

ANNUAL REPORT 2017 BUMRUNGRAD INTERNATIONAL

Bumrungrad Hospital Public Company Limited



Bumrungrad
International
HOSPITAL





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MESSAGE FROM THE CHAIRMAN

As part of our commitment to being a global leader in tertiary healthcare services, we strive to set new standards for quality and innovation in patient care. We implement rigorous world-class accreditations for safety and quality, while investing in the latest technological innovations.

Already the first JCI accredited hospital in Asia, in 2017 we achieved our fifth successful re-accreditation. We also became the first hospital in Thailand to receive DNV-MIR certification. This intensive program benchmarked us with the world's top institutions for managing and controlling infection risks. Furthermore, we became the first hospital outside the U.S. to gain the Global Healthcare Accreditation with Excellence, a standard that assesses treatment and care for international patients and their families.

We also continue to invest in people and systems to set new standards in tertiary medical care. New technologies, such as precision medicine, are transforming the healthcare we offer. In addition, our transformation into a fully integrated digital hospital is well underway. Our hospital systems are now fully integrated, allowing world-class secure connectivity and access to medical information that benefits both patients and clinicians.

Within Thailand, we have now expanded our collaborative network to 51 hospitals nationwide, in medical school, and both the private and public sector. This provides a strong source of patient referrals domestically, complementing our international referral offices which now span over 23 countries.

These efforts ensure that Bumrungrad delivers outstanding service as well as strong business results. Despite unfavorable global and domestic economic conditions in 2017, the Company again produced consistent results in terms of record revenue, EBITDA and profit.

Yet our core values remain the same, serving as our compass in the way we do business. We deliver care with professionalism and compassion, using the latest innovation and technology. Our culture of working together as a team helps us to deliver the best outcomes for patients.

I would like to thank members of the Board, our physicians, management team and all of our staff for their hard work as well as their contributions to these significant achievements.



Dr. Chanvit Tanphiphat, M.D.
Chairman of the Board



MESSAGE FROM THE MANAGING DIRECTOR

One million patients from 190 countries place their trust in Bumrungrad. They and their families expect us to deliver medical care of the highest quality and with positive clinical outcomes. Doing so requires us to continuously strive for ever-higher standards of quality and innovation.

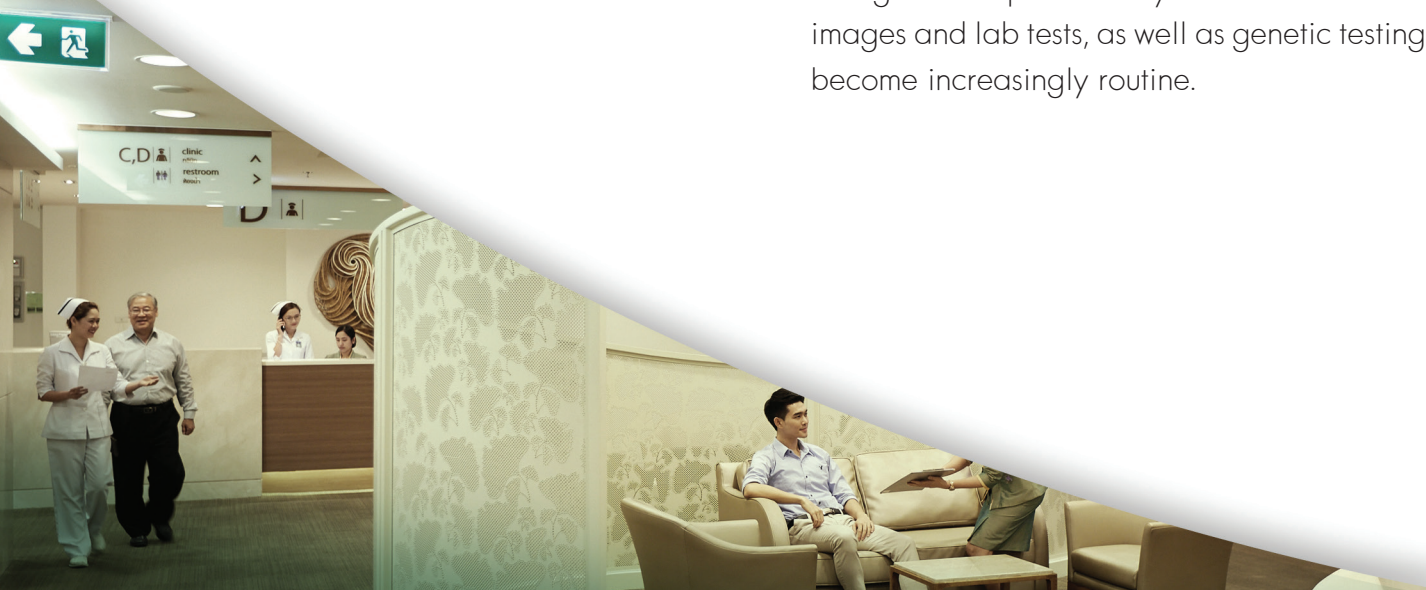
In 2017, we added new clinical programs and procedures. We were the first center in Asia - and the third in the world - to introduce CardiInsight technology, a new and non-invasive technology for the diagnosis of cardiac arrhythmia. A 252-electrode sensor vest worn by the patient locates the specific area of abnormality, allowing us to deliver accurate and effective treatment.

The introduction of Precision Medicine into our approach to cancer care is another exciting development. With new, state-of-the-art tools to select the therapies, our oncology team can identify increasingly tailor interventions to the individual patient and their disease.

We also respond to changing patient demands. Our subsidiary Vitallife Wellness Center offers a preventive approach to health in response to people's desires to look better, feel better and live longer. Bumrungrad patients are now able to complement hospital treatment with these Vitallife services. Our single campus model allows ease of access to both.

In addition, we continuously review and renovate our facilities to ensure that they remain world-class. During 2017, our state-of-the-art neonatal intensive care unit (NICU) was upgraded; while another intensive care unit (ICU) was added to accommodate the growing number of patients seeking complex medical treatment. To improve both patient comfort and clinical diagnosis, we commissioned the latest model GE 3 Tesla MRI with its larger, quieter chamber and higher resolution image.

The infrastructure of our hospital is increasingly driven by digital technology. The volume of digital medical information has grown exponentially as more detailed images and lab tests, as well as genetic testing, become increasingly routine.



As we work to become a fully integrated digital hospital, we have built state-of-the-art twin data centers to handle increasing levels of data quickly and securely. A new health information system, with best practice integration across different hospital systems, ensures that patient data can securely accessed in real time by doctors and nurses. Patients can access their medical records via a secure website or app. These investments further improve safety, connectivity and convenience.

Fundamental to these successes is the commitment of our doctors, nurses and support staff to providing patient care that is both high-quality and compassionate. Without them, we would not enjoy our reputation for excellence in Thailand and around the world. In addition, our staff's focus on improved efficiency has led to increased productivity levels and improvements in our cost structure. Despite sluggish economic growth in our markets during 2017, Bumrungrad still achieved year-on-year record revenue growth and strong profits.

I thank our staff for their dedication and achievements over past year and am confident that we will continue to deliver extremely favorable results.



Mrs. Linda Lisahapanya
Managing Director



QUALITY & SAFETY

Our patient-centric approach ensures that we will not compromise quality and safety standards under any circumstances. Furthermore, the hospital focuses on continuous improvements in quality and safety to adhere with internationally-accepted standards. This is reflected in our ongoing commitment to pursuing accreditations from leading institutions around the world.

Bumrungrad International was the first hospital in Asia accredited by the Joint Commission International (JCI); in 2017, we received our fifth consecutive JCI re-accreditation. We are also the first hospital in Asia, and the first hospital in the world outside North America, to be accredited to DNV GL's Managing Infection Risk (MIR) Standard, and the first hospital outside the U.S. to receive Global Healthcare Accreditation (GHA), which attests to the high standards and quality of service we provide to international patients travelling to Bumrungrad International for treatment.

COLLABORATION OF EXPERTISE



We leverage our strengths and expertise to deliver the best possible care results. Our specialized teams, comprised of highly experienced physicians, nurses, pharmacists, physiotherapists, nutritionists, medical technicians, and many others from various fields, work together and collaborate seamlessly to provide quality service and achieve positive treatment outcomes.

INNOVATION AND TECHNOLOGY

Today, Bumrungrad International is on a path toward transforming our institution into a digital hospital leader in the healthcare industry, which will enable access to digital medical information - which has doubled in quantity over the past few years - including treatment results and higher quality digital images.



The most exciting new developments for the hospital in 2017 included the following: cancer treatment with Precision Medicine, which enables specialists to determine the right treatments based on the patient's individual needs and condition; CardioloInsight, a new technology for diagnosing cardiac arrhythmia; and Bumrungrad's introduction of the GE 3 Tesla MRI, the latest model that is wider, quieter, and provides more detailed images.

COMPASSIONATE CARING



“We provide patient care with compassion” is a core value of the hospital. It is one of the principles our people rely on in making decisions on a day-to-day basis. This kind of compassionate caring is one of the qualities that helps attract over 1.1 million Thai and international patients from over 190 countries annually - more than 3,000 patients each day, on average.

We combine our medical treatment and services with the warmth and compassion of traditional Thai hospitality, always mindful and attentive to our colleagues, our society, and the environment.





LIST OF DIRECTORS AND SENIOR EXECUTIVES

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|--|---|--|
| 1. Mr. Chatri Sophonpanich
Advisor to the Board | 5. Dr. Somsak Chaovitsaree, M.D.
Director
Hospital CEO and Medical Director | 9. Mrs. Aruni Kettratad
Independent Director |
| 2. Dr. Chanvit Tanhiphat, M.D.
Chairman of the Board | 6. Mr. Chong Toh
Director | 10. Mr. Prin Chirathivat
Independent Director |
| 3. Mrs. Linda Lisahapanya
Managing Director | 7. Dr. Pansak Sugkaroek, M.D.
Director | |
| 4. Dr. Suvarn Valaisathien
Vice Chairman of the Board | 8. Mr. Bernard Charnwut Chan
Director | |



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11. **Ms. Sophavadee Uttamobol**
Independent Director

12. **Mr. Soradis Vinyaratn**
Independent Director

13. **Mr. Aniello Sorrentino**
Chief Strategist

14. **Mr. Kenneth Love**
Corporate CFO

15. **Ms. Pantip Chirakarnjanakorn**
Company Secretary



Financial Information

Financial Highlights

	2017	2016	2015	2014	2013
Financial Performance (Baht '000)					
Total current assets	10,550,331	8,802,638	10,088,278	8,499,391	7,551,836
Total assets	23,483,955	21,332,954	21,297,518	19,144,695	17,251,529
Total current liabilities	3,646,891	2,358,096	4,056,456	2,322,013	2,161,390
Total liabilities	6,779,005	6,545,006	8,197,028	7,884,732	7,654,564
Total shareholders' equity	16,704,950	14,787,948	13,100,490	11,259,963	9,596,965
Total revenues	18,526,586	18,125,795	17,929,440	15,910,538	14,651,386
Share of income (loss) from investments in joint venture and associated companies	3,547	2,212	12,515	(2,745)	5,882
Net profit excluding extraordinary Items	3,943,889	3,626,174	3,435,834	2,730,296	2,520,782
Net profit for the year	3,943,889	3,626,174	3,435,834	2,730,296	2,520,782
Basic earnings per share	5.41	4.98	4.72	3.75	3.46
Earnings per share – fully diluted	4.55	4.18	3.96	3.15	2.91
Book value per share	22.92	20.30	17.98	15.45	13.17
Book value per share – fully diluted	19.26	17.05	15.10	12.98	11.06
Dividend per share	2.70	2.50	2.35	1.95	1.90
Financial Ratios					
Gross profit margin (%)	47.5	46.2	44.7	43.9	42.4
EBITDA margin (%)	32.7	31.2	30.0	28.6	27.7
Net profit margin excluding extraordinary items (%)	21.3	20.0	19.1	17.2	17.2
Net profit margin (%)	21.3	20.0	19.1	17.2	17.2
Growth on revenues from hospital operations (%)	2.4	1.4	13.0	9.3	10.8
Growth on net profit excluding extraordinary Items (%)	8.8	5.5	25.8	8.3	25.4
Growth on net profit for the year (%)	8.8	5.5	25.8	8.3	(1.4)
Return on equity (%)	25.0	26.0	28.2	26.2	27.8
Return on assets (%)	17.6	17.0	17.0	15.0	15.2
Liabilities to equity (x)	0.4	0.4	0.6	0.7	0.8
Debt to equity (x)	0.2	0.3	0.4	0.5	0.5
Net debt to equity (x)	0.1	(0.1)	0.0	0.0	0.2
Interest coverage ratio (x)	34.2	23.4	22.1	18.8	16.4
Liquidity ratio (x)	2.9	3.7	2.5	3.7	3.5
Average collection Period (days)	38.7	43.8	41.4	34.7	35.3
Average inventory Period (days)	11.6	11.6	11.1	12.3	11.8
Average payable Period (days)	28.0	28.0	27.9	29.8	29.5

Management Discussion and Analysis

Total revenues for 2017 increased to Baht 18,527 million, or 2.2% more than Baht 18,126 million in 2016. Net profit rose 8.8% to Baht 3,944 million in 2017 from Baht 3,626 million in 2016, with Net profit margin at 21.3% in 2017 compared to 20.0% in 2016.

Details of the management discussion and analysis are as follows.

1. Income Statement

The Company reported Revenues from hospital operations of Baht 18,279 million, a 2.4% improvement year-over-year from Baht 17,851 million in 2016. This was mostly due to the increase in revenues from both Thai and non-Thai patients by 2.3% and 3.1%, respectively. As a result, the revenue contribution from Thai patients in 2017 was 35.6% and from non-Thai patients was 64.4%, compared with 35.8% and 64.2%, respectively, for 2016.

The Company reported Cost of hospital operations (including Depreciation and amortization) of Baht 10,460 million for 2017, or 0.5% more year-over-year from Baht 10,410 million in 2016. This represents a favorable change when compared to the 2.4% growth in Revenues from hospital operations, and contributed to a reduction in the percentage of cost to Revenues from hospital operations to 57.2% in 2017 compared with 58.3% in 2016. Administrative expenses (including Depreciation and amortization) were Baht 3,129 million in 2017, or 0.1% more than Baht 3,125 million in 2016, with a decrease to 17.1% in 2017 from 17.5% in 2016 as a percentage to Revenues from hospital operations. EBITDA increased by 7.4% year-over-year to Baht 6,031 million in 2017 from Baht 5,616 million in 2016, with an EBITDA margin of 32.7% in 2017 compared to 31.2% in 2016.

Ongoing capital spending contributed to higher 2017 Depreciation and amortization of Baht 1,206 million from Baht 1,139 million in 2016.

Corporate income tax of Baht 841 million in 2017 was higher than Baht 774 million in 2016. The variance is mostly due to the increase in taxable operating profit, offset by increased tax benefits related to training expense and CAPEX spending.

Basic EPS for 2017 of Baht 5.41 was 8.8% more than Baht 4.98 in 2016, while 2017 Diluted EPS increased at the same rate to Baht 4.55 from Baht 4.18 in 2016.

(Unit : Million Baht)

Income statements	2017	2016	Change
Revenues from Hospital Operations	18,279	17,851	2.4%
Total Revenues	18,527	18,126	2.2%
EBITDA	6,031	5,616	7.4%
Net Profit	3,944	3,626	8.8%
EBITDA Margin	32.7%	31.2%	
Net Profit Margin	21.3%	20.0%	

(Unit : Baht)

EPS	2017	2016	Change
EPS – Basic	5.41	4.98	8.8%
EPS – Fully Diluted	4.55	4.18	8.8%

2. Statement of Financial Position

As at 31 December 2017, the Company reported Total current assets of Baht 10,550 million, an increase from Baht 8,803 million as at 31 December 2016. The variance is mostly due to a net increase of Baht 1,591 million in Cash, Cash equivalents, and Short-term investments, due to Baht 5,243 million increase in cash from operations, offset with Baht 1,859 million dividend payment, Baht 1,667 million capital spending in 2017 and Baht 170 million interest paid for long-term debentures. Trade receivables were increased by Baht 105 million, or 6.3%, to Baht 1,787 million as at 31 December 2017 from Baht 1,682 million as at 31 December 2016. The collection period improved to 38.7 days as at 31 December 2017 from 43.8 days as at 31 December 2016, due largely to timing differences associated with collections on certain Middle East accounts.

Total non-current assets increased to Baht 12,934 million as at 31 December 2017 from Baht 12,530 million as at 31 December 2016, mostly due to an increase in Property, plant and equipment and Intangible assets, mostly associated with IT software.

Total current liabilities were Baht 3,647 million as at 31 December 2017, an increase from Baht 2,358 million as at 31 December 2016. The variance was mostly due to Baht 999 million Current portion of long-term debentures due December 2018 and Baht 188 million Short-term loan from and interest payable to a related party associated with the BIL liquidation.

Non-current liabilities were Baht 3,132 million as at 31 December 2017, a decrease from Baht 4,187 million as at 31 December 2016. The change was primarily from Baht 999 million Current portion of long-term debentures reclassified as Current liabilities.

The Company's Interest coverage ratio improved to 34.2x in 2017 from 23.4x in 2016, due to higher EBITDA in 2017 compared to 2016 and less interest expense associated with the Baht 1,500 million repayment of the Series 1 debentures in December 2016. Interest expense decreased by Baht 27 million and Baht 25 million in 2017 and 2016, respectively, for capitalized interest associated with the campus expansion project.

Total shareholders' equity grew to Baht 16,705 million as at 31 December 2017 from Baht 14,788 million as at 31 December 2016. This increase resulted mostly from the Company's 2017 Net profit of Baht 3,944 million, offset with Baht 1,861 million dividend payment. Average return on assets (ROA) increased to 17.6% in 2017 from 17.0% in 2016. Average return on equity (ROE) was 25.0% in 2017, compared to 26.0% in 2016.

(Unit: Million Baht)

	31-Dec-17	31-Dec-16	Change
Total Assets	23,484	21,333	10.1%
Total Liabilities	6,779	6,545	3.6%
Total Shareholders' Equity	16,705	14,788	13.0%

	2017	2016
Interest Coverage Ratio (x)	34.2*	23.4*
Average Collection Period (days)	38.7	43.8
Average Inventory Period (days)	11.6	11.6
Average Payables Period (days)	28.0	28.0
Net Debt to Equity (x)	0.1	(0.1)
Average Return on Assets (%)	17.6%	17.0%
Average Return on Equity (%)	25.0%	26.0%

* After adding back the 2017 and 2016 capitalized interest expense related to the campus expansion.

3. Liquidity

The Company's Net cash flows from operating activities in 2017 were Baht 5,243 million, compared to Baht 5,174 million in 2016. This increase was mainly due to Baht 354 million additional cash from operations, offset with Baht 284 million less in working capital, mostly related to Baht 664 million more in Trade and other receivables offset with Baht 188 million more in accrued expenses and Baht 145 million more in accrued physicians' fees. Net cash flows used in investment activities were Baht 5,868 million in 2017, compared to Baht 1,556 million in 2016. This variance was mainly due to Baht 5,057 million change between Short-term investments and Cash and cash equivalents. The Company reported Net cash flows used in financing activities of Baht 2,061 million in 2017, compared to Baht 3,496 million in 2016, mostly as a result of the Baht 1,500 million repayment of the Series1 debenture in December 2016. As a result of the above, Cash and cash equivalents was Baht 2,470 million as at 31 December 2017, compared to Baht 5,154 million as at 31 December 2016.

The Company's Liquidity ratio as at 31 December 2017 dropped to 2.9x from 3.7x as at 31 December 2016, due to Baht 999 million Current portion of long-term debentures that have been reclassified as Current liabilities since they will be paid in December 2018. The Quick ratio as at 31 December 2017 decreased to 1.2x from 2.9x as at 31 December 2016, mostly as a result of Baht 4,275 million increase in Short-term investments.

(Unit: Million Baht)

	2017	2016
Cash Flow from Operating Activities	5,243	5,174
Cash Flow used in Investing Activities	(5,868)	(1,556)
Cash Flow used in Financing Activities	(2,061)	(3,496)
Net increase (decrease) in cash and cash equivalents	(2,684)	100
Cash and cash Equivalents at end of year	2,470	5,154

	31-Dec-17	31-Dec-16
Liquidity Ratio (x)	2.9	3.7
Quick Ratio (x)	1.2	2.9

4. Contractual Obligations

(Unit: Million Baht)

As at 31 December 2017

	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	-	-	-	11	187	1.38
Long-term loan from and interest payable to an unrelated party	-	19	-	-	-	19	1.38
Long-term debentures	998	2,490	-	-	-	3,488	4.59
	1,174	2,509	-	-	11	3,694	4.97

(% per annum)

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

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 control systems and internal audits, risk management systems, and the compliance with laws, and to consider potential conflict of interest transactions.

In the year 2017, the Audit Committee held totally 4 meetings, including a meeting with the independent auditor without the presence of management, to perform its duties and responsibilities. The committee's main activities are summarized as below:

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 Mr. Termphong Opanaphan and/or Miss Thipawan Nananuwat and/or Miss Vissuta Jariyathanakorn from EY Office Limited, and proposed the remuneration to the Board.
5. Considered connected transactions or potential conflict of interest transactions. The Audit Committee has the opinion that all such transactions were the Company's normal business transactions.
6. Considered and approved the internal audit plan, which were determined to be suitable for the Company's nature of business, including its administrative policies, business plans, work processes, and business risks.
7. Considered and approved the Corporate Internal Audit Division's yearly expenditure budget and manpower requirements.
8. Approved the revised Internal Audit Charter.

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

Miss Sophavadee Uttamobol
Chairperson of Audit Committee
19 February 2018

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 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 statements. 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 2017.

Dr. Chanvit Tanhiphat, M.D.
Chairman of the Board

Mrs. Linda Lisahapanya
Managing Director



Report and consolidated financial statements

31 December 2017

Independent Auditor's Report

To the Shareholders of Bumrungrad Hospital Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Bumrungrad Hospital Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2017, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Bumrungrad Hospital Public Company Limited for the same period.

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 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matter

Key audit matter is this matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to this matter. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond for the matter are described below.

Revenue recognition

Revenues from hospital operations are significant to the financial statements because the amount is high (approximately 99% of consolidated total revenues). In addition, it consists of many compositions, such as revenues from sales of medicines, revenues from medical services, revenues from patient rooms, etc., including discounts for counterparties, e.g. insurance companies, embassies and other several counterparties, whereas the agreements contains vary conditions for each party. There are therefore risks with respect to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Group by

- Assessing and testing the Group's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls including the internal controls which respond to the above risks.
- Applying a sampling method to select sales and service agreements of the Group to assess whether the recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy.
- Performing analytical procedures on disaggregated data to detect possible irregularities in revenues transactions throughout the period, including accounting entries made through journal vouchers.
- On a sampling basis, examining supporting documents for revenue transactions occurring during the period.
- Testing cut-off of revenues recognition.
- Reviewing credit notes that the Group issued after the period-end.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

I am responsible for the audit resulting in this independent auditor's report.

Vissuta Jariyathanakorn

Certified Public Accountant (Thailand) No. 3853

EY Office Limited

Bangkok: 21 February 2018

Bumrungrad Hospital Public Company Limited and its subsidiaries
Statement of financial position

As at 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Assets					
Current assets					
Cash and cash equivalents	7	2,470,436,654	5,154,161,038	2,204,121,813	4,938,522,876
Short-term investments	8	5,797,888,737	1,523,300,000	5,793,633,400	1,509,000,000
Trade and other receivables	9	1,818,549,649	1,695,473,341	1,816,440,167	1,692,244,870
Inventories	10	307,838,561	310,013,854	260,935,781	279,916,744
Prepaid expenses		111,062,695	107,059,200	98,225,175	87,475,741
Other current assets		44,554,769	12,631,340	40,897,108	9,889,485
Total current assets		10,550,331,065	8,802,638,773	10,214,253,444	8,517,049,716
Non - Current assets					
Advance payment for share subscription	6, 11	-	-	45,000,000	-
Investments in subsidiaries	11	-	-	1,638,772,798	1,638,772,798
Investment in an associates	12	219,858,963	236,279,919	1,447,047	1,447,047
Other long-term investment	13	1,700,000	1,700,000	1,700,000	1,700,000
Property, plant and equipment	14	11,784,244,407	11,579,033,215	10,220,695,522	9,981,453,328
Intangible assets	15	500,158,910	315,046,715	494,893,403	309,408,566
Goodwill	16	111,009,541	121,708,521	-	-
Deferred tax assets	26	291,188,176	252,698,358	283,970,090	244,718,287
Other non-current assets		25,464,051	23,849,195	25,344,144	23,714,335
Total non-current assets		12,933,624,048	12,530,315,923	12,711,823,004	12,201,214,361
Total assets		23,483,955,113	21,332,954,696	22,926,076,448	20,718,264,077

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 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	17	856,976,914	875,613,815	867,962,110	869,510,085
Accrued physicians' fees		626,326,580	596,925,398	619,483,504	590,092,466
Current portion of long-term loan and interest payable to a related party	6	187,627,981	-	187,627,981	-
Current portion of long-term debentures	19	998,570,262	-	998,570,262	-
Accrued expenses		507,865,386	447,320,532	499,075,582	435,433,333
Income tax payable		393,549,078	364,573,826	375,806,460	352,573,901
Other current liabilities		75,974,569	73,662,026	56,635,361	51,291,183
Total current liabilities		3,646,890,770	2,358,095,597	3,605,161,260	2,298,900,968
Non-current liabilities					
Long-term loan and interest payable to a related party	6	-	185,294,305	-	185,294,305
Long-term loan and interest payable to an unrelated party	18	18,127,249	19,648,778	-	-
Long-term debentures - net of current portion	19	2,489,671,954	3,484,541,414	2,489,671,954	3,484,541,414
Deferred tax liabilities	26	48,117,911	4,911,305	-	-
Provision for long-term employee benefits	21	576,196,761	492,515,761	566,967,228	485,801,558
Total non-current liabilities		3,132,113,875	4,186,911,563	3,056,639,182	4,155,637,277
Total liabilities		6,779,004,645	6,545,007,160	6,661,800,442	6,454,538,245

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 2017

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Shareholders' equity				
Share capital	23			
Registered				
921,339,320 ordinary shares of Baht 1 each (2016: 921,296,022 ordinary shares of Baht 1 each)	921,339,320	921,296,022	921,339,320	921,296,022
1,363,365 preference shares of Baht 1 each (2016: 1,406,663 preference shares of Baht 1 each)	1,363,365	1,406,663	1,363,365	1,406,663
	922,702,685	922,702,685	922,702,685	922,702,685
Issued and paid-up				
728,688,857 ordinary shares of Baht 1 each (2016: 728,645,559 ordinary shares of Baht 1 each)	728,688,857	728,645,559	728,688,857	728,645,559
1,363,365 preference shares of Baht 1 each (2016: 1,406,663 preference shares of Baht 1 each)	1,363,365	1,406,663	1,363,365	1,406,663
	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	22	550,000,000	550,000,000	550,000,000
Retained earnings				
Appropriated - statutory reserve	24	92,275,000	92,275,000	92,275,000
Unappropriated		14,665,125,373	14,606,380,484	12,605,830,310
Other components of shareholders' equity		79,357,515	157,972,125	-
Equity attributable to owners of the Company		16,402,378,410	14,473,854,910	16,264,276,006
Non-controlling interests of the subsidiaries		302,572,058	314,092,626	-
Total shareholders' equity		16,704,950,468	14,787,947,536	16,264,276,006
Total liabilities and shareholders' equity		23,483,955,113	22,926,076,448	20,718,264,077

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 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Revenues					
Revenues from hospital operations		18,279,349,380	17,850,738,751	17,688,831,859	17,341,382,226
Rental income		66,888,398	63,934,072	78,838,529	73,450,855
Interest income		103,251,408	113,304,452	96,012,331	109,150,673
Dividend income	11.1, 12.2	-	-	211,557,829	206,568,163
Exchange gains		-	22,434,512	-	17,314,851
Other income		77,096,292	75,382,754	94,402,731	87,010,890
Total revenues		18,526,585,478	18,125,794,541	18,169,643,279	17,834,877,658
Expenses					
Cost of hospital operations		10,459,825,956	10,410,076,024	10,131,067,185	10,104,769,425
Administrative expenses		3,128,944,602	3,124,887,515	3,144,425,750	3,090,522,521
Exchange losses		9,171,517	-	1,279,483	-
Total expenses		13,597,942,075	13,534,963,539	13,276,772,418	13,195,291,946
Profit before share of profit from investments in associates, finance cost and income tax expenses					
Share of profit from investments in associates	12.2	3,546,571	2,212,667	-	-
Profit before finance cost and income tax expenses		4,932,189,974	4,593,043,669	4,892,870,861	4,639,585,712
Finance cost		(149,854,660)	(215,165,246)	(149,573,025)	(214,959,314)
Profit before income tax expenses		4,782,335,314	4,377,878,423	4,743,297,836	4,424,626,398
Income tax expenses	26	(840,958,234)	(773,846,797)	(807,467,272)	(753,592,434)
Profit for the year		3,941,377,080	3,604,031,626	3,935,830,564	3,671,033,964
Profit (loss) attributable to:					
Equity holders of the Company		3,943,889,207	3,626,173,933	3,935,830,564	3,671,033,964
Non-controlling interests of the subsidiaries		(2,512,127)	(22,142,307)		
		3,941,377,080	3,604,031,626		
Earnings per share					
27					
Basic earnings per share					
Profit attributable to equity holders of the Company		5.41	4.98	5.40	5.04
Diluted earnings per share					
Profit attributable to equity holders of the Company		4.55	4.18	4.54	4.23

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 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Profit for the year	3,941,377,080	3,604,031,626	3,935,830,564	3,671,033,964
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	(44,229,788)	(150,703,312)	-	-
Income tax on other paid-in capital of an associate	(43,393,263)	-	-	-
Other comprehensive income to be reclassified to income statement in subsequent periods	(87,623,051)	(150,703,312)	-	-
Other comprehensive income not to be reclassified to income statement in subsequent periods				
Actuarial gain (loss) - net of income tax	(42,783,746)	17,093,786	(41,313,039)	15,263,919
Other comprehensive income not to be reclassified to income statement in subsequent periods - net of income tax	(42,783,746)	17,093,786	(41,313,039)	15,263,919
Other comprehensive income for the year	(130,406,797)	(133,609,526)	(41,313,039)	15,263,919
Total comprehensive income for the year	3,810,970,283	3,470,422,100	3,894,517,525	3,686,297,883
Total comprehensive income attributable to:				
Equity holders of the Company	3,822,490,851	3,522,532,787	3,894,517,525	3,686,297,883
Non-controlling interests of the subsidiaries	(11,520,568)	(52,110,687)		
	3,810,970,283	3,470,422,100		

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

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2017

(Unit: Baht)

	Separate financial statements					
	Issued and paid-up share capital		Premium on ordinary shares	Convertible bonds treated as equity securities		Total shareholders' equity
	Ordinary shares	Preference shares		Appropriated	Unappropriated	
Balance as at 1 January 2016	728,625,559	1,426,663	285,568,300	550,000,000	92,275,000	12,361,791,819
Profit for the year	-	-	-	-	3,671,033,964	3,671,033,964
Other comprehensive income for the year	-	-	-	-	15,263,919	15,263,919
Total comprehensive income for the year	-	-	-	-	3,686,297,883	3,686,297,883
Preference shares converted to ordinary shares (Note 23)	20,000	(20,000)	-	-	-	-
Dividend paid (Note 30)	-	-	-	-	(1,751,863,870)	(1,751,863,870)
Interest paid for convertible bonds treated as equity securities (Note 22)	-	-	-	-	(32,500,000)	(32,500,000)
Balance as at 31 December 2016	728,645,559	1,406,663	285,568,300	550,000,000	12,605,830,310	14,263,725,832
Balance as at 1 January 2017	728,645,559	1,406,663	285,568,300	550,000,000	12,605,830,310	14,263,725,832
Profit for the year	-	-	-	-	3,935,830,564	3,935,830,564
Other comprehensive income for the year	-	-	-	-	(41,313,039)	(41,313,039)
Total comprehensive income for the year	-	-	-	-	3,894,517,525	3,894,517,525
Preference shares converted to ordinary shares (Note 23)	43,298	(43,298)	-	-	-	-
Dividend paid (Note 30)	-	-	-	-	(1,861,467,351)	(1,861,467,351)
Interest paid for convertible bonds treated as equity securities (Note 22)	-	-	-	-	(32,500,000)	(32,500,000)
Balance as at 31 December 2017	728,688,857	1,363,365	285,568,300	550,000,000	14,606,380,484	16,264,276,006

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 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit before tax	4,782,335,314	4,377,878,423	4,743,297,836	4,424,626,398
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	1,205,911,730	1,138,686,184	1,149,160,424	1,084,924,989
Bad debts and doubtful debts	80,591,389	140,905,007	80,459,771	140,788,712
Reduction (reversal) of cost of inventories to net realisable value	368,107	(1,261,463)	-	-
Loss (gain) on sales and write-off of building and equipment	(2,126,617)	1,713,364	(1,698,058)	1,104,602
Loss on write-off of computer software	2,617	-	2,617	-
Long-term employee benefits expenses	87,047,715	86,735,133	84,563,802	84,518,888
Loss on impairment of assets	886,104	-	-	-
Share of profit from investments in associates	(3,546,571)	(2,212,667)	-	-
Interest income	(103,251,408)	(113,304,452)	(96,012,331)	(109,150,673)
Dividend income	-	-	(211,557,829)	(206,568,163)
Amortisation of debenture issuing costs to interest expenses	3,700,802	6,386,649	3,700,802	6,386,649
Interest expenses	146,153,858	208,778,597	145,872,223	208,572,665
Profit from operating activities before changes in operating assets and liabilities	6,198,073,040	5,844,304,775	5,897,789,257	5,635,204,067
Operating assets (increase) decrease				
Trade and other receivables	(182,120,378)	482,043,777	(183,107,749)	495,349,181
Inventories	1,807,185	321,633	18,980,963	(2,345,104)
Prepaid expenses	(4,003,495)	(32,012,048)	(10,749,434)	(37,347,273)
Other current assets	(227,473)	13,143,752	653,157	14,600,262
Other non-current assets	(1,614,855)	(1,464,019)	(1,629,810)	(1,346,659)
Operating liabilities increase (decrease)				
Trade and other payables	36,554,454	(5,472,748)	53,643,380	(2,028,846)
Accrued physicians' fees	29,401,183	(116,329,581)	29,391,038	(117,571,258)
Accrued expenses	60,507,844	(127,922,646)	63,642,249	(124,008,811)
Other current liabilities	2,312,544	7,461,108	5,344,178	(1,084,928)
Paid for long-term employee benefits	(56,289,541)	(49,850,018)	(55,039,430)	(48,626,108)
Cash flows from operating activities	6,084,400,508	6,014,223,985	5,818,917,799	5,810,794,523
Cash paid for corporate income tax	(841,021,473)	(840,580,102)	(813,659,354)	(821,225,047)
Net cash flows from operating activities	5,243,379,035	5,173,643,883	5,005,258,445	4,989,569,476

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 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities				
Decrease (increase) in short-term investments	(4,274,588,737)	782,500,000	(4,284,633,400)	793,000,000
Decrease in long-term loan to a subsidiary	-	-	-	9,000,000
Acquisition of investments in subsidiaries	-	-	-	(121,317,000)
Acquisition of investments in associate	(1,669,818)	-	-	-
Advance payment for share subscription	-	-	(45,000,000)	-
Dividend received	-	-	190,010,510	206,568,163
Acquisition of property, plant and equipment and payment of accounts payable - construction and purchase of medical equipment	(1,411,642,438)	(2,223,852,265)	(1,352,758,709)	(2,125,898,888)
Acquisition of computer software	(255,810,074)	(229,116,055)	(254,986,646)	(225,583,230)
Proceeds from sales of equipment	4,059,002	930,711	4,169,568	930,711
Interest income	72,056,549	113,304,452	64,852,650	109,167,964
Net cash flows used in investing activities	(5,867,595,516)	(1,556,233,157)	(5,678,346,027)	(1,354,132,280)
Cash flows from financing activities				
Increase in long-term loan from an unrelated party	-	19,072,604	-	-
Repayment of long-term debenture	-	(1,500,000,000)	-	(1,500,000,000)
Interest paid for long-term debentures	(170,150,000)	(232,735,890)	(170,150,000)	(232,735,890)
Dividend paid	(1,858,665,151)	(1,750,021,011)	(1,858,663,481)	(1,750,019,614)
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	(2,061,315,151)	(3,496,184,297)	(2,061,313,481)	(3,515,255,504)
Increase (decrease) in translation adjustment	1,807,248	(21,224,949)	-	-
Net increase (decrease) in cash and cash equivalents	(2,683,724,384)	100,001,480	(2,734,401,063)	120,181,692
Cash and cash equivalents at beginning of year	5,154,161,038	5,054,159,558	4,938,522,876	4,818,341,184
Cash and cash equivalents at end of year	2,470,436,654	5,154,161,038	2,204,121,813	4,938,522,876
Supplemental cash flow information				
Non-cash transactions				
Accrued dividend income	21,547,319	-	21,547,319	-
Interest capitalised as cost of assets	26,611,453	24,552,012	26,611,453	24,552,012
Increase (decrease) in accounts payable - construction and purchase of medical equipment	(61,481,949)	49,198,087	(61,481,949)	49,198,087
Increase in accounts payable - purchase of intangible asset	3,486,723	-	3,486,723	-

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 2017

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 and investment in other companies. The registered office of the Company is at 33 Soi 3 (Nana Nua) Sukhumvit Road, Klongtoei Nua Sub District, Vadhana 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 11 October 2016, 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	Nature of business	Country of incorporation	Percentage of shareholding	
			2017	2016
			(%)	(%)
<u>Subsidiaries held by the Company</u>				
Vitalife Corporation Ltd. ("VTL")	Health care center	Thailand	100	100
Asia Global Research Co., Ltd. ("AGR")	Clinical research service and sales of vaccine	Thailand	100	100
Ruenmongkol Co., Ltd. ("RM")	A holding real estate assets company	Thailand	100	100
Bumrungrad Health Network Co., Ltd. ("BHN")	Overseas investment	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
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	100

Company	Nature of business	Country of incorporation	Percentage of shareholding	
			2017	2016
			(%)	(%)
<u>Subsidiaries held by subsidiaries</u>				
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	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, the consolidated comprehensive 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

a. Financial reporting standards that became effective in the current year

During the year, the Group have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. 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.

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

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for

fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Group believe that the revised financial reporting standards 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 and write-off experience, analysis of debt aging and other information.

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.

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 - 10 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

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 (if any), 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 individuals or enterprises 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 or enterprises 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 and write-off history, aging profile of outstanding debts and the prevailing information.

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: Million Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	2017	2016	2017	2016	
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Medical service income	-	-	45.0	34.2	Market price
Professional service income	-	-	21.6	19.4	Actual paid and cost plus margin
Rental income	-	-	12.1	9.6	As per contracts
Sales of medicine and medical supplies	-	-	9.0	7.5	Cost plus margin
Sales of equipment	-	-	0.1	-	Cost plus margin
Dividend income	-	-	190.0	206.6	As declared
Lab service expense	-	-	1.0	0.1	Market price
Pharmacy expense	-	-	27.6	9.6	Market price
Training expenses	-	-	200.9	186.0	Cost plus margin
Service expenses	-	-	10.2	8.5	Cost plus margin
Rental expenses	-	-	1.6	-	As per contracts

(Unit: Million Baht)					
	Consolidated financial statements		Separate financial statements		Pricing policy
	2017	2016	2017	2016	
Transactions with associates					
Consulting income	0.2	0.2	0.2	0.2	As per contract
Dividend income	-	-	21.5	-	As declared
Interest expense on long-term loan	2.3	2.4	2.3	2.4	1.25% and 1.38% p.a. (2016: 1.38% p.a.)
Transactions with related parties					
Medical service income	84.7	121.5	84.7	121.5	Market price
Rental income	2.8	2.5	2.8	2.5	Market price
Interest income on short-term investments	49.6	26.8	49.3	26.3	1.29% to 1.70% p.a. (2016: 1.58% to 1.80% p.a.)
Other income	0.4	1.0	0.4	1.0	At cost
Lab service expense	9.8	13.1	9.8	13.1	Market price
Purchase of medicine and medical supplies	12.1	12.3	12.1	12.3	Market price
Donation expense	31.9	32.4	31.9	32.4	-
Insurance expense	28.4	30.4	28.3	30.3	As per insurance policies
Credit card commission fees	136.6	129.9	130.8	125.0	Market price
Legal advisory fee	4.8	3.9	4.0	3.8	Market price
Service fee	2.0	1.2	2.0	1.2	Market price
Interest expense on long-term debentures	42.1	46.2	42.1	46.2	4.59% to 4.97% p.a. (2016: 4.13% to 4.97% p.a.)
Interest expense on convertible bonds	32.5	32.5	32.5	32.5	1.00% and 10.00% p.a.

The balances of the accounts as at 31 December 2017 and 2016 between the Company and those related parties are as follows.

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term investments - Fixed deposits with a local commercial bank (Note 8)				
Related company (common executive)	5,293,633	1,509,000	5,293,633	1,509,000
Trade and other receivables - related parties (Note 9)				
Subsidiaries	-	-	23,714	15,942
Associate	21,559	12	21,559	12
Related company (common director)	4,447	6,526	4,447	6,526
Total	26,006	6,538	49,720	22,480
Advance payment for share capital (Note 11.4.1)				
Subsidiary	-	-	45,000	-
Trade and other payables - related parties (Note 17)				
Subsidiaries	-	-	39,497	19,986
Long-term loan and interest payable to a related party				
Associate	187,628	185,294	187,628	185,294
Long-term debentures (Note 19)				
Related companies (common shareholder)	855,000	855,000	855,000	855,000
Convertible bonds treated as equity securities (Note 22)				
Related company (common executive)	550,000	550,000	550,000	550,000

Long-term loan and interest payable to a related party

During the year ended 31 December 2017, movements of long-term loan and interest payable to a related company were as follows.

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements			
	Balance as at 31 December 2016	During the year		Balance as at 31 December 2017
		Increase	Decrease	
<i>Bumrungrad International Ltd.</i>				
Principal	176,400	-	-	176,400
Interest payable	8,894	2,334	-	11,228
Total	185,294	2,334	-	187,628

As at 31 December 2016, long-term loan and interest payable to an associate (Bumrungrad International Ltd.) is due at call and 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.

However, as at 31 December 2017, the Company's management believes that the associate does plan to call the loan in the near future, it is therefore classified as a "current portion of long-term loan and interest payable to a related party" in the statement of financial position.

Directors and management's benefits

During the years ended 31 December 2017 and 2016, the Group had employee benefit expenses payable to their directors and management as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term benefits	110,306	130,618	89,066	110,545
Post-employment benefits	4,269	5,465	3,916	5,057
Other long-term benefits	7	3	3	2
Total	114,582	136,086	92,985	115,604

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash	13,328	7,093	12,328	5,858
Bank deposits	1,374,684	4,094,824	1,164,145	3,910,653
Promissory notes	1,082,425	1,052,244	1,027,649	1,022,012
Total	2,470,437	5,154,161	2,204,122	4,938,523

As at 31 December 2017, bank deposits in savings accounts, fixed deposits and promissory notes carried interests between 0.05% and 3.60% per annum (2016: between 0.05% and 3.60% per annum).

8. Short-term investments

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Fixed deposits with a local commercial bank	5,797,889	1,523,300	5,793,633	1,509,000
Interest rate (% p.a.)	1.25 - 1.70	1.58 - 1.65	1.25 - 1.70	1.58

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade receivables - related parties				
Aged on the basis of due dates				
Not yet due	4,186	6,219	5,455	7,244
Total trade receivables - related parties	4,186	6,219	5,455	7,244
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	992,543	885,636	988,607	879,216
Past due				
1 - 30 days	7,574	6,007	3,448	3,882
31 - 60 days	282,997	159,420	272,139	157,076
61 - 90 days	148,449	109,129	146,272	101,314
91 - 180 days	278,167	233,074	273,857	232,919
181 - 365 days	127,216	283,765	126,845	283,765
More than 365 days	175,526	239,030	175,526	239,030
Total	2,012,472	1,916,061	1,986,694	1,897,202
Less: Allowance for doubtful debts	(225,223)	(234,269)	(225,192)	(234,269)
Total trade receivables - unrelated parties, net	1,787,429	1,681,792	1,761,502	1,662,993
Total trade receivables - net	1,791,435	1,688,011	1,766,957	1,670,177
Other receivables				
Accrued dividend - related parties	21,547	-	21,547	-
Other receivables - related parties	273	319	22,718	15,236
Other receivables - unrelated parties	5,295	7,143	5,218	6,832
Total other receivables	27,115	7,462	49,483	22,068
Total trade and other receivables - net	1,818,550	1,695,473	1,816,440	1,692,245

10. Inventories

(Unit: Thousand Baht)

Consolidated financial statements

	Cost		Reduce cost to net realisable value		Inventories - net	
	2017	2016	2017	2016	2017	2016
Medicine	165,532	165,097	417	49	165,115	165,048
Medical supplies	65,386	70,974	-	-	65,386	70,974
Other supplies	77,338	73,992	-	-	77,338	73,992
Total	308,256	310,063	417	49	307,839	310,014

(Unit: Thousand Baht)

Separate financial statements

	Cost		Reduce cost to net realisable value		Inventories - net	
	2017	2016	2017	2016	2017	2016
Medicine	136,433	150,697	-	-	136,433	150,697
Medical supplies	48,054	56,705	-	-	48,054	56,705
Other supplies	76,449	72,515	-	-	76,449	72,515
Total	260,936	279,917	-	-	260,936	279,917

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	
	2017	2016	2017 (%)	2016 (%)	2017	2016	2017	2016	2017	2016
Vitalife Corporation Ltd. Baht	Baht 31.5 million	Baht 31.5 million	100	100	25,610	25,610	-	-	25,610	25,610
Asia Global Research Co., Ltd.	Baht 50 million	Baht 50 million	100	100	50,000	50,000	50,000	50,000	-	-
Ruenmongkol Co., Ltd.	Baht 340 million	Baht 340 million	100	100	1,045,034	1,045,034	-	-	1,045,034	1,045,034
Bumrungrad Health Network Co., Ltd.	Baht 120 million	Baht 120 million	100	100	120,000	120,000	-	-	120,000	120,000
Bumrungrad Personnel Development and Training Center Co., Ltd.	Baht 5 million	Baht 5 million	100	100	5,000	5,000	-	-	5,000	5,000
Asia Global Health Ltd.	HKD 7.1 million	HKD 7.1 million	100	100	31,558	31,558	29,500	29,500	2,058	2,058
Life and Longevity Ltd.	USD 82,000	USD 82,000	100	100	2,860	2,860	-	-	2,860	2,860
Health Horizons Enterprises Pte. Ltd.	USD 16.8 million	USD 16.8 million	80	80	436,211	436,211	-	-	436,211	436,211
Bumrungrad Services Co., Ltd.	Baht 2 million	Baht 2 million	100	100	2,000	2,000	-	-	2,000	2,000
Total					1,718,273	1,718,273	79,500	79,500	1,638,773	1,638,773

During the years, the Company received dividends from subsidiaries in the separate financial statements as follows.

(Unit: Thousand Baht)

Company	Separate financial statements	
	2017	2016
Vitalife Corporation Ltd.	100,011	74,969
Bumrungrad Health Network Co., Ltd.	-	21,600
Bumrungrad Personnel Development and Training Center Co., Ltd.	89,999	109,999
Total	190,010	206,568

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		Gain (loss) allocated to non-controlling interests during the year	
	2017	2016	2017	2016	2017	2016
	(%)	(%)				
Seoul Seniors Tower LLC	49	49	231,111	228,614	2,497	(16,389)

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	
	2017	2016
Current assets	75,209	49,842
Non-current assets	383,600	429,186
Current liabilities	136,768	142,306

Summarised information about comprehensive income

(Unit: Thousand Baht)

	Seoul Seniors Tower LLC	
	For the years ended 31 December	
	2017	2016
Revenues	201,656	215,647
Gain (loss)	7,143	(30,893)
Total comprehensive incomes	7,143	(30,893)

Summarised information about cash flows

(Unit: Thousand Baht)

	Seoul Seniors Tower LLC	
	For the years ended 31 December	
	2017	2016
Cash flows from operating activities	30,665	28,041
Cash flows used in investing activities	(4,546)	(13,592)
Increase (decrease) in translation adjustment	(217)	545
Net increase in cash and cash equivalents	25,902	14,994

11.4 The changes of investments in subsidiaries account during the year 2017**11.4.1 Capital increase of subsidiaries**Bumrungrad Mongolia LLC

On 24 April 2017, the shareholders' meeting of Bumrungrad Mongolia LLC., a subsidiary held by Health Horizons Enterprises Pte. Ltd. (the Company's subsidiary), passed a resolution to increase the registered share capital from MNT 4,141 million (4.14 million ordinary shares with a par value of MNT 1,000 each) to MNT 4,181 million (4.18 million ordinary shares with a par value of MNT 1,000 each), by issuing additional MNT 0.04 million ordinary shares with a par value of MNT 1,000 each, or equivalent to approximately Baht 1 million, to the existing shareholder. Health Horizons Enterprises Pte. Ltd. acquired all of the additional shares. The subsidiary registered the increase of its share capital on 3 May 2017.

Asia Global Research Co., Ltd.

On 28 December 2017, the Extra Ordinary Meeting of the shareholders of a subsidiary (Asia Global Research Co., Ltd.) passed a resolution to increase the registered share capital from Baht 50 million (5 million ordinary shares with a par value of Baht 10 each) to Baht 95 million (9.5 million ordinary shares with a par value of Baht 10 each), by issuing additional 4.5 million ordinary shares with a par value of Baht 10 each to the subsidiary's existing shareholders. The Company acquired all of the additional shares and paid in the additional share capital in advance on 28 December 2017. The subsidiary registered the increase of its share capital with the Ministry of Commerce on 11 January 2018.

11.5 The changes of investments in subsidiaries account during the year 2016**11.5.1 Capital increase of subsidiaries**Bumrungrad Health Network Co., Ltd.

On 11 March 2016, the Annual General Meeting of the shareholders of a subsidiary (Bumrungrad Health Network Co., Ltd.) passed a resolution to increase the registered share capital from Baht 5 million (0.5 million ordinary shares with a par value of Baht 10 each) to Baht 120 million (12 million ordinary shares with a par value of Baht 10 each), by

issuing additional 11.5 million ordinary shares with a par value of Baht 10 each to the subsidiary's existing shareholders. The Company acquired all of the additional shares and paid in the additional share capital on 14 March 2016. The subsidiary registered the increase of its share capital with the Ministry of Commerce on 15 March 2016.

Health Horizons Enterprises Pte. Ltd.

On 27 June 2016, the Annual General Meeting of the shareholders of a subsidiary (Health Horizons Enterprises Pte. Ltd.) passed a resolution to increase the registered share capital from USD 16.6 million (16.6 million ordinary shares with a par value of USD 1 each) to USD 16.8 million (16.8 million ordinary shares with a par value of USD 1 each), by issuing additional 0.2 million ordinary shares with a par value of USD 1 each to the subsidiary's existing shareholders. The Company acquired the additional 0.16 million shares and paid in the additional share capital on 22 July 2016. The subsidiary registered the increase of the share capital on 27 July 2016.

Life and Longevity Ltd.

On 5 December 2016, the Directors' Resolutions in writing of a subsidiary (Life and Longevity Ltd.) passed a resolution to increase the registered share capital from USD 62,000 (62,000 ordinary shares with a par value of USD 1 each) to USD 82,000 (82,000 ordinary shares with a par value of USD 1 each), by issuing additional 20,000 ordinary shares with a par value of USD 1 each to the subsidiary's existing shareholders. The Company acquired all of the additional shares and paid in the additional share capital totally USD 20,000. The subsidiary registered the increase of the share capital on 5 December 2016.

11.5.2 Dissolution of a subsidiary

VitalLife International AG

On 24 March 2016, the Extraordinary General Meeting of shareholders of a subsidiary (VitalLife International AG ("VTL AG") (which was held by Life and Longevity Ltd.)), passed a resolution to approve the dissolution of VTL AG. VTL AG registered its dissolution and liquidation on 10 October 2016.

12. Investment in an associate

12.1 Details of investment in an associate

(Unit: Thousand Baht)

Company	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2017	2016	2017	2016	2017	2016
			(%)	(%)				
<u>An associate held by the Company</u>								
Bumrungrad International Ltd. (dissolved on 28 December 2017)	Holding company	Thailand	31.5	31.5	1,447	1,447	218,413	236,280
<u>An associate held by the subsidiary</u>								
Inovital International AG (held by LLL)	Manufacture and sale of vitamin supplement products	Swiss Confederation	49.0	-	1,670	-	1,446	-
Total					3,117	1,447	219,859	236,280

(Unit: Thousand Baht)

Company	Separate financial statements			
	Shareholding percentage		Carrying amounts based on cost method	
	2017	2016	2017	2016
Bumrungrad International Ltd. (dissolved on 28 December 2017)	31.5	31.5	1,447	1,447
Total			1,447	1,447

12.2 Share of profit/loss and dividend received

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

(Unit: Thousand Baht)

Company	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investments in associates during the years		Dividend received during the years	
	2017	2016	2017	2016
Bumrungrad International Ltd. (dissolved on 28 December 2017)	3,681	2,213	21,547	-
Inovital International AG (held by LLL)	(134)	-	-	-
Total	3,547	2,213	21,547	-

12.3 Summarised financial information about material associates

Summarised information about financial position

(Unit: Million Baht)

Company	Bumrungrad International Ltd. ("BIL") (dissolved on 28 December 2017)		Inovital International AG (held by LLL)	
	2017	2016	2017	2016
Current assets	762.4	164.7	3.3	-
Non-current assets	-	591.2	-	-
Current liabilities	(69.1)	(0.1)	(0.2)	-
Non-current liabilities	-	(5.7)	-	-
Net assets	693.3	750.1	3.1	-
Shareholding percentage (%)	31.5	31.5	49.0	-
Share of net assets	218.4	236.3	1.5	-
Carrying amounts of associates based on equity method	218.4	236.3	1.4	-

Summarised information about comprehensive income

(Unit: Million Baht)

Company	For the year ended 31 December			
	Bumrungrad International Ltd. ("BIL") (dissolved on 28 December 2017)		Inovital International AG (held by LLL)	
	2017	2016	2017	2016
Revenue	12.6	10.1	-	-
Profit (loss)	11.7	7.0	(0.3)	-
Total comprehensive income	11.7	7.0	(0.3)	-

Acquisition of a new associate

On 20 January 2017, Life and Longevity Ltd. (LLL), the Company's wholly-owned subsidiary which is registered in Hong Kong Special Administrative Region of the People's Republic of China, acquired 49% of the common shares of Inovital International AG which is incorporated in Swiss Confederation, for CHF 49,000 (490 ordinary shares with a par value of CHF 100 each). That company is principally engaged in manufacture and sale of vitamin supplement products and after sales services.

Dissolution of an associate

On 27 December 2017, an extraordinary general meeting of shareholders of an associate (Bumrungrad International Limited ("BIL")), approved the dissolution of the BIL, and BIL registered its dissolution with the Ministry of Commerce on 28 December 2017. Currently, BIL is in the process of liquidation.

13. Other long-term investment

(Unit: Thousand Baht)

Company	Shareholding percentage		Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016	2017	2016
	(%)	(%)				
Chantaburi Country Club Co., Ltd.	0.1	0.1	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

Cost	Consolidated financial statements										(Unit: Thousand Baht)
	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	
1 January 2016	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	
Additions	408,644	549	53,283	159,833	516,662	275,259	18,757	2,334	837,729	2,273,050	
Disposals/write-off	-	-	(2,423)	(30)	(142,464)	(38,270)	(860)	(26)	-	(184,073)	
Transfer in (out)	-	-	200,929	96,439	-	26,475	12,003	-	(335,846)	-	
Capitalised interest	-	-	-	-	-	-	-	-	24,492	24,492	
Translation adjustment	-	(232)	(119,050)	-	(1,636)	(37,835)	(2,731)	(513)	(326)	(162,323)	
31 December 2016	4,027,325	36,964	6,516,997	1,128,819	4,705,512	1,364,791	614,845	45,633	1,081,615	19,522,501	
Additions	-	-	21,204	49,279	325,448	48,414	25,861	4,799	875,155	1,350,160	
Disposals/write-off	-	-	(74,300)	(46,797)	(192,793)	(51,824)	(36,923)	(901)	-	(403,538)	
Transfer in (out)	-	28,087	483,912	93,427	288,499	-	2,667	-	(896,592)	-	
Capitalised interest	-	-	-	-	-	-	-	-	26,611	26,611	
Translation adjustment	-	(73)	(32,952)	(71)	(4,570)	(9,805)	(995)	(129)	-	(48,595)	
31 December 2017	4,027,325	64,978	6,914,861	1,224,657	5,122,096	1,351,576	605,455	49,402	1,086,789	20,447,139	
Accumulated depreciation											
1 January 2016	-	19,395	2,334,377	327,028	3,145,685	850,250	384,614	37,655	-	7,099,004	
Depreciation for the year	-	4,586	451,087	98,070	384,550	72,921	47,292	2,711	-	1,061,217	
Depreciation on disposals/write-off	-	-	(2,447)	(30)	(140,393)	(38,053)	(480)	(26)	-	(181,429)	
Translation adjustment	-	(42)	(12,546)	(8)	(1,742)	(19,423)	(1,570)	(232)	-	(35,563)	
31 December 2016	-	23,939	2,770,471	425,060	3,388,100	865,695	429,856	40,108	-	7,943,229	
Depreciation for the year	-	2,143	412,808	109,360	416,396	138,771	50,582	1,879	-	1,131,939	
Depreciation on disposals/write-off	-	-	(74,200)	(46,660)	(192,793)	(51,238)	(35,867)	(862)	-	(401,620)	
Translation adjustment	-	(18)	(4,467)	(14)	(1,024)	(5,690)	(509)	(56)	-	(11,778)	
31 December 2017	-	26,064	3,104,612	487,746	3,610,679	947,538	444,062	41,069	-	8,661,770	

(Unit: Thousand Baht)

Separate financial statements

	Land	Land leasehold right and land improvement	Buildings and construction	Facility systems	Medical accessory equipment	Hospital equipment	Equipment and furniture	Motor vehicles	Assets under construction and installation	Total
Cost										
1 January 2016	2,573,647	16,192	5,123,386	847,587	3,734,536	818,639	452,441	18,903	546,778	14,132,109
Additions	408,644	383	25,378	159,017	468,409	258,194	15,043	2,334	837,694	2,175,096
Disposals/write-off	-	-	(2,423)	(30)	(148,387)	(34,327)	(860)	(26)	-	(186,053)
Transfer in (out)	-	-	194,067	96,439	-	26,475	12,003	-	(328,984)	-
Capitalised interest	-	-	-	-	-	-	-	-	24,492	24,492
31 December 2016	2,982,291	16,575	5,340,408	1,103,013	4,054,558	1,068,981	478,627	21,211	1,079,980	16,145,644
Additions	-	-	16,138	49,275	293,360	35,803	24,874	4,788	862,039	1,291,277
Disposals/write-off	-	-	(74,300)	(46,795)	(208,295)	(51,824)	(36,923)	(439)	-	(418,576)
Transfer in (out)	-	28,087	470,950	93,425	288,501	-	2,667	-	(883,630)	-
Capitalised interest	-	-	-	-	-	-	-	-	26,611	26,611
31 December 2017	2,982,291	44,662	5,753,196	1,198,918	4,433,124	1,052,960	469,245	25,560	1,085,000	17,044,956
Accumulated depreciation										
1 January 2016	-	11,864	1,559,716	294,147	2,603,745	578,367	277,730	14,347	-	5,339,916
Depreciation for the year	-	4,463	430,610	97,811	378,899	48,254	45,535	2,482	-	1,008,054
Depreciation on disposals/write-off	-	-	(2,447)	(30)	(145,989)	(35,046)	(480)	(26)	-	(184,018)
31 December 2016	-	16,327	1,987,879	391,928	2,836,655	591,575	322,785	16,803	-	6,163,952
Depreciation for the year	-	2,024	392,292	109,050	407,085	115,221	48,796	1,707	-	1,076,175
Depreciation on disposals/write-off	-	-	(74,200)	(46,660)	(207,702)	(51,238)	(35,867)	(439)	-	(416,106)
31 December 2017	-	18,351	2,305,971	454,318	3,036,038	655,558	335,714	18,071	-	6,824,021

[illegible]

As at 31 December 2017, the Company had an outstanding balance of land and building and building improvement under construction of Baht 1,580 million (2016: Baht 1,414 million) which has been financed by long-term debentures and borrowing costs totaling Baht 27 million (2016: Baht 24 million) were capitalised during the year ended 31 December 2017. The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation was 4.97% per annum (2016: 4.87 and 4.78% per annum).

As at 31 December 2017, certain building and 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 2,885 million (2016: Baht 2,350 million) (separate financial statements: Baht 2,827 million, 2016: Baht 2,312 million).

15. Intangible assets

(Unit: Thousand Baht)

	Computer software	
	Consolidated financial statements	Separate financial statements
Cost		
1 January 2016	1,121,143	1,153,525
Additions	229,116	225,583
Transfer from assets under installation	61	61
Translation adjustment	(99)	-
31 December 2016	1,350,221	1,379,169
Additions	259,297	258,473
Write-off	(602,522)	(602,522)
Translation adjustment	(253)	-
31 December 2017	1,006,743	1,035,120
Accumulated amortization		
1 January 2016	587,524	622,656
Amortisation during the year	77,469	76,871
Translation adjustment	(52)	-
31 December 2016	664,941	699,527
Amortisation during the year	73,973	72,985
Amortisation on write-off	(232,285)	(232,285)
Translation adjustment	(45)	-
31 December 2017	506,584	540,227
Allowance for impairment loss		
1 January 2016	370,233	370,233
31 December 2016	370,233	370,233
Decrease during the year	(370,233)	(370,233)
31 December 2017	-	-
Net book value		
31 December 2016	315,047	309,409
31 December 2017	500,159	494,893

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 Ulaanbaatar 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

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2017	2016	2017	2016
Trade payables - unrelated parties	755,553	735,780	729,180	715,629
Accounts payable - construction and purchase of medical equipment	43,874	101,869	43,874	101,869
Other payables - related parties	-	-	39,497	19,986
Other payables - unrelated parties	57,550	37,965	55,411	32,026
Total	856,977	875,614	867,962	869,510

18. Long-term loan and interest payable to an unrelated party

During the year ended 31 December 2017, movements of long-term loan and interest payable to an unrelated party were as follows.

	(Unit: Thousand Baht) Consolidated financial statements			
	Balance as at 1 January 2017	During the year		Balance as at 31 December 2017
		Increase	Decrease	
Principal	19,073	-	-	19,073
Interest payable	181	245	-	426
Translation adjustment	395	-	(1,767)	(1,372)
Total	19,649	245	(1,767)	18,127

As at 31 December 2016, long-term loan was a loan which Bumrungrad Myanmar Co., Ltd., a subsidiary, entered into a loan agreement with other shareholder in USD and due at call. The loan carries interest at the 1-year fixed deposit rate of a local commercial bank but not over 3.25% per annum. Interest is due annually. The other shareholder does not plan to call the loan in the near future, it is therefore classified as a long-term loan.

19. 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 tenure not more than 10 years.

The long-term debentures Series#1 entirely redeemed on 20 December 2016.

As at 31 December 2017 and 2016 detail of outstanding long-term debentures are as follows.

Series	Maturity date	No. of units	Par value	Interest rate	Term of interest payment	(Unit: Thousand Baht) Carrying amount	
						2017	2016
		(Thousand units)	(Baht)	(% p.a.)			
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						3,500,000	3,500,000
Less: Deferred debenture issuing costs						(11,758)	(15,459)
Long-term debentures - net						3,488,242	3,484,541
Less: Portion due within one year						(988,570)	-
Long-term debentures, net of current portion						2,489,672	3,484,541

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

20. Undrawn loan facilities

As at 31 December 2017, the Group has short-term credit facilities which have not yet been drawn down amounting to Baht 3,310 million (2016: Baht 2,310 million).

21. 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	
	2017	2016	2017	2016	2017	2016
Provision for long-term employee benefits at beginning of year	457,127	440,617	35,389	36,077	492,516	476,694
Included in the income statement:						
Current service cost	68,315	68,316	6,282	6,540	74,597	74,856
Interest cost	12,607	10,993	960	889	13,567	11,882
Past service cost and gains or losses on settlement	243	3,904	(1,359)	(3,907)	(1,116)	(3)
Included in the statement of comprehensive income:						
Actuarial (gain) loss arising from						
- Demographic assumption changes	9,886	-	-	-	9,886	-
- Financial assumptions changes	25,297	(7,979)	-	-	25,297	(7,979)
- Experience adjustments	17,740	(13,084)	-	-	17,740	(13,084)
Benefits paid during the year	(52,562)	(45,640)	(3,728)	(4,210)	(56,290)	(49,850)
Provision for long-term employee benefits at end of year	538,653	457,127	37,544	35,389	576,197	492,516

(Unit: Thousand Baht)

	Separate financial statements					
	Compensations on employees' retirement		Other long-term employee benefits		Total	
	2017	2016	2017	2016	2017	2016
Provision for long-term employee benefits at beginning of year	450,871	433,341	34,931	35,648	485,802	468,989
Included in the income statement:						
Current service cost	66,478	66,339	6,197	6,307	72,675	72,646
Interest cost	12,305	10,826	947	876	13,252	11,702
Past service cost and gains or losses on settlement	-	3,875	(1,363)	(3,704)	(1,363)	171
Included in the statement of comprehensive income:						
Actuarial (gain) loss arising from						
- Demographic assumption changes	9,620	-	-	-	9,620	-
- Financial assumptions changes	24,752	(7,548)	-	-	24,752	(7,548)
- Experience adjustments	17,268	(11,532)	-	-	17,268	(11,532)
Benefits paid during the year	(51,341)	(44,430)	(3,698)	(4,196)	(55,039)	(48,626)
Provision for long-term employee benefits at end of year	529,953	450,871	37,014	34,931	566,967	485,802

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	
	2017	2016	2017	2016
Cost of hospital operations	51,969	50,729	51,969	50,729
Administrative expenses	35,079	36,006	32,595	33,790
Total expenses recognised in the income statement	87,048	86,735	84,564	84,519

The Group expects to pay Baht 32 million (2016: Baht 54 million) (separate financial statements: Baht 32 million, 2016: Baht 54 million) of long-term employee benefits during the next year.

As at 31 December 2017, the weighted average duration of the liabilities for long-term employee benefit is 7 - 23 years (2016: 6 - 24 years) (separate financial statements: 20 years, 2016: 22 years).

Key actuarial assumptions used for the valuation are as follows.

	(Unit: % p.a.)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate	2.2 - 2.8	2.4 - 3.2	2.4	2.8
Salary increase rate	5.0	5.0	5.0	5.0
Turnover rate	0.0 - 18.0	0.0 - 18.0	0.0 - 13.0	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 2017 and 2016 are summarised below.

	(Unit: Million Baht)			
	As at 31 December 2017			
	Consolidated financial statements		Separate financial statements	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(49.2)	57.4	(48.1)	56.1
Salary increase rate	46.5	(40.7)	45.4	(39.7)
Turnover rate	(52.5)	37.2	(51.3)	36.7

	(Unit: Million Baht)			
	As at 31 December 2016			
	Consolidated financial statements		Separate financial statements	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(46.7)	54.9	(45.6)	53.7
Salary increase rate	45.0	(39.0)	43.9	(38.1)
Turnover rate	(49.9)	31.9	(48.8)	31.5

22. Convertible bonds treated as equity securities

Convertible bonds treated as equity securities as at 31 December 2017 and 2016 are as follows.

- a) Partly secured convertible bonds in an amount of Baht 300 million, with a maturity of 12 years, and a coupon rate of 2.5% p.a. for years 1 - 4, 5% p.a. for years 5 - 8, and 10% p.a. for years 9 - 12, which the interest was 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% p.a., which the interest was 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.

The interest expense for the year 2016 of the convertible bonds amounted to Baht 33 million (2016: Baht 33 million), was recorded as a reduction to unappropriated retained earnings.

23. 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 2017, 43,298 preference shares (2016: 20,000 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 7 March 2017.

24. 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.

25. Expenses by nature

Significant expenses classified by nature are as follows.

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2017	2016	2017	2016
Salaries and wages and other employee benefits	3,103,910	3,093,556	3,002,716	2,987,594
Physicians' fee	3,928,262	3,890,375	3,873,938	3,847,266
Depreciation	1,131,939	1,061,217	1,076,175	1,008,054
Amortisation	73,973	77,469	72,985	76,871
Property, plant and equipment rental expenses from operating lease agreements	86,399	92,125	76,325	80,772
Building and equipment maintenance expenses	284,856	316,530	283,006	315,707
Advertising and public relation expenses	283,940	260,939	269,387	244,593
Medicine, medical supply and other supply consumptions	2,854,328	2,848,793	2,784,679	2,795,397

26. Income tax

Income tax expenses for the years ended 31 December 2017 and 2016 are made up as follows.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current income tax:				
Current income tax for the year	869,495	832,599	836,391	812,306
Deferred tax:				
Relating to origination and reversal of temporary differences	(28,537)	(58,752)	(28,924)	(58,714)
Income tax expenses reported in the income statement	840,958	773,847	807,467	753,592

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2017 and 2016 are as follows.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Deferred tax relating to actuarial (gain) loss	10,139	(3,970)	10,328	(3,816)
Deferred tax relating to share of profit from investment in an associate	(43,393)	-	-	-
Total	(33,254)	(3,970)	10,328	(3,816)

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Accounting profit before tax	4,782,335	4,377,878	4,743,298	4,424,626
Applicable tax rate	10, 15 and 20%	10 and 20%	20%	20%
Accounting profit before tax multiplied by income tax rate (before eliminations)	997,504	916,438	948,660	884,925
Effects of:				
Tax-exempt revenues	(65,489)	(59,186)	(43,312)	(41,314)
Non-deductible expenses	9,027	8,003	8,652	7,921
Additional expense deductions allowed	(108,685)	(97,670)	(107,933)	(97,671)
Other	8,601	6,262	1,400	(269)
Total	(156,546)	(142,591)	(141,193)	(131,333)
Income tax expenses reported in the income statement	840,958	773,847	807,467	753,592

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

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Deferred tax assets				
Allowance for doubtful accounts	45,038	46,854	45,038	46,854
Allowance for diminution in value of inventories	84	10	-	-
Allowance for loss on impairment of investments	5,900	5,900	5,900	5,900
Allowance for construction in progress	177	-	-	-
Recognition of rental expense	262	-	158	-
Accumulated depreciation - building and equipment	106,330	81,601	106,330	81,601
Accumulated amortisation - intangible assets	5,246	6,651	5,211	6,610
Provision for long-term employee benefits	124,147	107,196	123,798	106,845
Unrealised loss from exchange rate	4,004	4,486	-	-
Total	291,188	252,698	286,435	247,810
Deferred tax liabilities				
Deferred debenture issuing costs	(2,352)	(3,092)	(2,352)	(3,092)
Recognition of rental income	(113)	-	(113)	-
Other paid-in capital of an associate	(43,393)	-	-	-
Interest receivable	(2,260)	(1,819)	-	-
Total	(48,118)	(4,911)	(2,465)	(3,092)
Deferred tax assets - net			283,970	244,718

As at 31 December 2017 the subsidiaries have unused tax losses totaling Baht 39 million (2016: Baht 37 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 39 million will expire between 2018 and 2022.

27. Earnings per share

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

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

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

Consolidated financial statements						
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2017	2016	2017	2016	2017	2016
	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	3,943,889	3,626,174	728,681	728,642	5.41	4.98
Effect of dilutive potential ordinary shares						
Preference shares	-	-	1,371	1,410		
Convertible bonds	-	-	137,363	137,363		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	3,943,889	3,626,174	867,415	867,415	4.55	4.18

Separate financial statements						
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2017	2016	2017	2016	2017	2016
	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the company	3,935,831	3,671,034	728,681	728,642	5.40	5.04
Effect of dilutive potential ordinary shares						
Preference shares	-	-	1,371	1,410		
Convertible bonds	-	-	137,363	137,363		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	3,935,831	3,671,034	867,415	867,415	4.54	4.23

28. 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 Group has only one main reportable operating segment, which is the hospital and health care center business, and the major geographical area of its operations is Thailand, with its overseas operations not being material. 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 and geographical area.

For the years 2017 and 2016, the Group has no major customer with revenues of 10% or more of the Group's revenues.

29. 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% - 15% 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 2017 amounting to Baht 73 million (2016: Baht 72 million) (separate financial statements: Baht 71 million, 2016: Baht 70 million), were recognised as expenses.

30. Dividends paid

Dividend	Approved by	Dividend paid (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2015	Annual General Meeting of the shareholder on 27 April 2016	1,058,340	1.45
Interim dividends for 2016	Board of Director's meeting on 28 July 2016	693,524	0.95
Total for 2016		1,751,864	
Final dividends for 2016	Annual General Meeting of the shareholder on 26 April 2017	1,131,514	1.55
Interim dividends for 2017	Board of Director's meeting on 9 August 2017	729,953	1.00
Total for 2017		1,861,467	

31. Commitments and contingent liabilities

31.1 Capital commitments

As at 31 December 2017 and 2016, the Group has capital commitments as below.

Details of Commitments	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
1) Design and renovation agreements of buildings	300	691	292	689
2) Purchase of medical instruments and hospital equipment	8	104	7	100
3) Purchase of computer software agreements	237	368	237	368

(Unit: Million Baht)

31.2 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 2017 and 2016, future minimum payments required under the above agreements were as follows.

(Unit: Million Baht)

Details of commitments	Consolidated financial statements					
	Payable within					
	1 year		1 to 5 years		More than 5 years	
	2017	2016	2017	2016	2017	2016
1) Nursing dormitory land rental expense (shall be extended for a further period of 30 years)	1	1	4	4	-	1
2) Lease of office space	8	24	14	1	-	-
3) Maintenance service fee for medical instruments	139	167	109	214	2	4
4) Rental and maintenance service fee for cars	14	13	20	25	-	-
5) Service fee for medical treatment information database	72	42	138	230	-	-
6) Maintenance service fee for computer system	1	7	60	61	-	-

(Unit: Million Baht)

Details of commitments	Separate financial statements					
	Payable within					
	1 year		1 to 5 years		More than 5 years	
	2017	2016	2017	2016	2017	2016
1) Nursing dormitory land rental expense (shall be extended for a further period of 30 years)	1	1	4	4	-	1
2) Lease of office space	10	24	16	-	-	-
3) Maintenance service fee for medical instruments	131	157	109	204	2	4
4) Rental and maintenance service fee for cars	13	12	19	22	-	-
5) Service fee for medical treatment information database	72	42	138	230	-	-
6) Maintenance service fee for computer system	-	6	59	59	-	-

31.3 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 2017, the outstanding amount of medical supplies and services that the Company is required to purchase in accordance with the contract is Baht 77 million (2016: Baht 159 million).

31.4 Uncalled portion of investment in subsidiary

As at 31 December 2017, 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 (2016: HKD 2.34 million).

31.5 Bank guarantees

As at 31 December 2017, there were outstanding bank guarantees of Baht 30 million (2016: Baht 30 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.

32. Fair value hierarchy

As at 31 December 2017 and 2016, 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

As at 31 December 2017

	Level 1	Level 2	Level 3	Total
Liabilities for which fair value are disclosed				
Debentures	-	3,793,911	-	3,793,911

(Unit: Thousand Baht)

Consolidated financial statements/
Separate financial statements

As at 31 December 2016

	Level 1	Level 2	Level 3	Total
Liabilities for which fair value are disclosed				
Debentures	-	3,780,717	-	3,780,717

33. Financial instruments

33.1 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, 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, 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)

(Unit: Million Baht)

	Consolidated financial statements						
	As at 31 December 2017						
	Fixed interest rates			Floating	Non-interest		Effective
	Within	1-5	Over	interest	bearing	Total	interest
	1 year	years	5 years	rate			rate
Financial assets	(% per annum)						
Cash and cash equivalents	1,082	-	-	1,352	36	2,470	0.05 - 3.60
Short-term investments	5,798	-	-	-	-	5,798	1.25 - 1.70
Trade and other receivables	-	-	-	-	1,819	1,819	-
	6,880	-	-	1,352	1,855	10,087	
Financial liabilities							
Trade and other payables	-	-	-	-	857	857	-
Accrued physicians' fees	-	-	-	-	626	626	-
Long-term loan and interest payable to a related party	176	-	-	-	11	187	1.25
Long-term loan and interest payable to an unrelated party	-	18	-	-	-	18	1.25
Long-term debentures	998	2,490	-	-	-	3,488	4.59 and 4.97
	1,174	2,508	-	-	1,494	5,176	

(Unit: Million Baht)

	Separate financial statements						(Chin. Minsheng Bank)
	As at 31 December 2017						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1-5 years	Over 5 years				
Financial assets							(% per annum)
Cash and cash equivalents	1,027	-	-	1,153	24	2,204	0.05 - 1.40
Short-term investments	5,794	-	-	-	-	5,794	1.25 - 1.70
Trade and other receivables	-	-	-	-	1,816	1,816	-
	6,821	-	-	1,153	1,840	9,814	
Financial liabilities							
Trade and other payables	-	-	-	-	868	868	-
Accrued physicians' fees	-	-	-	-	619	619	-
Long-term loan and interest payable to a related party	176	-	-	-	11	187	1.25
Long-term debentures	998	2,490	-	-	-	3,488	4.59 and 4.97
	1,174	2,490	-	-	1,498	5,162	

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2016							
	Fixed interest rates			Floating	Non-interest		Effective
	Within	1-5	Over	interest	bearing	Total	interest
	1 year	years	5 years	rate			rate
(% per annum)							
Financial assets							
Cash and cash equivalents	1,063	-	-	4,017	74	5,154	0.05 - 3.60
Short-term investments	1,523	-	-	-	-	1,523	1.58 - 1.65
Trade and other receivables	-	-	-	-	1,695	1,695	-
	2,586	-	-	4,017	1,769	8,372	
Financial liabilities							
Trade and other payables	-	-	-	-	876	876	-
Accrued physicians' fees	-	-	-	-	597	597	-
Long-term loan and interest payable to a related party	-	176	-	-	9	185	1.38
Long-term loan and interest payable to an unrelated party	-	19	-	-	-	19	1.38
Long-term debentures	-	3,485	-	-	-	3,485	4.59 and 4.97
	-	3,680	-	-	1,482	5,162	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2016							
	Fixed interest rates			Floating	Non-interest		Effective
	Within	1-5	Over	interest	bearing	Total	interest
	1 year	years	5 years	rate			rate
(% per annum)							
Financial assets							
Cash and cash equivalents	1,022	-	-	3,902	15	4,939	0.05 - 1.53
Short-term investments	1,509	-	-	-	-	1,509	1.58
Trade and other receivables	-	-	-	-	1,692	1,692	-
	2,531	-	-	3,902	1,707	8,140	
Financial liabilities							
Trade and other payables	-	-	-	-	870	870	-
Accrued physicians' fees	-	-	-	-	590	590	-
Long-term loan and interest payable to a related party	-	176	-	-	9	185	1.38
Long-term debentures	-	3,485	-	-	-	3,485	4.59 and 4.97
	-	3,661	-	-	1,469	5,130	

In addition, as at 31 December 2017 and 2016, 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 22 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 2017 and 2016.

33.2 Fair values of financial instruments

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

- a) 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.
- b) 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 2017 amounted to Baht 3,488 million (2016: Baht 3,485 million), and their fair value amounted to Baht 3,794 million (2016: Baht 3,781 million).

34. 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 2017, the Group's debt-to-equity ratio was 0.41:1 (2016: 0.44:1) and the Company's was 0.41:1 (2016: 0.45:1).

35. Events after the reporting period

On 21 February 2018, 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 2018 to adopt a resolution to pay a dividend of Baht 2.7 per share, or a total of Baht 1,971 million, to the shareholders in respect of the 2017 profit. The Company already paid an interim dividend of Baht 1 per share, or a total of Baht 730 million on 6 September 2017. The remaining dividend of Baht 1.7 per share, or a total of Baht 1,241 million will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

36. Reclassifications

The Company reclassified certain amounts in the income statements for the year ended 31 December 2016 to conform to the current periods' classification, as following.

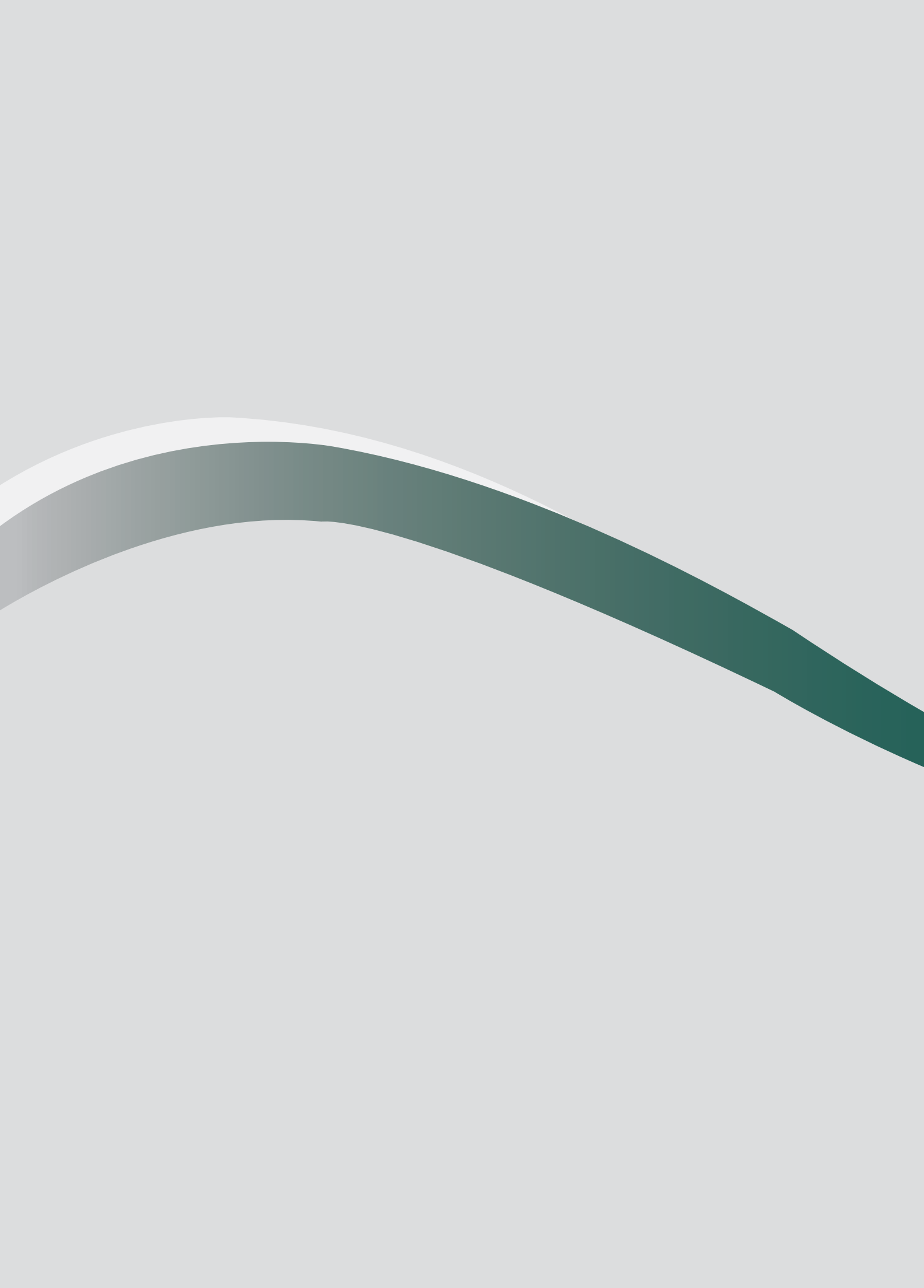
(Unit: Thousand Baht)

	Consolidated financial statements	
	As reclassified	As previously reported
Cost of hospital operations	10,410,076	10,400,145
Administrative expenses	3,124,887	3,134,818

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

37. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 21 February 2018.





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 Toei Nua, Vadhana, Bangkok 10110
Registration No. :	0107536000994
Home page :	http://www.bumrungrad.com
E-mail address :	ir@bumrungrad.com
Telephone :	0 2066 8888
Fax :	0 2011 5100
Registered Capital :	Baht 922,702,685
(31 December 2017)	Divided into
	Ordinary shares of 921,339,320 shares, par value at Baht 1 per share
	Preferred shares of 1,363,365 shares, par value at Baht 1 per share
Issued and Paid up Capital :	Baht 730,052,222
(31 December 2017)	Divided into
	Ordinary shares of 728,688,857 shares, par value at Baht 1 per share
	Preferred shares of 1,363,365 shares, par value at Baht 1 per share

Entities in which the Company has more than 10% shareholding

Legal Entity	Type of Business	Issued ordinary shares	Shareholding (%)
1. Vitallife Corporation Limited 210 Sukhumvit Soi 1, Sukhumvit Road, Klong Toei Nua, Vadhana, Bangkok 10110 Phone 0 2066 8899, Fax 0 2011 4011	Comprehensive wellness center	315,000 shares	100%
2. Asia Global Research Company Limited 3241 Rama 4 Road, Klong Ton, Klong Toei, Bangkok 10110 Phone 0 2011 5126, Fax 0 2011 5127	Clinical research	5,000,000 shares	100%
3. Asia Global Health Limited Room 337, 3 rd Fl. South China C.S. Building, 13-17 Wah Sing Street, Kwai Chung New Territories, Hong Kong Phone (852) 881 8226, Fax (852) 881 0377	Investment in healthcare & related business in Asia	1,220,000 shares	100%
4. Ruenmongkol Company Limited 11/26 Sukhumvit Soi 1, Sukhumvit Road, Klong Toei Nua, Vadhana, Bangkok 10110 Phone 0 2066 8888, Fax 0 2011 5100	Owns the land at Sukhumvit Soi 1	34,000,000 shares	100%
5. Life and Longevity Limited Room 337, 3 rd Fl. South China C.S. Building 13-17 Wah Sing Street, Kwai Chung, New Territories, Hong Kong. Phone (852) 881 8226, Fax (852) 881 0377	Holding company for overseas investments	82,000 shares	100%
6. Bumrungrad Health Network Co., Ltd. (previously Bumrungrad Personnel Development Center Co., Ltd.) 33 Sukhumvit Soi 3 Sukhumvit Road, Klong Toei Nua, Vadhana, Bangkok 10110 Phone 0 2066 8888, Fax 0 2011 5100	Holding company for overseas investments	12,000,000 shares	100%
7. Health Horizons Enterprises Pte. Ltd. 8 Marina Boulevard #05-02 Marina Bay Financial Centre, Singapore 018981 Phone +65 6338 1888, Fax +65 6337 5100	Holding company for overseas investments	16,849,422 shares	80%

Legal Entity	Type of Business	Issued ordinary shares	Shareholding (%)
8. Bumrungrad Mongolia LLC Choidog-5, Peace Avenue, 1st Khoroo, Sukhbaatar District, Ulaanbaatar, Mongolia Phone +976-7012-9000, Fax +976-7011-1164	Holding company for overseas investments	4,181,000 shares	80% (100% by HHE)
9. Seoul Seniors Tower LLC Choidog-5, Peace Avenue, 1st Khoroo, Sukhbaatar District, Ulaanbaatar, Mongolia Phone +976-7012-9000, Fax +976-7011-1164	Owns and operates Ulaanbaatar Songdo Hospital in Mongolia	8,000,000 shares	41% (51% by BML)
10. Bumrungrad Personnel Development and Training Center Co., Ltd. 33 Sukhumvit Soi 3, Sukhumvit Road Khlong Toei Nua, Vadhana, Bangkok 10110 Phone 0 2066 8888, Fax 0 2011 5100	Personnel development and training center (for affiliated companies only)	500,000 shares	100%
11. Bumrungrad International Limited 33 Sukhumvit Soi 3, Sukhumvit Road Khlong Toei Nua, Vadhana, Bangkok 10110 Phone 0 2066 8888, Fax 0 2011 5100	Dissolved and being liquidated	45,938 shares	31.5%
12. Bumrungrad Services Co., Ltd. 33 Sukhumvit Soi 3, Sukhumvit Road Khlong Toei Nua, Vadhana, Bangkok 10110 Phone 0 2066 8888, Fax 0 2011 5100	Referral services to both domestic and overseas patients and healthcare-related training services to non-affiliated companies	200,000 shares	100%
13. Bumrungrad Myanmar Co., Ltd. No.46/B GF-A Pantra Street, Dagon Township Yangon, Myanmar Phone 95-978 230 2424, Fax 95-1 230 2424	Operates a private primary care and medical diagnostic services clinic in Myanmar	1,325,750 shares	80% (80% by BHN)
14. Inovital International AG Neuhofstrasse 5A, 6340 Baar, Switzerland	Manufacture and sale of vitamin supplement products and after sales services	490 shares	49% (100% by LLL)

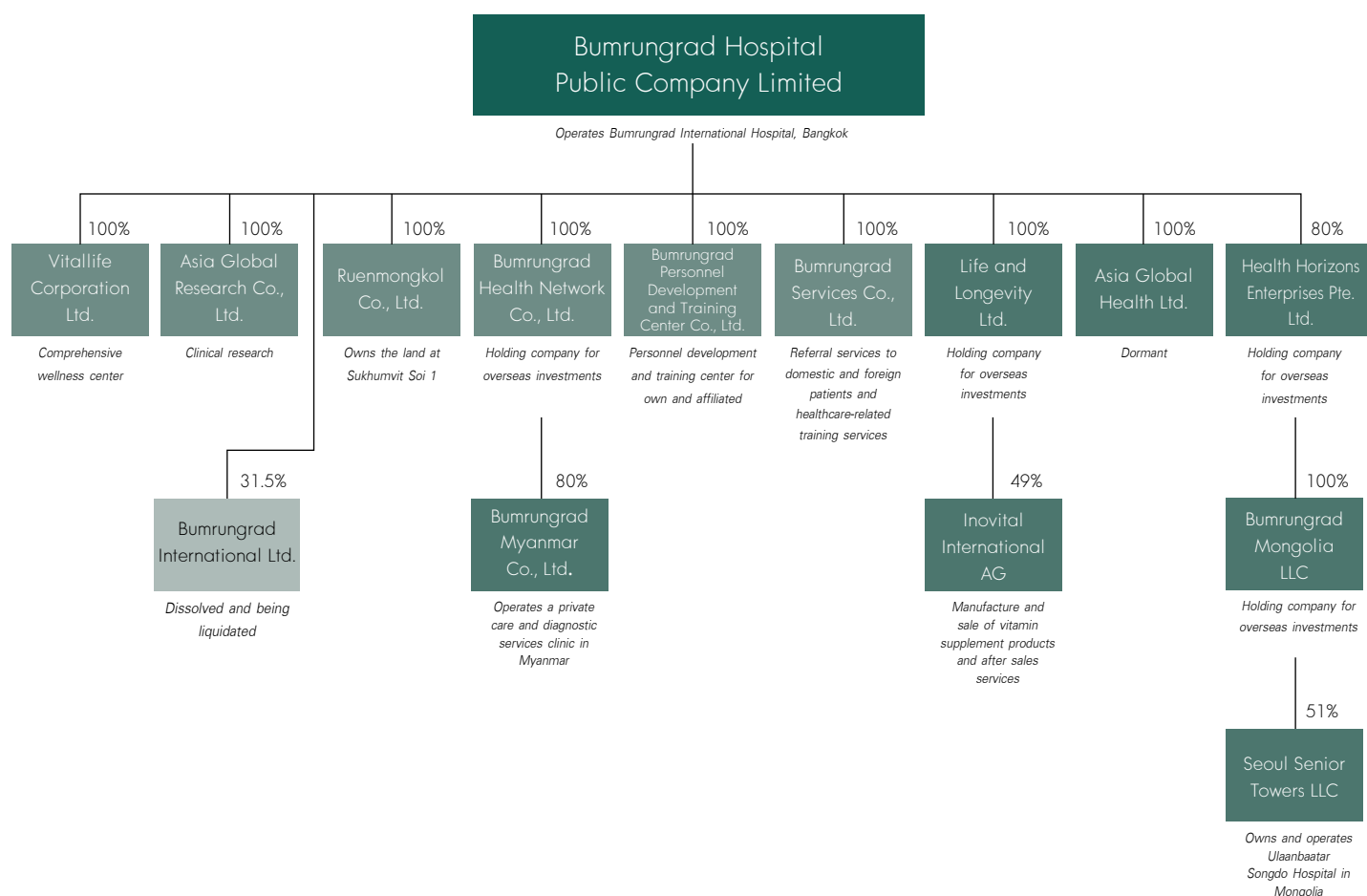
Reference Persons

	Company
1. Auditor	EY Office Limited 33 rd Floor, Lake Rajada Office Complex, 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110 Phone 0 2264 9090, Fax 0 2264 0789-90
2. Legal Consultant	Thai Consultant Ltd. 63 Soi 8 (Soi Preeda), Sukhumvit Road, Bangkok 10110 Phone 0 2255 2552, Fax 0 2653 1135
3. Share Registrar	Thailand Securities Depository Company Limited 93, 14 th Floor, The Stock Exchange of Thailand Building, Ratchadapisek Road, Dindaeng, Bangkok 10400 Phone 0 2009 9000, Fax 0 2009 9992
4. Convertible Bonds Registrar	Bumrungrad Hospital Public Company Limited 33 Sukhumvit Soi 3 (Nana Nua), Sukhumvit Road, Klong Toei Nua, Vadhana Bangkok 10110 Phone 0 2011 4956, Fax 0 2011 5100
5. Debentures Registrar	Siam Commercial Bank Public Company Limited 9 Ratchadapisek 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 580 licensed beds and capacity for over 5,500 outpatients per day. The Company is one of the leading healthcare providers in Thailand and 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 specialty programs including the Primary Stroke Program, Diabetes Mellitus Program, Chronic Kidney Disease Program and Knee Replacement Program. Additionally, the hospital is the first to be approved by Thai Hospital Accreditation (HA), and the first hospital in Thailand to receive accreditations from the College of American Pathologists (CAP) and the first in Asia to receive Det Norske Veritas (DNV) in Managing Infection Risk (MIR).

Corporate structure (as of 31 December 2017)



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, (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 three indirectly owned subsidiaries, including (1) Bumrungrad Mongolia LLC. (80%-owned as per its shareholding portion in Health Horizons Enterprises Pte. Ltd.), (2) 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 (3) Bumrungrad Myanmar Co., Ltd. (80%-owned through Bumrungrad Health Network Co., Ltd.).

The Company has two associated companies, including (1) 31.5%-owned Bumrungrad International Limited, and (2) 49%-owned Inovital International AG.

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

Vitallife Corporation Limited ("Vitallife") 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") has served as a company that supports the strategy for regional investment in healthcare and related business. It is now a dormant company.

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") had 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. The Company was dissolved on 28 December 2017 and is now in the liquidation process.

Bumrungrad Health Network Co., Ltd. ("BHN") (previously Bumrungrad Personnel Development Center Co., Ltd.) is a company focused on investing in healthcare and related businesses overseas.

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 businesses.

Bumrungrad Mongolia LLC ("BML") is a holding company registered in Mongolia, which supports the Company's strategy for overseas investment in healthcare and related businesses.

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 focuses 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 and provides healthcare-related training services to non-affiliated companies.

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

Inovital International AG ("Inovital") is principally engaged in manufacture and sale of vitamin supplement products and after sales services.

Revenue Structure

(Unit: Baht Million)

Product line / Business Group	Operate by	% Shareholding By Company	2017		2016		2015	
			Revenue	%	Revenue	%	Revenue	%
Healthcare	Bumrungrad Hospital Pcl		17,635	95.2	17,301	95.4	17,067	95.2
Healthcare	Vitalife Corporation Ltd.	100.0	422	2.3	321	1.8	293	1.6
Healthcare	Seoul Seniors Towers LLC	40.8	194	1.0	212	1.2	212	1.3
Healthcare	Bumrungrad Health Network Co., Ltd.	100.0	28	0.2	17	0.1	0	0.0
Total Healthcare			18,274	98.7	17,851	98.5	17,600	98.2
Rental	Bumrungrad Hospital Pcl		67	0.4	64	0.4	60	0.3
Total Rental			67	0.4	64	0.4	60	0.3
Others	Bumrungrad Hospital Pcl		156	0.8	189	1.0	249	1.4
Others	Vitalife Corporation Ltd.	100.0	7	0.0	8	0.0	7	0.0
Others	Asia Global Research Ltd.	100.0	4	0.0	5	0.0	8	0.0
Others	Health Horizons Enterprises Pte. Ltd.	80.0	6	0.0	7	0.0	2	0.0
Others	Bumrungrad Health Network Co., Ltd.	100.0	(8)	0.0	1	0.0	1	0.0
Others	Bumrungrad Services Co., Ltd.	100.0	6	0.0	1	0.0	2	0.0
Total Others			171	0.9	211	1.1	261	1.5
Total			18,517	100.0	18,126	100.0	17,929	100.0

Products and services description

Bumrungrad Hospital Public Company Limited ("the Company")

The Company is the owner and operator of multiple healthcare-related entities, both within and outside of Thailand. They include Bumrungrad International Hospital, and Vitallife Wellness Center, both in Bangkok, Bumrungrad Clinic Yangon in Myanmar, and Ulaanbaatar Songdo Hospital in Mongolia. Bumrungrad International Hospital is the main revenue contributor.

In 2017, 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:

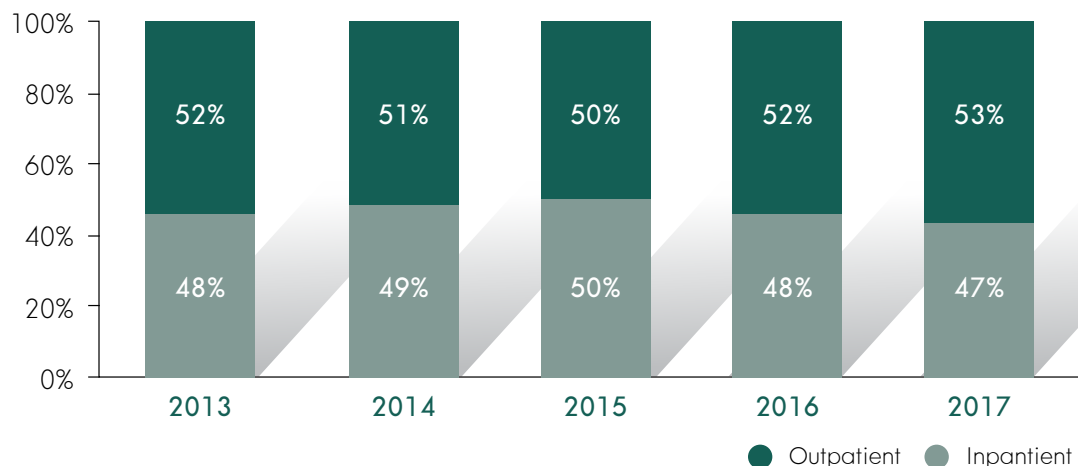
1. Outpatient service has 45 clinics/centers with 276 examination rooms, and capacity to serve over 5,500 outpatients per day, with the following details:
 - Allergy Center
 - Arrhythmia Center
 - Breast Care Clinic
 - Breast Feed Clinic
 - Bumrungrad Nichada Family Clinic
 - Children's (Pediatrics) Center
 - Dental Center
 - Diabetes Center
 - Diagnostic Center
 - Dialysis Center
 - Digestive Disease (GI) Center
 - Ear, Nose and Throat Center
 - Emergency Center
 - Eye Center
 - Fertility Center & IVF Clinic
 - Health Screening Center (Check-up)
 - 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
 - Medical Clinic
 - Memory Clinic
 - Men's 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
 - Refractive Surgery Center
 - Skin Center (Dermatology)
 - Sleep Lab
 - Spine Institute
 - Surgical Clinics
 - Travel Medicine Center
 - Urology Center
 - Wellness & Anti-aging (Vitallife)
 - Women's Center

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

In 2017, the Company treated over 1.1 million medical episodes. The revenue contribution by inpatient and outpatient services in 2017:

Inpatient vs. Outpatient (% of total revenue)

Inpatient vs. Outpatient (% of total revenue)



International Patient Services :

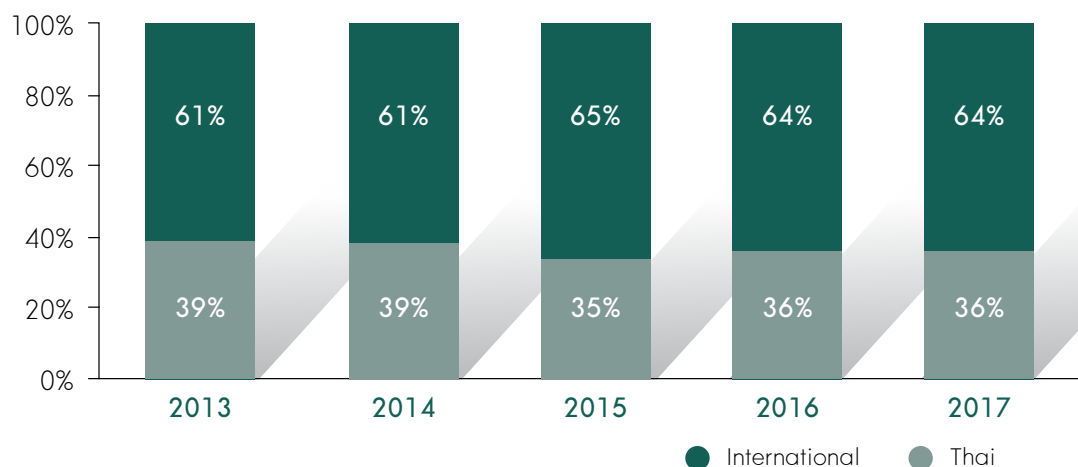
The Company has a strong and successful track record in increasing its share in the international market. It has an International Patient Services Center to facilitate and accommodate international patients. The services offered include medical coordinators, interpreters, insurance coordination, referral center, visa extension counter, embassy assistance, airport reception and travel assistance. The Company also has 41 overseas referral offices in 23 countries.

In 2017, Bumrungrad International Hospital treated over 640,000 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.

Thai vs. International Patients (% of total revenue)

Thai vs. International patients (% of total revenue)



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

The Bangkok Facility :

At present, the hospital's services are mostly conducted and supported 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)** was renovated for clinical and support functions, with 7 floors of parking spaces. The construction was completed end of 2017.
4. **Vitalife Building** is occupied by Vitalife Corporation Limited, which provides as scientifically based, highly personalized approach for the prediction and prevention of age related disease as well as helping customers shape a more youthful life.
5. **Bumrungrad Residential and Office Building (BRO)** accommodates back office functions and employee housing for over 1,000 nurses.

The Ulaanbaatar Songdo Hospital in Mongolia :

Ulaanbaatar Songdo is one of the leading private hospitals in Mongolia. Strategically located in the center of the country's capital. The hospital's services are offered in an 8-storey building, with 88 inpatient beds.

Industry and Competition

In 2017, the global economy slowly recovered from the weak growth of 2016. Central Bank interest rates remain subdued in several regions around the world, while increases in the US Federal Reserve interest rate were modest. The Eurozone economy was in a slow recovery while the Japanese economy remained tepid. Oil prices throughout the year remained between USD 40 and USD 50 per barrel, acting as a damper on economies in the Middle East and other countries that rely on the export of oil and petroleum production. Southeast Asian economies showed steady growth with many ASEAN countries forecasting high single digit GDP growth in 2017. The global rate of inflation remained moderate.

In 2017, the world economy was reported to have expanded by 3.6 percent. Growth in the Thai economy is forecast at 3.5% in 2017, with a strengthening trend towards the second half of the year.

Medical tourism in Thailand grew mostly from neighboring countries and mainland China while growth in other regions such as the Gulf Coast Countries (GCC) and Middle-East nations remained tepid.

Thailand is one of the most popular destinations in Asia for tourists. The country attracts tourists and travelers with its diverse package of beaches, cultural sites and shopping options.

Thailand is also a leading destination for medical tourism. Private hospitals offer English-speaking physicians, many of whom have studied internationally, and high-quality healthcare that may not be available or affordable in patients' home countries.

Bumrungrad International Hospital has become known as one of the top premium destinations for medical tourism in the world. Nevertheless, there are domestic competitors that seek to attract both domestic and foreign patients. Our strategy therefore focuses on serving local and international patients who seek the differentiation of our services compared with other healthcare providers.

Our core values guide the healthcare that we provide, caring for our patients with compassion, professionalism and as a team, while continuously strengthening the systems and processes that ensure quality, safety and consistency to deliver better outcomes. We offer excellent doctors supported by experienced colleagues, advanced technology, and responsive service in a comforting environment.

In 2017, our business showed steady demand from domestic markets, particularly in the second half of the year. When there are outbreaks of illness or infectious disease, we typically see an increase in domestic patients.

We also saw growth in our overseas markets. Although muted in certain Middle-East regions, demand from neighboring countries and China was strong. This was mostly due to the inability of healthcare infrastructure in these countries to cope with rising demand and need for more complex services and treatments. We have also seen a rise in patients at the Yangon Clinic in Myanmar, with referrals back to Bumrungrad.

Despite the challenges faced in 2017, the management team delivered strong performance in managing costs and produced another consistent year of record revenue, EBIDTA, profit, and margins.

We invest in our people and systems to continuously redefine what it means to be a leading healthcare provider of outstanding service and results.

Markets

Our markets can be viewed in two broad categories: domestic and international. The domestic market consists mainly of Thais of upper-middle class incomes and above and the local expatriate community. The international market primarily comprises medical tourism patients from countries where healthcare infrastructure and services lack quality, access or affordability.

In both market segments, the Company attracts patients based on the strength of our reputation. This may be on an individual basis or through third parties, including corporate contracts, insurance companies, and referral sources both within Thailand and abroad.

Distribution and Marketing Channels

Patient referrals are a particularly effective way to attract customers. Over the course of nearly 40 years, we have built a reputation for excellence, specializing in the treatment of complicated diseases. During this time, the Company has established excellent connections with hospitals and doctors in Thailand and overseas, which allows for referrals. In addition, the Company has set up 41 referral offices in 23 countries.

Within Thailand, we have built a network of 51 domestic hospitals that operate in public, private and research sectors and serve as a source of referred patients. In addition, we have

established numerous direct billing agreements with insurance providers, assistance companies and corporate sales agreements.

Sources of Products and Services

Bumrungrad International Hospital, Bangkok

Capacity

Inpatients	As at 31 December		
	2017	2016	2015
Total number of licensed beds	580	580	580
Beds in operation	546	539	539
Weighted total capacity*	199,290	197,274	196,735
Occupied beds per year (beds)	127,985	137,243	149,519
Weighted capacity Utilization (percent)	64.22	69.57	76.00

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

Outpatients			
	2017	2016	2015
Capacity per day (persons)	5,500	5,500	5,500
Average outpatients per day (persons)	2,888	2,952	2,992
Weighted Capacity Utilization (percent)	52.51	53.67	54.40

Raw Materials and Suppliers

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

Environmental Compliance

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

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

RISK FACTORS

Political, macroeconomics and other unexpected factors

In 2017, the hospital industry in Thailand was impacted by weakness in both the domestic and international economy. This was prevalent in the early part of the year with a continuation of the slowdown observed in the last quarter of 2016.

The economies of several countries in the region have not yet shown positive signs of recovery. Crude oil and commodity prices fluctuated but remained mostly depressed over the course of 2017 in a continuation of 2016, directly affecting the economic environment in many commodity countries. Economic weakness is one of the major factors eroding demand for healthcare services in the international markets.

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 and diversified portfolio of international and Thai resident patients so that our hospital does not rely excessively on revenue from any one sector. The hospital continues to focus on marketing activities related to the domestic market while continuing work to attract international patients.

Intensified competition in the premium healthcare sector

As private hospitals in Thailand, Southeast Asia and the Middle East continue to develop, competition in this healthcare sector intensifies the risk of losing business to competitors.

In order to mitigate this risk and maintain our leading position in Thailand and Asia, the Company continues to recruit doctors of the highest caliber, especially sub-specialty experts, providing them with an ideal professional and clinical environment while expanding services to our patients.

In 2017, our hospital was the first private hospital in Thailand to receive accreditation from Det Norske Veritas (DNV) in Managing Infection Risk (MIR). This certification examines the practices and standards of the hospital to ensure the successful containment and effective treatment of infectious diseases.

We also completed a digital transformation of our patient care systems, including data servers, patient health information systems and ERP platform. This transformation allows our patients and clinicians to securely access patient records and other critical information making for greater patient safety and efficiency of our clinicians.

The Company's Bangkok hospital successfully received JCI reaccreditation for the 5th time and was the first hospital in Asia to receive US standard accreditation from Joint Commission International Accreditation (JCIA). In addition, the hospital has also received JCI's Clinical Care Program Certification (CCPC) for specialty programs, including the Primary Stroke Program, Acute Myocardial Infarction, Diabetes Mellitus Types I and II, Knee Replacement and Chronic Kidney Disease Stages I to IV. The hospital was the first private hospital in Thailand to receive Thai

Hospital Accreditation (HA), and the first awarded “Thailand Quality Class (TQC)” from the Thailand Productivity Institute.

In addition, we have expanded our network relationships with 51 major hospitals across Thailand, as well as international referral offices to refer complicated cases. This provides our Bangkok Bumrungrad hospital with a strong base of referral patients both from within Thailand and abroad.

Shortage of professional staff

The hospital business requires a large number of professional personnel including nurses, pharmacists and 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 this risk, the Company offers competitive compensation and benefits for its staff. Bumrungrad Hospital also provides education and training, recreation, staff engagement projects and staff welfare activities to all staff members. Through a decentralized management structure, the Company also offers excellent career advancement opportunities.

Control Dilution

The Company has two 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. Bondholders have the option to convert bonds into ordinary shares throughout the life of the bonds. Should the bondholders exercise their right to convert bonds, the dilutive impact to existing shareholders and the Company will be 137.36 million additional common shares of the Company.

As at 31 December 2017, 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 International Hospital has implemented a quality management system to ensure that the risk of mistakes by hospital personnel are minimized and corrected. In addition, the hospital has insurance policies in force against potential litigation.

THE COMPANY'S MAJOR SHAREHOLDERS

List of the Company's 10 major shareholders as at 31 December 2017 is as follows:

Shareholder	Number of shares*	Shareholding** (%)
1. Bangkok Dusit Medical Services PCL	149,660,706	20.50
2. Bangkok Insurance PCL	106,760,417	14.62
3. Thai NVDR Co., Ltd.	63,247,197	8.66
4. UOB Kay Hian (Hong Kong) Limited - Client Account	61,509,565	8.43
5. Sinsuptawee Asset Management Co., Ltd.	36,632,014	5.02
6. Wattanasophonpanich Co., Ltd.	26,138,875	3.58
7. Social Security Office	20,292,300	2.78
8. Bangkok Bank PCL	14,249,759	1.95
9. Chase Nominees Limited	13,022,761	1.78
10. GIC Private Limited	12,346,700	1.69
Total	503,860,294	69.02

* 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, which 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.
- 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.

On 21 February 2018, the Board of Directors approved, subject to shareholders' approval in the shareholders' meeting to be held on 25 April 2018, a dividend payment for the year 2017 to preferred and ordinary shareholders at the rate of Baht 2.7 per share, totaling Baht 1,971.14 million, which is a 50% pay-out ratio. The Company already paid an interim dividend of Baht 1.00 per share, totaling Baht 730.05 million, on 6 September 2017. The remaining dividend payment of Baht 1.70 per share, amounting to Baht 1,241.09 million, will be paid on 8 May 2018, after the shareholders' approval.

For the year 2016, the Company paid dividend of Baht 2.50 per share, totaling Baht 1,825.13 million, or 50% pay-out ratio.

MANAGEMENT STRUCTURE

The Company has five 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 2017 comprises the following:

- | | | |
|----|-----------------------------|--|
| 1. | Dr. Chanvit Tanhiphat, M.D. | Chairman of the Board
Member of the Nomination and Remuneration Committee |
| 2. | Dr. Suvarn Valaisathien | Vice Chairman of the Board
Member of the Investment Committee |
| 3. | Mrs. Linda Lisahapanya | Managing Director
Member of the Investment Committee |
| 4. | Ms. Sophavadee Uttamobol | Independent Director
Chairperson of the Audit Committee |
| 5. | Mr. Soradis Vinyaratn | Independent Director
Member of the Audit Committee |
| 6. | Mr. Prin Chirathivat | Independent Director
Member of the Audit Committee |
| 7. | Mrs. Aruni Kettratad | Independent Director
Chairperson of the Nomination and Remuneration Committee |

8.	Mr. Chong	Toh	Director Member of the Nomination and Remuneration Committee
9.	Dr. Somsak	Chaovisitsaree, M.D.	Director Hospital CEO, and Medical Director
10.	Dr. Pansak	Sugkraroek, M.D.	Director
11.	Mr. Bernard	Charnwut Chan	Director

Ms. Pantip Chirakarnjanakorn, Company Secretary, is the secretary to the Board of Directors.

Legal Binding of the Company

Any two authorized directors, except Mr. Chong Toh, may jointly sign with the Company's seal affixed.

Term of Directors

At the 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:

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; and

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 2017 comprises the following:

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

Ms. Oracha Kunajiranut, Director of Corporate Internal Audit, is secretary of the Audit Committee.

The Company's Audit Committee have the experience and knowledge of the Company's financial matters, and Ms. Sophavadee Uttamobol is the Chairperson of the Audit Committee 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 Board of Directors granted authorities to the Audit Committee to fulfil its duties and responsibilities as follows:

1. to review the financial reports of the Company to ensure accuracy and sufficiency;
2. to review the Company's internal control system, internal audit system, and risk management system to ensure appropriateness and effectiveness by approving the annual internal audit plan and its changes, considering the audit results, including considering the independence of the internal audit function, giving consent to the appointment, rotation or termination of Head of corporate internal audit unit or another function responsible for internal auditing;
3. to review the Company's compliance with the laws governing securities and exchange, including rules and regulations prescribed by the Stock Exchange of Thailand and other laws related to the conduct of the Company's business;
4. to consider, select and propose the appointment of an independent party as the Company's external auditor, to propose the audit fees, and to meet with the external auditor without the presence of management at least once a year;
5. to consider related party transactions or transactions which may have conflict of interest, to be in accordance with the Stock Exchange of Thailand rules and regulations, to ensure that such transactions are reasonable and are for the best benefits of the Company;

6. to prepare the report of the Audit Committee to be disclosed in the Company's annual report including opinion on the accuracy, sufficiency and credibility of the Company's financial statements, internal control system and compliance with the laws governing securities and exchange and rules and regulations prescribed by the Stock Exchange of Thailand and other laws related to the conduct of the Company's business;
7. to report to the Board of Directors for rectification within the period of time that the Audit Committee thinks fit if it is found or suspected that there is a transaction or an act which may materially affect the Company's financial conditions and operating results;
8. to perform other duties as assigned by the Board of Directors and with consent from the Audit Committee;
9. to have unrestricted access to management, employees and relevant information; and
10. to conduct special investigations where required.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee as at 31 December 2017 comprises the following:

- | | | |
|----|------------------------------|--|
| 1. | Mrs. Aruni Kettratad | Chairperson of the Nomination and Remuneration Committee |
| 2. | Dr. Chanvit Tanphiphat, M.D. | Member of the Nomination and Remuneration Committee |
| 3. | Mr. Chong Toh | Member of the Nomination and Remuneration Committee |

Ms. Pantip Chirakarnjanakorn, Company Secretary, is the secretary to 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; and

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; and
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 of Directors.

Governing Board of Bumrungrad International Hospital, Bangkok

The Governing Board of Bumrungrad International Hospital, Bangkok as at 31 December 2017, comprises the following:

1.	Dr. Visuit	Vivekaphirat, MD	Chairman
2.	Dr. Somsak	Chaovisitsaree, MD	Secretary, Ex officio
3.	Dr. Chanvit	Tanhiphat, M.D.	Member
4.	Ms. Sophavadee	Uttamobol	Member
5.	Dr. Oradee	Chandavas, M.D.	Member
6.	Dr. Thanakrit	Chintavorn, M.D.	Member
7.	Dr. Winyou	Ratanachai, M.D.	Member
8.	Dr. Roekchai	Tulyapronchote, M.D.	Member
9.	Dr. Sira	Sooparb, M.D.	Member
10.	Dr. Terdsak	Rojsurakitti, M.D.	Member
11.	Dr. Sukitti	Panpunnung, M.D.	Member
12.	Dr. Taveesin	Tanprayoon, M.D.	Member
13.	Mrs. Artirat	Charukitpipat	Ex officio
14.	Ms. Jiraporn	Lekdumrongsak	Ex officio
15.	Ms. Oraphan	Buamuang	Ex officio
16.	Ms. Varanya	Seupsuk	Ex officio
17.	Ms. Santana	Chunneam	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; and
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 2017 comprises the following:

- | | | | |
|----|------------|--------------|---|
| 1. | Mrs. Linda | Lisahapanya | Chairperson of the Investment Committee |
| 2. | Mr. Chong | Toh | Member of the Investment Committee |
| 3. | Dr. Suvarn | Valaisathien | Member of the Investment Committee |

Ms. Pantip Chirakarnjanakorn, Company Secretary, is secretary to the Investment Committee.

Term of the Investment Committee

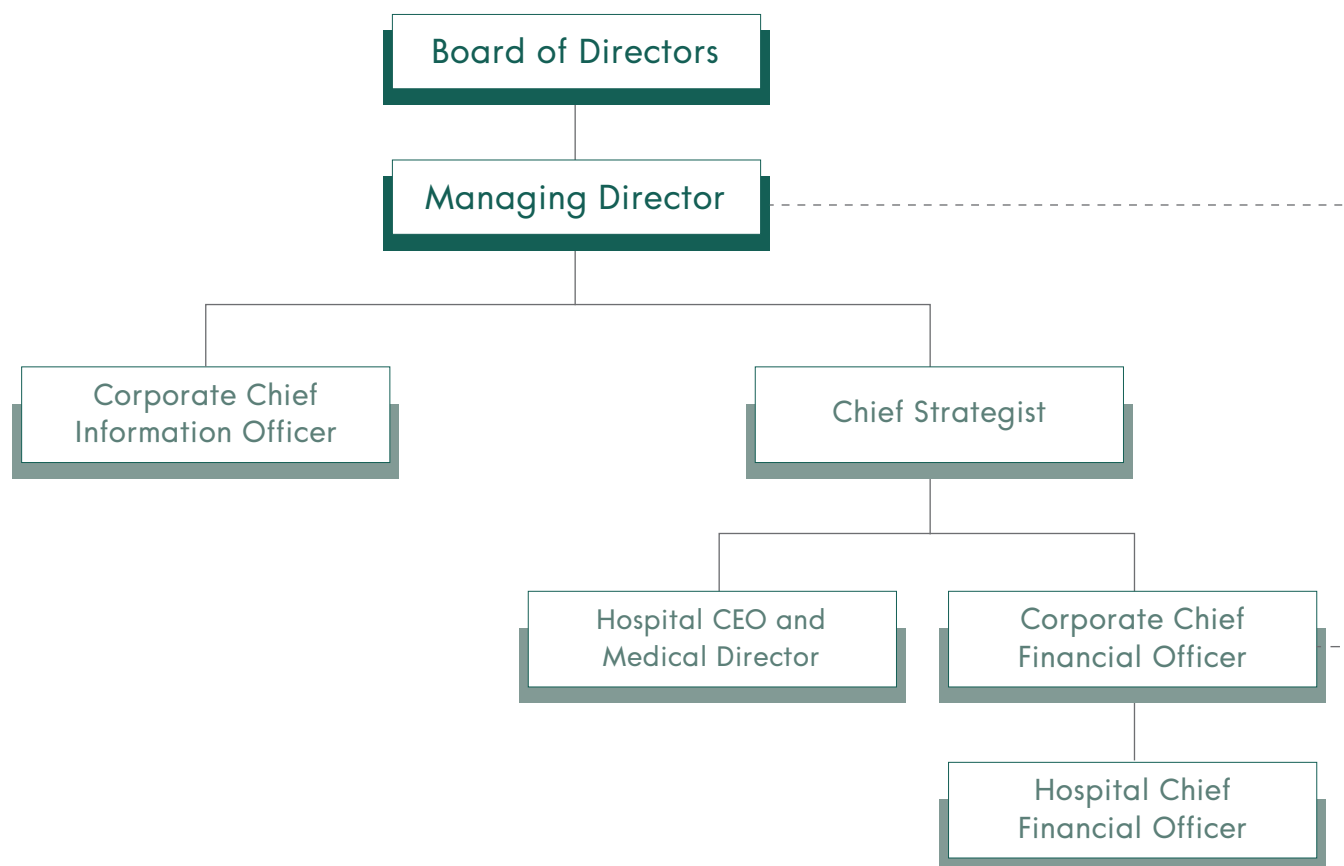
The Investment Committee has a term of three years. Members of the Investment Committee may be re-elected upon expiration of the term.

Duties and Responsibilities of the Investment Committee

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

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 affiliates, in new project, business or company both within Thailand and 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; and
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 2017 consists of the following:

- | | | | |
|----|-------------|----------------------|---|
| 1. | Mrs. Linda | Lisahapanya | Managing Director |
| 2. | Mr. Aniello | Sorrentino | Chief Strategist |
| 3. | Mr. Dickon | Smart-Gill | Corporate Chief Information Officer |
| 4. | Mr. Kenneth | Love | Corporate Chief Financial Officer |
| 5. | Dr. Somsak | Chaovisitsaree, M.D. | Hospital Chief Executive Officer and Medical Director |
| 6. | Ms. Oraphan | Buamuang | Hospital Chief Financial Officer |

Management's authority to approve the capital expenditure

The Managing Director is the highest-ranking corporate executive of management authorized by the Board of Directors to approve all budgeted capital expenditures or projects 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. Dr. Chanvit Tanphiphat, M.D. Chairman of the Board Nomination and Remuneration Committee Member	75	<ul style="list-style-type: none"> - MB BCh (Bachelor of Medicine and Bachelor of Surgery), Leeds University, United Kingdom - FRCS (Fellowship of the Royal College of Surgeons of Edinburgh), United Kingdom 	0.065	-	<ul style="list-style-type: none"> - Professor Emeritus, Department of Surgery, Faculty of Medicine, Chulalongkorn University
2. Dr. Suvarn Valaisathien Vice Chairman of the Board Investment Committee Member	73	<ul style="list-style-type: none"> - SJD in Law, George Washington University - LL.M, Harvard University - Barrister, Thai Bar Association - LLB (<i>magna cum laude</i>), Chulalongkorn University 	0.006	-	<ul style="list-style-type: none"> - 2004 - present Chairman of Saver Club - 2002 - present Legal consultant - 2000 - 2002 Deputy Minister, Ministry of Commerce - 1981 - 2000 Legal Consultant for various companies
3. Mrs. Linda Lisahapanya Managing Director Investment Committee Member	66	<ul style="list-style-type: none"> - Master's Degree in Finance, University of Illinois, USA - Director Certification Program, Class 78/2006, Thai Institute of Directors 	0.008	-	<ul style="list-style-type: none"> - Managing Director, Bumrungrad Hospital PCL.
4. Ms. Sophavadee Uttamobol Independent Director Chairperson of the Audit Committee	57	<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, Thai Consultant Ltd.
5. Mr. Soradis Vinyaratn Independent Director Audit Committee Member	78	<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 – 2015 Independent Director, Dusit Thani PCL - 1982 – 2001 Vice Chairman, Landmark Hotel Group - 1957 – 1990 Executive Vice President, Bangkok Bank PCL

* Shareholding as at 31 December 2017, including both preferred and ordinary shares, and shares held by spouse and minors.

Name / Position	Age	Education	Shareholding* (%)	Family Relationship between Management	Work Experience
6. Mr. Prin Chirathivat Independent Director Audit Committee Member	55	<ul style="list-style-type: none"> - MBA, Sasin Graduate Institute of Business Administration, Chulalongkorn University - B.S. (Accounting), Skidmore College, New York, USA - Director Certification Program, DCP 2/2000 - Director Accreditation Program, DAP 35/2005 - Audit Committee Program, ACP 6/2005 - The Role of Chairman Program, RCP 11/2005 - Capital Market Academy, CMA 1/2005 - Monitoring the Internal Audit Function Program, MIA 1/2007 - Monitoring the System of Internal Control and Risk Management Program, MIR 1/2007 - Monitoring the Quality of Financial Reporting, MFR 7/2009 - Monitoring Fraud Risk Management (MFM), 1/2009 - Advanced Audit Committee Program, 1/2009 	0.003	-	<ul style="list-style-type: none"> - 2009 – 2011 Risk Management Committee member, Bualuang Securities PCL (delisted) - 2004 – present Adviser, Market for Alternative Investment - 2003 – present Director / Chairman of the Audit Committee, Bualuang Securities PCL (delisted) - 2003 – present Director/Executive Director, Central Plaza Hotel PCL - 2006 – present Executive Director, Robinson Department Store PCL - 2002 – present Executive Director, Central Group of Companies - 1999 – present Director, Malee Sampran PCL - 1997 – present Director, Central Department Store Co., Ltd. - 1996 – present Executive Director, Central Retail Corp Ltd. - 1994 – present Director/Executive Director, Central Pattana PCL - 1993 – present Director, Central Realty Services Co., Ltd.
7. Mrs. Aruni Ketratad Independent Director Chairperson of the Nomination and Remuneration Committee	70	<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 2017, including both preferred and ordinary shares, and shares held by spouse and minors.

Name / Position	Age	Education	Shareholding* (%)	Family Relationship between Management		Work Experience
8. Mr. Chong Toh Director Nomination and Remuneration Committee Member Investment Committee Member	49	<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 	0.288	-	-	<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
9. Dr. Somsak Chaovitsaree, M.D. Director	55	<ul style="list-style-type: none"> - Global Business Leaders, Lead Business Institute - Advancing Business Acumen Program, The Wharton School University of Pennsylvania, USA - The Executive Program Systematic Innovation of Products, Processes, and Services, MIT: Sloan School of Management, USA - Executive Education Emerging Leaders: HARVARD Kennedy School, USA - Executive Development Program: Kellogg School of Management, Northwestern University, USA - Mini Master of Management (NIDA) - Cert. of Proficiency in OB&GYN (Thai Medical Council) - Diploma in Clinical Science (OB&GYN), Mahidol University - M.D.(Hons) from Chiang Mai University 	-	-	-	<ul style="list-style-type: none"> - 2015 - present: Medical Director, Hospital Chief Executive Officer, Bumrungrad International Hospital - 2014 - 2016: President of Chiang Mai University (CMU) Alumni - 2014 - 2016: Member of University, Chiang Mai University - 2012 - 2015: CEO of Maharaj Nakorn Chiang Mai Hospital, Faculty of Medicine, CMU - 2010 - 2012: CEO of Sripahat Medical Center, Faculty of Medicine, CMU - 2006 - 2010: Associated Dean, Faculty of Medicine Chiang Mai University - 2006 - 2010: Vice Director, Sripahat Medical Center, Faculty of Medicine, CMU - 1999 - 2002: Assistant Dean, Faculty of Medicine, CMU - 1992 - 2015: Associate Professor Department of OB & Gyn Faculty of Medicine, CMU

* Shareholding as at 31 December 2017, including both preferred and ordinary shares, and shares held by spouse and minors.

Name / Position	Age	Education	Shareholding* (%)	Family Relationship between Management	Work Experience
10. Dr. Pansak Sugkraroek, M.D. Director	66	<ul style="list-style-type: none"> - Short course training in Holistic Medicine, Blackmores Clinic, Australia - Certificate in Medical Research, Loeb Institute, Ottawa Civic Hospital, University of Ottawa, Canada - Board Certified in Obstetrician and Gynecologist, Royal College of Obstetrician and Gynecologist of Thailand - Certificate of higher education in Medicine, Faculty of Medicine, Ramathibodi Hospital Medical School, Mahidol University - Bachelor of Science in Medical Science, Faculty of Science, Mahidol University 	0.00001	-	<ul style="list-style-type: none"> - 2011 - present Medical Director, Vitalife Corporation Ltd. - 1997 - present Full time medical staff, Bumrungrad International Hospital - 1992 - 1997 Division Head of Reproductive Biology Unit, Department of OB/Gyn, Param 9 Hospital, Huay Kwang, Bangkok - 1990 - 1992 President of Faculty Senate, Ramathibodi Hospital Medical School, Mahidol University - 1989 - 1992 Associate Medical Director, Ramathibodi Hospital Medical School, Mahidol University - 1987 - 1988 Research Fellow in Reproductive Medicine, Reproductive Biology Unit, Ottawa Civic Hospital University of Ottawa, Canada
11. Mr. Bernard Charnwut Chan Director	51	Bachelor of Arts - Pomona College, California, USA (1988)	-	-	<ul style="list-style-type: none"> - President, Asia Financial Holdings Ltd. - President, Asia Insurance Co. Ltd. - Advisor, Bangkok Bank (China) Company Limited - Hong Kong Deputy, National People's Congress of the People's Republic of China - Convenor, Executive Council of Hong Kong SAR - Chairperson, The Hong Kong Council of Social Service - Chairman, Hong Kong - Thailand Business Council - Chairman, Committee on Reduction of Salt and Sugar in Food - Chairman, Steering Committee on Restored Landfill Revitalisation Funding Scheme - Chairman, The Jockey Club CPS Ltd. Advisory Committee - Member, West Kowloon Cultural District Authority Board - Member, Hong Kong Monetary Authority Exchange Fund Advisory Committee - Member, Financial Leaders Forum - Trustee, Pomona College, California, USA

* Shareholding as at 31 December 2017, including both preferred 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	65	<ul style="list-style-type: none"> - Master's degree of Finance, University of Illinois, USA - Director Certification Program, Class 78/2006, Thai Institute of Directors 	0.008	-	-	<ul style="list-style-type: none"> - Managing Director, Bumrungrad Hospital PCL.
2. Mr. Aniello Sorrentino Chief Strategist	72	<ul style="list-style-type: none"> - Fellowship in Leadership Management, University of Southern California, Los Angeles, California - Executive Business Management Program, Stanford University, Palo Alto, California - DBA, Doctorate in Business Administration, Nova Southeastern University, Fort Lauderdale, Florida - MBA, concentration in Finance, Florida Atlantic University, Boca Raton, Florida - BA, Marketing, University of South Florida, Tampa, Florida 	-	-	-	<ul style="list-style-type: none"> - 2017 - present Chief Strategist - 2012 - 2016 Chief Strategy Advisor - 2009 - 2011 International Business Development, Bumrungrad Hospital PCL - 2006 - 2008 International Business Development/Hospital CEO, Bumrungrad International Limited - 2004 - 2006 Faculty Member & Healthcare Consultant NMS Healthcare Consultancy Inc., University of Southern California - Los Angeles, California,
3. Mr. Dickon Smart-Gill Corporate Chief Information Officer	44	<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
4. Mr. Kenneth Love Corporate Chief Financial Officer	68	<ul style="list-style-type: none"> - Bachelor of Science in Commerce and Accounting, Bellarmine University in Kentucky - US- Certified Public Accountant in 1980 	-	-	-	<p>35 plus years' healthcare experience:</p> <ul style="list-style-type: none"> - May 2013 - present Corporate Chief Financial Officer, Bumrungrad Hospital PCL - Jan 2012 - Apr 2013 Acting Chief Financial Officer, Bumrungrad Hospital PCL - 2011 Acting Chief Financial Officer, Mafraq Hospital, Abu Dhabi - Aug 2008 - May 2013 Chief Financial Officer, Bumrungrad International Limited - Prior to Bumrungrad International Limited Senior Vice President, Financial Operations, Tenet Healthcare Corporation, Santa Barbara, California, USA.

* Shareholding as at 31 December 2017, including both preferred and ordinary shares, and shares held by spouse and minors.

Name / Position	Age	Education	Shareholding* (%)	Family Relationship between Management	Work Experience
5. Dr. Somsak Chaovitsaree, M.D. Hospital Chief Executive Officer Medical Director	55	<ul style="list-style-type: none"> - Global Business Leaders, Lead Business Institute - Advancing Business Acumen Program, The Wharton School University of Pennsylvania, USA. - The Executive Program Systematic Innovation of Products, Processes, and Services, MIT: Sloan School of Management, USA. - Executive Education Emerging Leaders: HARVARD Kennedy School, USA. - Executive Development Program: Kellogg School of Management, Northwestern University, USA. - Mini Master of Management (NIDA) - Cert. of Proficiency in OB&GYN (Thai Medical Council) - Diploma in Clinical Science (OB&GYN), Mahidol University - M.D (Hons) from Chiang Mai University 	-	-	<ul style="list-style-type: none"> - 2015-present: Medical Director, Hospital Chief Executive Officer, Bumrungrad International Hospital - 2014-2016: President of Chiang Mai University (CMU) Alumni - 2014-2016: Member of University, Chiang Mai University - 2012-2015: CEO of Maharaj Nakorn Chiang Mai Hospital, Faculty of Medicine, CMU - 2010-2012: CEO of Siripahat Medical Center, Faculty of Medicine, CMU - 2006-2010: Associated Dean, Faculty of Medicine Chiang Mai University - 2006-2010: Vice Director, Siripahat Medical Center, Faculty of Medicine, CMU - 1999-2002: Assistant Dean, Faculty of Medicine, CMU - 1992-2015: Associate Professor Department of OB & Gyn Faculty of Medicine, CMU
6. Ms. Oraphan Buamuang Hospital Chief Financial Officer	44	<ul style="list-style-type: none"> - MBA major in Finance and International business Thammasat University - Bachelor Degree in Financial Accounting The University of Thai Chamber of Commerce - Certificate in Strategic Investment for Optimal Return, Rangsit University - Thai - Certified Public Accountant (CPA) 	-	-	<ul style="list-style-type: none"> - May 2016 - Present Hospital Chief Financial Officer, Bumrungrad Hospital Public Co., Ltd. - Jan 2010 - April 2016 Financial Investment Consultant Bumrungrad Hospital Public Co., Ltd. - Mar 2004 - Dec 2009 Associate Director, Planning & Investment Bumrungrad International Limited - Nov 1999 - Feb 2004 Financial Analyst, Bumrungrad Hospital Public Co., Ltd. - Sep 1996 - Aug 1999 Senior Auditor KPMG Audit (Thailand) Co., Ltd.

* Shareholding as at 31 December 2017, including both preferred and ordinary shares, and shares held by spouse and minors.

Detail of Directors of Subsidiaries and Associated Company

(as of 31 December 2017)

Directors	Subsidiaries												Associated Company	
	VTL	AGH	AGR	RM	LLL	BPDTG	BHN	HHE	BS	BML	SST	BM	BIL	Inovital
1. Mr. Chai Soponpanich	X													
2. Mrs. Linda Lisahapanya	/	X	X		X			X	X	X			X	
3. Dr. Somsak Chaovitsaree, M.D.			/			/	/		/			/		
4. Dr. Montinee Sangtjan						/								
5. Dr. Pansak Sugkraroek, M.D.	/													
6. Mr. Bernard Charnwut Chan								/			/		/	
7. Mr. Daniel Gillespie													/	
8. Dr. Jennifer Lee, M.D.													/	
9. Mr. Yanchai Tantiratapong													/	
10. Ms. Varanya Seupsuk				/										
11. Mr. Kittiphan Leepipatanawith		/		/										
12. Mrs. Artirat Charukitpipat			/		/	/	/		/			/		
13. Dr. Boldsai Khan Bundan											/			
14. Mr. Lim Seng Bee								/						
15. Mr. U Mo Ye Kyaw												/		
16. Dr. Thanakrit Chintavorn, M.D.							/							
17. Mrs. Munkhuya Ganbaatar											/			

Notes:

1. / = Director X = Chairperson
2. Bumrungrad Hospital Public Co., Ltd. = BHPCL
3. Vitalife Corporation Limited = VTL
4. Asia Global Health Ltd. = AGH
5. Asia Global Research Co., Ltd. = AGR
6. Ruenmongkol Co., Ltd. = RM
7. Life and Longevity Ltd. = LLL
8. Bumrungrad Personnel Development and Training Center Co., Ltd. = BPDTG
9. Bumrungrad Health Network Co., Ltd. = BHN
10. Health Horizons Enterprises Pte. Ltd. = HHE
11. Bumrungrad Services Co., Ltd. = BS
12. Bumrungrad Mongolia LLC = BML
13. Soul Senior Tower LLC = SST
14. Bumrungrad Myanmar Co., Ltd. = BM
15. Bumrungrad International Limited = BIL
16. Inovital International AG = Inovital

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, its parent company, subsidiary, associated 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, its parent company, subsidiary, associated 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, its parent company, subsidiary, associated 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, associated 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, its parent company, subsidiary, associated 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, associated 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, its parent company, subsidiary, associated 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, 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, Committee Members, and Management

Directors' Remuneration, and Committee Members' Remuneration

Remuneration of Directors, members of Audit Committee, and Nomination and Remuneration Committee for the year ended on 31 December 2017 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 Dr. Chanvit Tanphiphat, M.D.	6/6	1,240,000	280,000	1,520,000			5/5	150,000	1,670,000
2 Dr. Suvarn Valaisathien	6/6	980,000	180,000	1,160,000					1,160,000
3 Mrs. Linda Lisahapanya	6/6	980,000	180,000	1,160,000					1,160,000
4 Mr. Chong Toh	6/6	980,000	180,000	1,160,000			5/5	150,000	1,310,000
5 Dr. Somsak Chaovisitsaree, M.D.	5/6	820,000	150,000	970,000					970,000
6 Ms. Sophavadee Uttamobol	6/6	980,000	180,000	1,160,000	4/4	200,000			1,360,000
7 Mr. Soradis Vinyaratn	5/6	980,000	150,000	1,130,000	3/4	90,000			1,220,000
8 Mr. Prin Chirathivat	6/6	980,000	180,000	1,160,000	4/4	120,000			1,280,000
9 Mrs. Aruni Kettratad	6/6	980,000	180,000	1,160,000			5/5	250,000	1,410,000
10 Dr. Pansak Sugkraroek, M.D.	1/1	160,000	30,000	190,000					190,000
11 Mr. Bernard Charnwut Chan	1/1	160,000	30,000	190,000					190,000
Total Remuneration		9,240,000	1,720,000	10,960,000		410,000		550,000	11,920,000

Note: Dr. Pansak Sugkraroek, M.D. and Mr. Bernard Charnwut Chan were registered as director on October 12th, 2017.

In 2017, the Investment Committee held 3 meetings. Total remuneration of Baht 0.36 million was paid to the members of the Investment Committee.

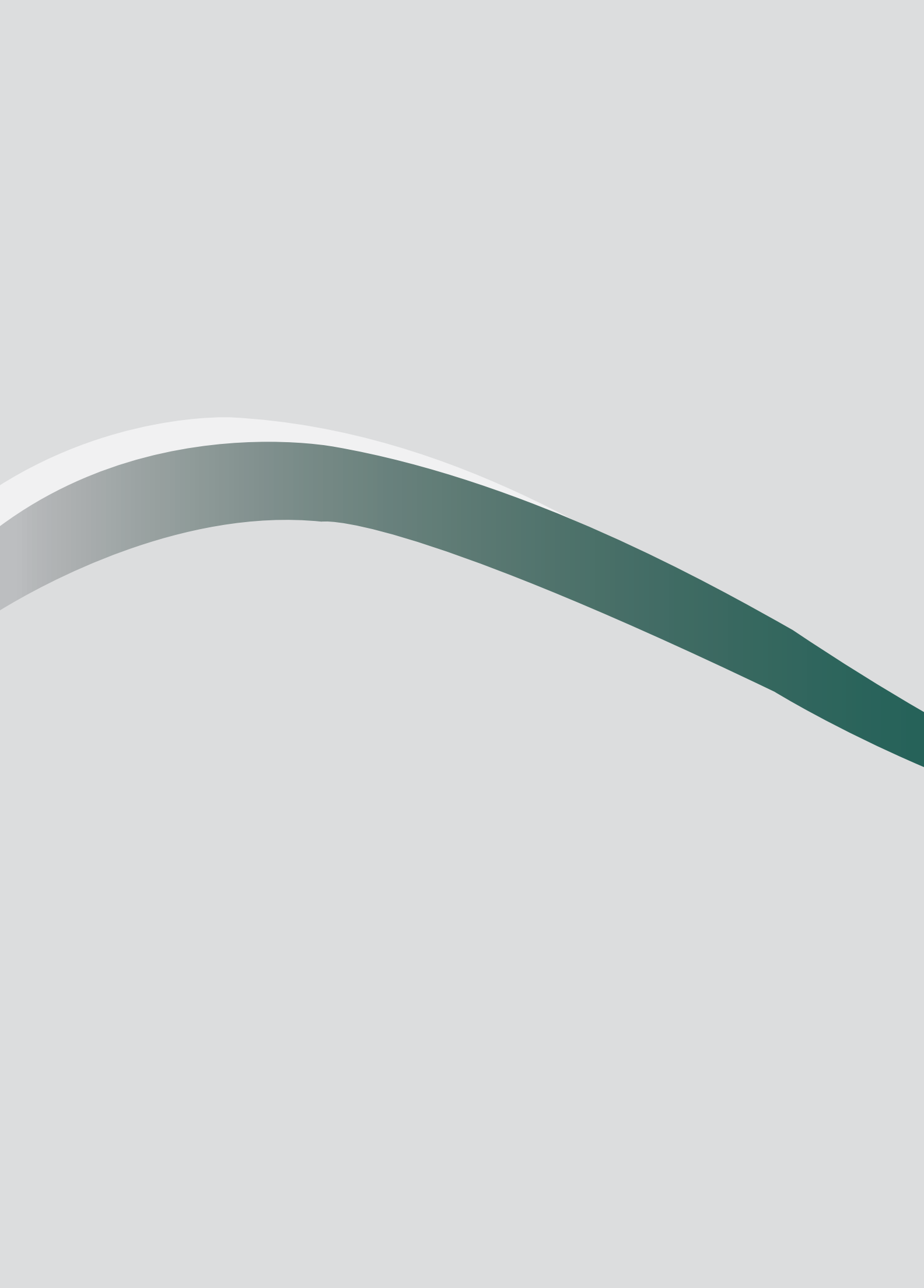
In 2017, the Governing Board held 3 meetings. Total remuneration of Baht 0.48 million was paid to the members of the Governing Board.

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

Management's Remuneration

In 2017, the total remuneration of 16 executive positions of the Company and its subsidiaries amounted to Baht 100.9 million. The Company and its subsidiaries had employee benefit expense payable to their directors and management as follows:

Short-term employee benefits	Baht	96.625	million
Long-term employee benefits	Baht	0.007	million
Termination benefits	Baht	4.269	million
Total	Baht	100.901	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 2017, 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 gave 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 sent 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 was disclosed on the Company's website. For annual general meeting of shareholders, the invitation letter was posted on the website 30 days prior to the meeting date.
3. For those shareholders who are unable to attend the meeting, they 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, assigned the Company Secretary to inform the meeting of the voting process for each agenda. During the meeting, the chairman of the meeting gave all shareholders the opportunity to comment, ask questions or give opinions and suggestions on any agenda item. The Chairman and management saw the importance of every question and gave precise and clear answers.
6. The Company Secretary recorded minutes of the shareholders' meetings which are correct and complete, with details on voting results of each agenda. In addition, the minutes were sent to the Stock Exchange of Thailand and posted on the Company's website within 14 days after the meeting date, so that shareholders were promptly informed and were able to verify the same.

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 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 and 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; and
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 two 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 2017), roadshows and investor conferences (2 times overseas, including Singapore and Hong Kong) and investor meetings and conference calls (62 times in 2017). 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 02 011-4956 and 02 011-5929, by e-mail at ir@bumrungrad.com, or through the Company's website.

5. Responsibilities of the Board of Directors

Structure of the Board of Directors

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

As at 31 December 2017, there are 11 directors, as follows:

1. Non-executive directors: Five non-executive directors, which are Dr. Chanvit Tanphiphat, M.D., Mr. Chong Toh, Dr. Suvarn Valaisathien, Dr. Pansak Sugkraroek, M.D., and Mr. Bernard Charnwut Chan
2. Executive directors: Two executive directors, including Mrs. Linda Lisahapanya, and Dr. Somsak Chaovitsaree, M.D.
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 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 Ms. Pantip Chirakarnjanakorn 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 safe-keeping 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 of 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 2017, the Audit Committee held 4 meetings and reported their meeting results to the Board of Directors. Details of attendance of Audit Committee members are in Section of Remuneration of Directors, Committee Members, and Management.
2. **Nomination and Remuneration Committee** is responsible for selecting and proposing candidates for the positions of director and committee member to Board of Directors for approval, and for setting appropriate compensation. The Nomination and Remuneration Committee consists of one independent director, who is the chairperson of the Nomination and Remuneration Committee, and two non-executive directors. In 2017, the Nomination and Remuneration Committee held 5 meetings and reported their meeting results to the Board of Directors. Details of attendance of Nomination and Remuneration Committee members are in Section of Remuneration of Directors, Committee members, and Management.
3. **Governing Board of Bumrungrad International Hospital, Bangkok** is responsible for implementing the Hospital Policy, promoting patient safety and performance improvement, and providing quality patient care. The Governing Board consists of three directors, five management, and nine physicians. In 2017, the Governing Board held 3 meetings.
4. **Investment Committee** is responsible for considering investment projects before proposing to the Board of Directors for approval. The Investment Committee consists of two non-executive directors and one executive director. In 2017, the Investment Committee held 3 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 of Management Structure.

Internal control and internal audit systems: The Company has given importance to internal controls 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 2017, there were 6 Board of Directors' meetings. Details of the meeting attendance of each director are in the table in Section of Remuneration of Directors, Committee members, and Management.

For each meeting, agenda are clearly set in advance by the Chairman of the Board together with the Managing Director. Moreover, each director is given opportunities to propose issues as agendas. The Company Secretary prepares and distributes invitation letters, agenda items, 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 item, 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 2017 remuneration of each individual director, which has been approved by the shareholders' meeting, and the sum of management's remuneration, are disclosed in Section of Remuneration of Directors, Committee members, and Management.

Development Programs for Directors and Management

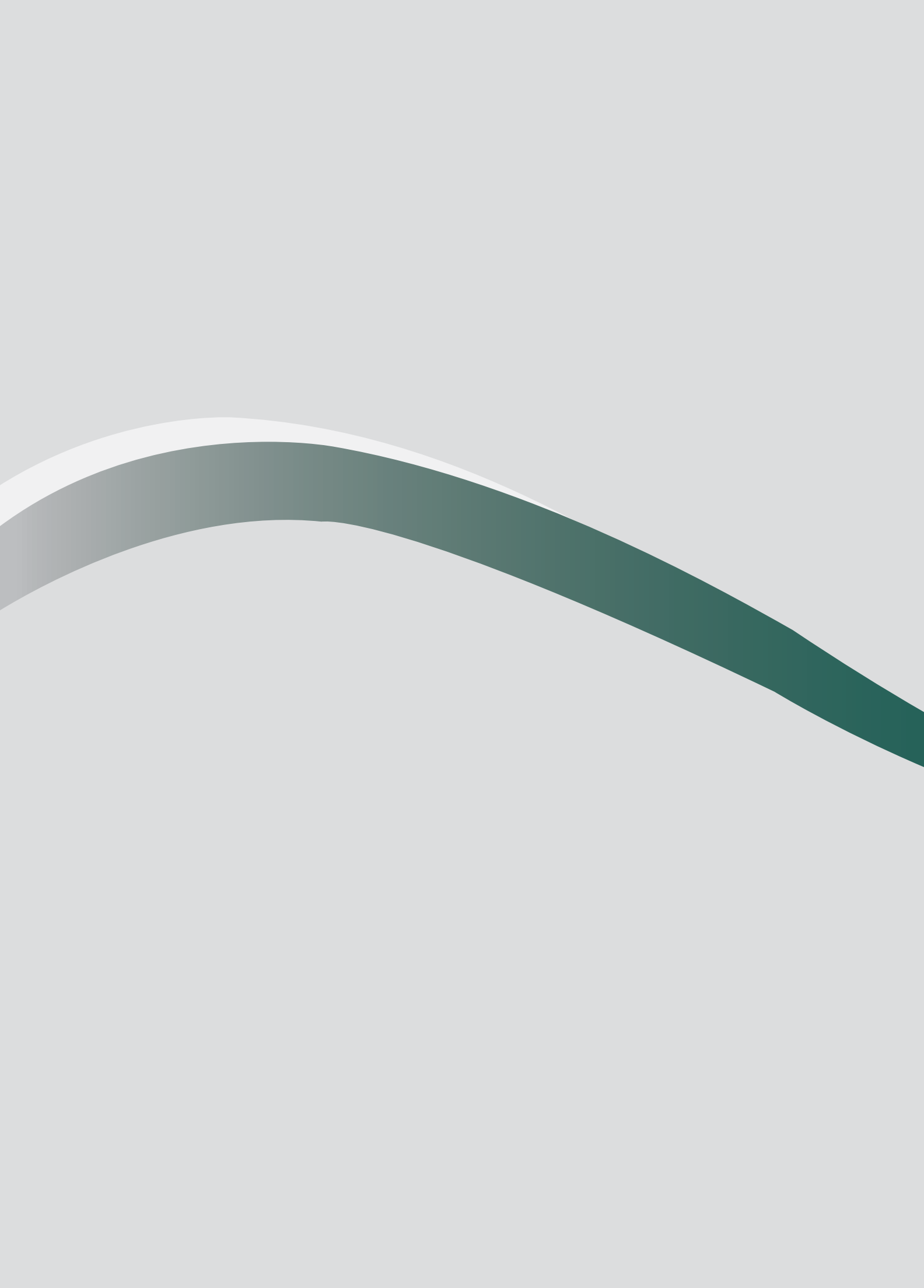
The Company has a director's manual which summarizes related laws, rules and regulations, so that directors are informed of their roles, responsibilities and guidelines for the position as a director. For newly appointed directors, the Company informs them of information which is important for fulfilling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

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

A majority of the Board of Directors, 7 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)
Mrs. Linda Lisahapanya		/				
Mr. Chong Toh			/			
Ms. Sophavadee Uttamobol	/		/	/		
Mr. Soradis Vinyaratn			/			
Mr. Prin Chirathivat	/	/	/	/		
Dr. Suvarn Valaisathien			/			
Mrs. Aruni Kettratad			/		/	/

For more detail of the Company's information, please refer to the filing report of the Company (56-1 filing) at www.sec.or.th or company's website.





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, 2011, 2014 and 2017, 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 - 2017. 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 2017, 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.

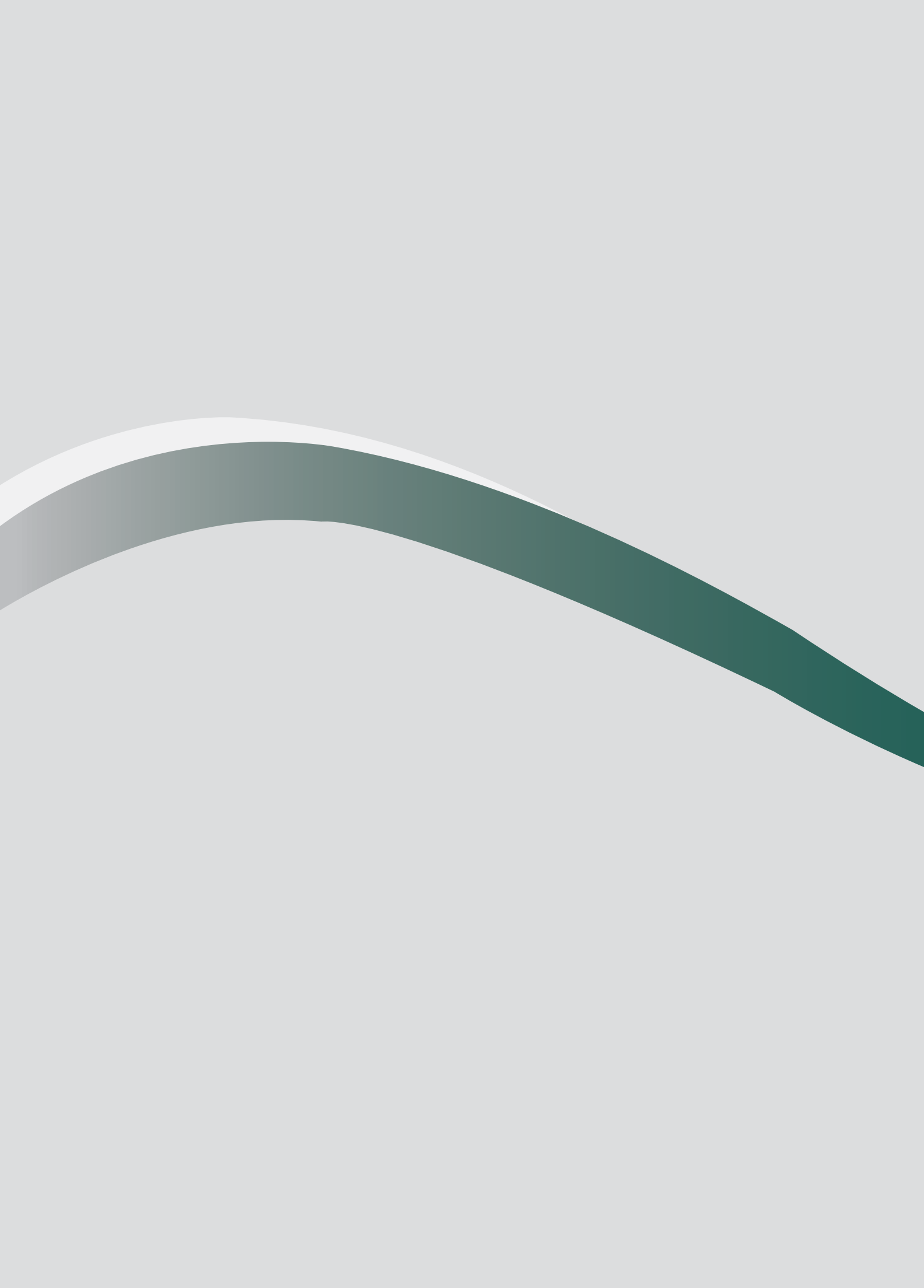
Part 5: Monitoring Activities

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.

* For more detail of the Company's information, please refer to the filing report of the Company (56-1 filing) at www.sec.or.th or company's website.





Related Party Transaction

Related Party Transactions

Related Company	Relationship	Description	Amount (Baht Million)		Pricing Policy	Reason for the Transaction
			For the year ended 2017	For the year ended 2016		
Bangkok Insurance PCL. (BKI)	BKI was the major shareholder of the Company, with 14.62% shareholding as at 31 December 2017 (the same as at 31 December 2016)	<u>Borrowing of Money</u> - The Company issued and offered 100,000 units of the Debentures of Bumrungrad Hospital Public Company Limited No.1/2011 Series 2 Due A.D. 2018 with the par value of Baht 1,000 each and interest rate of 4.59% to BKI.	100.0	100.0	The price per unit including interest rate of debentures offered to BKI was the same price that the Company offers to other third-party subscribers.	The Audit Committee has the opinion that the transaction was reasonable and it was approved by the Board of Directors and the Shareholders.
		<u>Revenues</u> - Revenues from hospital services received from BKI	17.8	13.1	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.
		<u>Expenses</u> - Insurance fees which the Company paid to BKI	27.2	29.0	BKI was the insurance provider which the Company has always used. In addition, the insurance premium that the Company 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.
		<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%	4.6	8.6	The interest rate was fixed by the terms and conditions of the Debenture which is 4.13 and 4.59% per annum.	The Audit Committee has the opinion that the transaction was reasonable and it was approved by the Board of Directors and the Shareholders.

Related Company	Relationship	Description	Amount (Baht Million)		Pricing Policy	Reason for the Transaction
			For the year ended 2017	For the year ended 2016		
Bangkok Life Assurance PCL. (BLA)	Common shareholder	<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.	18.5	18.7	It was the Company's normal course of Business, charging at normal price and benefits as customers in general.	The Audit Committee has the opinion that the transaction was reasonable and was conducted in a normal course of business of the Company.
		<u>Expenses</u> - Insurance fees which the Company paid to BLA	1.2	1.3	BLA was the insurance provider which the Company has always used. In addition, the insurance premium that the Company paid to BLA was at the rate which BLA 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.
		<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	37.6	The interest rate was fixed by the terms and conditions of the Debenture which is 4.97% per annual	The Audit Committee has the opinion that the transaction was reasonable and it was approved by the Board of Directors and the Shareholders.

Related Company	Relationship	Description	Amount (Baht Million)		Pricing Policy	Reason for the Transaction
			For the year ended 2017	For the year ended 2016		
Bangkok Bank PCL. (BBL)	Common executive	<u>Bank Deposits</u> - Fixed Deposits over 3 months	5,293.6	1,509.0	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	30.0	36.3	It was the Company's normal course of business, charging at normal price and benefits as customers in general.	The Audit Committee has the opinion that the transaction was reasonable and was conducted in a normal course of business of the Company.
		- Rental income of area of BBL branch at Bumrungrad Hospital	2.8	2.5	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	49.3	26.3	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	130.8	125.0	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.

Related Company	Relationship	Description	Amount (Baht Million)		Pricing Policy	Reason for the Transaction
			For the year ended 2017	For the year ended 2016		
Thai Consultant Ltd.	Associated with director	<u>Expenses</u> - Consulting fees on legal paid to Thai Consultant Ltd.	4.0	3.8	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 was conducted in a normal course of business of the Company.
Bumrungrad International Limited (BIL)	Associated company, in which the Company, at 31 December 2017, has 31.5% shareholding (the same as at 31 December 2016) and has common directors	<u>Revenues</u> - Consulting fee income on hospital management received from BIL	0.2	0.2	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.	2.3	2.4	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.
		<u>Dividend distribution</u> - Dividend distribution during the year from BIL	21.5	-	The Company has recognized dividend distribution from BIL as declared.	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.
The Bumrungrad Hospital Foundation (BHF)	Common director	<u>Revenues</u> - Revenues from hospital services received from BHF	18.4	53.4	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.
		- Other revenue from resources used	0.4	1.0	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	31.9	32.4	The Company paid the donation expenses according to the policy approved by the Board of Directors.	The Audit Committee has the opinion that the transaction was reasonable and was conducted in a normal course of business and it was approved by the Board of Directors.
AA Talent Recruitment Co., Ltd.	Common director	<u>Expenses</u> - Service Fee for personnel recruitment services	2.0	1.2	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 20.50% shareholding as at 31 December 2017 (31 December 2016: 23.95%)	<u>Expenses</u> - Radio pharmaceuticals	11.3	11.4	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.

Related Company	Relationship	Description	Amount (Baht Million)		Pricing Policy	Reason for the Transaction
			For the year ended 2017	For the year ended 2016		
A.N.B. Laboratories (Amnuay pharmacy) Co., Ltd. (ANB)	An indirect subsidiary of a major shareholder (Bangkok Dusit Medical Services PCL or BDMS)	<u>Expenses</u> - Medicine	0.8	0.9	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.
National Healthcare Systems Co., Ltd. (NHS)	Subsidiary company of a major shareholder (Bangkok Dusit Medical Services PCL or BDMS)	<u>Expenses</u> - Laboratory Services	9.8	13.1	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.



Corporate Social Responsibility

Corporate Social Responsibility

Throughout Bumrungrad's history, our organization has adhered to its core values of patient care, while also keeping with our social and environmental responsibilities. Our core values are in our name "Bumrungrad," meaning "caring for people."

In realizing our commitment to corporate social responsibility, incorporating the related core values into decision-making, daily operations, and participating in various community projects, especially with regard to promoting public health and caring for the underprivileged, we hope to achieve a sustainable development and fairness in business operations. It is hoped that this will also ensure fair business practices among Bumrungrad and its business partners, and shareholders. Our good corporate governance and adherence to safety standards, as well as environmental and social responsibilities, are confirmed through the recognitions, credentials, certifications, and accreditations below:

Internal Corporate Social Responsibility

Our Responsibilities to Our Patients - The hospital holds core values that adhere to safety, quality, and measurable results to ensure that all patients and visitors of the hospital get the best and the most proper care. Below are a few recognitions and awards, both national and international, reflecting our commitment to patient care:

- Bumrungrad International receives recognition by The American Nurses Credentialing Center's (ANCC) Pathway to Excellence Program – The ANCC's Pathway to Excellence® Program is a new organizational credential to recognize healthcare facilities that have created positive work environments where nurses can flourish. Pathway-designated organizations are deemed the best places to work for nurses, with high nurse satisfaction and retention. Research shows that healthy work environments improve not only nurse satisfaction but also patient satisfaction and quality of care.
- Bumrungrad International achieved the Gold Award for Infection Control Standards by the CSSD Center of Excellence Program 2017 - The Asia Pacific Society of Infection Control (APSIC) is a multi-national organization dedicated to the advancement of infection control practices. The APSIC CSSD Centre of Excellence Program awards institutions who fulfill and deliver quality disinfection and sterilization services.
- In 2016, the Bumrungrad Clinical Lab was honored to be the first hospital in Asia to receive CAP accreditation. The College of American Pathologists (CAP) is the world's largest association composed exclusively of board-certified pathologists - who inspect and accredit medical laboratories worldwide.

- In 2002, Bumrungrad International was the first hospital in Asia to receive JCI Accreditation, and recently received its 5th re-accreditation in 2017. JCI accredits more than 900 organizations around the world. Joint Commission International (JCI) is a United States based organization that accredits healthcare organizations worldwide. JCI works with hospitals and other healthcare organizations to achieve peak performance in patient care. JCI accreditation is considered the “gold standard” in global healthcare.
- In 2017, Bumrungrad International was proud to be the first hospital in Asia to become DNV GL MIR Certified. DNV GL’s Managing Infection Risk Standard was developed to provide a framework to help organizations improve their management of infection risk - which reduces the potential for harm to patients, visitors, and staff, and enhances confidence and satisfaction in patient care and quality.
- Bumrungrad International Hospital has achieved the Global Healthcare Accreditation with Excellence designation by the U.S. based Global Healthcare Accreditation (GHA) Program. This is the first time a hospital outside the United States has achieved this honor. This accreditation is yet another benchmark in confirming that the hospital is providing the highest standards of service in medical tourism, and that visitors seeking healthcare at Bumrungrad are receiving top quality care and service along the entire Medical Travel Care Continuum. At present, Bumrungrad International serves over 520,000 international patients annually from over 190 countries around the world. With this accreditation, Bumrungrad International increases its competitive edge, while also strengthening Thailand’s reputation as a medical tourism destination.

Respect for Human Rights

The hospital has established a management policy based in equality, free from class-discrimination. All employees, patients, and caregivers will be treated equally and with respect.

Bumrungrad does not tolerate discrimination based on age, gender, nationality, religion, employment position, current health condition, or social status.

Bumrungrad cares for patients by “Bumrungrad standards”. We have on hand employees to assist patients with their individual insurance policy or national health insurance policy, informing each individual of their medical service inclusions. Our staff are prepared to assist over 1.1 million patients visiting each year from over 190 countries around the world.

Ethical Labor Practices

The hospital has established a human resource management policy which lays the ground rules that staff recruitment and training, workers’ compensation, employee recognition programs, employee transfer and promotion, annual performance evaluation, and termination, are all in compliance with applicable laws and regulations.

Fair Business Practices

The hospital has clear policies regarding hospital services in many areas, for instance, finances and purchasing equipment and supplies. One of the hospital's administration policies regarding the purchase of medical supplies and equipment is in the efforts of being fair to business partners.

The policy involves drafting business contracts in order to affirm fair negotiations. The hospital has a designated contracting team, as well as a protocol to evaluate all medical supplies and equipment in order to affirm that they are up to quality standards. These are to make sure that all products purchased from each of our partners are of the same high quality standards - with the ultimate aim of benefiting our patients.

Environmental Protection Efforts

Bumrungrad International is committed to protecting the environment and conserving energy and natural resources. We support all efforts to maintain and promote the good health and safety of the community, and we participate in activities which support these principles. The Hospital has established environmental, health, and safety policies that comply with government regulations and international standards. It is also ensured that staff and contractors are properly educated and trained in these policies. Every staff member and contractor on the Hospital's premises is expected to follow the Hospital's environmental policies and report any environmental, health or safety concerns for the management to take appropriate actions.

The hospital has complied with the regulations imposed by environmental protection agencies, e.g. the Ministerial Regulation on Infectious Waste Disposal B.E. 2545, Environmental Engineering Section, Bureau of Environmental Health, Department of Health, Ministry of Public Health; Bangkok Administration Regulations regarding the collection and disposal of sewage or solid waste (B.E. 2544), promulgated in the Royal Thai Government Gazette on March 11, 2002; the Promotion and Conservation of National Environmental Quality Act B.E. 2535; the Ministry of Natural Resources and Environment's announcement regarding the types of buildings to be monitored regarding wastewater disposal; the Vienna Convention on the Protection of the Ozone Layer; and Montreal Protocol on Substances That Deplete the Ozone Layer. The switch to the use of Magnetic Centrifugal Chillers, which are more energy efficient, should also be noted.

External Corporate Social Responsibility

Health Promotion Programs

1. The “Rak Jai Thai” Program (Healing Hearts)

As part of the commitment to corporate social responsibility and the welfare of Thai people, the Bumrungrad Hospital Foundation and Bumrungrad International Hospital, through its team of pediatric cardiologists, NICU, and surgeons, provide operations at no cost to underprivileged Thai children. Currently, the average cost of surgery per case is about 650,000 baht. The “Rak Jai Thai” or “Healing Hearts” program is a joint effort of the Bumrungrad Hospital Foundation and The Cardiac Children Foundation of Thailand under the Royal Patronage of Her Royal Highness Princess Galayani Vadhana Krom Luang Narathiwat Rajanagarindra. In 2017 alone, 16 children have received heart surgeries through the program. Since the inception of the project in 2003 through to 2017, 767 underprivileged children from 50 provinces in Thailand have received heart surgeries at no cost.

2. The “ARSA Bumrungrad” Mobile Clinic Projects, in the Provinces

In concerted efforts with Mr. Chai Sophonpanich, doctors, dentists, the Bumrungrad International volunteer medical team, and volunteer staff, management, and Bangkok Insurance PCL employees, the “ARSA Bumrungrad” Mobile Clinic provides general medical and dental services free of charge for more than 1,000 villagers in Sakon Nakhon and Mukdahan annually.

The “ARSA Bumrungrad” Mobile Clinic offered medical services for more than 80 villagers at the Baan Ta Yae School in Dan Makham Tia, Kanchanaburi on November 25, 2017.

3. The “ARSA Bumrungrad” Mobile Clinic Projects, in Bangkok

The “ARSA Bumrungrad” Mobile Clinic has offered charitable medical services to the underprivileged across more than 30 communities around Bangkok, in collaboration with the Thomson Fund and supported by the Bumrungrad Hospital Foundation and Bumrungrad International Hospital since 2001. The services are available daily, excluding Mondays and Tuesdays.

The “ARSA Bumrungrad” Mobile Clinic offered first aid and emergency medical services to those joining in the offering of sandalwood flowers to the late King Bhumibol Adulyadej on the day of the Royal Cremation at Lumpini Park. First Aid services for social activities in Bangkok, such as walk/run charity events.

4. Health Promotion Programs

The hospital organizes programs to promote health literacy through activities, exhibitions, and events based around major global health days, as well as seminars, and publishing health information through social media, websites, and media outlets year-round.

5. Other Public Service Programs

Blood Donation Program, together with the Thai Red Cross Society for employees and the public, four times per year.

The Bhappy3 Project is a joint effort of Bumrungrad Hospital PCL, Bangkok Life Assurance PCL and Bangkok Insurance PCL in arranging activities for social and environmental development annually. This year, programs were developed to promote a better quality of life for teachers and students at Ban Nong Prue Noi School, Tambon Hua Wah, Sri Maha Pho District, Prachin Buri.

Social Sector

- Board of Directors - CSR Club of the Thai Listed Companies Association
- Board of Directors - Thai Environmental and Community Development Association (Magiceyes)

For the fifth consecutive year, Bumrungrad International has received the AMCHAM CSR Excellence Award - Gold Level by the American Chamber of Commerce in Thailand. The award was given in recognition of Bumrungrad International's continuous commitment in providing charitable medical services throughout Thailand, through programs such as the "Rak Jai Thai" and "ARSA Bumrungrad" Mobile Clinic.

For more detail of the Company's information, please refer to the filing report of the Company (56-1 filing) at www.sec.or.th or company's website.



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