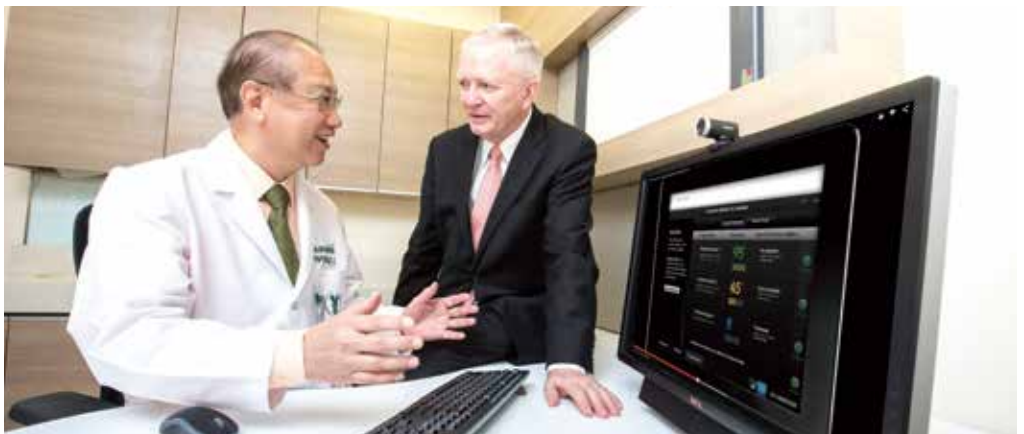


ANNUAL REPORT
2014





Bumrungrad
International

HOSPITAL



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MESSAGE FROM THE CHAIRMAN

In 2014 we continued to execute a proven business strategy despite adverse external factors. These factors prevented us from achieving our initial growth targets. However, the core strategy again produced consistent results in the form of record revenue, EBITDA margin and profit.

This core strategy is to serve high-value local and international patients with our competitive advantages of excellent doctors, comforting service, and efficient, technologically advanced facilities.

Domestic political turbulence stopped Thai GDP growth at the end of 2013 and turned it negative in the first quarter of 2014. This affected local consumers' medical decisions, particularly about less serious treatment. Protests and economic uncertainty cause many people to postpone routine care.

The political situation also affected international medical travel decisions as it triggered fears about Thailand's safety and in some cases prompted travel bans from key international source markets.

Fortunately our strategy does not rely on high volume, low cost healthcare. It is about serious medical concerns. The more serious the concern, the more patients and their families want to be cared for by the hospital they believe to be the best in the city; best in the country; best in the region or world.

For many in Asia, the Middle East and Africa, Bumrungrad is that hospital. And it seems a family's medical crisis trumps a country's political crisis. Even during the protests in the first half of 2014, Bumrungrad admitted 4% more local inpatients despite outpatient volume declining 2%. After things settled down in June, international admissions grew 9% over the prior year. Admissions, which represent 3% of the hospital's volume but half its revenue, are a good measure of "high value patients." It is this growth that produced the company's positive results despite the turbulence.

Since this strategy has served us so well, our first priority is continuing to execute it faithfully. Global and local markets with upwardly mobile consumer segments will provide a consistent stream of high value patients so long as we maintain the talent, technology, and capacity to serve them.

Over the past few years, the company has nurtured and attracted a new generation of medical leaders and management. This team is now in place. I have confidence in their ability and in the company's enduring culture to provide excellent care and satisfying results well into the future.



Mr. Chai Sophonpanich
Chairman



MESSAGE FROM THE CORPORATE CEO

A handwritten signature in black ink, appearing to read 'Dennis Michael Brown', positioned above the printed name.

Mr. Dennis Michael Brown
Corporate CEO

Over the past 34 years, hard work by our doctors and staff created a brand that attracts high value patients from all over the world for effective treatment and compassionate care. The future of that brand depends on what the 3,000 outpatients and 85 inpatients who leave our hospital each day tell their friends and family when they get home.

What we do to satisfy our patients is a proven recipe with five key ingredients. How we do it changes as medicine and the competitive environment evolve.

The first ingredient is doctors. Since its beginning, Bumrungrad has sought the best physicians in Thailand. Today our 1,300 doctors represent nearly 100 subspecialties. To attract top doctors, we provide an ideal professional and clinical environment. A good example is Bumrungrad's new Arrhythmia Center, featuring a state of the art electrophysiology lab. It was developed in collaboration with Dr. Koonlawee Nademanee, a Thai doctor who has become one of the world's leading experts in ablation treatment for irregular heartbeats. Dr. Nademanee now alternates between his clinic in Los Angeles and Bumrungrad. The environment we built for him and our Arrhythmia team is a big reason.



The second ingredient is facility planning. Expanding a medical center in a dense urban district is not simple. One has to anticipate, years in advance, what types of specialties and patients future growth will come from. A walk around our Bangkok campus shows a facility constantly being renovated, reconfigured and expanded to meet future demand. In April 2014, for example, we completed an ICU expansion that provides 18 additional units. This gave us capacity to accept more referrals from other Thai hospitals in Bangkok and upcountry. We also opened new inpatient rooms and bought a building to provide nurse dorms and decant some back office functions from the main campus to allow for future clinical expansion.

A different form of capacity expansion provides medical services to our patients in key source markets. As our competitors recognize rising demand in these markets, we are seeing investments in new hospitals. Our response depends on the market; in most cases we want solutions that are faster, less capital intensive and risky than a green field project. We can develop network relationships with local hospitals to refer complicated cases to Bumrungrad. We can develop small clinics offering lab and diagnostic services to help patients decide whether to seek treatment at our hospital. Where a unique opportunity presents itself, we may even enter joint ventures in a local hospital, as we did in Mongolia in 2014.



The third ingredient vital to execute our strategy is to develop a sustainable leadership team and experienced staff. In 2014 we completed the transition to a new generation of hospital management. We also contributed to an academic collaboration with St. Louis College's nursing program that opens a new pipeline for top nursing school graduates. And we opened an innovative Simulation Lab for nurse training, the first such facility at a private hospital in Thailand.

Innovation is the fourth ingredient. On October 8, 2014, in New York City, IBM and Bumrungrad announced a collaboration on IBM Watson for Oncology. By mid-2015, this system will provide Bumrungrad doctors with the ideal research assistant - an intelligent application that can search the world of clinical information to help them develop evidence-based diagnoses and treatment plans. IBM developed Watson for Oncology with one of the world's leading cancer centers, Memorial Sloan Kettering. Two other famous American medical centers have signed on. Bumrungrad is the first adopter outside America of this cognitive computing tool that many say is the future of medicine.



Finally, we must continue to execute the countless details that contribute to the fifth ingredient: patient safety. Enumerating these details would fill the remainder of this book. Instead, I'll give you our report card: a fifth consecutive Joint Commission accreditation, the most of any Asian hospital, received last June. The week-long accreditation process reviews over a thousand criteria, many of them invisible to the patients we serve, but together a compelling measure of patient safety, objective quality, and the hospital we aim to be.

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
Director, Managing Director



Dr. Num Tanthuanit, MD
Director, Hospital CEO



Dr. Sinn Anuras, MD
Director



Mr. Chong Toh
Director



Dr. Suvann 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. Kenneth Love
Corporate CFO



Mr. Banphot Kittikonglert
Company Secretary



Financial

Information

FINANCIAL HIGHLIGHTS

	2014	2013	2012	2011	2010
Financial Performance (Baht '000)					
Total current assets	8,499,393	7,551,836	7,669,703	2,704,287	1,854,947
Total assets	19,144,696	17,251,529	15,984,706	13,690,978	9,151,677
Total current liabilities	2,326,022	2,162,643	2,137,622	1,505,987	1,723,241
Total liabilities	7,884,733	7,654,564	7,474,218	6,738,674	3,082,241
Total shareholders' equity	11,259,963	9,596,965	8,510,488	6,952,304	6,069,436
Total revenues	15,910,538	14,651,386	14,041,637	11,306,221	10,055,841
Share of income from investments in joint venture and associated companies	(2,745)	5,882	93,343	82,684	(34,927)
Net profit excluding extraordinary Items	2,730,296	2,520,782	2,009,804	1,555,043	1,321,413
Net profit for the year	2,734,830	2,520,782	2,558,512	1,588,035	1,258,495
Basic earnings per share	3.75	3.46	3.51	2.18	1.73
Earnings per share – fully diluted	3.15	2.91	2.95	1.83	1.45
Book value per share	15.45	13.17	11.68	9.54	8.33
Book value per share – fully diluted	12.98	11.06	9.81	8.02	7.00
Dividend per share	1.95	1.90	1.80	1.10	0.90
Financial Ratios					
Gross profit margin (%)	43.9	42.4	39.9	40.1	39.6
EBITDA margin (%)	28.6	27.7	25.3	25.0	24.4
Net profit margin excluding extraordinary items (%)	17.2	17.2	15.1	13.7	13.1
Net profit margin (%)	17.2	17.2	18.1	13.9	12.5
Growth on revenues from hospital operations (%)	9.3	10.8	16.7	12.5	8.0
Growth on net profit excluding extraordinary Items (%)	8.3	25.4	29.2	17.7	6.1
Growth on net profit for the year (%)	8.3	(1.4)	61.1	26.2	1.0
Return on equity (%)	26.2	27.8	33.1	24.4	21.8
Return on assets (%)	15.0	15.2	17.2	13.9	14.2
Liabilities to equity (x)	0.70	0.80	0.88	0.97	0.51
Debt to equity (x)	0.46	0.54	0.59	0.72	0.25
Net debt to equity (x)	0.04	0.21	(0.12)	0.53	0.15
Interest coverage ratio (x)	18.75	16.42	13.81	14.88	35.92
Liquidity ratio (x)	3.65	3.49	3.59	1.80	1.12
Average collection period (days)	34.71	35.30	36.67	37.18	33.48
Average inventory Period (days)	12.29	11.80	11.64	13.19	12.68
Average payable Period (days)	29.79	29.54	28.07	30.12	32.83

MANAGEMENT DISCUSSION AND ANALYSIS

For 2014, Total revenues increased to Baht 15,911 million, producing an 8.6% improvement over 2013 revenues of Baht 14,651 million. Net profit advanced 8.3% to Baht 2,730 million in 2014 from Baht 2,521 million in 2013, with Net profit margin at 17.2% for both 2014 and 2013.

On 28 March 2014, Health Horizons Enterprises Pte. Ltd. ("HHE"), an overseas subsidiary 80% owned by the Company, acquired 100% of the common shares of Bumrungrad Mongolia LLC ("BML"), which holds 51% of the common shares of Seoul Seniors Tower LLC ("SST"), for approximately USD 12 million in cash. Additionally, HHE provided a loan of USD 3.3 million to SST, which owns and operates Ulaanbaatar Songdo Hospital ("UBSD") in Mongolia. HHE's consolidated assets, liabilities, and operating results, which include SST and BML as of the acquisition date, are included in the Company's consolidated financial statements for 2014. The details of this transaction are presented in the Significant Event section of this document.

Details of the management discussion and analysis are as follows.

1. Income Statement

Revenues from hospital operations were Baht 15,571 million for 2014, a 9.3% improvement year-over-year from Baht 14,251 million in 2013. Outpatient and inpatient volumes advanced 7.5% and 11.2%, respectively, in 2014 compared with 2013 as a result of volumes added by the UBSD acquisition. Excluding UBSD volumes, outpatient volumes declined 1.5% in 2014 while inpatient volume grew 1.8% in 2014, both impacted by the ongoing political environment in Thailand that began in 1Q14 and continued to contribute to weak volumes and lower revenue intensity, especially through 2Q14. Volumes from the international market segment were significantly more impacted than volumes from the Thai and expat market segments during this period, although international volumes progressively recovered after 2Q14 and exhibited strong growth in 4Q14. Thai volumes ended 2014 with a 2.6% increase in admissions and a 1.2% decrease in outpatient visits, while international volumes, excluding UBSD, slightly increased 0.9% in admissions with a 1.9% decrease in outpatient visits year-over-year. Impacted by the significantly lower intensity services provided by UBSD compared to the Company's, and to a lesser degree the drop in international volumes and elective procedures caused by the unstable Thailand political environment, revenue intensity decreased by 8.9% and 6.7% for outpatient and inpatient services, respectively. Revenue intensity, excluding UBSD, decreased 1.7% for outpatient services, while inpatient services intensity improved 3.1% on a patient-day basis and 1.7% on an admission basis. The combined results of the above resulted in outpatient service revenues advancing 6.3% while inpatient service revenues grew by 11.7%. The revenue contribution from inpatient services in 2014 was 48.8% and from outpatient services was 51.2%, compared with 47.6% and 52.4%, respectively, for 2013. In terms of revenues by market segment, international patients accounted for 61.5% of the total in 2014, with the remaining 38.5% from Thai patients, reflecting a small decrease to the 38.9% from Thai patients in 2013.

Rental income was Baht 58 million in 2014 compared to Baht 95 million in 2013 due to the planned expiration of a service apartment building lease, and the conversion of previous rental space to temporary offices for hospital personnel necessitated by the campus expansion. Interest income decreased from Baht 154 million in 2013 to Baht 138 million in 2014, mainly due to decreased cash balances and interest rates. Exchange gains decreased to Baht 46 million from Baht 54 million mostly due to timing differences associated with collections on certain Middle East accounts. Total revenues in 2014 were Baht 15,911 million, compared to Baht 14,651 million in 2013, an 8.6% improvement year-over-year.

The Company reported Cost of hospital operations (including Depreciation and amortization) of Baht 9,496 million for 2014, or 7.5% more year-over-year from Baht 8,836 million in 2013, compared to the 9.3% growth in Revenues from hospital operations. The percentage of Cost of hospital operations to Revenues from hospital operations improved from 62.0% in 2013 to 61.0% in 2014. Administrative expenses (including Depreciation and amortization) were Baht 2,806

million in 2014, increasing 11.0% from Baht 2,527 million in 2013. This change included Baht 74 million in additional repair and maintenance expense, Baht 69 million in donations to support nurse recruitment, Baht 43 million in inflationary increases in staff cost, Baht 29 million in Depreciation and amortization associated with the campus expansion and revised estimated useful lives of certain assets, and Baht 20 million more in software support and maintenance. EBITDA grew 12.4% year-over-year from Baht 4,016 million in 2013 to Baht 4,516 million in 2014, with the EBITDA margin advancing to 28.6% in 2014 compared with 27.7% in 2013.

Depreciation and amortization increased from Baht 882 million in 2013 to Baht 1,045 million in 2014, largely associated with the campus expansion. The Company reported Baht 6 million Share of profit from investments in associates in 2013 compared to Baht 3 million Share of loss from investments in 2014. The 2014 Share of loss was mostly due to realized exchange rate losses of Bumrungrad International Limited (BIL) connected with the planned closure of its subsidiaries [Bumrungrad International Holdings (Hong Kong) Limited and Bumrungrad International Holdings Pte. Ltd.] in June 2014 as part of the BIL wind-down process.

Finance cost increased from Baht 148 million in 2013 to Baht 186 million in 2014, primarily due to Baht 42 million less in capitalized interest expense associated with the campus expansion.

Corporate income tax of Baht 685 million in 2014 was higher than Baht 625 million in 2013, mostly due to Baht 58 million increased taxes due to higher taxable profit in 2014 compared with 2013, and Baht 10 million tax benefit from realized loss on impairment of the investment in Asia Global Research Co.,Ltd. (AGR) in 2013, offset by tax benefits of Baht 14 million related to donations to St. Louis College to support the nurse training program and Baht 15 million associated with outside training.

Basic EPS for 2014 was Baht 3.75, producing an 8.3% increase year-over-year from Baht 3.46 in 2013, while 2014 Diluted EPS also increased at the same rate to Baht 3.15 from Baht 2.91 in 2013.

Income statements Unit: Million Baht	2014	2013	Change
Revenues from Hospital Operations	15,571	14,251	9.3%
Total Revenues	15,911	14,651	8.6%
EBITDA	4,516	4,016	12.4%
Net Profit	2,730	2,521	8.3%
<i>EBITDA Margin</i>	<i>28.6%</i>	<i>27.7%</i>	
<i>Net Profit Margin</i>	<i>17.2%</i>	<i>17.2%</i>	

EPS Unit: Baht	2014	2013	Change
EPS – Basic	3.75	3.46	8.3%
EPS – Fully Diluted	3.15	2.91	8.3%

2. Statement of Financial Position

As at 31 December 2014, the Company reported Total current assets of Baht 8,499 million, an increase from Baht 7,552 million as at 31 December 2013. The variance is mostly due to an increase of Baht 1,536 million in Cash and cash equivalents and Baht 218 million in Trade and other receivables, offset with a decrease of Baht 796 million in Short-term investments, due to fewer fixed deposits invested for periods over three months and less than one year, and therefore, included as Cash and cash equivalents rather than Short-term investments. Previously, fixed deposits with a maturity exceeding three months but not more than one year were included with Cash and cash equivalents, but are now reported as a separate line item for all periods presented. Trade receivables were Baht 1,516 million at 31 December 2014 versus Baht 1,284 million 31 December 2013. The collection period was 34.7 days at 31 December 2014 compared to 35.3 days 31 December 2013.

Total non-current assets increased to Baht 10,645 million at 31 December 2014 from Baht 9,700 million 31 December 2013, mostly due to additional Property, plant and equipment and Goodwill associated with the acquisition of UBSD in Mongolia, described in the Significant Event section of this document. Total assets grew to Baht 19,145 million at 31 December 2014 from Baht 17,252 million 31 December 2013.

Total current liabilities were Baht 2,326 million at 31 December 2014, an increase from Baht 2,163 million 31 December 2013. The variance is mostly due to Baht 70 million additional Accrued expenses, mostly for accrued vacation and accrued bonus, Baht 49 million additional Accrued physicians' fees, and Baht 41 million additional Income tax payable.

Non-current liabilities rose to Baht 5,559 million as 31 December 2014 from Baht 5,492 million 31 December 2013, mostly due to Baht 61 million increase in Provision for long-term employee benefits. As a result of the increase in Cash and cash equivalents, Net debt to equity improved to 0.0x as at 31 December 2014 from 0.2x as at 31 December 2013. After adding back the 2014 and 2013 capitalized interest expense related to the campus expansion of Baht 55 million and Baht 97 million, respectively, the Company's Interest coverage ratio improved to 18.8x in 2014 from 16.4x in 2013, due to higher EBITDA in 2014 compared to 2013.

Total shareholders' equity grew to Baht 11,260 million at 31 December 2014 from Baht 9,597 million 31 December 2013. This increase resulted from the Company's 2014 Net profit of Baht 2,730 million and change in Non-controlling interests of the subsidiaries of Baht 377 million representing Non-controlling interests of the subsidiary in Mongolia, offset with a dividend payment of Baht 1,387 million and other changes in Retained earnings of Baht 57 million. Average return on assets (ROA) decreased slightly from 15.2% in 2013 to 15.0% in 2014. Average return on equity (ROE) declined from 27.8% in 2013 to 26.2% in 2014. Both of these changes were mostly attributable to the impact associated with the UBSD acquisition.

Unit: Million Baht	31-Dec-14	31-Dec-13	Change
Total Assets	19,145	17,252	11.0%
Total Liabilities	7,885	7,655	3.0%
Total Shareholders' Equity	11,260	9,597	17.3%

	2014	2013
Interest Coverage Ratio (x)	18.8*	16.4*
Average Collection Period (days)	34.7	35.3
Average Inventory Period (days)	12.3	11.8
Average Payables Period (days)	29.8	29.5
Net Debt to Equity (x)	0.0	0.2
Average Return on Assets (%)	15.0%	15.2%
Average Return on Equity (%)	26.2%	27.8%

* After adding back the 2014 and 2013 capitalized interest expense related to the campus expansion.

3. Liquidity

The Company's Net cash flows from operating activities in 2014 were Baht 3,890 million, compared to Baht 3,274 million in 2013. This increase was due to additional cash from operations and increased working capital. Net cash flows used in investment activities were Baht 756 million in 2014, compared to Baht 4,785 million in 2013. This change was mainly due to Baht 3,513 million less in Short-term investments and Baht 922 million less capital spending in 2014, offset with Baht 309 million for the Company's portion of the acquisition of the subsidiary in Mongolia, and Baht 86 million for the Company's portion of a loan repayment made by the subsidiary in Mongolia, described in the Significant Event section of this document. The variance in Short-term investments is mostly related to a change in reporting classifications. Previously, Short-term investments, defined as investments with a maturity exceeding three months but less than one year, were included with Cash and cash equivalents, but are now reported as a separate line item for all periods presented. The Company reported Net cash flows used in financing activities of Baht 1,594 million in 2014 versus Baht 1,383 million in 2013. This increase was primarily from Baht 176 million long-term loan from an associate in 2013. As a result of the above, Cash and cash equivalents were Baht 4,676 million as at 31 December 2014, compared to Baht 3,139 million as at 31 December 2013.

The Company's Liquidity ratio as at 31 December 2014 increased to 3.7x from 3.5x as at 31 December 2013. Similarly, the Quick ratio increased to 2.7x as at 31 December 2014 from 2.0x as at 31 December 2013.

Unit: Million Baht	2014	2013
Cash Flow from Operating Activities	3,890	3,274
Cash Flow used in Investing Activities	(756)	(4,785)
Cash Flow used in Financing Activities	(1,594)	(1,383)
Net (decrease) increase in cash and cash equivalents	1,536	(2,895)
Cash and cash Equivalents at end of year	4,676	3,139

	31-Dec-14	31-Dec-13
Liquidity Ratio (x)	3.7	3.5
Quick Ratio (x)	2.7	2.0

4. Contractual Obligations

(Unit: Million Baht)

	As at 31 December 2014				
	Fixed interest rates				Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years	Total	
Long-term loan from a related party	-	176	-	176	2.00
Long-term debentures	-	2,489	2,483	4,972	4.13 - 4.97
	-	2,665	2,483	5,148	

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

5. Significant Event

On 28 March 2014, Health Horizons Enterprises Pte. Ltd. ("HHE"), an overseas subsidiary 80% owned by the Company, acquired 100% of the common shares of Bumrungrad Mongolia LLC ("BML"), which holds 51% of the common shares of Seoul Seniors Tower LLC ("SST"), for approximately USD 12 million in cash. Additionally, HHE provided a loan of USD 3.3 million to SST, which owns and operates Ulaanbaatar Songdo Hospital ("UBSD") in Mongolia.

The seller of shares of SST is entitled to receive additional contingent consideration in the form of earn-out payments, provided certain cumulative net profit targets are achieved through 31 December 2016, at the maximum of MNT 10,965.9 million.

The Group has reviewed and reassessed the likelihood that the Group would incur such additional contingent consideration by taking into account the current economic situation and the current performance and forecast operating results of Ulaanbaatar Songdo Hospital for the years 2014 - 2016. As at 31 December 2014, the Group estimated that there is no likelihood that the Group would incur such additional contingent consideration.

HHE's consolidated assets and liabilities, which include SST and BML as of the acquisition date, are included in the Company's consolidated financial statements as from the first quarter of 2014. HHE has recorded the net tangible assets of SST and BML acquired at their fair values as of the acquisition date. The remaining excess of the purchase price over the net value of the tangible assets acquired was allocated as goodwill. The amount of goodwill is approximately USD 3.4 million.

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. 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 2014, 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 to 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 EY 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. Advised to recruit information technology auditor.

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
24 February 2015

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 2014.



Mr. Chai Sophonpanich
Chairperson



Mrs. Linda Lisahapanya
Managing Director



Bumrungrad Hospital Public Company Limited
and its subsidiaries

Report

and consolidated
financial statements

31 December 2014

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 2014, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bumrungrad Hospital Public Company Limited and its subsidiaries and of Bumrungrad Hospital Public Company Limited as at 31 December 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Sumalee Reewarabandith

Certified Public Accountant (Thailand) No. 3970

EY Office Limited

Bangkok: 25 February 2015

Bumrungrad Hospital Public Company Limited and its subsidiaries

STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Assets					
Current assets					
Cash and cash equivalents	6	4,675,713,370	3,139,480,883	4,540,098,851	3,109,330,510
Short-term investments	7	1,922,000,000	2,717,729,959	1,802,000,000	2,602,729,959
Trade and other receivables	8	1,525,212,264	1,306,952,532	1,524,709,493	1,302,241,015
Inventories	10	291,880,511	304,537,841	266,650,542	294,037,530
Prepaid expenses		66,488,523	49,940,092	63,553,008	46,228,410
Other current assets		18,098,499	33,194,904	14,114,470	31,330,852
Total current assets		8,499,393,167	7,551,836,211	8,211,126,364	7,385,898,276
Non-current assets					
Long-term loan to a related party	9	-	-	1,855,253	1,855,253
Investments in subsidiaries	11	-	-	1,542,861,472	1,102,250,347
Investments in associates	12	233,168,689	234,586,180	2,862,017	7,109,760
Other long-term investments	13	1,700,000	1,700,000	1,700,000	1,700,000
Property, plant and equipment	14	9,948,449,913	9,095,692,909	8,300,041,641	8,082,024,242
Intangible assets	15	146,342,699	189,298,316	155,677,804	202,979,863
Goodwill	11.1.2	111,967,771	-	-	-
Other non-current assets		24,943,392	27,459,050	24,924,892	27,430,550
Deferred tax assets	24	178,730,655	150,956,742	173,051,530	150,725,884
Total non-current assets		10,645,303,119	9,699,693,197	10,202,974,609	9,576,075,899
Total assets		19,144,696,286	17,251,529,408	18,414,100,973	16,961,974,175

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 2014

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	16	860,237,440	858,881,919	854,355,017	850,388,711
Accrued physicians' fees		537,654,304	488,245,603	530,537,422	483,325,480
Accrued expenses		491,613,737	422,052,696	486,619,197	417,674,126
Income tax payable		369,829,231	329,138,563	355,329,060	324,151,673
Other current liabilities		66,687,179	64,324,570	55,579,442	56,566,871
Total current liabilities		2,326,021,891	2,162,643,351	2,282,420,138	2,132,106,861
Non-current liabilities					
Long-term loan from a related party	9	176,400,000	176,400,000	176,400,000	176,400,000
Long-term debentures	17	4,971,981,934	4,966,090,116	4,971,981,934	4,966,090,116
Provision for long-term employee benefits	19	410,329,219	349,431,260	405,518,706	348,702,714
Total non-current liabilities		5,558,711,153	5,491,921,376	5,553,900,640	5,491,192,830
Total liabilities		7,884,733,044	7,654,564,727	7,836,320,778	7,623,299,691
Shareholders' equity					
Share capital	21				
Registered					
921,251,022 ordinary shares of Baht 1 each (2013: 921,211,022 ordinary shares of Baht 1 each)		921,211,062	921,211,022	921,211,062	921,211,022
1,451,663 preference shares of Baht 1 each (2013: 1,491,663 preference shares of Baht 1 each)		1,491,623	1,491,663	1,491,623	1,491,663
		922,702,685	922,702,685	922,702,685	922,702,685
Issued and paid-up					
728,600,559 ordinary shares of Baht 1 each (2013: 728,560,559 ordinary shares of Baht 1 each)		728,600,559	728,560,559	728,600,559	728,560,559
1,451,663 preference shares of Baht 1 each (2013: 1,491,663 preference shares of Baht 1 each)		1,451,663	1,491,663	1,451,663	1,491,663
		730,052,222	730,052,222	730,052,222	730,052,222
Premium on ordinary shares		285,568,300	285,568,300	285,568,300	285,568,300
Convertible bonds treated as equity securities	20	550,000,000	550,000,000	550,000,000	550,000,000
Retained earnings					
Appropriated - statutory reserve	22	92,275,000	92,275,000	92,275,000	92,275,000
Unappropriated		8,992,129,372	7,695,106,552	8,919,884,673	7,680,778,962
Other components of shareholders' equity		233,203,432	243,962,607	-	-
Equity attributable to owners of the Company		10,883,228,326	9,596,964,681	10,577,780,195	9,338,674,484
Non-controlling interests of the subsidiaries		376,734,916	-	-	-
Total shareholders' equity		11,259,963,242	9,596,964,681	10,577,780,195	9,338,674,484
Total liabilities and shareholders' equity		19,144,696,286	17,251,529,408	18,414,100,973	16,961,974,175

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 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Revenues					
Revenues from hospital operations	9	15,571,471,756	14,250,585,798	15,159,051,490	14,029,140,453
Rental income	9	58,219,905	95,400,151	63,508,705	98,449,454
Interest income	9	137,784,814	154,135,316	136,898,322	151,477,290
Exchange gains		46,283,786	54,416,768	45,457,575	53,935,243
Dividend income	9, 12.2	-	-	-	5,399,820
Other income	9	96,777,206	96,847,810	84,497,618	75,607,491
Total revenues		15,910,537,467	14,651,385,843	15,489,413,710	14,414,009,751
Expenses					
Cost of hospital operations	9	9,495,601,614	8,836,088,013	9,261,639,590	8,727,032,586
Administrative expenses	9	2,805,907,929	2,527,116,057	2,704,065,690	2,448,094,386
Loss from share capital reduction of an associate		-	-	1,997,743	-
Total expenses		12,301,509,543	11,363,204,070	11,967,703,023	11,175,126,972
Profit before share of profit (loss) from investments in associates, finance cost and income tax expenses		3,609,027,924	3,288,181,773	3,521,710,687	3,238,882,779
Share of profit (loss) from investments in associates 12.2		(2,745,213)	5,881,985	-	-
Profit before finance cost and income tax expenses		3,606,282,711	3,294,063,758	3,521,710,687	3,238,882,779
Finance cost	9	(186,032,536)	(147,873,616)	(185,238,004)	(147,873,616)
Profit before income tax expenses		3,420,250,175	3,146,190,142	3,336,472,683	3,091,009,163
Income tax expenses	24	(685,420,058)	(625,407,873)	(663,788,161)	(615,450,311)
Profit for the year		2,734,830,117	2,520,782,269	2,672,684,522	2,475,558,852
Profit attributable to :					
Equity holders of the Company		2,730,296,149	2,520,782,269	2,672,684,522	2,475,558,852
Non-controlling interests of the subsidiaries		4,533,968	-	-	-
		2,734,830,117	2,520,782,269		
Earnings per share					
Basic earnings per share	25				
Profit attributable to equity holders of the Company		3.75	3.46	3.67	3.40
Diluted earnings per share	25				
Profit attributable to equity holders of the Company		3.15	2.91	3.08	2.85

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 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit for the year	2,734,830,117	2,520,782,269	2,672,684,522	2,475,558,852
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currencies	(13,602,295)	(343,325)	-	-
Actuarial loss recognised during the year, net of income tax	(13,882,067)	(14,377,187)	(14,187,549)	(14,494,001)
Other comprehensive income for the year	(27,484,362)	(14,720,512)	(14,187,549)	(14,494,001)
Total comprehensive income for the year	2,707,345,755	2,506,061,757	2,658,496,973	2,461,064,851
Total comprehensive income attributable to :				
Equity holders of the Company	2,705,654,907	2,506,061,757	2,658,496,973	2,461,064,851
Non-controlling interests of the subsidiaries	1,690,848	-	-	-
	2,707,345,755	2,506,061,757	2,658,496,973	2,461,064,851

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 2014

(Unit: Baht)

	Consolidated financial statements										
	Equity attributable to owners of the Company										
	Other components of shareholders' equity										
	Issued and paid-up share capital		Premium on ordinary shares	Convertible bonds treated as equity securities	Retained earnings		Other paid-in capital of an associate	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
					Appropriated	Unappropriated					
Ordinary shares	Preference shares										
Balance as at 1 January 2013	728,393,246	1,658,976	285,568,300	550,000,000	92,275,000	6,608,286,863	(7,866,602)	252,172,534	8,510,488,307	-	8,510,488,307
Preference shares converted to ordinary shares (Note 21)	167,313	(167,313)	-	-	-	-	-	-	-	-	-
Dividend paid (Note 28)	-	-	-	-	-	(1,387,085,383)	-	-	(1,387,085,383)	-	(1,387,085,383)
Interest paid for convertible bonds treated as equity securities (Note 20)	-	-	-	-	-	(32,500,000)	-	-	(32,500,000)	-	(32,500,000)
Total comprehensive income for the year	-	-	-	-	-	2,506,405,082	(343,325)	-	2,506,061,757	-	2,506,061,757
Balance as at 31 December 2013	728,560,559	1,491,663	285,568,300	550,000,000	92,275,000	7,695,106,562	(8,209,927)	252,172,534	9,596,964,681	-	9,596,964,681
Balance as at 1 January 2014	728,560,559	1,491,663	285,568,300	550,000,000	92,275,000	7,695,106,562	(8,209,927)	252,172,534	9,596,964,681	-	9,596,964,681
Preference shares converted to ordinary shares (Note 21)	40,000	(40,000)	-	-	-	-	-	-	-	-	-
Dividend paid (Note 28)	-	-	-	-	-	(1,386,891,262)	-	-	(1,386,891,262)	-	(1,386,891,262)
Increase in non-controlling interests of the subsidiaries due to purchase of investments in subsidiaries (Note 11.1.2)	-	-	-	-	-	-	-	-	-	267,391,274	267,391,274
Cash receipt of capital increasing from non-controlling interest of the subsidiary (Note 11.1.2)	-	-	-	-	-	-	-	-	-	107,652,794	107,652,794
Interest paid for convertible bonds treated as equity securities (Note 20)	-	-	-	-	-	(32,500,000)	-	-	(32,500,000)	-	(32,500,000)
Total comprehensive income for the year	-	-	-	-	-	2,716,414,082	(10,759,175)	-	2,705,654,907	1,690,848	2,707,345,755
Balance as at 31 December 2014	728,600,559	1,451,663	285,568,300	550,000,000	92,275,000	8,992,129,372	(18,969,102)	252,172,534	10,883,228,326	376,734,916	11,259,963,242

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (continued)

For the year ended 31 December 2014

(Unit: Baht)

	Separate financial statements						
	Issued and paid-up share capital		Premium on ordinary shares	Convertible bonds treated as equity securities	Retained earnings		Total shareholders' equity
	Ordinary shares	Preference shares			Appropriated	Unappropriated	
Balance as at 1 January 2013	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 21)	167,313	(167,313)	-	-	-	-	-
Dividend paid (Note 28)	-	-	-	-	-	(1,387,085,383)	(1,387,085,383)
Interest paid for convertible bonds treated as equity securities (Note 20)	-	-	-	-	-	(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
Balance as at 1 January 2014	728,560,559	1,491,663	285,568,300	550,000,000	92,275,000	7,680,778,962	9,338,674,484
Preference shares converted to ordinary shares (Note 21)	40,000	(40,000)	-	-	-	-	-
Dividend paid (Note 28)	-	-	-	-	-	(1,386,891,262)	(1,386,891,262)
Interest paid for convertible bonds treated as equity securities (Note 20)	-	-	-	-	-	(32,500,000)	(32,500,000)
Total comprehensive income for the year	-	-	-	-	-	2,658,496,973	2,658,496,973
Balance as at 31 December 2014	728,600,559	1,451,663	285,568,300	550,000,000	92,275,000	8,919,884,673	10,577,780,195

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 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before tax	3,420,250,175	3,146,190,142	3,336,472,683	3,091,009,163
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	1,044,768,194	882,266,424	1,016,545,731	878,792,080
Reversal of allowance for loss on impairment of assets	-	(354,171)	-	(354,171)
Bad debts and allowance for doubtful accounts	38,980,445	23,940,010	37,456,113	28,547,808
Loss (profit) on sales and write-off of equipment and computer software	(209,330)	2,643,232	306,130	2,643,232
Long-term employee benefits expenses	67,231,170	44,399,626	66,154,930	41,461,436
Loss from share capital reduction of an associate	-	-	1,997,743	-
Share of loss (profit) from investments in associates	2,745,213	(5,881,985)	-	-
Interest income	(137,784,814)	(154,135,316)	(136,898,322)	(151,477,290)
Dividend income	-	-	-	(5,399,820)
Amortisation of debenture issuing costs to interest expense	5,891,819	5,623,661	5,891,819	5,623,661
Interest expense	180,140,717	142,249,955	179,346,185	142,249,955
Profit from operating activities before changes in operating assets and liabilities	4,622,013,589	4,086,941,578	4,507,273,012	4,033,096,054
Operating assets (increase) decrease				
Trade and other receivables	(253,035,407)	4,107,483	(259,924,591)	2,373,701
Inventories	27,926,255	(70,787,079)	27,386,988	(69,252,435)
Prepaid expenses	(16,548,431)	2,419,243	(17,324,598)	4,014,098
Other current assets	15,158,897	(18,745,669)	17,216,382	(18,820,601)
Other non-current assets	2,515,658	6,170,120	2,505,658	6,188,621
Operating liabilities increase (decrease)				
Trade and other payables	62,716,405	38,205,260	75,153,925	34,286,626
Accrued physicians' fees	49,096,317	(14,492,608)	47,211,942	(14,919,352)
Accrued expenses	66,011,770	(3,577,187)	66,190,332	(1,867,664)
Other current liabilities	816,825	(3,990,359)	(987,429)	1,180,521
Provision for long-term employee benefits	(20,215,278)	(58,782,648)	(27,073,374)	(55,391,989)
Cash flows from operating activities	4,556,456,600	3,967,468,134	4,437,628,247	3,920,887,580
Cash paid for corporate income tax	(666,153,494)	(693,208,895)	(651,389,533)	(684,731,768)
Net cash flows from operating activities	3,890,303,106	3,274,259,239	3,786,238,714	3,236,155,812

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 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from investing activities				
Decrease (increase) in short-term investments	795,729,959	(2,717,729,959)	800,729,959	(2,602,729,959)
Acquisition of investments in subsidiaries	(308,667,600)	-	(440,611,125)	(10,004,460)
Cash receipt of capital increasing from non-controlling interest of the subsidiary	7,932,407	-	-	-
Repayment debt of acquired subsidiary as at acquisition date	(85,705,200)	-	-	-
Cash increased from acquisitions of subsidiaries	2,591,147	-	-	-
Long-term loan to a related party	-	-	-	(1,855,253)
Dividend received	-	5,399,820	-	5,399,820
Cash receipt from share capital reduction of an associate	2,250,000	-	2,250,000	-
Acquisition of property, plant and equipment and payment of construction and medical equipment payables	(1,295,616,668)	(2,217,856,279)	(1,259,751,768)	(2,217,590,813)
Acquisition of computer software	(16,428,530)	(13,761,858)	(16,083,987)	(13,384,375)
Proceeds from sales of equipment and computer software	3,948,335	4,436,256	15,423,627	4,436,256
Interest income	137,784,814	154,135,316	136,898,322	151,477,290
Net cash flows used in investing activities	(756,181,336)	(4,785,376,704)	(761,144,972)	(4,684,251,494)
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	(176,591,446)	(139,333,314)	(176,591,446)	(139,333,314)
Dividend paid	(1,385,233,955)	(1,386,072,318)	(1,385,233,955)	(1,386,072,318)
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	(1,594,325,401)	(1,383,169,350)	(1,594,325,401)	(1,383,169,350)
Decrease in translation adjustment	(3,563,882)	(375,886)	-	-
Net increase (decrease) in cash and cash equivalents	1,536,232,487	(2,894,662,701)	1,430,768,341	(2,831,265,032)
Cash and cash equivalents at beginning of year	3,139,480,883	6,034,143,584	3,109,330,510	5,940,595,542
Cash and cash equivalents at end of year	4,675,713,370	3,139,480,883	4,540,098,851	3,109,330,510
Supplemental cash flow information				
Non-cash transaction				
Interest recorded as cost of assets	55,511,340	96,763,216	55,511,340	96,763,216

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 2014

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	
			2014	2013
			%	%
<u>Subsidiaries held by the Company</u>				
Vitalife Corporation Ltd. ("VTL")	Health care center	Thailand	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
Bumrungrad Personnel Development Center Co., Ltd. ("PDC")	Personnel development and training center for healthcare service business	Thailand	100	-
Bumrungrad Personnel Development and Training Center Co., Ltd. ("PDTC")	Personnel development and Training Center for healthcare service business to affiliated companies	Thailand	100	-
Asia Global Health Ltd. ("AGH")	Investment in healthcare business	Hong Kong	100	100
Life and Longevity Ltd. ("LLL")	Overseas investment	Hong Kong	100	100
Health Horizons Enterprises Pte. Ltd. ("HHE")	Overseas investment	Singapore	80	-

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2014	2013
			%	%
<u>Subsidiaries held by subsidiaries</u>				
Vitalife International AG ("VTL AG") (Investment through LLL)	Overseas investment	Switzerland	51	-
Bumrungrad Mongolia LLC ("BML") (Investment through HHE)	Overseas investment	Mongolia	80	-
Seoul Seniors Tower LLC ("SST") (Investment through BML)	Owner and operates hospital	Mongolia	41	-

Although the Group holds only 41% of the share of SST, SST's financial statements have been included in the consolidated financial statements since the Group has control over its management.

- 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 financial reporting standards

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

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

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

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

TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
Financial Reporting Standards:	
TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
Accounting Standard Interpretations:	
TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs
Financial Reporting Standard Interpretations:	
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
Accounting Treatment Guidance for Stock Dividend	

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

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

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Group believes they will not have any significant impact on the financial statements in the years in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below.

TAS 19 (revised 2014) Employee Benefits

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

This revised standard does not have any impact on the financial statements as the Group already recognised actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 *Consolidated and Separate Financial Statements*. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Group has control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Group believes that this standard will not have any significant impact on the Group's financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 *Interests in Joint Ventures*. This standard requires an entity to account for an investment in a jointly controlled entity that meets the definition of a joint venture using the equity method, while TAS 31 allows the entity to apply either the proportionate consolidation method or the equity method to account for such an investment.

The management of the Group believes that this standard will not have any impact on the Group's financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Group.

TFRS 13 Fair Value Measurement

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

Based on the preliminary analysis, the management of the Group believes that this standard will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue recognition

- a) 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.
- b) Consulting and management service income are recognised when services have been rendered taking into account the stated of completion.
- c) Rental income and related service income are recognised on a straight-line basis over the lease term.
- d) Interest income is recognised on an accrual basis based on the effective interest rate.
- e) Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

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

4.3 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.

4.4 Inventories

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

4.5 Investments

- a) 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).
- b) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- c) 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.

4.6 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.

4.7 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.

4.8 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.

	<u>Useful lives</u>
Computer software	3, 5 and 10 years
Compensation for business combination	10 years

4.9 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in the income statement.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the income statement. Impairment losses relating to goodwill cannot be reversed in future periods.

4.10 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.

4.11 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 the income statement 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.

4.12 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.

4.13 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.

4.14 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.

4.15 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.

4.16 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.

4.17 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.

5. Significant accounting judgements and estimates

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

Leases

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

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, 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 judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill

The initial recognition and measurement of goodwill, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash-generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

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.

Litigation

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

6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash	18,017	36,235	17,511	33,952
Bank deposits	2,998,684	1,556,052	2,914,056	1,528,185
Bill of exchange	1,659,012	1,547,194	1,608,532	1,547,194
Total	4,675,713	3,139,481	4,540,099	3,109,331

As at 31 December 2014, bank deposits in savings accounts, fixed deposits and bill of exchange carried interests between 0.10% and 2.75% per annum (2013: between 0.10% and 2.95% per annum).

7. Short-term investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Fixed deposits with a local commercial bank	1,922,000	2,717,730	1,802,000	2,602,730
interest rate per annum	2.80% - 3.10%	2.93% - 3.00%	2.85% - 3.00%	2.93% - 3.00%

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	833	1,928	970	2,102
Past due				
1 - 30 days	-	-	54	64
Total trade receivables - related parties	833	1,928	1,024	2,166
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	489,737	434,460	483,888	431,797
Past due				
1 - 30 days	281,815	266,599	279,227	263,475
31 - 60 days	146,993	117,666	142,314	116,664
61 - 90 days	120,523	103,461	120,119	101,176

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
91 - 180 days	232,722	133,397	232,339	132,491
181 - 365 days	194,403	183,085	193,621	182,391
More than 365 days	148,610	149,495	147,531	148,926
Total	1,614,803	1,388,163	1,599,039	1,376,920
Less: Allowance for doubtful debts	(98,464)	(103,707)	(97,345)	(103,760)
Total trade receivables - unrelated parties, net	1,516,339	1,284,456	1,501,694	1,273,160
Total trade receivables - net	1,517,172	1,286,384	1,502,718	1,275,326
<u>Other receivables</u>				
Advances and loans to employees	7,646	19,980	7,644	19,965
Accrued income - related parties	394	589	14,347	6,950
Total other receivables	8,040	20,569	21,991	26,915
Trade and other receivables - net	1,525,212	1,306,953	1,524,709	1,302,241

9. 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: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2014	2013	2014	2013	

Transactions with subsidiaries

(eliminated from the consolidated financial statements)

Medical service income	-	-	24,360	21,912	Market price
Rental income	-	-	5,715	4,505	As per contracts 9.1)
Professional service income	-	-	3,501	1,479	Actual paid
Lab service expense	-	-	137	206	Market price
Pharmacy expense	-	-	7,558	9,841	Market price
Training expenses	-	-	73,545	-	Cost plus margin
Interest income on long-term loans	-	-	3,346	-	3.25% p.a.
Sales of equipment	-	-	13,393	-	Cost plus margin

Transactions with associates

Consulting income	179	512	179	512	As per contract 9.2)
Dividend income	-	-	-	5,400	As declared
Interest expense on long-term loan	2,755	2,917	2,755	2,917	1.50% and 2.00% p.a. (2013: 2.25% and 2.00% p.a.)

Transactions with related parties

Medical service income	93,881	79,863	93,881	79,863	Market price
Rental income	2,182	1,712	2,182	1,712	Market price
Interest income on short-term investments	8,273	19,571	7,361	19,571	2.85% - 3.00% p.a.
Other income	733	893	733	893	At cost
Lab service expense	2,927	2,494	2,923	2,494	Market price
Purchase of medicine and medical supplies	12,743	11,528	12,743	11,528	Market price

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2014	2013	2014	2013	
Donation expense	24,000	24,000	24,000	24,000	-
Insurance expense	32,707	31,944	32,436	31,694	As per insurance policies
Credit card commission fees	116,099	106,056	112,550	102,587	Market price
Interest expense on long-term debentures	46,244	46,244	46,244	46,244	4.13% - 4.97% p.a.
Interest expense on convertible bonds	32,500	32,500	32,500	32,500	10.00% p.a. and 1.00% p.a.
Legal advisory fee	5,326	10,183	4,330	10,026	Market price
Construction consulting fee	578	1,156	578	1,156	Baht 0.1 million per month as stated in the agreement
Service fee	1,411	390	1,411	390	Market price
Interest expense on long-term loan	794	-	-	-	3.25% p.a.

9.1) Subsidiaries have leased building spaces and office equipment from the Company for use in their operations, as detailed below.

Company's name	Rent assets	Rental fee per month (Thousand Baht)
Vitalife Corporation Ltd.	Building spaces	350
Asia Global Research Co., Ltd.	Building spaces and office equipment	71
Bumrungrad Personnel Development Center Co., Ltd.	Building spaces	100 - 204*

*The rental agreement starts February 2014.

9.2) 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 amounting to Baht 0.2 million 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 agreement will expire in accordance with the conditions in the agreement.

The balances of the accounts as at 31 December 2014 and 2013 between the Company and those related parties are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Short-term investments - Fixed deposits with a local commercial bank (Note 7)				
Related company (common director)	1,902,000	2,717,730	1,802,000	2,602,730
Trade and other receivables - related parties (Note 8)				
Subsidiaries	-	-	14,144	6,599
Associates	66	185	66	185
Related parties (common director)	1,161	2,332	1,161	2,332
Total	1,227	2,517	15,371	9,116
Trade and other payables - related parties (Note 16)				
Subsidiaries	-	-	13,395	145
Associates	-	247	-	247
Total	-	247	13,395	392
Long-term loan to a related party				
Subsidiary	-	-	1,855	1,855
Long-term loan from a related party				
Associate	176,400	176,400	176,400	176,400
Long-term debentures				
Related companies (Major shareholder and common director)	955,000	955,000	955,000	955,000
Convertible bonds treated as equity securities (Note 20)				
Related company (common director)	550,000	550,000	550,000	550,000

Long-term loans to related parties

As at 31 December 2014 and 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 provides this loan to the subsidiary for its overseas investment; therefore, the loan is classified as long-term loan.

On 18 March 2014, Health Horizons Enterprises Pte. Ltd. ("HHE"), which is the Company's overseas subsidiary (80% shareholding), issued promissory note to the Company to loan USD 12.24 million. The loan carries interest at the rate of 3.25% per annum, and is due at call. Subsequently, on 20 June 2014, the entire loan and interest payable totaling USD 12.34 million are converted to the new issued common shares of HHE as discussed in Note 11 to the financial statements.

During the year ended 31 December 2014, movements of long-term loans to subsidiaries were as follows.

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 31 December 2013	During the year		Balance as at 31 December 2014
		Increase	Decrease	
Life and Longevity Ltd.				
Principal	1,855	-	-	1,855
Health Horizons Enterprises Pte. Ltd.				
Principal	-	394,373	(394,373)	-
Translation adjustment	-	1,163	(1,163)	-
Interest receivable	-	3,346	(3,346)	-
Total	-	398,882	(398,882)	-
Total	1,855	398,882	(398,882)	1,855

Long-term loans from related parties

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 and due at call. The loan carries interest at the 1-year fixed deposit rate of a local commercial bank. Interest is due annually. The Company's management believes that the associate neither plans nor is likely to call for settlement in the foreseeable future; hence the loan is classified as long-term loan.

Related company

On 18 March 2014, Health Horizons Enterprises Pte. Ltd. ("HHE"), which is the Company's overseas subsidiary, issued promissory note to AFH Health Care Investment Limited ("AFH") which is another HHE's shareholder (20% shareholding) to loan USD 3.06 million. The loan carries interest at the rate of 3.25% per annum, and is due at call. Subsequently, on 20 June 2014, the entire loan and interest payable totaling USD 3.09 million are converted to the new issued common shares of HHE as discussed in Note 11 to the financial statements.

During the year ended 31 December 2014, movements of long-term loan from related company were as follows.

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance as at 31 December 2013	During the period		Balance as at 31 December 2014
		Increase	Decrease	
Principal	-	99,276	(99,276)	-
Translation adjustment	-	(398)	398	-
Interest payable	-	842	(842)	-
Total	-	99,720	(99,720)	-

Directors and management's benefits

During the years ended 31 December 2014 and 2013, the Group had employee benefit expenses payable to their directors and management as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Short-term benefits	135,020	134,335	121,632	128,049
Other long-term benefits (reversal)	7	(40)	7	(36)
Termination benefits	9,052	6,788	9,046	4,179
Total	144,079	141,083	130,685	132,192

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2014	2013	2014	2013	2014	2013
Medicine	156,734	163,109	288	189	156,446	162,920
Medical supplies	67,898	48,619	29	59	67,869	48,560
Other supplies	67,566	93,058	-	-	67,566	93,058
Total	292,198	304,786	317	248	291,881	304,538

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2014	2013	2014	2013	2014	2013
Medicine	143,138	152,417	-	-	143,138	152,417
Medical supplies	56,005	48,603	-	-	56,005	48,603
Other supplies	67,508	93,018	-	-	67,508	93,018
Total	266,651	294,038	-	-	266,651	294,038

11. 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	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
			2014							
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
			(%)	(%)						
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 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
Bumrungrad Personnel Development Center Co., Ltd.	Baht 5.0 million	-	100.00	-	5,000	-	-	-	5,000	-
Bumrungrad Personnel Development and Training Center Co., Ltd.	Baht 5.0 million	-	100.00	-	5,000	-	-	-	5,000	-
Asia Global Health Ltd.	HKD 7.1 million	HKD 7.1 million	100.00	100.00	31,558	31,558	-	-	31,558	31,558
Life and Longevity Ltd.	USD 1	USD 1	100.00	100.00	48	48	-	-	48	48
Health Horizons Enterprises Pte. Ltd.	USD 16.6 million	-	80.00	-	430,611	-	-	-	430,611	-
Total					1,592,861	1,152,250	50,000	50,000	1,542,861	1,102,250

During the years 2014 and 2013, the Company had no dividend received from the subsidiaries.

11.1 The changes of investments in subsidiaries account during the year 2014 are as below

11.1.1 Establishment of new subsidiaries

Bumrungrad Personnel Development Center Co., Ltd.

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 personnel development and training center for healthcare service business.

Bumrungrad Personnel Development and Training Center Co., Ltd.

On 20 November 2014, the Company set up and registered a new subsidiary, Bumrungrad Personnel Development and Training 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 fully paid for a common share of the subsidiary of total issued and paid-up share capital on 12 December 2014, amounting to Baht 5.0 million.

The investment was made in accordance with a resolution of the Investment Committee Meeting held on 7 November 2014, which approved the Company's establishment of a new subsidiary to be the Group's personnel development and training center for healthcare service business.

Vitalife International AG

On 16 January 2014, the Company set up and registered a new subsidiary, Vitalife 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.

Health Horizons Enterprises Pte. Ltd.

On 4 March 2014, the Company set up and registered a new subsidiary, Health Horizons Enterprises Pte. Ltd. ("HHE"), incorporated in Singapore with a registered share capital of USD 20,000, comprising of 20,000 common shares with par value of USD 1 each. As at registered date, HHE had 1 paid-up share capital with par value of USD 1 each. The Company's shareholding percentage represents 80% of total issued and paid-up share capital.

Subsequently, on 20 June 2014, HHE issued new 16,629,422 common shares with a par value of USD 1 each. The Company and AFH Health Care Investment Limited ("AFH"), which is another shareholder of HHE, invested in newly issued common shares in proportion to their existing shareholdings and also paid for the existing registered capital, by converting loans to and interest receivable from HHE to equity and paying additional amounts in cash, as follows.

(Unit: USD)

	Shareholding (%)	Payment for common shares		
		Loan and interest receivable conversion	Cash	Total
The Company	80.00	12,343,537	976,000	13,319,537
AFH	20.00	3,085,885	243,999	3,329,884
Total	100.00	15,429,422	1,219,999	16,649,421

The investment was made in accordance with a resolution of the Board of Directors' Meeting held on 19 December 2013, which approved the Company's establishment of a new subsidiary to be the Company's holding company for overseas investments.

11.1.2 Acquisitions of new subsidiaries

On 28 March 2014, Health Horizons Enterprises Pte. Ltd. ("HHE"), an overseas subsidiary, 80% owned by the Company, acquired 100% of the common shares of Bumrungrad Mongolia LLC ("BML"), which holds 51% of the common shares of Seoul Seniors Tower LLC ("SST"), for approximately USD 12.0 million in cash. Additionally, HHE provided a loan of USD 3.3 million to SST, which owns and operates Ulaanbaatar Songdo Hospital in Mongolia.

The seller of shares of SST is entitled to receive additional contingent consideration in the form of earn-out payments, provided certain cumulative net profit targets are achieved through 31 December 2016, at the maximum of MNT 10,965.9 million.

The Group has reviewed and reassessed likelihood that the Group would incur such additional contingent consideration by taking into consideration of the current economic situation, the current performance and forecast operating result of Ulaanbaatar Songdo Hospital for the years 2014 - 2016. As at 31 December 2014, the Group estimated that there is no likelihood that the Group would incur such additional contingent consideration.

HHE's consolidated assets and liabilities, which include SST and BML as of the acquisition date, are included in the Company's consolidated financial statements as from the first quarter of 2014. HHE has recorded the net tangible assets of SST and BML acquired at their fair values as of the acquisition date. The remaining excess of the purchase price over the net value of the tangible assets acquired was allocated as goodwill. The amount of goodwill is approximately USD 3.4 million, which comprises the value of expected synergies from customer base expansion.

The investment was made in accordance with a resolution of the Board of Directors' Meeting held on 19 December 2013.

Fair value amounts of the assets acquired and the liabilities of BML and SST as at the acquisition date are as follows.

(Unit: Thousand Baht)

Consideration transferred	
Cash	308,668
Repayment debt of acquired subsidiary	85,705
Total cash payment for purchase of investments in subsidiaries	394,373
Assets acquired and liabilities assumed	
Cash and cash equivalents	2,591
Trade and other receivables	4,205
Inventories	15,269
Property, plant and equipment - net	631,649
Deferred tax assets	3,053
Other assets	81
Trade and other payables	(1,263)
Accrued physicians' fee	(312)
Income tax payable	(250)
Long-term loans	(101,916)
Other liabilities	(1,545)
Total net assets of the subsidiaries	551,562
Non-controlling interests in the subsidiaries	(267,391)
Net assets of the subsidiaries in the Company's proportion	284,171
Goodwill	110,202
Cash payment for purchase of investments in subsidiaries	394,373
Less: Cash and cash equivalents of the subsidiaries	(2,591)
Net cash payment for purchase of investments in subsidiaries	391,782

For the period from 1 April 2014 to 31 December 2014, HHE which included SST and BML has contributed revenue and profit of approximately Baht 211.8 million and Baht 16.3 million, respectively, to the consolidated income statement. There is no significant difference had HHE Group been included in the consolidated financial statements from 1 January 2014 to 31 December 2014.

11.2 The changes of investments in subsidiaries account during the year 2013 were as below.

11.2.1 Set up a new subsidiary

On 25 October 2013 the Company set up and registered a new subsidiary, Life and Longevity Ltd. (LLL), 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.

11.2.2 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. Investments in associates

12.1 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	
			2014 (%)	2013 (%)	2014	2013	2014	2013
Bumrungrad International Ltd.	Holding company	Thailand	31.50	31.50	1,447	1,447	232,226	231,069
CDE Trading Ltd.	Temporary cease its operation	Thailand	30.00	30.00	5,415	21,663	943	3,517
Total					6,862	23,110	233,169	234,586

(Unit: Thousand Baht)

Company's name	Shareholding percentage		Separate financial statements					
	Shareholding percentage		Cost		Allowance for loss on diminution in value		Carrying amounts based on cost method – net	
	2014 (%)	2013 (%)	2014	2013	2014	2013	2014	2013
Bumrungrad International Ltd.	31.50	31.50	1,447	1,447	-	-	1,447	1,447
CDE Trading Ltd.	30.00	30.00	5,415	21,663	4,000	16,000	1,415	5,663
Total			6,862	23,110	4,000	16,000	2,862	7,110

12.2 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	
	2014	2013	2014	2013
Bumrungrad International Ltd.	(6,094)	2,278	-	-
CDE Trading Ltd.	3,349	3,604	-	5,400
Total	(2,745)	5,882	-	5,400

12.3 Summarised financial information of associates

Financial information of the associates is summarized 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	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Bumrungrad International Ltd.	4.6	4.6	754.9	761.0	17.7	27.4	16.1	14.6	(19.3)	6.6
CDE Trading Ltd.	2.5	10.0	5.8	13.0	2.5	1.3	-	0.5	(1.1)	(0.5)

On 1 July 2014, an associate (CDE Trading Ltd.) registered with the Ministry of Commerce to reduce its registered and paid-up share capital from Baht 10.0 million (100,000 ordinary shares at par value of Baht 100.00 each) to Baht 2.5 million (25,000 ordinary shares at par value of Baht 100.00 each). The associate's share capital reduction was made in accordance with a resolution of the Extraordinary General Meeting of its shareholders held on 29 May 2014. The Company received a return of share capital in proportion to its 30.0% shareholding in the associate on 23 December 2014, amounting to Baht 2.3 million (22,500 shares at a value of Baht 100.00 each). Using the cost method, the share capital reduction of the associate resulted in a loss of Baht 2.0 million presented in the separate income statement for the year ended 31 December 2014. As a result, CDE Trading Ltd. is still an associate of the Company.

13. Other long-term investments

(Unit: Thousand Baht)

Company's name	Shareholding percentage		Consolidated financial statements		Separate financial statements	
	2014 (%)	2013 (%)	2014	2013	2014	2013
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

14. 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 2013	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
Increase from acquisition of subsidiaries	-	-	579,136	-	111,289	5,593	11,616	1,402	-	709,036
Additions	-	1,099	56,065	137,509	613,845	75,632	34,664	1,813	310,709	1,231,336
Disposals	-	-	(1,607)	(41)	(28,977)	(269,051)	(10,955)	(7,289)	-	(317,920)
Transfer in (out)	-	-	142,937	1,749	(7,252)	7,356	83	-	(144,873)	-
Translation adjustment	-	-	(22,298)	-	(2,291)	(40)	(292)	(36)	-	(24,957)
31 December 2014	2,863,748	36,609	5,965,528	789,362	4,242,091	1,054,466	602,608	42,769	643,471	16,240,652
Accumulated depreciation										
1 January 2013	-	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
Increase from acquisition of subsidiaries	-	-	14,767	-	53,311	4,582	4,237	490	-	77,387
Depreciation for the year	-	603	346,477	58,858	448,838	82,167	42,117	2,632	-	981,692
Depreciation on disposals	-	-	(768)	(15)	(27,475)	(268,620)	(10,014)	(7,289)	-	(314,181)
Translation adjustment	-	-	(82)	-	(68)	(3)	(6)	(1)	-	(160)
31 December 2014	-	18,696	1,976,763	262,313	2,841,577	782,843	374,962	34,809	-	6,291,963

(Unit: Thousand Baht)

[illegible]

As at 31 December 2014, the Company had an outstanding balance of work under construction of building and building improvement of Baht 1,150.1 million (2013: Baht 1,624.8 million). Construction of the building and building improvement have been financed by long-term debenture and borrowing costs totaling Baht 55.5 Million (2013: Baht 96.8 million) were capitalised during the year ended 31 December 2014. The weighted average rate used to determine the amount of borrowing costs eligible for apitalization was 4.87%.

As at 31 December 2014, 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 1,223.7 million (Separate financial statements: Baht 1,193.3 million) (2013: Baht 1,013.0 million (Separate financial statements: Baht 986.0 million)).

15. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Computer software	Total	Computer software	Compensation for business combination	Total
Cost					
1 January 2013	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
Increase from acquisition of subsidiaries	19	19	-	-	-
Additions	16,429	16,429	16,084	-	16,084
Disposals/Write-off	(172)	(172)	(1,323)	(192,928)	(194,251)
31 December 2014	1,046,773	1,046,773	1,080,603	-	1,080,603
Accumulated amortisation					
1 January 2013	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
Amortisation during the year	63,076	63,076	62,596	-	62,596
Amortisation on disposals/Write-off	(172)	(172)	(533)	(65,917)	(66,450)
Realised gain on sales of Software in the past	(3,673)	(3,673)	-	-	-
31 December 2014	530,197	530,197	554,692	-	554,692
Allowance for impairment loss					
1 January 2013	370,233	370,233	370,233	127,011	497,244
31 December 2013	370,233	370,233	370,233	127,011	497,244
Decrease during the year	-	-	-	(127,011)	(127,011)
31 December 2014	370,233	370,233	370,233	-	370,233
Net book value					
31 December 2013	189,298	189,298	202,980	-	202,980
31 December 2014	146,343	146,343	155,678	-	155,678

16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade payables - unrelated parties	753,834	692,190	745,308	684,962
Construction and medical equipment payables	81,347	145,628	72,783	145,628
Other payables - related parties	-	247	13,395	392
Other payables - unrelated parties	25,056	20,817	22,869	19,407
Total	860,237	858,882	854,355	850,389

17. 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 2014 and 2013 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	
						2014	2013
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						(28,018)	(33,910)
Long-term debentures - net						4,971,982	4,966,090

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

18. Undrawn loan facilities

As at 31 December 2014, the Group has short-term credit facilities which have not yet been drawn down amounted to Baht 3,310.0 million (2013: Baht 3,310 million).

19. 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		Total	
	2014	2013	2014	2013	2014	2013
Defined benefit obligation at beginning of year	322,439	289,502	26,992	56,312	349,431	345,814
Current service cost	47,528	41,642	5,146	11,457	52,674	53,099
Interest cost	12,509	10,276	1,053	2,001	13,562	12,277
Benefits paid during the year	(19,954)	(24,849)	(3,731)	(4,525)	(23,685)	(29,374)
Actuarial loss (gain)	17,352	12,173	995	(20,976)	18,347	(8,803)
Past service cost	-	(6,305)	-	(17,277)	-	(23,582)
Defined benefit obligation at end of year	379,874	322,439	30,455	26,992	410,329	349,431
Provision for long-term employee benefits at end of year	379,874	322,439	30,455	26,992	410,329	349,431

(Unit: Thousand Baht)

	Separate financial statements					
	Compensations on employees' retirement		Other long-term employee benefits		Total	
	2014	2013	2014	2013	2014	2013
Defined benefit obligation at beginning of year	321,768	288,294	26,935	56,222	348,703	344,516
Transfer of defined benefit obligation to subsidiary	(3,124)	-	(271)	-	(3,395)	-
Current service cost	46,647	38,736	5,080	11,414	51,727	50,150
Interest cost	12,376	10,241	1,041	1,997	13,417	12,238
Benefits paid during the year	(19,954)	(21,255)	(3,724)	(4,515)	(23,678)	(25,770)
Actuarial loss (gain)	17,734	12,041	1,011	(20,926)	18,745	(8,885)
Past service cost	-	(6,289)	-	(17,257)	-	(23,546)
Defined benefit obligation at end of year	375,447	321,768	30,072	26,935	405,519	348,703
Provision for long-term employee benefits at end of year	375,447	321,768	30,072	26,935	405,519	348,703

Long-term employee benefit expenses included in the income statement consist of the following.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current service cost	52,674	53,099	51,727	50,150
Interest cost	13,562	12,277	13,417	12,238
Actuarial loss (gain) arising from other long-term benefits recognised during the year	995	(20,976)	1,011	(20,926)
Total expenses recognised in the income statement	67,231	44,400	66,155	41,462
Line items in the income statement under which such expenses are included.				
Cost of hospital operations	41,070	1,157	41,070	1,157
Administrative expenses	26,161	43,243	25,085	40,305

As at 31 December 2014, cumulative actuarial losses (net of actuarial gains), which were recognised in other comprehensive income of the consolidated financial statements, amounted to Baht 17.4 million (2013: Baht 18.1 million) (separate financial statements: Baht 17.7 million and 2013: Baht 18.1 million).

Key actuarial assumptions used for the valuation are as follows.

	Consolidated financial statements		Separate financial statements	
	2014 (% p.a.)	2013 (% p.a.)	2014 (% p.a.)	2013 (% p.a.)
Discount rate	3.0 - 3.5	3.5 - 3.9	3.0	3.9
Average future salary increase rate	5.0	5.0	5.0	5.0
Employee turnover rate (depending on age)	0.0 - 20.0	0.0 - 20.0	0.0 - 14.0	0.0 - 14.0

The amounts of defined benefit obligations and experience adjustments for the current year and past four years are as follows.

(Unit: Thousand Baht)

	Defined benefit obligations		Experience adjustments on the obligations	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2014	410,329	405,519	(16,127)	(15,252)
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	-	-

20. Convertible bonds treated as equity securities

Convertible bonds treated as equity securities as at 31 December 2014 and 2013 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 2014 of the convertible bonds amounted to Baht 32.5 million (2013: Baht 32.5 million), being recorded as a reduction to unappropriated retained earnings.

21. 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 2014, 40,000 preference shares (2013: 167,313 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 6 March 2014.

22. 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.

23. Expenses by nature

Significant expenses classified by nature are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Salaries and wages and other employee benefits	2,798,041	2,605,015	2,683,566	2,560,264
Physicians' fee	3,509,757	3,388,190	3,478,043	3,356,698
Depreciation	981,692	818,156	953,950	814,799
Amortisation	63,076	64,110	62,596	63,993
Loss from share capital reduction of an associate	-	-	1,998	-
Property, plant and equipment rental expenses				
from operating lease agreements	80,860	76,040	79,696	74,961
Building and equipment maintenance expenses	325,049	211,824	314,078	211,523
Advertising and public relation expenses	229,730	210,102	217,371	200,504
Medicine, medical supply and other supply consumptions	2,778,519	2,617,927	2,670,439	2,577,827

24. Income tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current income tax:				
Current income tax for the year	705,047	649,790	682,567	639,979
Deferred tax:				
Relating to origination and reversal of temporary differences	(19,627)	(24,382)	(18,779)	(24,529)
Income tax expenses reported in the income statement	685,420	625,408	663,788	615,450

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2014 and 2013 are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deferred tax relating to actuarial loss	(3,470)	(3,624)	(3,547)	(3,624)
Total	(3,470)	(3,624)	(3,547)	(3,624)

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accounting profit before tax	3,420,250	3,146,190	3,336,473	3,091,009
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	684,050	629,238	667,295	618,202
Effects of:				
Tax-exempt revenue	-	(1,080)	-	(1,080)
Non-deductible expenses	21,868	2,081	20,447	2,029
Additional expense deductions allowed	(28,509)	(1,420)	(28,509)	(1,420)
Others	8,011	(3,411)	4,555	(2,281)
Total	1,370	(3,830)	(3,507)	(2,752)
Income tax expenses reported in the income statement	685,420	625,408	663,788	615,450

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	
	2014	2013	2014	2013
Deferred tax assets				
Allowance for doubtful accounts	19,446	20,744	19,446	20,744
Allowance for diminution in value of inventories	58	38	-	-
Allowance for diminution in value of investments	13,200	13,200	13,200	13,200
Allowance for intangible assets impairments	589	13,135	535	13,135
Accumulated depreciation - building and equipment	46,143	26,174	46,143	26,174
Accumulated amortisation - computer software	5,096	3,757	5,042	3,757
Provision for long-term employee benefits	94,683	80,691	94,290	80,498
Unrealised loss from exchange rate	5,120	-	-	-
Total	184,335	157,739	178,656	157,508
Deferred tax liabilities				
Deferred debenture issuing costs	(5,604)	(6,782)	(5,604)	(6,782)
Total	(5,604)	(6,782)	(5,604)	(6,782)
Deferred tax assets - net	178,731	150,957	173,052	150,726

As at 31 December 2014 the subsidiaries have unused tax losses totaling Baht 66.8 million (2013: Baht 68.5 million). No deferred tax assets have been recognised on this amount as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

25. 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	
	2014	2013	2014	2013	2014	2013
	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	2,730,296	2,520,782	728,593	728,530	3.75	3.46
Effect of dilutive potential ordinary shares						
Preference shares	-	-	1,459	1,522		
Convertible bonds	-	-	137,363	137,363		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>2,730,296</u>	<u>2,520,782</u>	<u>867,415</u>	<u>867,415</u>	3.15	2.91

	Separate financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2014	2013	2014	2013	2014	2013
	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	2,672,685	2,475,559	728,593	728,530	3.67	3.40
Effect of dilutive potential ordinary shares						
Preference shares	-	-	1,459	1,522		
Convertible bonds	-	-	137,363	137,363		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>2,672,685</u>	<u>2,475,559</u>	<u>867,415</u>	<u>867,415</u>	3.08	2.85

26. 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 geographical areas of their operations are Thailand and Mongolia. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment.

For the years 2014 and 2013, the Group has no major customer with revenues of 10% or more of the Group's revenues.

27. 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 2014, the Group contributed Baht 66.8 million (2013: Baht 64.2 million) to the fund.

28. Dividends paid

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2013	Annual General Meeting of the shareholders on 29 April 2014	875,859	1.20
Interim dividends on operating results for the six-month period ended 30 June 2014	Board of Directors' meeting on 8 August 2014	511,032	0.70
Total dividend for 2014		1,386,891	
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	511,032	0.70
Total dividend for 2013		1,387,086	

29. Commitments and contingent liabilities

29.1 Capital commitments

As at 31 December 2014, the Company has capital commitments to pay a total of Baht 163.4 million (2013: Baht 184.6 million) in relation to the renovation agreement of building and Baht 150.0 million (2013: Baht 271.2 million) in respect of purchase of medical instruments and hospital equipment.

29.2 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 2014 and 2013, 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			
	2014	2013	2014	2013	2014	2013	2014	2013
1) Nursing dormitory land rental expense (shall be extended for a further period of 30 years)	2	1	7	7	4	6	13	14
2) Lease of office space	31	28	51	68	-	-	82	96
3) Lease of building for nursing dormitory and related services (shall be renewed automatically)	-	7	-	-	-	-	-	7
4) Maintenance service fee for medical instruments	136	57	137	38	-	-	273	95
5) Rental and maintenance service fee for cars	11	8	14	11	-	-	25	19
6) Fee to a bank which is bondholders' representative	-	-	1	1	-	-	1	1
7) Service fee for medical treatment information database	30	-	199	-	35	-	264	-

29.3 Commitments from other contract

The Company entered into the medical equipment utilisation contract with a local company. The contract covers period of 7 years (expire in 2021) and under the conditions of the contract, the Company is required to purchase medical supplies and services to use with the medical equipment at the prices specified in the contract in total throughout the period of the contract. As at 31 December 2014, the outstanding amount of medical supplies and services that the Company is required to purchase in accordance with the contract is Baht 319.0 million (2013: Nil).

29.4 Uncalled portion of investments in subsidiaries

As at 31 December 2014 and 2013, 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	
		2014	2013
Asia Global Health Ltd. (AGH)	Hong Kong	HKD 2.34 million	HKD 2.34 million
Life and Longevity Ltd. (LLL)	Hong Kong	USD 0.10 million	USD 0.10 million

29.5 Bank guarantees

As at 31 December 2014 and 2013, 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.

30. Financial instruments

30.1 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, short-term investments, 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, short-term investments, 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 2014						
	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	2,947	-	-	1,652	77	4,676	0.10 - 2.75
Short-term investments	1,922	-	-	-	-	1,922	2.80 - 3.10
Trade and other receivables	-	-	-	-	1,525	1,525	
	4,869	-	-	1,652	1,602	8,123	
Financial liabilities							
Trade and other payables	-	-	-	-	860	860	-
Accrued physicians' fees	-	-	-	-	538	538	-
Long-term loan from a related party	-	176	-	-	-	176	1.50
Long-term debentures	-	2,489	2,483	-	-	4,972	4.13 - 4.97
	-	2,665	2,483	-	1,398	6,546	

(Unit: Million Baht)

	Separate financial statements						
	As at 31 December 2014						
	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	2,896	-	-	1,601	43	4,540	0.10 - 2.75
Short-term investments	1,802	-	-	-	-	1,802	2.85 - 3.00
Trade and other receivables	-	-	-	-	1,525	1,525	-
Long-term loan to a related party	-	-	-	-	2	2	-
	4,698	-	-	1,601	1,570	7,869	
Financial liabilities							
Trade and other payables	-	-	-	-	854	854	-
Accrued physicians' fees	-	-	-	-	531	531	-
Long-term loan from a related party	-	176	-	-	-	176	1.50
Long-term debentures	-	2,489	2,483	-	-	4,972	4.13 - 4.97
	-	2,665	2,483	-	1,385	6,533	

(Unit: Million Baht)

	Consolidated 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 equivalents	2,551	-	-	543	45	3,139	0.10 - 2.95
Short-term investments	2,718	-	-	-	-	2,718	2.93 - 3.00
Trade and other receivables	-	-	-	-	1,307	1,307	-
	5,269	-	-	543	1,352	7,164	
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
	176	2,485	2,481	-	1,347	6,489	

(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 equivalents	2,549	-	-	522	38	3,109	0.10 - 2.95
Short-term investments	2,603	-	-	-	-	2,603	2.93 - 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	

In addition, as at 31 December 2014 and 2013, 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 20 to the financial statements.

Foreign currency risk

The Company's exposure to foreign currency risk arises from investments in subsidiaries those are denominated in foreign currencies. The Company has no foreign currency 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.

The Group has no significant balance of financial assets and liabilities denominated in foreign currencies as at 31 December 2014 and 2013.

30.2 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, short-term investments, 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 2014 amounted to Baht 4,972.0 million (2013: Baht 4,966.1 million), and their fair value amounted to Baht 5,264.6 million (2013: Baht 4,994.2 million).

31. 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 2014, the Group's debt-to-equity ratio was 0.70:1 (2013: 0.80:1) and the Company's was 0.74:1 (2013: 0.82:1).

32. Events after the reporting period

On 25 February 2015, 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 2015 to adopt a resolution to pay a dividend of Baht 1.95 per share, or a total of Baht 1,423.6 million, to the shareholders in respect of the 2014 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 2014. The remaining dividend of Baht 1.25 per share, or a total of Baht 912.6 million will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

33. Reclassifications

The Company reclassified certain amounts in the financial statements for the year ended 31 December 2013 to conform to the current year's classification, as following.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Cash and cash equivalents	3,139,481	5,857,211	3,109,330	5,712,060
Short-term investments	2,717,730	-	2,602,730	-

There was no amount of the above transactions to be reclassified for comparative presentation for the financial statements as at 1 January 2013.

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

34. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2015.



Company

and Business Information

VISION / MISSION / VALUES

Vision/Mission:

Bumrungrad aspires to provide the best care with science, compassion, and integrity for each of our patients

Values:

1. Compassionate Caring
We care with compassion for our patients, each other, our community and our environment.
2. Adaptability, Learning, and Innovation
We strive to innovate, learn, improve, meet challenges with a positive attitude and adapt to a changing world.
3. Safety, Quality with Measurable Results
We evaluate ourselves by the measurable quality of care and safety we provide to our patients, and the results we return to our colleagues and stakeholders.
4. Teamwork and Integrity
We work TOGETHER and treat our patients and stakeholders with respect, honesty and integrity.

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 :	Baht 922,702,685
	Divided into
	Ordinary shares of 921,251,022 shares, par value at Baht 1 per share
	Preferred shares of 1,451,663 shares, par value at Baht 1 per share
Issued and Paid up Capital:	Baht 730,052,222
	Divided into
	Ordinary shares of 728,600,559 shares, par value at Baht 1 per share
	Preferred shares of 1,451,663 shares, par value at Baht 1 per share

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

Company	Type of Business	Issued 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, 3 rd 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	Owns the land at Sukhumvit Soi 1	34,000,000 shares	100.0%
5. Life and Longevity Limited Room 337, 3 rd 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. Vitallife International AG Neuhofstrasse 5a, Baar, Switzerland	Holding company for overseas investments	100,000 shares	51.0%
7. Bumrungrad Personnel Development Center Co., Ltd. 33 Sukhumvit Soi 3 Sukhumvit Road, Klong Toey Nua, Wattana, Bangkok 10110 Phone 0 2667 1000, Fax 0 2667 2525	Personnel Development and Training Center	500,000 shares	100.0%
8. Health Horizons Enterprises Pte. Ltd. 8 Marina Boulevard #05-02 Marina Bay Financial Center, Singapore 018981 Phone +65 6338 1888, Fax +65 6337 5100	Holding company for overseas investments	20,000 shares	80.0%
9. Bumrungrad Mongolia LLC Choidog-5, Peace Avenue, 1 st Khoroo, Sukhbaatar District, Ulaanbaatar, Mongolia Phone +976-7012-9000, Fax +976-7011-1164	Holding company for overseas investments	4,081,000 shares	80.0% (100% by HHE)

Company	Type of Business	Issued ordinary shares	Shareholding (%)
10. Seoul Seniors Tower LLC Choidog-5, Peace Avenue, 1 st Khoroo, Sukhbaatar District, Ulaanbaatar, Mongolia Phone +976-7012-9000, Fax +976-7011-1164	Holding company for overseas investments	8,000,000 shares	40.8% (51% by BML)
11. Bumrungrad Personnel Development and Training Center Co., Ltd. 33 Sukhumvit Soi 3 Sukhumvit Road, Klong Toey Nua, Wattana, Bangkok 10110 Phone 0 2667 1000, Fax 0 2667 2525	Personnel Development and Training Center	500,000 shares	100.0%
12. 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%
13. 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%

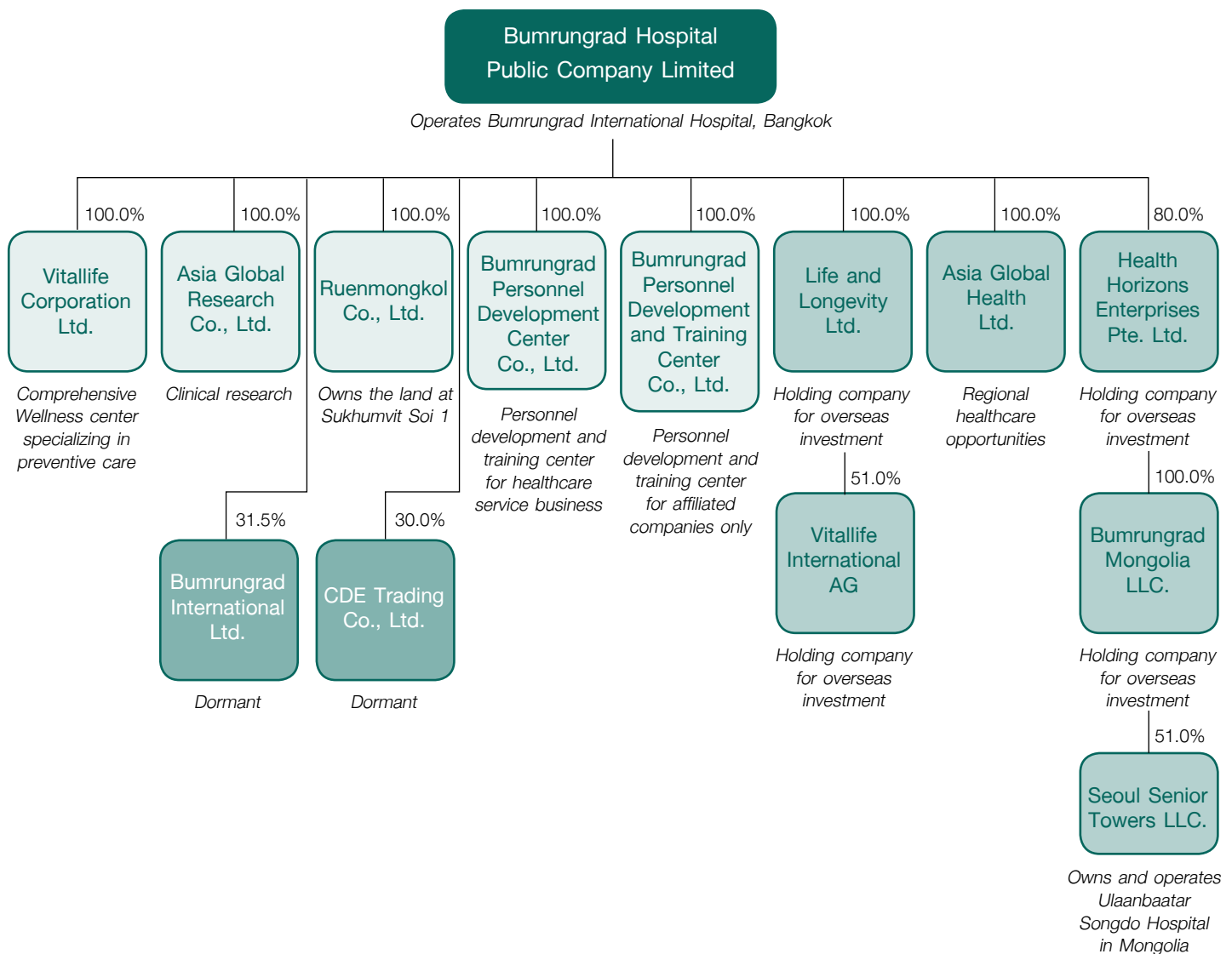
3. Reference Persons

1. Auditor	EY Office Limited 33 rd 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, 4 th and 6 th -7 th 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 580 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).

Corporate structure (as of 31 December 2014)



The Company has eight subsidiaries, including (1) Vitallife Corporation Limited, (2) Asia Global Health Limited, (3) Asia Global Research Company Limited, (4) Ruenmongkol Company Limited, (5) Life and Longevity Limited, (6) Bumrungrad Personnel Development Center Company Limited, (7) Bumrungrad Personnel Development and Training Center Company Limited and (8) Health Horizons Enterprises Pte. Ltd.

The Company also has three indirectly owned subsidiaries, including (1) Vitallife International AG (51%-owned), (2) Bumrungrad Mongolia LLC. (80%-owned as per its shareholding portion in Health Horizons Enterprises Pte. Ltd.) and (3) Seoul Senior Towers LLC (approx. 41%-owned with control as per its shareholding portion through Health Horizons Enterprises Pte. Ltd. and Bumrungrad Mongolia LLC.).

The Company has two associated companies, including 31.5%-owned Bumrungrad International Limited and 30%-owned CDE Trading Company Limited.

Vitallife Corporation Limited (“VTL”) is a pioneer in longevity medicine; integrating predictive, preventive, rejuvenating, and regenerative strategies for optimal healthy lifestyles. Vitallife brings together cutting-edge technologies to provide patients the means to “Feel Younger, Look Better, and Live Longer”. Biomarker analysis, advanced supplementation, toxicity assessments, early detection, and regenerative medicine are key Vitallife analytics.

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 the owner of land to be used for business expansion at Sukhumvit Soi 1 (approx. 3-3-44.4 Rai).

Life and Longevity Limited (“LLL”) registered in Hong Kong Special Administrative Regions of the People’s Republic of China, a holding company for overseas investments of the Company.

Bumrungrad International Limited (“BIL”) has served as a Company international investment arm. BIL had focused on hospital ownership. In 2013, BIL ceased its operating activity and pursued the distribution of its funds to shareholders via capital reduction and loan to shareholders.

CDE Trading Company Limited (“CDE”) (previously Global Care Solutions (Thailand) Company Limited) was a healthcare software development company. 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.

Bumrungrad Personnel Development Center Co., Ltd. (“BHPDC”) is the personnel development and training company that provides education and training in clinical and healthcare service to outside parties.

Vitallife International AG (“VTLAG”) is a holding company registered in Switzerland, that supports the strategy for overseas investment in preventive care, wellness and anti-aging services.

Health Horizons Enterprises Pte. Ltd. (“HHE”) is a holding company registered in Singapore, which supports the strategy for overseas investment in healthcare and related business.

Bumrungrad Mongolia LLC (“BML”) is a holding company registered in Mongolia, which supports the Company’s strategy for overseas investment in healthcare and related business.

Seoul Seniors Towers LLC (“SST”) is a company that owns and operates Ulaanbaatar Songdo Hospital in Mongolia.

Bumrungrad Personnel Development and Training Center Co., Ltd. (“BHPDTC”) is the personnel development and training company that focus on improving and expanding the capabilities in clinical and healthcare service to the Company and affiliated companies only.

Revenue Structure

Unit: Baht Million

Product line / Business Group	Operate by	% Shareholding By Company	2014		2013		2012	
			Revenue	%	Revenue	%	Revenue	%
Healthcare	Bumrungrad Hospital Pcl.		15,135	95.1	14,008	95.6	12,662	90.2
Healthcare	Vitalife Corporation Ltd.	100.0	225	1.4	243	1.7	194	1.4
Healthcare	Seoul Senior Towers LLC	40.8	212	1.3	-	-	-	-
Total Healthcare			15,572	97.9	14,251	97.3	12,856	91.6
Rental	Bumrungrad Hospital Pcl.		58	0.4	94	0.6	125	0.9
Rental	Ruenmongkol Co., Ltd.	100.0	-	0.0	1	-	1	-
Total Rental			58	0.4	95	0.6	126	0.9
Others	Bumrungrad Hospital Pcl.		262	1.6	280	1.9	1,048	7.5
Others	Vitalife Corporation Ltd.	100.0	4	0.0	5	0.1	4	-
Others	Asia Global Research Ltd.	100.0	12	0.1	18	0.1	7	-
Others	Ruenmongkol Co., Ltd.	100.0	-	-	2	-	-	-
Others	Health Horizons Enterprises Pte. Ltd.	80.0	1	0.0	-	-	-	-
Others	Bumrungrad Personnel Development	100.0	1	0.0	-	-	-	-
Total Others			280	1.8	305	2.1	1,059	7.5
Total			15,910	100.0	14,651	100	14,041	100

The Hospital's Services:

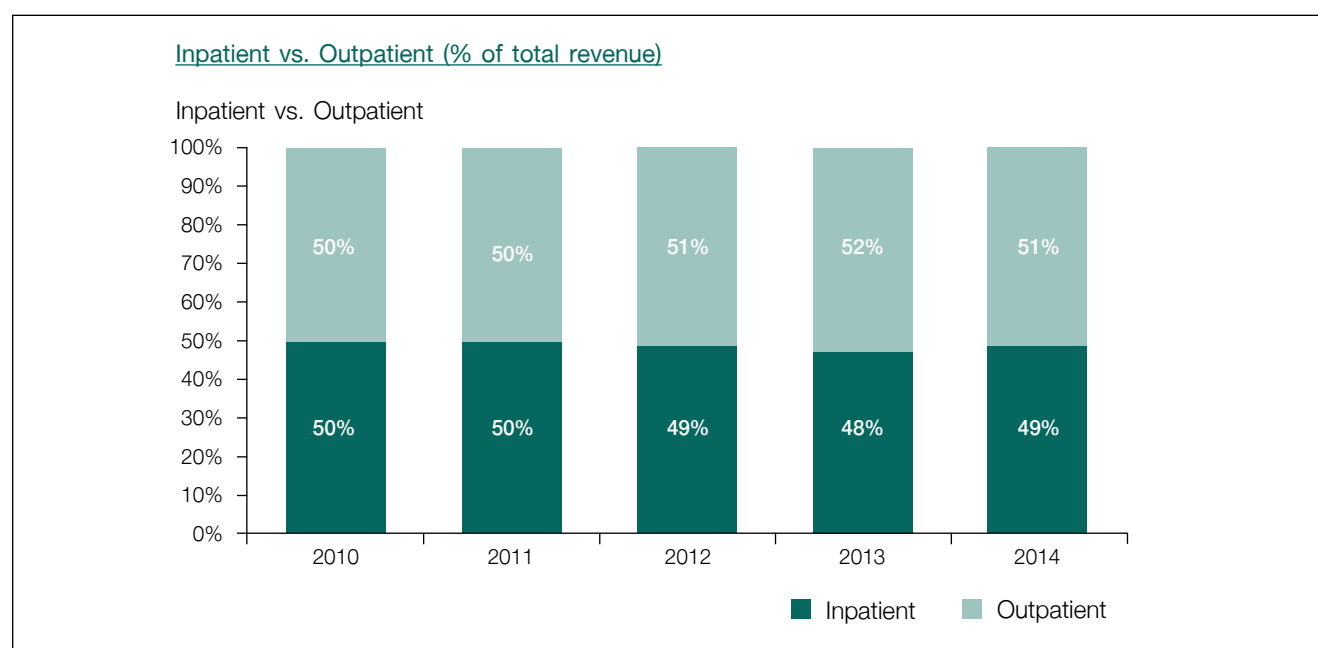
The services of Bumrungrad International Hospital, Bangkok can be detailed as follows:

1. Outpatient service has 39 clinics center with 276 examination rooms, and capacity to serve over 5,500 outpatients per day, with the following details:

- Allergy Center
- Arrhythmia Center
- Breast Care Clinic
- Children's (Pediatrics) Center
- Dental Center
- Diabetes Center
- Diagnostic Center
- Dialysis Center
- Digestive Disease (GI) Center
- Ear, Nose and Throat Center
- Emergency Center
- Eye Center
- Fertility Center & IVF Clinic
- Health Screening Center (Check-up)
- Heart Center
- Horizon Regional Cancer Center
- Hyperbaric Oxygen Therapy
- Hypertension Clinic
- Intensive Care Unit (ICU)
- Medical Clinics (Internal Medicine)
- Joint Replacement Center
- Memory Clinic
- Men Center
- Neuroscience Center
- Nephrology (Kidney) Center
- Orthopedic Center
- Parkinson's Disease and Movement Disorders Clinic
- Perinatal Center
- Physical Therapy & Rehabilitation
- Plastic Surgery (Cosmetic) Center
- Pulmonary (Lung) Center
- Skin Center (Dermatology)
- Sleep Lab
- Spine Institute
- Surgical Clinics
- Travel Medicine Center
- Urology Center
- Wellness & Anti-aging (Vitallife)
- Women Center

2. Licensed capacity for inpatient service totals 580 beds, of which including ward beds and intensive care beds.

In 2014, the Company treated a total of over 1.1 million medical episodes. The revenue contributions by inpatient and outpatient in 2014 are as follows:

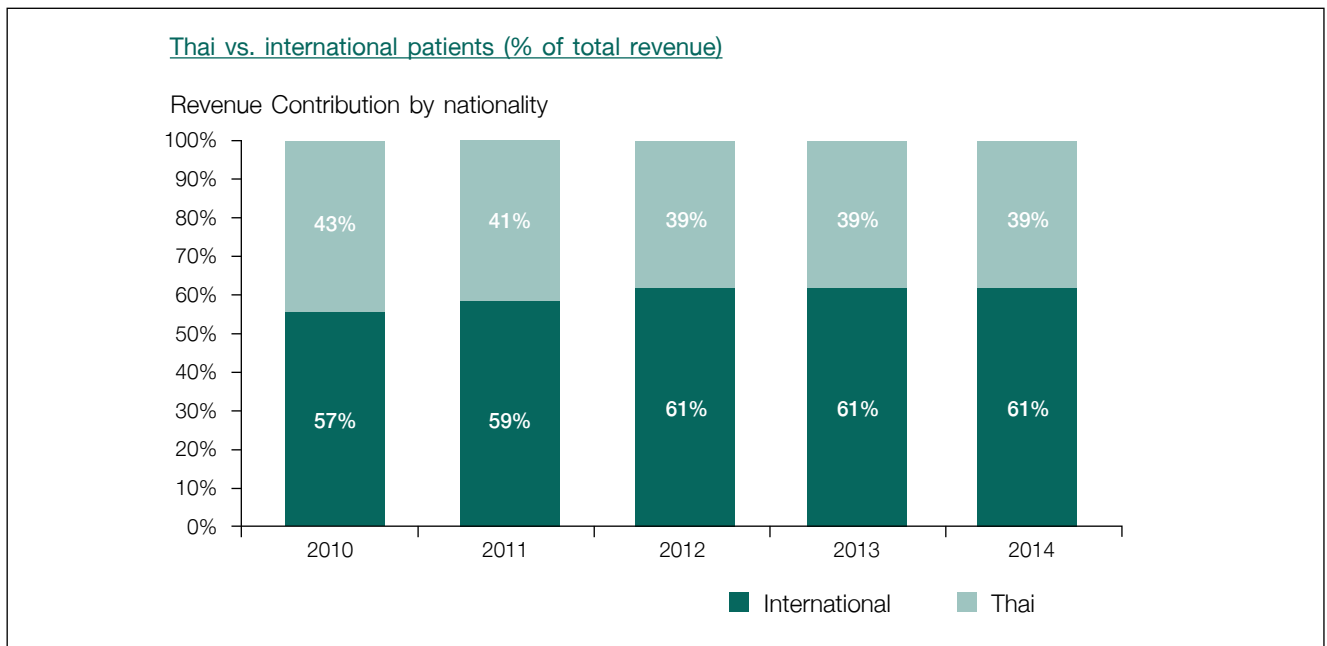


International Patient Services:

The Company has a strong and successful track record in increasing its share 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 26 overseas referral offices in 17 countries.

In 2014, Bumrungrad International Hospital treated over 516,000 international medical episodes from over 200 countries. The top three highest revenue contributors by country are Myanmar, the United Arab Emirates and Oman.

The following graph shows the historical revenue contribution of international patients over the past five years.



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

The Bangkok Facility:

At present, the hospital's services are conducted in five 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 580.
3. **BH Residence Building** offers space on the Bangkok campus for support functions and 7 floors of parking spaces.
4. **Vitalife Building** is occupied by Vitalife Corporation Limited which provides preventive care services targeted at health-conscious individuals.
5. **Bumrungrad Tower** accommodates back office functions and employee housing for over 1,000 nurses.

The Ulaanbaatar Songdo Hospital in Mongolia:

At present, the hospital's services are offered in the 8-storey building + basement, with 98 inpatient beds.

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 are expanding.

In 2014, the political environment in Thailand that began in 1Q14 contributed to weak volumes and lower revenue intensity, particularly in the first half of the year. Volumes from the international market segment have been significantly more impacted than volumes from the Thai and expat market segments during this period as some countries had travel warnings to Thailand. The situation improved with the new interim government taking control, and by Q4 2014 volume growth returned, partly driven by a recovery in external demand and also due to the Company's business strategies. Economic and consumer income growth, together with an aging population has 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. 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 developed. 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, South Korea, Turkey and Latin America. One reason for our acquisition of Ulaanbaatar Songdo Hospital in Mongolia was to more effectively compete with South Korea for referrals from Mongolia.

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 26 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 more than 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 26 referral offices in 17 countries.

Sources of Products and Services

Bumrungrad International Hospital, Bangkok

Capacity

As at 31 December

Inpatients	2014	2013	2012
Total number of licensed beds*	580	563	538
Beds in operation*	565	543	487
Weighted total capacity**	204,218	179,458	178,242
Occupied beds per year (beds)	135,342	134,908	138,580
Weighted capacity Utilization (percent)	66.27	75.18	77.75

* In April 2014, the Company has increased the licensed beds to 580 and operational beds to 565

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

As at 31 December

Outpatients	2014	2013	2012
Capacity per day (persons)*	5,500	5,500	4,500
Average outpatients per day (persons)	2,976	3,021	3,017
Weighted Capacity Utilization (percent)	54.11	59.43	67.04

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.

The domestic political turbulence stopped Thailand GDP growth at the end of 2013 and turned it negative in the first quarter of 2014. This affected local consumers' medical decisions, particularly about less serious treatment. Protests and economic uncertainty cause many people to postpone routine care.

The political situation and the negative international economic environments also were the additional factors which affected international medical travel decisions as it triggered fears about Thailand's safety and in some cases prompted travel bans from key international source markets.

In order to minimize risk, our strategy does not rely on high volume, low intensity healthcare. It is about serious medical concerns. The more serious the concern, the more patients and their families want to be cared for by the hospital they believe to be the best in the region. Moreover, the Company maintains a balanced portfolio of international and Thai patients so that our hospital 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 and attract doctors of the highest caliber (especially sub-specialty experts), providing an ideal professional and clinical environment. We invested in up-to-date equipment and information technology (such as the advance-based diagnose and treatment plans for Oncology – IBM Watson system), upgraded and expanded both inpatient and outpatient facilities as well as continuously improved its quality of care and maintained to develop a sustainable leadership and experienced staff.

The Company's Bangkok hospital was the first hospital in Asia to receive US standard accreditation from Joint Commission International Accreditation (JCIA) and 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, we developed the network relationships with many hospitals to refer complicated cases therefore Bumrungrad Hospital has a strong client base of referral patients both from within Thailand and internationally.

Shortage of professional staff

The hospital business requires a large number of professional 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. Bumrungrad Hospital

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.

Moreover, in 2014, the Company contributed to an academic collaboration with Si. Louis College's nursing program that opens a new pipeline for top nursing school graduates, including opened an innovative Simulation Lab for nurse training, the first such facility at a private hospital in Thailand.

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, Bumrungrad Hospital has implemented a quality management system to ensure that the risk of mistakes by BH personnel are 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 30 December 2014 is as follows:

Shareholder	Number of shares*	Shareholding** (%)
1. Bangkok Dusit Medical Services PCL.	174,850,200	23.95
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	8.33
5. Thai NVDR Co., Ltd	25,804,560	4.54
6. Wattanasophonpanich Co., Ltd	25,121,875	3.58
7. State Street Bank Europe Limited	20,274,116	2.37
8. BNP Paribas Securities Services Luxembourg	14,958,400	2.10
9. Social Security Office	14,400,658	2.05
10. GIC Private Limited – C	14,305,225	1.53
Total	523,660,668	71.73

* 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 25 February 2015, the Board of Directors approved, subject to shareholders' approval in shareholders' meeting to be held on 29 April 2015, a dividend payment for the year 2014 to preferred and ordinary shareholders at the rate of Baht 1.95 per share, totaling Baht 1,423.60 million, which is a 52.0% pay-out ratio. The Company already paid an interim dividend of Baht 0.70 per share, totaling Baht 511.04 million, on 5 September 2014. The remaining dividend payment of Baht 1.25 per share, amounting to Baht 912.57 million, will be paid on 14 May 2015, after the shareholders' approval.

For the year 2013, the Company paid dividend of Baht 1.90 per share, totaling Baht 1,387.10 million, or 55.0% 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 Sophonpanich	Chairperson, Chairperson of the Investment Committee	4	4
2	Dr. Charvit Tanphiphat, MD	Vice Chairperson, Member of the Nomination and Remuneration Committee	4	4
3	Mrs. Linda Lisahapanya	Director, Member of the Investment Committee, Managing Director	4	4
4	Dr. Dhanit Dheandhanoo, MD	Director	1	1
	Dr. Num Tunthuwanit, MD*	Director, Hospital Chief Executive Officer	3	2
5	Mr. Chong Toh	Director, Member of the Nomination and Remuneration Committee, Member of the Investment Committee	4	2
6	Dr. Sinn Anuras, MD	Director, Group Medical Director	4	4
7	Dr. Suvarn Valaisathien	Director, Member of the Investment Committee	4	4
8	Ms. Sophavadee Uttamobol	Independent Director, Chairperson of the Audit Committee	4	4
9	Mr. Soradis Vinyaratn	Independent Director, Member of the Audit Committee	4	4
10	Mr. Prin Chirathivat	Independent Director, Member of the Audit Committee	4	4
11	Mrs. Aruni Kettratad	Independent Director, Chairperson of the Nomination and Remuneration Committee	4	4

Remark: Dr. Num Tunthuwanit, MD was appointed as a director of the Company by the approval of AGM No.21/2014 (29 Apr. 2014), effective date 1 May 2014 (in replacement of Dr. Dhanit Dheandhanoo, MD who is retired by rotation and reach a retirement age under the Board of Director's Charter).

Mr. Banphot Kittikinglert, 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 2014 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 |

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:
 - 9.1) Approving the internal audit charter
 - 9.2) Approving the risk based internal audit plan
 - 9.3) Approving the internal audit budget and resource plan
 - 9.4) 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
 - 9.5) Approving all decisions regarding the performance evaluation, appointment and removal of head of corporate internal audit
 - 9.6) Approving the remuneration, including the annual compensation and salary adjustment, of head of corporate internal audit
 - 9.7) 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

Nomination and Remuneration Committee

The Nomination and Remuneration Committee as at 31 December 2014 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 Kittikinglert, 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 2014, comprises the following:

1.	Dr. Visuit	Vivekaphirat, MD	Chairperson
2.	Dr. Num	Tanthuwanit, MD	Secretary, Ex officio
3.	Dr. Chanvit	Tanphiphat, MD	Member
4.	Dr. Jitra	Anuras, MD	Member
5.	Dr. Oradee	Chandavas, MD	Member
6.	Dr. Roekchai	Tulyapronchote, MD	Member
7.	Dr. Rujapong	Sukhabote, MD	Member
8.	Dr. Sira	Sooparb, MD	Member
9.	Dr. Winyou	Ratanachai, MD	Member
10.	Ms. Sophavadee	Uttamobol	Member
11.	Dr. Sinn	Anuras, MD	Ex officio
12.	Mrs. Artirat	Charukitpipat	Ex officio
13.	Ms. Jiraporn	Lekdumrongsak	Ex officio
14.	Dr. Korpong	Rookkapan, MD	Ex officio
15.	Mr. Somsak	Vivattanasinchai	Ex officio
16.	Ms. Varanya	Seupsuk	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 2014 comprises the following:

- | | | | |
|----|--------------------|--------------|---|
| 1. | Mr. Chai | Sophonpanich | Chairperson of the Investment Committee |
| 2. | Mrs. Linda | Lisahapanya | Member of the Investment Committee |
| 3. | Mr. Chong | Toh | Member of the Investment Committee |
| 4. | Dr. Suvarn | Valaisathien | Member of the Investment Committee |
| 5. | Mr. Dennis Michael | Brown | Member of the Investment Committee |

Term of the Investment Committee

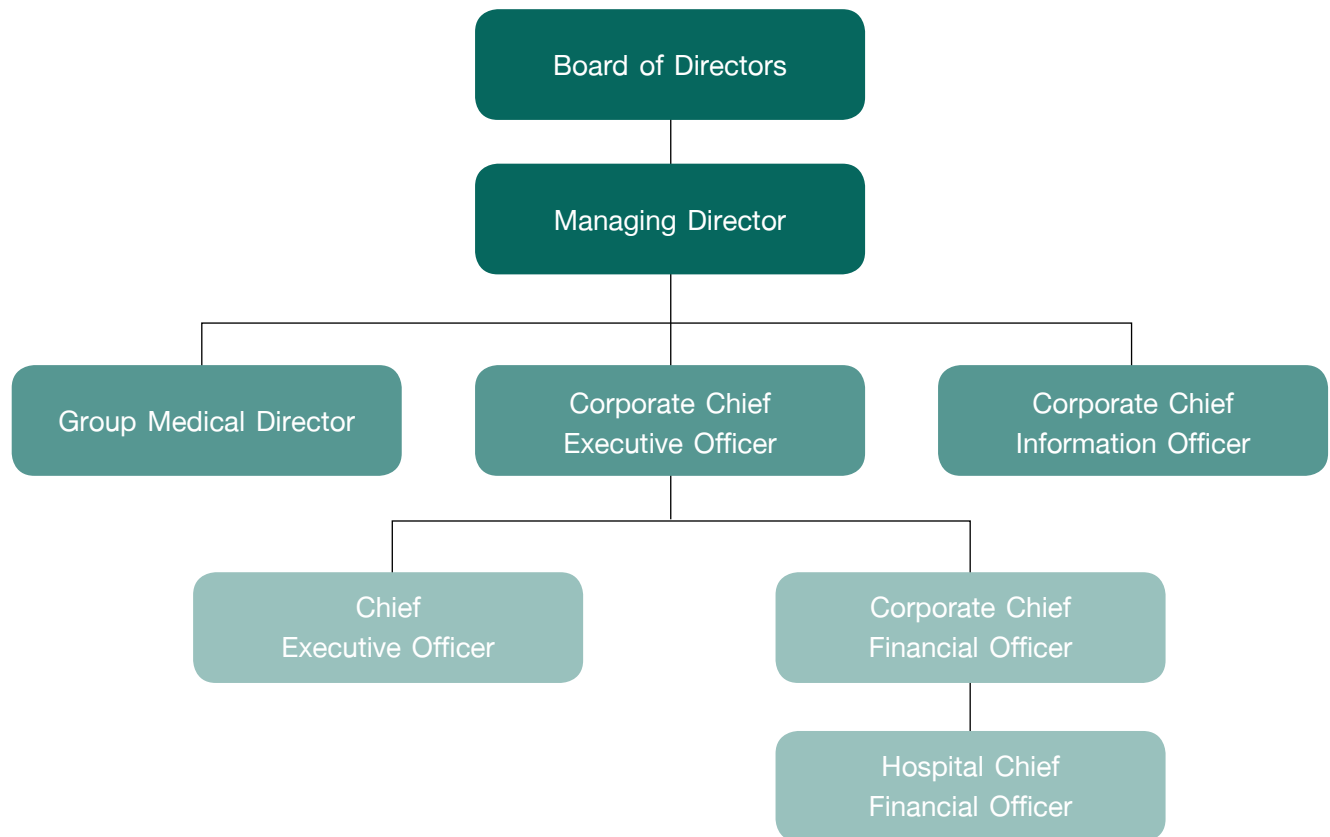
The Investment Committee has a term of three years. Members of the Investment Committee may be re-elected upon expiration of the term.

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 2014 consists of the following:

- | | | |
|-----------------------|------------------|-------------------------------------|
| 1. Mrs. Linda | Lisahapanya | Managing Director |
| 2. Dr. Sinn | Anuras, MD | Group Medical Director |
| 3. Mr. Dennis Michael | Brown | Corporate Chief Executive Officer |
| 4. Mr. Dickon | Smart-Gril | Corporate Chief Information Officer |
| 5. Mr. Kenneth | Love | Corporate Chief Financial Officer |
| 6. Dr. Num | Tanthuwanit, MD | Chief Executive Officer |
| 7. Mr. Somsak | Vivattanasinchai | Hospital Chief Financial Officer |

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 (appointment date: 30 April 2013) Chairperson of the Investment Committee	72	<ul style="list-style-type: none"> - 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 	1.463	<ul style="list-style-type: none"> - Spouse of Mrs. Linda Lisahapanya's sister - Father of Mr. Chong Toh's spouse 	<ul style="list-style-type: none"> - 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 Tanphiphat, MD Vice Chairperson of the Board of Directors (appointment date: 30 April 2013) Member of the Nomination and Remuneration Committee	71	<ul style="list-style-type: none"> - 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 	0.063	-	<ul style="list-style-type: none"> - Professor Emeritus, Department of Surgery, Faculty of Medicine, Chulalongkorn University
3. Mrs. Linda Lisahapanya Director (appointment date: 25 April 2012) Member of the Investment Committee Managing Director	62	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - Managing Director, Bumrungrad Hospital Pcl.
4. Dr. Sinn Anuras, MD Director (appointment date: 30 April 2013) Group Medical Director	73	<ul style="list-style-type: none"> - Doctor of Medicine, Chulalongkorn University - Board Certifications: <ul style="list-style-type: none"> - American Board of Internal Medicine - American Board of Gastroenterology 	-	-	<ul style="list-style-type: none"> - 1987 – 1994 Professor and Vice Chairperson of Medical Affairs, University Medical Center, Lubbock, Texas, USA

* Shareholding as at 30 December 2014, including both preference and ordinary shares, and shares held by spouse and minors.

Name / Position	Age	Education	Shareholding* (%)	Family Relationship between Management	Work Experience
5. Mr. Chong Toh Director (appointment date: 27 April 2011) Member of the Nomination and Remuneration Committee Member of the Investment Committee	46	<ul style="list-style-type: none"> - 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 	-	- Spouse of Mr. Chai Sophonpanich's daughter	<ul style="list-style-type: none"> - 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.
6. Dr. Num Tanthuwani, MD Director (appointment date: 29 April 2014) Hospital Chief Executive Officer, Bumrungrad International Hospital, Bangkok	41	<ul style="list-style-type: none"> - Master of Science in Management Stanford University - M.D., Faculty of Medicine, The University of Melbourne, Australia - Fellow of The Australasian Faculty of Rehabilitation Medicine, The Royal Australasian College of Physicians, Australia - Diploma of Thai board of Physical Medicine and Rehabilitation - Special Clinical Trainings: Clinical Exercise Specialist, American College of Sport Medicine and Cardiac Rehabilitation, USA 	-	- Spouse of Mr. Chai Sophonpanich's daughter	<ul style="list-style-type: none"> - 2014 – present Chief Executive Officer, Bumrungrad Hospital Pcl. - 2012 – 2014 Medical Director, Bumrungrad Hospital Pcl. - 2011 – 2012 Associated Medical Director, Bumrungrad Hospital Pcl. - 2009 – 2011 General and Rehabilitation Physician, Bumrungrad Hospital Pcl. - 2006 – 2009 General and Rehabilitation Physician, Chandarubeksa Hospital, Kampaengsan Royal Thai Air Force Base. - 1997 – 2006 Consultant Physician in Rehabilitation Medicine,

* Shareholding as at 30 December 2014, including both preference and ordinary shares, and shares held by spouse and minors.

Name / Position	Age	Education	Shareholding* (%)	Family Relationship between Management	Work Experience
7. Dr. Suvarn Valaisathien Director (appointment date: 27 April 2011) Member of the Investment Committee	69	<ul style="list-style-type: none"> - Ph.D. in Law, Gorge Washington University - LL.M, Harvard University - Barrister, Thai Bar Association - First honored LL.B, Chulalongkorn University 	0.006	-	<ul style="list-style-type: none"> - 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
8. Ms. Sophavadee Uttamobol Independent Director (appointment date: 27 April 2011) Chairperson of the Audit Committee	54	<ul style="list-style-type: none"> - 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 	-	-	<ul style="list-style-type: none"> - 2001 - Present Director, S&P Syndicate Pcl. - 1991 - Present Legal Consultant, Damrongtham Law Office

* Shareholding as at 30 December 2014, including both preference and ordinary shares, and shares held by spouse and minors.

Name / Position	Age	Education	Shareholding* (%)	Family Relationship between Management	Work Experience
9. Mr. Prin Chirathivat Independent Director (appointment date: 25 April 2012) Member of the Audit Committee	52	<ul style="list-style-type: none"> - 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	-	<ul style="list-style-type: none"> - 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) <p>Work Experience</p> <ul style="list-style-type: none"> - Director, General Card Services Co.,Ltd. - Director, Indhra Insurance Pcl. - Director, Dhananitr Factoring Pcl. - Director, Malee Sampran Pcl.
10. Mr. Soradis Vinyaratn Independent Director (appointment date: 25 April 2012) Member of the Audit Committee	74	<ul style="list-style-type: none"> - Bank Management, City of London College of Banking, London, United Kingdom - Director Accreditation Program, Class CP/2005, Thai Institute of Directors 	-	-	<ul style="list-style-type: none"> - 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 (appointment date: 30 April 2013) Chairperson of the Nomination and Remuneration Committee	67	<ul style="list-style-type: none"> - 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 	-	-	<ul style="list-style-type: none"> - 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 30 December 2014, including both preference and ordinary shares, and shares held by spouse and minors.

Management

Name / Position	Age	Education	Shareholding* (%)	Family Relationship between Management	Work Experience
1. Mrs. Linda Lisahapanya Director Member of the Investment Committee Managing Director	62	- 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. Sinn Anuras, MD Director Group Medical Director	73	- 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
3. Mr. Dennis Michael Brown Member of the Investment Committee Corporate Chief Executive Officer	60	- 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 CEO, Bumrungrad Hospital Pcl. - 2006-2011 CEO, Bumrungrad International Limited - 2004-2006 CEO, Bumrungrad International Hospital, Bangkok - 1980-1984, 1985-2003 Senior Vice President, Operations Northern Region, Tenet Healthcare Corporation - CEO, Australian Medical Enterprises, Australia - CEO, Mount Elizabeth Hospital, Ltd.
4. Mr. Dickon Smart-Grill Corporate Chief Information Officer	41	- Bachelors of Science in Computation, University of Manchester (UMIST), England	-	-	- 2013 - Present Corporate Chief Information Officer, Bumrungrad Hospital Pcl. - 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 30 December 2014, including both preference and ordinary shares, and shares held by spouse and minors.

Name / Position	Age	Education	Shareholding* (%)	Family Relationship between Management	Work Experience
5. Mr. Kenneth Love Corporate Chief Financial Officer	65	<ul style="list-style-type: none"> - Bachelor of Science in Commerce and Accounting, Bellarmine University in Kentucky - US- Certified Public Accountant in 1980, Bellarmine University in Kentucky 	-	-	<ul style="list-style-type: none"> - 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
6. Dr. Num Tanthuwant, MD Director (appointment date: 29 April 2014) Hospital Chief Executive Officer, Bumrungrad International Hospital, Bangkok	41	<ul style="list-style-type: none"> - Master of Science in Management Stanford University - M.D., Faculty of Medicine, The University of Melbourne, Australia - Fellow of The Australasian Faculty of Rehabilitation Medicine, The Royal Australasian College of Physicians, Australia - Diploma of Thai board of Physical Medicine and Rehabilitation - Special Clinical Trainings: Clinical Exercise Specialist, American College of Sport Medicine and Cardiac Rehabilitation, USA 	-	- Spouse of Mr. Chai Sophonpanich's daughter	<ul style="list-style-type: none"> - 2014 – present Chief Executive Officer, Bumrungrad Hospital Pcl. - 2012 – 2014 Medical Director, Bumrungrad Hospital Pcl. - 2011 – 2012 Associated Medical Director, Bumrungrad Hospital Pcl. - 2009 – 2011 General and Rehabilitation Physician, Bumrungrad Hospital Pcl. - 2006 - 2009 General and Rehabilitation Physician, Chandarubeksa Hospital, Kampaengsan Royal Thai Air Force Base. - 1997 - 2006 Consultant Physician in Rehabilitation Medicine,
7. Mr. Somsak Vivattanasinchai Hospital Chief Financial Officer, Bumrungrad International Hospital, Bangkok	49	<ul style="list-style-type: none"> - MBA, Executive Program, Kasetsart University - BBA, Accounting, Bangkok University - Certified Public Accountant (CPA No. 4011) 	-	-	<ul style="list-style-type: none"> - July 2013 - present Hospital Chief Financial Officer, Bumrungrad Hospital Pcl. - 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 30 December 2014, 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	
	BHPCL		VTL	AGH	AGR	RM	LLL	BHPDC	VTLAG	HHE	BML	SST	BHPDTC	BIL
1. Mr. Chai Sophonpanich	X		X											
2. Mrs. Linda Lisahapanya	/		/	/	/		/		/					
3. Dr. Sinn Anuras, MD	/			X	/					/	/			/
4. Mr. Dennis Michael Brown														
5. Mr. Mack Banner			/											
6. Mr. Bernard Charnwut Chan										/		/		/
7. Mr. Daniel Gillespie														/
8. Dr. Jennifer Lee, MD														/
9. Mr. Yanchai Tantirapong														/
10. Ms. Varanya Seupsuk						/								
11. Mr. Kittiphan Leepipatanawith						/								
12. Mr. Kamonsak Reungjarearnung								/					/	
13. Mrs. Artirat Charukitpipat							/	/					/	
14. Mr. Fritz Scharer									/					
15. Mr. Etienne Armand Bernath									/					
16. Mr. Peter E. Bodmer									/					
17. Dr. Narintara Boonjongcharoen												/		
18. Dr. Boldsakhan Bundan													/	
19. Mr. Lim Seng Bee										/				

Notes:

1. / = Director X = Chairman // = Management
 2. Bumrungrad Hospital Public Co., Ltd. = BHPCL
 3. Vitallife Corporate Limited = VTL
 4. Asia Global Health Co., Ltd. = AGH
 5. Asia Global Research Co., Ltd. = AGR
 6. Ruenmongkol Co., Ltd. = RM
 7. Life and Longevity Co., Ltd. = LLL
 8. Bumrungrad Personnel Development Center Co., Ltd. = BHPDC
 9. Vitallife International AG = VTLAG
 10. Health Horizons Enterprises Pte. Ltd. = HHE
 11. Bumrungrad Mongolia LLC. = BML
 12. Soul Senior Tower LLC. = SST
 13. Bumrungrad Personnel Development and Training Center Co., Ltd. = BHPDTC
 14. Bumrungrad International Limited = BIL
 15. 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.

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 percent 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 2014 for 11 directors are as follows:

Name	Board of Directors				Audit Committee		Nomination and Remuneration Committee		Total Remuneration
	Number of Meetings	Annual Remuneration	Meeting Remuneration	Total	Number of Meetings	Meeting Remuneration	Number of Meetings	Meeting Remuneration	
1 Mr. Chai Sophonpanich	4/4	600,000	160,000	760,000					760,000
2 Dr. Charvit Tanhiphat, MD	4/4	450,000	120,000	570,000			1/1	25,000	595,000
3 Mrs. Linda Lisahapanya	4/4	400,000	100,000	500,000					500,000
4 Dr. Dhanit Dheandhanoo, MD	1/1	133,333	25,000	158,333					158,333
Dr. Num Tanthuanit, MD	2/3	266,667	50,000	316,667					316,667
5 Mr. Chong Toh	2/4	400,000	50,000	450,000			1/1	25,000	475,000
6 Dr. Sinn Anuras, MD	4/4	400,000	100,000	500,000					500,000
7 Dr. Suvam Valaisathien	4/4	400,000	100,000	500,000					500,000
8 Ms. Sophavadee Uttamobol	4/4	400,000	100,000	500,000	4/4	160,000			660,000
9 Mr. Soradis Vinyaratn	4/4	400,000	100,000	500,000	4/4	100,000			600,000
10 Mr. Prin Chirathivat	4/4	400,000	100,000	500,000	4/4	100,000			600,000
11 Mrs. Aruni Kettratad	4/4	400,000	100,000	500,000			1/1	40,000	540,000
Total		4,650,000	1,105,000	5,755,000		360,000		90,000	6,205,000

Remark: Dr. Num Tanthuanit, MD was appointed as a director of the Company by the approval of AGM No.21/2014 (29 Apr. 2014), effective date 1 May 2014 (in replacement of Dr. Dhanit Dheandhanoo, MD who is retired by rotation and reach a retirement age under the Board of Director's Charter).

In 2014, the Investment Committee held 2 meetings. Total remuneration of Baht 0.28 million was paid to the members of the Investment Committee.

In 2014, the Governing Board held 6 meetings. Total remuneration of Baht 0.68 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 the shareholders.

Remuneration of Management

In 2014, the total remuneration of 8 executive positions of the Company and its subsidiaries amounted to Baht 144.079 million. The Company and its subsidiaries had employee benefit expense payable to their directors and management as follows:

Short-term employee benefits	Baht	135.020	million
Long-term employee benefits	Baht	0.007	million
Termination benefits	Baht	9.052	million
Total	Baht	144.079	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 2014, 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 8.5 Internal Control of Information. 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 2014), roadshows and investor conferences, both in Thailand and overseas, including Singapore and

Hong Kong (three times in 2014) and investor meetings and conference calls (67 times in 2014). 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/investor.

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 2014, there are 11 directors, as follows:

1. Non-executive directors: Four non-executive directors, which are Mr. Chai Sophonpanich, Dr. Charvit Tanphiphat, MD, Mr. Chong Toh, and Dr. Suvarn Valaisathien
2. Executive directors: Three executive directors, including Mrs. Linda Lisahapanya, Dr. Sinn Anuras, MD., and Dr. Num Tanthuanit, 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 Kittikinglert 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 2014, 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 8.3 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 2014, the Nomination and Remuneration Committee held 1 meeting 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 three directors, six management, and seven physicians. In 2014, 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 2014, the Investment Committee held 2 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 2014, there were 4 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 2014 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, 9 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		/				
Dr. Num Tanthuwani, MD			/			
Mr. Chong Toh			/			
Ms. Sophavadee Uttamobol	/		/	/		
Mr. Soradis Vinyaratn			/			
Mr. Prin Chirathivat	/	/	/	/		
Dr. Suvann Valaisathien			/			
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 - 2014. 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 2014, 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 as shown in the Appendix 3 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 Party Transactions

Related Company	Relationship	Description	Amount (Baht Million)		Pricing Policy	Reason for the Transaction
			For the year ended 2014	For the year ended 2013		
Bangkok Insurance PCL. (BKI)	Common director, and BKI was the major shareholder of the Company, with 14.62 % shareholding as at 31 December 2014 (14.62 % as at 31 December 2013)	Revenues - Revenues from hospital services received from BKI	15.1	12.4	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 and was conducted in a normal course of business of the Company.
		Expenses - Insurance fees which the Company and subsidiaries paid to BKI	32.4	31.7	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 and was conducted in a normal course of business of the Company.
		Borrowing of Money - The Company issued and offered 100,000 units of the Debentures of Bumrungrad Hospital Public Company Limited No.1/2011 Series 1 Due A.D. 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 A.D. 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 2014	For the year ended 2013		
		<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 A.D. 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 A.D. 2018 with the par value of Baht 1,000 each and interest rate of 4.59%	8.7	8.7	The Interest rate was fixed by the terms and conditions of the Debenture which is 4.13 and 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.
Bangkok Life Assurance PCL. (BLA)	Common director	<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 A.D. 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 A.D. 2021 with the par value of Baht 1,000 each	37.5	37.5	The Interest rate was fixed by the terms and conditions of the Debenture which is 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.

Related Company	Relationship	Description	Amount (Baht Million)		Pricing Policy	Reason for the Transaction
			For the year ended 2014	For the year ended 2013		
Bangkok Bank PCL. (BBL)	Common director	<u>Revenues</u> - Revenues from hospital services received from BBL.	14.9	13.7	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 reasonable and was conducted in a normal course of business of the Company.
		<u>Revenues</u> - Revenues from hospital services received from BBL	32.0	30.4	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 and was conducted in a normal course of business of the Company.
		<u>Expenses</u> - Bank credit cards commission fees paid to BBL	112.6	102.6	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 and was conducted in a normal course of business of the Company.
		- 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.
		- Interest income on bank deposits	7.4	19.6	2.85%-3.00% per annum as BBL deposit interest rates	The Audit Committee has the opinion that the transaction was reasonable and was conducted in a normal course of business of the Company.

Related Company	Relationship	Description	Amount (Baht Million)		Pricing Policy	Reason for the Transaction
			For the year ended 2014	For the year ended 2013		
		- Rental income of area of BBL branch at Bumrungrad Hospital	2.2	1.7	Charging at normal price and benefits as customers in general.	The Audit Committee has the opinion that the transaction was reasonable and was conducted in a normal course of business of the Company.
Damrongtham Law Office	Common director	<u>Expenses</u> - Consulting fees on legal paid to Damrongtham Law Office	3.7	10.0	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 and was conducted in a normal course of business of the Company.
Thai Consultant Ltd.	Common director	<u>Expenses</u> - Consulting fees on legal paid to Damrongtham Law Office	0.6	-	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 and was conducted in a normal course of business of the Company.
Bumrungrad International Limited (BIL)	Associated company, in which the Company, at 31 December 2014, has 31.5% shareholding (31 December 2013: 31.5%) and has common directors	<u>Revenues</u> - Consulting fee income on hospital management received from BIL	0.2	0.5	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 and was conducted in a normal course of business of the Company.
		<u>Interest Payment</u> - Interest paid on long-term loan of 176.4 million baht.	2.8	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 reasonable and was conducted in a normal course of business of the Company.

Related Company	Relationship	Description	Amount (Bant Million)		Pricing Policy	Reason for the Transaction
			For the year ended 2014	For the year ended 2013		
The Bumrungrad Hospital Foundation (BHF)	Common director	<u>Revenues</u> - Revenues from hospital services received from BHF	31.9	23.3	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 and was conducted in a normal course of business of the Company.
		- Other revenue from resources used	0.7	0.9	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 reasonable and was conducted in a normal course of business of the Company.
		<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 reasonable and was conducted in a 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	1.4	0.4	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 and was conducted in a normal course of business of the Company.
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	0.6	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 reasonable and was conducted in a normal course of business of the Company.
Bangkok Dusit Medical Services PCL. (BDMS)	BDMS was the major shareholder of the Company, with 23.88% shareholding as at 31 December 2014 (31 December 2013: 23.88%)	<u>Expenses</u> - Radiopharmaceuticals	11.6	9.4	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 and was conducted in a normal course of business of the Company.

Related Company	Relationship	Description	Amount (Bant Million)		Pricing Policy	Reason for the Transaction
			For the year ended 2014	For the year ended 2013		
A.N.B. Laboratories (Amnuay pharmacy) Co., Ltd. (ANB)	Subsidiary company of a major shareholder (Bangkok Dusit Medical Services PCL. or BDMS)	<u>Expenses</u> - Medicine	1.1	2.1	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 and was conducted in a normal course of business of the Company.
National Healthcare Systems Co., Ltd. (NHS)	Subsidiary company of a major shareholder (Bangkok Dusit Medical Services PCL. or BDMS)	<u>Expenses</u> - Laboratory Services	2.6	2.5	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 and was conducted in a normal course of business of the Company.
Phyathai 3 Hospital Co., Ltd.	Subsidiary company of a major shareholder (Bangkok Dusit Medical Services PCL. or BDMS)	<u>Expenses</u> - Laboratory Services	0.3	-	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 and was conducted in a normal course of business of the Company.



Corporate

Social Responsibilities

CORPORATE SOCIAL RESPONSIBILITY

The Company has established Corporate Social Responsibility guidelines as part of the first of four organization values, which is to provide service with compassion. This means that the Company will treat patients, personnel within the organization, the community, and the environment with compassion.

Furthermore, Dr. Num Tanthuanit, the Company's Chief Executive Officer and Chief Medical Director, institutionalized the Company's Corporate Social Responsibility guidelines by establishing the Corporate Communications and Social Responsibility Management Department in November 2014 to oversee and implement Corporate Social Responsibility guidelines both at the organization and the staff levels to be effective in accordance with the organization's values. This also covers coordination of various projects with the Bumrungrad Hospital Foundation and other public charity organizations.

Ethical Business: The Company has Hospital Administration Policies that cover various topics, such as finance, procurement, and supply. The Company determines the procedure in procuring various types of supplies for the Hospital, including equipment and services to be provided in the Hospital. It is done to create fairness for suppliers. The establishment of standards for contracts is to create fairness in negotiations. In order to ensure that the drafting of contracts is done correctly, a control center responsible for writing all of the Hospital's contracts is established. Furthermore, the Company has a Hospital Administration Policy to evaluate and determine the standards of products to be used as guidelines in evaluating quality and satisfaction of all general and medical products by considering the maximum benefit for patients using the services and to maintain the same standard for each supplier. Furthermore, the Company also follows the Principles of Good Corporate Governance, which is disclosed in this report under Section 9 – Corporate Governance.

Anti-Corruption: The Company, along with various organization, has been a member of the Anti-Corruption Network since November 9, 2010. Additionally, the Company also follows the Principles of Good Corporate Governance which is disclosed in this report under Section 9 – Corporate Governance.

Respect for Human Rights: The Company has established the Hospital Administration Policy in Section 1 – Equal Treatment. It specifies that employees, patients, and customers are entitled to fair treatment without discrimination due to race, age, gender, nationality, religion, professional standing, nature of health issues, or economic or social status. This includes Hospital Administration regarding Patients' Rights and Responsibilities, where the Company has already addressed the patients' rights in its policies as a part of quality treatment in terms of providing care to patients. All patients are informed of their rights and responsibilities and the Patients' Rights and Responsibilities are publicly announced in various media as appropriate in order to inform all patients. Additionally, all staff is responsible for informing patients under their care of their rights and responsibilities in an appropriate manner and format. The hospital serves more than one million patients each year from more than 190 countries around the world.

Fair Treatment of Labor: The Company has established the Hospital Administration Policy in Section 6 - Human Resources and Training as a guideline for standard treatment of all of the Company's employees, such as in recruitment and selection, welfare and remuneration policies, awards and recognitions, transfers and promotions, annual performance evaluation of employees, and termination of employment.

Furthermore, the Company follows all applicable laws, such as the Labor Protection Act (3) B.E. 2551 (2008); the Workmen's Compensation Act B.E. 2537 (1994); the Annoucnement of Social Securities Office Regarding the Reporting of Dangerous Occurrences, Disease, and Loss and the Claiming of Compensation According to the Workmen's Compensation Act B.E. 2537 (1994); Ministerial Regulations on the Prescribing of Criteria and Method of Conducting and Forwarding the Result of Employees' Health Check-up B.E. 2547 (2004); and Ministerial Regulation Regarding the Provision of Labor Welfare in the Workplace B.E. 2548 (2005).

The Company was awarded with the "Best Practice Workplace – Labor Relations and Welfare for the Year B.E. 2556 (2013)" Award in the category of "Large Enterprise without Labor Union" from the Ministry of Labor, which it had received for five consecutive years since 2009.

Responsibilities to Consumers: The Company has established the Organization Practice Policy as its first priority in striving to provide services that exceed customers' expectations. Therefore, the Company has established the Hospital Administration Policy in Section 2 - Servicing Patients, who are the direct consumers. The Company groups patients by two classification methods. The First group is classified by patients' nationalities, which can be sub-divided into 1) Thais; 2) Expats who live in Thailand; 3) Foreigners. The Second group is classified by type of services--either 1) Out-patient or 2) In-patient.

The Company prioritizes and emphasizes that patients must receive services of appropriate quality and standards. Thus various standards and regulations relevant to hospitals are applied continuously to the service of the patients. These include Hospital Standards on Patient-Centered Quality Improvement Guideline Golden Jubilee Edition B.E. 2537 (1994), Health Systems Research Institute, the Institute for Health Consumers Protection, and National Public Health; HA Standard and the Consideration Criteria: Hospital-level Integrated Overview B.E. 2543 (2000) from the Institute of Hospital Quality Improvement and Accreditation; Hospital and Health Care Provider Standards (60th Anniversary Celebration of His Majesty Accession to the Throne Edition); Joint Commission International: JCI Standard; International Organization for Standardization (ISO) Standard 15189: Medical laboratories - Particular requirements for quality and competence; Thai Industrial Standards TIS 2276 – 2549: Security Requirements for Medical Laboratory; Guideline in Checking Standard of Service Quality of Health Care Provider Center for the category In-patient Center 2nd Revision and Amendment B.E. 2552 (2009) by the Bureau of Sanatorium Group, Division of Medical Practice, Health Care Service Promotion Department, Ministry of Public Health; Policy in Medical Laboratory Quality Assurance Certification for providing health check-up for candidates seeking overseas employment.

The Hospital's Standards and Regulations in providing services to patients begin before patients come in for service, during the time of service, and after the time of service. Furthermore, the Company has a process to solicit customers' feedback and complaints. This feedback is used in the effort to continually improve customer services by utilizing the PDCA process (Plan, Do, Check, Act).

Environmental Care: The Company has established the Hospital Administration Policy in Section 7 - Environmental Care. Various aspects are covered in this topic, including energy conservation, water supply consumption and procurement, minimization of pollution impact on environment within the hospital, the compliance and evaluation of legal requirements and environmental regulations, the management of safety of construction and renovation sites, and risk evaluation on safety and environment.

The Company follows all applicable environmental laws such as Ministerial Regulation on Infectious Waste Disposal B.E. 2545 (2002) of the Division of Environmental Engineering, Bureau of Environmental Health of the Department of Health of Thailand, Ministry of Public Health; Bangkok Metropolitan Administration Ordinance on Collection, Transport, and Disposal of Solid Waste or Refuse B.E. 2544 (2001) from the Royal Thai Government Gazette March 11, 2002; The Promotion of Environmental Quality Act B.E. 2535 (1992); Notification of Ministry of Natural Resources and Environment on Designation of Building Types that are the sources of pollution which must be controlled in term of releasing waste water to public water or to the environment; the Vienna Convention on the Protection of Ozone Layer; and the Montreal Protocol on Stop Using of Substances That Deplete the Ozone Layer.

Community and Social Responsibility: The Company has initiated a number of important social responsibility projects during the past year as follows:

Health Promotion Projects

1. "Rak Jai Thai" Project: This is the project operated by the Bumrungrad Hospital Foundation and the Company. It was launched in 2003 to provide free heart surgery for underprivileged children born with heart defects or with valvular heart disease who lack financial means or have no access to the needed surgical treatment. A typical heart surgery normally costs about 650,000 baht per patient. In 2014, the program provided surgery to 41 patients. A total of 702 patients have received heart surgeries under this program since its inception until 2014.

2. Upcountry Mobile Free Clinic Project

- A team of medical doctors and volunteers of Bumrungrad International, along with Mr. Chai Sophonpanich and the management and staff from Bangkok Insurance Public Co. Ltd., launch a mobile clinic once a year to provide free treatment to approximately 1,000 villagers in Sakon Nakorn Province. Furthermore, there is a project initiative to provide handicraft training for housewives' group in Nong Kong Village in Mukdahan Province, so as to be a supplementary source of income to a large number of impoverished families.
- Mobile medical team servicing people at Nong Hang Village School, Nong Kham Sub-district, Nong Ya Sai District, Suphanburi Province.
- Mobile medical team servicing people at Nong Phai Kaew Village School, Nong Hiang Sub-district, Panasnikhom District, Chonburi Province.

3. Bangkok Mobile Free Clinic Project

- Thomson Fund Mobile Free Clinic

This project is sponsored by the Thomson Fund and supported by Bumrungrad Hospital Foundation and the Company since 2001. This is the service where the medical team has provided free mobile medical care services everyday for free medical check-up and treatment to underprivileged population who lives in the 40 communities in Bangkok Metropolitan Areas. This year, 2014, this mobile free clinic has provided check-up and treatment to 22,925 patients; and we also have donated 6,257 bags of 5-kilogram rice.

- Provided flu vaccinations to 130 children from Pre-school Children Development Center of Makkasan Community.

Health Education Promotion Project

This is the Company's CSR effort, focusing on providing health education to the population through various projects and activities, including exhibitions and seminars promoting health education throughout the year. The education on health is given to students in various schools and via creation of education material such as Better Health Magazine, and health care booklets. The health promotion information is published in various media including online and print media.

Other Social Support Projects

- Donation of 2,000 cool towels for use in the Royal Ceremony when His Majesty the King and Her Majesty the Queen performed the rite to celebrate the Nine-tiered white umbrella and the Royal Regalia, on the auspicious occasion of the Royal Coronation Commemorating Day, at Rajpracha Samakhom Pavilion, Klai Kangwon Palace, Hua Hin District, Prachuap Khiri Khan Province on Monday May 5, 2014.
- Donation of 200 household medicine sets to the Ministry of Public Health to later give to people.
- Organized Blood Donation Project in joint effort with National Blood Center, the Red Cross, for employees and customers, four times in this year.



Bumrungrad executives and staff provided gifts to over 170 underprivileged children at Pre-School, Children Development Center, Makkasan Community, Bangkok on National Children's Day.

- “Ruam Rang Ruam Jai with Bhappy 3” Project is a joint effort among volunteers from the Bumrungrad Hospital Public Co. Ltd, Bangkok Life Insurance Public Co. Ltd, and Bangkok Insurance Public Co. Ltd. This project is created to jointly organize CSR activities every year. The activities are such as “Ploy Poo, Plook Pa, Pa Ploen” (Enjoying the Releasing Crabs and Reforestation) at The Sirindhorn International Environmental Park, Rama VI Camp, Cha-am District, Petchaburi Province; and “Tam Fhun, Pan Yim, Pua Nong” (Painting Dream, Sharing Smile for Youth) in order to improve the environment of Nong Phai Kaew Village School at Nong Hiang Sub-district, Panasnikhom District, Chonburi Province, during the Free Mobile Clinic Mobilization.
- Trash collection and public waterway clean-up activity at the public waterway adjacent to the Bumrungrad Hospital.
- “Happy Cycling, Happy Heart,” is a charity activity to celebrate Bumrungrad Hospital’s 34th anniversary in order to sponsor the fulfillment of providing surgery for 700 underprivileged children with congenital heart conditions at the Vachirabenjatas Park (Rot Fai Park).
- Providing fire victims relief to 20 household fire victims in the Makkasan Communities where there are more than 120 who are effected by providing mobile medical team. In addition, drinking water and rice from Thomson Fund were donated to the community’s representative.
- Donated Automatic External Defibrillator (AED) for the emergency first aid for the use with customers at the Suvarnabhumi Airport.
- Created music CDs for the song “Hai Hua Jai...Nam Thang 4,” the proceed was donated for the “Rak Jai Thai,” of the Bumrungrad Hospital Foundation for sponsoring the surgery of underprivileged children born with heart defects.
- Provided the service of mobile first aid unit with emergency vehicle for any organization that organized public social events, who requests for the service.

In 2014, the Company also recieved an award from the American Chamber of Commerce in Thailand (AMCHAM) for Best Organization in Corporate Social Responsibility Program for the second year in a row since it has continuously carried out CSR projects, such as providng free surgeries to underprivileged children born with heart defects. This proves that the organization is committed to its CSR policies.

Roles in CSR Organizations

- Founding Committee of CSR Club, Thai Listed Companies Association
- Committee of the Thai Environmental and Community Development Association (Magic Eye)

Bumrungrad provide flu vaccinations to underprivileged children nearby Makkasan Community on its 34th Anniversary.





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