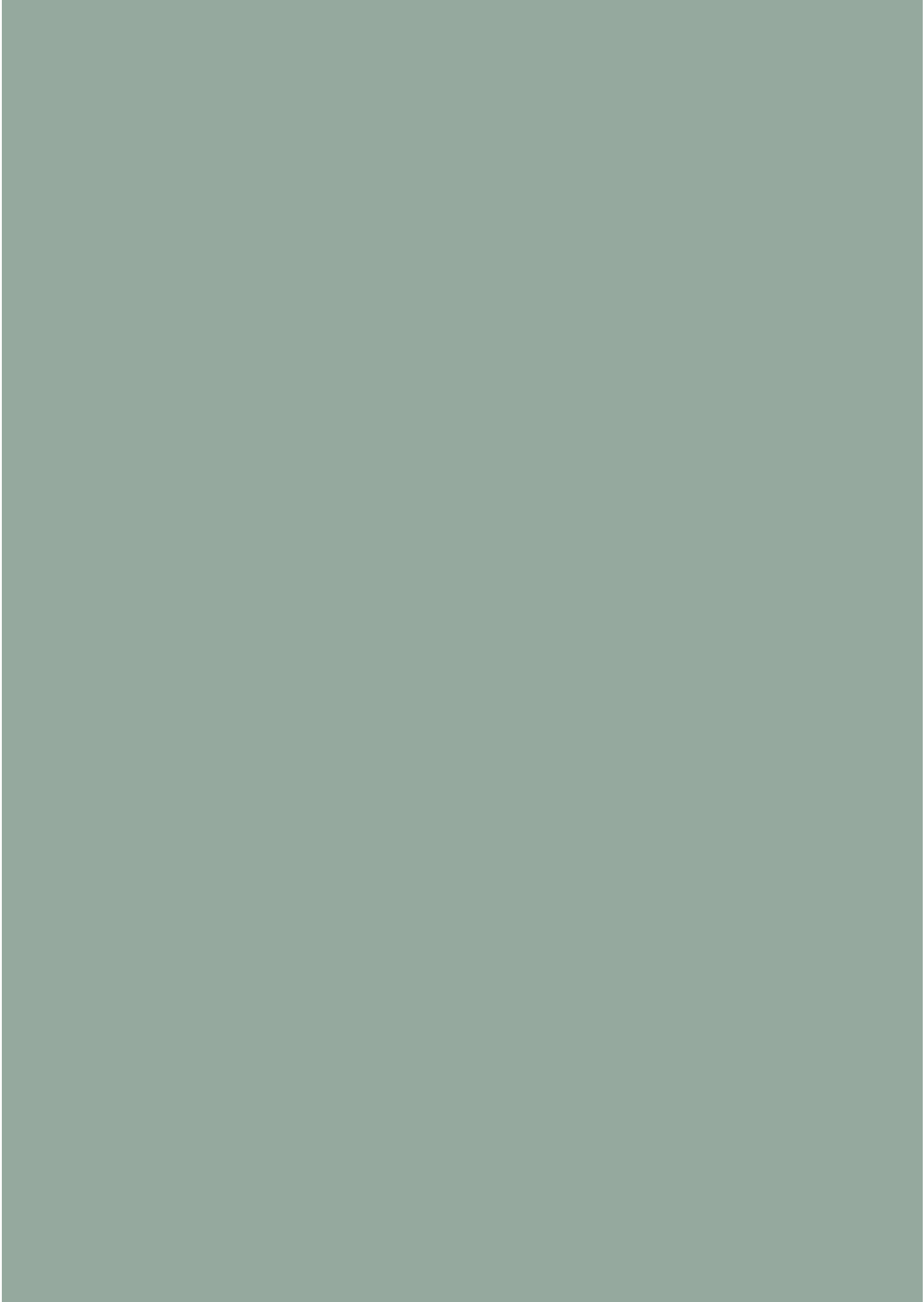
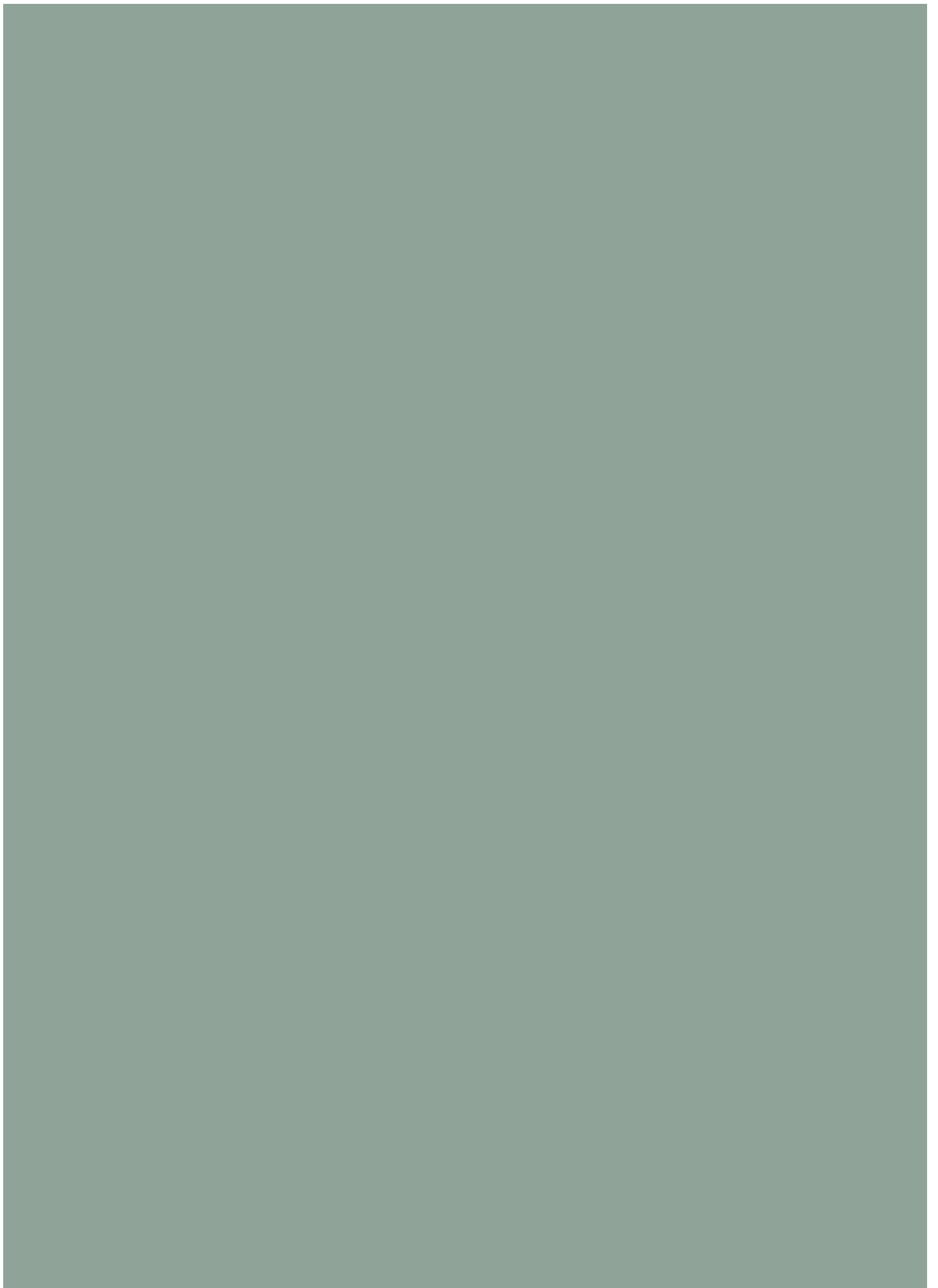




YOUR TRUSTED HEALTHCARE NETWORK

ANNUAL REPORT 2016 | BANGKOK DUSIT MEDICAL SERVICES Public Company Limited





“

...

To maintain a healthy physique is essential
for a nation's good economy and stable society.

A sound body normally brings about a sound mind.

A person who is healthy both physically and psychologically
is thus fully capable to work to better the economy and society.

He will not become burdensome. In other words,
he will simply be a contributor,
and never a drawback to the country's prosperity.

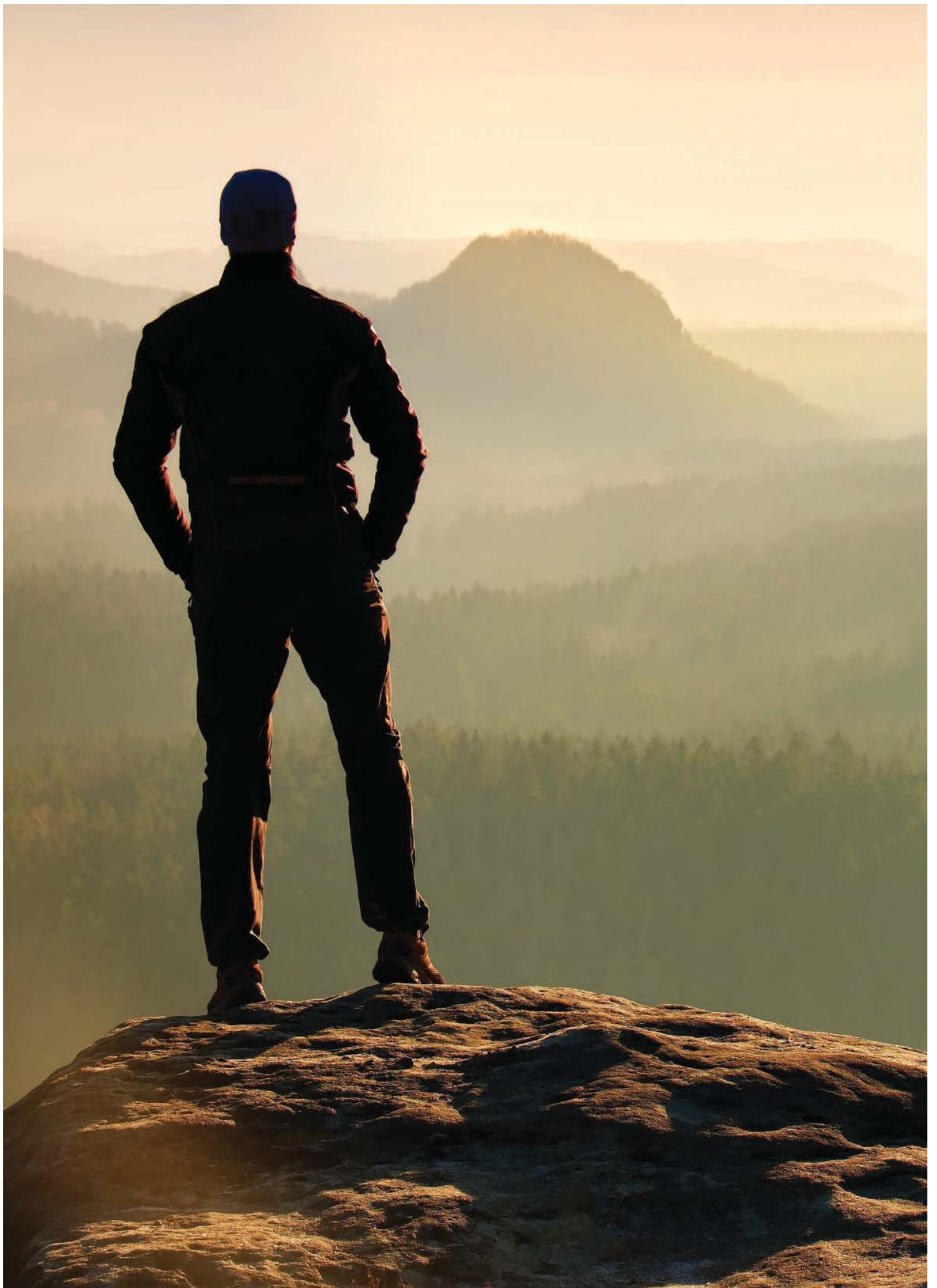
...

”

Royal Remarks by King Bhumibol Adulyadej,
at Mahidol University Graduation,
October 1979.

Source : Office Of The Royal Development Projects Board (ORDPB)





BANGKOK DUSIT MEDICAL SERVICES (BDMS)

is one of the most prestigious hospital networks in Asia-Pacific. Boasting 14 JCI-accredited hospital programs as well as Clinical Care Program Certification, BDMS delivers world-class care to an international clientele, providing top-tier services and facilities and skilled specialists in every field.



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Message from Chairman of the Board of Directors

In 2016, Bangkok Dusit Medical Services Public Company Limited was once again met with many challenging factors including the slowdown of the economy. Moreover, the last few months were a time of mourning for Thais as our beloved King Bhumibol Adulyadej had passed away. Thus, overall, the Group showed little growth. However, with the strength of the BDMS network and effective cost management, we were still able to produce satisfactory returns to our shareholders, in spite of the many domestic and international economic challenges.

In terms of quality of medical services, apart from the accreditation that we received from various institutions such as JCI, Advanced HA, HA, etc., the BDMS network continued to expand collaboration with leading medical institutions around the world in order to develop and improve our medical services and standards. Examples of such collaboration are the exchange of knowledge and skills in orthopedics with Missouri Orthopedic Institute and the exchange of knowledge and skills in orthopedics and trauma with Hannover Medical School. The continuation of such collaborations with world leading medical institutions is just another one of the important steps we have taken to elevate the standard of service of the BDMS network.



Apart from our efforts to develop medical knowledge, in 2016, the Company received Corporate Governance Rating (CGR) of “Very Good CG Scoring” for the second consecutive year from the Thai Institute of Directors, the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. We also received 100% scoring on the quality of our shareholders’ meetings. To this end, the Company is determined to continue to develop and improve our corporate governance practices.

As Chairman of the Board of Directors, I truly believe that by determining policies, adjusting our strategy to suit the current situation, developing management efficiency as well as other measures that we have undertaken, especially management with transparency and good corporate governance, our organization will be able to achieve sustainable development and strengthen the confidence of all stakeholders.

Lastly, on behalf of the Board of Directors, I would like to thank management and all personnel for dedicating their skills and efforts to propel the Company to grow with stability and sustainability. I would also like to express my sincere gratitude to all our shareholders, business alliances, various financial institutions, as well as all stakeholders who have continually entrusted and supported BDMS.

Professor Emeritus Arun Pausawadi
Chairman of the Board of Directors

Message from the Chief Executive Officer and President



The Company has been well aware of the need to create sustainable growth in the midst of challenges both domestically and internationally, whether they be the economic slowdown or increased competition in the industry. Thus, we have reviewed our strategies as well as revised our processes so that the Company may continue to grow under good corporate governance while keeping in mind our social and environmental responsibilities. The ultimate goal is to provide suitable returns to our shareholders and stakeholders, while improving the quality of our medical services in order to propel the Thai medical industry to the global stage, which is in line with the government's Thailand 4.0 Policy.

The official introduction of the ASEAN Economic Community, greater attention to personal health, the advent of ageing society, and the increase in foreign patients who come for medical care and medical tourism, have all been contributing factors to the increased demand for state-of-the-art medical services and technology. Therefore, the Company has revised our strategies to differentiate ourselves with an emphasis on vertical growth. The aim is to elevate the efficiency

of our strong medical services so that hospitals within the BDMS Group will become a Center of Excellence Network (CoE). Thus, we have invested in the development of 9 hospitals, namely, Bangkok Hospital, Samitivej Sukhumvit Hospital, Samitivej Srinakarin Hospital, Phyathai 2 Hospital, Bangkok Hospital Pattaya, Bangkok Hospital Phuket, Bangkok Hospital Chiang Mai, Bangkok Hospital Udon and Royal Phnom Penh Hospital, so that they are capable of providing treatment of complex diseases that meet the international quality standards.

Furthermore, we have formed alliances and collaborated with several world leading medical institutions in order to elevate the standards of the BDMS Group medical services to meet those of international standards and to become a Center of Excellence Network (CoE). In 2016, the Company continued our collaboration with leading medical institutions such as The University of Texas MD Anderson Cancer Center (MDACC) to elevate cancer treatment at Wattanosoth Hospital and Samitivej Children's Hospital; Hannover Medical School to increase capabilities in treating trauma patients; Missouri Orthopaedic Institute to exchange knowledge and medical skills in orthopaedics and spine; Neurosurgical Institute at Cedars-Sinai Medical Center a collaboration with Dr. Keith L. Black, a world renown neurosurgeon and Director of the Maxine Dunitz Neurosurgical Institute at Cedars-Sinai Medical Center in the United States, in research and development in treating diseases of the brain and nervous system; and Oregon Health & Science University (OHSU) to exchange knowledge and support in all fields, especially, Occupational Health, Health Informatics, Rehabilitation and Heart/Cardiovascular Disease.

In 2016, the Company also invested in the Mayo Hospital and the transaction is expected to be completed by January 2017. The hospital will be renovated and renamed "Paolo Hospital Kaset" and will become the 44th hospital in the BDMS network. Moreover, as a response to the rising trends of personal healthcare and ageing society, the Company has invested in the BDMS Wellness Clinic project by purchasing the land and buildings known as Nai Lert Park Hotel. The project shall be the first to provide comprehensive medical services with the aim of longevity and prevention of critical diseases. Patrons can be confident that should they require medical treatment, they will receive the best care by physicians within our Group, including reputable and expert physicians from abroad who are collaborating with the Company.

In terms of financials, the Company's operating results in 2016 continue to reflect our operational capabilities and financial strength. Even though BDMS showed growth not so much as the economy continued to be sluggish, the Company has been able to maintain the credit rating of "AA-" Stable from TRIS Rating Company Limited (TRIS) for the third consecutive year.

Concerning corporate governance, BDMS adheres to good corporate governance practices, transparency and virtue in order that the Company may grow with sustainability. We focus on conveying good corporate governance practices throughout the organization and have designed a curriculum entitled "Ethical Leadership Program" for management within the BDMS network. The program's goal is to create awareness of management's role in preventing corruption and fraud. We also conduct assessment of management and employee awareness of the four main policies, namely, the Fraud Prevention and Anti-Corruption Policy, the Policy and Guidelines on Human Rights, the Supervision of Inside Information Usage Policy and the Policy on Non-Infringement of intellectual Property Rights and Copyrights. Thus, in 2016, the Company received the "Thailand's Top Corporate Brand 2016" in medicine for the second consecutive year from the Faculty of Commerce and Accounting, Chulalongkorn University in conjunction with the Stock Exchange of Thailand with brand value of Baht 192,677 million. Making us the fourth highest brand value out of 17 sectors in 8 industries listed on the Stock Exchange of Thailand. Moreover, the Company received Corporate Governance Rating (CGR) from the Thai Institute of Directors (IOD) in association with the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission of "Very Good CG Scoring" for the second consecutive year. We also received a score of 100% on the quality of our 2016 Annual Shareholders' Meeting. In addition, the Company is extremely proud to have received an international award, "The Best Manage Company Award for Thailand 2016 – Large Capitalization" from Asia Money magazine. This award was based on the results of a poll conducted with investors and analysts from around the world. Accordingly, BDMS will strive to continue to improve management and good corporate governance practices.

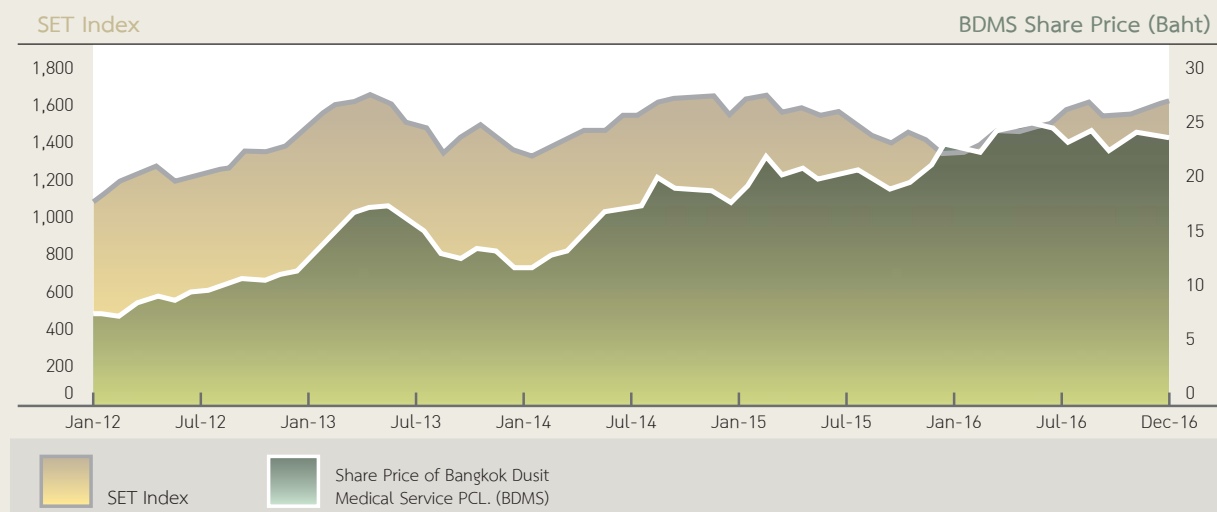
With regards to social and environmental responsibility, the Company has continued various projects and activities. In energy conservation and efficient use of resources, we encourage every hospital in the network to be environmentally responsible. Newly constructed hospitals are specifically built as energy saving buildings. As for social responsibility, we encourage public charity through the Green Health Care & Share Project and the Vejduisit Foundation; creative activities in the surrounding communities by employee volunteers; and awareness of safety and occupational health. In the past year, the Company has organized socially responsible activities in medicine and public health in many forms. We have prepared the Sustainability Report to provide a record of such socially responsible activities, thus showcasing the Company's determination to grow along side Thai society.

On behalf of Bangkok Dusit Medical Services Public Company Limited, I would like to express my sincere gratitude to our shareholders and patrons who have entrusted and continuously supported our company. I would also like to thank management, doctors, nurses, and all personnel for their dedication, diligence and accountability, have been integral to the development of BDMS into the sustainably strong, stable and continuously growing organization that it is today.

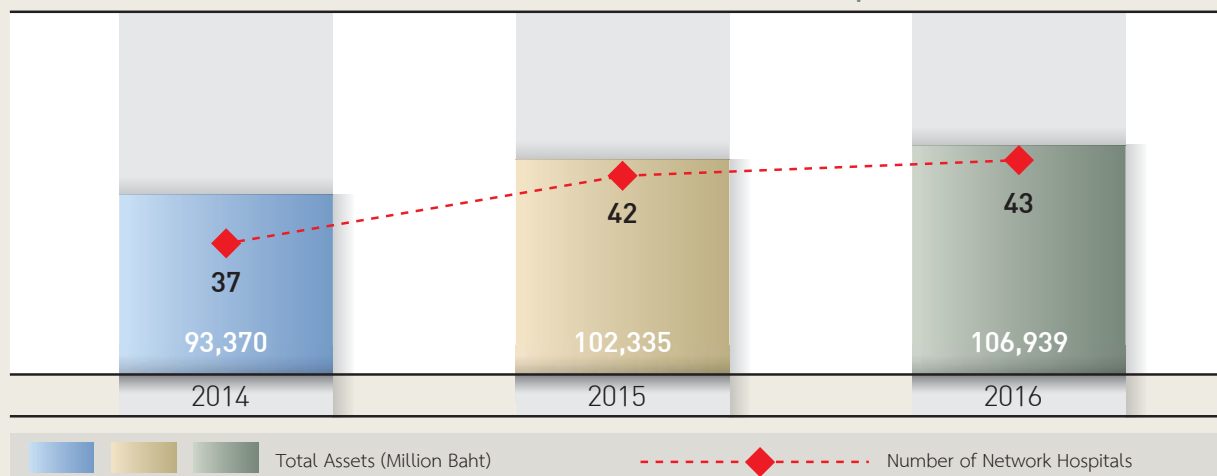
Mr. Prasert Prasarttong-Osoth, M.D.
Chief Executive Officer and President

Financial Highlights

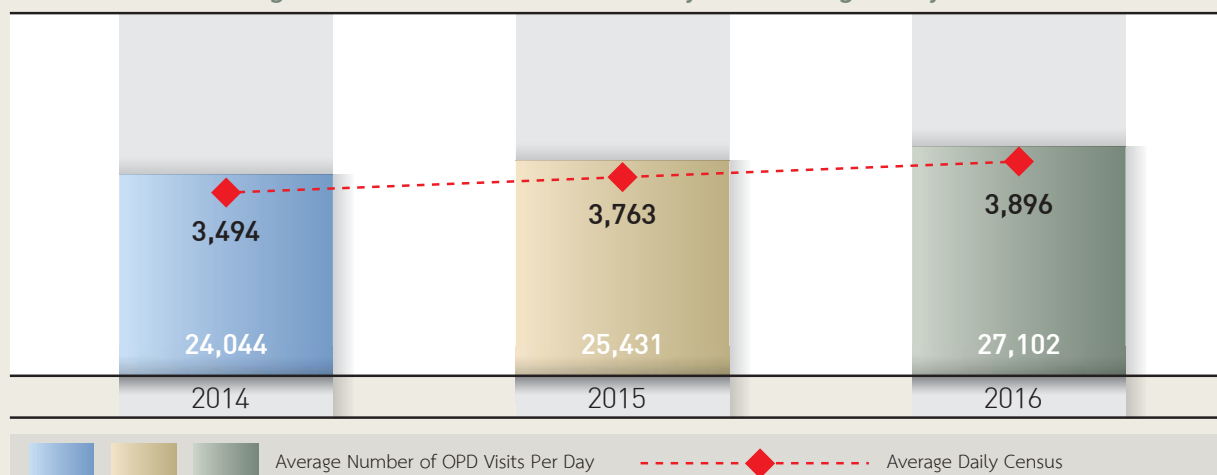
5 Years Share Prices (2012-2016) Compared to SET Index



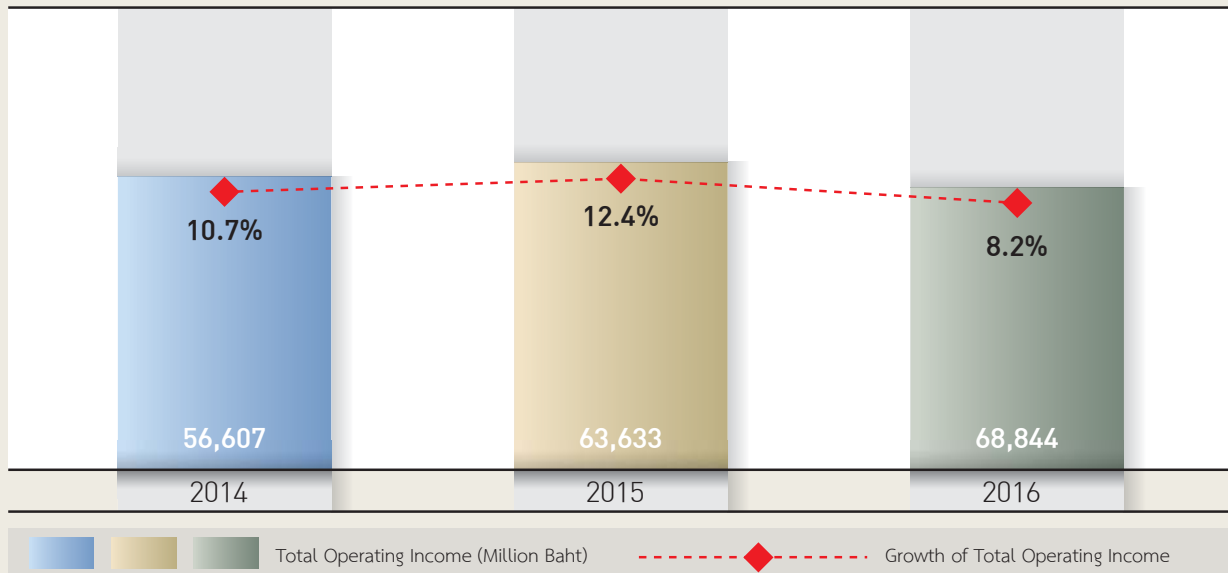
Total Assets and Number of Network Hospitals



Average Number of OPD Visits Per Day and Average Daily Census

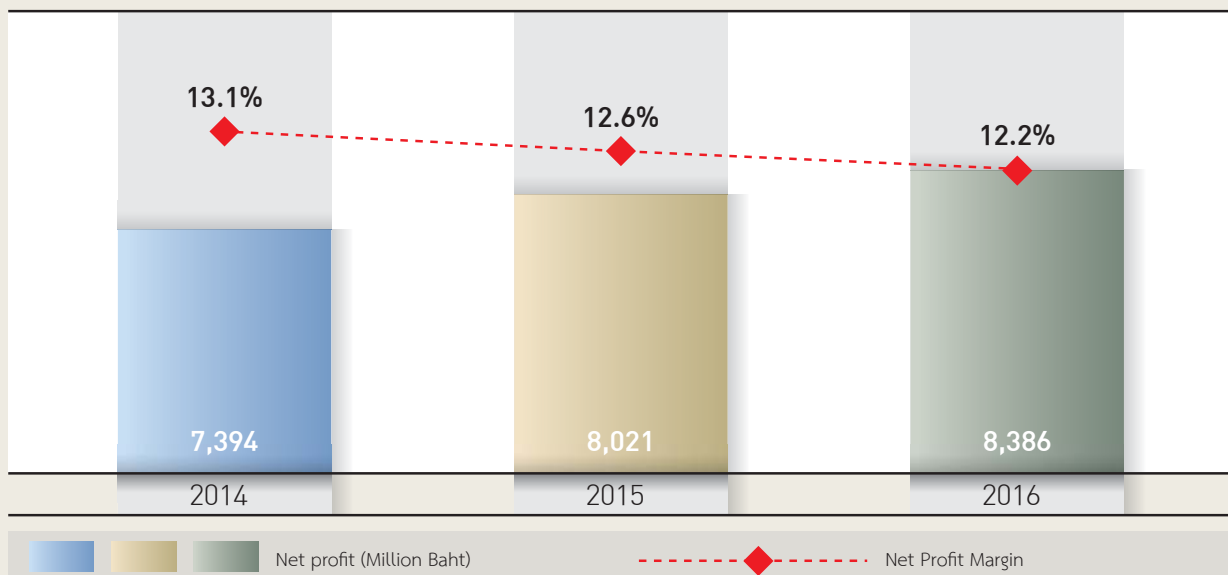


Total Operating Income (Million Baht)

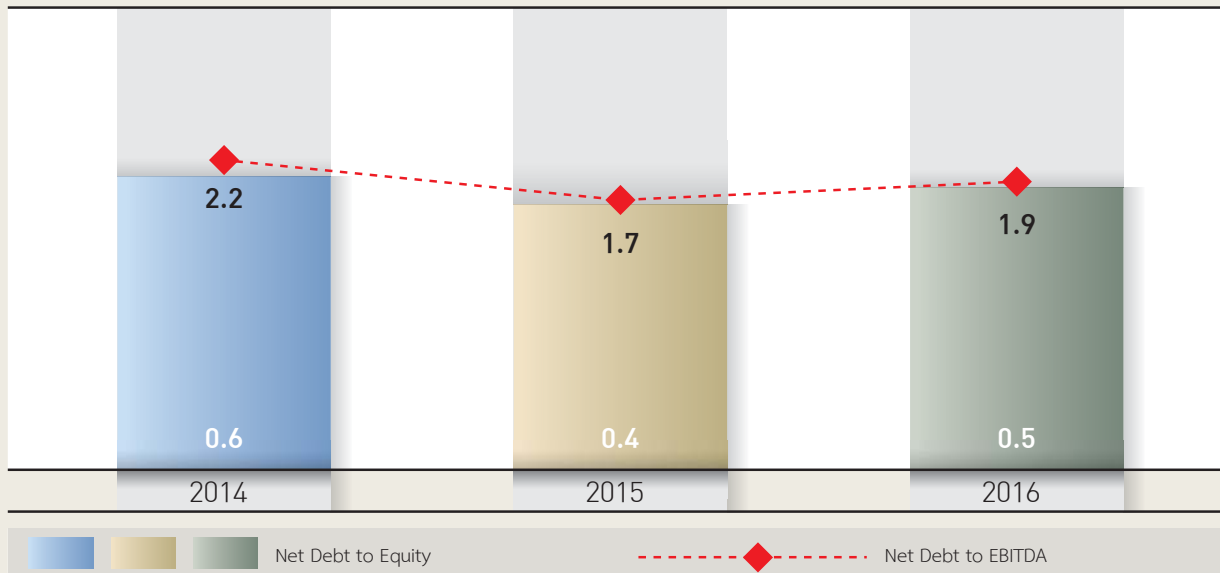


Remark : Operating income is calculated from hospital revenue + revenue from sales of goods and food + other income

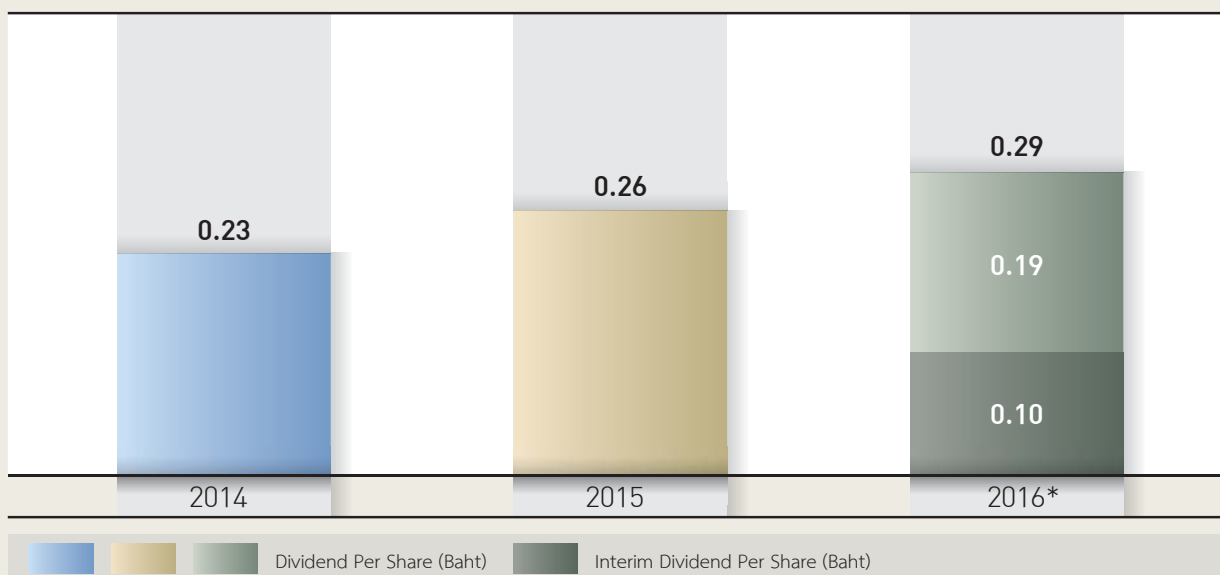
Net profit and Net Profit Margin



Net Debt to Equity and Net Debt to EBITDA (X)



Dividend Per Share (Baht)



* Board of Directors has resolution on 28 February 2017 to propose for dividend payment of Baht 0.29 per share. However, the Company paid interim dividend at the rate of Baht 0.10 per share on 30 September 2016. Therefore, the Company shall pay on an additional dividend at Baht 0.19 per share.

Financial Highlights

	2016	2015 (Restated)	2014 (Restated)
Balance Sheets (Million Baht)			
Total Assets	106,939	102,335	93,370
Total Liabilities	48,635	47,338	45,653
Total Shareholders' Equity	58,305	54,997	47,717
Income Statements (Million Baht)			
Revenue from Hospital Operations	65,237	60,240	54,341
Total Operating Income	68,844	63,633	56,607
Net Profit (Excluding Non-Recurring Items)	8,178	7,812	7,109
Net Profit	8,386	8,021	7,394
Liquidity Ratio			
Current Ratio (x)	0.7	0.9	0.9
Quick Ratio (x)	0.6	0.8	0.8
Operating Cash Flow Ratio (x)	0.8	0.9	0.8
Account Receivable Turnover (x)	10.2	9.5	9.7
Average Collection Period (Days)	35.4	37.8	37.3
Inventory Turnover (x)	32.3	34.3	35.9
Average Inventory Period (Days)	11.1	10.5	10.0
Account Payable Turnover (x)	9.6	8.8	8.7
Average Payable Period (Days)	37.7	40.8	41.3
Cash Cycle (Days)	8.8	7.5	6.0
Profitability Ratio (%) ^{1/}			
Gross Profit Margin ^{2/}	33.4	34.5	34.9
EBIT to Net Sale	16.7	17.8	17.9
Other Income Margin	1.4	1.4	1.1
Operating Cash Flow to EBIT	109.5	115.3	103.7
Net Profit Margin	11.9	12.3	12.6
Return on Equity	15.1	15.9	16.5
Efficiency Ratio ^{1/}			
Return on Assets (%)	7.8	8.0	8.4
Return on Fixed Assets (%)	23.8	24.4	25.1
Asset Turnover (x)	0.7	0.7	0.7
Financial Policy Ratio ^{1/}			
Total Liabilities to Equity (x)	0.8	0.9	1.0
Interest Coverage (x) ^{3/}	16.7	12.5	13.0
Commitment Coverage on Cash Basis (x)	0.5	0.5	0.3
Dividend Payout Ratio (%) ^{4/}	53.6 ^{5/}	50.2	48.2

1/ Excluding non- recurring items

2/ Gross profit margin = Gross profit/revenue from hospital operations and revenue from goods and food

3/ Interest coverage = EBITDA/interest expenses

4/ Dividend payout ratio = Dividend per share/earnings per share (Including non- recurring items)

5/ Board of Directors had resolution on 28 February 2017 to propose for dividend payment of Baht 0.29 per share.

However, the Company paid interim dividend at the rate of Baht 0.10 per share from the Board of Directors resolution on 30 September 2016. Therefore, the Company shall pay an additional dividend at Baht 0.19 per share.



Thailand's Top Corporate Brands 2015



Thailand's Top Corporate Brands 2016



Asiamoney
The Best Managed Company Award
for Thailand 2016 – Large Capitalization



The University of Texas MD Anderson Cancer Center Houston, is proud to be a Sister Institution with BDMS



Global Health & Medical Tourism Awards 2016



FROST & SULLIVAN 2016, Thailand Hospital of the Year



FROST & SULLIVAN 2016, Asia Pacific Medical Tourism Hospital of the Year

Himess Analytics Stage 6,
EMRAM



JCI 2016



Advanced HA 2015



QUALITY GUARANTEED

BDMS has endeavored to improve the quality of services to achieve the same standard across our entire network to create lasting customer confidence.

This is evidenced by the numerous awards and accreditations we have received over the past 44 years from both public and private organizations.



ICT EXCELLENCE AWARDS 2016,
Business Intelligence for
Bangkok Emergency Service (BES)
In the Category of Knowledge
Management Project



ICT EXCELLENCE AWARDS 2016,
Smart ICU In the Category of
Core Process
Improvement Project



ICT EXCELLENCE AWARDS 2016,
Wattanosoth Early Detection
Cancer (Personalized Medicine)
In the Category of Innovation Project



Board of Directors



01. Professor Emeritus Arun Pausawasdi, M.D.
Chairman
02. Mr.Chuladej Yossundharakul, M.D.
Vice Chairman
03. Mr.Prasert Prasarttong-Osoth, M.D.
Group CEO & President
04. Professor Emeritus Santasiri Sornmani, M.D.
Independent Director
05. Mr.Chatree Duangnet, M.D.
Director
06. Mr.Pradit Theekakul
Director
07. Clin.Prof. Udom Kachintorn, M.D.
Independent Director
08. Mr.Chawalit Setthmethikul
Independent Director
09. Mr.Sripop Sarasas
Independent Director
10. Mr.Thongchai Jira-alongkorn
Director
11. Mr.Weerawong Chittmittrapap
Independent Director
12. Miss Poramaporn Prasarttong-Osoth M.D.
Director
13. Mr.Sombut Uthaisang
Independent Director
14. Mr.Att Thongtang
Director

Biography of Board of Directors **and Company Management**



Bangkok Dusit Medical Services Public Company Limited



**Professor Emeritus
Arun Pausawasdi, M.D.**

Chairman of the Board of Directors

Age 79 years

Education

- Dr. Med, Hamburg University, German
- Facharzt fur Chirurgie,
The Medical Council of Hamburg, German
- Certificate of Medical Clinic, Mahidol University
- Medical Doctor, Faculty of Medicine Siriraj Hospital,
Mahidol University

Training

- Directors Accreditation Program Class 45,
Thai Institute of Directors Association

Experience

- Assistant to Ministry of Public Health
- President, Royal College of Surgeons of Thailand
- Secretary General, Royal College of Surgeons of Thailand
- Chairman of Scientific Session Medical,
The Medical Association of Thailand
- Dean, Faculty of Medicine Siriraj Hospital, Mahidol University
- Director of the Medical Association
- Advisor to the Minister of Public Health
- Vice President, The Prince Mahidol Award Foundation

Other Position in Listed Company

- None

Other Position

1. Chairman, Centre for Continuing Medical Education
of Thailand
2. Member of the Thai medical registration license committee
3. Vice President, Siriraj Foundation
4. Director of Chao Phya Hospital PLC.
5. Director of Chao Phya Medical Center Co., Ltd.

Number year of services

- 18 years and 4 months (Since September 1998)

Board of Director meeting attendance • 13/13

Number of shareholding* • 3,818,710 shares (0.02%)

Relationship among other management • None

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

Noted

: Directors Profile as of 31 December 2016

: * Outstanding shares held as of 30 January 2017, includes spouses and dependents (if any).



Mr. Prasert Prasarttong-Osoth, M.D.

CEO & President/
Chairman of Executive Committee/
Authorized Director

Age 83 years

Education

- Bachelor Degree from Siriraj Medical School, University of Medicine
- Certificate from National Defense College, Course for the Joint State Private Sector, Class 1

Training

- Directors Accreditation Program Class 45, Thai Institute of Directors Association

Experience

- Member of National Legislative Council (Senator)
- Member of National Legislative Council
- Surgeon in Department of Surgery, Faculty of Medicine Siriraj Hospital

Other Position in Listed Company

1. Director/ CEO, Bangkok Airways PCL.

Other Position

1. Chairman, The Medic Pharma Co., Ltd.
2. Chairman, Bangkok Helicopter Services Co., Ltd.
3. Chairman, Bangkok Airways Holding Co., Ltd.
4. Chairman, Bangkok Media & Broadcasting Co., Ltd.
5. Chairman, The Sahakol Estate Co., Ltd.

Number year of services • 22 years (Since 1994)

Board of Director meeting attendance • 13/13

Executive Committee attendance • 12/12

Number of shareholding* • 2,871,900,240 shares (18.54%)

Relationship among other management

- Parent of Company's director;
Miss Poramaporn Prasarttong-osothe, M.D.

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

Noted

: Directors Profile as of 31 December 2016

: * Outstanding shares held as of 30 January 2017, includes spouses and dependents (if any).



Mr. Chuladej Yossundharakul, M.D.

Vice Chairman/Authorized Director/
Executive Director/
Member of the Nomination and
Remuneration Committee

Age 84 years

Education

- Medical Doctor, Faculty of Medicine Siriraj Hospital, Mahidol University
- Diplomate of American Board of Surgery
- Fellow American College of Surgeons
- Fellow American College of Chest Physicians
- Fellow Royal College of Surgeons of Thailand

Training

- Directors Accreditation Program Class 45, Thai Institute of Directors Association

Experience

- Head, Surgical Unit, National Cancer Institute
- Hospital Director, Karuna Pitak Hospital
- Hospital Director, Bangkok Hospital

Other Position in Listed Company

- None

Other Position

1. Chairman, Bangkok Hospital Prapradaeng Co., Ltd.
2. Director, Bangkok Hospital Pattaya, Co., Ltd.

Number year of services • 22 years (Since 1994)

Board of Director meeting attendance • 13/13

Executive Committee attendance • 12/12

Number of shareholding* • 50,060,490 shares (0.32%)

Relationship among other management • None

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

Noted

: Directors Profile as of 31 December 2016

: * Outstanding shares held as of 30 January 2017, includes spouses and dependents (if any).



Mr.Chatree Duangnet, M.D.

Authorized Director/Executive Director/
Chief Operating Officer-Medical Affairs/
CEO of Bangkok Hospital Medical Center

Age 72 years

Education

- Fellow, American College of Medical Quality
- Certified, American Board of Quality Assurance & Utilization Review Physicians
- Fellow, American Academy of Pediatrics
- Certified, American Board of Pediatrics
- Medical Doctor, Faculty of Medicine, Chulalongkorn University

Training

- Directors Accreditation Program Class 54, Thai Institute of Directors Association
- Certified of National Defense College, Class 10

Experience

- Group Chief Medical Officer, Bumrungrad Hospital, Bangkok
- Chief Executive Administrator, Bangkok Hospital
- Clinical Assistant Professor of Pediatrics, College of Medicine, Pennsylvania State University, Pennsylvania, USA
- Chairman of the Board, Jameson Physician Hospital Organization, New Castle, Pennsylvania, USA
- President, Lawrence Independent Physician Association, Lawrence County, Pennsylvania, USA
- Physician Executive, Jameson Health System, New Castle, Pennsylvania, USA
- Training courses in QA/UR/RM. American Board of Quality Assurance & Utilization Review Physicians, USA

Other Position in Listed Company

- None

Other Position

1. Chairman, Bangkok Hospital Phuket Co., Ltd.
2. Chairman, Bangkok Hospital Udon Co., Ltd.
3. Chairman, Bangkok Hospital Chaingmai Co., Ltd.
4. Chairman, Bangkok Hospital Pitsanulok Co., Ltd.
5. Chairman, Bangkok Hospital Chiangrai Co., Ltd.
6. Chairman, Bangkok Premier Life Insurance Broker Co., Ltd.
7. Chairman, National Healthcare Systems Co., Ltd.
8. Chairman, Bio Molecular Laboratory (Thailand) Co., Ltd.
9. Director, Prasit Patana Plc.
10. Director, Phyathai 1 Hospital Co.,Ltd.
11. Director, Phyathai 2 Hospital Co.,Ltd.
12. Director, Phyathai 3 Hospital Co.,Ltd
13. Director, Sriracha Nakorn Hospital PCL.
14. Director, Paolo Medic Co., Ltd.
15. Director, Paolo Samutprakarn Co., Ltd.
16. Director, Siam Medical Co., Ltd.
17. Director, Thai Medical Center PCL.
18. Director, Bangkok Helicopter Services Co., Ltd.
19. Chairman, Phnom Penh Medical Services Co., Ltd.
20. Chairman, B.D.M.S. International Medical Services Co., Ltd.
21. Chairman, S.R. Property Investment Company Limited
22. Chairman, Siem Reap Land Investment Company Limited
23. Director, Phnom Penh First Property Co., Ltd.

Number year of services

- 10 years and 9 months (Since April 2006)

Board of Director meeting attendance • 13/13

Executive Committee attendance • 12/12

Number of shareholding* • 4,000,000 shares (0.03%)

Relationship among other management • None

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

Noted

: Directors Profile as of 31 December 2016

: * Outstanding shares held as of 30 January 2017, includes spouses and dependents (if any).



Mr. Pradit Theekakul

Authorized Director/
Executive Director/Executive advisor to CEO

Age 58 years

Education

- Bachelor Degree of Law Chulalongkorn University/Bangkok
- The Thai Barrister
- Bachelor Degree of Arts (Political Science)
Ramkhamhaeng University/Bangkok, Thailand

Training

- Directors Certification Program Class 29,
Thai Institute of Directors Association

Other Position in Listed Company

1. Director, Samitivej PCL.
2. Senior Executive Vice President- Administration,
Bangkok Airways PCL.
3. Director, Thonburi Medical Centre PCL.

Other Position

1. Chairman, Prasit Pattana PCL.
2. Director, Phyathai 1 Hospital Co.,Ltd.
3. Director, Phyathai 2 Hospital Co.,Ltd.
4. Director, Phyathai 3 Hospital Co.,Ltd
5. Director, Sriracha Nakorn Hospital PCL.
6. Director, Paolo Medic Co., Ltd.
7. Director, Paolo Samutprakarn Co., Ltd.
8. Director, Siam Medical Co., Ltd.
9. Director, Thai Medical Center PCL.
10. Director, Bangkok Hospital Chaingmai Co., Ltd.
11. Director, National Healthcare Systems Co., Ltd.
12. Chairman, Royal Bangkok Healthcare Co., Ltd.
13. Chairman, A.N.B. Laboratories Co., Ltd.
14. Chairman, Save Drug Centre Co., Ltd.
15. Chairman, Bangkok Save Drug Co., Ltd.
16. Director, General Hospital Products PCL.
17. Chairman, BDMS Training Co., Ltd.
18. Director, BDMS Accounting Co., Ltd.
19. Chairman, BDMS Property Management Co., Ltd.
20. Director, Bangkok Helicopter Services Co., Ltd.
21. Director, Bangkok Premier Life Insurance Broker Co., Ltd.
22. Director, Bangkok Airways Holding Co., Ltd.
23. Director, Bangkok Media & Broadcasting Co., Ltd.
24. Director, Bangkok Air Catering Co., Ltd.
25. Director, Bangkok Airways Ground Services Co., Ltd.
26. Director, Worldwide Flight Services
Bangkok Air Ground Handling Co., Ltd.
27. Director, WFS - PG Cargo Co., Ltd.
28. Director, BAC Gourmet House Co., Ltd.
29. Director, The Sahakol Estate Co., Ltd.
30. Director, Thai Petroleum Service Co., Ltd.
31. Director, Prasartthong - Osoth Co, Ltd.
32. Director, Sabai Sabai Niwet Co, Ltd.
33. Director, Sabai Sabai Sukhothai Co, Ltd.

Number year of services

- 8 years and 9 months (Since April 2008)

Board of Director meeting attendance • 13/13

Executive Committee attendance • 11/12

Number of shareholding* • 16,000,000 shares (0.10%)

Relationship among other management • None

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

Noted

: Directors Profile as of 31 December 2016

: * Outstanding shares held as of 30 January 2017, includes spouses and dependents (if any).



**Professor Emeritus
Santasiri Sornmani, M.D.**

Independent Director/
Chairman of Audit Committee/
Chairman of the Nomination and
Remuneration Committee

Age 82 years

Education

- Ph.D. (Tropical Medicine), Liverpool University
- Medical Doctor, Faculty of Medicine Siriraj Hospital, Mahidol University

Training

- Certificate from Thai Institute of Directors Association
 - Directors Accreditation Program Class 43
 - Role of Compensation Committee

Experience

- Vice President for Administration, Mahidol University
- Dean, Faculty of Tropical Medicine, Mahidol University
- Member, Expert Committee on Food Borne Parasitic Diseases, WHO

Other Position in Listed Company

- None

Other Position

1. Vice Chairman, The Medic Pharma Co., Ltd.

Number year of services • 22 years (Since 1994)

Board of Director meeting attendance • 13/13

Number of shareholding* • 15,651,270 shares (0.10%)

Relationship among other management • None

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

Noted

: Directors Profile as of 31 December 2016

: * Outstanding shares held as of 30 January 2017, includes spouses and dependents (if any).



**Professor Clinic
Udom Kachintorn, M.D.**

Independent Director

Age 62 years

Education

- College: Faculty of Medicine Siriraj Hospital, Mahidol University
- Post graduate training: Internship at Siriraj Hospital
- Residency training in Internal medicine at Siriraj Hospital
- Fellowship training in Gastroenterology at Siriraj Hospital
- Research fellowship training in Gastroenterology at University of California, San Diego, USA

Training

- Directors Certification Program Class 211/2015, Thai Institute of Directors Association
- Directors Accreditation Program Class 124/2016, Thai Institute of Directors Association
- Executive Program “Strategy and Innovation for Businesses in Asia (SIBA), 2016, Massachusetts Institute of Technology Sloan School of Management

Experience

- Dean, Faculty of Medicine Siriraj Hospital Mahidol University
- Chairman of Executive Committee, Siriraj Piyamaharajkarun Hospital
- Chairman, Department of Internal Medicine
- Vice Director, Siriraj Hospital
- Assistant Dean for Continuing Medical Education

Other Position in Listed Company

1. Independent Director, Samitivej PCL.

Other position

1. President, Mahidol University

Number year of services

- 1 year and 9 months (Since April 2015)

Board of Director meeting attendance • 9/13

Number of shareholding* • None

Relationship among other management • None

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

Noted

: Directors Profile as of 31 December 2016

: * Outstanding shares held as of 30 January 2017, includes spouses and dependents (if any).



Mr. Sripop Sarasas

Independent Director/
Member of Audit Committee/
Member of the Nomination and
Remuneration Committee

Age 60 years

Education

- Master Degree in Business Administration (Finance)
University of Southern California, U.S.A.
- Bachelor of Medical Technology, Chulalongkorn University

Training

- Certificate from Thai Institute of Directors Association
- Audit Committee Program - ACP 1/2004
- Certificate, Director Certification Program 22/2002 (Diploma)

Experience

- Independent Director/Member of Audit Committee,
The Royal Ceramic Industry PCL.
- Independent Director/Member of Audit Committee,
Living Land Capital PCL.

Other position in listed company

1. Independent Director/Chairman of Audit Committee,
Bangkok Airways PCL.
2. Independent Director/Member of Audit Committee/
Member of Remuneration Committee,
Advanced Information Technology PCL.
3. Independent Director/Chairman of Audit Committee
Kiattana Transport PCL.
4. Independent Director/Chairman of Audit Committee
Golden Line PCL.

Other position

1. Director, Khan Co., Ltd.
2. Director, Parute (2008) Co., Ltd.

Number year of services

- 8 years and 9 months (since April 2008)

Board of Director meeting attendance • 13/13

Number of shareholding* • None

Relationship among other management • None

Directorship Qualifications according to applicable
laws and does not have prohibited qualifications
according to the announcement of the Capital Market
Supervisory Board • Yes

Dispute in the 10 preceding years • No

Noted

: Directors Profile as of 31 December 2016

: * Outstanding shares held as of 30 January 2017, includes spouses
and dependents (if any).



Mr. Chavalit Sethameteekul

Independent Director/
Member of the Nomination and
Remuneration Committee

Age 69 years

Education

- Bachelor of Laws (LL.B.) (Second Class Honors), Thammasat University
- Barrister at Law, Institute of Legal Education, Thai Bar Association
- Diploma from National Defence College of Thailand, Class 40
- Master of Political Science (M.Pol.Sc), Public Administration, Thammasat University

Training

- Certificate from Thai Institute of Directors Association
 - Directors Accreditation Program Class 6/2003
 - Director Certification Program (DCP) Class 74

Experience

- Director General of The Thai Customs Department, Ministry of Finance
- Deputy Permanent Secretaries of Ministry of Finance
- Inspector of Ministry of Finance
- Deputy Director-General :
The Excise Department of Ministry of Finance
- Chairman :
The Board of Small Business Credit Guarantee Corporation
- Vice Chairman : The Board of Metropolitan Electricity Authority
- Vice President : The Board of Airports of Thailand PCL.
- Director : Office of The council of State
- Director : The Thai BAR

Other position in listed company

1. Director/Hemaraj Land and Development PCL.

Other position

1. President: Sriracha Harbour PCL.

Number year of services • 5 years and 9 months (Since April 2011)

Board of Director meeting attendance • 13/13

Number of shareholding* • None

Relationship among other management • None

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

Noted

: Directors Profile as of 31 December 2016

: * Outstanding shares held as of 30 January 2017, includes spouses and dependents (if any).



Mr. Thongchai Jira-alongkorn

Director/Executive Director

Age 57 years

Education

- Bangkok University, School of Business Administration major Marketing

Training

- Directors Accreditation Program Class 107 Thai Institute of Directors Association

Other position in Listed Company

1. Director/Sansiri PCL.

Other position

1. Deputy Managing Director/The Viriyah Insurance PCL.
2. President/S.V.T. Property 2003 Co.,Ltd..
3. Chairman/V.M.S.Car Sale Co.,Ltd.
4. Chairman/Viriyah Auto Sale Co.,Ltd
5. Chairman/V.S.T.Auto Sale Co.,Ltd.
6. Chairman/V.S.R.Auto Sale Co.,Ltd
7. Chairman/V.S.K.Automobile Co.,Ltd.
8. Chairman/V.Group Mitsu Auto Sale Co.,Ltd.
9. Chairman/VMD Auto Sale Co.,Ltd
10. Chairman/V.G.Car Co.,Ltd
11. Chairman/V Perfect Auto Car Co.,Ltd
12. Chairman/VHD Auto Sales Co.,Ltd.

Number year of services

- 4 years and 9 months (Since April 2012)

Board of Director meeting attendance • 12/13

Executive Committee attendance • 11/12

Number of shareholding* • 11,373,360 shares (0.07%)

Relationship among other management • None

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

Noted

: Directors Profile as of 31 December 2016

: * Outstanding shares held as of 30 January 2017, includes spouses and dependents (if any).



Mr. Sombut Uthaisang



Independent Director

Age 80 years

Education

- Master of Business Administration/
National Institute of Development Administration
- Bachelor of Laws/Thammasat University

Training

- Certificate from Thai Institute of Directors Association
 - Role of Chairman
 - Audit Committee
 - Director Accreditation
- Diploma in the Joint State - Private Sector Course Class 1/
Thailand National Defense College

Experience

Political positions

- Deputy Minister of Interior
- Deputy Minister of Transportation and Communications
- Advisor to Minister of Information Communications
and Technology

Civil Servant positions

- Deputy Permanent Secretary of Ministry of Transportation
and Communications
- Director General of Meteorological Department
- Director General of Post and Telegraph Department

Other Position in Listed Company

1. Chairman, Samart Telcoms Public Co., Ltd.
2. Chairman of Audit Committee, Thonburi Medical Centre PCL.

Number year of services

- 3 years and 1 month (Since December 2013)

Board of Director meeting attendance • 13/13

Number of shareholding* • 200,000 shares (0.00%)

Relationship among other management • None

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

Noted

: Directors Profile as of 31 December 2016

: * Outstanding shares held as of 30 January 2017, includes spouses and dependents (if any).



**Miss Poramaporn
Prasarttong-Osoth M.D.**

Authorized Director/CEO Group 1

Age 47 years

Education

- Fellowship of Royal College, Royal College of Physicians and Surgeons Of Surgeons (FRCS (Glasg) of Glasgow
- MSc in Surgical Science, Imperial College of Science, Technology and Medicine, University of London
- Diploma in Clinical Science, Mahidol University, Thailand
- Doctor of Medical (M.D.), Siriraj Hospital Faculty of Medicine, Mahidol University, Thailand

Training

- Director Certificate Program (DCP) 107/2014, Institution of Director Thailand
- Certificate of Good Governances for Executive M.D. Class 1, King Prajadhipok's Institute
- Advance Management Program Harvard Business School, (AMP) Executive Education, U.S.A
- CMA 20

Experience

- Hospital Director, Bangkok Hospital
- Deputy Hospital Director, Bangkok Hospital
- Deputy Hospital Director, BNH Hospital
- Assistant Dean of Human Resource Department, Siriraj Hospital, Mahidol University
- Assistant Dean of Student Affairs Siriraj Hospital, Mahidol University

Professional Experience

- Lecturer Head, Neck and Breast Unit, Siriraj Hospital, Mahidol University
- Clinical Research Fellow Endocrine Surgery, Hammersmith Hospital, United Kingdom

Other Position in Listed Company

- None

Other position

1. Director, BNH Medical Centre Co., Ltd.
2. Director, Bangkok Hospital Phuket Co., Ltd.
3. Director, Bangkok Hospital Samui Co., Ltd.
4. Director, Bangkok Hospital Sanam Chan Co., Ltd.
5. Director, Bangkok Hospital Muangraj Co., Ltd.
6. Director, Bangkok Hospital Chaingrai Co., Ltd.
7. Director, Greenline Synergy Co.,Ltd
8. Director, BDMS Property Management Co., Ltd.
9. Director, Prananporn Co., Ltd.
10. Director, The Sahakol Estate Co., Ltd.
11. Director, Prasarthong Osoth Co., Ltd.
12. Director, Sabai Sabai Niwet Co., Ltd.
13. Director, Sabai Sabai Niwet Sukhothai Co., Ltd.
14. Lecturer (Part Time) Head, Neck and Breast Unit, Siriraj Hospital, Mahidol University

Number year of services • 3 years (Since January 2014)

Board of Director meeting attendance • 13/13

Number of shareholding* • 523,504,280 shares (3.38%)

Relationship among other management

- A daughter of Mr Prasert Prasarttong-Osoth, M.D./CEO & President

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

Noted

: Directors Profile as of 31 December 2016

: * Outstanding shares held as of 30 January 2017, includes spouses and dependents (if any).



Mr. Weerawong Chittmittrapap

Independent director/
Member of Audit Committee

Age 59 years

Education

- LL.B., Chulalongkorn University, Thailand (Outstanding Alumnus 2013, Faculty of Law, Chulalongkorn University)
- LL.M., University of Pennsylvania, USA
- Thai Barrister-at-Law, and the first Thai lawyer to be admitted to the New York State Bar

Training

- Director Certification Program (DCP) Thai Institute of Directors
- Senior Executive Program (CMA 12) Capital Market Academy

Experience

- Director and Member of Audit Committee, GMM Grammy PLC.
- Director, Minor International PLC.
- Director and Chairman of Audit Committee, Golden Land Property Development PLC.
- Director, Fraser and Neave, Limited (Listed Company In Singapore)

Other position in listed companies

1. Director and Chairman of Audit Committee, Thai Airways International PLC.
2. Director and Member of Nomination and Remuneration Committee, Siam Commercial Bank PLC.
3. Director, Berli Jucker PLC.
4. Director and Chairman of Nomination and Remuneration Committee, Siam Commercial Life Assurance PCL.
5. Director, Big C Supercenter PCL.

Other Position

1. Senior Partner, Weerawong, Chinnavat & Peangpanor Ltd.
2. Special Speaker, Thai Institute of Directors
3. Special Speaker, King Prajadhipok's Institute

Number year of services

- 1 year and 3 months (Since October 2015)

Board of Director meeting attendance • 10/13

Number of shareholding* • None

Relationship among other management • None

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

Noted

: Directors Profile as of 31 December 2016

: * Outstanding shares held as of 30 January 2017, includes spouses and dependents (if any).



Mr. Att Thongtang

Director/CEO Group 5

Age 42 years

Education

- Bachelor's Degree of Science, Business Administration (Finance)
San Francisco State University USA
- Advanced Executive Program (AEP),
Kellogg School of Management,
Northwestern University, IL, USA
- Executive Program for Senior Management (EXPSM),
Fiscal Policy Research Institute Foundation, Thailand

Training

- Thai Institute of Directors Association
 - Directors Accreditation Program (DAP)
 - Directors Certification Program (DCP)
 - Monitoring the Internal Audit Function (MIA)
 - Audit Committee Program (ACP)
 - Monitoring the System of Internal Control and Risk Management (MIR)
- Capital Market Academy 13 (CMA)
- Certificate Course in governance for
Medical Practice Executive, King Prajadhipok's Institute (MDKPI)

Experience

- Director, Health Network PCL
- Director, Paolo Samutprakarn Hospital Co., Ltd.
- Director, Paolo Medic Co., Ltd.
- Director, Thai Medical Center PCL
- Director, Phyathai 1 Hospital Co., Ltd.
- Director, Sikarin PCL

Other position in listed companies

- None

Other position

1. Director/Chief Executive Officer, Prasit Patana PCL
2. Director/Chief Executive Officer, Phyathai 2 Hospital Co., Ltd.
3. Director/Chief Executive Officer, Phyathai 3 Hospital Co., Ltd.
4. Director/Chief Executive Officer, Sriracha Nakorn Hospital PCL
5. Director/Chief Executive Officer, Siam Medic Co., Ltd.
6. Chief Executive Officer, Phyathai 1 Hospital Co., Ltd.
7. Chief Executive Officer, Paolo Samutprakarn Co., Ltd.
8. Chief Executive Officer, Paolo Medic Co., Ltd.
9. Chief Executive Officer, Siam Medic Co., Ltd.
10. Director, Sai-Thong Property Co., Ltd.
11. Director, Sai-Thong Turakij Co., Ltd.
12. Director, Wichai Thongtang Law Office Co., Ltd.

Number year of services • 9 months (Since April 2016)

Board of Director meeting attendance

- 8/9 (Begin to attend since the Board of director meeting no 4/2016)

Number of shareholding* • 347,274,295 shares (2.24%)

Relationship among other management • None

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

Noted

: Directors Profile as of 31 December 2016

: * Outstanding shares held as of 30 January 2017, includes spouses and dependents (if any).



Mrs. Narumol Noi-am

Chief Financial Officer

Age 59 years

Education

- MBA Banking and Finance, from North Texas State University, USA
- Bachelor of Economics (second class honors) Faculty of Economics from Chulalongkorn University, Thailand

Training

- Leader Program Capital Market Academy Class 15 by Capital Market Academy (CMA) The Stock Exchange of Thailand
- TLCA Leadership Development Program “Enhancing Competitiveness” by Thai Listed Companies Association & IMD
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives, class 13 by King Prajadhipok’s Institute
- Successful Formulation & Execution of Strategy Class 6/2010 by Thai Institute of Directors Association
- Directors Certification Program Class 107 by Thai Institute of Directors Association
- Financial Executive Development Program Class 12 by The Thai Institute of Banking and Finance for Executives from Financial Institutions
- Applied International Management Program, Sweden by Government of Sweden

Experience

- Senior Vice President, Investment Banking Department TMB Bank Public Company Limited
- Senior Vice President, Finance Department Industrial Finance Corporation of Thailand

Other position in listed company

1. Director, Samitivej PCL.
2. Director, Bangkok Airways PCL.

Other Position

1. Director, Bangkok Hospital Pattaya Co., Ltd.
2. Director, Bangkok Hospital Phuket Co., Ltd.
3. Director, Bangkok Hospital Phuket International Co., Ltd.
4. Director, Prasit Patana Plc.
5. Director, Phyathai 1 Hospital Co., Ltd.
6. Director, Phyathai 2 Hospital Co., Ltd.
7. Director, Phyathai 3 Hospital Co., Ltd.
8. Director, Sriracha Nakorn Hospital Plc.
9. Director, Paolo Medic Co., Ltd.
10. Director, Paolo Samutprakarn Co., Ltd.
11. Director, Siam Medical Co., Ltd.
12. Director, Thai Medical Center PCL.
13. Director, Bangkok Hospital Chiangmai Co., Ltd.
14. Director, Bangkok Hospital Chiangrai Co., Ltd.
15. Director, Phnom Penh Medical Services Co., Ltd.
16. Chairman, BDMS Accounting Co., Ltd.
17. Chairman, Bangkok Health Insurance PCL
18. Director, National Healthcare Systems Co., Ltd.
19. Director, Greenline Synergy Co., Ltd.

Number of shareholding* • 4,500,000 Shares (0.03%)

Relationship among other management • None

Noted

: Directors Profile as of 31 December 2016

: * Outstanding shares held as of 30 January 2017, includes spouses and dependents (if any).



Mr. Trin Charumilind, M.D.

Chief of Doctors

Age 66 years

Education

- Diplomate American Board of Allergy and Immunology/ The United States
- Diplomate American Board of Pediatrics/The United States
- Faculty of Medicine Siriraj Hospital/Mahidol University, Thailand

Experience

- Chief Medical Officer, Bangkok Hospital Medical Center
- Director of Bangkok Allergy and Asthma Center

Other position in listed company

- None

Other Position

1. Director, Bangkok Hospital Sanamchan Co., Ltd.
2. Director, Bangkok Hospital Muangraj Co., Ltd.
3. Director, Bangkok Hospital Khon Kaen Co., Ltd.
4. Director, Bangkok Hospital Pitsanulok Co., Ltd.
5. Director, Bangkok Hospital Phuket International Co., Ltd.
6. Director, The Medic Pharma Co., Ltd.
7. Director, National Healthcare Systems Co., Ltd.
8. Director, N Health Pathology Co., Ltd.
9. Member of the committee to develop the master of science program (Emergency Medical Technician Program) Rangsit University

Number of shareholding* • 22,400 Shares (0.00%)

Relationship among other management • None

Noted

: Directors Profile as of 31 December 2016

: * Outstanding shares held as of 30 January 2017, includes spouses and dependents (if any).



Mr. Krittavith Lertutsahakul, M.D.

Chief Administrative Officer/
Senior CEO Group 1

Age 60 years

Education

- Doctor of Medicine, Dermatology Chulalongkorn University

Training

- Course of Good Governance of Medical for Senior Executives Class 1, King Prajadhipok's Institute
- Diploma of National Defence College, The Joint State - Private Sector Course Class, Thailand National Defence College (NDC 2010)
- Advanced Diploma of Public Administration and Public Law Class 9, King Prajadhipok's Institute
- Directors Certification Program Class 22, Thai Institute of Directors Association
- Advance Management Program Wharton's Business School, University of Pennsylvania
- Hospital Management Program, National University of Singapore
- Mini MBA Program, Burapha University
- TLCA Leadership Development Program, Thai Institute of Directors Association

Experience

- Hospital Director, Bangkok Hospital
- Board of Director, Bangkok Hospital Network

Other position in listed company

1. Director, Samitivej PLC.

Other Position

1. Director, Bangkok Health Insurance PLC.
2. Director, Bangkok Hospital Pattaya Co., Ltd.
3. Director, Bangkok Hospital Ratchasima Co., Ltd.

Number of shareholding* • 1,294,680 Shares (0.01%)

Relationship among other management • None

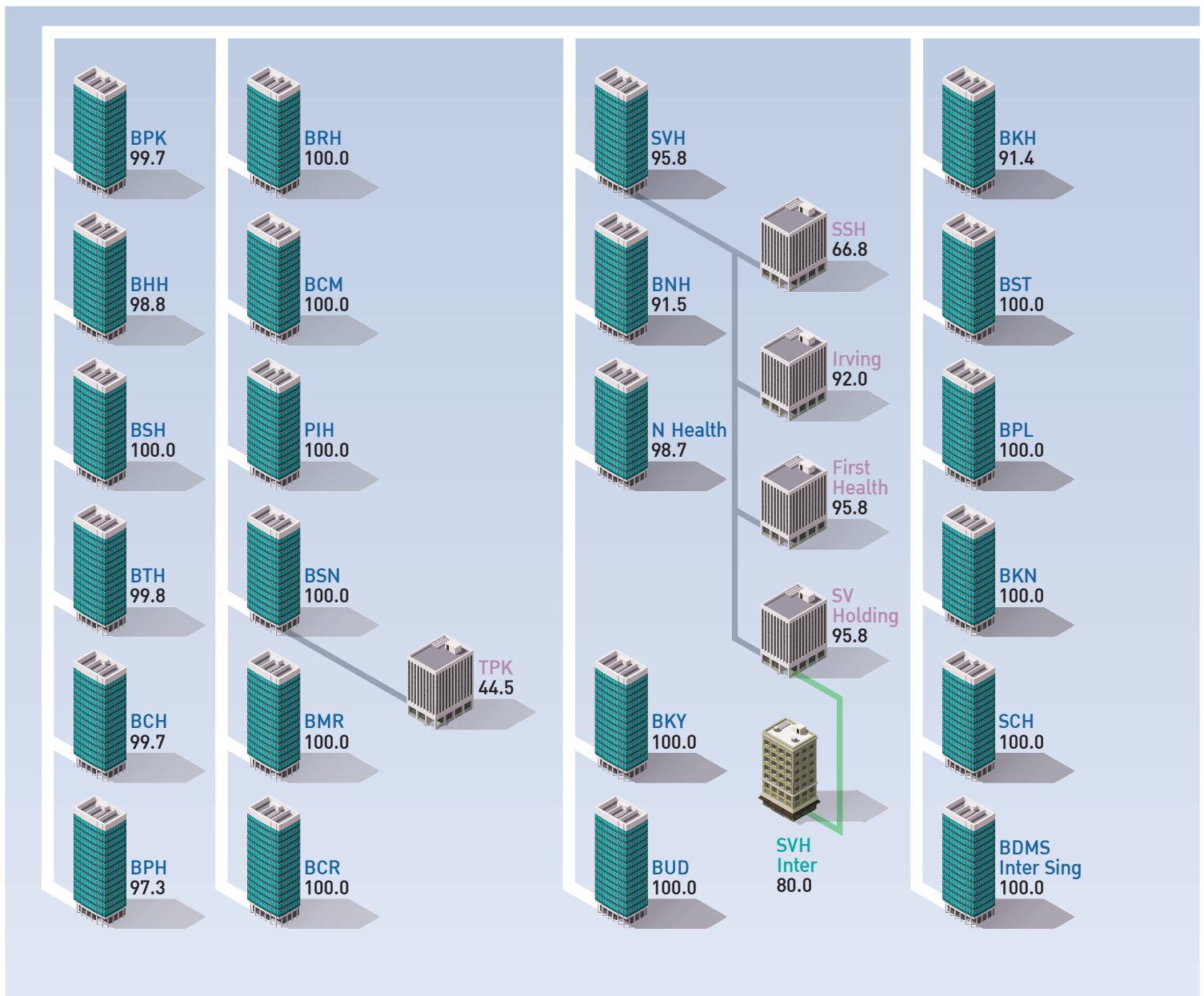
Noted

: Directors Profile as of 31 December 2016

: * Outstanding shares held as of 30 January 2017, includes spouses and dependents (if any).

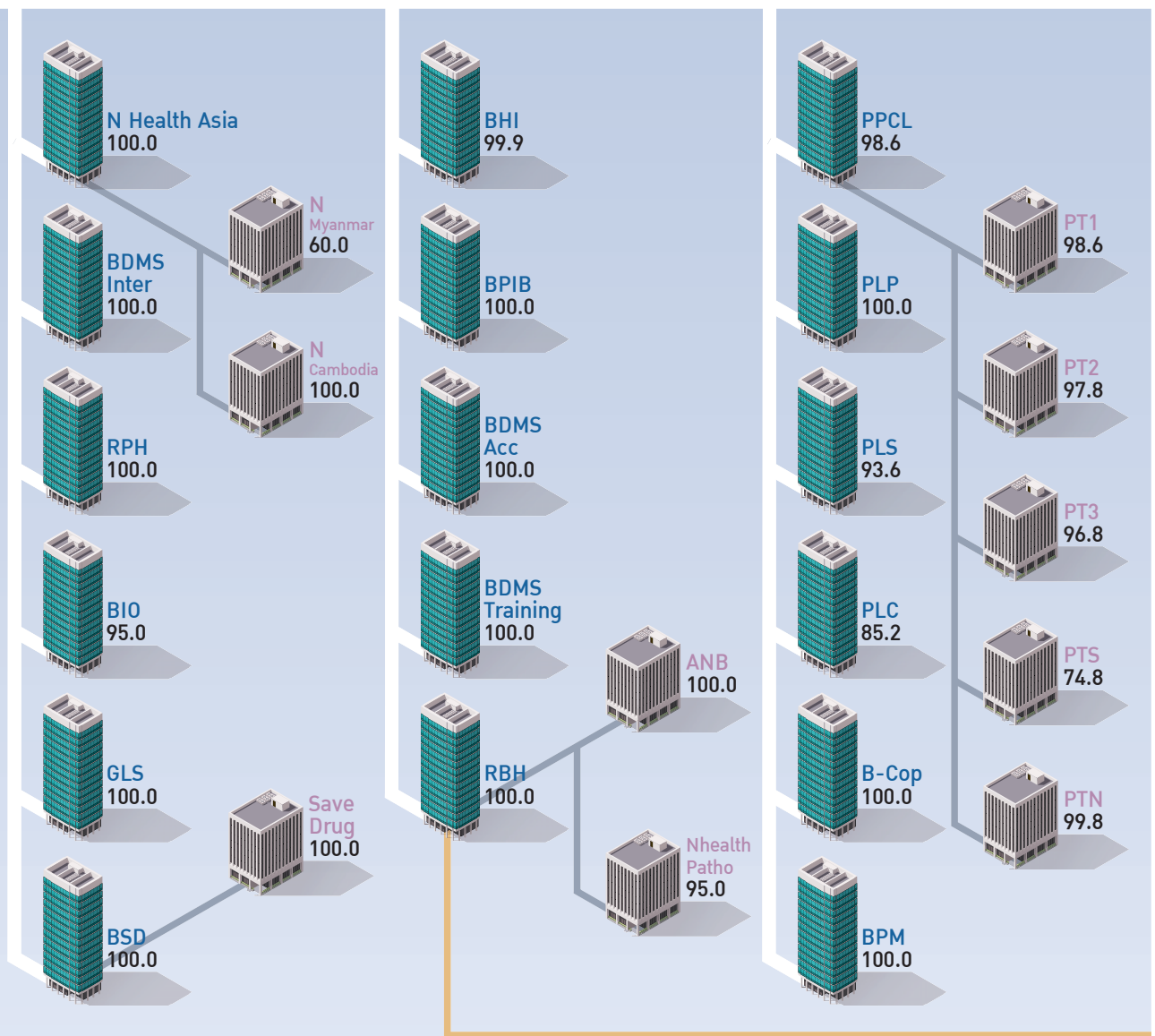
Group Structure

as at December 31, 2016



Initial	Company Name	Initial	Company Name
ANB	A.N.B. Laboratory Co., Ltd.	BHI	Bangkok Health Insurance PCL.
BCH	Wattanavej Co., Ltd.	BIO	Bio-Molecular Laboratories (Thailand) Co., Ltd.
BCM	Bangkok Hospital Chiangmai Co., Ltd.	BKH	Bangkok Hospital Ratchasima Co., Ltd.
B-Cop	Bangkok Helicopter Services Co., Ltd.	BKN	Bangkok Hospital Khon Kaen Co., Ltd.
BCR	Bangkok Hospital Chiangrai Co., Ltd.	BKY	Bangkok Hospital Khao Yai Co., Ltd.
BDMS Acc	BDMS Accounting Co., Ltd.	BMR	Bangkok Hospital Muangraj Co., Ltd.
BDMS Inter	BDMS International Medical Services Co., Ltd.	BNH	BNH Medical Center Co., Ltd.
BDMS Inter Sing	BDMS Inter Pte. Ltd.	BPD	Bangkok Hosital Prapadaeng Co., Ltd.
BDMS Training	BDMS Training Co., Ltd.	BPH	Bangkok Hospital Pattaya Co., Ltd.
BH	Bumrungrad Hospital PLC.	BPIB	Bankok Premier Life Insurance Co., Ltd.
BHH	Bangkok Hospital Had yai Co., Ltd.	BPK	Bangkok Hospital Phuket Co., Ltd.

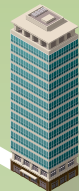
More than **90%**



Initial	Company Name	Initial	Company Name
BPL	Bangkok Hospital Phitsanulok Co., Ltd.	GLS	Greenline Synergy Co., Ltd.
BPM	BDMS Property Management Co., Ltd.	Irving	Irving Sheridan SE Co., Ltd.
BRH	Bangkok Hospital Rayong Co., Ltd.	KDH	Thonburi Medical Centre PCL
BSD	Bangkok Save drug Co., Ltd.	N Cambodia	N Health Cambodia Co., Ltd
BSH	Bangkok Hospital Samui Co., Ltd.	N Health	National Healthcare Systems Co., Ltd.
BSN	Bangkok Hospital Sanamchan Co., Ltd.	N Health Asia	N Health Asia Pte. Ltd.
BST	Bangkok Hospital Surath Co., Ltd.	Nhealth Patho	N Health Pathology Co., Ltd.
BTH	Bangkok Hospital Trad Co., Ltd.	N Myanma	N Health Myanmar Co., Ltd
BUD	Bangkok Hospital Udon Co., Ltd.	MP	The Medic Pharma Co., Ltd.
First Health	First Health Food Co., Ltd.	PIH	Bangkok Phuket International Hospital Co., Ltd.
GHP	General Hospital Products PCL.	PLC	Siam Medical Co., Ltd.

50-89%

20-49%



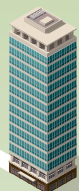
BPD
84.0



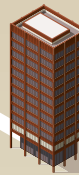
RAH
80.0



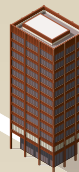
KDH
63.4



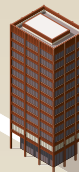
MP
87.0



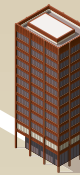
S.R. Property
49.0



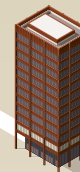
Siem Reap
49.0



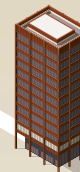
PPFP
49.0



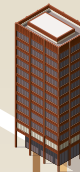
RAM
38.2



BH
23.9



Udon Pattana
25.1



GHP
45.5

Initial	Company Name	Initial	Company Name
PLP	Paolo Medic Co., Ltd.	RPH	Phnom Penh Medical Services Co.,Ltd
PLS	Paolo Samut Prakran Co., Ltd.	S.R. Property	S.R. Property Investment Co., Ltd.
PPCL	Prasit Pattana PCL.	Save Drug	Save Drug Center Co., Ltd.
PPFP	Phnom Penh First Property Co., Ltd.	SCH	Samitivej Chonburi Co., Ltd.
PT 1	Phyathai 1 Hospital Co., Ltd.	Siem Reap	Siem Reap Invesment Co., Ltd.
PT 2	Phyathai 2 Hospital Co., Ltd.	SSH	Samitivej Sriracha Co., Ltd.
PT 3	Phyathai 3 Hospital Co., Ltd.	SV Holding	SV Holding Co., Ltd.
PTN	Thai Medical Center PCL.	SV Inter	Samitivej International Co., Ltd.
PTS	Sriracha Nakorn General Hospital PCL.	SVH	Samitivej PCL.
RAH	Angkor Pisith Co., Ltd.	TPK	Thepakorn Hospital Co., Ltd.
RAM	Ramkhamhaeng Hospital PCL.	Udon Pattana	Udon Pattana (1994) Co., Ltd.
RBH	Royal Bangkok Healthcare Co., Ltd.		

BDMS

Center of Excellence (CoE)

BDMS recognizes the need to support growth potential of our personnel by continuously developing skills, knowledge, specialization, as well as state-of-the-art medical tools and technology so that we can advance to the global level in providing comprehensive healthcare. More importantly, we recognize the need to elevate the level of medical service efficiency to higher standards, thus resulting in the **Center of Excellence Network (CoE) of the hospitals within the BDMS Group. We strive to develop the potential of each hospital within the CoE to be able to cover all diseases while meeting the international standards of Joint Commission International (JCI) as well as to form alliances with world leading medical institutions.**

The five important factors on the road to becoming a Center of Excellence Network (CoE) are:

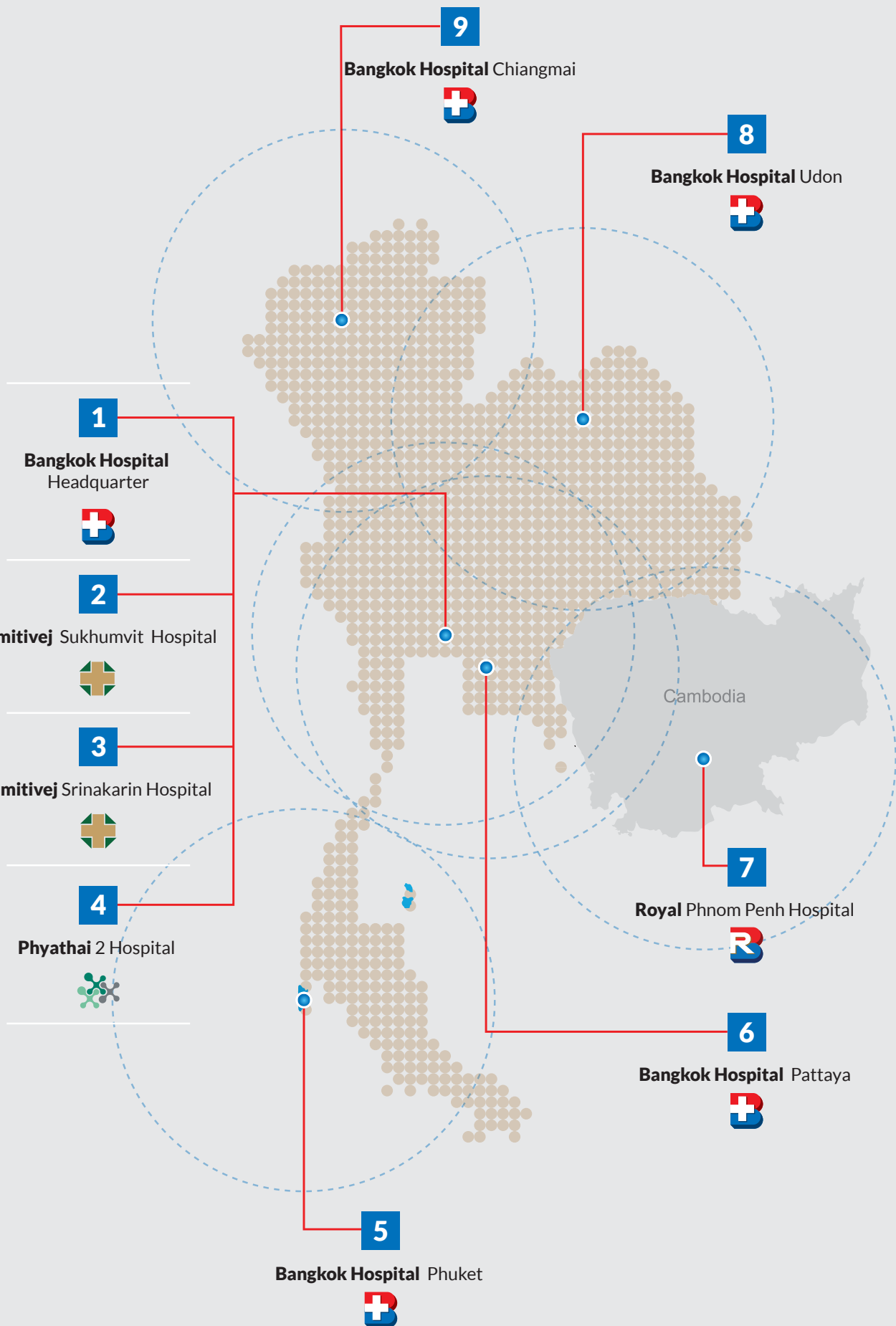
Patient Care Apart from having medical services that meet the standards of world leading hospitals, we also have efficient patient transfer service, both domestically and internationally, through various modes of transportation that meet the required standards for the better quality of life of patients in times of emergency.

Academic Research & Publications The Group continues to support medical research, knowledge exchange, as well as the publishing of academic work both on the national and international level.

Teaching & Training Provided to doctors, nurses as well as other personnel in order to enhance knowledge and expertise in general knowledge, specializations and multidiscipline.

Synergization Exchanging and providing support in terms of academic information, research and training with network hospitals.

Affiliation Collaboration with international medical institutions in academics, research development and knowledge exchange so as to strengthen medical services under "Your Trusted Healthcare Network".





Bangkok Hospital Headquarter



Bangkok Hospital Chiangmai



Bangkok Hospital Udon



Samitivej Sukhumvit Hospital



Samitivej Srinakarin Hospital



Royal Phnom Penh Hospital



Phyathai 2 Hospital



Bangkok Hospital Phuket



Bangkok Hospital Pattaya

Policy and Nature of Business



1. Policy and Nature of Business

Bangkok Dusit Medical Services Public Company Limited was registered on 30th October 1969 under the name “Bangkok Dusit Medical Services Company Limited” with an initial registered capital of Baht 10 million. On 26th February 1972, Bangkok Hospital commenced operations in providing medical services. The Company was later listed on the Stock Exchange of Thailand on 2nd October 1991 and registered its conversion to public company limited in 1994. Presently, the Company has a registered capital of Baht 1,649.79 million, with paid-up capital of Baht 1,549.10 million.

Presently, the Company operates in the large private hospital business with networks in Thailand and Cambodia totaling 43 hospitals (as of 31 December 2016). The Company operates under 6 hospital groups, namely, Bangkok Hospital Group, Samitivej Hospital Group, BNH Hospital, Phyathai Hospital Group, Paolo Hospital Group and Royal Hospital Group. In addition, the Company’s network also covers businesses that support medical care such as medical laboratories, medicine production, saline production and pharmacies.

Vision, Mission and Guidelines

Vision

Bangkok Hospital is a premier tertiary healthcare provider, dedicated to international quality, customer focused care.

Mission

We are committed to being the leader in providing internationally accepted, efficient and ethical high quality care through a dedicated healthcare team, effective leadership and up to date technology.

In order to meet the aforementioned vision, the Company has set the following guidelines:





Hospitals

- **Tertiary Excellence** : Set structure, processes and high level success, which are comparable to tertiary organizations with world class excellence
- **High Standards** : Continuously improve the standard of medical care at the tertiary level in terms of service, efficiency and environmental conservation
- **International Level Quality** : Cooperation with world renowned medical organizations so as to achieve accreditation at the international level

Customers

- **Trustworthiness** : Provide medical care that focuses on quality and safety at reasonable and transparent prices
- **Satisfaction** : Provide excellent services which can be evaluated for further continuous improvement

Major Changes and Developments 2014

- The 2014 Shareholders' Annual General Meeting held on 18th April 2014 approved the change in the par value of the Company's common shares by reducing the par value from Baht 1 per share to Baht 0.10 per

share, resulting in the increase of the number of the Company's ordinary shares from 1,700,004,771 shares to 17,000,047,710 shares. However, the shareholding ratio of existing shareholders will not be affected by the change in the par value above and the registered capital as well as the paid-up capital of the Company will remain unchanged. The change in par value of the Company's common shares came into effect on 25th April 2014.

- The Extraordinary General Meeting of Shareholders of Bangkok Dusit Medical Services Public Company Limited No. 1/2014 held on 5th August 2014 approved the issuance and offering of unsecured and unsubordinated convertible bonds in an amount not exceeding Baht 10,000 million or an equivalent amount in other currencies. The bonds may be converted into ordinary shares of the Company during the term of the bond.

On 18th September 2014, the Company offered the convertible bonds in the amount of Baht 10,000 million entirely to foreign investors. The convertible bonds are zero-coupon and may be redeemed in 2019. Subsequently, the Company listed the convertible

bonds on the Singapore Exchange Securities Trading Limited on 19th September 2014 (details of the convertible bonds are shown in part two, Securities and Shareholders Information).

- The Extraordinary General Meeting of Shareholders of Bangkok Dusit Medical Services Public Company Limited No. 1/2014 held on 5th August 2014 approved the increase in the registered capital of the Company in the amount of Baht 100,691,217.40 from the existing registered capital of Baht 1,549,095,654 to Baht 1,649,786,871.40 by issuing 1,006,912,174 new ordinary shares at par value of Baht 0.10 per share, divided as follows:
 - (a) newly issued ordinary shares to support the conversion of the convertible bonds in the amount not exceeding 542,183,478 shares with par value of baht 0.10 per share (equal to 3.5% of the Company's paid-up capital) and;
 - (b) newly issued ordinary shares under the general mandate in the amount not exceeding 464,728,696 shares with no more than 232,364,348 newly issued shares representing 1.5% of the Company's paid-up capital to be allocated for offering to the public and no more than 232,364,348 newly issued shares representing 1.5% of the Company's paid-up capital to be allocated for offering on a private placement basis. Either or both methods of allocation in aggregate shall not exceed 1.5% of the Company's paid-up capital as at the date on which the Board

of Directors resolved to approve the capital increase or totaling not exceeding 232,364,348 shares.

- On 31st January 2014, HRH Princess Maha Chakri Sirindhorn presided over the opening ceremony of Bangkok Hospital Chinatown, which began operating on 12th November 2014. The Hospital, a 59 bed private hospital, is located on Yaowaraj Road.



- Bangkok Hospital Chiang Mai Company Limited, a subsidiary in which the company holds 100%, officially opened the Bangkok Hospital Chiang Mai on 11th July 2014. Bangkok Hospital Chiang Mai is a 185 bed private hospital located in Muang Chiang Mai District, Chiang Mai Province.
- The Company established a new subsidiary of the Company under the name Bangkok Hospital Sanamchan Company Limited with a registered capital of Baht 3,655 million, divided into 365,500,000 ordinary shares



with a par value of Baht 10 per share, approximately 100 per cent of which is held by the Company, in order to acquire and receive the transfer of the entire business of Sanamchan Hospital Company Limited (“Sanamchan”) which is a company operating a private hospital in Nakorn Pathom Province under the name “Sanamchan Hospital” The transfer was completed on 15th August 2014 and the businesses transferred included Sanamchan Hospital, Muang Petch-Thonburi Hospital, as well as 44.5% equity interest in Tepakorn Hospital Company Limited and 25% equity interest in G. Wasupol Company Limited which currently operates Muang Ratch Hospital.

- The Company established a subsidiary under the name “Bangkok Phuket International Hospital Company Limited” with a registered capital of Baht 3,610,000,000 divided into 361,000,000 ordinary shares with par value of Baht 10 per share, in which the Company holds 100%, to acquire and receive the entire business transfer of Phuket International Hospital Company Limited, which operates a private hospital under the name “Sirirot Hospital”, a 151 bed hospital in Phuket Province.
- Bangkok Hospital Khon Kaen Company Limited, a subsidiary in which the company holds 100%, officially opened the Bangkok Hospital Khon Kaen on 10th November 2014. Bangkok Hospital Khon Kaen is a 140 bed private hospital located in Muang Khon Kaen District, Khon Kaen Province.
- Phnom Penh Medical Services Company Limited, a subsidiary in which the company holds 100%, officially opened the Royal Hospital, Phnom Penh on 18th November 2014. Royal Hospital is a 100 bed private hospital located in Phnom Penh, Cambodia.



- The Company has established the Bangkok Save Drug Company Limited with registered capital of Baht 450



million, approximately 100 percent of which is held by the Company, in order to acquire all shares of Save Drug Center Company Limited, which is engaged in sale of medicine, supplementary food, and medical supplies and equipments businesses under the brand “Save Drug” through 107 stores and branches nationwide.

- Bangkok Hospital has upgraded its minimally invasive surgery technology with the introduction of the “Advanced 3D Laparoscopic Surgery”, which improves the accuracy and precision while providing natural 3D vision and depth perception while performing laparoscopic procedures. The procedure thus offers less scarring, less pain, and faster recovery. The technology is now being used at three major centers, including the Bangkok Surgery Clinic, Bangkok Women’s Health Center and Bangkok Urological Center and has expanded to treatment of cancer such as colon cancer, prostate cancer and gastric cancer.
- Paolo Hospital Nawamin, under management of Thai Medical Center Public Company Limited, has changed its name to “Phyathai Hospital Nawamin”. In addition, the hospital has improved the quality and standards of its medical services with physicians specializing in various areas and state-of-the-art technology enabling the hospital to provide care for more complex ailments which meet the standards of the Phyathai Hospital Group. This improvement has resulted in quality medical services for the greatest benefit to the patients.
- Bangkok Hospital Headquarters (composed of Bangkok Hospital, Bangkok Heart Hospital and Wattanosoth Hospital) received awards from the Thailand ICT Excellence Awards 2013, presented by the Thailand Management Association. The awards were presented to the Bangkok Emergency Services (BES) and OPD Patient Flow Project in the category of Core Process Improvement Project to applaud departments that aimed to improve internal processes, lessen redundancy, lower cost to increase efficiency, increase speed and lessen procedural mistakes within the organization.

- Bangkok Heart Hospital opened the Hybrid OR, which can rotate 360 degrees freely while taking “Flex Move Heart Navigator” and “Software Heart Navigator” x-rays and can make an image of the heart in great detail. It has the capability to perform a Transcatheter Aortic Valve Implantation, Valvular Repair or Stenting using a Fluoroscopy. The highlight of the Hybrid OR is that it combines the Catheterization Unit and the Cardio-thoracic Surgeries into one room. In the case that there are complications, the surgeons can operate immediately without having to move the patient.



- Bangkok Hospital opened the “Brain Power, Fit Brain, Firm Life Center” providing full service care for the brain with physicians from 5 clinics, namely, Stroke Clinic, Epilepsy Clinic, Memory Clinic, Headache Clinic, and Parkinson’s and Movement Disorder Clinic.
- National Healthcare Systems Company Limited (Nhealth), a subsidiary of Bangkok Hospital, and the National Science and Technology Development Agency (NSTDA), Ministry of Science and Technology signed a memorandum of understanding on research & product development and medical services support. The aim, through the experience and expertise of Nhealth, is to stimulate product development, material development and efficient medical care, as well as push for real practice in leading hospitals both in Thailand and offshore in order to decrease imports and turn Thailand into a medical hub in anticipation of the growth in the ASEAN region.
- The Bangkok Health Research Center, Bangkok Hospital Group has been certified as an AO Clinical Study Site (AOCSC) by the AO Foundation. This certifies that the Center’s clinical research, training of clinical research personnel and important role in controlling the quality of clinical research in the field of Orthopaedic Surgery and the treatment of bones and joints meet international standards.

- HRH Princess Maha Chakri Sirindhorn presided over the opening of the 2014 annual academic conference organized by Bangkok Dusit Medical Services Public Company Limited entitled “Get Healthy Get Ready for ASEAN Community”, which was comprised of 6 hospital groups, namely, Bangkok Hospital, Samitivej Hospital, BNH Hospital, Phyathai Hospital, Paolo Hospital and Royal Hospital in Cambodia. HRH graciously supported the cooperation in providing healthcare of the Thai people of all genders and ages, the development of medical academics and the integration of Thai public health as well as publicizing Thailand’s potential in terms of medical care and public health to the ASEAN Community and the international medical center at the World Heart day on 26th September 2014.
- BDMS organized a press conference to announce a new upgrade to the Group’s medical services with the launch of “B-eXchange”, a database that connects medical records in its hospital network into one centralised system. The system is being implemented within the Bangkok Hospital, Samitivej Hospital, BNH Hospital, Phyathai Hospital and Paolo Hospital to increase the quality of medical services and decrease treatment errors, thus creating a foundation to becoming the medical hub of the ASEAN region

2015

- Bangkok Hospital Rayong Company Limited, a subsidiary in which the Company holds 100%, officially opened the Sri-Rayong Hospital on 5th January 2015. Sri-Rayong Hospital is a private hospital with 195 beds located in Cheung Nern Sub-District, Muang District, Rayong Province, which aims to provide service to patients entitled to social security benefits in Rayong Province.
- Royal Bangkok Healthcare Company Limited (“RBH”), which is a 100% owned subsidiary, purchased shares of General Hospital Products Public Company Limited (“GHP”), a manufacturer of intravenous solutions namely, saline, glucose and other medical supplies. The Company holds shares of GHP through RBH and Medic Pharma Company Limited equal to 44.67% of the registered capital of General Hospital Products Public Company Limited.
- The Company changed the ticker symbol from “BGH” to “BDMS”.
- Samitivej Chonburi Company Limited, a subsidiary in which the Company holds 100%, officially opened Samitivej Chonburi Hospital on 1st June 2015. Samitivej Chonburi Hospital is a medium sized general hospital with 57 beds located on Sukhumvit Road, Baan Suan Sub-District, Muang District, Chonburi Province.



- Bangkok Phuket Hospital Company Limited, a 100% owned subsidiary, officially opened Dibuk Hospital on 9th July 2015. Dibuk Hospital is a 32-bed private hospital located on Chao Fah Tawantok Road, Wichit Sub-District, Muang District, Phuket Province, and aims to provide primary care, as well as services to patients on life insurance and car insurance, at a reasonable price.
- The Company established a 100% owned new subsidiary named Bangkok Hospital Chiang Rai Company Limited, aiming to invest in a private hospital in Chiang Rai Province, with a registered capital of Baht 100 million.
- Bangkok Hospital Muangraj Company Limited, a 100% owned subsidiary, acquired and accepted the transfer of the entire business of G. Wasupol Company Limited, which operated a private hospital named Muangraj Hospital in Ratchaburi province. Bangkok Hospital Muangraj Company Limited paid a total of Baht 1,427,030,155.50 on 1st September 2015 and accepted all the liabilities of G. Wasupol Company Limited, which would not exceed Baht 47 million.
- HRH Princess Maha Chakri Sirindhorn presided over the opening of the 2015 annual academic conference “Global Alliance to Excellent Health Care” organized by Bangkok Dusit Medical Services Public Company Limited, which includes Bangkok Hospital Group, Samitivej Hospital, BNH Hospital, Phayathai Hospital, Paolo Hospital and Royal Hospital, held at the Inter-continental Hotel.
- Samitivej Hospital opened the Critical Care Complex, a state of the art medical center providing comprehensive medical care, which includes 8 new operating rooms, 5 labour rooms, a neonatal intensive care unit and 16 new ICU rooms. All these rooms have been designed to provide the best working environment for surgeons, moreover, the eight new state-of-the-art surgical suites are all fully equipped with the latest surgical technology to increase patients’ safety and well being.
- Mr. Prasert Prasarttong-Osoth, M.D., Group Chief Executive Officer and President, Bangkok Dusit Medical Services Public Company Limited received the “2014 Thailand Outstanding Hospital Administrator of the Year” award from Privy Councillor Kasem Watanachai, M.D. organized by the Thailand Hospital Administrator Association. The Association selects successful hospital administrators with well recognized achievements and are good examples for the public health organizations at the 2015 annual academic conference held at the Bamrasnaradura Infectious Diseases Institute, Ministry of Public Health.
- The Stock Exchange of Thailand together with Money & Banking Magazine awarded the Company the “2015 Outstanding Investor Relations Award” for listed companies with market capitalization of over Baht 100,000 million.

- Bangkok Hospital received the Advanced HA Certificate for process in improving hospital quality in accordance with the Hospital and Healthcare Organization Standards, the 60th Anniversary of His Majesty the King's Accession to the Throne Edition, from the Ministry of Public Health at the opening ceremony of the 16th HA National Forum. A total of 3 hospitals have received this level of accreditation, namely, Siriraj Hospital, Bhumibol Hospital and Bangkok Hospital.
- Bangkok Hospital received the TQM - Best Practices in Thailand award for work on Information Management in Hospitals, which utilizes information management to support the hospital's business in Critical Care Information System (CCIS) to care for diabetes patients (EMR system).
- Bangkok Chantaburi Hospital received the Thailand Energy Awards 2015 for energy conservation in the category of controlled buildings, from the Ministry of Energy.
- The Medicpharma Company Limited and A.N.B. Laboratories Company Limited, subsidiaries of the Company, received the FDA Quality Awards for the second consecutive year from the Food and Drug Administration.

2016

Network Expansion and Businesses Supporting Medicine

- Royal Bangkok Healthcare Company Limited, a subsidiary in which the Company holds 100%, acquired the remaining shares of Bangkok Helicopter Services Company Limited (BHS) from South East Air Company Limited, making BDMS the owner of 100% of BHS. BHS has increased its registered capital from Baht 100 million to Baht 300 million. The increase capital has been used to facilitate two Sky ICU units, Helicopter BHS1 (model EC145) and Helicopter BHS2 (model H145). The two helicopters are ready to operate 24 hours and can provide emergency care, as if the patient were in intensive care, from departure to the hospital.
- Bangkok Helicopter Services Company Limited (BHS), a subsidiary, leased an airplane model ATR72 from Bangkok Airways Company Limited for three years. The airplane is to be used to care for and transfer patients of the BDMS hospital network. It more efficiently facilitates rapid medical services and transfer of patients and their family, physicians and nurses by air domestically and internationally.
- The Company established a new wholly owned subsidiary, BDMS Asset Management Company Limited, to manage non-hospital related assets with a registered capital of Baht 10 million.
- The Company established a new wholly owned subsidiary, BDMS Wellness Clinic Company Limited, to purchase the land where the Park Nai Lert Project was situated on No. 2 Wittaya Road, Lumpini Sub-District, Pathumwan District, Bangkok. The land has total area of approximately 15 rai and includes the Swissotel building and the Promenade building, with total value of Baht 10,800 million and capital expenditure for property development of approximately Baht 2,000 million. The land will be used to develop the BDMS Wellness Clinic, which seeks to provide integrated care for the well-being of our patrons, both physically and mentally, as well as enhance longevity.
- Paolo Medic Company Limited ("Paolo"), a subsidiary in which the Company holds 99.99%, acquires and receives the transfer of the entire business of Mayo Polyclinic Company Limited ("MYPC"), a 162 bed private hospital operating under the name of Mayo Hospital situated on Phahonyothin Road, Chatuchak District, Bangkok. Paolo paid MYPC Baht 1,390 million and completed the transaction in January 2017. Paolo increased the registered capital from Baht 600 million to Baht 1,000 million in order to pay for the acquisition of MYPC
- The Medic Pharma Company Limited, within the BDMS Group, opened a new medicine manufacturing plant on 15 rai land in the Sinsakhon Industrial Park, Samut-sakhon Province. The new plant has comprehensive innovation and technology that meet international quality standards to support both domestic and foreign demand. Thus increasing the opportunity for Thais and Asians to access high quality modern medicine that is produced in a plant that meets international standards.



New medicine manufacturing plant of Medic Pharma Co., Ltd.



Honours and Awards

- BDMS received “The Best Manage Company Award for Thailand 2016 – Large Capitalization” from Asia Money magazine. This award was based on the results of a poll conducted with investors and analysts from around the world. The award ceremony was held on 22 February 2017 at the Conrad Hotel in Hong Kong.



- Medic Pharma Company Limited, a subsidiary, received the “FDA Quality Award” for the third consecutive year from the Food and Drug Administration. The award is presented to enterprises that have shown virtue and ethics in the production of quality goods under approved standards and safety. The motto of the award was “Quality, Safety, Socially Responsible”.
- The Company received the “Thailand’s Top Corporate brand 2016” in the field of medicine for the second consecutive year, with brand value of Baht 192,677 million, from the Faculty of Commerce and Accounting, Chulalongkorn University. On this occasion, Ms. Poramaporn Prasarttong- Osoth M.D., CEO Group 1, received the award on behalf of the Company from Professor Bundhit Eua-arporn, Ph.D., President of Chulalongkorn University.
- Bangkok Hospital received three awards from the Thailand Management Association (TMA) as part of the Thailand ICT Excellence Awards 2016. The awards were for Innovation Projects Excellence, Knowledge Management Projects Excellence and Core Process Improvement



Projects Excellence. All three awards are for excellence in management of information technology and communications, and application of Thai software in efficient organizational development.

Medicine and Medical Care

- Bangkok Hip & Knee Center, Bangkok Hospital, announced their success in developing a new technique to treat osteoarthritis of the hip with “Direct Anterior Approach Total Hip Replacement”. The technique requires an incision located at the front of the hip without the surgeon having to detach any of the muscles or tendons. It also reduces pain, has minimal scarring, allows for convenient movement, reduces complications, has faster post-operative recovery and reduces dislocation after surgery, thus, providing a better quality of life for the patient.



- Wattanosoth Hospital announced the new PET/CT with flow motion. The scanner is able to precisely diagnose cancer faster, is smaller and can increase the opportunity of treating cancer in a timely manner. Wattanosoth Hospital acquired the two new model PET/CT scanners to better accommodate the increasing number of cancer patients.



HRH Princess Maha Chakri Sirindhorn presided over the opening of the 2016 annual academic conference of Bangkok Dusit Medical Services Public Company Limited.

- Bangkok Hospital opened the “Bangkok Sleep & Epilepsy Center” providing a sleep lab to diagnose patients who experience symptoms during sleep such as snoring, sleep apnea, excessive sleepiness and narcolepsy. The Center also provides advice on innovation and technology that can diagnose with precision.
- HRH Princess Maha Chakri Sirindhorn presided over the opening of the 2016 annual academic conference “Excellent Healthcare Network Through Research and Innovation” organized by Bangkok Dusit Medical Services Public Company Limited, which includes Bangkok Hospital Group, Samitivej Hospital, BNH Hospital, Phayathai Hospital, Paolo Hospital, Royal Hospital and non-hospital businesses, held at the Intercontinental Hotel. Many renowned medical specialists in various fields from around the world, along with Thai experts shared their knowledge through seminars and training covering numerous fields including medicine, dentistry, pharmacy, nursing, research and medical innovation. The aim is to encourage collaboration to elevate the standards in research, medical academics, nursing, medical and public health services to the international level and to better the quality of healthcare in the future.
- Bangkok Hospital introduced a new technique in diagnosing orthopedic problems with precision. The Hospital introduced the Biplane Imaging (EOS) machine, which allows for a life-size full-body image of your skeleton in 3D, in your natural standing position or

global balance. Biplane Imaging (EOS) captures the whole skeletal system in a single scan. Frontal and lateral images are obtained simultaneously and presented as a 3D model, using from 6 to 9 times less radiation than x-rays. This allows physicians to evaluate and diagnose bones and structure with precision whether it be the neck bone, spine or ankle.

Biplane Imaging (EOS)



- Phayathai Hospital 1 received accreditation as a “Comprehensive Stroke Center” from DNV-GL, an international accreditation from Europe and U.S.A. Presently, stroke is the number one critical disease that has taken the lives of Thais.
- Phayathai Hospital 1 launched the “Mobile CT & Stroke Treatment Unit”, the first mobile unit of its kind in Asia, providing faster medical care to stroke patients than regular ambulances in order to provide comprehensive medical care for the best benefit of the patient.

Medical Cooperation

1. Sano Hospital

Samitivej Public Company Limited, a company subsidiary, signed an agreement with Sano Hospital, Japan for cooperation in studying and developing projects on gastrointestinal tract disease, as well as patient referrals, as appropriate to the illness, between the two hospitals.

2. MD Anderson

Bangkok Dusit Medical Services Public Company Limited together with the Faculty of Medicine Siriraj Hospital collaborated to become a Sister Institution of MD Anderson Cancer Center (MDACC) of the University of Texas, U.S.A. under the Global Academic Program (GAP). This is the first time for collaboration among 3 institutions from public and private organizations in Thailand and the U.S.A., to support basic research and developments in safe and efficient treatment, as well as the exchange of knowledge and case studies across the regions, to provide happy, quality lives, including the prevention and cure of cancer.

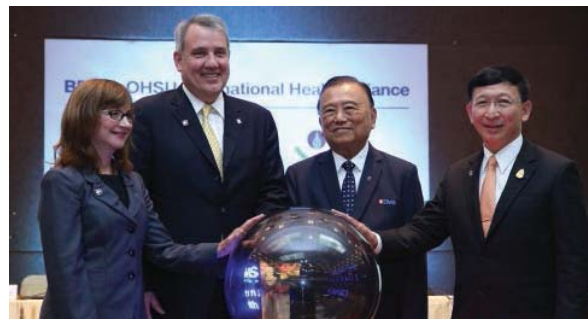


3. Stanford University

The Bangkok Orthopaedic Center, Bangkok Hospital and the Department of Orthopaedic Surgery, Stanford University signed a Memorandum of Understanding to exchange knowledge and skills in the field of orthopaedics with a focus on excellence in the treatment of the musculoskeletal system. The cooperation also seeks to develop knowledge through research in orthopaedic surgery as well as improve the efficiency in the treatment of patients with such ailments. The signing of the agreement will lead to cooperation in studies, research and medical conferences to develop the potential of medical personnel.

4. Oregon Health & Science University (OHSU)

Bangkok Dusit Medical Services Public Company Limited together with the Oregon Health & Science University (OHSU) established the BDMS-OHSU International Health Alliance to become an international medical center and elevate to a medical excellence center in all areas, especially in occupational health, pediatrics, rehabilitation, clinical simulation and medical informatics, in the Asia Pacific region.



5. Heavy Ion Therapy

Wattanosoth Hospital, a hospital specializing in cancer, signed an agreement to collaborate with Universal Strategy Institute Limited Liability Company, Japan on the establishment of an irradiation center, which will use the “Heavy Ion Therapy” technology, as part of the plan to become the center for cancer treatment in the Asia Pacific region. The technology is state-of-the-art and effective in the treatment of cancer with shorter treatment time and fewer side effects. The treatment can be used with patients who are not suited to the conventional irradiation or for those who did not see results with the conventional irradiation. The advantage of this treatment is that it is highly accurate. The beams can destroy deep cancer cells with accuracy with the suitable amount of ions as the beam will relieve most of the energy on the position so that the amount of ions that passes through the body will have as little effect on the normal cells as possible.



6. Nagoya University

Bangkok Dusit Medical Services Public Company Limited together with Nagoya University, Japan signed an agreement on two significant items, (1) cooperation in studies through medical personnel exchanges for training in all fields of medicine and (2) referrals of patients between the University and the Hospital in the case that a patient should be travelling to Thailand (and neighboring countries) or to Nagoya (and nearby places). This is a great opportunity to enhance the potential of Thai medical personnel in order to be able to provide more internationally standardized services. A representative from the Japanese Embassy in Thailand was invited to witness the signing ceremony.



7. Collaboration with World Leading Neurosurgeon

BDMS has collaborated with Dr. Keith L. Black, Director of the Maxine Dunitz Neurosurgical Institute at Cedars-Sinai Medical Center in Los Angeles, California. This collaboration has focused on researching and developing capabilities in treating diseases of the brain and nervous system, thus, enabling BDMS to become one of the most up-to-date medical centers in diseases of the brain and nervous system (neuroscience) in the Asia Pacific Region.



8. Collaboration with The Straumann Group

Bangkok Hospital Dental Center has worked in collaboration with The Straumann Group, a world-renown expert in implant, restorative and regenerative dentistry, in order to increase our efficiency in the dentistry implant and oral hygiene care. We have thus, been appointed as Straumann Partner Center Thailand.

9. Doernbecher Children's Hospital

Samitivej Public Company Limited, a subsidiary, signed an alliance agreement with Doernbecher Children's Hospital located in Oregon, U.S.A., a well-known children's hospital awarded the highest rating for quality and safety in children's health care in 2014 from the University Health System Consortium of hospitals for pediatric quality. Samitivej also opened the Samitivej International Children's Hospital, both at Sukhumvit and Srinakarin, and has developed a Center of Excellence. Samitivej International Children's Hospital has supported the national policy and direction of Thailand to become the medical hub of the Asia-Pacific Region.

10. Missouri Orthopedic Institute, University of Missouri, U.S.A.

Bangkok Dusit Medical Services Public Company Limited and the Missouri Orthopedic Institute signed an agreement to collaborate in the exchange of knowledge and skills in orthopedics between the Bangkok Orthopedic Center at Bangkok Hospital and the Missouri Orthopedic Institute at the University of Missouri, U.S.A., through various activities such as academic conferences to continuously improve our personnel as well as supporting research in orthopedics and other medical cooperation. This collaboration shall improve the efficiency of orthopedic patient care.



11. Hannover Medical School, Germany

Bangkok Dusit Medical Services Public Company Limited and the Hannover Medical School signed an agreement to collaborate in the exchange of knowledge and skills in orthopedics and trauma surgery between the Bangkok Orthopedic Center at Bangkok Hospital and the Department of Orthopedics and Trauma at Hannover Medical School, Germany. Through the agreement, we have organized medical seminars, as well as sent physicians and nurses to Hannover Medical School for short-term and long-term training in order to continuously develop the capabilities of our personnel and support research in orthopedics and trauma to improve efficiency of orthopedic and trauma patient care.

12. Collaboration between Samitivej Children's Hospital and Takatsuki Hospital Japan

Samitivej Children's Hospital, a subsidiary, and Takatsuki Hospital, Japan signed an alliance agreement in pediatrics and neonatal intensive care unit (NICU) to develop medical personnel and exchange experiences in order to further the potential of Samitivej, better the quality of life of child patients and provide comprehensive medical care that meet international standards.




13. N Health Pathology Company Limited together with the Royal College of Pathologists of Thailand organized the Interhospital Renal Clinicopathological Conference

N Health Pathology Company Limited together with the Royal College of Pathologists of Thailand organized the Interhospital Renal Clinicopathological Conference 1/2016 giving the opportunity to over 50 kidney and pathology specialists as well as resident physicians from various medical schools and hospitals in Thailand to share interesting case studies to enhance diagnostics and treatment. The kidney academic conference shall be held every two months,

Quality of Service

At the end of 2016, the Group had a total of 31 hospitals within the network that had received accreditation from Hospital Accreditation Thailand (HA). In addition, 14 hospitals had received accreditation from Joint Commission International (JCI). Bangkok Hospital also received Advanced HA Accreditation. The hospitals are listed below:



				
Hospital				
1	Bangkok Hospital Headquarter Bangkok Hospital Bangkok Heart Hospital Wattanosoth Hospital	✓		✓
2	Bangkok Hospital China Town	✓		
3	Samitivej Sukhumvit Hospital	✓	✓	
4	Samitivej Srinakarin Hospital	✓	✓	
5	Samitivej Thonburi Hospital		✓	
6	BNH Hospital	✓	✓	
7	Phyathai 1 Hospital		✓	
8	Phyathai 2 International Hospital	✓	✓	
9	Phyathai 3 Hospital		✓	
10	Phyathai Hospital Nawamin		✓	
11	Paolo Hospital Phaholyothin		✓	
12	Paolo Hospital Chokchai 4		✓	
13	Bangkok Hospital Prapradang		✓	
14	Paolo Hospital Samutprakarn		✓	
15	Bangkok Hospital Pattaya	✓	✓	
16	Samitivej Chonburi Hospital		✓	
17	Samitivej Sriracha Hospital	✓	✓	
18	Phyathai Hospital Sriracha		✓	
19	Bangkok Hospital Rayong		✓	
20	Sri-Rayong Hospital		✓	
21	Bangkok Hospital Chantaburi		✓	
22	Bangkok Hospital Trat/ International Clinic Koh Chang	✓	✓	
23	Bangkok Hospital Chiangmai	✓		
24	Bangkok Hospital Phitsanulok		✓	
25	Bangkok Hospital Khon Kaen		✓	
26	Bangkok Hospital Udon		✓	
27	Bangkok Hospital Pakchong		✓	
28	Bangkok Hospital Ratchasima		✓	
29	Bangkok Hospital Sanamchan		✓	
30	Muangraj Hospital		✓	
31	Bangkok Hospital Hua Hin	✓		
32	Bangkok Hospital Samui	✓		
33	Bangkok Hospital Phuket	✓	✓	
34	Phuket International Hospital	✓	✓	
35	Bagnkok Hospital Had Yai		✓	
36	Dibuk Hospital		✓	



BDMS Wellness Clinic

Bangkok Dusit Medical Services Public Company Limited

BDMS Wellness Clinic No. 2 Wittayu Road, Lumpini Sub-District, Pathumwan District, Bangkok
widely known as “Park Nai Lert”

•
BDMS Wellness Clinic provides services in preventive medicine and healthy longevity.

The aim is to care for the physical health, mental health and spiritual health of its members.

The Center shall provide care through various activities such as health check-ups
by specialized physicians to assess the risk of diseases,
especially brain and heart disease, as well as promoting exercise for a healthier, stronger body.
This project is the first of its kind in Thailand and Asia and is an extension of the private hospital business
and medical care businesses of the Bangkok Dusit Medical Services Public Company Limited.

•
Its central location in Bangkok, the large park area and clean air,
makes BDMS Wellness Center a green area in the middle of the concrete jungle that is Bangkok.
Moreover, the area is known for the business district, high-end residential area, luxury shopping centers,
well-known schools and universities, five-star hotels and easy access from the expressway and BTS.
Thus, **BDMS Wellness Clinic** is poised to meet the demands of the changing world that is
more health oriented, with focus on self-care, longevity, quality services, happiness and work-life balance.

•
The **BDMS Wellness Clinic** will be the first such center to provide comprehensive services
in preventive medicine with the aim to better the quality of life of its patrons and prevent critical illness.
Should the members become ill, they can be confident in the knowledge that
they will receive the best medical care from our team of well recognized, skilled and experienced physicians
from hospitals within the BDMS network. Presently, we have formed alliances with nine leading
medical institutions from around the world, namely, MD Anderson Cancer Center,
Cedars Sinai Medical Center, Missouri Orthopaedic Institute, Stanford Orthopedics, Sano Hospital,
Hannover Medical School, Oregon Health & Science University and Doernbecher Children’s Hospital.
The **BDMS Wellness Clinic** is primed to provide excellent healthcare services on an international level
and is ready to welcome foreign patrons to meet the Thai Government’s Thailand 4.0 economic model.



Nature of Business

The Company's main line of business is the private hospital business, which is operated through the Company and its subsidiaries. Apart from the private hospital business, the Company has also invested in many other supporting or related businesses. Such businesses and their income structure according to the financial statements can be summarized as follows:

Income Structure of the Company and Subsidiaries : During 2014-2016

Unit: Million Baht

Type of revenue	Operated by	% of Holding	2016		2015		2014	
			Revenue	%	Revenue	%	Revenue	%
Patient revenue								
	Bangkok Dusit Medical Services PCL.	100.00	13,223.75	20.3	12,992.98	21.6	11,683.3	21.5
	Samitivej PCL. (SVH)	95.76	9,918.15	15.2	9,461.14	15.7	9,124.0	16.8
	BNH Medical Center Co., Ltd.	91.48	2,668.50	4.1	2,407.35	4.0	2,328.8	4.3
	Prasit Pattana PCL. (PPCL)	98.56	11,797.68	18.1	10,789.99	17.9	10,076.2	18.5
	Paolo Medic Co., Ltd.	100.00	2,582.79	4.0	2,363.22	3.9	2,358.1	4.3
	Siam Medical Co., Ltd.	85.71	977.11	1.5	923.46	1.5	879.8	1.6
	Thai Medical Center PCL.	99.76	1,188.06	1.8	1,145.30	1.9	1,001.9	1.8
	Paolo Samut Prakran Co., Ltd.	93.64	1,312.71	2.0	1,236.61	2.1	1,203.5	2.2
	Bangkok Hosital Prapradaeng Co., Ltd.	84.00	297.04	0.5	271.20	0.5	264.1	0.5
	Bangkok Hospital Pattaya Co., Ltd.	97.27	3,544.54	5.4	3,504.50	5.8	3,442.4	6.3
	Bangkok Hospital Rayong Co., Ltd.	100.00	2,241.69	3.4	2,027.66	3.4	1,873.9	3.4
	Bangkok Hospital Trad Co., Ltd.	99.76	489.54	0.8	417.10	0.7	360.5	0.7
	Wattanavej Co., Ltd.	99.69	1,267.45	1.9	1,163.49	1.9	1,038.4	1.9
	Bangkok Hospital Hat Yai Co., Ltd.	98.81	1,419.42	2.2	1,470.54	2.4	1,397.5	2.6
	Bangkok Hospital Samui Co., Ltd.	100.00	687.12	1.1	624.75	1.0	652.3	1.2
	Bangkok Hospital Phuket Co., Ltd.	99.69	2,549.59	3.9	2,540.50	4.2	2,633.6	4.8
	Bangkok Hospital Ratchasima Co., Ltd.	91.42	1,481.59	2.3	1,361.97	2.3	1,340.5	2.5
	Bangkok Hospital Udon Co., Ltd.	100.00	731.64	1.1	555.17	0.9	403.8	0.7
	Bangkok Hospital Phitsanulok Co., Ltd.	100.00	629.19	1.0	526.19	0.9	495.5	0.9
	Thonburi Medical Centre PCL	63.45	612.03	0.9	442.60	0.7	345.3	0.6
	Bangkok Hospital Chaingmai Co., Ltd.	100.00	621.86	1.0	404.39	0.7	87.7	0.2
	Bangkok Hospital Khon Kaen Co., Ltd.	100.00	395.41	0.6	236.00	0.4	24.9	0.0
	Bangkok Hospital Sanamchan Co., Ltd.(BSN)	100.00	1,037.86	1.6	932.08	1.5	323.3	0.6
	Tepakorn Hospital Co., Ltd. (Held through BSN)	44.53	133.50	0.2	90.73	0.2	41.5	0.1
	Bangkok Hospital Phuket International Co., Ltd.	100.00	1,079.33	1.7	875.81	1.5	234.7	0.4
	Samitivej Chonburi Co., Ltd.	100.00	395.02	0.6	168.94	0.3		
	Bangkok Hospital MuangRaj Co., Ltd.	100.00	499.67	0.8	155.74	0.3		
	Angkor Pisith Co.. Ltd.	80.00	179.05	0.3	173.24	0.3	138.5	0.3
	Rattanak Medical Services Co., Ltd.	70.00	-	0.0	-	0.0	148.2	0.3
	Phnom Penh Medical Services Co., Ltd.	100.00	550.07	0.8	407.84	0.7	61.4	0.1
	Total		64,511.35	98.0	59,670.5	98.4	53,963.5	99.2

Unit: Million Baht

Type of revenue	Operated by	% of Holding	2016		2015		2014	
			Revenue	%	Revenue	%	Revenue	%
Other revenue which related to patient revenue								
	National Healthcare Systems Co., Ltd.	98.69	708.18	1.1	568.98	0.9	377.4	0.7
	N Health Myanmar Co.,Ltd	60.00	16.90	0.0				
	Bio-Molecular Laboratories (Thailand) Co., Ltd.	95.00	0.09	0.0	0.35	0.0	0.4	0.0
	Total		725.17	1.1	569.3	0.9	377.8	0.7
	Total revenue from operation		65,236.52	100.0	60,239.80	100.0	54,341.4	100.0

Remark: Apart from revenue from main operations in accordance with the revenue structure mentioned above, the Company also generates revenue from the sale of saline, medicine and medical supplies by subsidiaries, which are included in the other revenue item in the income statements as follows:

Unit: Million Baht

Type of revenue	Operated by	% of Holding	2016	2015	2014
	A.N.B. Laboratory Co., Ltd.	100.0	1,252.12	1,105.14	982.02
	Medicpharma Co., Ltd.	87.1	571.30	535.85	494.43
	Save Drug Center Co., Ltd.	100.0	743.24	736.45	
	Total		2,566.66	2,377.44	1,476.45

1. Products and Services

Healthcare Business

No.	Hospital	Operated By	Number of bed	Total number of Bed	% of Holding
Bangkok hospital group					
1	Bangkok Hospital	Bangkok Dusit Medical Services PCL.	343		
2	Bangkok Heart Hospital	Bangkok Dusit Medical Services PCL.	97		
3	Wattanosoth Cancer Hospital	Bangkok Dusit Medical Services PCL.	48		
4	Bangkok Hospital ChinaTown	Bangkok Dusit Medical Services PCL.	59		
5	Bangkok Hospital Hua hin	Bangkok Dusit Medical Services PCL.	60		
6	Bangkok Hospital Prapradang	Bangkok Hospital Prapradang Co., Ltd.	60		84.0%
7	Bangkok Hospital Sanamchan	Bangkok Hospital Sanamchan Co., Ltd.	200		100.0%
8	Bangkok Hospital Pattaya	Bangkok Hospital Pattaya Co., Ltd.	400		97.3%
9	Bangkok Hospital Rayong	Bangkok Hospital Rayong Co., Ltd.	220		100.0%
10	Bangkok Hospital Chantaburi	Wattanavej Co., Ltd.	170		99.7%
11	Bangkok Hospital Trat	Bangkok Hospital Trat Co., Ltd.	114		99.8%
12	Bangkok Hospital Ratchasima	Bangkok Hospital Ratchasima Co., Ltd.	180		91.4%
13	Bangkok Hospital Pakchong	Bangkok Hospital Ratchasima Co., Ltd.	31		91.4%
14	Bangkok Hospital Udon	Bangkok Hospital Udon Co., Ltd.	120		100.0%
15	Bangkok Hospital Khon Kaen	Bangkok Hospital Khon Kaen Co., Ltd.	140		100.0%
16	Bangkok Hospital Phitsanulok	Bangkok Hospital Phitsanulok Co., Ltd.	195		100.0%
17	Bangkok Hospital Chiangmai	Bangkok Hospital Chiangmai Co., Ltd.	181		100.0%
18	Bangkok Hospital Samui	Bangkok Samui Hospital Co., Ltd.	52		100.0%

No.	Hospital	Operated By	Number of bed	Total number of Bed	% of Holding
19	Bangkok Hospital Phuket	Bangkok Phuket Hospital Co., Ltd.	266		99.7%
20	Bagnkok Hospital Had Yai	Bangkok Hatyai Hospital Co., Ltd.	200	3,136	98.8%
Samitivej group					
21	Samitivej Sukumvith Hospital	Samitivej PCL. (SVH)	275		95.8%
22	Samitivej Srinakarin Hospital	Samitivej PCL. (SNH)	400		95.8%
23	Samitivej Thonburi Hospital	Thonburi Medical Centre PCL (BDMS: 34.4% & RBH : 29.0%)	150		63.4%
24	Samitivej Sriracha Hospital	Samitivej Sriracha Co., Ltd.	184		66.8%
25	Samitivej Chonburi Hospital	Samitivej Chonburi Co., Ltd.	220	1,229	100.0%
BNH					
26	BNH Hospital	BNH Medical Centre Co., Ltd.	144	144	91.5%
Royal hospital group					
27	Royal Angkor Hospital	Angkor Pisith Co., Ltd.	30		80.0%
28	Royal Phnom Penh Hospital	Phnom Penh Medical Services Co., Ltd.	100	130	100.0%
Phyathai Group					
29	Phyathai 1 Hospital (Held through PPCL*)	Phyathai 1 Hospital Co., Ltd.	350		98.6%
30	Phyathai 2 Hospital (Held through PPCL*)	Phyathai 2 Hospital Co., Ltd.	260		97.8%
31	Phyathai 3 Hospital (Held through PPCL*)	Phyathai 3 Hospital Co., Ltd.	240		96.8%
32	Phyathai Sriracha Hospital (Held through PPCL*)	Sriracha Nakorn Hospital PCL.	350		74.8%
33	Phyathai Hospital Nawamin	Thai Medical Center PCL.	140	1,340	99.8%
Paolo Group					
34	Paolo Hospital Phaholyothin	Paolo Medic Co., Ltd.	300		100.0%
35	Paolo Hospital Samutprakarn	Paolo Samut Prakran Co., Ltd.	200		93.6%
36	Paolo Hospital Chokchai 4	Siam Medical Co., Ltd.	148		85.2%
37	Paolo Hospital Rangsit	Paolo Medic Co.,Ltd.	150	798	100.0%
Community hospital					
38	Sri-Rayong Hospital	Bangkok Hospital Rayong Co., Ltd	195		100.0%
39	Muang Petch Hospital	Bangkok Hospital Sanamchan Co., Ltd.	255		100.0%
40	Muangraj Hospital	Bangkok Hospital MuangRaj Co., Ltd.	125		100.0%
41	Thepakorn Hospital	Thepakorn Hospital Co., Ltd. (Hold through BSH)	100		44.5%
42	Dibuk Hospital	Bangkok Phuket Hospital Co., Ltd.	100		99.7%
43	Phuket International Hospital	Bangkok Phuket International Hospital Co., Ltd.	151	926	100.0%
	Total number of BDMS patient beds			7,703	
The Group of Hospital which BDMS have not managed.					
44	Aek Udorn International Hospital	Udon Pattana (1994) Co., Ltd. (BDMS : 15.3% & PT1** : 10.0%)	350		25.1%
45	Ramkhamhaeng Hospital	Ramkamhaeng Hospital PCL.	300		38.2%
46	Bumrungrad Hospital	Bumrungrad Hospital PCL.	538	1,188	23.9%

Remark: *PPCL is Prasit Pattana PCL.

**PT1 is Phyathai 1 Hospital Co., Ltd.

2. Businesses Related to Medical Services

Nature of Business	Operated By	% of holding
1. Manufacture saline and medical equipment	A.N.B. Laboratories Co., Ltd. (Held through RBH)	100.0
	Medicpharma Co., Ltd.	87.1
	General Hospital Products PCL. (Held through RBH : 45.2% and Medi : 0.33)	45.5
2. Phamaceutical	Save Drug Center Co., Ltd. (Held through Bangkok Save Drug Co., Ltd.)	100.0
3. Medical Lab and Share Services (central procurement)	National Healthcare Systems Co., Ltd. (BDMS : 74.0% SVH* : 21.0% and BNH** : 4.9%)	98.7
	N Health Pathology Co., Ltd. (RBH : 95.0%)	95.0
	N Health Cambodia Pte. Ltd. (Registered at Cambodia which hold through N Health Asia)	100.0
	N Health Myanmar Co., Ltd. (Registered at Myanmar which hold through N Health Asia)	60.0
4. Bio Molecular Lab	Bio-Molecular Laboratories (Thailand) Co., Ltd.	95.0
5. Information and technology for company and the Subsidiaries Shared service	Greenline Synergy Co., Ltd.	100.0
6. Medical evacuation	Bangkok Helicopter Services Co., Ltd. (BDMS : 87.3% and RBH : 12.7%)	100.0
7. Cartering and general support for company and the subsidiaries	Irving Sheridan SE Co., Ltd. (Held through SVH*, which is the company subsidiary)	92.0
	First Health Food Co., Ltd. (Held through SVH*, which is the company subsidiary)	100.0
8. Land holding company in cambodia	S.R. Property Investment Co., Ltd.	49.0
	Siem Reap Land Investment Co., Ltd.	49.0
	Phnom Penh First Property Co., Ltd.	49.0
9. Healthcare business (Holding Company)	Royal Bangkok Healthcare Co., Ltd. (RBH)	100.0
	Bangkok Save Drug Co., Ltd.	100.0
	BDMS Inter Pte. Ltd. (Singapore)	100.0
	N Health Asia Pte. Ltd. (Singapore)	100.0
10. Training	BDMS Training Co., Ltd.	100.0
11. Health insurance	Bangkok Health Insurance Co., Ltd.	100.0
	Bankok Premier Life Insurance Co., Ltd.	100.0
12. Accounting	BDMS Accounting Co., Ltd.	100.0
13. Property management	BDMS Property Management Co., Ltd.	100.0

Remark: *SVH is Samitvej PCL.

**BNH is Medical Center Co., Ltd.

Market Outlook and Competition

2.1 Private Hospital Industry Overview

Government Savings Bank Research forecasted that with the introduction of AEC, the government's policy in promoting Thailand as the medical hub of ASEAN, increasing health awareness and Thailand fast becoming an aging society, the private hospital industry would continue to grow in 2016 in line with the economic growth. As a result of the growth in medical tourism, health awareness and aging population, our target customers in 2016 are the health conscious, the elderly, medical tourists and expatriates. Nevertheless, competition in the private hospital industry has continued to grow; therefore, we have adjusted our business strategy and differentiated ourselves such as establishing specialist centers to cater to specific groups, as well as providing comprehensive care by experienced physicians using cutting edge technology.



Outlook for Private Hospital Industry

Research of Krungsri Bank PCL. has forecast that the private hospital industry in Thailand will continue to grow in 2016-2018, with support from the following factors:

- Growth of the middle class who have purchasing power

The economic and income growth of the population, especially that of the middle class, will continue to bolster the need for medical services. The low rate of private hospital medical expenses per GDP of Thailand compared to other countries provides an opportunity for growth in the private hospital business.



- Growth of aging population who need medical care

In the long term, aging society will support the increased need for modern medical services and technology. The number of senior citizens (aged 65 and over) continues to grow, especially those aged over 85. This group will have significantly increasing need for medical services as they have a high rate of illness and are not able to take care of themselves, thus, needing special care. The Office of the National Economics and Social Development Board predicts that the number of senior citizens aged over 60 will rise from the present number of 9.1 million to 10.3 million in 2019.

- Urbanization

The United Nations forecasts that the urbanization rate of Thailand will increase from 35.6% in 2015 to 40.7% in 2025. This shows that urban expansion is an opportunity for expansion of medical services to regional provinces that are rapidly expanding when compared to the need in Bangkok Metropolitan areas.

- Increase in illness and death from critical disease of Thais

The number of patients and deaths from non - communicable diseases (NCD) such as heart disease, stroke, cancer, diabetes, and pneumonia, are likely to increase in Thailand and other ASEAN countries. Thais show at risk behaviors such as smoking, alcohol consumption, which is as high as 6.5 liters per person per year, high sugar consumption, etc., leading to predictions that the need for medical services will continue to increase.



- Improvement of the quality of medical services and pricing advantage still draws in foreign patients

The need for medical services of foreign patients will support the continued growth of the Thai private hospital market as follows:

- 1) Thailand is recognized as one of the medical tourism hubs in the world as Thai hospitals are advanced and provide specialist centers, especially for the treatment of chronic diseases (such as heart disease, bone, cancer, etc.) as well as senior citizen care centers and hospices.
- 2) The medical care coverage in CLMV countries (Cambodia, Laos, Myanmar, and Vietnam) is not sufficient and has room to grow. Therefore, the cooperation through AEC and the opening of borders to allow ease of cross border travel will enable patients from CLMV countries to more easily access medical services in Thailand, thus creating an opportunity for growth of Thai hospitals.

2.2 Marketing Strategy

The Company has the goal to become one of the third leading hospitals or medical service providers in the Asia Pacific Region. We aim to provide quality medical services that meet international standards to both Thais and foreigners by developing and improving 4 components in accordance with the master plan as follows:

1. Good Doctors: Having ethical, capable and knowledgeable doctors as well as having specialists in every field.
2. Good Nurses: Having capable, experienced nurses that understand the patients' needs.
3. Good Services + Thai Hospitality: Providing services from the heart the Thai way by caring for our patients as if they were members of our families.
4. Good Technology: Using cutting edge technology to diagnose and treat patients as well as using technology to improve our work process to achieve efficiency.

All of which lead to Good Referral Hospitals, i.e. swift and efficient patient referrals covering the region.

Expansion of Network Hospitals

As of 31 December 2016, the Company has a total of 43 hospitals with 7,703 beds within the network.

This wide network enables the Company to provide medical services that meet international standards to people in much broader areas. The Company has built and developed numerous secondary and tertiary care hospitals in the past five years. We have also made preparations for the BDMS Wellness Center as we believe that preventive healthcare is essential to bettering one's health and it has received great interest from the public.

Developing Quality of Medical Services within the Network

The Company recognizes the importance on developing the medical services standard of the network hospitals such as developing medical technology and patient security standards. Thus, the Company has approached global standardization organizations such as JCI, TEMOS, CAMTS, HA and URAMI to certify our hospitals regularly. In 2016, the network hospitals have received the following accreditations:



1. Joint Commission International (JCI), a world renowned organization which identifies best practices in patient care through efficiency of medical personnel and state-of-the-art technology. A total of 14 hospitals within the network have received JCI accreditation such as

- Bangkok Hospital – overall and Clinical Care Program Certification (CCPC) in 7 diseases, namely, stroke, back pain, diabetes, heart failure, acute myocardial infarction, breast cancer and traumatic brain injury.



- Samitivej Hospital – overall and children’s asthma.
 - Phyathai 2 Hospital – overall, and brain infarction and acute myocardial infarction.
2. Advanced HA and HA from the Institute of Hospital Quality Improvement & Accreditation of Thailand.
 3. CAMTS (The Commission on Accreditation of Medical Transport Systems) from U.S.A. for the quality and safety of medical transport services.
 4. TEMOS (Tele Medicine for Mobile Society) a global competence network of hospitals characterized by high quality standards in patient treatment and the application of telemedicine in medical tourism. Bangkok Hospital joined the network in 2007.
 5. URAMI accreditation of medical air transport from Japan.

Alliances with World Leading Medical Institutions

In the past three years, the Company has made alliances with world leading medical institutions that specialize in various fields, such as cancer, heart disease, trauma and bone, in order to exchange knowledge and collaborate. Furthermore, we have collaborated with these institutions on various medical researches to improve the BDMS group’s medical practices to meet international standards, which will propel Thailand to fully become a medical hub. Such leading institutions include MD Anderson (cancer), Cedar Sinai



(nervous system and the brain), Hannover Medical School (trauma and bone), Oregon health & Science University (occupational health) and Stanford University (bone).

The Company has furthered the knowledge received from collaborations with the leading institutions by developing nine hospitals within the BDMS network into Centers of Excellence, which focus on excellence in the treatment of cancer, brain, heart, trauma and bone, as follows:

1. Bangkok Hospital, Headquater
2. Samitivej Sukhumvit Hospital
3. Samitivej Srinakarin Hospital
4. Bangkok Hospital Pattaya
5. Bangkok Hospital Chiang Mai
6. Bangkok Hospital Udon
7. Phyathai 2 Hospital
8. Bangkok Hospital Phuket
9. Royal Phnom Penh Hospital

Expanding into businesses that support the Hospital

The Company has expended into related businesses such as medical laboratory, bio molecular laboratory, as well as the manufacturing and distribution of medicine and medical supplies. This has enabled the Company to procure high quality products and services as a group.



3. Product Procurement

3.1 Medical Personnel

The Company has the policy to recruit physicians that are experts in each field, as well as nurses and other medical personnel, in order to provide quality service that covers all areas. Such recruitment is carried out for all companies within the group. The recruitment of physicians and nurses is conducted by selecting candidates from leading medical and nursing schools. Each of the physicians and nurses is then selected for employment by the Medical Committee of the respective hospital.

As medical personnel are essential to the Company's hospital business and in order for medical personnel to develop their knowledge and medical

advancement techniques both in terms of profession and technology, the Company supports medical research and academic conferences. The Company also organizes continuous training for physicians and nurses to develop medical knowledge of related personnel. This includes training for nurses so that they have expertise in providing patient care prior to start working. Furthermore, the Company recognizes the importance of investments in medical technology and medical tools and equipment, which can indirectly attract capable and expert medical personnel to remain with the hospital for a longer period of time. Such technology and equipment also help to foster experiences and skills in medical diagnoses and treatment.



3.2 Procurement of Medicine and Medical Supplies

The Company has the policy to procure medicine and medical supplies from domestic distributors by dispersing orders to various distributors. To this end, the Company utilizes the Central Procurement System for each hospital within the network whereby Central Procurement shall collect all orders for medicine and medical supplies from the hospitals within the network and then contact and order those medicine and medical supplies with the distributors. This process of purchasing medicine and medical supplies ensures the highest efficiency in managing procurement and inventory within the group, which includes the suitability of prices, as well as efficiency and quality of medicine and medical supplies.

3.3 Procurement of Medical Equipment

As medical equipment and tools are important factors in providing quality and efficient medical services to the patients, the procurement of medical equipment and tools within the Company and network hospitals is therefore delegated to the Medical Committee for the Procurement of Medical Equipment. This Medical Committee shall carefully consider the necessity and the required quality of the medical equipment and tools to suit the needs of the hospital group. In procuring medical equipment and tools, the Company shall make orders with domestic agents and enter into purchase agreements with the distributor. The agreements shall clearly state the price denominated in Thai Baht as well as the requirements on after-sale service.

In addition, for network hospitals, to ensure that patients receive quality and efficient service, the Company has made certain that hospitals within the network, especially those in the regional areas, are equipped with modern medical equipment. The basic medical equipment that all hospitals should have are MRI, CT Scan and Cath Lab. Apart from being able to provide medical services to patients at the hospitals within the network, such equipment can also be of use to medical centers or clinics in the surrounding areas, as well as being able to accommodate patient referrals from other medical centers or clinics.





SKY ICU

With the determination to provide excellence in medical care and services for the sustainable growth of Bangkok Hospital and our network, the BDMS Group has introduced **Emergency Aeromedical Services (Helicopter Medical Evacuation)** attended by specialist physicians and furnished with state-of-the-art medical equipment that provide 24-hour service. Helicopter enables faster transfer of emergency patients to super tertiary care.

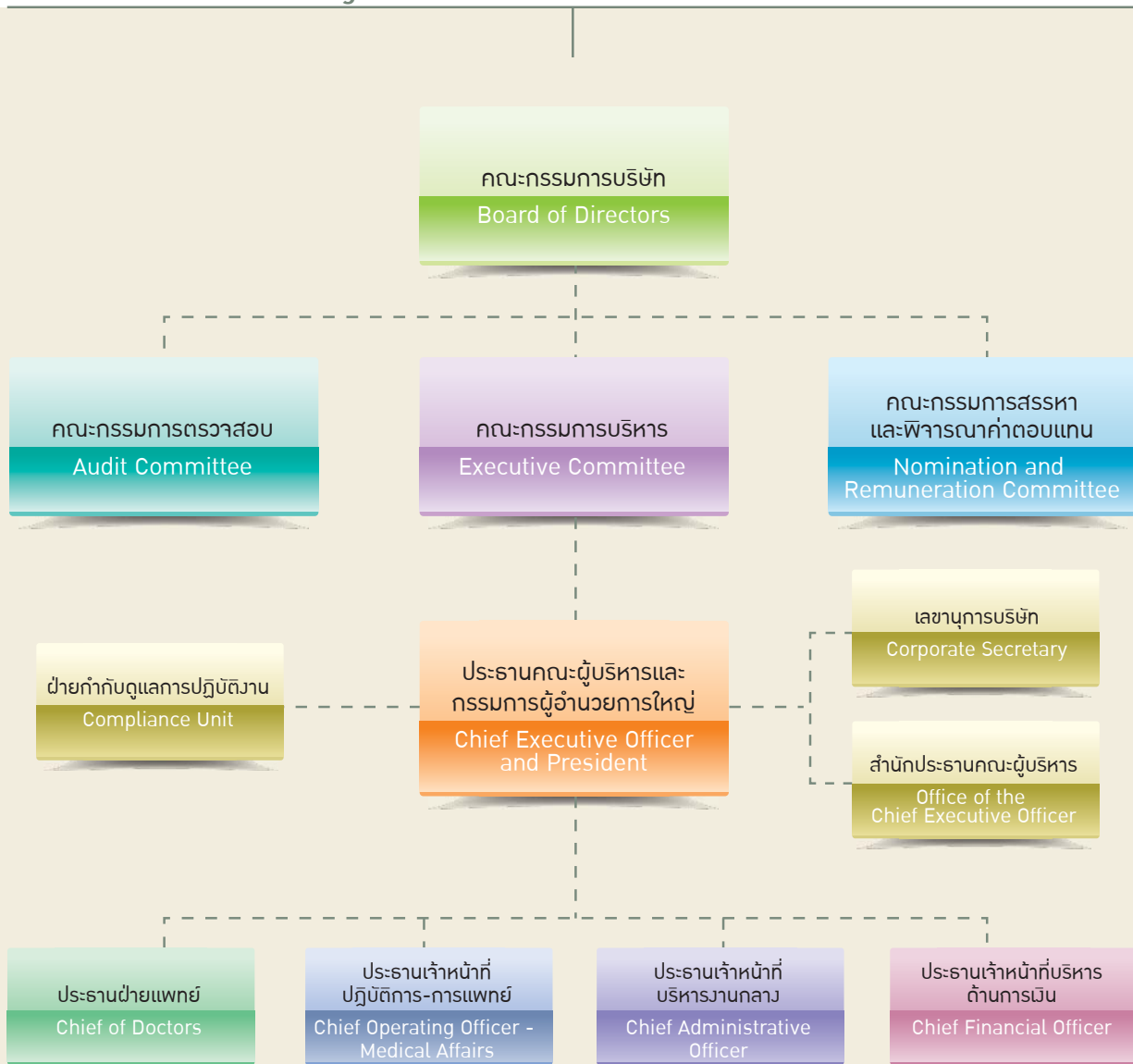
The BDMS Group is the first to launch helicopter service in the region. We have two helicopters in service, **Helicopter BHS1 (model EC145)** and Helicopter **BHS2 (model H145)**, with a skilled, certified medical team to provide comprehensive **Helicopter Emergency Medical Services (HEMS)**. The Group also has plans to expand the service with an ATR airplane that will enable us to provide even more efficient medical care and patient transfer.

Therefore, Sky ICU is another important component of the roadmap to becoming a full-fledged **Center of Excellence (CoE)**. Emergency care requires that centers, such as the Heart Center, Brain Center and Trauma Center, be able to provide efficient and timely medical service. Thus, creating greater and faster connectivity within the CoE will lead to synergy and enhance excellence in medical care.



Management Structure

Management Structure as of 31st December 2016



1. Board of Directors (as of 31st December 2016)

Directors' Name	Title	Meeting Attendance			
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee
1. Professor Emeritus Arun Pausawasdi, M.D.	Chairman of the Board	13/13			
2. Mr. Chuladej Yossundharakul, M.D. ⁽¹⁾	1 st Vice Chairman/ Executive Director/ Director of the Nomination and Remuneration Committee	13/13		1/1	12/12
3. Mr. Prasert Prasarttong-Osoth, M.D. ⁽¹⁾	Group CEO & President/ Chairman of the Executive Committee	13/13			12/12
4. Professor Emeritus Santasiri Sornmani, M.D.	Independent Director/ Chairman of the Audit Committee/ Chairman of the Nomination and Remuneration Committee	13/13	9/9	1/1	
5. Mr. Chatree Duangnet, M.D. ⁽¹⁾	Director	13/13			12/12
6. Mr. Pradit Theekakul ⁽¹⁾	Director/ Executive Director	12/13			11/12
7. Prof. (Clinic) Udom Kachintorn, M.D.	Independent Director	9/13			
8. Mr. Chavalit Sethameteekul	Independent Director/ Director of the Nomination and Remuneration Committee	13/13		1/1	
9. Mr. Sripop Sarasas	Independent Director/ Audit Committee Director/ Nomination and Remuneration Committee Director	13/13	9/9	1/1	
10. Mr. Thongchai Jira-alongkorn	Director/ Executive Director	12/13			11/12
11. Mr. Sombut Uthaisang	Independent Director	13/13			
12 Miss. Poramaporn Prasarttong-Osoth M.D. ⁽¹⁾	Director	13/13			
13. Mr. Weerawong Chittmitrapap	Independent Director/ Audit Committee Director	10/13	9/9		
14. Mr. Att Thongtang ⁽²⁾	Director	8/9			

Remark: (1) Authorized signatories of the Company include Mr. Prasert Prasarttong-Osoth, M.D., Mr. Chuladej Yossundharakul, M.D., Mr. Chatree Duangnet, M.D., and Mr. Pradit Theekakul two out of four (2 of 4) Directors sign jointly and affix the company seal or Mr. Chuladej Yossundharakul, M.D., Mr. Chatree Duangnet, M.D., Mr. Pradit Theekakul and Miss Poramaporn Prasarttong-Osoth M.D. two out of four (2 of 4) Directors sign jointly and affix the company seal.

(2) Mr. Att Thongtang was appointed at the 2016 Annual General Shareholders' Meeting held on 21st April 2016 and attended the Board Meetings from No. 4/2016 onwards.

Names of company independent directors who are independent directors in subsidiaries

- | | |
|--|--|
| 1. Professor Emeritus Santasiri Sornmani, M.D. | Independent Director/ Medic Pharma Co., Ltd. |
| 2. Mr. Sombut Uthaisang | Independent Director/ Chairman of Audit Committee :
Thonburi Medical Centre PCL |
| 3. Prof. (Clinic) Udom Kachintorn, M.D. | Independent Director/ Samitivej Public Company Limited |

Names of Directors who retired and resigned in year 2016

Name	Title	Date of Resignation	Board Meeting Attendance (times)
1. Mr. Wichai Thongtang	Director	21 April 2016	4/4
2. Mrs. Phornsiri Manoharn	Independent Director	21 April 2016	3/4

Duties and Responsibilities of the Board of Directors

1. Perform duties using their knowledge and expertise for the benefit of the Company in accordance with the regulations of the Company and resolutions of the shareholders' meeting. Directors are authorized to perform actions indicated in the Articles of Association, the Public Company Act and relevant laws.
2. Comply with the provisions and the good practices of listed company directors of the Stock Exchange of Thailand.
3. Determine policies and ensure that management acts in accordance with those policies, as well as approve business plans, annual budgets, investments, and make financial decisions.
4. Monitor the operational results of management and the Company in order to ensure consistency with established goals and plans.
5. Set efficient internal control and audit systems for the purpose of auditing, operational oversight and liaise with the Audit Committee.
6. Protect the interests of the shareholders, practice standardized and transparent disclosure of information as well as provide channels for suitable and regular communications with shareholders.
7. Manage Conflicts of Interest
 - 7.1 Report conflicts of interest of oneself, spouse and related persons as prescribed in the Securities and Exchange Act, as well as report securities held of oneself, spouse and children (not yet of legal age) to the Company Secretary for further reporting of any changes at the Board of Directors' meetings.
 - 7.2 Ensure compliance with the laws and regulations of the Stock Exchange on procedures and complete disclosure of transactions with potential conflicts of interest.
 - 7.3 Report to the Company on any conflicts of interests, which pertain to the management of the Company or subsidiaries, of oneself or related persons. For transparency, such transactions are to be reported to the Board of Directors whenever there is a change.

The Board of Directors has appointed sub-committees to ensure good corporate governance and such committees are responsible for auditing, studying and filtering the Company's operations. The three sub-committees include the Audit Committee, which is entirely comprised of independent directors, the Nomination and Remuneration Committee, which is mainly comprised of independent directors, and the Executive Committee. Details on the structure of the committees, duties and responsibilities of the Board of Directors and the sub-committees can be found under the section entitled "Corporate Governance".

2. Executive Management

Name	Title
1. Mr. Prasert Prasarttong-Osoth, M.D.	Group CEO & President
2. Mr. Chatree Duangnet, M.D.	Chief Operating Officer-Medical Affairs
3. Mrs. Narumol Noi-am	Chief Financial Officer
4. Mr. Trin Charumilind, M.D.	Chief of Doctors
5. Mr. Krittavith Lertutsahakul, M.D.	Chief Administrative Officer

Duties and Responsibilities of the Executive Management

1. Operate and/or manage the Company in accordance with the policies, plans, goals, guidelines, provisions and good corporate governance as prescribed by the Company, as well as strictly abiding by relevant laws and regulations.
2. Manage the Company in accordance with the resolutions of the Shareholders' Meetings, the Board of Directors' Meetings and the Executive Committee Meetings (as the case may be) within the approved duties, responsibilities and authorization. Executive Management shall carry their duties with honesty and care for the best interest of the organization and shareholders and fairness to stakeholders.
3. Report results and progress of the Company regularly at the meeting of the Board of Directors to ensure results and that the Company is operating under the determined goals and plans.
4. Report to the Board of Directors or Executive Committee (as the case may be) immediately should there be a situation or suspicion of a situation where there has been a violation of laws or regulations or act of wrongdoing, which may significantly affect the Company's reputation and financial status.
5. Report significant fault or error including course of remedy to the Board of Directors or Executive Committee (as the case may be) in a timely manner as well as report updates on significant adjustments to such faults or errors to the Board of Directors or Executive Committee (as the case may be).
6. Report conflicts of interest of oneself, spouse and related persons as stipulated in the Securities and Exchange Act, as well as report securities holdings of oneself, spouse and children (not yet of legal age) to the Company Secretary for further reporting of any changes at the Board of Directors' meetings.
7. Consider and review matters to be presented for consideration by the Executive Committee and/or the Board of Directors (as the case may be), as well as consider solutions to problems that the Company faces.
8. Other duties as assigned from time to time by the Executive Committee and/or the Board of Directors (as the case may be).

The above authority and duties shall not include an item that will cause the executive officers or persons with possible conflict to have a stake or conflict of interest in any form with the Company or subsidiaries. Furthermore, it does not include connected transactions and acquisition/sale of important assets of the listed company in accordance with the regulations of the Stock Exchange of Thailand or other related notifications. The Company must act in accordance with regulations and guidelines of the Stock Exchange of Thailand or other related notifications on the related matter.

Report on Changes in Shares held by Directors and Executives (top four only)

Name	Number of shares held as of 30 Jan. 2017	Number of shares held as of 29 Jan. 2016	Change
1. Professor Emeritus Arun Pausawasdi, M.D. and spouse	3,818,710	3,818,710	0
2. Mr. Chuladej Yossundharakul, M.D. and spouse	50,060,490	50,060,490	0
3. Mr. Prasert Prasarttong-Osoth, M.D. and spouse	2,871,900,240	2,720,539,040	151,361,200
4. Professor Emeritus Santasiri Sornmani, M.D.	15,651,270	15,651,270	0
5. Mr. Chatree Duangnet, M.D.	4,000,000	3,000,000	1,000,000
6. Mr. Pradit Theekakul	16,000,000	14,200,000	1,800,000
7. Prof. (Clinic) Udom Kachintorn, M.D.	0	0	0
8. Mr. Chavalit Sethameteekul	0	0	0
9. Mr. Sripop Sarasas	0	0	0
10. Mr. Thongchai Jira-alongkorn	11,373,360	11,373,360	0
11. Mr. Sombut Uthaisang	200,000	150,000	50,000
12. Miss. Poramaporn Prasarttong-Osoth M.D.	523,504,280	519,705,980	3,798,300
13. Mr. Weerawong Chittmittrapap	0	0	0
14. Mr. Att Thongtang	347,274,295	374,758,695	(27,484,400)
15. Mrs. Narumol Noi-am	4,500,000	3,500,000	1,000,000
16. Mr. Trin Charumilind, M.D. and spouse	22,400	22,400	0
17. Mr. Kittavith Lertutsahakul, M.D. and spouse	1,294,680	1,264,680	30,000

Remark: Comparison of shares held as of the closing of the shareholder register on 30 January 2017 and 29 January 2016, for preparation of the 2016 and 2015 annual report, respectively.

3. Company Secretary

The Board of Directors has appointed Ms. Kessara Wongsekate, Vice President, as the Company Secretary to act in accordance with related laws and regulations. The duties and responsibilities of the Company Secretary are as follows:

1. Fulfill duties in accordance with the Securities and Exchange Act, notifications of the Capital Market Supervisory Board, as well as ensure disclosure and reporting of information under responsibility to the regulating body in accordance with the laws and regulations on disclosure of company information.

2. Coordinate and monitor to ensure that the Company, Directors and related persons, act in compliance with the resolutions of the Board of Directors' and the Shareholders' Meetings, as well as good corporate governance practices.

3. Ensure that Directors and management receive training as required of Directors and Sub-Committee members.

4. Provide necessary information to enable existing Directors and newly appointed Directors to carry out their duties.

5. Provide advice on regulations and guidelines that the Directors and management should be aware of.

6. Arrange for performance evaluation of the Board of Directors and Sub-Committees.

7. Safe-keep the Company's important documents such as Directors Register, meeting invitations and minutes of the Board of Directors meeting, shareholder meetings, annual reports and reports on conflicts of interest of the Directors and management.

8. Other duties as assigned by the Board of Directors.

Profile of the Company Secretary

Title	Vice President and Company Secretary
Education and Training	• Directors Certification Program Class 166/2555, Thai Institute of Directors Association • Anti-Corruption : The Practical Guide Class 28/2559 • Role of the Nomination and Governance Committee Class 5/2556, Thai Institute of Directors Association • Role of the Compensation Committee Class 16/2556, Thai Institute of Directors Association • Company Secretary Program, Thai Institute of Directors Association • Bachelor Degree of Business Administration, Major Banking and Finance from Chulalongkorn University, Thailand
Experience	• Finance Manager, Bangkok Dusit Medical Services PCL. • Senior Credit Manager, Bangkok Metropolitan Bank PCL. • Finance Manager, Bangkok Entertainment PCL. • Assistant Credit Manager, Nava Banking Finance and Securities Limited. • Credit Officer, Bank of Ayudhya Public Company Limited
Positions in other listed companies	None
Positions in other companies	1. Director, Bangkok Hospital Rayong Co., Ltd. 2. Director, Bangkok Hospital Chiangrai Co., Ltd. 3. Director, Samitivej Sriracha Co., Ltd. 4. Director, Samitivej Chonburi Co., Ltd. 5. Director, Prasit Pattana Plc. 6. Director, Phyathai 1 Hospital Co., Ltd. 7. Director, Phyathai 2 Hospital Co., Ltd. 8. Director, Phyathai 3 Hospital Co., Ltd. 9. Director, Sriracha Nakorn Hospital PCL. 10. Director, Paolo Medic Co., Ltd. 11. Director, Paolo Samut Prakarn Co., Ltd. 12. Director, Siam Medical Co., Ltd. 13. Director, Thai Medical Center PCL. 14. Director, Save Drug Center Co., Ltd. 15. Director, Medic Pharma Co., Ltd. 16. Director, Royal Bangkok Healthcare Co. Ltd. 17. Director, Bangkok Health Insurance PCL. 18. Director, Bangkok Premier Life Insurance Co., Ltd. 19. Director, Phnom Penh Medical Services Co., Ltd.

4. Directors' and Executive Management Remuneration

4.1 Monetary Remuneration

Remuneration of Directors, including sub-committees (for the year ended 31 December 2016)

(Unit : Baht)

Name of Director	Title	Director's Annual Allowance	Meeting Allowance				Total
			Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee	
1. Professor Emeritus Arun Pausawasdi, M.D.	Chairman of the Board	6,183,880	915,000				7,098,880
2. Mr. Chuladej Yossundharakul, M.D.	Vice Chairman/ Executive Director/ Director of the Nomination and Remuneration Committee	4,122,580	610,000		40,000	690,000	5,462,580
3. Mr. Prasert Prasarttong-Osoth, M.D.	Group CEO & President/ Chairman of the Executive Committee	4,122,580	610,000			1,035,000	5,767,580
4. Professor Emeritus Santasiri Sornmani, M.D.	Independent Director/ Chairman of the Audit Committee/ Chairman of the Nomination and Remuneration Committee	4,122,580	610,000	885,000	60,000		5,677,580
5. Mr. Chatree Duangnet, M.D.	Director/ Executive Director	4,122,580	610,000			690,000	5,422,580
6. Mr. Pradit Theekakul	Director/ Executive Director	4,122,580	610,000			630,000	5,362,580
7. Prof. (Clinic) Udom Kachintorn, M.D.	Independent Director	4,122,580	430,000				4,552,580
8. Mr. Chavalit Sethameteekul	Independent Director/ Nomination and Remuneration Committee Director	4,122,580	610,000		40,000		4,772,580
9. Mr. Sripop Sarasas	Independent Director/ Audit Committee Director/ Nomination and Remuneration Committee Director	4,122,580	610,000	590,000	40,000		5,362,580
10. Mr.Thongchai Jira-alongkorn	Director/ Executive Director	4,122,580	560,000			630,000	5,312,580
11. Mr. Sombut Uthaisang	Independent Director	4,122,580	610,000				4,732,580
12. Miss Poramaporn Prasarttong-Osoth M.D.	Director	4,122,580	610,000				4,732,580
13. Mr. Weerawong Chittmittrapap	Independent Director/ Audit Committee Director	2,261,848	460,000	590,000			3,311,848
14. Mr. Att Thongtang ⁽¹⁾	Director		400,000				400,000
Total Directors' Remuneration		53,794,108	8,255,000	2,065,000	180,000	3,675,000	67,969,108

Remark: (1) Appointed as Director to replace a retired Director by resolution of the 2016 Annual General Meeting of the Shareholders on 21st April 2016 and started attending the Board of Directors Meeting No. 4/2016 onward

Remuneration of Directors resigned in 2016

(Unit : Baht)

Name of Director	Title	Date of Resignation	Director's Annual Allowance	Meeting Allowance				Total
				Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee	
1. Mr. Wichai Thongtang (by rotation)	Director	21 April 2016	4,122,580	160,000				4,282,580
2. Mrs. Phornsiri Manoharn (by rotation)	Independent Director	21 April 2016	4,122,580	120,000				4,242,580
3. Mr. Veerathai Santiprabhob, Ph.D. (resigned)	Independent Director	30 September 2015	1,860,732*					1,860,732
Total Directors' Remuneration			10,105,892	280,000				10,385,892

Remark: * Director's Annual Allowance that was dispersed pro rata in April 2016 (period 17 April 2015-30 September 2015) between Mr. Weerawong Chittmittrapap (period 1 October 2015-21 April 2016) who replaced Mr. Veerathai Santiprabhob, Ph.D. in accordance with the resolution of the Board of Directors' Meeting No.9/2015 on 29 September 2015.

Remuneration of Independent Directors Received From Subsidiaries

(Unit : Baht)

Name	Title	Annual Allowance	Board Meeting Allowance	Audit Committee Meeting Allowance	Total
1. Professor Emeritus Santasiri Sornmani, M.D	Independent Director: Medic Pharma Co., Ltd.	136,850	60,000		196,850
2. Mr. Sombut Uthaisang	Independent Director/ Chairman of Audit Committee: Thonburi Medical Centre PCL	80,000	70,000	60,000	210,000
3. Prof. (Clinic) Udom Kachintorn, M.D.	Independent Director: Samitivej PCL	1,000,000	150,000		1,150,000

Remuneration of Executive Management

In 2016, the Company paid the top 4 Executives officers in the form of salary, bonus and meeting allowance in the total amount of Baht 123.66 million.

In addition, the Company made contributions to the provident fund for those executive officers in 2016, which is at a rate as specified in the Company's regulations as is the rate for general employees, in the amount of Baht 3.87 million.

4.2 Other Remuneration

Directors and Sub-Committee Members Apart from compensation in the form of meeting allowances and annual allowances as approved by the Shareholders, as the Company provides medical services, therefore, the Directors receive medical benefits according to company policy.

Executive Officers Apart from compensation in the form of company car and mobile phone, executive officers also receive medical benefits according to company policy, the same as with employees of the Company.

5. Human Resources

Number of Personnel

As of 31st December 2016, the Company and subsidiaries employed a total of 36,989 persons and 11,476 physicians, details as follows:

(Unit : Persons)

Type	Employees and Full-time Physicians	Temporary Employees and Consulting Physicians	Total
Nurses	7,876	2,622	10,498
General employees	22,833	3,658	26,491
Total employees	30,709	6,280	36,989
Physicians	2,553	8,809	11,476

Note: Physicians means doctors that work for the Company more than 40 hours a week but they are not considered employees of the Company.

Human Resources Development Policy

The Company recognizes the significance of our employees as “Human Capital”, which is the most important factor in driving the organization to reach the defined goals. Therefore, the Company has clearly determined action plans and allotted an annual budget. The different levels of human resources development are as follows:

1. **Orientation for new employees** to introduce the organization as well as provide an understanding of the organization’s culture and management structure through learning with management and current employees. The purpose of the orientation is to provide new employees a preliminary knowledge and understanding of their responsibilities, which will develop and draw out their potential to prepare for their career in the organization.

2. **Career Development** by clearly determining career paths and promotion paths. The Company has also determined the number of management training hours for those that will be promoted to management at all levels, to prepare employees for management responsibilities and their career paths.

3. **Training and Development** in order to develop personnel to have expertise and specialization, the Company aims to increase multi-skills using technology. Management, supervisors and staff all have more roles in determining the content and form of training that suits each person. Management and supervisors are tasked with coaching and supporting staff to self-teach and the training courses are designed to complement the BDMS Values and Leadership Competencies. Moreover, in 2016 the Company emphasized personnel development in accordance with the strategy to become a Center of Excellence (CoE).

1) The BDMS Values are:

- B = Beyond Excellence aim to succeed in elevating the medical services to become higher than the standard.
- D = Deep Empathy treat fellow humans with respect, and empathy by helping others while considering their feelings, background and attitude.
- M = Moral Commitment provide customers with medical products and services that meet safety standards, and service with morality and professional integrity.
- S = Service with Thai Hospitality care for customers with love by providing warm Thai hospitality so that they will return.

B = Beyond Excellence Strategy: The Company provides training to human resource management of the Hospital and subsidiaries in management of personnel costs, as well as Full-Time Equivalent Management (FTE) course for efficient calculation and planning of manpower resulting in efficient service to our customers.

The Company also provides training using D = Deep Empathy Strategy together with S = Service with Thai Hospitality Strategy through the Empathy Communication course in order that communication within the organization shall be expressed with understanding and empathy. As well as a course on Language Culture so that employees may provide service with understanding through learning about the language and culture of the customers.

For the M = Moral Commitment Strategy, the Company provides training on good corporate governance as declared to the Office of the Securities and Exchange Commission (SEC). An example of such training is the “Ethical Leadership Program” for management executives of the Hospital and subsidiaries to create awareness of the role of a leader in preventing corruption as well as promoting good work culture. Another example is the “Employee Policies” training for all employees of the hospital and all subsidiaries. There is also an assessment of employee acknowledgement of such policies. The Employee Policies are as follows:

1. Fraud Prevention and Anti-Corruption Policy - to discourage actions or the support of abuse of power in various forms.
2. Policy and Guidelines on Human Rights - to create awareness of the importance of respect for human rights and practice such respect in the workplace.
3. Supervision of Inside Information Usage policy - to prevent transactions that may cause conflict of interest as well as to support and promote the Company as a transparent and trustworthy organization.
4. Policy on Non-Infringement of Intellectual Property Rights and Copyrights - to act in accordance with laws on intellectual property rights such as trade mark law, patent law, copyright law, and other related laws.

2) The Leadership Competencies are:

- Drive with Strategy: clearly determine vision and action plan.
- Lead with Passion: good leaders can stimulate dedication.
- Persuade with Partnership: allow allies to form relationships and trust, leading to mutual opportunities and benefits.

In order to strengthen leadership potential of department heads and managers, the Company, in conjunction with the Faculty of Commerce and Accounting at Chulalongkorn University, has created a 120-hour curriculum, the Mini-MBA in Healthcare Program. The program emphasizes developing knowledge and skills in business management and management of healthcare organizations.

3) Strategy to become a Medical Center of Excellence (CoE)

The Company has arranged for training on “Leader as Coach” and “Manager as Coach” to draw out the leadership potential for the best benefit of the organization.

Moreover, towards the end of 2016, which was a time of mourning for Thais due to the passing of our beloved King Bhumibol Adulyadej, the Company cancelled all parties and joyful events out of respect. However, we did organize some creative, volunteer activities for our employees as follows:

- “Southern Teachers, Heart of a Coach” to develop the potential of teachers in the 5 southern border provinces.
- “3D Flower Volunteers” proceeds from the sale of 3D flowers made by volunteers were donated to the Vejduvit Foundation.
- “3D Flower Volunteers” proceeds from the sale of 3D flowers made by volunteers were donated to the Transplant Foundation at Chulalongkorn Hospital.
- “Move Your Fat Off” a campaign to encourage employees to take better care of their health to prevent and lessen the risk of disease. Such activities included training on nutrition, Zumba dance, aerobics, body combat, pilates and yoga.
- “Fulfill Dreams, Share Smiles, Make Merit” employees travelled to Baan Tha Lao School in Petchaburi Province to repair walls, build a first aid room, and to teach children about health and hygiene.
- “A new dimension of unity, creating jobs and careers for the disabled” to improve the lives of the disabled by provided knowledge about health, supporting jobs for the disabled such as organizing massage service by the blind at hospitals. Information on this project was shared with other organizations so that they may also give back to society.
- “Improving School First Aid Rooms in the Central Region” in Ayudhaya and Singhaburi Provinces. Employees created instructional media on healthcare as well as gave advice on basic first aid and medicine.
- “White Day for an Attractive Workplace” employees helped each other to clean and put in order their desks and working environment.

Company and Subsidiaries Training Statistics during 2014 - 2016

	2016	2015	2014
Number of employees who received training each year	9,330	8,325	8,819
Number of hours of training in each year	588,890	568,960	458,742

Labor dispute issues within the last 3 years

- None -

Employee compensation

For year 2016, the Company and subsidiaries paid the employee compensation, which included salaries, social security payments, provident fund, medical fees and other benefits totaling Baht 16,255.8 million, having Baht 3,251.5 million allocated to the Company and Baht 12,974.3 million to the subsidiaries.

Securities and Shareholders



1. Registered Capital and Paid-up Capital

(1) On 31st December 2016, the Company has a registered capital of Baht 1,649,786,871.40 and paid-up capital of Baht 1,549,095,654 divided into 15,490,956,540 common shares with par value of Baht 0.10 per share.

(2) On 18th September 2014, the Company issued convertible debentures containing obligations and certain limitations. The convertible debentures were listed on the Singapore Exchange Securities Trading Limited named “Zero Coupon THB 10.0 billion USD Settled Convertible Bonds due 2019”. Key terms and conditions of the convertible debentures are as the following:

Type of debentures	Unsecured and unsubordinated convertible debentures
Maturity	5 years, commencing from the issue date
Issue Size	Baht 10,000 million
Currency	THB-Denominated, USD-Settled
Maturity Date	18 September 2019
Put Option	At 18 September 2017 equal to 106.152% of the principal amount
Call Option	At any time after 18 March 2017, if the closing price of the Company’s shares is at least 130% of the applicable Early Redemption Amount, divided by the effective Conversion Ratio
Coupon	Zero
Redemption Price	110.462% of principal amount
Conversion Price	Baht 21.045 per one newly issued ordinary share
Outstanding Value as of 31st December 2016	Baht 10,000 million

2. Shareholder Structure

Top ten shareholders of the Company as of the latest registrar closing date on 30 January 2017:

No.	Top 10 Major Shareholders	Number of Shares	Percentage of Shareholding
1	Mr. Prasert Prasarttong-Osoth, M.D. and spouse	2,871,900,240	18.54
	Miss. Poramaporn Prasarttong-Osoth, M.D.	523,504,280	3.38
	Mrs. Ariya Prasarttong-Osoth	152,548,500	0.98
	Mrs. Somruthai Prasarttong-Osoth	36,700,000	0.24
	Mr. Puttipong Prasarttong-Osoth, M.D. and spouse	32,326,660	0.21
	Total	3,616,979,680	23.35
2	Mr. Att Thongtang	347,274,295	2.24
	Mr. Itti Thongtang and spouse	339,803,444	2.19
	Miss. Viorn Thongtang	253,475,494	1.64
	Mr. Attikhun Thongtang	198,909,604	1.28
	Mr. Wichai Thongtang and spouse	163,507,053	1.06
	Total	1,302,969,890	8.41
3	Bangkok Airways PCL (1)	1,008,418,690	6.51
	Bangkok Airways Holding Co., Ltd. (2)	205,000,000	1.32
	Total	1,213,418,690	7.83
4	The Viriyah Insurance PCL (3)	948,283,830	6.12
5	Thai NDVR Co., Ltd.	576,396,286	3.72
6	STATE STREET BANK EUROPE LIMITED	482,977,491	3.12
7	Mr. Chirothana Suchato, M.D. and spouse	394,513,090	2.55
	Mr. Janus Suchato	4,051,460	0.03
	Mrs. Nasuda Darnchaivijitr	6,280,000	0.04
	Mrs. Ranitha Thongdee and spouse	8,886,930	0.06
	Total	413,731,480	2.67
8	Social Security Office	376,203,900	2.43
9	Miss. Noppamas Ladpli	158,190,900	1.02
	Mrs. Atinuch Malakul Na Ayudhaya	131,253,020	0.85
	Mr. Parameth Ladpli	70,644,350	0.46
	Total	360,088,270	2.32
10	Mr. Chuladej Yossundharakul, M.D. and spouse	50,060,490	0.32
	Mr. Chulavej Yossundharakul	120,000,000	0.77
	Mr. Chulawat Yossundharakul	60,000,000	0.39
	Mrs. Marin Chansai	60,000,000	0.39
	Total	290,060,490	1.87
Total		9,581,110,007	61.85

Source : Thailand Securities Depository Company Limited

Remarks :

(1) Bangkok Airways Public Company Limited's (as of the latest registrar closing date on 9th September 2016) top five shareholders are as follows:

No.	Name	Number of Shares	Percentage of Shareholding
1	Mr. Puttipong Prasarttong-Osoth	523,642,700	24.94
2	Mrs. Ariya Prasarttong-Osoth	265,088,100	12.62
3	Mr. Prasert Prasarttong-Osoth, M.D. and spouse	223,027,500	10.62
4	Miss Poramaporn Prasarttong-Osoth, M.D.	171,799,400	8.18
5	Bangkok Bank Public Company Limited	105,000,000	5.00
Total		1,288,557,700	61.36

(2) Bangkok Airways Public Company Limited holds 99.99% of Bangkok Airways Holdings Company Limited.

(3) The Viriyah Insurance PCL., as of 25 April 2016, had top five shareholders as follows:

No.	Name	Number of Shares	Percentage of Shareholding
1	Viriyah Property Co., Ltd.	8,000,000	40.00
2	Viriyabhun Family	6,566,666	32.83
3	The Ancient City Co., Ltd.	2,000,000	10.00
4	Mrs. Orapan Pongpipat and family	1,641,668	8.21
5	Ms. Supaporn Thongthew and family	1,641,666	8.21
Total		19,850,000	99.25

3. Other Securities

As of 31st December 2016, the Company had a total of seven debentures that had not yet matured, which are registered and traded on the Thai Bond Market Association (Thai BMA), as follows:

- Bangkok Dusit Medical Services PCL Debenture BDMS 228A registered and traded on Thai BMA since 6th August 2012
- Bangkok Dusit Medical Services PCL Debenture BDMS 228B registered and traded on Thai BMA since 8th August 2012
- Bangkok Dusit Medical Services PCL Debenture BDMS233A registered and traded on Thai BMA since 14th March 2013
- Bangkok Dusit Medical Services PCL Debenture BDMS205A and BDMS235A registered and traded on Thai BMA since 10th May 2013
- Bangkok Dusit Medical Services PCL Debenture BDMS256A registered and traded on Thai BMA since 25th June 2015
- Bangkok Dusit Medical Services PCL Debenture BDMS266A registered and traded on Thai BMA since 24th June 2016

Features of the seven debentures are as follows:

A) Bangkok Dusit Medical Services PCL Debenture No. 1/2012 Due in 2022 (BDMS228A)

Debenture Type	:	UNSUBORDINATE, UNSECURED BOND WITH BOND HOLDERS' NAME REGISTERED AND WITHOUT BOND HOLDERS' REPRESENTATIVE
Issue Term	:	10 years from issue date
Issue Value (Baht)	:	500,000,000 Baht
Issue Size (Units)	:	500,000 Unit
Face Value	:	1,000 Baht
Offer Price	:	1,000 Baht
Issue Date	:	6 August 2012
Maturity Date	:	6 August 2022
Coupon Payment	:	4.50% per annum to be paid every 6 months from date of issue and paid on 6th February and 6th August of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31st December 2016	:	500,000 Unit
Outstanding Value as of 31st December 2016	:	500,000,000 Baht

B) Bangkok Dusit Medical Services PCL Debenture No. 2/2012 Due in 2022 (BDMS228B)

Debenture Type	:	UNSUBORDINATE, UNSECURED BOND WITH BOND HOLDERS' NAME REGISTERED AND WITHOUT BOND HOLDERS' REPRESENTATIVE
Issue Term	:	10 years from issue date
Issue Value (Baht)	:	100,000,000 Baht
Issue Size (Units)	:	100,000 Unit
Face Value	:	1,000 Baht
Offer Price	:	1,000 Baht
Issue Date	:	8 August 2012
Maturity Date	:	8 August 2022
Coupon Payment	:	4.50% per annum to be paid every 6 months from date of issue and paid on 8th February and 8th August of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31st December 2016	:	100,000 Unit
Outstanding Value as of 31st December 2016	:	100,000,000 Baht

C) Bangkok Dusit Medical Services PCL Debenture No. 1/2013 Due in 2023 (BDMS233A)

Debenture Type	:	UNSUBORDINATE, UNSECURED BOND WITH BOND HOLDERS' NAME REGISTERED AND WITHOUT BOND HOLDERS' REPRESENTATIVE
Issue Term	:	10 years from issue date
Issue Value (Baht)	:	4,000,000,000 Baht
Issue Size (Units)	:	4,000,000 Unit
Face Value	:	1,000 Baht
Offer Price	:	1,000 Baht
Issue Date	:	14 March 2013
Maturity Date	:	14 March 2023
Coupon Payment	:	4.63% per annum to be paid every 6 months from date of issue and paid on 14th March and 14th September of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31st December 2016	:	4,000,000 Unit
Outstanding Value as of 31st December 2016	:	4,000,000,000 Baht
Credit Rating (Tris Rating)	:	AA-



D) Bangkok Dusit Medical Services PCL Debenture No. 2/2013 Series 1 Due in 2020 (BDMS205A)

Debenture Type	:	UNSUBORDINATE, UNSECURED BOND WITH BOND HOLDERS' NAME REGISTERED AND WITHOUT BOND HOLDERS' REPRESENTATIVE
Issue Term	:	7 years from issue date
Issue Value (Baht)	:	2,000,000,000 Baht
Issue Size (Units)	:	2,000,000 Unit
Face Value	:	1,000 Baht
Offer Price	:	1,000 Baht
Issue Date	:	10 May 2013
Maturity Date	:	10 May 2023
Coupon Payment	:	4.19% per annum to be paid every 6 months from date of issue and paid on 10th May and 10th November of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31st December 2016	:	2,000,000 Unit
Outstanding Value as of 31st December 2016	:	2,000,000,000 Baht

E) Bangkok Dusit Medical Services PCL Debenture No. 2/2013 Series 2 Due in 2023 (BDMS235A)

Debenture Type	:	UNSUBORDINATE, UNSECURED BOND WITH BOND HOLDERS' NAME REGISTERED AND WITHOUT BOND HOLDERS' REPRESENTATIVE
Issue Term	:	10 years from issue date
Issue Value (Baht)	:	1,000,000,000 Baht
Issue Size (Units)	:	1,000,000 Unit
Face Value	:	1,000 Baht
Offer Price	:	1,000 Baht
Issue Date	:	10 May 2013
Maturity Date	:	10 May 2023
Coupon Payment	:	4.39% per annum to be paid every 6 months from date of issue and paid on 10th May and 10th November of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31st December 2016	:	1,000,000 Unit
Outstanding Value as of 31st December 2016	:	1,000,000,000 Baht

F) Bangkok Dusit Medical Services PCL Debenture No. 1/2015 Due in 2025 (BDMS256A)

Debenture Type	:	UNSUBORDINATE, UNSECURED BOND WITH BOND HOLDERS' NAME REGISTERED AND WITHOUT BOND HOLDERS' REPRESENTATIVE
Issue Term	:	10 years from issue date
Issue Value (Baht)	:	2,000,000,000 Baht
Issue Size (Units)	:	2,000,000 Unit
Face Value	:	1,000 Baht
Offer Price	:	1,000 Baht
Issue Date	:	25 June 2015
Maturity Date	:	25 June 2025
Coupon Payment	:	3.95% per annum to be paid every 6 months from date of issue and paid on 25th June and 25th December of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31st December 2016	:	2,000,000 Unit
Outstanding Value as of 31st December 2016	:	2,000,000,000 Baht
Credit Rating (Tris Rating)	:	AA-

G) Bangkok Dusit Medical Services PCL Non-Guarantee Debenture No. 1/2016 Due in 2026 (BDMS266A)

Debenture Type	:	UNSUBORDINATE, UNSECURED BOND WITH BOND HOLDERS' NAME REGISTERED AND WITHOUT BOND HOLDERS' REPRESENTATIVE
Issue Term	:	10 years from issue date
Issue Value (Baht)	:	3,000,000,000 Baht
Issue Size (Units)	:	3,000,000 Unit
Face Value	:	1,000 Baht
Offer Price	:	1,000 Baht
Issue Date	:	24 June 2016
Maturity Date	:	24 June 2026
Coupon Payment	:	2.99% per annum to be paid every 6 months from date of issue and paid on 24th June and 24th December of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31st December 2016	:	3,000,000 Unit
Outstanding Value as of 31st December 2016	:	3,000,000,000 Baht
Credit Rating (Tris Rating)	:	AA-

Subsequent Events after Reporting Date

On 8th February 2017, the Company issued three additional debentures totaling Baht 7,000 million, details as follows:

1) Bangkok Dusit Medical Services PCL Non-Guarantee Debenture No. 1/2017 Series 1 Due in 2020 (BDMS202A)

Debenture Type	:	UNSUBORDINATE, UNSECURED BOND WITH BOND HOLDERS' NAME REGISTERED AND WITHOUT BOND HOLDERS' REPRESENTATIVE
Issue Term	:	3 years from issue date
Issue Value (Baht)	:	3,000,000,000 Baht
Issue Size (Units)	:	3,000,000 Unit
Face Value	:	1,000 Baht
Offer Price	:	1,000 Baht
Issue Date	:	8 February 2017
Maturity Date	:	8 February 2020
Coupon Payment	:	2.41% per annum to be paid every 6 months from date of issue and paid on 8th February and 8th August of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Credit Rating (Tris Rating)	:	AA-

2) Bangkok Dusit Medical Services PCL Non-Guarantee Debenture No. 1/2017 Series 2 Due in 2022 (BDMS222A)

Debenture Type	:	UNSUBORDINATE, UNSECURED BOND WITH BOND HOLDERS' NAME REGISTERED AND WITHOUT BOND HOLDERS' REPRESENTATIVE
Issue Term	:	5 years from issue date
Issue Value (Baht)	:	2,500,000,000 Baht
Issue Size (Units)	:	2,500,000 Unit
Face Value	:	1,000 Baht
Offer Price	:	1,000 Baht
Issue Date	:	8 February 2017
Maturity Date	:	8 February 2022
Coupon Payment	:	2.97% per annum to be paid every 6 months from date of issue and paid on 8th February and 8th August of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Credit Rating (Tris Rating)	:	AA-



3) Bangkok Dusit Medical Services PCL Non-Guarantee Debenture No. 1/2017 Series 3 Due in 2024 (BDMS242A)

Debenture Type	:	UNSUBORDINATE, UNSECURED BOND WITH BOND HOLDERS' NAME REGISTERED AND WITHOUT BOND HOLDERS' REPRESENTATIVE
Issue Term	:	7 years from issue date
Issue Value (Baht)	:	1,500,000,000 Baht
Issue Size (Units)	:	1,500,000 Unit
Face Value	:	1,000 Baht
Offer Price	:	1,000 Baht
Issue Date	:	8 February 2017
Maturity Date	:	8 February 2024
Coupon Payment	:	3.46% per annum to be paid every 6 months from date of issue and paid on 8th February and 8th August of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Credit Rating (Tris Rating)	:	AA-

4. Dividend Payment Policy

4.1 Dividend Payment Policy of the Company

The Company has prescribed a material dividend payment policy since the Annual Shareholders' Meeting in 2009. The Company's policy is to pay dividends at no less than 50% of the company profits, depending on business expansion and capital requirements of the Company in each year, as approved by the shareholders, except for dividends within accounting periods which may be approved by the Board of Directors if the Board deems that the Company has had good operating results and sufficient liquidity.

Historical dividend payment from the Company's operations for the last 5 years can be summarized as follows:

Annual Dividend Payments	2011	2012	2013	2014 ⁽¹⁾	2015 [Restated]	2016 ⁽²⁾ [Jan.-June.]
Net profit per share (Consolidated financial statements)	3.00	5.14	4.05	0.48	0.52	0.26
Net profit per share (Company's financial statements)	1.57	1.73	2.45	0.21	0.29	0.28
Dividend per share (Baht per share)	1.10	1.80	2.00	0.23	0.26	0.10
Par value (Baht 1/ per share)	1.00	1.00	1.00	0.10	0.10	0.10
Dividend per share/net profit per share (%)						
- Consolidated financial statements	37%	35%	49%	48%	50%	38%
- Company's financial statements	70%	104%	82%	109%	88%	36%
Date of Dividend Announcement	04/05/12	03/05/13	02/05/14	06/05/15	04/05/16	30/09/16

Note : (1) On 25th April 2014, the Company registered the change in par value of common shares from Baht 1 per share to Baht 0.10 per share, in accordance with the resolution of the 2014 Annual General Meeting of the Shareholders held on 18th April 2014.

(2) The Board Meeting 8/2016 held on 31 August 2016 approved the interim dividend payment from operating results during the period of January to June 2016.

4.2 Dividend Payment Policy of the Subsidiaries

In the case of subsidiaries which are not listed on the Stock Exchange of Thailand, the Company has the policy for such subsidiaries to set aside profit as reserves prescribed by law as well as cash reserves as deemed necessary for operations of the business. Once the reserves have been allocated, the subsidiaries may then allocate the remaining profit as dividends to shareholders.

For subsidiaries which are listed on the Stock Exchange of Thailand, the dividend payment policy shall be determined by the Board of Directors of each company as deemed appropriate and according to the policy that each subsidiary had announced to investors.

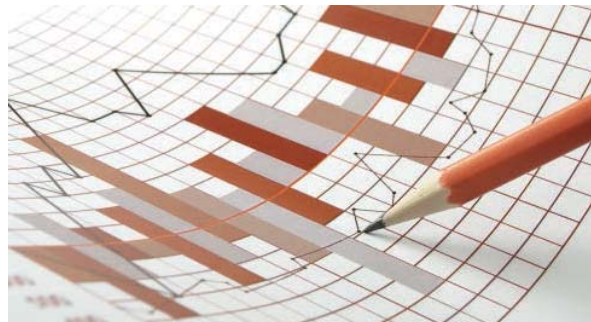
Risk Factors



1 Risk of Economic Volatility

The Bank of Thailand (December 2016) forecasts that the Thai economy will grow 3.2% in 2017. The main driver of the growth in 2017 will be increase in consumption from increased income of agriculturists and the government's economic stimulus, as well as the recovery of exports. These factors help to compensate the decrease in tourism from the crackdown on illegal tours and during this time of mourning. However, the main risk factor remains the global economy that may recover slower than expected and the uncertainty of the US economic policies.

Even though health care is one of the four requisites of life, the state of the economy can impact purchasing power and patrons of private hospitals may choose to delay or lessen visits to the hospitals such as delay of treatment, postponement of visits for elective procedures, shortening hospital stays and decreasing medical costs by visiting public hospitals or less costly private hospitals. Nevertheless, the Company has closely monitored the



situation in order to analyze and assess the risks that may affect the Company's operations, as well as made preparations and determined measures to manage such risks accordingly. The Company has the strategy to expand the hospital network to various provinces that have potential and are in need of private hospitals to encompass all regions. The expansion shall provide a variety of services to varying customer groups in order to diversify the risk and lessen the impact of situations that may occur.

2 Operational Risks

2.1 Risk from future changes in standards or regulations governing the Company

The Company operates under the supervision of the Ministry of Public Health and other related government agencies. Furthermore, the Company must have a license to operate a health care business and health clinics as stipulated by the law governing health clinics. In addition, the Company must comply with laws governing health clinics, companies and other related laws.

Any changes in the interpretation of current regulations or enforcement of laws or new regulations or policies that are likely to be stricter, may impact the Company's operations. The enforcement of laws or new regulations, as well as the deliberation of the draft Patient Protection Act, which protects persons who have been wronged or received damages from health care services with the goal to compensate the patients in a timely manner without having to prove wrongdoing, may affect health care providers including the Company. There is also consideration of setting up a patient protection fund to pay for damages to patients, whereby the health care clinics (including the Company as a health care business operator) are responsible for contributing to the fund according to the rules, procedures and rate determined by the Patient Protection Committee. Therefore, the Company may not be able to guarantee that future changes to laws and regulations or issuance of new regulations or new policies related to the Company's business will not affect the Company's operations and business opportunities.

However, the Company and networks hospitals are in compliance with various standards of quality such as JCI (Joint Commission International) and HA (Hospital Accreditation). Compliance with HA requires that a Committee be established to monitor the quality of patient care and ensure that it meets the standards of safety and environmental conservation, as well as monitor the various risks, especially risk in providing medical care. This may help to lessen the effects of changes to laws regarding health and the environment.

2.2 Risk of Competition

The private hospital business is highly competitive. Apart from competition with hospitals at the same level, the Company must also compete with mid level and lower level private hospitals, which have improved and developed medical services, as well as acquired state-of-the-art medical equipment in order to expand their



customer base. Public hospitals have also expanded medical services offered such as opening after-hours clinics, and private hospitals managed by large public hospitals, which may draw away some of our patients.

Therefore, to increase servicing efficiency and competitive edge, the Company pays close attention to patient referral as well as hub and spoke hospital management. In each region, the Company has hub hospitals which have the capability to provide complex treatment, while the spoke hospitals are smaller than the hub hospitals and will provide convenience and an alternative for patients in the surrounding areas and transfer patients to the hub hospitals for more complex treatment. Furthermore, the Company manages shared services of the central medical laboratories, central procurement, central accounting and central information technology. The Company has also invested in companies relating to and supporting health care services such as companies that produce and distribute medicine, saline and medical supplies in order to support hospitals both within and outside of the network, providing completed service with economy of scale.

2.3 Risk in retaining medical personnel or key executives

The private hospital business must depend on skilled medical personnel such as physicians, nurses, pharmacists and technicians. Therefore, failure to retain medical personnel or key executives, and not being able to replace them with comparable personnel may have negative impact on the Company.

Presently, the hospital business in Thailand is faced with the problem of lack of medical personnel. Great reliance is placed upon the public sector to develop medical personnel and there have not been sufficient medical personnel to meet demand. The Company has

had to compete with other hospital operators in retaining and attracting skilled medical personnel, which may affect the Company's operational costs.

However, BDMS is a large network of hospitals and has continued to provide financial support for education and research to medical personnel in order to improve specialized skills. We are a knowledge organization that aims to enhance medical knowledge in all areas as well as state-of-the-art medical technology. Moreover, the Company has set measures in determining compensation that is fair when compared to other operators in the private hospital business. Therefore, in comparison with other private hospital groups, the Company currently has not been significantly affected by this risk.

2.4 Legal Risk

Presently, people are more aware of patients' rights, especially with the issuance of the Act on Court Proceedings for Consumer Cases B.E. 2551 (2008), which more easily enables consumers and patients to file suit against health care service providers. This law may affect health care service providers and medical personnel, which puts the Company at risk of being sued for medical services provided.

Nevertheless, management recognizes the importance of controlling and inspecting quality of medical services, the screening of physicians, as well as respecting patients' rights. The Company gives importance to providing information, managing patients' expectations, reporting procedures and finding solutions when a complaint is received, as well as improving quality and determining indicators that ensure that the quality of service always meets international standards in order to lessen such risks.

2.5 Risk of Reliance on Revenue from Foreign Patients

Medical services revenue from foreign patients, which includes persons living or working in Thailand, or persons travelling to Thailand for pleasure or specifically to receive

medical care, as well as staff of foreign governments or agencies, or employees of foreign companies, is an important part of the Company's revenue from medical services. This group of patrons chooses to come to Thailand for health care services because of the internationally recognized standard and quality of medical services, reasonable medical fees and Thailand's renowned tourism industry.

Therefore, the Company faces risk from various crises that will affect patients' confidence in coming to Thailand for health care services, which is out of the Company's control, such as domestic politics as well as various natural disasters and increased competition. All these factors will directly affect the number of foreign patients that will come to Thailand for medical services. To this end, the Company has a policy to diversify and reduce this risk by expanding the hospital network to other provinces across the country, which have potential and are in need of medical services. In addition, the Company has expanded the foreign patient base to cover more diverse countries to reduce the risk of concentration of patients in any one group.

2.6 Foreign Investment Risk

The Company has made foreign investments with total value (in the form of paid-up capital, loans to subsidiaries and loan guarantee with financial institutions for subsidiaries) as of 31st December 2016 of USD 68.4 million which is equal to approximately Baht 2,371 million or 2.2% of the Company's total assets.

The Company's foreign investments, including majority shares held, are as follows:

- Angkor Pisith Co., Ltd., which manages the Royal Angkor Hospital, with 80% of outstanding shares.
- Phnom Penh Medical Services Co., Ltd., which manages Royal Phnom Penh Hospital, with 100% ownership.
- BDMS International Medical Services Co., Ltd. with 100% ownership.
- N-Health Asia Pte. Ltd. with 100% ownership, has invested in N-Health Cambodia Co., Ltd. and N-Health Myanmar with 100% and 60% ownership, respectively, to provide central lab work.

The factors that may negatively impact the Company's foreign investments are for example, foreign laws, regulations or government policies which govern the Company's offshore business, or political and economic conditions, foreign currency exchange volatility, or higher



than expected cost of capital or operations. The aforementioned factors may result in the Company not achieving the expected return or may impact the Company's financial status and performance.

3 Financial Risk

3.1 Risk in receiving payment of medical fees

Receiving payment is one of the financial risks that the Company faces, that is, when providing medical care before collecting fees and expenses, there is a risk that we may not be able to receive payment for such services. However, the Company has the following policies in reducing such risk:

1. When providing services to patients who are personally responsible for the expense, the Company has the policy to assess the expense before providing medical services so that the patient will be aware of the budget and make payment or a deposit prior to treatment.
2. The Company also has the policy to notify the party responsible for the payment of medical expenses of the expenses incurred during the course of treatment and encourages payment along the way to lessen the burden of one-time payment at the end of treatment.
3. For payment by counter parties, the Company also has a policy to provide credit for payment of medical services with caution by analyzing the counter party's credit history and financial status, as well as regularly reviewing the relationship. When the outstanding credit exceeds the limit, the Company will halt the credit, which lessens the risk of non-payment.

The Company has set up the Debtor Management Committee comprised of management from finance and operations. The Committee meets regularly to review and determine measures to manage the risk, as well as find appropriate solutions for the Company and patients when there is default of payment.

3.2 Interest Rates Volatility Risk

As of 31st December 2016, the Company has liabilities with floating interest rate equal to 21.5% of all financial liabilities. Therefore, fluctuations of the interest rates may affect the Company financial costs. However, the Company has the policy to hedge interest rate risk, including entering into interest rate swaps, as deemed appropriate according to the market situation.

3.3 Effects of global economy and foreign currency exchange volatility

Part of the Company's revenue comes from services provided to foreigners who travel to Thailand. Therefore, the economic status of the country of origin of the foreign patients has an impact on the number of foreigners who visit hospitals within the Company's network in the same way that the domestic economy impacts the number of local patients. Thus, the Company's business, financial status, profits and business opportunities may be impacted by the economy of the various countries of origin of the foreign patients.

Furthermore, the volatility of foreign currency against the Thai Baht, which is a determining factor in setting competitive pricing compared to health care providers in other countries, is another factor that may affect the Company's revenue. The Company thus faces risk from the volatility of foreign currency exchange, which is an external factor that is out of the Company's control. In this case, the Company has tried to maintain a suitable ratio of domestic and foreign patients in order to reduce this risk. In 2016, the Thai Baht fluctuated between Baht 34.52 to Baht 36.37 to the US Dollar.

The Company has the policy to hedge foreign currency exchange risk of liabilities by allotting loans in US Dollars for foreign subsidiaries, which receive fees in US Dollars or natural hedge.

4 Risk to shareholders should convertible bond rights be exercised (put option)

Under the holders' rights of the 5-year convertible bonds in the amount of Baht 10,000 million issued by the Company on 18th September 2014, convertible bond holders may exercise their right to convert the bond to common shares of the Company at Baht 21.045 with a ratio of 47,517.2250 common shares to Baht 1,000,000 in convertible bonds. As of 30 December 2016, the Company shares closed at Baht 23.10 per share and as of 31 December 2016, no one has exercised such rights of the convertible bond. Convertible bond holders may exercise their right, before the bond matures, on 18 September 2017 at a price of 106.152%. Should all convertible bond holders exercise their rights, the Company will be obligated to pay Baht 10,615.20 million.

Good Corporate Governance



The Company recognizes its role, duty and responsibility in practicing good corporate governance and believes that corporate governance determines the structure of the relationships among the shareholders, the Board of Directors, management and all stakeholders. The aim of good corporate governance is to increase competitive edge and value for shareholders in the long term, as well as increase the benefits to the other stakeholders, which will ensure the Company's continuous and sustainable growth.

The Board of Directors plays many significant roles; one of those roles is to ensure good corporate governance as assigned to the President and management, which will comply with corporate governance policies approved by the Board of Directors and the guidelines set by the Stock Exchange of Thailand. The Company stays abreast of any new regulations that have been put into practice and adjusts the Company's practices to comply with such regulations.

1. Corporate Governance Policy

The Company has the intention to ensure that the Company and its subsidiaries are efficient organizations in terms of business operations, good corporate governance, superior management, morally and ethically responsible, transparent and accountable. We are dedicated to producing the best benefits for our shareholders, while taking into consideration all stakeholders, in order to generate sustainable confidence and growth together.

Consequently, the Board of Directors has set the good corporate governance policy as guidelines for all directors, management and employees of the Company. The Board of Directors has reviewed and revised the current corporate governance policy and made many changes to meet international standards. Additionally, the Board of Directors has emphasized good corporate governance through integration of policy and business direction, sufficient internal controls and auditing, as well as ensuring that management act efficiently under the established policies so as to ascertain that the Company is transparent, ethical and abides by the governing laws and regulations.

The Board of Directors has entrusted the Audit Committee to draft the internal audit scheme to ensure that the organization complies with all policies, including the regular monitoring, review and revision of policies. This is to assure that the Company's corporate governance policy is up-to-date and suits the present situation.

The Corporate Governance Policy covers the following topics:

1. Shareholders' Rights
2. Equal treatment of shareholders
3. Policy on stakeholders' interests
4. Disclosure and transparency
5. Responsibility of the Board of Directors and sub-committees

Rights and equal treatment of shareholders

1. Rights and Equality

The Company is responsible to shareholders in disclosure of information, preparation of financial statements, utilization of insider information and resolution of conflicts of interest. Management must possess ethics and any decisions made must be made with honesty and integrity, as well as be fair to major and minor shareholders for the benefit of the stakeholders. The Company is aware of its responsibility in assigning importance to rights without bias and with equal treatment of all shareholders. It is the Company's duty to protect the rights and interests of the shareholders, including the right to receive dividends and the right to receive relevant information regularly and in a timely fashion. Moreover, the Company has the duty to disclose information with transparency and show responsibility of management by holding the Shareholders' Meetings.

The Company has the policy to support disclosure of information and business transactions so that the shareholders may better understand the Company's operations. Moreover, the Company is determined to create equality among the shareholders, whether they be major shareholders, minor shareholders, institutional investors or foreign investors. Each shareholder equally receives information on business operations, management policy and the financial statements of the Company and have the right to be treated fairly.

At each Shareholders' Meeting, the Company will distribute the letter of invitation including details of each meeting agenda, supporting information, as well as opinion of the Board of Directors on each agenda and other documents so that the shareholders may be well informed when making the decision to vote. In order to provide greater convenience and ensure that every shareholder shall receive clear, sufficient information, as well as have enough time to consider the agendas, the Company publishes the letter of invitation to the Shareholders' Meeting including supporting documents for each agenda as well as other related documents, such as a list of identification documents needed to attend the meeting, how to appoint proxy, registration, proxy form, map of meeting location, in both Thai and English on the SET Portal, administered by the Stock Exchange of Thailand as well as on the Company's website 30 days in advance of the meeting date. The documents are sent to the shareholders 10 days in advance of the meeting date for general agendas, which is in advance of the number of days required by law, and at least 14 days in advance for approval of connected transactions or special resolutions.

To provide convenience to those shareholders who are unable to attend the meeting, shareholders may appoint proxies to attend the meeting and vote on their behalf. The Company has prepared the detailed proxy form (Proxy Form B), which is sent with the meeting invitation and includes a list of identification documents needed to attend the meeting, how to appoint proxy and registration form. Shareholders may also download the proxy form from the Company's website. In addition, to provide another channel in exercising shareholders' rights, the Company suggests that in the case that the shareholder cannot attend a particular meeting, the shareholder should appoint an Independent Director of the Company as proxy to attend the meeting and vote on the shareholder's behalf. To this end, the Company has provided information on the Independent Director, whom the Company proposes to act as proxy for the shareholders, with the meeting invitation so that shareholders may consider to appoint the Independent Director as proxy to attend the meeting and vote on the shareholders' behalf should the shareholders be unable to attend the meeting in person.

The Company has a policy to give shareholders the opportunity to submit questions and to propose agendas for the Annual Shareholders' Meeting, as well as to nominate qualified and capable persons as directors to the Board of Directors prior to the meeting. The Company gives opportunity for shareholders to propose agendas and nominate directors in advance for a period of 45 days and interested shareholders can access information on guidelines and conditions in proposing agendas and nominees on the Company's website. In the case that the Board of Directors has considered that the proposed agenda is suitable, constructive and beneficial to the Company, the Board of Directors will include such agenda in the meeting proceedings for consideration of the shareholders. However, if the Board of Directors is of the opinion that such agenda is not suitable, the Board of Directors shall report this to the Shareholders' Meeting and provide reasons as to why that agenda was not included in the proceedings. For the 2016 Annual General Meeting, the Company provided the opportunity for shareholders to propose agendas for the annual general meeting as well as to nominate qualified and capable persons as directors to the Board of Directors prior to the meeting between 1 December 2016 to 14 January 2017.

During the Shareholders' Meeting, each shareholder has equal rights to independently express their opinions and pose questions within the appropriate time frame. The process of voting and counting votes is carried out swiftly with full disclosure. Each shareholder has the right to vote equal to the number of shares held. Each share has one vote and no shareholder has special rights above any other shareholder. One share equals one vote and the majority vote decides the outcome (for general agendas for which the law does not specify otherwise).

The Company shall gather details of the results of the voting in each agenda and will announce the results to the meeting after the voting of each agenda. Or, in the case that an agenda requires more time in counting the votes, the Chairman of the meeting may request that the meeting consider other agendas while the votes are being counted so as the meeting may continue. Once the staff has inspected the results, they will be immediately announced to the meeting. The results of the voting are recorded in the minutes of the meeting. For each agenda, number of "for", "against" and "abstain" votes are recorded, as well as the questions raised, explanations and opinions of the meeting so that shareholders may later verify the information.

In the case that any shareholder has a special stake in any of the agendas, the shareholder is not allowed to vote on that agenda with the exception of voting for appointment or removal of directors.

2. Shareholders' Meetings

The Company's policy is to convene the Shareholders' Meeting as prescribed by law and give shareholders the opportunity to be fully informed before exercising their rights. To this end, the Company has held the annual general shareholders meeting within four months from the end of the accounting year. The meetings are held in compliance with the laws and regulations of the Stock Exchange of Thailand from announcement of the meeting and organization of the meeting to after the meeting.

Shareholders with total shares no less than one fifth (1/5) of shares outstanding or shareholders no less than 25 persons whose total shares is no less than one tenth (1/10) of shares outstanding, may petition the Board of Directors to hold an extraordinary meeting of the Company's shareholders as stated in the company rules and regulations. The petition must clearly state the reason for convening the extraordinary meeting. The Board of Directors must convene the Extraordinary Shareholders' Meeting within one month from the day the petition is received. Details of the proceedings of shareholders' meetings are as follows:

- **Prior to Meetings**

The Company has sent letters of notification by registered mail no less than 10 days in advance for general matters, which is a higher standard than the law requires, and at least 14 days in advance in the case approval is needed for connected transactions or special matters. The notification of the meeting is published in at least one daily Thai language newspaper and one daily English language newspaper for three consecutive days prior to the meeting date.

The Company has announced the shareholders' meeting and accompanying documents both in Thai and English on the Company's website (<http://www.bdms.co.th> or <http://bangkokhospital.com>) under the menu item "Investor Relations" as an additional mode of dispensing information to ensure shareholder equality. Moreover, the Company has posted the meeting invitation in both Thai and English on the Company's website 30 days prior to the meeting date.

The meeting invitation shall include details of the meeting, such as time and place for the meeting, meeting agenda as well as opinions of the Board of Directors on each agenda and accompanying documents for informed decision making (if any), the Company's annual report, proxy form and a list of accompanying documents of the meeting. Additionally, the Company has delivered details on the meeting proceedings and appointment of proxy, including suggesting that the shareholder appoint an independent director to act as proxy. This is to assist the shareholders in making informed decisions when exercising their rights and voting.

For the convenience of the shareholders, the Company provides registration at the meeting using bar codes and has prepared separate ballots for each agenda, especially for the selection of directors, whereby the Company has prepared ballots for the voting of individual directors. Shareholders and/or proxies shall receive the ballots at the registration stage.

- **During Meetings**

The Company has assigned the Chairman of the meeting the duty of notifying and explaining the voting procedures in the various agendas before the meeting is officially convened. The President is assigned the task of responding to questions from the shareholders. After each agenda, the results of the vote will be announced and duly recorded.

For the convenience of the shareholders and for clarity, the Company uses multimedia facilities in presenting information and voting results after each agenda during the meeting. The Company has the policy to strictly adhere to the meeting agenda and to allow shareholders equal opportunity in casting votes.

To honor the rights of all shareholders, the Company has put in place a policy, which requires that all directors, as well as sub-committees, the auditor and executive management such as Chief Financial Officer, Assistant Chief Financial Officer and Assistant Vice President of Investor Relations, attend each shareholders' meeting. If any director or executive cannot attend the shareholders' meeting, he/she must submit a written explanation of the absence to the Chairman of the Board (in the case of directors) or the President (in the case of executive management).

The Chairman of the meeting has provided sufficient opportunity for shareholders to raise questions and make suggestions on business operations, and the annual financial reports without infringing shareholders' rights. The Chairman of the Board and the President will clarify all information during the meeting and give all directors the opportunity to unofficially meet the shareholders after each meeting.

- **After Meetings**

The Company has prepared the minutes of the meeting as well as recorded the results of the voting. For each agenda, number of "for", "against" and "abstain" votes are recorded, as well as the questions raised, explanations and opinions of the meeting are detailed in the minutes. The minutes of the shareholders' meeting are submitted to the Stock Exchange of Thailand within the prescribed 14 days after the meeting. The Company has the policy to announce the minutes of the shareholders' meeting on the company website (<http://www.bdms.co.th> or <http://bangkokhospital.com>) under the menu item "Investor Relations" in a timely fashion so shareholders and investors may be informed and may verify the information.

Policy on Equitable Treatment of Stakeholders

The Company recognizes the significance of each group of stakeholders, whether they are internal personnel or external stakeholders such as shareholders, customers, creditors, counter-parties, communities, government agencies and other related organizations. The Company also recognizes that the support of each of the stakeholders will ensure the stability and longevity of the organization in the long term.

Therefore, the Company has the policy to protect the rights of the stakeholders through compliance with relevant laws and regulations, as well as respecting the interests of all related parties. The policies are as follows:

- 1. Policy on Transactions which may cause Conflict of Interest and Transactions between Companies**

The Board of Directors understands that transactions which may lead to conflicts of interest and/or transactions with related counter-parties must be thoroughly contemplated to ensure compliance with the relevant laws and regulations of the Securities and Stock Exchange Commission and the Capital Market Committee, as well as the Company's internal guidelines. Moreover, such transactions must be strictly carried out as with any other transactions with external parties which have no relationship with the Company. Also, the transactions must fully provide value to the Company and the shareholders. The terms and conditions of the transactions must follow the generally accepted standard terms and conditions of business transactions.

The Company has the policy to prevent directors, management and employees from using their status for their own personal gain. Directors, management and employees must refrain from engaging in transactions which have conflict of interest with the Company. Furthermore, any directors, management or employees who have a

stake in any transaction shall not be allowed to participate in the decision making process. Directors, especially, will not be allowed to consider or vote on any matters in which they have an interest, including transactions between companies and transactions between subsidiaries and stakeholders.

2. Policy on Shareholders

The Company aims to achieve the utmost benefits in the long term for the shareholders through stable growth and sustainable capability in generating profits, including maintaining the competitive edge by recognizing the current and future business risks. The Company emphasizes business for consistent profits through continuous business development. Moreover, the Company strives on professional management, efficient internal control, systematic audit and strong risk management to reciprocate and show responsibility to our shareholders.

Other than fundamental rights of the shareholders such as the right to inspect number of shares, right to receive share certificate, right to attend shareholders' meetings and to vote, right to freely express opinions and make suggestions on the Company operations at the shareholders' meetings, right to fairly receive returns, and other lawful rights, the Company also has the policy to disclose information justly, with transparency and in a timely fashion within any business restrictions so that every shareholder equally receives information.

3. Policy on Employees

Employees are a valuable asset to the Company. Capable and experienced employees are consistently well cared for in accordance with the Company's strategy and operational plans. The Company also ensures equal opportunity and suitable compensation. Furthermore, the Company has arranged for the necessary training by both internal and external persons in order to continuously enhance the skills of employees. Moreover, the Company supports and promotes the healthy working environment and organizational culture, and treats employees equally and justly. Employees are given the opportunity to express their opinions and make suggestions to management via the Company's internal website.

Employees are provided with benefits and safety which include medical benefits and provident fund. The Company reviews and revises employee compensation and benefits to ensure that they are competitive with the industry. Furthermore, academic scholarships are available to doctors, nurses and employees so that they may use the knowledge to assist in the development of the organization. The aim is for the Company to be a place of learning for personnel, as well as to motivate knowledgeable and capable persons to remain with the organization in the long-term. The Company has put in place guidelines in human resources management from recruitment and training to maintaining quality personnel as follows:

- **Recruitment and Career Advancement**

The Company recognizes the importance of personnel development from the recruitment process onwards. To this end, the Company clearly defines the level of education, experience, expertise and other qualifications of each position in order to recruit the most suitable candidates. In recruiting for a particular position, the Company shall give priority to internal staff in order to provide an opportunity for career advancement. If there are no suitable internal candidates, the Company shall then consider external candidates. Each new employee is required to attend orientation in order to be informed about the working process of the various departments within the organization. This will enable employees to plan and act according to the objectives set. The Company also gives importance to career advancement of employees in order to retain outstanding employees.

- **Employee Training**

The Company has the policy to support training and development of personnel. In order to regularly and continuously develop and improve employees' skills, the Company organizes both internal and external training sessions. Apart from training on work skills organized internally, the Company also encourages employees to exchange knowledge and experience among the various departments, be it through meetings or information exchange through the intranet. For external training, the Company encourages employees to fill out questionnaires on training desired and will send them to attend those training courses as appropriate. The Company shall monitor results or measure the knowledge gained in each training course for the greater benefit of the Company and the employees.

- Employee Evaluation

The Company evaluates the employees' knowledge and skill by clearly and justly specifying the guidelines in evaluating employees at all levels. The employees shall be evaluated based on their capabilities and potential in terms of skill, knowledge, attributes and performance. The Company has widely communicated the evaluation guidelines in advance. In determining employee compensation, apart from business profits and the state of the economy in each year, the employee evaluation is also an important factor. By basing employee compensation on employee evaluations, employees will be encouraged to carry out their duties and develop their potential efficiently and effectively.

- Equal Treatment of Employees

The Company recognizes the importance of treating employees equally within the organization, from recruitment to promotion, without bias or nepotism in performance evaluations, work practices and when expressing opinions.

- Employee Engagement Surveys

In order to become aware of each employee's satisfaction or happiness in their work, the Company has specified that surveys be conducted of employees at all levels to gather opinions and suggestions. The information gathered can be used to correct and/or improve any shortcomings in management of the organization and personnel both in the short and long term. In addition, the Company has also set guidelines on submitting grievances in order to fairly and justly alleviate any frustration in the work place.

- Provide Better Quality of Life for Employees

The Company recognizes the importance of good quality of life of our personnel, which will encourage our employees to work efficiently. We, therefore, pay close attention to ensuring that the workplace is safe and hygienic for the health and benefit of our employees. In terms of health, the Company provides annual medical check-ups for employees. Furthermore, if the number of employees in any department is insufficient for the amount of work assigned, the Company shall employ additional employees so that the amount of work is suitable for the number of employees to better the quality of life for all.

- Build Solid Management and Intra-Working Systems

The Company recognizes the importance of continuous work processes from beginning to end in order to produce quality output that meet standards, as well as eliminate and lessen conflicts. To this end, every department has contributed to the Operational Manual to be used as a guideline in communicating and coordinating among departments within the organization. The manual is accessible by all through the intranet and is reviewed and revised as appropriate.

- Build Good Relationship between Management and Employees

The Company recognizes the significance of a good working relationship between management and employees, which affects the work efficiency. Therefore, we have organized activities between management and employees, which will improve the relationship between the two and encourage contentment in the work place; such activities include New Year's Party, merit making and sports events. In addition, management meets regularly with employees in order to exchange views. This will enable the organization to efficiently and effectively reach for the same goals.

- Create First-Rate Employees for the Organization and Society

In order for employees to conform and for collective discipline, when any employee evades or is in violation of work regulations, that employee will be considered to be at fault. This must be deliberated and rectified according to the regulations by taking into consideration good corporate governance as defined by the Company, which has set a guideline for management and employees. The Company firmly believes that developing employees into good and outstanding individuals will ensure the organization's stable and sustainable growth.

4. Policy on Management

The Company realizes that management is an important success factor. To this end, the Company has set up a suitable compensation program which is comparable to management in the healthcare business. Moreover, management is able to carry out their duties and responsibilities independently without intervention, which is for the mutual interest of the organization and all related persons.

5. Policy on Counter-Parties

The Company conducts business with partners, competitors, creditors, counter-parties and others according to the trade terms and conditions or agreements that are contractually fair and ethical by taking into consideration the suitability of price, quality and services provided. Clear guidelines are provided on procurement, employment and other procedures. No benefits may be requested of the counter-party or received from the counter-party. Procurement of products or services that infringe on human rights or intellectual rights or are derived from illegal acts are avoided. The Company has the policy to avoid any actions which may be dishonest or infringe on the rights according to the law or as mutually agreed upon of the counter-party, as well as to ensure that the transactions are ethical business-wise.

6. Policy on Competitors

The Company has the policy to act honestly towards companies in the same business in accordance with trade dealings. The framework of this policy has been shaped by related laws and regulations. The policy prohibits the seeking of business competitor's inside information through dishonest or inappropriate means. Furthermore, the infringement of intellectual property rights and false accusations that aim to discredit competitors without facts to support such claims are prohibited. The Company, however, supports fair competition for the greater benefit of the customers.

7. Policy on Customers

The Company recognizes that the customers are an important success factor of the business. The Company strives for customer satisfaction by providing quality professional service with the determination to continuously improve the quality of medical care services in order to meet the needs and expectations of the customers. This organization maintains the privacy of customers and will not disclose any customer's information unless required by law or when the customer has given consent.

8. Policy on Debtors

The Company has the policy to abide by the contracts and commitments made with debtors of all types, whether in terms of the objective, repayment, maintaining quality of collateral (if any), payment period, as well as any other terms and conditions agreed upon with the debtor. In addition, the Company has the policy to divulge accurate information on financial status as disclosed to the shareholders, to the debtors so as to ensure confidence in the Company's ability to repay the debt obligation and to act in accordance with the agreed upon terms and conditions. In the case that the Company is not able to comply with any one of the agreed upon terms and conditions, the Company shall immediately inform the debtor so that a reasonable solution can be found together, thus maintaining mutual trust and good relationship.

9. Policy on Social Responsibility and the Environment

The Company aims to consistently treat society and the environment with the highest standards by upholding safety and environment-friendly standards throughout the business. The Company is involved in public interest and has participated in activities that benefit the community and the environment. It is the Company's policy to act responsibly towards society, related persons and personnel within the organization.

The Company recognizes the impact of the medical care process on the environment, as well as the safety of the customers and the health of all levels of personnel providing service. To this end, the Company first adopted ISO 14001 for Environmental Management and Mor Or Gor. 18001/ OHSAS18001 for Occupational Hygiene and Safety Management within the organization and received certification from Management System Certification Institute (MASCI). Furthermore, the Company has announced and conveyed the "Environmental, Occupational Health, and Safety Policy" within the hospital to all personnel and related persons since 2003. The policy has been practiced earnestly and consistently. Moreover, the Company has participated in many charitable activities and has supported the employees' concerns regarding the environment and the community. In 2007, the Company established the "Community Relations Committee" to oversee, coordinate and communicate between the organization and the community.

10. Policy and Guidelines on Human Rights

The Company recognizes the importance of human rights and has thus instituted the policy on human rights. Each employee has rights, freedom and equality, as well as the opportunity for career advancement according to his/her individual skills and potential. Such rights, freedom and equality must be within the rights and freedom of the citizens as stipulated in the Constitution of the Kingdom of Thailand, no matter that person's place of birth, ethnicity, language, religion, age, gender, social-economic status or political views.

Therefore, in order that the directors, management and employees respect human rights and rights within the work place, the Company has imposed the "Policy and Guidelines on Human Rights" so that everyone shall acknowledge and act accordingly. The policy has also been published on the Company's website.

11. Policy Prohibiting Infringement of Intellectual Property Rights or Copy Rights

The Company envisions the Company and its subsidiaries to be an efficient organization with good corporate governance. Therefore, the Company has the policy to act in accordance with laws on Intellectual Property Rights and Copy Rights by ensuring that there are no infringements upon intellectual property rights or any action or benefits derived from copy righted work, unless lawful use has been granted by the owner of those rights. Thus, the Company has established the "Policy Prohibiting Infringement of Intellectual Property Rights and Copy Rights" so that the directors, management and employees shall acknowledge and act accordingly. The policy has also been published on the Company's website.

12. Whistleblower Policy

The Company has the policy to protect and mitigate any damages to the persons reporting the misconduct, persons assisting in the reporting or persons cooperating in the investigation of facts. Such persons shall receive protection and fairness under the Whistleblower Policy as stated in the "Company's Code of Ethics". The policy has also been published on the Company's website and may be summarized as follows:

- The Complainant may choose to issue the complaint anonymously should he/she think that disclosure of his/her identity would not be safe. However, should the complainant disclose his/her identity, he/she would be able to receive progress reports as well as an explanation of the facts or receive relief of damages in a faster and more convenient manner.
- The person assigned to take complaints must keep all information confidential and disclose such information only when deemed necessary by taking into consideration the safety of and the possible damages to the complainant or persons cooperating in the investigation. The Company guarantees that there will be no grounds for termination of employment, punishment or any other actions that would be adverse to the employee.
- Persons who are adversely affected shall receive mitigation of damages through suitable and fair process.

Stakeholders Engagement

The Company provides the opportunity for employees and stakeholders, both internal and external, to contact the Company, share opinions, make complaints and report any wrong doings through channels as stated in the announcement entitled "Company's Code of Ethics", which has been declared and posted on the Company's website. Persons assigned to take complaints from stakeholders must adhere to the following procedures:

- Gather facts on the violation, neglect or unethical behavior. Those in charge of the related information must disclose all information available to the person assigned to gather facts and investigate complaints.
- Assess and analyze the information to find the cause and whether there has been any violation, neglect or unethical behavior. Once the analysis is completed, it must be reported to the person with authority to take further action.
- In the event that an act of violation, neglect or unethical behavior has been found, action will be taken in accordance with the guidelines of the Company or related regulations.

Disclosure and Transparency

The Company has the policy to ensure that disclosure of financial information and general information to shareholders, investors and securities analysts, as well as the general public, is done so sufficiently, completely, justly, timely, with transparency, and as prescribed by relevant laws and regulations. To this end, the Company monitors the issuance of any new regulations and adjusts the company's guidelines in accordance with such regulations. Moreover, the Company discloses such policies to internal staff as well as posts the policies on the Company's website. Such policies are:

1. Memorandum and Articles of Association
2. Good Corporate Governance Policy
3. Code of conduct
4. Corporate Information Disclosure Policy
5. Supervision of Insider Information Usage Policy
6. Fraud Prevention and Anti-Corruption Policy
7. Policy and Guidelines on Human Rights
8. Policy on Infringement of Intellectual Property Rights and Copy Rights

The Company has the policy to disclose the financial statements, important information and any other information which may affect the interests of the shareholders or the decision to invest in the Company, which in turn, may affect the price of the shares and/or securities of the Company. This information will be disclosed sufficiently, completely and at the appropriate time through fair and suitable channels. The main purpose is to ensure that the decision to invest in securities of the Company is made fairly and with equal information, in accordance with the Corporate Information Disclosure Policy and the supervision of Inside Information Usage Policy to the directors, management and employees for further action.

Furthermore, the Board of Directors has prepared the report of responsibilities to the financial statements along with the report from the auditors and has included the reports in the annual report and the annual information disclosure form so that management may recognize the commitment and responsibility to information and financial reports, which must be accurate before being made available to the investors.

Disclosure of Information

Apart from disclosure of information as mandated by law and regulations of the related agencies, the Company has established the Investor Relations unit as a channel for direct contact for investors and analysts both in Thailand and abroad, including related persons or external persons who are interested in the Company. In communicating to external parties, executive management who have been assigned the task of disclosing information about the Company are the President, the Chief Financial Officer, the Assistant Vice President of Investor Relations.

In 2016, the executive officers, including the Assistant Vice President of Investor Relations met with investors and analysts provided information at the following opportunities:

1. Road shows: 7 domestically, and 3 abroad (10 times in total)
2. Analyst Meetings: 10 times
3. Arranged Company Visits and Conference Calls: 158 times
4. Site Visits: 13 times

The Company provides information on the company, operating results, financial statements, and news to the Stock Exchange of Thailand (SET). Interested persons may look up this information on the SET website www.set.or.th and the Company's website <http://www.bdms.co.th> or <http://www.bangkokhospital.com>. For further information, investors and interested persons may contact the Assistance Vice President (Investor Relations) by telephone at 0-2755-1793, fax: 0-2755-1959 and e-mail: investor@bangkokhospital.com or the company website <http://www.bdms.co.th> or <http://www.bangkokhospital.com>.

Responsibilities of the Board of Directors and the Sub-Committees

1. Board of Directors

The Board of Directors is comprised of 14 members, 7 of those being Executive Directors, 1 being Non- Executive Director, and 6 Independent Directors. The Board of Directors believes that having 6 qualified and capable Independent Directors is a sufficient number to balance and review the management.

Executive Directors

Executive Directors are directors who are involved full-time in the management of the Company and receive monthly compensation, whether it be a monthly salary or other forms of compensation consistent with the Company's regulations or benefit plans.

Non-Executive Director

Non-Executive Director is not involved full-time in the management of the Company nor do they receive a monthly salary from the Company. These directors may be appointed or be representatives of major shareholders.

Independent Directors

Independent Directors are directors who are not involved in management of the Company, subsidiaries, associates or related companies with independent management, major shareholders nor have authority to take over the business. Furthermore, the Independent Directors must not have a business or be involved with the interests of the Company, subsidiaries, associates or related companies, which may negatively affect the interests of the Company and/or shareholders.

Qualifications of Independent Directors, which the Company has set according to regulations of the SEC, are as follows:

1. Holds less than 1.0 percent of the voting shares of the Company, its subsidiaries, associates or affiliates, or juristic persons with conflicts of interest. This includes shares held by related persons of the individual independent directors. (Related persons meaning children as defined in Article 258 of the Securities and Exchange Act.)
2. Is not/has not been an executive director, staff, employee, salaried advisor or person with controlling power of the Company, parent company, subsidiaries, associated companies, same level subsidiaries, major shareholders or persons with controlling power, unless that status has ended for no less than 2 years prior to the appointment. This restriction shall not apply to an independent director who has been a civil servant or an advisor to a government authority that is a major shareholder or controlling person of the Company. (Same level subsidiaries meaning subsidiary with the same parent company.)
3. Is not a blood relative of or has a legally registered relationship as father, mother, spouse, sibling and child, as well as spouse of child, with management, major shareholders with controlling power or individuals to be proposed as management or those having controlling power over the company or subsidiaries.
4. Does not have/has not had business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders or persons with controlling power, in a way that may hinder one's independent judgment. In addition, the individual must not be/have been a substantial shareholder or a person with controlling power of an entity that has a business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders or persons with controlling power, unless that status has ended for no less than 2 years prior to the appointment.
5. Is not/has not been an auditor of the Company, parent company, subsidiaries, associated companies, major shareholders or persons with controlling power of the Company and is not a substantial shareholder, a person with controlling power or partner of an audit firm which employs auditors of the Company, parent company, subsidiaries, associated companies, major shareholders or persons with controlling power, unless that status has ended for no less than 2 years prior to the appointment.
6. Is not/has not been a professional advisor, which includes legal counsel and financial advisor, who receives a service fee exceeding Baht 2 million per year from the Company, parent company, subsidiaries, associated companies, major shareholders or persons with controlling power and is not a substantial shareholder, a person with controlling power or partner of the professional advisor, unless that status has ended for no less than 2 years prior to the appointment.

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7. Is not a director who has been appointed as a representative of the Company's directors, major shareholders or a shareholder who is a related person to a major shareholder.
 8. Not conducting any business which is of the same nature as or in material competition with that of the Company or its subsidiaries, nor be a substantial partner, executive director, staff, employee, salaried advisor, or hold more than 1% of total shares with voting rights of any company whose business is of the same nature as or in material competition with that of the Company or its subsidiaries.
 9. Not possess any other characteristics which may render that person incapable of expressing independent opinions with regards to the Company's operations.

Independent Directors may be assigned by the Board of Directors to make decisions regarding operations of the Company, subsidiaries, associated companies, same level subsidiaries or juristic persons that pose a conflict of interest through a collective decision.

Separation of Positions

1. Presently, the Chairman of the Board of Directors does not participate in the management of the Company. Furthermore, the Company has stipulated that the Chairman and the President must not be the same person nor be a member of any sub-committee so that the Chairman may be independent from management and have the independence to make decisions and ensure that the directors carry out their responsibilities with transparency and without bias. The Chairman shall act fairly in using policy and active strategy in ensuring that Board meetings are held and that all directors participate and independently raise questions at each meeting.

2. The Company has determined that the Chairman of the Board must not be a member of the Nomination and Remuneration Committee so that the Committee shall be free to make decisions independent of the Board of Directors.

Separation of Directors and Management

The Company has clearly separated the responsibilities of the Board of Directors from that of management, whereby the Board of Directors shall determine the policy and ensure that management acts in accordance at the policy level. The Board of Directors shall meet regularly each month to monitor and support strategic policies of the Company. At the same time, the Board of Directors shall not interfere with day-to-day operations or business activities under the responsibility of the President and management. While management is under the supervision of the President, who will ensure that the Company complies with the policies and goals that have been set, as only the President is assigned such tasks by the Board and the Executive Committee. Therefore, management efficiently responds to the power and responsibility of the President. Furthermore, the Company has clearly defined the duties and authority of the Board of Directors, Sub-Committees and all levels of management.

Term of Directorship

In principal, directors should not serve for a long, continuous period of time. However, there is a shortage of persons with experience and knowledge and understanding of healthcare, as well as limitations in finding suitable replacements. In addition, we must take into consideration management risk that may occur because of lack of knowledge and understanding of healthcare, which is an important factor in selecting directors, especially in the healthcare business, which requires expertise and specialization in order to clearly understand the Company's business. Therefore, the Company has not set any official limitations on the term of the directors.

Determining the number of companies listed on the Stock Exchange of Thailand that any one director may hold directorship

The Company has established the policy that directors of the Company may hold no more than 5 directorships of a company listed on the Stock Exchange of Thailand (including directorship of the Company) as it may result in the director not being able to give his/her full attention to a company.

Duties of Directors

Each director has the duty and responsibility to determine and monitor the operational policies of the Company, apart from the duties and responsibilities as stated in "Shareholding Structure and Management", the duties of the Directors include the following:

1. Directors should have sufficient access to financial information and other business information so that he/she may carryout duties efficiently.

2. Directors should attend every Board meeting as well as sub-committee meetings, and raise important questions to protect and maintain the rights and interests of the shareholders and stakeholders to ensure proper business conduct and operations.

3. Directors should attend every shareholders' meeting, especially Directors who have been appointed to the Audit Committee, in order to answer and provide explanations to the shareholders' queries, as well as acknowledge suggestions from the shareholders.

4. Directors should be capable and have the intention to learn about the Company's business, as well as share opinions independently, devote time to the Company as needed and show interest in the important issues.

5. Independent Directors should submit a letter to the Company to confirm that he/she is truly independent, according to the Company's definition, on the day that he/she has accepted the appointment to the position and each year after such appointment.

6. Assess the performance of the Board of Directors and Sub-Committees as a whole.

7. Any other duties of the Directors as stipulated in notifications, acts or laws governing the Company.

Board of Directors Meetings and Sub-Committee Meetings

The Company has set the dates for the Board of Directors' meetings and the Executive Committee Meetings in advance for the entire year and may have extra-ordinary meetings as deemed necessary. The regular Board of Directors' meetings are to be held on the last Wednesday of each month with the Executive Committee meeting to be held on the Tuesday prior to the Board meeting and members of the Board and Executive Committee are made aware of these dates in advance so that they can arrange their schedules to accommodate the meetings. The agenda of each meeting will also be set in advance and will include continuing agendas to follow up on any assignments from prior meetings. The Company Secretary shall send meeting invitations and the agenda at least 7 business days in advance of each meeting in order to allow directors sufficient time to review the information prior to attending the meeting.

The meetings of the Audit Committee and the Nomination and Remuneration Committee are not set in advance. However, the meetings of the two sub-committees are held as deemed appropriate and when opportunity allows in order to accomplish the duties assigned. After the sub-committee meetings, the Chairman of the committees or an appointed representative shall report the result of the meeting to the Board of Directors at the subsequent Board meeting.

The Company has disclosed attendance at the 2016 Board of Directors' Meetings and the Sub-Committee Meetings in the section titled "Management Structure".

Determining Remuneration for Directors and Executives

Presently, the Company has appointed the Nomination and Remuneration Committee the task of justly determining the remuneration of directors to correspond to the directors' duties and responsibilities by comparing to those of leading companies listed on the Stock Exchange of Thailand and those companies of similar size in the same industry. In addition, the remuneration must be in-line with the Company's operational results and must be approved by the Shareholders' Meeting.

As for remuneration of executives, the Company will award remuneration by performance evaluation as stated in the guidelines defined by the Board of Directors and the Human Resources Department for each level of management. The performance is linked to the operational results of the Company and individual accomplishments.

Directors' Knowledge Enhancement

The Company has the policy to encourage directors of the Company and subsidiaries to attend the Director Certification Program (DCP) and the Director Accreditation Program (DAP) organized by the Thai Institute of Directors (IOD). The programs will provide the directors with knowledge and understanding of efficient corporate governance and will enable them to use the knowledge for continuous good corporate governance. Fifteen of the directors have

attended and passed the Director Certification Program and/or the Director Accreditation Program. The Company also encourages directors to attend training courses on amendments and updates of the regulations, policies and guidelines of the Stock Exchange and the SEC.

The Company has assigned the Company Secretary the task of summarizing significant changes to the regulations or guidelines to the President for further reporting to the Board of Directors for their acknowledgement and practice. In some cases, the Company may invite experts in specific fields to present such information or guidelines to the Board of Directors for their acknowledgement and practice. In 2016, the directors attending the following courses.

Directors	Course		
	"Responsibilities of directors in accordance with the new Securities and Exchange Act" by Weerawong, Chinnavat & Peangpanor Ltd.	CG Forum 2/2016 "Honesty, Caution, Shields for Directors" by the Stock Exchange of Thailand	"Technique in managing insider information for professionals" by the Office of the SEC, SET and Thai Listed Companies Association
1. Professor Emeritus Arun Pausawasdi, M.D.	•		
2. Mr. Chuladej Yossundharakul, M.D.	•		
3. Mr. Prasert Prasarttong-Osoth, M.D.	•		
4. Professor Emeritus Santasiri Sornmani, M.D.	•		
5. Mr. Chatree Duangnet, M.D.	•		
6. Mr. Pradit Theekakul	•	•	
7. Prof. (Clinic) Udom Kachintorn, M.D.	•		
8. Mr. Chavalit Sethameteekul	•		
9. Mr. Sripop Sarasas	•		•
10. Mr.Thongchai Jira-alongkorn	•		
11. Mr. Sombut Uthaisang	•		
12 Miss. Poramaporn Prasarttong-Osoth M.D.	•	•	
13. Mr. Weerawong Chittmittrapap	•		
14. Mr. Att Thongtang	•		

2. Sub-Committees

The Board of Directors resolved to appoint three sub-committees, namely, the Audit Committee, the Nomination and Remuneration Committee and the Executive Committee, to assist in ensuring corporate governance, internal control and to filter issues. The Board has also clearly separated the duties of each committee by prescribing the responsibilities in the respective committee's charter.

2.1 Audit Committee

The Committee is comprised of three independent directors and each member serves for a term of three years. The Audit Committee members are as follows:

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|--|---------------------------------|
| 1. Professor Emeritus Santasiri Sornmani, M.D. | Chairman of the Audit Committee |
| 2. Mr. Sripop Sarasas | Audit Committee Member |
| 3. Mr. Weerawong Chittmittrapap | Audit Committee Member |

The Audit Committee is granted full authority by the Board of Directors to carry out its duties, which include systematic monitoring of business practices, ensuring efficient and strict internal control measures, ensuring compliance with laws on disclosure and determining risk management dealing with the business and finances of the Company. Presently, one of the Audit Committee members is knowledgeable and has direct experience in accounting and finance, namely, Mr. Sripop Sarasas.

In planning internal audits, the Audit Committee will have the internal audit officers plan the audit of the Company for the entire year. The Company has engaged an external company, which is licensed and suitably qualified to carry out the internal audit. We believe that internal audit by external auditors will result in just and efficient reporting of the facts as they have independence and flexibility. The Audit Committee will report the activities of the internal auditors at the Board of Directors' meeting immediately after each meeting.

At Audit Committee meetings that deal with the financial statements and disclosure of financial reports of the Company, the Chief Financial Officer and the Assistant Chief Financial Officer will both be in attendance. Prior to meetings on the financial statements with management, the Audit Committee shall meet with the accounting auditors separately, without management, to enquire about the important risks that may occur from the financial statements or the financial status or limitations, which the auditor has found in the process of auditing the financial statements of the Company and subsidiaries. This is to ensure that auditors are able to act independently without impediments in auditing the Company.

Qualifications of the Audit Committee

The Audit Committee must be comprised of Independent Directors appointed by the Shareholders' Meeting or the Board of Directors' Meeting. The Independent Directors must have the following qualifications as prescribed by the Securities and Exchange Commission:

1. Shall not hold shares exceeding 1.0% of the total number of voting shares of the Company, its parent company, subsidiary, associate, or juristic person that may have conflict of interest, including shares held by related persons of such independent director. (Related persons mean persons according to Clause 258 of the Securities and Exchange Act.)
2. Shall neither be nor have ever been a director with management authority, employee, staff member, advisor who receives a salary or is a controlling person of the Company, its parent company, subsidiary, associate, same-tier subsidiary company, major shareholder or controlling person unless the foregoing status has ended not less than two years prior to the date of becoming a director. Such prohibitions shall not, however, include cases where the Independent Director previously served as a government officer or an advisor to a government agency which is a major shareholder or controlling person of the Company. (Same-tier subsidiary company means subsidiaries with the same parent company.)
3. Shall not be a person related by blood or legal registration as father, mother, spouse, sibling, or child, including spouse of child of other directors, of an executive, major shareholder, controlling person, or person to be nominated as director, executive or controlling person of the Company or its subsidiary.
4. Shall neither have nor have ever had a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, in a manner that may interfere with his/her independent judgment, and neither is nor has ever been a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of becoming an independent director.
5. Shall not be nor have ever been an auditor of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and not be a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of becoming an independent director.
6. Shall not be nor have ever been a provider of any professional services including legal advisor or financial advisor who receives service fees exceeding Baht 2 Million per year from the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and not be a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of becoming an independent director.
7. Shall not be a director appointed as representative of the Board of Directors, major shareholder or shareholder who is related to a major shareholder of the Company.

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8. Apart from not undertaking any business in the same nature and in competition with the business of the Company or its subsidiary, the Independent Director must also not be an employee, staff member or advisor who receives salary or holds shares exceeding 1.0% of the total number of shares with voting rights of another company which undertakes business in the same nature and in competition with the business of the Company or its subsidiary.
 9. Shall not have any other characteristic that limits his or her ability to express independent opinions regarding the Company's operations.

The Independent Director may be assigned by the Board of Directors to make decisions relating to business operations of the Company, its parent company, subsidiary, associate, same-tier subsidiary or any juristic person with a conflict of interest on the basis of collective decision.

Apart from the aforementioned qualifications of the Independent Director, the Audit Committee Member shall possess the following additional qualifications:

- 1) Shall not be a Director who has been assigned by the Board of Directors to make decisions regarding operations of the Company, parent company, subsidiary, associate, same-tier subsidiary or juristic persons with conflict of interest.
- 2) Shall possess knowledge and experience as well as be able to dedicate sufficient time to carry out the duties as assigned.
- 3) Shall not be an Audit Committee Member at any other company listed on the Stock Exchange of Thailand, which is in the same business or industry nor be an Audit Committee Member of more than five other companies listed on the Stock Exchange of Thailand as it may affect the Director's ability to fully carry out his/her duty.

The following transactions are not considered to have an impact on the Audit Committee Members' ability to carry out their duties or to provide independent opinion:

1. Transactions between the Audit Committee Member or related persons and the Company, subsidiary, associate or major shareholder of the Company regarding purchase or sales of products or services under the following conditions:
 - 1) The purchase or sale of such products or services is transacted under normal business and generally accepted conditions with clearly defined and disclosed guidelines;
 - 2) The prices of the products or services are comparable to those offered to other customers.
2. Connected transactions which have been carried out in accordance with the related notifications of the Stock Exchange of Thailand.
3. Other transactions which have been carried out in accordance with the laws, regulations or notifications of the Stock Exchange of Thailand and under the responsibility of the Audit Committee to assist the Committee in carrying out their duties in ensuring the accuracy of the financial reports, the efficiency of the internal audit system and compliance with laws, regulations and ethics as well as to promote good corporate governance.

Scope of Duties and Responsibilities of the Audit Committee

To enable the Audit Committee to carry out their duties as assigned by the Board of Directors, the Company has defined the duties and responsibilities of the Audit Committee as follows:

1. Ensure that the Company abides by the laws governing securities and exchange, regulations of the Stock Exchange of Thailand and laws related to the Company's business.
2. Ensure that the Company reports and discloses information in the financial statements accurately, completely and reliably by coordinating with the external auditor and management in charge of preparing financial statements at the periods prescribed by the Stock Exchange of Thailand, applicable laws and government agencies.
3. Select and nominate the auditor and the auditor's annual remuneration to the Board of Directors for further approval by the Shareholders' Meeting.
4. Ensure that there is a process for employees to notify of any unsuitable items in the financial statements, including other matters, as well as provide the whistleblower with the confidence that there is an independent process of investigation and suitable monitoring.

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5. Ensure that the Company has suitable and efficient Internal Control and Internal Audit systems by reviewing the systems with both the internal and external auditors. The Audit Committee shall consider the independence of the internal auditor department.
 6. Review evidence of the internal investigations when there is doubt or assumptions that there has been fraud or irregularities or significant defect in the internal control system and report such findings to the Board of Directors for further consideration.
 7. Delegate and review the evidence if there is suspicion that a law or regulation of the Stock Exchange of Thailand has been violated, which has or may have a significant impact on the Company's financial status or performance.
 8. Employ or engage a specialist to support auditing and investigations, by following the Company's guidelines on employment and engagement, in the case that the Audit Committee finds or suspects that there is a transaction or action that may significantly impact the Company's financial status or performance. Such employment or engagement shall be paid by the Company.
 9. In the case that the Company has its own Internal Audit Department, the Audit Committee has the authority to approve the appointment, transfer or termination as well as the authority to evaluate the performance of the Head of the Internal Audit Department. However, if the Company engages an external auditor to conduct the internal audit, the Audit Committee has the authority to approve the appointment and remuneration of such engagement.
 10. Ensure that the Company has suitable risk management and controls, encompassing the entire organization as well as suggest appropriate and efficient management of risks associated with the Company's business.
 11. Review the risk management report and monitor important risk factors as well as present to the Board of Directors the report on the sufficiency of the system and risk controls.
 12. Ensure that conflicts of interest do not arise by reviewing connected transactions between the Company or subsidiaries and connected persons to ensure that they are in compliance with the laws and regulations of the Stock Exchange of Thailand.
 13. Prepare the report of the Audit Committee and disclose in the Company's annual report, such report shall include details as prescribed by the notifications of the Stock Exchange of Thailand and other related regulations.
 14. Review the Audit Committee's charter annually to ensure that the charter, at the minimum, includes details on the scope of the duties of the Committee as prescribed by the regulations of the Stock Exchange of Thailand regarding the qualifications and scope of duties and responsibilities of the Audit Committee. The charter must also include sufficient guidelines to support the duties of the Audit Committee, such as the employment of a specialist to provide an opinion that requires expertise with expenses paid by the Company. In the case that the Audit Committee deems it necessary to amend the charter to suit the guidelines, regulations or circumstances that have changed, the Audit Committee shall propose such changes to the Board of Directors for further approval.
 15. Perform other actions as assigned by the Board of Directors.

2.2 Nomination and Remuneration Committee

In order to comply with good corporate governance of listed companies, the Board of Directors passed a resolution to appoint the Nomination and Remuneration Committee. The Committee must be mainly comprised of Independent Directors and serve for a term of three years. The Committee has the duty to seek qualified candidates for nomination as directors of the Company for both replacements of directors who have retired and new director positions, as well as the Chief Executive Officer and the President. Furthermore, the Committee shall set the guidelines to determine appropriate remuneration for the Board of Directors, sub-committee members, and the Chief Executive Officer and President.

The Nomination and Remuneration Committee is comprised of the following:

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| 1. Professor Emeritus Sintasiri Sornmani, M.D. | Chairman of Committee |
| 2. Mr. Chuladej Yossundharakul, M.D. | Member |
| 3. Mr. Chawalit Setthmethikul | Member |
| 4. Mr. Sripop Sarasas | Member |

Scope of Duties and Responsibilities of the Nomination and Remuneration Committee

1. Specify the qualifications, the method and process in selecting candidates, as well as identify qualified candidates for directorship and propose those candidates to the Board of Directors for consideration of further proposal to the Shareholders' Meeting for resolution.
2. Consider the format, guidelines and rate of remuneration of the Board of Directors and sub-committees for consideration by the Board of Directors before presenting to the Shareholders' Meeting for resolution. Such format, guidelines and rate of remuneration, shall be concise, transparent, fair and consistent with the responsibilities and performance, which will motivate and retain qualified directors with potential.
3. Specify the qualifications, the method and process in selecting candidates for the position of Chief Executive Officer and President, as well as identify a qualified candidate and propose the appointment of the candidate to the Board of Directors for approval.
4. Consider the format, guidelines and rate of remuneration of the Chief Executive Officer and President, and propose to the Board of Directors for approval. Such format, guidelines and rate of remuneration, shall be concise, transparent, fair and consistent with the responsibilities and performance.
5. Prepare guidelines and method in assessing the performance of the Chief Executive Officer and President for approval by the Board of Directors.
6. Assess the performance of the Chief Executive Officer and President according to the guidelines approved by the Board of Directors and consider the annual remuneration from the results of the assessment, and then propose to the Board of Directors for approval.
7. Prepare the succession plan for the position of Chief Executive Officer and President and propose to the Board of Directors for approval.
8. Review the Nomination and Remuneration Committee's charter annually and in the case that the Committee deems it necessary to amend the charter to suit the guidelines, regulations or circumstances that have changed, the Nomination and Remuneration Committee shall propose such changes to the Board of Directors for further approval.
9. Perform other actions as assigned by the Board of Directors.

2.3 Executive Committee

In order to ensure that the Company follows the strategy, goals and plans set for the year, the Board of Directors made the decision to appoint the Executive Committee. The Committee is comprised of 5 executive directors and has the responsibility to supervise and ensure that the Company and its subsidiaries act in accordance with the set plans. In addition, the Executive Committee shall consider reports by management that are to be presented to the Board of Directors as well as have the authority to approve normal business transactions or transactions that support normal business activities of the Company within a given monetary limit. The approval authority of the Executive Committee cannot be used with persons that may have conflict of interest, stake or any other forms of conflict with the Company or subsidiaries. Such authority also does not include connected transactions and purchase/sale of important assets of the listed Company in accordance with the rules and regulations of the Stock Exchange of Thailand or other related regulations. The Company must act in accordance with the rules and regulations of the Stock Exchange of Thailand or other related regulations on such particular matter. Moreover, the approval authority of the Executive Committee does not include other matters which require approval from the Shareholders' Meeting as stated in the Articles of the Company.

The Executive Committee is comprised of five members as follows:

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| 1. Mr. Prasert Prasarttong-Osoth, M.D. | Chairman |
| 2. Mr. Chuladej Yossundharakul, M.D. | Member |
| 3. Mr. Chatree Duangnet, M.D. | Member |
| 4. Mr. Pradit Theekakul | Member |
| 5. Mr.Thongchai Jira-alongkorn | Member |

Scope of Duties and Responsibilities of the Executive Committee

1. Determine the vision, direction of the business, policies and strategies of the Company for further approval by the Board of Directors.
2. Review the business plan, budget plan, annual costs, investment plan and Corporate Social Responsibility (CSR) plan of the Company in accordance with the defined policies and strategies and propose to the Board of Directors for approval.
3. Ensure good corporate governance in accordance with the determined plans as well as ensure compliance with related laws, regulations and guidelines of the various agencies as well as the articles of the Company.
4. Consider the summary of the Company's operations and present to the Board of Directors for acknowledgement each quarter.
5. Approve investments and operational expenses under the authority assigned by the Board of Directors.
6. Approve or review the loan limit to subsidiaries under the authority assigned by the Board of Directors.
7. Ensure that the Company has suitable and succinct internal audit system as well as risk management and control system, which are both in accordance with the suggestions and comments of the Audit Committee.
8. Screen and review the organizational structure and scope of duties and responsibilities of the high level personnel for approval by the Board of Directors.
9. Approve the succession plan of the Hospital Director or equivalent up to the position of the Chief Executive Officer or equivalent.
10. Approve the appointment, transfer or termination of management for the level of Chief Executive Officer or equivalent. The Executive Committee shall also approve the candidates for nomination as representatives of the Company to the Board of Directors of subsidiaries so that the subsidiaries may further nominate those candidates through the approval process as stipulated by the laws or regulations and the articles governing each company.
11. Screen and review the pay scale and guidelines in the Company's and subsidiaries' annual salary adjustment for further approval by the Board of Directors. (This does not include the positions of the Chief Executive Officer and President.)
12. Appoint working teams to improve and/or solve various problems that may occur in accordance with the Company's policies.
13. Review the Executive Committee's charter annually and in the case that the Committee deems it necessary to amend the charter to suit the guidelines, regulations or circumstances that have changed, the Executive Committee shall propose such changes to the Board of Directors for further approval.
14. Perform other actions as assigned by the Board of Directors.

The above authority, duties and responsibilities may not be used with persons who may have a conflict, a stake or any other conflict of interest with the Company or subsidiaries. Nor do they include connected transactions or purchase and sale of important assets of the listed company in accordance with the regulations of the Stock Exchange of Thailand or other related notifications. In this regard, the Company shall act in accordance with the rules and regulations of the Stock Exchange of Thailand or other notifications relating to that particular matter. Furthermore, the above authority, duties and responsibilities do not include other matters in which the articles of the Company stipulate that a resolution of the Shareholders' Meeting is required.

3. The Nomination and Appointment of Directors and Executive Management

3.1 Nomination of Directors and Independent Directors

The Nomination and Remuneration Committee, which is comprised of 4 members with 3 of the members being independent directors, has the duty to nominate persons to become directors to replace those who are retired by rotation or to new Director positions by selecting suitable candidates in accordance with the qualifications and guidelines stipulated by the Committee. In the case of appointment of a new Director to replace a vacant position, the Committee will then propose those candidates to the Board of Directors for approval, which requires 3/4 (three quarters) of the votes of the remaining directors. However, in the case of new Director positions, the Nomination and Remuneration Committee shall propose the candidates to the Board of Directors for consideration of further proposal to the Shareholders' Meeting for resolution.

As no less than one third of the Board of Directors must be comprised of Independent Directors, the Company's process in nominating Independent Directors will be the same as the process in nominating directors. However, the Company has determined additional qualifications for Independent Directors, which are consistent with the rules of the Office of the Securities and Exchange Commission as mentioned in the section "Responsibilities of the Board of Directors".

Guidelines and Method in Selecting Candidates for Nomination as Directors

The Nomination and Remuneration Committee has determined a method in screening candidates for nomination as directors by considering the following:

Knowledge, Experience and Diversity as Director

1. Knowledgeable and capable individuals with a clean work history, as well as being an expert in areas needed for the Board Matrix so that the Board of Directors may be able to set appropriate policies and strategies.
2. Has experience in being a director or executive of a large, successful organization.
3. Diversity in terms of education, profession, age and gender.

Personal Traits

1. Possess integrity and accountability.
2. Can make decisions professionally and reasonably with the information provided.
3. Possess maturity, leadership skills, vision and courage to express differing views independently.
4. Able to dedicate a sufficient and appropriate amount of his/her time as a director to the Company.
5. Possess qualifications as stated in the Board of Directors' charter as well as in the related laws, rules and regulations of the governing agencies.

In nominating directors to replace those who have retired by rotation or for new directorship positions, such candidates must be approved by the Shareholders' Meeting resolution. Such resolutions shall comply with the following:

1. Any one shareholder has the number of votes equal to the number of shares owned.
2. Each shareholder shall use all his/her rights to vote as stated in 1. to elect an individual(s). In the case of election of more than one Director, the votes cannot be split to any one person.
3. The candidates shall be ranked in descending order from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. If the votes cast for the candidates in descending order are tied, which would otherwise cause the number of directors to be exceeded, the Chairman of the Meeting shall cast the deciding vote.

Furthermore, the appointment and removal of a Director shall be as stated in the Company's articles as follows:

- 1) The Board of Directors shall be comprised of at least 5 directors and no less than one half shall have residence in Thailand.
- 2) Directors shall be individuals with the following qualifications:
 - Be of legal age
 - Has not filed for bankruptcy, is not incompetent or near incompetent
 - Has never been imprisoned or received sentence of imprisonment for wrongful acquisition of assets
 - Has never been fired or terminated from civil service or government agency for malfeasance
- 3) At each annual general meeting, at least one third of the directors shall resign by rotation. If the number of directors cannot be divided by three, then the closest number to one third of the directors shall resign. Directors who have resigned by rotation may be re-elected as director.
- 4) Apart from resignation by rotation, directors may be removed in the following events:
 - Death
 - Voluntary resignation
 - Unqualified or be legally ineligible
 - Shareholders' Meeting passes a resolution for the removal of a director with no less than three quarters of the number of shares attending the meeting with the right to vote and with total number of shares of no less than half of the total number of shares held by the shareholders attending the meeting with the right to vote.
 - Court ordered resignation

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- 5) Any director who wishes to resign may submit a letter of resignation to the Company and such resignation will be effective from the day the Company receives said letter.
 - 6) If a director position should become vacant due to reasons other than the resignation by rotation, the Board of Directors shall select a qualified individual, who is not legally ineligible to the position at the subsequent meeting of the Board of Directors, unless the term of the vacant director position is less than two months. In this case, the director who fills the vacant position shall serve only until the end of the remaining term. The Board of Directors' vote for the appointment of the director to fill the vacant position shall be no less than three quarters of the remaining directors.
 - 7) In the case that there is a large number of vacant director positions and the required quorum cannot be met, the remaining directors shall act in the name of the Board of Directors only in organizing a shareholders' meeting to elect individuals to fill all of the vacant director positions. Such meeting shall be held within one month from the date that the number of vacant director positions exceeds the required quorum. Those individuals filling those vacant positions shall serve only the remaining term of the director who previously held the position.

Furthermore, in past nominations of directors at the Shareholders' Meeting, the Company gave minor shareholders the opportunity to nominate qualified persons to the Board of Directors prior to the meeting so that the Company may consider nominating those persons at the Shareholders' Meeting. However, none of the shareholders had nominated persons for consideration by the Shareholders' Meeting. In addition, the Company had determined the method in voting whereby the shareholders shall vote for directors individually in accordance with good corporate governance.

3.2 Nominations of Executive Management

The process of nominating executive management begins from the selection of good, capable individuals with an attitude that suits the organization. The Company focuses on the new generation with the potential, knowledge and competence to develop and prepare for the opportunity to grow. The individual should also have the potential to rise up to top level management through evaluation by the Human Resources Department. In order to develop the individual's skills and knowledge of all aspects within the organization, the individual shall be assigned important tasks and rotated among the different departments to ready him/her to fill any important position that should become vacant.

In the case of the top executive management position in the organization (President), the Board of Directors has assigned the Nomination and Remuneration Committee the responsibility of determining the guidelines as well as the qualifications of the suitable candidate and presenting the guidelines to the Board of Directors for appointment of the position. Apart from the qualifications in terms of knowledge and capabilities, whereby the Nomination and Remuneration Committee may consider executive management within the organization or may engage an external advisor to select qualified candidates, the President shall also be a member of the Board of Directors. Therefore, the candidate whom the Nomination and Remuneration Committee believes is qualified and suitable for nomination to the position of the President, must have the suitable qualifications and be appointed as a director on the Board by the Shareholders' Meeting before assuming the position of President.

4. Governance of Subsidiaries

Maintaining Shareholder Rights

In governing the subsidiaries and associated companies, the Company as a shareholder has the same rights as other shareholders, such as the right to attend meetings and the right to vote. Therefore, the Company has the policy to appoint a representative to attend the Shareholders' Meeting. The Company's representative has the right to vote on important agendas at the Shareholders' Meeting such as capital decrease, rights offering, approval of the balance sheet, and approval of management structure. In this regard, the Company's representative shall vote according to the guidelines given by the Board of Directors or the Executive Committee (as the case may be) or the representative may ask the Executive Committee or the Board of Directors for approval of the vote in the case of crucial agendas prior to the Shareholders' Meeting.

Nominating Representative(s) as Director of a Subsidiary

The Company shall appoint representatives as directors of the subsidiaries. The Board of Directors has assigned the Executive Committee the task of determining the individuals who have the qualifications suitable for that particular business to represent the Company on the Board of Directors of the subsidiaries. The representative has the duty to act for the benefit and in accordance with the articles of that subsidiary, which will be advantageous to the Company as a shareholder. At the same time, the Company has determined the policy that states that voting as a director of subsidiaries on important agendas at the Shareholders' Meeting such as capital decrease, rights offering, approval of the balance sheet, approval of management structure and entering various transactions as stipulated in the Securities and Exchange Act, shall be in accordance with the guidelines set by the Executive Committee or the Board of Directors of the Company (as the case may be). The voting shall also be consistent with good corporate governance. In appointing representatives as directors of subsidiaries, the representation shall correspond with the ratio of shares held by the Company.

In governing the disclosure of financial statements and results, transactions between subsidiaries and connected persons, procurement or sale of assets, or the completion of significant transactions, the Company has set the rule that individuals appointed by the Company shall make certain that the subsidiaries have regulations on connected transactions, purchase or sale of assets or any other important transactions to ensure completeness and accuracy as well as disclosure of such information consistent with the Company's own regulations. In addition, the representative shall also ensure that accounting records are kept and are accessible for the Company to review and collect for preparation of the consolidated financial statements within the given time period.

Group's Central Accounting and Finance Policy

Presently, the Company has determined that all subsidiaries shall abide by the Central Accounting and Finance Policy. This is to ensure that each subsidiary has an accounting policy, as well as accurate and timely reporting and disclosure of financial information in accordance with the rules of the regulating agency and related regulations.

5. Controlling Use of Insider Information

The Board of Directors approved the policy on controlling the use of insider information to determine guidelines in disclosing and preventing transactions that may cause conflict of interest, including the misuse of insider information. The guidelines are as follows:

1. Prepare the Company's ethics manual as well as employee ethics, which cover conflicts of interest, information disclosure, and prohibiting the use of or benefit from insider information or disclosure of insider information for personal gain or others' benefit. The guidelines also state the policy on treatment of stakeholders with regards to shareholders' rights and maintaining customer confidentiality. These guidelines are communicated to related persons for acknowledgment and general practice.

2. Determine the quiet period when the directors and management of the Company are not allowed to trade securities or provide news on the operating results or any other kind of news that may affect the price of the Company's shares and have not been publicly disclosed, for a period of 14 days before the day the quarterly financial statements and the annual financial statements are announced. The quiet period is stated in the Corporate Information Disclosure Policy and Supervision of Inside Information Usage Policy.

3. Disclosure of securities held by the directors and management (as defined in the Securities and Exchange Act and/or the Notification of the Capital Market Supervisory Board) whereby the directors and management are required to report to the Office of the Securities and Exchange Commission any purchase and sale of Company's securities within one month from the date of first appointment to the position and within three business days after any changes. The directors and management shall also report securities held or any changes to the Company Secretary so that the Company Secretary may gather reports on the changes in ownership of the Company's securities and include them in the agenda of the next Board of Directors' Meeting for acknowledgement.

4. In reporting any stake or interest, the Company has determined that the directors and management shall report one's stake or that of a related person to the Company Secretary as well as report any changes in such stakes. The Company Secretary then has the duty to file the reports and report any changes to the Chairman of the Board

and the Board of Directors' Meeting in accordance with the Securities and Exchange Act B.E. 2535. The Company shall use the information to control transactions between the Company and directors or management and/or persons related to the aforementioned as required by law.

5. The Company has determined the procedures and punishments when it is discovered that there has been misuse of insider information for personal gain, which is in accordance with the rules, regulations and policies on the use of insider information posted on the Company's website.

6. Anti-Corruption Policy

The Company has the policy to conduct business with virtue and social responsibility. The Board of Directors has approved the policy on anti-corruption, which has been communicated to personnel within the Company, subsidiaries and associated companies for acknowledgment and practice. The policy has also been published on the Company's website.

In the past, the Company has carried out the aforementioned policy to prevent fraud and corruption, which can be summarized as follows:

1. The Company has provided guidelines on assessing the operational risk and on ranking the risks that may occur for the planning of internal auditing and risk management.
2. Guidelines are provided on the control and prevention of any risks that may occur by determining the principals and regulations on procurement, reimbursement, budget approval, charitable donations, entertaining expenses or gift giving. In addition, the guidelines specify that there shall be an internal control system in finance, accounting, data recording as well as other internal processes related to accounting and finance to ensure confidence that the financial transactions are consistent with the approved objectives and that the business is transparent.
3. The Company has communicated the policy on anti-corruption to the various departments within the Company, the subsidiaries and the associated companies through various channels, namely, employee training, intranet and the Company's website for the acknowledgement and practice of related persons.
4. The Audit Committee has the duty to ensure that the Company has sufficient good corporate governance, consistent with the policy set.
5. The Company has provided channels to report any violations, unlawful acts, ethical misconduct, or fraudulent or corrupt behavior. In addition, the Company has set the Whistleblower Policy to protect and alleviate any damages to the whistleblower or petitioner or persons cooperating in the reporting of such acts.

7. Auditor's Remuneration

EY Office Limited has been the auditor of the Company and its subsidiaries since the annual audit in 2005 to the present. EY shall replace an auditor if he or she has audited the Company for 5 years.

In 2016, the Company and its subsidiaries have compensated the auditor as follows:

1. Auditing Fee

The Company and subsidiaries paid auditing fees in Baht, details as follows:

(Unit : Baht)

	Review of 3 quarterly financial statements	Annual Audit Fee	Total
Bangkok Dusit Medical Services Plc.	957,000	1,133,000	2,090,000
Subsidiaries (59 companies)	7,174,500	16,600,250	23,774,750
Total auditor fee			25,864,750

2. Other fees

In 2016, EY Office Limited provided an audit of the annual report with a fee of Baht 0.4 million.

In addition, Win Tim & Associates have performed an audit of two subsidiaries in Myanmar since 2014. In 2016, the subsidiaries paid for auditing fees in the amount of Baht 267,000.

Internal Control

The Company recognizes the importance of the internal control system as it is one of the significant factors in preventing losses to the Company. The internal control system can also lessen any damages that may occur as well as being a tool that ensures efficient management of the Company. Therefore, the Board of Directors has stipulated that the Company shall have in place an internal control system in various areas such as procurement, approval of disbursements, reliability of the financial statements, administrations by the Human Resource Department, purchase/sale of medical equipment, compliance with related laws and regulations, as well as monitor the changes and adjustments that were noted in the previous audit to ensure that management of all areas are transparent.

To this end, the Company with approval of the Audit Committee has appointed Accounting Revolution Company Limited, an external company, as the Internal Audit. In turn, Accounting Revolution Company Limited appointed Mrs. Sasivimol Suksai as the main person to carry out the duties of the Internal Auditor. The Audit Committee has reviewed the qualifications of both Accounting Revolution Company Limited and Mrs. Sasivimol Suksai and is of the opinion that they are qualified and suitable for the said position as they have experience in governance and internal auditing, they are independent and have the personnel suitable for the position of the Company's Internal Audit. With these qualifications and capabilities, they are able to independently audit the various departments within the Company according to the internal control assessment guidelines determined by the Securities and Exchange Commission as well as report to the Audit Committee to ensure that the Company has standardized internal controls that are efficient in preventing risks that may occur.

The profile and experience of the Head of the Internal Audit Team is as follows:

Mrs. Sasivimol Suksai, Managing Director, Accounting Revolution Company Limited

Education

- MBA: Masters of Business Administration, Chulalongkorn University
- BBA: Major in Accounting, Thammasat University

Work Experience

- 1988 – 1991 Assistant Auditor, Office of SGV Arthur Andersen (Currently KPMG Audit)
- 1991 – 1996 Director, VSP Consultants Company Limited (provides auditing services)
- 1996 – 2002 Director, CAS Company Limited (provides auditing services)
- 2002 – 2006 Director, Auditor, Thana Ake Advisory Company Limited (provides auditing services)
- 2006 – present Director, Accounting Revolution Company Limited

Other Qualifications

- Licensed Auditor in Thailand
- Special Lecturer, Dhurakij Pundit University
- Special Lecturer, Eastern Asia University

Accounting Revolution Company Limited, as the Internal Audit being independent and reporting directly to the Audit Committee, has examined and assessed the efficiency of the internal control systems of the various work processes in accordance with the annual audit plan approved by the Audit Committee. The annual audit plan is in line with the Company's strategies and the major risks identified as possibly having an impact on operations.

The objective of the internal audit is to support the various departments within the organization in carrying out their duties and responsibilities with transparency and effective risk management, as well as control and ensure that the operations of the subsidiaries suit the framework that has been put in place. The Internal Audit shall gather information on the functions of the various departments, analyze, assess and provide advice and suggestions to management to make adjustments or improvements. The Internal Audit will report independently and directly to the Audit Committee. The Audit Committee believes that the Internal Audit has been carried out efficiently and meets the goals and corporate governance principles of the Company as well as sufficiently enables the mitigation of risks that may arise.

At the Board of Directors' meeting 2/2017 held on 28th February 2017, attended by 8 Directors who are also part of management as well as Directors from outside the Company, and 6 Independent Directors, which included 3 members of the Audit Committee, the Board of Directors reviewed the assessment of the adequacy of the internal audit system, as reported by the Audit Committee, in five aspects, namely, Organization and Environment, Risk Management, Control of Management Duties, Information Technology and Communication, and Monitoring Activities. The Board of Directors believes that the Company has sufficient internal controls, which suit the current business conditions, and operations as a whole have been carried out with transparency and good corporate governance that can be verified.

In 2016, the Company did not find any significant errors related to conflicts of interest, malfeasance or significant anomalies or defects in the internal control system, violation of laws on securities and exchange, regulations of the Stock Exchange of Thailand, or laws related to the Company's or subsidiaries' business.

Report of the **Audit Committee**

The Board of Directors of Bangkok Dusit Medical Services Public Company Limited appointed the Audit Committee, which is comprised of 3 independent directors, namely Professor (Emeritus) Santasiri Sornmani, M.D. as Chairman of the Audit Committee and Mr. Sripop Sarasas and Mr. Weerawong Chittmittrapap as members of the Committee. The main duties and responsibilities of the Audit Committee are to ensure that the Company's financial statements are in accordance with accounting standards and have accurate and sufficient disclosure, ensure that the Company has an internal control system that assesses the risks and ensures suitable and efficient risk controls, ensure compliance with related regulations and laws, as well as mitigate conflicts of interest between the Company and related persons.

- In 2016, the Audit Committee held a total of 9 meetings to carry out duties as assigned, the most important being:
1. Review the financial statements of the Company and subsidiaries before presentation to the Board of Directors, as reviewed and explained by the auditor and executive management. The Audit Committee is of the opinion and belief that the aforementioned financial statements were prepared according to accounting standards with accurate and complete disclosure of important facts.
 2. Consider and nominate the auditor from EY Company Limited and the annual auditing fee to the Board of Directors for further approval by the Shareholders' Meeting. The Audit Committee is of the opinion that the person nominated as the auditor is qualified in terms of knowledge, capability and is sufficiently independent from the Company and subsidiaries.
 3. Consider the appointment of Accounting Revolution Company Limited, a qualified and experienced external company, as the Internal Audit. The Internal Audit was evaluated based on the team, sufficient number of staff, experience, knowledge and capabilities, as well as independency, to carry out audits of the various departments within the Company according to the guidelines for assessment of the sufficiency of the internal control system.
 4. Consider transactions with connected persons, disclosure of transactions with connected persons and ensure that acquisitions or sales of assets are in compliance with applicable laws and regulations.
 5. Consider approving the annual audit plan, review internal audit procedures, which are a part of the Company's management policy, and provide written approval on the internal audit process to be used as a guideline according to international standards.
 6. Consider and hear the internal audit report and explanation from the internal auditor, which has been appointed with the approval of the Audit Committee. The internal auditors carried out the audit according to the importance of the risks as assessed. The Audit Committee reported and provided suggestions to the Board of Directors and executive management on good corporate governance, compliance with laws, regulations and practices, and efficiency in risk evaluation and risk mitigation of the various departments and the organization.
 7. Review and assess the sufficiency of the internal control systems annually. The Committee is of the opinion that the internal control system is suitable and sufficient in risk mitigation in accordance with the policies and strategies of the Company.
 8. Confer with the auditor without management so that the auditor can freely report on any problems or limitations as a result of the audit. The auditor has reported that there were no limitations of significance.

The Audit Committee has carried out the duties as assigned with care and to the best of our ability for the benefit of the Company, the Shareholders and all stakeholders.

Professor (Emeritus) Santasiri Sornmani, M.D.
Chairman of the Audit Committee

Connected Transactions

1. Types of Transactions

1.1 General Transactions

Transactions between Bangkok Dusit Medical Services Public Company Limited (“the Company”) and its subsidiaries

Connected Person/Relationship	Transaction	Value (Baht) as of		Reason and Necessity
		31/12/16	31/12/15	
1. 1. Bangkok Airways Public Company Limited: BA <u>Relationship</u> 1. Mr. Prasert Prasarttong-Osoth, M.D. and family are major shareholders of BA. 2. Mr. Prasert Prasarttong-Osoth, M.D. (Director), Mr. Pradit Theekakul (Director), Mr. Sripop Sarasas (Independent Director) and Mrs. Narumol Noi-am (Chief Financial Officer) are Directors of BA.	1. Air fare and air freight/patient transport by air charges	67,007,614	25,501,917	The Company and subsidiaries paid air fare and air freight charges to Bangkok Airways Public Company Limited at the market rate with conditions of normal transactions. The subsidiary paid for patient transport by air to Bangkok Airways Public Company Limited, which is considered as a transaction supporting the business of a subsidiary, with charter charges at market rate under conditions of normal transactions. The Company paid charter charges to Bangkok Airways Public Company Limited to enhance capabilities in providing efficient and timely medical services and air transportation of patients, their family, physicians and nurses, both domestically and internationally. The airplanes provide ample space to provide medical care while in the air and provide convenience to our expert doctors when travelling with patients. This service is one of the factors in helping BDMS to realize our goal in becoming a Center of Excellence Network. The hourly charter charges are at market rate as when the Company charters from other companies. The number of flight hours per year is calculated by estimating future airplane usage in accordance with the business development plan of the BDMS Group. The Company has disclosed the transactions to the Stock Exchange of Thailand on 27 April 2016.
	2. Creditor - Air fare and air freight/ patient transport by air charges	24,691,813	2,816,471	Air fare, air freight and patient transport by air and charter charges not yet due to Bangkok Airways Public Company Limited, which the Company and subsidiaries receive general credit terms as with any other counter party of BA.
	3. Maintenance and management expenses	3,072,000	3,072,000	Subsidiary paid maintenance and management expense of helicopter to Bangkok Airways Public Company Limited at the rate expressed in the agreement. This transaction is a normal transaction.
	4. Creditor -Maintenance and management expenses	273,920	-	Maintenance and management expenses to Bangkok Airways Public Company Limited under normal credit terms.

Connected Person/Relationship	Transaction	Value (Baht) as of		Reason and Necessity
		31/12/16	31/12/15	
	5. Advertising and corporate public relations	1,000,000	1,000,000	The Company provided financial support to the “Queen’s Cup Bangkok Airways – SAT Samui Golf Tournament”, which was telecast live and the Company’s logo also appeared in newspapers, magazines and ads, thus gaining recognition for the Company both domestically and internationally.
	6. Dividend Income	12,533,920	8,057,520	The Company received dividends from investment in common shares of Bangkok Airways Public Company Limited in accordance with the dividend payment announcement.
	7. Revenue from medical services	6,277,672	3,223,332	Revenue from medical services provided under the medical services agreement between the Company & subsidiaries and Bangkok Airways Public Company Limited, which is normal business for the Company & subsidiaries under the same terms as with other customers.
	8. Trade debtor - Revenue from medical services	3,725,904	-	Debt on medical services provided under the medical services agreement with Bangkok Airways Public Company Limited, which is a normal business transaction of the Company under the same terms as with other customers.
	9. Revenue from other services	77,040	96,300	Revenue from provision of basic first-aid training to personnel of Bangkok Airways Public Company Limited.
	10. Revenue from sales	1,246,117	-	Revenue from sales of goods between subsidiaries and Bangkok Airways Public Company Limited, which are considered normal transactions.
	11. Debtor – sales of goods	1,316,860	-	Debtor on sales of goods between subsidiaries and Bangkok Airways Public Company Limited, under normal credit terms.
2. BAC Gourmet House Company Limited <u>Relationship</u> Bangkok Air catering Co., Ltd., a subsidiary of Bangkok Airways Public Company Limited, is a major shareholder and Mr. Pradit Theekakul (Director) is also a Director of BAC	1. Retail space leasing	5,808,697	7,841,852	The Company received retail space rental from BAC Gourmet House Company Limited at the market rate and under the same rental terms as other renters.
	2. Debtor – retail space rental	305,391	128,087	Debtor for retail space rental from BAC Gourmet House Company Limited at the market rate and under the same rental terms as other renters.
	3. Deposit for retail space rental	703,840	703,840	The Company received a deposit on office lease from BAC Gourmet House Company Limited, which is in accordance with the lease agreement as with other renters.

Connected Person/Relationship	Transaction	Value (Baht) as of		Reason and Necessity
		31/12/16	31/12/15	
	4. Food services	33,773,800	18,177,903	The Company and subsidiaries paid for food for patients and catering services to BAC Gourmet House Company Limited, at market prices.
	5. Creditor – food services	4,821,368	2,200,993	The Company and subsidiaries have payment for food services not yet due to BAC Gourmet House Company Limited under general credit terms.
	6. Revenue from medical services	109,200	117,740	Revenue from medical services provided under the medical services agreement between the Company and BAC Gourmet House Company Limited, which is a normal business transaction of the Company under the same terms as with other customers.
3. Bangkok Travel Club Company Limited <u>Relationship</u> Person(s) connected to Mr. Prasert Prasarttong-Osoth, M.D. (Director) is a Director and major shareholder of the Company and Mr. Pradit Theekakul (Director) is a Director	1. Organization of offsite meetings and seminars	5,462,695	1,173,113	The Company paid for services in organizing offsite meetings and seminars, including accommodation and transportation, at market rate and under the same trade terms comparable to other service providers.
	2. Creditor - Organization of offsite meetings and seminars	-	565,095	The Company has payment of services in organizing offsite meetings due to Bangkok Travel Club Company Limited under general credit terms.
	3. Retail space rental	12,857	107,143	Revenue from retail space rental for a booth to sell products at the regular rate charged to other renters of retail space for booths.
	4. Debtor – retail space rental	12,857	-	Retail space rental for a booth to sell products not yet due in accordance with the rental agreement under the same terms and rental rate as with other renters.
4. Rankindeeyudee Limited Partnership <u>Relationship</u> Miss. Poramaporn Prasarttong- Osoth M.D. (Director) and connected person(s) are major shareholders	1. Retail space rental	804,298	652,697	The Company and subsidiaries received payment for rental of retail space in the hospitals at the market rate and under the same rental terms as other renters.
	2. Debtor – retail space rental	74,286	54,062	Retail space rental not yet due in accordance with the rental agreement under the same terms and rental rate as with other renters.
	3. Deposit for retail space rental	71,200	61,200	The Company received a deposit on retail space rental, which is in accordance with the lease agreement as with other renters.
	4. Medical Services revenue	96,683	-	Revenue from medical services provided under the medical services agreement between the Company and Rankindeeyudee Limited Partnership, which is a normal business transaction of the Company under the same terms as with other customers.

Connected Person/Relationship	Transaction	Value (Baht) as of		Reason and Necessity
		31/12/16	31/12/15	
	5. Food services	744,809	219,120	The Company and subsidiaries paid for food and catering services to Rankindeeyudee Limited Partnership at market rate.
	6. Creditor – food services	151,707	45,023	The Company and subsidiaries have payment for food and catering services not yet due to Rankindeeyudee Limited Partnership under general credit terms.
5. Bangkok Air Tour (1988) Company Limited <u>Relationship</u> person(s) connected to Mr. Prasert Prasarttong-Osoth, M.D. (Director) are Director(s) and major shareholder(s) and Mr. Pradit Theekakul (Director) is a Director	1. Air fare	11,645,025	7,553,892	The Company and subsidiaries paid for air fare to Bangkok Air Tour (1988) Company Limited, an airplane ticket agent, at market rates.
	2. Creditor – air fare	380,632	800,920	The Company and subsidiaries has account payable for air fares which are not yet due to Bangkok Air Tour (1988) Company Limited under general credit terms.
6. Bangkok Air Catering Company Limited <u>Relationship</u> a subsidiary of Bangkok Airways Public Company Limited and Mr. Pradit Theekakul (Director) is a Director	1. Medical Services revenue	1,868,900	2,162,630	The Company and subsidiaries provided medical services to Bangkok Air Catering Company Limited under the medical services agreement, which is a normal business transaction of the subsidiary under the same terms as with other customers.
	2. Trade Debtor – medical services revenue	-	405,000	Debt on medical services provided under the medical services agreement with Bangkok Air Catering Company Limited under general credit terms.
7. Bangkok Air catering Samui Company Limited <u>Relationship</u> Bangkok Air Catering Company Limited, a subsidiary of Bangkok Airways Public Company Limited, is a major shareholder and Mr. Pradit Theekakul (Director) is a Director	1. Food services	13,440,310	-	A subsidiary paid for food and catering services to Bangkok Air Catering Samui Company Limited at market rate.
	2. Creditor – food services	1,216,165	-	A subsidiary has payment for food and catering services not yet due to under general credit terms.
	3. Medical Services revenue	135,940	-	A subsidiary provided medical services to Bangkok Air Catering Samui Company Limited under the medical services agreement, which is a normal business transaction under the same terms as with other customers.
8. Bangkok Media and Broadcasting Company Limited <u>Relationship</u> Mr. Prasert Prasarttong-Osoth, M.D. (Director) is a Director and major shareholder and Mr. Pradit Theekakul (Director) is a Director	1. Advertising costs	25,980,000	1,570,000	<p>The Company and subsidiaries paid for advertising on television to Bangkok Media and Broadcasting Company Limited at the market rate and under the same trade terms as other clients.</p> <p>Bangkok Media and Broadcasting Company Limited acquired the rights to the Best Football League and Cup in the World (Home of Football), which broadcasts numerous international football matches. The Company's logo appeared at every match through the television station, TV advertising, online media and the show's promotional activities. The advertising was charged at market rate under agreed upon terms.</p>

Connected Person/Relationship	Transaction	Value (Baht) as of		Reason and Necessity
		31/12/16	31/12/15	
	2. Creditor – advertising costs	8,560,000	500,000	The Company and subsidiaries has account payable for advertising costs not yet due to Bangkok Media and Broadcasting Company Limited for public relations media in 2017 under general credit terms.
	3. Advanced payment of advertising costs	12,840,000	-	The Company paid for television advertising in advance to Bangkok Media and Broadcasting Company Limited for public relations media in 2017, which is a normal trade transaction.
9. Prasarttong-Osoth Company Limited <u>Relationship</u> 1. Miss. Poramaporn Prasarttong - Osoth is a Director and major shareholder. 2. Mr. Prasert Prasarttong - Osoth, M.D. and Mr. Pradit Theekakul are Directors.	1. Purchase of goods	333,021	302,769	The Company and subsidiaries purchased goods from Prasarttong-Osoth Company Limited in accordance with the normal procurement process and with general trade terms.
	2. Creditor – purchase of goods	44,807	56,058	The subsidiaries have account payable for goods purchased from Prasarttong-Osoth Company Limited not yet due under general trade terms.
10. The Sahakol Estate Company Limited <u>Relationship</u> The Prasarttong-Osoth family are Directors and major shareholders	1. Revenue from medical services	1,900	-	A subsidiary provided medical services to The Sahakol Estate Company Limited under the medical services agreement, which is a normal business transaction under the same terms as with other customers.
11. Sai-Thong Property Company Limited <u>Relationship</u> Mr. Att Thongtang and related person(s) are Directors and major shareholders	1. Medical Services revenue	39,150	-	A subsidiary provided medical services to Saithong Property Company Limited under the medical services agreement, which is a normal business transaction under the same terms as with other customers.
12. Bangkok Airways Ground Services Company Limited <u>Relationship</u> A subsidiary of Bangkok Airways Public Company Limited, is a major shareholder and Mr. Pradit Theekakul (Director) is a Director.	1. Cost of ground and passenger handling services	136,822	-	A subsidiary paid for Ground and Passenger Handling services at Don Muang Airport. Bangkok Airways Ground Services Company Limited is the only service provider to be awarded the concession at Don Muang Airport. Therefore, it was necessary for the subsidiary to use the service, which was charged at the normal price determined by Bangkok Airways Ground Services Company Limited.
	2. Medical Services revenue	9,200	-	A subsidiary provided medical services to Bangkok Airways Ground Services Company Limited under the medical services agreement, which is a normal business transaction under the same terms as with other customers.
	3. Trade Debtor – medical services revenue	9,200	-	Debt on medical services provided under the medical services agreement with Bangkok Airways Ground Services Company Limited under general credit terms.

Connected Person/Relationship	Transaction	Value (Baht) as of		Reason and Necessity
		31/12/16	31/12/15	
13. South East Air Company Limited <u>Relationship</u> Mr. Prasert Prasarttong-Osoth, M.D. (Director) and his related juristic person are major shareholders. Mr. Prasert Prasarttong-Osoth, M.D. (Director) and Mr. Pradit Theekakul (Director) are also Directors	A subsidiary acquired the remaining 51% of the shares of Bangkok Helicopter Services Company Limited	42,840,002	-	It was necessary for BDMS to acquire all the remaining shares as owning 100% of the company would provide BDMS with flexibility in expanding the investment and the ability to restructure Bangkok Helicopter Services Company Limited's finances. This transaction supports the Company's growth and goal in becoming a Center of Excellence Network as planned. The price was reasonable and calculated using the net value of Bangkok Helicopter Services Company Limited as reported in the audited financial statements as of 31 December 2015, adjusted with the market value of the main assets. The transaction was conducted in accordance with the guidelines of the Stock Exchange of Thailand. The Audit Committee's view did not differ from that of the Board of Directors, and the resolution was disclosed to the public through the Stock Exchange of Thailand.
14. Wichai Thongtang Law Office Company Limited <u>Relationship</u> Mr. Att Thongtang and related persons are directors and major shareholders	1. Legal counsel fee	-	250,000	A subsidiary paid legal counsel fees to Wichai Thongtang Law Office Company Limited at market rate and under the same terms as other clients.

Opinion of the Audit Committee

The Audit Committee Meeting are of the opinion that the aforementioned transactions were reasonable and were carried out under normal trade terms.

1.2 Financial Assistance

The Company did not provide any financial assistance to any connected persons or juristic persons.

2. Policy and Future Connected Transactions

Type of Transaction	Trend and Policy
Normal business transactions or transactions that support general business	<p><u>Normal business transactions</u></p> <p>In the case that the Company and/or subsidiaries provides medical services and/or patient transfers, the Company has the policy for the Company and subsidiaries to charge fees for such transactions between the Company and/or subsidiaries and connected persons at the market rate. The rate charged, payment conditions and other business conditions shall be equal to or similar to such rates and conditions that the Company and/or subsidiaries charges and stipulates for transactions with other persons or counter parties under the same situations.</p> <p><u>Transactions that support general business</u></p> <p>In the case that the Company and subsidiaries purchase goods and services, raw materials and medical supplies, or procurements related to and in support of medical services provided among the companies, or between the Company and/or subsidiaries and connected persons, which are transactions in support of the Company's and/or subsidiary's normal business, the product price or service fee of such transactions must be at a referenced market rate. In addition, the payment terms and trade agreements and conditions must not differ from the term and conditions in which the Company and/or subsidiary enters with other counter parties under the same circumstances.</p> <p>The Securities and Stock Exchange Act (Fourth Edition) Amendment B.E. 2551 effective 31st August 2008 and the Securities and Exchange Commission circular dated 16th July 2008 state that for flexibility, the Company may bring transactions with associated companies which are normal business transactions or transactions supporting normal business between the Company or subsidiaries and a related person in front of the Board of Directors for approval in principal.</p> <p>Therefore, at the Board of Directors Meeting 8/2551 on 27th August 2008, the Board gave management approval in principal to consider entering into normal business or transaction supporting normal business transactions with normal trade conditions, which are priced or have fees charged at the market rate with the same conditions as the Company's transactions with external parties.</p>
Financial Assistance	<p>The Company has the policy to provide financial assistance only to subsidiaries in which the Company holds more than 50 percent of the shares outstanding. The financial assistance is provided under the condition that the subsidiary has no connected person that holds more than 10 percent of the remaining shares. Such financial assistance will centralize financial management to manage costs appropriately and efficiently for the greater benefit of the organization as a whole.</p> <p>The Company has the policy to enter into 3 types of financial assistance transactions as follows:</p> <p><u>1. Loans to subsidiaries</u> The Company will take out a loan in the money market or from a financial institution and then loan that money to the subsidiary at a rate of no more than 1% per annum above the actual cost of capital, which is less than the rate the subsidiary would be charged if taking out a loan directly.</p> <p>Benefit derived The subsidiary can take out a loan at a rate lower than borrowing directly from a financial institution as the Company is capable of seeking loans at a lower rate.</p> <p><u>2. Guarantee loans of foreign subsidiaries</u></p> <p>Benefit derived To enable the foreign subsidiary to seek a loan directly from a financial institution in that particular country at a prime rate.</p>

Type of Transaction	Trend and Policy
	<p>3. Centralize Liquidity Management (Cash Pooling) At the end of the business day, the liquidity management program will transfer money from the subsidiary's bank account to the Company's bank account. The money transferred into the Company's bank account will be stated as short-term loan from a subsidiary with interest charged at the market rate. At the same time, if any subsidiary requires capital, the Company will transfer the excess liquidity to the subsidiary with interest charged at the market rate.</p> <p>Benefit derived For liquidity management within the Group, companies with excess liquidity will receive interest at a rate higher than the savings rate of financial institutions, while companies needing capital can borrow at a rate no higher than the market rate.</p>
Other transactions defined as connected transactions by the Securities and Exchange Act	In the case that it is deemed necessary for the Company and/or subsidiaries to enter into transactions with each other in the future, such transactions shall be for the benefit of the Company and equal benefit of each shareholder under the regulations and guidelines of the Securities and Exchange Act as well as any other related notifications of agencies that regulate the Company.

All types of connected transactions will be executed in accordance with the Securities and Exchange Act and/or regulations of the Stock Exchange of Thailand and/or notifications of the Capital Market Supervisory Board. Furthermore, for investor protection and transparency, in the case that it is necessary for the Company and/or subsidiaries to engage in connected transactions, the Company has assigned the Audit Committee the task of ensuring that such transactions are fair. In the case that the Audit Committee does not have the expertise to review a connected transaction that may occur, the Company has the policy to seek an independent professional to provide an opinion on the transaction for consideration by the Audit Committee and/or Board of Directors and/or the Shareholders' meeting, as the case may be.

Management Discussion and Analysis

for the year ended December 31, 2016

Executive Summary 2016 Performance

Bangkok Dusit Medical Services Public Company Limited (“Company”) reported consolidated operating of Baht 68,844 million, an increase of 8% yoy. The growth was attributable to an increase in revenue from hospital operations of 8% yoy which mainly driven by an increase in number of both outpatients and inpatients due to an expansion of our network hospitals, patient ward expansion and renovation and qualified clinical staffs and specialist doctors together with increasing healthcare inflation, intensity and complexity cases.

Revenue growth from hospital operations in 2016 was from existing hospitals growth of approximately 5% yoy contributing of 92% of revenue from hospital operations and 13 new network hospitals^{1/} growth of approximately 56% yoy contributing of 8% of revenue from hospital operations. Revenue of network hospitals in Bangkok and vicinity grew 6% yoy and revenue of network hospitals in the upcountry grew 12% yoy in 2016.

In addition, revenue from sales of goods and food was Baht 2,749 million in 2016, increased by 6% yoy due mainly to an increase in sales of A.N.B. Laboratories Co., Ltd. (“A.N.B”), The Medicpharma Co., Ltd (“Medicpharma”) and Bangkok Save Drug Co., Ltd. (“Save Drug”).

In 2016, the Company and its subsidiaries reported EBITDA of Baht 14,727 million, increased by 4% yoy. Consequently, the Company and its subsidiaries reported recurring profit of Baht 8,178 million, increased by 5% yoy. If including non-recurring items which are gain on sale of other long-term investments totaling Baht 209 million in 2016, net profit would be Baht 8,386 million or increased by 5% yoy.

Major Development

(1) TRIS Rating affirmed the Company rating and senior unsecured debenture rating at AA-

On January 25, 2017, Tris Rating affirmed the Company and senior unsecured debenture ratings at AA- with stable outlook. The ratings reflect Company’s leading market position as the largest private hospital operator in Thailand, the extensive hospital network and solid reputations of hospital brands, as well as the experienced management team and capable physicians. The ratings also take into consideration the sound operating performance and a moderate financial risk profile, reflecting a rise in cash flow, satisfactory liquidity and moderate use of debt.

^{1/} 13 new network hospitals, become part of BDMS less than 2 full calendar years, are consisted of the following hospitals:- Bangkok Chiangmai, Sanamchan, Thepakorn, Phuket International, Bangkok Khon Kaen, Royal Phnom Penh, Bangkok Chinatown, Muang Petch, Sri Rayong, Dibuk, Samitivej Chonburi, Muangraj and Paolo Rangsit.

During 2017-2019, TRIS Rating forecasts that BDMS will deliver a sound operating performance driven by growth in patient volume and the new hospitals added to the network. The operating margin may be pressured from fixed operation cost, depreciation and amortization charges for new hospitals, and a ramp up of BDMS Wellness Clinic. However, BDMS is expected to manage expenditures and continues cost saving effort, in order to maintain operating margin.

(2) BDMS Wellness Clinic

On September 28, 2016, Board of Directors approved the establishment of a subsidiary under the name of BDMS Wellness Clinic Company Limited with registered capital of Baht 6,400 million to purchase and acquire land in the Nai Lert Park project with the total area of approximately 15 rai including the structures located thereon, comprising Swiss Hotel Park Nai Lert, Promenade building and other buildings for the purposes of the development of the holistic service medical center project through BDMS Wellness Clinic CO., Ltd. The operation will be started in 2017.

The total value of transaction is approximately Baht 12,800 million including the purchase price of land and building of Baht 10,800 million and investment and development of asset for business operation of Baht 2,000 million.

On February 20, 2017, BDMS Wellness Clinic accepted the transfer of ownership of the land and building from the sellers sooner than planned originally by 2Q17 with the payment of Baht 2,000 million and the rest will pay by May 27, 2017.

(3) Expansion of network hospitals

Since 2016, Company had added two hospitals as follows:-

- New network hospitals

Hospital	Number of Structured beds	Opening Month
Paolo Rangsit	150	Jan 16
Paolo Kaset (Mayo Hospital)	162	Jan 17

- Existing hospital expansion

During 1Q16, Phuket International Hospital has opened a brand new six-storey building complex with over 21,000 square meters in total with 46 structured beds to deliver world-class cosmetic procedures to medical tourism.

(4) Expansion of Medic Pharma

On November 2, 2016, Medic Pharma opened new medicine factory located in Sinsakhon Industrial Estate with the land size of 15 rai. This new factory will increase manufacturing capacity and will produce generic drug in the form of solid, liquid, semi-solid dosage and penicillin in accordance with international standard. The factory also achieved Good Manufacturing Practice: GMP PIC/s. The old factory will shift to vitamin and food supplement.

(5) Purchasing share of Bangkok Helicopter Services Co., Ltd. (BHS) and purchasing of new helicopter

In May 2016, Royal Bangkok Healthcare Co., Ltd., a subsidiary company, purchased remaining shares of BHS, a helicopter operator who provides sky ICU service to BDMS network, at the amount of Baht 42.84 million. As a result, Company increased its shareholding in BHS from 49% to 100%.

Moreover, the Company bought new Helicopter H145 which is compact to land in confined areas. H145 is quiet aircraft during taking-off, cruise flight and approach making it more friendly to community. This model can share cost of pilots, mechanics, spare parts and special equipment with the old model resulting in operating cost saving.

In this regard, the Company can enhance our Company competitive edge in developing our Centers of Excellence network.

2016 Consolidated Financial Summary

Operating Income

(THB mm)

	2016	2015	%Chg
Revenues from hospital operations	65,237	60,240	8%
Revenue from sales of goods and food	2,749	2,595	6%
Other income	859	798	8%
Total Operating Income	68,844	63,633	8%

In 2016, total operating income were Baht 68,844 million, an increase of Baht 5,211 million or 8% yoy, primarily due to

- Revenues from hospital operations were Baht 65,237 million, an increase of Baht 4,997 million or 8% from 2015. The growth was contributable to an increase in number of outpatients and inpatients across our network hospitals, patient ward renovation and qualified clinical staffs and specialist doctors together with the opening of Paolo Rangsit since January 2016 and an increasing healthcare inflation, intensity and complexity cases.

Revenues from hospital operations

	Chg. (yoy)	% to revenue
Revenues growth from hospital operations	8%	100%
Breakdown by existing and new hospitals		
Existing Hospitals	5%	92%
New Hospitals	56%	8%
Breakdown by location		
Bangkok & Vicinity	6%	60%
Upcountry	12%	40%
Breakdown by nationality		
Thai	9%	71%
International	5%	29%

Existing hospitals grew approximately 5% yoy while new network hospitals grew approximately 56% yoy. Such growth from new network hospitals was mainly from Muangraj Hospital, Samitivej Chonburi Hospital, Bangkok Hospital Chiangmai, Phuket International Hospital, Bangkok Hospital Khon Kaen, Royal Phnom Pehn Hospital and Paolo Rangsit Hospital. In addition, the proportion of existing to new hospitals is 92%:8% respectively. Revenue of network hospitals in Bangkok and vicinity grew 6% yoy while revenue of network hospitals in the upcountry grew 12% yoy in 2015.

In 2016, Thai and international patients grew 9% and 5% yoy respectively resulting in the revenue proportion between Thai and international patients remained unchanged at 71%:29% in 2015 and in 2016. From type of patient perspectives, outpatient revenues grew by 11% yoy while the inpatient revenues increased by 7% yoy in 2016.

- Revenues from sales of goods and food were Baht 2,749 million in 2016, an increase of 6% yoy, mainly from an increase in sales of A.N.B., Medicpharma and Save Drug.
- Other incomes were Baht 859 million in 2016, increased by 8% yoy mainly from gain on fair value adjustments of investment property of Baht 65 million.

Operating Expenses

(THB mm)

	2016	2015	%Chg
Cost of hospital operations and others	45,277	41,151	10%
Administrative expenses	13,644	12,649	8%
Total Operating Expenses (Including depreciation)	58,921	53,800	10%

In 2016, the Company and its subsidiaries reported total operating expenses & depreciation of Baht 58,921 million, an increase of Baht 5,121 million or 10% yoy.

- Cost of hospital operations and others (including depreciation and amortization) were Baht 45,277 million, increased by 10% yoy. An increase was due mainly to rising in doctor fees and clinical staffs expenses as a result of an increase in newly recruited specialist doctors both full-time and part-time and clinical staffs to accommodate the network expansion together with cost of sales of A.N.B, Medicpharma and Save Drug.
- The administrative expenses (including depreciation and amortization) were Baht 13,644 million, increased by 8% yoy, due mainly to an increase non-clinical personnel expenses and other administrative expenses.
- The depreciation and amortization expenses were Baht 4,804 million in 2016, increased by 10% yoy due mainly to depreciation and amortization of new network hospitals.



Other Major Items

- Share of income from investments in associated companies were Baht 1,370 million in 2016, an increase of Baht 111 million or 9% yoy. Share of income from investments in associated companies were mainly from investment in Bumrungrad Hospital Public Co., Ltd. of Baht 868 million together with investment in Ramkhamhaeng Hospital Public Co., Ltd. of Baht 435 million.
- Finance expenses decreased to Baht 881 million in 2016 or decreased by 22% yoy due mainly to (1) an interest rate swap contract with financial institution for debenture totaling Baht 4,000 million by the exchange of a floating interest rate for a fixed rate resulting in interest savings during this period together with (2) an adjustment in the assumption for calculating expected convertible bonds redemption in relation to the BDMS share price.
- Tax expenses in 2016 were Baht 1,922 million, slightly increase from Baht 1,895 million in 2015, due mainly to an increase in pre-tax profit netted with tax savings from tax privileges on fixed-asset investment.

Non-recurring items

In 2016, the Company and its subsidiaries recorded non-recurring items of totaling Baht 209 million mainly from gain on sale of investment in Bangkok Chain Hospital Public Co., Ltd. of Baht 206 million (before taxes).

In 2015, the Company and its subsidiaries recorded non-recurring items of totaling Baht 209 million from gain on fair value adjustments of investment in relation to the Entire Business transfer of G. Wasupol Co., Ltd. (Muangraj Hospital).

Profitability Analysis

(THB mm)

	2016	2015	%Chg
EBITDA	14,727	14,220	4%
EBITDA margin	21.4%	22.3%	
EBIT	11,367	11,157	2%
EBIT margin	16.5%	17.5%	
Recurring profit *	8,178	7,812	5%
Recurring profit margin *	11.9%	12.3%	
Net profit	8,386	8,021	5%
Net profit margin	12.2%	12.6%	
EPS * (THB)	0.53	0.50	5%
EPS (THB)	0.54	0.52	5%

* Excluding non-recurring items

Remarks EBITDA = Total operating income – Total operating expenses (Excluding depreciation and amortization)

EBITDA Margin = EBITDA / Operating income

As previously mentioned EBITDA increased from Baht 14,220 million in 2015 to Baht 14,727 million in 2016 or increased by 4% yoy. However, EBITDA margin decreased from 22.3% in 2015 to 21.4% in 2016.

Recurring profit was Baht 8,178 million in 2016, increased by 5% yoy. However, recurring profit margin decreased from 12.3% in 2015 to 11.9% in 2016. EPS (pre non-recurring) was Baht 0.53 per share or increased by 5% yoy.

If including the non-recurring items, net profit was Baht 8,386 million, increased by 5% yoy. However, net profit margin decreased from 12.6% in 2015 to 12.2% in 2016. EPS was Baht 0.54 per share or increased by 5% yoy.

The Company restated financial statements in 2015 resulting in an increase in net profit of Baht 103 million and decrease in retained earnings of Baht 1,177 million due to an adoption of new financial reporting standards and cumulative effects of adjustment of prior years' financial statements. (Please refer to notes to consolidated financial statements #3 and #4)

Assets

(THB mm)

	Dec 16	Dec 15	%Chg
Cash & cash equivalents	4,217	5,529	(24)%
Short-term investments	548	28	1,838%
Trade & other receivables	6,033	6,484	(7)%
Inventories	1,516	1,286	18%
Investment in associates	16,401	15,093	9%
Property, premises & equipment	56,164	52,950	6%
Goodwill	16,932	16,932	0%
Other assets	5,129	4,033	27%
Total assets	106,939	102,335	4%

The consolidated financial position of the Company and its subsidiaries as of December 31, 2016: The Company and its subsidiaries reported total assets of Baht 106,939 million increased by 4% from December 31, 2015, due mainly to net increase in property, premises and equipment of Baht 3,214 million to expand our network hospitals both existing hospital, namely Bangkok Hospital Headquarter, to become Center of Excellence and new hospital namely Bangkok Hospital Surat together with expansion of manufacturing plant of Medicpharma and the deposit payment for land and building of the Nai Lert Park project of Baht 1,080 million or about 10% of purchase price netted with a decrease in cash and cash equivalents of Baht 1,312 million.

Liabilities and Equity

(THB mm)

	Dec 16	Dec 15	%Chg
Debentures *	12,589	10,591	19%
Long-term loans *	7,705	9,446	(18)%
Convertible debentures	9,874	9,683	2%
Other liabilities	18,465	17,617	5%
Total liabilities	48,635	47,338	3%
Equity attributable to equity holder of the Company	55,719	52,499	6%
Non-controlling interests	2,586	2,498	4%
Total equity	58,305	54,997	6%

* Including current portion



Total consolidated liabilities as of December 31, 2016 were Baht 48,635 million, which was increased from December 31, 2015, due mainly to an issuance of debentures of Baht 3,000 million together with an increase in short-term loans from financial institutions of Baht 1,503 million netted with a redemption of maturing debentures of Baht 1,000 million and repayment of long-term loans from financial institutions of Baht 1,741 million.

Total consolidated shareholders' equity as of December 31, 2016 was Baht 58,305 million, increased by 6% from December 31, 2015, due mainly from net income during 2016 netted with dividend payment of Baht 5,575 million and cumulative effect of changing accounting policy and adjustment of prior years' financial statements of Baht 1,177 million.

Liquidity and Capital Management

Cash Flow

(THB mm)

	2016
Net cash from operating activities	12,447
Net cash used in investing activities	(9,492)
Net cash used in financing activities	(4,266)
Net decrease in cash and cash equivalents	(1,312)
Beginning cash and cash equivalents	5,529
Ending cash and cash equivalents	4,217

For the year ended December 31, 2016, the Company and its subsidiaries had net decrease in cash and cash equivalent of Baht 1,312 million from the beginning balance of Baht 5,529 million. As a result, cash and cash equivalents at the end of period was Baht 4,217 million. Details of cash flow by activities during the year are as follows:-

Net cash flows from operating activities were Baht 12,447 million, resulting mainly from profit during 2016.

Net cash used in investing activities were Baht 9,492 million. The investing activities during the period were mainly from purchase of property, premises and equipment for Baht 8,506 million and the deposit payment for land and building of the Nai Lert Park project of Baht 1,080 million.

Net cash used in financing activities were Baht 4,266 million comprising mainly from repayment of short-term loans from financial institutions of Baht 7,806 million, repayment of long-term loans from financial institutions of Baht 1,735 million, redemption of maturing debentures of Baht 1,000 million and dividend payment of Baht 5,575 million netted with cash received from short-term loans from financial institutions of Baht 9,309 million and an issuance of debentures of Baht 3,000 million.

Ratios Analysis

	2016	2015
Returns (%)		
Return on Asset	7.8	8.0
Return on Equity	15.1	15.9
Liquidity (x)		
Current ratio	0.7	0.9
Quick ratio	0.6	0.8
Assets & Liabilities Management (Days)		
Average Collection Period	35.4	37.8
Average Inventory Period	11.1	10.5
Average Payable Period	37.7	40.8
Leverage & Coverage Ratios (x)		
Interest coverage	16.7	12.5
Total debt to equity	0.5	0.5
Net debt to equity	0.5	0.4
Net debt to EBITDA	1.9	1.7

Remark Excluding non-recurring items
Assets & Liabilities Management based on 360 days
Interest coverage = EBITDA/Interest Expenses
Debt refers to interest bearing debt

Return on assets and return on equity slightly decreased from 2015 as a result of the performance of new network hospitals which are ramping up and currently generate lower returns than existing hospitals.

Current ratio and quick ratio in 2016 also slightly decreased from 2015.

Average collection period and average payable period decreased from 37.8 days and 40.8 days in 2015 to 35.4 days and 37.7 days in 2016 respectively while average inventory period increased from 10.5 days in 2015 to 11.1 days in 2016.

Interest coverage ratio increased from 12.5x in 2015 to 16.7x in 2016 due mainly to decrease in finance expenses during the period.

Total interest bearing debt to equity remained unchanged at 0.5x as of December 31, 2015 and as of December 31, 2016. Net interest bearing debt to equity also increased from 0.4x as of December 31, 2015 to 0.5x as of December 31, 2016 and net interest bearing debt to EBITDA increased from 1.7x as of December 31, 2015 to 1.9x as of December 31, 2016.

The leverage and coverage ratios are well within the financial covenants of the long-term loans and debentures.

Management's Outlook

Increasing healthcare demand

Long-term prospect of healthcare sector is still intact as a result of aging population and rising income per capita, especially those in the rural area. People also pay more attention to their health wishing to live longer with a better quality of life. Moreover, increasing demand from medical tourism from Thailand's value for money and the quality of care are positive growth drivers.

These favorable factors support our strategy for the continuous expansion by focusing on preventive care services at BDMS Wellness Clinic and upgrading our clinical capabilities for secondary care and tertiary care together with multidisciplinary specialists, state of the art medical equipment and experienced staffs to accommodate increasing demand of healthcare.

Key strategic priorities

The Company's diverse portfolio of network hospitals with multiple brands and diversified market segments play a crucial role in continuous growth in healthcare business and serving rising healthcare demand in the future. The company would focus on the following strategic priorities:

- Centers of Excellence

The Company is upgrading 9 hub hospitals to be Centers of Excellence. These hospitals are (1) Bangkok Hospital Headquarter (2) Samitivej Sukhumvit Hospital (3) Samitivej Srinakarin Hospital (4) Phyathai 2 Hospital (5) Bangkok Hospital Pattaya (6) Bangkok Hospital Phuket (7) Bangkok Hospital Chiangmai (8) Bangkok Hospital Udon and (9) Royal Phnom Penh Hospital. With the determination for continuous development of these network hospitals to be in accordance with the Joint Commission International (JCI), we also cooperate with world leading institutions to uplift our Thai standard of care effectively to be equivalent to the international standard.

The international cooperation also includes

- (1) Cancer: The University of Texas MD Anderson Cancer Center
- (2) Trauma : Hannover Medical School
- (3) Orthopedics and Spines : Missouri Orthopaedic Institute
- (4) Neurosciences : Neurosurgical Institute at Cedars-Sinai Medical Center
- (5) Heart Disease / Cardiovascular : Oregon Health & Science University (OHSU)

- BDMS Wellness Clinic

BDMS Wellness Clinic provides holistic wellness service focusing on Preventive Medicine, Longevity and Anti-Aging area which will be the first in Asia. The goal is to improve physical and mental health of its visitors which becoming much more prevalent throughout the world. Currently, there are few medical service centers that provide the holistic healthcare and wellness services. This development goes in line with the Company's strategies, which focus on horizontal growth and aim to cover all aspects of medical services from medical treatment, pharmaceutical business, medical laboratory as well as health & wellness.

- Ramp-up of the new network hospitals

Since the beginning of 2017, the Company already added 44th new network hospital namely Paolo Kaset, which is a high growth potential tertiary care hospital. Moreover, the company plans to add more hospital network in upcountry i.e. Bangkok Hospital Surat and Bangkok Hospital Chiangrai.

To mitigate the operational and financial risks of new hospitals, the Company plans to open new hospitals in phases by gradually increase the bed capacity according to the patient demand.

Since we have added a number of new network hospitals recently, we would continue to focus on ramp-up operations of these new hospitals together with the focus on standardization of care and cooperation among our network hospitals for continued improvement in quality and operational efficiency.

- Expanding non-hospital business

Non-hospital business, contributing about 4% of operating income in 2016, is expected to grow continuously especially for medical lab and shared services (National Healthcare Systems Co., Ltd), manufacturer and distributor of pharmaceutical products (A.N.B. and Medic Pharma) and our drugstore business (Save Drug). This is attributable to growing demand for our healthcare related products supporting our operating income growth and increase profitability prospects.

- Principle of sustainability development

The Company remains cautious with our operations and adapts our strategy to maintain operational resiliency and achieve business sustainability. The Company firmly believes in giving back to and taking care of our society, The Company operates in accordance with the principles of sustainable development, by placing importance on various points that have potential impacts on the service value chain, with regard to organizational capabilities to manage and measure the outcomes. Our hospitals in the BDMS network have received accreditation from JCI, Advanced Hospital Accreditation (Advanced HA) and Hospital Accreditation (HA). Moreover, the Company and Vejdasit Foundation have been working in range of activities i.e. healthy checkup for the less-fortunate that have been running monthly, “Volunteering Project” to encourage our staff to make a contribution to the society through various projects as we are firmly committed to drive company forward as a sustainable organization that keeps growing alongside Thai society.



The Board of Directors' Report on its **Responsibility to the Financial Statements**

The Board of Directors recognizes the importance of duties and responsibilities in ensuring that the Company practices good corporate governance, that the financial statements in the 2016 Annual Report are accurate and fully disclosed, as well as in compliance with generally accepted accounting standards by selecting appropriate accounting policies and consistently adhering to those policies, with careful discretion. The Board of Directors has assigned the Audit Committee the task of reviewing the Company's financial statements and has been informed that the financial statements are in compliance with generally accepted accounting standards by selecting appropriate accounting policies and consistently adhering to those policies. The financial statements were carefully prepared with consideration of the suitable items to be presented and provide sufficient disclosure in the notes. The Audit Committee has reported these opinions in the Audit Committee Report in the 2016 Annual Report and the Company's 2016 Form 56-1.

Furthermore, the Board of Directors has put in place an efficient internal control system to ensure that all accounting information is recorded accurately and assets are safe-kept in order to prevent fraud or material damages.

In conclusion, the Board of Directors is of the opinion that the Company's internal control system is satisfactory and reasonably believes the trustworthiness of the Company's financial statements as of 31st December 2016, which the auditor has reviewed in accordance with generally accepted accounting standards. Additionally, the financial statements accurately show the significant aspects of the Company's financial status and performance in accordance with generally accepted accounting standards.

Mr. Prasert Prasarttong-Osoth, M.D.
CEO & President

Report and consolidated financial statements



31 December 2016

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Independent Auditor's Report

To the Shareholders of Bangkok Dusit Medical Services Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Bangkok Dusit Medical Services Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, 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 Bangkok Dusit Medical Services 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 Bangkok Dusit Medical Services Public Company Limited and its subsidiaries and of Bangkok Dusit Medical Services Public Company Limited as at 31 December 2016, 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 Federation of Accounting Professions under the Royal Patronage of His Majesty the King 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.

Emphasis of Matters

I draw attention to the following notes to the consolidated financial statements. My opinion is not modified in respect of these matters.

a) Adoption of the new financial reporting standards

I draw attention to Note 3 to the financial statements regarding the change in accounting policy due to the impact of the adoption of Thai Financial Reporting Standard No. 4 Insurance Contracts to the medical care programs of the Company and its subsidiary that charge a small amount to members who pay membership fees in advance for a lifelong membership. The related contracts are deemed to be insurance contracts as defined in Thai Financial Reporting Standard No. 4. Even though the programs were discontinued for legal reasons by the Company and its subsidiary on 20 January 2017 and 2 February 2017, respectively, as described in Note 42 to the financial statements, but since Thai Financial Reporting Standard No. 4 became effective for fiscal years beginning on or after 1 January 2016, the Company and its subsidiary have restated the consolidated and separate financial statements, to reflect the adjustments related to provision for this lifelong medical care program.

The adjustments to the financial statements have been made based on the total amounts payable to the members and the compensation expected to be paid to the members in 2017 due to the discontinuation of the program. To date, some members (approximately 142 of 334 members in the consolidated financial statements and 137 of 282 members in the separate financial statements) have accepted the offer, while some have not as described in Note 42 to the financial statements. Thus, there remains uncertainty. These circumstances are retrospective effects of changes made in accordance with the adoption of new financial reporting standard becoming effective from 2016.

b) Restatement of prior year's financial statements relating to provision for other post-employment benefits

I draw attention to Note 4 to the financial statements regarding the cumulative effects of adjustments of prior years' financial statements. During the year 2016, the management considered the employee benefits related to post-employment benefits - medical care expenses and found that the Company and a subsidiary under recorded these expenses in previous years. As a result, the Company restated the consolidated and separate financial statements presented as comparative information for correctness.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the

financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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 these matters. 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 matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

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

Revenue recognition

Revenues from hospital operations are considered significant in the financial statements as the amounts are material, representing 94% of the consolidated total revenues. In addition, there are various components in revenues from hospital operations which include revenue from sales of medicines and medical supplies, revenue from medical services, revenue from patient rooms, including discounts for counterparties, whereas the agreements contain various conditions for each party. The revenues from hospital operations are recognised as income when services have been rendered or medicine delivered.

I examined the revenue recognition of the Group by assessing and testing the Group's internal controls with respect to the revenue cycle by making enquiries of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. In addition, I applied a sampling method to select revenues from hospital operations transactions occurring during the year to examine the supporting documents. I requested a balance confirmation from accounts receivable and tested revenue cut-off. I also performed analytical procedures of disaggregated data and significant financial ratios with the past information and industry to detect possible irregularities in revenues from hospital operations transactions throughout the period, particularly for accounting entries made through journal vouchers.

Goodwill

I have focused my audit on the consideration of the impairment of goodwill, as discussed in Note 20 to the financial statements, because the assessment of impairment of goodwill is a significant accounting estimate requiring management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill.

I assessed the identification of cash generating units and the financial models selected by management by gaining an understanding of management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the moving average finance costs of the Company and its subsidiaries and of the industry, tested the calculation of the realisable values of the assets using the selected financial model. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill.

Adoption of new financial reporting standards - Thai Financial Reporting Standard No. 4 Insurance Contracts

As described in the Emphasis of Matters paragraph and in Note 3 to the financial statements, the Company has to adopt Thai Financial Reporting Standard No. 4 Insurance Contracts, which became effective in the year 2016, because the Company and its subsidiary entered into contracts providing lifelong membership for medical care program to members and these contracts are deemed to be insurance contracts as defined in Thai Financial Reporting Standard No. 4. The Company has restated the consolidated and separate financial statements, presented as comparative information, to reflect the adjustments resulting from such change. I therefore considered this a key audit matter.

I considered the conditions in the lifelong medical care contracts made with the members and considered Thai Financial Reporting Standard No. 4 and enquired with the management about the service conditions to the members. For the amounts of the adjustments to the financial statements, I tested the calculation of the amounts to be payable to the members including compensation, read the Company's Board of Directors' meeting minutes. I also reviewed the opinions of the legal counselors of the Company and its subsidiary. I examined the adjustments of prior years' financial statements and tested the amount paid to the members and reviewed the significant disclosures relating to the adoption of Thai Financial Reporting Standard No. 4 and the restatement of financial statements made in notes to the financial statements.

Restatement of prior year's financial statements relating to provision for other post-employment benefits

As described in the Emphasis of Matters paragraph and in Note 4 to the financial statements, during the year 2016, the management considered the employee benefits related to post-employment benefits - medical care expenses and found that the Company and a subsidiary under recorded these expenses in previous years. As a result, the Company restated the consolidated and separate financial statements presented as comparative information for correctness. I thus considered this a key audit matter.

I examined the employment contracts and the summary of the number of employees who are entitled to the post-employment - medical care welfare and also evaluated the relevant significant assumptions regarding medical care information, related cost of medical care, demographic information relating to average age, mortality rates, including the methods to evaluate the liabilities in the actuarial report of the actuary who was hired by the Company and its subsidiary. I tested the calculation and examined the adjustment of prior years' financial statements. I also read minutes of the Board of Directors' meetings relating to the change in the conditions of post-employment - medical care welfare, examined signed documentation of the employees' acceptance of such conditions, examined the compensation payments made to employees and reviewed the significant disclosures relating to provision for long-term employee benefits and the restatements of financial statements in notes to the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I 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.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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.

The engagement partner on the audit resulting in this independent auditor's report is Miss Kamontip Lertwitworatep.

Kamontip Lertwitworatep

Certified Public Accountant (Thailand) No. 4377

EY Office Limited

Bangkok: 28 February 2017

Statement of financial position

As at 31 December 2016

(Unit: Baht)

Assets		Consolidated financial statements			Separate financial statements		
	Note	As at 31 December 2016	As at 31 December 2015	As at 1 January 2015	As at 31 December 2016	As at 31 December 2015	As at 1 January 2015
			(restated)			(restated)	
Current assets							
Cash and cash equivalents	7	4,216,830,857	5,528,543,111	3,608,367,714	2,762,362,494	3,617,144,329	1,862,514,806
Short-term investments	8	548,063,152	28,280,659	1,877,618,065	387,027	1,353,034	1,583,291,938
Trade and other receivables	10, 11, 12	6,032,711,285	6,484,342,871	5,822,137,258	985,999,187	1,470,057,934	1,051,772,413
Short-term loans to related parties	12	-	-	-	2,143,392,592	1,326,938,930	1,755,709,338
Dividend receivable - a related party		-	-	9,100,000	-	-	-
Inventories	13	1,515,747,918	1,285,769,345	1,110,813,412	108,903,873	99,357,785	98,629,263
Other current assets		281,982,063	255,432,045	270,021,135	53,467,200	30,944,662	22,939,305
Total current assets		12,595,335,275	13,582,368,031	12,698,057,584	6,054,512,373	6,545,796,674	6,374,857,063
Non-current assets							
Restricted financial institution deposits	9	45,862,059	60,707,653	29,525,658	-	14,000,000	14,000,000
Investments in associated companies	14	16,401,010,414	15,093,034,805	14,182,876,470	9,028,589,568	9,028,589,568	9,028,589,568
Investments in subsidiary companies	15	-	-	-	40,431,044,012	39,070,482,959	36,557,176,437
Other long-term investments	16	835,985,142	1,085,157,043	1,006,683,252	427,402,912	771,950,462	664,246,284
Long-term loans to related parties	12	-	-	-	5,130,374,694	5,786,370,550	5,341,174,983
Investment properties	17	306,743,951	284,767,664	265,450,433	704,498,529	530,237,832	519,109,433
Property, premises and equipment	18	56,163,736,353	52,949,905,969	46,935,257,816	9,749,142,320	8,070,214,543	7,386,789,781
Land not used in operation	19	297,307,543	297,307,543	297,307,543	296,981,200	296,981,200	296,981,200
Goodwill	20	16,932,250,590	16,932,250,590	15,999,933,687	-	-	-
Intangible assets	21	1,188,302,453	1,036,728,473	861,366,691	482,171,342	385,142,951	310,489,847
Deferred tax assets	33	-	-	-	28,948,184	59,643,525	60,704,290
Other non-current assets							
Leasehold rights	12, 22	697,715,441	670,176,910	700,374,772	350,167,562	362,422,115	379,561,562
Deposits in land and premises	18.1	1,080,000,000	-	-	1,080,000,000	-	-
Others	12	395,162,199	342,590,020	392,824,164	56,367,578	26,500,933	46,320,418
Total non-current assets		94,344,076,145	88,752,626,670	80,671,600,486	67,765,687,901	64,402,536,638	60,605,143,803
Total assets		106,939,411,420	102,334,994,701	93,369,658,070	73,820,200,274	70,948,333,312	66,980,000,866

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

Statement of financial position (continued)

As at 31 December 2016

Liabilities and shareholders' equity

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		As at 31 December 2016	As at 31 December 2015	As at 1 January 2015	As at 31 December 2016	As at 31 December 2015	As at 1 January 2015
			(restated)			(restated)	
Current liabilities							
Bank overdrafts and short-term loans							
from financial institutions	23	1,578,643,930	75,859,716	21,850,446	1,500,000,000	-	-
Trade and other payables	12, 24	4,546,002,741	4,934,750,901	4,388,736,560	1,004,281,868	1,288,882,537	927,757,614
Provision for lifelong medical care program	3	963,797,750	963,797,750	963,797,750	820,311,726	820,311,726	820,311,726
Current portion of long-term loans from financial institutions	25	4,252,097,511	1,708,223,631	1,592,367,640	4,239,341,800	1,672,206,000	1,537,680,800
Current portion of liabilities under finance lease agreements	26	43,860,890	57,205,890	59,337,586	11,213,542	10,230,295	10,717,752
Current portion of debentures	27	-	999,835,639	2,499,842,503	-	999,835,639	2,499,842,503
Short-term loans		89,000,000	97,700,000	88,700,000	-	-	-
Short-term loans from related parties	12	-	-	-	8,343,358,008	8,303,333,657	4,703,038,618
Income tax payable		699,777,573	726,682,651	631,985,257	75,348,313	138,543,809	82,257,572
Accrued expenses		4,766,057,653	4,855,181,484	2,796,219,548	1,114,743,163	1,151,084,489	592,525,182
Current portion of provision for long-term employee benefits	29	317,891,300	157,814,200	-	239,691,300	157,814,200	-
Current portion of deferred income - membership		216,445,069	362,350,535	307,562,934	105,400,778	105,203,869	104,650,389
Other current liabilities		403,865,319	355,450,605	507,179,090	98,463,467	80,186,736	139,230,005
Total current liabilities		17,877,439,736	15,294,853,002	13,857,579,314	17,552,153,965	14,727,632,957	11,418,012,161
Non-current liabilities							
Long-term loans from financial institutions							
- net of current portion	25	3,453,331,333	7,737,989,124	9,371,612,676	3,453,331,333	7,697,531,600	9,306,925,600
Liabilities under finance lease agreements							
- net of current portion	26	17,656,934	46,944,936	101,402,802	3,398,968	6,528,177	15,404,412
Debentures - net of current portion	27	12,588,899,605	9,591,140,848	8,592,143,587	12,588,899,605	9,591,140,848	8,592,143,587
Convertible debentures - liability component	28	9,873,567,164	9,683,480,857	9,345,724,643	9,873,567,164	9,683,480,857	9,345,724,643
Long-term portion of provision for long-term employee benefits	29	1,928,147,614	2,095,752,204	2,077,754,465	632,829,915	836,758,342	888,947,173
Long-term portion of deferred income - membership		647,059,860	577,635,522	599,681,695	120,706,391	117,720,319	132,257,117
Deferred tax liabilities	33	2,111,758,339	2,180,130,269	1,506,801,926	-	-	-
Other non-current liabilities	12	136,696,436	130,007,199	199,998,971	44,720,573	37,496,263	54,733,977
Total non-current liabilities		30,757,117,285	32,043,080,959	31,795,120,765	26,717,453,949	27,970,656,406	28,336,136,509
Total liabilities		48,634,557,021	47,337,933,961	45,652,700,079	44,269,607,914	42,698,289,363	39,754,148,670

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

Statement of financial position (continued)

As at 31 December 2016

Liabilities and
shareholders' equity
(continued)

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		As at 31 December 2016	As at 31 December 2015	As at 1 January 2015	As at 31 December 2016	As at 31 December 2015	As at 1 January 2015
			(restated)			(restated)	
Shareholders' equity							
Share capital							
Registered							
16,497,868,714 ordinary shares of Baht 0.1 each		1,649,786,871	1,649,786,871	1,649,786,871	1,649,786,871	1,649,786,871	1,649,786,871
Issued and fully paid-up 15,490,956,540 ordinary shares of Baht 0.1 each		1,549,095,654	1,549,095,654	1,549,095,654	1,549,095,654	1,549,095,654	1,549,095,654
Share premium							
Premium on ordinary shares		20,481,530,880	20,481,530,880	20,481,530,880	20,418,606,952	20,418,606,952	20,418,606,952
Difference from shareholding restructure		305,000,325	305,000,325	305,000,325	-	-	-
Retained earnings							
Appropriated - statutory reserve	31	170,000,477	170,000,477	170,000,477	170,000,477	170,000,477	170,000,477
Unappropriated		29,069,149,164	26,197,987,900	21,778,832,167	5,852,887,332	4,492,563,994	3,554,535,583
Other components of shareholders' equity		4,143,785,415	3,795,303,504	1,215,423,175	1,560,001,945	1,619,776,872	1,533,613,530
Equity attributable to owners of the Company		55,718,561,915	52,498,918,740	45,499,882,678	29,550,592,360	28,250,043,949	27,225,852,196
Non - controlling interests of the subsidiaries		2,586,292,484	2,498,142,000	2,217,075,313	-	-	-
Total shareholders' equity		58,304,854,399	54,997,060,740	47,716,957,991	29,550,592,360	28,250,043,949	27,225,852,196
Total liabilities and shareholders' equity		106,939,411,420	102,334,994,701	93,369,658,070	73,820,200,274	70,948,333,312	66,980,000,866

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

Income statement

For the year ended 31 December 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
			(restated)		(restated)
Revenues					
Revenues from hospital operations	12	65,236,523,139	60,239,803,830	13,330,145,501	13,084,412,086
Other income	12				
Revenue from sales of goods and foods		2,748,575,294	2,594,595,226	53,331,929	46,874,033
Interest income and gain on sale of short-term investments		52,215,191	47,298,108	316,866,070	330,422,226
Dividend income	14, 15, 16	21,375,943	17,911,051	5,418,965,241	3,372,145,263
Gain on fair value adjustment of investments		-	208,747,913	-	-
Gain on sale of other long-term investments	16	208,663,809	-	205,463,809	-
Others		858,860,305	798,436,516	1,171,502,517	858,135,456
Total other income		3,889,690,542	3,666,988,814	7,166,129,566	4,607,576,978
Total revenues		69,126,213,681	63,906,792,644	20,496,275,067	17,691,989,064
Expenses					
Cost of hospital operations and goods sold	12	45,276,809,525	41,151,348,392	8,404,606,693	7,929,511,665
Administrative expenses	12	13,644,189,407	12,648,561,376	3,834,010,994	3,634,773,761
Total expenses		58,920,998,932	53,799,909,768	12,238,617,687	11,564,285,426
Profit before share of income from investments in associated companies, finance expenses and income tax expenses		10,205,214,749	10,106,882,876	8,257,657,380	6,127,703,638
Share of income from investments in associated companies	14	1,369,958,152	1,258,968,268	-	-
Profit before finance expenses and income tax expenses		11,575,172,901	11,365,851,144	8,257,657,380	6,127,703,638
Finance expenses	12	(881,008,035)	(1,135,865,592)	(963,475,555)	(1,219,901,237)
Profit before income tax expenses		10,694,164,866	10,229,985,552	7,294,181,825	4,907,802,401
Income tax expenses	33	(1,922,300,568)	(1,895,304,981)	(358,744,037)	(343,345,229)
Profit for the year		8,771,864,298	8,334,680,571	6,935,437,788	4,564,457,172
Profit attributable to:					
Equity holders of the Company		8,386,477,660	8,020,716,358	6,935,437,788	4,564,457,172
Non-controlling interests of the subsidiaries		385,386,638	313,964,213		
		8,771,864,298	8,334,680,571		
Basic earnings per share	34				
Profit attributable to equity holders of the Company		0.54	0.52	0.45	0.29
Weighted average number of ordinary shares (shares)		15,490,956,540	15,490,956,540	15,490,956,540	15,490,956,540

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

Statement of comprehensive income

For the year ended 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
			(restated)		(restated)
Profit for the year		8,771,864,298	8,334,680,571	6,935,437,788	4,564,457,172
Other comprehensive income:					
Other comprehensive income to be reclassified to					
profit or loss in subsequent periods					
Gain (reversal of surplus) on change in value					
of available-for-sale investments - net of income tax	16	33,315,720	78,176,021	(59,774,927)	86,163,342
Exchange differences on translation of					
financial statements in foreign currencies		(6,844,480)	91,035,792	-	-
Share of other comprehensive income from					
associated companies	14	440,392,219	(53,713,502)	-	-
Other comprehensive income to be reclassified to					
profit or loss in subsequent periods - net of income tax		466,863,459	115,498,311	(59,774,927)	86,163,342
Other comprehensive income not to be reclassified to					
profit or loss in subsequent periods					
Actuarial loss - net of income tax		-	(27,906,658)	-	(63,908,037)
Gain on revaluation of land - net of income tax	18	39,232,196	2,541,276,981	-	-
Other comprehensive income not to be reclassified to					
profit or loss in subsequent periods - net of income tax		39,232,196	2,513,370,323	-	(63,908,037)
Other comprehensive income for the year		506,095,655	2,628,868,634	(59,774,927)	22,255,305
Total comprehensive income for the year		9,277,959,953	10,963,549,205	6,875,662,861	4,586,712,477
Total comprehensive income attributable to:					
Equity holders of the Company		8,879,699,385	10,571,140,511	6,875,662,861	4,586,712,477
Non-controlling interests of the subsidiaries		398,260,568	392,408,694		
		9,277,959,953	10,963,549,205		

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

Statement of cash flows

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
		(restated)		(restated)
Cash flows from operating activities				
Profit before income tax expenses	10,694,164,866	10,229,985,552	7,294,181,825	4,907,802,401
Adjustments to reconcile profit before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation and amortisation expenses	4,803,222,771	4,386,699,641	937,633,690	820,488,759
Write-off of assets	17,125,689	25,475,985	5,115,464	1,985,758
Bad debts and doubtful debts	109,215,203	117,004,688	44,127,797	21,727,872
Loss on impairment of investments	-	17,493,668	-	-
Loss (reversal) on impairment of assets	(5,439,998)	2,700,000	(2,700,000)	2,700,000
Reserve of loss on deteriorated inventories	2,872,967	1,804,776	227,596	384,886
Amortisation of deferred income - membership	(319,383,476)	(436,469,750)	(128,346,841)	(127,204,137)
Share of income from investments in associated companies	(1,369,958,152)	(1,258,968,268)	-	-
Gain on disposal of investments in subsidiary and associated companies	-	(57,328,697)	-	-
Gain on sale of other long-term investments	(208,663,809)	-	(205,463,809)	-
Loss on liquidation of an associated company and other long-term investments	388,735	-	-	-
Gain on fair value adjustment of investments	-	(208,747,913)	-	-
Amortisation of expense for debentures and convertible debentures	31,814,821	30,731,171	31,814,821	30,731,171
Gain on disposal of property, premises and equipment and land not used in operation	(14,334,607)	(12,936,066)	(5,518,045)	(3,077,597)
Gain on fair value adjustment of investment properties	(65,323,848)	(9,000,000)	(128,771,713)	(9,000,000)
Unrealised gain on foreign exchange	(612,906)	(12,289,509)	(612,906)	(13,282,367)
Long-term employee benefit expenses	196,969,047	187,751,407	48,745,546	43,149,279
Annual leave expenses	12,741,483	14,111,750	3,118,226	2,633,255
Interest income	(52,215,191)	(47,298,108)	(316,866,070)	(330,422,226)
Dividend income	(21,375,943)	(17,911,051)	(5,418,965,241)	(3,372,145,263)
Interest expense	881,008,035	1,135,865,592	963,475,555	1,219,901,237
Profit from operating activities before changes in operating assets and liabilities	14,692,215,687	14,088,674,868	3,121,195,895	3,196,373,028

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

Statement of cash flows (continued)

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
		(restated)		(restated)
Cash flows from operating activities (continued)				
Decrease (increase) in operating assets				
Trade and other receivables	341,939,990	(851,648,651)	438,681,128	(444,564,863)
Inventories	(232,851,541)	(177,458,434)	(9,773,684)	(1,113,408)
Other current assets	(26,550,018)	12,069,598	(22,522,538)	(8,005,357)
Other non-current assets	18,154,803	8,856,891	(34,073,166)	25,339,704
Increase (decrease) in operating liabilities				
Trade and other payables	388,307,235	164,250,632	40,480,522	39,369,528
Accrued expenses	(105,997,850)	2,080,806,887	(39,454,980)	558,209,220
Deferred income - membership	242,902,348	469,211,177	131,529,823	113,220,818
Other current liabilities	48,414,714	(155,600,687)	18,276,731	(59,043,269)
Provision for long-term employee benefits	(204,496,536)	(44,209,416)	(170,796,873)	(17,408,956)
Other non-current liabilities	6,689,236	(69,991,769)	7,224,305	(17,237,712)
Net cash from operating activities	15,168,728,068	15,524,961,096	3,480,767,163	3,385,138,733
Cash received from interest income	52,691,584	48,659,354	318,115,892	334,973,696
Cash paid for interest expenses	(720,066,293)	(831,711,376)	(806,525,261)	(917,306,213)
Cash received from tax refund	22,088,724	8,454,141	-	-
Cash paid for income tax expenses	(2,076,803,618)	(1,884,710,186)	(374,390,254)	(299,619,963)
Net cash from operating activities	12,446,638,465	12,865,653,029	2,617,967,540	2,503,186,253
Cash flows from investing activities				
Decrease (increase) in short-term investments	(519,782,493)	1,849,337,406	966,006	1,581,938,905
Decrease (increase) in restricted financial institution deposits	14,845,594	(32,181,995)	14,000,000	-
Dividend received	506,620,243	816,884,560	5,418,965,241	3,372,145,263
Cash received from disposal of investments in subsidiary and associated companies	-	112,847,900	-	-
Cash received from repayment of the capital of an associated company and other long-term investments	31,339,237	-	-	-
Cash received from disposal of other long-term investment	484,942,700	25,000,000	475,292,700	-
Cash paid for purchase of investments in subsidiaries, associates and other company	(7,843,320)	(1,684,535,404)	(1,360,561,054)	(2,513,306,522)
Cash paid for investment property	(2,305,687)	(2,128,399)	(2,305,687)	(2,128,399)
Cash received from disposal of property, premises and equipment	58,228,169	71,927,319	9,789,805	12,009,217
Cash paid for purchase of property, premises and equipment	(8,506,442,347)	(5,976,203,862)	(2,881,608,544)	(1,110,600,462)
Cash paid for deposits in land and premises	(1,080,000,000)	-	(1,080,000,000)	-
Cash paid for leasehold rights	(82,134,134)	(3,000,000)	(4,169,918)	-
Decrease (increase) in short-term loans to related parties	-	-	(816,453,662)	428,770,408
Increase in long-term loans to related parties	-	-	(457,458,490)	(1,180,710,000)
Cash received from long-term loans to related parties	-	-	1,108,609,785	811,608,800
Cash paid for purchase of intangible assets	(389,696,325)	(360,811,236)	(175,139,083)	(135,541,661)
Net cash from (used in) investing activities	(9,492,228,363)	(5,182,863,711)	249,927,099	1,264,185,549

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

Statement of cash flows (continued)

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
		(restated)		(restated)
Cash flows from financing activities				
Increase (decrease) in short-term loans	(8,700,000)	9,000,000	-	-
Increase in short-term loans from related parties	-	-	40,024,351	3,600,295,038
Cash received from bank overdraft and short-term loans from financial institutions	9,308,786,258	8,955,244,748	9,300,000,000	8,900,000,000
Repayment of bank overdraft and short-term loans from financial institutions	(7,805,817,242)	(8,903,020,895)	(7,800,000,000)	(8,900,000,000)
Cash received from long-term loans from financial institutions	-	1,000,000	-	-
Repayment of long-term loans from financial institutions	(1,734,683,265)	(1,585,964,446)	(1,671,607,000)	(1,537,680,800)
Repayments of liabilities under finance lease agreements	(60,512,667)	(77,385,378)	(12,297,501)	(10,251,142)
Cash received from issue of debentures	2,996,318,126	1,997,415,349	2,996,318,126	1,997,415,349
Cash paid for redemption of debentures	(1,000,000,000)	(2,500,000,000)	(1,000,000,000)	(2,500,000,000)
Increase in non - controlling interests of subsidiary from additional paid-up shares of subsidiary	-	52,191,440	-	-
Cash paid for investment in subsidiary companies from non - controlling interests	(168,945,080)	(6,464,321)	-	-
Dividend paid	(5,575,114,450)	(3,562,520,724)	(5,575,114,450)	(3,562,520,724)
Dividend paid by subsidiaries to non-controlling interests	(217,454,036)	(142,109,694)	-	-
Net cash used in financing activities	(4,266,122,356)	(5,762,613,921)	(3,722,676,474)	(2,012,742,279)
Net increase (decrease) in cash and cash equivalents	(1,311,712,254)	1,920,175,397	(854,781,835)	1,754,629,523
Cash and cash equivalents at beginning of year	5,528,543,111	3,608,367,714	3,617,144,329	1,862,514,806
Cash and cash equivalents at end of year	4,216,830,857	5,528,543,111	2,762,362,494	3,617,144,329
Supplemental cash flows information:				
Non-cash items:				
Assets acquired under finance lease agreements	14,861,948	20,320,394	9,721,216	111,495
Increase (decrease) in accounts payable - property, premises and equipment	(609,976,373)	487,586,062	(332,668,621)	326,379,198
Increase (decrease) in payable to construction - retention	(155,579,840)	(47,098,504)	10,943,939	2,157,221

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

Statement of changes in shareholders' equity

For the year ended 31 December 2016

Consolidated financial statements						
	Note	Issued and paid-up share capital	Premium on ordinary shares	Difference from shareholding restructure	Retained earnings	
					Appropriated-statutory reserve	Unappropriated
Balance as at 31 December 2014 - As previously reported		1,549,095,654	20,481,530,880	305,000,325	170,000,477	23,059,104,916
Cumulative effects of changes in accounting policies	3	-	-	-	-	(703,343,210)
Cumulative effects of adjustment of prior years' financial statements	4	-	-	-	-	(576,929,539)
Balance as at 31 December 2014 - As restated		1,549,095,654	20,481,530,880	305,000,325	170,000,477	21,778,832,167
Profit for the year - restated		-	-	-	-	8,020,716,358
Other comprehensive income for the year		-	-	-	-	(39,039,901)
Total comprehensive income for the year		-	-	-	-	7,981,676,457
Dividend paid	30	-	-	-	-	(3,562,520,724)
Share of Interest paid for convertible debentures treated as equity securities from an associated company		-	-	-	-	-
Change in non-controlling interests of subsidiaries from purchase investments in subsidiaries		-	-	-	-	-
Decrease in non-controlling interests of subsidiaries from dividend of subsidiaries		-	-	-	-	-
Balance as at 31 December 2015 - As restated		1,549,095,654	20,481,530,880	305,000,325	170,000,477	26,197,987,900
Balance as at 31 December 2015 - As previously reported		1,549,095,654	20,481,530,880	305,000,325	170,000,477	27,375,018,014
Cumulative effects of changes in accounting policies	3	-	-	-	-	(725,835,257)
Cumulative effects of adjustment of prior years' financial statements	4	-	-	-	-	(451,194,857)
Balance as at 31 December 2015 - As restated		1,549,095,654	20,481,530,880	305,000,325	170,000,477	26,197,987,900
Profit for the year		-	-	-	-	8,386,477,660
Other comprehensive income for the year		-	-	-	-	59,798,054
Total comprehensive income for the year		-	-	-	-	8,446,275,714
Dividend paid	30	-	-	-	-	(5,575,114,450)
Share of Interest paid for convertible debentures treated as equity securities from an associated company		-	-	-	-	-
Change in non-controlling interests of subsidiaries from purchase investments in subsidiaries		-	-	-	-	-
Decrease in non-controlling interests of subsidiaries from dividend of subsidiaries		-	-	-	-	-
Balance as at 31 December 2016		1,549,095,654	20,481,530,880	305,000,325	170,000,477	29,069,149,164

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

Statement of changes in shareholders' equity

For the year ended 31 December 2016

(Unit: Baht)

Consolidated financial statements									
Equity attributable to owners of the Company								Equity attributable to non-controlling interest of the subsidiaries	Total shareholders' equity
Other components of shareholders' equity							Total equity attributable to owners of the Company		
Other comprehensive income				Convertible debentures - equity component	Surplus investment over book value of subsidiary companies	Total other components of shareholders' equity			
Surplus on changes in value of available-for-sale investments	Revaluation surplus on land	Exchange differences on translation of financial statements in foreign currency	Share of other components of shareholders' equity from associated companies						
259,081,633	2,639,478,771	(50,382,463)	383,050,477	585,527,449	(2,601,332,692)	1,215,423,175	46,780,155,427	2,217,943,470	48,998,098,897
-	-	-	-	-	-	-	(703,343,210)	(868,157)	(704,211,367)
-	-	-	-	-	-	-	(576,929,539)	-	(576,929,539)
259,081,633	2,639,478,771	(50,382,463)	383,050,477	585,527,449	(2,601,332,692)	1,215,423,175	45,499,882,678	2,217,075,313	47,716,957,991
-	-	-	-	-	-	-	8,020,716,358	313,964,213	8,334,680,571
78,174,126	2,470,623,555	87,811,675	(47,145,302)	-	-	2,589,464,054	2,550,424,153	78,444,481	2,628,868,634
78,174,126	2,470,623,555	87,811,675	(47,145,302)	-	-	2,589,464,054	10,571,140,511	392,408,694	10,963,549,205
-	-	-	-	-	-	-	(3,562,520,724)	-	(3,562,520,724)
-	-	-	(7,783,870)	-	-	(7,783,870)	(7,783,870)	-	(7,783,870)
-	-	-	-	-	(1,799,855)	(1,799,855)	(1,799,855)	30,767,687	28,967,832
-	-	-	-	-	-	-	-	(142,109,694)	(142,109,694)
337,255,759	5,110,102,326	37,429,212	328,121,305	585,527,449	(2,603,132,547)	3,795,303,504	52,498,918,740	2,498,142,000	54,997,060,740
337,255,759	5,110,102,326	37,429,212	328,121,305	585,527,449	(2,603,132,547)	3,795,303,504	53,675,948,854	2,499,078,610	56,175,027,464
-	-	-	-	-	-	-	(725,835,257)	(936,610)	(726,771,867)
-	-	-	-	-	-	-	(451,194,857)	-	(451,194,857)
337,255,759	5,110,102,326	37,429,212	328,121,305	585,527,449	(2,603,132,547)	3,795,303,504	52,498,918,740	2,498,142,000	54,997,060,740
-	-	-	-	-	-	-	8,386,477,660	385,386,638	8,771,864,298
33,321,181	26,203,184	(6,694,859)	380,594,165	-	-	433,423,671	493,221,725	12,873,930	506,095,655
33,321,181	26,203,184	(6,694,859)	380,594,165	-	-	433,423,671	8,879,699,385	398,260,568	9,277,959,953
-	-	-	-	-	-	-	(5,575,114,450)	-	(5,575,114,450)
-	-	-	(7,783,870)	-	-	(7,783,870)	(7,783,870)	-	(7,783,870)
-	-	-	-	-	(77,157,890)	(77,157,890)	(77,157,890)	(92,656,048)	(169,813,938)
-	-	-	-	-	-	-	-	(217,454,036)	(217,454,036)
370,576,940	5,136,305,510	30,734,353	700,931,600	585,527,449	(2,680,290,437)	4,143,785,415	55,718,561,915	2,586,292,484	58,304,854,399

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2016

Separate financial statements					
Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		
			Appropriated-statutory reserve	Unappropriated	
Balance as at 31 December 2014 - As previously reported	1,549,095,654	20,418,606,952	170,000,477	4,698,257,167	
Cumulative effects of changes in accounting policies 3	-	-	-	(629,352,045)	
Cumulative effects of adjustment of prior years' financial statements 4	-	-	-	(514,369,539)	
Balance as at 31 December 2014 - As restated	1,549,095,654	20,418,606,952	170,000,477	3,554,535,583	
Profit for the year	-	-	-	4,564,457,172	
Other comprehensive income for the year	-	-	-	(63,908,037)	
Total comprehensive income for the year	-	-	-	4,500,549,135	
Dividend paid 30	-	-	-	(3,562,520,724)	
Balance as at 31 December 2015	1,549,095,654	20,418,606,952	170,000,477	4,492,563,994	
Balance as at 31 December 2015 - As previously reported	1,549,095,654	20,418,606,952	170,000,477	5,524,811,391	
Cumulative effects of changes in accounting policies 3	-	-	-	(643,612,540)	
Cumulative effects of adjustment of prior years' financial statements 4	-	-	-	(388,634,857)	
Balance as at 31 December 2015 - As restated	1,549,095,654	20,418,606,952	170,000,477	4,492,563,994	
Profit for the year	-	-	-	6,935,437,788	
Other comprehensive income for the year	-	-	-	-	
Total comprehensive income for the year	-	-	-	6,935,437,788	
Dividend paid 30	-	-	-	(5,575,114,450)	
Balance as at 31 December 2016	1,549,095,654	20,418,606,952	170,000,477	5,852,887,332	

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

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2016

(Unit: Baht)

Separate financial statements				
Other components of shareholders' equity			Total other components of shareholders' equity	Total shareholders' equity
Other comprehensive income		Convertible debentures - equity component		
Surplus on changes in value of available-for-sale investments	Revaluation surplus on land			
274,224,699	673,861,382	585,527,449	1,533,613,530	28,369,573,780
-	-	-	-	(629,352,045)
-	-	-	-	(514,369,539)
274,224,699	673,861,382	585,527,449	1,533,613,530	27,225,852,196
-	-	-	-	4,564,457,172
86,163,342	-	-	86,163,342	22,255,305
86,163,342	-	-	86,163,342	4,586,712,477
-	-	-	-	(3,562,520,724)
360,388,041	673,861,382	585,527,449	1,619,776,872	28,250,043,949
360,388,041	673,861,382	585,527,449	1,619,776,872	29,282,291,346
-	-	-	-	(643,612,540)
-	-	-	-	(388,634,857)
360,388,041	673,861,382	585,527,449	1,619,776,872	28,250,043,949
-	-	-	-	6,935,437,788
(59,774,927)	-	-	(59,774,927)	(59,774,927)
(59,774,927)	-	-	(59,774,927)	6,875,662,861
-	-	-	-	(5,575,114,450)
300,613,114	673,861,382	585,527,449	1,560,001,945	29,550,592,360

Notes to consolidated financial statements

For the year ended 31 December 2016

1. General information

Bangkok Dusit Medical Services Public Company Limited ("the Company") is a public company under Thai laws and domiciled in Thailand. The Company is principally engaged in the hospital business. The Company operates under 6 hospital groups, namely, Bangkok Hospital Group, Samitivej Hospital Group, BNH Hospital, Phyathai Hospital Group, Paolo Hospital Group and Royal Hospital Group. In addition, the Company's network also covers businesses that support medical care such as medical laboratories, pharmaceutical production and saline production and drug and pharmaceutical stores. The registered office of the Company is at 2, Soi Soonvijai 7, New Petchburi Road, Bang Kapi, Huaykwang, Bangkok.

2. Basis of preparation

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Bangkok Dusit Medical Services Public Company Limited ("the Company") and the following subsidiaries ("the subsidiaries") as follows:

Company's name	Nature of business	Percentage of shareholding (percent)	
		2016	2015
Held by the Company			
Samitivej PCL.	Hospital	95.76	95.76
Bangkok Hospital Had yai Co., Ltd.	Hospital	98.81	98.81
Bangkok Hospital Phuket Co., Ltd.	Hospital	99.69	99.69
BNH Medical Center Co., Ltd.	Hospital	91.48	91.48
Bangkok Hospital Phrapradaeng Co., Ltd.	Hospital	84.00	84.00
Bangkok Hospital Pattaya Co., Ltd.	Hospital	97.27	97.27
Bangkok Hospital Rayong Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Samui Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Trat Co., Ltd.	Hospital	99.76	99.76
Wattanavej Co., Ltd.	Hospital	99.69	99.69
Bangkok Hospital Ratchasima Co., Ltd.	Hospital	91.42	91.36
Angkor Pisith Co., Ltd.	Hospital	80.00	80.00
Phnom Penh Medical Services Co., Ltd.	Hospital	100.00	100.00
Paolo Medic Co., Ltd.	Hospital	100.00	100.00
Paolo Samut Prakran Co., Ltd.	Hospital	93.64	93.64
Siam Medical Co., Ltd.	Hospital	85.71	85.71
Thai Medical Center PCL.	Hospital	99.76	99.76
Bangkok Hospital Chiangmai Co., Ltd.	Hospital	100.00	100.00

Company's name	Nature of business	Percentage of shareholding (percent)	
		2016	2015
Held by the Company (continued)			
Bangkok Hospital Udon Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Khon Kaen Co., Ltd.	Hospital	100.00	100.00
Thonburi Medical Center PCL. (held by the Company at 34.43% and indirectly held by subsidiary at 29.02%)	Hospital	34.43	29.01
Samitivej Chonburi Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Phitsanulok Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Sanamchan Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Phuket International Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Muangraj Co., Ltd.	Hospital	100.00	100.00
Royal Rattanak Medical Services Co., Ltd.	Ceased operation	70.00	70.00
Bangkok Hospital Khao Yai Co., Ltd.	Not yet operate	100.00	100.00
Bangkok Hospital Surath Co., Ltd.	Not yet operate	100.00	100.00
Bangkok Hospital Chiangrai Co., Ltd.	Not yet operate	100.00	100.00
National Healthcare Systems Co., Ltd. (held by the Company at 74.02% and indirectly held by subsidiaries at 24.66%)	Central lab	74.02	74.02
Bio - Molecular Laboratories (Thailand) Co., Ltd.	Central lab	95.00	95.00
B.D.M.S. International Medical Services Co., Ltd.	Not yet operate	100.00	100.00
BDMS Accounting Co., Ltd.	Accounting service	100.00	100.00
Bangkok Health Insurance PCL.	Health insurance	99.97	99.97
Royal Bangkok Healthcare Co., Ltd.	Investment	100.00	100.00
Greenline Synergy Co., Ltd.	Technology and information service	100.00	100.00
BDMS Training Co., Ltd.	Training business	100.00	100.00
Prasit Pattana PCL.	Investment	98.56	98.56
Bangkok Premier Life Insurance Co., Ltd.	Life insurance broker	100.00	100.00
Medic Pharma Co., Ltd.	Production and distribution of medicines	87.05	87.05
BDMS Inter Pte. Ltd.	Investment	100.00	100.00
N Health Asia Pte. Ltd.	Investment	100.00	100.00
Bangkok Save Drug Co., Ltd.	Investment	100.00	100.00
S.R. Property Investment Co., Ltd.	Real estate	49.00	49.00
Siem Reap Investment Co., Ltd.	Real estate	49.00	49.00
Phnom Penh First Property Co., Ltd.	Real estate	49.00	49.00
Bangkok Helicopter Services Co., Ltd. (held by the company at 87.25% and indirectly held by subsidiary at 12.75%)	Air transportation services	87.25	49.00
BDMS Property Management Co., Ltd.	Assets managements	100.00	-

Company's name	Nature of business	Percentage of shareholding (percent)	
		2016	2015
Held by subsidiaries			
Samitivej Sriracha Co., Ltd.	Hospital	69.75	69.75
Thonburi Medical Center PCL.	Hospital	29.02	29.02
Phyathai 1 Hospital Co., Ltd.	Hospital	100.00	100.00
Phyathai 2 Hospital Co., Ltd.	Hospital	99.18	99.18
Phyathai 3 Hospital Co., Ltd.	Hospital	98.23	98.23
Sriracha Nakorn General Hospital PCL.	Hospital	74.80	74.49
Thepakorn Hospital Co., Ltd.	Hospital	44.53	44.53
National Healthcare Systems Co., Ltd.	Central lab	25.97	25.97
Irving Sheridan SE Co., Ltd.	Assets management for healthcare business	96.03	96.03
First Health Food Co., Ltd.	Restaurant and distributing health food products and facility management and investments	100.00	100.00
SV Holding Co., Ltd.	Investment	100.00	100.00
A.N.B. Laboratories Co., Ltd.	Manufacturer and distributor of medicine and pharmaceutical products	100.00	100.00
N Health Cambodia Co., Ltd.	Central Lab	100.00	100.00
Save Drug Center Co., Ltd.	Retailer of medicine and pharmaceutical products	100.00	100.00
N Health Pathology Co., Ltd.	Central Lab	95.00	95.00
Samitivej International Co., Ltd.	Clinic	80.00	80.00
N Health Myanmar Co., Ltd.	Central Lab	60.00	60.00

All subsidiaries incorporated in Thailand except B.D.M.S. International Medical Services Co., Ltd., Angkor Pisith Co., Ltd., Phnom Penh Medical Services Co., Ltd., Royal Rattanak Medical Services Co., Ltd., N Health (Cambodia) Co., Ltd., S.R. Property Investment Co., Ltd., Siem Reap Investment Co., Ltd. and Phnom Penh First Property Co., Ltd. which were registered in Cambodia and BDMS Inter Pte. Ltd. and N Health Asia Pte. Ltd. registered in Singapore and Samitivej International Co., Ltd. and N Health Myanmar Co., Ltd. registered in Republic of the Union of Myanmar.

- b) The Company 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 Company 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 subsidiary companies 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 currency" in the statements of changes in shareholders' equity.

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- 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 or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within shareholders' equity in the consolidated statement of financial position.
- h) In recording the acquisition of additional shares of subsidiaries (repurchase of shares from minority shareholders) when the fair value of the net assets acquired is lower than the cost of the investment the difference has been presented in other components of shareholders' equity in the statement of financial position under the caption of "Surplus on investments in subsidiary companies arising as a result of acquisition of additional shares at a price higher than net book value at the acquisition date". When the fair value of the net assets acquired is higher than the cost of the investment the difference has been presented in other components of shareholders' equity in the statement of financial position under the caption of "Lower of investment in subsidiary companies arising as a result of acquisition of additional shares at a price lower than net book value at the acquisition date".

2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

3. New financial reporting standards

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

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

During the year, the Company and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, 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 Company and its subsidiaries' financial statements except for the following new financial reporting standard and accounting treatment guidance.

Thai Financial Reporting Standard 4 (revised 2015) regarding Insurance Contracts

The Company and its subsidiary have established the medical care programs providing lifelong medical services with small amount of charges to their members who prepaid the membership fees for life. The Company and its subsidiary discontinued these aforementioned programs on 20 January 2017 and 2 February 2017, respectively, due to the legal reasons as described in note 42 to the financial statements.

However, the Company and its subsidiary have retroactively adjusted the consolidated and separate financial statements in the past related to debts arising out of contracts providing aforementioned lifelong medical care programs in order to be complied with Thai Financial Reporting Standard No. 4 issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016, as these contracts issued under the aforementioned programs are deemed to be insurance contracts. The adjustments to the financial statements have been made based on the total amounts payable to the members and the compensation expected to be paid to the members in 2017 due to the discontinuation of the program as described in note 42 to the financial statements. The cumulative effect of the aforementioned adjustment has been separately presented in the statements of changes in shareholders' equity.

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

(Unit: Million Baht)

Consolidated financial statements		
	As at 31 December 2015	As at 1 January 2015
Statements of financial position:		
Increase in non-current assets	-	-
Total increase in assets	-	-
Increase in provision from lifelong medical care program	964	964
Decrease in long-term portion of deferred income - membership	(44)	(67)
Decrease in deferred tax liabilities	(193)	(193)
Decrease in retained earnings - unappropriated	(726)	(703)
Decrease in non-controlling interests of the subsidiaries	(1)	(1)
Total increase in liabilities and shareholders' equity	-	-

(Unit: Million Baht)

Separate financial statements		
	As at 31 December 2015	As at 1 January 2015
Statements of financial position:		
Increase in non-current assets	-	-
Total increase in assets	-	-
Increase in provision from lifelong medical care program	820	820
Decrease in long-term portion of deferred income - membership	(13)	(27)
Decrease in deferred tax liabilities *	(164)	(164)
Decrease in retained earnings - unappropriated	(643)	(629)
Total increase in liabilities and shareholders' equity	-	-

(Unit: Million Baht)

	financial statements	Separate financial statements
	For the year ended 31 December 2015	For the year ended 31 December 2015
Statements of comprehensive income		
Profit or loss:		
Decrease in revenues from hospital operations	(23)	(14)
Decrease in profit	(23)	(14)
Comprehensive income attributable to:		
Decrease in equity holders of the Company	(23)	(14)
Decrease in profit attributable to non-controlling interests of the subsidiaries	-	-
Earnings per share (Baht):		
Decrease in basic earnings per share	(0.001)	(0.001)

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

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is 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 management of the Company and its subsidiaries believe that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it is adopted.

4. Cumulative effects of adjustment of prior years' financial statements relating to provision for other post-employment benefits

During the year 2016, the management considered the provision for the other long-term employee benefits for medical care after post-employment and found that the Company and a subsidiary under recorded these expenses in prior years. As a result, the Company and a subsidiary restated the financial statements presented herein and presented the consolidated and separate financial statements as at 1 January 2015, as comparative information, as if the Company and a subsidiary initially recorded such expenses correctly. The cumulative effect of the change has been separately presented in the statements of changes in shareholders' equity.

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

(Unit: Million Baht)

	Consolidated financial statements	
	As at 31 December 2015	As at 1 January 2015
Statements of financial position:		
Increase in non-current assets	-	-
Total increase in assets	-	-
Increase in current portion of provision for long-term employee benefits	158	-
Increase in long-term portion of provision for long-term employee benefits	566	721
Decrease in deferred tax liabilities	(113)	(144)
Decrease in other non-current liabilities	(160)	-
Decrease in retained earnings - unappropriated	(451)	(577)
Decrease in non-controlling interests of the subsidiaries	-	-
Total increase in liabilities and shareholders' equity	-	-

(Unit: Million Baht)

	Separate financial statements	
	As at 31 December 2015	As at 1 January 2015
Statements of financial position:		
Increase in non-current assets	-	-
Total increase in assets	-	-
Increase in current portion of provision for long-term employee benefits	158	-
Increase in long-term portion of provision for long-term employee benefits	488	643
Decrease in deferred tax liabilities *	(97)	(129)
Decrease in other non-current liabilities	(160)	-
Decrease in retained earnings - unappropriated	(389)	(514)
Total increase in liabilities and shareholders' equity	-	-

(Unit: Million Baht)

	financial statements	Separate financial statements
	For the year ended 31 December 2015	For the year ended 31 December 2015
Statements of comprehensive income		
Profit or loss:		
Decrease in cost of hospital operations and administrative expenses	157	157
Increase income tax expenses	(31)	(31)
Increase in profit	126	126
Comprehensive income attributable to:		
Increase in equity holders of the Company	126	126
Increase in profit attributable to non-controlling interests of the subsidiaries	-	-
Earnings per share (Baht):		
Increase in basic earnings per share	0.008	0.008

* As described in the note 3 and 4 to the financial statements, the statement of financial position in separate financial statement presented the deferred tax as deferred tax assets as at 31 December 2015 and 1 January 2015 amounting to Baht 60 million and Baht 61 million, because the decrease in deferred tax liabilities from the result of the adjustments were greater than the deferred tax liabilities that were previously recorded.

5. Significant accounting policies

5.1 Revenue recognition

Hospital operations

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.

Revenue from sales of goods and foods

Sales of goods and foods are recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods and food supplied after deducting discounts.

Service income

Service income is recognised when services have been rendered.

Membership income

Membership income is cash receipt from sales of membership cards which initially recorded as deferred income and gradually amortised to income within membership period.

Rental and related service income

Rental and service income are recognised proportionately over the term of the lease and service agreements.

Interest income

Interest income is recognised on an accrual basis based on the effective rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and cash at financial institutions and highly liquid investment with an original maturity of 3 months or less and not subject to withdrawal restrictions.

5.3 Trade accounts receivable and allowance for doubtful accounts

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 experiences and analysis of debt aging.

5.4 Inventories

Inventories are valued at lower of cost (weighted average basis) or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

5.5 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).
- e) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- f) 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.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of unit trusts is determined from their net asset value of the last working day of the year.

5.6 Investment properties

Land is stated at revalued amount. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to its fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

5.7 Property, premises and equipment/Depreciation

Land is stated at revalued amount. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to its fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Company and its subsidiaries' assets, the increase is credited directly to other comprehensive income under the heading of "Revaluation surplus on land". However, a revaluation increase will be recognised as income to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company and its subsidiaries' assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus on land" in respect of the same asset.

Depreciation of premises and equipment is calculated by reference to their cost on a straight-line basis over the following estimated useful lives:

Land improvements	5 - 30 years
Building, structures and building improvements	5 - 50 years
Medical tools and equipment and machines	3 - 10 years
Helicopter	20 years
Helicopter spare parts and equipment	5 years
Structure equipment, furniture and office equipment	3 - 15 years
Vehicles	5 - 8 years

Depreciation attributed to the original cost portion is included in determining income.

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

An item of property, premises 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 profit or loss when the asset is derecognised.

5.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production 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.

5.9 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any 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 profit or loss.

The intangible asset with finite useful lives is as follow:

Computer software 5 - 10 years

Intangible assets with indefinite useful lives are not amortised such as commercial rights, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

5.10 Goodwill / Business combination

Business combinations are accounted for using the acquisition method with the cost of the acquisition being the fair value at the acquisition date of consideration transferred, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest, if any, in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and the services are received.

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

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 profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

5.11 Related party transactions

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

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

5.12 Long-term rental agreements

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

5.13 Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership is retained by the lessor are classified as operating leases. Payments made under operating leases are recognised as expenses in profit or loss on a straight line basis over the period of the lease.

5.14 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, premises and equipment and other 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. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss. However in cases where property was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

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 Company and its subsidiaries estimate 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 profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

5.15 Leasehold rights

Leasehold rights are amortised on the straight-line basis over the lease period.

5.16 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company and its subsidiaries' 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.

5.17 Convertible debentures

Convertible debentures are classified into liability and equity components and these are presented separately in the statements of financial position. In separately presenting such components, the Company determines the liability component by discounting the stream of future payments of principal and interest at the prevailing market rate. The carrying amount of the equity component was then determined by deducting the liability component from the total carrying value of the convertible debenture.

The liability component is presented at amortised cost until the conversion or maturity of the debentures. The value of the equity component determined upon the issue of the debentures does not change in subsequent periods.

Expenses for issuance debentures separately recorded between liability and equity component and based on the proportion. The expenses related to liability component deducted from convertible debenture - liability component and amortising over the life of the debentures and expenses related to equity component deducted from equity component and did not amortise.

5.18 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Company and its subsidiaries and its employees have jointly established a provident fund.

The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company's and its subsidiaries contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law and medical care after post-employment. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan 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.

Provisions for vacation

The Company and its subsidiaries have set up provisions for vacation which is calculated in accordance with the Company's policy and formula, taking into consideration the employee's salary, the number of years of service and the unused vacation day.

5.19 Provisions

Provisions are recognised when the Company and its subsidiaries have 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.

5.20 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 Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise 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 Company and its subsidiaries review and reduce 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 Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.21 Financial instruments

Financial assets carried on the statement of financial position included cash and cash equivalents, short-term investments, trade and other receivables, short-term loans and long-term loans to related parties, restricted financial institution deposits, and investments. Financial liabilities carried on the statement of financial position included bank overdrafts and short-term loans from financial institutions, trade and other payables, short-term loans from related parties, long-term loans, liabilities under finance leases, debentures and convertible debentures.

The Company and its subsidiaries have no policy to hold any derivative financial instruments for speculative or trading purpose.

5.22 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 Company and its subsidiaries apply a quoted market price in an active market to measure their 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 Company and its subsidiaries measure 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 Company and its subsidiaries determine 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.

5.23 Interest rate swap contracts

The net amount of interest to be received from or paid to the counterparty under an interest rate swap contract is recognised as income or expenses on an accrual basis.

6. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgments and estimates are as follows:

Leases

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

Allowance for doubtful accounts

In determining allowances for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, debt collection experience, the aging profile of outstanding debts and the prevailing economic conditions.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Property, premises and equipment/Depreciation

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

The Company and its subsidiaries measure land at revalued amounts. Fair value from revaluation is determined by independent valuer using market approach. Such valuation is based on certain assumptions and estimates.

In addition, the management is required to review property, premises and equipment for impairment on a periodical basis and record impairment losses in the period 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.

Impairment of equity investments

The Company and its subsidiaries treat available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists.

The determination of what is "significant" or "prolonged" requires judgement of the management.

Investment properties

The Company and its subsidiaries present investment properties at the fair value estimated by an independent appraiser, and recognise changes in the fair value in profit or loss. The valuation involves certain assumptions and estimates.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and other intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating unit 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

The obligation under the defined benefit plan 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 and its subsidiaries have contingent liabilities arising from litigation.

The Company's management has used judgment to assess the outcome of the litigation. In cases of loss, the Company and its subsidiaries will record provision for contingent liabilities in their books of account. In cases where it has assessed that no damage will arise from the litigation, the Company and its subsidiaries will not record provision for contingent liabilities at the end of the reporting period.

7. Cash and cash equivalents

Cash and cash equivalents consist of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash and deposits at financial institutions	4,210,453	5,028,512	2,762,362	3,617,144
Fixed deposits	6,378	500,031	-	-
Total cash and cash equivalents	4,216,831	5,528,543	2,762,362	3,617,144

As at 31 December 2016, bank deposits in saving accounts and fixed deposits carried interests between 0.13 and 1.05 percent per annum (2015: between 0.10 and 1.10 percent per annum).

8. Short-term investments

Short-term investments consist of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Fixed deposits	42,818	27,455	14	538
Mutual funds	505,245	826	373	815
Total short-term investments	548,063	28,281	387	1,353

As at 31 December 2016, bank deposits in fixed deposits carried interests between 0.50 and 1.55 percent per annum (2015: between 0.75 and 1.80 percent per annum).

9. Restricted financial institutions deposits

These represent bank deposits that subsidiary companies have placed with banks to secure letters of guarantees issued by the banks on behalf of its subsidiary companies. These also represent bank deposits have placed with government agencies, state enterprises and private entities to guarantee contractual performance.

10. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade receivables - related parties	25,016	12,072	23,875	23,662
Trade receivables - unrelated parties-net	5,728,644	6,182,436	820,638	1,335,013
Other receivables - related parties	445	218	96,299	92,413
Other receivables - unrelated parties	278,606	289,617	45,187	18,970
Total trade and other receivables - net	6,032,711	6,484,343	985,999	1,470,058

11. Trade accounts receivable

As at 31 December 2016 and 2015, the aging analysis of the outstanding trade accounts receivable is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Related parties				
Less than 3 months	18,792	11,730	22,051	22,356
3 - 6 months	5,350	316	1,796	1,254
6 - 12 months	865	9	28	52
over 12 months	9	17	-	-
Total trade accounts receivable - related parties	25,016	12,072	23,875	23,662
Unrelated parties				
Less than 3 months	5,055,039	5,219,929	765,548	1,090,299
3 - 6 months	431,061	601,096	29,588	164,679
6 - 12 months	291,439	335,000	51,247	104,749
over 12 months	332,595	487,687	128,271	225,426
Total trade accounts receivable - unrelated parties	6,110,134	6,643,712	974,654	1,585,153
Less: Allowance for doubtful accounts	(381,490)	(461,276)	(154,016)	(250,140)
Total trade accounts receivable - unrelated parties - net	5,728,644	6,182,436	820,638	1,335,013
Total trade accounts receivable - net	5,753,660	6,194,508	844,513	1,358,675

12. Related party transactions

The Company and its subsidiaries had significant business transactions with individuals or related parties, which have been concluded on commercial terms and bases agreed upon between the Company and those related parties. Below is a summary of those transactions.

Transaction	Pricing and lending policy
Revenues from hospital operations and lab services	Based on the price charged to normal customers
Revenues and expenses from consulting and management	Rates as stipulated in agreements
Revenues and costs of sales and purchases of goods and services	Based on the price charged to normal customers
Rental income and rental expenses	Rates as stipulated in agreements
Interest charge of inter-company loans	Interest rates close to that charged by commercial banks Loans between subsidiary companies in Cambodia, interest rate charged as stipulated in the agreements
Purchases and sales of assets	Prices are dependent on the condition of assets
Purchases of investments	Prices that calculated from adjusted book value.

The significant intercompany transactions are as follows:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Associated companies				
Revenue from hospital operations and lab services	22.3	31.1	11.2	12.1
Dividend income (Note 14)	-	-	483.9	431.0
Other income	12.0	21.2	-	-
Service cost	18.6	4.9	0.7	1.0
Other expenses	0.5	-	-	-
Dividend payment	3.3	2.1	3.3	2.1
Subsidiary companies				
Revenue from hospital operations and lab services	-	-	106.4	91.7
Consulting and management fee income	-	-	777.2	628.6
Interest income	-	-	279.9	295.0
Dividend income (Note 15)	-	-	4,919.0	2,927.6
Other income	-	-	78.3	69.6
Service cost	-	-	748.6	819.0
Consulting and management fee expenses	-	-	230.1	238.1
Other expenses	-	-	46.7	82.8
Interest expenses	-	-	94.3	99.4
Individuals or related companies				
Revenue from hospital operations and lab services	6.3	5.5	4.7	2.6
Dividend income (Note 16)	12.5	8.1	12.5	8.1
Other income	10.2	8.7	8.1	8.1
Service cost	57.2	15.0	32.1	3.0
Other expenses	105.9	44.0	75.4	26.3
Dividend payment	383.5	279.1	383.5	279.1
Purchases of investments	42.8	-	-	-

The outstanding balances of the above transactions as at 31 December 2016 and 2015 have been separately shown in the statement of financial position as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade receivables - related parties (Note 10)				
Associated companies	19,964	10,723	2,966	2,225
Subsidiary companies	-	-	17,691	20,824
Related companies	5,052	1,349	3,218	613
Total trade receivables - related parties	25,016	12,072	23,875	23,662
Other receivables - related parties (Note10)				
Consulting and management fee receivable				
Subsidiary companies	-	-	72,500	57,097
Total	-	-	72,500	57,097
Others				
Associated companies	53	36	-	36
Subsidiary companies	-	-	23,569	35,116
Related companies	392	182	230	164
Total	445	218	23,799	35,316
Total other receivables - related parties	445	218	96,299	92,413
Leasehold rights - a related party (included in other non-current assets)				
A related party	40,615	46,708	-	-
Total leasehold rights - a related party	40,615	46,708	-	-
Deposits and long-term prepaid expense - related parties				
(included in other non-current assets)				
Subsidiary company	-	-	1,103	2,298
Related companies	12,926	-	12,840	-
Total deposits and long-term prepaid expense - related party	12,926	-	13,943	2,298
Trade payables - related parties (Note 24)				
Associated companies	4,499	3,070	202	429
Subsidiary companies	-	-	115,667	129,496
Related companies	26,878	2,550	22,614	336
Total trade payables - related parties	31,377	5,620	138,483	130,261
Other payables - related parties (Note 24)				
Associated companies	-	8	-	-
Subsidiary companies	-	-	78,783	82,528
Related companies	13,319	4,435	8,973	1,708
Total other payables - related parties	13,319	4,443	87,756	84,236

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deposits - related parties (included in other non-current liabilities)				
Subsidiary companies	-	-	8,626	2,866
Related companies	775	765	775	765
Total deposits - related parties	775	765	9,401	3,631

Movement of loans to and loans from related parties during the year are summarised as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	31 December 2015	Increase	Decrease	31 December 2016
Short-term loans to related parties				
Subsidiary companies	1,326,939	1,295,404	(478,950)	2,143,393
Total short-term loans to related parties	1,326,939	1,295,404	(478,950)	2,143,393
Long-term loans to related parties				
Subsidiary companies	5,786,371	457,458	(1,113,454)	5,130,375
Total long-term loans to related parties	5,786,371	457,458	(1,113,454)	5,130,375
Short-term loans from related parties				
Subsidiary companies	8,303,334	1,687,253	(1,647,229)	8,343,358
Total short-term loans from related parties	8,303,334	1,687,253	(1,647,229)	8,343,358

Short-term and long-term loans to related parties and short-term loans from related parties

The Company has entered into agreements to provide short-term loans and long-term loans with terms of 3 - 8 years with its subsidiaries and also obtained short-term loans from its subsidiaries. The loans to related parties bear interest at MLR minus fixed rate per annum and LIBOR plus fixed rate per annum stipulated in the agreement. The loans from related parties bear interest at Fixed Deposit Rate. The interest is payable on a monthly basis while principal is repayable on the basis stipulated in the agreements.

Service and management agreement

The Company

The Company has entered into management service agreements with subsidiary companies. The Company is to receive a monthly management income at a certain percentage of net revenue as stipulated in the agreements.

The Subsidiaries

A subsidiary company has entered into a hospital management agreement with three subsidiary companies. The subsidiary company is to receive monthly management income at a certain percentage of net revenue as stipulated in the agreement.

A subsidiary company has entered into service and management agreements with the Company and subsidiaries which have to pay monthly service and management fees to the subsidiary at the rates stipulated in the agreements.

A subsidiary company has entered into accounting service agreements with the Company and subsidiaries which have to pay monthly service fees to the subsidiary at the rates stipulated in the agreements.

A subsidiary company has entered into information technology management agreements with the Company and subsidiaries which have to pay monthly service fees to the subsidiary at the rate stipulated in the agreements.

A subsidiary company has entered into the service and information technology management agreements with another subsidiary company. The subsidiary company has to pay a monthly fee at the rate stipulated in the agreements.

A related company has entered into a maintenance and management service agreement with a subsidiary company which has to pay monthly service fee to the related company at the rate stipulated in the agreement.

Long term rental agreement

The Company

In May 2004, a subsidiary company has entered into a three-year agreement to rent land from the Company for use in hospital operations whereby the subsidiary company has to pay a monthly rental fee at the rate stipulated in the agreement. Subsequently, the subsidiary extended the agreement to 30 April 2019.

The Subsidiaries

A subsidiary company has entered into an agreement to rent land from another subsidiary company for construction of a building with the subsidiary company to pay a monthly rental fee at the rate stipulated in the agreement. The subsidiary then entered into an agreement to rent the building from the subsidiary company for its hospital operations, expiring on 30 April 2017, with the subsidiary has to pay a monthly rental fee at the rate stipulated in the agreement.

Air ambulance service agreement

On 1 September 2007, a subsidiary company entered into an air ambulance service agreement with the Company. The agreement is for a period of 3 years from the date the service commenced and is renewable. The agreement stipulates the monthly minimum service fee that the subsidiary company is to earn from the Company. The Company has extended the agreement for 3 years ended on 30 September 2018.

Guarantee obligations with related parties

As at 31 December 2016, The Company has guaranteed long-term loan with a financial institution amount of USD 0.4 million (2015: USD 1.1 million) and overdraft facility amounting to USD 0.2 million (2015: USD 1.0 million) for overseas subsidiary companies.

Directors and management's benefits

During the years ended 31 December 2016 and 2015, the Company and its subsidiaries had benefits for their directors and management as below.

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Short-term employee benefits	205.9	169.3	205.9	169.3
Post-employment benefits	1.6	2.2	1.6	2.2
Total	207.5	171.5	207.5	171.5

(Unit: Million Baht)

13. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Medicines and medical supplies	1,365,077	1,051,936	108,712	99,743
Reagent	112,399	161,617	-	-
Supplies and others	44,627	75,698	804	-
Total	1,522,103	1,289,251	109,516	99,743
Less: Provision for deteriorated inventories	(6,355)	(3,482)	(612)	(385)
Inventories - net	1,515,748	1,285,769	108,904	99,358

14. Investments in associated companies

(Unit: Thousand Baht)

					Consolidated financial statements		(Cont. Thousand Baht) Separate financial statements	
Company's name	Natures of business	Paid-up Capital	% Shareholding		Equity Method		Cost Method	
			2016	2015	2016	2015	2016	2015
Associated companies held by the Company								
Cool & Joy Co., Ltd.	Ceased operation	Baht 5 million	30.00	30.00	1,069	1,069	1,500	1,500
Ramkhamhaeng Hospital PCL.	Hospital	Baht 120 million	38.24	38.24	4,766,264	3,930,146	1,459,801	1,459,801
Udon Pattana (1994) Co., Ltd. (held by the Company at 15.26% and indirectly held by subsidiary at 9.85%)	Hospital	Baht 300 million	25.11	25.11	192,431	202,268	69,952	69,952
Bumrungrad Hospital PCL.	Hospital	Baht 730 million	23.95	23.95	11,024,522	10,608,288	7,497,336	7,497,336
Total investments in associated companies held by the Company							9,028,589	9,028,589
Total investments in associated companies held by the Company and subsidiaries					15,984,286	14,741,771		
Associated companies held by the subsidiary companies								
Al Ghaith Bangkok Dusit Management Services LLC.	In process of liquidation	UAE DIRHAM 0.15 million	30.00	30.00	-	-		
G. Wasupol Co., Ltd.	Completeness of Liquidation	Baht 54 million	-	25.83	-	17,175		
General Hospital Products PCL.	Manufacturer and distributor of medical supplies	Baht 120 million	45.49	44.67	416,724	334,089		
Total investments in associated companies held by subsidiary companies					416,724	351,264		
Total investments in associated companies in the consolidated financial statements					16,401,010	15,093,035		

14.1 Additional investments in an associated company

General Hospital Products PCL.

In the first quarter of 2016, Royal Bangkok Healthcare Co., Ltd., a subsidiary company in which the Company has a 100% shareholding, purchased additional shares in General Hospital Products PCL. totaling of Baht 7.8 million. The total investments in General Hospital Products PCL., including of the shareholding by another subsidiary, totally representing 45.49% of the paid up capital of such company which is indirectly held by the Group.

14.2 Liquidation of associated company

G. Wasupol Co., Ltd.

On 15 June 2016, the Extraordinary General Meeting of shareholders of G. Wasupol Co., Ltd. passed the resolution to approve its liquidation and repayment of the share capital and share premium to shareholders. Bangkok Hospital Sanamchan Co., Ltd., a subsidiary company in which the Company has a 100% shareholding, and Thepakorn Hospital Co., Ltd., in which Bangkok Hospital Sanamchan Co., Ltd., has a 45% shareholding, already received cash refund of the share capital and share premium in June 2016 totaling of Baht 17.69 million.

14.3 Details of share of income, comprehensive income and dividend received from the associated companies

(Unit: Thousand Baht)

Company's name	Consolidated financial statements				Separate financial statements	
	Share of profit from investments in associates during the year		Share of other comprehensive income from investments in associates during the year		Dividend received during the year	
	2016	2015	2016	2015	2016	2015
Associated companies held by the Company						
Cool & Joy Co., Ltd.	-	-	-	-	-	-
Ramkhamhaeng Hospital PCL.	435,141	389,383	465,214	(58,109)	64,238	55,061
Udon Patana (1994) Co., Ltd.	(9,837)	4,088	-	-	-	-
Bumrungrad Hospital PCL.	868,482	822,895	(24,822)	4,395	419,641	375,928
Associated companies held by the subsidiary companies						
Sodexo Support Services (Thailand) Co., Ltd.	-	7,411	-	-	-	-
Al Ghaith Bangkok Dusit Management Services LLC.	-	-	-	-	-	-
G. Wasupol Co., Ltd.	-	9,461	-	-	-	-
General Hospital Products PCL.	76,172	25,730	-	-	-	-
Total	1,369,958	1,258,968	440,392	(53,714)	483,879	430,989

Fair value of investments in listed associated companies

Fair values as at 31 December 2016 and 2015 of investments in associated companies that are listed on the Stock Exchange of Thailand which were based on the closing price as quoted on the Stock Exchange of Thailand are as follows:

(Unit: Thousand Baht)

Company's name	Fair values as at 31 December	
	2016	2015
Ramkhamhaeng Hospital PCL.	16,059,484	9,176,848
Bumrungrad Hospital PCL.	31,647,886	36,893,392
Total	47,707,370	46,070,240

14.4 Below is a summary of financial information of associated companies

(Unit: Million Baht)

Company's name	As at 31 December						For the years ended 31 December			
	Paid-up capital		Total assets		Total liabilities		Total revenues		Net income (loss)	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Associated companies held by the Company										
Cool & Joy Co., Ltd.	Baht 5 million	Baht 5 million	2.9	2.9	-	-	-	-	-	-
Ramkhamhaeng Hospital PCL.	Baht 120 million	Baht 120 million	14,531.5	11,306.5	4,427.9	3,619.8	4,116.2	3,640.2	1,126.5	1,009.3
Udon Pattana (1994) Co., Ltd.	Baht 300 million	Baht 300 million	1,050.4	1,106.5	297.9	314.8	427.1	511.2	(39.2)	16.3
Bumrungrad Hospital PCL.	Baht 730 million	Baht 730 million	21,329.9	21,297.5	6,541.9	8,197.0	18,125.8	17,929.4	3,604.0	3,427.5
Associated companies held by the subsidiary companies										
Sodexo Support Services (Thailand) Co., Ltd.	-	-	-	-	-	-	-	378.3	-	28.5
Al Ghaith Bangkok Dusit Management Services LLC.	UAE DIRHAM 0.15 million	UAE DIRHAM 0.15 million	-	-	-	-	-	-	-	-
G. Wasupol Co., Ltd.	Baht 54 million	Baht 54 million	-	72.8	-	6.9	-	1,396.0	-	1,209.1
General Hospital Products PCL.	Baht 120 million	Baht 120 million	1,551.2	1,534.8	750.4	884.9	1,031.7	871.0	154.0	55.5

Share of income from investment in two associated companies which are listed company on the Stock Exchange of Thailand for the year ended 31 December 2016 of Baht 1,303.6 million (2015: two associated companies Baht 1,212.3 million) representing 95 percent (2015: 96 percent) of total share of income from all associated companies were calculated based on audited financial statements of those companies.

15. Investments in subsidiary companies

(Unit: Thousand Baht)

					Separate financial statements			
Company's name	Nature of business	Paid-up Capital	% Shareholding		Investments - cost method		Dividend received during the year	
			2016	2015	2016	2015	2016	2015
Samitivej PCL.	Hospital	Baht 1,000 million	95.76	95.76	1,639,071	1,639,071	957,636	1,244,927
Bangkok Hospital Hatyai Co., Ltd.	Hospital	Baht 500 million	98.81	98.81	574,612	574,612	247,024	123,500
Bangkok Hospital Phuket Co., Ltd.	Hospital	Baht 500 million	99.69	99.69	610,246	610,246	149,537	249,215
BNH Medical Center Co., Ltd.	Hospital	Baht 586 million	91.48	91.48	602,657	602,657	536,190	80,429
Bangkok Hospital Phrapradaeng Co., Ltd.	Hospital	Baht 105 million	84.00	84.00	101,868	101,868	-	-
Bangkok Hospital Pattaya Co., Ltd.	Hospital	Baht 280 million	97.27	97.27	708,993	708,993	1,252,801	190,640
Bangkok Hospital Rayong Co., Ltd.	Hospital	Baht 400 million	100.00	100.00	415,020	415,020	60,000	120,000
Bangkok Hospital Samui Co., Ltd.	Hospital	Baht 150 million	100.00	100.00	150,000	150,000	75,000	75,000
Bangkok Hospital Trat Co., Ltd.	Hospital	Baht 250 million	99.76	99.76	245,889	245,889	29,927	17,457
Wattanavej Co., Ltd.	Hospital	Baht 180 million	99.69	99.69	450,643	450,643	287,121	125,615
Bangkok Hospital Ratchasima Co., Ltd.	Hospital	Baht 300 million	91.42	91.36	935,005	934,348	41,125	54,814
National Healthcare Systems Co., Ltd. (held by the Company at 74.02% and indirectly held by subsidiaries at 24.66%.	Central Lab	Baht 75 million	74.02	74.02	56,768	56,768	66,622	66,622
Bio - Molecular Laboratories (Thailand) Co., Ltd.	Central Lab	Baht 10 million	95.00	95.00	9,502	9,502	28,500	23,750
Angkor Pisith Co., Ltd.	Hospital	USD 10 million	80.00	80.00	287,840	287,840	-	-
Phnom Penh Medical Services Co., Ltd.	Hospital	USD 25 million	100.00	100.00	813,220	813,220	-	-
Royal Rattanak Medical Services Co., Ltd.	Ceased operation	Riel 26,000 million	70.00	70.00	154,063	154,063	-	-
B.D.M.S. International Medical Services Co., Ltd.	Not yet operate	Riel 9,200 million	100.00	100.00	94,208	94,208	-	-
BDMS Accounting Co., Ltd.	Accounting service	Baht 30 million	100.00	100.00	30,000	30,000	-	-
Bangkok Health Insurance PCL.	Health insurance	Baht 200 million	99.97	99.97	142,027	142,027	-	-
Royal Bangkok Healthcare Co., Ltd.	Investment	Baht 1,086 million	100.00	100.00	1,086,000	1,086,000	-	-
Greenline Synergy Co., Ltd.	Technology and information service	Baht 200 million	100.00	100.00	200,000	200,000	-	-
Bangkok Hospital Khao Yai Co., Ltd.	Not yet operate	Baht 70 million	100.00	100.00	70,000	70,000	-	-
BDMS Training Co., Ltd.	Training business	Baht 1 million	100.00	100.00	1,000	1,000	-	-
Prasit Pattana PCL.	Investment	Baht 1,108 million	98.56	98.56	9,260,719	9,260,264	873,787	349,435
Paolo Medic Co., Ltd.	Hospital	Baht 600 million	100.00	100.00	3,222,872	3,222,872	-	-
Paolo Samut Prakran Co., Ltd.	Hospital	Baht 42 million	93.64	93.64	1,737,638	1,737,638	137,658	137,611
Siam Medical Co., Ltd.	Hospital	Baht 100 million	85.71	85.71	939,775	939,775	68,571	68,571
Thai Medical Center PCL.	Hospital	Baht 201 million	99.76	99.76	887,131	887,131	100,024	-
Bangkok Premier Life Insurance Co., Ltd.	Life insurance broker	Baht 20 million	100.00	100.00	20,000	20,000	-	-
Bangkok Hospital Chiangmai Co., Ltd.	Hospital	Baht 1,000 million	100.00	100.00	1,000,000	1,000,000	-	-
Bangkok Hospital Udon Co., Ltd.	Hospital	Baht 800 million	100.00	100.00	799,930	499,930	-	-
Bangkok Khon Kaen Hospital Co., Ltd.	Hospital	Baht 800 million	100.00	100.00	800,000	800,000	-	-
Medic Pharma Co., Ltd.	Production and distribution of medicines	Baht 42.86 million	87.05	87.05	551,318	551,318	7,462	-

(Unit: Thousand Baht)

		Separate financial statements						
Company's name	Nature of business	Paid-up Capital	% Share holding		Investments - cost method		Dividend received during the year	
			2016	2015	2016	2015	2016	2015
Thonburi Medical Center Public Co., Ltd. (held by the Company at 34.43% and indirectly held by subsidiary at 29.02%)	Hospital	Baht 193.8 million	34.43	29.01	442,252	327,802	-	-
Bangkok Hospital Surath Co., Ltd.	Not yet operate	Baht 300 million	100.00	100.00	300,000	165,000	-	-
BDMS Inter Pte. Ltd.	Investment	USD 100,000	100.00	100.00	3,381	3,381	-	-
N Health Asia Pte. Ltd.	Investment	USD 2 million	100.00	100.00	65,310	65,310	-	-
Samitivej Chonburi Co., Ltd.	Hospital	Baht 600 million	100.00	100.00	600,000	600,000	-	-
Bangkok Hospital Phitsanulok Co., Ltd.	Hospital	Baht 600 million	100.00	100.00	600,000	600,000	-	-
Bangkok Hospital Sanamchan Co., Ltd.	Hospital	Baht 3,655 million	100.00	100.00	3,655,000	3,655,000	-	-
Bangkok Phuket International Hospital Co., Ltd.	Hospital	Baht 3,610 million	100.00	100.00	3,610,000	3,610,000	-	-
Bangkok Save Drug Co., Ltd.	Investment	Baht 450 million	100.00	100.00	450,000	450,000	-	-
S.R. Property Investment Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	101	101	-	-
Siem Reap Land Investment Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	101	101	-	-
Phnom Penh First Property Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	88	88	-	-
Bangkok Helicopter Services Co., Ltd. (held by the company at 87.25% and indirectly held by subsidiary at 12.75%)	Air transportation services	Baht 400 million	87.25	49.00	350,858	50,859	-	-
Bangkok Hospital Chiangrai Co., Ltd.	Not yet operate	Baht 600 million	100.00	100.00	600,000	100,000	-	-
Bangkok Hospital Muangraj Co., Ltd.	Hospital	Baht 1,300 million	100.00	100.00	1,300,000	1,300,000	-	-
BDMS Property Management Co., Ltd.	Non-hospital assets managements	Baht 10 million	100.00	-	10,000	-	-	-
Total investments in subsidiary companies					40,585,106	39,224,545	4,918,985	2,927,586
Less: Allowance for impairment of investments					(154,062)	(154,062)		
Total investments in subsidiary companies - net					40,431,044	39,070,483		

15.1 Investments in subsidiary companies which the Company and its subsidiary companies previously held Bangkok Hospital Ratchasima Co., Ltd.

In 2016, the Company purchased additional investment totaling Baht 0.7 million in Bangkok Hospital Ratchasima Co., Ltd. As a result, the Company's shareholding in that company increased to 91.42 percent.

Thonburi Medical Center PCL.

In the first quarter of 2016, the Company purchased additional investment totaling Baht 114.5 million in Thonburi Medical Center PCL. As a result, the Company and its subsidiary company's total shareholding in that company increased to 63.45 percent.

Bangkok Hospital Surath Co., Ltd.

In March 2016, the Company paid for the call-up additional share capital of Baht 135 million of Bangkok Hospital Surath Co., Ltd. As a result, the subsidiary had an issued and paid up share capital of Baht 300 million (30 million ordinary shares at Baht 10 each).

BDMS Property Management Co., Ltd.

Referring to Board of Directors of the Company's Meeting No. 2/2016 held on 29 February 2016, had resolution to establish a new subsidiary company, namely BDMS Property Management Co., Ltd. The objective is to manage the asset of the Group which is not directly relevant to hospital operation. The new company had registered capital of Baht 10 million and is wholly owned by the Company. The subsidiary had registered its establishment in April 2016.

Prasit Pattana PCL.

In 2016, the Company purchased additional investment totaling Baht 0.5 million in Prasit Pattana PCL. As a result, the Company's shareholding in that company is 98.56 percent.

Bangkok Hospital Udon Co., Ltd.

On 1 April 2016, the 2016 Annual General Meeting of shareholders of Bangkok Hospital Udon Co., Ltd. passed the resolution to approve the increase of its registered capital from Baht 500 million to Baht 800 million through the increase in capital of 30 million additional ordinary shares with a par value of Baht 10 each. The Company already paid for the additional shares totaling Baht 300 million in May 2016.

Bangkok Helicopter Services Co., Ltd.

In May 2016, Royal Bangkok Healthcare Co., Ltd., a subsidiary company, purchased shares of Bangkok Helicopter Services Co., Ltd. from South East Air Co., Ltd. which is a related party and from a related person of 5.1 million shares at Baht 8.4 per share at the amount of Baht 42.8 million. As a result, the Company and its subsidiaries hold 10 million shares or 100% shareholding of Bangkok Helicopter Services Co., Ltd.

On 10 November 2016, the extraordinary General Meeting No.2/2016 of shareholders of Bangkok Helicopter Services Co., Ltd. passed the resolution to approve the increase of its registered capital from Baht 100 million to Baht 400 million through the increase in capital of 30 million additional ordinary shares with a par value of Baht 10 each. The Company already paid for the additional shares totaling Baht 300 million in November 2016.

Bangkok Hospital Chiangrai Co., Ltd

On 19 September 2016, the extraordinary General Meeting No.1/2016 of the shareholders of Bangkok Hospital Chiangrai Co., Ltd. passed the resolution to approve the increase of its registered capital from Baht 100 million to Baht 600 million through the increase in capital of 50 million additional ordinary shares with a par value of Baht 10 each. The Company already paid for the additional shares totaling Baht 500 million in November 2016.

Bangkok Save Drug Co., Ltd. and Save Drug Center Co., Ltd.

On 10 September 2015, the extraordinary General Meeting No.1/2015 of the shareholders of Save Drug Center Co., Ltd. passed a resolution approving an increase in the registered capital, from Baht 230 million to Baht 440 million, through the issue of 21 million additional ordinary shares with a par value of Baht 10 each. Bangkok Save Drug Co., Ltd. paid up additional share capital of Baht 147 million in September 2015.

On 29 August 2016, a meeting of the Board of Directors of Save Drug Center Co., Ltd. approved the call up of the rest share capital of Baht 63 million. Bangkok Save Drug Co., Ltd. already paid for the additional shares in 31 August 2016.

N Health Asia Pte. Ltd. and N Health Myanmar Co., Ltd.

Investment in N Health Myanmar Co., Ltd., which established in Republic of the Union of Myanmar with a registered share capital of Kyat 500 million. It was indirectly invested in subsidiary company through N Health Asia Pte. Ltd., a subsidiary. The Company indirectly holds 60 percent interest in this subsidiary.

In the third quarter of 2016, N Health Asia Pte. Ltd., already paid for the shares of N Health Myanmar Co., Ltd. The subsidiary has registered its fully and paid-up shares.

Samitivej PCL. and Subsidiaries.

On 4 September 2013, a meeting of the Board of Directors of SV Holding Co., Ltd. its subsidiary of Samitivej PCL. approved the establishment of a new subsidiary company, namely Samitivej International Co., Ltd., located in Republic of the Union of Myanmar with a registered share capital of USD 1,250,000, which is 80 percent held by SV Holding Co., Ltd., The subsidiary has registered its establishment in the third quarter of 2014.

As at 31 December 2016, the subsidiary has paid-up capital of USD 890,139.

15.2 Investments in new subsidiary company

BDMS Wellness Clinic Co., Ltd.

On 28 September 2016, a meeting of the Board of Directors of the Company approved the establishment of a new subsidiary company, namely BDMS Wellness Clinic Co., Ltd., with a registered share capital of Baht 6,400 million to acquire and receive the transfer of the land and buildings to operate BDMS Wellness Clinic Project, the Company holds 100% shareholding. In January 2017, BDMS Wellness Clinic Co., Ltd. completely registered its' establishment. The company already paid for the shares in February 2017.

Paolo Medic Co., Ltd. and acquisition of the entire business of Mayo Polyclinic Co., Ltd.

On 26 October 2016, the Board of Directors of the Company approved Paolo Medic Co., Ltd, 99.99% subsidiary company, to acquire and receive the transfer of the entire business of Mayo Polyclinic Co., Ltd, operating private hospitals under the name of "Mayo Hospital".

In January 2017, Mayo Polyclinic Co., Ltd had transferred the entire business to Paolo Medic Co., Ltd and Paolo Medic Co., Ltd had paid Baht 1,390 million cash and received the transfer of Baht 100 million debts.

15.3 Summarised financial information that based on amounts before inter-company elimination of subsidiaries that have material non-controlling interest.

Regarding the preparation of consolidated financial statements of the Company and its subsidiaries, there are 5 subsidiary companies having material non-controlling interest since the Company has 49 to 60 percentage of ownership over these subsidiary companies.

The summary of financial information before elimination transactions of the subsidiary company having material non-controlling interest, based on the Company's percentage of ownership in the subsidiary companies, is on the followings:

(Unit: Million Baht)

Company's name	As at 31 December						For the year ended 31 December			
	Paid-up capital		Total assets		Total liabilities		Total revenues		Net income	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Thonburi Medical Center Public Co., Ltd.	193.8	193.8	630.2	656.5	179.7	181.4	626.5	450.4	(24.5)	(43.6)
S.R. Property Investment Co., Ltd.	0.2	0.2	78.8	79.4	70.8	72.0	0.8	0.8	0.6	0.8
Siem Reap Land Investment Co., Ltd.	0.2	0.2	71.8	72.3	64.9	65.9	0.7	0.7	0.6	0.7
Phnom Penh First Property Co., Ltd.	0.2	0.2	164.9	166.1	150.2	152.6	1.6	1.6	1.3	1.6
Bangkok Helicopter Services Co., Ltd. (2016: held by the Company 100% and 2015: 49%)	400.0	100.0	428.8	158.9	65.0	81.0	54.9	65.4	(14.2)	13.9

16. Other long-term investments

(Unit: Thousand Baht)

						Consolidated and separate financial statements	
Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend income during the years	
				2016	2015	2016	2015
Investments held by the Company							
Available-for-sale investments							
Investments in listed securities							
Thai Military Bank Public Co., Ltd.	Bank	41,562	-	1,770	1,770	5	5
Aikchol Hospital Public Co., Ltd.	Hospital	150	0.20	350	350	165	195
Bangkok Chain Hospital Public Co., Ltd.	Hospital	2,494	1.50	-	269,829	2,625	4,500
				2,120	271,949	2,795	4,700
Surplus on changes in value of available-for-sale investments				8,775	78,121	-	-
Investments in listed securities				10,895	350,070	2,795	4,700
Investments in related companies							
Bangkok Airways Public Co., Ltd.	Airline	2,100	0.85	39,466	39,466	12,533	8,057
				39,466	39,466	12,533	8,057
Surplus on changes in value of available-for-sale investments				366,991	372,363	-	-
Investments in related companies				406,457	411,829	12,533	8,057
Investments in unrelated companies							
Thai Longstay Management Co., Ltd.	Travel business	100	0.53	531	531	-	-
Superior Biotech Holding Co., Ltd.	Investment	53	7.58	5,000	5,000	160	200
X-Ray Computer Urupong Co., Ltd.	X-ray lab	100	4.09	4,520	4,520	613	613
Investments in unrelated companies				10,051	10,051	773	813
Total other long-term investments in the separate financial statements				427,403	771,950	16,101	13,570
Investment held by the subsidiary companies							
Available-for-sale investments							
Investments in investment unit				10,000	10,000	-	-
Surplus on changes in value of available-for-sale investments				1,356	1,225	-	-
Investments in investment unit				11,356	11,225	-	-
Investment in listed securities							
Mahachai Hospital Public Company Limited	Hospital	160	4.28	143,724	143,724	2,875	2,053
Kiatnakin Bank Public Company Limited	Bank	8,468	0.02	-	6,450	400	200
				143,724	150,174	3,275	2,253
Surplus (loss) on changes in value of available-for-sale investments				86,234	(29,997)	-	-
Investments in listed securities				229,958	120,177	3,275	2,253
Investment in Government Saving Bank bonds				-	-	-	-

In the second quarter of 2015, the subsidiary redeemed the matured investment in Government Saving Bank bonds amounting to Baht 25 million.

(Unit: Thousand Baht)

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The Company and its subsidiaries recorded the changes in the gain in value of available-for-sale investment in the consolidated financial statements of Baht 33 million (net of deferred tax liabilities of Baht 8 million) and decrease in the separate financial statements of Baht 60 million (net of deferred tax liabilities of Baht 15 million) and presented in the statements of comprehensive income under "Gain (reversal of surplus) on change in value of available-for-sale investments".

Prasitthirat Company Limited

A subsidiary company has 33.33 percentage of shareholding in Prasitthirat Company Limited but has not classified it as investment in associated company because the subsidiary company has no power to participate in the financial and operating policy decisions of that company and other shareholders are major shareholders of that company.

Investments in ordinary shares (ceased operations)

A subsidiary company has investments in companies that have ceased their operations but has not classified them as investments in subsidiary companies because the subsidiary company has no power to control such companies.

Bangkok Chain Hospital Public Co., Ltd.

In the second and third quarter of 2016, the Company sold investment totaling 37.5 million shares in Bangkok Chain Hospital Public Co., Ltd. at the amount of Baht 445.3 million. The Company had recognised gain from selling these investments amounting to Baht 205.5 million in its income statement for the year.

Phuket International Hospital Co., Ltd.

On 5 August 2016, the Extraordinary General Meeting of shareholders of Phuket International Hospital Co., Ltd. passed the resolution to approve its liquidation and repayment of the share capital and share premium to shareholders, Phyathai 1 Hospital Co., Ltd. which has a 6.15% shareholding, already received cash refund of the share capital and share premium in July 2016 totaling of Baht 13.65 million.

17. Investment properties

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Land	Building	Total	Land	Building	Total
31 December 2014	35,445	230,005	265,450	289,104	230,005	519,109
Purchase	-	2,129	2,129	-	2,129	2,129
Transfer from property, premises and equipment	-	8,189	8,189	-	-	-
Gain on revalue of assets	-	9,000	9,000	-	9,000	9,000
31 December 2015	35,445	249,323	284,768	289,104	241,134	530,238
Reclassification	5,524	(60,834)	(55,310)	-	(60,834)	(60,834)
Purchase	1,805	500	2,305	1,805	500	2,305
Transfer from (Transfer out) property, premises and equipment	-	9,657	9,657	46,187	57,831	104,018
Gain on revalue of assets	-	65,324	65,324	14,455	114,317	128,772
31 December 2016	42,774	263,970	306,744	351,551	352,948	704,499

The investment properties of the Company and its subsidiaries consist of land and building for rent. The fair value of land has been determined based on valuations performed by an accredited independent valuer, using the Market approach. The fair value of building for rent has been determined based on income approach.

Key assumptions used in the valuation of building for rent are summarised below:

	Consolidated financial statements	Separate financial statements	Result to fair value where as an increase in assumption value
Vacancy rate (%)	100	100	Increase in fair value
Discount rate (%)	11-13	11-13	Decrease in fair value

18. Property, premises and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Assets which are stated at cost or reappraised value	Assets which are stated at cost					Total
		Land and land improvement	Building and building improvement	Medical tools, machine, helicopter and equipment	Structur equipment, furniture, fixture and office equipment	Vehicles	Building under construction and medical tools and equipment under installation
Cost /reappraised value							
31 December 2014	14,599,132	33,853,200	18,086,628	10,345,008	823,822	2,377,743	80,085,533
Increase from acquisitions	164,581	504,957	87,410	57,947	6,513	26,462	847,870
Increase from revaluation	3,183,399	-	-	-	-	-	3,183,399
Purchases	865,606	639,927	1,828,991	908,046	98,183	2,096,258	6,437,011
Transfer in /(Transfer out)	20,416	1,121,829	183,234	505,105	1,811	(1,835,526)	(3,131)
Decrease from sales of investment in subsidiary	-	-	-	(71,234)	(6,612)	-	(77,846)
Disposals /Written-off	(1,767)	(51,038)	(1,096,204)	(1,112,237)	(68,640)	(1,538)	(2,331,424)
Translation adjustment	27,505	78,114	17,183	52,015	588	60	175,465
31 December 2015	18,858,872	36,146,989	19,107,242	10,684,650	855,665	2,663,459	88,316,877
Increase from revaluation	49,040	-	-	-	-	-	49,040
Purchases	1,151,574	974,289	1,878,432	1,049,149	93,791	2,608,516	7,755,751
Transfer in /(Transfer out)	15,111	1,772,711	306,377	401,041	7,929	(2,463,489)	39,680
Disposals /Written-off	-	(46,254)	(631,046)	(238,511)	(51,614)	(3,020)	(970,445)
Translation adjustment	(2,270)	(5,639)	(346)	(4,409)	(31)	(550)	(13,245)
31 December 2016	20,072,327	38,842,096	20,660,659	11,891,920	905,740	2,804,916	95,177,658
Accumulated depreciation							
31 December 2014	41,160	15,169,422	11,135,318	6,073,110	600,768	-	33,019,778
Increase from acquisitions	8,865	228,455	69,918	45,628	5,589	-	358,455
Depreciation for the year	7,262	1,578,092	1,637,745	883,150	74,784	-	4,181,033
Transfer in /(Transfer out)	-	(58,202)	47,259	(3,632)	-	-	(14,575)
Decrease from sales of investment in subsidiary	-	-	-	(47,055)	(6,655)	-	(53,710)
Disposals/Written-off	(167)	(50,063)	(1,059,305)	(1,102,937)	(66,796)	-	(2,279,268)
Translation adjustment	-	7,148	5,320	9,144	449	-	22,061
31 December 2015	57,120	16,874,852	11,836,255	5,857,408	608,139	-	35,233,774
Depreciation for the year	10,082	1,692,170	1,817,292	975,763	77,362	-	4,572,669
Transfer in /(Transfer out)	8,868	(111,031)	47,551	54,092	1	-	(519)
Disposals /Written-off	-	(41,162)	(597,466)	(230,530)	(50,315)	-	(919,473)
Translation adjustment	-	(201)	55	(116)	(24)	-	(286)
31 December 2016	76,070	18,414,628	13,103,687	6,656,617	635,163	-	38,886,165

(Unit: Thousand Baht)

Consolidated financial statements (continued)							
	Assets which are stated at cost or reappraised value	Assets which are stated at cost					Total
	Land and land improvement	Building and building improvement	Medical tools, machine, helicopter and equipment	Structur equipment, furniture, fixture and office equipment	Vehicles	Building under construction and medical tools and equipment under installation	
Allowance for impairment of fixed assets							
31 December 2014	4,869	109,973	12,811	1,373	1,471	-	130,497
Impairment loss	-	2,700	-	-	-	-	2,700
31 December 2015	4,869	112,673	12,811	1,373	1,471	-	133,197
Impairment loss	-	(2,700)	(2,740)	-	-	-	(5,440)
31 December 2016	4,869	109,973	10,071	1,373	1,471	-	127,757
Net book value							
31 December 2015	18,796,883	19,159,464	7,258,176	4,825,869	246,055	2,663,459	52,949,906
31 December 2016	19,991,388	20,317,495	7,546,901	5,233,930	269,106	2,804,916	56,163,736

Depreciation charged included in income statement for the year

2015 (Baht 3,348 million included in cost of hospital operations, sales and services, and the balance in administrative expenses)	4,181,033
2016 (Baht 3,632 million included in cost of hospital operations, sales and services, and the balance in administrative expenses)	4,572,669

(Unit: Thousand Baht)

Separate financial statements							
	Assets which are stated at cost or reappraised value	Assets which are stated at cost					Total
	Land and land improvement	Building and building improvement	Medical tools, machine, and equipment	Structur equipment, furniture, fixture and office equipment	Vehicles	Building under construction and medical tools and equipment under installation	
Cost/reappraised value							
31 December 2014	1,885,633	5,647,629	4,141,217	2,245,072	205,276	123,080	14,247,907
Purchases	694,492	106,867	173,600	163,326	24,999	275,964	1,439,248
Transfer in /(Transfer out)	476	68,415	7,656	32,274	564	(108,597)	788
Disposals/Written-off	-	(19,906)	(650,102)	(964,462)	(13,655)	-	(1,648,125)
31 December 2015	2,580,601	5,803,005	3,672,371	1,476,210	217,184	290,447	14,039,818
Purchases	903,478	98,613	312,102	196,730	9,533	1,049,149	2,569,605
Transfer in /(Transfer out)	(46,186)	137,685	80,056	33,869	220	(250,082)	(44,438)
Disposals /Written-off	-	(2,984)	(134,974)	(13,057)	(17,958)	-	(168,973)
31 December 2016	3,437,893	6,036,319	3,929,555	1,693,752	208,979	1,089,514	16,396,012

(Unit: Thousand Baht)

Separate financial statements (continued)							
	Assets which are stated at cost or reappraised value	Assets which are stated at cost					Total
	Land and land improvement	Building and building improvement	Medical tools, machine, and equipment	Structur equipment, furniture, fixture and office equipment	Vehicles	Building under construction and medical tools and equipment under installation	
Accumulated depreciation							
31 December 2014	286	2,546,296	2,762,129	1,414,578	137,828	-	6,861,117
Depreciation for the year	300	265,253	307,013	153,971	20,708	-	747,245
Transfer in /(Transfer out)	-	2,132	(10,925)	370	-	-	(8,423)
Disposals /Written-off	-	(15,414)	(641,620)	(962,771)	(13,231)	-	(1,633,036)
31 December 2015	586	2,798,267	2,416,597	606,148	145,305	-	5,966,903
Depreciation for the year	310	294,767	347,127	181,208	20,101	-	843,513
Transfer in /(Transfer out)	-	(1,262)	(415)	68	-	-	(1,609)
Disposals/Written-off	-	(1,817)	(130,733)	(11,430)	(17,957)	-	(161,937)
31 December 2016	896	3,089,955	2,632,576	775,994	147,449	-	6,646,870
Allowance for impairment of fixed assets							
31 December 2015	-	2,700	-	-	-	-	2,700
Impairment loss	-	(2,700)	-	-	-	-	(2,700)
31 December 2016	-	-	-	-	-	-	-
Net book value							
31 December 2015	2,580,015	3,002,038	1,255,774	870,062	71,879	290,447	8,070,215
31 December 2016	3,436,997	2,946,364	1,296,979	917,758	61,530	1,089,514	9,749,142

Depreciation charged included in income statement for the year

2015 (Baht 630 million included in cost of hospital operations, sales and services, and the balance in administrative expenses)	747,245
2016 (Baht 689 million included in cost of hospital operations, sales and services, and the balance in administrative expenses)	843,513

In 2016, a subsidiary company has recorded appraisal result which engaged an independent appraiser to appraise all of its land using the market approach. The fair values of the revalued land in consolidated financial statements amount of Baht 285.6 million which increased from the book values of Baht 39.2 million (net of deferred tax liabilities of Baht 9.8 million). The subsidiary recorded the increase amount as “Revaluation surplus on land” in the other components of shareholders' equity.

In 2015, eight subsidiary companies have recorded appraisal result which engaged an independent appraiser to appraise all of their land using the market approach. The fair values of the revalued land in consolidated financial statements amount of Baht 6,742.6 million which increased from the book values of Baht 2,541.3 million (net of deferred tax liabilities of Baht 642.1 million). The subsidiaries recorded the increase amount as “Revaluation surplus on land” in the other components of shareholders' equity.

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

If the Company and its subsidiaries recorded land at cost, net book value as at 31 December 2016 and 2015 would have been as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value (at cost):		
As of 31 December 2016	11,991,242	2,948,561
As of 31 December 2015	10,861,087	2,045,083

As at 31 December 2016, the Company and its subsidiaries have medical tools, equipment and vehicles under finance lease agreements with net book values amounting to Baht 74.2 million and Baht 14.9 million in the separate financial statements (2015: Baht 99.9 million and Baht 16.7 million in the separate financial statements).

As at 31 December 2016, the Company and its subsidiaries have certain building improvement, medical tools, equipment and vehicles which have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 14,440.8 million and Baht 3,007.7 million in the separate financial statement (2015: Baht 14,857.1 million and Baht 3,518.9 million in the separate financial statements).

18.1 Deposits in land and premises

On 28 September 2016, a meeting of the Board of Directors of the Company approved the Company and/or its subsidiaries entering into an agreement to buy land and premises at Park Nai Lert totaling to Baht 10,800 million. The Company paid a security deposit amounting to Baht 1,080 million on 28 September 2016. On 20 February 2017, BDMS Wellness Clinic Co., Ltd., a wholly-owned subsidiary of the Company, accepted the transfer of ownership in the land and buildings from the sellers. For payment of the remaining purchase price in the aggregate amount of Baht 9,720 million, the sellers agreed for the Company to pay on the date of the ownership transfer acceptance in the amount of Baht 2,000 million, and the amount of Baht 7,720 million, the Company will pay the sellers on 27 May 2017.

19. Land not used in operations

Land not used in operations as at 31 December 2016 and 2015 consisted of:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Land at historical cost	120,225	120,225	119,898	119,898
Revaluation surplus	177,802	177,802	177,802	177,802
Allowance for impairment	(719)	(719)	(719)	(719)
Total	297,308	297,308	296,981	296,981

The cumulative capitalised interest on loans recorded as a portion of cost of land not used in operations amounted to approximately Baht 29 million (2015: Baht 29 million).

20. Goodwill

Movement in goodwill during the years ended 31 December 2016 and 2015 was summarised below.

(Unit: Million Baht)

	Consolidated financial statements	
	2016	2015
Balance as at beginning of year	16,932	16,000
Increase from acquisition	-	932
Balance as at end of year	16,932	16,932

The Company and subsidiary companies determined the recoverable amounts of the cash generating units (CGUs) based on value in use, using cash flow projections covering a 10-year period as hospital business requires approximately at least 5-year period for business expansion to benefit from synergy. This cash flow projections were prepared with reference to financial budgets approved by the management.

Key assumptions used in the value-in-use calculations are as follows:

(Unit: Percent per annum)

Growth rate	5.0 - 15.6
Pre-tax discount rate	8.03

The management determined the growth rate based on historical operating results, the expected market growth rate, the rate of gross domestic product growth and the discount rate which is a pre-tax rate that reflects the specific risk of the particular business unit.

After consideration, management believed that goodwill is not impaired.

21. Intangible assets

Intangible assets, as at 31 December 2016 and 2015, which are computer software and commercial rights, are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Cost		
As at 31 December 2014	1,783,646	490,060
Increase from acquisitions	34	-
Purchases	360,811	135,542
Transfer in /(Transfer out)	(10,252)	(4,719)
Decrease from sales of investment in subsidiary	(6,630)	-
Disposals/written-off	(30,809)	(10,137)
Translation adjustment	63	-
As at 31 December 2015	2,096,863	610,746
Purchases	389,696	175,139
Transfer in /(Transfer out)	(16,272)	(248)

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Disposals/written-off	(1,006)	(127)
Translation adjustment	(34,949)	-
As at 31 December 2016	2,434,332	785,510
Accumulated amortisation		
As at 31 December 2014	922,279	179,570
Increase from acquisitions	34	-
Amortisation for the year	167,505	56,105
Transfer in	6,128	-
Decrease from sales of investment in subsidiary	(5,684)	-
Disposals /written-off	(30,187)	(10,072)
Translation adjustment	60	-
As at 31 December 2015	1,060,135	225,603
Amortisation for the year	194,608	77,697
Transfer in /(Transfer out)	(7,904)	90
Disposals /written-off	(816)	(51)
Translation adjustment	7	-
As at 31 December 2016	1,246,030	303,339
Net book value		
As at 31 December 2015	1,036,728	385,143
As at 31 December 2016	1,188,302	482,171

22. Leasehold rights

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cost	997,865	926,662	449,051	444,881
Less: Accumulated amortisation	(300,150)	(256,485)	(98,883)	(82,459)
Book value - net	697,715	670,177	350,168	362,422
Amortisation for the year	36,774	38,162	16,424	17,140

A reconciliation of the net book value of leasehold rights for the years 2016 and 2015 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Net book value at beginning of year	670,177	700,375	362,422	379,562
Purchases	82,134	3,000	4,170	-
Less: amortisation	(36,774)	(38,162)	(16,424)	(17,140)
Translation adjustment	(17,822)	4,964	-	-
Net book value at end of year	697,715	670,177	350,168	362,422

23. Bank overdrafts and short-term loans from financial institutions

As at 31 December 2016, the short-term loans from financial institutions have outstanding balance of Baht 1,500 million. The loans carry interest at fixed rate per annum as stipulated in the agreement. The principal and interest is repayable on maturity according to a condition as stipulated in the agreement.

As at 31 December 2016, the Company and its subsidiaries have bank overdraft facilities with banks of Baht 1,030 million and USD 2 million (2015: Baht 1,010 million and USD 1 million) and in separate financial statements of Baht 860 million (2015: Baht 860 million). The facilities carry interest rate at MOR for Baht currency facilities and LIBOR plus fixed rate for US currency facilities.

24. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade payables - related parties	31,377	5,620	138,483	130,261
Trade payables - unrelated parties	3,091,909	2,971,644	408,940	383,176
Other payables - related parties	13,319	4,443	87,756	84,236
Other payables - unrelated parties	1,047,478	1,435,544	282,888	615,939
Accounts payable - construction and retention	361,920	517,500	86,215	75,271
Total trade and other payables	4,546,003	4,934,751	1,004,282	1,288,883

25. Long-term loans from financial institutions

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2015	9,446,213	9,369,738
Less: Repayment during the year	(1,734,683)	(1,671,607)
Unrealised gain on foreign exchange	(5,458)	(5,458)
Translation adjustment	(643)	-
Balance as at 31 December 2016	7,705,429	7,692,673
Less: Current portion of long-term loans from financial institutions	(4,252,098)	(4,239,342)
Long-term loans from financial institutions - net of current portion	3,453,331	3,453,331

The Company

- a) In 2008, the Company entered into a 10-year loan agreement with a bank granting the credit facilities of Baht 3,438 million. The loan carries interest at the Fixed Deposit Rate plus fixed rate per annum as stipulated in the agreement with interest and principal payable on a monthly basis. This loan agreement includes a condition that the Company and its subsidiaries may not mortgage any assets and also certain covenants which the Company and its subsidiaries must comply. The outstanding balance of this loan as at 31 December 2016 was Baht 401.1 million (2015: Baht 744.9 million).
- b) In November 2011, the Company entered into a 7 years and 6 months loan agreement with a financial institution granting credit facilities of Baht 3,000 million carrying interest at the rate of six-month Fixed Deposit Rate plus fixed rates per annum as stipulated in the agreement. The interest is repayable on a monthly basis and the principal is repayable on a quarterly basis according to a condition as stipulated in the agreement. As at 31 December 2016, this loan has outstanding balance of Baht 1,119 million (2015: Baht 1,519 million).
- c) In January 2012, the Company entered into a 8 years and 6 months loan agreement with a financial institution granting credit facilities of Baht 586 million carrying interest at the rate of six-month Fixed Deposit Rate plus fixed rates per annum as stipulated in the agreement. The interest and principal are repayable on a monthly basis according to a condition as stipulated in the agreement. As at 31 December 2016, this loan has outstanding balance of Baht 304.4 million (2015: Baht 401 million).
- d) In June 2012, the Company entered into a 7 years and 6 months loan agreement with a financial institution granting credit facilities of Baht 1,766 million carrying interest at the rate of six-month Fixed Deposit Rate plus fixed rates per annum as stipulated in the agreement. The interest is repayable on a monthly basis and principal is repayable on a quarterly basis according to a condition as stipulated in the agreement. As at 31 December 2016, this loan has outstanding balance of Baht 808.8 million (2015: Baht 1,078.4 million).
- e) In July 2012, the Company entered into a 5-year loan agreement with a financial institution amounting to Baht 2,500 million carrying interest at the fixed rate per annum as stipulated in the agreement. The interest is repayable on a semi-annually basis and principal is repayable at the end of loan period. As at 31 December 2016, this loan has outstanding balance of Baht 2,500 million (2015: Baht 2,500 million).
- f) In February 2014, the Company entered into a 7-year loan agreement with a financial institution granting credit facilities of USD 20 million carrying interest at the rate of LIBOR plus fixed rates for the first year and at the fixed rates per annum as stipulated in the agreement. The interest is repayable on a quarterly basis and the principal is repayable on a semi-annually basis according to a condition as stipulated in the agreement. As at 31 December 2016, this loan has outstanding balance of USD 19.3 million or equivalent to Baht 696 Million (2015: USD 20.0 million or equivalent to Baht 725.1 million).

- g) In April 2014, the Company entered into a 5-year loan agreement with a financial institution granting credit facilities of Baht 1,000 million carrying interest at the rate of three-month BIBOR plus fixed rates per annum as stipulated in the agreement. The interest and principal are repayable on a monthly basis according to a condition as stipulated in the agreement. As at 31 December 2016, this loan has outstanding balance of Baht 583.3 million (2015: Baht 833.3 million).
- h) In May 2013, the Company entered into a 7-year loan agreement with a financial institution granting credit facilities of Baht 2,000 million. In the second quarter of 2014, the Company drawn down the loan totaling Baht 2,000 million. The loan carries interest at the rate of six-month fixed deposit rate plus fixed rates per annum as stipulated in the agreement. The interest is repayable on a monthly basis and principal is repayable on a semi-annually basis according to a condition as stipulated in the agreement. As at 31 December 2016, this loan has outstanding balance of Baht 1,280 million (2015: Baht 1,568.0 million).

The subsidiaries

- a) In 2007 and 2008, Angkor Pisith Co., Ltd., a subsidiary company, entered into a 7 years and 10 months loan agreement with a foreign financial institution granting credit facilities of USD 4 million. The loan bears interest at the rate of LIBOR plus a fixed rate per annum. The interest is repayable on a monthly basis and the principal is repayable on a quarterly basis according to a condition as stipulated in the agreement. This loan is guaranteed by the Company. As at 31 December 2016, this loan has outstanding balance of USD 0.4 million or equivalent to Baht 12.8 million (2015: USD 1.1 million or equivalent to Baht 38.0 million).
- b) In 2007, Bangkok Helicopter Services Co., Ltd., a subsidiary company entered into a 10-year long-term loan agreement with a financial institution granting credit facilities of Baht 200 million and revised the credit limit to Baht 190 million in 2010 carrying interest of MLR minus fixed rates as stipulated in the agreement. The interest and principal are repayable on a monthly basis according to a condition as stipulated in the agreement. During the year 2016, a subsidiary company has cancelled to transfer the claim in service expense on claims transfer agreement to the financial institution. The loan was fully repaid in November 2016 (31 December 2015: Baht 37.5 million).
- c) In 2008, Bangkok Hospital Ratchasima Co., Ltd., a subsidiary company, entered into a 7 - year loan agreement with a financial institution. The credit facilities were Baht 20 million. The loan bears interest at fixed rate per annum. The interest and principal are repayable on a monthly basis according to a condition as stipulated in the agreement. The loan was fully repaid in August 2015.
- d) In 2015, Thonburi Medical Centre Public Company Limited, a subsidiary company entered into a 8-year loan agreement with a bank granting the credit facilities of Baht 300 million. The loan carries interest at the rate of MLR minus fixed rates per annum as stipulated in the agreement with interest and principal payable on a monthly basis. The loan was fully repaid in May 2016 (31 December 2015: Baht 1.0 million).

The Company's and its subsidiaries' loan agreements contain certain covenants which the Company and its subsidiaries must comply such as financial ratios.

26. Liabilities under finance lease agreements

As at 31 December 2016 and 2015, liabilities under finance lease agreements are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Liabilities under finance lease agreements	63,055	108,364	14,795	17,284
Less: Deferred interest expenses	(1,537)	(4,213)	(182)	(526)
Total	61,518	104,151	14,613	16,758
Less: Current portion of liabilities under finance lease agreements	(43,861)	(57,206)	(11,214)	(10,230)
Liabilities under finance lease agreements - net of current portion	17,657	46,945	3,399	6,528

As at 31 December 2016 and 2015, the Company and its subsidiaries have future minimum lease payments which required under the finance lease agreements as follows:

(Unit: Thousand Baht)

As at 31 December 2016			
Consolidated financial statements			
	Less than 1 year	1-5 years	Total
Future minimum finance lease payments	44,907	18,148	63,055
Deferred interest expenses	(1,046)	(491)	(1,537)
Present value of future minimum finance lease payments	43,861	17,657	61,518

(Unit: Thousand Baht)

As at 31 December 2015			
Consolidated financial statements			
	Less than 1 year	1-5 years	Total
Future minimum finance lease payments	60,138	48,226	108,364
Deferred interest expenses	(2,932)	(1,281)	(4,213)
Present value of future minimum finance lease payments	57,206	46,945	104,151

(Unit: Thousand Baht)

As at 31 December 2016			
Separate financial statements			
	Less than 1 year	1-5 years	Total
Future minimum finance lease payments	11,231	3,564	14,795
Deferred interest expenses	(17)	(165)	(182)
Present value of future minimum finance lease payments	11,214	3,399	14,613

(Unit: Thousand Baht)

As at 31 December 2015			
Separate financial statements			
	Less than 1 year	1-5 years	Total
Future minimum finance lease payments	10,628	6,656	17,284
Deferred interest expenses	(398)	(128)	(526)
Present value of future minimum finance lease payments	10,230	6,528	16,758

The Company and its subsidiaries have finance lease agreements with various leasing companies to rent medical tools, equipment, and vehicles for use in their operations. Installments are due on a monthly basis over 32-60 months and at the end of the agreements.

27. Debentures

Movements of debentures net from debenture expenses and amortisation of expenses during the years ended 31 December 2016 and 2015 are summarised below.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2016	2015
Balance as at beginning of year	10,590,977	11,091,987
Debentures issued during the year	3,000,000	2,000,000
Redemption of debentures during the year	(1,000,000)	(2,500,000)
Debenture expenses	(3,682)	(2,585)
Amortisation of debenture expenses	1,605	1,575
Balance as at end of year	12,588,900	10,590,977
Less: Current portion of debentures	-	(999,836)
Debentures - net of current portion	12,588,900	9,591,141

On 4 June 2009, the Company had issued unsecured, name registered and unsubordinated debentures for the total number of 3,000,000 units, at the price of Baht 1,000 per unit, totaling Baht 3,000 million. These debentures are divided into two tranches: the 5-year debentures for the amount of Baht 2,000 million at the coupon rate of 4.80% per annum and the 7-year debentures for the amount of Baht 1,000 million at the coupon rate of 5.35% per annum with interest payable every six-month. In 2014, the Company repurchased and redeemed the 5-year debentures totally Baht 2,000 million. In June 2016, the Company redeemed the 7-year debentures totally Baht 1,000 million.

On 3 March 2011, the Company had issued unsecured, name registered and unsubordinated debentures without a debentureholders' representative debenture for the total number of 2,500,000 units, at the price of Baht 1,000 per unit, totaling Baht 2,500 million. These debentures are 4-year debentures at the coupon rate of 3.99% per annum with interest payable every six-month. The Company had redeemed such debentures in the first quarter of 2015.

In August 2012, the Company had issued unsecured, name registered and unsubordinated debentures without a debentureholders' representative debenture for the total number of 600,000 units, at the price of Baht 1,000 per unit, totaling Baht 600 million. These debentures are 10-year debentures at the coupon rate of 4.5% per annum with interest payable every six-month.

On 14 March 2013, the Company had issued unsecured, name registered and unsubordinated debentures without a debentureholders' representative debenture for the total number of 4,000,000 units, at the price of Baht 1,000 per unit, totaling Baht 4,000 million. This debenture is 10-year debentures at the coupon rate of 4.63% per annum with interest payable every six-month. On 4 April 2014 and 15 October 2014, the Company entered into an interest rate swap contract for the above debentures totaling Baht 4,000 million with a financial institution. The interest rate swap contract was terminated on 30 June 2016 as described in Note 40.1.

On 10 May 2013, the Company had issued unsecured, name registered and unsubordinated debentures without a debentureholders' representative debenture for the total number of 3,000,000 units, at the price of Baht 1,000 per unit, totaling Baht 3,000 million. These debentures are divided into two tranches: the 7-year debentures for the number of 2,000,000 units at the coupon rate of 4.19% per annum and the 10-year debentures for the number of 1,000,000 units at the coupon rate of 4.39% per annum with interest payable every six-month.

On 25 June 2015, the Company had issued unsecured, name registered and unsubordinated debentures without a debentureholders' representative debenture for the total number of 2,000,000 units, at the price of Baht 1,000 per unit, totalling Baht 2,000 million. This debenture is 10-year debentures at the coupon rate of 3.95% per annum with interest payable every six-month. The Company entered into an interest rate swap contract for the above debentures totalling Baht 2,000 million with a financial institution as described in Note 40.1.

On 24 June 2016, the Company had issued unsecured, name registered and unsubordinated debentures without a debenture holders' representative debenture for the total number of 3,000,000 units, at the price of Baht 1,000 per unit, totalling Baht 3,000 million. This debenture is 10-year debentures at the coupon rate of 2.99% per annum with interest payable every six-month.

Debenture agreement contains certain covenants which the Company must comply with such as financial ratios, payment of dividend, assets dispositions, etc.

Fair values of the above debentures, which were the latest price as at 31 December 2016, were between Baht 950.55 per unit and Baht 1,078.49 per unit.

28. Convertible debentures

On 5 August 2014, the Extraordinary General Meeting of Shareholders' No. 1/2014 of the Company has approved for the issue and offer of the convertible debentures in the amount not exceeding Baht 10,000 million or an equivalent in other currencies and the Meeting has approved to increase its registered capital to support the conversion of the convertible debentures.

On 18 September 2014, the Company has issued the convertible debentures to the foreign investors (except the investors in the United States of America). Key terms and conditions of the convertible debentures are as the following:

Type of Debentures	Unsecured and unsubordinated convertible debentures
Maturity	5 years, commencing from the issue date
Issue Size	Baht 10,000 million
Currency	THB-Denominated, USD-Settled
Maturity Date	18 September 2019
Put Option	At 18 September 2017 equal to 106.152% of the principal amount
Call Option	At any time after 18 March 2017, if the closing price of the Company's shares is at least 130% of the applicable Early Redemption Amount, divided by the effective Conversion Ratio
Coupon	Zero
Redemption Price	110.462% of principal amount
Conversion Price Outstanding Balance	Baht 21.045 per one newly issued ordinary share
as at 31 December 2016	Baht 10,000 million

Convertible debentures agreement contains obligations and certain limitations which the Company must comply with, as specified in the offering circular of the bonds. On 19 September 2014, the convertible debentures were listed on the Singapore Exchange Securities Trading Limited.

Thai Accounting Standard No. 107 “Financial Instruments: Disclosure and Presentation”, requires the issuer of convertible debentures to present the debentures’ liability and equity components separately in the statement of financial position. Therefore, upon issuing the convertible debentures, the Company separated these components, determining the liability component by discounting the stream of future payments of principal and interest at the prevailing market rate. The carrying amount of the equity component was then determined by deducting the liability component from the total carrying value of the convertible debenture.

The liability component is presented at amortised cost until the conversion or maturity of the debentures. The value of the equity component determined upon the issue of the debentures does not change in subsequent periods.

Fair value of the above convertible debenture, which was the latest price as at 31 December 2016, was 112.739 percent per unit.

29. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees’ retirement and medical care after post-employment, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Retirement benefits		Medical care after post-employment		Total	
	2016	2015	2016	2015 (Restated)	2016	2015 (Restated)
Defined benefit obligation at beginning of year - as previously reported	1,529,573	1,356,593	-	-	1,529,573	1,356,593
Cumulative effect of adjustments of prior years’ financial statements	-	-	723,993	721,162	723,993	721,162
Defined benefit obligation at beginning of year - as restated	1,529,573	1,356,593	723,993	721,162	2,253,566	2,077,755
Increase from acquisitions	-	10,296	-	-	-	10,296
Current service cost	140,688	124,049	4,714	4,376	145,402	128,425
Interest cost	42,535	51,027	9,032	8,299	51,567	59,326
Actuarial (gain) loss arising from Demographic assumption change	-	(45,005)	-	-	-	(45,005)
Financial assumption change	-	25,388	-	-	-	25,388
Experience adjustments	-	54,500	-	-	-	54,500
Benefits paid during the year	(40,548)	(34,365)	(163,948)	(9,844)	(204,496)	(44,209)
Decrease from sales of investment in subsidiary	-	(12,910)	-	-	-	(12,910)
Defined benefit obligation at end of year	1,672,248	1,529,573	573,791	723,993	2,246,039	2,253,566
Less: Current portion of provision for long-term employee benefits	-	-	(317,891)	(157,814)	(317,891)	(157,814)
Long-term provision of provision for long-term employee benefits	1,672,248	1,529,573	255,900	566,179	1,928,148	2,095,752

(Unit: Thousand Baht)

	Separate financial statements					
	Retirement benefits		Medical care after post-employment		Total	
	2016	2015	2016	2015	2016	2015
Defined benefit obligation at beginning of year - as previously reported	348,779	245,985	-	(Restated) -	348,779	(Restated) 245,985
Cumulative effect of adjustments of prior years' financial statements	-	-	645,794	642,962	645,794	642,962
Defined benefit obligation at beginning of year - as restated	348,779	245,985	645,794	642,962	994,573	888,947
Current service cost	27,281	21,770	4,714	4,377	31,995	26,147
Interest cost	7,719	8,704	9,032	8,299	16,751	17,003
Actuarial (gain) loss arising from Demographic assumption change	-	3,646	-	-	-	3,646
Financial assumption change	-	502	-	-	-	502
Experience adjustments	-	75,737	-	-	-	75,737
Benefits paid during the year	(6,850)	(7,565)	(163,948)	(9,844)	(170,798)	(17,409)
Defined benefit obligation at end of year	376,929	348,779	495,592	645,794	872,521	994,573
Less: Current portion of provision for long-term employee benefits	-	-	(239,691)	(157,814)	(239,691)	(157,814)
Long-term provision of provision for long-term employee benefits	376,929	348,779	255,901	487,980	632,830	836,759

Long-term employee benefit expenses included in the profit or loss were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
		(Restated)		(Restated)
Current service cost	145,402	128,425	31,995	26,147
Interest cost	51,567	59,326	16,751	17,003
Total expense recognised in profit or loss	196,969	187,751	48,746	43,150
Line items under which such expenses are included in profit or loss				
Cost of hospital operations, sales and services	104,711	108,676	24,490	21,883
Administrative expenses	92,258	79,075	24,256	21,267

The Company and its subsidiaries expect to pay Baht 379.5 million of long-term employee benefits and other post-employment benefits during the next year (Separate financial statements: Baht 244.2 million) (2015: Baht 345.8 million, separate financial statements: Baht 257.3 million).

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 18-42 years (Separate financial statements: 18 - 42 years) (2015: 19 - 43 years, separate financial statements: 19 - 43 years).

Significant actuarial assumptions were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	3.1 - 3.2, 3.8	3.1 - 3.2, 3.8	3.1, 3.8	3.1, 3.8
Future salary increase rate (depending on age of employee)	5.0	5.0	5.0	5.0
Turnover rate	0.0 - 20.0	0.0 - 20.0	0.0 - 14.0	0.0 - 14.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 and 2015 are summarised below:

(Unit: Million Baht)

	As at 31 December 2016			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(179.5)	219.9	(48.9)	64.1
Salary increase rate	212.1	(181.6)	34.5	(29.7)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Turnover rate	(158.7)	191.2	(34.6)	41.2

(Unit: Million Baht)

	As at 31 December 2015			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(Restated) (177.5)	(Restated) 194.4	(Restated) (48.9)	(Restated) 59.7
Salary increase rate	169.9	(165.9)	27.2	(27.3)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Turnover rate	(Restated) (143.7)	(Restated) 148.1	(Restated) (31.7)	(Restated) 33.0

30. Dividend

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2014	Annual General Meeting of the shareholders on 17 April 2015	3,563	0.23
Total 2015 dividend		3,563	0.23

The Company paid such final dividends in May 2015.

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2015	Annual General Meeting of the shareholders on 21 April 2016	4,027	0.26
Interim dividends for 2016	Board of Directors' meeting on 31 August 2016	1,548	0.10
Total 2016 dividend		5,575	0.36

The Company paid such final dividends and interim dividends in May 2016 and in September 2016, respectively.

31. 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 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

32. Expenses by nature

Significant expenses by nature for the years ended 31 December 2016 and 2015 are as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015 (Restated)	2016	2015 (Restated)
Employee expenses	16,225.8	14,728.1	3,251.5	2,989.7
Doctor fee	14,675.0	13,218.9	2,809.8	2,760.3
Cost of drugs and supplies	9,200.4	8,416.5	1,839.5	1,783.2
Depreciation and amortisation expenses	4,803.8	4,386.7	937.6	820.5
Advertising and public relation expenses	745.7	729.9	294.1	324.4
Rental expenses	847.2	754.8	121.2	120.4

(Unit: Million Baht)

33. Income tax

Income tax of the Company and its subsidiaries are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2016	2015 (Restated)	2016	2015 (Restated)
Current income tax:				
Current income tax charge	2,007,632	1,927,749	306,892	340,825
Adjustments in respect of current income tax of previous year	4,669	11,968	6,213	7,024
Deferred tax:				
Relating to origination and reversal of temporary differences	(90,000)	(44,412)	45,639	(4,504)
Income tax reported in the income statements	1,922,301	1,895,305	358,744	343,345

The amounts of income tax relating to each component of other comprehensive income (loss) are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2016	2015 (Restated)	2016	2015 (Restated)
Deferred tax relating to actuarial loss	-	6,977	-	15,977
Deferred tax relating to gain (loss) on change in value of available-for-sale investments	(8,328)	(19,544)	14,943	(21,541)
Deferred tax relating to gain on revaluation of land	(9,808)	(642,122)	-	-
Income tax revenue (expenses) charged directly to other comprehensive income	(18,136)	(654,689)	14,943	(5,564)

Reconciliation between income tax and the product of accounting profit multiplied by the applicable tax rate is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2016	2015 (Restated)	2016	2015 (Restated)
Accounting profit before tax	10,694,165	10,229,986	7,294,182	4,907,802
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	2,138,833	2,045,997	1,458,836	981,560
Adjustments in respect of current income tax of previous year	4,669	11,968	6,213	7,024

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2016	2015 (Restated)	2016	2015 (Restated)
Effects of:				
Promotional privileges	(81,211)	(77,567)	(51,164)	(40,311)
Dividend income not subject to tax	(2,138)	(1,791)	(1,083,251)	(674,416)
Tax loss not utilized	138,603	103,038	-	-
Gain on fair value adjustment of investment	-	(41,750)	-	-
Share of income from investments in associated companies	(273,991)	(251,794)	-	-
Non-deductible expenses and others	92,523	119,142	41,039	70,977
Additional expense deductions allowed	(94,987)	(11,938)	(12,929)	(1,489)
Total	(221,201)	(162,660)	(1,106,305)	(645,239)
Income tax reported in the income statements	1,922,301	1,895,305	358,744	343,345
Effective income tax rates	17.98%	18.53%	4.92%	7.00%

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at 31 December 2016	As at 31 December 2015	As at 31 December 2016	As at 31 December 2015
		(Restated)		(Restated)
Deferred tax assets				
Allowance for doubtful accounts	76,298	92,255	30,803	50,028
Allowance for diminution in value of inventories	1,271	696	122	77
Allowance for asset impairment	4,260	17,702	30,812	30,812
Allowance for impairment for premises and equipment	974	2,515	85	540
Accrued expense and other provision	435,204	260,273	250,513	209,455
Provision for long-term employee benefits	384,871	418,714	125,807	166,915
Others	3,658	1,820	-	-
Total	906,536	793,975	438,142	457,827
Deferred tax liabilities				
Accumulated depreciation - plant and equipment	241,847	202,586	58,991	53,163
Amortisation of expense for debentures, convertible debentures and loan	19,705	25,332	19,705	25,332
Gain on fair value adjustment of investment properties	19,381	7,214	83,021	57,267
Gain on re-measuring available-for-sale investments	92,671	90,502	75,153	90,097
Revaluation surplus on land and building	2,644,690	2,648,471	172,324	172,324
Total	3,018,294	2,974,105	409,194	398,183
Deferred tax assets (liabilities) - net	(2,111,758)	(2,180,130)	28,948	59,644

As at 31 December 2016, the subsidiary companies have unused tax losses totaling Baht 1,924.5 million (2015: Baht 1,260.3 million), on which deferred tax assets have not been recognised as there are uncertain political and economic future which affect the utilisation of unused tax losses.

Details of expiry date of unused tax losses of subsidiaries are summarised as below:

(Unit: Million Baht)

	2016	2015
31 December 2016	-	28.8
31 December 2017	74.8	74.8
31 December 2018	197.7	197.7
31 December 2019	443.8	443.8
31 December 2020	515.2	515.2
31 December 2021	693.0	-
	1,924.5	1,260.3

34. Earnings per share

Basic earnings per share is determined 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.

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
		(Restated)		(Restated)
Profit for the year (Baht)	8,386,477,660	8,020,716,358	6,935,437,788	4,564,457,172
Number of ordinary shares (shares)	15,490,956,540	15,490,956,540	15,490,956,540	15,490,956,540
Earnings per share (Baht/share)	0.54	0.52	0.45	0.29

Diluted earnings per share

No disclosure of diluted earnings per share is required for year of 2016 after the issue of convertible debentures (as described in Note 28) since the calculated earnings per share assuming the conversion of all convertible debentures to ordinary shares is antidilutive.

35. Long-term lease agreements

The Company

The Company has entered into a land rental agreement for hospital building for a period of 20 years from 26 February 2004 to 25 February 2024. The rental fee for the first 17 months is Baht 200,000 per month and will be increased by the rate as agreed in the agreement. The rental for the last 3 years will be Baht 560,000 per month.

The Company has entered into a land rental agreement for car parking lot for a period of 6 years from 1 September 2012 to 31 August 2018. The rental fee for the first 3 years is Baht 205,000 per month and the last 3 years is Baht 235,000 per month.

The Company has entered into a land rental agreement for construction of an OPD building for a period of 30 years from 28 September 2004 to 27 September 2034. The first payment date is 10 October 2005 at the rental fee of Baht 50,000 per month and this fee is to be increased every 3 years. The rate will be increased by 10% of the latest rental of every 3 years.

The Company has entered into a land rental agreement for a period of 30 years from 1 January 2006 to 31 December 2035 and the rental is paid on a monthly basis. The first payment date is 5 January 2006 and rental to be paid at Baht 30,000 per month and from 1 January 2027 onward at Baht 100,000 per month.

The Company has entered into an agreement to construct a hospital building on land owned by a government authority. The condition of the agreement states that upon completion of the building construction, the Company has to transfer the ownership over such building to that authority. After the authority accepts such transfer, in 2006 the Company entered into another land and hospital building rental agreement with that government authority. The agreement will cover a period of 30 years after the signing date of the agreement and the Company is obliged to pay rental on a yearly basis. The rental fee for the first 5 years is Baht 492,676 per year and this fee is to be increased every 5 years. The rental for the last 5 years will thus be Baht 990,943 per year.

The Company has entered into a land rental agreement for a period of 30 years from 18 March 2011 to 17 March 2041 and the rental is paid on a monthly basis with no rental for the first 3 months. The first payment date is 18 July 2011 and rental to be paid at Baht 100,000 per month and this fee is to be increased every 3 years. The rate will be increased by 10% of the latest rental of every 3 years.

The Company has entered into rental agreements with a company to operate medical clinic in a building since 28 September 2013. The contract period has been extended for a period of 4 years from 28 September 2016 to 27 September 2020. The Company has to pay fee at the fixed rate and the rate stipulated in the agreement, of monthly gross operating revenue before deducted any expenses or the minimum fee stipulated in agreement whichever is higher.

The Company has entered into a land and building agreement to operate hospital business and related services for a period of 30 years from 5 April 2013 to 4 April 2043. The Company has to pay rental fee on a yearly basis at fixed rate of Baht 16,449,525 per year and leasehold right of Baht 300 million on the first date of agreement. The leasehold right was fully paid.

Samitivej Public Company Limited

The subsidiary company has entered into a rental agreement for a parking building dated 10 September 2003, for 30 years, effective from 8 December 2004. The total rental fee is Baht 155 million. The subsidiary company is committed to pay Baht 39 million as prepaid rental as per the schedule. The remaining rental fee will be paid on a monthly basis. In addition, the subsidiary company has entered into a service agreement with the same company for providing of services in the parking building for 30 years totalling Baht 103 million.

The subsidiary company has entered into a rental agreement with a company to operate medical clinic in a building for a period of 5 years from 28 May 2010. The contract period has been extended to 27 January 2019. The subsidiary company has to pay fee at the rate stipulated in the agreement, of monthly gross operating revenue before deducted any expenses or the minimum fee stipulated in agreement whichever is higher.

BNH Medical Center Co., Ltd.

The subsidiary company entered into an agreement with an association which is a shareholder, to lease land for the construction of a hospital for a period of 30 years, commencing 1 September 1993, with options to renew.

Paolo Medic Co., Ltd.

The subsidiary company entered into a land and premises rental agreement which will be expired in January 2037, and the rental fee is paid on a monthly basis at the amount as stipulated in the agreement.

Phyathai 1 Hospital Co., Ltd.

The subsidiary company entered into a land rental agreement with a state enterprise for a period of 3 years and made an additional memorandum of renewal the land rental agreement for another 3 years expiring in the year 2016. The renewal of the land rental agreement will be continued. The subsidiary company will pay rental fee as stipulated in the memorandum.

Sriracha Nakorn General Hospital Public Co., Ltd.

The subsidiary company entered into a land rental agreement with the Treasury Department and the rental fee is paid on monthly basis as stipulated in the agreement.

36. Commitments and contingent liabilities

As at 31 December 2016 and 2015, commitments and contingent liabilities are as follows:

(Unit: Million Baht)

	As at 31 December 2016					
	Consolidated financial statements			Separate financial statements		
	Within 1 year	1-5 years	Over 5 years	Within 1 year	1-5 years	Over 5 years
Contractual commitments						
- the land and building rental contracts (including long-term agreements in Note 35)	234	373	848	24	44	101
- the office equipment rental and other services	322	91	-	194	1	-
- the medical equipment provision and maintenance contracts	248	122	-	112	-	-
- the building construction and decoration contracts	1,498	-	-	777	-	-
Total	2,302	586	848	1,107	45	101

(Unit: Million Baht)

	As at 31 December 2016					
	Consolidated financial statements			Separate financial statements		
	Within 1 year	1-5 years	Over 5 years	Within 1 year	1-5 years	Over 5 years
Contractual commitments						
- the land and building rental contracts (including long-term agreements in Note 35)	220	322	781	22	44	111
- the office equipment rental and other services	317	69	-	173	8	-
- the medical equipment provision and maintenance contracts	200	187	-	118	-	-
- the building construction and decoration contracts	1,333	-	-	119	-	-
- the sale and purchase contract for land	124	-	-	-	-	-
Total	2,194	578	781	432	52	111

Contingent liabilities

As at 31 December 2016, the Company and its subsidiaries had outstanding bank guarantees of approximately Baht 336 million (2015: Baht 606 million) and the Company's was Baht 35 million (2015: Baht 335 million) issued by the bank on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business, such as facility usage and contractual performance.

A subsidiary company has guaranteed credit facility with a financial institution amounting to Baht 3.9 million for a former associated company. During the year, a subsidiary already cancelled this guarantee for credit facility.

37. 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 chief operating decision maker has been identified as the executive committee.

The Company and its subsidiaries have two reportable segments that are hospital operations and other businesses that support hospital business including central lab, manufacturer and distributor of medicine and pharmaceutical products, assets management for healthcare business, restaurant and distribution of health food products and facility management, accounting services, technology and information service, training business, health insurance and life insurance broker. These two segments have similar economic characteristics. They both have common customer group, similar service provision methods and similar management.

In addition, the operations of the Company and its subsidiaries are carried on in the geographical areas of Thailand and overseas.

As hospital operation is the main business segment and the segment information that has been considered based on a quantitative basis is over 90 percent of the total population both operational and geographical areas. For this reason, the management considers to aggregate operating segments into one operating segment of hospital operation. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical areas.

For the years 2016 and 2015, the Company and its subsidiaries has no major customer with revenue of 10 percent or more of its revenues.

38. Promotional privileges

The Company has been granted promotional privileges under The Investment Promotion Act B.E. 2520, according to the promotional certificate No. 2302(2)/2553, dated 26 November 2010, for hospital business Type 7.7. Significant privileges are as follows:

- Exemption of import duty on machinery as approved by the board.
- Exemption from corporate income tax derived from the promoted operation, with the limited rate of 100 percent of the investment excluding land and working capital for a period of 8 years commencing from the date that revenues are first derived from the promoted operation (commencing from 2010 and will be expired in 2018).

In case of losses being incurred during the corporate income tax exemption period, the Company is allowed to utilise the loss as a deduction against net profits for a period of 5 years after exemption period (from 2018 to 2023), whether from any one year or from several years.

- Exemption from income tax on dividend paid from the profit of the promoted operations throughout the tax exemption period.

A.N.B. Laboratories Co., Ltd.

A.N.B. Laboratories Co., Ltd. has been granted promotional privileges under The Investment Promotion Act B.E. 2520, according to the promotional certificate No. 1913(2)/2554, dated 4 August 2011, for production of large-volume of sterile solution (saline solution), promotional certificate No. 1163(2)/2558, dated 6 February 2015, for production of injectable contraceptives and promotional certificate No. 1309(2)/2558, dated 13 March 2015, for production of small-volume of sterile solution, type 6.5 for production of pharmaceuticals and/or pharmaceutical active ingredients. Significant privileges are as follows:

-
- Exemption of import duty on machinery as approved by the board.
 - Exemption from corporate income tax derived from the promoted operation, with the limited rate of 100 percent of the investment excluding land and working capital for a period of 5 years commencing from the date that revenues are first derived from the promoted operation (commencing from 2011 and will be expired in 2016 and commencing from 2015 and will be expired in 2020, respectively).

In case of losses being incurred during the corporate income tax exemption period, the subsidiary is allowed to utilise the loss as a deduction against net profits for a period of 5 years after exemption period (from 2016 to 2021 and from 2020 to 2025, respectively), whether from any one year or from several years.

- Exemption from income tax on dividend paid from the profit of the promoted operation throughout the tax exemption period.

The Medicpharma Co., Ltd.

The Medicpharma Co., Ltd. has been granted promotional privileges under The Investment Promotion Act B.E. 2520, according to the promotional certificate No. 1218(2)/2553, dated 3 March 2010, for production of medicines for human use, type 6.5 for production of pharmaceuticals and/or pharmaceutical active ingredients from 25 January 2010 and promotional certificate No. 1778(2)/2558, dated 22 June 2015, for production of modern medicines for human and animal use, type 6.5 for production of pharmaceuticals and/or pharmaceuticals active ingredients. Significant privileges are as follows:

- Exemption from corporate income tax derived from the promoted operation, with the limited rate of 100 percent of the investment excluding land and working capital for a period of 8 years commencing from the date that revenues are first derived from the promoted operation (commencing from 2010 and will be expired in 2015 and commencing from 2016 and will be expired in 2024, respectively).
- Revenues that must be included in calculation of net profit is revenue from sales of by products such as scrap or waste from production process.
- In case of losses being incurred during the corporate income tax exemption period, the subsidiary is allowed to utilise the loss as a deduction against net profits for a period of 5 years after exemption period (from 2015 to 2020 and from 2021 to 2029, respectively), whether from any one year or from several years.
- Exemption from income tax on dividend paid from the profit of the promoted operation throughout the tax exemption period.

Bangkok Helicopter Services Co., Ltd.

Bangkok Helicopter Services Co., Ltd. has been granted promotional privileges under The Investment Promotion Act B.E. 2520, according to the promotional certificate No. 59-1580-1-00-1-0, dated 28 November 2016, for air transport, type 7.3.4 for air transport from 22 November 2016. Significant privileges are as follows:

- Exemption of import duty on machinery as approved by the board.
- Exemption from corporate income tax derived from the promoted operation, with the limited rate of 100 percent of the investment excluding land and working capital for a period of 8 years commencing from the date that revenues are first derived from the promoted operation.
- In case of losses being incurred during the corporate income tax exemption period, the subsidiary is allowed to utilise the loss as a deduction against net profits for a period of 5 years after exemption period (from 2021 to 2026), whether from any one year or from several years.
- Exemption from income tax on dividend paid from the profit of the promoted operation throughout the tax exemption period, in accordance with the section 31.

National Healthcare Systems Co., Ltd.

National Healthcare Systems Co., Ltd. has been granted promotional privileges under The Investment Promotion Act B.E. 2520, according to the promotional certificate No. 2071(4)/2557, dated 3 September 2014, for scientific laboratories, type 7.21 for service of scientific laboratories from 15 July 2014. Significant privileges are as follows:

- Exemption from corporate income tax derived from the promoted operation, with the limited rate of 100 percent of the investment excluding land and working capital for a period of 8 years commencing from the date that revenues are first derived from the promoted operation (commencing from 2015 and will be expired in 2023).
- In case of losses being incurred during the corporate income tax exemption period, the Company is allowed to utilise the loss as a deduction against net profits for a period of 5 years after exemption period (from 2023 to 2028), whether from any one year or from several years.
- Exemption from income tax on dividend paid from the profit of the promoted operation throughout the tax exemption period.

N Health Pathology Co., Ltd.

N Health Pathology Co., Ltd. has been granted promotional privileges under The Investment Promotion Act B.E. 2520, according to the promotional certificate No. 58-2021-1-00-2-0, dated 11 August 2015, for scientific laboratories, type 7.14 for service of scientific laboratories from 29 June 2015. Significant privileges are as follows:

- Exemption from corporate income tax derived from the promoted operation, with the limited rate of 100 percent of the investment excluding land and working capital for a period of 8 years commencing from the date that revenues are first derived from the promoted operation.
- In case of losses being incurred during the corporate income tax exemption period, the subsidiary is allowed to utilise the loss as a deduction against net profits for a period of 5 years after exemption period, whether from any one year or from several years.
- Exemption from income tax on dividend paid from the profit of the promoted operation throughout the tax exemption period.

As at 31 December 2016 the subsidiary has no revenue from service of scientific laboratories that entitled to the promotional privileges.

The Company and its subsidiaries must comply with the conditions stipulated in the investment promotional privileges.

Revenues of the Company and its subsidiaries for the years 2016 and 2015 can be separated between the promoted and non-promoted operation as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Promoted operation		Non-promoted operation		Total	
	2016	2015	2016	2015	2016	2015
Revenue from hospital operations	783,744	651,532	64,452,779	(restated) 59,588,272	65,236,523	(restated) 60,239,804
Other income	672,448	957,757	3,217,243	2,709,232	3,889,691	3,666,989
Total revenues	1,456,192	1,609,289	67,670,022	62,297,504	69,126,214	63,906,793

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operation		Non-promoted operation		Total	
	2016	2015	2016	2015	2016	2015
				(restated)		(restated)
Revenue from hospital operations	741,957	639,185	12,588,188	12,445,227	13,330,145	13,084,412
Other income	-	-	7,166,130	4,607,577	7,166,130	4,607,577
Total revenues	741,957	639,185	19,754,318	17,052,804	20,496,275	17,691,989

39. Fair value hierarchy

As at 31 December 2016 and 2015, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	As at 31 December 2016			
	Consolidated Financial Statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Mutual funds	505.2	-	-	505.2
Available-for-sale investments Equity instruments	659	-	-	659
Investment property	-	43	264	307
Land	-	19,787	-	19,787
Land not used in operations	-	297	-	297
Financial assets measured at fair value				
Investments in associated companies	47,707	-	-	47,707
Derivative				
Selling forward exchange contracts	-	0.1	-	0.1
Liabilities for which fair value are disclosed				
Derivatives				
Interest rate swap	-	13	-	13
Debentures	-	12,094	-	12,094
Convertible debentures	11,274	-	-	11,274

(Unit: Million Baht)

As at 31 December 2015				
Consolidated Financial Statements				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Mutual funds	0.8	-	-	0.8
Available-for-sale investments Equity instruments	893	-	-	893
Investment property	-	36	249	285
Land	-	18,658	-	18,658
Land not used in operations	-	297	-	297
Financial assets measured at fair value				
Investments in associated companies	46,070	-	-	46,070
Derivative				
Selling forward exchange contracts	-	0.2	-	0.2
Liabilities for which fair value are disclosed				
Derivatives				
Buying forward exchange contracts	-	0.2	-	0.2
Interest rate swap	-	36	-	36
Debentures	-	11,344	-	11,344
Convertible debentures	10,877	-	-	10,877

(Unit: Million Baht)

As at 31 December 2016				
Separate Financial Statements				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Mutual funds	0.4	-	-	0.4
Available-for-sale investments Equity instruments	417	-	-	417
Investment property	-	351	353	704
Land	-	3,429	-	3,429
Land not used in operations	-	297	-	297
Financial assets measured at fair value				
Investments in associated companies	47,707	-	-	47,707
Liabilities for which fair value are disclosed				
Derivatives				
Interest rate swap	-	13	-	13
Debentures	-	12,094	-	12,094
Convertible debentures	11,274	-	-	11,274

(Unit: Million Baht)

As at 31 December 2015				
Separate Financial Statements				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Mutual funds	0.8	-	-	0.8
Available-for-sale investments Equity instruments	762	-	-	762
Investment property	-	289	241	530
Land	-	2,571	-	2,571
Land not used in operations	-	297	-	297
Financial assets measured at fair value				
Investments in associated companies	46,070	-	-	46,070
Liabilities for which fair value are disclosed				
Derivatives				
Buying forward exchange contracts	-	0.2	-	0.2
Interest rate swap	-	36	-	36
Debentures	-	11,344	-	11,344
Convertible debentures	10,877	-	-	10,877

40. Financial instruments

40.1 Financial risk management

The Company and its subsidiaries' financial instruments, which are defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentation", principally comprise the financial assets and liabilities mentioned in Note 5.21 to financial statements. The Company and its subsidiaries have the financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade, loans and other receivables. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures, therefore does not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade, loans and other receivables as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries are exposed to interest rate risk relates primarily to its cash at banks, bank overdrafts, short-term loans, long-term loans, and debentures. However, most of financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate and the Company enters into interest rate swap contract to manage this risk as appropriate.

Interest rate swap contract

Interest rate swap contract is entered into to manage exposure to fluctuations in interest rate.

On 4 April 2014, the Company entered into a nine-year interest rate swap contract with a financial institution by converting the interest rate of fixed rate per annum to fixed rate for the first 4 years and floating rate based on Fixed Deposit Rate plus fixed rate per annum for the last 5 years on the debentures balance as described in Note 27. Then, on 15 October 2014, the Company agreed with the financial institution to change interest rate whereby they agreed to reduce the interest rate in the first year and to change the interest rate from floating rate in the fifth and the sixth year to a fixed rate, with the interest rate of other years maintained as same as specified in the contract. On 24 June 2016, the Company agreed with the financial institution to restructure interest rate. The interest rate swap contract was terminated on 30 June 2016.

On 17 June 2015, the Company entered into a ten-year interest rate swap contract with a financial institution by converting the interest rate of fixed rate per annum to floating rate based on 3-month BIBOR minus the fixed rate per annum on the debentures balance as described in Note 27.

Net fair value

The net fair value of interest rate swap contract at the statements of financial position date was:

(Unit: Million Baht)				
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Fair value of interest rate swap contract - asset	13.2	35.9	13.2	35.9

Fair value of interest rate swap contract has been calculated using rate quoted by the financial institution as if the contract was terminated at the statements of financial position date.

Significant financial assets and liabilities classified by type of interest rate are as follows:

(Unit: Million Baht)

As at 31 December 2016						
Consolidated financial statements						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within 1 year	1-5 years	Over 5 years			
Financial Assets						
- Cash and cash equivalent	6	-	-	4,182	29	4,217
- Short-term investments	548	-	-	-	-	548
- Trade and other accounts receivable	-	-	-	-	6,033	6,033
- Restricted financial institution deposit	44	-	-	2	-	46
- Investments	-	-	-	-	17,237	17,237
	598	-	-	4,184	23,299	28,081
Financial liabilities						
- Bank overdrafts and short-term loans from financial institution	-	-	-	1,579	-	1,579
- Trade and other payables	-	-	-	-	4,546	4,546
- Short-term loans	89	-	-	-	-	89
- Long-term loans	-	2,500	-	5,205	-	7,705
- Liabilities under finance lease agreements	44	18	-	-	-	62
- Debentures	-	2,599	9,990	-	-	12,589
- Convertible debentures	-	9,874	-	-	-	9,874
	133	14,991	9,990	6,784	4,546	36,444

(Unit: Million Baht)

As at 31 December 2015						
Consolidated financial statements						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within 1 year	1-5 years	Over 5 years			
Financial Assets						
- Cash and cash equivalent	500	-	-	5,001	28	5,529
- Short-term investments	28	-	-	-	-	28
- Trade and other accounts receivable	-	-	-	-	6,484	6,484
- Restricted financial institution deposit	53	-	-	8	-	61
- Investments	-	-	-	-	16,178	16,178
	581	-	-	5,009	22,690	28,280
Financial liabilities						
- Bank overdrafts and short-term loans from financial institution	-	-	-	76	-	76
- Trade and other payables	-	-	-	-	4,935	4,935
- Short-term loans	98	-	-	-	-	98
- Long-term loans	-	2,500	-	6,946	-	9,446
- Liabilities under finance lease agreements	57	47	-	-	-	104
- Debentures	1,000	1,999	7,592	-	-	10,591
- Convertible debentures	-	9,683	-	-	-	9,683
	1,155	14,229	7,592	7,022	4,935	34,933

(Unit: Million Baht)

As at 31 December 2016

Separate financial statements

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within 1 year	1-5 years	Over 5 years			
Financial Assets						
- Cash and cash equivalent	-	-	-	2,756	7	2,763
- Trade and other receivables	-	-	-	-	986	986
- Short-term loans to related parties	-	-	-	2,143	-	2,143
- Long-term loans to related parties	-	-	-	5,130	-	5,130
- Investments	-	-	-	-	49,887	49,887
	-	-	-	10,029	50,880	60,909
Financial liabilities						
- Bank overdrafts and short-term loans from financial institution	-	-	-	1,500	-	1,500
- Trade and other payables	-	-	-	-	1,004	1,004
- Short-term loans from related parties	-	-	-	8,343	-	8,343
- Long-term loans	-	2,500	-	5,193	-	7,693
- Liabilities under finance lease agreements	11	3	-	-	-	14
- Debentures	-	2,599	9,990	-	-	12,589
- Convertible debentures	-	9,874	-	-	-	9,874
	11	14,976	9,990	15,036	1,004	41,017

(Unit: Million Baht)

As at 31 December 2015						
Separate financial statements						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within 1 year	1-5 years	Over 5 years			
Financial Assets						
- Cash and cash equivalent	-	-	-	3,612	5	3,617
- Short-term investments	1	-	-	-	-	1
- Trade and other receivables	-	-	-	-	1,470	1,470
- Short-term loans to related parties	-	-	-	1,327	-	1,327
- Restricted financial institution deposit	14	-	-	-	-	14
- Long-term loans to related parties	-	-	-	5,786	-	5,786
- Investments	-	-	-	-	48,871	48,871
	15	-	-	10,725	50,346	61,086
Financial liabilities						
- Bank overdrafts and short-term loans from financial institution	-	-	-	1,500	-	1,500
- Trade and other payables	-	-	-	-	1,289	1,289
- Short-term loans from related parties	-	-	-	8,303	-	8,303
- Long-term loans	-	2,500	-	6,870	-	9,370
- Liabilities under finance lease agreements	10	7	-	-	-	17
- Debentures	1,000	1,999	7,592	-	-	10,591
- Convertible debentures	-	9,683	-	-	-	9,683
	1,010	14,189	7,592	16,673	1,289	40,753

Foreign currency risk

The Company and its subsidiaries are exposed to foreign currency risk mainly in respect of purchase of medical tools and equipment and sales of goods transactions which are denominated in foreign currencies. A subsidiary company seeks to manage this risk by entering into forward exchange contracts. Generally, the forward contracts mature within one year.

Forward exchange contract

As at 31 December 2016 and 2015, a subsidiary company has the outstanding balance of selling forward exchange contracts as follows:

Balance as at	Foreign currency	Amount sold	Contractual exchange rate for amount sold
			(Baht per foreign currency unit)
31 December 2016	US Dollar	358,595	35.12 - 35.93
31 December 2015	US Dollar	756,315	35.76 - 36.22

As at 31 December 2016 and 2015, the Company has the outstanding balance of buying forward exchange contracts as follows:

Balance as at	Foreign currency	Amount sold	Contractual exchange rate for amount sold
			(Baht per foreign currency unit)
31 December 2016	US Dollar	-	-
31 December 2015	US Dollar	237,961	33.96 - 35.81

Net fair value

Net fair value of forward exchange contracts at the statements of financial position date as follows:

Selling forward exchange contract

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Fair value of selling forward exchange contract (liabilities)	(147.0)	(205.5)	-	-

Buying forward exchange contract

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Fair value of buying forward exchange contract - assets	-	230.3	-	230.3

Fair value of forward exchange contract has been calculated using rate quoted by the financial institution as if the contracts were terminated at the statements of financial position date.

40.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments bear floating interest rates or fixed interest rates which are close to market rate, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

41. Capital management

The primary objective of the Company's and its subsidiaries' capital management is to ensure that they have appropriate capital structure in order to support its business and maximise shareholders value. As at 31 December 2016, the Group's debt-to-equity ratio was 0.83:1.0 (2015: 0.86:1.0) and the Company's was 1.50:1.0 (2015: 1.51:1.0).

42. Subsequent events after reporting date

At meetings held on 19 January 2017 and 1 February 2017, the Board of Directors of the Company and its subsidiary, passed resolutions to discontinue the lifelong membership programs to be effective on 20 January 2017 and 2 February 2017, respectively, due to legal reasons. These discontinued programs are the membership programs providing lifelong medical services with small amount of charges to their members who prepaid the membership fees for life.

The reason for discontinuance is that these kinds of membership programs are defined as an insurance business under the law where the Company and its subsidiary are required to obtain permission of the relevant authorities. Hence, it is illegal if the Company and its subsidiary would continue providing medical services under these membership programs as they do not have permission from the relevant authorities to operate insurance businesses. Therefore, the contracts are prohibited by law and thus void. The Company and its subsidiary therefore discontinued the program and offered members a refund of membership fees together with compensation. They also offered members benefit in the form of 50% discount on medical care for life. To date, some members (approximately 142 of 334 members in the consolidated financial statements and 137 of 282 members in the separate financial statements) have accepted the offers while some of them have not accepted the offers yet. Thus, some uncertainty remains.

43. Approval of financial statements

These financial statements have been authorised for issue by the Company's Board of Directors on 28 February 2017.

Juristic persons in which the company holds 10% of shares or greater

As of 31 December 2016

Name	Date Registered	Location	Business	Shares issued and paid-up	% Held
1 General Hospital Products PCL. Held through RBH : 45.20% and MP : 0.33%	22 Oct 1992	8 Gold market Bldg. 5 Fl. Lat Yao, Chatuchak, Bangkok	Manufacture of pharmaceuticals	12,000,000 Par value Baht 10/share	45.49%
2 Bangkok Hospital Chiangrai Co., Ltd.	4 Aug 2015	2 Soi Soonwijai 7 New Petchaburi Rd. Bangkok	Private Hospital	60,000,000 Par value Baht 10/share	100.00%
3 Bangkok Phuket International Hospital Co., Ltd.	26 Aug 2014	44 Chaloe Prakit R.9 Rd. Wichit, Muang, Phuket	Private Hospital	361,000,000 Par value Baht 10/share	100.00%
4 Bangkok Save Drug Co., Ltd. (BSD)	23 Sep 2014	2 Soi Soonwijai 7 New Petchaburi Rd. Bangkok	Holding Company	45,000,000 Par value Baht 10/share	100.00%
5 Save Drug Center Co., Ltd. Held through BSD	26 Aug 1998	99/163 A Bldg. 4 Fl. Soi Phet Kasem 73/1 Nong Khaem, Bangkok	Pharmacy	44,000,000 Par value Baht 10/share	100.00%
6 Bangkok Hospital Sanamchan Co., Ltd. (BSN)	27 May 2014	1194 Phet Kasem Rd. Sanam Chan, Muang Nakhon Pathom	Private Hospital	365,500,000 Par value Baht 10/share	100.00%
7 Thepakorn Hospital Co., Ltd. (TPK) Held through BSN	14 Jun 1995	24 Soi 1 Thesa Rd. VSanam Chan, Muang Nakhon Pathom	Private Hospital	3,000,000 Par value Baht 10/share	44.53%
8 Bangkok Hospital MuangRaj Co., Ltd.	27 Jul 2015	59/3 Phet Kasem Rd. Na Muang, Muang, Ratchaburi	Private Hospital	130,000,000 Par value Baht 10/share	100.00%
9 N Health Myanmar Co., Ltd. Held through N Health Asia Pte. Ltd.	21 Sep 2015	No. 807 Mahabandoola, Lanmadaw Township Yangon, Myanmar	Laboratory business	100,000 Par value MMK 5,000/share	60.00%
10 N Health Cambodia Co., Ltd. Held through N Health Asia Pte. Ltd.	27 Jun 2014	Cambodia	Central Lab	1,000 Par value KHR 1,280,000/share	100.00%
11 N Health Asia Pte. Ltd.	8 Apr 2013	Singapore	Investment company	2,000,000 Par value USD 1/share	100.00%
12 BDMS Inter Pte. Ltd.	8 Apr 2013	Singapore	Investment company	100,000 Par value USD 1/share	100.00%
13 Bangkok Hospital Surat Co., Ltd.	26 Jun 2013	179/1 M.1 Wat Pradu, Muang, Surat Thani	Private Hospital	30,000,000 Par value Baht 10/share	100.00%
14 Thonburi Medical Center PCL. BDMS: 34.43% and RBH : 29.02%	7 Jan 1993	337 Somdet Phrachao Taksin Rd., Thon Buri, Bangkok	Private Hospital	19,384,226 Par value Baht 10/share	63.45%
15 Samitivej Chonburi Co., Ltd.	22 Aug 2013	888/88 M.3 Ban Suan, Muang, Chon Buri	Private Hospital	60,000,000 Par value Baht 10/share	100.00%
16 Bangkok Hospital Phitsanulok Co., Ltd.	26 Aug 2013	138 Phra Ongdam Rd. Nai Muang, Muang, Phitsanulok	Private Hospital	60,000,000 Par value Baht 10/share	100.00%
17 Bangkok Hospital Khon Kaen Co., Ltd.	8 Feb 2013	888 M.16 Maliwan Rd., Nai Muang, Muang, Khon Kaen	Private Hospital	80,000,000 Par value Baht 10/share	100.00%
18 Bangkok Hospital Chiangmai Co., Ltd.	24 May 2012	88/8 M.6 Nong Pa Khrang, Muang, Chiang Mai	Private Hospital	100,000,000 Par value Baht 10/share	100.00%
19 Bangkok Hospital Udon Co., Ltd.	28 May 2007	111 Thongyai Rd. Mak Khaeng, Muang, Udon Thani	Private Hospital	80,000,000 Par value Baht 10/share	100.00%
20 Prasit Pattana PCL. (PPCL)	14 Jan 1974	943 Paholyothin Road Samsennai, Phyathai, Bangkok	Holding Company	1,108,208,020 Par value Baht 1/share	98.56%
21 Phyathai 1 Hospital Co., Ltd. Held through PPCL	11 Dec 2001	364/1 Sri Aduddaya Rd. Phayathai, Radjdhevee, Bangkok	Private Hospital	48,100,000 Par value Baht 10/share	98.56%
22 Phyathai 2 Hospital Co., Ltd. Held through PPCL	7 Sep 1984	943 Phaholyothin Rd. Samsennai, Phyathai, Bangkok	Private Hospital	22,511,351 Par value Baht 10/share	97.75%

Name	Date Registered	Location	Business	Shares issued and paid-up	% Held
23 Phythai 3 Hospital Co., Ltd. Held through PPCL	24 Sep 1996	111 Phet Kasem Rd. Pak Khlong, Phasi Charoen, Bangkok	Private Hospital	Common share 5,442,995 Prefer share 3,750,000 Par value Baht 10/share	96.82% 98.56%
24 Sriracha Nakorn Hospital PCL. Held through PPCL	17 Feb 1995	90 Sriracha Nakorn 3 Rd., Sriracha, Sriracha, Chonburi Province	Private Hospital	35,954,180 Par value Baht 10/share	73.72%
25 Paolo Medic Co., Ltd.	8 Oct 1986	670/1 Phaholyothin Rd. Samsennai, Phythai, Bangkok	Private Hospital	60,000,000 Par value Baht 10/share	100.00%
26 Paolo Samut Prakran Co., Ltd.	30 Jan 1992	123 Moo 8 Srinakarin Rd., Tambon Banmueng, Ampor Mueng Samut Prakran Province	Private Hospital	8,400,000 Par value Baht 5/share	93.64%
27 Siam Medical Co., Ltd.	17 Jul 1970	1 Chokchai 4 Rd, Lat Phrao, Khet Lat Phrao, Bangkok	Private Hospital	Common Share 8,700,000 Prefer share 1,300,000 Par value Baht 10/share	85.71% 89.13%
28 Thai Medical Center PCL.	27 Jan 1993	44/505 Navamin Rd. Khet Bueng Kum, Bangkok	Private Hospital	200,538,671 Par value Baht 10/share	99.76%
29 Bangkok Hospital Khao Yai Co., Ltd.	18 Jul 2007	2 Soi Soonwijai 7 New Petchaburi Rd. Bangkok	Private Hospital (Not yet in operation)	7,000,000 Par value Baht 10/share	100.00%
30 Bangkok Hospital Samui Co., Ltd.	14 Aug 2003	57 Moo 3, Bor Pud Samui Island, Suratthani Province	Private Hospital	15,000,000 Par value Baht 10/share	100.00%
31 Bangkok Hospital Rayong Co., Ltd.	13 Aug 2002	8 Moo 2, Soi Saengchannirarnit Nern Pra, Muang, Rayong Province	Private Hospital	40,000,000 Par value Baht 10/share	100.00%
32 Bangkok Hospital Trat Co., Ltd.	25 Jan 1994	276 Sukhumvit Rd. Muang, Trad Province	Private Hospital	50,000,000 Par value Baht 5/share	99.76%
33 Wattanavej Co., Ltd.	28 Oct 1983	25/14 Thaluang Rd. Muang, Chantaburi Province	Private Hospital	18,000,000 Par value Baht 10/share	99.69%
34 Bangkok Hospital Phuket Co., Ltd.	15 Mar 1994	2/1 Hongyokuthit Rd. Muang, Phuket Province	Private Hospital	100,000,000 Par value Baht 5/share	99.69%
35 Bangkok Hospital Hat yai Co., Ltd.	27 Jul 1995	75 Soi 15 Petchkasem Rd. Muang, Songkla Province	Private Hospital	100,000,000 Par value Baht 5/share	98.81%
36 Bangkok Hospital Pattaya Co., Ltd.	1 May 1989	301 Sukhumvit km. 143 Rd. Pattaya, Chonburi Province	Private Hospital	28,000,000 Par value Baht 10/share	97.27%
37 Samitivej PCL. (SVH)	28 Dec 1976	133 Sukhumvit 49 Klongtan, Wattana, Bangkok	Private Hospital (Samitivej Sukhumvit, Samitivej Srinakarin)	100,000,000 Par value Baht 10/share	95.76%
38 BNH Medical Center Co., Ltd. (BNH)	27 Aug 1991	9/1 Convent Rd. Silom, Bangrak, Bangkok	Private Hospital	58,611,935 Par value Baht 10/share	91.48%
39 Bangkok Hospital Ratchasima Co., Ltd.	24 Nov 1992	1308/9 Mitraparp Rd. Nai Muang, Muang, Nakornratchasima Province	Private Hospital	30,000,000 Par value Baht 10/share	91.42%
40 Bangkok Hosital Prapradaeng Co., Ltd.	7 Sep 1992	288 Suksawat Muang, Samutprakarn Province	Private Hospital	10,500,000 Par value Baht 10/share	84.00%
41 Angkor Pisith Co., Ltd.	20 Dec 2005	National Road No.6, Kruos Village, Svay Dangkom Commune, Siem Reap District, Siem Reap Province, Cambodia.	Private Hospital in Cambodia	10,000 Par value USD 1,000/share	80.00%
42 Phnom Penh Medical Services Co., Ltd.	27 Nov 2006	Toeuk Thla Village, Russian Federation Blvd., Sangkat Toeuk Thla, Khan Russey Keo, Phnom Penh, Cambodia.	Private Hospital in Cambodia (Not yet in operation)	10,000 Par value USD2,500/share	100.00%

Name	Date Registered	Location	Business	Shares issued and paid-up	% Held
43 B.D.M.S. International Medical Services Co., Ltd.	20 Dec 2005	61A Street 214, Sangkat Beong Rang, Khan Don Peh, Phnom Penh, Cambodia.	Private Hospital in Cambodia (Not yet in operation)	1,000 Par value KHR 9,200,000/share	100.00%
44 S.R. Property Investment Co., Ltd.	20 Dec 2005	517 Road No.6, Phum Salakanseng, Khum Svay Damdum, Srok Khet, Siem Reap, Cambodia.	Land Holding Company	1,000 Par value KHR 20,000/share	49.00%
45 Siem Reap Land Investment Co., Ltd.	10 Feb 2006	517 Road No.6, Phum Salakanseng, Khum Svay Damdum, Srok Khet, Siem Reap, Cambodia.	Land Holding Company	1,000 Par value KHR 20,000/share	49.00%
46 Phnom Penh First Property Co., Ltd.	27 Nov 2006	No.61 Street 214, Sangkat Beong Rang, Khan Don Peh, Phnom Penh, Cambodia.	Land Holding Company	1,000 Par value KHR 20,000/share	49.00%
47 Bio-Molecular Laboratories (Thailand) Co., Ltd.	7 Nov 2001	2 Soi Soonwijai 7 New Petchaburi Rd. Bangkok	Bio molecular laboratories	1,000,000 Par value Baht 10/share	95.00%
48 National Healthcare Systems Co., Ltd. BDMS : 74.02% SVH : 21.04 and BNH : 4.93%	25 Jul 2001	2301/2 New Petchaburi Rd., Huaykwang, Bangkok	Share services company	7,500,000 Par value Baht 10/share	98.69%
49 BDMS Accounting Co., Ltd. (BDMS Acc)	17 Jul 2003	2301/2 New Petchaburi Rd., Huaykwang, Bangkok	Accounting Services	3,000,000 Par value Baht 10/share	100.00%
50 Greenline Synergy Co., Ltd.	18 Aug 2008	488 Srinakarin Rd., Suan Luang, Bangkok	Information technology	20,000,000 Par value Baht 10/share	100.00%
51 Royal Bangkok Healthcare Co., Ltd. (RBH)	11 Feb 2008	2 Soi Soonwijai 7 New Petchaburi Rd. Bangkok	Holding Company	108,600,000 Par value Baht 10/share	100.00%
52 A.N.B. Laboratories Co., Ltd. Held through RBH	1 Jun 1961	39/1 Ram-Indra Rd. Kannayao, Bangkok	Manufacture and distribution of medicine	49,900,000 Par value Baht 10/share	100.00%
53 Bangkok Health Insurance PCL.	2 Jan 1981	2301/2 New Petchaburi Rd., Huaykwang, Bangkok	Health insurance	20,000,000 Par value Baht 10/share	99.97%
54 Bangkok Premier Life Insurance Co., Ltd.	29 Aug 2011	2301/2 New Petchaburi Rd. Bangkok	Insurance Broker	2,000,000 Par value Baht 10/share	100.00%
55 Samitivej Sriracha Co., Ltd. Held through SVH	30 Oct 1990	8 Soi Laemkate, Choem Chormphon Rd. Si Racha, Si Racha, Chon Buri	Private Hospital (Samitivej Sukhumvit, Samitivej Srinakarin)	18,751,000 Par value Baht 10/share	66.79%
56 Medic Pharma Co., Ltd. (MP)	26 Aug 1971	124 Thonburi-Parktor Rd. Bangkok	Manufacture and distribution of medicine	4,286,000 Par value Baht 10/share	87.05%
57 Bangkok Helicopter Services Co., Ltd. BDMS: 87.25% and RBH : 12.75%	29 Jun 1995	2301/2 New Petchaburi Rd., Huaykwang, Bangkok	Air medical transport	40,000,000 Par value Baht 10/share	100.00%
58 Cool & Joy Co., Ltd.	20 May 2003	2 Soi Soonwijai 7 New Petchaburi Rd. Bangkok	Public relations and marketing support	500,000 Par value Baht 10/share	30.00%
59 Ramkhamhaeng Hospital PCL.***	25 Aug 1986	2138 Ramkhamhaeng Rd. Bangkok, Bangkok	Private Hospital	12,000,000 Par value Baht 10/share	38.24%
60 Bumrungrad Hospital PCL.***	15 Dec 1989	33 Sukumvit Rd. Soi 3 Khlong Toei Nuea Wattana, Bangkok	Private Hospital	Common share 728,560,559 Prefer share 1,491,663 Par value Baht 1/share	23.95%
61 Udorn Pattana (1994) Co., Ltd. *** BDMS : 15.26% and PT1 : 9.85%	9 Jun 1994	555/5 Posri Rd. Muang Udonthani Province	Private Hospital	30,000,000 Par value Baht 1/share	25.11%

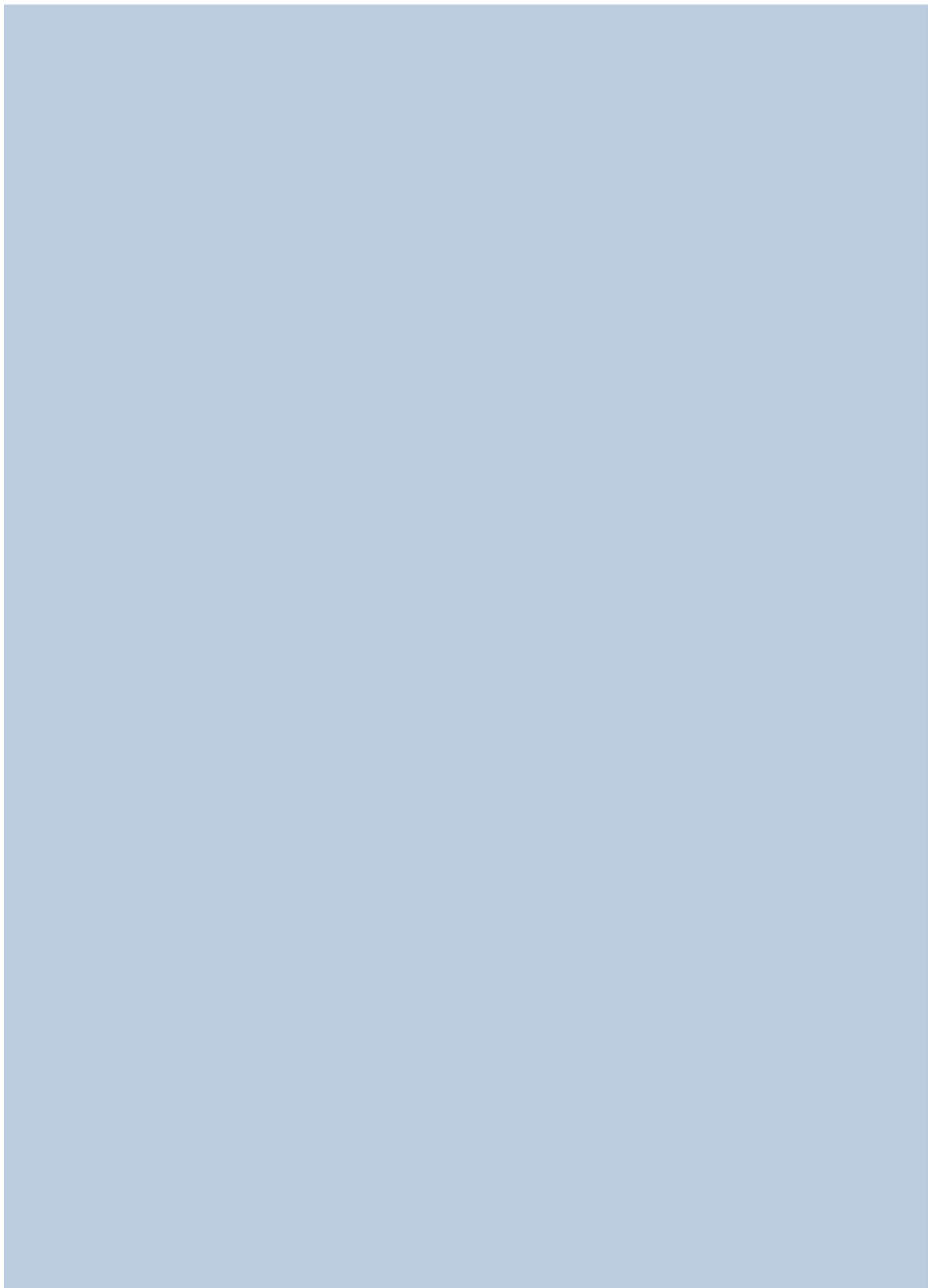
Name	Date Registered	Location	Business	Shares issued and paid-up	% Held
62 BDMS Training Co., Ltd.	23 Sep 2010	2 Soi Soonwijai 7 New Petchaburi Rd. Bangkok	Training Cneter for staff within the network	100,000 Par value Baht 10/share	100.00%
63 Irving Sheridan SE Co., Ltd. Held through SVH	14 Nov 2002	488 Srinakarin Rd. Suanluang, Bangkok	Asset management	10,000 Par value Baht 10/share	91.96%
64 First Health Food Co., Ltd. (First Health) Held through SVH	23 Mar 2004	488 Srinakarin Rd. Suanluang, Bangkok	Restaurant and health food	1,400,000 Par value Baht 10/share	95.76%
65 SV Holding Co., Ltd. Held through SVH	28 Aug 2013	488 Srinakarin Rd. Suanluang, Bangkok	Investment company	800,000 Par value Baht 100/share	95.76%
66 N Health Pathology Co., Ltd. Held through RBH	8 Dec 2014	2301/2 New Petchaburi Rd. Huaykwang, Bangkok	Central Lab	3,000,000 Par value Baht 10/share	95.00%
67 Samitivej International Co., Ltd. Held through SV Holding	22 Sep 2014	Republic of the Union of Myanmar	Clinic	625,000 Par value USD 1/share	80.00%
68 BDMS Property Management Co., Ltd.	21 Apr 2016	2 Soi Soonwijai 7 New Petchaburi Rd. Bangkok	Property Management	1,000,000 Par value Baht 10/share	100.00%

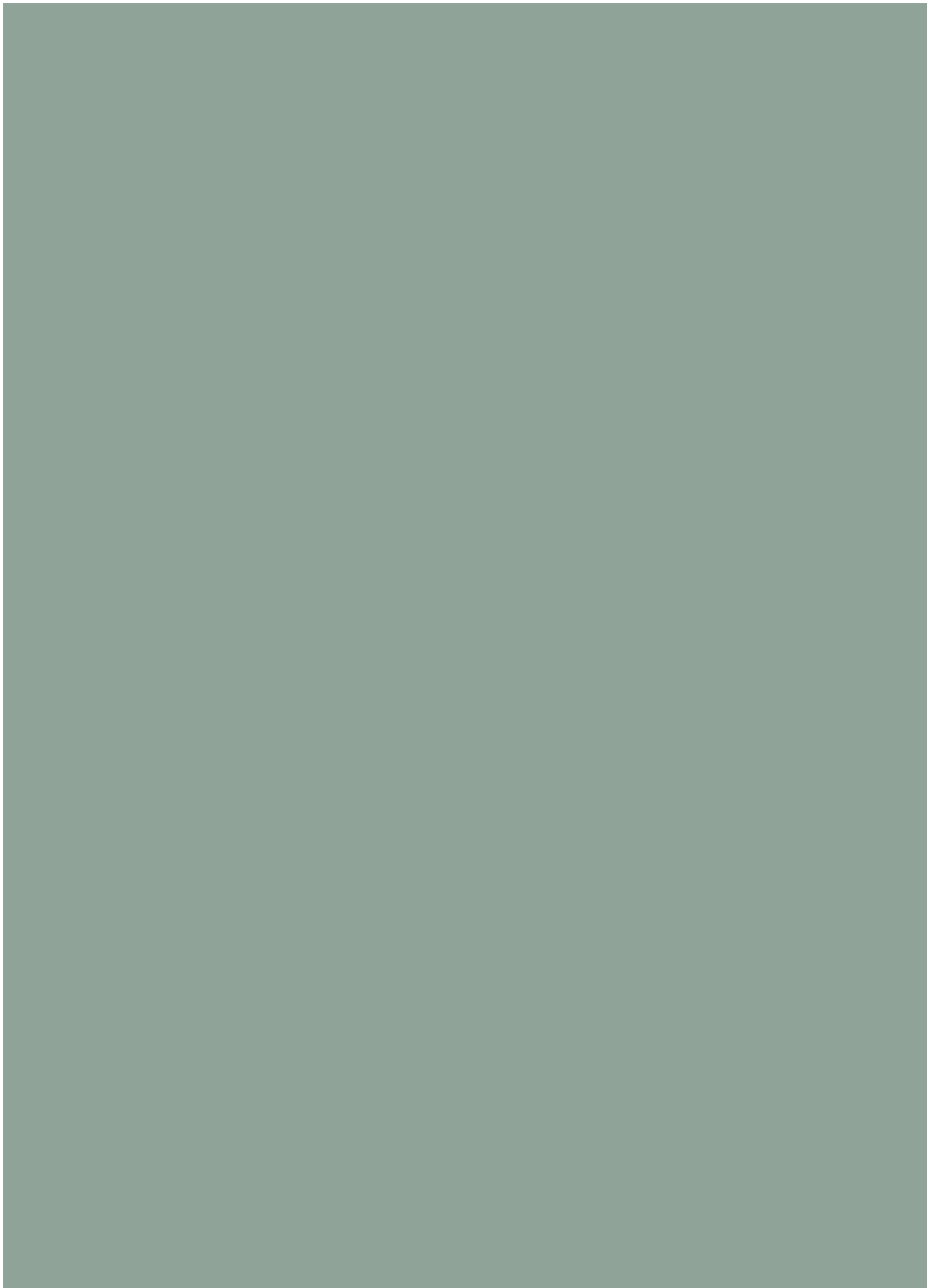
Remark : ***The Company does not invlove in management of the business.

General Information and Other Important Information

Type of Business	Health Care Business
Location	2 Soi Soonwijai 7, New Petchaburi Road, Bangkok, Huay Kwang, Bangkok 10320 Telephone 1719, 02-310-3000 Fax 02-310-3032, 02-310-3327
Company Registration Number	BorMorJor. 0107537000025
Web site	www.bdms.co.th, www.bangkokhospital.com
Registered Capital	Baht 1,649.79 million with Baht 1,549.10 million in paid-up capital, divided into 15,490.96 million common shares with par value of Baht 0.10 each
Reference Information Securities Registrar	Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand Telephone (66 2) 009-9000, 009-9999 Fax (66 2) 009 9991
Bond Registrar and Paying Agent	TMB Bank Public Company Limited 3000 Phahonyothin Road, Chom Phon, Chatuchak District, Bangkok Province 10900 Telephone (66 2) 299-1824 Fax (66 2) 299-1321
Convertible Bond Registrar and Transfer Agent	The Bank of New York Mellon (Luxembourg Branch) 2-4 rue Eugene Ruppert Vertigo Building-Polaris L-2453 Luxembourg
Convertible Bond Trustee and Principal Agent	The Bank of New York Mellon (London Branch) One Canada Square, Canary Wharf, London E14 5AL, England
Auditor	EY Office Limited. 33 rd Floor, Lake Rajada Building, 193/136-137 Ratchadaphisek Road, Klongtoey, Bangkok 10110 Telephone (66 2) 661-9190, (66 2) 264-0777 Fax (66 2) 661-9192, (66 2) 264-0789-90







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