



Annual Report 2013





Bumrungrad
International

HOSPITAL



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Message from the Chairman

Health is such a basic human need, it would be tempting to assume the demand for health services is reliably constant. Not so. Populations age and diseases become more or less prevalent. Economic trends and politics affect demand. Technology provides new ways to deliver care, easier access to information, and, if a patient desires, more convenient means to travel for treatment.

Business strategies of successful healthcare providers must be based on such things. They must be more sustainable than what magazine editors or the investment community is fascinated with this year. The markets we choose and the ways we plan to serve them are longer-term commitments.

In 2011, Bumrungrad refocused its strategy. Today we are in the middle of executing ambitious plans based on that strategy. The strategy is a simple one with powerful implications. Our priority is to serve high-value local and international patients from our base in Thailand, where we enjoy unique competitive advantages. Nowhere else can we offer such an ideal combination of excellent doctors, comforting service, and efficient facilities.

This does not imply we withdraw from international markets. On the contrary, Bumrungrad has built an appealing brand to medical travelers, and we should leverage it. But that does not require us to build and attach the Bumrungrad name to hospitals where people will not receive the Bumrungrad patient experience. This would be a short-term strategy. It would dilute the brand until it no longer stood for something special.

Instead, our expansion takes two forms. First and foremost, we must provide the facilities, medical and service staff to serve more local and international patients in Bangkok. We need not only more doctors; they must be doctors with superior skills and experience in the most advanced treatments. We need not only more staff; they must be trained in the “Bumrungrad Way” that results in consistently high satisfaction for patients from diverse cultures. We need not only more space; it must be the kind of aesthetically attractive, innovative space that inspired journalists to call us “the five-star hospital.”

Second, we can extend our business into key domestic and international markets in ways that yield better



investment returns than green field hospital projects. Partnerships with the right local providers will allow us to support primary care, diagnostic and other low-acuity treatment where our patients live. The most serious cases can be referred to our main facility in Bangkok.

I call this strategy “intelligent expansion” because it meets both customer and Company needs. We reach a wider base outside with convenient services closer to them, while improving our business mix with higher-acuity referrals to the center.

Intelligent expansion requires intelligent people. This past year we worked hard to develop and recruit Bumrungrad's next generation of leaders. We promoted 23 of our brightest people into Director-level positions or above and recruited 11 more from outside the Company. We also continue to attract superb doctors, including Thai doctors who have honed their skills and established excellent reputations overseas. That these bright doctors and executives have chosen Bumrungrad for their careers bodes well for the future of the Company.

A handwritten signature in black ink, which appears to read "Chai Sophonpanich". The signature is fluid and cursive.

Mr. Chai Sophonpanich
Chairman

Message from the Corporate CEO

Strategy without execution is a menu without a meal. Since refocusing on expanding our core capabilities, the Company has added space, bought land, upgraded technology and developed people. We are not finished, but progress is significant and our results will allow us to continue.

Since the beginning of 2013 we have added 58 additional beds in the conversion of the hospital's 12th floor to inpatient wards. Capacity to accept more critical care cases, particularly from Thai hospitals, will grow with the addition of 18 more ICU beds in March 2014.

Last May we opened four more outpatient floors in the Bumrungrad International Clinic building. They feature more space and updated technology for such important specialty centers as Eye, Spine, Orthopaedic and Neuroscience. Meeting rooms were relocated from the hospital to a beautiful new conference facility on the clinic building's top floor, where doctors, nurses, managers and visitors can meet and learn with views out over the campus and city.

The Company continued its plans for land acquired in 2012, clearing property close to the main campus and submitting government and environmental applications relating to the Petchaburi Road plot. We worked with the US architectural firm HGA on hospital designs and acquired a building to provide more space for nurse dormitories and back office functions.

In May 2013 we also opened a new Joint Replacement Center. It is staffed by a team of specialists trained in the innovative techniques used at the Dorr Arthritis Institute in California, using 3D computer modeling and robotic arm-assisted surgery. The center offers patients suffering from worn-out hips and knees solutions with less pain and faster recovery.

Bumrungrad's Heart Center has long been recognized both locally and internationally as a center of excellence in the region. An expert team specializing in cardiac arrhythmias will benefit from a new, state-of-the-art electrophysiology lab that helps them fix the complex and dangerous "short circuits" that cause irregular heartbeats.

To support this and other expansion projects, we have recruited 138 new doctors since the beginning of 2013.



International market expansion focused on Asia, where we are seeing the most growth. Since the beginning of 2013 we have established new referral offices in Indonesia, Laos, Russia, China and the UAE. Our fastest growing referral market, Myanmar, added branch offices in Mandalay and Naypyidaw. Bumrungrad's network of referral offices – now 22 in 15 countries – has contributed consistent "same store" growth of over 20% per year.

As we execute our strategy of intelligent expansion, the results are encouraging. 2013 was another record year for revenue. Margin and EBITDA were also at all-time highs, reflecting our emphasis on high-value patients, tertiary care, and disciplined management. Net profit, excluding the extraordinary gain from the KH sale in 2012, was also the highest ever.

These results give us a reliable financial foundation, so we can continue investing in our strategy despite occasional turbulence from external international and domestic factors. As I write this, we are working on new partnerships that will expand our brand presence in key markets to support growth. In Asia we are surrounded by new consumers with the desire and means to get better healthcare for themselves and their families. If we serve them well we will succeed.

Mr. Dennis Brown
Corporate CEO





Building on a solid foundation

Bumrungrad's future success is anchored on a solid foundation decades in the making.

The Company's reliable financial performance allows it to invest for the future. Today Bumrungrad is executing an ambitious plan that will attract and serve more patients from Thailand and around the world. Its deep resources allow it to consistently recruit top medical professionals, build innovative facilities, and invest in leading technology.







Outstanding medical talent, fully equipped

Attract the best doctors and you can serve the most valuable patients. Bumrungrad's reputation has allowed it to expand its medical staff without relaxing its rigorous selection criteria. Over 1,200 doctors are equipped with advanced technology, state-of-the-art facilities, and a supporting team with experience to handle demanding cases from all over the world.

In 2013 the hospital opened a Joint Replacement Center featuring Thailand's first MAKOPlasty® robotic arm and 3D surgical modeling system. Over a dozen Bumrungrad doctors and nurses trained at the famous Dorr Arthritis Institute in California to master a technique that restores mobility faster and less painfully for patients with worn-out hips and knees.

By the end of 2013, work was well underway on a new Arrhythmia Center. By mid-2014 the center will feature one of Southeast Asia's most advanced electrophysiology labs, allowing specialists to fix the complex and dangerous "short circuits" that cause irregular heartbeats.



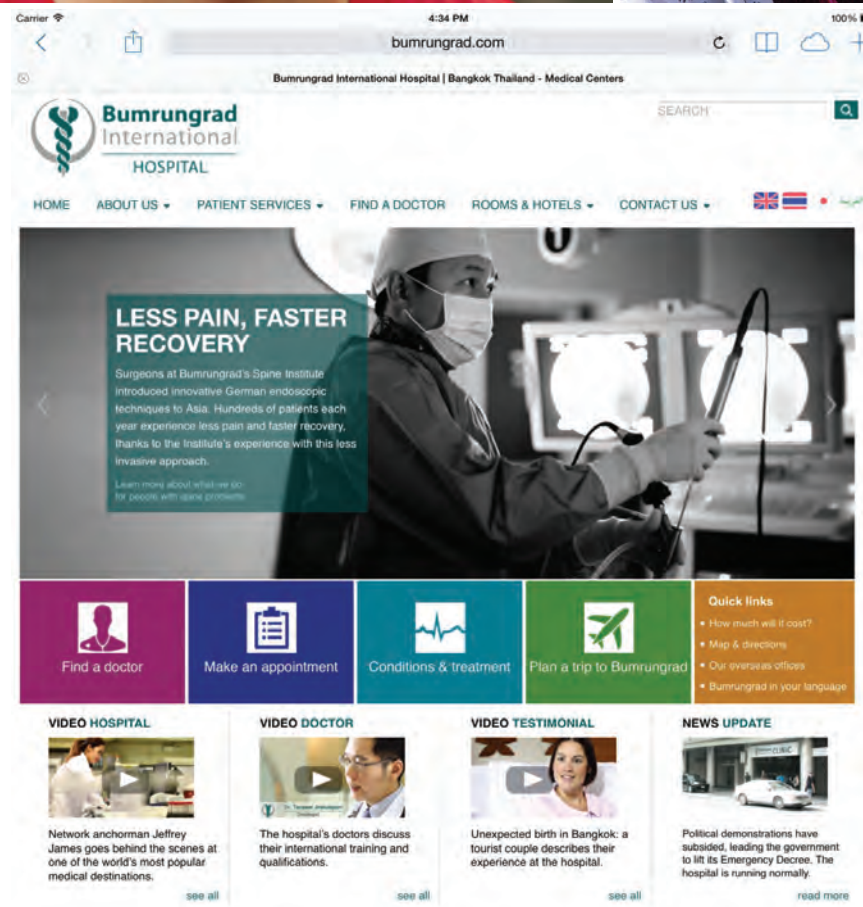


Comfortable, beautiful, innovative space to grow

Our transformative growth plan is a blueprint for serving significantly more patients from our home base. To get there, we've been adding more space at our existing campus and will develop satellite campuses nearby on acquired land.

More space came online during 2013, including 4 floors of new outpatient facilities in the International Clinic Building, and new inpatient rooms in the hospital building. The Horizon Cancer Center, along with chemotherapy facilities, have been upgraded. New intensive care beds and rehabilitation facilities were added.

Beyond boosting capacity, the major capital investment in additional space and facilities reflects Bumrungrad's philosophy that the healing environment contributes to the quality of care. Intelligent design, integrating information technology such as Wi-fi and tablet devices, also contributes to service and operational efficiency.





Connecting a world of care

Patients from over 190 countries have made Bumrungrad one of the world's most popular medical destinations. As competition intensifies, the hospital strengthened its international presence in Asian markets that will be the most important sources of future growth.

Bumrungrad expanded its network to 22 referral offices in 15 countries. They are often the first points of contact for overseas patients. They help with everything from answering questions and scheduling doctor appointments to assisting with travel arrangements.

Bumrungrad is also an important referral center for other Thai hospitals. In 2013, inpatient volumes from outside Bangkok rose 10%, reflecting the hospital's efforts to accommodate more domestic tertiary cases through bed management and network development.

Connecting with diverse patient sources requires easy to use information in multiple channels. The hospital's online presence has grown to include more languages, more relevant and accessible information, and mobile platforms.





One of the many craft items hand made by our staff and sold at the *Lahn Nam Jai* charity retail shop, which raised **4.6 Million Baht** for our charitable activities in 2013.

Do well and do good

Honoring its responsibilities to the community has been a Bumrungrad ideal since the Company's founding. Bumrungrad means "caring for the community."

In 2013 Bumrungrad's people — supported by the Company, the Bumrungrad Foundation and its philanthropic partners — engaged in over 40 community service projects, charitable initiatives and environmental protection programs.

As part of the *Rak Jai Thai* charity program, Bumrungrad surgeons in 2013 performed no-cost heart surgeries for 23 Thai children who lack the resources or access to much-needed cardiac surgeries. At the personal request of Thailand's Ambassador to Myanmar, Bumrungrad also performed the first such surgeries for 13 children from its neighbor. They joined 675 other children who are able to lead normal lives and look forward to the future, thanks to this program.

Directors and Senior Executives



Mr. Chatri Sophonpanich
Advisor to the Board



Mr. Chai Sophonpanich
Chairman of the Board



Dr. Chanvit Tanphiphat, MD
Vice Chairman of the Board



Mrs. Linda Lisahapanya
Managing Director



Dr. Dhanit Dheandhanoo, MD
Director



Dr. Sinn Anuras, MD
Director



Mr. Chong Toh
Director



Dr. Suvarn Valaisathien
Director



Ms. Sophavadee Uttamobol
Independent Director



Mr. Prin Chirathivat
Independent Director



Mr. Soradis Vinyaratn
Independent Director



Mrs. Aruni Kettratad
Independent Director



Mr. Dennis Michael Brown
Corporate CEO



Mr. James Matthew Banner
Hospital CEO



Mr. Banphot Kittikinglert
Company Secretary

Financial Information

Financial Highlights

	2013	2012	2011	2010	2009
Financial Performance (Baht '000)					
Total current assets	7,551,836	7,669,703	2,704,287	1,854,947	1,331,835
Total assets	17,251,529	15,984,706	13,690,978	9,151,677	8,566,992
Total current liabilities	2,125,098	2,137,622	1,505,987	1,723,241	1,664,381
Total liabilities	7,654,564	7,474,218	6,738,674	3,082,241	3,094,381
Total shareholders' equity	9,596,965	8,510,488	6,952,304	6,069,436	5,472,611
Total revenues	14,651,386	14,041,637	11,306,221	10,055,841	9,337,856
Share of income from investments in joint venture and associated companies	5,882	93,343	82,684	(34,927)	47,244
Net profit excluding extraordinary items	2,520,782	2,009,804	1,555,043	1,321,413	1,245,648
Net profit for the year	2,520,782	2,558,512	1,588,035	1,258,495	1,245,648
Basic earnings per share	3.46	3.51	2.18	1.73	1.71
Earnings per share – fully diluted	2.91	2.95	1.83	1.45	1.44
Book value per share	13.17	11.68	9.54	8.33	7.51
Book value per share – fully diluted	11.06	9.81	8.02	7.00	6.31
Dividend per share	1.90	1.80	1.10	0.90	0.85
Financial Ratios					
Gross profit margin (%)	42.4	39.9	40.1	39.6	38.8
EBITDA margin (%)	27.7	25.3	25.0	24.4	24.2
Net profit margin excluding extraordinary items (%)	17.2	15.1	13.7	13.1	13.3
Net profit margin (%)	17.2	18.1	13.9	12.5	13.3
Growth on revenues from hospital operations (%)	10.8	16.7	12.5	8.0	5.1
Growth on net profit excluding extraordinary items (%)	25.4	29.2	17.7	6.1	4.6
Growth on net profit for the year (%)	-1.4	61.1	26.2	1.0	4.6
Return on equity (%)	27.8	35.0	24.4	21.8	24.1
Return on assets (%)	15.2	18.1	14.0	14.2	14.9
Liabilities to equity (x)	0.80	0.88	0.97	0.51	0.57
Debt to equity (x)	0.54	0.59	0.72	0.25	0.30
Net debt to equity (x)	(0.07)	(0.12)	0.53	0.15	0.23
Interest coverage ratio (x)	16.42	13.81	14.88	35.95	24.83
Liquidity ratio (x)	3.55	3.59	1.80	1.12	0.80
Average collection period (days)	35.30	36.67	37.18	33.48	26.67
Average inventory period (days)	11.80	11.65	13.19	12.62	12.54
Average payable period (days)	29.54	28.10	30.12	32.83	33.32

Management Discussion and Analysis

For 2013, Total revenues advanced to Baht 14,651 million, a 4.3% improvement over 2012 revenues of Baht 14,042 million. Net profit declined 1.4% to Baht 2,521 million in 2013 from Baht 2,558 million in 2012, with Net profit margin of 17.2% in 2013 compared with 18.1% in 2012.

The Company's Total revenues and results for 2012 included extraordinary items related to the sale of investments in Bangkok Chain Hospital PCL (doing business as "Kasemrad Hospital Group"), and the Share of loss from Bumrungrad International Limited mostly associated with the sale of the investment in Asian Hospital Inc. and certain wind-down costs. The details of these transactions are presented in the Extraordinary Items section.

Excluding these extraordinary items, Adjusted Total revenues were Baht 13,252 million in 2012 compared with 14,651 million in 2013, leading to adjusted growth of 10.6%. Adjusted Net profit in 2012 was Baht 2,010 million compared with Baht 2,521 million in 2013, producing an adjusted increase of 25.4%, while Adjusted Net profit margin was 15.1% in 2012 versus 17.2% in 2013, a 2.1% improvement from the prior year.

Details of the management discussion and analysis are as follows.

1. INCOME STATEMENT

The Company reported 2013 Revenues from hospital operations of Baht 14,251 million, a 10.8% improvement from Baht 12,856 million in 2012. Outpatient volumes were mostly the same between 2013 and 2012, decreasing slightly in the Thai market, while inpatient volumes reflected a small decline in 2013, mostly from the international market. Both outpatient and inpatient volumes were impacted by one fewer day in 2013, as well as a strong 2012. For outpatient services, revenue intensity improved 4.4% year-over-year, while inpatient service intensity improved 2.3% year-over-year on a patient-day basis and 0.9% year-over-year on an admission basis. Accordingly, inpatient and outpatient service revenues grew by 8.3% and 13.1%, respectively. The revenue contribution from inpatient services in 2013 was 47.6% and from outpatient services was 52.4%, compared with 48.6% and 51.4%, respectively, for 2012, reflecting the higher intensity growth in outpatient business. Revenues by nationality in 2013 remained consistent with the prior year at 61.1% from international patients and 38.9% from Thai patients.

Rental income was Baht 95 million in 2013 compared to Baht 126 million in 2012 due to the planned expiration of an apartment building lease, and the conversion of previous rental space to temporary offices for hospital personnel necessitated by the campus expansion. Interest income advanced to Baht 154 million in 2013 from Baht 98 million in 2012, mainly due to higher average cash balances associated with Baht 4,482 million in net cash proceeds from the sale of all shares in Bangkok Chain Hospital PCL in July 2012. Exchange gains declined to Baht 54 million from Baht 70 million due to timing differences associated with collections on certain Middle East accounts. Total revenues in 2013 were Baht 14,651 million, compared to Baht 14,042 million in 2012, a 4.3% improvement year-over-year. In 2012, Total revenues included the Baht 790 million pretax gain from the sale of all shares in Bangkok Chain Hospital PCL, as further explained in the Extraordinary Items section. Excluding this pretax gain, Adjusted Total revenues in 2012 were Baht 13,252 million compared with Baht 14,651 million in 2013, resulting in adjusted growth of 10.6% year-over-year.

The Company reported Cost of hospital operations (including Depreciation and amortization) of Baht 8,836 million for 2013, or 7.2% more than Baht 8,242 million in 2012, which was less than the 10.8% growth in Revenues from hospital operations. The change includes approximately Baht 158 million in merit, minimum wage, benefits, and inflationary increases associated with employee labor costs; Baht 105 million additional Depreciation and amortization costs associated with the campus expansion and revised estimated useful lives of certain assets; Baht 101 million in mostly inflationary increases related to cost of medicine and medical supplies; and Baht 16 million more in electricity cost. Administrative expenses (including Depreciation and amortization) were Baht 2,527 million in 2013, increasing 10.1% from Baht 2,295 million in 2012. This variance included Baht 68 million additional Depreciation and amortization costs, as described above; Baht 46 million in merit, minimum wage, benefits, and inflationary increases associated with employee labor costs; Baht 39 million additional marketing expenses mostly related to doctor campaigns, medical specialty programs, and international patient referrals; and Baht 19 million more in software support and maintenance costs. EBITDA grew 20.8% year-over-year from Baht 3,326 million in 2012 to Baht 4,016 million in 2013, with the EBITDA margin advancing to 27.7% in 2013 compared with 25.3% in 2012.

Depreciation and amortization increased from Baht 709 million in 2012 to Baht 882 million in 2013, largely associated with the campus expansion and revised estimated useful lives of certain assets. The Company reported Baht 6 million Share of profit from investments in associates in 2013, compared to Share of profit of Baht 93 million in 2012. The reduction was primarily attributable to Baht 107 million Share of profit from Bangkok Chain Hospital PCL, which was sold in early July 2012, resulting in no corresponding Share of profit in 2013. This was offset by Baht 17 million Share of loss from Bumrungrad International Limited in 2012 which included the capital gain taxes associated with the sale of its investment Asian Hospital Inc. in December 2011, along with certain wind-down costs.

Finance cost was Baht 148 million in 2013 compared to Baht 241 million in 2012. The decrease was primarily due to Baht 97 million in capitalized interest expenses related to the campus expansion.

Corporate income tax of Baht 625 million in 2013 was lower than Baht 799 million in 2012, mostly due to Baht 223 million associated with the gain from the sale of all shares in Bangkok Chain Hospital PCL in 2012, Baht 94 million from the reduction of the statutory corporate income tax rate from 23% in 2012 to 20% in 2013, offset by Baht 153 million increased taxes due to higher taxable operating profit in 2013 compared with 2012.

Basic EPS for 2013 of Baht 3.46 was 1.4% lower than Baht 3.51 in 2012, while 2013 Diluted EPS declined at the same rate to Baht 2.91 from Baht 2.95 in 2012. Excluding the extraordinary items related to the sale of investments in Bangkok Chain Hospital PCL and the Share of loss from Bumrungrad International Limited, Adjusted Basic EPS for 2012 was Baht 2.76, resulting in a 25.4% improvement year-over-year to Baht 3.46 in 2013. Adjusted Diluted EPS grew at the same rate from Baht 2.32 in 2012 to Baht 2.91 in 2013.

Income statements Unit: Million Baht	2013	2012	Change
Revenues from Hospital Operations	14,251	12,856	10.8%
Gain on sales of investments	-	790	-100%
Total Revenues	14,651	14,042	4.3%
EBITDA	4,016	3,326	20.8%
Share of profit from investments in associates	6	93	-93.7%
Net Profit	2,521	2,558	-1.4%
<i>EBITDA Margin</i>	<i>27.7%</i>	<i>25.3%</i>	
<i>Net Profit Margin</i>	<i>17.2%</i>	<i>18.1%</i>	
EPS Unit: Baht	2013	2012	Change
EPS – Basic	3.46	3.51	-1.4%
EPS – Fully Diluted	2.91	2.95	-1.4%

2. STATEMENT OF FINANCIAL POSITION

As at 31 December 2013, the Company reported Total current assets of Baht 7,552 million, a decrease from Baht 7,670 million as at 31 December 2012. The variance is mostly due to a reduction of Baht 177 million in Cash and cash equivalents and a decline of Baht 28 million in Trade and other receivables, offset with an increase of Baht 71 million in Inventories. Trade accounts receivables were Baht 1,284 million as at 31 December 2013 versus Baht 1,314 million as at 31 December 2012. The collection period was 35.3 days as at 31 December 2013 compared to 36.7 days as at 31 December 2012.

Total non-current assets increased to Baht 9,700 million as at 31 December 2013 from Baht 8,315 million as at 31 December 2012, mostly due to additional Property, plant and equipment associated with the campus expansion. Total assets grew to Baht 17,252 million as at 31 December 2013 from Baht 15,985 million as at 31 December 2012.

Total current liabilities were Baht 2,125 million as at 31 December 2013, a decrease from Baht 2,138 million as at 31 December 2012. The reduction was primarily from Baht 43 million less Income tax payable; a Baht 14 million decline in Accrued physician fee, and a Baht 10 million decrease in various Accrued expenses; offset by Baht 59 million more in Trade and other payables.

Non-current liabilities rose to Baht 5,529 million as at 31 December 2013 from Baht 5,337 million as at 31 December 2012, mostly due to a Baht 176 million long-term loan from an associate. Although Cash and cash equivalents decreased somewhat as noted above, the total debt as at 31 December 2013 remained significantly lower than the Cash and cash equivalents balance, leading to a net cash balance after considering outstanding debt. After adding back the 2013 capitalized interest expense related to the campus expansion of Baht 97 million, the Company's Interest coverage ratio improved to 16.4x in 2013 from 13.8x in 2012, due to higher EBITDA in 2013 compared to 2012.

Total shareholders' equity grew to Baht 9,597 million as at 31 December 2013 from Baht 8,511 million as at 31 December 2012. This increase resulted from the Company's 2013 Net profit of Baht 2,521 million, netted off with a dividend payment of Baht 1,387 million and other changes in Retained earnings of Baht 47 million. Average return on assets (ROA) decreased from 18.1% in 2012 to 15.2% in 2013. Similarly, Average return on equity (ROE) declined from 35.0% in 2012 to 27.8% in 2013. Both changes were due to extraordinary items in 2012, consisting mostly of the net gain realized by the Company from the sale of all of its investment in Bangkok Chain Hospital PCL.

Unit: Million Baht	31-Dec-13	31-Dec-12	Change
Total Assets	17,252	15,985	7.9%
Total Liabilities	7,655	7,474	2.4%
Total Shareholders' Equity	9,597	8,511	12.8%
	2013	2012	
Interest Coverage Ratio (x)	16.4	13.8	
Average Collection Period (days)	35.3	36.7	
Average Inventory Period (days)	11.8	11.7	
Average Payables Period (days)	29.5	28.1	
Net Debt to Equity (x)	(0.1)*	(0.1)*	
Average Return on Assets (%)	15.2%	18.1%	
Average Return on Equity (%)	27.8%	35.0%	

* Cash and cash equivalents balance exceed the total debt at the end of period

3. LIQUIDITY

The Company's Net cash flows from operating activities in 2013 were Baht 3,274 million, compared to Baht 3,025 million in 2012. This increase was due to additional cash from operations offset by changes in working capital and decreased corporate income tax paid. Net cash flows used in investment activities were Baht 2,068 million in 2013, compared with Net cash flows from investment activities of Baht 2,931 million in 2012. This change was due to the net proceeds of Baht 4,482 million from the sale of the investment in Bangkok Chain Hospital PCL in 2012; Baht 1,235 million additional ongoing capital spending in 2013 mostly associated with the campus expansion; and proceeds received from the capital reduction exercise by Bumrungrad International Limited of Baht 362 million in 2012. The above were somewhat offset by the purchase of all common shares of Ruenmongkol Co., Ltd. for Baht 1,045 million for the ownership in its land and buildings located in Sukhumvit Soi 1 area, to facilitate the expansion of capacity near the main campus in 2012. The Company reported Net cash used in financing activities of Baht 1,383 million in 2013 versus Baht 1,179 million in 2012, mostly due to a higher dividend payment in 2013, offset by a Baht 177 million long-term loan from an associate in 2013. As a result of the above, Cash and cash equivalents were Baht 5,857 million as at 31 December 2013, compared to Baht 6,034 million as at 31 December 2012.

The Company's Liquidity ratio and Quick ratio both remained the same year-over-year at 3.6x and 3.4x, respectively.

Unit: Million Baht	2013	2012
Cash Flow from Operating Activities	3,274	3,025
Cash Flow from (used in) Investing Activities	(2,068)	2,931
Cash Flow from (used in) Financing Activities	(1,383)	(1,179)
Net Increase in cash and cash equivalents	(177)	4,777
Cash and cash equivalents at end of year	5,857	6,034
	31-Dec-13	31-Dec-12
Liquidity Ratio (x)	3.6	3.6
Quick Ratio (x)	3.4	3.4

4. CONTRACTUAL OBLIGATIONS

(Unit: Million Baht)

	As at 31 December 2013				Effective interest rate (% per annum)
	Fixed interest rates			Total	
	Within	1-5	Over		
	1 year	years	5 years		
Long-term loan from a related party	176	-	-	176	2.00
Long-term debentures	-	2,485	2,481	4,966	4.13-4.97
	176	2,485	2,481	5,142	

Under the terms and conditions of the debentures, the Company has to comply with certain restrictions and maintain certain financial ratios which include:

- a) maintenance of a net debt to equity ratio not exceeding 1.75:1
- b) maintenance of a net debt to EBITDA ratio not exceeding 3.25:1

5. EXTRAORDINARY ITEMS

During 2012, the Company recorded 2 extraordinary items as follow:

- 1) On 10 July 2012, the Company sold all of its investment in Bangkok Chain Hospital PCL, doing business as "Kasemrad Hospital Group", totaling 498.75 million shares (including shares received by the Company as a dividend in 2011), at a price of Baht 9.15 for each share. The Company received proceeds from the share sale of Baht 4,482 million after deducting applicable transaction costs associated with the sale. A pre-tax gain on sale of Baht 790 million was part of total revenue and net profit in the consolidated financial statements in 2012.
Taxes incurred on the sale were Baht 223 million for 2012. As a result, a net gain on the sale of Baht 567 million is included in 2012 net profit. The sale of this investment was made in accordance with a resolution of the Company's Board of Directors Meeting held on 2 July 2012
- 2) In 2012, the Company recorded the Share of loss from Bumrungrad International Limited which included the capital gain taxes and tax advisory services of Baht 14 million associated with the sale of investment in Asian Hospital Inc., a 56.5% subsidiary which was sold in December 2011, as well as certain wind-down costs of Bumrungrad International Limited of Baht 5 million. Bumrungrad International Limited had applied for Tax Treaty Relief on the sale of Asian Hospital Inc. which was ultimately not granted in the final phase of the process, triggering capital gain taxes on the transaction.

Report of the Audit Committee

To the Shareholders of Bumrungrad Hospital Public Company Limited

The Board of Directors appointed the Audit Committee, consisting entirely of three independent directors of the Board. Miss Sophavadee Uttamobol was appointed as Chairperson with Mr. Soradis Vinyaratn and Mr. Prin Chirathivat as members, and Miss Pacchanya Chutimawong as a secretary of the Audit Committee. Its main duties and responsibilities are to review financial reports, internal audit and control systems, risk management systems, and the compliance with laws, and to consider potential conflict of interest transactions.

In the year 2013, the Audit Committee held totally 4 meetings, including a meeting with the independent auditor without the presence of management, all of which were attended by all members, to perform its duties and responsibilities, including the following major issues:

1. Reviewed the Company and its subsidiaries' financial statements prior to submission to the Board of Directors. Based on due consideration, after discussions with the executives, a non-management meeting with the Company's independent auditor, and consideration of the auditor's recommendations in the Management Letter, the Audit Committee has the opinion that the above financial statements are prepared accurately, completely, and creditably.
2. Reviewed and assessed the internal control systems. The Audit Committee has the opinion that the Company has appropriate, effective, and adequate systems, sufficient to mitigate its risks to the acceptable level, and help the Company achieve its operation goals.
3. Reviewed the compliance with laws and regulations relating to the Company's business operations. The Audit Committee has the opinion that the Company has no legal violation that may significantly affect the Company's reputation and financial status.
4. Considered, selected, and nominated the Company's independent auditor, which is Miss Sumalee Reewarabandith and/or Miss Vissuta Jariyathanakorn and/or Mr. Termphong Opanaphan from Ernst and Young Office Limited, and proposed her remuneration to the Board.
5. Considered connected transactions or potential conflict of interest transactions. The Audit Committee has the opinion that all such transactions were the Company's normal business transactions.
6. Considered and approved the internal audit plan, which were determined to be suitable for the Company's nature of business, including its administrative policies, business plans, work processes, and business risks.
7. Considered and approved the Corporate Internal Audit Division's yearly expenditure budget and manpower requirements.
8. Promoted continuing education for all members of the Audit Committee by attending professional seminars in order to obtain sufficient knowledge to review the reliability of financial statements.
9. Reviewed and reassessed the Audit Committee Charter, and proposed to the Board of Directors for approval. In 2013, the Audit Committee was granted authorities to promote and support the organizational independence of the internal audit activity.
10. Approved the revised Internal Audit Charter.

The Audit Committee has performed its duties and responsibilities as delegated by the Company's Board of Directors with care and at its fullest capability for the benefits of the Company, the shareholders, and all the stakeholders.



Miss Sophavadee Uttamobol
Chairperson of Audit Committee
17 February 2014

Report of the Accountability of the Board of Directors to the Company's Financial Reports

The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries and information as appears in the annual report. The financial statements have been prepared in accordance with the generally accepted accounting principles, using appropriate and consistent accounting policies. The financial statements have been prepared with caution and have been evaluated for appropriateness of the overall presentation of the financial statement. There was sufficient information disclosure in the notes to the financial statements.

The Board of Directors has set up an efficient and effective internal control system to ensure that all accounting transactions have been recorded correctly and comprehensively, and that there has been a record-keeping system of assets to protect the Company from any material fraud or damage.

The Board of Directors has the opinion that the overall internal control system of the Company was at a satisfactory level, which resulted in confidence in the reliability of the financial statements of the Company and its subsidiaries as at 31 December 2013.



Mr. Chai Sophonpanich
Chairperson



Mrs. Linda Lisahapanya
Managing Director

Bumrungrad Hospital Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2013

Independent Auditor's Report

To the Shareholders of Bumrungrad Hospital Public Company Limited

I have audited the accompanying consolidated financial statements of Bumrungrad Hospital Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2013, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Bumrungrad Hospital Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bumrungrad Hospital Public Company Limited and its subsidiaries and of Bumrungrad Hospital Public Company Limited as at 31 December 2013, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matters

I draw attention to the following notes to the financial statements.

- a. Note 4 to the financial statements, regarding the change in accounting policy due to the adoption of Thai Accounting Standard 12 Income Taxes. The Company has restated the consolidated and separate financial statements for the year ended 31 December 2012, presented herein as comparative information, to reflect the adjustments resulting from such change. The Company has also presented the consolidated and separate statements of financial position as at 1 January 2012 as comparative information, using the newly adopted accounting policy for income taxes. My opinion is not qualified in respect of this matter.
- b. Note 5 to the financial statements, regarding the change in accounting estimation, changes in the estimated useful lives of certain assets in order to accord with the Company's campus expansion plan and the Group's estimated useful lives policy. The Group has applied the changes in estimated useful lives of assets prospectively. My opinion is not qualified in respect of this matter.



Sumalee Reewarabandith
Certified Public Accountant (Thailand)
No. 3970

Ernst & Young Office Limited
Bangkok: 19 February 2014

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

(Unit: Baht)

		Consolidated financial statements			Separate financial statements		
		As at	As at	As at	As at	As at	As at
		31 December	31 December	1 January	31 December	31 December	1 January
		Note	2013	2012	2012	2013	2012
		(restated)			(restated)		
Assets							
Current assets							
Cash and cash equivalents	8	5,857,210,842	6,034,143,584	1,260,730,653	5,712,060,469	5,940,595,542	1,186,267,376
Trade and other receivables	9	1,306,952,532	1,335,000,025	1,126,061,134	1,302,241,015	1,333,162,524	1,125,459,913
Short-term loan to and interest receivable from a related party		-	-	-	-	-	664,623
Inventories	11	304,537,841	233,750,762	265,739,534	294,037,530	224,785,095	258,702,724
Prepaid expenses		49,940,092	52,359,335	48,621,170	46,228,410	50,242,508	46,392,805
Other current assets		33,194,904	14,449,235	3,134,079	31,330,852	12,510,251	3,979,135
Total current assets		7,551,836,211	7,669,702,941	2,704,286,570	7,385,898,276	7,561,295,920	2,621,466,576
Non-current assets							
Long-term loan to a related party	10	-	-	-	1,855,253	-	-
Investments in subsidiaries	12	-	-	-	1,102,250,347	1,092,245,887	100,585,507
Investments in associates	13	234,586,180	237,744,698	4,251,254,988	7,109,760	7,109,760	3,939,040,872
Other long-term investments	14	1,700,000	1,700,000	1,900,000	1,700,000	1,700,000	1,700,000
Property, plant and equipment	15	9,095,692,909	7,683,003,847	6,241,553,191	8,082,024,242	6,666,243,186	6,273,421,626
Intangible assets	16	189,298,316	235,973,324	256,204,360	202,979,863	253,588,714	277,461,207
Other non-current assets		27,459,050	33,629,170	17,347,530	27,430,550	33,619,171	17,207,635
Deferred tax assets	25	150,956,742	122,952,252	218,431,097	150,725,884	122,573,024	217,787,298
Total non-current assets		9,699,693,197	8,315,003,291	10,986,691,166	9,576,075,899	8,177,079,742	10,827,204,145
Total assets		17,251,529,408	15,984,706,232	13,690,977,736	16,961,974,175	15,738,375,662	13,448,670,721

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2013

(Unit: Baht)

		Consolidated financial statements			Separate financial statements		
		As at	As at	As at	As at	As at	As at
		31 December	31 December	1 January	31 December	31 December	1 January
	Note	2013	2012	2012	2013	2012	2012
			(restated)			(restated)	
Liabilities and shareholders' equity							
Current liabilities							
Trade and other payables	17	858,881,919	799,949,180	602,684,350	850,388,711	795,374,606	600,876,425
Accrued physicians' fees		488,245,603	502,738,211	452,054,931	483,325,480	498,244,832	448,591,363
Accrued expenses		384,507,691	394,061,036	269,107,115	380,366,250	388,595,256	267,667,696
Income tax payable		329,138,563	372,558,595	124,932,284	324,151,673	368,903,770	122,954,657
Other current liabilities		64,324,570	68,314,929	57,208,049	56,566,871	55,386,350	50,242,326
Total current liabilities		2,125,098,346	2,137,621,951	1,505,986,729	2,094,798,985	2,106,504,814	1,490,332,467
Non-current liabilities							
Long-term loan from a related party	10	176,400,000	-	-	176,400,000	-	-
Long-term debentures	18	4,966,090,116	4,960,466,455	4,954,926,250	4,966,090,116	4,960,466,455	4,954,926,250
Provision for long-term employee benefits	20	386,976,265	376,129,519	277,760,646	386,010,590	374,209,377	272,952,698
Total non-current liabilities		5,529,466,381	5,336,595,974	5,232,686,896	5,528,500,706	5,334,675,832	5,227,878,948
Total liabilities		7,654,564,727	7,474,217,925	6,738,673,625	7,623,299,691	7,441,180,646	6,718,211,415

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		As at	As at	As at	As at	As at	As at
		31 December	31 December	1 January	31 December	31 December	1 January
		2013	2012	2012	2013	2012	2012
			(restated)			(restated)	
Shareholders' equity							
Share capital	22						
Registered							
921,211,022 ordinary shares of Baht 1 each							
(2012: 921,043,709 ordinary shares of Baht 1 each)		921,211,022	921,043,709	921,034,085	921,211,022	921,043,709	921,034,085
1,491,663 preference shares of Baht 1 each							
(2012: 1,658,976 preference shares of Baht 1 each)		1,491,663	1,658,976	1,668,600	1,491,663	1,658,976	1,668,600
		<u>922,702,685</u>	<u>922,702,685</u>	<u>922,702,685</u>	<u>922,702,685</u>	<u>922,702,685</u>	<u>922,702,685</u>
Issued and paid-up							
728,560,559 ordinary shares of Baht 1 each							
(2012: 728,393,246 ordinary shares of Baht 1 each)		728,560,559	728,393,246	728,383,622	728,560,559	728,393,246	728,383,622
1,491,663 preference shares of Baht 1 each							
(2012: 1,658,976 preference shares of Baht 1 each)		1,491,663	1,658,976	1,668,600	1,491,663	1,658,976	1,668,600
		<u>730,052,222</u>	<u>730,052,222</u>	<u>730,052,222</u>	<u>730,052,222</u>	<u>730,052,222</u>	<u>730,052,222</u>
Premium on ordinary shares		285,568,300	285,568,300	285,568,300	285,568,300	285,568,300	285,568,300
Convertible bonds treated as equity securities	21	550,000,000	550,000,000	550,000,000	550,000,000	550,000,000	550,000,000
Retained earnings							
Appropriated - statutory reserve	23	92,275,000	92,275,000	92,275,000	92,275,000	92,275,000	92,275,000
Unappropriated		7,695,106,552	6,608,286,853	5,240,978,241	7,680,778,962	6,639,299,494	5,072,563,784
Other components of shareholders' equity		<u>243,962,607</u>	<u>244,305,932</u>	<u>51,297,471</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity attributable to owners of the Company		9,596,964,681	8,510,488,307	6,950,171,234	9,338,674,484	8,297,195,016	6,730,459,306
Non-controlling interests of the subsidiary		<u>-</u>	<u>-</u>	<u>2,132,877</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>9,596,964,681</u>	<u>8,510,488,307</u>	<u>6,952,304,111</u>	<u>9,338,674,484</u>	<u>8,297,195,016</u>	<u>6,730,459,306</u>
Total liabilities and shareholders' equity		<u>17,251,529,408</u>	<u>15,984,706,232</u>	<u>13,690,977,736</u>	<u>16,961,974,175</u>	<u>15,738,375,662</u>	<u>13,448,670,721</u>

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2013

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
			(restated)		(restated)
Revenues					
Revenues from hospital operations	10	14,250,585,798	12,856,204,690	14,029,140,453	12,684,103,764
Rental income	10	95,400,151	126,338,878	98,449,454	129,683,673
Interest income		154,135,316	98,368,625	151,477,290	96,618,716
Gain on sales of investments in a subsidiary and an associate	12.4, 13.3	-	789,826,508	-	919,255,265
Exchange gains		54,416,768	69,508,841	53,935,243	69,629,812
Dividend income	10, 13.4	-	-	5,399,820	49,874,880
Other income	10	96,847,810	101,389,463	75,607,491	92,426,496
Total revenues		14,651,385,843	14,041,637,005	14,414,009,751	14,041,592,606
Expenses					
Cost of hospital operations	10	8,836,088,013	8,242,006,903	8,727,032,586	8,148,242,588
Administrative expenses	10	2,527,116,057	2,294,947,450	2,448,094,386	2,235,464,951
Loss on diminution in value of investment in a subsidiary	12	-	-	-	49,999,970
Loss from share capital reduction of a subsidiary	12.3	-	-	-	1,071,691
Loss from share capital reduction of an associate	13.2	-	-	-	7,254,775
Total expenses		11,363,204,070	10,536,954,353	11,175,126,972	10,442,033,975
Profit before share of Profit from investments in associates, finance cost and income tax expenses					
		3,288,181,773	3,504,682,652	3,238,882,779	3,599,558,631
Share of profit from investment in associates	13.4	5,881,985	93,343,456	-	-
Profit before finance cost and income tax expenses		3,294,063,758	3,598,026,108	3,238,882,779	3,599,558,631
Finance cost	10	(147,873,616)	(240,750,343)	(147,873,616)	(240,750,341)
Profit before income tax expenses		3,146,190,142	3,357,275,765	3,091,009,163	3,358,808,290
Income tax expenses	25	(625,407,873)	(798,763,553)	(615,450,311)	(792,078,157)
Profit for the year		2,520,782,269	2,558,512,212	2,475,558,852	2,566,730,133
Profit attributable to:					
Equity holders of the Company		2,520,782,269	2,557,792,686	2,475,558,852	2,566,730,133
Non-controlling interests of the subsidiary		-	719,526	-	-
		<u>2,520,782,269</u>	<u>2,558,512,212</u>		
Earnings per share					
Basic earnings per share	26				
Profit attributable to equity holders of the Company		<u>3.46</u>	<u>3.51</u>	<u>3.40</u>	<u>3.52</u>
Diluted earnings per share	26				
Profit attributable to equity holders of the Company		2.91	2.95	2.85	2.96

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (restated)	2013	2012 (restated)
Profit for the year	<u>2,520,782,269</u>	<u>2,558,512,212</u>	<u>2,475,558,852</u>	<u>2,566,730,133</u>
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currencies	(343,325)	346,903	-	-
Actuarial loss recognised during the year, net of income tax	<u>(14,377,187)</u>	<u>(52,823,930)</u>	<u>(14,494,001)</u>	<u>(54,995,837)</u>
Other comprehensive income for the year	<u>(14,720,512)</u>	<u>(52,477,027)</u>	<u>(14,494,001)</u>	<u>(54,995,837)</u>
Total comprehensive income for the year	<u>2,506,061,757</u>	<u>2,506,035,185</u>	<u>2,461,064,851</u>	<u>2,511,734,296</u>
Total comprehensive income attributable to:				
Equity holders of the Company	2,506,061,757	2,505,315,659	2,461,064,851	2,511,734,296
Non-controlling interests of the subsidiary	-	719,526	-	-
	<u>2,506,061,757</u>	<u>2,506,035,185</u>	<u>2,461,064,851</u>	<u>2,511,734,296</u>

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash flows from operating activities				
Profit before tax	3,146,190,142	3,357,275,765	3,091,009,163	3,358,808,290
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	882,266,424	709,080,399	878,792,080	707,048,927
Allowance for loss on impairment of assets (reversal)	(354,171)	593,552	(354,171)	593,552
Bad debts and allowance for doubtful accounts	23,940,010	15,108,263	28,547,808	21,641,917
Loss on sales and write-off of equipment	2,643,232	11,747,739	2,643,232	11,887,926
Long-term employee benefits expenses	22,437,942	56,734,989	19,433,178	56,642,613
Loss on diminution in value of investment in a subsidiary	-	-	-	49,999,970
Loss from share capital reduction of a subsidiary	-	-	-	1,071,691
Loss from share capital reduction of an associate	-	-	-	7,254,775
Gain on sales of investments	-	(789,826,508)	-	(919,255,265)
Share of profit from investments in associates	(5,881,985)	(93,343,456)	-	-
Interest income	(154,135,316)	(98,368,625)	(151,477,290)	(96,618,716)
Dividend income	-	-	(5,399,820)	(49,874,880)
Amortisation of debenture issuing costs to interest expense	5,623,661	5,540,205	5,623,661	5,540,205
Interest expense	142,249,955	235,210,137	142,249,955	235,210,136
Profit from operating activities before changers in operating assets and liabilities	4,064,979,894	3,409,752,460	4,011,067,796	3,389,951,141
Operating assets (increase) decrease				
Trade and other receivables	4,107,483	(224,047,154)	2,373,701	(229,344,528)
Inventories	(70,787,079)	31,988,772	(69,252,435)	33,917,629
Prepaid expenses	2,419,243	(3,738,165)	4,014,098	(3,849,703)
Other current assets	(18,745,669)	(11,315,156)	(18,820,601)	(8,531,116)
Other non-current assets	6,170,120	(16,281,640)	6,188,621	(15,746,913)
Operating liabilities increase (decrease)				
Trade and other payables	38,205,260	118,296,949	34,286,626	115,530,300
Accrued physicians' fees	(14,492,608)	50,683,280	(14,919,352)	49,653,469
Accrued expenses	(10,806,268)	124,953,921	(9,481,929)	120,927,560
Other current liabilities	(3,990,359)	11,106,880	1,180,521	5,144,024
Provision for long-term employee benefits	(29,591,883)	(24,649,861)	(25,749,466)	(24,130,730)
Cash flows from operating activities	3,967,468,134	3,466,750,286	3,920,887,580	3,433,521,133
Cash paid for corporate income tax	(693,208,895)	(442,198,582)	(684,731,768)	(437,165,811)
Net cash flows from operating activities	3,274,259,239	3,024,551,704	3,236,155,812	2,996,355,322

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CASH FLOW STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash flows from investing activities				
Acquisition of investment in a subsidiary	-	(1,045,034,091)	(10,004,460)	(1,045,034,091)
Long-term loan to a related party	-	-	(1,855,253)	-
Dividend received	5,399,820	49,874,880	5,399,820	49,874,880
Cash receipt from share capital reductions of a subsidiary and an associate	-	361,738,178	-	363,140,521
Cash receipt from sales of investment in a subsidiary	-	1,529,928	-	1,529,928
Cash receipt from sales of investment in an associate	-	4,481,563,202	-	4,481,563,203
Cash receipt from sales of other long-term investment	-	200,000	-	-
Acquisition of property, plant and equipment and payment of construction and medical equipment payables	(2,217,856,279)	(982,396,610)	(2,217,590,813)	(976,867,901)
Acquisition of computer software	(13,761,858)	(37,275,985)	(13,384,375)	(37,210,005)
Proceeds from sales of equipment	4,436,256	3,957,505	4,436,256	3,817,318
Decrease in cash and cash equivalents of a subsidiary at the disposal date	-	(1,526,763)	-	-
Interest income	154,135,316	98,368,625	151,477,290	96,618,716
Net cash flows from (used in) investing activities	<u>(2,067,646,745)</u>	<u>2,930,998,869</u>	<u>(2,081,521,535)</u>	<u>2,937,432,569</u>
Cash flows from financing activities				
Cash receipt from long-term loan from a related party	176,400,000	-	176,400,000	-
Interest paid for long-term loan from a related party	(1,663,718)	-	(1,663,718)	-
Interest paid for long-term debentures	(139,333,314)	(235,210,137)	(139,333,314)	(235,210,136)
Dividend paid	(1,386,072,318)	(911,749,589)	(1,386,072,318)	(911,749,589)
Interest paid for convertible bonds treated as equity securities	(32,500,000)	(32,500,000)	(32,500,000)	(32,500,000)
Net cash flows used in financing activities	<u>(1,383,169,350)</u>	<u>(1,179,459,726)</u>	<u>(1,383,169,350)</u>	<u>(1,179,459,725)</u>
Translation adjustment	(375,886)	174,487	-	-
Decrease in non-controlling interests of a subsidiary due to the subsidiary's share capital reduction	-	(1,347,456)	-	-
Decrease in non-controlling interests of a subsidiary due to sales of investment in a subsidiary	-	(1,504,947)	-	-
Net increase (decrease) in cash and cash equivalents	<u>(176,932,742)</u>	<u>4,773,412,931</u>	<u>(228,535,073)</u>	<u>4,754,328,166</u>
Cash and cash equivalents at beginning of year	<u>6,034,143,584</u>	<u>1,260,730,653</u>	<u>5,940,595,542</u>	<u>1,186,267,376</u>
Cash and cash equivalents at end of year	<u>5,857,210,842</u>	<u>6,034,143,584</u>	<u>5,712,060,469</u>	<u>5,940,595,542</u>
	-	-	-	-
Supplemental cash flow information				
Non-cash transactions				
Interest recorded as cost of assets	96,763,216	-	96,763,216	-

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

(Unit: Baht)

	Consolidated financial statements												
	Equity attributable to owners of the Company												
	Other components of shareholders' equity												
	Other comprehensive income												
	Issued and paid-up share capital		Convertible bonds treated as equity securities		Retained earnings		Exchange differences on translation of financial statements in foreign currency	Excess of investment over book value of a subsidiary	Other paid-in capital of an associated company	Total other components of shareholders' equity	Total equity attributable to the owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
Ordinary shares	Preference shares	Premium on ordinary shares		Appropriated	Unappropriated								
Balance as at 31 December 2011													
- as previously reported													
Cumulative effect of change in accounting policy for deferred tax (Notes 3 and 4)													
Balance as at 31 December 2011 - as restated													
Decrease in excess of investment over book value of a subsidiary													
due to sales of investment in a subsidiary													
Preference shares converted to ordinary shares (Note 22)													
Decrease in non-controlling interests of a subsidiary													
due to reduction of the subsidiary's share capital (Note 12.3)													
Decrease in non-controlling interests of a subsidiary													
due to sales of investment in a subsidiary (Note 12.4)													
Dividend paid (Note 29)													
Interest paid for convertible bonds treated as equity securities (Note 21)													
Total comprehensive income for the year (restated)													
Balance as at 31 December 2012 - as restated													
Balance as at 31 December 2012 - as previously reported													
Cumulative effect of change in accounting policy for deferred tax (Notes 3 and 4)													
Balance as at 31 December 2012 - as restated													
Preference shares converted to ordinary shares (Note 22)													
Dividend paid (Note 29)													
Interest paid for convertible bonds treated as equity securities (Note 21)													
Total comprehensive income for the year (restated)													
Balance as at 31 December 2013													

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

(Unit: Baht)

	Separate financial statements						
	Issued and paid-up share capital		Premium on ordinary shares	Convertible bonds treated as equity securities		Retained earnings	
	Ordinary shares	Preference shares				Appropriated	Unappropriated
Balance as at 31 December 2011 - as previously reported	728,383,622	1,668,600	285,568,300	550,000,000	92,275,000	4,854,776,486	6,512,672,008
Cumulative effect of change in accounting policy for deferred tax (Notes 3 and 4)	-	-	-	-	-	217,787,298	217,787,298
Balance as at 31 December 2011 - as restated	728,383,622	1,668,600	285,568,300	550,000,000	92,275,000	5,072,563,784	6,730,459,306
Preference shares converted to ordinary shares (Note 22)	9,624	(9,624)	-	-	-	-	-
Dividend paid (Note 29)	-	-	-	-	-	(912,498,586)	(912,498,586)
Interest paid for convertible bonds treated as equity securities (Note 21)	-	-	-	-	-	(32,500,000)	(32,500,000)
Total comprehensive income for the year (restated)	-	-	-	-	-	2,511,734,296	2,511,734,296
Balance as at 31 December 2012 - as restated	728,393,246	1,658,976	285,568,300	550,000,000	92,275,000	6,639,299,494	8,297,195,016
Balance as at 31 December 2012 - as previously reported	728,393,246	1,658,976	285,568,300	550,000,000	92,275,000	6,516,726,470	8,174,621,992
Cumulative effect of change in accounting policy for deferred tax (Notes 3 and 4)	-	-	-	-	-	122,573,024	122,573,024
Balance as at 31 December 2012 - as restated	728,393,246	1,658,976	285,568,300	550,000,000	92,275,000	6,639,299,494	8,297,195,016
Preference shares converted to ordinary shares (Note 22)	167,313	(167,313)	-	-	-	-	-
Dividend paid (Note 29)	-	-	-	-	-	(1,387,085,383)	(1,387,085,383)
Interest paid for convertible bonds treated as equity securities (Note 21)	-	-	-	-	-	(32,500,000)	(32,500,000)
Total comprehensive income for the year	-	-	-	-	-	2,461,064,851	2,461,064,851
Balance as at 31 December 2013	728,560,559	1,491,663	285,568,300	550,000,000	92,275,000	7,680,778,962	9,338,674,484

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

1. GENERAL INFORMATION

Bumrungrad Hospital Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in hospital business, investment in other companies and rental of properties service. The registered office of the Company is at 33 Soi 3 (Nana Nua) Sukhumvit Road, Klongtoey Nua Sub District, Wattana District, Bangkok.

2. BASIS OF PREPARATION

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

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Bumrungrad Hospital Public Company Limited and the following subsidiaries (“the Group”).

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2013	2012
			%	%
Vitalife Corporation Ltd. (VTL)	Health care center	Thailand	100	100
Asia Global Health Ltd. (AGH)	Investment in healthcare business	Hong Kong	100	100
Asia Global Research Co., Ltd. (AGR)	Clinical research service and sales of vaccine	Thailand	100	100
Ruenmongkol Co., Ltd. (RM)	A holding and renting real estate assets company	Thailand	100	100
Life and Longevity Ltd. (LLG)	Overseas investment	Hong Kong	100	-

b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

d) The assets and liabilities in the financial statements of overseas subsidiary are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currencies” in the statement of changes in shareholders' equity.

e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and presented separately in the consolidated income statement and within equity in the consolidated statement of financial position.

2.3 The separate financial statements, which present investments in subsidiaries and associates under the cost method, have been prepared solely for the benefit of the public.

3. NEW ACCOUNTING STANDARDS

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

(a) Accounting standards that became effective in the current accounting year

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

IFRS 8	Operating Segments
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Accounting Standard Interpretations:

TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Group has changed this accounting policy in this current period and restated the prior year's financial statements, presented as comparative information, as though the Group had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 4 to the financial statements.

(b) Accounting standards that will become effective in the future

Effective date

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
TAS 36 (revised 2012)	Impairment of Assets	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014

Financial Reporting Standards:

IFRS 2 (revised 2012)	Share-based Payment	1 January 2014
IFRS 3 (revised 2012)	Business Combinations	1 January 2014
IFRS 4	Insurance Contracts	1 January 2016
IFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
IFRS 8 (revised 2012)	Operating Segments	1 January 2014

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

The Company's management believes that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations will not have any significant impact on the financial statements for the years when they are initially applied.

4. CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING POLICY DUE TO THE ADOPTION OF NEW ACCOUNTING STANDARD

During the current year, the Group made the changes described in Note 3 to the financial statements to its significant accounting policy, as a result of the adoption of Thai Accounting Standard 12 Income Taxes. The cumulative effect of the change in the accounting policy has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of income and comprehensive income are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	As at	As at	As at	As at	As at	As at
	31 December	31 December	1 January	31 December	31 December	1 January
	2013	2012	2012	2013	2012	2012

Statements of financial position

Increase in deferred tax assets	150,957	122,952	218,431	150,726	122,573	217,787
Increase in unappropriated retained earnings	150,957	122,952	218,431	150,726	122,573	217,787

(Unit: Thousand Baht)

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	2013	2012	2013	2012

Income statements

Increase (decrease) in income tax expenses	(24,382)	108,939	(24,529)	108,963
Increase (decrease) in profit attributable to equity holders of the Company	24,382	(108,939)	24,529	(108,963)
Increase (decrease) in basic earnings per share (Baht)	0.0335	(0.1496)	0.0337	(0.1496)
Increase (decrease) in diluted earnings per share (Baht)	0.0281	(0.1256)	0.0283	(0.1256)

Statements of comprehensive income

Increase (decrease) in actuarial loss recognised during the year, net of income tax	(3,624)	13,460	(3,624)	13,749
Increase (decrease) in profit attributable to equity holders of the Company	3,624	(13,460)	3,624	(13,749)

The above effects include the tax effects of the change in accounting estimation related to changes made to the estimated useful lives of certain assets, as described in Note 5 to the financial statements.

5. CHANGE IN ACCOUNTING ESTIMATION

In 2013, the Group changed the estimated useful lives of certain building improvement and facility systems from 10 - 40 years to 10 - 20 years and from 10 and 20 years to 2 - 8 years, in order to accord with the Group's campus expansion plan and Group's estimated useful lives policy. The Group has applied the changes in estimated useful lives of assets prospectively. The change has the effect of decreasing profit after tax for the year 2013 by approximately Baht 80.8 million in the consolidated and separate financial statements and decreasing basic earnings per share by Baht 0.11 per share and decreasing diluted earnings per share by Baht 0.09 per share. In addition, the change is expected to have the effect of decreasing the profit after tax of future periods by approximately Baht 73.1 million per year and decreasing basic earnings per share by Baht 0.10 per share and decreasing diluted earnings per share by Baht 0.08 per share.

6. SIGNIFICANT ACCOUNTING POLICIES

6.1 Revenue recognition

- Revenues from hospital operations, mainly consisting of medical fees, hospital room sales, and medicine sales, are recognised as income when services have been rendered or medicine delivered.
- Consulting and management service income are recognised when services have been rendered taking into account the stated of completion.
- Rental income and related service income are recognised on a straight-line basis over the lease term.
- Interest income is recognised on an accrual basis based on the effective interest rate.
- Dividends are recognised when the right to receive the dividends is established.

6.2 Cash and cash equivalents

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

6.3 Trade accounts receivable

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

6.4 Inventories

Inventories are valued at the lower of cost (weighted average basis) and net realisable value.

6.5 Investments

- Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).
- Investments in associates are accounted for in the consolidated financial statements using the equity method. Goodwill relating to an associate is included in the carrying amount of the investment. Such goodwill is not amortised.
- Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method net of allowance for loss on diminution in value (if any).

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in the income statement.

6.6 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation of buildings and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives.

Land improvement	30 years
Buildings and construction	2 - 20, 30 and 40 years
Facility systems	3 - 20 years
Medical accessory equipment	5 - 15 years
Hospital equipment	5 - 15 years
Equipment and furniture	5 - 15 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction and installation.

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

6.7 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

6.8 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

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

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

	Useful lives	
Computer software	3, 5 and 10	years
Compensation for business combination	10	years

6.9 Related party transactions

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

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

6.10 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The asset acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

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

6.11 Deferred debenture issuing costs

Debenture issuing costs are recorded as deferred financial fees and amortised to be interest expense using the effective interest rate method over the term of the debentures.

Deferred debenture issuing costs are presented as a deduction against the debenture amounts in the statement of financial position.

6.12 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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

Gains and losses on exchange are included in determining income.

6.13 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in the income statement.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

6.14 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

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

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

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

Actuarial gains and losses arising from other long-term benefits are recognised immediately in the income statement.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Group elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in 2011.

6.15 Provisions

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

6.16 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

7. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

Leases

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

Allowance for doubtful accounts

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

Property, plant and equipment/Depreciation

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

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

Deferred tax assets

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

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

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

8. CASH AND CASH EQUIVALENTS

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash	36,236	17,062	33,952	16,563
Bank deposits	1,556,052	1,276,185	1,528,185	1,183,136
Bill of exchange	4,264,923	4,142,698	4,149,923	4,142,698
Government bonds	-	598,199	-	598,199
Total	5,857,211	6,034,144	5,712,060	5,940,596

As at 31 December 2013, bank deposits in savings accounts, fixed deposits, bill of exchange and government bonds carried interests between 0.10% and 3.00% per annum (2012: between 0.10% and 2.72% per annum).

9. TRADE AND OTHER RECEIVABLES

Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	1,928	2,456	2,102	2,731
Past due				
1 - 30 days	-	5	64	19
31 - 60 days	-	-	-	3
61 - 90 days	-	-	-	2
91 - 180 days	-	-	-	17
181 - 365 days	-	-	-	3
More than 365 days	-	12	-	-
Total trade receivables - related parties	1,928	2,473	2,166	2,775
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	434,460	355,093	431,797	352,520
Past due				
1 - 30 days	266,599	237,154	263,475	235,631
31 - 60 days	117,666	163,543	116,664	156,588
61 - 90 days	103,461	87,643	101,176	87,267
91 - 180 days	133,397	226,899	132,491	226,338
181 - 365 days	183,085	175,652	182,391	174,920
More than 365 days	149,495	157,473	148,926	154,254
Total	1,388,163	1,403,457	1,376,920	1,387,518
Less: Allowance for doubtful debts	(103,707)	(89,297)	(103,760)	(85,712)
Total trade receivables - unrelated parties, net	1,284,456	1,314,160	1,273,160	1,301,806
Total trade receivables - net	1,286,384	1,316,633	1,275,326	1,304,581
<u>Other receivables</u>				
Advances and loans to employees	19,980	16,416	19,965	16,392
Accrued income - related parties	589	1,951	6,950	12,190
Total other receivables	20,569	18,367	26,915	28,582
Trade and other receivables - net	1,306,953	1,335,000	1,302,241	1,333,163

10. RELATED PARTY TRANSACTIONS

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2013	2012	2013	2012	
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Medical service income	-	-	21.9	22	Market price
Rental income	-	-	4.5	4.6	As per contracts 10.1)
Professional service income	-	-	1.5	1.4	Actual paid
Lab service expense	-	-	0.2	0.1	Market price
Pharmacy expense	-	-	9.8	6.9	Market price
Transactions with associates					
Consulting income	0.5	1.9	0.5	1.9	As per contract 10.2)
Dividend income	-	-	5.4	49.9	As declared
Consulting expense	-	15.7	-	15.7	Fixed rate per hour as stated in the agreements multiplied with actual hours worked
Interest expenses on long-term loan	2.9	-	2.9	-	2.25% and 2.00% p.a.
Transactions with related parties					
Medical service income	79.9	78.7	79.9	78.7	Market price
Other income	0.9	0.8	0.9	0.8	At cost
Lab service expense	2.5	2.0	2.5	2.0	Market price
Purchase of medicine and medical supplies	11.5	10.5	11.5	10.5	Market price
Donation expense	24.0	24.0	24.0	24.0	-
Insurance expense	31.9	31.8	31.7	31.6	As per insurance policies
Credit card commission fees	102.6	92.8	102.6	92.8	Market price
Interest expense on long-term debentures	46.2	46.4	46.2	46.4	4.13% - 4.97% p.a.
Interest expense on long-term bonds	32.5	32.5	32.5	32.5	10.00% p.a. and 1.00% p.a.
Legal advisory fee	10.0	7.1	10.0	7.1	Market price
Construction consulting fee	1.2	-	1.2	-	Baht 0.1 million per month as stated in the agreement
Service fee	0.4	0.6	0.4	0.6	Market price

10.1) A subsidiary (Vitalife Corporation Co., Ltd.) has leased building spaces from the Company for use in its operations, commencing from the year 2001. The subsidiary has to pay rental fee of Baht 350,000 per month.

Another subsidiary (Asia Global Research Co., Ltd.) had leased building spaces from the Company for use in its operations, commencing from the year 2009. The subsidiary had to pay rental fee of Baht 35,350 per month. The agreement expired in 2012. In 2013, the subsidiary entered into leased building spaces and equipment agreement with the Company. The subsidiary has to pay rental fee and service fee totaling Baht 106,736 per month, starting from 1 January 2013 onward. The agreement was expired in October 2013.

- 10.2) The Company entered into a Consulting Support Agreement with an associate (Bumrungrad International Ltd.). The associate is obliged to pay a fee at a fixed rate per annum, as stipulated in the agreement, and additional fee for consulting service provided by employees of the Company to the associate at the rates per agreement multiplied with actual hours worked. The fixed consulting fee rate was Baht 0.8 million per annum, effective from 1 January 2012, Baht 0.4 million per annum, effective from 1 July 2012 and Baht 0.2 million per annum, effective from 1 January 2013. The agreement will expire in accordance with the conditions in the agreement.

The balances of the accounts as at 31 December 2013 and 2012 between the Company and those related parties are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade and other receivables - related parties (Note 9)				
Subsidiaries	-	-	6,599	10,553
Associates	185	1,598	185	1,586
Related parties (common director)	2,332	2,826	2,332	2,826
Total	2,517	4,424	9,116	14,965
Trade and other payables - related parties (Note 17)				
Subsidiaries	-	-	145	-
Associates	247	51	247	51
Total	247	51	392	51
Long-term loan to a related party				
Subsidiary	-	-	1,855	-
Long-term debentures				
Related companies (Major shareholder and common director)	955,000	955,000	955,000	955,000
Convertible bonds treated as equity securities				
Related company (common director)	550,000	550,000	550,000	550,000
Long-term loan from a related party				
Associate	176,400	-	176,400	-

Long-Term Loan To A Subsidiary

As at 31 December 2013, long-term loan to a subsidiary (Life and Longevity Ltd.), is in the form of promissory notes in Swiss franc, amounting to CHF 51,000, bearing no interest and is due at call. The Company does not intend to call for the loan repayment in the foreseeable future; therefore, the loan is classified as long-term loan.

During the year ended 31 December 2013, movements of long-term loan to a subsidiary were as follows.

(Unit: Thousand Baht)

	Balance as at 31 December 2012	During the year		Balance as at 31 December 2013
		Increase	Decrease	
Long-term loan to a subsidiary				
Life and Longevity Ltd.				
Principal	-	1,855	-	1,855

Long-Term Loan From An Associate

On 1 April 2013, the Company and two other shareholders of Bumrungrad International Ltd. entered into a loan agreement with Bumrungrad International Ltd., which is the Company's associate, granting them loans totaling Baht 394.8 million, of which the Company's portion is Baht 176.4 million. The loans carry interest at the 1-year fixed deposit rate of a local commercial bank, and are due at call.

The loan is classified as long-term loan because the Company's management believes that the associate neither plans nor is likely to call for settlement in the foreseeable future.

During the year ended 31 December 2013, movements of long-term loan from an associate were as follows.

(Unit: Thousand Baht)

	Balance as at 31 December 2012	During the year		Balance as at 31 December 2013
		Increase	Decrease	

Long-term loan to a subsidiary

Bumrungrad International Ltd.

Principal	-	176,400	-	176,400
Interest payable	-	2,917	(1,664)	1,253
Total	-	179,317	(1,644)	177,653

Directors and management's benefits

During the years ended 31 December 2013 and 2012, the Group had employee benefit expenses payable to their directors and management as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Short-term employee benefits	134,335	110,243	128,049	101,365
Other long-term benefits (reversal)	(40)	26	(36)	24
Termination benefits	6,788	4,965	4,179	4,557
Total	141,083	115,234	132,192	105,946

11. INVENTORIES

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2013	2012	2013	2012	2013	2012
Medicine	163,109	116,864	189	-	162,920	116,864
Medical supplies	48,619	49,334	59	-	48,560	49,334
Other supplies	93,058	67,553	-	-	93,058	67,553
Total	304,786	233,751	248	-	304,538	233,751

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2013	2012	2013	2012	2013	2012
Medicine	152,417	107,960	-	-	152,417	107,960
Medical supplies	48,603	49,272	-	-	48,603	49,272
Other supplies	93,018	67,553	-	-	93,018	67,553
Total	294,038	224,785	-	-	294,038	224,785

12. INVESTMENTS IN SUBSIDIARIES

Details of investments in subsidiaries as presented in the separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for loss on diminution in value		Carrying amounts based on cost method - net	
	2013		2013		2013		2013		2013	
	2012	2012	(%)	(%)	2012	2012	2012	2012	2012	2012
(Unit: Thousand Baht)										
Vitalife Corporation Ltd.	Baht 31.5 million	Baht 31.5 million	100.00	100.00	25,610	25,610	-	-	25,610	25,610
Asia Global Health Ltd.	HKD 7.1 million	HKD 4.8 million	100.00	100.00	21,602	31,558	-	-	31,558	21,602
Asia Global Research Co., Ltd.	Baht 50.0 million	Baht 50.0 million	100.00	100.00	50,000	50,000	50,000	50,000	-	-
Ruenmongkol Co., Ltd.	Baht 340.0 million	Baht 340.0 million	100.00	100.00	1,045,034	1,045,034	-	-	1,045,034	1,045,034
Life and Longevity Ltd.	USD 1	-	100.00	-	48	-	-	-	48	-
Total					1,152,250	1,142,246	50,000	50,000	1,102,250	1,092,246

During the years 2013 and 2012, the Company had no dividend received from subsidiaries.

12.1 Set up a new subsidiary

On 25 October 2013 the Company set up and registered a new subsidiary, Life and Longevity Ltd. (LLG), in Hong Kong Special Administrative Region of the People's Republic of China with a registered share capital of USD 100,000, comprising of 100,000 common shares with par value of USD 1 each. The Company's shareholding percentage represents 100% of total issued and paid-up share capital. The Company paid for a common share of the subsidiary at a price equal to par value of USD 1. The cost of investment in subsidiary including investment acquisition expenses totaled Baht 48,000.

The investment was made in accordance with a resolution of the Investment Committee Meeting held on 20 September 2013, which approved the Company's establishment of a new subsidiary for the benefit of overseas investments of the Company.

12.2 Called portion of subsidiary's common share

On 18 December 2013, the Company paid for the called portion of common shares to Asia Global Health Ltd., the Company's wholly owned subsidiary which is registered in Hong Kong Special Administrative Region of the People's Republic of China, amounting to HKD 2.3 million or equivalent to Baht 10.0 million.

12.3 Reduction of share capital of a subsidiary

During the year ended 31 December 2012, a subsidiary, ABSPC Group Co., Ltd. reduced its registered and paid-up share capital from Baht 3.8 million to Baht 1.0 million. Using the cost method, the share capital reduction of the subsidiary resulted in a loss of Baht 1.1 million presented in the separate income statement.

12.4 Sales of investment in a subsidiary

On 26 September 2012, the Company sold all investment in ABSPC Group Co., Ltd. to third party for 63,747 shares, amounting to Baht 1.5 million, resulting in gain incurred from sales of investment in subsidiary of Baht 0.003 million presented in the consolidated income statement (separate income statement: profit of Baht 0.6 million) for the year ended 31 December 2012. As a result of the transaction, ABSPC Group Co., Ltd. was no longer the subsidiary of the Company and made in accordance with a resolution of the Board of Directors' Meeting held on 9 November 2011.

13. INVESTMENTS IN ASSOCIATES

13.1 Details of investments in associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2013 (%)	2012 (%)	2013	2012	2013	2012
Bumrungrad International Ltd.	Holding company	Thailand	31.50	31.50	1,447	1,447	231,069	228,758
CDE Trading Ltd.	Temporary cease its operation	Thailand	30.00	30.00	21,663	21,663	3,517	8,987
Total					<u>23,110</u>	<u>23,110</u>	<u>234,586</u>	<u>237,745</u>

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Shareholding percentage		Cost		Allowance for loss on diminution in value		Carrying amounts based on equity method - net	
	2013 (%)	2012 (%)	2013	2012	2013	2012	2013	2012
Bumrungrad International Ltd.	31.50	31.50	1,447	1,447	-	-	1,447	1,447
CDE Trading Ltd.	30.00	30.00	21,663	21,663	16,000	16,000	5,663	5,663
Total			<u>23,110</u>	<u>23,110</u>	<u>16,000</u>	<u>16,000</u>	<u>7,110</u>	<u>7,110</u>

13.2 Share capital reduction of an associate

During the year ended 31 December 2012, an associate (Bumrungrad International Ltd.) reduced its registered and paid-up share capital from Baht 1,176.0 million to Baht 4.6 million. Using the cost method, the share capital reduction of the associate resulted in a loss of Baht 7.3 million presented in the separate income statement for the year ended 31 December 2012, as the investment acquisition cost (Baht 100.00 per share) was higher than the amount per share returned to the shareholders. As a result, Bumrungrad International Ltd. is still an associate of the Company.

13.3 Sales of investment in an associate

On 10 July 2012, the Company sold all investment in Bangkok Chain Hospital Plc. totaling 498.75 million shares (including dividend shares which the Company received in 2011) at a price of Baht 9.15 each. The Company received net consideration from selling after deduction of direct transaction cost, totaling Baht 4,481.6 million, resulting in gain incurred from sales of investment in associate for the year ended 31 December 2012 in the consolidated income statements amounting to Baht 789.8 million and in the separate income statements amounting to Baht 918.6 million. As a result of the transaction, Bangkok Chain Hospital Plc. was no longer the associate of the Company and made in accordance with a resolution of the Company's Board of Directors Meeting held on 2 July 2012.

During the year 2012, the Company determined share of profit from this associate from the beginning of this year until the disposal date of this investment amounting to Baht 107.1 million.

13.4 Share of profit (loss) and dividend received

During the years, the Company recognised its share of profit (loss) from investments in associates in the consolidated financial statements and dividend income in the separate financial statements as follows.

(Unit: Thousand Baht)

Company's name	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investments in associates		Dividend received	
	2013	2012	2013	2012
Bumrungrad International Ltd.	2,278	(16,968)	-	-
CDE Trading Ltd.	3,604	3,252	5,400	-
Bangkok Chain Hospital Plc.	-	107,059	-	49,875
Total	5,882	93,343	5,400	49,875

13.5 Summarised financial information of associates

Financial information of the associates is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the years ended 31 December		Profit (loss) for the years ended 31 December	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Bumrungrad International Ltd.	4.6	4.6	761.0	774.0	27.4	47.8	14.60	31.9	6.6	(53.9)
CDE Trading Ltd.	10.0	10.0	13.0	30.3	1.3	0.1	0.5	0.5	(0.5)	(1.2)

14. OTHER LONG-TERM INVESTMENTS

(Unit: Thousand Baht)

Company's name	Shareholding percentage		Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012	2013	2012
	(%)	(%)				
Chantaburi Country Club Co., Ltd.	0.5	0.5	4,500	4,500	4,500	4,500
Less: Allowance for loss on diminution in value			(2,800)	(2,800)	(2,800)	(2,800)
Other long-term investments - net			1,700	1,700	1,700	1,700

15. PROPERTY, PLANT AND EQUIPMENT

(Unit: Thousand Baht)

	Consolidated financial statements									
	Land	Land leasehold right and land improvement	Buildings and construction	Facility systems	Medical accessory equipment	Hospital equipment	Equipment and furniture	Motor vehicles	Assets under construction and installation	Total
Cost										
1 January 2012	1,211,845	34,881	4,066,651	525,241	2,924,444	1,143,125	484,769	43,896	61,620	10,496,472
Increase from acquisition of a subsidiary	1,045,034	-	-	-	-	-	-	-	-	1,045,034
Additions	209,734	629	21,599	14,167	291,450	47,897	11,903	3,558	459,679	1,060,616
Disposals	-	-	(17,650)	(3,587)	(61,666)	(18,747)	(3,831)	(147)	-	(105,628)
Transfer in (out)	-	-	50,384	10,860	1,405	17	568	-	(63,234)	-
31 December 2012	2,466,613	35,510	4,120,984	546,681	3,155,633	1,172,292	493,409	47,307	458,065	12,496,494
Additions	397,135	-	521,462	84,873	450,393	85,687	78,878	2,042	617,100	2,237,570
Disposals	-	-	(8,777)	-	(50,549)	(23,047)	(6,064)	(2,470)	-	(90,907)
Transfer in (out)	-	-	577,626	18,591	-	44	1,269	-	(597,530)	-
31 December 2013	2,863,748	35,510	5,211,295	650,145	3,555,477	1,234,976	567,492	46,879	477,635	14,643,157
Accumulated depreciation										
1 January 2012	-	17,007	1,188,459	130,704	1,799,989	793,567	288,863	36,330	-	4,254,919
Depreciation for the year	-	501	158,423	26,331	309,310	126,209	24,617	2,509	-	647,900
Depreciation on disposals	-	-	(6,178)	(3,016)	(58,939)	(18,087)	(3,556)	(147)	-	(89,923)
31 December 2012	-	17,508	1,340,704	154,019	2,050,360	901,689	309,924	38,692	-	4,812,896
Depreciation for the year	-	585	287,349	49,451	359,830	85,838	32,808	2,295	-	818,156
Depreciation on disposals	-	-	(11,684)	-	(43,219)	(22,810)	(4,104)	(2,010)	-	(83,827)
31 December 2013	-	18,093	1,616,369	203,470	2,366,971	964,717	338,628	38,977	-	5,547,225
Allowance for impairment loss										
1 January 2012	-	-	-	-	-	-	-	-	-	-
Addition during the year	-	-	-	-	-	361	233	-	-	594
31 December 2012	-	-	-	-	-	361	233	-	-	594
Decrease during the year	-	-	-	-	-	(122)	(233)	-	-	(355)
31 December 2013	-	-	-	-	-	239	-	-	-	239

(Unit: Thousand Baht)

	Separate financial statements									
	Land	Land leasehold right and land improvement	Buildings and construction	Facility systems	Medical accessory equipment	Hospital equipment	Equipment and furniture	Motor vehicles	Assets under construction and installation	Total
Cost										
1 January 2012	1,211,845	15,563	3,390,442	500,471	2,503,392	879,078	363,044	21,460	61,620	8,946,915
Additions	209,734	629	20,747	14,166	286,919	47,893	11,760	3,559	459,679	1,055,086
Disposals	-	-	(17,650)	(3,587)	(60,547)	(18,747)	(3,831)	(147)	-	(104,509)
Transfer in (out)	-	-	50,384	10,860	1,406	17	567	-	(63,234)	-
31 December 2012	1,421,579	16,192	3,443,923	521,910	2,731,170	908,241	371,540	24,872	458,065	9,897,492
Additions	397,135	-	521,341	84,873	450,393	85,543	78,878	2,042	617,100	2,237,305
Disposals	-	-	(8,777)	-	(50,549)	(23,047)	(6,064)	(2,470)	-	(90,907)
Transfer in (out)	-	-	577,626	18,591	-	44	1,269	-	(597,530)	-
31 December 2013	1,818,714	16,192	4,534,113	625,374	3,131,014	970,781	445,623	24,444	477,635	12,043,890
Accumulated depreciation										
1 January 2012	-	9,608	460,634	98,225	1,343,954	557,307	189,871	13,894	-	2,673,493
Depreciation for the year	-	501	157,557	26,198	308,984	126,048	24,170	2,509	-	645,967
Depreciation on disposals	-	-	(6,177)	(3,017)	(57,820)	(18,088)	(3,556)	(147)	-	(88,805)
31 December 2012	-	10,109	612,014	121,406	1,595,118	665,267	210,485	16,256	-	3,230,655
Depreciation for the year	-	585	286,531	49,318	359,830	83,851	32,389	2,295	-	814,799
Depreciation on disposals	-	-	(11,684)	-	(43,219)	(22,810)	(4,104)	(2,010)	-	(83,827)
31 December 2013	-	10,694	886,861	170,724	1,911,729	726,308	238,770	16,541	-	3,961,627
Allowance for impairment loss										
1 January 2012	-	-	-	-	-	-	-	-	-	-
Addition during the year	-	-	-	-	-	361	233	-	-	594
31 December 2012	-	-	-	-	-	361	233	-	-	594
Decrease during the year	-	-	-	-	-	(122)	(233)	-	-	(355)
31 December 2013	-	-	-	-	-	239	-	-	-	239
Net book value										
1 January 2012	1,211,845	5,955	2,929,808	402,246	1,159,438	321,771	173,173	7,566	61,620	6,273,422
31 December 2012	1,421,579	6,083	2,831,909	400,504	1,136,052	242,613	160,822	8,616	458,065	6,666,243
31 December 2013	1,818,714	5,498	3,647,252	454,650	1,219,285	244,234	206,853	7,903	477,635	8,082,024
Depreciation for the years										
2012 (Baht 515.8 million included in cost of hospital operations, and the balance in administrative expenses)										645,967
2013 (Baht 620.7 million included in cost of hospital operations, and the balance in administrative expenses)										814,799

As at 31 December 2013, the Company had an outstanding balance of work under construction of building and building improvement of Baht 1,624.8 million. Construction of the building and building improvement have been financed by long-term debenture and borrowing costs totaling Baht 96.8 million were capitalised during the year ended 31 December 2013. The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation was 4.87%.

As at 31 December 2013, certain equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to Baht 1,013.0 million (Separate financial statements: Baht 986.0 million) (2012: Baht 667.5 million (Separate financial statements: Baht 641.1 million)).

16. INTANGIBLE ASSETS

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Computer software	Total	Computer software	Compensation for business combination	Total
Cost					
1 January 2012	979,459	979,459	1,015,248	192,928	1,208,176
Additions	37,276	37,276	37,210	-	37,210
31 December 2012	1,016,735	1,016,735	1,052,458	192,928	1,245,386
Additions	13,762	13,762	13,384	-	13,384
31 December 2013	1,030,497	1,030,497	1,065,842	192,928	1,258,770
Accumulated amortisation					
1 January 2012	353,022	353,022	367,554	65,917	433,471
Amortisation during the year	61,180	61,180	61,082	-	61,082
Realised gain on sales of software in the past	(3,673)	(3,673)	-	-	-
31 December 2012	410,529	410,529	428,636	65,917	494,553
Amortisation during the year	64,110	64,110	63,993	-	63,993
Realised gain on sales of software in the past	(3,673)	(3,673)	-	-	-
31 December 2013	470,966	470,966	492,629	65,917	558,546
Allowance for impairment loss					
1 January 2012	370,233	370,233	370,233	127,011	497,244
31 December 2012	370,233	370,233	370,233	127,011	497,244
31 December 2013	370,233	370,233	370,233	127,011	497,244
Net book value					
1 January 2012	256,204	256,204	277,461	-	277,461
31 December 2012	235,973	235,973	253,589	-	253,589
31 December 2013	189,298	189,298	202,980	-	202,980

17. TRADE AND OTHER PAYABLES

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade payables - unrelated parties	692,190	655,814	684,962	650,077
Construction and medical equipment payables	145,628	125,914	145,628	125,914
Other payables - related parties	247	51	392	51
Other payables - unrelated parties	20,817	18,170	19,407	19,333
Total trade and other payables	858,882	799,949	850,389	795,375

18. LONG-TERM DEBENTURES

The Extraordinary General Meeting of the Company's shareholders held on 8 December 2011 approved the issuance and offering of unsecured, unsubordinated debentures in Baht currency with the principal amount not exceeding Baht 7,000 million and the tenor not more than 10 years.

As at 31 December 2013 and 2012 detail of long-term debentures are as follows.

(Unit: Thousand Baht)

Series	Maturity date	No. of units (Thousand units)	Par value (Baht)	Interest rate (% p.a.)	Term of interest payment	Carrying amount	
						2013	2012
1	Entirely redeemed on 20 December 2016 (5 years)	1,500	1,000	4.13	Semi-annual	1,500,000	1,500,000
2	Entirely redeemed on 20 December 2018 (7 years)	1,000	1,000	4.59	Semi-annual	1,000,000	1,000,000
3	Entirely redeemed on 20 December 2021 (10 years)	2,500	1,000	4.97	Semi-annual	2,500,000	2,500,000
Total						5,000,000	5,000,000
Less: Deferred debenture issuing costs						(33,910)	(39,534)
Long-term debentures - net						4,966,090	4,960,466

Under the terms and conditions of the debentures, the Company has to comply with certain restrictions and maintain certain financial ratios which include:

- maintenance of a net debt to equity ratio not exceeding 1.75:1
- maintenance of a net debt to EBITDA ratio not exceeding 3.25:1

19. UNDRAWN LOAN FACILITIES

As at 31 December 2013, the Group has short-term credit facilities which have not yet been drawn down amounted to Baht 3,310 million (2012: Baht 3,310 million).

20. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

Provision for long-term employee benefits, was as follows.

(Unit: Thousand Baht)

	Consolidated financial statements							
	Compensations on employees' retirement		Other long-term employee benefits		Paid annual leave		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Defined benefit obligation at beginning of year	289,502	210,767	56,312	38,268	30,316	28,726	376,130	277,761
Current service cost	41,642	18,415	11,457	2,842	7,611	2,349	60,710	23,606
Interest cost	10,276	9,365	2,001	1,368	-	-	12,277	10,733
Benefits paid during the year	(24,849)	(15,329)	(4,525)	(8,562)	(382)	(759)	(29,756)	(24,650)
Actuarial loss	12,173	66,284	(20,976)	22,396	-	-	(8,803)	88,680
Past service cost	(6,305)	-	(17,277)	-	-	-	(23,582)	-
Defined benefit obligation at end of year	<u>322,439</u>	<u>289,502</u>	<u>26,992</u>	<u>56,312</u>	<u>37,545</u>	<u>30,316</u>	<u>386,976</u>	<u>376,130</u>
Provision for long-term employee benefits at end of year	<u>322,439</u>	<u>289,502</u>	<u>26,992</u>	<u>56,312</u>	<u>37,545</u>	<u>30,316</u>	<u>386,976</u>	<u>376,130</u>

(Unit: Thousand Baht)

	Separate financial statements							
	Compensations on employees' retirement		Other long-term employee benefits		Paid annual leave		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Defined benefit obligation at beginning of year	288,294	207,317	56,222	37,884	29,693	27,752	374,209	272,953
Transfer of defined benefit obligation from subsidiary	-	366	-	129	-	24	-	519
Current service cost	38,736	17,917	11,414	2,808	7,642	2,677	57,792	23,402
Interest cost	10,241	9,277	1,997	1,358	-	-	12,238	10,635
Benefits paid during the year	(21,255)	(15,328)	(4,515)	(8,562)	(27)	(760)	(25,797)	(24,650)
Actuarial loss	12,041	68,745	(20,926)	22,605	-	-	(8,885)	91,350
Past service cost	(6,289)	-	(17,257)	-	-	-	(23,546)	-
Defined benefit obligation at end of year	<u>321,768</u>	<u>288,294</u>	<u>26,935</u>	<u>56,222</u>	<u>37,308</u>	<u>29,693</u>	<u>386,011</u>	<u>374,209</u>
Provision for long-term employee benefits at end of year	<u>321,768</u>	<u>288,294</u>	<u>26,935</u>	<u>56,222</u>	<u>37,308</u>	<u>29,693</u>	<u>386,011</u>	<u>374,209</u>

Long-term employee benefit expenses included in the income statement was as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Current service cost	60,710	23,606	57,792	23,402
Interest cost	12,277	10,733	12,238	10,635
Actuarial loss arising from other long-term benefits recognised during the year	(50,549)	22,396	(50,597)	22,605
Total expenses recognised in the income statement	22,438	56,735	19,433	56,642
Line items under which such expenses are included in the income statement				
Cost of hospital operations	1,157	33,291	1,157	33,291
Administrative expenses	21,281	23,444	18,276	23,351

The cumulative amount of actuarial losses recognised in other comprehensive income and taken as part of retained earnings of the Group as at 31 December 2013 amounted to Baht 18.1 million in the consolidated financial statements (separate financial statements: Baht 18.1 million) (2012: Baht 66.3 million (separate financial statements: Baht 68.7 million)).

Principal actuarial assumptions at the valuation date were as follows.

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(% p.a.)	(% p.a.)	(% p.a.)	(% p.a.)
Discount rate	3.5 - 3.9	3.6 - 4.4	3.9	3.6
Average future salary increase rate	5.0	4.0	5.0	4.0
Staff turnover rate (depending on age)	0.0 - 20.0	0.0 - 22.0	0.0 - 14.0	0.0 - 14.0

Amounts of defined benefit obligation for the current and previous four periods are as follows.

(Unit: Thousand Baht)

	Defined benefit obligation		Experience adjustments on the obligation	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2013	349,431	348,703	(3,098)	(3,152)
Year 2012	345,814	344,516	56,290	57,786
Year 2011	249,035	245,201	-	-
Year 2010	243,939	240,731	-	-
Year 2009	214,273	211,667	-	-

21. CONVERTIBLE BONDS TREATED AS EQUITY SECURITIES

Convertible bonds treated as equity securities as at 31 December 2013 and 2012 are as follows.

- a) Partly secured convertible bonds in an amount of Baht 300 million, with a maturity of 12 years, and a coupon rate of 2.5% for years 1 - 4, 5% for years 5 - 8, and 10% for years 9 - 12, payable semi-annually. The current conversion price is Baht 4.55 per one ordinary share. The bondholders have the option to convert the bonds into ordinary shares throughout the life of the bonds. The bonds were secured by the mortgage of the Company's land. On 23 August 2012, the Company released the mortgage of the land.
- b) Partly secured convertible bonds in an amount of Baht 250 million (after conversion by the bondholder of Baht 750 million in the year 2003); with a maturity of 12 years, and a coupon rate of 1% per annum, payable semi-annually. The current conversion price is Baht 3.50 per one ordinary share. The bondholders have the option to convert the bonds into ordinary shares throughout the life of the bonds. The bonds were secured by the mortgage of the Company's land. On 23 August 2012, the Company released the mortgage of the land.

On 22 November 2000, the meeting of the bonds' holders and on 24 November 2000, an extraordinary meeting of the Company's shareholders passed approval of the amendment to the terms and conditions governing the rights and obligations of the issuer and the bondholders, which gives the Company the option to either redeem the convertible bonds or to convert the bonds into ordinary shares on the maturity date.

On 6 December 2011, the meeting of bonds' holders and on 8 December 2011, an extraordinary meeting of the Company's shareholders passed approval of the amendment to the terms and conditions governing the rights and obligations of the issuer and the bondholders, which to extend the tenure of the convertible bonds for additional 5 years maturing on 23 August 2017 and that the security of the convertible bonds be released in accordance with the same term on 23 August 2012.

According to the Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentation", because the Company has the option to either redeem the convertible bonds or to convert them into ordinary shares on the maturity date, and delivery of equity securities will not be changed by fair value of such equity securities (since the Company determined a certain conversion price), so the convertible bonds are not covered by the definition of financial liabilities and are to be treated as equity securities. In addition, the Company's management expresses their intention to convert these bonds into ordinary shares on the maturity date. Therefore, the whole amounts of the convertible bonds are presented as part of shareholders' equity and future interest on the bonds will be recorded as a deduction from shareholders' equity.

The Company has reserved 178,571,433 ordinary shares to accommodate the above convertible bonds.

Interest expense for the year 2013 of the convertible bonds amounted to Baht 32.5 million (2012: Baht 32.5 million), being recorded as a reduction to unappropriated retained earnings.

22. SHARE CAPITAL

Preference shareholders have the same right as the ordinary shareholders except that they are entitled to receive an annual dividend at 15% of preference shares capital prior to the dividend paid to the ordinary shareholders. Preference shares can be converted into ordinary shares.

In the first quarter of 2013, 167,313 preference shares (2012: 9,624 shares) were converted into ordinary shares at ratio of one preference share to one ordinary share. The Company registered this conversion with the Ministry of Commerce on 7 March 2013.

23. STATUTORY RESERVE

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

24. EXPENSES BY NATURE

Significant expenses by nature are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Salary and wages and other employee benefits	2,605,015	2,400,473	2,560,264	2,361,642
Physicians' fee	3,388,190	3,217,337	3,356,698	3,189,607
Depreciation	818,156	647,900	814,799	645,967
Amortisation	64,110	61,180	63,993	61,082
Loss on diminution in value of investment in a subsidiary	-	-	-	50,000
Loss from share capital reduction of a subsidiary	-	-	-	1,072
Loss from share capital reduction of an associate	-	-	-	7,255
Property, plant and equipment rental expenses				
from operating lease agreements	76,040	79,799	74,961	79,771
Building and equipment maintenance expenses	211,824	203,881	211,523	203,805
Advertising and public relation expenses	210,102	170,853	200,504	164,725
Medicine, medical supply and other supply consumptions	2,617,927	2,514,152	2,577,827	2,481,494

25. INCOME TAX

Income tax expenses for the years ended 31 December 2013 and 2012 are made up as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(Restated)		(Restated)	
Current income tax:				
Current income tax for the year	649,790	689,825	639,979	683,115
Deferred tax:				
Relating to origination and reversal of temporary differences	(24,382)	108,939	(24,529)	108,963
Income tax expense reported in the income statement	<u>625,408</u>	<u>798,764</u>	<u>615,450</u>	<u>792,078</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2013 and 2012 are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(Restated)		(Restated)	
Deferred tax relating to actuarial loss	(3,624)	(13,460)	(3,624)	(13,749)
Total	<u>(3,624)</u>	<u>(13,460)</u>	<u>(3,624)</u>	<u>(13,749)</u>

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2013 and 2012 are as follow.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(Restated)		(Restated)	
Accounting profit before tax	3,146,190	3,357,276	3,091,009	3,358,808
Applicable tax rate	20%	23%	20%	23%
Accounting profit before tax multiplied by applicable tax rate	629,238	772,173	618,202	772,526
Effects of:				
Tax-exempt revenue	(1,080)	-	(1,080)	-
Non-deductible expenses	2,081	23,509	2,029	23,659
Additional expense deductions allowed	(1,420)	(3,983)	(1,420)	(3,983)
Others	(3,411)	7,065	(2,281)	(124)
Total	(3,830)	26,591	(2,752)	19,552
Income tax expenses reported in the income statement	625,408	798,764	615,450	792,078

The components of deferred tax assets and deferred tax liabilities are as follows.

(Unit: Thousand Baht)

	Statements of financial position					
	Consolidated financial statements			Separate financial statements		
	As at	As at	As at	As at	As at	As at
	31 December	31 December	1 January	31 December	31 December	1 January
	2013	2012	2012	2013	2012	2012
	(Restated)			(Restated)		
Deferred tax assets						
Allowance for doubtful accounts	20,744	17,267	14,179	20,744	17,267	14,179
Allowance for diminution in value of inventories	38	-	5	-	-	-
Allowance for diminution in value of investments	13,200	3,200	3,200	13,200	3,200	3,200
Allowance for intangible assets impairments	13,135	27,640	44,064	13,135	27,640	44,064
Accumulated depreciation - building and equipment	26,174	1,224	-	26,174	1,224	-
Accumulated amortisation - computer software	3,757	1,846	-	3,757	1,846	-
Provision for long-term employee benefits	80,691	79,682	62,118	80,498	79,303	61,479
Unused tax loss	-	-	84,928	-	-	84,928
Taxable over accounting revenue	-	-	19,118	-	-	19,118
Total	157,739	130,859	227,612	157,508	130,480	226,968
Deferred tax liabilities						
Deferred debenture issuing costs	(6,782)	(7,907)	(9,181)	(6,782)	(7,907)	(9,181)
Total	(6,782)	(7,907)	(9,181)	(6,782)	(7,907)	(9,181)
Deferred tax assets - net	150,957	122,952	218,431	150,726	122,573	217,787

In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30% to 23% in 2012, and then to 20% from 2013. In addition, in order to comply with the resolution of the cabinet, in December 2011, the decreases in tax rates for 2012 - 2014 were enacted through a royal decree. The Group has reflected the changes in the income tax rates in its deferred tax calculation, as presented above.

As at 31 December 2013 the subsidiaries has unused tax losses totaling Baht 68.5 million (2012: Baht 67.6 million), on which deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

26. EARNINGS PER SHARE

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

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following tables set forth the computation of basic and diluted earnings per share.

	Consolidated financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2013	2012	2013	2012	2013	2012
	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)
		(Restated)				(Restated)
Basic earnings per share						
Profit attributable to equity holders of the company	2,520,782	2,557,793	728,530	728,391	3.46	3.51
Effect of dilutive potential ordinary shares						
Preference shares	-	-	1,522	1,661		
Convertible bonds	-	-	137,363	137,363		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>2,520,782</u>	<u>2,557,793</u>	<u>867,415</u>	<u>867,415</u>	2.91	2.95

Separate financial statements					
Profit for the year		Weighted average number of ordinary shares		Earnings per share	
2013	2012	2013	2012	2013	2012
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)
	(Restated)				(Restated)

Basic earnings per share

Profit attributable to equity

holders of the company	2,475,559	2,566,730	728,530	728,391	3.40	3.52
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Effect of dilutive potential ordinary shares

Preference shares	-	-	1,522	1,661		
Convertible bonds	-	-	137,363	137,363		

Diluted earnings per share

Profit of ordinary shareholders

assuming the conversion of

dilutive potential ordinary shares	2,475,559	2,566,730	867,415	867,415	2.85	2.96
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27. SEGMENT INFORMATION

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

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

For the years 2013 and 2012, the Group has no major customer with revenues of 10% or more of the Group's revenues.

28. PROVIDENT FUND

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees contributed to the fund monthly at the rate of 5% of their basic salaries and the Company or subsidiaries contributed 5% - 7% of basic salary. The fund, which is managed by Bualuang Securities Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2013, the Group contributed Baht 64.2 million (2012: Baht 55.2 million) to the fund.

29. DIVIDENDS PAID

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2012	Annual General Meeting of the shareholders on 30 April 2013	876,054	1.20
Interim dividends on operating results for the six-month period ended 30 June 2013	Board of Directors' meeting on 6 August 2013	511,031	0.70
Total dividend for 2013		1,387,085	1.90
Final dividends for 2011	Annual General Meeting of the shareholders on 25 April 2012	474,471	0.65
Interim dividends on operating results for the six-month period ended 30 June 2012	Board of Directors' meeting on 10 August 2012	438,028	0.60
Total dividend for 2012		912,499	1.25

30. COMMITMENTS AND CONTINGENT LIABILITIES

30.1 Capital commitments

As at 31 December 2013, the Company has capital commitments to pay a total of Baht 184.6 million (2012: Baht 28.3 million) in relation to the renovation agreement of building and Baht 271.2 million (2012: Baht 457.7 million) in respect of purchase of medical instruments and hospital equipment.

30.2 Operating lease and long-term service commitments

The Company has entered into operating lease agreements in respect of the lease of lands, buildings, office space, vehicles and equipment and long-term service agreements. The terms of the agreements are generally between 2 and 30 years.

As at 31 December 2013 and 2012, future minimum payments required under the above agreements were as follows.

(Unit: Million Baht)

Details of commitments	Payable within						Total	
	1 year		1 to 5 years		More than 5 years			
	2013	2012	2013	2012	2013	2012	2013	2012
1) Nursing dormitory land rental expense (shall be extended for a further period of 30 years)	1	1	7	7	6	8	14	16
2) Lease of office space	28	27	68	76	-	15	96	118
3) Lease of building for nursing dormitory and related services (shall be renewed automatically)	7	9	-	4	-	-	7	13
4) Maintenance service fee for medical instruments	57	48	38	36	-	-	95	84
5) Rental and maintenance service fee for cars	8	9	11	12	-	-	19	21
6) Fee to a bank which is bondholders' representative	-	-	1	1	-	-	1	1

30.3 Commitments from other contracts

The Company has entered into three equipment utilisation contracts with three local companies. The contracts cover period of 5 - 7 years (expire in 2013 and 2015) and under the conditions of the contracts, the Company is required to purchase medical supplies to use with the medical equipment at the prices specified in the contracts in total throughout the period of those contracts. As at 31 December 2013, the Company had completed the medical supplies purchases required under the contracts (2012: the outstanding amount of medical supplies that the Company was required to purchase in accordance with the contracts was Baht 2.1 million).

30.4 Uncalled portion of investments in subsidiaries

As at 31 December 2013 and 2012, the Company has commitments in respect of the uncalled portion of investments in overseas subsidiaries as below.

Company's name	Country of incorporation	Uncalled portion of investments	
		2013	2012
Asia Global Health Ltd. (AGH)	Hong Kong	HKD 2.4 million	HKD 4.8 million
Life and Longevity Ltd. (LLG)	Hong Kong	USD 0.1 million	-

30.5 Bank guarantees

As at 31 December 2013 and 2012, there were outstanding bank guarantees of Baht 29.1 million issued by banks on behalf of the Company. All were required in the normal course of business e.g. payment of utility expenses and space rental.

31. FINANCIAL INSTRUMENTS

31.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentation", principally comprise cash and cash equivalents, accounts receivable and payable, long-term loan to and long-term loan from and long-term debentures. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

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

Interest rate risk

The Group's exposures to interest rate risk relate primarily to their interest-bearing, cash at banks, long-term loan to and long-term loan from and long-term debentures. However, since most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the current market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements As at 31 December 2013						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1-5 years	Over 5 years				
							(% per annum)
Financial assets							
Cash and cash equivalents	5,269	-	-	543	45	5,857	0.10 - 3.00
Trade and other receivables	-	-	-	-	1,307	1,307	-
	<u>5,269</u>	<u>-</u>	<u>-</u>	<u>543</u>	<u>1,352</u>	<u>7,164</u>	
Financial liabilities							
Trade and other payables	-	-	-	-	859	859	-
Accrued physicians' fees	-	-	-	-	488	488	-
Long-term loan from a related party	176	-	-	-	-	176	2.00
Long-term debentures	-	2,485	2,481	-	-	4,966	4.13 - 4.97
	<u>176</u>	<u>2,485</u>	<u>2,481</u>	<u>-</u>	<u>1,347</u>	<u>6,489</u>	

(Unit: Million Baht)

Separate financial statements As at 31 December 2013							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalent	5,152	-	-	522	38	5,712	0.10 - 3.00
Trade and other receivables	-	-	-	-	1,302	1,302	-
Long-term loan to a related party	-	-	-	-	2	2	
	5,152	-	-	522	1,342	7,016	
Financial liabilities							
Trade and other payables	-	-	-	-	850	850	-
Accrued physicians' fees	-	-	-	-	483	483	-
Long-term loan from a related party	176	-	-	-	-	176	2.00
Long-term debentures	-	2,485	2,481	-	-	4,966	4.13 - 4.97
	176	2,485	2,481	-	1,333	6,475	

(Unit: Million Baht)

Consolidated financial statements As at 31 December 2012							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	5,816	-	-	201	17	6,034	0.10 - 2.72
Trade and other receivables	-	-	-	-	1,335	1,335	-
	5,816	-	-	201	1,352	7,369	
Financial liabilities							
Trade and other payables	-	-	-	-	800	800	-
Accrued physicians' fees	-	-	-	-	503	503	-
Long-term debentures	-	1,489	3,471	-	-	4,960	4.13 - 4.97
	-	1,489	3,471	-	1,303	6,263	

(Unit: Million Baht)

	Separate financial statements As at 31 December 2012						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
Financial assets							
Cash and cash equivalents	5,741	-	-	183	17	5,941	0.10 - 2.72
Trade and other receivables	-	-	-	-	1,333	1,333	-
	5,741	-	-	183	1,350	7,274	
Financial liabilities							
Trade and other payables	-	-	-	-	795	795	-
Accrued physicians' fees	-	-	-	-	498	498	-
Long-term debentures	-	1,489	3,471	-	-	4,960	4.13 - 4.97
	-	1,489	3,471	-	1,293	6,253	

In addition, as at 31 December 2013 and 2012, the Company's exposures to fixed interest rate risk relate to convertible bonds treated as equity securities amounting to Baht 550 million with maturity date in 2017 and carry interests at the rates 1% and 10% per annum, as described in Note 21 to the financial statements.

Foreign currency risk

The Company's exposure to foreign currency risk arises from investment in subsidiaries that is denominated in foreign currencies. The Company has no forward contracts to reduce the exposure since the Company expects the risk to be minimal. The Group does not use foreign currency forward contracts or purchased currency options for trading purposes.

There was no balance of financial assets and liabilities denominated in foreign currencies as at 31 December 2013 and 2012.

31.2 Fair values of financial instruments

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows.

- For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, trade and other receivables, long-term loan to and long-term loan from, trade and other payables and accrued physicians' fees, the carrying amounts at the statement of financial position approximate fair value.
- For long-term debentures, fair value is derived from quoted market prices of the Thai Bond Market Association at the close of the business on the reporting date.

The majorities of the Group's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position. The carrying amount of long-term debentures with fixed interest rates as at 31 December 2013 amounted to Baht 4,966.1 million (2012: Baht 4,960.5 million), their fair value amounted to Baht 4,994.2 million (2012: Baht 5,075.4 million).

32. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2013, the Group's debt-to-equity ratio was 0.80:1 (2012: 0.88:1) and the Company's was 0.82:1 (2012: 0.90:1).

33. EVENTS AFTER THE REPORTING PERIOD

- On 6 January 2014, the Company set up and registered a new subsidiary, Bumrungrad Personnel Development Center Co., Ltd., incorporated in Thailand with a registered share capital of Baht 5.0 million, comprising of 500,000 common shares with par value of Baht 10 each. The Company paid for a common share of the subsidiary at 25% of par value of Baht 10, totaling Baht 1.3 million, representing 100% of total issued and paid-up share capital. Subsequently, on 10 February 2014, the Company fully paid for the unpaid amount of common shares of the subsidiary totaling Baht 3.7 million.

The investment was made in accordance with a resolution of the Investment Committee Meeting held on 19 December 2013, which approved the Company's establishment of a new subsidiary to be the Company's personnel development and training center for healthcare service business.

- 33.2 On 16 January 2014, the Company set up and registered a new subsidiary, Vitallife International AG, incorporated in Switzerland with a registered share capital of CHF 100,000, comprising of 100,000 common shares with par value of CHF 1 each. The Company invested in the new subsidiary with 51% shareholding through a wholly owned subsidiary, Life and Longevity Ltd.

The investment was made in accordance with a resolution of the Investment Committee Meeting held on 20 September 2013, which approved the Company's establishment of a new subsidiary to be the Company's holding company for overseas investments.

- 33.3 On 19 February 2014, a meeting of the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of shareholders to be held in April 2014 to adopt a resolution to pay a dividend of Baht 1.90 per share, or a total of Baht 1,387.1 million, to the shareholders in respect of the 2013 profit. The Company already paid an interim dividend of Baht 0.70 per share, or a total of Baht 511.0 million on 5 September 2013. The remaining dividend of Baht 1.20 per share, or a total of Baht 876.1 million will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

34. RECLASSIFICATIONS

The Company reclassified certain amounts in the financial statements for the year ended 31 December 2012 to conform to the current year's classification, as following.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As previously		As previously	
	As reclassified	reported	As reclassified	reported
Cost of hospital operations	8,242,007	8,232,117	8,148,242	8,138,353
Administrative expenses	2,294,947	2,304,837	2,235,465	2,245,354

The reclassification had no effect to previously reported profit or shareholders' equity.

35. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2014.

Company and Business Information

Vision / Mission / Guiding principles

Vision : WORLD CLASS MEDICINE WORLD CLASS SERVICE

Mission : WE PROVIDE WORLD CLASS HEALTHCARE WITH CARE AND COMPASSION

Guiding principles :

1. We strive to exceed our customer's expectations.
2. We are committed to our Medical and Hospital staff's welfare, education, training and development.
3. We continually improve the quality and safety of everything we do.
4. We strive for professional excellence and innovation in all we do.
5. We embrace cultural diversity with Thai hospitality.
6. We strive to make everything we do "World Class".
7. We are trusted, honest, and ethical in all our dealings.
8. We work as a team and share what we know.
9. We highly value our corporate social responsibilities.
10. We operate in an environmentally responsible manner.

GENERAL INFORMATION

1. Company Information

Name :	Bumrungrad Hospital Public Company Limited
Type of Business :	Private hospital
Head Office Address :	33 Sukhumvit Soi 3 (Nana Nua) Sukhumvit Road Klong Toey Nua, Wattana, Bangkok 10110
Registration No. :	0107536000994
Home page :	http://www.bumrungrad.com
E-mail address :	ir@bumrungrad.com
Telephone :	0 2667 1000
Fax :	0 2667 2525
Registered Capital : (as of 31 December 2013)	Baht 922,702,685 Divided into Ordinary shares of 921,211,022 shares, par value at Baht 1 per share Preferred shares of 1,491,663 shares, par value at Baht 1 per share
Issued and Paid up Capital: (as of 31 December 2013)	Baht 730,052,222 Divided into Ordinary shares of 728,560,559 shares, par value at Baht 1 per share Preferred shares of 1,491,663 shares, par value at Baht 1 per share

2. Entities in which the Company has more than 10% shareholding

Company	Type of Business	Issued and paid up ordinary shares		Shareholding (%)
1. Vitallife Corporation Limited 210 Sukhumvit Soi 1, Sukhumvit Road, Klong Toey Nua, Wattana, Bangkok 10110 Phone 0 2667 2340, Fax 0 2667 2341	Wellness Center	315,000	shares	100.0%
2. Asia Global Research Company Limited 2 Sukhumvit Road, Klong Toey, Klong Toey, Bangkok 10110 Phone 0 2667 1700, Fax 0 2667 1800	Clinical Research	5,000,000	shares	100.0%
3. Asia Global Health Limited Room 337, 3rd Fl. South China C.S. Building, 13-17 Wah Sing Street, Kwai Chung, New Territories, Hong Kong. Phone (852) 881 8226, Fax (852) 881 0377	Investment in healthcare & related business in Asia	1,220,000	shares	100.0%
4. Ruenmongkol Company Limited 11/26 Sukhumvit Soi 1, Sukhumvit Road, Klong Toey Nua, Wattana, Bangkok 10110 Phone 0 2667 1000, Fax 0 2667 2525	Owens the land at Sukhumvit Soi 1	34,000,000	shares	100.0%
5. Life and Longevity Limited Room 337, 3rd Fl. South China C.S. Building, 13-17 Wah Sing Street, Kwai Chung, New Territories, Hong Kong. Phone (852) 881 8226, Fax (852) 881 0377	Holding company for overseas investments	100,000	shares	100.0%
6. Bumrungrad International Limited 33 Sukhumvit Soi 3, Sukhumvit Road, Klong Toey Nua, Wattana, Bangkok 10110 Phone 0 2667 1000, Fax 0 2667 2525	Temporarily Dormant Company	45,938	shares	31.5%
7. CDE Trading Company Limited 33 Sukhumvit Soi 3, Sukhumvit Road, Klong Toey Nua, Wattana, Bangkok 10110 Phone 0 2667 1000, Fax 0 2667 2525	Temporarily Dormant Company	100,000	shares	30.0%

3. Reference Persons

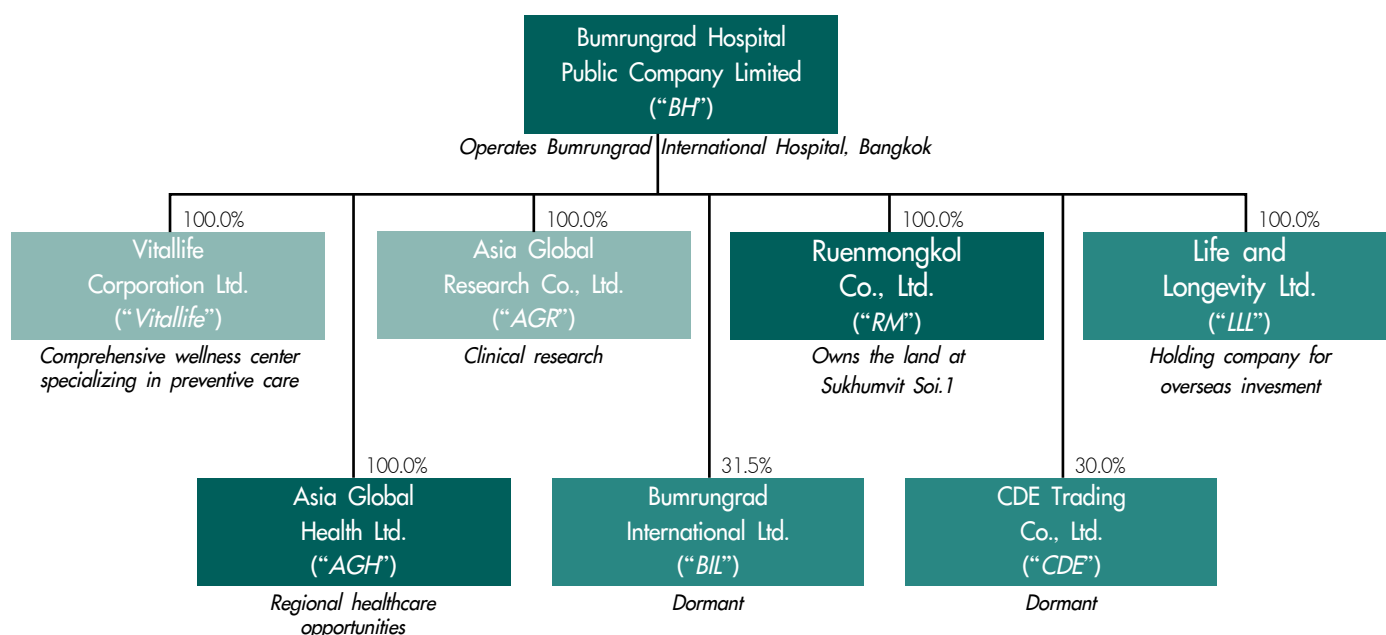
1. Auditor	Ernst & Young Office Limited 33rd Floor, Lake Rajada Office Complex, 193/136-137 New Rajadapisek Road, Bangkok 10110 Phone 0 2264 0777, Fax 0 2264 0789-90
2. Legal Consultant	Damrongtham Law Office 63 Soi 8 (Soi Preeda), Sukhumvit Road, Bangkok 10110 Phone 0 2255 2552, Fax 0 2653 1133
3. Share Registrar	Thailand Securities Depository Company Limited 62 The Stock Exchange of Thailand Building, 4th and 6th-7th Floor, Rachadapisek Road, Klong Toey, Bangkok 10110 Phone 0 2229 2888, Fax 0 2359 1259
4. Convertible Bonds Registrar	Bumrungrad Hospital Public Company Limited 33 Sukhumvit Soi 3 (Nana Nua), Sukhumvit Road, Klong Toey Nua, Wattana, Bangkok 10110 Phone 0 2667 2025, Fax 0 2667 2031
5. Convertible Bondholders' Representative	Thai Military Bank Public Company Limited 3000 Paholyothin Road, Jatujak, Bangkok 10900 Phone 0 2299 1111, 0 2617 9111, Fax 0 2299 1784
6. Debentures Registrar	Siam Commercial Bank Public Company Limited 9 Rutchadapisek Road, Jatujak, Bangkok 10900 Phone 0 2544 4049, Fax 0 2937 7662

BUSINESS POLICY AND OVERALL OPERATION

Bumrungrad Hospital Public Company Limited (the “Company”) operates a private hospital business in Bangkok with the current 563 licensed beds and capacity over 5,500 outpatients per day. The Company is one of the leading healthcare providers in Thailand and in the Southeast Asian region, providing complete healthcare services for both outpatients and inpatients. The Company has always emphasized the importance of quality healthcare and experienced physicians and staff. Bumrungrad International Hospital, Bangkok is the first hospital in Asia to receive the US standard accreditation from the Joint Commission International (JCI). The hospital has also received JCI's Clinical Care Program Certification (CCPC) for specialties programs including the Primary Stroke Program, Acute Myocardial Infarction, Diabetes Mellitus Type I and II and Chronic Kidney Disease Stage I to IV. Besides, the Company is the first hospital which was approved by Thai Hospital Accreditation (HA).

The Company has five 100%-owned subsidiaries, including (1) Vitallife Corporation Limited, (2) Asia Global Health Limited, (3) Asia Global Research Company Limited, (4) Ruenmongkol Company Limited and (5) Life and Longevity Limited. The Company has two associated companies, including 31.5%-owned Bumrungrad International Limited and 30%-owned CDE Trading Company Limited.

Corporate structure (as of 31 December 2013)



Remarks

- Bumrungrad Personnel Development Center Co., Ltd. has been registered on 6th January 2014 (registered capital Baht 5 million, 100% owned by the Company), being the personnel development and training center for healthcare service business.
- Vitallife International AG has been registered on 16th January 2014 (registered capital CHF 100,000, 51% owned by the Company's subsidiary - Life and Longevity Ltd.), being the holding company for overseas investments.

Vitallife Corporation Limited ("Vitallife") is a pioneer in wellness and anti-aging which provides preventive care services targeted at health-conscious individuals. The Vitallife program brings together experienced medical professionals and world-class technologies to provide customers with customized exercise programs, nutrition plans, and food and vitamin supplements for healthy living. Vitallife is also the center in providing anti-aging services for other wellness clinics.

Asia Global Health Limited ("AGH") is a company that supports the strategy for regional investment in healthcare and related business. **Asia Global Research Company Limited ("AGR")** is the provider of clinical research, both within Thailand and Southeast Asia. The services include (1) contract research organization ("CRO"), which performs multicenter clinical trials for international biotech, pharmaceutical and device companies, and (2) site management organization ("SMO"), which manages groups of investigational sites to provide quality research and quality data.

Ruenmongkol Company Limited ("RM") is currently an owner of the land at Sukhumvit Soi 1 (approx. 3-3-44.4 Rai), for consistence with the future business expansion.

Life and Longevity Limited ("LLL") registered in Hong Kong Special Administrative Regions of the People's Republic of China, for the benefit of overseas investments of the Company.

Bumrungrad International Limited ("BIL") has served as the Company's international investment arm. BIL has focused on hospital ownership and management. During 2011, BIL divested its last core asset, comprising direct and indirect interests in Asian Hospital, Inc. in the Philippines; and do not renew the BIL's contract to operate Mafraq Hospital in Abu Dhabi. In 2013, BIL ceased its operating activity and pursued the distribution of its funds to shareholders via capital reduction.

CDE Trading Company Limited ("CDE") (previously Global Care Solutions (Thailand) Company Limited) was a software development company for healthcare business. In December 2007, Global Care Solutions (Thailand) Company Limited completed the sale of its core assets, which was the hospital software, and other assets to the Microsoft Group and changed its name from Global Care Solutions (Thailand) Company Limited to CDE Trading Company Limited. CDE Trading is currently a temporarily dormant company.

Revenue Structure

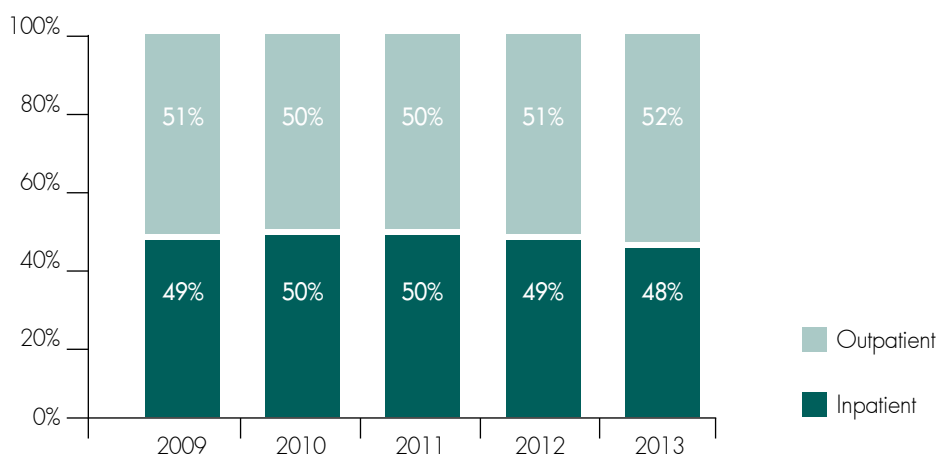
Unit: Baht Million

Product line / Business Group	Operated by	% Shareholding by Company	2013		2012		2011	
			Revenue	%	Revenue	%	Revenue	%
Healthcare	Bumrungrad Hospital Pcl.		14,008	95.6	12,662	90.2	10,850	96.0
Healthcare	Vitalife Corporation Ltd.	100.0	243	1.7	194	1.4	165	1.5
Total Healthcare			14,251	97.3	12,856	91.6	11,015	97.5
Rental	Bumrungrad Hospital Pcl.		94	0.6	125	0.9	121	1.0
Rental	Ruenmongkol	100.0	1	-	1	-	-	-
Total Rental			95	0.6	126	0.9	121	1.0
Others	Bumrungrad Hospital Pcl.		280	1.9	1,048	7.5	161	1.4
Others	Vitalife Corporation Ltd.	100.0	5	0.1	4	-	3	-
Others	Asia Global Research Ltd.	100.0	18	0.1	7	-	6	0.1
Others	Ruenmongkol	100.0	2	-	-	-	-	-
Total Others			305	2.1	1,059	7.5	170	1.5
Total			14,651	100	14,041	100	11,306	100

The Hospital's Services:

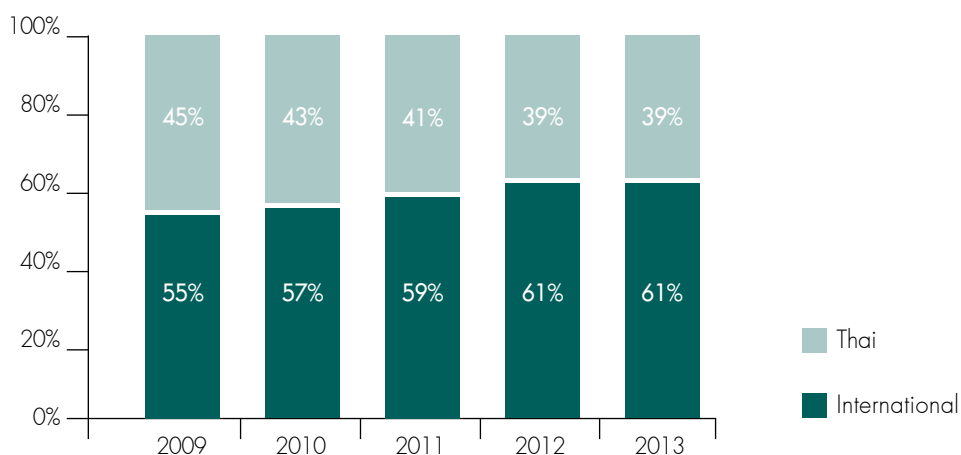
The services of Bumrungrad International Hospital, Bangkok can be detailed as follows:

- Outpatient service has 37 clinics center with 275 examination rooms, and capacity to serve over 5,500 outpatients per day, with the following details:
 - Allergy Center
 - Aviation Medicine Center
 - Behavioral Health Center
 - Breast Screening Center
 - Children's Center
 - Dental Center
 - Diabetes Center
 - Dialysis Center
 - Digestive Disease Center
 - Early Intervention Center
 - Emergency Center
 - Endoscopic Center
 - ENT Center
 - Eye Center
 - Fertility Center
 - Health Screening Center
 - Heart Center
 - Horizon Regional Cancer Center
 - Hypertension & Stroke Program
 - Imaging Center
 - Joint Replacement Center
 - Men Center
 - Neurology Center
 - Orthopedic Center
 - Pathology Center
 - Physiotherapy Center
 - Plastic Surgery Center
 - Pulmonary Center
 - Radiology Center
 - Rehabilitation Center
 - Skin Center
 - Skin Laser Center
 - Sleep Disorders Center
 - Spine Institute
 - Urology Center
 - Vitalife Wellness Center
 - Women Center
- Licensed capacity for inpatient service totals 563 beds, of which including ward beds and intensive care beds. As at 31 December 2013, the hospital has 543 beds in operation.
In 2013, the Company treated a total of over 1.1 million medical episodes. The revenue contributions by inpatient and outpatient in 2013 are as follows:

Inpatient vs. Outpatient (% of total revenue)International Patient Services:

The Company has a strong and successful track record in increasing its presence in the international market. It has an International Patient Services Center to facilitate and accommodate international patients. The services offered include interpreters, international insurance coordination and international medical coordinators, referral center, email correspondence, visa extension counter, embassy assistance, airport reception and travel assistance. The Company also has 20 overseas referral offices in 15 countries.

In 2013, Bumrungrad International Hospital treated over 520,000 international medical episodes from over 200 countries. The top three highest revenue contributors by country are the United Arab Emirates, Myanmar and Oman. The following graph shows the historical revenue contribution of international patients over the past five years.

Thai vs. international patients (% of total revenue)

* Note: International patients are by nationality and include both expatriates and medical tourists.

The Bangkok Facility:

At present, the hospital's services are offered in three buildings:

1. **Bumrungrad International Clinic Building** is a 22-storey outpatient facility, with the first ten floors being used as parking spaces and the top 12 floors as outpatient clinics and ancillary services together with non-clinic floors for patient services restaurant conference and educational facilities.
2. **Bumrungrad International Hospital Building** offers a combination of inpatient and outpatient services. The licensed inpatient bed capacity of the Bumrungrad International Hospital Building is 563. The Company plans to renovate back office space into 18 additional ICU beds in 2014 to serve additional demand from our patients.
3. **BH Residence Building** offers space on the Bangkok campus for support functions and 7 floors of parking spaces.

Industry and Competition

In Thailand, the private hospital sector has evolved from small family businesses into large corporations with professional management. Many are now regularly reviewed by domestic or international accreditation organizations, resulting in improved medical quality, safety, management discipline and operating processes. These hospitals encourage and attract an increasing pool of highly skilled medical practitioners. Business opportunities and competition expand.

In 2013, sector growth continued to be driven by external demand drivers and the hospitals' business strategies. Economic and consumer income growth, together with an aging population, encouraged spending on both necessary and discretionary healthcare. Healthcare providers continued to aggressively market their services. Thailand's popularity as both a tourist and medical destination provided more patients. Preventative and wellness services opened market segments beyond the sick and frail. Expanded networks reached more suburban and provincial consumers, and gave the biggest providers increased economies of scale and bargaining power.

Bangkok continues to host the most private hospitals. It has seen not only renovations, expansions, and new campuses in the private sector, but also public hospital developments targeting premium private hospital market segments. Thais and international patients seeking high quality treatment in modern facilities for serious conditions have more options than ever.

The Company positions itself at the premium end of the domestic market. For a family in the higher socioeconomic strata seeking the best available treatment — often for a serious medical condition — Bumrungrad offers excellent doctors supported by experienced colleagues, advanced technology and responsive service, in a comforting environment. It uses a wide variety of tools, including mass media, events, the internet and onsite communications, to convey these benefits.

The global medical tourism industry is expected to see continued growth, and Thailand has been one of the top destinations. Demand continues to be driven by two groups: aging populations in developed countries with dysfunctional, expensive healthcare systems; and upwardly mobile consumers in emerging economies where healthcare resources are not sufficiently trained or transparent. These factors will continue to drive patients across borders in search of care. However, they may not have to travel as far. Thailand's strongest competitors were once Singapore and India; today they include Malaysia, Korea, Turkey and Latin America.

As more countries develop medical tourism strategies and more hospitals get international accreditation, medical tourism will become more segmented and regional. The Company believes it can compete successfully across a wide variety of medical specialties, but its key patient sources will be within a half day's flight.

Worldwide competition is growing but hospitals in Thailand have a competitive advantage. Thailand offers a unique combination of high quality doctors, an appealing service culture, affordability and long experience serving international patients. The country is also a popular tourist destination with a good supporting infrastructure. The Company benefits from all these characteristics, plus a large, centrally-located campus that provides rapid access to resources that meet virtually all the needs of a typical medical tourist.

International patients travel for medical expertise they cannot find at home, so the Company introduces many of its top doctors at events in key source markets. A network of 20 overseas referral offices helps raise awareness of the hospital, answer questions and coordinate patient visits. The Company also seeks to differentiate itself with more transparent pricing and an experienced team of multicultural medical coordinators and interpreters.

Target Markets

The domestic market can be divided into two types, upper-middle to premium class Thais and the expatriate community in Thailand.

The international market reflects primarily medical tourism from countries where there are issues with quality, access and affordability with their healthcare services.

In addition, the Company also targets patients from corporate contracts, insurance companies and referral patients both within Thailand and from abroad.

Distribution and Marketing Channels

An effective way to attract customers is by way of obtaining patient referrals, both within Thailand and from other countries. With Bumrungrad International Hospital, Bangkok as a reputable tertiary hospital of 30 years, specializing in the treatments of complicated diseases, the Company has established excellent referral connections with hospitals and doctors both within Thailand and abroad.

The hospital maintains over one thousand corporate and insurance contracts as a method for directing patients to the hospital. For its international marketing, the Company has set up 20 referral offices in 15 countries.

Sources of Products and Services Capacity

As at 31 December

Inpatients	2013	2012	2011
Total number of licensed beds*	563	538	538
Beds in operation*	543	487	484
Weighted average total capacity**	179,458	178,242	176,660
Occupied beds per year (beds)	134,908	138,580	127,817
Weighted average capacity utilization (percent)	75.18	77.75	72.35

* In December 2013, the Company has increased the licensed beds to 563 and operational beds to 543

** Weighted average total capacity is calculated by multiplying the number of beds in operation with the number of days of service

As at 31 December

Outpatients	2013	2012	2011
Capacity per day (persons)*	5,500	4,500	4,500
Average outpatients per day (persons)	3,021	3,017	2,801
Weighted average capacity utilization (percent)	59.43	67.04	62.24

* 4 additional OPD floors have been opened at BI Clinic Building on May 23, 2013

Raw Materials and Suppliers

Primary raw materials of the hospital business are pharmaceuticals, medical supplies and medical equipment. Raw materials suppliers include both local companies and international distributors with offices in Thailand. With a network of over 600 suppliers, the Company is able to source raw materials without disruption. In addition, the Company uses an efficient purchasing and inventory control system to evaluate pricing, effectiveness and quality of raw materials.

Environmental Compliance

The Company is firmly committed to environmental protection and conservation of energy and natural resources. The Company has established an environmental policy to communicate to employees its views on environmental preservation and encourages employees to actively support environmental protection.

The Company is committed to minimizing its environmental impact on neighboring communities and to efficient use of natural resources through energy conservation and materials recycling programs. All employees and contractors of the Company are expected to follow the government's environmental regulations and the Company's environmental policies.

RISK FACTORS

Political, macroeconomic and natural disaster-related factors

In recent years, the hospital industry in Thailand has been affected by a number of external factors, including global and domestic economic downturns, political unrest, flu pandemics and weather-related events. In 2013, Thailand's economic growth was supported by government stimulus programs and domestic consumption. For 2014, slow growth in export-focused industries, reduced levels of government spending and private investment, and ongoing political unrest are expected to have an adverse impact on Thailand's economy and its tourism sector, including the medical tourism market.

In order to minimize risk, the Company maintains a balanced portfolio of international and Thai patients so that BH does not rely excessively on revenue from international patients. The Company continues to focus on marketing activities related to the domestic market while continuing to work to attract international patients.

Intensified competition in the premium healthcare sector

As private hospitals in Thailand and across the region continue to develop, competition in the private healthcare sector continues to intensify the risk of losing clients to competitors.

In order to maintain its leading position in Thailand and Asia and to mitigate this risk, the Company has focused on continuing to recruit doctors of the highest caliber (especially sub-specialty experts), invested in up-to-date equipment and information technology, upgraded and expanded both inpatient and outpatient facilities as well as continuously improved its quality of care. The Company's hospital was the first hospital in Asia to receive US standard accreditation from Joint Commission International Accreditation (JCIA).

The hospital has also received JCI's Clinical Care Program Certification (CCPC) for specialty programs, including the Primary Stroke Program, Acute Myocardial Infarction, Diabetes Mellitus Types I and II, and Chronic Kidney Disease Stages I to IV. The hospital was also the first private hospital in Thailand to receive Thai Hospital Accreditation (HA) and the first to be awarded "Thailand Quality Class" from the Thailand Productivity Institute. In addition, BH has a strong client base of referral patients both from within Thailand and internationally.

Shortage of professional staff

The hospital business requires personnel including nurses, pharmacists and various technicians, with specific technical expertise and knowledge. A shortage of these professionals is due in part to increasing demand from both the private and public sectors. Given the importance of its international client base, the Company also requires multi-lingual professionals.

In order to minimize risk, the Company offers competitive compensation and benefits for its staff. BH also provides education and training, recreation, staff engagement projects, scholarships and staff welfare activities to all staff members. Through a decentralized management structure, the Company also offers excellent career paths to various categories of staff. In 2013, BH received the "Best Practice Workplace Award on Labor Relations and Labor Welfare Award 2013" from Thailand's Ministry of Labor for the fifth consecutive year.

Legal disputes

The hospital business is subject to litigation risk related to the provision of healthcare services by hospital staff and physicians.

To minimize litigation risk, BH has implemented a healthcare risk management system to ensure that the risk of mistakes by BH personnel is minimized and corrected. In addition, BH has various insurance policies in force against potential litigation.

THE COMPANY'S MAJOR SHAREHOLDERS

Major Shareholders

List of the Company's 10 major shareholders as at 27 December 2013 is as follows:

Shareholder	Number of shares*	Shareholding** (%)
1. Bangkok Dusit Medical Services PCL.	174,350,200	23.88
2. Bangkok Insurance PCL.	106,760,417	14.62
3. Sinsuptawee Asset Management Co., Ltd.	63,258,514	8.66
4. UOB KAY HIAN (HONG KONG) LIMITED - Client Account	61,199,265	8.38
5. BNP Paribas Securities Services Luxembourg	25,804,560	3.53
6. Wattanasophonpanich Co., Ltd.	25,121,875	3.44
7. Thai NVDR Co., Ltd	20,274,116	2.78
8. Social Security Office	14,958,400	2.05
9. HSBC (Singapore) Nominees Pte Ltd.	14,400,658	1.97
10. State Street Bank and Trust Company.	14,305,225	1.96
Total	520,433,230	71.29

* Number of shares includes preferred shares.

** The calculation of holding percentage includes preferred shares.

The Company has shareholders in the top ten major shareholders list who are foreign financial institutions or custodians acting as trust companies or nominee accounts. The Company has no knowledge of the ultimate shareholders of these companies as these shareholders have never nominated their representatives to serve on the Board of Directors nor taken part in the management of the Company.

Dividend Policy

The Company's dividend policy is as follows:

- When the Company has net profit which can be distributed to shareholders, the preferred shareholders will receive dividends before the ordinary shareholders. In any year that dividends distributed to the preferred shareholders reach 15% of the capital represented by the preferred shares, the balance of the profit shall be distributed to the ordinary shareholders at any amount as determined by the shareholders' meeting.
- In any year that the Company is able to distribute dividends of more than 15% of its capital, the shareholders of both types shall receive the dividends equally.

- For the payment of dividends, the Board of Directors is to follow the resolution of the shareholders' meeting.
- For every dividend payment, the Company shall reserve at least 5% of the profit as appropriated statutory reserve, until the reserve accounts for 10% of the Company's capital.
- Accrued dividends are not entitled to any interest payment.

Subsidiaries' dividend policy is as follows:

- When the company has profit which can be distributed to shareholders, the company is eligible to pay dividends to its shareholders at any amount in accordance with the resolution of shareholders' meeting.
- Accrued dividends are not entitled to any interest payment.

On 19 February 2014, the Board of Directors approved, subject to shareholders' approval in shareholders' meeting to be held on 29 April 2014, a dividend payment for the year 2013 to preferred and ordinary shareholders at the rate of Baht 1.90 per share, totaling Baht 1,387.10 million, which is a 55% pay-out ratio. The Company already paid an interim dividend of Baht 0.70 per share, totaling Baht 511.04 million, on 5 September 2013. The remaining dividend payment of Baht 1.20 per share, amounting to Baht 876.06 million will be paid on 28 May 2014, after the shareholders' approval.

For the year 2012, the Company paid dividend of Baht 1.80 per share, totaling Baht 1,314.09 million, or 49.3% pay-out ratio.

MANAGEMENT STRUCTURE

The Company has five sets of committees, which are the Company's Board of Directors, the Audit Committee, the Nomination and Remuneration Committee, the Governing Board of Bumrungrad International Hospital, Bangkok and the Investment Committee. Details of each committee are as follows:

Board of Directors

Name	Position	Board of Directors Meeting	
		Number of Meetings	Number of Attendance
1. Mr. Chai Soponpanich	Chairperson	5	5
2. Dr. Chanvit Tanphiphat, MD	Vice Chairperson, Member of the Nomination and Remuneration Committee	5	4
3. Mrs. Linda Lisahapanya	Director, Managing Director	5	4
4. Dr. Dhanit Dheandhanoo, MD	Director, Chairperson of the Medical Board	5	5
5. Mr. Chong Toh	Director, Member of the Nomination and Remuneration Committee	5	4
6. Dr. Sinn Anuras, MD	Director, Group Medical Director	5	4
7. Dr. Suvarn Valaisathien	Director	5	5
8. Ms. Sophavadee Uttamobol	Independent Director, Chairperson of the Audit Committee	5	5
9. Mr. Soradis Vinyaratn	Independent Director, Member of the Audit Committee	5	4
10. Mr. Prin Chirathivat	Independent Director, Member of the Audit Committee	5	5
11. Mrs. Aruni Kettratad	Independent Director, Chairperson of the Nomination and Remuneration Committee	5	5

Mr. Banphot Kittikonglert, Company Secretary, is the secretary of the Board of Directors.

Legal Binding of the Company

Any two authorized directors, except Mr. Chong Toh, jointly sign and affix the Company's seal.

Term of Directors

At annual general meeting of shareholders, one-third of the directors shall retire from office. If the number of directors is not a multiple of three, then the number nearest to one-third shall retire from office. Retiring directors shall be those who have served longest in office. Those who retire by rotation are eligible for re-election.

Duties and Responsibilities of the Board of Directors

The duties and responsibilities of the Board of Directors, which are described in the Board of Directors' Charter, are as follows:

1. To perform duties in accordance with the laws, the Company's objectives and regulations, and resolutions of the shareholders' meeting, in good faith and with care for the best interest of the Company.
2. To establish the Company's vision, directions and strategies, with the aim to maximize long-term shareholders' value.
3. To endorse major strategies and policies, including objectives, business plans, financial targets, operating plans and capital expenditure budgets, as proposed by management; and to monitor and ensure the implementation and follow up on the outcome.
4. To establish the Corporate Governance Manual and the Company's Code of Ethics, and to monitor and ensure communication and implementation of such policies and guidelines, to approve amendments as appropriate and to report in the annual report.
5. To ensure proper systems for corporate accounting, financial reporting and financial auditing; to ensure that the Company has an effective internal control, internal audit and risk management system, which should be reviewed annually, and to assign the internal audit department to independently audit and report on the system.
6. To approve quarterly and annual financial reports; to ensure that they are correct, accurate, credible, in compliance with generally accepted accounting standards and report to shareholders in the annual report.
7. To monitor, supervise and approve, as the case may be, and to ensure transparency in the transactions which are connected transactions and may cause conflict of interest, and to set clear guidelines on the approval and disclosure process of transactions with conflict of interest.
8. To set and appoint committees as appropriate to help pursue, study in detail, monitor and oversee matters of importance as assigned, and to approve their charters which include their duties and responsibilities and determine their remuneration.

Audit Committee

The Company's Audit Committee as at 31 December 2013 comprises the following:

- | | | |
|-------------------|-------------|------------------------------------|
| 1. Ms. Sophavadee | Uttamobol | Chairperson of the Audit Committee |
| 2. Mr. Soradis | Vinyaratn | Member of the Audit Committee |
| 3. Mr. Prin | Chirathivat | Member of the Audit Committee |

Ms. Pacchanya Chutimawong: Manager of Corporate Internal Audit, is the secretary of the Audit Committee.

The Company's Audit Committee have the experience and knowledge of the Company's financial matters and Ms. Sophavadee Uttamobol is the Chairman of the Audit Committee member who has the knowledge and experience in reviewing the Company's financial statements.

Term of the Audit Committee

The term of service of Audit Committee is 3 years. In case that an Audit Committee member vacates his position before the expiration of his term of service, the Board of Directors shall select a replacement as soon as possible. The replacement will serve only up to the remaining term of the Audit Committee.

Authorities, Duties and Responsibilities of the Audit Committee

The authorities of the Audit Committee to fulfil its duties and responsibilities as follows:

1. To engage independent advisers as necessary to carry out its duties to seek independent opinion from any professional counsel when it is deemed necessary at the expense of the Company
2. To have unrestricted access to management, employees and relevant information
3. To conduct special investigations where required
4. To establish procedures in dealing with concerns of employees regarding accounting, internal controls or auditing matters
5. To establish procedures for receiving, keeping and managing complaints received by the Company regarding finance, internal controls or auditing matters
6. To have direct responsibilities on consideration of the remuneration and the selection and nomination of the independent auditor
7. To approve fees and terms and conditions of audit-related work and to review the provision of non-audit services by the external auditor (and, when required, the framework for pre-approval of such services).
8. To approve expenses incurred to fulfil Audit Committee's duties.
9. To promote and support the organizational independence of the internal audit activity by:
 - i. Approving the internal audit charter
 - ii. Approving the risk based internal audit plan
 - iii. Approving the internal audit budget and resource plan
 - iv. Receiving communications from head of corporate internal audit on the internal audit activity's performance relative to the plan and other matters, including private meetings with head of corporate internal audit without management present, as well as annual confirmation of the internal audit activity's organizational independence
 - v. Approving all decisions regarding the performance evaluation, appointment and removal of head of corporate internal audit

- vi. Approving the remuneration, including the annual compensation and salary adjustment, of head of corporate internal audit
- vii. Making appropriate inquiries of management and head of corporate internal audit to determine whether there are inappropriate scope or resource limitations that impede the ability of the internal audit activity to execute its responsibilities

The duties and responsibilities of the Audit Committee, as described in the Audit Committee's Charter, are as follows:

1. To review the financial reports of the Company to ensure accuracy and sufficiency.
2. To review the Company's internal control system, internal audit systems, and risk management system to ensure appropriateness and efficiency to consider the independence of the internal audit function, including giving consent to the appointment, rotation or termination of Head of internal audit unit or another function responsible for internal auditing.
3. To review the Company's compliance with the laws governing securities and exchange, including rules and regulations prescribed by the Stock Exchange of Thailand and other laws related to the conduct of the Company's business.
4. To consider, select and propose the appointment of an independent party as the Company's external auditor, to propose the audit fees, and to meet with the external auditor without the presence of management at least once a year.
5. To consider related party transactions or transactions which may have conflict of interest, to be in accordance with the Stock Exchange of Thailand rules and regulations, to ensure that such transactions are reasonable and are for the best benefits of the Company.
6. To prepare the report of the Audit Committee to be disclosed in the Company's annual report. The report must be signed by the Chairperson of the Audit Committee and must contain at least the following details:
 - 6.1) Opinion on the accuracy, sufficiency and credibility of the Company's financial statements.
 - 6.2) Opinion on the sufficiency of the Company's internal control system
 - 6.3) Opinion on the Company's compliance with the laws governing securities and exchange and rules and regulations prescribed by the Stock Exchange of Thailand and other laws related to the conduct of the Company's business.
 - 6.4) Opinion on the appropriateness of the external auditor.
 - 6.5) Opinion on transactions which may have conflict of interest.
 - 6.6) Number of the Audit Committee Meetings and the attendance of each Committee member.
 - 6.7) Opinion and observations that the Audit Committee received from performing its duties according to this charter.
 - 6.8) Other transactions deemed appropriate to be disclosed to shareholders and investors and are within the Audit Committee's authorities and responsibilities as assigned by the Board of Directors.
7. To report to the Board of Directors for rectification within the period of time that the Audit Committee thinks fit if it is found or suspected that there is a transaction or any of the following acts which may materially affect the Company's financial condition and operating results
 - 7.1) A transaction which causes a conflict of interest;
 - 7.2) Any fraud, irregularity, or material defect in an internal control system;
 - 7.3) An infringement of the law on securities and exchange, the Exchange's regulations, or any law relating to the Company's business

If the Company's Board of Directors or management fails to make a rectification within the period of time, any Audit Committee member may report on such transaction or act to the Office of the Securities and Exchange Commission or the Exchange.
8. To investigate immediately in case that external auditor notifies the fraud cases in the Company, and to report the result of the preliminary investigation to the Securities and Exchange Commission and the external auditor within 30 days after receiving the written notice from the external auditor.
9. To have at least one Audit Committee member attend the Board of Directors' meeting every time that there is an agenda on approval of financial reports.
10. To meet with the Company's legal department regularly, and may consult with external lawyers as necessary.
11. To perform other duties as assigned by the Board of Directors and with consent from the Audit Committee.
12. The Audit Committee is responsible to the Board of Directors according to the duties and responsibilities assigned by the Board of Directors, while the responsibilities for all activities of the Company towards third persons are still vested in the entire Board of Directors.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee as at 31 December 2013 comprises the following:

- | | | | |
|----|-------------|----------------|--|
| 1. | Mrs. Aruni | Kettratad | Chairperson of the Nomination and Remuneration Committee |
| 2. | Dr. Chanvit | Tanphiphat, MD | Member of the Nomination and Remuneration Committee |
| 3. | Mr. Chong | Toh | Member of the Nomination and Remuneration Committee |
- Mr. Banphot Kittikonglert, Company Secretary, is the secretary of the Nomination and Remuneration Committee.

Term of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee has a term of three years. Members of the Nomination and Remuneration Committee may be re-elected upon expiration of the term.

Duties and Responsibilities of the Nomination and Remuneration Committee

The duties and responsibilities of the Nomination and Remuneration Committee, in accordance with Nomination and Remuneration Committee's Charter, are as follows:

- a) Nomination
 1. To consider the appropriate size, composition and term of the Board of Directors.
 2. To consider and recommend whether there should be a retirement age for directors, and to recommend to the Board of Directors the directors' retirement age.
 3. To formulate and review qualifications of directors and members of the Committees.
 4. To propose and review candidates for the director position in case of vacancies or for any other reasons, including collecting a list of candidates nominated by shareholders, to be approved by the Board of Directors and/or Shareholders' Meeting as the case may be.
 5. To consider and propose qualified directors to be a member of a Committee when there is a vacancy.
- b) Remuneration
 1. To determine the procedures and criteria for fair and reasonable compensation for directors and Committee members.
 2. To recommend remuneration for directors and Committee members, including remuneration of the Nomination and Remuneration Committee members, to the Board of Directors and/or Shareholders' Meeting, as the case may be.
 3. To implement a process for assessing the performance of the Board of Directors and Committees, including proposing their Performance Evaluation Form.
- c) To perform other duties relevant to the Nomination and Remuneration Committee as may be assigned by the Board.

Governing Board of Bumrungrad International Hospital, Bangkok

The Governing Board of Bumrungrad International Hospital, Bangkok as at 31 December 2013, comprises the following:

1.	Dr. Visuit	Vivekaphirat, MD	Chairperson
2.	Mr. James Matthew	Banner	Secretary, Ex officio
3.	Dr. Winyou	Ratanachai, MD	Member
4.	Dr. Oradee	Chandavas, MD	Member
5.	Dr. Rujapong	Sukhabote, MD	Member
6.	Dr. Sira	Sooparb, MD	Member
7.	Ms. Sophavadee	Uttamobol	Member
8.	Dr. Roekchai	Tulyapronchote, MD	Member
9.	Dr. Chanvit	Tanphiphat, MD	Member
10.	Dr. Jitra	Anuras, MD	Member
11.	Dr. Sinn	Anuras, MD	Ex officio
12.	Mr. Kamonsak	Reungjarearnrung	Ex officio
13.	Ms. Jiraporn	Lekdumrongsak	Ex officio
14.	Ms. Varanya	Seupsuk	Ex officio
15.	Mrs. Artirat	Charukitpipat	Ex officio
16.	Mr. Somsak	Vivattanasinchai	Ex officio
17.	Dr. Korpung	Rookkapan	Ex officio

Term of the Governing Board

The Governing Board has a term of two years. Members of the Governing Board may be re-elected upon expiration of the term.

Duties and Responsibilities of the Governing Board

The Governing Board has the objective to recommend and implement the Hospital Policy, promote patient safety and performance improvement, provide quality patient care and provide for organizational management and planning of the hospital. The Governing Board has the scope of duties and responsibilities in accordance with Governing Board Bylaws Rules and Regulations of Bumrungrad International Hospital, Bangkok as follows:

1. To organize physicians and other practitioners granted clinical privileges at the Hospital into a medical staff under Professional Staff Bylaws, Rules and Regulations approved by the Governing Board.
2. To appoint and reappoint Medical Staff members and assign clinical privileges in accordance with Professional Staff Bylaws, Rules and Regulations.
3. To establish and amend, together with the Medical Staff, and approve Professional Staff Bylaws, Rules and Regulations which set forth its organization and governance.
4. To assign to the Medical Staff reasonable authority to ensure appropriate professional care to Hospital patients, including to direct that all reasonable and necessary steps be taken by the Medical Staff and Hospital administration for meeting JCI and HA accreditation standards and complying with applicable laws and regulations.

Investment Committee

The Company's Investment Committee as at 31 December 2013 comprises the following:

- | | | | |
|----|--------------------|--------------|-------------|
| 1. | Mr. Chai | Sophonpanich | Chairperson |
| 2. | Mrs. Linda | Lisahapanya | Member |
| 3. | Mr. Chong | Toh | Member |
| 4. | Dr. Suwan | Walaisathien | Member |
| 5. | Mr. Dennis Michael | Brown | Member |

Term of the Investment Committee

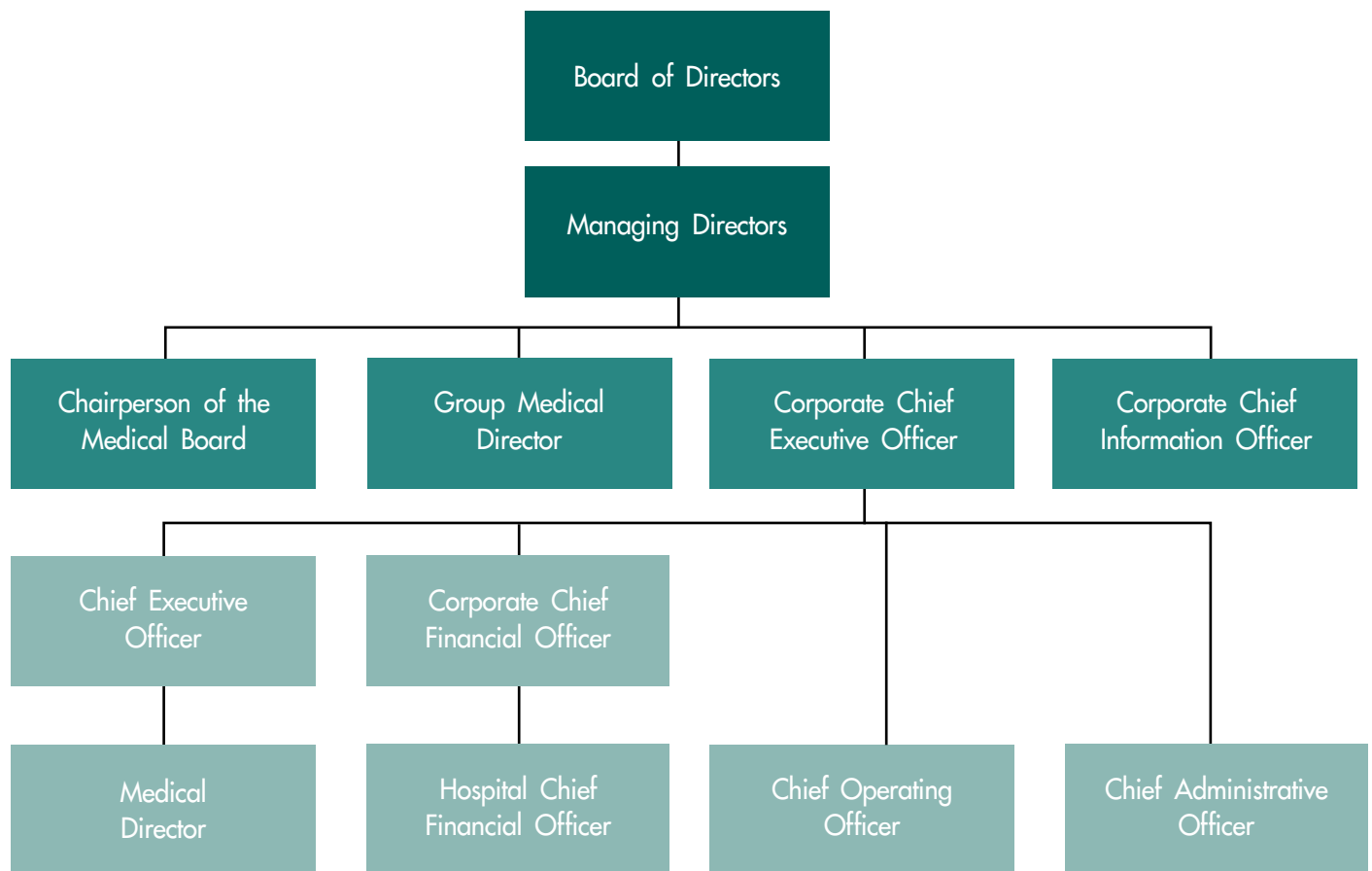
The Investment Committee has a term of three years. Members of the Investment Committee may be re-elected upon expiration of the term.

Duties and Responsibilities of the Investment Committee

The duties and responsibilities of the Investment Committee, in accordance with Investment Committee's Charter, are as follows:

1. To consider investment opportunities, their appropriateness and feasibilities, and investment structure of each investment project. Investment projects include the Company's annual capital expenditure, expansion and renovation of the Bangkok hospital facilities, investment and / or joint-venture, by the Company, subsidiary or affiliate, in new project, business or company both within Thailand or abroad.
2. To consider financial status of the Company in order to evaluate the Company's investment capacity.
3. To recommend investment projects which have been considered by the Investment Committee to the Board of Directors for approval.
4. To monitor result of an investment made by the Company in terms of its performance and to consider any action necessary to minimize the Company's risks from investment.
5. To perform other duties relevant to the Investment Committee as may be assigned by the Board of Directors.

Organization Chart



The Company's Management as at 31 December 2013 consists of the following:

- | | | |
|------------------------|------------------|---|
| 1. Mrs. Linda | Lisahapanya | Managing Director |
| 2. Dr. Dhanit | Dheandhanoo, MD | Chairperson of the Medical Board |
| 3. Dr. Sinn | Anuras, MD | Group Medical Director |
| 4. Mr. Dennis Michael | Brown | Corporate Chief Executive Officer |
| 5. Mr. Dickon | Smart-Grill | Corporate Chief Information Officer |
| 6. Mr. Kenneth Beasley | Love Jr. | Corporate Chief Financial Officer |
| 7. Mr. James Matthew | Banner | Chief Executive Officer,
Bumrungrad International Hospital, Bangkok |
| 8. Dr. Jitra | Anuras, MD | Acting Medical Director,
Bumrungrad International Hospital, Bangkok |
| 9. Mr. Somsak | Vivattanasinchai | Hospital Chief Financial Officer,
Bumrungrad International Hospital, Bangkok |
| 10. Mr. Kamonsak | Reungjarearnrung | Chief Operating Officer,
Bumrungrad International Hospital, Bangkok |
| 11. Mrs. Artirat | Charukitpipat | Chief Administrative Officer,
Bumrungrad International Hospital, Bangkok |

Management's authority to approve the capital expenditure

Managing Director is the highest-ranking corporate executive of the management authorized by the Board of Directors to approve for all budgeted capital expenditure or project up to Baht 40 million per capital expenditure or project.

Attachment 1 Details of Management and Controlling Parties
Directors

	Name / Position	Age	Education	Shareholding* (%)	Family Relationship between Management	Work Experience
1.	Mr. Chai Sophonpanich Chairperson of the Board of Directors	71	- Bachelor of Science, University of Colorado, USA - Advanced Management Program, The Wharton School, University of Pennsylvania, USA - The Joint State-Private Sectors Course, Class 6, The National Defense College of Thailand - Director Certification Program, Class 16/2002, Thai Institute of Directors - Chairman 2000, Class 10/2004, Thai Institute of Directors	1.18	- Spouse of Mrs. Linda Lisahapanya's sister - Father of Mr. Chong Toh's spouse	- 2010 – Present Chairman and Chief Executive Officer, Bangkok Insurance Pcl. - 1986 – Present Chairman, Charoeng Thai Wire & Cable Pcl. - 1988 – Present Chairman, Furukawa Metal (Thailand) Pcl. - 1968 – Present Director, Bangkok Life Insurance Co., Ltd. - 1968 – Present Vice Chairman, Thai Reinsurance Pcl.
2.	Dr. Chanvit Tanhiphat, MD Vice Chairperson of the Board of Directors Member of the Nomination and Remuneration Committee	70	- MB ChB (Bachelor of Medicine and Bachelor of Surgery), Leeds University, United Kingdom - FRCS (Fellowship of the Royal College of Surgeons of Edinburgh), United Kingdom	-	-	- Professor Emeritus, Department of Surgery, Faculty of Medicine, Chulalongkorn University
3.	Mrs. Linda Lisahapanya Director Managing Director	61	- Master of Finance, University of Illinois, USA - Director Certification Program, Class 78/2006, Thai Institute of Directors	-	- Sister of Mr. Chai Sophonpanich's spouse	- Managing Director, Bumrungrad Hospital Pcl.
4.	Dr. Dhanit Dheandhanoo, MD Director Chairperson of the Medical Board	77	- Doctor of Medicine, Mahidol University - Board Certification: Neurosurgery, United Kingdom	-	-	- Clinical Professor Emeritus, Director, Neurosurgery Unit, Department of Surgery, Faculty of Medicine, Ramathibodi Hospital, Mahidol University
5.	Dr. Sim Anuras, MD Director Group Medical Director	72	- Doctor of Medicine, Chulalongkorn University - Board Certifications: - American Board of Internal Medicine - American Board of Gastroenterology	-	-	- 1987 – 1994 Professor and Vice Chairperson of Medical Affairs, University Medical Center, Lubbock, Texas, USA

* Shareholding as at 27 December 2013, including both preference and ordinary shares, and shares held by spouse and minors.

	Name / Position	Age	Education	Shareholding* (%)	Family Relationship between Management	Work Experience
6.	Mr. Chong Toh Director Member of the Nomination and Remuneration Committee	45	- Master of Science in Management, Massachusetts Institute of Technology, USA - Bachelor of Arts in Philosophy, Politics and Economics, Oxford University, United Kingdom - Director Accreditation Program, Class 54/2006, Thai Institute of Directors	0.05	- Spouse of Mr. Chai Sophonpanich's daughter	- 2005 – Present Executive Vice President, International Banking Group, Bangkok Bank Pcl. - 2005 – Present Executive Chairman, Bualuang Securities Pcl. - 2001 – Present Director, Bualuang Securities Pcl. - 2000 – Present Director, Asia Cement Pcl. - 2001 – 2005 President, Bualuang Securities Pcl. - 1999 – 2005 Director, Bualuang Finance Co., Ltd. - 2000 – 2001 President, Bualuang Finance Co., Ltd.
7.	Dr. Suvarn Valaisathien Director	68	- Ph.D. in Law, George Washington University - LL.M, Howard University - Barrister, Thai Bar Association - First honored LLB, Chulalongkorn University	0.006	-	- 2005 – Present Chairman of SVI Pcl. - 2004 – Present Chairman of Saver Club - 2002 – Present Executive Director of Berli Jucker Pcl. - 2002 – Present Legal consultant - 2000 – 2002 Deputy Minister, Ministry of Commerce - 1981 – 2000 Legal Consultant for various companies - 1979 Vice Governor, Petroleum Authority of Thailand - 1976 Legal Consultant, The World Bank, Washington, D.C. - 1974 Head of Taxes Division, S.G.V.-Na Thalang - 1971 lawyer, Hale and Dorr, Boston USA

* Shareholding as at 27 December 2013, including both preference and ordinary shares, and shares held by spouse and minors.

	Name / Position	Age	Education	Shareholding* (%)	Family Relationship between Management	Work Experience
8.	Ms. Sophavadee Uttamobol Independent Director Chairperson of the Audit Committee	53	- Master of Business Administration, Chulalongkorn University - Director Accreditation Program, Class 5/2003, Thai Institute of Directors - Audit Committee Program, Class 2/2004, Thai Institute of Directors - Role of Chairman Program, Class 14/2006, Thai Institute of Directors	-	-	- 2001 – Present Director, S&P Syndicate Pcl. - 1991 – Present legal Consultant, Dhamrongtham Law Office
9.	Mr. Prin Chirathivat Independent Director Member of the Audit Committee	51	- MBA, Sasin Graduate Institute of Business Administration, Chulalongkorn University - B.S. (Accounting), Skidmore College, New York, U.S.A. - Director Certification Program, 2000, Thai Institute of Directors - Director Accreditation Program, 2005, Thai Institute of Directors - Audit Committee Program, 2005, Thai Institute of Directors - The Role of Chairman, 2005, Thai Institute of Directors - Chief Financial Officer, 2006 - Monitoring the System of Internal Control and Risk Management, 2007 - Monitoring the Internal Audit Function, 2007 - Monitoring Fraud Risk Management, 2009 - Monitoring of the Quality of Financial Reporting, 2009	0.003		- Director/ Executive Director, Central Pattana Pcl. - Director/ Executive Director, Central Plaza Hotel Pcl. - Chairman of the Audit Committee and Director, Bualuang Securities Pcl. - Executive Director, Central Group of Companies - Director/ Executive Director, Central Retail Corporation Co., Ltd. - Member of Board University Affairs, Chiangrai Rajabhat University - Consultant, Market for Alternative Investment (MAI) Work Experience - Director, General Card Services Co., Ltd. - Director, Indira Insurance Pcl. - Director, Dhanamitr Factoring Pcl. - Director, Malee Sampran Pcl.

* Shareholding as at 27 December 2013, including both preference and ordinary shares, and shares held by spouse and minors.

	Name / Position	Age	Education	Shareholding* (%)	Family Relationship between Management	Work Experience
10.	Mr. Soradis Vinyarath Independent Director Member of the Audit Committee	73	- Bank Management, City of London College of Banking, London, United Kingdom - Director Accreditation Program, Class CP/2005, Thai Institute of Directors	-	-	- 2010 – Present Independent Director, Dusit Thani Pcl. - 1982 – Present Vice Chairperson, Landmark Hotel Group - 1957 – 1990 Executive Vice President, Bangkok Bank Pcl.
11.	Mrs. Aruni Kettratad Independent Director Chairperson of the Nomination and Remuneration Committee	66	- Master of Business Administration, University of Portland, Oregon, USA - Role of the Nomination and Governance Committee (RNG), 2011, IOD Training - Director Accreditation Program (DAP), 2011, IOD Training - Role of the Compensation Committee (RCC), 2013, IOD Training	-	-	- 2009 – Present Managing Director, AA Talent Recruitment Co., Ltd. - 2006 – 2008 Freelance consultant in HR management services - 1987 – 2005 Partner-in-Charge, Recruitment & Human Resources Consulting Department, Ernst & Young, Thailand

* Shareholding as at 27 December 2013, including both preference and ordinary shares, and shares held by spouse and minors.

	Name / Position	Age	Education	Shareholding* (%)	Family Relationship between Management	Work Experience
1.	Mrs. Linda Lisahapanya Director Managing Director	61	- Master of Finance, University of Illinois, USA - Director Certification Program, Class 78/2006, Thai Institute of Directors	0.007	- Sister of Mr. Chai Sophonpanich's spouse	- Managing Director, Bumrungrad Hospital Pcl.
2.	Dr. Dhaniit Dheandhanoo, MD Director Chairperson of the Medical Board	77	- Doctor of Medicine, Mahidol University - Board Certification: Neurosurgery, United Kingdom	0.003	-	- Clinical Professor Emeritus, Director, Neurosurgery Unit, Department of Surgery, Faculty of Medicine, Ramathibodi Hospital, Mahidol University
3.	Dr. Sinn Anuras, MD Director Group Medical Director	72	- Doctor of Medicine, Chulalongkorn University - Board Certifications: - American Board of Internal Medicine - American Board of Gastroenterology	-	-	- 1987 – 1994 Professor and Vice Chairperson of Medical Affairs, University Medical Center, Lubbock, Texas, USA
4.	Mr. Dennis Michael Brown Member of Investment Committee Corporate Chief Executive Officer	59	- Executive Program, Graduate School of Business, Stanford University - Bachelor's Degree of Chemistry, Valparaiso University, USA - Master of Business Administration in Health and Hospital Administration, University of Florida, USA	-	-	- 2011 – Present Corporate Chief Executive Officer, Bumrungrad Hospital Pcl. - 2006 – 2011 Chief Executive Officer, Bumrungrad International Limited - 2004 – 2006 Chief Operating Officer, Bumrungrad International Hospital, Bangkok - 1980 – 1984, 1985 – 2003 Senior Vice President, Operations Northern Region, Tenet Healthcare Corporation - Chief Executive Officer, Australian Medical Enterprises, Australia - Chief Executive Officer, Mount Elizabeth Hospital, Ltd.
5.	Mr. Dickon Smart-Grill Corporate Chief Information Officer	40	- Bachelors of Science in Computation, University of Manchester (UMIST), England	-	-	- 2013 – Present Corporate Chief Information Officer, Bumrungrad International Limited - 2011 – 2013 Cofounder, Clouded Minds Ltd. - 2008 – 2011 Principal Solutions Architect, Microsoft Corporation - 2008 Solutions Manager, Microsoft Corporation - 2005 – 2007 Cofounder and COO, Global Care Solutions

* Shareholding as at 27 December 2013, including both preference and ordinary shares, and shares held by spouse and minors.

	Name / Position	Age	Education	Shareholding* (%)	Family Relationship between Management	Work Experience
6.	Mr. Kenneth Beasley Love, Jr. Corporate Chief Financial Officer	64	- Bachelor of Science in Commerce and Accounting, Bellarmine University in Kentucky - US – Certified Public Accountant in 1980, Bellarmine University in Kentucky	-	-	- 30 plus years' healthcare experience most recently Chief Financial Officer, Bumrungrad International Limited, Thailand, preceded by Senior Vice President, Financial Operations, Tenet Healthcare Corporation, Santa Barbara, California, USA
7.	Mr. James Matthew Banner Chief Executive Officer Bumrungrad International Hospital, Bangkok	65	- Master's Degree in Health Services Administration, Medical College of Virginia, USA	-	-	- BUPA Health Care Asia (previously VISTA) - Director and Chief Executive Officer, Subang Jaya Medical Center, Kuala Lumpur, Malaysia
8.	Dr. Jitra Anuras, MD Acting Medical Director Bumrungrad International Hospital, Bangkok	69	- Doctor of Medicine, Chulalongkorn University - Board Certifications: - American Board of Internal Medicine - American Board of Allergy and Clinical Immunology	-	-	- 2013 – Present Acting Medical Director, Bumrungrad International - 2009 – Present Senior Associate Medical Director, Bumrungrad - 2006 – 2009 Associate Medical Director, Bumrungrad International - 2000 – 2006 Director of Medical Education, Bumrungrad International
9.	Mr. Kamonsak Reungjarearnung Chief Operating Officer Bumrungrad International Hospital, Bangkok	44	- MBA in Healthcare Management, European School of Management, Paris, France	-	-	- 1994 – Present Bumrungrad International Hospital, Bangkok - 1991 – 1992 Pharmacist, Thaboom Hospital, Surin Province

* Shareholding as at 27 December 2013, including both preference and ordinary shares, and shares held by spouse and minors.

	Name / Position	Age	Education	Shareholding* (%)	Family Relationship between Management	Work Experience
10.	Mrs. Artirat Charukitpipat Chief Administrative Officer Bumrungrad International Hospital, Bangkok	45	- Master of Science (MSc.) in Human Resource Management, Chulalongkorn University, Sasin Graduate Institute of Business Administration - MS. (Management) in Strategic Marketing, Assumption University	0.0001	-	- 2011 Chief Administrative Officer, Veithani Hospital - 2006 – 2010 Hospital Administration, Bangkok Dusit Medical Services - 2005 – 2006 Central Procurement Director, National Healthcare Systems (BDMS)
11.	Mr. Somsak Vivattanasinchai Hospital Chief Financial Officer Bumrungrad International Hospital, Bangkok	48	- MBA, Executive Program, Kasetsart University - BBA, Accounting, Bangkok University - Certified Public Accountant (CPA No. 4011)	-	-	- July 2013 – Present Hospital Chief Financial Officer, Bumrungrad International - September 2012 – June 2013 Vice President - Regional Finance & Accounting Li & Fung (Thailand) Co., Ltd. - November 2011 – August 2012 Senior Finance Director, OMG Thailand Co., Ltd. - April 2011 – September 2011 Vice President – Administration Group, Seacon Development Public Company Limited - November 2007 – March 2011 Chief Financial Officer, Samitivej Hospital Group

* Shareholding as at 27 December 2013, including both preference and ordinary shares, and shares held by spouse and minors.

Details of Directorships in Subsidiaries and Related Companies

Directors	Companies	Subsidiaries					Associated Company	
		Vitalife Corporation Ltd.	Asia Global Health Co., Ltd.	Asia Global Research Co., Ltd.	Ruenmongkol Co., Ltd.	Life and Longevity Co., Ltd.	Bumrungrad Personnel Development Center Co., Ltd.*	Vitalife International AG*
1. Mr. Chai	Sophonpanich	X						
2. Mrs. Linda	Lisahpanya	/	X	/		/		/
3. Dr. Sinn	Anuras, MD			X				
4. Mr. James Matthew	Banner	/						
5. Mr. Bernard Charnwut	Chan							/
6. Mr. Daniel	Gillespie							/
7. Dr. Jennifer	Lee, MD							/
8. Mr. Yanchai	Tanitratapong							/
9. Ms. Varanya	Seupsuk				/			
10. Mr. Kittiphon	Reungjarearnung		/		/			
11. Mr. Kamonsak	Reungjarearnung						/	
12. Mrs. Arirat	Charukitipat					/	/	
13. Mr. Fritz	Scharer							/
14. Mr. Etienne Armand	Bernath							/
15. Mr. Peter E.	Bodner							/

Notes:

1. / = Director X = Chairman // = Management
2. CDE Trading Company Limited (formerly Global Care Solutions (Thailand) Company Limited) is not shown in the above table as no director/management of the Company holds the position of director, chairman or management in CDE Trading Company Limited.
3. Bumrungrad Personnel Development Center Co., Ltd. has been registered on 6th January 2014
4. Vitalife International AG has been registered on 16th January 2014

Election of Directors and Management

The Nomination and Remuneration Committee has the responsibility to select and nominate candidates to replace directors and members of committees whose terms have expired or for any other reasons, including to consider candidates proposed by shareholders, and to propose to the Board of Directors to approve or to recommend to shareholders' meetings of such appointment. The Nomination and Remuneration Committee is responsible for considering qualifications of candidates, taking into account their knowledge, abilities, experience which will be beneficial to the Company, their leadership skills, visions, ethical values, and their independence in making professional decisions and for ensuring that the candidates possess the qualifications as stipulated in the Board of Directors' Charter.

The process for electing directors in a shareholders' meeting is in accordance with the following rules and principles:

1. Each shareholder has one vote for one share.
2. The election of directors may be either by voting for each individual director, or by voting for a group of directors, whichever way the shareholders' meeting deems appropriate. For each resolution, each shareholder must exercise all of his/her votes for one individual director or for one group of directors. Votes by each shareholder may not be split between any directors or any groups of directors.
3. The election passes with the majority of the votes. If the number of votes is equal, the chairperson of the meeting has the final vote. The process for selection of independent directors is the same as that of directors and management.

Qualifications of independent directors are as follows:

1. Holds shares not more than one percent of total shares with voting right of the Company, the Company's parent company, subsidiary company, associate company, major shareholder or controlling person, inclusive of the shares held by related persons of such independent director.
2. Is not an executive director, employee, staff, advisor with salary, or controlling person of the Company, the Company's parent company, subsidiary company, associate company, subsidiary company of the same level, major shareholder or controlling person (at present and two years prior to the appointment).
3. Is not related, whether by blood or legal registration as father, mother, spouse, sibling and child, including spouse of children, with the management, major shareholder, controlling person or those who will be nominated as management or controlling person of the Company or subsidiary.
4. Does not have business relationship with the Company, the Company's parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither is a significant shareholder or controlling person of any person having a business relationship with the Company, the Company's parent company, subsidiary company, associate company, major shareholder or controlling person (at present and two years prior to the appointment), with details as per rules and regulations of the Securities and Exchange Commission, Thailand.
5. Is not an auditor of the Company, the Company's parent company, subsidiary company, associate company, major shareholder or controlling person, and is not a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, the Company's parent company, subsidiary company, associate company, major shareholder or controlling person (at present and two years prior to the appointment).
6. Is not a provider of any professional services including as legal advisor or financial advisor who receives service fees exceeding Baht two million per year from the Company, the Company's parent company, subsidiary company, associate company, major shareholder or controlling person, and is not a significant shareholder, controlling person or partner of the provider of professional services (at present and two years prior to the appointment).
7. Is not a director appointed as a representative of the Company's director, major shareholder, or shareholder who is related to major shareholder.
8. Does not undertake any business in the same nature and in competition to the business of the Company or the Company's subsidiary company, or is not a significant partner in a partnership nor an executive director, employee, staff, advisor with salary or holding shares exceeding one per cent of the total number of shares with voting rights of another company which undertakes business in the same nature and in competition to the business of the Company or its subsidiary company.
9. Does not possess any other characteristics that deter the ability to express independent opinions with regards to the Company's business operations.

Remuneration of Directors, Committees and Management

Directors' Remuneration and Committees' Remuneration

Remuneration of Directors, the Audit Committee and the Nomination and Remuneration Committee for the year ended 31 December 2013 for 11 directors are as follows:

Name	Board of Directors			Audit Committee		Nomination and Remuneration Committee		
	Number of Meetings	Annual Remuneration	Meeting Remuneration	Total	Number of Meetings	Meeting Remuneration	Number of Meetings	Meeting Remuneration
1. Mr. Chai Sophonpanich	5/5	600,000	200,000	800,000				800,000
2. Dr. Charvit Tanphiphat, MD	4/5	450,000	120,000	570,000			1/1	25,000
3. Mrs. Linda Lisahapanya	4/5	400,000	100,000	500,000				500,000
4. Dr. Dhanit Dheandhanoo, MD	5/5	400,000	125,000	525,000				525,000
5. Mr. Chong Toh	4/5	400,000	100,000	500,000			1/1	25,000
6. Dr. Sinn Anuras, MD	5/5	400,000	100,000	500,000				500,000
7. Dr. Suvorn Valaisathien	5/5	400,000	125,000	525,000				525,000
8. Ms. Sophavadee Uthamabol	5/5	400,000	125,000	525,000	4/4	160,000		685,000
9. Mr. Soradis Vinyaratn	4/5	400,000	125,000	500,000	4/4	100,000		600,000
10. Mr. Prin Chirathivaf	5/5	400,000	100,000	525,000	4/4	100,000		625,000
11. Mrs. Aruni Keitratad	5/5	400,000	125,000	525,000			1/1	40,000
Total		4,650,000	1,345,000	5,995,000		360,000	90,000	6,445,000

In 2013, the Investment Committee held 6 meeting. Total remuneration of Baht 0.82 million was paid to the members of the Investment Committee.

In 2013, the Governing Board held 6 meetings. Total remuneration of Baht 0.38 million was paid to the members of the Governing Board.

Directors' remuneration represents the benefits paid to the Company's directors exclusive of salaries and related benefits payable to the management. The above remunerations have been approved by shareholders at the shareholders' meeting.

Remuneration of Management

In 2013, the total remuneration of the 11 executives of the Company and its subsidiaries amounted to Baht 141.08 million. The Company and its subsidiaries had employee benefit expense payable to their directors and management as follows:

Short-term employee benefits	Baht	134.36	million
Long-term employee benefits	Baht	(0.04)	million
Termination benefits	Baht	6.79	million
Total	Baht	141.08	million

Corporate Governance

CORPORATE GOVERNANCE

The Company realizes the importance of good corporate governance, and is committed to follow the Principles of Good Governance Guidelines in order to manage its business with transparency, to build confidence for all stakeholders and to compete efficiently at the international level. The Company therefore would like to report the following:

1. The Rights of Shareholders

The Company acknowledges the importance of all shareholders' rights, including major and minority shareholders. Shareholders' rights include basic rights as investors and as owners of the Company, such as rights to buy, sell, transfer their shares; rights to receive dividends from the Company; rights in shareholders' meetings; rights to receive comprehensive, sufficient and timely news and information through easily accessible channels; rights to express their opinions; rights to participate in making decisions on important issues, such as election of directors, approval of important transactions that affect the direction of the business and operation of the Company, amendment of memorandum of association and articles of association of the Company.

In 2013, the Company has implemented the following to encourage and facilitate the exercise of shareholders' rights in the annual general meeting of shareholders:

1. The Company gives shareholders the right to propose important and appropriate issues for incorporation as an agenda in the Company's annual general meeting of shareholders and to nominate candidates with appropriate knowledge, abilities and qualifications to be considered for the position of the Company's director in advance before the annual general meeting of shareholders. Shareholders can find details of the criteria and guidelines on the Company's website.
2. The Company sends invitation letters to shareholders in advance to inform them of the meeting agendas which include opinion of the Board of Directors on each agenda item, together with supporting documents and information sufficient to facilitate shareholders in making their decisions. In addition, the invitation letter package includes details of required documents in order to protect shareholders' rights to attend the shareholders' meeting, together with their rights to vote. Moreover, the invitation letter to the shareholders' meeting is disclosed on the Company's website. For annual general meeting of shareholders, the invitation letter is posted on the website 30 days prior to the meeting date.
3. For those shareholders unable to attend the meeting, these shareholders have the right to authorize a person or an independent director as their proxy to attend the meeting and vote on their behalf, using one of the proxy forms sent with the invitation letter. Moreover, shareholders can download the proxy form from the Company's website.
4. The Company implements the barcode system for registration and the voting process, including the use of voting cards. This helps accelerate and ensure the accuracy of the registration and vote counting process. In addition, shareholders are able to register after the meeting has started to exercise their rights to vote on agendas that have not been voted. Upon completion of the meeting, shareholders are able to verify the details.
5. Before going into each agenda, the Chairman of the Board of Directors, who acts as chairman of the meeting, assigns the Company Secretary to inform the meeting of the voting process for each agenda. During the meeting, the chairman of the meeting gives all shareholders the opportunity to comment, ask questions or give opinions and suggestions on any agenda item. The Chairman and management see the importance of every question and give precise and clear answers.
6. The Company Secretary records minutes of the shareholders' meetings which are correct and complete, with details on voting results of each agenda. In addition, the minutes are sent to the Stock Exchange of Thailand and posted on the Company's website within 14 days after the meeting date, so that shareholders are promptly informed and are able to verify.

2. The Equitable Treatment of Shareholders

The Company is strongly committed to equitable treatment of every shareholder, whether they are major or minority shareholders, institutional investors or foreign shareholders, and has created various mechanisms, such as:

1. The Company provides a channel for minority shareholders to propose issues deemed important and appropriate to include in the agenda of the Company's annual general meeting of shareholders and to nominate candidates with appropriate knowledge, abilities and qualifications to be considered for the position of the Company's director. The announcement has been made through the Stock Exchange of Thailand and the Company's website. Independent directors will consider and propose the matter to the Board of Directors to be included in the meeting agenda as appropriate.
2. For shareholders who are unable to attend the shareholders' meeting, the Company provides proxy forms which allow shareholders to specify their vote on each agenda. The proxy forms, which are in accordance with the format provided by the Ministry of Commerce, are sent with the invitation letter. As an alternative for shareholders, the Company also proposes one independent director as the proxy.
3. The shareholders' meetings proceed according to the order of the agenda, without adding new and uninformed agenda, in order to give the opportunity to shareholders to study the information on the given agenda before making decision. Moreover, there are no changes to the important information in the shareholders' meeting.

4. The Company sees the importance of the consideration on transactions which may have conflict of interest or may be connected or related transactions, and abides by good corporate governance principles, including rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. For these transactions, directors, management and those who are related persons do not participate in the consideration to approve such transactions.
5. The Company provides oversight and control to prevent improper use of inside information. Details can be found in section: Internal Control and risk management. In addition, directors and management of the Company must report the purchase or sale of the Company's securities to the Securities and Exchange Commission and the Company within three business days.

3. The Role of Stakeholders

The Company recognizes its responsibilities towards each stakeholder, for sustainable mutual benefits which will lead to stability of the business operations. The Company intends to interact with each party fairly. The important stakeholders of the Company are as follows:

Shareholders: In addition to the basic rights, rights in accordance with the laws and the Company's articles of association, such as rights to check number of shares, rights to receive share certificates, rights to attend and vote in shareholders' meetings, rights to express opinions independently at shareholders' meetings, and rights to receive fair returns, the Company also provides equal and timely information to all shareholders, and gives all shareholders the right to suggest and express their opinions independently on the Company's business and operations in shareholders' meetings, as the Company's owners.

Customers / Patients: The Company provides patient care in an ethical manner, and at the best possible quality, taking into consideration patient safety, patients' satisfaction and efficiency in providing its services. The hospital's Medical Ethics Committee protects patients' rights. In addition, the Company has a department to take customer complaints and to monitor and continuously improve the quality of the care provided to all patients, taking into consideration patients' needs and suggestions. In addition, the Company has engaged a third-party consultant to measure the hospital's customer engagement level, in order to continuously improve the hospital's services for patients and to maintain patients' long-term relationships with the hospital.

Employees: The Company believes that its employees are valuable resources and therefore gives all employees equal opportunity in their employment. The Company has the policy to provide employees with appropriate compensation and appoints a welfare committee to oversee the well-being and safety of its employees. The Company also provides an individual development plan (IDP) for each employee, as well as continuous education and regular training programs to develop and reinforce employees' knowledge, abilities and skills in all areas including operations, management and technical expertise, in order for employees to fulfill their jobs more effectively.

Furthermore, the Company holds Town Hall Meetings to provide opportunities for employees to voice their opinions or complain directly to management, implements an Innovation Program where employees are able to propose suggestions to improve work process and services, and has an employee recognition program to increase employees' morale. The Company believes that work efficiency is a result of employees' loyalty to the Company, and is therefore committed to continuously build and assess the employees' engagement with the Company, in order to improve its human resources management.

Suppliers / Contractors: The Company has a purchasing policy that is fair to all parties concerned. In addition, the Company abides by the terms and conditions of agreements and contracts with all suppliers and contractors and ensures timely payment to all suppliers and contractors.

Creditors: The Company is committed to giving information with accuracy and transparency to creditors, abides by loan agreements and loan covenants, and ensures timely payments. The Company believes that good relationships with creditors, including building credibility and trust, are a responsibility of the Company towards its creditors.

Competitors: The Company competes with competitors within the rules and regulations, and treats competitors fairly and with integrity. The Company focuses on competition in the area of quality and efficiency of service for the best benefit of customers and patients.

Community: The Company has established the Corporate Social Responsibility (CSR) Committee to oversee and guide the Company's activities undertaken to ensure the Company meets its social responsibilities in all its activities and also collaborate with Bumrungrad Hospital Foundation on the main charity projects. The Company's CSR emphasizes on 2 directions which are health promotion and health education. Details of company's CSR activities are available in CSR section.

4. Disclosure and Transparency

The Company realizes the importance of disclosing information which is significant for shareholders and investors in making their decisions. The Company has a policy to disclose information which is transparent, complete, reliable and timely, through various channels which are easily accessible, in order for shareholders and investors to conveniently obtain the disclosures. The Company also ensures it abides by the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Information disclosed to the public includes both financial and non-financial information, such as financial statements, management discussions and analysis, the report of the accountability of the Board of Directors to the Company's financial reports, the report of the Audit Committee, connected transactions, structure, duties and responsibilities of the Board of Directors and committees, including statistics on meeting attendance, and corporate governance reports.

The Company has many channels to communicate with shareholders and investors. These include those stipulated by rules and regulations, such as the 56-1 filing form, annual reports, the website of the Stock Exchange of Thailand, and other communication channels, such as the Company's website in the Investor Relations section, which are consistently updated, in both Thai and English, quarterly analyst meetings (four times in 2013), roadshows and investor conferences, both in Thailand and overseas, including Singapore and Hong Kong (three times in 2013) and investor meetings and conference calls (67 times in 2013). In addition, the Company holds press conferences to update important events of the Company, in order to disseminate information to the public.

Furthermore, the Company has Company Secretary and Investor Relations Department to facilitate interested investors and shareholders. Information can be requested by phone at 02-667-1469, by e-mail at ir@bumrungrad.com, or through the Company's website, www.bumrungrad.com.

5. Responsibilities of the Board of Directors

Structure of the Board of Directors

The Board of Directors is comprised of qualified directors with extensive experience in various fields. Every director participates in setting the Company's vision, mission, strategies, goals, business plans and budgets. The Board of Directors also ensures that the plans are carried out efficiently and effectively by the management, to ensure the maximization of the Company's value and stability to shareholders. The Board of Directors meets quarterly to review the management's report on the Company's operations. Details of duties and responsibilities of the Board of Directors can be found in Section 8.1 Management Structure.

As at 31 December 2013, there are 11 directors, as follows:

1. Non-executive directors: Four non-executive directors, which are Mr. Chai Sophonpanich, Dr. Chanvit Tanhiphat, MD, Mr. Chong Toh, and Dr. Suvarn Valaisathien
2. Executive directors: Three executive directors, including Mrs. Linda Lisahapanya, Dr. Dhaniit Dheandhanoo, MD, and Dr. Sinn Anuras, MD.
3. Independent directors: Four independent directors who possess the qualifications as stipulated by the Securities and Exchange Commission, comprising Ms. Sophavadee Uttamobol, Mr. Soradis Vinyaratn, Mr. Prin Chirathivat and Mrs. Aruni Kettratad

At present, the four independent directors account for 36% of total Board of Directors and more than one-third of the Board of Directors, and will be in accordance with the Securities and Exchange Act (No. 4) B.E. 2551.

Segregation of Duties: The Company clearly separates duties and responsibilities of the Board of Directors and management. The Board of Directors is responsible for endorsing strategies and supervising management's operations at the policy level, whereas management is responsible for managing the business as per such strategies. Therefore, the Chairman of the Board of Directors is not the same person as the Managing Director.

The Chairman of the Board is not an executive director and is not involved in managing the Company. Management is assigned the responsibility of implementing the business plan and strategies, and controlling expenses and investments as approved in the budget by the Board of Directors.

Directorship Positions in other Listed Companies: The Company realizes the value of experience that directors receive from being directors in other companies. The Company therefore has the policy that directors may hold board positions in not more than eight companies listed on the Stock Exchange of Thailand, in order for the directors to be able to allocate sufficient time for each company. With regards to the management, other than board positions at the Company's subsidiaries and affiliated companies, the Managing Director, Corporate Chief Executive Officer, and the Company's management are allowed to hold director and/or independent director positions in not more than three other companies. In addition, such positions must be approved by the Board of Directors.

Company Secretary: The Board of Directors appointed Mr. Banphot Kittikonglert as the Company Secretary to be responsible for administering the Board of Directors' meetings and shareholders' meetings, for preparing minutes of such meetings and annual reports, and for safekeeping documents as required by rules and regulations. In addition, the Company Secretary is responsible for advising the Board of Directors and management regarding rules and regulations related to listed companies and corporate governance policies.

Committees

The Board of Directors has set up committees to assist with specific tasks and to propose assigned issues to the Board of Directors for consideration or acknowledgement. Details of committee members and their duties and responsibilities are listed in Section 8.1 Management Structure. The Company has four committees as follows:

1. Audit Committee is responsible for reviewing the financial reports, internal control system, internal audit system, and risk management system, and for selecting and coordinating with the Company's auditor. The Audit Committee consists of three independent directors. In 2013, the Audit Committee held 4 meetings and reported their meeting results to the Board of Directors. Details of attendance of Audit Committee members are in Section: Remuneration of Directors, Committees and Management.
2. Nomination and Remuneration Committee is responsible for selecting and proposing candidates for the positions of director and committee member to Board of Directors for approval, and for setting appropriate compensation. The Nomination and Remuneration Committee consists of one independent director, who is the chairman of the Nomination and Remuneration Committee, and two non-executive directors. In 2013, the Nomination and Remuneration Committee held 1 meetings and reported their meeting results to the Board of Directors. Details of attendance of Nomination and Remuneration Committee members are in Section: Remuneration of Directors, Committees and Management.
3. Governing Board of Bumrungrad International Hospital, Bangkok is responsible for implementing the Hospital Policy, promoting patient safety and performance improvement, and providing quality patient care. The Governing Board consists of two directors, seven management, and six physicians. In 2013, the Governing Board held 6 meetings.
4. Investment Committee is responsible for considering investment projects before proposing to the Board of Directors for approval. The Investment Committee consists of three non-executive directors and two executive directors. In 2013, the Investment Committee held 6 meetings.

Roles, Duties and Responsibilities of the Board of Directors

The Board of Directors has responsibilities towards all shareholders, both major and minority shareholders, in ensuring that the Company conducts its business and implements corporate governance practices in accordance with its objectives and policies for the highest benefit of shareholders, with care and integrity, under business ethical values, taking into account the interests of all stakeholders and under laws and the articles of association of the Company. The duties and responsibilities of the Board of Directors are in Section: Management Structure.

Internal control and internal audit systems: The Company has given importance to internal control and internal audit systems by establishing an internal audit unit, with the primary objective to support and develop effective internal control of the organization, in order to minimize operational risks, and to ensure quality of the work process and operations. Emphasis is on effectiveness and efficiency, appropriateness of expenses and costs, and operations which are in accordance with the policy and/or requirements of the management.

To ensure the independence of the internal audit unit and the balance of power, the internal audit unit reports directly to the Audit Committee.

Conflict of interest: To prevent any problems related to conflicts of interest, the Board of Directors considers transactions which may have conflicts of interest or which may be related parties transactions with caution, fairness and transparency, and strictly follows the rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission, with pricing and other conditions on an arms-length basis. Details of the transactions, including amount, contracting party, and reasons for entering into the transactions are disclosed in financial statements, the annual reports, and the 56-1 filing.

Board of Directors' Meetings

It is the duty of every director to attend Board of Directors' meetings regularly, in order to acknowledge and make decisions relating to the operations of the Company. The Board of Directors holds four regular meetings every year (held quarterly), of which the schedule is set in advance for the entire year, and holds extraordinary meetings as necessary to consider matters which are important and urgent. In 2013, there were 5 Board of Directors' meetings. Details of the meeting attendance of each director are in the table in Section: Remuneration of Directors, Committees and Management.

For each meeting, agenda are clearly set in advance by the Chairman of the Board together with the Managing Director. Moreover, each director is given opportunities to propose issues as agendas. The Company Secretary prepares and distributes invitation letters, agendas, and other supporting documents to the Board of Directors at least seven days in advance in order to allow directors sufficient time to research and study the information prior to the meeting.

Normally, each meeting lasts two hours. For the consideration of each agenda, the Chairman of the meeting allocates sufficient time for management to present adequate details on the agenda and for directors to discuss the matter carefully, and gives directors the opportunity to express their opinions in the meeting independently. The majority vote is the passing resolution for each agenda, where one director has one vote. In case any director has a personal conflict of interest, such director will leave the meeting and/or does not vote on that particular matter. If the voting result is equal, the Chairman of the meeting

casts the deciding vote. In addition, senior managements are invited to attend Board of Directors' meetings to provide useful and important information, and to directly obtain business strategies from the Board of Directors to be implemented in the Company's operations.

Upon completion of each meeting, the Company Secretary is responsible for documenting and distributing minutes for adoption at the next Board of Directors' meeting. Directors are able to comment, amend and make additions so that the minutes are as accurate as possible. The Company Secretary keeps the adopted minutes, which are signed by the Chairman of the Board of Directors, both in the form of hard copies and electronic files, along with supporting documents available for directors' and relevant persons' verification and reference.

Remuneration of the Board of Directors and Management

The Company provides appropriate remuneration for the Board of Directors and management. The remuneration of the Board of Directors in the form of annual remuneration and meeting remuneration has been approved by shareholders' meetings. Consideration of directors' remuneration takes into account that of other comparable listed companies in the same industry. Committee members only receive remuneration in the form of meeting remuneration.

Management's remuneration is in the form of salaries and bonuses, taking into consideration the responsibilities and performance of each person and performance of the Company.

Details of 2013 remuneration of each individual director, which has been approved by the shareholders' meeting, and the sum of management's remuneration, are disclosed in Section: Remuneration of Directors, Committees and Management.

Development Programs for Directors and Management

The Company has a director's manual which summarizes related laws, rules and regulations, so that directors are informed of their roles, responsibilities and guidelines for the position as a director. For newly appointed directors, the Company informs them of information which is important for fulfilling the duties of the Company's directors, which includes the Company's background information, business strategy and director's manual.

Moreover, the Company supports development programs for directors and management in various forms, such as training and seminars organized by the Thai Institute of Directors (IOD), the Stock Exchange of Thailand, and the Securities and Exchange Commission.

A majority of the Board of Directors, 8 directors, have passed IOD training courses, as follows:

	Chairman Program	Director Certification Program (DCP)	Director Accreditation Program (DAP)	Audit Committee Program (ACP)	Role of the Compensation Committee (RCC)	Role of the Nomination and Governance Committee (RNG)
Mr. Chai Sophonpanich	/	/				
Mrs. Linda Lisahapanya		/				
Mr. Chong Toh			/			
Ms. Sophavadee Uttamobol	/		/	/		
Mr. Soradis Vinyaratn			/			
Mr. Prin Chirathivat	/	/	/	/		
Dr. Suvarn Walaisathien			/			
Mrs. Aruni Kettratad			/		/	/

Internal Control and Risk Management

INTERNAL CONTROL AND RISK MANAGEMENT

Bumrungrad Hospital Public Company Limited continuously values the internal control system, the internal audit system, and the risk management system. As a result, the Board of Directors has governed and assigned the Audit Committee to review and ensure appropriateness and effectiveness of the Company's systems, with realizing that the good systems can help mitigate business risks and operational risks to the acceptable level, and help detect existing deficiencies in a timely manner. In addition, they can help the Company to generate accurate and reliable financial reports, and help the Company's operations to achieve its defined goals.

Part 1: Control Environment

The Company set its vision, mission, and operating policy, with the emphasis on integrity and ethics by declaration of intent in view of establishing Thailand's Private Sector Collective Action Coalition against Corruption, and clearly defined both short-term and long-term business goals. It has also rewarded employees based on their performance on achieving those goals. In addition, the Company has the organizational structure and work procedures that help tighten its operations and prevent unauthorized asset use. Furthermore, the Company's executives continuously develop and improve the quality of management; resulting in recognitions by several third-party organizations, especially as the Asia's first hospital accredited by the US-based Joint Commission International (JCI) in 2002 and re-accredited in 2005, 2008 and 2011, and as evidenced by the Best Practice Workplace Award for Labor Relations and Labor Welfare in 'the Large Enterprise without Federation of Labor Union' category received from the Thailand's Ministry of Labor in 2009 - 2013. Based upon the aforementioned characteristics, it is deemed that the Company has a good organizational structure and environment, which is an essential foundation for an effective internal control system.

Part 2: Risk Assessment

The Company regularly assesses business risk factors, taking into account economic and political circumstances, competition, labor market, and natural disaster, which are external factors. It also assesses internal factors, especially risk factors concerning medical services, which may lead to legal disputes that may have a significant impact to the Company. In addition, the Company has determined the risk management approach for the possible flooding by assigning the Management to prepare the Business Continuity Plan, and has established the Hospital Administrative Policy on Safety and Environment Risk Assessment. Consequently, it is deemed that the Company has the effective risk management process that can mitigate business risks to the acceptable level.

Part 3: Control Activities

The Company has established transaction approval authority and limits based on the nature and amount of transaction. In case of connected transactions or potential conflict of interest transactions, the Audit Committee has a duty to review the necessity and rationale of those transactions, which must be approved by the Management, the Board of Directors, or the Shareholders as the case may be. The person with conflict of interest is not allowed to vote in these transactions. Moreover, the Company regularly monitors subsidiaries' and affiliates' operations by delegating the Company's directors or management to take a position of directors in those subsidiaries or affiliates. In 2013, the Company entered into all such transactions with related persons or parties in compliance with the principles, procedures, and conditions stipulated in laws and regulations, under the good corporate governance policy, on an arm's length basis, and for its own highest benefits.

Part 4: Information and Communication

The Company has performed financial reporting in accordance with the accounting policy as deemed appropriate for its nature of business, and with the Generally Accepted Accounting Principles (GAAP). In addition, the Company has implemented the International Financial Reporting Standards (IFRS), which was effective in the year 2011, by preparing data and information systems to be ready for those standards. The Company has also engaged a consulting firm to give advice and provide training sessions for all relevant executives and employees. Moreover, the Company has provided necessary and sufficient information for the Board of Directors to make a decision.

Part 5: Monitoring Activities

The Company set up the Corporate Internal Audit Division, directly reporting to the Audit Committee to ensure its independence, Head of which has duties and qualifications with the audit objectives to assure that:

- Operations in various processes are efficient and effective enough to achieve the Company's objectives;
- The financial reporting process has adequate and proper controls to make financial data reliable;
- The management control process is effective enough to govern adherence to laws and regulations, and the Company's policies and procedures appropriately;
- The internal controls over work processes pertaining to patients' safety are effective and adequate.

In addition, the Company delegated the internal auditors to investigate immediately in the case of suspected frauds, practices that violated the laws, and other irregular actions, which may affect the reputation and financial position of the company significantly, and assigned responsible persons to determine ways to develop and improve work systems according to the internal auditors' recommendations, and the independent auditor's recommendations in the Management Letter.

Related Transaction Party

Related Transaction Party

Related Company	Relationship	Description	Amount (Baht Million)		Pricing Policy	Reason for the Transaction
			For the year ended 2013	For the year ended 2012		
Bangkok Insurance PCL (BKI)	Common director, and BKI was the major shareholder of the Company, with 14.62% shareholding as at 31 December 2013 (14.62% as at 31 December 2012)	<u>Revenues</u> - Revenues from hospital services received from BKI	12.4	12.1	It was the Company's normal course of business, charging at normal price and benefits as customers in general.	The Audit Committee has the opinion that the transaction was reasonable.
		<u>Expenses</u> - Insurance fees which the Company and subsidiaries paid to BKI	31.7	31.6	BKI was the insurance provider which the Company and subsidiaries have always used. In addition, the insurance premium that the Company and subsidiaries paid to BKI was at the rate which BKI offers to its customers in general.	The Audit Committee has the opinion that the transaction was reasonable.
		<u>Borrowing of Money</u> - The Company issued and offered 100,000 units of the Debentures of Bumrungrad Hospital Public Company Limited No.1/2011 Series 1 Due B.E. 2016 with the par value of Baht 1,000 each and interest rate of 4.13% and 100,000 units of the Debentures of Bumrungrad Hospital Public Company Limited No.1/2011 Series 2 Due B.E. 2018 with the par value of Baht 1,000 each and interest rate of 4.59% to BKI.	200.0	200.0	The price per unit including interest rate of debentures offered to BKI was the same price that the Company offers to other third-party subscribers.	The Audit Committee has the opinion that the transaction was reasonable and it was approved by the Board of Directors and the Shareholders.

Related Company	Relationship	Description	Amount (Baht Million)		Pricing Policy	Reason for the Transaction
			For the year ended 2013	For the year ended 2012		
Bangkok Life Assurance PCL (BIA)	Common director	<u>Interest Payment</u> - Interest payment for 100,000 units of the Debentures of Bumrungrad Hospital Public Company Limited No.1/2011, Series 1 Due B.E. 2016 with the par value of Baht 1,000 each and interest rate of 4.13% and 100,000 units of the Debentures of Bumrungrad Hospital Public Company Limited No.1/2011, Series 2 Due B.E. 2018 with the par value of Baht 1,000 each and interest rate of 4.59%.	8.7	8.8	The Interest rate: 4.13 – 4.59% per annual	The Audit Committee has the opinion that the transaction was reasonable and it was approved by the Board of Directors and the Shareholders.
		<u>Borrowing of Money</u> - The Company issued and offered 755,000 units of the Debentures of Bumrungrad Hospital Public Company Limited No.1/2011 Series 3 Due B.E. 2021 with the par value of Baht 1,000 each and interest rate of 4.97%.	755.0	755.0	The price per unit including interest rate of debentures offered to BKI was the same price that the Company offers to other third-party subscribers.	The Audit Committee has the opinion that the transaction was reasonable and it was approved by the Board of Directors and the Shareholders.
		<u>Interest Payment</u> - Interest payment for 755,000 units of the Debentures of Bumrungrad Hospital Public Company Limited No.1/2011 Series 3 Due B.E. 2021 with the par value of Baht 1,000 each and interest rate of 4.97%.	37.5	37.6	The Interest rate: 4.97% per annual	The Audit Committee has the opinion that the transaction was reasonable and it was approved by the Board of Directors and the Shareholders.
		<u>Revenues</u> - Revenues from hospital services received from BBL	13.7	20.0	It was the Company's normal course of business, charging at normal price and benefits as customers in general.	The Audit Committee has the opinion that the transaction was reasonable.

Related Company	Relationship	Description	Amount (Baht Million)		Pricing Policy	Reason for the Transaction
			For the year ended 2013	For the year ended 2012		
Bangkok Bank PCL (BBL)	Common director	<u>Revenues</u> - Revenues from hospital services received from BBL	30.4	24.8	It was the Company's normal course of business, charging at normal price and benefits as customers in general.	The Audit Committee has the opinion that the transaction was reasonable.
		<u>Expenses</u> - Bank credit cards commission fees paid to BBL	102.6	92.8	BBL was the credit card service provider which the Company has always used. The Company invested in various infrastructures to maximize the benefits from efficient use of credit card payment system. The fees paid to BBL are at the market rate.	The Audit Committee has the opinion that the transaction was reasonable.
		- Interest on convertible bonds paid to BBL	32.5	32.5	The Company paid interest on Baht 550 million principal of convertible bonds. Interest rates are in accordance with debt restructuring agreement.	The Audit Committee has the opinion that the transaction was reasonable and it was approved by the Shareholders.
Damrongtham Law Office	Common director	<u>Expenses</u> - Consulting fees on legal paid to Damrongtham Law Office	10.0	6.4	The Company paid hourly fixed expenses to Damrongtham Law Office. The expenses paid to Damrongtham Law Office are at the rate which Damrongtham Law Office offers to its customers in general.	The Audit Committee has the opinion that the transaction was reasonable.
Civilian Co., Ltd.	Common director	<u>Expenses</u> - Consulting fees on legal paid to Civilian Co., Ltd.	-	0.7	The Company paid hourly fixed expenses at the normal rate which Civilian Co., Ltd., charges to its customers in general.	The Audit Committee has the opinion that the transaction was normal course of business. Bumrungrad International Limited (BIL)

Related Company	Relationship	Description	Amount (Baht Million)		Pricing Policy	Reason for the Transaction
			For the year ended 2013	For the year ended 2012		
Bumrungrad International Limited (BIL)	Associated company, in which the Company, at 31 December 2013, has 31.5% shareholding (31 December 2012: 31.5%) and has common directors	<u>Revenues</u> - Consulting fee income on hospital management received from BIL	0.5	1.9	The Company charges the fees in relation to the actual cost of the resources used.	The Audit Committee has the opinion that the transaction was reasonable.
		<u>Expenses</u> - Consulting fees on hospital management paid to BIL	-	15.7	The Company paid hourly fixed expenses to BIL. The expenses paid to BIL are at the rate which BIL offers to its customers in general.	The Audit Committee has the opinion that the transaction was reasonable.
		<u>Interest Payment</u> - Interest paid on long-term loan of 176.4 million baht.	2.9	-	The loans carry interest at the 1-year fixed deposit rate of one of local commercial banks, and are due at call.	The Audit Committee has the opinion that the transaction was normal course of business.
The Bumrungrad Hospital Foundation (BHF)	Common director	<u>Revenues</u> - Revenues from hospital services received from BHF	23.3	21.7	It was the Company's normal course of business, charging at normal price and benefits as customers in general.	The Audit Committee has the opinion that the transaction was normal course of business.
		- Other revenue from resources used	0.9	0.8	The Company charges the expenses in relation to the actual cost of the resources used.	The Audit Committee has the opinion that the transaction was normal course of business.
		<u>Expenses</u> - Donation	24.0	24.0	The Company paid the donation expenses according to the policy approved by the Board of Directors.	The Audit Committee has the opinion that the transaction was normal course of business and it was approved by the Board of Directors.
AA Talent Recruitment Co., Ltd.	Common director	<u>Expenses</u> - Service Fee for personnel recruitment services	0.4	0.6	It was the Company's normal course of business, charging at normal price and benefits as customers in general.	The Audit Committee has the opinion that the transaction was normal course of business.

Related Company	Relationship	Description	Amount (Baht Million)		Pricing Policy	Reason for the Transaction
			For the year ended 2013	For the year ended 2012		
TM Design Co., Ltd.	Director of TM Design Co., Ltd. is a spouse of a daughter of Chairperson of the Board of Directors	<u>Expenses</u> - Consultant fees for construction projects	1.2	-	The Company paid expenses at normal price and benefits which TM Design Co., Ltd. charges from its customers in general.	The Audit Committee has the opinion that the transaction was normal course of business.
Bangkok Dusit Medical Services PCL (BDMS)	BDMS was the major shareholder of the Company, with 23.88% shareholding as at 31 December 2013 (31 December 2012: 23.88%)	<u>Expenses</u> - Radiopharmaceutics	9.4	8.6	It was the Company's normal course of business, charging at normal price and benefits as customers in general.	The Audit Committee has the opinion that the transaction was normal course of business.
A.N.B. laboratories (Annua pharmacy) Co., Ltd. (ANB)	Subsidiary company of a major shareholder (Bangkok Dusit Medical Services PCL or BDMS)	<u>Expenses</u> - Medicine	2.1	1.9	It was the Company's normal course of business, charging at normal price and benefits as customers in general.	The Audit Committee has the opinion that the transaction was normal course of business and it was approved by the Board of Directors.
National Healthcare Systems Co., Ltd. (NHS)	Subsidiary company of a major shareholder (Bangkok Dusit Medical Services PCL or BDMS)	<u>Expenses</u> - Laboratory Services	2.5	2.0	It was the Company's normal course of business, charging at normal price and benefits as customers in general.	The Audit Committee has the opinion that the transaction was normal course of business.

Corporate Social Responsibilities

CSR INFORMATION DISCLOSURES ACCORDING TO FORM 56-1

The Company has established a clear corporate social responsibility framework according to the aforementioned guiding principles 9 and 10 (page 70).

Mr. Mack Banner, Bumrungrad Hospital CEO, announced the Company's corporate social responsibility guidelines in September 2009. "Throughout its long history, Bumrungrad has been joined by its doctors and staff in a number of social and environmental projects. We devote time, medications, medical equipment, together with financial support through the Bumrungrad Hospital Foundation to elevate the health and well-being of underprivileged people. Our social activities reflect our guiding principles, including earning customers' satisfaction, promoting human resource development, and operating a business that is responsible to society and the environment and with a commitment to good corporate citizenship."

To ensure its social responsibility vision is put into practice, the Company in 2011 established a Corporate Social Responsibility committee to define the policy, create operational guidelines for undertaking social activities and facilitate the Company's social responsibility projects in cooperation with the Bumrungrad Hospital Foundation and other philanthropic organizations.

BUSINESS ETHICS

The Company's hospital management policy applies to a wide range of functional areas including finance and materials purchasing. Rules and regulations are implemented to ensure that the acquisition of equipment, supplies and services comply with the Company's Ethical Code of Conduct. The hospital's contract center has responsibility for ensuring that all business contracts are issued fairly, are negotiable by all contracting parties and are legally valid. Through its Quality Control and Satisfaction Assessment policy, the Company follows clear operational guidelines for evaluating general and medical services for the best interests of the Company's stakeholders.

Details on the Company's commitment to following the Principles of Good Corporate Governance can be found in the section of this report beginning on Page 97.

ANTI-CORRUPTION

The Company has been a member of the Anti-Corruption Network since November 9, 2010 and the Company remains fully committed to following the Principles of Good Corporate Governance as outlined in the section of this report which begins on Page 97.

RESPECT FOR HUMAN RIGHTS

The Company's commitment to equality without discrimination is outlined in Section 1 of the Hospital Administrative Policy on Equality. The policy provides that employees, patients and customers are entitled to fair treatment without discrimination because of race, age, gender, religion, professional standing, health status, economic or social class status.

In addition, regarding the Patient's Rights and Responsibilities, the Company addresses the patients' rights as part of quality control relating to patient care. The Patient's Rights has been announced publicly, both in the service areas at the hospital and through selected media to ensure proper awareness. With more than a million international patients traveling from more than 190 countries worldwide, the Company's employees follow guidelines to ensure patients are informed of their rights and responsibilities in a polite and appropriate manner.

FAIR LABOR PRACTICE

The Company's guidelines on labor practices are included in Section 6 of the Hospital Administrative Policy covering Human Resources Development and Training. Policy details cover areas regarding recruitment and hiring of employees, employee welfare and remuneration guidelines, awards and recognition, transfers and promotions, annual performance evaluations, and termination of employment.

The Company complies with all applicable labor laws, including Labour Protection Act (3) B.E. 2551 (2008); Workers Compensation Act B.E. 2537 (1994); Regulation of the Department of Public Welfare on Reporting of Dangerous Occurrence, Disease or Disappearance and Claiming of Compensation of the Workers Compensation Fund Act B.E. 2537 (1994); Ministerial Regulation on the Prescribing of Criteria and Method of Conducting Health Check up of Employees and Forwarding the Results of Health Check Up to Labour Inspector B.E. 2547 (2004); and Ministerial Regulations Concerning the Provision of Labour Welfare in Workplace B.E. 2548 (2005).

The Company has been awarded "Best Practice Workplace" designation in the "Large Enterprise without Federation of Labor Union" category by Thailand's Ministry of Labour, for five consecutive years beginning in 2009.

RESPONSIBILITIES TO CONSUMERS

Exceeding customer expectations has been the Company's top priority. The Company's guidelines on patient service are outlined in Section 2 of the Hospital Management Policy. Patients, who are direct consumers, are grouped into one of two categories. The first category, which considers the patient's nationality, comprises three sub-categories — Thais, expatriates and foreign patients. The second category focuses on the basis of service and comprises out-patient and in-patient sub-categories.

The Company emphasizes delivery of quality service that is appropriate and of the highest standard. The hospital participates in a number of programs to audit and monitor adherence to hospital-related regulations and standards and to ensure continuous service improvement. These programs include Hospital Standards on Patient-centered Quality Improvement Golden Jubilee Edition B.E. 2537 (1994); Health Systems Research Institute; the Institute for Health and Consumer Protection; and the National Public Health Foundation.

The hospital has also received HA certification as well as Hospital-level Integrated Overview B.E. 2543 (2000) from the Institute of Hospital Quality Improvement and Accreditation, Hospital and Health Care Standard (60th Anniversary Celebrations of His Majesty's Accession to the Throne Edition); Joint Commission International (JCI); the International Organization for Standardization's ISO 15189: Medical Laboratories — Particular requirements for Quality and Competence; Thai Industrial Standards (TIS 2276 – 2549), Security Requirements for Medical Laboratories; Approaches on In-patient Hospital Service Quality Evaluation [2nd Revision and Amendment Edition B.E. 2552 (2009)] by the Bureau of Sanatorium Group, Division of Medical Practice, Healthcare Service Promotion Department; and Medical Laboratory Quality Assurance certification for providing health check-ups for candidates seeking overseas employment.

The hospital's standards and regulations for customer service cover the periods before, during and after patients utilize hospital services. The Company actively solicits customer feedback and uses such feedback in its continuous efforts to further improve patient service using a PDCA (Plan, Do, Check, Act) approach.

ENVIRONMENTAL CARE

The Company's policy on Environmental Management is detailed in Section 7 of the Hospital Administrative Policy. It contains guidelines for energy conservation, management and conservation of water supply, minimizing pollution and environmental impact within the hospital, compliance with environmental procedures and legal requirements, safety of construction and renovation sites, and evaluation of safety and environmental risk.

The Company's environmental management complies with government rules and regulations, including Ministerial Regulations on Infectious Waste Disposal B.E. 2545 (2002) of the Division of Environmental Engineering; Bureau of Environmental Health of the Department of Health at Thailand's Ministry of Public Health; the BMA's Code on Sewage and Solid Waste Collection, Transport and Disposal B.E. 2544 (2001) published in the Royal Thai Government Gazette dated March 11, 2002; the Promotion of Environmental Quality Act B.E. 2535 (1992); Notification of the Ministry of Natural Resources and the Environment regarding limiting the impact of building and construction on public water resources and the environment; the Vienna Convention on the Protection of the Ozone Layer; and the Montreal Protocol on reducing consumption of ozone-depleting substances.

COMMUNITY AND SOCIAL RESPONSIBILITY

The Company has initiated a number of social responsibility projects during the past year comprising health promotion and health education activities.

Health Promotion

1. Rak Jai Thai

- The project was launched in 2003 and is operated by the Bumrungrad Hospital Foundation. The program provides free heart surgeries for needy Thai children and adults suffering from congenital heart defects and valvular heart disease who lack the financial means or access to much-needed surgical treatments. A typical surgery can cost around 500,000 baht per patient. The program provided no-cost surgeries for over 650 underprivileged Thais through 2012.

In 2013, the program extended help beyond Thailand. The project provided treatment for six underprivileged children from Myanmar suffering from congenital heart disease. The children were treated, at no cost, at Bumrungrad International Hospital in Bangkok in December 2012. The project is an ongoing effort to honor His Royal Majesty the King of Thailand on the occasion of his birthday on December 5, 2012, to celebrate the 65-year diplomatic relationship between Thailand and the Republic of the Union of Myanmar, and to provide medical assistance and promote knowledge sharing between the two countries.

2. Upcountry Mobile Clinic Mission

- A team of medical volunteers from Bumrungrad International Hospital join Mr. Chai Sophonpanich, Chairman, together with staff from Bangkok Insurance Pcl. to provide free treatment on each year to nearly 1,000 villagers residing in Mukdahan and Sakon Nakorn provinces in northeast Thailand. In addition, a handicraft training project in the village of Nong Kong, Mukdahan province, was established to provide a source of supplementary income to many underprivileged people.
- A mobile clinic was set up at the Huay Sapan Temple School, Nong Rong sub-district, Phanom-Tuan district, Kanchanaburi province, to provide no-cost medical treatment for underprivileged area residents.

3. Thomson Mobile Clinic in Bangkok

- The project has been sponsored by the Thomson Fund and supported by the Bumrungrad Hospital Foundation and the Company since 2001 and provides daily free healthcare to residents of 40 underprivileged communities in Bangkok. In 2013, the Thomson Mobile Clinic project provided medical care to more than 20,000 patients and donated over 6,000 5-kg packages of rice.

Health Education

The Company's CSR efforts have consistently emphasized health education for communities through a variety of programs and activities, including public health seminars, public health events, nurse aide training programs, school health education activities and health education materials, including Better Health magazine, health care booklets, health blog, newspaper and magazine articles.

Other Social Support Projects

- **The Children's Home, Father Ray Foundation in Pattaya visit** Hospital management and staff visited to donate medications, cleaning supplies, personal hygiene items and financial support, together with lunch treats for 84 children. The children also took part in a seminar on personal hygienic care led by hospital volunteers.
- **"Rak Talay Thai" (Conserve the Thai Sea) project** Activities include the planting of mangroves, the releasing of sea turtles back into the ocean, creating fish inhabitants, and making EM mudballs to decontaminate water supplies. Medications and healthcare products were also donated to support the construction of a sea turtle hospital in Chonburi province under HM The King Honour Celebration project at the Sea Turtles Conservation Center of the Royal Thai Navy.
- **"Ruam Rang Ruam Jai" with Bhappy 3 charity program** A variety of social and environment activities throughout the year were jointly organized by Bangkok Insurance Pcl, Bangkok Life Assurance, and Bumrungrad International Hospital, including "Ruam Rang Ruam Jai" (Join the Workforce and Spirit) with Bhappy 3, "Paint the Dream, Share the Smile" for children of the Pracha Kositaram Temple School in Samut Songkram province.
- **CSR Club of the Thai Listed Companies Association** The Company serves as a Committee and provided donations of medicines and household products to Mab Pra Chan Temple School (Ratbumrung Pracha Witaya) located in Nongplung sub-district, Nakorn-Luang district, Ayuttaya province. Activities were part of a concerted effort to provide much-needed relief to area schools hard hit by severe flooding.
- **Activities celebrating the 33rd anniversary of the Company's establishment** The Company celebrated its 33-year anniversary by sponsoring a health promotion event in Bangkok's Makkasan community, in conjunction with the Royal Merit Offering for H.M. the King on the occasion of his birthday anniversary on December 5, 2013. The event included the presentation of donated household medicine kits to representatives from the Rajathewi District Office at the Pre-school Children Development Center in Rajathewi district. The day's other activities included free influenza vaccinations for children and teachers, luncheon treats, recreational activities, health care seminars, blood pressure checks, tree pruning and clean-up of the area with the help of volunteers.
- **Fire victims' relief for the Romklao community, Klongtoey district** In response to the October 19, 2013 fire that caused widespread damage to Bangkok's Romklao community, the Company joined together with the Bumrungrad Hospital Foundation and the Thomson Fund to donate 200 5-kg bags of rice and 100 household medication kits to residents affected by the fire.
- **Fire victims' relief in Nomklao community** Following a major fire that caused significant damage to the community near Ramkhamhaeng 39 in Bangkok's Wangtonglang district, a joint relief effort co-organized by the Company, the Bumrungrad Hospital Foundation and the Thomson Fund donated 50 5-kg bags of rice and 30 household medication kits to residents affected by the fire.
- **"Hai Hua Jai Num Tang 3" (Let the Heart Lead the Way 3)** A charity concert was organized to raise funds for the Rak Jai Thai project, which provides no-cost heart surgeries for underprivileged children with congenital heart disease. The concert included performances by Mr. Chai Sophonpanich, Chairman and Founder of the Bumrungrad Hospital Foundation, doctors and medical personnel from the hospital, led by Kru Rodj (Rungroj Dullapan), The Professional by Kru Rodj, and a group of former students including Bumrungrad's Dr. Nopawan Kittiwat.

In 2013, the Company received an award from the American Chamber of Commerce (AMCHAM) in recognition of the Company's Corporate Social Responsibility programs. The award cited a number of Bumrungrad initiatives, including its program that provides no-cost heart surgeries for underprivileged children, as models for how businesses can contribute to the community. In addition, the Company is a founding member and serves as Committee of the CSR Club of the Thai Listed Companies Association; the Club was founded with the mission of helping listed companies strengthen their CSR capabilities through a coordinated CSR network.

For more details of the Company's information, please refer to the filing report of the Company (56-1 report) at www.sec.co.th or www.bumrungrad.com/investor

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