. Voravid Silapusid	Chief Financial officer/Human Resources Manager (Acting)
3. Mr. Noppadol Suntanaphanich	Service and IT Manager
4. Ms. Sukanya Khamnuan	Financial and Accounting Manager
5. Mr. Wutthichai Boonrat	Project and Warehouse Manager
6. Ms. Siwaporn Imsamran	Administration Manager
7. Ms. Waraporn Sangsrichan	Sales and Marketing Manager

Scope of Duties and Responsibilities of the Chief Executive Officer

1. To control the business operations, determine strategic operational planning, and manage the daily administration of the company.
2. To decide on important matters of the company, determine company mission, objectives and company policies as well as control the administration in various lines of operation.
3. To have the authority to direct, contact, command as well as sign contracts, written executive orders and notices as specified in the operation manual.
4. To have the authority to hire, appoint and transfer personnel as appropriate as well as determine the scope of authority, responsibility and reasonable remuneration for said personnel, and to have the authority to dismiss and lay off the staff at various levels as appropriate, as specified in the operation manual.
5. To have the authority to determine the terms of trade for the benefit of the company.
6. To consider investments in new businesses or termination of businesses in order to present to the Executive Committee and/or Directors.
7. To approve and appoint consultants for various aspects as necessary for company operations.
8. To perform any duties as assigned by the Executive Committee and/or Directors.

However, along with the assignment of power, duties and responsibilities of the Chief Executive Officer as stated above, the CEO must comply with the requirements and agenda that has been approved by the Board of Directors which does not include granting power and/or sub-granting power to a grantee to approve transactions in which the CEO or the grantee or any person who may have conflicts of interest (as defined in the Notification of the Capital Market Supervisory Board), may be stakeholders, have a vested interest, or receive benefits in conflict with the interests of the company. The approval of such transactions must be submitted to the Board of Directors and/or the shareholders' meeting (dependant to circumstance) for approval in accordance with the Articles of Association or related laws

Company Secretary

As per the provisions of Article 89/15 of the Public Company Act B.E. 2535 (1992), the Board of Directors must provide a Company Secretary who shall assume responsibilities on behalf of the Company or its Board of Directors. The Board of Directors' Meeting No. 5/2016, held on 23 December 2016, has appointed Ms. Srisunun Anuchornphan as the Company Secretary, effective 1 January 2017, with the following roles, duties and responsibilities being applicable to the Company Secretary.

1. To prepare and maintain the following documents:
 - (A) The Register of Directors
 - (B) Notice of the Board of Director's Meeting, minutes of the Board of Director's Meeting, and the Company Annual Report;
 - (C) Notice of the Shareholders' Meeting and minutes of the Shareholders' Meeting.
2. To maintain reports on stake holding submitted by the Directors or Management and send a copy of the report to the Chairman of the Board and Chairman of the Audit Committee within seven business days from the date the company received the report.
3. To prepare a system for the preservation of documents and evidence related to the disclosure of below information as well as to ensure the complete and verifiable preservation of such documents or evidence for a period of not less than five (5) years from the date the documents or information were created. The

preservation of such documents and evidence of the above shall include storage in a computer system or any other system that allows them to be retrieved and viewed without modification of the content.

- (1) Information pertaining to the resolutions of the Shareholder's Meeting.
 - (2) Financial statements and reports on the financial position and operating results of the company or any other reports required to be disclosed according to Section 56, Section 57, Section 58 or Section 199 of the Securities and Exchange Act.
 - (3) The opinion of the company towards offers tendered for the shares of the company by the general shareholders.
 - (4) Information provided or reports regarding any other business that the company has prepared for distribution to the shareholders or the general public as stipulated by the Capital Market Supervisory Board.
4. To perform other duties as prescribed further by the Capital Market Supervisory Board.
 5. The Company Secretary must perform duties with responsibility, care and integrity and conduct the company's business in compliance with the laws, company objectives, Articles of Association, and resolutions of the Board of Directors as well as resolutions of the shareholders and not commit any act which is contrary to or significantly inconsistent with the interests of the company.
 6. The Company Secretary must act with responsibility and prudence as an intelligent individual in business would under the same circumstances by adhering to the following:
 - (1) Decisions and actions taken in good faith and integrity, with intention for and in accordance with what will bring the greatest benefit to the company;
 - (2) Decisions and actions taken based on a foundation of knowledge that is believed in good faith to be sufficient;
 - (3) Decisions and actions taken without a vested personal interest, whether directly or indirectly, in the decision or its outcome.

In case the Company Secretary retires or is unable to perform his or her duties, the Board of Directors shall appoint the new Company Secretary within 90 days from the date which the Company Secretary retired or was unable to perform his or her duties.

Remuneration of Directors and Executives

Remuneration in Cash

Remuneration of Directors

The 2016 Annual General Meeting of Shareholders on 12 March 2016 approved the remuneration of the Board of Directors and Audit Committee for the year 2016 as summarized in the table below.

Position	Meeting Allowance 2016
Chairman of the Board	15,000 Baht/person/meeting
Director	10,000 Baht/person/meeting
Chairman of the Audit Committee	15,000 Baht/person/meeting
Audit Committee	10,000 Baht/person/meeting

The AGM has determined the Directors' remuneration - including other forms of Directors' remuneration - of which the total amount must not exceed two million Baht per year.

Summary of the Remuneration of Directors in the year 2014-2016

Name	Year 2014 (Baht)	Year 2015 (Baht)	Year 2016 (Baht)
1. Mr. Woodtipong Moleechad	-	15,000	120,000
2. Ms. Srirat Chuchottaworn	-	25,000	155,000
3. Mr. Vipoota Trakulhoon	-	20,000	130,000
4. Mr. Thanawat Lertwattanak	-	20,000	130,000
5. Mr. Sompong Chunekitiyanone	-	10,000	80,000
6. Mr. Voravid Silapusid	-	10,000	80,000
7. Mr. Noppadol Suntanaphanich	-	10,000	70,000
Total	-	110,000	765,000

- Notes:
- The Directors' remuneration for the year 2015 as approved by the Extraordinary General Shareholders' Meeting No. 1/2015 held on 16 December 2015 with effect from the Board of Directors' Meeting No. 7/2015 and the Meeting of the Audit Committee No. 1/2015 onwards.
 - From the past until 2014, there has been no remuneration for the Directors.

Other benefits - None

Remuneration of Executives

The company pays its executives through a salary and benefits such as a provident fund, retirement benefits, and so on.

Executive Remuneration	Year 2015		Year 2016	
	Total of employees	Total (million baht)	Total of employees	Total (million baht)
Salary	7	6.31	7	7.43
Bonus	7	4.03	7	4.67
Other ^{/1}	7	1.21	7	3.56
Total	7	11.55	7	15.66

- Notes:
- ^{/1} Other forms of executive compensation include telephone charges, gas, commission, group health insurance and provident funds
 - The Board of Directors Meeting No. 3/2015 held on 1 October 2015 was notified of the AIA Master Pool Provident Fund established in conjunction with and under the management of AIA Company Ltd. as of 15 October 2015, applicable from 1 November 2015 onwards.

Other remunerations

- none -

Personnel

Number of employees (excluding Executives)

As of 31 December 2016, the company had the following number of employees:

Number of Employees	Year 2015	Year 2016
Finance and Accounting	2	2
Sales and Marketing	1	1
Customer Service and Information	2	3
General Administration	1	1
Total (persons)	6	7

Source : Company data

Note : All employees of the company are Permanent employees.

Total Compensation of Staff, Company Employees and Types of Compensation

Unit: Million Baht

Type of Compensation	Year 2015	Year 2016
Compensation of employees in the form of salary, bonus, overtime pay, commission, social security, provident funds, welfare, etc	3.46	7.34

Note : On 1 October 2015 the company was notified of the AIA Master Pool Provident Fund established in conjunction with and under the management of AIA Company Ltd. as of 15 October 2015, applicable from 1 November 2015 onwards.

Significant labor disputes in the past three years

- none -

Staff Development Policy

The company places an emphasis on the development of its personnel in order to enhance their skills, knowledge and understanding about the products imported to sell by the company through organizing various training and knowledge development sessions for the managers and employees continually and consistently as follows:

- Training and knowledge development for the technicians: The company has sent staff technicians to receive training and knowledge development regarding the medical device sets distributed by the company including skills for their basic repair; the training has been organized by the manufacturers of medical devices in foreign countries who have partnered with the company yearly.
- Training and knowledge development for the sales and marketing department: The company's products and services consist of medical devices for the treatment of cancer and are targeted mainly towards clients in the medical field. A key component of the company is sales and marketing and after-sales service staff with knowledge and a good understanding of the products and who can provide excellent customer service, advise clients and highlight the benefits from using the company's products and services. As such, the sales team is considered an important distribution channel for our products and services.

The company therefore places a high focus on the development of its sales personnel so that they can provide appropriate knowledge, advice and training demonstrations on the use of our products to the customers with sufficient expertise.

- Training and knowledge development for the finance and accounting department: The company is a public company and must therefore maintain financial records in accordance with the International Financial Reporting Standards (which includes the Accounting Standards, interpretations of Accounting Standards and interpretations of International Financial Reporting Standards). In line with the company's initiative to steadily improve its financial reporting standards, company has a policy of training and developing the knowledge of its finance and accounting staff. The accounting personnel receive training in updates and changes related to financial reporting standards and closely follow any changes and improvements related to the financial accounting standards.
- The company organizes work observation trips for its personnel to study and observe the manufacturer of the medical devices which the company distributes in various countries such as the United States, and fosters their participation in annual medical conferences, both at home and abroad, in order to increase their knowledge and keep them updated on the latest medical technology.

In addition to developing of the company's personnel, the company also supports the development of individuals whom its personnel must work in close conjunction with, such as physicians, radiologists, medical physicists and medical radiographers by seeking and providing support for their training in the use of machines and medical devices, both domestically and abroad, so that these individuals can operate our tools appropriately.

Corporate Governance

Good Corporate Governance Policy

The Board of Directors' Meeting No. 1/2016 (the first one to be held post-conversion) on 22 March 2016 approved the policy on good corporate governance according to the guidelines of the Stock Exchange of Thailand in order to maintain transparency in the operations of the company at all levels, from employees and management to the Board of Directors, and for the long-term benefit of shareholders, customers, investors and the general public. This includes establishing the Code of Business Ethics and Code of Conduct to guide the work of Directors and Management to comply with the Code of Best Practices for listed companies and adhere to the principles of Good Corporate Governance as stipulated by the SET. The essence of governance is divided into five categories as follows:

I. Rights of Shareholders

The Board of Directors recognizes the importance of respecting the fundamental rights of shareholders by adhering to the principles of fair treatment of shareholders at all times, in strict compliance with the law, such as rights to freely transfer the company's stock, rights to receive their share of profits in the form of dividends, rights to access the company's news and information, rights to attend the shareholders' meeting and vote on various agendas, to appoint a proxy to attend the meeting, to appoint directors and auditors, to express their opinions and query directors at the shareholders' meetings as well as the right to propose an agenda and nominate directors in advance. The company has strictly ensured that shareholders maintain such rights and has not in any way violated or diminished the rights of shareholders.

1. Organizing the shareholders' meeting

The company held the Annual General Meeting of Shareholders in compliance with SET regulations following the Securities and Exchange Commission (SEC) guidelines for organizing the shareholders' meeting.

1. The company has disclosed a policy to support or promote every group of shareholders to attend the shareholders' meeting.
2. The company has provided information on the date, time, venue and agenda of the meeting with an explanation and rationale for each item on the agenda or assembled the requested resolutions as listed in the notification of the General Meeting of Shareholders and Extraordinary General Shareholders Meeting or in documents attached to the meeting agenda.
3. The company tries to ease the process for shareholders to fully exercise their rights to attend and vote and has refrained from any action that would restrict the opportunity for shareholders to attend the meeting - for example, preventing the meeting attendance process from being too difficult, preventing the meeting cost from being too high, and providing a venue with easy access - all in order to facilitate the casting of votes at the shareholders' meeting.
4. The company opened the opportunity for shareholders to submit queries prior to the meeting with clear guidelines on how to send queries in advance and delivered the information to shareholders along with the notice of the shareholders' meeting. In addition, the company has published guidelines for submitting queries in advance via the company's website.
5. The company encouraged shareholders to use the proxy form with which they can specify their votes and with which they must nominate at least one independent director as one channel for shareholders to authorize their votes by proxy.

2. Procedure on the day of the shareholders' meeting

1. The company has used technology to enhance the procedures for the shareholders' meeting such as in the registration of shareholders, vote counting and displaying the vote-count to speed up the process of the meeting to be faster and more accurate.
2. All Directors should attend the shareholders' meeting, with shareholders being free to query of the Chairman of each sub-committee on various related issues.
3. At the meeting, shareholders shall vote on each item of the agenda.
4. The Board should support or arrange for an independent party to canvas or examine the votes at the General or Extraordinary General Meeting of Shareholders and disclose it within the meeting as well as record the results in the meeting minutes.
5. The Board of Directors should encourage the use of ballots on important agendas such as related transactions or the acquisition or disposition of assets to ensure transparency and accountability in the event of a later dispute.
6. The Chairman of the Meeting should allocate appropriate time and provide shareholders with an opportunity to comment and make queries at the meeting on matters related to the company.

3. Preparing the minutes and disclosure of the resolutions of the shareholders' meeting

1. The explanation of the process of voting and disclosure of the vote-count to the shareholders prior to the start of the meeting shall be recorded in the meeting minutes, as well the opportunity for shareholders to address various topics or issues or present their queries. Aside from this, any questions, answers, the results of the vote-count on each agenda item should be recorded, indicating whether shareholders approved, disapproved or abstained from voting. The list of directors who attended and those who were absent should also be recorded.
2. The company shall disclose to the public the results of the vote on each agenda item at the General and Extraordinary General Meeting of Shareholders through the Company's website.

II. Equal Treatment of Shareholders

Building confidence in the shareholders that the company's Board of Directors and Management will control the use of shareholder money appropriately is a critical factor to help foster investors' trust. Therefore, the Board should ensure that all shareholders receive equal treatment and protection of their fundamental rights as follows.

1. The right to appoint a proxy to attend the General Shareholders' Meeting and vote

In the event that any shareholder is unable to attend the meeting in person, s/he can exercise the right to appoint a third party or an Independent Director in the company named as a proxy to attend and vote instead. Shareholders must send a letter authorizing the proxy with all necessary details including a copy of their identification card, passport or other form of identification as specified back to the company prior to the day of the Shareholders' Meeting.

2. The right to propose additions to the agenda

The company allows shareholders to propose additions to the agenda above and beyond the agenda of the Annual General Meeting of Shareholders by performing the following steps:

- Submit the proposed item for addition into the agenda along with the rationale, detailed facts and any supporting data needed via the proposal form for the Annual General Meeting of Shareholders.
- The company will verify the shareholding status of the person who proposed the additional agenda in the register of shareholders as of the closing date of the register of shareholders. The criterion for considering the proposed agenda for the meeting is that the item must be related to the company operations or could significantly affect the company operations. If the Board approves the proposal, it will be added into the agenda for the shareholders' meeting along with an indication that the agenda was proposed by a shareholder.

3. The right to nominate individuals to be appointed as Directors

Shareholders can nominate individuals to be appointed as Directors. The company reserves the right to consider only individuals who meet the following qualifications:

- The individual must possess the right qualifications and must not possess any characteristics prohibited under the Public Company Act, the laws governing securities and exchange or the principles of Good Corporate Governance.
- The individual must possess the education, work experience or other qualifications, in this case, as stipulated by the company.
- The individual must be ready to devote sufficient time and be fully dedicated to the best of their abilities to promote the best interests of the company, considering this to be a part of their duty, and be ready to attend meetings regularly.
- The individual must not hold the position of Director in more than five (5) listed companies.

The Independent Directors Committee will consider and make a selection of those individuals who are eligible to be proposed to the shareholders' meeting for their consideration and vote. However, if the Independent Directors Committee votes not to nominate an individual at the shareholders' meeting, the individual will be nominated to the shareholders' meeting aside from the opinion of the Independent Directors Committee in order for the meeting to determine its consensus one final time by vote. The documents which shareholders must attach to the proposal for appointment are as follows: (1) Nomination form for the person(s) to be elected as director(s) and (2) background information on the person(s) nominated to the position via a share certificate or a letter of confirmation of shareholding from a securities company/agency which the nominated individual must sign in order to certify their consent and post by registered mail to the company within the period of time specified by the company.

4. Preventing the use of inside information

The company has a policy restricting the use of internal information to a specific circle consisting of intermediate to senior executives within the relevant department or within the company. Verified financial statements will be stored by the Director of Finance and Accounting. Other confidential information will be used for discussion only with individuals in the managerial level and above. The company has predetermined disciplinary measures that will be applied to related persons should any use of inside information occur which incurs a loss or other damage. Moreover, the company has stipulated that Directors and Management must report the company holdings to the SEC.

5. Controlling inside trading of securities

The company has a policy not to allow employees, executives and individuals with inside information of the company's performance to trade in the company's securities from the date of receiving the information until the

information is made public. And the data must not be disclosed to the public in order to increase the value of the company's securities, especially during the first month of trading prior to the financial statements being issued publicly.

In addition, Directors and Executives of the company must report any changes in the company's securities holdings to the Securities and Exchange Commission and the Stock Exchange of Thailand pursuant to Section 59 of the Securities Exchange Act B.E. 2535 (1992), acknowledge the penalty which will be imposed on violators under the Securities and Exchange Act B.E. 2535 (1992), and include in their report any changes in securities holdings held by spouses and underage children. The Directors and Executives must submit a copy of such reports to the company on the same day of submitting such reports to the SEC, which requires notification within three (3) business days after the change occurs.

III. The Role of Stakeholders

The company places high focus on the governance of all stakeholder groups, such as customers, employees, suppliers, shareholders or investors, creditors and communities where the company is located. The stakeholders will be supported by the company according to the rights granted by related laws. The company will not take any action that violates the rights of stakeholders by law or by agreement. The company has instilled initiatives to promote the participation of stakeholders according to their roles and responsibilities in order to enhance the company's performance and ensure optimal results from the business operations, also promoting long-term sustainability to the business and equitable benefits to all parties. In addition, the company also provided a channel for stakeholders to communicate, comment or provide information to the Board of Directors via the Independent Directors or the company's Audit Committee.

The company has pondered and established initiatives to promote cooperation between the company and stakeholders to generate prosperity, financial stability and promote sustainability of the business as follows:

- Value employees at all levels of the company by treating the staff equally, fairly and providing adequate compensation based on the knowledge and ability of each employee, and helping them to achieve their potential by continually developing their knowledge and skills in parallel. The company also prioritizes the maintenance of a healthy work environment with regard to work safety and quality of life for all employees.
- The purchase of goods and services from suppliers will be performed based on the underlying commercial trade rules; the company will strictly adhere to trade agreements made in conjunction with the supplier in order to promote a healthy and beneficial relationship to both parties in the long run.
- Comply with all conditions of any existing loan agreements.
- Caring and showing responsibility towards all customers in every aspect by maintaining product quality, providing excellent service to a high standard, protecting the privacy of customers and keep customer information confidential, and providing pricing that is fair and equitable under the current pricing policies.
- Adhering to the principles of fair competition and avoiding the use of dishonest practices to destroy or injure competitors.
- Valuing and showing responsibility towards the community at large and protecting the environment in surrounding areas, from promoting activities for the community's public benefit to actions taken to foster the development of communal and societal environments as deemed appropriate, in order to lead to better living conditions for all inhabitants.

IV. Disclosure of Information and Transparency

The company emphasizes the importance of disclosure. The Board will ensure that the company discloses all important information concerning the company, both financial and non-financial, accurately, completely, transparently and in a timely manner. Disclosure will be made through various channels through which those to whom it is relevant can easily access the information. Information shall be disclosed in a fair and credible manner, through appropriate channels and venues as stipulated by the law. The important information which the company will disclose includes financial reports and non-financial information that may affect the price of the company's securities - in compliance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

The company will ensure that the quality of financial reporting is accurate according to certified accounting standards and audited by an independent auditor, who has been approved by the Office of the Securities and Exchange Commission. In addition, the company will disclose the following information in order to demonstrate transparency in its operations: Information on the performance of the Board and the Audit Committee, including the number of meetings and the number of times meetings were attended by each Director in the past year, the company policy on remuneration of Directors and Senior Management including the types and forms of compensation, reports on the policy of Corporate Governance and operation results according to the policy. In any case, the above information, in addition to being disclosed to the public through the channels such as the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand, will also be disclosed by the company through the company website.

V. Responsibilities of the Board of Directors

The Board of Directors is comprised of experts with varied knowledge, capabilities and experience which can be used to and develop and define policies that will bring benefits to business operations of the company. The Board is independent in making decisions for the best interest of the company and the shareholders as a whole and has important functions in determining company policies including oversight, tracking and monitoring of the performance of management including the evaluation of the implementation of various plans of operation. The company has a Board of Directors comprised of seven members with three (3) members being directors who are company executives and four (4) members being directors who are not executives. Four directors are independent, which is more than one-third (1 in 3) of the total number of board members, achieving an appropriate balance of power to counter those Directors who also carry the executive titles within the company. In addition, the company has appointed an Audit Committee consisting of three (3) Independent Directors who shall hold office for a term of three years, whose scope and authority in the operation of the said Committee are clearly stated in the Audit Committee charter.

The company has a clear and transparent process in determining the directors' remuneration by seeking approval from the shareholders' meeting which will take into consideration the appropriate remuneration depending on the scope of the duties and responsibilities of each Director, to maintain a level of compensation which can attract and retain directors who are competent to perform their duties to the Company, as well as a rate comparable to the remuneration of directors in the same or similar industries.

Every Director has been made to understand their duties and responsibilities as a Director of the company and is ready to express their opinions freely and work on continual self-improvement, keeping themselves updated at all times on essential information, as well as performing their duties with integrity, care and prudence, taking into account the best interests of the Company and fairness and equitability all shareholders. In addition, every member of the Board devotes his/her time in order

to perform all duties according to his/her responsibilities fully and adequately including the practice of attending the Board meetings, except in the occurrence of other necessitating events which may prevent their attendance.

In addition, the Board of Directors recognizes the importance of adequate disclosure of information to shareholders, investors and all related persons and adheres to disclosure of information in an accurate, complete, transparent, thorough and in a timely manner. It includes financial reporting, operating results and other relevant information along with information affecting the stock prices of the company in accordance with the principles of good Corporate Governance. The data and information is disseminated to shareholders, investors and related persons to use in making investment decisions through various channels including documents delivered by post and the publications and media of the Stock Exchange of Thailand (SET) and the Office of Securities and Exchange Commission (SEC). Such information shall also subsequently be disclosed to the Company's website after each time that common shares are listed in the SET.

Sub-Committees

Audit Committee

As of 31 December 2016, the company's Audit Committee consisted of three (3) Independent Directors, who possess all the qualifications as stipulated by the Office of the Securities and Exchange Commission (SEC), as follows:

Name	Position
1. Ms. Srirat Chuchottaworn	Chairman of Audit Committee / Independent Director
2. Mr. Vipoota Trakulhoon*	Audit Committee / Independent Director
3. Mr. Thanawat Lertwattanak	Audit Committee / Independent Director

Note : *Audit Committee member with knowledge and experience in verifying the creditability of the financial statements.

Scope of Duties and Responsibilities of the Audit Committee

1. The Audit Committee shall review financial reports to ensure that they are accurate and reliable and provide adequate disclosure by coordinating with the external auditors and the Executive(s) responsible for preparing the quarterly and annual financial reports.
2. The Audit Committee shall review the appropriateness of the company's Internal Controls and Internal Audit policies to ensure that they are suitable and effective. The Committee shall also verify the independence of the Internal Audit as well as approve the appointment, transfer and dismissal of the head of the Internal Audit agency or any other agency responsible for the Internal Audit. The Audit Committee may suggest a review or inspect any items that it deems important or necessary along with providing suggestions on how to improve the essential, mandatory system of internal controls to the Board of Directors by reviewing and comparing notes with the External Auditor and the Internal Systems Audit Manager.
3. The Audit Committee shall verify the implementation Securities and Stock Exchange laws or regulations of the SET, and policies, rules or regulations and other laws relating to the company's business.
4. The Audit Committee shall select and nominate an independent person to act as an auditor and make a proposal for the remuneration of the company auditor to the Board of Directors. In addition, the Audit Committee shall meet with the auditor independently of the company Management at least one time per year.
5. The Audit Committee shall review the Company's internal audit plan according to generally accepted procedures and standards.

6. The Audit Committee shall review related transactions or transactions that may have conflicts of interests to ensure that they are in compliance with the laws and regulations of the SET as well as verify that the correlating disclosure of information is accurate and complete, to ensure that any such transactions are conducted appropriately and in the best interests of the company.
7. The Audit Committee shall verify that the company's risk management systems are appropriate and effective.
8. The Audit Committee shall conduct a self-report on the performance of the Audit Committee to the Board of Directors at least four (4) times a year.
9. The Audit Committee shall prepare a report of the Audit Committee which shall be disclosed in the annual report of the company. The report must be signed by the Chairman of the Audit Committee and must contain the following information at minimum:
 - 1) An opinion on the accuracy, completeness and reliability of the financial statements of the company and an opinion on the adequacy of the company's Internal Controls.
 - 2) An opinion on the company's compliance with Securities and Exchange laws and SET regulations or laws which relate to the company's business.
 - 3) An opinion on the suitability of the auditor.
 - 4) An opinion on related transactions or transactions that may have conflicts of interest.
 - 5) The number of meetings held by the Audit Committee and attendance records of each member of the Audit Committee.
 - 6) Opinions or overall observation on the Audit Committee's performance of its duties as stipulated in the committee Charter.
 - 7) Other matters that shareholders and investors should be informed of which pertain to their scope of duties and responsibilities as assigned by the Board of Directors.
10. The Audit Committee shall contribute their opinion whenever the company evaluates the appointment, dismissal or performance of Internal Audit officials.
11. Within its scope of duties and as part of its performance, the Audit Committee is authorized to invite any related persons from the Management, Executives, or company employees to comment, attend meetings or submit those documents which are deemed relevant or necessary.
12. The Audit Committee is authorized to hire a consultant or a third party, in accordance with company regulations, to comment or offer advice if necessary.
13. The Audit Committee shall evaluate its performance by making a self-assessment and submitting assessment reports - noting any problems and obstacles encountered which could have caused its operation to fall short of the intended objective with which the Audit Committee was established - to the Board of Directors every year.
14. The Audit Committee shall consider, review and update the Charter of the Audit Committee.
15. The Audit Committee shall perform other duties as assigned by the Board of Directors within the scope of duties and responsibilities of the Audit Committee.

Term of Office of the Audit Committee

The term of office of the Audit Committee is three years, one year being defined as the period between the date of the Annual General Meeting of Shareholders of the year the Committee member was appointed until the Annual General Meeting of Shareholders of the following year. Audit Committee members who retire by rotation may be nominated and appointed to the position again.

Executive Committee

As of 31 December 2016, the company's Executive Committee consisted of four (4) members as follows:

Name		Position
1.	Mr. Sompong Chunekitiyanone	Executive Chairman
2.	Mr. Voravid Silapusid	Executive Committee
3.	Mr. Noppadol Suntanaphanich	Executive Committee
4.	Ms. Sukanlaya Khamnuan	Executive Committee

Scope of Duties and Responsibilities of the Executive Committee

1. The Executive Committee shall provide oversight on the management of the company to ensure that it adheres to policies set by the Board of Directors and must report business operation results to the Board of Directors. Meetings of Executive Committee must be attended by at least half of the Directors on the Board. The Executive Committee shall form its resolutions by a majority of the votes cast at its meetings, with the majority being defined as a share of half or more of the votes cast by the entire Executive Committee.
2. The Executive Committee shall define the scope of power and level of authorization for each individual, and provide for the separation of duties that when combined could easily lend themselves to fraud, and define the appropriate steps and any due process that must be observed when performing business transactions with major shareholders, Directors, Executives or other related persons in order to prevent any inappropriate transference of benefits. These rules and requirements must be presented to the Board of Directors for approval. The Executive Committee must also ensure that all ensuing actions and practices are in compliance with those rules and requirements which have already been approved.
3. The Executive Committee shall evaluate the annual budget and budget spending process and present their conclusions to the Board of Directors. It shall also provide oversight to the company's spendings to ensure compliance with budgets that have already been approved by the Board of Directors.
4. The Executive Committee shall evaluate and improve the company's business plan as is suitable for the benefit of the company.
5. The Executive Committee shall evaluate and approve investments and set investment budgets according to its authority as prescribed in the operations manual.
6. The Executive Committee shall evaluate contracts that are binding on the company according to its authority as prescribed in the operations manual.
7. The Executive Committee shall be responsible to adequately provide significant information pertaining to the company in order to facilitate informed decisions by the Board of Directors and shareholders, including the preparation of reliable financial reporting according to good and transparent standards.
8. The Executive Committee shall evaluate the profits and losses of the company and propose the year's annual dividend payments to the Board of Directors.
9. The Executive Committee shall evaluate new business operations or the closing of a business operation in order to present its conclusions to the Board of Directors.
10. The Executive Committee shall supervise the provision of procedures for workers to report any incidents, misconduct or wrongdoing promptly to the Executive Committee. In the case that such incidents have significant repercussions, the Board of Directors must be informed in order that the matter may be corrected in the most timely manner.

11. The Executive Committee shall take any action to support the implementation of the above or the opinion of the Board of Directors or as authorized by the Board of Directors.
12. Any action proposed to the Executive Committee on any matter which has been voted on and/or approved by the Executive Committee shall be reported to the Board of Directors for acknowledgement at the following meeting of the Board of Directors.

However, the assignment of powers, duties and responsibilities to the Executive Committee as stated above does not which does not include granting power and/or sub-granting power to a grantee to approve transactions in which the Executive or the grantee or any person who may have conflicts of interest (as defined in the Notification of the Capital Market Supervisory Board), may be stakeholders, have a vested interest, or receive benefits in conflict with the interests of the company. The approval of such transactions must be submitted to the Board of Directors and/or the shareholders' meeting (depending on the situation) for approval in accordance with the Articles of Association or related laws.

The Risk Management Sub-Committee

As of 31 December 2016, the company's Risk Management Sub-Committee consisted of eight (8) members as follows:

Name		Position
1.	Mr. Sompong Chunekitiyanone	Chairman of Risk Management Sub-Committee
2.	Mr. Voravid Silapusid	Risk Management Sub-Committee
3.	Mr. Noppadol Suntanaphanich	Risk Management Sub-Committee
4.	Ms. Sukanlaya Khamnuan	Risk Management Sub-Committee
5.	Ms. Srisunun Anuchornphan	Risk Management Sub-Committee /Secretary
6.	Mr. Wutthichai Boonrat	Risk Management Sub-Committee
7.	Ms. Siwaporn Imsamran	Risk Management Sub-Committee
8.	Ms. Woraporn Sangsrichan	Risk Management Sub-Committee

Scope of Duties and Responsibilities of the Risk Management Sub-Committee

1. The Risk Management Sub-Committee shall determine the policy and structure of the company's risk management system to be presented to the Board of Directors in compliance with the guidelines for risk management from the Stock Exchange of Thailand and the Institute of Internal Auditors of Thailand.
2. The Risk Management Sub-Committee shall set up strategies in accordance with the risk management policy in order to evaluate, monitor and control each type of risk to remain within acceptable risk parameters for the firm, through involving various agencies in risk management and risk control.
3. The Risk Management Sub-Committee shall assess risks at the organizational level and determine how to manage those risks to remain within acceptable risk parameters for the firm, as well as supervise the management of risk through methods as prescribed.
4. The Risk Management Sub-Committee shall review the current policy of risk management and improve its efficiency and effectiveness in order to provide adequate risk control.
5. The Risk Management Sub-Committee shall have the authority to call any related persons to clarify or to appoint and define the role of staff at every level to be responsible for risk management as appropriate and to report to the Risk Management Sub-Committee for risk management purposes.
6. The Risk Management Sub-Committee shall report the risk management outcome to the Executive Committee and Audit Committee for presentation to the Board of Directors on a quarterly basis.

7. The Risk Management Sub-Committee shall prepare a risk management manual.
8. The Risk Management Sub-Committee shall identify risk areas and to analyze and evaluate the risk potential, including trends which affect the company.
9. The Risk Management Sub-Committee shall set up a plan to prevent or reduce risk.
10. The Risk Management Sub-Committee shall evaluate and produce a risk management report.
11. The Risk Management Sub-Committee shall set up an integrated risk management system by linking it with existing information systems.
12. The Risk Management Sub-Committee shall perform other duties as the Board deems appropriate.

Nomination and Remuneration Committee

As of 31 December 2016, the company's Nomination and Remuneration Committee consisted of five (5) members as follows:

Name		Position
1. Mr. Vipoota	Trakulhoon	Chairman of the Nomination and Remuneration Committee
2. Ms. Srirat	Chuchottaworn	Nomination and Remuneration Committee
3. Mr. Thanawat	Lertwattanak	Nomination and Remuneration Committee
4. Mr. Sompong	Chunekitiyanone	Nomination and Remuneration Committee
5. Mr. Voravid	Silapusid	Nomination and Remuneration Committee

Scope of Duties and Responsibilities of the Nomination and Remuneration Committee

Recruitment

1. The Nomination and Remuneration Committee shall determine the method of recruitment for Directors who are suitable to the company's line of business and organizational operations by specifying the Directors' required characteristics and desired areas of expertise.
2. The Nomination and Remuneration Committee shall recruit Directors on the occasion when Directors must be nominated for consideration by the Board. The selection may also come from Directors who are already holding the position to continue to do so, individuals nominated by shareholders, recruitment by an outside company, individuals from a directory of professional directors or allowing each Director to nominate a suitable individual, for example.
3. The Nomination and Remuneration Committee shall review the list of individuals who have been nominated and select the qualified person in accordance with the qualifications specified.
4. The Nomination and Remuneration Committee shall ensure that the person to be nominated is qualified according to the laws and regulations of the relevant authorities.
5. The Nomination and Remuneration Committee shall approach individuals who are qualified in accordance with the criteria defined in order to ensure that such individuals are willing to accept the position of Director of the company if appointed by shareholders.
6. The Nomination and Remuneration Committee shall nominate individuals for consideration by the Board and include their names in the written invitation to the shareholders' meeting for the approval of the shareholders' meeting.
7. The Nomination and Remuneration Committee shall approve the appointment of Senior Management at the Executive Vice President level and above as assigned by the Board of Directors.

Remuneration

1. The Committee must consider the suitable criteria for determining the remuneration of Directors and Senior Management by evaluating the appropriateness of the criteria currently in use, and compare it with the remuneration used by other companies in the same industry as the company. The Nomination and Remuneration Committee shall establish suitable criteria to contribute to the expected performance which are fair and properly compensate the individuals who help the company's operation to succeed.
2. The Committee must review all forms of remuneration, such as the fixed remuneration, performance-based remuneration and attendance fees, by taking into account the practices used in the industry, business profits and the size of the company's business as well as the responsibilities, knowledge, skills and experience of the Directors and Senior Management as desired by the company.
3. The Committee must consider the criteria for appraising the performance of Managing Directors, Group Executive Directors and Senior Management as delegated by the Board of Directors.
4. The Committee must determine the annual remuneration of Directors, the Chief Executive Officer, Group Executive Directors and Senior Management according to proposed guidelines of remuneration and present it to the Board of Directors to approve the remuneration of the Directors, the Chief Executive Officer, the Group Executive Directors and Senior Management. As for the remuneration of Directors, the Board of Directors shall propose it to the shareholders' meeting for approval.
5. The Committee must consider the appropriateness and give approval in the event of a new employee stock option plan for Directors and employees, while adhering to principles that are fair to the shareholders and motivating to Directors and employees in their performance, resulting in greater value for shareholders in the long term and positively maintaining qualified personnel.

Nomination and Appointment of Directors and Top Executive

In the selection of a person to be appointed as Directors or Executives of the company, an individual who has been appointed as Director and Executive of the company must be a person who possesses all the qualifications prescribed under Section 68 of the Public Company Act B.E. 2535 (1992) and the Notification of the Capital Market Supervisory Board No. TorChor. 28/2008 Re: Application for and Approval of Offer for Sale of Newly Issued Shares, dated 15 December 2009, with the following composition and criteria for the nomination:

Composition and Nomination of the Board of Directors

1. The company shall have a Board of Directors to conduct the affairs of the company consisting of at least five (5) Directors. Not less than half of the total number of Directors must be residing in Thailand and the Directors of the company must possess the qualifications as prescribed by the law. Directors of the company may or may not be shareholders.
2. The shareholders' meeting shall appoint the Directors according to the rules and procedures below.
 - 2.1 Each shareholder has one (1) share per one (1) vote.
 - 2.2 Each shareholder shall use all his votes under 2.1 and may elect one or more individuals to be Directors. In case the shareholder selects many candidates to be directors, the total number of votes may not be split unequally among the candidates.

- 2.3 The candidates receiving the highest number of votes respectively are elected to the Board of Directors according to the number of Directors needed to be elected at that time. In case the elected candidates with the lowest rank of the highest number of votes receive the same number of votes and exceed the number of Directors needing to be elected at that time, the Chairman of the meeting shall make a final decision by casting a vote.
3. At every Annual General Meeting of Shareholders, one-third (1/3) of all the Directors at the time shall retire from their positions. If the number of Directors is not divisible by three, then the number nearest to one third (1/3) shall retire. The retiring Directors may be re-elected to the position again. Directors who are to retire in the first and second years following the registration of the company shall retire by drawing lots. In the subsequent years, the Directors who have been in office the longest shall retire from office.
 4. Any Director who wishes to resign must submit a letter of resignation to the company. Such resignation shall be effective from the day the letter of resignation arrives at the company.
 5. The shareholders' meeting may pass a resolution for any Director to leave office prior to the expiration of his term by a vote of at least three-fourths (3/4) of the number of shareholders present having voting rights and holding aggregate shares amounting to not less than half of the number of shares held by shareholders who attend the meeting and have voting rights.
 6. In the case a Director's position becomes vacant due to reasons other than retirement by rotation, the Board shall elect a person who possesses the qualifications and does not possess any characteristics prohibited under the laws on Public Companies or the laws governing securities and exchange to be Director in the following Board meeting, except if the former Director had less than two (2) months remaining in his term, in which case the newly elected Director shall remain in office only for the remaining term of the Director he replaces. And the resolution of the Board of Directors pursuant to the above shall be composed of not less than three-fourths (3/4) of the remaining Directors.
 7. The Board shall elect one member as Chairman, and the Board may approve of electing one or several Directors to be Vice-Chairmen. Vice Chairmen have duties pursuant to the operational regulations which will be assigned to him by the Chairman.

Composition and Nomination of the Audit Committee.

The Audit Committee shall be appointed by the Board of Directors and approved by the shareholders' meeting, and designated as Directors of the company with qualifications according to the Securities and Exchange Law, including notifications, regulations and/or rules as regulated by the Stock Exchange of Thailand. There must be at least three (3) persons in the Audit Committee. Out of the three, at least one (1) person must have knowledge of accounting and finance. The Audit Committee shall hold office for a term of three years from the date of the appointment. At the end of the term, if the Board of Directors or shareholders' meeting has not appointed a new Audit Committee, the retiring Audit Committee may continue to hold office until the Board of Directors or shareholders' meeting appoints the new Committee to replace the Audit Committee whose term is set to expire and/or in accordance with the term of office of Directors. Anyone recruited to the Audit Committee must be an Independent Director and possess the qualifications of an Audit Committee member as follows:

Qualifications of Independent Directors

1. Holds shares - not exceeding 1% of the total shares with voting rights - of the company, the parent company, subsidiaries, associates, major shareholders or controlling parties of the company. In this regard, the shares of related persons of the aforesaid Independent Director shall be counted as well.

2. Is not or has never been an Executive Director, employee, staff, advisor with regular salary, or controlling person of the company, parent company, subsidiaries, associates, same-level subsidiaries, major shareholder or controlling person of the company, unless the foregoing status has ended for not less than two (2) years prior to the date of submitting the application to the Office of the Securities and Exchange Commission. In this regard, such prohibited characteristics shall not include the case that such an Independent Director has been an official or advisor of a government unit which is a major shareholder or controlling party of the company.
3. Is not an individual who has a relationship by blood or legal registration with the status of father, mother, spouse, brother, sister, and child, including spouse of a daughter or son of an Executive, major shareholder, controlling person or person who is in the process of nomination to be Management or controlling person of the company.
4. Does not have nor used to have a business relationship with the company, the parent company, subsidiaries, associates, major shareholders or controlling parties of the company which may interfere with the independent judgment of said Independent Director, including not being nor has ever been a significant shareholder or controlling person of any party having a business relationship with the company, the parent company, subsidiaries, associates, major shareholders or controlling parties of the company, unless such status has ended for not less than two (2) years prior to the date of submitting the application to the Office of the Securities and Exchange Commission.
5. Is not or has never been the auditor of the company, parent company, subsidiaries, associates, major shareholders or controlling parties of the company, and is not a significant shareholder, controlling person, or partner of the auditing firm employing the external auditor of the company, parent company, subsidiaries, associates, major shareholders or controlling parties of the company, unless such status has ended for not less than two (2) years prior to the date of submitting the application to the Office of the Securities and Exchange Commission.
6. Is not or has never been a professional service provider including, but not limited to, legal service or financial advisor and receiving a service fee exceeding 2 million Baht per year from the company, parent company, subsidiaries, associates, major shareholders or controlling parties and is not a significant shareholder, controlling person, or partner of a firm providing such professional services, unless the foregoing status has ended for not less than two (2) years prior to the date of submitting the application to the Office of the Securities and Exchange Commission.
7. Is not a Director who has been appointed to be the representative of the Directors of the company, the major shareholders, or any other shareholder who is a related person connected to any major shareholder.
8. Does not operate the same or a significantly competitive business with the business of the company or subsidiaries, is not a significant partner in a partnership, neither is an Executive, employee, staff or advisor receiving regular salary, nor holds shares in the amount exceeding 1% of the total shares with voting rights of any other company which operates the same and significantly competitive business with the business of the company.
9. Does not having any characteristics which may hinder the ability to provide an independent opinion about the company's operations.
10. Independent Directors with such qualifications may be assigned by the Board of Directors to make decisions on the business operations of the company, parent company, subsidiaries, associates, same-level subsidiaries, major shareholders or controlling parties in the form of a collective decision.

Qualifications of Audit Committee Members

1. The Committee members must not be Directors who are assigned or authorized by the Board to be able to make decisions concerning the operations of the company, parent company, subsidiaries, associates, same-level subsidiaries or major shareholders.

2. The Committee members must not be Directors of any parent company, subsidiaries or same-level subsidiaries, which are listed companies.
3. The Committee members must possess sufficient knowledge and experience to serve as Audit Committee. At least one member of the Committee must have sufficient knowledge and experience to review the credibility of financial statements.
4. The Committee members perform the same duties as set forth in the Notification of the Stock Exchange of Thailand on the qualifications and scope of operation of the Audit Committee.

Composition and Nomination of Executive Committee

The Executive Committee must be Directors and/or Management of the company and/or employees and/or suitable individuals who are appointed by the Board of Directors, the number of which the Board deems appropriate. Accordingly, the Board of Directors will appoint an Executive Director as Chairman of the Executive Committee.

Composition and Nomination of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall be appointed by the Board of Directors. The Committee is composed of at least three (3) persons and should consist mainly of Independent Directors and Non-Executive Directors. In this case, one member of the Nomination and Remuneration Committee shall be appointed as Chairman of the Nomination and Remuneration Committee.

Composition and Nomination of the Risk Management Sub-Committee

The Risk Management Sub-Committee must be Directors and/or Executives of the company and/or employees and/or suitable individuals who were appointed by the Board of Directors, the number of which the Board deems appropriate. Accordingly, the Board of Directors shall appoint a member of the Risk Management Sub-Committee to be the Chairman of the Risk Management Sub-Committee.

Composition and Nomination of the Chief Executive Officer

The Chief Executive Officer shall be nominated by the Executive Committee by selecting among current members of the Executive Committee in order to present to the Board of Directors in order that the nominated candidate may be appointed as the Chief Executive Officer.

Overseeing Operations of Subsidiaries and Associates

As of 31 December 2016, the company did not have investments in subsidiaries or associates in any way. As a result, there is no policy governing the operations of its subsidiaries and associates.

Insider Information Control

The Board of Directors Meeting No. 1/2016 (the first after conversion) on 22 March 2016 passed a resolution concerning the regulations applying to the use of the inside information of the company - information which has not been disclosed - for the benefit of themselves or others. The company has set the following regulations:

1. Directors, Management, staff and employees of the company must adhere to the following practices:
 - A) Maintain confidentiality of secrets and/or inside information of the company.

- B) Must not use any confidentialities and/or inside information of the company to disclose or seek benefits for themselves or the benefit of any other person, whether directly or indirectly and whether or not they receive any form of remuneration as a result.
- C) Must not trade, transfer or acquire a transference of the company's securities using confidential and/or inside information of the company and/or enter into any other transactions or trade agreements using confidential and/or inside information of the company which may cause damage to the company, whether directly or indirectly.

In this case, the Directors, Executives, staff and employees of company who are in agencies which receive inside information of the company should avoid or refrain from trading in the securities of the company for a period of one month prior to the disclosure of financial statements to the public, and 24 hours after the disclosure of financial statements or important information to the public. The aforementioned regulations also apply to the spouses and underage children of Directors, Management and employees of the company. Failing to comply with the aforementioned regulations will be considered a serious offense.

2. Directors and Executives of the company, including the Auditors of the company must report changes to their shareholdings in the company as well as those of their spouses and underage children to the Office of the Securities and Exchange Commission pursuant to Section 59.

For any other persons who are not Directors and Executives (as defined by the SEC), but are likely to be equally informed about inside information of the company such as Directors and Executives (as defined by the SEC) and who have the duty to report their holding of any such securities pursuant to Section 59, the company has stipulated that all such persons must prepare and disclose a report of their shareholding including the holding of such securities by their spouse and underage children as well as any changes in such shareholding to the Company Secretary within three (3) days. The Company Secretary shall collect trading data and notifications of any changes in the holding of the aforesaid securities in order to report to the Audit Committee at each Board of Directors' meeting.

3. The company has announced the aforesaid regulations to all Directors, Executives and employees.

Auditor Remuneration

Remuneration of Auditor (Audit Fee)

The company paid audit fees for the review of the year 2015 and 2016 financial statements to M.R.& Associates Company Limited. Mr. Pisit Chiwaruangroch, Certified Public Accountant No. 2803, was the Auditor of the company. The details of the audit fees are as follows:

Audit Fees	Year 2015 (Baht)	Year 2016 (Baht)
1. Annual audit fee	700,000	750,000
2. Audit fee for quarterly financial statements	600,000	750,000
Total	1,300,000	1,500,000

Other charges (Non-Audit Fee)

- none -

Social Responsibility

The company's policy is to conduct its business with responsibility toward society, the environment and stakeholders in accordance with the guidelines of corporate social responsibility set forth by the Stock Exchange of Thailand, which has prescribed the following eight principles: 1) Fairness of operation, 2) anti-corruption measures, 3) respect for human rights, 4) fair treatment of workers, 5) responsibility toward consumers, 6) environmental preservation 7) development of the community or society and 8) innovation and dissemination of innovation, which are results from operating with responsibility toward society, the environment and stakeholders.

Policy Overview

The Board of Directors' Meeting No. 1/2016 (the first after conversion) on 22 March 2016 has approved a Code of Business Conduct manual and Anti-Corruption Policies as guidelines for strict adherence by the company's Board of Directors, Management and all employees, to be enforced in all segments of the business in order to produce a management system that is efficient, transparent and verifiable, and which enhances the trust and confidence of shareholders, investors, stakeholders and all parties involved. These guidelines must be applied in all normal business operations from the procurement process with partners, product education, product research and services that do not affect the environment all the way to creating the awareness as to the roles and duties that constitute a good member of society. This is done by giving priority to engaging and building relationships between the company and society on the basis of accuracy, transparency, fairness and promoting activities that are beneficial to society and the community and the welfare of staff by establishing regulations for operational procedures in all areas that are clear and strictly enforced to ensure the safety and equality in the workplace. Directors, Management and staff must perform their duties with integrity, giving focus and paying close attention to customers as well as providing a quality product at a fair price to the company's customers and consumers, according to the ideals of honesty and integrity which the company has adhered in over 15 years of business.

The company also has a system to maintain efficient corporate governance, preventing conflicts of interest, including corruption, through audits by certified public accountants and internal control system auditors who are licensed by the Office of the Securities and Exchange Commission in order to ensure that the company recognizes the rights of stakeholders, both as defined in the law and through company policy as relating to the treatment of shareholders, employees, customers, suppliers, etc.

Implementation and Reporting

The company has established its corporate social responsibility practices under the Code of Business Conduct as follows.

Operating with fairness

The company is committed to business integrity and business operations with social responsibility and good deeds toward individuals, groups, communities and the environment and operating with a good standard and control by through full use of its expertise and proceeding with caution, with enough information and verifiable evidence. This includes the strict adoption of the laws and regulations, treating customers fairly and not disclosing any customers information which it has obtained in the course of its business operations - this pertains to all information which is not normally not disclosed unless the disclosure made due to obligation under the law.

Anti-corruption measures

The company has stipulated guidelines for Directors, Management and staff that they shall neither claim, nor receive money nor benefits nor items which are inappropriate, dishonest or unsuitable from individuals involved in the affairs of the company. They shall neither claim, nor receive money nor benefits nor items from any person or juristic person they do business with, whether directly or indirectly, neither in order to give an advantage in exchange of privileges nor to benefit the business operations of the company.

The company is a distributor of medical equipment imported from abroad, with emphasis mainly on imports from the United States. The United States Foreign Corrupt Practices Act is an international anti-corruption legislation to incriminate any US firm trading with foreign companies that have engaged in bribery of state authorities. (The U.S. Department of Justice defines "corporate citizenship within the United States" to include those "directors, officers, employees, agents, distributors and shareholders working for the benefit of a company with the corporate citizenship within the United States. ") Thus, the company is very conscientious of anti-corruption in order to maintain good relationships to corporate partners and strengthen the company's business in the long run, and company will not undertake to bribe public officials under any circumstance.

Respect for human rights

The company is aware of respect for life and human dignity of every person, which is the foundation of management and human resource development including building relationships in society. As a result, the company has set up guidelines to promote compliance with the basic principles of human rights and equality regardless of differences in race, color, sex, language, religion, political belief or faith or any other differences which may extend to ethnicity, social origin, property, birth or status.

Treating workers fairly

The company believes that the most important factor in business which adds value and benefit to the business is its human resources, since the company's operation in various fields requires knowledge, skills and dedication of both strength and resolve in working to achieve the goal. Consequently, the company has determined guidelines for the treatment of employees. Executives must treat employees fairly, manage the business without bias, build potential for the employees' advancement and efficiency in their work including promoting an understanding of appropriate conduct for employees, establishing suitable welfare for them and dealing with them sincerely by rationally hearing out their feedback and suggestions.

In addition, the company operates as a distributor and deals with the installation of medical equipment for treating cancer patients with Radiotherapy. As a result, the company has does not require a production research and development process. However, the company focuses on supplying medical kits for treating cancer patients with Radiotherapy by importing foreign medical equipment from famed foreign manufacturers who specialize in the production of world-class medical equipment, and are recognized by medical personnel, both at home and abroad. Such equipment has been manufactured according to international standards approved by the FDA in the country of the manufacturer. The company also provides maintenance of these medical equipment kits in order to keep them in use throughout the lifetime of the product in order to serve customers with a comprehensive turnkey contract.

Responsibility toward consumers

The company's policy is to deliver quality products that meet the standards set for the consumer with attention to every process, consideration of customer satisfaction and an emphasis on providing our customers with the best quality products at a price that is fair and responsible toward the customer including to provide customer service with courtesy and all willingness to recommend useful information to customers.

Innovation and the spread of innovation which results from operating with social and environmental responsibility and responsibility toward stakeholders

The company will encourage the innovative processes at both the organizational level and the level of cooperation between organizations. This means operating in new ways, and could also mean a change in thinking. The goal of all innovation is positive change, to cause all things to change for the better, increase productivity, and in this case, to achieve the maximum benefit to society.

The spreading of innovation is considered to be part of the company's social responsibility, which it accomplishes by communicating and disseminating knowledge to all stakeholders both directly and indirectly. The company uses training as a channel to ensure that the company's knowledge reaches all company stakeholders completely and thoroughly. The company has cooperated with the Office of Atoms for Peace to arrange a training on radiation safety in Radiotherapy to ensure safety for all personnel involved in Radiotherapy and to ensure safety of patients from radiation equipment.

Activities for the Benefit of Society and the Environment

The company recognizes the importance of building good relationships between the company and society and the academic world by supporting activities in the area of social and educational development such as donations of money and items to hospitals and medical universities. It also provides training and knowledge about Radiotherapy to medical personnel by sending its management as lecturers as part of a training project on Radiation Safety in Radiation Therapy which was organized for the first time by the Division of Administration and Development of Academic Knowledge of the Office of Atoms for Peace (OAP) in 2014.

Internal Control and Risk Management

Internal Control and Risk Management Systems

At the Board of Directors' Meeting No. 1/2016 (the first after conversion) on 22 March 2016 attended by the Audit Committee in the form of the company's three Independent Directors, the Board of Directors has assessed the adequacy of the internal control system of the company based on five components which are the organization and environment, risk management, operational control of the Management, the information and data communication systems and the monitoring system. The Board of Directors concluded that the company's internal control system is sufficient and appropriate for the business of the company.

For the implementation of the internal control system, the Audit Committee of the company reviewed the internal control system and the business operations of the company by cooperating with the Auditor, the internal auditor and Management on the review of the financial reports for the adequate and reliable disclosure of information in order for the operations of the company to comply with the law on Securities and Exchange, regulations of the Stock Exchange of Thailand, as well as any rules, notifications and laws related to the business of the company. It will prepare a report on the operation of the Audit Committee to report to the Board of Directors and in the Annual Report of the company. The report shall be signed by the Chairman of the Audit Committee.

Internal Audit and Regulatory Affairs

The company has no internal audit department within the company. However, it has appointed Honor Audit and Advisory Co., Ltd., outsourcing its audit office to the said party to assess the internal controls of the company and the adequacy of the internal control system. The Internal Auditor will report the results of the internal audit to the meeting of the Audit Committee, as well as prepare an annual internal audit plan to present to the Audit Committee for approval of the plan in order to track and monitor the integrity of the operations to be in line with the company policy. The company has continually updated and improved the quality of its internal controls. The Audit Committee has concluded that the Honor Audit and Advisory Co., Ltd., which served as the internal audit department within the company, is qualified to be the Auditor due to its trusted history and experience in auditing listed companies in the Stock Exchange of Thailand; therefore, it is a reliable choice for auditor.

Connected Transactions

Description of Transactions

The Company had transactions with persons who may have conflicts of interest which were connected transactions that occurred between Directors and/or Management and/or major shareholders and related companies, of which the persons who have conflicts of interest are Directors and/or Management and/or major shareholders of the company, occurring in fiscal year 2015 which ended on 31 December 2015 and fiscal year 2016, which ended on 31 December 2016, respectively, as follows:

Companies/Persons who may have a conflict	Description of Connected Transactions	Connected transaction (yes=√, no=X)	
		Fiscal Year 2015 As of 31 December 2015	Fiscal Year 2016 As of 31 December 2016
1. Mr. Sompong Chunekityanone	<ul style="list-style-type: none"> - Tenure as Director, Chairman of Executive Committee, Chief Executive Officer, Chairman of Risk Management Sub-Committee, Nomination and Compensation Committee member and Vice Chairman of the Executive Committee and Chief Operating Officer (Deputy) of the company. - The company's major shareholder, holding 32.063 percent of the paid up capital of the company as of 31 December 2016. 	√	√
2. Mr. Voravid Silapusid	<ul style="list-style-type: none"> - Tenure as Director, Executive, Executive Vice President of Finance and Human Resources, Risk Management Sub-Committee member, Nomination and Compensation and Human Resources Committee member, Manager of Human Resources (Acting) of the company. - The company's major shareholder, holding 31.313 percent of the paid up capital of the company as of 31 December 2016. 	√	√

Details of Connected Transactions

Details of connected transactions between the company and persons who may have conflicts of interest, which occurred in fiscal year 2015 (ended 31 December 2015) and fiscal year 2016 (ended 31 December 2016) are as follows.

Persons who may have a conflict	Description of Connected Transactions	Value of the transaction (million Baht)		Necessity and Rationale
		As of 31 December 2015	As of 31 December 2016	
1. Mr. Sompong Chunekitiyonone	<p>Guaranteeing the collateral for credit line and short-term loans to financial institutions for the company</p> <ul style="list-style-type: none"> - Mr. Sompong Chunekitiyonone made collateral guarantees for the company in the amount of 147.93 million Baht for the year 2015 and the amount of 198.32 million Baht for the year 2016 without having charged any fee for making the guarantee and currently there are still outstanding amounts from the letter of guarantee of the aforesaid transaction. - Mr. Sompong Chunekitiyonone guaranteed short-term loans with domestic financial institutions for the company in the amount of 631.69 million Baht in 2015, and the amount of 182 million Baht for the year 2016 without having charged any fee for making the guarantee. There is still currently an outstanding balance of short-term loan from the aforesaid transaction. 	<p>Outstanding balance</p> <p>122.13</p>	<p>Outstanding balance</p> <p>63.51</p>	<p>The company is required to have a guarantee for a credit line and short-term loan from domestic financial institutions to be used as working capital for the company's liquidity in operations. For this type of guarantee for the loan, there will be no charges or fees for the guarantee whatsoever.</p> <p>Opinion of the Audit Committee</p> <p>The Audit Committee has evaluated and commented that such transaction is reasonable and occurred because there is a need to bring benefits to the company in requesting credit line guarantees and short-term loans from financial institutions in order to carry out its business.</p>
2. Mr. Voravid Silapusid	<p>Guaranteeing the collateral for credit line and short-term loans to financial institutions for the company</p> <ul style="list-style-type: none"> - Mr. Voravid Silapusid made collateral guarantees for the company in the amount of 147.93 million Baht for the year 2015 and the amount of 198.32 million baht for the year 2016 without having charged any fee for making the guarantee and currently there are still outstanding amounts from the letter of guarantee of the aforesaid transaction. - Mr. Voravid Silapusid guaranteed short-term loans with domestic financial institutions for the company in the amount of 631.69 million Baht in 2015, and the amount of 182 million Baht for the year 2016 without having charged any fee for making the guarantee. There is still currently an outstanding balance of short-term loan from the aforesaid transaction. 	<p>Outstanding balance</p> <p>122.13</p>	<p>Outstanding balance</p> <p>63.51</p>	<p>The company is required to have a guarantee for a credit line and short-term loan from domestic financial institutions to be used as working capital for the company's liquidity in operations. For this type of guarantee for the loan, there will be no charges or fees for the guarantee whatsoever.</p> <p>Opinion of the Audit Committee</p> <p>The Audit Committee has evaluated and commented that such transaction is reasonable and occurred because there is a need to bring benefits to the company in requesting credit line guarantees and short-term loans from financial institutions in order to carry out its business.</p>

Persons who may have a conflict	Description of Connected Transactions	Value of the transaction (million Baht)		Necessity and Rationale
		As of 31 December 2015	As of 31 December 2016	
3. Sathorn Sixteen Company Limited	<p>The expenses of the rent office space.</p> <ul style="list-style-type: none"> - The company rents office space from Sathorn Sixteen Company Limited. <p>Current Assets</p> <ul style="list-style-type: none"> - Deposits office space <p>Trade accounts payables and other payables</p> <ul style="list-style-type: none"> - Accrued expenses 	<p>The rents 1.37</p> <p>Deposits 0.38</p> <p>Property tax 0.20</p>	<p>The rents 1.50</p> <p>Deposits 0.38</p> <p>Property tax 0.19</p>	<p>June 2015, the company move to 92/45 Sathorn Thani Building 16th Floor, North Sathorn Rd., Silom, Bangrak, Bangkok. The company rents office space which the company's proprietary Sathorn Sixteen Company Limited space leased 227 square meters for use the office for 27 months, start from 1 November 2015 to 31 January 2018 total 550 Baht per square meter per month totaling 124,850 Baht per month. The rental rates are rate similar to the rate in the vicinity, which is equal to 600 Baht per square meter per month and can renew contract every 3 years. In addition, the contract provides the company is responsible for payment of utilities and other services to the juristic person Sathorn Thani and MIEA directly. If the company would like to renew the contract. The company must be informing by letter in advance in writing within 90 days before the expiration of this contract. Both sides have agreed to the new rates.</p> <p>Opinion of the Audit Committee. The Audit Committee considered and commented that the transaction is reasonable and to the benefit of the business. In addition, rental rates and contract terms are reasonable and according to the nature of its business.</p>

Measures or Procedures in Approving Related Transactions

In the Board of Directors' meeting No. 1/2016 (the first after conversion) on 22 March 2016, the Board of Directors has approved principles pertaining to trade agreements with under general terms of trade in transactions between the company and related companies or persons, persons who may have a conflict of interest and persons who are stakeholders or may potentially have a conflict of interest in the future. The approved principles allow the Management to approve such transactions if the transaction is performed under a trade agreement such as would be made between a reasonable individual and the other contract party in the same circumstances, through the use of trade negotiation power that is free from the influence of their status as Directors, Executives or related persons. In this case, the Management of the company can operate normally under the principles that the Board of Directors has approved and summarize a report of any such transactions that occurred during the previous period in order to report to the meeting of the Audit Committee on a quarterly basis or upon the request of the Board of Directors.

In the event the transaction is not a normal commercial transaction, the company will provide an opinion by the Audit Committee about the necessity and appropriateness of the transaction. If the Audit Committee does not have the expertise to evaluate a potential transaction, the company will consider allowing an independent appraiser, independent specialist or an auditor to comment on the related transaction to the Audit Committee with an evaluation that the Committee may use to form its decision and comment to the Board of Directors or shareholders, according to circumstance, for approval before such a transaction is made. In this case, the company will disclose the related transaction in the accompanying notes to the financial statements which have been audited by the auditor of the company. And if the company's ordinary shares are listed on the Market for Alternative Investment (mai) the company will disclose such transactions in the Annual Registration Statement (Form 56-1) and the company's Annual Report (Form 56-2), in accordance with the regulations and laws of the Securities and Exchange Commission. In this event, the approval of such related transactions shall be treated in accordance with the laws of the Securities and Exchange Commission and the regulations, notifications, orders or provisions of the Stock Exchange of Thailand. Persons who may have conflicts or interests in related transactions will not be entitled to vote on such related transactions.

Policy and Trends of Future Related Transactions

The resolution of the Board of Directors' Meeting No. 1/2016 (the first after conversion) on 22 March 2016 has specified a policy on entering into related transactions that in the future, if it is necessary to have related transactions with persons who may have conflicts of interest with the company, the company will determine the conditions according to the nature of its normal trade practices and market prices which can be compared with reference prices or conditions that would occur in with companies running the same or similar business which the company has dealt with externally. In such a situation, the company will allow the Audit Committee to comment on the price, remuneration, as well as the necessity and appropriateness of such transactions. If the Audit Committee does not have the expertise to consider the transaction, the company will select an independent appraiser, independent specialist, or the auditor of the company, to comment on the aforesaid transaction to provide the Audit Committee with sufficient background to formulate its decision and comment to the Board of Directors or shareholders, according to the circumstance. The company will disclose the related transaction in the accompanying notes to the financial statements which have been audited by the auditor of the company. And if the company's ordinary shares are listed on the Market for Alternative Investment (mai), the company will disclose such transactions in the Annual Registration Statement (Form 56-1) and the company's Annual Report (Form 56-2), in accordance with the regulations and laws of the Securities and Exchange Commission.

In this event, the approval of such related transactions shall be treated in accordance with the laws of the Securities and Exchange Commission and the regulations, notifications, orders or terms of the Stock Exchange of Thailand.

For related transactions that may occur in the future, Directors must comply to prescribed rules and must not approve any transaction which the Directors themselves or other persons may have conflicts of interest with the company. They must also disclose such transactions to the Board of Directors for consideration. The company must comply with the laws of the Securities and Exchange Commission and regulations, notifications, orders or terms of the Stock Exchange of Thailand and with requirements relating to the disclosure of related transactions and the acquisition or disposition of the company's assets, and maintain strict compliance with the accounting standards set by the Association of Accountants. In addition, the company will not carry out any related transaction with related companies which do not occur within the normal business operations of the company.

In any case, for related transactions that are short-term loans from the Directors of the company, the company's policy is not to rely any longer on loans from Directors as the company plans to find its own alternative sources of funding. Additionally, the company speculates that once it is listed on a Stock Exchange, there will be sufficient capital raised from the public for the first time which will leave the company with adequate working capital for its business operations.

However, the related transaction that may occur in the future is the rent of the company's office space from Sathorn Sixteen Co., Ltd. under conditions and rates that are appropriate and adhere to general business practices. However, if, in the future, the company changes the conditions, price or any detail of the company's office space rental from Sathorn Sixteen Co., Ltd., the company will comply with the regulations that have been set up and disclose such transactions to the Audit Committee and the Board of Directors for assessment and/or consideration before proceeding with the said transaction.

Investor Protection Measures

In the future, in order to protect investors, if there are related transactions of the company with persons who may have a conflict of interest, are stakeholders or may potentially show a conflict of interest in the future, the company will present such transactions at meetings of the Board with the Audit Committee members attending the meeting (excluding related transactions performed between contract parties under a trade agreement with general terms of trade, of which the Board of Directors has approved the principles to allow the Management to carry out such transactions as per the Board of Directors' Meeting No. 1/2016 (the first after conversion) on 22 March 2016, in order to ensure that the related transactions are carried out fairly and with reasonable pricing policies). The Board of Directors must perform their duties in strict compliance with the laws of the Securities and Exchange Commission and regulations, notifications, and terms of the Stock Exchange of Thailand as well as in strict compliance with those requirements relating to the disclosure of related transactions and the acquisition or disposition of any significant assets by listed companies.

Key Financial Data

Summary of Financial Position and Results of Operations

(1) Statement of Financial Position

Unit: Million Baht

Statement of Financial Position	As of 31 December 2014 ^{/1} (Restated) ^{/2}		As of 31 December 2015 (Audited)		As of 31 December 2016 (Audited)	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Cash and cash equivalents	3.54	1.42	47.33	12.65	223.98	35.61
Short-term investments	214.20	85.83	35.15	9.39	41.50	6.60
Trade accounts and other receivables	18.87	7.56	236.89	63.32	236.95	37.68
Inventories	5.48	2.19	44.67	11.94	107.45	17.08
Total current assets	242.09	97.00	364.04	97.30	609.88	96.97
Long-term trade accounts receivables	0.00	0.00	0.00	0.00	7.91	1.26
Equipment - net	2.39	0.96	4.39	1.17	4.08	0.65
Intangible assets	0.10	0.04	0.08	0.02	0.20	0.03
Deferred tax assets	3.58	1.43	3.92	1.05	6.41	1.02
Other non-current assets	1.41	0.57	1.70	0.46	0.43	0.07
Total non-current assets	7.48	3.00	10.09	2.70	19.03	3.03
Total assets	249.57	100.00	374.13	100.00	628.91	100.00
Liabilities and shareholders' equity						
Bank overdrafts and short-term loans from financial institutions	0.00	0.00	12.55	3.36	0.00	0.00
Trade accounts and other payables	15.10	6.05	112.36	30.03	96.53	15.35
Income tax payable	3.86	1.55	0.89	0.24	0.23	0.04
Short-term provisions	6.38	2.55	4.42	1.18	2.62	0.41
Total current liabilities	25.34	10.15	130.22	34.81	99.38	15.80
Long-term trade accounts payables	0.00	0.00	0.00	0.00	12.55	2.00
Reserves for long-term employee benefits	3.79	1.52	4.35	1.16	5.51	0.88
Long-term debts	0.44	0.18	0.25	0.07	0.35	0.05
Total non-current liabilities	4.23	1.70	4.60	1.23	18.41	2.93
Total liabilities	29.57	11.85	134.82	36.04	117.79	18.73

Unit: Million Baht

Statement of Financial Position	As of 31 December 2014 ^{/1} (Restated) ^{/2}		As of 31 December 2015 (Audited)		As of 31 December 2016 (Audited)	
	Million Baht	%	Million Baht	%	Million Baht	%
Issued capital and fully paid up capita ^{/2}	5.00	2.00	5.00	1.34	200.00	31.80
Share premium	0.40	0.16	0.40	0.10	222.33	35.35
Retained earnings						
Appropriated - statutory reserve	0.25	0.10	0.25	0.07	4.41	0.70
Appropriated - general reserve	10.00	4.01	10.00	2.67	10.00	1.59
Unappropriated	202.89	81.30	223.66	59.78	74.38	11.83
Other components of shareholders' equity	1.46	0.58	0.00	0.00	0.00	0.00
Total shareholders' equity	220.00	88.15	239.31	63.96	511.12	81.27
Total liabilities and shareholders' equity	249.57	100.00	374.13	100.00	628.91	100.00

Note: ^{/1} Some items in the financial statements for the year ending on 31 December 2014 and the consolidated statements of financial position as of 1 January 2014 have been amended, which mainly are connected to revenues from sales and services and related costs, and a rearrangement of accounts. In addition, the preparation of certain financial statements has changed; from being reported according to the financial reporting standards for non-public interest companies, they are now being reported in accordance with financial reporting standards for public interest companies.

- The company has reclassified certain items in the statement of financial position from previous periods to conform to the classification of transactions in the current period. Details are as follows.

1. Short-term investments - as of 1 January 2014 increased 58.86 million Baht, and as of 31 December 2014 increased 14.00 million Baht.
2. Trade and other receivables - as of 1 January 2014 decreased 494.83 million Baht, and as of 31 December 2014 decreased 1.25 million Baht.
3. Inventories - as of 1 January 2014 increased 658.54 million Baht, and as of 31 December 2014 increased 5.32 million Baht.
4. Other current assets - as of 1 January 2014 decreased 59.38 million Baht, and as of 31 December 2014 decreased 14.13 million Baht.
5. Equipment - as of 1 January 2014 decreased 0.002 million Baht, and as of 31 December 2014 decreased 0.001 million Baht.
6. Intangible Assets - as of 1 January 2014 increased 0.002 million Baht, and as of 31 December 2014 increased 0.001 million Baht.
7. Deferred tax assets - as of 1 January 2014 increased 9.09 million Baht, and as of 31 December 2014 increased 3.58 million Baht.
8. Other non-current assets - as of 31 December 2014 increased 1.30 million Baht.
9. Trade and other payables - as of 1 January 2014 increased 200.36 million Baht, and as of 31 December 2014 increased 9.67 million Baht.
10. Income tax payable - as of 31 December 2014 increased 0.71 million Baht.
11. Short-term provisions - as of 1 January 2014 increased 5.69 million Baht, and as of 31 December 2014 increased 6.37 million Baht.
12. Other current liabilities - as of 1 January 2014 decreased 0.80 million Baht, and as of 31 December 2014 decreased 0.16 million Baht.
13. Reserve for long-term employee benefit - as of 1 January 2014 increased 3.39 million Baht, and as of 31 December 2014 increased 3.79 million Baht.
14. Long-term provisions - as of 31 December 2014 increased 0.44 million Baht.
15. Unappropriated retained earnings - as of 1 January 2014 decreased 36.36 million Baht, and as of 31 December 2014 decreased 13.47 million Baht.
16. Other components of shareholders' equity - as of 31 December 2014 increased 1.46 million Baht.

^{/2} The information in the statements of financial position for the years ending 31 December 2014 has been amended to conform to the standards for the preparation of financial statements for 2015 for use in comparing the financial positions of the company.

- The Extraordinary General Meeting of Shareholders No. 1/2016 held on February 4, 2016, has approved a capital increase of Baht 145.00 million by issuing 1,450,000 new ordinary shares with a par value of Baht 100.00 to be offered for sale to the existing shareholders in proportion to their existing shareholding. As a result, the registered capital has also been increased to Baht 150.00 million, divided into 1,500,000 ordinary shares with a par value of Baht 100.00 per share.

- The General Meeting of Shareholders for 2016 on 12 March 2016 resolved to change the par value of the shares at Baht 100.00 to Baht 0.50 per share. The meeting also resolved to increase the registered capital by Baht 50.00 million raising it to Baht 200.00 million by issuing 100,000,000 ordinary shares with a par value of Baht 0.50 per share to be offered for sale to the public for the first time (IPO), representing 25.00 per cent of the paid-up capital after the IPO/offering. The company has registered the increased capital with the Ministry of Commerce on 21 March 2016, resulting in the company's current registered capital of Baht 200.00 million, consisting of 400,000,000 ordinary shares with a par value of Baht 0.50 per share, and Baht 150.00 million in paid-up capital, consisting of 300,000,000 ordinary shares with par value of Baht 0.50 per share.

(2) Statement of Comprehensive Income

Unit: Million Baht

Comprehensive Income	Year 2014 (Restated) ^{/1}		Year 2015 (Audited)		Year 2016 (Audited)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales revenue	999.58	93.92	236.71	74.22	607.12	81.69
Service income	63.04	5.92	73.83	23.15	130.72	17.59
Other income	1.73	0.16	8.40	2.63	5.39	0.72
Total revenues	1,064.35	100.00	318.94	100.00	743.23	100.00
Cost of sales	885.20	83.17	203.08	63.67	505.13	67.96
Cost of services	49.04	4.61	58.48	18.34	110.04	14.81
Gross profit (excluding other revenues)	128.38	12.08	48.98	15.77	122.67	16.62
Selling expenses	10.14	0.95	5.76	1.81	10.82	1.46
Administrative expenses	20.63	1.94	20.80	6.52	27.66	3.72
Loss on exchange rate	0.00	0.00	4.41	1.38	0.00	0.00
Total expenses	30.77	2.89	30.97	9.71	38.48	5.18
Profit before financial costs and income tax	99.34	9.33	26.41	8.28	89.58	12.05
Financial costs	12.90	1.21	0.26	0.08	5.88	0.79
Profit before income tax	86.44	8.12	26.15	8.20	83.70	11.26
Income (revenue) tax expenses	17.31	1.63	5.36	1.68	13.46	1.81
Net income for the period	69.13	6.49	20.79	6.52	70.24	9.45
Other comprehensive income	1.54	0.15	(1.48)	(0.46)	(0.36)	(0.05)
Total comprehensive income for the year	70.67	6.64	19.31	6.06	69.88	9.40
Earnings per share (Baht/share) ^{/2} (based on par value of 100 Baht)	1,382		416		35.12	
Earnings per share (Baht/share) ^{/3} (based on par value of 0.50 Baht)	6.91		2.08		0.23	

Note: ^{/1} Statements of comprehensive income for the year ended 31 December 2014 have been revised in order to better comply with the financial reporting standards for the preparation of financial statements for 2015, based mainly on revenues from sales and services as a result of the change in revenue recognition procedures and associated costs. Details are as follows:

1. Revenue from sales increased 199.44 million Baht.
2. Revenues from services increased 1.22 million Baht.
3. Gain on exchange rate increased 0.80 million Baht.
4. Other income decreased 2.62 million Baht.
5. Cost of sales increased 185.08 million Baht.
6. Cost of services increased 5.61 million Baht.
7. Selling expenses decreased 13.73 million Baht.
8. Administrative expenses decreased 4.22 million Baht.
9. Financial costs decreased 2.55 million Baht.

10. Income tax expenses increased 5.83 million Baht.
11. Other comprehensive income
- Actuarial gains from employee benefit increased 0.08 million Baht.
- Gain on change in value of investments increased 1.76 million Baht.
- Profit from sales of recognized investments decreased 0.30 million Baht.

^{/2} Profit from sales of recognized investments decreased 0.30 million Baht.

^{/3} The Annual General Meeting of Shareholders of 2016 on 12 March 2016 resolved to change the par value of 100.00 Baht per share to 0.50 Baht per share. As a result, earnings per share for 2013 to 2015 based on the adjusted number of ordinary shares had a par value of 0.50 Baht per share for use in comparing the current earnings per share.

(3) Statement of Cash Flows

Unit: Million Baht

Cash Flow Statement	Year 2014	Year 2015 [Audited]	Year 2016 [Audited]
Cash flows from operating activities			
Profit (loss) before tax	86.44	26.15	83.69
Adjustments to reconcile profit (loss) to net cash provided by operating activities			
Depreciation and amortisation	0.59	0.83	1.19
Provision for employee benefits	0.51	0.53	0.72
Provision for liabilities from product guarantee	16.96	2.50	3.86
Unrealised loss (gain) on exchange	-	1.04	0.90
Gain (loss) from sale of short-term investments	(0.37)	(3.72)	-
Interest expenses	12.90	0.26	5.88
Interest income	(0.52)	(0.20)	(0.79)
Loss from write-off of equipment and intangible assets	0.05	0.32	0.00
Profit from operating activities before changes in operating assets and liabilities	116.56	27.71	95.45
Decrease (increase) in operating assets			
Trade accounts receivable	341.17	(218.00)	(7.47)
Inventories	653.52	(39.19)	(61.91)
Other non-current assets	(1.31)	(0.29)	1.27
Increase (decrease) in operating liabilities			
Trade accounts and other payables	(318.39)	95.94	(4.23)
Payment of liability from product guarantee	(15.83)	(4.14)	(5.56)
Income tax expenses	(14.40)	(8.31)	(16.51)

Unit: Million Baht

Cash Flow Statement	Year 2014	Year 2015 (Audited)	Year 2016 (Audited)
Net cash provided by (used in) operating activities	761.32	(146.28)	1.04
Cash flows from investing activities			
Interest income	0.52	0.18	0.29
Increase in short-term investments	-	-	(6.35)
Purchase of short-term investments	(253.00)	-	-
Cash from sale of short-term investments	99.85	180.94	-
Purchase of equipment and intangible assets	(0.10)	(3.25)	(1.88)
Cash received from sale of equipment	-	0.13	-
Net cash flows provided by (used in) investing activities	(152.73)	178.00	(7.94)
Cash flows from financing activities			
Interest paid	(13.52)	(0.24)	(5.82)
Bank overdrafts and increase (decrease) in short-term loans from financial institutions	(510.74)	12.31	(12.56)
Cash from short-term loans	43.00	-	-
Short-term loans payment	(88.00)	-	-
Cash from capital increase	3.00	-	416.93
Dividend paid	(40.00)	-	(215.00)
Net cash flows provided by (used in) financing activities	(606.26)	12.07	183.55
Net increase (decrease) in cash and cash equivalents	2.33	43.79	176.65
Cash and cash equivalents at beginning of year	1.21	3.54	47.33
Cash and cash equivalents at end of year	3.54	47.33	223.98

Note: For 2014, the company prepared a cash flow statement for the year ended 31 December 2014 for further comparison.

(4) Key Financial Ratios

Financial Ratios	Year 2014 ¹	Year 2015 (Audited)	Year 2016 (Audited)
LIQUIDITY RATIO			
Current ratio (times)	9.55	2.80	6.14
Quick ratio (times)	8.71	2.26	4.68
Cash flow (times)	1.64	(1.88)	0.01
Accounts receivable turnover ration (times)	6.42	2.90	3.59
Average collection period (days)	56	124	100
Inventory turnover ratio (times)	2.98	72.23	11.97
Average sale period (days)	121	5	30
Creditors' turnover ratio (times)	20.73	6.18	11.06

Financial Ratios	Year 2014 ¹	Year 2015 [Audited]	Year 2016 [Audited]
Repayment period (days)	17	58	33
CASH CYCLE (days)	160	71	97
PROFITABILITY RATIO			
Gross profit margin (%)	12.08	15.77	16.62
Operating margin (%)	9.26	5.80	11.94
Cash to profitability (%)	773.51	(811.89)	1.17
Net profit margin (%)	6.49	6.52	9.45
Return on equity (%)	34.03	9.05	18.72
EFFICIENCY RATIO			
Return on assets (%)	10.31	6.67	14.00
Return on fixed assets (%)	N.A. ⁴	N.A. ⁴	N.A. ⁴
Asset turnover (times)	1.59	1.02	1.48
FINANCIAL POLICY RATIO			
Liabilities to shareholders' equity ratio (times)	0.13	0.56	0.23
Interest coverage ratio (times)	58.60	(568.01)	3.49
Debt service coverage ratio (Cash Basis) (times)	14.20	(41.79)	0.00
Dividend payout ratio (%) ²	0.00	1,034.09 ³	56.95 ⁵

Note: ¹ For 2014, the company has prepared an additional cash flow statement for the year ended on 31 December 2014 for comparison.

² Dividend payout ratio was calculated from dividends divided by net income for the year.

³ The Board of Directors' Meeting No. 1/2016 held on 20 January 2016 and the Extraordinary General Meeting of Shareholders No. 1/2016 held on 4 February 2016 approving the payment of interim dividends from retained earnings which have not been allocated as of 31 December 2014 to shareholders whose names appear on the list of shareholders of the company as of 4 February 2016 for a number of 50,000 shares at the rate of 4,300.00 Baht per share, or a dividend total of 215.00 million Baht.

⁴ The company does not use or rely on fixed assets in its business operation and, consequently, there is no calculation of return on fixed assets.

⁵ The Board of Directors' Meeting no. 01/2017, held on the 23rd February 2017, resolved to pay dividends from the net profit acquired in 2016 to shareholders' whose name appear on the Shareholder Register on the 23 February 2017, in total of 400,000,000 shares at the rate of 0.10 Baht per share, or equivalent to 40 million Baht. (Subject to the approval of the Annual General Meeting of shareholder in 2017)

Management Discussion and Analysis

Operating Results

Business Alignment Public Company Limited conducts the sales and installation of medical equipment for treating cancer patients with radiotherapy by importing products from the manufacturer with expertise on world-class equipment and technologies for the treatment of cancer, including providing maintenance services for such medical equipment sets. The main groups of customers are hospitals affiliated with medical universities, hospitals in the cancer hospital network of the Department of Medical Services under the Ministry of Public Health, other state hospitals or public health organizations in the country and private hospitals.

A large proportion of the company's revenues come from product sales in the form of projects, acting as an end-to-end Solution Provider who is responsible for everything from structural work to systems such as electrical and cooling systems, and interior design to support the installation of radiation equipment and other ancillary equipment in the radiation room. Afterwards, the company is also responsible for the procurement and installation of various equipment associated with radiation (i.e., radiotherapy equipment, treatment planning system devices and other necessary accessories to facilitate the use of products ordered by customers).

The nature of our business is such that the resulting pattern of revenue recognition from the company's sale is revenue recognition upon delivery of the completed project. As a result, it is necessary for the company to continue construction of a radiation room, purchase and install the equipment and pass inspection by the client's project inspection committee before the revenue of the complete project can be recognized. The period of implementation of each project will be between 210-360 days before revenue can be recognized. This is one factor that makes the company more vulnerable to the instability and inconstancy of revenue should the company fail to deliver its product according to the plan.

An overview of the past results of operations

For the operating results for the past three years from the year 2014 - 2016, the company's total revenue from sales and services were 1062.62 million Baht, 310.54 million Baht, and 737.84 million Baht respectively. Revenue from sales were 999.58 million Baht, 236.71 million Baht and 607.12 million Baht respectively, and revenue from services were 63.04 million Baht, 73.83 million Baht and 130.72 million Baht, respectively. Sales revenue fluctuated throughout the period as the company deferred revenue recognition from some projects in the year 2014, because a customer was unable to hand over the intended space to the company for product installation. In other projects, customers evoked certain changes on the project details. Moreover, the company also recognized revenue from a project with high value in the year 2014, which had been in progress since 2012 and was structurally and systematically complex, causing the duration of the contract to be stretched out longer than usual. In 2015, the company delivered and recognized revenue from few high-value projects. As a result, revenues from sales decreased from the previous year as much as 76.32%. In the year 2016 saw the revenue from sales increase by 370.41 million Baht, or by 156.48%, from the previous year, as many large, high-value projects were completed, and thus their revenues recognized. Furthermore, the revenues from services in 2016 was 130.72 million Baht, rising by 77.04% from the previous year. This rise in Revenue from Services can be attributed to the revenue recognition of the software upgrades to the radiotherapy products of 2 hospitals, as well as the increasing number of maintenance agreements signed resulting from the expiry of the warranties on previously sold products.

The company's gross profits in the year 2014, 2015 and 2016 were 128.38 million Baht, 48.98 million Baht and 122.67 million Baht, or 12.08%, 15.77% with 16.62% gross profit margin, which is divided into 114.38 million Baht,

33.63 million Baht and 101.99 million Baht gross profit from sales, or 11.44%, 14.21% and 16.80% gross profit margin from sales, respectively, and 14.00 million Baht, 15.35 million Baht and 20.68 million Baht gross profit from services, or 22.22%, 20.79% and 15.81% gross profit margin from services, respectively. For 2016, the Gross Profit Margin from Sales was 16.80% of Revenue from Sales, higher than that of the previous year at 14.21%, as the company was able to manage the costs of projects more efficiently. Moreover, the proportion of the sales of lesser value, miscellaneous products (with higher profit margin) rose when compared to the sales of higher value products (with lower profit margin), thus contributing to the increase in the Gross Profit Margin from Sales in the year 2016.

The company's net profits for the year 2014, 2015 and 2016 were 69.13 million Baht, 20.79 million Baht and 70.24 million Baht, respectively, or a net profit margin of 6.49%, 6.52% and 9.45%, respectively. which in the year 2016, the Company's net profit margin rose due to the Company's ability to manage costs efficiently and to maintain expenses at a stable value.

The analysis of operating results and financial position for the accounting periods of the year 2014, 2015 and 2016 are summarized below.

Analysis of Operating Results

Revenue

The company's total revenues in the year 2014, 2015 and 2016 were 1,064.35 million Baht, 318.94 million Baht and 743.23 million Baht respectively, with details on the revenue structure as follows:

Revenue structures in the year 2014 - 2016

Type of Revenue	Year 2014		Year 2015		Year 2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales revenue	999.58	93.92	236.71	74.22	607.12	81.69
Services revenue ^{/1}	63.04	5.92	73.83	23.15	130.72	17.59
Sales and services revenue	1,062.62	99.84	310.54	97.37	737.84	99.28
Other revenues ^{/2}	1.73	0.16	8.40	2.63	5.39	0.72
Total revenues	1,064.35	100.00	318.94	100.00	743.23	100.00

Note: ^{/1} Revenues include revenues from services, maintenance and repair of radiation equipment and various accessories including revenues from upgrade services for system software related to radiation products.

^{/2} Other revenues include interest income, gains on currency exchange, gain on the sale of investments and other income.

Revenues from Sales and Services

Revenues from sales and services in the year 2014, 2015 and 2016 were 1,062.62 million Baht, 310.54 million Baht and 737.84 million Baht, representing 99.84%, 97.37% and 99.28% of total revenue, respectively. Revenue from sales and services can be divided into 2 categories as follows:

1) Sales Revenue

Most of the company's sales revenues are from the sale and installation of medical equipment in contracts resulting from project sales of which revenues are recognized when significant risks and significant rewards of ownership of the significant goods in the contract have passed to the buyer. The nature of business of the company, as mentioned above, means that the company must carry out the construction of a radiation therapy room (if any), purchase and install various equipment and pass inspection from the client's project inspection committee before the revenue of the completed project can be recognized. Aside from this, the company also had income from merchandising of other medical equipment of which the value is not very high.

In the year 2014, 2015 and 2016, sales revenues were 999.58 million Baht, 236.71 million Baht and 607.12 million Baht, or 93.92%, 74.22% and 81.69% of total revenue, respectively. In comparison, sales revenue during the year 2014 - the year 2016 shows that revenues from sales in 2014 reached 999.58 million Baht. Because of the company has installed and delivered to some customers. This is a company that will deliver jobs and revenue recognition since 2013 but has been extended due to deliver a customer cannot deliver on schedule as agreed. For some projects, the customer has changed the requirement of certain items. It needs to postpone delivery. This results in a postpone of revenue recognition to the year 2014, about 240.74 million Baht, in 2014 the company has also been active with the high value of King Chulalongkorn Memorial Hospital because it sells products modern generation of radiation therapy models. This is a contract since 2012, but the contract for a period longer than other project due to the construction and operation of complex systems than other project. So delivery and revenue recognition in the year 2014.

In the year 2015, sales revenues decreased by 762.87 million Baht or 76.32 percent from a year earlier as the company delivered and recognized revenue from only two high value projects.

In the year 2016 saw the Revenue from Sales rose by 370.41 million Baht, or by 156.48%, from the previous year, as many large, high-value projects were completed, such as Bangkok Cancer Sanatorium, Sawan Pracharak Hospital, Lopburi Cancer Hospital, Chonburi Cancer Hospital, and the Faculty of Medicine, Siriraj Hospital and thus their revenues recognized.

2) Services Revenues

Services revenues are revenues from providing maintenance service for medical equipment sets, after the customer's insurance contract expires post-project delivery. Such service will allow the equipment to operate efficiently throughout its lifespan. The company has provided customers with annual maintenance agreements of which the average revenue is recognized on a monthly basis at equal monthly rates. In addition, the company also provides maintenance services and supplies various types of equipment not covered under the maintenance agreement for which customers can request service on a case by case basis according to the nature of the problem, such as maintenance of the chiller system, maintenance of the air conditioning and cooling systems, etc. The company also has services revenue from the upgrade of software systems used in radiation equipment in order to progress towards more efficient software systems. These include software system upgrades for the development of treatment plans which allow treatment plans to be developed with greater efficiency and accuracy.

In the year 2014, 2015 and 2016, the company's services revenues were 63.04 million Baht, 73.83 million Baht and 130.72 million Baht, or 5.92%, 23.15% and 17.59% of the total revenues, respectively.

In the year 2015, the company's services revenues were all obtained from maintenance services, showing 17.11% growth from the services revenues of the previous year or a 36.09 percent growth in services revenue resulting from maintenance services. This was because the warranty period after delivery of the product as stipulated in the sale contract had expired for many customers. Such customers approached the company for maintenance agreements to allow the company to continue product maintenance, which resulted in a total of 30 maintenance agreements in 2015.

In the year 2016, Revenues from Services was 130.72 million Baht, rising by 77.04% from the previous year. This rise in Revenue from Services can be attributed to the revenue recognition of the software upgrades to the radiotherapy products of 2 hospitals with a combined value of 31.98 million Baht, as well as the increasing number of maintenance agreements signed resulting from the expiry of the warranties on previously sold products.

Other Revenues

The company's other revenues in 2014, 2015 and 2016 were 1.73 million Baht, 8.40 million Baht and 5.39 million Baht, or 0.16%, 2.63% and 0.72% of total revenues, respectively. Other revenues included interest income, gains on currency exchange, gains on sale of investments, etc.

In the year 2015, the company had a large increase of other revenues from gains on the sales of short-term investments of 3.72 million Baht, from the reversal of a provision of 2.31 million Baht, and compensation from an insurance of 1.55 million Baht which was compensation the company received from the insurance company from an accident during the installation of equipment for a customer. Typically, the company will purchase insurance coverage for projects during the installation period for the majority of high value projects.

In the year 2016, the Company's revenue from other sources was 5.39 million Baht, which is primarily from the 3.92 million Baht profit from foreign exchanges, with other contributions from receiving interests and discounts received.

Costs and Gross Profit Margins

The company's costs of sales and services in the year 2014, 2015 and 2016 were 934.24 million Baht, 261.56 million Baht and 615.17 million Baht, or 87.78%, 82.01% and 82.77% of total revenues respectively. As a result, the total gross profit of the company was 128.38 million Baht, 48.98 million Baht and 122.67 million Baht, or a gross profit margin of 12.08%, 15.77% and 16.62%, respectively. The total cost can be divided into the cost of sales and cost of services which correspond to the types of revenue. This change can be explained as follows:

Structures of Costs to Total Revenue in the year 2014 - 2016

Type of cost	Year 2014		Year 2015		Year 2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Costs of sales	885.20	83.17	203.08	63.67	505.13	67.96
Costs of services	49.04	4.61	58.48	18.34	110.04	14.81
Costs of sales and services	934.24	87.78	261.56	82.01	615.17	82.77

Cost of Operation and Cost to Revenue Ratio by type of operation

Cost of Operation and Cost to Revenue Ratio by Type of Operation	Year 2014		Year 2015		Year 2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Costs of sales	885.20	88.56	203.08	85.79	505.13	83.20
Costs of services	49.04	77.78	58.48	79.21	110.04	84.19
Total costs	934.24		261.56		615.17	

Gross Profit and Cost to revenue ratio by type of operation

Gross Profit and Cost to Revenue Ratio by type of operation	Year 2014		Year 2015		Year 2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Gross profit from sales	114.38	11.44	33.63	14.21	101.99	16.80
Gross profit from services	14.00	22.22	15.35	20.79	20.68	15.81
Total gross profit	128.38		48.98		122.67	
Gross profit margin (%)^{1/}	12.08%		15.77%		16.62%	

^{1/} Gross profit margin is calculated from the total of the gross profit from sales and services, divided by the total of revenue from sales and services.

1) Cost of sales and gross profit margin from sales

The cost of sales is comprised of the costs of merchandise which include medical equipment and other accessories, material, interior decoration to ready the space for installation of radiation equipment, labor, travel, transportation, consultation for the project implementation as well as other costs and provision for contractual guarantees. The cost of merchandise is the largest proportion of the costs at approximately 70-80% of the cost of sales. The company purchased such equipment from multiple vendors, both foreign and domestic. As for the labor cost, the company hired subcontractors to carry out structural work such as structural construction, electrical, mechanical and air conditioning systems and interior renovation, by contracting for materials and labor or labor only, in order to reduce the load on personnel management and labor. Hiring subcontractors also allowed for efficient cost management.

The company's cost of sales in the year 2014, 2015 and 2016 were 885.20 million Baht, 203.08 million Baht and 505.13 million Baht. And gross profit from sales in 2014, 2015 and 2016 were 114.38 million Baht, 33.63 million Baht and 101.99 million Baht, or 11.44%, 14.21%, and 16.80% of the gross profit margin of sales to revenues from the sales respectively.

In the year 2014, aside from revenue recognition in segments of business with high sales costs resulting in a low gross profit margin for the year, as mentioned above, the company also delivered and recognized revenue from projects of high value which usually have low profit margins. Additionally, in the year 2014, the company delivered multiple projects and incurred costs during the project warranty period. In the category of after-sales warranty provisions, training seminar costs and the cost of after-sales insurance were actually incurred. As a result, in the year 2014, the company had a total of provisions and after the sale costs of 26.06 million Baht.

In the year 2015, the company had a gross profit margin increase from the previous year as the company accounted for a high level of sales of other medical equipment which were not high in value. This results in administrative costs in the distribution segment being more streamlined, with higher margins. However, over the year, the company delivered and recognized revenue from projects of high-value, two of which have lower margins. The average sales margin came in at 14.21 %.

In the year 2016, the Gross Profit Margin from Sales was 16.80% of Revenue from Sales, higher than that of the previous year at 14.21%, as the Company was able to manage the costs of projects more efficiently.

2) Cost of services and gross profit margin from services

The cost of services can be classified into the following two types:

- 1) The cost of the maintenance agreement and/or software systems upgrades service back-to-back contracts, which the company made with the subcontracting company for the maintenance of the products within the scope of services of the manufacturer. For this type of service, when a customer needs maintenance or has problems with any part of the products, the company can coordinate and arrange for the manufacturing company to provide maintenance or solutions to its clients without any costs to the company.
- 2) The cost of labor and materials for the maintenance of medical equipment for customers, for the maintenance, service and supply of equipment not covered by the back-to-back maintenance contract with the subcontractor. Such costs are incurred when a customer requests for service on a case by case basis, based on the nature of the problem.

In the year 2014, 2015 and 2016 the company's cost of services were 49.04 million Baht, 58.48 million Baht and 110.04 million Baht and gross profit from services during such periods were 14.00 million Baht, 15.35 million Baht and 20.68 million Baht, representing 22.22%, 20.79%, and 15.81% of the gross profit margin from services to revenues from services respectively. The Gross Profit Margin from Services declined in 2016, due to the slow process in renewing maintenance agreements with a number of state-owned hospitals, whilst still responsible for the costs from back-to-back maintenance contracts with the manufacturers. Nonetheless, the Company successfully renewed the contracts with its clients as of January 2017.

Cost of Sales

The cost of sales consists mainly of expenses related to salaries and benefits for employees. In addition, expenses in this segment included commissions and other sales costs such as customer training seminars, product exhibits, etc. In 2014, 2015 and 2016, the company's cost of sales were 10.14 million Baht, 5.76 million Baht and 10.82 million Baht, or 0.95%, 1.81% and 1.46% of the total revenues respectively, while the expenses on salaries and employee benefits were 1.70 million Baht, 2.07 million Baht and 3.10 million Baht or 16.73%, 35.97% and 28.67% of the total cost of sales, respectively.

In the year 2015, the cost of sales decreased from the previous year by 4.38 million Baht, or a decline rate of 43.20 percent, since the company did not incur any cost for bidding on major projects, as was the case with 2014. That costs to prepare for the bidding of a large project, the company will have to design structures and systems to deliver before the bidding process as a condition to the bidding, the company took costs amounting to 1.09 million Baht which the project was canceled. Moreover, the company's cost of sales related to study visits of interested customers was 0.36 million Baht, which decreased by 3.94 million Baht, compared to 4.29 million Baht in 2014.

In the year 2016, the Company's Selling Expenses was 10.82 million Baht, increasing by 87.82% from the previous year, with the main reason being the increased costs in employing new sales officers, in addition to the costs associated with exhibiting products, bidding for projects and the increased commission from completing more projects.

Administrative Expenses

Significant administrative expenses consist of salaries, bonuses, employee expenses, miscellaneous expenses, depreciation and other charges, etc. The company's administrative expenses were relatively stable, and in the year 2014, 2015 and 2016 were 20.63 million Baht, 20.80 million Baht and 27.66 million Baht, representing 1.94 %, 6.52 % and 3.72 % of the total revenues, respectively.

In the year 2016, the company's Administrative Expenses was 27.66 million Baht, increasing by 33.00% from the previous year, due to the restructuring of the salary base, the remuneration for the members of Board of Directors and the banking fees associated with acquiring credit loans.

Financial costs

Financial expenses comprise interest expenses resulting from the use of credit lines from financial institutions and/or other financing sources, such as interest expenses in the use of credit lines, Letters of Credit (L/C), trust receipts and interest on debt agreements, etc. In the year 2014, 2015 and 2016, the company had a financial cost of 12.90 million Baht, 0.26 million Baht and 5.88 million Baht or 1.21%, 0.08% and 0.79% of the total revenue respectively.

Net Profit and Net Profit Margin

The company's net profit in the year 2014, 2015 and 2016 were 69.13 million Baht, 20.79 million Baht and 70.24 million Baht respectively. In 2014, although the company's total income grew by 55.51% from the previous year, the company's net profit increased 2.84 million Baht, or an increase of 4.29% because of the ratio of the cost of sales to selling expenses increased, whereas in the year 2015, the net profit fell from a year earlier by 48.34 million Baht or 69.92 %, mainly as a result of the reduction in income from sales.

The net profit margins of the company in the year 2014, 2015, and 2016 were 6.49%, 6.52 % and 9.45%, respectively, which could explain the change in the net profit margin indicated below.

In the year 2014, the company had a net profit margin of 6.49% decrease from 2013 in which the company had a net profit margin of 9.68% - due primarily to the decline in the gross profit margin ratio from 21.19% in the year 2013 to 12.08% in the year 2014, as discussed above. For 2015, the company had a net profit margin of 6.52%, up slightly from the year 2014, with a net profit margin of 6.49%, which, although the gross profit margin increased from 12.08% in the year 2014 to 15.77% in the year 2015, the proportion of administrative expenses to revenue increased because total revenue declined but the cost of sales and administrative expenses remained constant.

In the year 2016, the company's net profit margin was 9.45%, higher than in the year 2015 which was 6.52%, due to the company's ability to maintain its costs while increasing its revenue.

Return on Equity

The company's returns on equity for the year 2014, 2015 and 2016 were 34.03%, 9.05% and 18.72% respectively. In the year 2015, return on equity decreased from the previous year as a percentage of 9.05, due to a decrease in revenue and net profit in the year 2015 for the rate of return on equity for the year the year 2016 increased from the year 2015 due to the net profit higher As the net profit margin was greater in the year 2016, The company's Return on Equity was also higher than the previous year, despite the company's increase in registered capital from 5.00 million Baht to 200.00 million Baht, which was appropriated from the retained earnings in preparation for the company's Initial Public Offering, and the share premiums received from this Offering.

Financial Position of the Company

Total Assets

As of 31 December 2014, 2015 and 2016, the company had total assets of 249.57 million Baht, 374.13 million Baht and 628.91 million Baht, respectively. Significant assets that influenced the changes in the total assets of the company are as follows:

Current assets

As of 31 December 2014, 2015 and 2016, the company's total current assets were 242.09 million Baht, 364.04 million Baht and 609.88 million Baht, representing 97.00%, 97.30% and 96.97% of the total assets, respectively. The details of each significant item are as follows:

- **Cash and cash equivalents** : On 31 December 2014, 2015 and 2016, cash and cash equivalents were at 3.54 million Baht, 47.33 million Baht and 223.98 million Baht, or 1.42%, 12.65% and 35.61% of the total assets respectively, consisting of petty cash, current accounts and fixed accounts deposits. In 2016, the company's Cash and Cash Equivalents increased significantly from the previous year, as the company received the payments for the projects completed and handed over in 2016.
- **Short-term investments** : As of 31 December 2014, 2015 and 2016, these were 214.20 million Baht, 35.15 million Baht and 41.50 million Baht, or 85.83%, 9.39% and 6.60% of total assets, respectively, consisting of investments in funds and time deposits used as collateral for a loan from a foreign bank. As of 31 December 2014, after the delivery of several projects, the company's short-term investments were as high as 214.20 million Baht due to the company's liquidity from customer payment balances. The company placed such excess liquidity into fixed income funds, which were funds with a low risk, for short-term gain which was better than holding onto the cash. For 2015 and 2016, the company's temporary investments decreased from 2014, as the Company has sold off some of it in order to increase its working capital, as there were many pending large-scale projects.
- **Trade accounts and other receivables - net** : As of 31 December 2014, 2015 and 2016, the company had a net value of trade accounts receivables and other accounts receivables of 18.87 million Baht, 236.89 million Baht and 236.95 million Baht or 63.32%, 7.56% and 37.68% of the total assets, respectively, which are described below:

(Unit : Million Baht)

	31 Dec. 14	31 Dec. 15	31 Dec. 16
Trade receivables	2.96	211.19	199.59
Less the allowance for doubtful accounts	(0.00)	(0.00)	(0.00)
Trade accounts receivables - net	2.96	211.19	199.59
Other accounts receivables - net	15.91	25.70	37.36
Total trade accounts and other receivables - net	18.87	236.89	236.95

The evaluation of trade accounts receivables as of 31 December 2014, 2015 and 2016 showed that the net value of trade accounts receivables at the end of 2015 was high due to the company delivering projects with high value towards the end of 2015 and awaiting payments from customers, such as the Stereotactic Radiotherapy Project, Faculty of Medicine, Ramathibodi Hospital of 170.00 million Baht, and the project for Faculty of Medicine, Chiang Mai University of 25.29 million Baht, resulting in a higher value of trade receivables at the end of the year 2015.

As of 31 December 2016, the company's important receivables include the Faculty of Medicine, Siriraj Hospital, valued at 174 million Baht, whose project the company has already completed and handed over in late 2016.

The company has an allowance for doubtful accounts in the amount of receivables unexpected to be billed, based on debt collection experience in the past, coupled with the current status of existing receivables. However, due to customers being mainly medical university hospitals and cancer hospitals affiliated with the Department of Medical Services under the Ministry of Health, the likelihood of collection of receivables is not considered low. Consequently, the company did not set up the allowance for doubtful accounts. In the past, the company has never faced any problem in debt collection from customers, and has not had any bad debt during its operation.

For other accounts receivables such as prepaid service costs, service income receivables, prepaid expenses and other receivables, as of 31 December 2014, 2015 and 2016, the company had other receivables of 15.91 million Baht, 25.70 million Baht and 37.36 million Baht respectively. As of 31 December 2017, the company's other receivables is valued at 37.36 million Baht, of which 16.58 million Baht is an accrued income from services, which has already been recognized but the company is still in the process of issuing an invoice for the succeeding quarter. Furthermore, the company also has receivables from the Revenue Department, valued at 8.34 million Baht, as Input Tax was higher than the Output Tax in this year.

(Unit: Million Baht)

	31 Dec. 14	%	31 Dec. 15	%	31 Dec. 16	%
Value of Trade accounts Receivables						
Not yet due	2.96	100.00	209.87	99.37	187.48	93.93
Overdue						
- less than 3 months	-	-	1.32	0.63	9.74	4.88
- more than 3 months	-	-	-	-	0.03	0.02
Total trade accounts receivables	<u>2.96</u>	<u>100.00</u>	<u>211.19</u>	<u>100.00</u>	<u>197.25</u>	<u>98.83</u>
Long-term trade accounts receivables						
Due in 1 year	-	-	-	-	2.34	1.17
Trade accounts receivables - net	<u>2.96</u>	<u>100.00</u>	<u>211.19</u>	<u>100.00</u>	<u>199.59</u>	<u>100.00</u>

The above table shows the value of receivables sorted by aging which indicates that trade receivables are mainly receivables not yet due for payment, which equals 2.96 million Baht, 209.87 million Baht and 187.48 million Baht or 100.00%, 99.37% and 93.93% of total trade receivables as of 31 December 2014 and 2015, 2016, respectively. The company has a policy of providing a credit term with trade receivables for a period not exceeding 90 days.

As of the 31 December 2016, the company has trade accounts receivables overdue by 3 months or less of 9.74 million Baht, or 4.88% of net trade receivables. This is due the clients' delayed disbursement process, but the company is confident that it will be able to collect payment within the following quarter.

Additionally, the company also has long-term trade accounts receivables of 2.34 million Baht which is due within one year, from a software upgrade agreement with a client which permits the payment to be made in annual installments.

Inventories - net : As of 31 December 2014, 2015 and 2016, the company had a net value of inventories of 5.48 million Baht, 44.67 million Baht and 107.45 million Baht, or 2.19%, 11.94% and 17.08% of the total assets, respectively.

(Unit: Million Baht)

	31 Dec 14	%	31 Dec 15	%	31 Dec 16	%
Goods under installation	5.32	97.08	0.90	2.01	100.21	93.26
Parts	0.16	2.92	0.87	1.95	0.77	0.72
Goods in transit	-	-	42.90	96.04	6.47	6.02
Inventories - net	5.48	100.00	44.67	100.00	107.45	100.00

As of 31 December 2016, the company's Inventories are primarily products that are in the process of being installed for the clients, valued at 100.21 million Baht.

Non-current assets

As of 31 December 2014, 2015 and 2016, the company's non-current assets were valued at 7.48 million Baht, 10.09 million Baht and 19.03 million Baht, or 3.00%, 2.70% and 3.03% of total assets, respectively, as described in each of the following:

- **Equipment - net** : As of 31 December 2014, 2015 and 2016, the company's net value of equipment was 2.39 million Baht, 4.39 million Baht and 4.08 million Baht, or 0.96%, 1.17% and 0.65% of total assets, respectively, consisting of office supplies, office improvements, vehicles, etc.
- **Deferred tax assets** : As of 31 December 2014, 2015 and 2016, the company had deferred tax assets valued at 3.58 million Baht, 3.92 million Baht and 6.41 million Baht, or 1.43%, 1.05% and 1.02% of total assets, respectively.
- **Long-term trade receivables** : As of 31 December 2014, 2015 and 2016, the company had long-term trade accounts receivables of 0.00 million Baht, 0.00 million Baht and 7.91 million Baht or 0.00%, 0.00% and 1.26% of total assets, respectively. In the year 2016, the company's Long-term trade accounts receivables were usually from software upgrade agreements with clients, which permits the payment to be made in annual installments. When combined with the long-term trade receivables of 2.34 million Baht due within one year, the company's total long-term trade receivables in the year 2016 equaled 10.25 million Baht.

Sources of Funds

Debt

Total liabilities

As of 31 December 2014, 2015 and 2016, the company had total liabilities of 29.57 million Baht, 134.82 million Baht and 117.79 million Baht, respectively, or 11.85%, 36.04% and 18.73% of the liabilities and shareholders' equity, respectively. The liabilities with major changes are as follows:

Current liabilities

As of 31 December 2014, 2015 and 2016, the company's current liabilities values were 25.34 million Baht, 130.22 million Baht and 99.38 million Baht, respectively, or 10.15%, 34.81% and 15.80% of liabilities and shareholders' equity, respectively. The details of each significant item are as follows:

- **Bank overdrafts and short-term loans from financial institutions** : As of 31 December 2014, 2015 and 2016 were 0.00 million Baht, 12.55 million Baht and 0.00 million Baht, or 0.00%, 3.36% and 0.00 percent of liabilities and shareholders' equity, respectively. Short-term loans mainly consist of bank overdrafts and liabilities under trust receipts. The company used such credit lines for working capital to improve liquidity in the business.
- **Trade and other payables** : As of 31 December 2014, 2015 and 2016 were 15.10 million Baht, 112.36 million Baht and 96.53 million Baht, or 6.05%, 30.03% and 15.35% of liabilities and shareholders' equity respectively, as described in the table below:

(Unit: Million Baht)

	31 Dec. 14	31 Dec. 15	31 Dec. 16
Trade accounts payables	3.30	81.38	29.82
Accrued expenses	9.75	13.52	22.80
Advance Deposits	-	12.67	39.49
Other trade accounts payables	2.05	4.79	4.42
Total trade accounts and other payables	15.10	112.36	96.53

From the evaluation of trade payables, as of 31 December 2014, 2015 and 2016 As of 31 December 2015 and 31 December 2016, the company's trade payables rose significantly from the year 2014, as the Company received many Bills of Lading from the orders of various medical equipment from abroad to be used in its ongoing projects. Therefore, as the accounting standard states that the moment the Company receives the Bill of Lading, it must immediately be noted as a trade payable, the significant rise in trade payables is the result of the increasing number of projects.

The list of other major creditors includes provisions for customer training, products deposits, etc. As of 31 December 2014, 2015 and 2016, the company had accumulated debts for customer training of 9.10 million Baht, 10.61 million Baht and 14.40 million Baht, respectively. The above debt was due to the company's policy to support the training seminar on radiation technology for its customers. Therefore the company assumed responsibility to pay for such items and had determined the cost for such training in each project since the beginning. The above data shows that the company's provisions for the cost of customer training seminars began in the year 2014, since it was the fiscal year the company began to have such provisions according to the correct financial accounting standards. The company assessed the costs of such projects in the past that might have incurred costs and recorded all of them in fiscal year 2014.

- **Provision for contractual product warranty (Short-term provisions)** : As of 31 December 2014, 2015 and 2016, the company had outstanding liabilities under contractual warranties of 6.38 million Baht, 4.42 million Baht and 2.62 million Baht, or 2.55%, 1.18% and 0.41% of liabilities and shareholders' equity, respectively. The above items are provisions for the contractual product warranties provided after delivery, the costs of which are a part of the business that the company shall be responsible for, as the manufacturer does not provide such warranty provisions.

Non-current liabilities

As of 31 December 2014, 2015 and 2016, the company had non-current liabilities of Baht 4.23 million, 4.60 million Baht and 18.41 million Baht, or 1.70%, 1.23% and 2.93% of liabilities and shareholders' equity respectively, as described below:

- **Reserve for employee benefits** : As of 31 December 2014, 2015 and 2016, the obligation for employee benefits was 3.79 million Baht, 4.35 million Baht and 5.51 million Baht, or 1.52%, 1.16% and 0.88% of liabilities and shareholders' equity, respectively.
- **Long-term provisions** : As of 31 December 2014, 2015 and 2016, the company's provision for long-term debt was 0.44 million Baht, 0.25 million Baht and 0.35 million Baht or 0.18%, 0.07% and 0.05% of liabilities and shareholders' equity respectively. The said provisions were also for contractual product warranties; however, they are costs for the warranties with a period of over one year.
- **Accounts payables, long-term** : As of 31 December 2014, 2015 and 2016, the company's long-term accounts payables were valued at 0.00 million Baht, 0.00 million Baht and 12.55 million Baht, or 0.00%, 0.00% and 2.00% of the total assets, respectively. In 2016, the company's Long-term trade payables were usually from software upgrade agreements that the company buys from Varian, to be resold to clients in contracts which permits the payment to be made in annual installments. When combined with the long-term trade payables of 4.00 million Baht due within one year, the Company's total long-term trade payables in the year 2016 equaled 16.55 million Baht.

Shareholders' Equity

As of 31 December 2014, 2015 and 2016, the shareholders' equity of the company was 220.00 million Baht, 239.31 million Baht and 511.12 million Baht, or liabilities and shareholders' equity 88.15%, 63.96% and 81.27% liabilities and shareholders' equity respectively. The details of each significant item are described in the following list:

- **Issued and paid-up capital** :
 - As of 31 December 2014 and as of 31 December 2015 was 5.00 million Baht, divided into 50,000 ordinary shares with a par value of 100.00 Baht per share.
 - The Extraordinary General Meeting of Shareholders No. 1/2016 held on 4 February 2016, approved a capital increase of 145.00 million Baht by issuing 1,450,000 new ordinary shares with a par value of 100.00 Baht for offering to the existing shareholders in proportion to their existing shareholding. As a result, the registered capital was increased to 150.00 million Baht, divided into 1,500,000 ordinary shares with a par value of 100.00 Baht per share.
 - The General Meeting of Shareholders for 2016 on 12 March 2016 resolved to change the par value of the shares from 100.00 Baht per share to 0.50 Baht and resolved to increase the registered capital by

50.00 million Baht to 150.00 million Baht by issuing 100,000,000 ordinary shares at par value of 0.50 Baht per share to be offered to the public for the first time (IPO), representing 25.00 percent of the paid-up capital after the IPO. As a result, currently the company has a registered capital of 200.00 million Baht, consisting of 400,000,000 ordinary shares with a par value of 0.50 Baht per share and 150.00 million Baht in paid-up capital consisting of 300,000,000 ordinary shares with a par value of 0.50 Baht per share.

- **Premium on ordinary shares :** As of 31 December 2014 and 2015, the company had a premium on ordinary shares of 0.40 million Baht, and as of 31 December 2016, the company had a premium on ordinary shares of 222.33 million Baht or 0.16%, 0.10% and 35.35% of liabilities and shareholders' equity respectively. Such transactions occurred since 2006, when, in June 2006, the company increased the registered capital of 1.00 million Baht to 2.00 million Baht by issuing 10,000 new ordinary capital shares with a par value of 100.00 Baht per share. A proportion of 2,000 capital shares were offered to a new group of shareholders with two new members who previously were employees of the company for a period of time at the price of 300.00 Baht per share. Consequently, the company has a premium on ordinary shares valued at a total of 0.40 million Baht.

As of the 31st December 2016, the Company's share premium on ordinary shares was 222.33 million Baht, or 35.35% of the Total Liabilities and Shareholders' Equity, which is from the public offering of 100 million new ordinary shares, with the par value of 0.50 Baht, whose Initial Public Offering was between the 20 and 22 July 2016 at the value of 2.90 Baht per share. After subtracting the brokerage fees and other costs associated with the offering, the Company's received 221.93 million Baht net.

- **Retained earnings :** As of 31 December 2014, 2015 and 2016, the company's retained earnings were 202.89 million Baht, 223.66 million Baht and 74.38 million Baht, or 81.30% and 59.78% and 11.83% of the liabilities and shareholders' equity respectively. The main reason for the significantly lower unappropriated retained earnings, when compared to the previous year is the resolutions at the Board of Directors' Meeting no. 1/2016, held on the 20 January 2016, and the resolution at the Shareholders' Meeting no. 1/2016, held on the 4 February 2016, to pay dividends to the Company's shareholders' at the rate of 4,300 Baht per share, or 215.00 million Baht in total, from the unappropriated retained earnings as of 31 December 2014, which was valued at 216.35 million Baht (the latest audited statement at the date of dividend consideration).

Debt to Equity Ratio

As of 31 December 2014, 2015 and 2016, the company had a ratio of debt to equity of 0.13 times, 0.56 times and 0.23 times respectively.

Interest Coverage and Debt Service Coverage Ratios

In the year 2014, 2015 and 2016, the company had an interest coverage ratio of 58.60 times, - 568.01 times and 3.49 times respectively. From the above data, it can be observed that the company's interest coverage ratio was volatile each year, depending on whether the company was able to deliver the projects and receive payments within the accounting period or not. In the year 2014, the company's interest coverage ratio was 58.60 times as the company delivered and received payments for several projects causing the company's cash flow from operations to be high. On the other hand, in the year 2015, the company delivered the product toward the end of the year, but was not yet able to bill to customers. Subsequently, cash flow from operations was in deficit. As a result, the interest coverage ratio was in deficit as well.

In the year 2014, 2015 and 2016, the company had a ratio of debt service coverage of 14.20 times, -41.79 times and 0.00 times respectively. The reason such ratios fluctuated was partly from fluctuations in cash flow from the operation in each period.

Although in some periods, the ratio of interest coverage and debt service coverage were negative, reflecting a lack of cash flow from operations to repay incurred obligations, the company managed its liquidity by using short-term loans from financial institutions such as L/C or T/R or O/D, etc. It is common for businesses typically to get paid by customers only upon delivery. If payment was not received within the prescribed period, the company managed the lack of liquidity with short-term loans from financial institutions. However, after the Company was listed on the Stock Exchange of Thailand, the funds raised from the Initial Public Offering can be used as an alternative source of working capital.

Liquidity

As of 31 December 2014, 2015 and 2016, the company had current assets of 242.09 million Baht, 364.04 million Baht and 609.88 million Baht, or 97.00%, 97.30% and 96.97% of total assets respectively.

As of 31 December 2014, 2015 and 2016, the company had current liabilities of 25.34 million Baht, 130.22 million Baht and 99.38 million Baht or equal to 10.15%, 34.81% and 15.80% of the liabilities and shareholders' equity respectively.

The changes in such current assets and current liabilities caused the company's liquidity ratio in the year 2014, 2015 and 2016 to be 9.55 times, 2.80 times and 6.14 times respectively, and the quick ratio was 8.71 times, 2.26 times and 4.68 times respectively. In the past the company managed liquidity using bank overdrafts and short-term loans from financial institutions for use as working capital for the business. However, after the company is listed on the Stock Exchange, money will be raised from the public for the first time, and the proceeds will be used as working capital for the business, which will improve the company's liquidity.

Cash Cycle

As of 31 December 2014, 2015 and 2016, the company had a cash cycle of 160 days, 71 days, and 97 days respectively. From the above information, it can be observed that the company had a relatively long average cash cycle as the company was engaged primarily in the form of projects, which took a rather long time to complete. As a result, the company's inventories were high, leading to a low inventory turnover ratio and longer than average sale period. The average collection period of the company was prolonged as well, since the company delivered and billed for projects with high values at the end of the year, causing a year-end increase in trade accounts receivable. Consequently, the accounts receivable turnover ratio was lowered. Additionally, the purchases of merchandise from foreign or local manufacturers require a short period of repayment leading to a high creditor turnover ratio and

Also, it can be observed that the cash turnover ratio fluctuated throughout such period due to the unique nature of the business of the company, where revenue will only be recognized when delivery is complete.

Cash flow for fiscal year 2016 ended 31 December 2016

Net cash provides by (used in) operating activities

The company's cash flows from operating activities was 1.04 million Baht. Even though the company was able to generate a profit from operation before the changes in operating assets and liabilities of 95.45 million Baht, its trade receivables, other receivables and inventories are also higher in preparation for project deliveries in the coming year.

Net cash provides by (used in) investing activities

The company's cash flows used in investing activities was 7.94 million Baht, due to the cash outflows from temporary investments of 6.35 million Baht and the outflows from buying additional equipment and tangible assets of 1.88 million Baht.

Net cash provides by (used in) financing activities

The company's cash flows from financing activities was 183.55 million Baht, with a significant inflow from the proceeds of capital increase of 416.93 Million Baht and a significant outflow of dividends of 215.00 million Baht

Factors which may affect the company's future operations

As the company's main business deals with products that are very specific in terms of technology, there are certain aspects that could affect the company's performance:

1. Standard accounting practice states that the company must recognize its revenue only when it has completely transferred the risks concerning the product to the client. For high-value projects, it takes about 210-360 days (from the date of the sale contract) to complete and hand over the project to the client, which is when the revenue can be entirely recognized. Therefore, in the case that the company is unable to hand the project over to the client in the planned quarter, especially regarding high-value projects, the company risks fluctuations in its performance each quarter.
2. Because of the speciality of the company's products which have a lifespan of 12-15 years, in conjunction with the slow pace of technological advancement in the field of radiotherapy, the time for the product's replacement could be relatively long and the company's client base can be considered a niche market, which is limited to the healthcare sector. Therefore, it is possible that these two factors could affect the company's growth in the long term, as there are risks concerning the continuity of future sales.

However, the World Health Organisation (WHO) predicts a continual growth in the number of cancer patients in Thailand, despite not having enough radiotherapy machines in the country. The company, therefore, believes that there will be a constant demand from the existing clientele, as they continually allocate their budget (both from the state and private sectors) towards buying the company radiotherapy products to fulfill the high demands from patients. The necessity of the radiotherapy machines presents an opportunity for the healthcare sector to consider its investments into these products.

The Board of Directors' Duties on Financial Disclosure

The Board of Directors of Business Alignment Public Company Limited understands the responsibility of ensuring integrity, sufficient, relevant and transparent disclosure of the company's fiscal year 2016 financial statements. Such disclosure abides by the generally accepted accounting principles, ensuring the integrity of the company's operations/ appropriate accounting policies have been put in place and adhered to on a consistent basis while due consideration has been placed on the process of preparing the company fiscal year 2016 financial statements including other information that has been included in this year's annual report.

To enhance stakeholder trust, the Board appointed an Audit Committee comprising of Independent Directors with qualifications as stipulated by the guidelines of Stock Exchange of Thailand. Ensuring that the company provides sufficient, transparent, correct and appropriate financial disclosure along with information regarding related party transactions is a key function of the committee. Ensuring appropriate, sufficient and effective risk management guidelines, appropriate internal control procedures along with robust internal audit processes are also the functions of the committee. Legal compliance is at the forefront of the Board's concerns therefore the committee is also charged with ensuring that the company's operations adheres to all relevant external and internal legal, guidelines and policies.

The Board of Directors believes that the company fiscal year 2016 financial statements ending December 31, 2016, which has been reviewed by the Audit Committee, management and the company's financial auditor to be correct, complete, appropriate, in compliance with generally accepted accounting practices and employs appropriate accounting policies on a consistent basis. The financial disclosure is deemed to be transparent, provides an appropriate level of disclosure and is in compliance with all the relevant legal, guidelines and policies.



MR. SOMPONG CHUNEKITIYANONE

Director & Executive Chairman



MR. VORAVID SILAPUSID

Director

Audit Committee's Report

Dear Shareholders

The Audit Committee ("The Audit Committee") of Business Alignment Public Company Limited ("The company") comprises of 3 independent Directors as follows:

1. MS. SRIRAT CHUCHOTTAWORN Independent Director and Chairman of Audit Committee
2. MR. VIPOOTA TRAKULHOON* Independent Director and Audit Committee Member
3. MR. THANAWAT LERTWATTANARAK Independent Director and Audit Committee Member

* Audit Committee with experience in accounting, finance, and auditing

Each of the Directors meets the qualification mandated therein the Audit Committee Charter in accordance with the Good Governance Guideline from the SEC

In the year 2016, the Audit Committee had quarterly meetings with Internal Auditors and Auditors, together with the management and the accounting team in attendance as appropriate, to audit the financial statements and exchange recommendations to ensure the financial statements are prepared in accordance with the Generally Accepted Accounting Standard with sufficient information disclosure. The Audit Committee does not found any practice conflicting with the regulations and law related to the company. In 2016, there were 5 Audit Committee meetings. The Audit Committee informed the Board of Directors of the result of the work conducted by the Audit Committee in every Board of Director meeting. The key areas are as follows:

1. Financial statements audit

The Audit Committee audited the quarterly, annual, and financial statements with the auditors, management, and Internal Audit to present to the Board of Directors. The Audit Committee also meet with the auditors without the management team in attendance at least once a year.

2. Potential conflict of interest

The Audit Committee reviewed the list of potential conflict of interests between the company and its subsidiaries based on the reasonableness principle and considered the benefits of stakeholders, including the sufficient disclosure in accordance to the rules from the SEC.

3. Internal control and risk management

The Audit Committee reviewed the internal control adequacy of the company's and its subsidiaries from the report prepared by Internal Audit Department, and Auditors to assess the sufficiency and effectiveness of the internal control and the management of key risks.

4. Law and regulations

The Audit Committee reviewed the business conducted in compliance with the law and regulations.

5. Good Governance

The Audit Committee audited the company to ensure good governance for transparency and confidence of stakeholders.

6. Internal Audit

The Audit Committee reviewed the objective and scope of the work and approved the Internal Audit plan for 2017. The Audit Committee also provided recommendations and acknowledged the result of the audit and recommendations for 2016 from both the auditors and Internal Audit. The Audit Committee presented Audit Committee report to the Board of Directors every time after the meeting and provided recommendations to the management team, which the management have implemented as appropriate according to the guideline provided by the Audit Committee and SEC.

7. Appointment of the company's auditor and remuneration

The consideration and appointment of the auditor and the remuneration was conducted based on the qualification and expertise of the auditors in accordance to the amount of work required for the fiscal year 2017. The Audit Committee proposed to the Board of Directors to appoint M.R.& Associates Company Limited to be the company's Auditor with the following auditors:

Mr. Pisit Chiwaruangroch	C.P.A. Registration No. 2803	or
Mr. Maethee Rattanasrimaetha	C.P.A. Registration No. 3425	or
Mr. Akkaradech Piensakul	C.P.A. Registration No. 5389	or
Ms. Kornthip Wanichwisedkul	C.P.A. Registration No. 6947	

The Audit Committee believed that, in the year 2016, the company reported financial statements and operations with sufficient internal control and business conduct in compliance with the law and regulations mandated by the SEC. The internal control and risk management is appropriate and effective. The company provided appropriate and sufficient disclosure of the interconnectivity and conducted of business within reliable means and good governance.



MS. SRIRAT CHUCHOTTAWORN

Chairman of the Audit Committee

Report of Certified Public Accountant

To the Shareholders and Board of Directors of Business Alignment Public Company Limited
(Formerly Business Alignment Co., Ltd.)

Opinion

I have audited the financial statements of Business Alignment Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

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

Revenue from rendering of services and its related costs

I focused on recognition of revenue from rendering of service and its related costs in the final month of the year to check that revenue and its related costs were recorded in the correct period.

The Company provided repair and maintenance services for medical equipment. The ranges of service agreements were not parallel with the accounting period. The related costs were, mainly, costs paid to sub-contractors. The ranges of service agreements with sub-contractors were, also, not parallel with the accounting period.

To ensure that the revenue from rendering of service and its related costs were recorded in the correct period, the Company maintained monthly details of the revenue from rendering of service and its related costs, and consistently reviewed the correctness of recognition of the revenue from rendering of service and its related costs.

I reviewed the details of the revenue from rendering of service and its related costs prepared by the Company. I also tested the recognition of the revenue from rendering of service and its related costs by reference to the agreements, and test the accuracy of computation in the details to ensure that the revenue from rendering of service and its related costs were recorded in the correct period.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual registration statement (form 56-1) and annual report (form 56-2), but does not include the financial statements and my auditor's report thereon. The form 56-1 and form 56-2 are expected to be made available to me after the date of this auditor's report.

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

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

When I read the form 56-1 and form 56-2, if I conclude that there is a material misstatement therein, I am required to communicate the matter to audit committee.

Responsibilities of Management and Audit Committee for the Financial Statements

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

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

Audit Committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Pisit Chiwaruangroch.



(Mr. Pisit Chiwaruangroch)
Certified Public Accountant
Registration No. 2803

M.R. & ASSOCIATES CO., LTD.
Bangkok
February 23, 2017

BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED
(Formerly Business Alignment Co., Ltd.)
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016 AND 2015

ASSETS

		In Baht	
	Note	2016	2015
CURRENT ASSETS			
Cash and cash equivalents		223,976,737	47,333,264
Temporary investments	5, 10	41,497,013	35,147,513
Trade and other receivables	6	236,957,262	236,891,833
Inventories	7	107,452,628	44,667,872
Total current assets		<u>609,883,640</u>	<u>364,040,482</u>
NON-CURRENT ASSETS			
Long-term trade receivable	6	7,909,460	-
Equipment	8	4,083,588	4,390,215
Intangible assets		195,803	76,624
Deferred tax assets	9	6,412,210	3,925,721
Other non-current assets	4	430,050	1,700,050
Total non-current assets		<u>19,031,111</u>	<u>10,092,610</u>
TOTAL ASSETS		<u><u>628,914,751</u></u>	<u><u>374,133,092</u></u>

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

BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED
(Formerly Business Alignment Co., Ltd.)
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016 AND 2015

LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	In Baht	
		2016	2015
CURRENT LIABILITIES			
Short-term borrowings from financial institutions	10	-	12,558,222
Trade and other payables	4, 11	96,532,914	112,356,986
Income tax payable		229,215	888,135
Short-term provision	12	2,615,245	4,420,629
Total current liabilities		<u>99,377,374</u>	<u>130,223,972</u>
NON-CURRENT LIABILITIES			
Long-term trade payable	11	12,554,638	-
Employee benefit obligations	13	5,508,190	4,347,552
Long-term provision	12	350,000	250,000
Total non-current liabilities		<u>18,412,828</u>	<u>4,597,552</u>
Total liabilities		<u>117,790,202</u>	<u>134,821,524</u>

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

BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED
(Formerly Business Alignment Co., Ltd.)
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016 AND 2015

LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)

	Note	In Baht	
		2016	2015
SHAREHOLDERS' EQUITY			
Share capital			
Authorized share capital	14	200,000,000	5,000,000
Issued and paid-up share capital	14	200,000,000	5,000,000
Share premium on ordinary shares	14, 15	222,332,048	400,000
Retained earnings			
Appropriated			
Legal reserve	16	4,414,625	256,270
Working capital reserve		10,000,000	10,000,000
Unappropriated		74,377,876	223,655,298
Other components of shareholders' equity		-	-
Total shareholders' equity		511,124,549	239,311,568
TOTAL LIABILITIES AND			
SHAREHOLDERS' EQUITY			
		628,914,751	374,133,092

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

BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED
[Formerly Business Alignment Co., Ltd.]
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	Note	In Baht	
		2016	2015
REVENUES			
Revenue from sales of goods		607,124,886	236,710,537
Revenue from rendering of services		130,715,835	73,834,011
Gain on exchange rate		3,922,257	-
Other income	17	1,465,925	8,394,796
Total revenues		<u>743,228,903</u>	<u>318,939,344</u>
EXPENSES			
Costs of sales of goods	18	505,132,721	203,082,368
Costs of rendering of services		110,043,490	58,482,866
Selling expenses		10,817,018	5,759,212
Administrative expenses	4	27,660,475	20,796,999
Loss on exchange rate		-	4,406,206
Finance costs		5,881,646	262,832
Total expenses		<u>659,535,350</u>	<u>292,790,483</u>
Profit before income tax		83,693,553	26,148,861
Tax expense	9	13,457,350	5,357,599
Profit for the year		<u>70,236,203</u>	<u>20,791,262</u>

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

BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED
(Formerly Business Alignment Co., Ltd.)
STATEMENT OF COMPREHENSIVE INCOME (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	Note	In Baht	
		2016	2015
Other comprehensive income	19		
Items that will not be reclassified subsequently to profit or loss			
- Actuarial loss on defined benefit plan		(355,270)	(21,663)
Items that will be reclassified subsequently to profit or loss			
- Gain on measurement of investments		-	1,515,349
- Gain on sales of investments recognized in profit or loss		-	(2,972,450)
			(1,457,101)
Other comprehensive loss for the year		(355,270)	(1,478,764)
Total comprehensive income for the year		69,880,933	19,312,498
Basic earnings per share	20	0.23	2.08

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

BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED
(Formerly Business Alignment Co., Ltd.)
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	In Baht						
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings			Total shareholders' equity
				Appropriated		Unappropriated	
				Legal reserve	Working capital reserve		
Balance as at January 1, 2016		5,000,000	400,000	256,270	10,000,000	223,655,298	239,311,568
Comprehensive income for the year		-	-	-	-	70,236,203	70,236,203
Profit for the year		-	-	-	-	(355,270)	(355,270)
Other comprehensive loss for the year		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	69,880,933	69,880,933
Capital increase	14	195,000,000	221,932,048	-	-	-	416,932,048
Appropriation for legal reserve	16	-	-	4,158,355	-	(4,158,355)	-
Dividends	21	-	-	-	-	(215,000,000)	(215,000,000)
Balance as at December 31, 2016		200,000,000	222,332,048	4,414,625	10,000,000	74,377,876	511,124,549

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

BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED
(Formerly Business Alignment Co., Ltd.)
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	In Baht						
	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Other components of shareholders' equity		
			Legal reserve	Appropriated Working capital reserve	Unappropriated	Fair value changes in investments	Total shareholders' equity
Balance as at January 1, 2015	5,000,000	400,000	256,270	10,000,000	202,885,699	1,457,101	219,999,070
Comprehensive income for the year	-	-	-	-	20,791,262	-	20,791,262
Other comprehensive loss for the year	-	-	-	-	(21,663)	(1,457,101)	(1,478,764)
Total Comprehensive income (loss) for the year	-	-	-	-	20,769,599	(1,457,101)	19,312,498
Balance as at December 31, 2015	5,000,000	400,000	256,270	10,000,000	223,655,298	-	239,311,568

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

BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED
[Formerly Business Alignment Co., Ltd.]
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	In Baht	
	2016	2015
Cash flows from operating activities		
Profit before income tax	83,693,553	26,148,861
Adjustment for		
Depreciation and amortization	1,187,541	830,074
Employee benefits	716,551	529,202
Provision	3,856,778	2,500,673
Unrealized loss on exchange	909,348	1,043,785
Gain on sales of temporary investments	-	(3,715,563)
Interest income	(793,149)	(202,166)
Interest expense	5,881,646	262,832
Loss on disposal of equipment and intangible assets	-	317,246
	<u>95,452,268</u>	<u>27,714,944</u>
Decrease (increase) in operating assets		
Trade and other receivables	(7,472,117)	(217,997,421)
Inventories	(61,907,371)	(39,194,213)
Other non-current assets	1,270,000	(289,850)
Increase (decrease) in operating liabilities		
Trade and other payables	(4,233,515)	95,937,161
Provision paid	(5,562,162)	(4,137,257)
Income tax paid	(16,513,942)	(8,310,331)
Net cash provided by (used in) operating activities	<u>1,033,161</u>	<u>(146,276,967)</u>

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

BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED
(Formerly Business Alignment Co., Ltd.)
STATEMENT OF CASH FLOWS (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	In Baht	
	2016	2015
Cash flows from investing activities		
Interest received	290,377	178,520
Increase in temporary investments	(6,349,500)	-
Proceeds from sales of temporary investments	-	180,946,688
Additions to equipment and intangible assets	(1,877,478)	(3,252,656)
Proceeds from disposals of equipment	-	130,841
Net cash provided by (used in) investing activities	(7,936,601)	178,003,393
Cash flows from financing activities		
Interest paid	(5,826,913)	(247,657)
Increase (decrease) in bank overdrafts and short-term borrowings from financial institutions	(12,558,222)	12,312,592
Proceeds from capital increase	416,932,048	-
Dividends paid	(215,000,000)	-
Net cash provided by financing activities	183,546,913	12,064,935
Net increase in cash and cash equivalents	176,643,473	43,791,361
Cash and cash equivalents at beginning of the year	47,333,264	3,541,903
Cash and cash equivalents at end of the year	223,976,737	47,333,264
<u>Cash and cash equivalents at end of the year</u>		
Cash on hand	40,000	40,000
Cash at banks - current accounts	219,950,058	45,426,588
Cash at banks - savings accounts	30,688	2,001
Time deposits - less than 3 months from acquisition date	3,955,991	1,864,675
Total	223,976,737	47,333,264

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

Notes to Financial Statements

BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED

[Formerly Business Alignment Co., Ltd.]

Notes to Financial Statements

December 31, 2016 and 2015

1. GENERAL

Business Alignment Co., Ltd. (“the Company”), is incorporated in Thailand and has registered office at 92/45 Sathorn Thani Building 2, 16th Floor, Sathon Nuea Road, Kwang Silom, Khet Bangrak, Bangkok. The Company registered the change of the Company to a Public Company with the Ministry of Commerce on March 21, 2016.

The principal activities of the Company are sale of medical equipment including installation, repair and maintenance, and increase efficiency of medical equipment.

2. BASIS FOR FINANCIAL STATEMENT PREPARATION

The accompanying financial statements are prepared in Thai Baht in the Thai language in accordance with the financial reporting standards in Thailand. Accordingly, the accompanying financial statements are intended solely to present the financial position, results of operations and cash flows in accordance with the financial reporting standards in Thailand.

Except as disclosed in the accounting policies, the accompanying financial statements have been prepared under the historical cost convention.

The Company disclosed information for the year ended December 31, 2015 for being the comparative information in the financial statements for the year ended December 31, 2016 in the form of corresponding figures.

For convenience of the readers, an English translation of the financial statements has been prepared from the Thai language statutory financial statements that are issued for domestic financial reporting purposes.

Revision and issuance of new accounting standards, financial reporting standards, and interpretations

The Federal of Accounting Professions (FAP) issued several Notifications regarding the revision and issuance of new Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Accounting Interpretation (TSIC), and Thai Financial Reporting Interpretation (TFRIC) with the effective for the accounting period beginning on or after January 1, 2016. Adoption of the new and revised TAS and TFRS as well as TSIC and TFRIC did not have any material effect to the financial statements of the Company.

FAP issued several Notifications regarding the revision and issuance of new TAS, TFRS, TSIC, and TFRIC with the effective for the accounting period beginning on or after January 1, 2017 whereby the Company has not yet adopted in the preparation of the accompanying financial statements and has no policy to early adopt before the effective period, which are as follows:

TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events after the Reporting Period
TAS 11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 20 (revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2016)	Earnings per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 40 (revised 2016)	Investment Property
TAS 41 (revised 2016)	Agriculture
TAS 104 (revised 2016)	Accounting for Troubled Debt Restructurings
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Instruments
TAS 107 (revised 2016)	Presentation and Disclosures of Financial instruments
TFRS 2 (revised 2016)	Share-based Payment
TFRS 3 (revised 2016)	Business Combinations
TFRS 4 (revised 2016)	Insurance Contracts
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2016)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements

TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 10 (revised 2016)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2016)	Operating Leases - Incentives
TSIC 25 (revised 2016)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2016)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2016)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2016)	Applying the Restatement Approach under TAS 29 "Financial Reporting in Hyperinflationary Economies"
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2016)	Service Concession Arrangements
TFRIC 13 (revised 2016)	Customer Loyalty Programmes
TFRIC 14 (revised 2016)	TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
TFRIC 20 (revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2016)	Levies

Management of the Company has preliminarily assessed and believed that there will be no material effect to the financial statements of the Company upon adoption of the aforesaid new and revised TAS and TFRS as well as TSIC and TFRIC.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant principle accounting policies adopted in the preparation of these financial statements are as follows:

Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments without restriction of use.

Trade and other receivables

Trade and other receivables are stated at their invoice values or accrued amount less allowance for doubtful accounts.

The Company provides an allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on the historical collection experience coupled with a review of the current status of existing receivables.

Inventories

Inventories are stated at the lower of cost (after deduction of allowance for obsolete and slow-moving of inventories) and net realizable value. Costs of inventories are determined as follows:

Medical equipment under installation	- Specific identification
Spare parts and supplies	- First-in, First-out

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

Net realizable value is the estimated selling price in the ordinary course of business less necessary selling expenses.

Investments

Marketable equity securities other than securities held for trading or intended to be held to maturity, are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognized in other comprehensive income.

Equipment

Equipment is stated at cost net of accumulated depreciation and allowance for impairment losses (if any).

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of an item of equipment. Depreciation is calculated based on cost of the property and equipment less residual value. Useful lives and residual values are reviewed at each year-end. The estimated useful lives are as follows:

	Period (years)
Leasehold improvement - office	10
Tools, furniture, and office equipments	3, 5
Vehicles	5

Intangible assets

Intangible assets are computer software, and stated at cost less accumulated amortization and allowance for impairment losses (if any).

Amortization

Amortization is charged to profit or loss on a straight-line basis over the estimated period of 10 years during which economic benefits are expected to flow to the Company.

Impairment of assets

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts (the higher of an asset's net selling price or value in use) are estimated. The review is made for individual assets or for the cash-generating unit.

In case that the carrying value of an asset exceeds its recoverable amount, the Company recognizes the impairment losses by reducing the carrying value of the asset to be at its recoverable amount and recording the devaluation in profit or loss. The reversal of impairment losses recognized in prior years is recorded as part of other income when there is an indication that the impairment losses recognized for the assets no longer exist or are decreased.

Trade and other payables

Trade and other payables are stated at cost.

Employee benefits

Short-term benefits

Salaries, wages, bonuses and contributions to social security fund are recognized as an expense upon their occurrences and on an accrual basis.

Post-employment benefits

Obligations on defined contribution plan which is the provident fund are recognized as an expense in the statement of comprehensive income when contribution to the fund on an accrual basis.

The Company's obligation in respect of post-employment benefits, which are compensations under labor protection acts, is recognized as liability and expense in the financial statements based on the amount calculated, using the projected unit credit method by a qualified actuary. Expenses from the estimated liability for post-employment benefits are recognized in profit or loss and comprise of current service cost and interest cost. Actuarial gain or loss is recognized in other comprehensive income. This employee benefit plan is unfunded and has no any incurred plan asset.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Revenues

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Revenue from sale is recognized in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated cost or the probable return of goods.

The Company's revenue from rendering of services derived from rendering services on repair and maintenance, and increase efficiency of medical equipment. The revenue is recognized on a straight-line basis over the period the services are provided. When service are performed by an indeterminate number of acts over a specific period of time, and a specific act is much more significant than any other acts, the recognition of revenue is postponed the until the significant act is exceeded.

Other income is recognized on an accrual basis.

Expenses

Payments made under operating leases are recognized in profit or loss on a straight line basis over the term of the lease.

Interest expense and similar costs are charged to profit or loss for the period in which they are incurred.

Income tax

Tax expense for the year comprises current and deferred tax.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted by the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Use of estimates

In order to prepare financial statements in conformity with financial reporting standards in Thailand, management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Significant estimates and underlying assumptions used in preparation of the accompanying financial statements which may be affected by uncertainty are as follows:

- Accrued expenses
- Provision

4. TRANSACTIONS WITH RELATED PARTIES

Related parties are parties controlled by the Company or have power control over the Company, directly or indirectly, or has significant influence over the financial or operating policies of the Company.

Name of entities	Nature of relationships
Sathorn Sixteen Company Limited	Common directors and common shareholders
Key management personnel	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

The pricing policies are as follows:

Type of transactions	Pricing policies
Rental expense	Market price

Significant outstanding balances of assets and liabilities with its related parties as at December 31, 2016 and 2015 were as follows:

	In Thousand Baht	
	2016	2015
Other non-current assets		
- Rental deposit	375	375
Trade and other payables		
- Accrued expense	187	197

Significant transactions with related parties for the years ended December 31, 2016 and 2015 were as follows:

	In Thousand Baht	
	2016	2015
Rental expense	1,498	1,373
<u>Key management compensation</u>		
Short-term benefits	9,043	7,625
Post-employment benefits	656	294
Total	9,699	7,919

The Company entered into an agreement to lease office space from Sathorn Sixteen Co., Ltd. The term of the agreement is expiring on January 31, 2018, renewable for 3 years. Non-cancellable operating lease commitment is as follows:

	In Thousand Baht	
	2016	2015
Within one year	1,498	1,498
After one year but within three years	125	1,623
Total	1,623	3,121

5. TEMPORARY INVESTMENTS

	In Thousand Baht	
	2016	2015
Unit trusts	-	-
Fair value changes	-	-
Time deposits	41,497	35,148
Total	41,497	35,148

6. TRADE AND OTHER RECEIVABLES AND LONG-TERM TRADE RECEIVABLE

Trade and other receivables

	In Thousand Baht	
	2016	2015
Trade receivables		
Current	187,480	209,874
Overdue		
Not over 3 months	9,741	1,319
Over 3 months	30	-
	197,251	211,193
Long-term trade receivable due within one year	2,342	-
	199,593	211,193
Accrued service income	16,577	14,708
Prepaid expenses	5,349	7,940
Revenue Department receivable	8,340	-
Others	7,098	3,051
	37,364	25,699
Total	236,957	236,892

Long-term trade receivable

	In Thousand Baht	
	2016	2015
Due within one year	2,342	-
Due after one year but not over four years	7,909	-
Total	10,251	-

Long-term trade receivable is all future receipts discounted using interest rate at 6% per annum.

7. INVENTORIES

	In Thousand Baht	
	2016	2015
Medical equipment and work in progress	100,215	902
Spare parts	770	867
Goods in transit	6,468	42,899
Total	107,453	44,668

8. EQUIPMENT

	In Thousand Baht			
	Leasehold improvement - office	Tools, furniture and office equipments	Vehicles	Total
Cost				
At January 1, 2015	-	3,634	729	4,363
Additions	1,499	837	877	3,213
Disposals	-	(592)	(729)	(1,321)
At December 31, 2015	1,499	3,879	877	6,255
Additions	-	1,689	48	1,737
Transfers	-	(2,275)	-	(2,275)
At December 31, 2016	1,499	3,293	925	5,717
Accumulated depreciation				
At January 1, 2015	-	1,490	478	1,968
Depreciation charge for the year	87	643	85	815
Disposals	-	(440)	(478)	(918)
At December 31, 2015	87	1,693	85	1,865
Depreciation charge for the year	150	839	177	1,166
Transfers	-	(1,398)	-	(1,398)
At December 31, 2016	237	1,134	262	1,633
Net Book Value				
At December 31, 2015	1,412	2,186	792	4,390
At December 31, 2016	1,262	2,159	663	4,084

The gross carrying amounts of the Company's fully depreciated equipment that is still in use as at December 31, 2016 and 2015 amounted to Baht 0.06 million and Baht 0.1 million, respectively.

9. INCOME TAX

Details of deferred income tax assets as at December 31, 2016 and 2015 were as follows:

	In Thousand Baht	
	2016	2015
Trade account receivable	(2,050)	-
Trade account payables	3,324	-
Accrued expenses	3,443	2,122
Provision	593	934
Employee benefit obligations	1,102	870
Total	6,412	3,926

Tax expense

	In Thousand Baht	
	2016	2015
Current tax expense	15,855	5,336
Deferred income tax		
Movements in temporary differences	(2,398)	22
Total	13,457	5,358

Reconciliation of effective tax rate

Profit before income tax	83,693	26,149
Income tax using the corporate tax rate (20%)	16,739	5,230
Others	(3,282)	128
Total	13,457	5,358

10. CREDIT FACILITIES

As at December 31, 2016 and 2015, the Company had credit facilities from local banks as follows:

	In Thousand Baht	
	2016	2015
Bank overdrafts	10,000	10,000
Promissory notes	30,000	93,000
Letters of credit and trust receipts	292,000	528,686
Letters of guarantee	208,323	147,934

These credit facilities are secured by time deposits (shown under temporary investments) as at December 31, 2016 and 2015 amounting to Baht 41.5 million and Baht 35.1 million, respectively and guaranteed by certain directors of the Company (free of charge).

As at December 31, 2015, short-term borrowings under trust receipts amounted to Baht 12.6 million. These liabilities bear interest at 7.25% per annum.

11. TRADE AND OTHER PAYABLES AND LONG-TERM TRADE PAYABLE

Trade and other payables

	In Thousand Baht	
	2016	2015
Trade payables	25,826	81,377
Long-term trade payable due within one year	3,999	-
	<u>29,825</u>	<u>81,377</u>
Accrued expenses	22,802	13,524
Deposits received in advance	39,486	12,664
Others	4,420	4,792
	<u>66,708</u>	<u>30,980</u>
Total	<u>96,533</u>	<u>112,357</u>

Long-term trade payable

	In Thousand Baht	
	2016	2015
Due within one year	3,999	-
Due after one year but not over four years	12,555	-
Total	<u>16,554</u>	<u>-</u>

Long-term trade payable is all future payments discounted using interest rate at 7% per annum.

12. PROVISION

	<u>In Thousand Baht</u>
At January 1, 2016	4,671
Provisions made	3,856
Provisions used	<u>(5,562)</u>
At December 31, 2016	<u>2,965</u>
<u>Show under</u>	
Short-term provision	2,615
Long-term provision	<u>350</u>
Total	<u>2,965</u>

The provision represents principally, estimated claims during warranty for medical equipment sold. The claims were estimated from cost of replacement of unsuitable parts or damaged parts.

13. EMPLOYEE BENEFIT OBLIGATIONS

Movement in the present value of the obligations (unfunded) were as follows:

	<u>In Thousand Baht</u>	
	<u>2016</u>	<u>2015</u>
Obligations as at January 1	<u>4,348</u>	<u>3,791</u>
Current cost	542	378
Interest on obligations	<u>174</u>	<u>152</u>
Expense recognized in profit or loss	716	530
Actuarial loss recognized in other comprehensive income	<u>444</u>	<u>27</u>
Obligations as at December 31	<u>5,508</u>	<u>4,348</u>

Actuarial loss recognized in other comprehensive income arising from experience adjustments.

Principal actuarial assumptions:

	<u>%</u>	
	<u>2016</u>	<u>2015</u>
Discount rate	4.0	4.0
Salary increase rate	7.5	7.5
Employee turnover rate	0.0	0.0
Mortality rates	Based on Thai Mortality Table (year 2008)	
Disability rates	15% of Thai Mortality Table (year 2008)	

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	In Thousand Baht	
	Increase	Decrease
Defined benefit obligation at December 31, 2016		
Discount rate (1% change)	(603)	717
Salary increase rate (1% change)	664	(571)
Employee turnover rate (1% change)	(635)	-

14. SHARE CAPITAL

	In Thousand shares	In Thousand Baht
Authorized share capital, ordinary shares at Baht 100 par value		
At December 31, 2015 and January 1, 2016	50	5,000
On February 15, 2016 - increase	1,450	145,000
	<u>1,500</u>	<u>150,000</u>
On March 21, 2016		
Change in par value to Baht 0.50	300,000	150,000
Increase (under Public Company Act.)	100,000	50,000
At December 31, 2016	<u>400,000</u>	<u>200,000</u>
Issued and paid-up share capital, ordinary shares at Baht 100 par value		
At December 31, 2015 and January 1, 2016	50	5,000
On February 15, 2016 - increase	1,450	145,000
	<u>1,500</u>	<u>150,000</u>
On March 21, 2016		
Change in par value to Baht 0.50	300,000	150,000
Increase (under Public Company Act.)	100,000	50,000
At December 31, 2016	<u>400,000</u>	<u>200,000</u>

On February 4, 2016, the shareholders approved an increase in authorized share capital of the Company from Baht 5,000,000 (50,000 ordinary shares at Baht 100 par value) to Baht 150,000,000 (1,500,000 ordinary shares at Baht 100 par value). The Company registered this capital increase with the Ministry of Commerce on February 15, 2016.

On March 12, 2016, the shareholders approved a change in par value of the Company's shares to Baht 0.50 par value; and an increase in its authorized share capital to Baht 200 million. The Company registered these changes with the Ministry of Commerce on March 21, 2016.

During July 20 to 22, 2016, the Company issued 100,000,000 ordinary shares at Baht 2.90 per share. Cash received from this share issuance amounted to Baht 290 million (consisting of paid-up share capital amounting to Baht 50 million and share premium amounting to Baht 240 million). The Company registered the increase in paid-up share capital with the Ministry of Commerce on July 25, 2016. Underwriting fee and expenses relating to issuance of the shares amounting to Baht 18.07 million was presented as a deduction from share premium.

On July 27, 2016, the Stock Exchange of Thailand accepted the Company's ordinary shares of 400 million shares as listed securities in the Market for Alternative Investment and to be traded starting July 28, 2016.

15. SHARE PREMIUM

Share premium represents share subscription monies received in excess of the par value of the shares issued. Share premium is not available for dividend distribution.

16. LEGAL RESERVE

	<u>In Thousand Baht</u>
At January 1, 2016	<u>256</u>
Appropriation for legal reserve during the year:	
- Under Civil and Commercial Code	244
- Under Public Company Act	<u>3,915</u>
Total	<u>4,159</u>
At December 31, 2016	<u>4,415</u>

Under Civil and Commercial Code

Legal reserve is set up under the provision of the Civil and Commercial Code, which requires that a company shall allocate not less than 5% of its net profit to a reserve account ("legal reserve") upon each dividend distribution, until the balance reaches an amount not less than 10% of the authorized share capital. The legal reserve is not available for dividend distribution.

Under Public Company Act

Section 116 of the Public Company Act, B.E. 2535 requires a company to allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the authorized share capital. The legal reserve is not available for dividend distribution.

17. OTHER INCOME

	In Thousand Baht	
	2016	2015
Gain on sales of temporary investments	-	3,716
Reversal of provision	-	2,307
Insurance claim	-	1,554
Others	1,466	818
Total	1,466	8,395

18. EXPENSE BY NATURE

Significant expenses by nature are as follows:

	In Thousand Baht	
	2016	2015
Costs of sales of goods	505,133	203,082
Costs of rendering of services	104,829	54,812
Employee expenses	24,147	16,687
Advertising and sale promotion	2,608	1,472
Rental expenses	1,864	2,026
Depreciation and amortization	1,188	830

19. OTHER COMPREHENSIVE INCOME

	In Thousand Baht		
	Amount	Tax expense (income)	Net
<u>2016</u>			
Items that will not be reclassified subsequently to profit or loss			
- Actuarial loss on defined benefit plan	(444)	(89)	(355)
<u>2015</u>			
Items that will not be reclassified subsequently to profit or loss			
- Actuarial loss on defined benefit plan	(27)	(5)	(22)
Items that will be reclassified subsequently to profit or loss			
- Gain on measurement of investments	1,894	379	1,515
- Gain on sales of investments recognized in profit or loss	(3,716)	(744)	(2,972)
	(1,822)	(365)	(1,457)
Other comprehensive loss for the year	(1,849)	(370)	(1,479)

20. BASIC EARNINGS PER SHARE

Basic earnings per share for the years ended December 31, 2016 and 2015 were determined by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year as follows:

	In Thousand Baht/ In Thousand shares	
	2016	2015
Profit for the year	70,236	20,791
Number of ordinary share at January 1 (Baht 0.50 per share)	10,000	10,000
Effect of shares issued	298,060	-
Weighted average number of ordinary share	308,060	10,000
Basic earnings per share (In Baht)	0.23	2.08

21. DIVIDENDS

At the shareholders' meeting of the Company held on February 4, 2016, the shareholders approved interim dividends of Baht 215,000,000 (50,000 shares at Baht 4,300 per share) from unappropriated retained earnings as at December 31, 2014.

22. SEGMENT INFORMATION

The Company operates only sale of medical equipment including installation, repair and maintenance, and increase efficiency of medical equipment in Thailand. The management considers that the Company has only one operating segment.

Revenue from sales of goods and rendering of services from major customers for the years ended December 31, 2016 and 2015 amounting to approximately Baht 586 million and Baht 189 million, respectively.

23. REGISTERED PROVIDENT FUND

The Company has arranged a contributory registered provident fund in accordance with the Provident Fund Act, B.E. 2530 (1987). Membership to the fund is on a voluntary basis. Under the plan, the Company and employees contribute an amount equivalent to 3% - 8% of the employees' basic salaries.

The Company's contribution, which was charged to operations for the year ended December 31, 2016, amounted to Baht 0.7 million.

24. DISTRIBUTION AGREEMENTS

The Company entered into two distribution agreements with a foreign company. Under the terms of the agreements, the Company was appointed as the exclusive distributor for Radiotherapy products and Brachytherapy products in Thailand and Cambodia; and shall use its best efforts to purchase the products not less than the amounts specified in the agreements. The terms of the agreements are effective two years for Thailand and one year for Cambodia expiring on September 30, 2017. The agreements may be early terminated by either party giving to the other notice in writing at least thirty days.

The Company entered into another distribution agreement with another foreign company. Under the terms of the agreement, the Company was appointed as an exclusive distributor of software for use in Radiotherapy in Thailand; and shall purchase the software not less than the amount specified in the agreement. The terms of the agreement are effective three years from January 1, 2016 and automatically extend for one year. The agreement may be early terminated by either party giving notice in writing.

25. 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 market participants at the measurement date. Principal market is the market with the greatest volume and level of activity for the asset or liability. Market participants comprise buyers and sellers in the principal or most advantageous market for the asset or liability whereby market participants are independent of each other, knowledgeable and having a reasonable understanding, able to enter into a transaction for the asset or liability, and willing to enter into a transaction for the asset or liability.

To increase the consistency and comparability in fair value measurements and related disclosures in the financial statements, the fair value hierarchy is categorized into 3 levels with respect of the inputs to valuation techniques used to measure the fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities ("Level 1 inputs"), secondary priority to other observable inputs ("Level 2 inputs"), and the lowest priority to unobservable inputs ("Level 3 inputs").

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

As at December 31, 2016 and 2015, the Company had temporary investment in unit trust that is measured at fair value (both on a recurring or non-recurring basis) in the statements of financial position amounting to Baht 13 (Level 1 inputs).

However, the Company has financial assets and liabilities not measured at fair value in the statements of financial position as at December 31, 2016 and 2015 but for which the fair value is disclosed in Note 26.

26. DISCLOSURES OF FINANCIAL INSTRUMENTS

The Company is exposed to normal business risks from changes in market interest rates and currency exchange rates, and liquidity risk. The Company does not issue derivative financial instruments for trading purposes.

Interest rate risk

Interest rate risk incurs from the future interest rate instability, which may affect the Company operating result and cash flow. The Company also incurs interest rate risk from borrowings from financial institutions.

Since the financial assets and liabilities are held primarily in short-term and have fixed interest rates in relation with the current market interest rate, the Company has not used financial derivative to protect against such risk.

Foreign currency risk

The Company is exposed to foreign currency risk relating to purchases of goods and expenses which are denominated in foreign currencies.

As at December 31, 2016, the Company has an outstanding balances of liabilities in foreign currency of U.S. Dollars 1 million (equivalent to Baht 36.1 million). Management believes that said foreign currency risk is minimal.

Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

Fair value

Cash and cash equivalents, temporary investments in time deposits, trade and other receivables - the carrying values approximate their fair values due to the relatively short-term maturity of these financial instruments (Level 2 inputs).

Short-term borrowings from financial institutions, trade and other payables - the carrying amounts of these financial liabilities approximate their fair values due to the relatively short-term maturity of these financial instruments (Level 2 inputs).

Long-term trade receivable and payable - the carrying values approximate their fair value since these financial instruments bear interest at market rates (Level 2 inputs).

27. CAPITAL MANAGEMENT

Significant objectives of the capital management of the Company is to ensure that they have appropriate financial and capital structures as well as the financial liquidity and ability to continue their businesses as a going concern.

28. EVENTS AFTER THE REPORTING PERIOD

On February 23, 2017, the Company's Board of Directors resolved a proposal to the Shareholders' meeting to approve:

- Dividends of Baht 40,000,000 (400,000,000 shares at Baht 0.10 per share) from profit for the year ended December 31, 2016.
- Transfer working capital reserve of Baht 10,000,000 to legal reserve.

29. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of directors on February 23, 2017.