



Bumrungrad
International
HOSPITAL



Annual Report 2015

Bumrungrad Hospital Public Company Limited

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MESSAGE FROM THE CHAIRMAN



A handwritten signature in black ink, which appears to be 'Chai Sophonpanich'.

Mr. Chai Sophonpanich
Chairman

2015 was a very strong year for Bumrungrad with record revenues observed in both the International and Thailand resident patient segments. The business again produced consistent results in the form of record revenue, EBITDA and profit. Specifically we saw our net profit climb over last year as more patients with complicated illnesses chose to come to Bumrungrad for treatment.

The strategy of serving high-value local and international patients is based on the differentiation of products and services of our hospital compared with other tertiary health care providers, both domestically and internationally. This differentiation of who we are as an institution is driven by our culture that has been developed over the past 35 years. This is certainly a critical factor in our historic and future success.

Our core values are centered around how we care for the patient- with compassion, professionalism, and as a team while simultaneously focusing on strengthening the systems that ensure quality, safety and consistency to deliver better outcomes. This sustained focus and investment in our people combined with an attention to delivering measurable results in turn creates a unique organizational culture that has become the DNA of Bumrungrad.

This unique but enduring culture has shown remarkable adaptability and resiliency over the past several years. It was once again put to the test when Bumrungrad encountered the first MERS case that reached Thailand in June 2015. The combination of outstanding teamwork of our doctors and nurses along with the systems we have in place successfully identified the case and safely isolated the patient so that there was no further contagion and transmission of this virus. For this we received widespread recognition and appreciation from local and international health authorities. We continue to remain vigilant over all threats of infectious disease and refine our processes to ensure the highest standards.

Over the past few years, the company continues to grow and develop strong leaders within the organization. We will continue to invest further in our people and systems to continually redefine what it means to be an internationally leading healthcare provider, one that continues to provide outstanding service and satisfying results well into the future.



MESSAGE
FROM
THE CORPORATE
CEO

Mr. Dennis Brown
Corporate CEO

Over the past 35 years, our doctors and staff have created an enduring brand that draws patients from all over Thailand and around the world to receive effective treatment in a comfortable and caring environment. The future of this brand depends strongly on what the 3,276 outpatients and 96 inpatients who leave our hospitals each day tell their family, friends and colleagues.

What we do to satisfy our patients is incorporate differentiation into our medical services and standards that sets us apart from other health care providers. Thailand as a country now provides capable medical services from many institutions and strong competition exists in the market. Bumrungrad International Hospital focuses at the apex of tertiary care within the private hospital sector and our differentiation strategy is comprised of three key elements.

The first element is the strength and expertise of our doctors who work together as a team. We have over 1,300 doctors with the majority having international board certifications from the USA or other countries with very developed medical standards. Many patients come to us to seek out these doctors either on an individual basis or as a team to address very complicated cases. This collaboration of expertise allows for better treatments and outcomes for the patient and helps us build on our nearly 100 subspecialties of focus.

For example we opened our Newlife Healthy Aging Clinic earlier this year bringing advanced treatments and methods to effectively care for elderly patients. This requires a collaboration of expertise. For example, falls and dizziness in an elderly patient could come from many underlying reasons: the inner ear, the circulatory system, musculoskeletal weakness or the brain itself. It's important to possess the necessary expertise for the effective diagnosis and treatment of the specific disease. The ability and practice of our doctors to work effectively as a team is part of our long standing culture and a key reason for our success in treating complicated cases.

A second element is the incorporation of the appropriate application of technology in the hospital. It is important to strike a balance between implementing a leading technology and waiting for enough confirmation of data to prove a technology. In the case of Watson for Oncology which successfully began being part of treatment process for individuals this year for certain types of cancer, we determined the technology of using cognitive computing to research clinical data and help recommend the best treatment based on the individual

patient's clinical condition was essential to providing the best care for cancer patients. Bumrungrad was the first adopter of this technology and expects this platform to be a key component in the expertise of our Cancer Center.

The third element is the continuous improvement of our quality and safety systems in the hospital. We continually strive to increase the capabilities of our systems in the hospitals, and besides the international accreditations over the entire hospital such as JCI, we have also pursued targeted improvements aimed at individual systems in the hospital. A recent example of this was the recognition by Westgard Sigma certifying Bumrungrad as the first laboratory in Thailand to be certified to world-class standards of accuracy, ensuring that results are error-free.

The strength of our systems was put to the test in June 2015 when Thailand had its first MERS patient who came to Bumrungrad for treatment. Our doctors and nursing team had the training and experience to accurately assess the risk based on the patient symptoms and travel history and was able to successfully isolate the patient which ultimately prevented the transmission of this virus locally. Both the hospital and Thailand were able to quickly recover from what could have become a critical situation impacting local residents as well as international patients who come to Thailand seeking medical care. It is our strong combination of people and systems that propel the hospital to these levels of quality and patient safety and we will continue to improve this further.

We saw our inpatient census climb to record numbers towards the end of 2015 reflecting a trend of bringing in patients with more complicated conditions. Our average length of stay went up by more than 9% while our inpatient days climbed 11%. Given our location in a dense urban setting, planning for facility expansion takes time and often requires several steps. In late 2015 we moved all office staff out of the Bumrungrad Residence building to fully renovate the structure for additional clinical space. This will free up more space from the hospital and clinic buildings so that we can add more capacity accordingly and will continue to plan for additional expansion.

The results of our efforts are being recognized by organizations within Thailand and around the globe. We once again received an award from the American Chamber of Commerce for our CSR excellence, with our Rak Jai Thai program. We also received a Best Employer Award from the Ministry of Labour for the fifth year in a row.



COLLABORATION OF EXPERTISE

The synchronized healthcare system incorporates the collaboration of expertise from the entire team of physicians and medical personnel. This collaboration in all specialties allows for better treatments and clinical outcomes in advanced tertiary care and helps us build on our nearly 100 subspecialties of focus.



INNOVATION,
THE APPROPRIATE
APPLICATION OF TECHNOLOGY AND
SOUND CAPACITY MANAGEMENT

To improve both clinical outcomes and the patient experience, **we regularly innovate and embrace the appropriate application of technology.** This requires finding the correct balance between implementing new technology and waiting for enough confirmation of clinical data prior to implementation.

A walk around our Bangkok campus shows a facility constantly being renovated, reconfigured and expanded to meet future demand that needs to be anticipated years in advance.



PATIENT SAFETY, QUALITY AND STANDARDS



We are committed to providing the highest standards of quality and safety for our patients.

We are uncompromising in our quest for continuous improvement. Besides the international accreditations over the entire hospital such as JCI, we have also pursued targeted improvements aimed at individual systems in the hospital.



THE RESULTS

- First JCI accredited hospital in Asia
- An integral part of the world's health care infrastructure treating 1.1 million patients from over 190 countries around the world
- 32 international contact offices in 17 countries
- Accredited by local and international authorities
- Regular media recognition and endorsement
- Recognized standards of quality and safety, well equipped to handle the different types of infectious diseases



Bumrungrad
International
HOSPITAL

Ranked 9th, out of the world's top 10 hospitals by ontoplists.com

Medical tourism expertise helps Thailand cope with MERS

“FLAWLESS” RESPONSE

found Bumrungrad's handling of MERS case to be “flawless”

Surf, sand ... and surgery? Inside the world of medical tourism

TOP 10 HOSPITALS IN THE WORLD

Medical Meccas

IT'S WORLD

... a magnet for medical tourists

... like a five-star hotel

CNN's “Inside Man” broadcasts the host's visit for treatment at Bumrungrad



DIRECTORS AND SENIOR EXECUTIVES



Mr. Chatri Sophonpanich
Advisor to the Board



Mr. Chai Sophonpanich
Chairman of the Board



Dr. Chanvit Tanhiphat, MD
Vice Chairman of the Board



Mrs. Linda Lisahpanya
Director, Managing Director



Dr. Num Tanthuwani, MD
Director, Hospital CEO



Dr. Sinn Anuras, MD
Director



Mr. Chong Toh
Director



Dr. Suvarn Valaisathien
Director



Ms. Sophavadee Uttamobol
Independent Director



Mr. Prin Chirathivat
Independent Director



Mr. Soradis Vinyaratn
Independent Director



Mrs. Aruni Kettratad
Independent Director



Mr. Dennis Michael Brown
Corporate CEO



Mr. Kenneth Love
Corporate CFO



Mr. Banphot Kittikinglert
Company Secretary



FINANCIAL

Information

FINANCIAL HIGHLIGHTS

	2015	2014	2013	2012	2011
Financial Performance (Baht '000)					
Total current assets	10,088,278	8,499,391	7,551,836	7,669,703	2,704,287
Total assets	21,297,518	19,144,695	17,251,529	15,984,706	13,690,978
Total current liabilities	4,056,456	2,322,013	2,161,390	2,137,622	1,505,987
Total liabilities	8,197,028	7,884,732	7,654,564	7,474,218	6,738,674
Total shareholders' equity	13,100,490	11,259,963	9,596,965	8,510,488	6,952,304
Total revenues	17,929,440	15,910,538	14,651,386	14,041,637	11,306,221
Share of income from investments					
in joint venture and associated companies	12,515	(2,745)	5,882	93,343	82,684
Net profit excluding extraordinary items	3,435,834	2,730,296	2,520,782	2,009,804	1,555,043
Net profit for the year	3,427,520	2,734,830	2,520,782	2,558,512	1,588,035
Basic earnings per share	4.72	3.75	3.46	3.51	2.18
Earnings per share – fully diluted	3.96	3.15	2.91	2.95	1.83
Book value per share	17.98	15.45	13.17	11.68	9.54
Book value per share – fully diluted	15.10	12.98	11.06	9.81	8.02
Dividend per share	2.35	1.95	1.90	1.80	1.10
Financial Ratios					
Gross profit margin (%)	45.3	43.9	42.4	39.9	40.1
EBITDA margin (%)	30.0	28.6	27.7	25.3	25.0
Net profit margin excluding extraordinary items (%)	19.1	17.2	17.2	15.1	13.7
Net profit margin (%)	19.1	17.2	17.2	18.1	13.9
Growth on revenues from hospital operations (%)	13.0	9.3	10.8	16.7	12.5
Growth on net profit excluding extraordinary items (%)	25.8	8.3	25.4	29.2	17.7
Growth on net profit for the year (%)	25.8	8.3	(1.4)	61.1	26.2
Return on equity (%)	28.2	26.2	27.8	33.1	24.4
Return on assets (%)	17.0	15.0	15.2	17.2	13.9
Liabilities to equity (x)	0.63	0.70	0.80	0.88	0.97
Debt to equity (x)	0.40	0.46	0.54	0.59	0.72
Net debt to equity (x)	0.01	0.04	0.21	(0.12)	0.53
Interest coverage ratio (x)	22.10	18.75	16.42	13.81	14.88
Liquidity ratio (x)	2.49	3.66	3.49	3.59	1.80
Average collection period (days)	41.35	34.71	35.30	36.67	37.18
Average inventory period (days)	11.24	12.29	11.80	11.64	13.19
Average payable period (days)	28.21	29.79	29.54	28.07	30.12

MANAGEMENT DISCUSSION AND ANALYSIS

Total revenues for 2015 increased to Baht 17,929 million, producing a 12.7% improvement over 2014 revenues of Baht 15,911 million. Net profit surged 25.8% to Baht 3,436 million in 2015 from Baht 2,730 million in 2014, with Net profit margin at 19.1% in 2015 compared to 17.2% in 2014.

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. 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 17,600 million for 2015, a 13.0% improvement year-over-year from Baht 15,571 million in 2014. Inpatient volumes advanced 11.3% in terms of patient days and 2.1% in terms of admissions in 2015 compared with 2014. This resulted mostly from a longer average length of stay for mostly non-Thai patients, along with strong non-Thai admission growth of 7.5%. Outpatient volumes grew 0.8% in 2015 compared with 2014, mostly due to a 6.5% increase in non-Thai volumes, offset by a 5.0% decrease in Thai volumes. Revenue intensity rose 6.1% per admission for inpatient services and increased 3.3% for outpatient services. The combined results of the above resulted in inpatient service revenues advancing 13.9% while outpatient service revenues grew 10.3%. The revenue contribution from inpatient services in 2015 was 49.6% and from outpatient services was 50.4%, compared with 48.8% and 51.2%, respectively, for 2014. In terms of revenues by market segment, non-Thai patients accounted for 65.2% of the total in 2015, with the remaining 34.8% from Thai patients, compared to 61.5% and 38.5% for non-Thai and Thai patients, respectively, in 2014. The change from the prior year was mostly due to the strong growth in non-Thai business in 2015.

Rental income was Baht 60 million in 2015 compared to Baht 58 million in 2014. Interest income was the same for both 2015 and 2014 at Baht 138 million, while Exchange gains were also the same for both 2015 and 2014 at Baht 46 million. Other income decreased to Baht 85 million in 2015 from Baht 97 million in 2014, primarily due to the planned conversion of the food court in the clinic building to a doctors’ dining area as part of the campus expansion project. Total revenues in 2015 were Baht 17,929 million, compared to Baht 15,911 million in 2014, a 12.7% improvement year-over-year.

The Company reported Cost of hospital operations (including Depreciation and amortization) of Baht 10,396 million for 2015, or 9.5% more year-over-year from Baht 9,496 million in 2014. This represents a favorable change when compared to the 13.0% growth in Revenues from hospital operations. The percentage of cost to Revenues from hospital operations improved from 61.0% in 2014 to 59.1% in 2015. Administrative expenses (including Depreciation and amortization) were Baht 3,109 million in 2015, increasing 10.8% from Baht 2,806 million in 2014. This change included Baht 131 million increase in staff costs, largely associated with volume growth and annual merit increases; Baht 52 million increased staff bonus from the prior year; Baht 41 million more in software support and maintenance expenses related to the IBM Watson project; Baht 36 million more in bad debt expense, mostly from the prior year reversal of a large bad debt account and additional provision for certain self-pay accounts; and Baht 28 million additional marketing related expenses, mostly from increased TV advertising and census development. EBITDA grew 18.1% year-over-year from Baht 4,516 million in 2014 to Baht 5,332 million in 2015, with the EBITDA margin advancing to 30.0% in 2015 compared with 28.6% in 2014. Excluding the additional staff bonus, EBITDA increased 20.9% and 2015 EBITDA margin improved to 30.7%.

Depreciation and amortization was the same for both 2015 and 2014 at Baht 1,045 million. The Company reported Baht 13 million Share of profit from investments in associates in 2015, mostly related to the voluntary liquidation of CDE Trading Ltd., 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 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 was Baht 187 million in 2015 compared to Baht 186 million in 2014.

Corporate income tax of Baht 823 million in 2015 was higher than Baht 685 million in 2014, mostly due to Baht 163 million increased taxes due to higher taxable profit in 2015 compared with 2014, and Baht 6 million reduction of tax benefit related to donations to St. Louis College to support the nurse training program, offset by an increase in tax benefit of Baht 15 million associated with outside training and a Baht 6 million tax benefit related to loss on impairment of investment in Asia Global Health Ltd. in 2015.

Basic EPS for 2015 was Baht 4.72, producing an 25.8% increase year-over-year from Baht 3.75 in 2014, while 2015 Diluted EPS also increased at the same rate to Baht 3.96 from Baht 3.15 in 2014.

Income statements Unit: Million Baht	2015	2014	Change
Revenues from Hospital Operations	17,600	15,571	13.0%
Total Revenues	17,929	15,911	12.7%
EBITDA	5,332	4,516	18.1%
Net Profit	3,436	2,730	25.8%
<i>EBITDA Margin</i>	<i>30.0%</i>	<i>28.6%</i>	
<i>Net Profit Margin</i>	<i>19.1%</i>	<i>17.2%</i>	

EPS Unit: Baht	2015	2014	Change
EPS – Basic	4.72	3.75	25.8%
EPS – Fully Diluted	3.96	3.15	25.8%

2. Statement of Financial Position

As at 31 December 2015, the Company reported Total current assets of Baht 10,088 million, an increase from Baht 8,500 million as at 31 December 2014. The variance is mostly due to an increase of Baht 378 million in Cash and cash equivalents and Baht 384 million in Short-term investments, primarily from increased cash from operating activities, and Baht 793 million more in Trade and other receivables. Trade receivables were Baht 2,309 million as at 31 December 2015 versus Baht 1,516 million as at 31 December 2014. The collection period was 41.3 days as at 31 December 2015 compared to 34.7 days as at 31 December 2014, due to timing differences associated with collections on certain Middle East accounts.

Total non-current assets increased to Baht 11,209 million as at 31 December 2015 from Baht 10,645 million as at 31 December 2014, mostly due to an increase in Property, plant and equipment associated with Baht 755 million purchase of 3 pieces of land near the main campus. Total assets grew to Baht 21,298 million as at 31 December 2015 from Baht 19,145 million as at 31 December 2014.

Total current liabilities were Baht 4,056 million as at 31 December 2015, an increase from Baht 2,322 million as at 31 December 2014. The variance was mostly due to Baht 1,497 million Current portion of long-term debentures due December 2016; Baht 176 million additional Accrued physicians' fees relative to higher doctor fee revenue; and Baht 90 million more in various Accrued expenses, mostly for accrued bonus, offset by Baht 30 million reduction in Trade and other payables.

Non-current liabilities were Baht 4,141 million as at 31 December 2015, a decrease from Baht 5,563 million as at 31 December 2014. The change was primarily from Baht 1,497 million Current portion of long-term debentures reclassified as Current liabilities, offset with Baht 66 million increase in Provision for long-term employee benefits. Net debt to equity was 0.0x as at 31 December 2015 and 31 December 2014. The Company's Interest coverage ratio improved to 22.1x in 2015 from 18.8x in 2014, due to higher EBITDA in 2015 compared to 2014. Interest expense has been reduced by Baht 54 million in 2015 and Baht 55 million in 2014 for capitalized interest associated with the campus expansion project.

Total shareholders' equity grew to Baht 13,100 million as at 31 December 2015 from Baht 11,260 million as at 31 December 2014. This increase resulted from the Company's 2015 Net profit of Baht 3,436 million; offset with a dividend payment of Baht 1,569 million, other changes in Retained earnings of Baht 14 million; and change in Non-controlling interests of the subsidiaries of Baht 12 million representing Non-controlling interests of the subsidiary in Mongolia. Average return on assets (ROA) increased from 15.0% in 2014 to 17.0% in 2015. Average return on equity (ROE) increased from 26.2% in 2014 to 28.2% in 2015.

Unit: Million Baht	31-Dec-15	31-Dec-14	Change
Total Assets	21,297	19,145	11.2%
Total Liabilities	8,197	7,885	4.0%
Total Shareholders' Equity	13,100	11,260	16.3%

	2015	2014
Interest Coverage Ratio (x)	22.1*	18.8*
Average Collection Period (days)	41.3	34.7
Average Inventory Period (days)	11.2	12.3
Average Payables Period (days)	28.2	29.8
Net Debt to Equity (x)	0.0	0.0
Average Return on Assets (%)	17.0%	15.0%
Average Return on Equity (%)	28.2%	26.2%

* After adding back the 2015 and 2014 capitalized interest expense related to the campus expansion.

3. Liquidity

The Company's Net cash flows from operating activities in 2015 were Baht 3,987 million, compared to Baht 3,890 million in 2014. This increase was due to Baht 873 million additional cash from operations offset with a decrease in working capital, mostly related to Baht 615 million increase in Trade and other receivables. Net cash flows used in investment activities were Baht 1,785 million in 2015, compared to Baht 701 million in 2014. This variance was mainly due to Baht 1,180 million change between Short-term investments and Cash and cash equivalents and Baht 287 million additional capital spending in 2015 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 Mongolia subsidiary in 2014. The Company reported Net cash flows used in financing activities of Baht 1,833 million in 2015 versus Baht 1,650 million in 2014. As a result of the above, Cash and cash equivalents increased to Baht 5,054 million as at 31 December 2015, compared to Baht 4,676 million as at 31 December 2014.

The Company's Liquidity ratio as at 31 December 2015 decreased to 2.5x from 3.7x as at 31 December 2014. Similarly, the Quick ratio decreased to 1.8x as at 31 December 2015 from 2.7x as at 31 December 2014. Both decreases were due to Baht 1,500 million Current portion of long-term debentures that have been reclassified as Current liabilities since they will be paid in December 2016.

Unit: Million Baht	2015	2014
Cash Flow from Operating Activities	3,987	3,890
Cash Flow used in Investing Activities	(1,785)	(701)
Cash Flow used in Financing Activities	(1,833)	(1,650)
Net increase in cash and cash equivalents	378	1,536
Cash and cash Equivalents at end of year	5,054	4,676

	31-Dec-15	31-Dec-14
Liquidity Ratio (x)	2.5	3.7
Quick Ratio (x)	1.8	2.7

4. Contractual Obligations

(Unit: Million Baht)

	As at 31 December 2015						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1-5 years	Over 5 years				
Long-term loan from and interest payable to a related party	-	176	-	-	7	183	1.38
Long-term debentures	1,497	996	2,485	-	-	4,978	4.13 - 4.97
	1,497	1,172	2,485	-	7	5,161	

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 2015, the Group estimated that there is no likelihood that the Group would incur such additional contingent consideration, and continues to take this position.

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 2015, 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.

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

23 February 2016

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 2015.



Mr. Chai Sophonpanich
Chairperson



Mrs. Linda Lisahapanya
Managing Director



Bumrungrad Hospital Public Company Limited
and its subsidiaries

REPORT

and consolidated
financial statements
31 December 2015

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 2015, 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 2015, 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: 24 February 2016

Bumrungrad Hospital Public Company Limited and its subsidiaries

STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Assets					
Current assets					
Cash and cash equivalents	7	5,054,159,558	4,675,713,370	4,818,341,184	4,540,098,851
Short-term investments	8	2,305,800,000	1,922,000,000	2,302,000,000	1,802,000,000
Trade and other receivables	9	2,318,422,125	1,525,212,264	2,328,382,763	1,524,709,493
Inventories	10	309,074,024	291,880,511	277,571,640	266,650,542
Prepaid expenses		75,047,152	66,488,523	50,128,468	63,553,008
Other current assets		25,775,092	18,098,499	24,489,747	14,114,470
Total current assets		10,088,277,951	8,499,393,167	9,800,913,802	8,211,126,364
Non-current assets					
Long-term loans to and interest receivable					
from related parties	6	-	-	9,017,291	1,855,253
Investments in subsidiaries	11	-	-	1,517,455,798	1,542,861,472
Investments in associates	12	234,067,252	233,168,689	1,447,047	2,862,017
Other long-term investment	13	1,700,000	1,700,000	1,700,000	1,700,000
Property, plant and equipment	14	10,472,111,743	9,948,449,913	8,791,953,504	8,300,041,641
Intangible assets	15	163,386,341	146,342,699	160,636,474	155,677,804
Goodwill	11.5.2, 16	122,584,549	111,967,771	-	-
Deferred tax assets	25	193,005,351	178,730,655	189,820,746	173,051,530
Other non-current assets		22,385,176	24,943,392	22,367,676	24,924,892
Total non-current assets		11,209,240,412	10,645,303,119	10,694,398,536	10,202,974,609
Total assets		21,297,518,363	19,144,696,286	20,495,312,338	18,414,100,973

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 2015

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	17	830,044,220	860,237,440	820,496,588	854,355,017
Accrued physicians' fees		713,254,979	537,654,304	707,663,724	530,537,422
Current portion of long-term debentures	18	1,497,145,039	-	1,497,145,039	-
Accrued expenses		577,255,452	487,606,074	561,478,856	482,611,534
Income tax payable		372,555,228	369,829,231	361,492,993	355,329,060
Other current liabilities		66,200,918	66,687,179	52,376,111	55,579,442
Total current liabilities		4,056,455,836	2,322,014,228	4,000,653,311	2,278,412,475
Non-current liabilities					
Long-term loan from and interest payable to a related party	6	182,868,805	180,407,663	182,868,805	180,407,663
Long-term debentures	18	3,481,009,726	4,971,981,934	3,481,009,726	4,971,981,934
Provision for long-term employee benefits	20	476,693,998	410,329,219	468,988,677	405,518,706
Total non-current liabilities		4,140,572,529	5,562,718,816	4,132,867,208	5,557,908,303
Total liabilities		8,197,028,365	7,884,733,044	8,133,520,519	7,836,320,778

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 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Shareholders' equity					
Share capital	22				
Registered					
921,276,022 ordinary shares of Baht 1 each (2014: 921,251,022 ordinary shares of Baht 1 each)		921,276,022	921,251,022	921,276,022	921,251,022
1,426,663 preference shares of Baht 1 each (2014: 1,451,663 preference shares of Baht 1 each)		1,426,663	1,451,663	1,426,663	1,451,663
		922,702,685	922,702,685	922,702,685	922,702,685
Issued and paid-up					
728,625,559 ordinary shares of Baht 1 each (2014: 728,600,559 ordinary shares of Baht 1 each)		728,625,559	728,600,559	728,625,559	728,600,559
1,426,663 preference shares of Baht 1 each (2014: 1,451,663 preference shares of Baht 1 each)		1,426,663	1,451,663	1,426,663	1,451,663
		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	21	550,000,000	550,000,000	550,000,000	550,000,000
Retained earnings					
Appropriated - statutory reserve	23	92,275,000	92,275,000	92,275,000	92,275,000
Unappropriated		10,799,083,414	8,992,129,372	10,703,896,297	8,919,884,673
Other components of shareholders' equity		278,707,057	233,203,432	-	-
Equity attributable to owners of the Company		12,735,685,993	10,883,228,326	12,361,791,819	10,577,780,195
Non-controlling interests of the subsidiaries		364,804,005	376,734,916	-	-
Total shareholders' equity		13,100,489,998	11,259,963,242	12,361,791,819	10,577,780,195
Total liabilities and shareholders' equity		21,297,518,363	19,144,696,286	20,495,312,338	18,414,100,973

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 2015

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Revenues					
Revenues from hospital operations	6	17,600,265,940	15,571,471,756	17,099,543,050	15,159,051,490
Rental income	6	60,139,960	58,219,905	67,799,858	63,508,705
Interest income	6	137,948,768	137,784,814	134,659,230	136,898,322
Dividend income	6, 11.1, 12.2	-	-	149,308,104	-
Exchange gains		45,961,461	46,283,786	41,857,731	45,457,575
Other income	6	85,123,927	96,777,206	85,888,178	84,497,618
Total revenues		17,929,440,056	15,910,537,467	17,579,056,151	15,489,413,710
Expenses					
Cost of hospital operations	6	10,396,068,657	9,495,601,614	10,114,799,791	9,261,639,590
Administrative expenses	6	3,108,543,751	2,805,907,929	3,034,883,648	2,704,065,690
Loss on impairment of investment in a subsidiary	11.1	-	-	29,500,000	-
Loss from share capital reduction and dissolution of an associate	12.3	-	-	816,782	1,997,743
Total expenses		13,504,612,408	12,301,509,543	13,180,000,221	11,967,703,023
Profit before share of profit (loss) from investments in associates, finance cost and income tax expenses					
		4,424,827,648	3,609,027,924	4,399,055,930	3,521,710,687
Share of profit (loss) from investments in associates	12.2	12,515,402	(2,745,213)	-	-
Profit before finance cost and income tax expenses		4,437,343,050	3,606,282,711	4,399,055,930	3,521,710,687
Finance cost	6	(186,504,115)	(186,032,536)	(186,504,115)	(185,238,004)
Profit before income tax expenses		4,250,838,935	3,420,250,175	4,212,551,815	3,336,472,683
Income tax expenses	25	(823,318,882)	(685,420,058)	(801,345,874)	(663,788,161)
Profit for the year		3,427,520,053	2,734,830,117	3,411,205,941	2,672,684,522
Profit (loss) attributable to:					
Equity holders of the Company		3,435,833,613	2,730,296,149	3,411,205,941	2,672,684,522
Non-controlling interests of the subsidiaries		(8,313,560)	4,533,968		
		3,427,520,053	2,734,830,117		
Earnings per share					
Basic earnings per share	26				
Profit attributable to equity holders of the Company		4.72	3.75	4.68	3.67
Diluted earnings per share	26				
Profit attributable to equity holders of the Company		3.96	3.15	3.93	3.08

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 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Profit for the year	3,427,520,053	2,734,830,117	3,411,205,941	2,672,684,522
Other comprehensive income:				
Other comprehensive income to be reclassified to income statement in subsequent periods:				
Exchange differences on translation of financial statements in foreign currencies	41,886,274	(13,602,295)	-	-
Other comprehensive income not to be reclassified to income statement in subsequent periods:				
Actuarial losses, net of income tax	(27,155,207)	(13,882,067)	(25,469,953)	(14,187,549)
Other comprehensive income for the year	14,731,067	(27,484,362)	(25,469,953)	(14,187,549)
Total comprehensive income for the year	3,442,251,120	2,707,345,755	3,385,735,988	2,658,496,973
Total comprehensive income attributable to:				
Equity holders of the Company	3,454,182,031	2,705,654,907	3,385,735,988	2,658,496,973
Non-controlling interests of the subsidiaries	(11,930,911)	1,690,848		
	3,442,251,120	2,707,345,755		

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2015

	Consolidated financial statements											(Unit: Baht)
	Equity attributable to owners of the Company											
	Other components of shareholders' equity											
	Other comprehensive income											
	Issued and paid-up share capital	Preference shares	Premium on ordinary shares	Convertible bonds treated as equity securities	Retained earnings	Exchange differences on translation of financial statements in foreign currencies	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	
Balance as at 1 January 2014	728,560,559	1,491,663	285,568,300	550,000,000	92,275,000	7,695,106,552	(8,209,927)	252,172,534	243,962,607	9,596,964,681	-	9,596,964,681
Profit for the year	-	-	-	-	2,730,296,149	-	-	-	-	2,730,296,149	4,533,968	2,734,830,117
Other comprehensive income for the year	-	-	-	-	(13,882,067)	(10,759,175)	-	(10,759,175)	(24,641,242)	(2,843,120)	(27,484,362)	
Total comprehensive income for the year	-	-	-	-	2,716,414,082	(10,759,175)	-	(10,759,175)	2,705,654,907	1,690,848	2,707,345,755	
Preference shares converted to ordinary shares (Note 22)	40,000	(40,000)	-	-	-	-	-	-	-	-	-	-
Dividend paid (Note 29)	-	-	-	-	(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	-	-	-	-	-	-	-	-	-	-	267,391,274	267,391,274
Cash receipt of capital increasing from non-controlling interest of the subsidiary	-	-	-	-	-	-	-	-	-	-	107,652,794	107,652,794
Interest paid for convertible bonds treated as equity securities (Note 21)	-	-	-	-	-	(32,500,000)	-	-	-	(32,500,000)	-	(32,500,000)
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	233,203,432	10,883,228,826	376,734,916	11,259,963,242
Balance as at 1 January 2015	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	233,203,432	10,883,228,826	376,734,916	11,259,963,242
Profit (loss) for the year	-	-	-	-	-	3,435,833,613	-	-	-	3,435,833,613	(8,313,560)	3,427,520,053
Other comprehensive income for the year	-	-	-	-	(27,155,207)	45,503,625	-	-	45,503,625	18,348,418	(3,617,351)	14,731,067
Total comprehensive income for the year	-	-	-	-	-	3,408,678,406	-	-	45,503,625	3,464,182,031	(11,930,911)	3,442,251,120
Preference shares converted to ordinary shares (Note 22)	25,000	(25,000)	-	-	-	-	-	-	-	-	-	-
Dividend paid (Note 29)	-	-	-	-	(1,569,224,364)	-	-	-	(1,569,224,364)	-	-	(1,569,224,364)
Interest paid for convertible bonds treated as equity securities (Note 21)	-	-	-	-	-	(32,500,000)	-	-	-	(32,500,000)	-	(32,500,000)
Balance as at 31 December 2015	728,625,559	1,426,663	285,568,300	550,000,000	92,275,000	10,799,083,414	26,534,523	252,172,534	278,707,057	12,735,685,993	364,804,005	13,100,489,998

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

Bumrungrad Hospital Public Company Limited and its subsidiaries

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

For the year ended 31 December 2015

	Separate financial statements							Total shareholders' equity
	Issued and paid-up share capital		Premium on ordinary shares	Convertible bonds treated as equity securities	Retained earnings		Unappropriated	
	Ordinary shares	Preference shares			Appropriated	Unappropriated		
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	
Profit for the year	-	-	-	-	-	2,672,684,522	2,672,684,522	
Other comprehensive income for the year	-	-	-	-	-	(14,187,549)	(14,187,549)	
Total comprehensive income for the year	-	-	-	-	-	2,658,496,973	2,658,496,973	
Preference shares converted to ordinary shares (Note 22)	40,000	(40,000)	-	-	-	-	-	
Dividend paid (Note 29)	-	-	-	-	-	(1,386,891,262)	(1,386,891,262)	
Interest paid for convertible bonds treated as equity securities (Note 21)	-	-	-	-	-	(32,500,000)	(32,500,000)	
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	
Balance as at 1 January 2015	728,600,559	1,451,663	285,568,300	550,000,000	92,275,000	8,919,884,673	10,577,780,195	
Profit for the year	-	-	-	-	-	3,411,205,941	3,411,205,941	
Other comprehensive income for the year	-	-	-	-	-	(25,469,953)	(25,469,953)	
Total comprehensive income for the year	-	-	-	-	-	3,385,735,988	3,385,735,988	
Preference shares converted to ordinary shares (Note 22)	25,000	(25,000)	-	-	-	-	-	
Dividend paid (Note 29)	-	-	-	-	-	(1,569,224,364)	(1,569,224,364)	
Interest paid for convertible bonds treated as equity securities (Note 21)	-	-	-	-	-	(32,500,000)	(32,500,000)	
Balance as at 31 December 2015	728,625,559	1,426,663	285,568,300	550,000,000	92,275,000	10,703,896,297	12,361,791,819	

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 2015

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from operating activities				
Profit before tax	4,250,838,935	3,420,250,175	4,212,551,815	3,336,472,683
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	1,044,743,956	1,044,768,194	1,001,753,542	1,016,545,731
Bad debts and allowance for doubtful accounts	74,967,467	38,980,445	75,164,062	37,456,113
Reduction of cost of inventories to net realisable value	993,023	-	-	-
(Gain) loss on sales/write-off of building, equipment and intangible assets	10,960,789	(209,330)	7,993,195	306,130
Long-term employee benefits expenses	76,054,319	67,231,170	74,867,278	66,154,930
Loss on impairment of investment in a subsidiary	-	-	29,500,000	-
Loss from share capital reduction and dissolution of an associate	-	-	816,782	1,997,743
Share of (profit) loss from investments in associates	(12,515,402)	2,745,213	-	-
Interest income	(137,948,768)	(137,784,814)	(134,659,230)	(136,898,322)
Dividend income	-	-	(149,308,104)	-
Amortisation of debenture issuing costs to interest expenses	6,172,831	5,891,819	6,172,831	5,891,819
Interest expenses	180,331,284	180,140,717	180,331,284	179,346,185
Profit from operating activities before changes in operating assets and liabilities	5,494,598,434	4,622,013,589	5,305,183,455	4,507,273,012
Operating assets (increase) decrease				
Trade and other receivables	(868,177,328)	(253,035,407)	(878,837,332)	(259,924,591)
Inventories	(18,186,536)	27,926,255	(10,921,098)	27,386,988
Prepaid expenses	(8,558,629)	(16,548,431)	13,424,540	(17,324,598)
Other current assets	(7,676,593)	15,158,897	(10,375,277)	17,216,382
Other non-current assets	2,558,216	2,515,658	2,557,216	2,505,658
Operating liabilities increase (decrease)				
Trade and other payables	(2,662,519)	62,716,405	(14,891,066)	75,153,925
Accrued physicians' fees	175,600,675	49,096,317	177,126,302	47,211,942
Accrued expenses	92,110,517	66,011,770	78,867,321	66,190,332
Other current liabilities	(486,261)	816,825	(3,203,331)	(987,429)
Provision for long-term employee benefits	(43,296,046)	(20,215,278)	(43,234,749)	(27,073,374)
Cash flows from operating activities	4,815,823,930	4,556,456,600	4,615,695,981	4,437,628,247
Cash paid for corporate income tax	(828,415,647)	(666,153,494)	(805,583,668)	(651,389,533)
Net cash flows from operating activities	3,987,408,283	3,890,303,106	3,810,112,313	3,786,238,714

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 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from investing activities				
(Increase) decrease in short-term investments	(383,800,000)	795,729,959	(500,000,000)	800,729,959
Increase in long-term loan to a subsidiary	-	-	(9,000,000)	-
Acquisition of investments in subsidiaries	-	(308,667,600)	(2,239,073)	(440,611,125)
Dividend received	-	-	149,308,104	-
Repayment debt of acquired subsidiary as at acquisition date	-	(85,705,200)	-	-
Cash receipt of capital increasing from non-controlling interest of the subsidiary	-	7,932,407	-	-
Cash increased from acquisitions of subsidiaries	-	2,591,147	-	-
Acquisition of property, plant and equipment and payment of construction and medical equipment payables	(1,498,237,056)	(1,240,108,114)	(1,432,550,796)	(1,204,243,214)
Acquisition of computer software	(42,620,517)	(16,428,530)	(41,182,572)	(16,083,987)
Cash receipt from share capital reduction and liquidation of an associate	598,188	2,250,000	598,188	2,250,000
Proceeds from sales of equipment and computer software	1,233,407	3,948,335	1,233,407	15,423,627
Interest income	137,948,768	137,784,814	134,641,939	136,898,322
Net cash flows used in investing activities	(1,784,877,210)	(700,672,782)	(1,699,190,803)	(705,636,418)
Cash flows from financing activities				
Interest paid for long-term debentures	(232,100,000)	(232,100,000)	(232,100,000)	(232,100,000)
Dividend paid	(1,568,080,973)	(1,385,233,955)	(1,568,079,177)	(1,385,233,955)
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	(1,832,680,973)	(1,649,833,955)	(1,832,679,177)	(1,649,833,955)
Increase (decrease) in translation adjustment	8,596,088	(3,563,882)	-	-
Net increase in cash and cash equivalents	378,446,188	1,536,232,487	278,242,333	1,430,768,341
Cash and cash equivalents at beginning of year	4,675,713,370	3,139,480,883	4,540,098,851	3,109,330,510
Cash and cash equivalents at end of year	5,054,159,558	4,675,713,370	4,818,341,184	4,540,098,851
Supplemental cash flow information				
Non-cash transactions				
Interest capitalised as cost of assets	54,229,859	55,511,340	54,229,859	55,511,340
Decrease in construction and medical equipment payables	28,675,888	64,281,587	20,112,549	72,844,925
Convert long-term loan to a related party to investment in a subsidiary	-	-	(1,855,253)	-

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 2015

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	
			2015	2014
			%	%

Subsidiaries held by the Company

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 real estate assets company	Thailand	100	100
Bumrungrad Health Network Co., Ltd. (“BHN”) (formerly known as “Bumrungrad Personnel Development Center Co., Ltd.” (“PDC”))	Overseas investment (2014: Personnel development and training center for healthcare service business)	Thailand	100	100
Bumrungrad Personnel Development and Training Center Co., Ltd. (“PDTC”)	Personnel development and training center for healthcare service business to affiliated companies	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2015	2014
			%	%
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	80
Bumrungrad Services Co., Ltd. ("BS")	Referral services to both domestic and foreign patients and training center for healthcare service business	Thailand	100	-
<u>Subsidiaries held by subsidiaries</u>				
Vitalife International AG ("VTL AG") (Investment through LLL)	Overseas investment	Switzerland	51	51
Bumrungrad Mongolia LLC ("BML") (Investment through HHE)	Overseas investment	Mongolia	80	80
Seoul Seniors Tower LLC ("SST") (Investment through BML)	Owner and operates hospital	Mongolia	41	41
Bumrungrad Myanmar Co., Ltd. ("BM") (Investment through BHN)	The operation of a private clinic and diagnostic service	Myanmar	80	-

- b) The Group is deemed to have control over an investee or subsidiaries 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.
- c) Subsidiaries are fully consolidated, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiaries 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.
- f) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit (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 present investments in subsidiaries and associates under the cost method.

3. New financial reporting standards

Below is a summary of financial reporting standards that become 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 year

The Group has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which became 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 standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, some of these standards involve changes to key principles, which are summarised 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 former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or 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 recognises 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 content of TAS 27 Consolidated and Separate Financial Statements dealing with consolidated 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 investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does 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 on 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 measurement. 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 effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Group's financial statements.

b. Financial reporting standards that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding

International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied.

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) Investment in non-marketable equity securities, which the Company classifies as other investment, is stated at cost net of allowance for loss on impairment (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 impairment (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 and 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	5 and 30	years
Buildings and construction	10 - 40	years
Facility systems	10 - 40	years
Medical accessory equipment	5 - 15	years
Hospital equipment	3 - 15	years
Equipment and furniture	5 - 15	years
Motor vehicles	5 and 10	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 - 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 and 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 and 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.

4.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows.

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

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.

Consolidation of subsidiaries in which the Group holds less than half of shares

The management of the Group determined that the Group has control over Seoul Seniors Tower LLC ("SST"), even though the Company holds 41% of shares and voting rights, which is less than half of shares and voting rights. This is because the Group is a major shareholder of this company, exercises control over its management and has the ability to direct its significant activities of that company. As a result, SST is deemed to be a subsidiary of the Group and has to be included in the consolidated financial statements from the date on which the Group assumed control.

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 and 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. 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
	2015	2014	2015	2014	

Transactions with subsidiaries

(eliminated from the consolidated financial statements)

Medical service income	-	-	31,928	24,360	Market price
Professional service income	-	-	12,222	3,501	Actual paid
Rental income	-	-	7,676	5,715	As per contracts 6.1)
Dividend income	-	-	149,308	-	As declared

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2015	2014	2015	2014	
Sales of equipment	-	-	154	13,393	Cost plus margin
Interest income on long-term loans	-	-	17	3,346	1.38% p.a. (2014: 3.25% p.a.)
Other income	-	-	1,845	-	Cost plus margin
Lab service expense	-	-	249	137	Market price
Pharmacy expense	-	-	7,688	7,558	Market price
Training expenses	-	-	150,609	73,545	Cost plus margin
Service expenses	-	-	2,098	-	Cost plus margin
Transactions with associates					
Consulting income	42	179	42	179	As per contract 6.2)
Interest expense on long-term loan	2,461	2,755	2,461	2,755	1.38% and 1.50% p.a. (2014: 1.50% and 2.00% p.a.)
Transactions with related parties					
Medical service income	87,026	93,881	87,026	93,881	Market price
Rental income	2,359	2,182	2,359	2,182	Market price
Interest income on short-term investments	48,584	25,962	46,896	23,254	1.88% to 3.10% p.a. (2014: 2.85% to 3.00% p.a.)
Other income	794	733	794	733	At cost
Lab service expense	9,645	2,927	9,645	2,923	Market price
Purchase of medicine and medical supplies	12,843	12,743	12,843	12,743	Market price
Donation expense	24,000	24,000	24,000	24,000	-
Insurance expense	35,110	32,707	34,930	32,436	As per insurance policies
Credit card commission fees	125,262	116,099	120,862	112,550	Market price
Legal advisory fee	2,655	5,326	2,421	4,330	Market price
Construction consulting fee	-	578	-	578	Baht 0.1 million per month as stated in the agreement
Service fee	2,054	1,411	2,054	1,411	Market price
Interest expense on long-term debentures	46,244	46,244	46,244	46,244	4.13% to 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.
Interest expense on long-term loan	-	794	-	-	3.25% p.a.

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

(Unit: Thousand Baht)

Company's name	Rent assets	Rental fee per month	
		2015	2014
Vitalife Corporation Ltd.	Building spaces	350	350
Bumrungrad Health Network Co., Ltd. (Formerly known as "Bumrungrad Personnel Development Center Co., Ltd.")	Building spaces and office equipment	-	100 - 204*
Bumrungrad Personnel Development and Training Center Co., Ltd.	Building spaces	290**	-

*The rental agreement starts in February 2014.

**The rental charge starts in January 2015.

6.2) 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 2015 and 2014 between the Company and those related parties are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Short-term investments - Fixed deposits with a local commercial bank (Note 8)				
Related company (common director)	2,302,000	1,902,000	2,302,000	1,802,000
Trade and other receivables - related parties (Note 9)				
Subsidiaries	-	-	20,278	14,144
Associates	3	66	3	66
Related parties (common director)	3,191	1,161	3,191	1,161
Total	3,194	1,227	23,472	15,371
Trade and other payables - related parties (Note 17)				
Subsidiaries	-	-	16,581	13,395
Long-term loans to and interest receivable from related parties				
Subsidiaries	-	-	9,017	1,855

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Long-term loan from and interest payable to a related party				
Associate	182,869	180,408	182,869	180,408
Long-term debentures (Note 18)				
Related companies (Major shareholder and common director)	955,000	955,000	955,000	955,000
Convertible bonds treated as equity securities (Note 21)				
Related company (common director)	550,000	550,000	550,000	550,000

Long-term loans to and interest receivable from related parties

During the year ended 31 December 2015, movements of long-term loans to and interest receivable from subsidiaries were as follows.

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 31 December 2014	During the year		Balance as at 31 December 2015
		Increase	Decrease	
Life and Longevity Ltd.				
Principal	1,855	-	(1,855)	-
Bumrungrad Health Network Co., Ltd.				
Principal	-	9,000	-	9,000
Interest receivable	-	17	-	17
Total	-	9,017	-	9,017
Total	1,855	9,017	(1,855)	9,017

As at 31 December 2014, long-term loan to a subsidiary (Life and Longevity Ltd.) was in the form of promissory notes in Swiss franc, amounting to CHF 51,000, bearing no interest and due at call. The Company provided this loan to the subsidiary as its investment in overseas and the loan was therefore classified as a long-term loan. During the year 2015, the Company converted the long-term loan to additional equity in the subsidiary. As discussed in Note 11.4.2 to the financial statements.

As at 31 December 2015, long-term loan to a subsidiary (Bumrungrad Health Network Co., Ltd. (formerly known as "Bumrungrad Personnel Development Center Co., Ltd.)) carries interest at the 1-year fixed deposit rate of a local commercial bank. Interest is due when principal is paid. Since the Group's management does not plan to call the loan in the near future, it is therefore classified as a long-term loan.

Long-term loan from and interest payable to a related party

During the year ended 31 December 2015, movements of long-term loan from and interest payable to a related company were as follows.

(Unit: Thousand Baht)

	Consolidated financial statements			Balance as at 31 December 2015
	Balance as at 31 December 2014	During the period		
		Increase	Decrease	
Bumrungrad International Ltd.				
Principal	176,400	-	-	176,400
Interest payable	4,008	2,461	-	6,469
Total	180,408	2,461	-	182,869

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 does not plan to call the loan in the near future, it is therefore classified as a long-term loan.

Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Group had employee benefit expenses payable to their directors and management as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Short-term benefits	123,977	135,020	99,940	121,632
Post-employment benefits	4,726	9,052	4,442	9,046
Other long-term benefits	2	7	1	7
Total	128,705	144,079	104,383	130,685

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash	10,836	18,017	10,264	17,511
Bank deposits	3,734,880	2,998,684	3,555,436	2,914,056
Bills of exchange	1,308,444	1,659,012	1,252,641	1,608,532
Total	5,054,160	4,675,713	4,818,341	4,540,099

As at 31 December 2015, bank deposits in savings accounts, fixed deposits and bills of exchange carried interests between 0.05% and 3.60% per annum (2014: between 0.10% and 2.75% per annum).

8. Short-term investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Fixed deposits with a local commercial bank	2,305,800	1,922,000	2,302,000	1,802,000
Interest rate (% p.a.)	1.90 - 2.00	2.80 - 3.10	1.90 - 2.00	2.85 - 3.00

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade receivables - related parties				
Aged on the basis of due dates				
Not yet due	2,851	833	5,857	970
Past due				
1 - 30 days	-	-	-	54
Total trade receivables - related parties	2,851	833	5,857	1,024
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	989,973	489,737	984,354	483,888
Past due				
1 - 30 days	5,866	281,815	4,061	279,227
31 - 60 days	260,881	146,993	260,461	142,314
61 - 90 days	220,749	120,523	219,771	120,119
91 - 180 days	312,333	232,722	310,947	232,339
181 - 365 days	397,789	194,403	397,643	193,621
More than 365 days	240,556	148,610	240,207	147,531
Total	2,428,147	1,614,803	2,417,444	1,599,039
Less: Allowance for doubtful debts	(119,182)	(98,464)	(118,781)	(97,345)
Total trade receivables - unrelated parties, net	2,308,965	1,516,339	2,298,663	1,501,694
Total trade receivables - net	2,311,816	1,517,172	2,304,520	1,502,718
Other receivables				
Advances and loans to employees	6,263	7,646	6,248	7,644
Accrued income - related parties	343	394	17,615	14,347
Total other receivables	6,606	8,040	23,863	21,991
Trade and other receivables - net	2,318,422	1,525,212	2,328,383	1,524,709

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Medicine	157,592	156,734	227	288	157,365	156,446
Medical supplies	75,843	67,898	1,083	29	74,760	67,869
Other supplies	76,949	67,566	-	-	76,949	67,566
Total	310,384	292,198	1,310	317	309,074	291,881

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Medicine	143,392	143,138	-	-	143,392	143,138
Medical supplies	57,403	56,005	-	-	57,403	56,005
Other supplies	76,777	67,508	-	-	76,777	67,508
Total	277,572	266,651	-	-	277,572	266,651

11. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company	Paid-up capital		Shareholding percentage		Cost		Allowance for loss on impairment		Carrying amounts based on cost method - net	
	2015	2014	2015 (%)	2014 (%)	2015	2014	2015	2014	2015	2014
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 Health Network Co., Ltd. (formerly known as "Bumrungrad Personnel Development Center Co., Ltd.")	Baht 5.0 million	Baht 5.0 million	100.00	100.00	5,000	5,000	-	-	5,000	5,000
Bumrungrad Personnel Development and Training Center Co., Ltd.	Baht 5.0 million	Baht 5.0 million	100.00	100.00	5,000	5,000	-	-	5,000	5,000
Asia Global Health Ltd.	HKD 7.1 million	HKD 7.1 million	100.00	100.00	31,558	31,558	29,500	-	2,058	31,558
Life and Longevity Ltd.	USD 62,000	USD 1	100.00	100.00	2,143	48	-	-	2,143	48
Health Horizons Enterprises Pte. Ltd.	USD 16.6 million	USD 16.6 million	80.00	80.00	430,611	430,611	-	-	430,611	430,611
Bumrungrad Services Co., Ltd.	Baht 2.0 million	-	100.00	-	2,000	-	-	-	2,000	-
Total					1,596,956	1,592,861	79,500	50,000	1,517,456	1,542,861

During the year 2015, the Company received dividend from Vitallife Corporation Ltd. amounting to Baht 149.3 million (2014: nil).

During the year 2015, the Company considered to set allowance for loss on impairment of investment in Asia Global Health Ltd. amounting to Baht 29.5 million because it had capital deficit for several years.

11.2 Details of investment in subsidiary that has material non-controlling interests

(Unit: Thousand Baht)

Company	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2015	2014	2015	2014	2015	2014	2015	2014
	(%)	(%)						
Seoul Seniors Tower LLC	49	49	245,003	275,959	6,466	(8,766)	-	-

11.3 Summarised financial information that based on amounts before inter-company elimination about subsidiary that has material non-controlling interests

Summarised information about financial position

(Unit: Thousand Baht)

	Seoul Seniors Tower LLC	
	2015	2014
Current assets	43,048	35,786
Non-current assets	558,898	545,094
Current liabilities	144,878	128,558

Summarised information about comprehensive income

(Unit: Thousand Baht)

	Seoul Seniors Tower LLC	
	For the year ended 31 December	
	2015	2014
Revenues	242,188	278,983
Profit (loss)	(10,445)	22,140
Total comprehensive income	(10,445)	22,140

Summarised information about cash flow

(Unit: Thousand Baht)

	Seoul Seniors Tower LLC	
	For the year ended 31 December	
	2015	2014
Cash flow from operating activities	37,284	63,182
Cash flow from investing activities	(32,610)	(51,570)
Cash flow from financing activities	-	(1,489)
Increase in translation adjustment	34	35
Net increase in cash and cash equivalents	4,708	10,158

11.4 The changes of investments in subsidiaries account during the year 2015

11.4.1 Establishment of new subsidiaries

Bumrungrad Services Co., Ltd.

On 30 April 2015, the Company set up and registered a new subsidiary, Bumrungrad Services Co., Ltd., incorporated in Thailand with a registered share capital of Baht 2.0 million, comprising of 200,000 common shares with par value of Baht 10 each. The Company's shareholding percentage represents 100% of total issued and paid-up share capital. The Company paid for common shares of the subsidiary on 18 August 2015.

The investment was made in accordance with a resolution of the Investment Committee Meeting held on 25 February 2015, which approved the Company's establishment of the new subsidiary to be engaged in referral services to both domestic and foreign patients.

Bumrungrad Myanmar Co., Ltd.

On 14 May 2015, Bumrungrad Health Network Co., Ltd. (formerly known as "Bumrungrad Personnel Development Center Co., Ltd.") ("BHN"), the Company's wholly-owned subsidiary which is registered in Thailand, was granted permission to temporarily set up and register a new subsidiary, Bumrungrad Myanmar Co., Ltd. ("BM"), incorporated in Myanmar with a registered share capital of USD 1.3 million, comprised of 1,325,750 common shares with par value of USD 1 each. Thereafter, BM obtained a business permit from the Myanmar Investment Commission on 25 September 2015 and obtained a certificate of permanent incorporation of BM from the Directorate of Investment and Company Administration on 21 October 2015. As at 31 December 2015, BNH has paid for share subscription of 1,060,600 ordinary shares with a par value of USD 1 each, represented 80% of the total issued and paid-up share capital, with an investment of Baht 38.7 million.

The investment was made in accordance with a resolution of the Investment Committee Meeting held on 7 November 2014, which approved the establishment of the new subsidiary to engage in the operation of a private clinic and diagnostic services.

11.4.2 Call up of subsidiaries' shares

Life and Longevity Ltd.

On 10 March 2015, Life and Longevity Ltd., the Company's wholly-owned subsidiary which is registered in Hong Kong Special Administrative Region of the People's Republic of China, registered an increase of its capital and called up USD 61,999, or equivalent to Baht 2.1 million, for the additional common shares. The Company made payment for the additional common shares by converting to equity a long-term loan to the subsidiary in the form of promissory notes denominated in Swiss francs, amounting to CHF 51,000, and paid the remaining cost on 4 June 2015.

Bumrungrad Mongolia LLC

On 16 September 2015, Health Horizons Enterprises Pte. Ltd., a subsidiary in Singapore, 80% owned by the Company, acquired 100% of the additional common shares of Bumrungrad Mongolia LLC, a subsidiary in Mongolia, amounting to MNT 60 million or equivalent to Baht 1 million.

11.5 The changes of investments in subsidiaries account during the year 2014

11.5.1 Establishment of new subsidiaries

Bumrungrad Health Network Co., Ltd. (formerly known as “Bumrungrad Personnel Development Center Co., Ltd.”)

On 6 January 2014, the Company set up and registered a new subsidiary, Bumrungrad Health Network 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.

11.5.2 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.

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 as 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.

12. Investments in associates

12.1 Details of investments in associates

(Unit: Thousand Baht)

Company	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2015	2014	2015	2014	2015	2014
(%)	(%)							
Bumrungrad International Ltd.	Holding company	Thailand	31.50	31.50	1,447	1,447	234,067	232,226
CDE Trading Ltd.	Cease its operation	Thailand	-	30.00	-	5,415	-	943
Total					1,447	6,862	234,067	233,169

(Unit: Thousand Baht)

Company	Shareholding percentage		Separate financial statements					
			Cost		Allowance for loss on impairment		Carrying amounts based on cost method – net	
	2015 (%)	2014 (%)	2015	2014	2015	2014	2015	2014
Bumrungrad International Ltd.	31.50	31.50	1,447	1,447	-	-	1,447	1,447
CDE Trading Ltd.	-	30.00	-	5,415	-	4,000	-	1,415
Total			1,447	6,862	-	4,000	1,447	2,862

12.2 Share of comprehensive income and dividend received

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

(Unit: Thousand Baht)

Associates	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investments in associates during the year		Dividend received during the year	
	2015	2014	2015	2014
Bumrungrad International Ltd.	1,841	(6,094)	-	-
CDE Trading Ltd.	10,674	3,349	-	-
Total	12,515	(2,745)	-	-

12.3 Summarised financial information of associates

Financial information of the associates is summarised below.

(Unit: Million Baht)

Company	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	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Bumrungrad International Ltd. (“BIL”)	4.6	4.6	754.2	754.9	11.2	17.7	13.4	16.1	5.8	(19.3)
CDE Trading Ltd. (“CDE”)	-	2.5	-	5.8	-	2.5	-	-	(1.1)	(1.1)

On 1 July 2014, an associate (CDE) 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.

On 17 November 2015, the Extraordinary General Meeting of shareholders of CDE passed a resolution to approve the dissolution of CDE. CDE registered its dissolution with the Ministry of Commerce on 17 November 2015. At present, CDE is in the process of liquidation. During the year ended 31 December 2015, the Company received the return of share capital of Baht 0.6 million from CDE. The Company has written-off the investment in CDE and recognised loss from dissolution of an associate amounting to Baht 0.8 million in the separate income statement.

13. Other long-term investment

(Unit: Thousand Baht)

Company	Shareholding percentage		Consolidated Financial statements		Carrying amounts based on equity method	
	2015	2014	2015	2014	2015	2014
	(%)	(%)				
Chantaburi Country Club Co., Ltd.	0.5	0.5	4,500	4,500	4,500	4,500
Less: Allowance for loss on impairment			(2,800)	(2,800)	(2,800)	(2,800)
Other long-term investment - 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 2014	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	255,198	1,175,825
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)	-
Capitalised interest	-	-	-	-	-	-	-	-	55,511	55,511
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
Additions	754,933	-	33,142	46,226	195,757	112,339	19,734	1,046	306,384	1,469,561
Disposals/write-off	-	-	(247)	(8,266)	(105,116)	(33,993)	(35,092)	(61)	(4,000)	(186,775)
Transfer in (out)	-	-	366,574	45,255	-	1,014	-	-	(444,583)	(31,740)
Capitalised interest	-	-	-	-	-	-	-	-	54,230	54,230
Translation adjustment	-	38	19,261	-	218	5,336	426	84	64	25,427
31 December 2015	3,618,681	36,647	6,384,258	872,577	4,332,950	1,139,162	587,676	43,838	555,566	17,571,355
Accumulated depreciation										
1 January 2014	-	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
Depreciation for the year	-	694	356,090	72,770	407,990	93,596	42,400	2,872	-	976,412
Depreciation on disposals	-	-	(247)	(8,055)	(104,093)	(29,144)	(32,981)	(61)	-	(174,581)
Translation adjustment	-	5	1,771	-	211	2,955	233	35	-	5,210
31 December 2015	-	19,395	2,334,377	327,028	3,145,685	850,250	384,614	37,655	-	7,099,004

As at 31 December 2015, the Company had an outstanding balance of land, work under construction of building and building improvement of Baht 1,129.2 million (2014: Baht 1,150.1 million) which has been financed by long-term debentures and borrowing costs totaling Baht 54.2 million (2014: Baht 55.5 million) were capitalised during the year ended 31 December 2015. The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation was 4.87% per annum (2014: 4.87% per annum).

As at 31 December 2015, 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 1,589.1 million (Separate financial statements: Baht 1,553.5 million) (2014: Baht 1,223.7 million (Separate financial statements: Baht 1,193.3 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 2014	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
Additions	42,621	42,621	41,182	-	41,182
Transfer from assets under installation	31,740	31,740	31,740	-	31,740
Translation adjustment	9	9	-	-	-
31 December 2015	1,121,143	1,121,143	1,153,525	-	1,153,525
Accumulated amortisation					
1 January 2014	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 in the past	(3,673)	(3,673)	-	-	-
31 December 2014	530,197	530,197	554,692	-	554,692
Amortisation during the year	68,332	68,332	67,964	-	67,964
Realised gain on sales in the past	(11,019)	(11,019)	-	-	-
Translation adjustment	14	14	-	-	-
31 December 2015	587,524	587,524	622,656	-	622,656

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Computer software	Total	Computer software	Compensation for business combination	Total
Allowance for impairment loss					
1 January 2014	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
31 December 2015	370,233	370,233	370,233	-	370,233
Net book value					
31 December 2014	146,343	146,343	155,678	-	155,678
31 December 2015	163,386	163,386	160,636	-	160,636

16. Goodwill

Goodwill resulted from the acquisition by Health Horizons Enterprises Pte. Ltd. ("HHE"), an overseas subsidiary that is 80% owned by the Company, of a 100% interest in the common shares of Bumrungrad Mongolia LLC ("BML") on 28 March 2014. BML holds 51% of the common shares of Seoul Seniors Tower LLC ("SST"), which operates Ulan Bator Songdo Hospital in Mongolia. The excess of the purchase price over the net value of the tangible assets acquired was allocated as goodwill. The amount of goodwill is USD 3.4 million, which mainly comprises the value of expected synergies from customer base expansion.

The change in the goodwill account is due to the impact of exchange differences on translation of the foreign operation's financial statements.

17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade payables - unrelated parties	754,355	753,834	732,435	745,308
Construction and medical equipment payables	52,671	81,347	52,671	72,783
Other payables - related parties	-	-	16,581	13,395
Other payables - unrelated parties	23,018	25,056	18,810	22,869
Total	830,044	860,237	820,497	854,355

18. Long-term debentures

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

As at 31 December 2015 and 2014 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	
						2015	2014
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						(21,845)	(28,018)
Long-term debentures - net						4,978,155	4,971,982
Less: Current portion						(1,497,145)	-
Non-current portion						3,481,010	4,971,982

The long-term debentures are unsecured and unsubordinated debentures in Baht currency with fixed interest rates.

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

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

19. Undrawn loan facilities

As at 31 December 2015, the Group has short-term credit facilities which have not yet been drawn down amounted to Baht 3,310.0 million (2014: Baht 3,310.0 million).

20. Provision for long-term employee benefits

Provision for long-term employee benefits was as follows.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Compensations on employees' retirement		Other long-term employee benefits		Total	
	2015	2014	2015	2014	2015	2014
Provision for long-term employee benefits at beginning of year	379,874	322,439	30,455	26,992	410,329	349,431
Included in the income statement:						
Current service cost	55,822	47,528	5,641	5,146	61,463	52,674
Interest cost	10,969	12,509	915	1,053	11,884	13,562
Past service cost and gains or losses on settlement	-	-	2,707	995	2,707	995
Included in the statement of comprehensive income:						
Actuarial (gain) loss arising from						
- Demographic assumption changes	94	-	-	-	94	-
- Financial assumptions changes	16,967	31,910	-	-	16,967	31,910
- Experience adjustments	16,546	(14,558)	-	-	16,546	(14,558)
Benefits paid during the year	(39,655)	(19,954)	(3,641)	(3,731)	(43,296)	(23,685)
Provision for long-term employee benefits at end of year	440,617	379,874	36,077	30,455	476,694	410,329

(Unit: Thousand Baht)

	Separate financial statements					
	Compensations on employees' retirement		Other long-term employee benefits		Total	
	2015	2014	2015	2014	2015	2014
Provision for long-term employee benefits at beginning of year	375,447	321,768	30,072	26,935	405,519	348,703
Transfer of defined benefit delegation to a subsidiary	-	(3,124)	-	(271)	-	(3,395)
Included in the income statement:						
Current service cost	54,862	46,647	5,573	5,080	60,435	51,727
Interest cost	10,807	12,376	902	1,041	11,709	13,417
Past service cost and gains or losses on settlement	-	-	2,723	1,011	2,723	1,011
Included in the statement of comprehensive income:						
Actuarial (gain) loss arising from						
- Financial assumptions changes	16,271	31,898	-	-	16,271	31,898
- Experience adjustments	15,566	(14,164)	-	-	15,566	(14,164)
Benefits paid during the year	(39,612)	(19,954)	(3,622)	(3,724)	(43,234)	(23,678)
Provision for long-term employee benefits at end of year	433,341	375,447	35,648	30,072	468,989	405,519

Line items in the income statement under which long-term employee benefit expenses as recognised are as follows.
(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cost of hospital operations	41,318	41,070	41,318	41,070
Administrative expenses	34,736	26,161	33,549	25,085
Total expenses recognised in the income statement	76,054	67,231	74,867	66,155

The Group expects to pay Baht 56.8 million (2014: Baht 48.6 million) (separate financial statements: Baht 56.7 million, 2014: Baht 48.5 million) of long-term employee benefits during the next year.

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 19 - 24 Years (2014: 20 - 26 years) (separate financial statements: 22 years, 2014: 22 years).

Key actuarial assumptions used for the valuation are as follows.

(Unit: % p.a.)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Discount rate	2.0 - 2.8	3.0 - 3.5	2.6	3.0
Salary increase rate	5.0	5.0	5.0	5.0
Turnover rate	0.0 - 18.0	0.0 - 20.0	0.0 - 14.0	0.0 - 14.0

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at 31 December 2015 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(44.2)	52.1	(43.3)	51.1
Salary increase rate	42.6	(36.9)	41.7	(36.1)
Turnover rate	(47.1)	30.6	(46.1)	30.2

21. Convertible bonds treated as equity securities

Convertible bonds treated as equity securities as at 31 December 2015 and 2014 are as follows.

- 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.

On 9 November 2015, the meeting of bonds' holders and on 30 November 2015, 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 10 years maturing on 23 August 2027 and to cancel the appointment of a bondholders' representative since the collateral for the convertible bonds has already been released. In addition, it is proposed that the name of the BH Convertible Bonds Series#1 and Series#2 be changed to reflect the new maturity date and the release of the collateral for the bonds.

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 2015 of the convertible bonds amounted to Baht 32.5 million (2014: Baht 32.5 million), being recorded as a reduction to unappropriated retained earnings.

22. Share capital

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

In the first quarter of 2015, 25,000 preference shares (2014: 40,000 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 3 March 2015.

23. Statutory reserve

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

24. Expenses by nature

Significant expenses classified by nature are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Salaries and wages and other employee benefits	3,256,712	2,798,041	3,081,219	2,683,566
Physicians' fee	3,876,569	3,509,757	3,841,544	3,478,043
Depreciation	976,412	981,692	933,790	953,950
Amortisation	68,332	63,076	67,964	62,596
Loss on impairment of investment in a subsidiary	-	-	29,500	-
Loss from share capital reduction and dissolution of an associate	-	-	817	1,998
Property, plant and equipment rental expenses from operating lease agreements	77,908	80,860	75,469	79,696
Building and equipment maintenance expenses	308,545	325,049	294,227	314,078
Advertising and public relation expenses	255,174	229,730	245,715	217,371
Medicine, medical supply and other supply consumptions	2,961,992	2,778,519	2,836,084	2,670,439

25. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Current income tax:				
Current income tax for the year	831,141	705,047	811,748	682,567
Deferred tax:				
Relating to origination and reversal of temporary differences	(7,822)	(19,627)	(10,402)	(18,779)
Income tax expenses reported in the income statement	823,319	685,420	801,346	663,788

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred tax relating to actuarial loss	(6,452)	(3,470)	(6,367)	(3,547)
Total	(6,452)	(3,470)	(6,367)	(3,547)

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Accounting profit before tax	4,250,839	3,420,250	4,212,552	3,336,473
Applicable tax rate	10, 15 and 20%	10 and 20%	20%	20%
Accounting profit before tax multiplied by income tax rate	871,404	685,217	842,510	667,295
Effects of:				
Tax-exempt revenue	(41,417)	-	(29,861)	-
Non-deductible expenses	15,030	21,868	15,092	20,447
Additional expense deductions allowed	(37,344)	(28,509)	(37,344)	(28,509)
Others	15,646	6,844	10,949	4,555
Total	(48,085)	203	(41,164)	(3,507)
Income tax expenses reported in the income statement	823,319	685,420	801,346	663,788

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

(Unit: Thousand Baht)

	Statement of financial position			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred tax assets				
Allowance for doubtful accounts	23,756	19,446	23,756	19,446
Allowance for diminution in value of inventories	45	58	-	-
Allowance for loss on impairment of investments	5,900	13,200	5,900	13,200
Allowance for loss on impairment of intangible assets	-	589	-	535
Accumulated depreciation - building and equipment	55,924	46,143	55,924	46,143
Accumulated amortisation - intangible assets	5,992	5,096	5,944	5,042
Provision for long-term employee benefits	103,020	94,683	102,666	94,290
Unrealised loss from exchange rate	2,737	5,120	-	-
Total	197,374	184,335	194,190	178,656
Deferred tax liabilities				
Deferred debenture issuing costs	(4,369)	(5,604)	(4,369)	(5,604)
Total	(4,369)	(5,604)	(4,369)	(5,604)
Deferred tax assets - net	193,005	178,731	189,821	173,052

As at 31 December 2015 the subsidiaries have unused tax losses totaling Baht 46.4 million (2014: Baht 66.8 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.

The unused tax losses amounting to Baht 46.4 million will expire between 2016 and 2020.

26. Earnings per share

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

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

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

(Unit: Thousand Baht)

	Consolidated financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2015	2014	2015	2014	2015	2014
	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	3,435,834	2,730,296	728,621	728,593	4.72	3.75
Effect of dilutive potential ordinary shares						
Preference shares	-	-	1,431	1,459		
Convertible bonds	-	-	137,363	137,363		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	3,435,834	2,730,296	867,415	867,415	3.96	3.15

(Unit: Thousand Baht)

	Separate financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2015	2014	2015	2014	2015	2014
	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	3,411,206	2,672,685	728,621	728,593	4.68	3.67
Effect of dilutive potential ordinary shares						
Preference shares	-	-	1,431	1,459		
Convertible bonds	-	-	137,363	137,363		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	3,411,206	2,672,685	867,415	867,415	3.93	3.08

27. Segment information

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

The one main reportable operating segment of the Group is hospital and health care center and the geographical areas of its 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 2015 and 2014, the Group has no major customer with revenues of 10% or more of the Group's revenues.

28. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees contributed to the fund monthly at the rate of 5% of their basic salaries and the Group 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. The contributions for the year 2015 amounting to Baht 66.5 million (2014: Baht 66.8 million) (separate financial statements: Baht 64.5 million, 2014: Baht 66.0 million), were recognised as expenses.

29. Dividends paid

Dividends	Approved by	Total dividends	Dividend per share
		(Thousand Baht)	(Baht)
Final dividends for 2013	Annual General Meeting of the shareholders on 29 April 2014	875,859	1.20
Interim dividends for 2014	Board of Director's meeting on 8 August 2014	511,032	0.70
Total for 2014		1,386,891	
Final dividends for 2014	Annual General Meeting of the shareholders on 29 April 2015	912,557	1.25
Interim dividends for 2015	Board of Director's meeting on 10 August 2015	656,668	0.90
Total for 2015		1,569,225	

30. Commitments and contingent liabilities

30.1 Capital commitments

As at 31 December 2015 and 2014, the Group has capital commitments as below.

(Unit: Million Baht)

Details of Commitments	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
1) Design and renovation agreements of buildings	145.5	164.3	144.1	164.3
2) Purchase of medical instruments and hospital equipment	176.7	150.0	176.1	150.0

30.2 Operating lease and long-term service commitments

The Group 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 1 and 30 years.

As at 31 December 2015 and 2014, future minimum payments required under the above agreements were as follows.

(Unit: Million Baht)

Details of commitments	Consolidated financial statements							
	Payable within						Total	
	1 year		1 to 5 years		More than 5 years			
	2015	2014	2015	2014	2015	2014	2015	2014
1) Nursing dormitory land rental expense (shall be extended for a further period of 30 years)	2	2	7	7	2	4	11	13
2) Lease of office space	32	31	33	51	-	-	65	82
3) Maintenance service fee for medical instruments	136	136	100	137	-	-	236	273
4) Rental and maintenance service fee for cars	11	11	16	14	-	-	27	25
5) Fee to a bank which is bondholders' representative	-	-	-	1	-	-	-	1
6) Service fee for medical treatment information database	41	30	218	199	-	35	259	264

(Unit: Million Baht)

Details of commitments	Separate financial statements							
	Payable within						Total	
	1 year		1 to 5 years		More than 5 years			
	2015	2014	2015	2014	2015	2014	2015	2014
1) Nursing dormitory land rental expense (shall be extended for a further period of 30 years)	2	2	7	7	2	4	11	13
2) Lease of office space	32	31	33	51	-	-	65	82
3) Maintenance service fee for medical instruments	128	136	64	137	-	-	192	273
4) Rental and maintenance service fee for cars	10	11	15	14	-	-	25	25
5) Fee to a bank which is bondholders' representative	-	-	-	1	-	-	-	1
6) Service fee for medical treatment information database	39	30	213	199	-	35	252	264

30.3 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 2015, the outstanding amount of medical supplies and services that the Company is required to purchase in accordance with the contract is Baht 239.4 million (2014: Baht 319.0 million).

30.4 Uncalled portion of investment in subsidiary

As at 31 December 2015, the Company has commitment in respect of the uncalled portion of investment in an overseas subsidiary (Asia Global Health Ltd.) of HKD 2.34 million (2014: HKD 2.34 million).

30.5 Bank guarantees

As at 31 December 2015, there were outstanding bank guarantees of Baht 27.6 million (2014: 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.

30.6 Contingent liabilities arising from agreement to acquire investments in subsidiaries

Health Horizons Enterprises Pte. Ltd. ("HHE"), an overseas subsidiary that is 80% owned by the Company, has contingent liabilities under the Share Sales and Purchase Agreement, dated 5 March 2014, whereby it acquired common shares of Bumrungrad Mongolia LLC ("BML") and Seoul Seniors Tower LLC ("SST"). The seller is entitled to receive an additional contingent consideration in the form of earn-out payments, provided certain cumulative net profit targets are achieved through 31 December 2016, at a maximum amount of MNT 10,965.9 million.

The Group has reviewed and reassessed the likelihood that the Group will have to pay this additional amount, taking into consideration the economic situation, operating performance and the forecast operating results of SST for the years 2014 to 2016. As at 31 December 2015 and 2014, the Group estimated that it has no obligation to pay an additional consideration.

31. Fair value hierarchy

As at 31 December 2015, the Group had liabilities that were disclosed their fair value using a level of inputs as follows.

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements			
	Level 1	Level 2	Level 3	Total
Liabilities for which fair value are disclosed				
Debentures	-	5,323,275	-	5,323,275

32. Financial instruments

32.1 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 2015						
	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	3,986	-	-	995	73	5,054	0.05 - 3.60
Short-term investments	2,306	-	-	-	-	2,306	1.90 - 2.00
Trade and other receivables	-	-	-	-	2,318	2,318	-
	6,292	-	-	995	2,391	9,678	
Financial liabilities							
Trade and other payables	-	-	-	-	830	830	-
Accrued physicians' fees	-	-	-	-	713	713	-
Long-term loan from and interest payable to a related party	-	176	-	-	7	183	1.38
Long-term debentures	1,497	996	2,485	-	-	4,978	4.13 - 4.97
	1,497	1,172	2,485	-	1,550	6,704	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2015							
	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	3,897	-	-	908	13	4,818	0.05 - 1.85
Short-term investments	2,302	-	-	-	-	2,302	1.90 - 2.00
Trade and other receivables	-	-	-	-	2,328	2,328	-
Long-term loan to and interest receivable from a related party	-	9	-	-	-	9	1.38
	6,199	9	-	908	2,341	9,457	
Financial liabilities							
Trade and other payables	-	-	-	-	820	820	-
Accrued physicians' fees	-	-	-	-	708	708	-
Long-term loan from and interest payable to a related party	-	176	-	-	7	183	1.38
Long-term debentures	1,497	996	2,485	-	-	4,978	4.13 - 4.97
	1,497	1,172	2,485	-	1,535	6,689	

(Unit: Million Baht)

Consolidated 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	2,947	-	-	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	-	-	4	180	1.50
Long-term debentures	-	2,489	2,483	-	-	4,972	4.13 - 4.97
	-	2,665	2,483	-	1,402	6,550	

(Unit: Million Baht)

	Separate 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	2,896	-	-	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 and interest payable to a related party	-	176	-	-	4	180	1.50
Long-term debentures	-	2,489	2,483	-	-	4,972	4.13 - 4.97
	-	2,665	2,483	-	1,389	6,537	

In addition, as at 31 December 2015 and 2014, 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 2027 and carry interests at the rates 1% and 10% per annum, as described in Note 21 to the financial statements.

Foreign currency risk

The Company's exposure to foreign currency risk arises from 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 2015 and 2014.

32.2 Fair values of financial instruments

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.

Since 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 the statement of financial position. The carrying amount of long-term debentures with fixed interest rates as at 31 December 2015 amounted to Baht 4,978.2 million (2014: Baht 4,972.0 million), and their fair value amounted to Baht 5,323.3 million (2014: Baht 5,264.6 million).

33. 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 2015, the Group's debt-to-equity ratio was 0.64:1 (2014: 0.72:1) and the Company's was 0.66:1 (2014: 0.74:1).

34. Events after the reporting period

On 24 February 2016, 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 2016 to adopt a resolution to pay a dividend of Baht 2.35 per share, or a total of Baht 1,715.6 million, to the shareholders in respect of the 2015 profit. The Company already paid an interim dividend of Baht 0.90 per share, or a total of Baht 657.0 million on 9 September 2015. The remaining dividend of Baht 1.45 per share, or a total of Baht 1,058.6 million will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2016.



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.

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
(as at 31 December 2015)	Divided into Ordinary shares of 921,276,022 shares, par value at Baht 1 per share Preferred shares of 1,426,663 shares, par value at Baht 1 per share
Issued and Paid up Capital:	Baht 730,052,222
(as at 31 December 2015)	Divided into Ordinary shares of 728,625,559 shares, par value at Baht 1 per share Preferred shares of 1,426,663 shares, par value at Baht 1 per share

Entities in which the Company has more than 10% shareholding

Company	Type of Business	Issued ordinary shares	Shareholding (%)
<p>1. Vitalife Corporation Limited 210 Sukhumvit Soi 1, Sukhumvit Road, Klong Toey Nua, Wattana, Bangkok 10110 Phone 0 2667 2340, Fax 0 2667 2341</p>	Wellness Center	315,000 shares	100.0%
<p>2. Asia Global Research Company Limited 2 Sukhumvit Road, Klong Toey, Klong Toey, Bangkok 10110 Phone 0 2667 1700, Fax 0 2667 1800</p>	Clinical Research	5,000,000 shares	100.0%
<p>3. Asia Global Health Limited Room 337, 3rd Fl. South China C.S. Building, 13-17 Wah Sing Street, Kwai Chung, New Territories, Hong Kong. Phone (852) 881 8226, Fax (852) 881 0377</p>	Investment in healthcare & related business in Asia	1,220,000 shares	100.0%
<p>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</p>	Owns the land at Sukhumvit Soi 1	34,000,000 shares	100.0%
<p>5. Life and Longevity Limited Room 337, 3rd Fl. South China C.S. Building, 13-17 Wah Sing Street, Kwai Chung, New Territories, Hong Kong. Phone (852) 881 8226, Fax (852) 881 0377</p>	Holding company for overseas investments	100,000 shares	100.0%
<p>6. Vitalife International AG Neuhofstrasse 5a, Baar, Switzerland</p>	Holding company for overseas investments	100,000 shares	51.0% (51% by LLL)
<p>7. Bumrungrad Heath Network Co., Ltd. (previously 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</p>	Investment company and a provider of educational and consulting services	500,000 shares	100.0%
<p>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</p>	Holding company for overseas investments	20,000 shares	80.0%

Company	Type of Business	Issued ordinary shares	Shareholding (%)
<p>9. Bumrungrad Mongolia LLC Choidog-5, Peace Avenue, 1st Khoroo, Sukhbaatar District, Ulaanbaatar, Mongolia Phone +976-7012-9000, Fax +976-7011-1164</p>	Holding company for overseas investments	4,081,000 Shares	80.0% (100% by HHE)
<p>10. Seoul Seniors Tower LLC Choidog-5, Peace Avenue, 1st Khoroo, Sukhbaatar District, Ulaanbaatar, Mongolia Phone +976-7012-9000, Fax +976-7011-1164</p>	Holding company for overseas investments	8,000,000 shares	40.8% (51% by BML)
<p>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</p>	Personnel Development and Training Center (for affiliated companies only)	500,000 shares	100.0%
<p>12. Bumrungrad International Limited 33 Sukhumvit Soi 3 Sukhumvit Road, Klong Toey Nua, Wattana, Bangkok 10110 Phone 0 2667 1000, Fax 0 2667 2525</p>	Temporarily Dormant Company	45,938 shares	31.5%
<p>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</p>	Temporarily Dormant Company	100,000 Shares	30.0%
<p>14. Bumrungrad Services Co., Ltd. 33 Sukhumvit Soi 3 Sukhumvit Road, Klong Toey Nua, Wattana, Bangkok 10110 Phone 0 2667 1000, Fax 0 2667 2525</p>	Referral services to both domestic and overseas patients	200,000 Shares	99.9%
<p>15. Bumrungrad Myanmar Co., Ltd. No.46/B GF-A Pantra, Street Dagon Township, Yangon, Myanmar</p>	operate a private clinic and diagnostic services in Myanmar	1,325,750 Shares	80.0% (100% by BHN)

Reference Persons

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

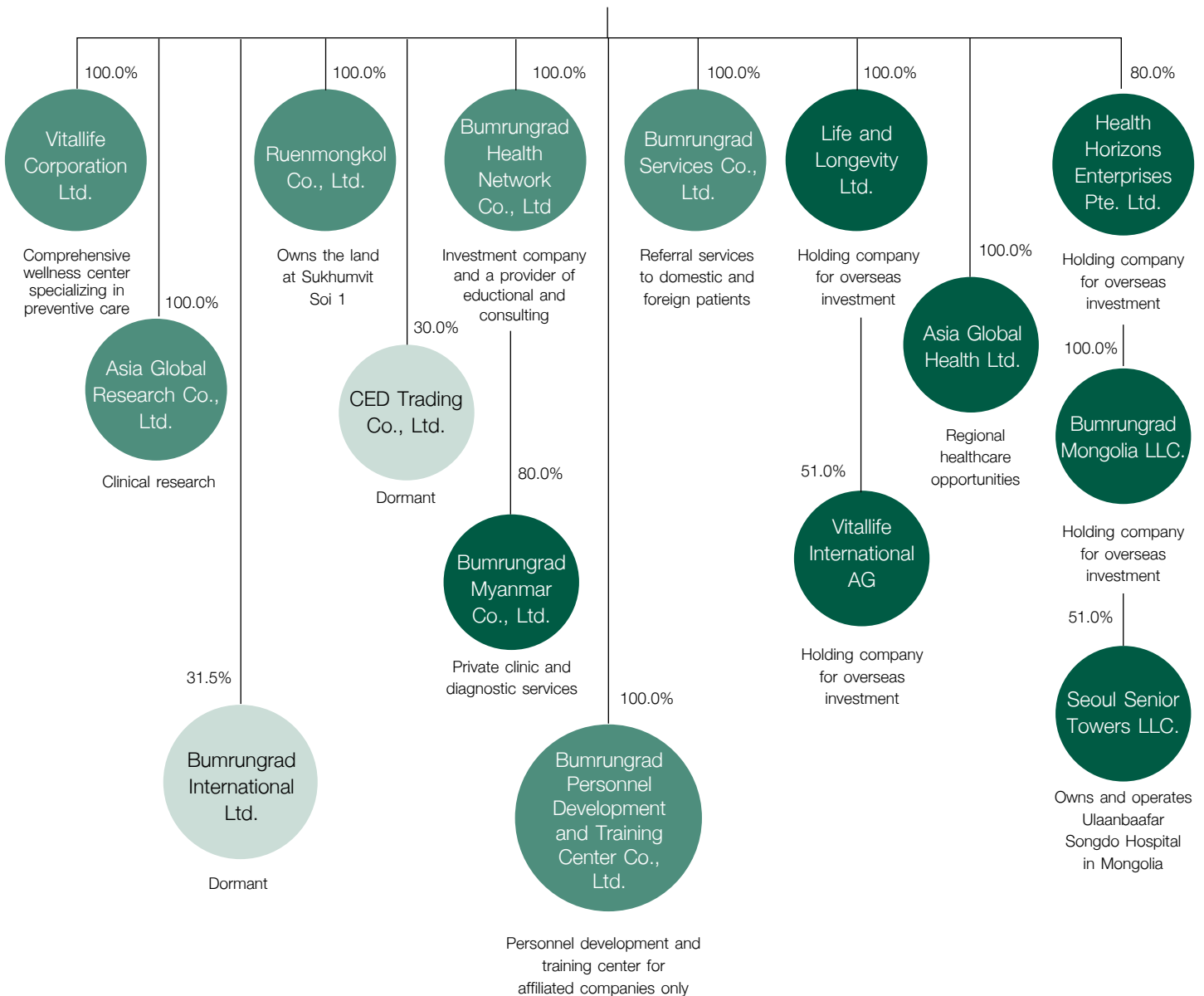
BUSINESS POLICY AND OVERALL OPERATION

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 2015)

Bumrungrad Hospital Public Company Limited

Operates Bumrungrad International Hospital, Bangkok



The Company has nine subsidiaries, including (1) Vitallife Corporation Limited, (2) Asia Global Health Limited, (3) Asia Global Research Company Limited, (4) Ruenmongkol Company Limited and (5) Life and Longevity Limited, (6) Bumrungrad Health Network Company Limited, (7) Bumrungrad Personnel Development and Training Center Company Limited, (8) Health Horizons Enterprises Pte. Ltd. and (9) Bumrungrad Services Company Limited

The Company also has four 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.), (3) Seoul Seniors Towers LLC (approx. 41%-owned with control as per its shareholding portion through Health Horizons Enterprises Pte. Ltd. and Bumrungrad Mongolia LLC.) and (4) Bumrungrad Myanmar Co., Ltd. (80%-owned through Bumrungrad Health Network Co., Ltd.)

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

Details of subsidiaries, affiliated companies and related companies are as follows:

Vitallife Corporation Limited (“VTL”) is a pioneer in longevity medicine; integrating predictive, preventive, rejuvenating, and regenerative strategies for optimal healthy lifestyles. Vital Life 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 Vital Life 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 and management. 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 Health Network Co., Ltd. (“BHN”) (previously Bumrungrad Personnel Development Co., Ltd.) is a company focused on investing in healthcare and related businesses overseas and providing educational and consulting services to domestic and overseas entities or individuals.

Vitalife 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 Company’s 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. (“BPDTC”) 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.

Bumrungrad Services Co., Ltd. (“BS”) is a company that supports the strategy for referral services to both domestic and foreign patients.

Bumrungrad Myanmar Co., Ltd. (“BM”) is a company that operates a private primary care and diagnostic services clinic in Myanmar.

Revenue Structure

Unit: Baht Million

Product line / Business Group	Operate by	% Shareholding By Company	2015		2014		2013	
			Revenue	%	Revenue	%	Revenue	%
Healthcare	Bumrungrad Hospital PCL.		17,067	95.2	15,135	95.1	14,008	95.6
Healthcare	Vitalife Corporation Ltd.	100.0	293	1.6	225	1.4	243	1.7
Healthcare	Seoul Seniors Towers LLC	40.8	240	1.3	212	1.3	-	-
Total Healthcare			17,600	98.2	15,572	97.9	14,251	97.3
Rental	Bumrungrad Hospital PCL.		60	0.3	58	0.4	94	0.6
Rental	Ruenmongkol	100.0	-	0.0	-	0.0	1	-
Total Rental			60	0.3	58	0.4	95	0.6
Others	Bumrungrad Hospital PCL.		249	1.4	262	1.6	280	1.9
Others	Vitalife Corporation Ltd.	100.0	6	0.0	4	0.0	5	0.1
Others	Asia Global Research Ltd.	100.0	8	0.0	12	0.1	18	0.1
Others	Ruenmongkol Co., Ltd.	100.0	-	-	-	-	2	-
Others	Health Horizons Enterprises Pte. Ltd.	80.0	2	0.0	1	0.0	-	-
Others	Bumrungrad Health Network Co., Ltd. (formerly known as Bumrungrad Personnel Development Center)	100.0	1	0.0	1	0.0	-	-
Others	Bumrungrad Services Co., Ltd.	100.0	3	0.0				
Total Others			269	1.5	280	1.8	305	2.1
Total			17,929	100.0	15,910	100.0	14,651	100

Products and services description

Bumrungrad Hospital Public Company Limited (“the Company”)

The Company is the operator of Bumrungrad International Hospital, Bangkok and Ulaanbaatar Songdo Hospital in Mongolia, the main revenue contributor is Bumrungrad International Hospital.

In 2015, the revenue from hospital operations of the Bangkok facility is 95.2% of total revenues.

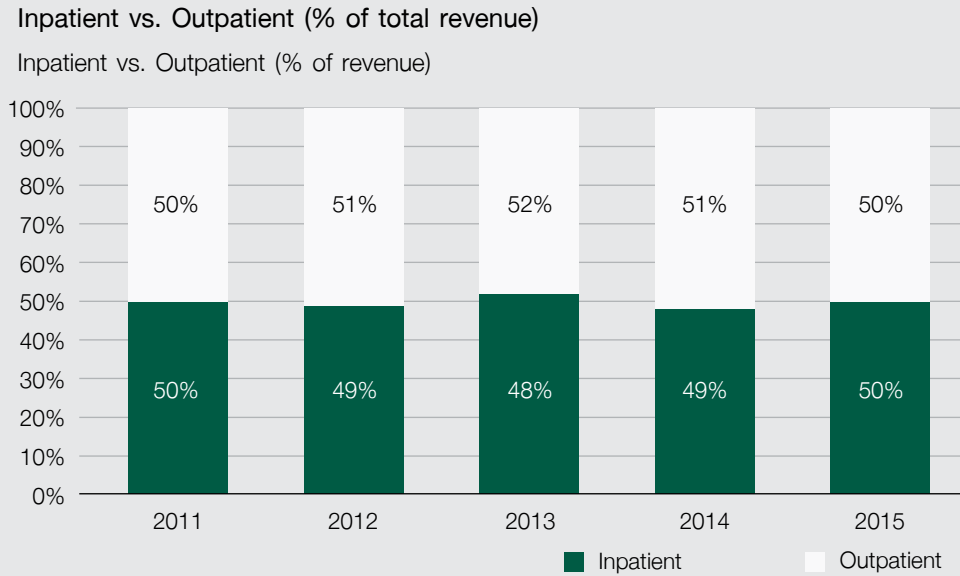
The Hospital’s Services:

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

1. Outpatient service has 43 clinics/centers with 282 examination rooms, and capacity to serve over 5,500 outpatients per day, with the following details:

- Allergy Center
- Arrhythmia Center
- Breast Care Clinic
- Breast Feed 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
- Eye Laser Refraction Center
- Fertility Center & IVF Clinic
- Health Screening Center (Check-up)
- Hearing and Balance Clinic
- Heart Center (Cardiology)
- Horizon Regional Cancer Center
- Hyperbaric Oxygen Therapy
- Hypertension Clinic
- Intensive Care Unit (ICU)
- Joint Replacement Center
- Liver Center
- Memory Clinic
- Men Center
- Nephrology (Kidney) Center
- Neuroscience Center
- New Life Healthy Aging Clinic
- Orthopedic Center
- Parkinson’s Disease and Movement Disorders Clinic
- Perinatal Center
- Physical Therapy & Rehabilitation
- Plastic (Cosmetic) Surgery Center
- Pulmonary (Lung) Center
- Skin Center (Dermatology)
- Sleep Lab
- Spine Institute
- Surgical Clinics
- Travel Medicine Center
- Urology Center
- Wellness & Anti-aging (Vitalife)
- Women’s Center

2. Licensed capacity for inpatient service totals 580 beds, of which including ward beds and intensive care beds. In 2015, the Company treated a total of over 1.1 million medical episodes. The revenue contributions by inpatient and outpatient in 2015 are as follows:

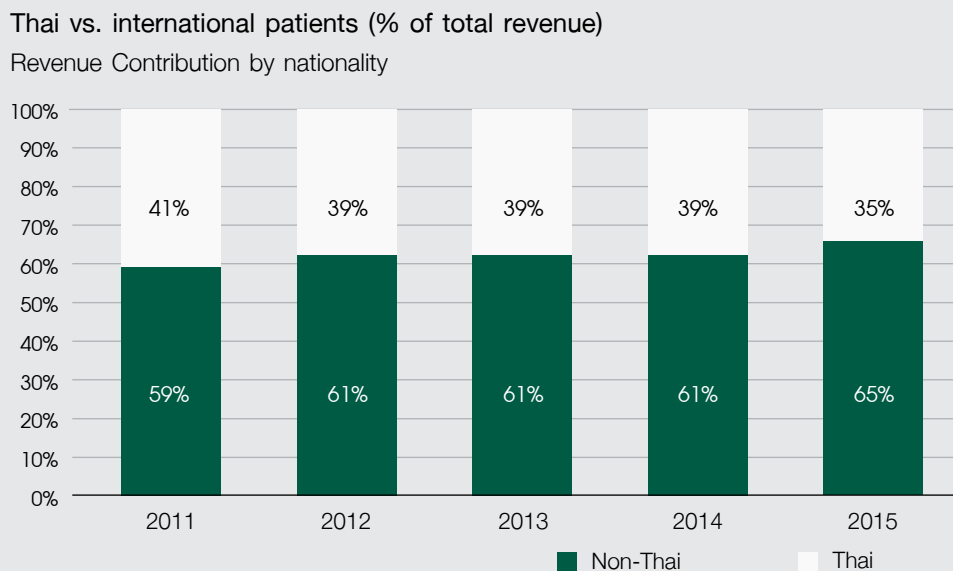


International Patient Services:

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 32 overseas referral offices in 17 countries.

In 2015, Bumrungrad International Hospital treated over 550,000 international medical episodes from over 190 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 (BIC)** 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, conference and educational facilities.
2. **Bumrungrad International Hospital Building (BIH)** offers a combination of inpatient and outpatient services. The licensed inpatient bed capacity of the Bumrungrad International Hospital Building is 580.
3. **Bumrungrad International Tower Building (BIT)** offers space on the Bangkok campus for clinical / 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 Residence and Office Building (BRO)** 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 88 inpatient beds.

INDUSTRY AND COMPETITION

In 2015, the global economy gave the slower growth signals, for example US and Chinese economic growth softened from the previous year. The Japanese economy also had signs of a slowdown as seen by several key indicators. The Eurozone economy began a gradual recovery. Many Asian economies started to show higher growths, supported by improving domestic demand and higher contributions from net exports as import contraction rate outpaced that of exports. The global inflation rate remained subdued. The different direction of economic cycles of major countries has led to greater divergence in monetary policy between countries. This has clearly seen by the fact that the US Fed hiked interest rates for first time in nine years, in contrary to other major economies that continued easing their monetary policy.

For 2015, the world economy expanded by 3.0 percent, slower than 3.2 percent in 2014 and reached a 7-year low. The Thai economy in 2015 improved slightly compared with a low-based growth from the previous year, mostly being driven by a significant improvement of public investment.

Although the global environments and the domestic economy in last year did not signal growth in many industries, the healthcare delivery industry in Thailand did grow. Few of industry sectors had higher growth than private healthcare services. The country's spending on medical care has risen more than double digits each year during the past five years, outpacing the annual growth of the economy during that period. Higher spending is driven by growth of the middle-class, higher incomes, increasing access to hospitals and more advanced healthcare services. Aging demographics will continue to lift demand. The most important contributor was the continued growth of medical tourism.

Thailand is one of the most popular holiday destinations in Asia luring tourists and travelers with its diverse package of beaches, cultural sites and shopping life-styles. Bangkok is clearly the top destination for any visitor to Thailand, including medical tourists. It has numerous English-speaking physicians, many of whom studied internationally. The hospitals are outfitted with modern equipment and the clean, attractive facilities and provide quality service to patients from all over the world.

Over the past few years, Bumrungrad International Hospital has become known as one of the top premium destination for the medical tourism in the world. We are still focused on the strategy of serving local and international patients that seek the differentiation of our services compared with other healthcare providers.

Our core values are centered around how we care for the patient with compassion, professionalism, and as a team while continuously strengthening the systems and processes that ensure quality, safety and consistency to deliver better outcomes for patients. We always try our best to offer excellent doctors supported by experienced colleagues, advanced technology and responsive service, in a comforting environment.

Our business in 2015, showed slowing demand from domestic markets but our overseas markets, such as Middle East countries and Indo-China regions still showed growth. We still recorded a strong increase in revenue from Middle Eastern patients despite falling oil prices

Together with the high growth from neighboring countries, which are mostly due to their existing healthcare infrastructures in these countries not being able to cope with the rise in demand and the demand for more complex services and treatments. We realized the problems of healthcare scarcity in certain countries therefore the Company has started the development of a diagnostic clinic in Yangon, Myanmar. The clinic will provide primary care and diagnostic services.

All these factors made our business in 2015 produce consistent growth in results with record revenue, EBITDA and profit.

The ASEAN Economic Community (AEC), which began at the end of 2015, is expected to be one of the factors to boost the healthcare delivery industry by increasing economic growth, trade and travel in Southeast Asia. As the CLMV region (Cambodia, Laos, Myanmar and Vietnam) becomes integrated into regional supply chains, a large share of the population would enjoy higher living standards, increasing demand for quality medical services.

We will continue to invest in our people and systems to continually redefine what it means to be a leading healthcare provider, one that continues to provide outstanding service and satisfying results well into the future.

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 32 referral offices in 17 countries.

Sources of Products and Services

Bumrungrad International Hospital, Bangkok

Capacity

As at 31 December

Inpatients	2015	2014	2013
Total number of licensed beds*	580	580	563
Beds in operation*	539	565	543
Weighted total capacity**	196,735	204,218	179,458
Occupied beds per year (beds)	149,519	135,342	134,908
Weighted capacity Utilization (percent)	76.00	66.27	75.18

** 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	2015	2014	2013
Capacity per day (persons)*	5,500	5,500	5,500
Average outpatients per day (persons)	2,992	2,976	3,021
Weighted Capacity Utilization (percent)	54.40	54.11	59.43

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

Macroeconomic, pandemics and other unexpected factors

In 2015, the hospital industry in Thailand had been affected by a number of external factors, including global and domestic economic slowdowns, pandemics and force majeure events.

The economies of several countries in the region have not shown positive signs of recovery, crude oil and commodity prices are fluctuating but remain depressed which directly affects the economic environment in many commodity countries. Economic weakness is one of the major factors eroding demand of healthcare services in the international markets.

In June 2015, Thailand had its first MERS patient who came to Bumrungrad for treatment. With the expertise of our doctors, nursing and support staff, we were able to successfully determine risk and isolate the patient which ultimately prevented the transmission of this virus locally. Both the hospital and Thailand were able to quickly recover from what could have become a critical situation impacting local residents as well as international patients who come to Thailand seeking medical care. Our core values are centered around how we care for the patient with compassion, professionalism, and as a team while simultaneously focusing on strengthening the systems that ensure quality, safety and consistency to deliver better outcomes for patients.

Mid August 2015, the explosion incident at Ratchaprasong Intersection affected international medical decision and in some cases prompted travel alerts to Bangkok which impacted tourism sector.

To minimize risk, our strategy does not rely on high volume, low intensity healthcare but instead targets higher acuity and more complicated cases that require more extensive medical care. In addition, the Company maintains a balanced portfolio of international and Thai resident patients so that our hospital does not rely excessively on revenue from any one sector. 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 Indochina and the Middle East 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 as well as expanding the new services to our patients. In 2015, we opened our Newlife Healthy Aging Clinic, advanced treatments and methods to effectively care for elderly patients. We invested in up-to-date equipment and information technology such as Watson for Oncology, 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 as well as international referral offices in many countries 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 technologists, 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.

In 2015, the Company continued to contribute to an academic collaboration with St. Louis College's nursing program that will supply top nursing school graduates to Bumrungrad.

Control Dilution

The Company has 2 series of convertible bonds: series# 1 - an amount of Baht 300 million with the current conversion price of Baht 4.55 per one ordinary share, and series# 2 - an amount of Baht 250 million with the current conversion price of 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. Should the bondholders exercise the convertible bonds right, the dilutive impact to existing shareholders and the Company will be 137.36 million additional common shares of the Company.

As at 31 December 2015, no convertible bonds have been exercised.

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

List of the Company's 10 major shareholders as at 31 December 2015 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. UOB KAY HIAN (HONG KONG) LIMITED - Client Account	60,829,265	8.33
4. Sinsuptawee Asset Management Co., Ltd.	46,563,214	6.38
5. Thai NVDR Co., Ltd	41,574,961	5.69
6. Wattanasophonpanich Co., Ltd	26,138,875	3.58
7. Social Security Office	18,055,000	2.47
8. State Street Bank Europe Limited	14,516,116	1.99
9. Chase Nominees Limited	11,647,712	1.60
10. GIC Private Limited	11,633,200	1.59
Total	512,568,960	70.21

* 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 24 February 2015, the Board of Directors approved, subject to shareholders' approval in shareholders' meeting to be held on 27 April 2016, a dividend payment for the year 2015 to preferred and ordinary shareholders at the rate of Baht 2.35 per share, totaling Baht 1,715.62 million, which is a 49.93% pay-out ratio. The Company already paid an interim dividend of Baht 0.90 per share, totaling Baht 657.05 million, on 9 September 2015. The remaining dividend payment of Baht 1.45 per share, amounting to Baht 1,058.58 million, will be paid on 17 May 2016, after the shareholders' approval. For the year 2014, the Company paid dividend of Baht 1.95 per share, totaling Baht 1,423.60 million, or 52.14% 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

The Company's Board of Directors as at 31 December 2015 consists of the following:

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

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 2015 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:
 - i. Approving the internal audit charter
 - ii. Approving the risk based internal audit plan
 - iii. Approving the internal audit budget and resource plan
 - iv. Receiving communications from head of corporate internal audit on the internal audit activity's performance relative to the plan and other matters, including private meetings with head of corporate internal audit without management present, as well as annual confirmation of the internal audit activity's organizational independence
 - v. Approving all decisions regarding the performance evaluation, appointment and removal of head of corporate internal audit
 - vi. Approving the remuneration, including the annual compensation and salary adjustment, of head of corporate internal audit
 - vii. Making appropriate inquiries of management and head of corporate internal audit to determine whether there are inappropriate scope or resource limitations that impede the ability of the internal audit activity to execute its responsibilities

Nomination and Remuneration Committee

The Nomination and Remuneration Committee as at 31 December 2015 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 2015, comprises the following:

- | | |
|------------------------------------|-----------------------|
| 1. Dr. Visuit Vivekaphirat, MD | Chairperson |
| 2. Dr. Num Tanthuwani, MD | Secretary, Ex officio |
| 3. Dr. Chanvit Tanphiphat, MD | Member |
| 4. Dr. Somsak Chaovitsaree, 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 | 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 2015 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

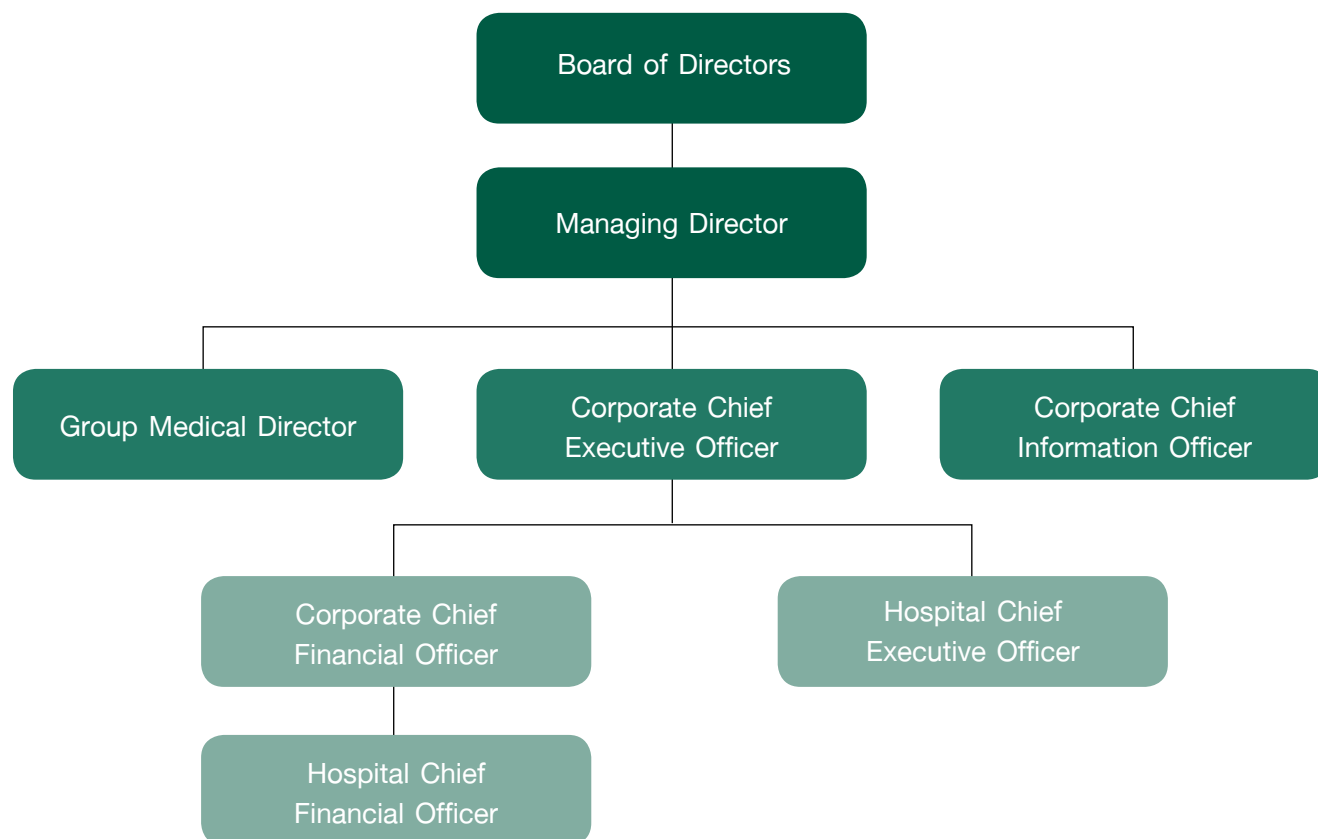
The Investment Committee has a term of three years. Members of the Investment Committee may be re-elected upon expiration of the term.

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 2015 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-Gill | Corporate Chief Information Officer |
| 5. | Mr. Kenneth Love | Corporate Chief Financial Officer |
| 6. | Dr. Num Tanthuwani, MD | Hospital 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 Chairman of the Board of Directors Chairman of the Investment Committee	73	<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 - 2015 Chairman and Chief Executive Officer, Bangkok Insurance PCL. - 1988 - Present Chairman, Furukawa Metal (Thailand) PCL. - 1986 - Present Chairman, Charoong Thai Wire & Cable PCL. - 1978 - Present Chairman, Bangkok Insurance PCL. - 1968 - Present Director, Bangkok Life Insurance Co.,Ltd. - 1968 - Present Vice Chairman, Thai Reinsurance PCL.
2. Dr. Chanvit Tanphiphat, MD Chairman of the Board of Directors Nomination and Remuneration Committee Member	72	<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	63	<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	<ul style="list-style-type: none"> - Sister of Mr. Chai Sophonpanich's spouse 	<ul style="list-style-type: none"> - Managing Director, Bumrungrad Hospital PCL.
4. Dr. Sinn Anuras, MD Director	74	<ul style="list-style-type: none"> - Doctor of Medicine, Chulalongkorn University - Board Certifications: - 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 31 December 2015, 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 Investment Committee Member Nomination and Remuneration Committee Member	47	<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 	-	<ul style="list-style-type: none"> - 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 Tanthuwant, MD Director	42	<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 	-	<ul style="list-style-type: none"> - 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 31 December 2015, 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 Investment Committee Member	70	<ul style="list-style-type: none"> - Ph.D. in Law, Gorge Washington University - LL.M, Harvard University - Barrister, Thai Bar Association - First honored LLB, 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 Berfi 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 Chairperson of Audit Committee	55	<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 31 December 2015, 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 Audit Committee Member	53	<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) - Director, General Card Services Co.,Ltd. - Director, Indhra Insurance PCL. - Director, Dhanamitr Factoring PCL. - Director, Malee Sampran PCL.
10. Mr. Soradis Vinyaratn Independent Director Audit Committee Member	75	<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 – 2001 Vice Chairperson, Landmark Hotel Group - 1957 – 1990 Executive Vice President, Bangkok Bank PCL.
11. Mrs. Aruni Kettratad Independent Director Chairperson of Nomination and Remuneration Committee	68	<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 31 December 2015, 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 Managing Director	63	<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.
2. Dr. Sim Anuras, MD Group Medical Director	74	<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
3. Mr. Dennis Michael Brown Corporate Chief Executive Officer	61	<ul style="list-style-type: none"> - 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 	-	-	<ul style="list-style-type: none"> - 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-Gill Corporate Chief Information Officer	42	<ul style="list-style-type: none"> - Bachelors of Science in Computation, University of Manchester (UMIST), England 	-	-	<ul style="list-style-type: none"> - 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 31 December 2015, 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	66	<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 Hospital Chief Executive officer	42	<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 	-	<ul style="list-style-type: none"> - 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	50	<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 31 December 2015, 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	BHN	VTLAG	HHE	BML	SST	BPDTG	BS	BM	BIL						
1. Mr. Chai Sophonpanich	X	X																			
2. Mrs. Linda Lisahapanya	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/						
3. Dr. Sinn Anuras, MD	/		X	/																	
4. Dr. Dennis Michael Brown							/	/	/	/	/	/	/	/	/						
5. Dr. Num Tanthuwanit, MD											/	/	/	/	/						
6. Dr. Pansak Sukraoek					/																
7. Dr. Bernard Charnwut Chan							/	/	/	/	/	/	/	/	/						
8. Daniel Gillespie															/						
9. Dr. Jennifer Lee, MD															/						
10. Mr. Yanchai Taniratapong															/						
11. Ms. Varanya Seupsuk				/											/						
12. Mr. Kittiphon Leepipatanawith				/											/						
13. Mrs. Artirat Charukitpipat					/	/	/	/	/	/	/	/	/	/	/						
14. Dr. Suthorn Chutiniyomkarn								/	/	/	/	/	/	/	/						
15. Mr. Fritz Scharer															/						
16. Mr. Etienne Armand Bernath								/	/	/	/	/	/	/	/						
17. Mr. Peter E. Bodmer								/	/	/	/	/	/	/	/						
18. Dr. Narintara Boonjongcharoen										/	/	/	/	/	/						
19. Dr. Boldsai Khan Bundan										/	/	/	/	/	/						
20. Mr. Lim Seng Bee										/	/	/	/	/	/						
21. Mr. U Mo Ye Kyaw										/	/	/	/	/	/						

Notes:

- / = Director X = Chairman // = Management
- Bumrungrad Hospital Public Co., Ltd. = BHPCL
- Vitalife Corporate Limited = VTL
- Asia Global Health Co., Ltd. = AGH
- Asia Global Research Co., Ltd. = AGR
- Ruenmongkol Co., Ltd. = RM
- Life and Longevity Co., Ltd. = LLL
- Bumrungrad Health Network Co., Ltd. = BHN
- Bumrungrad Personnel Development and Training Center Co., Ltd. = BPDTG
- Bumrungrad Services Co., Ltd. = BS
- Bumrungrad Mynmar Co., Ltd. = BM
- Vitalife International AG = VTLAG
- Health Horizons Enterprises Pte. Ltd. = HHE
- Bumrungrad Mongolia LLC. = BML
- Soul Senior Tower LLC. = SST
- Bumrungrad International Limited = BIL
- CDE Trading Company Limited (formerly Global Care Solutions (Thailand) Co., Ltd. is not shown in the above tables as no director/management of the Company holds the position of directors or management in CDE Trading

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 2015 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	5/5	700,000	250,000	950,000					950,000
2. Dr. Chanvit Tanhiphat, MD	5/5	520,000	200,000	720,000			1/1	30,000	750,000
3. Mrs. Linda Lisahapanya	5/5	450,000	150,000	600,000					600,000
4. Dr. Num Tanthuwanit, MD	5/5	450,000	150,000	600,000					600,000
5. Mr. Chong Toh	5/5	450,000	150,000	600,000			1/1	30,000	630,000
6. Dr. Sinn Anuras, MD	2/5	450,000	60,000	510,000					510,000
7. Dr. Suvarn Valaisathien	5/5	450,000	150,000	600,000					600,000
8. Ms. Sophavadee Uttamobol	5/5	450,000	150,000	600,000	4/4	200,000			800,000
9. Mr. Soradis Vinyaratn	4/5	450,000	120,000	570,000	4/4	120,000			690,000
10. Mr. Prin Chirathivat	4/5	450,000	120,000	570,000	4/4	120,000			690,000
11. Mrs. Aruni Kettratad	5/5	450,000	150,000	600,000			1/1	50,000	650,000
Total		5,270,000	1,650,000	6,920,000		440,000		110,000	7,470,000

In 2015, the Investment Committee held 2 meetings. Total remuneration of Baht 0.34 million was paid to the members of the Investment Committee.

In 2015, 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.

Management's Remuneration

In 2015, the total remuneration of 7 executive positions of the Company and its subsidiaries amounted to Baht 128.7 million. The Company and its subsidiaries had employee benefit expense payable to their directors and management as follows:

Short-term employee benefits	Baht	123.977	million
Long-term employee benefits	Baht	4.726	million
Termination benefits	Baht	0.002	million
Total	Baht	128.705	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 2015, 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. The Company has the policy regarding management using internal information for personal benefits as follows:
 - 5.1 According to Company's rules and regulations, directors are required to inform the Company immediately in the event that they may have any interests in any agreements being entered into by the Company, or that there is an increase or decrease in their holding of shares or bonds of the Company or subsidiaries.
 - 5.2 Directors and management must prepare and disclose securities holding report to the Securities Exchange Commission and to the Company within the required time.

Penalties for violation include the following:

1. Verbal warning for corrective action
2. Report to shareholders' meeting for consideration
3. Compensation for any damages
4. Disclosure to Securities and Exchange Commission and the Stock Exchange of Thailand

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 2015), roadshows and investor conferences, both in Thailand and overseas, including Singapore and Hong Kong (four times in 2015) and investor meetings and conference calls (67 times in 2015). 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 Management Structure Section.

As at 31 December 2015, 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 Tanthuwani, 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 2015, 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 Remuneration of Directors, Committees and Management Section.
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 2015, 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 Remuneration of Directors, Committees and Management Section.
3. Governing Board of Bumrungrad International Hospital, Bangkok is responsible for implementing the Hospital Policy, promoting patient safety and performance improvement, and providing quality patient care. The Governing Board consists of two directors, seven management, and six physicians. In 2015, 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 2015, 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 8.1 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 2015, there were 5 Board of Directors' meetings. Details of the meeting attendance of each director are in the table in Remuneration of Directors, Committees and Management Section.

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 2015 remuneration of each individual director, which has been approved by the shareholders' meeting, and the sum of management's remuneration, are disclosed in Remuneration of Directors, Committees and Management Section.

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 Tanthuwant, MD			/			
Mr. Chong Toh			/			
Ms. Sophavadee Uttamobol	/		/	/		
Mr. Soradis Vinyaratn			/			
Mr. Prin Chirathivat	/	/	/	/		
Dr. Suvarn 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 - 2015. 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 2015, 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

Party Transactions

RELATED PARTY TRANSACTIONS

Related Company	Relationship	Description	Amount (Baht Million)		Pricing Policy	Reason for the Transaction
			For the year ended 2015	For the year ended 2014		
Bangkok Insurance PCL. (BKI)	Common director, and BKI was the major shareholder of the Company, with 14.62% shareholding as at 31 December 2015 (14.62 % as at 31 December 2014)	<p><u>Borrowing of Money</u></p> <ul style="list-style-type: none"> 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.
		<p><u>Revenues</u></p> <ul style="list-style-type: none"> Revenues from hospital services received from BKI 	14.3	15.1	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.
		<p><u>Expenses</u></p> <ul style="list-style-type: none"> Insurance fees which the Company and subsidiaries paid to BKI 	34.9	32.4	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.

Related Company	Relationship	Description	Amount (Baht Million)		Pricing Policy	Reason for the Transaction
			For the year ended 2015	For the year ended 2014		
		<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 BLA 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>Revenues</u> - Revenues from hospital services received from BLA.	13.3	14.9	It was the Company's normal course of Business, charging at normal price and benefits as customers in general.	The Audit Committee has the opinion that the transaction was 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 2015	For the year ended 2014		
		<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.
Bangkok Bank PCL. (BBL)	Common Executive	<u>Bank Deposits</u> - Fixed Deposits over 3 months	2.3	1.8	The Interest rates are at market rates	The Audit Committee has the opinion that the transaction was reasonable and was conducted in a normal course of business of the Company.
		<u>Convertible bonds</u> - Partly secured convertible bonds, with a maturity of 12 years	300.0	300.0	A coupon rate of 2.5% for years 1-4, 5% for years 5-8, and 10% for years 9-12, payable semi-annually, which to extend the tenure for additional 5 years maturing on 23 August 2017 and 10 years maturing on 23 August 2027	The Audit Committee has the opinion that the transaction was reasonable and it was approved by the Board of Directors and the Shareholders.
		<u>Convertible bonds</u> - Partly secured convertible bonds, with a maturity of 12 years	250.0	250.0	A coupon rate of 1.0% per annum, payable semi-annually, which to extend the tenure for additional 5 years maturing on 23 August 2017 and 10 years maturing on 23 August 2027	The Audit Committee has the opinion that the transaction was reasonable and it was approved by the Board of Directors and the Shareholders.
		<u>Revenues</u> - Revenues from hospital services received from BBL	30.3	32.0	It was the Company's normal course of business, charging at normal price and benefits as customers in general.	The Audit Committee has the opinion that the transaction was reasonable 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 2015	For the year ended 2014		
		- Rental income of area of BBL branch at Bumrungrad Hospital	2.4	2.2	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.
		- Interest income on bank deposits	46.9	23.2	The interest rates are at market rates	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	120.9	112.6	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 Board of Directors and the Shareholders.
Thai Consultant Ltd.	Common director	<u>Expenses</u> - Consulting fees on legal paid to Thai Consultant Ltd.	2.4	0.6	The Company paid hourly fixed expenses at the normal rate which Thai Consultant Ltd. charges to its customers in general.	The Audit Committee has the opinion that the transaction was reasonable and it 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 2015	For the year ended 2014		
Bumrungrad International Limited (BILL)	Associated company, in which the Company, at 31 December 2015, has 31.5% shareholding (31 December 2014: 31.5%) and has common directors	<u>Revenues</u> - Consulting fee income on hospital management received from BILL	0.05	0.18	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.	2.5	2.8	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.
The Bumrungrad Hospital Foundation (BHF)	Common director	<u>Revenues</u> - Revenues from hospital services received from BHF	29.2	31.9	It was the Company's normal course of business, charging at normal price and benefits as customers in general.	The Audit Committee has the opinion that the transaction was reasonable and was conducted in a normal course of business.
		- Other revenue from resources used	0.8	0.7	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.
		<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.

Related Company	Relationship	Description	Amount (Baht Million)		Pricing Policy	Reason for the Transaction
			For the year ended 2015	For the year ended 2014		
AA Talent Recruitment Co., Ltd.	Common director	<u>Expenses</u> - Service Fee for personnel recruitment services	2.0	1.4	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.
Bangkok Dusit Medical Services PCL. (BDMS)	BDMS was the major shareholder of the Company, with 23.95% shareholding as at 31 December 2015 (31 December 2014: 23.95%)	<u>Expenses</u> - Radiopharmaceutics	11.9	11.6	It was the Company's normal course of business, charging at normal price and benefits as customers in general.	The Audit Committee has the opinion that the transaction was reasonable and was conducted in a normal course of business.
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	0.9	1.1	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.
National Healthcare Systems Co., Ltd. (NHS)	Subsidiary company of a major shareholder (Bangkok Dusit Medical Services PCL. or BDMS)	<u>Expenses</u> - Laboratory Services	5.8	2.6	It was the Company's normal course of business, charging at normal price and benefits as customers in general.	The Audit Committee has the opinion that the transaction was reasonable and was conducted in a normal course of business.
Samitivej PCL.	Subsidiary company of a major shareholder (Bangkok Dusit Medical Services PCL. or BDMS)	<u>Expenses</u> - Laboratory Services	3.8	-	It was the Company's normal course of business, charging at normal price and benefits as customers in general.	The Audit Committee has the opinion that the transaction was reasonable and was conducted in a normal course of business.



CORPORATE

Social Responsibility

CORPORATE SOCIAL RESPONSIBILITY

Throughout the past 35 years of operations, Bumrungrad Hospital has committed to providing the best care with science, compassion, and integrity for our patients, our employees, the community and the environment. According to the original intent under which the hospital was established, The Thai name Bumrungrad means caring for the community. Our name is our guiding principle, a constant reminder of those we live among and serve.

Our approach, adhering to the Hospital's commitments, focuses on practicing strong governance in business practices and patient care, looking after our people and minimizing our direct environmental impacts. The hospital has put in place the framework, best practices, policies and processes into the business operations, decisions and daily tasks. We also work with our physicians, internal staff and key third-parties to deliver long-term programs that address health issues especially for the underprivileged. As part of a commitment to sustainable development, these measures and initiatives are central to ensure transparency, good governance, fair practices for vendors and related parties, safety standards, environmental care, and a meaningful social contribution. Our practices and initiatives can be summarized as follows:

1. CSR in process is comprised of the following policies and framework:

Fair Business Practices: The Hospital has established management policies that cover various aspects, such as finance, procurement and supply. The Hospital has determined the procedures in procuring various types of supplies for the hospital, including equipment and services and this is done to create fairness towards all vendors. The establishment of standards for contracts is to create fairness in negotiations. In order to ensure that the drafting of contracts are done correctly, a contract center responsible for writing all of the Hospital's contracts has been established. In addition, the Hospital has established management policies in product evaluation and standardization to serve as guidelines for the evaluation of quality and satisfaction with general and medical products by considering the maximum benefit for patients while maintaining consistent standards for all vendors.

Responsibility to Patients: The Hospital has developed practical guidelines to provide services that exceed customers' expectations. Accordingly, the Hospital has established management policies in Section 2: Servicing Patients, who are health care consumers. The Hospital groups patients by two methods of classification. The first group is classified by the patients' nationalities and residence, which can be sub-divided into 1) Thais, 2) expatriates who live in Thailand, and 3) international travelers who seek treatment here. The second group is classified by type of service: 1) Outpatient and 2) Inpatient. The Hospital places priority and emphasis on ensuring that all patients receive services of appropriate quality and standards. Thus, various standards and regulations relevant to the Hospital are applied continuously in providing services to 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) 15189: Medical Laboratories - Particular Requirements for Quality and Competence; Thai Industrial Standards TIS 2276 - 2549: Security Requirements for Medical Laboratory; Guideline on Checking Standard of Service Quality of Health Care Provider Center for the Inpatient 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; and Policies in Medical Laboratory Quality Assurance Certification for providing health check-ups for candidates seeking overseas employment. The Hospital's standards and regulations in providing services to patients begin before patients come in for service, continue during the time of service, and remain in place after the time of service. Furthermore, the Hospital has a process of soliciting patients' feedback including any complaints. This feedback is used in an effort to ensure continual improvement of customer services through utilization of the PDCA (Plan, Do, Check, Act) process.

Respect for Human Rights: The Hospital has established management policies 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 the management of patients' rights and responsibilities, which the Hospital has addressed in its policies on ensuring quality treatment in the provision of care to all patients. All patients are informed of their rights and responsibilities, and the patients' rights and responsibilities are also announced publicly via various media as appropriate in order to keep all patients informed. Additionally, all members of staff are responsible for informing patients under their care of their rights and responsibilities in an appropriate manner and format. Each year, the Hospital serves more than one million patients from more than 190 countries around the world.

Fair Treatment of Labor: The Hospital has established management policies in Section 6: Human Resources and Training to serve as guidelines for the standard treatment of all employees in recruitment and selection, welfare and remuneration policies, awards and recognitions, transfers and promotions, annual performance evaluation, and termination of employment.

Environmental Care: The Hospital has established management policies in Section 7: Environmental Care. The various aspects covered by these policies include energy conservation, water supply consumption and procurement, minimization of pollution impact on the environment within the Hospital, compliance with and evaluation of legal requirements and environmental regulations, management of safety of construction and renovation sites, and completing a risk evaluation on safety and the environment. The Hospital 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, Department of Health, 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; Environmental Quality Promotion 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 terms of releasing waste water to public water or to the environment; Vienna Convention on the Protection of Ozone layer; and Montreal Protocol on Substances that Deplete the Ozone Layer. The Hospital has increased its energy efficiency and reduced its energy consumption by using Magnetic Centrifugal Chillers.

2. CSR after process

With the strength of being a leading medical service provider, the Hospital has initiated and continued to engage in a number of social responsibility projects as part of sustainable development in the following 3 areas:

1. Health Promotion

- 1.1 "Rak Jai Thai" Project: This is a joint effort by Bumrungrad Hospital Foundation, Bumrungrad Hospital and the Cardiac Children Foundation of Thailand, under the Royal Patronage of H.R.H. Princess Galyani Vadhana Krom Luang Naradhiwas Rajanagarindra. The project was launched in 2003 to provide free heart surgery for underprivileged children who were born with heart defects or valvular heart disease and who lack the required financial means or access to the necessary surgical treatment. A typical heart surgery normally costs approximately 650,000 Baht per patient. In 2015, the program provided surgery for 18 patients. As of 2015, a total of 720 patients have received heart surgeries under this program since its inception. The "Rak Jai Thai" Project made Bumrungrad a household name for its expertise in pediatric heart surgery.
- 1.2 Free robotic & computer-assisted knee replacement surgery has been provided to honor Her Royal Highness Princess Maha Chakri Sirindhorn's 60th birthday. In 2015, the program provided surgery for 24 patients. A total of 60 surgeries shall be provided to eligible candidates who meet the criteria according to the committee's decision.

1.3 Free kidney transplants have been provided to honor Her Royal Highness Princess Maha Chakri Sirindhorn's 60th birthday. In 2015, the program provided transplants for 2 patients.

1.4 Bangkok Mobile Free Clinic Project

This project has been sponsored by the Thomson Fund and supported by the Bumrungrad Hospital Foundation and Bumrungrad Hospital since 2001. The project involves a medical team providing free mobile medical care services every day to underprivileged people who live in the 30 communities across the Bangkok area. Each year, the mobile free clinic provides treatment to about 23,000 patients and 6,200 five-kilogram bags of rice are donated to underprivileged families.

1.5 Upcountry Mobile Free Clinic Project

A team of volunteer doctors of Bumrungrad Hospital provided treatment for 139 patients at Ban Takolang School, Suanpueng, Ratchaburi, on July 11, 2015.

A team of medical doctors and volunteers from Bumrungrad International, along with Mr. Chai Sophonpanich as well as the management and staff from Bangkok Insurance Public Co., Ltd., hold a mobile clinic every year to provide free treatment for villagers in Sakon Nakorn and Mukdahan. On November 21, 2015, at Phra-achan Baen Thana Karo Hospital, Khokpu, Pupaan, Sakon Nakhon, the mobile clinic provided free treatment and medications for 444 and 396 patients, respectively, and transferred 3 patients for further treatment. On November 22, 2015, at Suanpa Rimtaan Temple, Koktoom, Dongluang, Mukdahan, the mobile clinic provided free treatment and medications for 379 and 346 patients, respectively, and transferred 15 patients for further treatment. On November 21-22, 2015, at Ratchaprachanukhro School, 53, Nahuabo, Pannanikhom, Sakon Nakhon, the mobile clinic provided free dental care for 184 students from primary to high school and the services included 254 fillings, 21 adult teeth extractions, 50 milk teeth extractions and 48 scalings.

1.6 Overseas Mobile Free Clinic Project

To provide general medical support along with medications and supplies for foreigners during disaster, including flooding and storms in Myanmar, and earthquake in Nepal.

2. Health Education Promotion

To focus on providing health education to people in communities or organizations through various projects and activities, including exhibitions and seminars to promote health education. The education on health is provided to students in various schools while education materials such as health care booklets are also distributed. The health promotion information is published in various media including online and printed materials.



A team of volunteer doctors of Bumrungrad Hospital provided treatment for 139 patients at Ban Takolang School, Suanpueng, Ratchaburi, on July 11, 2015

3. Social Support

Donations of necessities are made on several occasions, including to assist fire victims and flood victims as well as to children on Children's Day

Donations of medications and medical supplies are made to communities, schools, temples and organizations requesting support

A mobile first aid unit is provided for any organization which arranges social contribution activities

A blood donation project was organized as a joint effort with the National Blood Center of the Red Cross for employees and customers four times in this year.

The "Ruam Rang Ruam Jai with Bhappy3" Project is a joint effort by volunteer employees of Bumrungrad Hospital Public Co., Ltd.; Bangkok Life Insurance Public Co., Ltd.; and Bangkok Insurance Public Co. Ltd. This project has been created to support the joint organization of CSR activities every year. On May 23, 2015, the first "Ruam Pitak Rak Talay Thai" activity was organized to release baby sharks and flower crabs, and grow coral branches at Toey Ngam Beach, Royal Thai Marine Corps, Royal Thai Navy, Sattahib, Chonburi. On November 28, 2015, the second "Kwamsook Plook Dai" activity was organized at Singburi College of Agriculture and Technology.

An Automatic External Defibrillator (AED) was donated for providing emergency first aid at Suvarnabhumi Airport

"Think Good & Do Good for Communities" Activities

- 2009: Bumrungrad was a founder and committee member of the CSR Club of Thai Listed Companies Association (Bumrungrad was the only hospital among the listed companies). The club was formed with the aim of sharing information on corporate social responsibility for the benefit of communities and promoting CSR at the international level based on each company's strengths in accordance with the 'Connect for Sharing' vision.
- 2012: Bumrungrad was included in "CSR Thailand: 50 Good Practices in 2012" for its good corporate social responsibility practices (Bumrungrad was the only hospital in the list of 50 companies)
- 2013 – 2015: AMCHAM CSR Excellence Awards – 2015 Silver Award (for 3 consecutive years)
- 2012: Outstanding Corporate Social Responsibility Excellence from Thailand Corporate Excellence Awards 2015, organized by Thailand Management Association (TMA) and the Sasin Graduate Institute of Business Administration.

2013 – 2015: AMCHAM CSR Excellence Awards
2015 Silver Award (for 3 consecutive years)





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