





YOUR TRUSTED HEALTHCARE
NETWORK

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Message from Chairman

- Message from Chairman of the Board of Directors
- Message from Group CEO & President



Message from Chairman of the Board of Directors

Signed By **Arun Pausawadi**

Professor Emeritus Arun Pausawasdi, M.D.
Chairman of the Board of Directors

In 2018, global economy and trade have continued to be volatile due to the US trade sanctions on China. Not only has it resulted in the decreased number of Chinese tourists travelling abroad, but it has also affected the overall economy and purchasing power in Thailand. However, even though the Company has been impacted by the aforementioned situation, we have been able to efficiently operate our business by managing cost and implementing the appropriate finance policy. Thus, last year's performance was in line with the Company's goals and strategies.

The Company continues to emphasize improvement of the quality of medical services for the benefit and satisfaction of our patrons. We have received accreditation, both domestic and international, from various institutions, such as Joint Commission International (JCI), Hospital Accreditation Thailand (HA), Advanced HA, Commission on Accreditation of Medical Transport Systems (CAMTS) U.S.A., etc. As recently as last year, BDMS received accreditation from the Commission on Accreditation of Medical Transport Systems Europe (CAMTS EU). We are the first in the world to be accredited for patient transport by sea and the third in the world to receive dual accreditation under CAMTS – CAMTS EU.

Apart from our determination to grow the business and to generate satisfactory returns for our shareholders, the Board of Directors also recognizes our civic duty and the benefits of all stakeholders as a member of Thai society. Thus, the Board has stipulated that BDMS shall be an organization that practices good corporate governance, is well managed and conducts business responsibly, ethically and with transparency. Furthermore, we shall organize activities that would benefit the community and society to enhance sustainable operations and create benefit for all.

Lastly, I would like to thank the shareholders, customers, business alliances and all stakeholders for your continued trust and support of the Company. I would also like to thank all management and employees for their dedication in fulfilling their duties to the best of their abilities to ensure that BDMS continues to meet its goals with stable and sustainable growth.



Message from Group Chief Executive Officer & President

As a well-known, large private hospital operator in the Asia Pacific Region, one of the top five leading private hospitals in the world with market capitalization of over Baht 300 billion and 46 network hospitals covering Thailand and Cambodia, we have responded to the Thai government's policy vision for economic development to push Thailand forward as a center for medicine and healthcare or Thailand Medical Hub. The aim is to provide efficient care that meets the needs of various groups of patients in every dimension. Thus, the Company continues to strive to differentiate our services and focus on vertical growth by establishing six Centers of Excellence as follows, Heart, Orthopedics, Spine, Neurology, Cancer and Trauma through ten of our hospitals. We also created a network for treatment and transfer of patients by establishing the BDMS Alarm Center to provide one-stop emergency care that meets international standards and covers all aspects of trauma patient transport and transfer. Bangkok Emergency Services (BES) has received dual accreditation, CAMTS & CAMTS EU, for safety of patient transfer by land, sea and air from The Commission on Accreditation of Medical Transport Systems (CAMTS).

Furthermore, as we transition into the digital age or Thailand 4.0, BDMS recognizes the opportunity to use technology to increase efficiency in order to meet the needs of our customers in the age of digital transformation, which is expected to increase in the near future. We have used digital media and various platforms to communicate and share general health knowledge with the public to provide quick and convenient access to information on health. In addition, the Company has formed alliances with both domestic and international insurance companies to enable Thais to have wider access to quality healthcare services, as well as attract more foreigners to travel to Thailand for healthcare services through the health insurance system. In 2018, BDMS collaborated with Ping An Good Doctor from the Ping An Group, the leading developer of one-stop healthcare ecosystem online platform in China with over 228 million users, the highest

number of users in the world. The objective is to jointly provide a new alternative for healthcare and medical advice so that more Chinese patients will travel to Thailand to visit BDMS hospitals. Thus, with the trust that we have received from our customers, our 2018 operating results were in line with the set goals with overall growth of 9% and we received confirmation of “AA-” Stable rating from TRIS Rating, illustrating the Company’s strong financials and reliability.

We are also proud to have received many awards that reflect the quality of our services and efficient management on the domestic and Asia levels. Examples of such awards are **“Most Outstanding Company in Thailand - Healthcare Sector”** from Asia’s Outstanding Companies Poll 2018 organized by Asiamoney Magazine in China, **The Best Managed Healthcare Company in Asia** from Asia’s Best Companies 2018 organized by FinanceAsia Magazine, **Global Health and Travel Awards 2018** from The Asia Pacific Healthcare and Medical Tourism Summit 2018 held in Vietnam, **“Thailand's Top Corporate Brand 2018”** in the Healthcare Sector for the fourth consecutive year, **“Best Overall IR (large capitalization)”** from IR Magazine Forum & Awards - South East Asia 2018 organized by IR Magazine in Singapore, **Outstanding Investor Relations Awards 2018** for listed company with market capitalization over Baht 100,000 from the SET Awards 2018 organized by the Stock Exchange of Thailand.

Through our determination to develop innovation over the past several years, the Company was ranked a “Top Innovative Organization” in 2018 by the National Innovation Agency (Public Organization) in collaboration with the Stock Exchange of Thailand and the College of Management, Mahidol University. This confirms that the Company is continuously developing in order to provide good service and strengthen our customers’ confidence in our services.

The Company also recognizes the importance of growth with good corporate governance and social responsibility, as well as suitable care of investors’ interests. In 2018, the Company received the Corporate Governance Rating (CGR 2018) of Very Good CG Scoring from the Thai Institute of Directors in association with the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. As for the social dimension, the Company is proud to have participated in the “Love and Warmth at Winter's End - The River of Rattanakosin” Winter Festival, an event that reflects the relationship between the King and his people, as well as the way of life of Thais from past to present. In addition, the Company has continuously organized many activities to help the disadvantaged through the Vejdsut Foundation Under the Patronage of HRH Princess Galyani Vadhana Krom Luang Naradhiwas Rajanagarinda. The Foundation organized the Unlimited Dream Project in order that society will realize that the disadvantaged and the disabled have value if only society would give them support and opportunity. Details on these activities in the past year can be found in the Sustainability Report.

Throughout the past 46 years that BDMS has been alongside the Thai people, we have been dedicated to fulfilling the Company’s mission of being the leader in medical services that meet international standards, using appropriate and state-of-the-art technology. We are determined to continuously improve the quality of our services for the highest benefit and satisfaction of our patrons. BDMS is not aiming to grow alone, but we wish for the country and Thai society to grow along with us to push Thailand forward as a Medical Hub, which cannot be achieved without support from everyone.

As the leader of the organization, I would like to thank the shareholders and sponsors, as well as doctors, nurses, management and all personnel within the BDMS Group for their cooperation in carrying out their duties with dedication and responsibility. All involved have been essential in strengthening the Company and enabling the BDMS Group’s stability and sustainable growth to this day.

Signed By **Prasert Prasarttong-Osoth**

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



รพ.ศิริราช
Dr. Pong

รพ.ศิริราช
Dr. Boonthida





Key Performance

- Financial Highlights
- Quality of Service
- Awards

Financial Highlights

Financial Highlights

	2018	2017	2016	2015
Balance Sheets (Million Baht)				
Total Assets	133,499	122,627	107,015	102,335
Total Liabilities	60,061	56,756	48,710	47,338
Total Shareholders' Equity	73,438	65,871	58,305	54,997
Income Statements (Million Baht)				
Revenue from Hospital Operations	75,331	69,123	65,237	60,240
Total Operating Income	79,333	72,772	68,844	63,633
Net Profit (Excluding Non-Recurring Items)	9,918	8,021	8,220	7,812
Net Profit	9,191	10,216	8,386	8,021
Liquidity Ratio				
Current Ratio (x)	0.5	1.1	0.7	0.9
Quick Ratio (x)	0.5	0.9	0.6	0.8
Operating Cash Flow Ratio (x)	0.7	0.7	0.8	0.9
Average Collection Period (Days)	34.6	34.0	35.4	37.8
Average Inventory Period (Days)	12.3	12.2	11.1	10.5
Average Payable Period (Days)	34.7	34.3	37.1	40.8
Profitability Ratio (%)				
Gross Profit Margin ^{1/}	34.3	33.3	33.3	34.5
EBIT to Net Sale	17.3	16.4	16.7	17.8
Operating Cash Flow to EBIT	109.2	92.7	109.5	115.3
Net Profit Margin	11.6	14.0	12.2	12.6
Return on Equity	13.8	17.2	15.5	16.4
Efficiency Ratio				
Return on Assets (%)	7.2	8.9	8.0	8.2
Return on Fixed Assets (%)	20.0	24.0	24.1	24.8
Asset Turnover (x)	0.6	0.7	0.7	0.7
Financial Policy Ratio				
Total Liabilities to Equity (x)	0.8	0.9	0.8	0.9
Interest Coverage (x) ^{2/}	14.7	10.1	16.7	12.5
Commitment Coverage on Cash Basis (x)	0.7	0.4	0.5	0.5
Dividend Payout Ratio (%) ^{3/}	54.5 ^{4/}	54.6	53.6	50.2

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

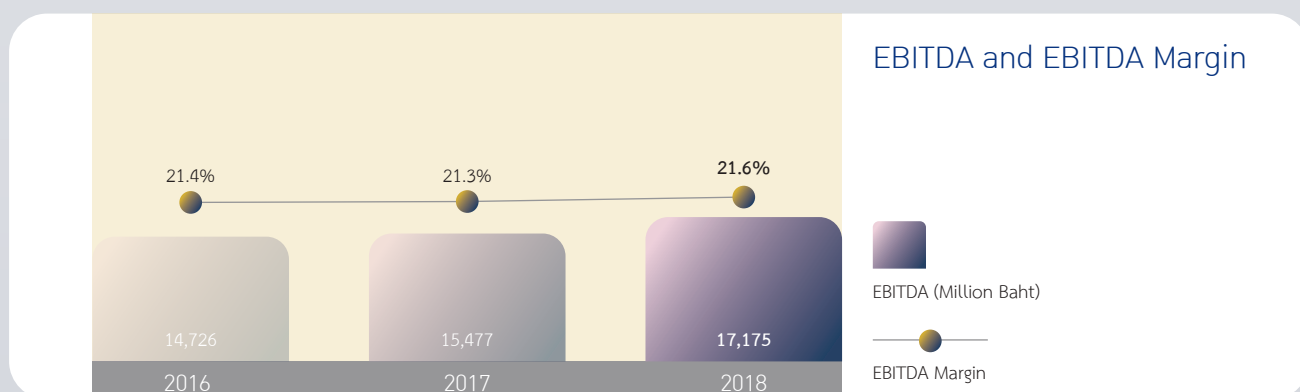
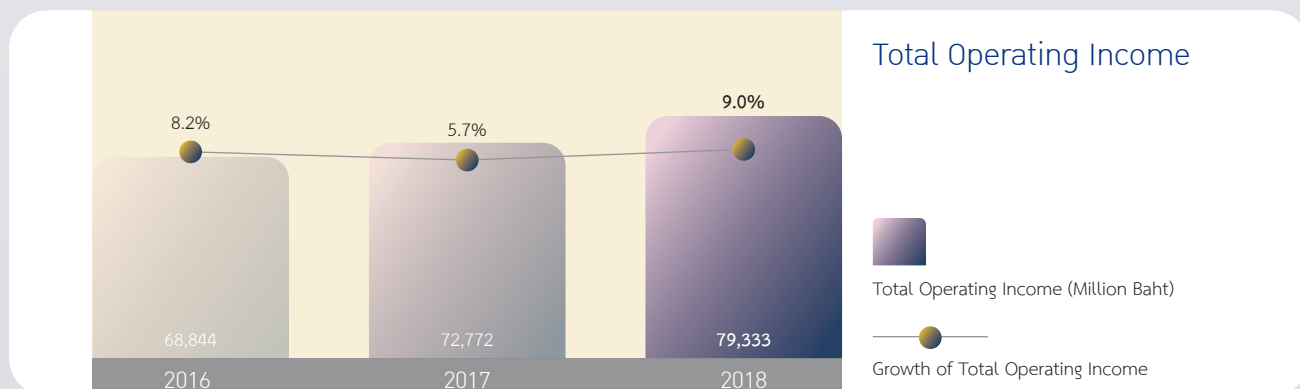
2/ Interest coverage = EBITDA/interest expenses

3/ Dividend payout ratio = Dividend per share/earnings per share (including non-recurring items)

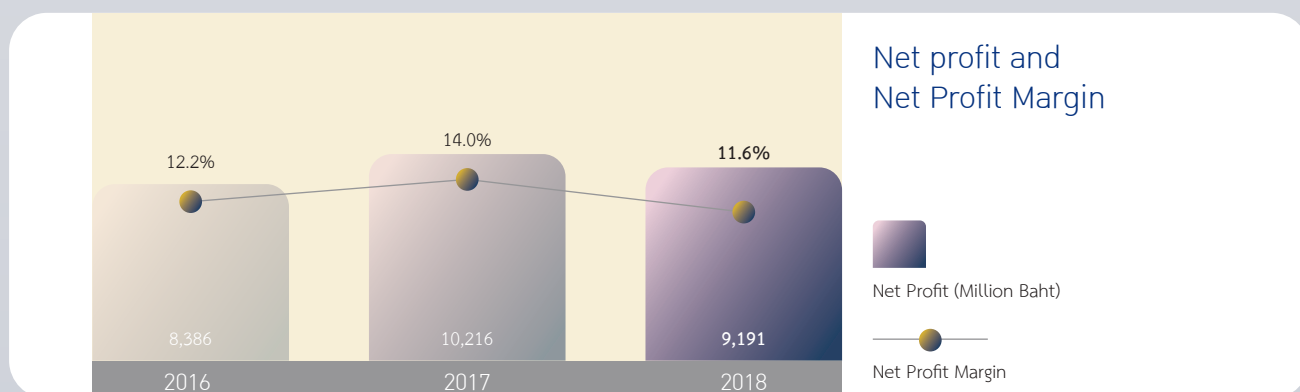
4/ Board of Directors had resolution on 28 February 2019 to propose for dividend payment of Baht 0.32 per share.

However, the Company paid interim dividend at the rate of Baht 0.13 per share from the Board of Directors resolution on 29 August 2018.

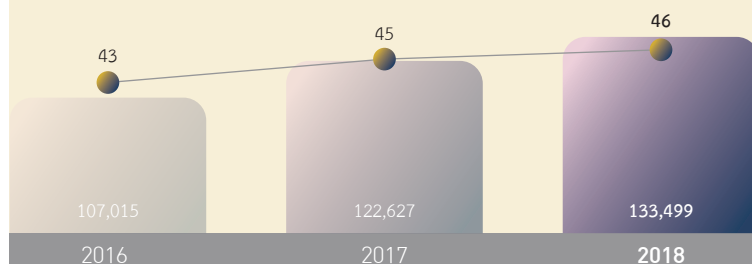
Therefore, the Company shall pay an additional dividend of Baht 0.19 per share.



Remark: EBITDA is earnings before interest, taxes, depreciation and amortization



Total Assets and Number of Network Hospitals



 Total Assets (Million Baht)
 Number of Network Hospitals


Total Liabilities

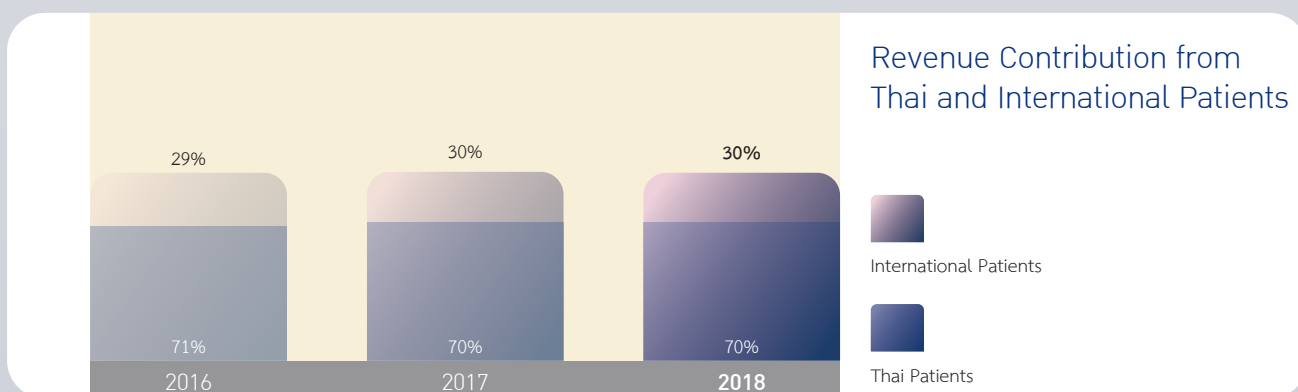
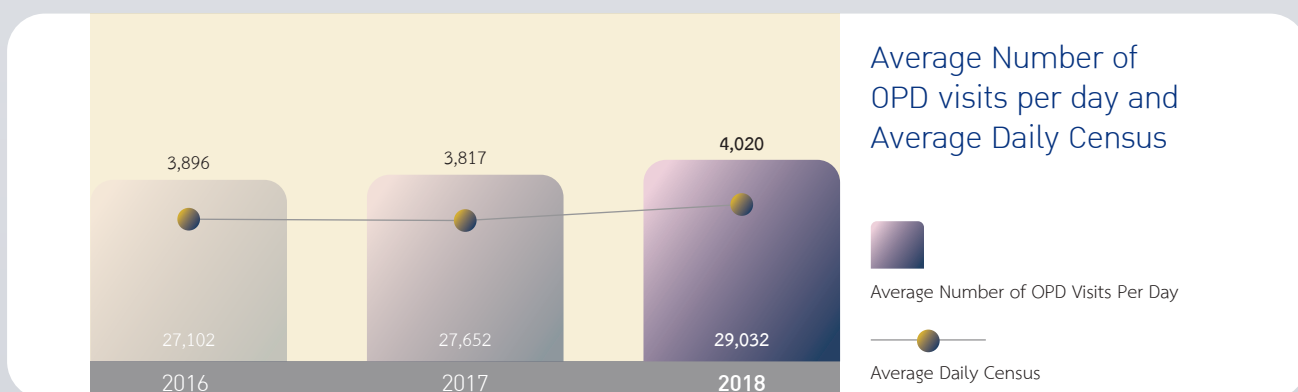


 Total Liabilities (Million Baht)

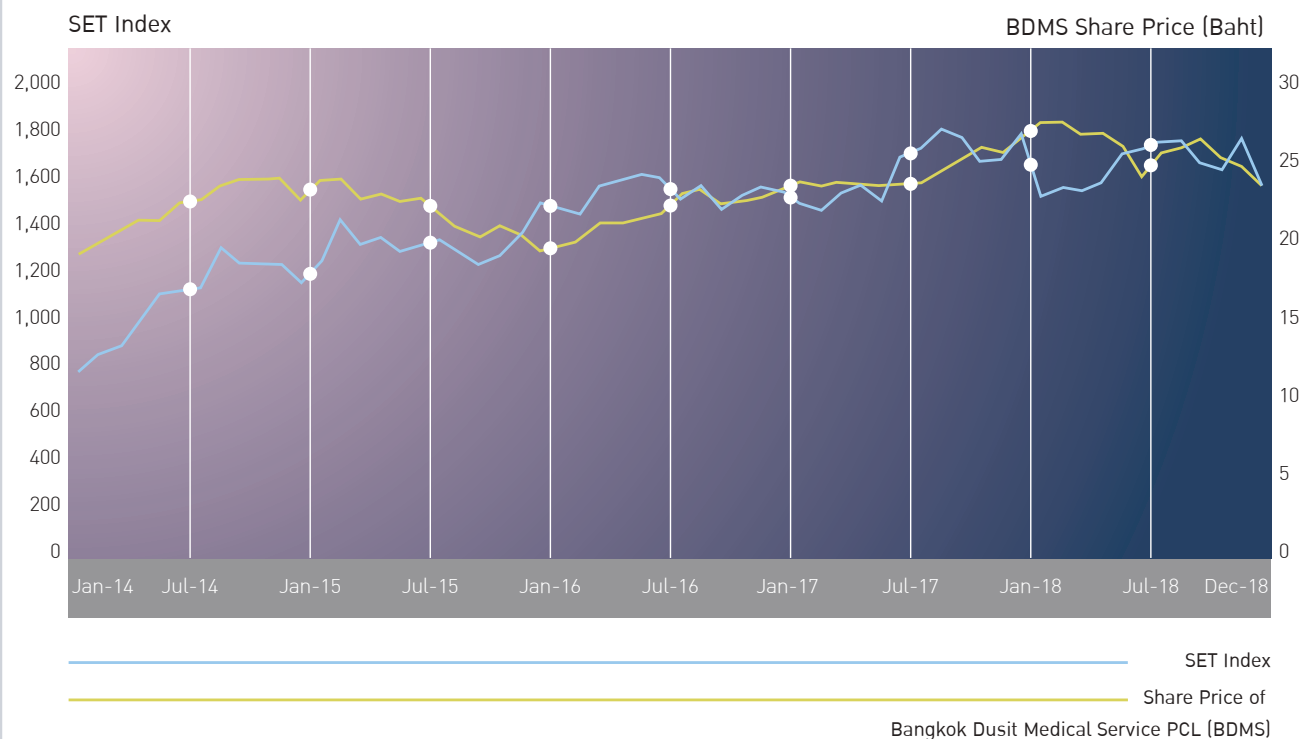
Total Shareholder's Equity



 Total Shareholder's Equity (Million Baht)



5 Years Share Prices (2014-2018) Compared to SET Index



Remark:

BDMS common share price above have adjusted to reflect the change of par value from Baht 1 to Baht 0.10

Dividend per share



* Board of Directors had resolution on 28 February 2019 to propose for dividend payment of Baht 0.32 per share. However, the Company paid interim dividend at the rate of Baht 0.13 per share from the Board of Directors resolution on 29 August 2018. Therefore, the Company shall pay additional dividend of Baht 0.19 per share.

Quality of Service

Accreditation



15 JCI



1 Advanced HA



29 HA



CCPC

7 JCI : CCPC

**JCI : Clinical Care Program
Certification Standards**

- Acute Myocardial Infarction Program
- Breast Cancer Program
- Low Back Pain Program
- Heart Failure Program
- Primary Stroke Program
- Total Knee Replacement Program
- Diabetes Mellitus Type II Program



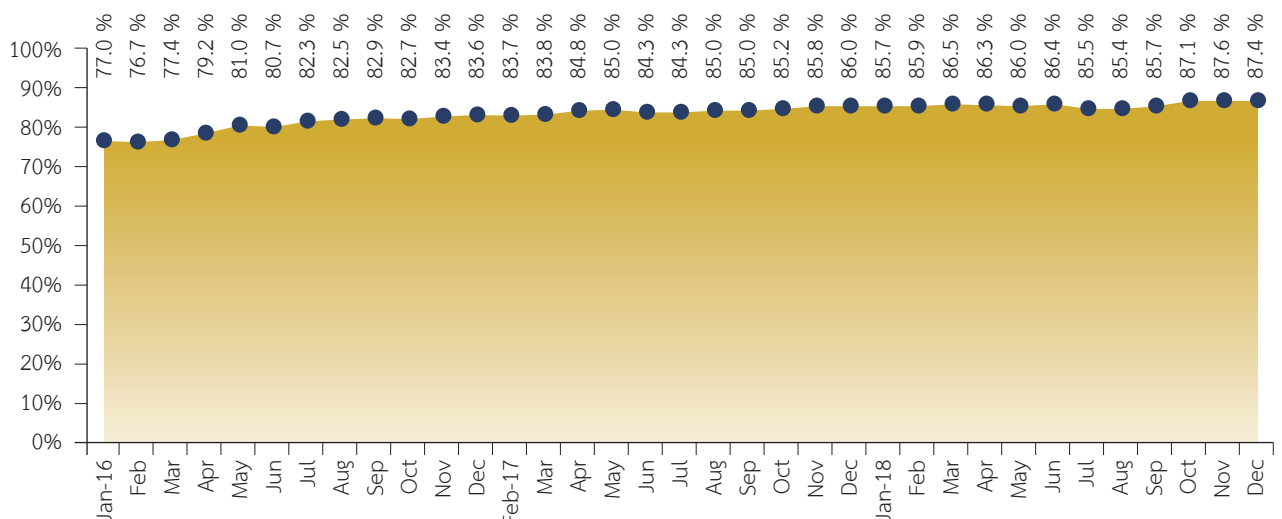
The Commission on Accreditation
of Medical Transport Systems (USA)
&

The Commission on Accreditation
of Medical Transport Systems Europe

Dual Medical Transport Accreditation
by Land, Sea and Air

The Satisfaction of the Customer

Overall Hospital Rating (HCAHPS Score)



*Area of 75th Percentiles for HCAHPS "Top-Box" score of the publicly reported on Hospital Compare in 2016 to 2018

Global Health and Travel Awards 2018
Hospital of the Year in Thailand



SET AWARDS 2018
Outstanding Investor Relations Awards
(Market capitalization of over THB100 bln)



IR Magazine Awards - South East Asia 2018
Best Overall IR (Large Capitalization)



Thailand's Top Corporate Brand Values 2018 - Healthcare

TIM
TOP Innovative Organization 2018



FinanceAsia
The Best Managed Healthcare Company in Asia.



Global Health and Travel Awards 2018
Hospital of the Year in Asia Pacific



ASIAMONEY
Most Outstanding Company in Thailand -
Healthcare Sector

AWARDS 2018

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 from both public and private organizations.



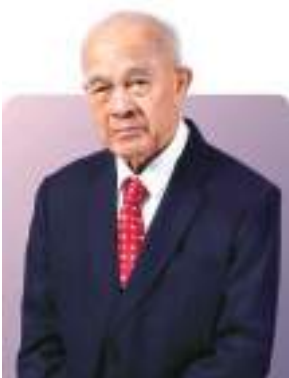


Board of Directors and Management Structure

- Board of Directors
- Biography of Board of Directors and Company Management
- Group Structure
- Management Structure

BOARD OF DIRECTORS

01



02



03



04



05



06



07



08



09



10



**01 Professor Emeritus
Arun Pausawasdi, M.D.**
Chairman/Independent Director

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

03 Mr. Chuladej Yossundharakul, M.D.
Vice Chairman

**04 Professor Emeritus
Santasiri Sornmani, M.D., Ph.D.**
Independent Director

05 Mr. Chatree Duangnet, M.D.
Director

06 Mr. Pradit Theekakul
Director

07 Mr. Sripop Sarasas
Director

08 Mr. Chavalit Sethameteekul
Independent Director

09 Mr. Thongchai Jira-alongkorn
Director

**10 Miss Poramaporn
Prasarttong-Osoth, M.D.**
Director

11 Mr. Weerawong Chittmittrapap
Independent Director

12 Mr. Att Thongtang
Director

13 Mr. Kan Trakulhoon
Independent Director

14 Mr. Asa Sarasin
Independent Director

11



12



13



14



Professor Emeritus Arun Pausawasdi, M.D.



Chairman of the Board of Directors/
Independent Director

Age 80 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
- Executive Advisor 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
- Chairman, Centre for Continuing Medical Education of Thailand

Other Positions in Listed Company • None

Other Positions

1. 1st Vice President, Siriraj Foundation
2. Director of Chao Phya Hospital PLC.
3. Director of Chao Phya Medical Center Co., Ltd.

Period of Directorship Duration

- 20 years and 4 months (Since September 1998)

Board of Directors' meeting attendance in Year 2018

- 12/12

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

Relationship among other management • No

Mr. Prasert Prasarttong-Osoth, M.D.



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 Positions in Listed Company

- Vice Chairman of Board of Director/ Chairman of Executive Committee/ Chief Executive Officer Bangkok Airways PLC.

Other Positions

1. Chairman, The Medic Pharma Co., Ltd.
2. Chairman, Bangkok Helicopter Services Co., Ltd.
3. Chairman, BDMS Wellness Clinic Co., Ltd.
4. Chairman, BDMS Wellness Resort Co., Ltd.
5. Chairman, Bangkok Media & Broadcasting Co., Ltd.
6. Chairman, The Sahakol Estate Co., Ltd.

Period of Directorship Duration

- 24 years (Since 1994)

Board of Directors' meeting attendance in Year 2018

- 12/12

Executive Committees' meeting attendance in Year 2018

- 13/13

Number of company shares*

- 2,903,602,540 Shares (18.53%)

Relationship among other management

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

Remark

Mr. Prasert Prasarttong-Osoth, M.D. resigned from the positions of Director/ Group Chief Executive Officer & President/ Chairman of Executive Committee on 21 January 2019.

Group Chief Executive Officer & President/
Chairman of Executive Committee/
Authorized Director

Age 85 years

* Outstanding shares held as of 28 December 2018, includes spouses and dependents (if any).

Mr. Chuladej Yossundharakul, M.D.



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

Age 86 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 Positions in Listed Company • None

Other Positions

1. Chairman, Bangkok Hospital Pattaya, Co., Ltd.
2. Chairman, Bangkok Hospital Trat Co., Ltd.
3. Chairman, Wattanavej Co., Ltd.
4. Chairman, Phyathai 1 Hospital Co., Ltd.
5. Chairman, Phyathai 2 Hospital Co., Ltd.
6. Chairman, Phyathai 3 Hospital Co., Ltd.
7. Chairman, Thai Medical Center PCL.
8. Chairman, Sriracha Nakorn Hospital PLC.

Period of Directorship Duration

- 24 years (Since 1994)

Board of Directors' meeting attendance in Year 2018

- 12/12

Executive Committees' meeting attendance in Year 2018

- 13/13

Number of company shares*

- 50,060,490 shares (0.32%)

Relationship among other management • No

Remark

Mr. Chuladej Yossundharakul, M.D. was appointed as Chairman of Executive Committee, by the resolution of the Board of Directors' Meeting No.1/2019 held on 23 January 2019.

Mr. Chatree Duangnet, M.D.

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 Positions in Listed Company • None

Other Positions

1. Chairman, Bangkok Hospital Udon Co., Ltd.
2. Chairman, Bangkok Hospital Chiangmai Co., Ltd.
3. Chairman, Bangkok Hospital Chiangrai Co., Ltd.
4. Chairman, National Healthcare Systems Co., Ltd.
5. Director, Prasit Patana 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 PLC.
10. Director, Paolo Medic Co., Ltd.
11. Director, Paolo Samutprakarn Co., Ltd.
12. Director, Siam Medical Co., Ltd.
13. Director, Thai Medical Center PCL.
14. Chairman, B.D.M.S. International Medical Services Co., Ltd.
15. Chairman, S.R. Property Investment Company Limited
16. Chairman, Siem Reap Land Investment Company Limited
17. Director, Phnom Penh First Property Co., Ltd.

Period of Directorship Duration

- 12 years and 9 months (Since April 2006)

Board of Directors' meeting attendance in Year 2018 • 11/12

Number of company shares* • 4,500,000 shares (0.03%)

Relationship among other management • No



Authorized Director

Age 74 years

* Outstanding shares held as of 28 December 2018, includes spouses and dependents (if any).

Mr. Pradit Theekakul



Authorized Director/
Member of Executive Committee/
Member of Risk Management Committee/
Member of Corporate Governance Committee

Age 60 years

Education

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

Training

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

Other Positions in Listed Company

1. Director, Samitivej PLC.
2. Director, Thonburi Medical Centre PLC.
3. Executive Director/ Executive Vice President-Corporate Administration, Bangkok Airways PLC.

Other Positions

1. Chairman, Prasit Patana PLC.
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 PLC.
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 Chiangmai 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 PLC.
17. Director, BDMS Wellness Clinic Co., Ltd.
18. Chairman, BDMS Training Co., Ltd.
19. Chairman, BDMS Property Management Co., Ltd.
20. Director, BDMS Accounting Co., Ltd.
21. Director, Bangkok Helicopter Services Co., Ltd.
22. Director, Bangkok Airways Holding Co., Ltd.
23. Director, Bangkok Air Catering Co., Ltd.
24. Director, Bangkok Airways Ground Services Co., Ltd.
25. Director, WFS-PG Cargo Co., Ltd.
26. Director, The Sahakol Estate Co., Ltd.
27. Director, Thai Petroleum Service Co., Ltd.
28. Director, Prasarthong-Osoth Co, Ltd.
29. Director, Sabai Sabai Niwet Co, Ltd.
30. Director, Sabai Sabai Sukhothai Co, Ltd.
31. Director, The One Enterprise Co., Ltd.

Period of Directorship Duration

- 10 years and 9 months (Since April 2008)

Board of Directors' meeting attendance in Year 2018

- 12/12

Executive Committees' meeting attendance in Year 2018

- 13/13

Number of company shares*

- 12,000,000 Shares (0.08%)

Relationship among other management • No

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

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 Positions in Listed Company

- None

Other Positions

1. Vice Chairman, Medic Pharma Co., Ltd.
2. Chairman, Paolo Medic Co., Ltd.
3. Chairman, Paolo Samutprakarn Co., Ltd.
4. Chairman, Siam Medical Co., Ltd.
5. Chairman, Paolo Hospital Phrapradaeng Co., Ltd.

Period of Directorship Duration

- 24 years (Since 1994)

Board of Directors' meeting attendance in Year 2018

- 12/12

Number of company shares*

- 15,651,270 shares (0.10%)

Relationship among other management • No



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

Age 84 years

* Outstanding shares held as of 28 December 2018, includes spouses and dependents (if any).

Mr. Sripop Sarasas



Director/ Member of Nomination
and Remuneration Committee/
Member of Corporate Governance Committee/
Member of Risk Management Committee/
Chief Administrative Officer

Age 62 years

Education

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

Training

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

Experience

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

Other Positions in Listed Company

1. Independent Director/ Chairman of Audit Committee/
Member of Nomination and Remuneration Committee
Bangkok Airways PLC.
2. Independent Director/ Member of Audit Committee/
Member of Nomination and Remuneration Committee
Advanced Information Technology PLC.
3. Independent Director/ Chairman of Audit Committee
Kiattana Transport PLC.
4. Independent Director/ Chairman of the Board⁽³⁾/ Chairman of
Audit Committee Golden Lime PLC.

Other Positions

1. Director, BDMS Property Management Co., Ltd.
2. Director, BDMS Training Co., Ltd.
3. Director, Khan Co., Ltd.
4. Director, Parute (2008) Co., Ltd.

Period of Directorship Duration

- 10 years and 9 months (since April 2008)

Board of Directors' meeting attendance in Year 2018

- 12/12

Number of company shares* • None

Relationship among other management • No

Mr. Chavalit Sethameteekul

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
- Advanced Audit Committee Program Class 28/2018
 - Financial Statements of Directors Program Class 35/2018
 - 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 PLC.
- Vice President : TOT PLC.
- Director : Office of The council of State
- Director : The Thai BAR

Other Positions in Listed Company • None

Other Positions

1. President/ Sriracha Harbour PLC.
2. Director/ WHA Industrial Development PLC.

Period of Directorship Duration

- 7 years and 9 months (Since April 2011)

Board of Directors' meeting attendance in Year 2018

- 12/12

Number of company shares* • None

Relationship among other management • No



Independent Director/
Chairman of Risk Management Committee/
Member of Audit Committee/
Member of Nomination
and Remuneration Committee
Age 71 years

* Outstanding shares held as of 28 December 2018, includes spouses and dependents (if any).

Mr.Thongchai Jira-alongkorn



Director/Member of Executive Committee

Age 59 years

Education

- Bangkok University, School of Business Administration
Major Marketing

Training

- Directors Accreditation Program Class 107
Thai Institute of Directors Association

Other Positions in Listed Company

1. Director/ Sansiri PLC.
2. Director/ Property Perfect PLC.

Other Positions

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.
13. Director/ Viriyah Property Co., Ltd.

Period of Directorship Duration

- 6 years and 9 months (Since April 2012)

Board of Directors' meeting attendance in Year 2018

- 11/12

Executive Committees' meeting attendance in Year 2018

- 13/13

Number of company shares*

- 11,373,360 shares (0.07%)

Relationship among other management • No

Miss Poramaporn Prasarttong-Osoth M.D.



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 Certification Program (DCP) Class74, Institution of Director Thailand
- Director Accreditation Program (DAP) Class 107, 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.
- Senior Executive Program (CMA 20), Capital Market Academy
- Insurance Commission Program (OIC 7), Office of Insurance Commission

Experience

- Deputy Chief Executive Officer Group 1/ 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 Positions in Listed Company • None

Other Positions

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 Chiangrai Co., Ltd.
7. Director, Phnom Penh Medical Services Co., Ltd.
8. Director, Greenline Synergy Co., Ltd.
9. Director, Bangkok Helicopter Services Co., Ltd.
10. Director, BDMS Wellness Clinic Co., Ltd.
11. Director, BDMS Wellness Resort Co., Ltd.
12. Director, The Sahakol Estate Co., Ltd
13. Director, Pranaporn Co., Ltd.
14. Director, Prasartthong Osoth Co., Ltd.
15. Director, Sabai Sabai Niwet Co., Ltd.
16. Director, Sabai Sabai Sukhothai Co., Ltd.
17. Director, The One Enterprise Co., Ltd.
18. Lecturer (Part Time) Head, Neck and Breast Unit, Siriraj Hospital, Mahidol University

Period of Directorship Duration

- 5 years (Since January 2014)

Board of Directors' meeting attendance in Year 2018 • 12/12

Executive Committees' meeting attendance in Year 2018

- 11/11

Number of company shares* • 558,437,610 Shares (3.58%)

* Outstanding shares held as of 28 December 2018, includes spouses and dependents (if any).

Authorized Director/ Member of Executive Committee/ Member of Risk Management Committee/ Chief Operating Officer/ Chief Executive Officer Group 1

Age 49 years

Relationship among other management

- A daughter of Mr. Prasert Prasarttong-Osoth, M.D.

Remark

Miss Poramaporn Prasarttong-Osoth M.D. resigned from the positions of Director, Member of Executive Committee/Member of Risk Management Committee on 21 January 2019.

Mr. Weerawong Chittmittrapap



Independent Director/
Member of Audit Committee/
Chairman of Corporate Governance
Committee

Age 61 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

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

Other Positions in Listed Company

1. Siam Commercial Bank PLC.
Director and Member of Nomination and Remuneration Committee
2. Berli Jucker PLC.
Director
3. Siam Commercial Life Assurance PLC.
Director and Chairman of Nomination and Remuneration Committee
4. Big C Supercenter PLC.
Director
5. Frasers Centrepoint Limited (Listed Company in Singapore)
Director

Other Positions

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

Period of Directorship Duration

- 3 years and 3 months (Since October 2015)

Board of Directors' meeting attendance in Year 2018

- 11/12

Number of company shares* • None

Relationship among other management • No

Mr. Att Thongtang

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
 - 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)
- Senior Executive Program (CMA 13), Capital Market Academy
- Certificate Course in governance for Medical Practice Executive,
King Prajadhipok's Institute (MDKPI)
- Top Executive Program in Commerce and Trade,
Commerce Academy (TEPCOT)

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 PLC.

Other Positions in Listed Company • None

Other Positions

1. Director/ Chief Executive Officer, Prasit Patana PLC.
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 PLC.
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, Saithong Turakij Co., Ltd.
12. Director, Wichai Thongtang Law Office Co., Ltd.

Period of Directorship Duration

- 2 years and 9 months (Since April 2016)

Board of Directors' meeting attendance in Year 2018

- 11/12

Number of company shares* • 346,874,295 shares (2.21%)

Relationship among other management • No



Director/Chief Executive Officer Group 5

Age 44 years

* Outstanding shares held as of 28 December 2018, includes spouses and dependents (if any).

Mr. Kan Trakulhoon



Independent Director

Age 64 years

Education

- B.E. Electrical First Class Honours, Chulalongkorn University
- M.S. Engineering, The Georgia Institute of Technology, U.S.A.
- M.S. Management, The Georgia Institute of Technology, U.S.A.

Training

- Advanced Management Program (AMP), Harvard Business School, U.S.A.
- Director Certification Program (DCP) 29/2003 IOD

Experience

- President & Chief Executive Officer, The Siam Cement PLC.
- Outside Director, Kubota Corporation (Japan)

Other Positions in Listed Company

1. Director, The Siam Cement PLC.
2. Independent Director, The Siam Commercial Bank PLC.
3. Chairman, Advanced Info Service PLC.
4. Independent Director, Intouch Holdings PLC.

Other Positions • None

Period of Directorship Duration

- 1 year (Since December 2017)

Board of Directors' meeting attendance in Year 2018

- 11/12

Number of company shares* • None

Relationship among other management • No

Mr. Arsa Sarasin



Independent Director

Age 82 years

Education

- Honorary Doctoral Degree in Political Science (International Affair), Thammasat University, Thailand
- Bachelor of Business, Boston University, USA

Training

Thai Institute of Directors Association

- Director Accreditation Program (DAP) 5/2003
- Audit Committee Program (ACP) 19/2007
- Finance for Non-Finance Directors 39/2008
- Role of Chairman Program 32/2013

Experience

- Chairman of the CSR Committee for Sustainable Development, Director, Member of the Governance and Nomination Committee, Siam Cement PCL.
- Chairman, Maesod Clean Energy Co., Ltd.
- Vice Chairman, Chairman of Audit Committee, Chairman of the Remuneration and Nominating Committee, Chairman of the Corporate Governance Committee of Charoen Pokphand Foods PCL.
- His Late Majesty King Bhumibol Adulyadej's Principal Private Secretary
- Vice Chairman of the Board of Directors and Advisor, Bangkok Bank PCL.
- Director, Vinythai PCL.
- Chairman of the Thai-Laos Association
- Chief Executive Officer, Padaeng Industry PCL.
- Minister of the Ministry Foreign Affairs
- Thai Ambassador to the USA
- Permanent Secretary of The Ministry of Foreign Affairs
- Thai Ambassador to Belgium & Chief of Mission to the European Community

Other Positions in Listed Company

1. Chairman/ Independence Director, Dusit Thani PLC.
2. Chairman/ Member of the Corporate Governance Committee, Siam Makro PLC.
3. Chairman, Padaeng Industry PLC.

Other Positions

1. Chairman, Mitsubishi Elevator Asia Co., Ltd.
2. Chairman of Advisor, Thai-Laos Association
3. Chairman of the Board of Governors, Amata Spring Country Club
4. Director, Thai Pure Drinks Co., Ltd.
5. Chairman, Amata City Co., Ltd.
6. Chairman, Thai Asia Pacific Brewery Company Limited

Period of Directorship Duration

- 10 months (He has been appointed as Independent Director since March 2018)

Board of Directors' meeting attendance in Year 2018

- 9/9

Number of company shares* • None

Relationship among other management • No

* Outstanding shares held as of 28 December 2018, includes spouses and dependents (if any).

Mrs. Narumol Noi-am



Chief Financial Officer/
Member of Risk Management Committee

Age 61 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

- Institute of business and industrial development Class 3
- 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 PLC.
- Senior Vice President, Finance Department Industrial Finance Corporation of Thailand

Other Positions in Listed Company

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

Other Positions

1. Director, Thai Listed Company Association
2. Director, Bangkok Hospital Pattaya Co., Ltd.
3. Director, Bangkok Hospital Phuket Co., Ltd.
4. Director, Prasit Patana PCL.
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 PCL.
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 Phuket International Co., Ltd.
15. Director, Bangkok Hospital Chiangrai Co., Ltd.
16. Director, Phnom Penh Medical Services Co., Ltd.
17. Director, BDMS Wellness Clinic Co., Ltd.
18. Director, BDMS Wellness Resort Co., Ltd.
19. Chairman, BDMS Accounting Co., Ltd.
20. Chairman, Bangkok Health Insurance PLC.
21. Chairman, Bangkok Premier Insurance Broker Co., Ltd.
22. Director, National Healthcare Systems Co., Ltd.
23. Director, Greenline Synergy Co., Ltd.
24. Director, Bangkok Media & Broadcasting Co., Ltd.

Number of company shares* • 5,000,000 Shares (0.03%)

Relationship among other management • No

Remark

Mrs. Narumol Noi-am was appointed as Acting President and Member of Executive Committee, by the Resolution of the Board of Directors’ Meeting no 1/2019 held on 23 January 2019.

Mr. Trin Charumilind

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 Positions in Listed Company

- None

Other Positions

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

Number of company shares*

- 27,400 Shares (0.00%)

Relationship among other management • None



Chief Medical Officer

Age 68 years

* Outstanding shares held as of 28 December 2018, includes spouses and dependents (if any).

Group Structure

as at December 31, 2018



INITIAL	COMPANY NAME
ANB	A.N.B. Laboratory Co., Ltd.
BCH	Wattanavej Co., Ltd.
BCM	Bangkok Hospital Chiangmai Co., Ltd.
B-Cop	Bangkok Helicopter Services Co., Ltd.
BCR	Bangkok Hospital Chiangrai Co., Ltd.
BDMS Acc	BDMS Accounting Co., Ltd.
BDMS Inter	BDMS International Medical Services Co., Ltd.
BDMS Inter Sing	BDMS Inter Pte. Ltd.
BDMS Training	BDMS Training Co., Ltd.
BH	Bumrungrad Hospital PCL.
BHH	Bangkok Hospital Hat Yai Co., Ltd.

INITIAL	COMPANY NAME
BHI	Bangkok Health Insurance PCL.
BIO	Bio-Molecular Laboratories (Thailand) Co., Ltd.
BKH	Bangkok Hospital Ratchasima Co., Ltd.
BKN	Bangkok Hospital Khon Kaen Co., Ltd.
BKY	Bangkok Hospital Khao Yai Co., Ltd.
BMR	Bangkok Hospital Muangraj Co., Ltd.
BNH	BNH Medical Center Co., Ltd.
BPH	Bangkok Hospital Pattaya Co., Ltd.
BPIB	Bankok Premier Insurance Broker Co., Ltd.
BPK	Bangkok Hospital Phuket Co., Ltd.
BPL	Bangkok Hospital Phitsanulok Co., Ltd.

More than **90** %

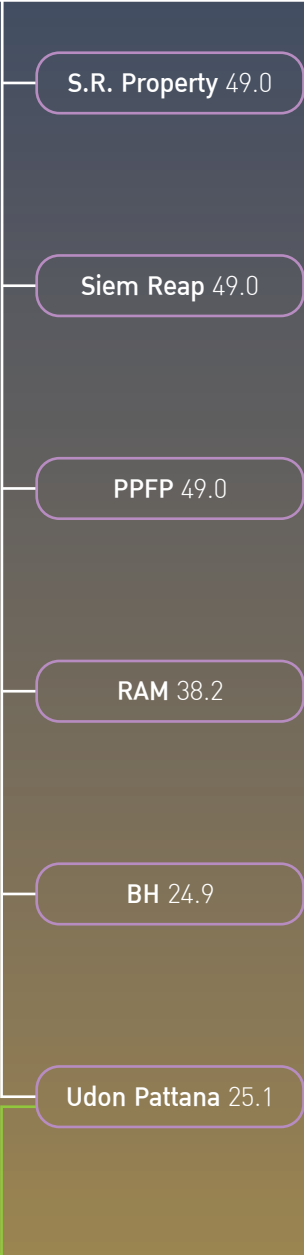


INITIAL	COMPANY NAME	INITIAL	COMPANY NAME
BPM	BDMS Property Management Co., Ltd.	GLS	Greenline Synergy Co., Ltd.
BRH	Bangkok Hospital Rayong Co., Ltd.	Irving	Irving Sheridan SE Co., Ltd.
BSD	Bangkok Save drug Co., Ltd.	KDH	Thonburi Medical Centre PCL.
BSH	Bangkok Hospital Samui Co., Ltd.	MP	Medic Pharma Co., Ltd.
BSN	Bangkok Hospital Sanamchan Co., Ltd.	N Cambodia	N Health Cambodia Co., Ltd.
BST	Bangkok Hospital Surath Co., Ltd.	N Health	National Healthcare Systems Co., Ltd.
BTH	Bangkok Hospital Trad Co., Ltd.	N Health Asia	N Health Asia Pte. Ltd.
BWC	BDMS Wellness Clinic Co., Ltd.	N Myanmar	N Health Myanmar Co., Ltd.
BWC RESORT	BDMS Wellness Resort Co., Ltd.	N Health Patho	N Health Pathology Co., Ltd.
BUD	Bangkok Hospital Udon Co., Ltd.	PLC	Siam Medical Co., Ltd.
First Health	First Health Food Co., Ltd.	PLP	Paolo Medic CO., Ltd.
GHP	General Hospital Products PCL.	PLS	Paolo Samut Prakran Co., Ltd.

50-89%



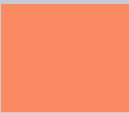
20-49%



INITIAL	COMPANY NAME	INITIAL	COMPANY NAME
PPCL	Prasit Pattana PCL.	S.R. Property	S.R. Property Investment Co., Ltd.
PPFP	Phnom Penh First Property Co., Ltd.	Save drug	Save Drug Center Co., Ltd.
PLD	Paolo Hospital Prapradaeng 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.	SIH	Bangkok Phuket International Hospital Co., Ltd.
PT 3	Phyathai 3 Hospital Co., Ltd.	SSH	Samitivej Sriracha Co., Ltd.
PTN	Thai Medical Center PCL.	SV Holding	SV Holding Co., Ltd.
PTS	Sriracha Nakorn General Hospital PCL.	SVH	Samitivej PCL.
RAH	Angkor Pisith Co., Ltd.	SVH Inter	Samitivej International Co., Ltd.
RAM	Ramkhamhaeng Hospital PCL.	TPK	Thepakorn Hospital Co., Ltd.
RBH	Royal Bangkok Healthcare Co., Ltd.	Udon Pattana	Udon Pattana (1994) Co., Ltd.
RPH	Phnom Penh Medical Services Co., Ltd.		

BDMS CoE

Centers of Excellence



Bangkok Dusit Medical Services Public Company Limited (BDMS) is the largest private hospital operator in Southeast Asia which currently owns 46 hospitals in Thailand and Overseas locations. BDMS is focused on 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 5 important factors on the road to becoming a Center of Excellence Network (CoE) are :

- Patient Care Efficiency
- Academic Research & Publications
- Teaching & Training
- Synergization among hospital networks
- Affiliation collaboration with international medical institutions





HEART



Centers of Excellence

Equipped with the latest innovation in cardiac technologies, Bangkok Heart Hospital is the first and only private heart hospital in Thailand. Combining the expertise of our interdisciplinary team of cardiac specialists with innovative treatments and advanced technologies, this dynamic institution provides the most up-to-date and effective treatments available for cardiovascular diseases.

Our facilities at Bangkok Heart Hospital are among the most sophisticated in the world, enabling us to provide state-of-the-art medical care and achieve the best possible outcomes. This is done by utilizing advances in diagnostic instruments such as biplane catheter-lab, 3D imaging, and hybrid operation room.

ORTHOPEDIC

Centers of Excellence

At our Orthopedic Center, we offer comprehensive treatment for bone, joint, and muscle abnormalities. Our orthopedic specialists are available 24 hours every day to respond to emergencies. Our surgical approaches include the latest minimally invasive surgeries to reduce visible scars, complications, and length of hospitalization.

Our Orthopedic Center offers the following services:

- Treatment of bone and joint fractures (elective and emergency)
- Surgical treatment using minimally invasive techniques such as arthroscopic surgery
- Treatment and surgery for hand and wrist conditions
- Orthopedic surgery for children
- Specialized foot and ankle surgery
- Treatment of bone tumors in close collaboration with our cancer hospital



TRAUMA

Centers of Excellence

Every second matters for the survival of a major trauma. Timely optimal care makes the difference between life and death.

Our trauma Center is in a 24-hour state of readiness for a systematic approach. The scope of service includes pre-hospital for emergency diagnostics, and definitive care for severely injured individuals. Our trauma care team consists of trauma surgeons and consultants specialized in

- Neurosurgery
- Vascular surgery
- Orthopedic surgery
- Spinal Cord Injury
- Craniomaxillofacial surgery
- Cardiovascular and thoracic surgery
- Burn care and reconstruction
- Intervention radiology



SPINE ACADEMY

Centers of Excellence

Our Spine-Care team includes: neurosurgeons, orthopedic surgeons, neurologists, psychiatrists, anesthesiologists, and various technical staff. Together they form a multidisciplinary team of the highest possible standard and collaborate to identify and treat any spine-related conditions.

Spinal conditions include a wide variety of diagnoses such as herniated disc, spinal stenosis, infections, tumors, and certain congenital diseases.



NEUROSCIENCE

Centers of Excellence



It is quite hard to believe that something as small as the human brain could possess 10 to 12 billion cells, each with strands to connect electronically and chemically. The reason we are able to remember stories and small little details is because of these connections via electric currents. At time, however, brain function becomes defective, which may lead to health issues. Bangkok Hospital boasts a Mental Health Rehabilitation and Recovery Center, BDMS Neuroscience Institute, Radio-Brain Surgery Center, Neurological Surgery Center, Alzheimer Clinic, Stroke Prevention Clinic, Headache Clinic, Epilepsy Clinic, Sleep Disorder Clinic, and Parkinson Clinic.



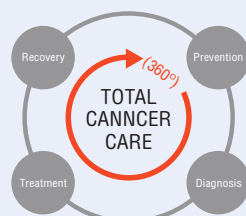
CANCER

Centers of Excellence



Wattanosoth Hospital Cancer, located at Bangkok Hospital is a private hospital which offers specialized cancer care by expert oncologists supported by the latest medical innovations. Considered a pioneer in cancer treatment with a multidisciplinary approach and state-of-the-art technology, Wattanosoth works closely with The University of Texas MD Anderson Cancer Center as one of its sister institutes around the world.

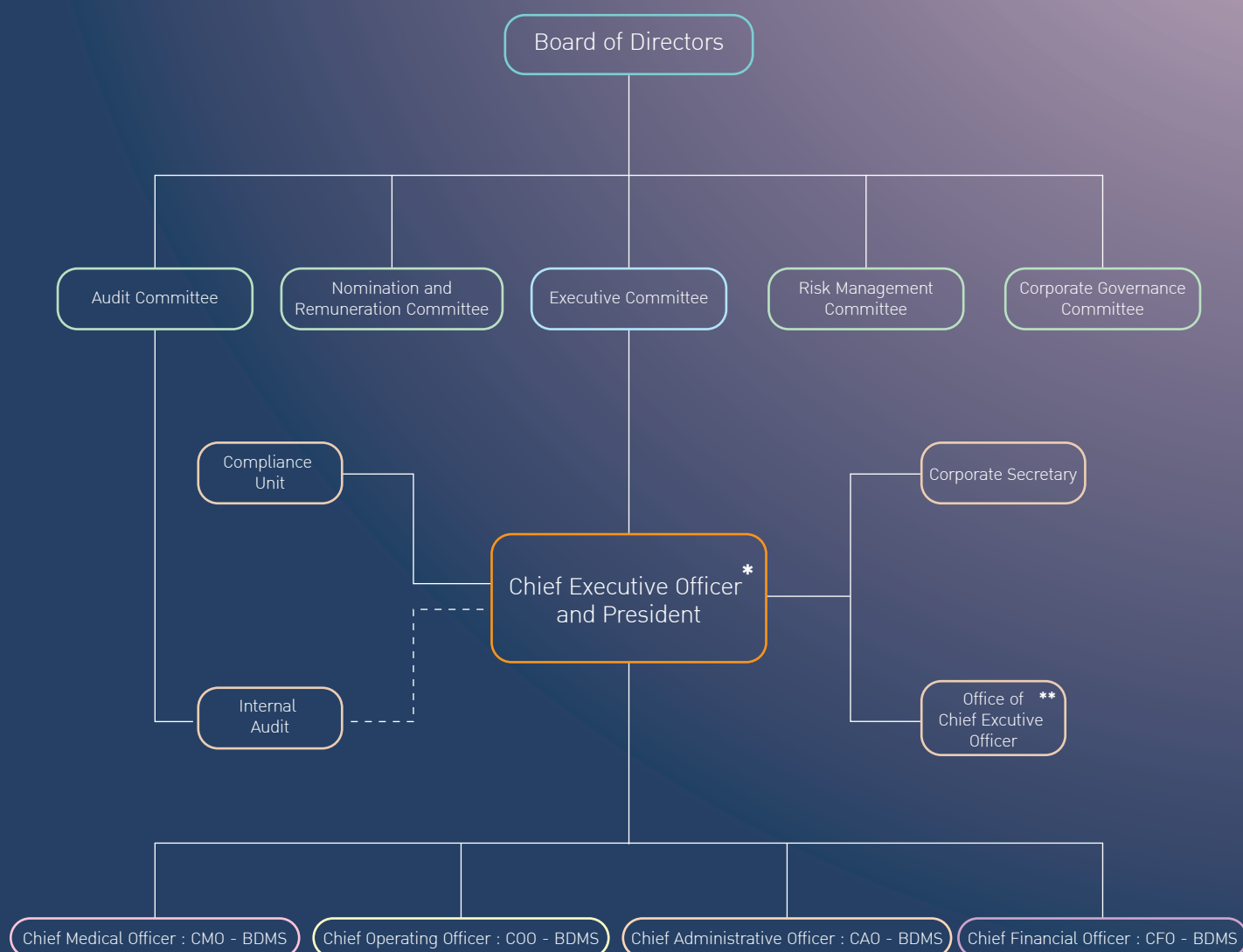
With Years of expertise in cancer care, we select the best treatment techniques for our patients under the



“Concept of Total Cancer Care” Our patients receive comprehensive service from specialized medical personnel utilizing advanced medical technology and techniques for diagnosis and treatment. We also carefully attend to the physical and emotional aspects of cancer care. Total Cancer Care is aimed at improving quality of life while reducing mortality rates. Patients can rest assured that their treatment will be appropriate, holistic, and timely.

Management Structure

as of 31 December 2018



On 23 January 2019, the Board of Directors passed a resolution to change the titles as follows:

* Changed from Chief Executive Officer and President to President

** Changed from Office of Chief Executive Officer to Office of President

1. Board of Directors

Names of the members of the Board of Directors as of 31 December 2018 and the number of meeting attendance in the Board Meetings and Sub-Committee Meetings in 2018 as follows:

Directors' Name	Title	Meeting Attendance					
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee	Risk Management Committee	Corporate Governance Committee
1. Professor Emeritus Arun Pausawasdi, M.D.	Chairman of the Board/ Independent Director	12/12					
2. Mr. Chuladej Yossundharakul, M.D.	Vice Chairman / Member of Executive Committee / Member of Nomination and Remuneration Committee	12/12		4/4	13/13		
3. Mr. Prasert Prasarttong-Osoth, M.D. (1)	Group CEO & President / Chairman of the Executive Committee	12/12			13/13		
4. Professor Emeritus Santasiri Sornmani, M.D.	Independent Director / Chairman of the Audit Committee / Chairman of Nomination and Remuneration Committee	12/12	7/7	4/4			
5. Mr. Chatree Duangnet, M.D.	Director	11/12					
6. Mr. Pradit Theekakul	Director / Member of Executive Committee / Member of Risk Management Committee / Member of Corporate Governance Committee	12/12			13/13	5/5	2/2
7. Mr. Sripop Sarasas	Director / Member of Nomination and Remuneration Committee / Member of Risk Management Committee / Member of Corporate Governance Committee	12/12		4/4		5/5	2/2
8. Mr. Chavalit Sethameteekul (2)	Independent Director / Audit Committee Director / Member of Nomination and Remuneration Committee / Chairman of Risk Management Committee	12/12	5/5	4/4		5/5	
9. Mr.Thongchai Jira-alongkorn	Director / Member of Executive Committee	11/12			13/13		
10. Miss. Poramaporn Prasarttong-Osoth M.D. (3)	Director / Member of Executive Committee / Member of Risk Management Committee	12/12			11/11	5/5	
11. Mr. Weerawong Chittmittrapap	Independent Director / Audit Committee Director / Chairman of Corporate Governance Committee	11/12	7/7				2/2
12. Mr. Att Thongtang	Director	11/12					
13. Mr. Kan Trakulhoon	Independent Director	11/12					
14. Mr. Arsa Sarasin (4)	Independent Director	9/9					
15. Mrs. Narumol Noi-am (5)	Member of Risk Management Committee					5/5	

Note:

- (1) Mr. Prasert Prasarttong-Osoth, M.D. resigned from Group CEO & President and Chairman of the Executive Committee, effective from 21 January 2019.
- (2) Mr. Chavalit Sethameteekul was appointed as a member of Audit Committee to replace a member who had resigned as resolved by the Board of Directors' meeting No. 2/2018 held on 28 February 2018 and started attending the Audit Committee meetings from meeting No. 3/2018 onwards.
- (3) Miss Poramaporn Prasarttong-Osoth M.D. was appointed as a member of Executive Committee as resolved by the Board of Directors meeting No. 1/2018 held on 31 January 2018 and resigned from Director, member of Executive Committee and member of Risk Management Committee, effective from 21 January 2019. Subsequently, the Board of Directors' at the meeting No. 1/2019 held on 23 January 2019 resolved to appoint Mr. Puttipong Prasarttong-Osoth as substituting Director.
- (4) Mr. Arsa Sarasin was appointed as an Independent Director to replace a director who had resigned as resolved by the Board of Directors' meeting No. 3/2018 held on 28 March 2018 and started attending the Board meetings from meeting No. 4/2018 onwards.
- (5) Mrs. Narumol Noi-am was appointed as Acting President and a member of Executive Committee to replace a Director who had resigned as resolved by the Board of Directors' meeting No. 1/2019 held on 23 January 2019.

Authorized Directors and Conditions

1. Mr. Chuladej Yossundharakul, M.D. 2.) Mr. Chatree Duangnet, M.D. 3.) Mr. Pradit Theekakul 4.) Mrs. Narumol Noi-am and 5.) Mr. Sripop Sarasas two out of five (2 of 5) Directors sign jointly and affix the company seal.

Name of company independent directors who are independent directors in subsidiaries

Professor Emeritus Santasiri Sornmani, M.D. Independent Director / Medic Pharma Co., Ltd.

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. Govern the operations of management and monitor the operational results of the Company and subsidiaries 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. There are currently five sub-committees, comprised of the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee, the Risk Management Committee and the Corporate Governance 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".

Duties and Responsibilities of the Chairman of the Board of Directors

1. Act as Chairman of the Board of Directors meetings and Shareholders meetings.
2. Conduct Board meetings and ensure that the meetings are in accordance with the Articles of Association, as well as provide opportunity and encourage directors to share opinions independently.
3. Encourage directors to carry out their duties to the best of their abilities within the scope of the defined duties and responsibilities in accordance with good corporate governance.
4. Monitor the performance of the Board of Directors in order to reach the determined objectives.
5. In acting as Chairman of the meeting, in the case that there is a draw vote, the Chairman shall cast an additional vote as the deciding vote.

2. Executives

List of Executives as of 31 December 2018 is as follow:

Name	Title
1. Mr. Prasert Prasarttong-Osoth, M.D. (1)	Group CEO & President
2. Mr. Trin Charumilind, M.D.	Chief Medical Officer
3. Miss Poramaporn Prasarttong-Osoth M.D. (2)	Chief Operating Officer
4. Mr. Sripop Sarasas	Chief Administrative Officer
5. Mrs. Narumol Noi-am (3)	Chief Financial Officer

Note:

(1) Mr. Prasert Prasarttong-Osoth, M.D. resigned from Group CEO & President, effective from 21 January 2019.

(2) Miss Poramaporn Prasarttong-Osoth M.D. resigned from Chief Operating Officer, effective from 21 January 2019. The Board of Directors' meeting No. 1/2019 resolved to appoint Mr. Chairat Panthuraamphorn, M.D. in her place, effective from 23 January 2019.

(3) Mrs. Narumol Noi-am was appointed as Acting President, resolved by the Board of Directors' meeting No. 1/2019 held on 23 January 2019 and remains the Chief Financial 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/or Sub-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 and/or Sub-Committees (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 wrong-doing, 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 and/or Sub-Committees (as the case may be) in a timely manner as well as report updates on significant adjustments to such faults or errors to the relevant Committee(s).
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 Board of Directors and/or the Executive Committee (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 in 2018

Name	Number of shares held on 28 December 2018	Number of shares held on 29 December 2017	Change in number of shares
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	2,903,602,540	2,913,602,540	-10,000,000
4. Professor Emeritus Santasiri Sornmani, M.D.	15,651,270	15,651,270	0
5. Mr. Chatree Duangnet, M.D.	4,500,000	4,500,000	0
6. Mr. Pradit Theekakul	12,000,000	16,500,000	-4,500,000
7. Mr. Chavalit Sethameteekul	0	0	0
8. Mr. Sripop Sarasas	0	0	0
9. Mr. Thongchai Jira-alongkorn	11,373,360	11,373,360	0
10. Miss. Poramaporn Prasarttong-Osoth M.D.	558,437,610	560,437,610	-2,000,000
11. Mr. Weerawong Chittmittrapap	0	0	0
12. Mr. Att Thongtang	346,874,295	346,874,295	0
13. Mr. Kan Trakulhoon	0	0	0
14. Mr. Arsa Sarasin	0	0	0
15. Mrs. Narumol Noi-am	5,000,000	5,000,000	0
16. Mr. Trin Charumilind, M.D. and spouse	27,400	27,400	0

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.

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 of Business Administration, Majoring in 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.
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 Samutprakarn 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 Insurance Broker Co., Ltd.

4. Directors' and Executives' Remuneration

4.1 Monetary Remuneration (for the year ended 31 December 2018)

Remuneration of Board of Directors and Sub-Committees

Name	Title	Directors' Annual Allowance (1)	Meeting Allowance						Total
			Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee	Risk Management Committee	Corporate Governance Committee	
1. Professor Emeritus Arun Pausawasdi, M.D.	Chairman of the Board / Independent Director	8,076,710	900,000						8,976,710
2. Mr. Chuladej Yossundharakul, M.D.	Vice Chairman / Member of Executive Committee / Member of Nomination and Remuneration Committee	5,384,490	600,000		200,000	780,000			6,964,490
3. Mr. Prasert Prasarttong-Osoth, M.D.	Group CEO & President / Chairman of the Executive Committee	5,384,490	600,000			1,170,000			7,154,490
4. Professor Emeritus Santasiri Sommani, M.D.	Independent Director / Chairman of the Audit Committee / Chairman of Nomination and Remuneration Committee	5,384,490	600,000	735,000	300,000				7,019,490
5. Mr. Chatree Duangnet, M.D.	Director	5,384,490	550,000						5,934,490
6. Mr. Pradit Theekakul	Director / Member of Executive Committee / Member of Risk Management Committee / Member of Corporate Governance Committee	5,384,490	600,000			780,000	250,000	50,000	7,064,490
7. Mr. Chavalit Sethameteekul (2)	Director / Member of Nomination and Remuneration Committee / Member of Risk Management Committee / Member of Corporate Governance Committee	5,384,490	600,000	350,000	200,000		375,000		6,909,490
8. Mr. Sripop Sarasas	Independent Director / Audit Committee Director / Member of Nomination and Remuneration Committee / Chairman of Risk Management Committee	5,384,490	600,000		200,000		250,000	50,000	6,484,490
9. Mr. Thongchai Jira-alongkorn	Director / Member of Executive Committee	5,384,490	550,000			780,000			6,714,490

Name	Title	Directors' Annual Allowance (1)	Meeting Allowance						Total
			Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee	Risk Management Committee	Corporate Governance Committee	
10. Miss Poramaporn Prasarttong-Osoth M.D. (3)	Director / Member of Executive Committee / Member of Risk Management Committee	5,384,490	600,000			660,000	250,000		6,894,490
11. Mr. Weerawong Chittmittrapap	Independent Director / Audit Committee Director / Chairman of Corporate Governance Committee	5,384,490	550,000	490,000				75,000	6,499,490
12. Mr. Att Thongtang	Director	5,384,490	550,000						5,934,490
13. Mr. Kan Trakulhoon	Independent Director	1,666,980	550,000						2,216,980
14. Mr. Arsa Sarasin (4)	Independent Director	0	450,000						450,000
15. Mrs. Narumol Noi-am	Member of Risk Management Committee						250,000		250,000
		68,973,080	8,300,000	1,575,000	900,000	4,170,000	1,375,000	175,000	85,468,080

Note:

- (1) Directors' annual allowance for 2018 was paid to Directors who were in office between the 2017 AGM and the 2018 AGM (12 April 2017 – 11 April 2018) in proportion to the time in office.
- (2) Mr. Chavalit Sethameteekul was appointed at the Board of Directors' meeting no. 2/2018 held on 28 February 2018 as a member of Audit Committee to replace a Director who had resigned, he started attending the Audit Committee meetings since meeting no. 3/2018 onwards.
- (3) Miss Poramaporn Prasarttong- Osoth M.D. was appointed as a member of Executive Committee at the Board of Directors' meeting no. 1/2018 held on 31 January 2018 and started attending the Executive Committee meetings since meeting no. 2/2018 onwards.
- (4) Mr. Arsa Sarasin was approved by the Board of Directors' meeting no. 3/2018 held on 28 March 2018 as a Director to replace a Director who had resigned, he started attending the Board meetings since meeting no. 4/2018 onwards.

No.	Directors who resigned during the year	Date of Resignation	Directors' Allowance
1	Prof. (Clinic) Udom Kachintorn, M.D.	21/11/2017	3,289,700
2	Mr. Sombut Uthaisang	1/12/2017	3,437,220
	Total		6,726,920

Note:

Directors' annual allowance for 2018 was paid to Directors who were in office between the 2017 AGM and the 2018 AGM (12 April 2017 – 11 April 2018) in proportion to the time in office.

Remuneration of Independent Directors Received From Subsidiaries

Independent Director	Title	(Unit : Baht)		
		Annual Allowance	Meeting Allowance	Total
1. Professor Emeritus Santasiri Sornmani, M.D	Independent Director: Medic Pharma Co., Ltd.	136,850	55,000	191,850.00

Remuneration of Executive Management

In 2018, the Company paid the top 4 Executives officers in the form of salary, bonus and meeting allowance in the total amount of Baht 115.05 million.

In addition, the Company made contributions to the provident fund for those executive officers in 2018, which is at a rate as specified in the Company's regulations as is the rate for general employees, in the amount of Baht 3.50 million.

4.2 Other Remuneration

Medical Benefits for external Directors

External Directors, referring to directors who are not an employee or executive according to the employment agreement, receive a medical fee budget of Baht 3 million per person per year to be used only for medical fees at Bangkok Hospital and hospitals within the Group as approved by the 2018 Annual General Shareholders' Meeting (AGM). The aforementioned budget is from the date of the 2018 AGM to the date of the AGM in the following year.

As of 11 April 2018 (date of 2018 AGM), the Company had 7 External Directors as follows: Professor Emeritus Arun Pausawasdi, M.D., Professor Emeritus Santasiri Sornmani, M.D., Mr. Chavalit Sethameteekul, Mr. Weerawong Chittmittrapap, Mr. Kan Trakulhoon, Mr. Thongchai Jira-alongkorn and Mr. Arsa Sarasin. In 2018, the Company had expenses for medical fees of the External Directors in the amount of Baht 437,942.50.

Directors and Sub-Committee Members

Apart from compensation in the form of meeting allowances, annual allowances and medical benefits for external Directors as approved by the Shareholders, the Company does not provide any other remuneration to the Board of Directors and Sub-Committees.

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 31 December 2018, the Company and subsidiaries employed a total of 32,293 full-time staff, with 2,861 full-time physicians, 6,510 part-time staff and 9,582 consulting physicians, details as follows:

(Unit : Persons)

Type	Employees and Full-time Physicians	Part-time Employees and Consulting Physicians
Nurses	7,656	2,764
Employees	24,637	3,746
Total employees	32,293	6,510
Total physicians	2,861	9,582

Note: Full-time physicians mean 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 2018, the Company adheres to three important strategies in human resource development, namely, 1) BDMA Values, which includes leadership competencies; 2) Center of Excellence (COE) and 3) Development of employee capabilities for highest potential in competing in the medical industry on a global level.

Human Resources development in 2018 were in line with the following essential processes:

1. Creating standard of service of employees of the Company

The Company is aware that standard of service excellence and medical service excellence are at the heart of creating a good impression for our customers. Thus, the Company, in collaboration with external expert speakers, has studied, researched and observed our customers in order to ensure that the course we have designed in developing standard of service is the most appropriate for our employee training. We also have a training course on being an Internal Service Standard Instructor, as well as prepared guidelines on service standards for the hospital and subsidiaries for continuous development of service excellence.

2. Creating leaders within the organization

The Company recognizes that executives are knowledgeable and capable individuals both at the national and international levels as our executives have vast and long experience in business administration, as well as success stories in management. This can be seen from the numerous businesses, both public and private, that have invited many of our executives to be guest speakers. Therefore, we have determined that these executives should share their knowledge and experiences with the rising executives in the Company. To this end, we have initiated the “BDMS Leader Trains Leaders” program so that executives from the Group CEO to executives in the various divisions can share and exchange experiences with executives at the level of director of the hospital and managing directors of subsidiaries. We believe that learning from the real experiences of these executives is the best way to develop understanding and recognition of future success. It is also an opportunity for the exchange of ideas in human resource management of every hospital and subsidiary.

3. Creating a strong human resources network

The Company gives importance to creating a strong network as BDMS utilizes its network of various companies, both hospital groups and supporting businesses. There is reliance on cooperation among the companies for speed and utmost efficiency. Thus, the Company initiated the BDMS Human Resources Recruitment Network which resulted in more efficient and timely recruitment of personnel with the qualifications that matched the Company’s requirements. The Network also plays a role in filling vacant positions among the Group’s hospitals and subsidiaries when there are changes in the volume of customers in each quarter. Given the success of the BDMS Human Resources Recruitment Network, the Company then created the BDMS Human Resources Development Network in 2018 and initiated the “Creating a Strong HR Leadership Team” program to develop human resource development personnel into internal training speakers on teamwork. The program also develops personnel to oversee recreational activities and labor relations at each hospital and subsidiary. This group of employees will be assigned as speakers at the planned internal training sessions not only for the hospital or company in which they work, but also for other hospitals and companies within the Group.

4. Development of specialized medical skills of BDMS employees

The Company has the continued policy to develop medical skills of employees within the Group, especially clinical staff, in accordance with the Company policy to elevate the level of medical services to become a Center of Excellence (COE) in various areas, specifically orthopedics, trauma, brain and nervous system, heart, and cancer. In 2018, the Company continues to collaborate with Oregon Health & Science University (OHSU), U.S.A. in sending clinical staff to participate in the BDMS-OHSU International Health Alliance program to develop specialized medical skills to the same level of standard as US institutions. This year, the Company sent over 133 physicians, dentists, nurses and medical personnel to train at OHSU, an increase of 20.90% from last year.

The BDMS Training Center for Clinical Skill received accreditation from Oregon Health & Science University (OHSU), U.S.A. as the first training center in Thailand to train personnel using simulation-based training under the course entitled “Certified in BDMS Basic Simulation Trainer Program” with the same level of standard as OHSU. The program has already trained 4 classes from the entire network, affirming the potential of our personnel and capability in

accrediting trainees at the same level of standard as the US. Last year, the BDMS Training Center for Clinical Skill also received the Society for Simulation in Healthcare Accredited Program Provisional accreditation from the Society for Simulation in Healthcare (SSH), U.S.A., the first clinical skill training center in Thailand to receive such recognition.

With regards to expertise in emergency services, the Company trains personnel in patient transfer and created the BDMS Trauma Care Network, which meets international standards, to provide one-stop care for trauma and emergency patients. The Network covers many areas of Thailand and Cambodia with specialized medical staff available 24 hours a day, whether it be nurses, anesthesiologists or physicians in all areas. The medical staff are prepared to assess the emergency patients' information and provide initial diagnosis. This will ensure accuracy of initial care from receipt of notification of the incident by the BDMS Alarm Center, coordination with the emergency medical staff in providing initial care, to finding and contacting the nearest network hospital. Hence, the network received accreditation from the Commission on Accreditation of Medical Transport Systems (CAMTS), an agency that is recognized worldwide for accreditation of surface and air medical transport service.

5. Making instructional media in the form of E – Learning and Viral Clips through social media

In 2018, the Company developed training courses via E-Learning, which covers the whole network with increased channels of access to information and tests. The courses can be accessed via mobile phones or personal computers. We expect that the system will be fully accessible via the cloud system by the end of 2019. We aim to provide knowledge management within the Company in the form of online learning that can be accessed through various channels, such as animation shorts on employee ethics, viral clips to create employee engagement, which have been quite successful with about 4 million views. An example is the “Unseen Nurse Story” that depicts the work life of new generation nurses to encourage devotion to nursing career.

Moreover, we have created a short music video (MV) on creating BDMS Values that is easy for employees to remember. Our training courses are videotaped as a main part of E-Learning. We have also developed the BDMS Health Informatics E-Learning program, which is an online course via the Electronic Learning Management System (ELMS). This is the Medical Informatics course from the Oregon Health and Science University (OHSU).

Company and Subsidiaries Training Statistics during 2016 - 2018

Details	2018	2017	2016
Number of employees who received training each year	32,031	24,178	9,330
Number of hours of training in each year	547,592	795,330	588,890

Labor dispute issues within the last 3 years

There have not been any significant labor disputes in the past 3 years.

Employee compensation

For year 2018, the Company and subsidiaries paid the employee compensation, which included salaries, overtime, social security payments, provident fund, medical fees and other benefits totaling Baht 18,766.9 million, having Baht 3,493.5 million allocated to the Company and Baht 15,273.4 million to the subsidiaries.





Nature of Business

- Policy and Business Overview
- Nature of Business
- Securities and Shareholders
- Risk Factors

Policy and Business Overview

Bangkok Dusit Medical Services Public Company Limited was registered on 30 October 1969 under the name “Bangkok Dusit Medical Services Company Limited” with an initial registered capital of Baht 10 million. On 26 February 1972, Bangkok Hospital commenced operations in providing medical services. The Company was later listed on the Stock Exchange of Thailand on 2 October 1991 and registered its conversion to public company limited in 1994. Presently, the Company has a registered capital of Baht 1,758.22 million, with paid-up capital of Baht 1,566.90 million.

Presently, the Company operates in the large private hospital business with networks in Thailand and Cambodia totaling 46 hospitals (as of 31 December 2018). 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

2018

Expansion of Network and Businesses Supporting Medicine

- The Company established a new subsidiary, BDMS Wellness Resort Co., Ltd., in which the Company holds 100%, to support the business of BDMS Wellness Clinic, with registered capital of Baht 100 million. Movenpick Hotel has been engaged to manage the wellness resort under “Movenpick BDMS Wellness Resort”.



- The Company opened the Chiva Transitional Care Hospital, the 46th hospital in the BDMS network. The hospital provides medical care in terms of rehabilitation for elderly patients who need to rehabilitate and undergo physical therapy after surgery, as well as patients with paralysis. The hospital is staffed by a team of physicians who specialize in geriatrics and rehabilitation, nurses and physical therapists that can provide continuous care to restore the body, nutrition and potential to engage in various activities with the aim of sending patients back into society.



Network Hospitals

46



Beds



8,011

- Bangkok Premier Life Insurance Broker Co., Ltd., a subsidiary, changed its name to Bangkok Premier Insurance Broker Co., Ltd. and expanded the business from just being a life insurance broker to a full insurance broker.

Medicine and Medical Care

- BDMS Emergency Services received a renewal of accreditation from The Commission on Accreditation of Medical Transport Systems (CAMTS), U.S.A. for the years 2015-2021. Also, the Company recently received CAMTS EU accreditation from The Commission on Accreditation of Medical Transport Systems Europe for the years 2018-2021, making us the first in the world to be accredited for patient transport via surface-boat by sea and the first in Asia to receive accreditation for all modes of patient transport, namely, Rotor Wing, Fixed Wing, Medical Escort, Surface Critical Care and Surface-boat. In addition, we are the second in Asia and the third in the world to receive dual accreditation under CAMTS-CAMTS EU.

A total of 13 network hospitals received dual accreditation for patient transfer by land, sea and air from CAMTS include 1. Bangkok Hospital, 2. Samitivej

BDMS EMERGENCY SERVICES
Dual Accreditation receives
CAMTS - CAMTS EU
for Patient Transport

Sukhumvit Hospital, 3. Samitivej Srinakarin Hospital, 4. Bangkok Hospital Chiang Mai, 5. Bangkok Hospital Pattaya, 6. Bangkok Hospital Udon, 7. Bangkok Hospital Phuket, 8. Siriraj International Hospital, 9. Bangkok Hospital Samui, 10. Bangkok Hospital Sanamchan, 11. Bangkok Hospital Ratchasima 12. Phyathai Hospital 2 and Phyathai Hospital 3.

- Bangkok Heart Hospital opened the Preventive Heart and Lipid Clinic to identify patients with high risk and



to prevent occurrence of coronary artery disease in the future by reducing the risk of side effects from coronary artery disease as much as possible. The clinic also provides information and knowledge in care and prevention of heart disease. Furthermore, the clinic has the objective to improve quality of service and diagnosis to meet international standards, as well as record new research on prevention of coronary artery disease. The highlights of the clinic are as follows:

1. One-stop service for heart check-up and preventive program-detect heart disease from the early stages and prevent disease from the first sign of plaque in the coronary arteries or other arteries in the body.

2. Personalized Medicine-the start of taking care of the heart in the new age, everyone has their own behavior, choosing medicine that suits the individual's genes, choosing the food that suits the individual, as well as differing exercise programs to rehabilitate the heart depending on personal cause and risks.

3. Registry and monitoring-health information, blood lab results and analysis of coronary artery are stored in the Preventive Heart and Lipid Clinic's database. The clinic will make patients aware of risk of disease in the future as well as provide periodic follow-ups.

Bangkok Heart Hospital
improves quality of service
and diagnosis to meet
international standards,
as well as records
new research on prevention
of coronary artery disease



- Bangkok Hospital has adopted the Scarless Thyroidectomy technique. The advantages of the technique are that there is no scar on the neck as the wound is hidden inside the mouth, can see the vocal cords as the scope can provide a clear, enlarged view, reduces vocal cord damage, side effects are minimal, heals faster, less blood loss, minimal pain and short surgery time.



BDMS ACADEMIC ANNUAL MEETING 2018

- BDMS and network hospitals organized the “BDMS Academic Annual Meeting 2018” during 14-17 August 2018 at the Intercontinental Hotel with the title “Excellent Healthcare Network: Medical Advances Meet Compassion”. Many expert physicians from around the world were invited to speak at the event and share their knowledge and experiences with the over 1,500 doctors, dentists, pharmacists, nurses, physical therapists and medical personnel who attended the event.



Medical Practitioners

1,500



2017

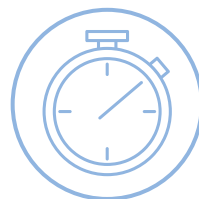
- Paolo Medic Co., Ltd., a subsidiary in which BDMS holds 99.99%, which currently operates the Paolo Hospital Phaholyothin and Paolo Hospital Rangsit, entered an entire business transfer of Mayo Hospital on 18 January 2017. The transfer was paid in cash under the terms and conditions of the transfer agreement. Paolo Medic Co., Ltd. increased the registered capital from Baht 600 million to Baht 1,000 million to pay for the transfer. The Mayo Hospital was later changed to “Paolo Hospital Kaset”, making it the 44th hospital in the BDMS network.

Paolo Hospital Kaset is a secondary care hospital with 162 beds with high potential for growth. It is well situated along the MRT line and is a Referral Network Hospital for hospitals within the Group. The Hospital joined the list of Social Security hospitals in 2018.

- Bangkok Hospital Surat Co., Ltd., a wholly owned subsidiary, officially opened Bangkok Hospital Surat in Muang District, Surat Thani Province on 1 June 2017, making it the 45th hospital in the BDMS network. Bangkok Hospital Surat is a secondary care hospital with 150 beds, with 31 beds available in the initial stage after opening.



- Bangkok Hospital Chinatown on Yaowarat Road changed its name to “Samitivej Chinatown Hospital, one of the hospitals under management of the Samitivej Hospital Group.



BDMS Alarm Center

a hub for BDMS network hospitals to provide efficient care for critical and emergency patients

24

Hours

- The Company established the BDMS Alarm Center, a hub for BDMS network hospitals, to provide 24-hour complete, efficient care that meet international standards to critical and emergency patients.
- Wattanosoth Hospital is using Precision Radiation Therapy for treatment with radiation. The technology uses EDGE radiosurgery system, which is accurate, fast and safe for each type of cancer. The radiosurgery delivers a high dose of radiation directly targeted to the tumor instantly and replaces surgery.
- Bangkok Hospital introduced the GI Motility Unit with the technology to treat Constipation and Gastro-Esophageal Reflux.
- Bangkok Hospital Dental Center introduced Computer Guided Implant Surgery dental implant treatment planning. The Cone-beam CT and computer programming can assist in planning and determining the placement of the implant.
- Bangkok Hip & Knee Center, Bangkok Hospital introduced a surgical technique, “bikini incision” for hip replacement. The patients will have a faster recovery time and less chance of dislocation of hip.
- The Bangkok Urology Center, Bangkok Hospital, introduced a technology for prostate surgery using Transurethral Resection to trim away excess prostate tissue and using electricity and laser.
- Surgery Center, Bangkok Hospital, introduced weight loss for patients with obesity and complications using Minimally Invasive Surgery (MIS) to reduce the size of the stomach by Laparoscopic surgery.

3DMS ALARM CENTER

Certified by  *camts*
Commission on Accreditation of Medical Transport Systems

 **1724**

**ONE NUMBER
ALL ACCESS
FOR LIFE CARE**



INTERNATIONAL CALLS : +662-226-4565



Helicopter Emergency Medical Service (HEMS)

Certified by  **camts**
Commission on Accreditation of Medical Transport Systems

BDMS is the first operator of Helicopter Emergency Medical Service (HEMS) in the South East Asia



Ground Ambulance

Certified by  **camts**
Commission on Accreditation of Medical Transport Systems



Helipad Bases

Bangkok Hospital Helipad is purpose-built to receive patients from Helicopter Emergency Medical Service (HEMS) for safe and speedy transfer to the Emergency Room.

BDMS ALARM CENTER

International Calls

+662-226-4565 (662-BANGKOK),

Our One Number, All Access emergency service is ready 24 hours a day, in Thailand and neighboring countries.



150 worldwide insurance and assistance companies with more than 12,000 transactions



Ground Ambulances



Motorlances (Motorcycle Ambulances)



Helicopters (Sky ICU)



Air Ambulances



Hydrolances (Boat Ambulance)



Comprehensive Modes of Transportation

BDMS ALARM CENTER

BDMS ALARM CENTER
... READY AND FAST.





- The Company signed a memorandum of understanding with 4 other parties, namely, the Ministry of Tourism and Sports, the Tourism Council of Thailand, Viriyah Insurance and Angel Life, for the project “Tourism Healthcare Emergency System”. The objective is to enhance the safety of Chinese tourists by providing complete emergency medical care from providing advice, recommendations on primary medical care through the Angel Guard Application, and emergency services 24-hours through the BDMS Alarm Center. In addition, we provide swift patient transfer by land, water and air.

2016

- Royal Bangkok Healthcare Co., Ltd., a subsidiary in which the Company holds 100%, bought the remaining shares of Bangkok Helicopter Services Co., Ltd. (BHS) from Southeast Air Co., Ltd., making BDMS the owner of 100% of BHS. BHS has increased its registered capital from Baht 100 million to Baht 300 million. Presently, BHS offers two Sky ICU units for service, Helicopter BHS1 (model EC145) and Helicopter BHS2



(model H145). The two helicopters are ready to operate 24 hours to provide emergency care.

- Bangkok Helicopter Services Co., Ltd. (BHS), a subsidiary, leased an airplane model ATR72 from Bangkok Airways PCL. for three years. The airplane is to be used to care for and transfer patients of the BDMS hospital network domestically and internationally.
- The Company established a new wholly owned subsidiary, BDMS Asset Management Co., Ltd., to manage non-hospital related assets with a registered capital of Baht 10 million and 100% owned by the Company.



- The Company established a new wholly owned subsidiary, BDMS Wellness Clinic Co., Ltd., to purchase the land where the Park NaiLert Project was situated on No.2 Wireless 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 another Baht 2,000 million for renovations. The land will be used to develop the

BDMS Wellness Clinic seeks to provide integrated care for the well-being of our patrons, both physically and mentally, as well as enhance longevity.



Medic Pharma produces healthcare products with comprehensive innovation and technology that meet international quality standards and receives FDA Awards for 3 consecutive years.

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.

- The Medic Pharma Co., Ltd., within the BDMS Group, opened a new medicine manufacturing plant on 15 rai land in the Sinsakhon Industrial Park, Samutsakhon Province. The new plant has comprehensive innovation and technology that meet international quality standards.
- 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”.
- Bangkok Hospital opened the "Bangkok Sleep & Epilepsy Center" providing a sleep lab to diagnose patients who experience symptoms during sleep.
- 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. Biplane Imaging (EOS) captures the whole skeletal system in a single scan using from 6 to 9 times less radiation than x-rays.

- Wattanosoth Hospital announced the opening of the new PET/CT with flow motion. The scanner is able to precisely diagnose cancer faster.
- Phyathai Hospital 1 received accreditation as a “Comprehensive Stroke Center” from DNV-GL, an international accreditation from Europe and U.S.A.
- Phyathai 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.





THAILAND'S TOP CORPORATE BRAND VALUES 2018

01

“Thailand’s Top Corporate Brand Values 2018” award in the category of medicine for the fourth consecutive year, from the Faculty of Commerce and Accountancy, Chulalongkorn University, with an organizational brand worth Baht 271,065 million. The award is given to companies listed on the Stock Exchange of Thailand with the highest organization brand value in each industry in 2018.

MOST OUTSTANDING COMPANY IN THAILAND

02

“Most Outstanding Company in Thailand-Healthcare Sector” at Asia’s Outstanding Companies Poll 2018 organized by Asiamoney Magazine in China. The award is given to listed companies with outstanding financial performance, excellent management team and good investor relations activities.

GLOBAL HEALTH AND TRAVEL AWARDS 2018

03

Bangkok Hospital received the Global Health and Travel Awards 2018 at The Asia Pacific Healthcare and Medical Tourism Summit 2018 held in Vietnam. The Hospital received the following awards: 1. Hospital of The Year in Thailand for the third consecutive year 2. Hospital of the Year in Asia Pacific 3. Orthopaedic Service Provider of the Year in Asia Pacific 4. Transplant Service Provider of the Year in Asia Pacific and 5. Neurology Service Provider of the Year in Asia Pacific

THE BEST MANAGED HEALTHCARE COMPANY IN ASIA

04

The Best Managed Healthcare Company in Asia at Asia’s Best Companies 2018 organized by FinanceAsia Magazine. The award is given to listed companies with outstanding financial performance, excellent management team, good investor relations activities and good corporate governance.

TOP INNOVATIVE ORGANIZATION AWARD

05

2018 Top Innovative Organization Award at the Thailand Innovation Week 2018 organized by the National Innovation Agency in collaboration with the Stock Exchange of Thailand to award organizations that recognize the importance of human resource development, research and creating innovation.

OUTSTANDING INVESTOR RELATIONS AWARDS

06

Outstanding Investor Relations Award with market capitalization over Baht 100,000 million from SET Awards 2018 organized by the Stock Exchange of Thailand.

IR MAGAZINE FORUM & AWARDS - SOUTH EAST ASIA 2018

07

The Company received 5 awards for outstanding investor relations, namely, 1) Best Overall IR (large capitalization); 2) Best IR Officer (large capitalization); 3) Best in Country-Thailand; 4) Best in Sector-Healthcare and 5) Best Corporate Governance & Disclosure at the IR Magazine Forum & Awards-South East Asia 2018 organized by IR Magazine and held in Singapore.

Medical Cooperation



1. Oregon health & Science University (OHSU)

Bangkok Dusit Medical Services PLC. 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 preventive cardiology, in the Asia Pacific region.



2. Sano Hospital

Samitivej PLC., a company subsidiary, signed an agreement with Sano Hospital, Japan for cooperation in studying and developing projects on gastrointestinal tract disease with innovative endoscopy of the digestive and stomach cancer, as well as patient referrals, as appropriate to the illness, between the two hospitals.



3. MD Anderson

Bangkok Dusit Medical Services PLC. 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.



4. Stanford University

The Bangkok Orthopedic Center, Bangkok Hospital and the Department of Orthopedic Surgery, Stanford University signed a Memorandum of Understanding to exchange knowledge and skills in the field of orthopedics with a focus on excellence in the treatment of the musculoskeletal system. The cooperation also seeks to develop knowledge through research in orthopedic 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.



5. 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.



6. Heavy Ion Therapy

Wattanosoth Hospital, the first hospital in Thailand specializing in complete cancer care, extended the agreement to collaborate on heavy ion therapy with the Chrismon Group, Japan. Heavy ion therapy is a modern technology that will raise the potential of Thailand as the center for cancer treatment in Asia Pacific. 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. It is also a good alternative for elderly patients who are not suitable for surgery. 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.



7. Nagoya University

Bangkok Dusit Medical Services PLC. 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.
- (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.



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 PLC., 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 PLC. and the Missouri Orthopedic Institute signed an agreement to collaborate in the exchange of knowledge and skills in orthopedics 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 PLC. and the Department of Orthopedics and Trauma at Hannover Medical School, Germany signed an agreement to collaborate in the exchange of knowledge and skills in orthopedics and trauma surgery. Through the agreement, we have organized medical seminars, as well as sent physicians and nurses to Hannover Medical School in Germany 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. 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 Co., Ltd. together with the Royal College of Pathologists of Thailand organized the Interhospital Renal Clinicopathological Conference

N Health Pathology Co., Ltd. together with the Royal College of Pathologists of Thailand has organized the Interhospital Renal Clinicopathological Conference since 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 three times a year.



BDMS Wellness Clinic was founded on the principle of bringing the best preventative care around the world. The acquisition of such an iconic property has allowed Bangkok Dusit Medical Services to fully recognize its ambition. By combining our expertise, extensive network and service, we hope to become Asia's first premier preventative care facility that will set the global standard in wellness.

BDMS Wellness Clinic has joined in collaboration with **Mövenpick Hotels & Resorts** to develop a world-class Wellness Resort – **Mövenpick BDMS Wellness Resort Bangkok**. The resort will offer 294 rooms amid a garden oasis in Bangkok. Individual health plan set to welcome Clinic's guest and accompany with healthy menus and short stay wellness program to help the body reach a state of optimal health.



BDMS Wellness Clinic is comprised of seven specialty clinics for complete healthcare in one location. Each clinic is led by top-class doctors with their own dedicated team of physicians.



Regenerative Clinic

The Regenerative Clinic offers a comprehensive variety of genetic and molecular screening and serves as the foundation of all our other health diagnostic. Every guest undergoes a full health assessment at this unparalleled center before proceeding to the other BDMS Wellness Clinics of excellence. Personalised supplements are produced in our international standard compound pharmacy to match individual needs.



Musculoskeletal and Sports Clinic

Here is a full-service facility that focuses on manual therapy, physiotherapy, pre-operative training and rehabilitation, utilizing sophisticated medical technology and equipment and offering the only comprehensive DAVID center in Asia.



Neuroscience Clinic

The Neuroscience Clinic is designed to help early management of brain disorders such as Alzheimer's and Parkinson's. MRI and PET scans are used in tandem with a blood test to determine problem areas in the brain flagged by blood biomarkers.



Preventive Cardiology Clinic

The heart has always served as the symbolic center of our being. Guests undergo a suite of examinations to determine a customized care path. Cutting-edge technology and experienced team of experts design the ideal nutrition plan, lifestyle and exercise needed to best achieve good cardiac health and longevity.



Digestive Wellness Clinic

Early detection and elimination of the basic risks of GI and liver diseases is essential. Our doctors specialize in the most up-to-date genetic testing that specifically targets blood biomarkers in the intestines to identify gastrointestinal disorders.



Dental Clinic

The dental facility is equipped with best-in-class technologies with all the advancements in digitally assisted smile design to help create the most desirable smile for the patient's personality. The on-site digital lab allows us to create a masterpiece in a matter of hours rather than days. Our aim is to promote a healthy, beautiful smile that reboots self-confidence and leads to an improved quality of life overall.



Fertility Clinic & Research Lab

Our team of physicians will recommend a treatment plan and provide counseling to ensure all the information related to the treatment is carefully communicated and agreed upon. Combining with our advanced technology, Fertility & Research Lab will be operated by scientist teams who specialize in human reproduction and embryology, and a modern embryo lab has been developed with the latest advances in reproductive technology.

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 consolidated financial statements can be summarized as follows:

Income Structure of the Company and its Subsidiaries : During 2016-2018

(Unit: Million baht)

Type of revenue	Operated by	% of Holding	2018		2017		2016	
			Revenue	%	Revenue	%	Revenue	%
Patient revenue								
	Bangkok Dusit Medical Services PLC.	100.00	14,128.22	18.75	13,317.32	19.27	13,223.75	20.3
	Samitivej PLC.	95.76	11,709.11	15.54	10,723.45	15.51	9,918.15	15.2
	BNH Medical Center Co., Ltd.	91.48	2,983.67	3.96	2,903.41	4.20	2,668.50	4.1
	Prasit Pattana PLC.	98.59	12,887.95	17.11	11,986.51	17.34	11,796.28	18.1
	Paolo Medic Co., Ltd.	100.00	3,313.73	4.40	2,917.17	4.22	2,582.79	4.0
	Siam Medical Co., Ltd.	85.71	1,193.64	1.58	1,138.19	1.65	977.11	1.5
	Thai Medical Center PLC.	99.76	1,232.11	1.64	1,201.99	1.74	1,188.06	1.8
	Paolo Samut Prakran Co., Ltd.	93.65	1,334.79	1.77	1,269.80	1.84	1,312.71	2.0
	Paolo Hosital Prapradaeng Co., Ltd.	84.00	327.59	0.43	295.04	0.43	297.04	0.5
	Bangkok Hospital Pattaya Co., Ltd.	97.27	3,982.78	5.29	3,755.54	5.43	3,544.54	5.4
	Bangkok Hospital Rayong Co., Ltd.	100.00	2,586.03	3.43	2,424.27	3.51	2,241.69	3.4
	Bangkok Hospital Trad Co., Ltd.	99.76	564.72	0.75	532.50	0.77	489.54	0.8
	Wattanavej Co., Ltd.	99.72	1,461.03	1.94	1,366.70	1.98	1,267.45	1.9
	Bangkok Hospital Hat Yai Co., Ltd.	98.82	1,672.23	2.22	1,525.54	2.21	1,419.42	2.2
	Bangkok Hospital Samui Co., Ltd.	100.00	723.21	0.96	654.96	0.95	687.12	1.1
	Bangkok Hospital Phuket Co., Ltd.	99.70	2,976.50	3.95	2,697.15	3.90	2,549.59	3.9
	Bangkok Hospital Ratchasima Co., Ltd.	91.45	1,752.00	2.33	1,602.62	2.32	1,481.59	2.3
	Bangkok Hospital Udon Co., Ltd.	100.00	966.39	1.28	870.29	1.26	731.64	1.1
	Bangkok Hospital Phitsanulok Co., Ltd.	100.00	743.85	0.99	642.90	0.93	629.19	1.0
	Thonburi Medical Centre PCL	63.45	764.64	1.02	668.49	0.97	612.03	0.9
	Bangkok Hospital Chiangmai Co., Ltd.	100.00	1,001.22	1.33	798.60	1.16	621.86	1.0
	Bangkok Hospital Khon Kaen Co., Ltd.	100.00	679.41	0.90	536.08	0.78	395.41	0.6
	Bangkok Hospital Sanamchan Co., Ltd.	100.00	1,384.85	1.84	1,145.66	1.66	1,037.86	1.6
	Tepakorn Hospital Co., Ltd.	44.53	142.57	0.19	146.44	0.21	133.50	0.2
	Bangkok Hospital Phuket International Co., Ltd.	100.00	1,222.60	1.62	1,204.02	1.74	1,079.33	1.7
	Samitivej Chonburi Co., Ltd.	100.00	737.15	0.98	541.54	0.78	395.02	0.6
	Bangkok Hospital Muang Raj Co., Ltd.	100.00	586.54	0.78	508.52	0.74	499.67	0.8
	Bangkok Hospital Surat Co., Ltd.	100.00	255.28	0.34	100.57	0.15		
	BDMS Wellness Clinic Co., Ltd.	100.00	102.91	0.14	0.21	0.00		
	Angkor Pisith Co., Ltd.	80.00	181.87	0.24	174.51	0.25	179.05	0.3
	Phnom Penh Medical Services Co., Ltd.	100.00	797.91	1.06	618.21	0.89	550.07	0.8
Total			74,396.50	98.76	68,268.20	98.76	64,509.95	98.04

(Unit: Million baht)

Type of revenue	Operated by	% of Holding	2018		2017		2016	
			Revenue	%	Revenue	%	Revenue	%
Other revenue which related to patient revenue								
	National Healthcare Systems Co., Ltd.	98.69	896.41	1.19	821.35	1.19	708.18	1.1
	N Health (Cambodia) Co., Ltd.	100.00	0.70	0.00	2.19	0.00	0.70	0.0
	N Health Pathology Co., Ltd.	95.00	0.11	0.00	0.24	0.00	0.70	0.0
	N Health Myanmar Co., Ltd.	60.00	36.80	0.05	30.02	0.04	16.90	0.0
	Bio Molecular Laboratories (Thailand) Co., Ltd.	95.00	-	0.00	0.92	0.00	0.09	0.0
	Total		934.02	1.24	854.72	1.24	726.57	1.1
	Total revenue from operation		75,330.52	100.00	69,122.92	100.00	65,236.52	100.0

Remark : Apart from main operations revenue 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 presented as revenue from sales of goods in the income statements as follows:

(Unit: Million baht)

Operated by	% of Holding	2018	2017	2016
A.N.B. Laboratory Co., Ltd.	100.00	1,418.35	1,240.37	1,252.12
Medicpharma Co., Ltd.	87.05	758.66	616.68	571.30
Save Drug Center Co., Ltd.	100.00	791.76	839.43	743.26
First Health Food Co., Ltd.	95.76	117.98	113.10	100.30
Total		3,086.75	2,809.58	2,666.98



1. Products and Services

Healthcare Business

No.	Hospital	Operated By	Size (Beds)	Total Beds	% of Holding
Bangkok hospital group					
1	Bangkok Hospital	Bangkok Dusit Medical Services PLC.	373		
2	Bangkok Heart Hospital	Bangkok Dusit Medical Services PLC.	97		
3	Wattanosoth Cancer Hospital	Bangkok Dusit Medical Services PLC.	48		
4	Chiva Transitional Care Hospital	Bangkok Dusit Medical Services PLC.	52		
5	Bangkok Hospital Hua Hin	Bangkok Dusit Medical Services PLC.	64		
6	Bangkok Hospital Sanamchan	Bangkok Hospital Sanamchan Co., Ltd.	210		100.0
7	Bangkok Hospital Phetchaburi	Bangkok Hospital Sanamchan Co., Ltd.	255		100.0
8	Bangkok Hospital MuangRaj	Bangkok Hospital MuangRaj Co., Ltd.	142		100.0
9	Bangkok Hospital Pattaya	Bangkok Hospital Pattaya Co., Ltd.	400		97.3
10	Bangkok Hospital Rayong	Bangkok Hospital Rayong Co., Ltd.	220		100.0
11	Bangkok Hospital Chantaburi	Wattanavej Co., Ltd.	170		99.7
12	Bangkok Hospital Trat	Bangkok Hospital Trat Co., Ltd.	114		99.8
13	Bangkok Hospital Ratchasima	Bangkok Hospital Ratchasima Co., Ltd.	180		91.4
14	Bangkok Hospital Pakchong	Bangkok Hospital Ratchasima Co., Ltd.	31		91.4
15	Bangkok Hospital Udon	Bangkok Hospital Udon Co., Ltd.	120		100.0
16	Bangkok Hospital Khon Kaen	Bangkok Hospital Khon Kaen Co., Ltd.	140		100.0
17	Bangkok Hospital Phitsanulok	Bangkok Hospital Phitsanulok Co., Ltd.	195		100.0
18	Bangkok Hospital Chiangmai	Bangkok Hospital Chiangmai Co., Ltd.	175		100.0
19	Bangkok Hospital Samui	Bangkok Samui Hospital Co., Ltd.	52		100.0
20	Bangkok Hospital Phuket	Bangkok Phuket Hospital Co., Ltd.	266		99.7
21	Bangkok Hospital Hat Yai	Bangkok Hat Yai Hospital Co., Ltd.	200		98.8
22	Bangkok Hospital Surat	Bangkok Surat Hospital Co., Ltd.	150	3,654	100.0
Samitivej group					
23	Samitivej Sukumvith Hospital	Samitivej Plc. (SVH)	275		95.8
24	Samitivej Srinakarin Hospital	Samitivej Plc. (SNH)	400		95.8
25	Samitivej Sriracha Hospital	Samitivej Sriracha Co., Ltd.	184		67.2
26	Samitivej Thonburi Hospital	Thonburi Medical Centre PCL ⁽¹⁾	150		63.5
27	Samitivej Chonburi Hospital	Samitivej Chonburi Co., Ltd.	220		100.0
28	Samitivej Chinatown Hospital	Bangkok Dusit Medical Services PLC.	59	1,288	
BNH					
29	BNH Hospital	BNH Medical Centre Co., Ltd.	144	144	91.5

No.	Hospital	Operated By	Size (Beds)	Total Beds	% of Holding
Royal hospital group					
30	Royal Angkor Hospital	Angkor Pisith Co., Ltd.	30		80.0
31	Royal Phnom Penh Hospital	Phnom Penh Medical Services Co., Ltd.	100	130	100.0
Phyathai Group (PPCL)					
32	Phyathai 1 Hospital	Phyathai 1 Hospital Co., Ltd. ⁽²⁾	224		98.6
33	Phyathai 2 Hospital	Phyathai 2 Hospital Co., Ltd. ⁽²⁾	260		97.8
34	Phyathai 3 Hospital	Phyathai 3 Hospital Co., Ltd. ⁽²⁾	267		97.6
35	Phyathai Sriracha Hospital	Sriracha Nakorn Hospital PLC. ⁽²⁾	350		75.1
36	Phyathai Hospital Nawamin	Thai Medical Center PLC.	140	1,241	99.8
Paolo Group					
37	Paolo Hospital Phaholyothin	Paolo Medic Co., Ltd.	267		100.0
38	Paolo Hospital Rangsit	Paolo Medic Co., Ltd.	150		100.0
39	Paolo Hospital Kaset	Paolo Medic Co., Ltd.	162		100.0
40	Paolo Hospital Samutprakarn	Paolo Samut Prakran Co., Ltd.	200		93.6
41	Paolo Hospital Chokchai 4	Siam Medical Co., Ltd.	169		85.7
42	Paolo Hospital Phrapradaeng	Paolo Hospital Phrapradaeng Co., Ltd.	60	1,008	84.0
Community hospital					
43	Sri-Rayong Hospital	Bangkok Hospital Rayong Co., Ltd.	195		100.0
44	Thepakorn Hospital	Thepakorn Hospital Co., Ltd. ⁽³⁾	100		44.5
45	Dibuk Hospital	Bangkok Phuket Hospital Co., Ltd.	100		99.7
46	Phuket International Hospital	Bangkok Phuket International Hospital Co., Ltd.	151	546	100.0
	Total number of BDMS patient beds			8,011	
The Group of Hospital which BDMS have not managed.					
47	Aek Udon International Hospital	Udon Pattana (1994) Co., Ltd. ⁽⁴⁾	350		25.1
48	Ramkamhaeng Hospital	Ramkamhaeng Hospital PLC. ⁽⁵⁾	300		38.2
49	Bumrungrad Hospital	Bumrungrad Hospital PLC.	538	1,188	24.9

Remark: (1) 34.4% held by BDMS and 29.0% held by Royal Bangkok Healthcare Co., Ltd., a 100% subsidiary of BDMS
(2) Held by Prasit Pattana PCL, a 98.6% subsidiary of BDMS
(3) Held by Bangkok Hospital Sanamchan Co., Ltd., a 100% subsidiary of BDMS
(4) 15.3% held by BDMS and 9.8% held by Phyathai 1 Hospital Co., Ltd.
(5) In February 2019, the Company sold all the equity investment of 4,588,424 common shares in Ramkamhaeng Hospital PCL (RAM), equal to 38.2% of RAM paid-up shares at the price of Baht 2,800 per share amounting to Baht 12,847.59 million. This is in accordance with the resolution of the Board of Directors' extraordinary meeting no. 1/2019 held on 11 January 2019.

Businesses Related to Medical Services

Nature of Business	Operated By	% of Holding
1. Wellness Clinic	BDMS Wellness Clinic Co., Ltd.	100.0
2. Manufacture saline and medical equipment	A.N.B. Laboratories Co., Ltd. ⁽¹⁾	100.0
	Medicpharma Co., Ltd.	87.0
	General Hospital Products PCL. ⁽²⁾	46.1
3. Pharmaceuticals	Save Drug Co., Ltd. ⁽³⁾	100.0
4. Medical Lab and Share Services (central procurement)	National Healthcare Systems Co., Ltd. ⁽⁴⁾	98.7
	N Health Pathology Co., Ltd. ⁽¹⁾	95.0
	N Health Cambodia Pte. Ltd. (Cambodia) ⁽⁵⁾	100.0
	N Health Myanmar Co., Ltd. (Myanmar) ⁽⁵⁾	60.0
5. Bio Molecular Lab	Bio Molecular Laboratories (Thailand) Co., Ltd.	95.0
6. Information and technology for company and the Subsidiaries Shared service	Greenline Synergy Co., Ltd.	100.0
7. Medical evacuation	Bangkok Helicopter Services Co., Ltd. ⁽⁶⁾	100.0
8. Catering and general support for company and the subsidiaries	Irving Sheridan SE Co., Ltd. ⁽⁷⁾	96.0
	First Health Food Co., Ltd. ⁽⁷⁾	95.8
9. 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
10. Healthcare business (Holding Company)	Royal Bangkok Healthcare Co., Ltd.	100.0
	Bangkok Save Drug Co., Ltd.	100.0
	BDMS Inter Pte. Ltd. (Singapore)	100.0
	N Health Asia Pte. Ltd. (Singapore)	100.0
11. Training	BDMS Training Co., Ltd.	100.0
12. Health insurance	Bangkok Health Insurance Co., Ltd.	99.9
	Bangkok Premier Life Insurance Co., Ltd.	100.0
13. Accounting	BDMS Accounting Co., Ltd.	100.0
14. Property management	BDMS Property Management Co., Ltd.	100.0
15. Hotel	BDMS Wellness Resort Co., Ltd.	100.0

Remark : (1) Held by Royal Bangkok Healthcare Co., Ltd.

(2) 45.7% held by Royal Bangkok Healthcare Co., Ltd. and 0.3% held by Medicpharma Co., Ltd.

(3) Held by Bangkok Save Drug Co., Ltd.

(4) 74% held by BDMS, 21.0% held by Samitivej PCL and 4.9% held by BNH Medical Center Co., Ltd.

(5) Held by N Health Asia

(6) 87.2% held by BDMS, 12.7% held by Royal Bangkok Healthcare Co., Ltd.

(7) Held by Samitivej PCL



2. Market Outlook and Competition

2.1 Private Hospital Industry Overview

Businesses catering to health needs continue to be on the up-trend from positive factors including increased awareness and interest in taking better care of personal health, as well as growth and expansion of private hospital operators, and increased medical fees from complex diseases, especially as Thailand will fully become an aging society in 2022.

Krungsri Research, Bank of Ayudhya expects that the private hospital business in Thailand will continue to grow in the next 3 years (2019-2021), with supporting factors as follows:

- Increase in middle class with increased purchasing power

The economic growth and increased income of the middle class will enhance the need for healthcare services at private hospitals. When considering Thailand healthcare expenditure to GDP, it is quite low compared to other countries. Together with the increased purchasing power of the middle class in ASEAN countries, we see tremendous opportunity for growth in the Thai private hospital business.

- Aging Society with needs for complex treatment

The Twelfth National Health Development Plan (B.E. 2560-2564) states that Thailand ranks third in Asia in terms of rapid growth of aging society (behind Japan and South Korea). The ratio of senior citizens will rise from 17.1% in 2017 to 19.8% in 2021. This will affect changes in healthcare services and will require additional specialized personnel. It is estimated that healthcare expenses of senior citizens will increase from Baht 63 billion in 2010 (2.1% of GDP) to Baht 228 billion (2.8% of GDP) in 2020.

Increased purchasing power of the middle class in ASEAN countries, we see tremendous opportunity for growth in the Thai private hospital business

- Increased rate of illness and deaths from noncommunicable diseases

The rate of illness and deaths from noncommunicable diseases (NCDs), such as heart disease, stroke, cancer, diabetes, and pneumonia, in Thailand has increased significantly. Patients in Thailand exhibit behavior that have high risk of these diseases such as smoking and alcohol consumption. Therefore, there will be a continuous need for medical services.

- Expansion of customer base, both domestic and international

Private hospitals plans to expand customer base such as customers with high health insurance coverage and foreign customers with potential to afford high costs, such as the infertile. There are also plans to form alliances for patient referrals both domestic and international. Foreign patients' needs for medical services will support the continuous growth of private hospitals in the Thai market, especially from neighboring countries, where the healthcare infrastructure is not yet sufficient.



- Government Policies, such as One-Stop Medical Service in Special Economic Zones and Medical Hub by 2026

The government sector supports 4 business groups, namely, pharmaceutical industry, herbal industry, medical equipment and medical services, by providing various benefits to increase competitive capabilities from lower costs and to entice people to use the medical and wellness services.

BDMS is a leader of network hospitals in Asia Pacific and ranked in top 5 of world's leading hospitals.

- Hospital Operators are likely to continue to expand investments to meet increased customer demand both domestic and international

Examples are opening new branches, renovating service areas and upgrading services, such as setting up specialized centers, as well as expanding services to complete continuum of healthcare including elderly care center, pharmacies, drug production, laboratories, dietary supplements and cosmetics. It is expected that in the next three years, the number of private hospital beds will increase by at least 2,700 beds, from the current 37,000 beds at the end of 2018 or 7.4% per year. Moreover, it is likely that private hospitals will form alliances, both within the same industry and outside the industry, in order to enhance their competitiveness.

2.2 Marketing Strategy

The Company is a leader of network hospitals that is well known in Asia Pacific, encompassing 46 leading hospitals in the region, is one of the top five leading private hospital groups in the world and continues to emphasize leadership in medical networks. In 2018, the Company has responded to the government's visionary economic development policy, which aims to push Thailand forward as a Medical Hub. This initiative will apply technology for the utmost benefit in healthcare for Thais and foreigners alike, so that patients receive efficient care through sustainable healthcare systems. It will also create treatment networks and medical services to better meet the needs of various groups of patients in all aspects.

Kasikorn Research Center's study of the private hospital business in 2018 forecasts that the number of foreign patients will continue to grow and the likelihood of foreigners travelling to Thailand for healthcare will increase. Especially customers from Asia such as Japan, Myanmar, Cambodia and China, as well as the United States of America and the United Kingdom. The Kasikorn Research Center also estimates that foreign patients will come for medical care 3.42 million times, divided into about 2.5 million times from medical tourism and 0.92 million times from expats, by the end of 2018.

To be in line with the macro trend of the private hospital business, the Company has instigated a marketing plan in which we will focus on expanding medical supplies and service distribution channels to a more diversified target market both domestic and international. The Company will also target new counter-parties, as well as develop and support existing alliances in growth and sustainability through various marketing activities as follows:

1. Insurance Marketing

The Company has forged alliances with insurance companies, both domestic and international, covering life insurance, health insurance, travel insurance, etc. The marketing strategy can be separated into two groups, domestic and international insurance companies.

1.1) Domestic Insurance Companies: in 2018 the Company collaborated with leading insurance companies in the country in providing and developing special insurance coverage plans as well as introduced many new campaigns, such as

- “My First Class Healthcare @ BDMS” with Allianz Ayudhya Assurance PCL., a campaign that meets the needs of customers and provides first class service
- “Oon Jai Rak” health insurance policy with The Viriyah Insurance PCL.
- “Diamond Care” health plan with Muang Thai Life Assurance PCL.



1.2) International Insurance Companies: the Company has expanded collaboration with leading international insurance companies in order to cater to 2 types of customers as follows:

- Foreign tourists who fall ill or have an accident in Thailand or neighboring countries. The Company has network hospitals across the country, including top tourist destinations such as Chiangmai, Pattaya, Phuket and Samui. We also have a team of physicians, nurses and professionals that have the expertise and are ready to provide immediate care. Furthermore, there is the BDMS Alarm Center to provide full service to emergency patients in accordance with international standards, including transfer and referral of critical patients in all areas whether it be land, sea or air.
- Foreign customers or patients who have health insurance with leading international insurance companies that are our alliances, can travel to Thailand to receive medical or wellness care from the BDMS network hospitals, which have been accredited by Joint Commission International (JCI).

2. Digital Marketing

Presently, digital technology has become an integral part of people's daily lives around the world. It can be said that we are now in the digital age. Therefore, the Company has the strategy to increase online or digital marketing, both domestic and international. In addition to using digital media and platforms to communicate and provide general health information for convenient access, we also use live streaming by inviting specialized

physicians to provide information that is of interest to the target audience, thus providing two-way communication in real time. Furthermore, the Company has access to other international platforms and social media that have numerous users and we have continuously provided interesting and beneficial content.



3. New Market: China

In the past year, tourism in Thailand has been very prominent and has continued to receive great interest from foreign patients, especially Chinese patients. Apart from being the number one tourist and spending group in Thailand, Chinese customers and patients have also shown interest in healthcare and wellness. They have increased searches on medical information, prevention and specialized treatment through online platforms.

Therefore, in 2018, the Company focused on the Chinese market, examples of which are as follows:

- January 2018 - established the BDMS China Collaboration Center in Beijing, Shanghai and Chengdu, with the aim to coordinate marketing, advertising and promotion of BDMS and network hospitals to counter-parties and alliances in China.
- November 2018 - signed the Memorandum of Understanding with Ping An Good Doctor, China's leading online one-stop medical and wellness platform with over 228 million users, to jointly provide a new choice in healthcare, online medical advice and a channel to recommend more Chinese patients to come to Thailand for treatment at BDMS network hospitals.

BDMS uses digital media and platforms to communicate for convenient access to general health information

2.3 Product Procurement

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 starting work. Furthermore, the Company recognizes the importance of investments in medical technology, 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.



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

The Company supports
continuous medical
research and academic
conferences

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) 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 medical services, 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.

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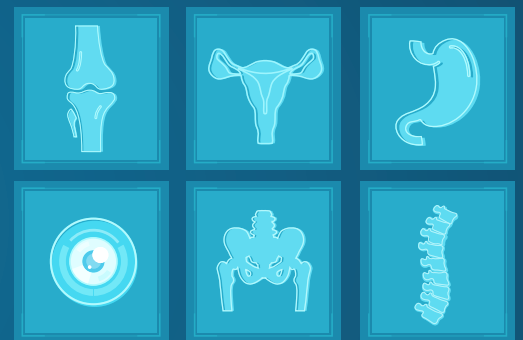
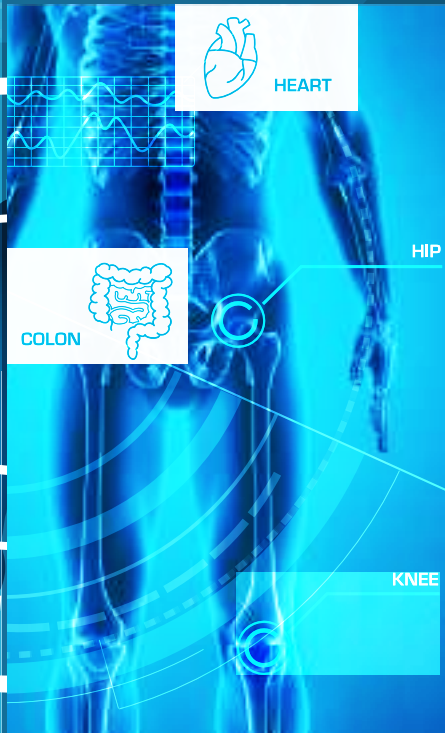


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FASTER RECOVERY TIME MORE ACTIVITIES

Securities and Shareholders

1. Registered Capital and Paid-up Capital

(1) On 31 December 2018, the Company has a registered capital of Baht 1,758,223,567.20 and paid-up capital of Baht 1,566,895,604.80 divided into 15,668,956,048 common shares with par value of Baht 0.10 per share.

(2) On 18 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”. Details as follows:

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	<p>On 18 September 2017, debenture holders exercised the put option on the principal equaling Baht 1,560 million. The Company paid the early redemption price of Baht 1,656 million (or 106.152% of the principal amount of Baht 1,560 million)</p> <p>In 2018, the convertible debentures holders of Baht 3,746 million exercised their conversion rights to convert into 178.0 million ordinary shares of the Company. As a result, as at 31 December 2018, the Company’s paid up capital increased from Baht 1,549 million to Baht 1,567 million and premium on ordinary shares increased Baht 4,168 million. The outstanding principal amount of convertible debentures was Baht 4,694 million.</p>
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 31 December 2018	Baht 4,694 million

2. Shareholder Structure

Top ten shareholders of the Company as of the latest registrar closing date on 28 December 2018:

No.	Top 10 Major Shareholders	Number of Shares	Percentage of Shareholding
1	Mr. Prasert Prasarttong-Osoth, M.D. and spouse	2,903,602,540	18.53
	Miss Poramaporn Prasarttong-Osoth, M.D.	558,437,610	3.56
	Miss Somruthai Prasarttong-Osoth	36,800,000	0.24
	Mr. Puttipong Prasarttong-Osoth, M.D. and spouse	28,326,660	0.18
	Mrs. Ariya Prasarttong-Osoth	13,002,800	0.08
	Total	3,540,169,610	22.59
2	Mr. Wichai Thongtang	32,531,753	0.21
	Mr. Att Thongtang	346,874,295	2.21
	Mr. Itti Thongtang and spouse	314,803,044	2.01
	Miss Viorn Thongtang	247,625,494	1.58
	Mr. Attikhun Thongtang	198,409,604	1.27
	Total	1,140,244,190	7.28
3	Bangkok Airways PCL. (1)	918,418,690	5.86
	Bangkok Airways Holding Co., Ltd. (2)	205,000,000	1.31
	Total	1,123,418,690	7.17
4	Thai NDVR Co., Ltd.	1,062,176,241	6.78
5	The Viriyah Insurance PCL. (3)	948,283,830	6.05
6	Social Security Office	638,196,200	4.07
7	Mr. Chirothana Suchato, M.D. and spouse	393,171,090	2.51
	Mr. Janus Suchato	3,951,460	0.02
	Mrs. Nasuda Darnchaivijitr	5,638,600	0.04
	Mrs. Ranitha Thongdee and spouse	7,286,930	0.05
	Total	410,048,080	2.62
8	Miss Napamas Ladpli	158,965,100	1.01
	Mrs. Atinuch Malakul Na Ayudhaya, D.D.S.	131,283,020	0.84
	Mr. Parameth Ladpli, M.D.	67,787,150	0.43
	Total	358,035,270	2.28
9	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	326,270,141	2.08
10	STATE STREET EUROPE LIMITED	325,685,748	2.08
	Grand Total	9,872,528,000	63.01

Source: Thailand Securities Depository Company Limited

Remarks:

(1) Top five shareholders of Bangkok Airways Public Company Limited (as of the latest registrar closing date on 9 March 2018) are as follows:

No.	Top 10 Major Shareholders	Number of Shares	Percentage of Shareholding
1	Mr. Puttipong Prasarttong-Osoth and spouse	523,387,900	24.92
2	Mrs. Ariya Prasarttong-Osoth	243,440,900	11.59
3	Mr. Prasert Prasarttong-Osoth, M.D. and spouse	222,777,500	10.61
4	Miss Poramaporn Prasarttong-Osoth, M.D	136,250,000	6.49
5	Bangkok Bank Public Company Limited	105,000,000	5.00
Total		1,231,306,300	58.63

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

(3) The Viriyah Insurance PCL., as of 25 April 2018, had top five shareholders as follows:

No.	Top 10 Major Shareholders	Number of Shares	Percentage of Shareholding
1	Viriyah Property Co., Ltd.	8,000,000	40.00
2	Viriyabhun Family	5,745,836	28.73
3	The Ancient City Co., Ltd.	2,000,000	10.00
4	Mrs. Orapan Pongpipat and family	1,641,668	8.21
5	Ms. Suvarporn Thongthaw and family	1,641,666	8.21
Total		19,029,170	95.15

3. Other Securities

As of 31 December 2018, the Company had a total of 10 debentures that had not yet matured, which are registered and traded on the Thai Bond Market Association (Thai BMA), as follows:

- Debenture BDMS228A registered and traded on Thai BMA since 6 August 2012
- Debenture BDMS228B registered and traded on Thai BMA since 8 August 2012
- Debenture BDMS233A registered and traded on Thai BMA since 14 March 2013
- Debentures BDMS205A and BDMS235A registered and traded on Thai BMA since 10 May 2013
- Debenture BDMS256A registered and traded on Thai BMA since 25 June 2015
- Debenture BDMS266A registered and traded on Thai BMA since 24 June 2016
- Debentures BDMS202A, BDMS222A and BDMS242A registered and traded on Thai BMA since 8 February 2017

Features of the 10 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 Units
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 6 February and 6 August of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31 December 2018	:	500,000 Units
Outstanding Value as of 31 December 2018	:	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 Units
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 8 February and 8 August of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31 December 2018	:	100,000 Units
Outstanding Value as of 31 December 2018	:	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 Units
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 14 March and 14 September of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31 December 2018	:	4,000,000 Units
Outstanding Value as of 31 December 2018	:	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 Units
Face Value	:	1,000 Baht
Offer Price	:	1,000 Baht
Issue Date	:	10 May 2013
Maturity Date	:	10 May 2020
Coupon Payment	:	4.19% per annum to be paid every 6 months from date of issue and paid on 10 May and 10 November of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31 December 2018	:	2,000,000 Units
Outstanding Value as of 31 December 2018	:	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 Units
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 10 May and 10 November of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31 December 2018	:	1,000,000 Units
Outstanding Value as of 31 December 2018	:	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 Units
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 25 June and 25 December of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31 December 2018	:	2,000,000 Units
Outstanding Value as of 31 December 2018	:	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 Units
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 24 June and 24 December of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31 December 2018	:	3,000,000 Units
Outstanding Value as of 31 December 2018	:	3,000,000,000 Baht
Credit Rating (Tris Rating)	:	AA-

H) Bangkok Dusit Medical Services PCL Non-Guarantee Debenture No. 1/2017 1st issuance 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 Units
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 8 February and 8 August of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31 December 2018	:	3,000,000 Units
Outstanding Value as of 31 December 2018	:	3,000,000,000 Baht
Credit Rating (Tris Rating)	:	AA-

I) Bangkok Dusit Medical Services PCL Non-Guarantee Debenture No. 1/2017 2nd issuance 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 Units
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 8 February and 8 August of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31 December 2018	:	2,500,000 Units
Outstanding Value as of 31 December 2018	:	2,500,000,000 Baht
Credit Rating (Tris Rating)	:	AA-



J) Bangkok Dusit Medical Services PCL Non-Guarantee Debenture No. 1/2017rd issuance 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 Units
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 8 February and 8 August of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31 December 2018	:	1,500,000 Units
Outstanding Value as of 31 December 2018	:	1,500,000,000 Baht
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 in the separate financial statements, 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. On 28 February 2018, the Board of Directors approved the amendment of the dividend rate from no less than 50% of net profit of the Company's separate financial statements to no less than 50% of net profits of the consolidated financial statements.

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

Annual Dividend Payments	2013	2014 ⁽¹⁾	2015 (Restate)	2016	2017	2018 ⁽²⁾ (Jan.-Jun.)
Net profit per share (Consolidated financial statements)	4.05	0.48	0.52	0.54	0.66	0.32
Net profit per share (Separate financial statements)	2.45	0.21	0.29	0.45	0.46	0.35
Dividend per share (Baht per share)	2.00	0.23	0.26	0.29	0.36	0.13
Par value of common shares (Baht per share)	1.00	0.10	0.10	0.10	0.10	0.10
Dividend payout ratio (%)						
- Consolidated financial statements	49%	48%	50%	54%	55%	41%
- Separate financial statements	82%	109%	90%	64%	78%	37%
Date of Dividend Announcement	2/05/57	6/05/58	4/05/59	26/04/60	26/04/61	28/09/61

Note : (1) On 25 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 18 April 2014.

(2) The Board of Directors' Meeting No. 8/2018 on 29 August 2018 passed a resolution to approve the interim dividend payment from performance during the period of January-June 2018.

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 2018) forecasts that the Thai economy will continue to grow 4.0% in 2019. Domestic demand is an important economic driver, especially private consumption, which has grown continuously in almost every product category, non-agricultural household income has expanded and is more wide spread, employment in many major economic sectors has increased, and the government policies have continuously provided support. While private investment has gradually expanded, exports will show a decline in line with the global economy, which is an effect from the US trade sanctions against China. Nevertheless, the positive outcome from moving orders and manufacturing base from China to Thailand, will be a supporting factor going forward. The major risk factors are international risks, including the impact from US trade sanctions and lower than expected economic expansion of trading partner countries. While the domestic risk factors are lower than estimated expansion of private consumption from concentrated purchasing power, especially income in the agriculture sector, and lower than expected government spending.

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 government measures

On 22 January 2019, the Cabinet approved price control of medicine and medical services as proposed by the Ministry of Commerce. The Cabinet also approved the setting up of a sub-committee, comprised of the Ministry of Commerce, the Ministry of Public Health, representatives of the public sector and representatives of public and private health care providers. The sub-committee shall determine fair measures for all stakeholders to be further proposed to the Product and Service Prices Committee.

The Company is closely monitoring all developments in order to assess the risks that may affect the Company's operations. In addition, the Company has made preparations in anticipation of any requests for information from related organizations, as well as determined appropriate supportive measures.

2.2 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 aims to protect 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.

Nevertheless, the Company and network 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.

2.3 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 full cycle of service with economy of scale.

2.4 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 a 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 operating 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 provide 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.

2.5 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.

Currently, there is one law suit from a former member of the Life Privilege Project. Details can be found in the notes to the Financial Statements Clause 22 on page 222.

2.6 Risk of Reliance on Revenue from Foreign Patients

The Company has realized 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. This group of patrons chooses to come to Thailand for health care services because of the internationally recognized standards 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. Thus, 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 concentration risk of patients in any one group.

2.7 Foreign Investment Risk

As of 31 December 2018, 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) of USD 76.8 million, which is equal to approximately Baht 2,565.6 million or 1.9% 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 International Hospital, 80%
- Phnom Penh Medical Services Co., Ltd., which manages Royal Phnom Penh Hospital, 100%
- BDMS International Medical Services Co., Ltd., 100%
- N-Health Asia Pte. Ltd., 100%, 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

Providing medical care before collecting fees and expenses creates a risk that we may not be able to receive payment for such services. However, the Company has the following policies to reduce 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 third parties, the Company also has a policy to provide credit for payment of medical services with caution by analyzing the third 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 31 December 2018, the Company has liabilities with floating interest rate equal to 36.8% of all financial liabilities. Therefore, fluctuations of the interest rates may affect the Company's 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 2018, the Thai Baht fluctuated between Baht 31.13 to Baht 33.49 to the US Dollar.

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





Corporate Governance

- Corporate Governance
- Internal Control and Risk Management
- Report of the Audit Committee
- Connected Transactions

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 which 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 Securities and Exchange Commission. 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 Board of Directors has set the good corporate governance policy as guidelines for all directors, management and employees of the Company. Therefore, the Board of Directors has appointed the Corporate Governance Committee to screen matters relating to corporate governance, including monitor, review and revision of the existing corporate governance policy so that it is up-to-date and suits the current situation. The Committee shall also ensure that the policy is in accordance with good corporate governance as determined by the regulating authority, as well as international standards, and will propose to the Board for review and approval at least once a year. Additionally, the Board of Directors has emphasized good corporate governance through integration of policy and business direction, as well as sufficient internal controls and auditing. The Board has assigned the Audit Committee the task of drafting the internal audit scheme to ensure that the organization has complied with all policies. Moreover, the Board of Directors has overseen 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 latest Corporate Governance Policy, which the Board of Directors has reviewed to ensure consistency with good corporate governance of listed companies, was approved at Meeting No. 12/2018 on 19 December 2018. The Policy covers the following topics:

1. Sustainable Value Creation
2. Roles and Responsibilities of the Board of Directors
3. Rights and Equal Treatment of Shareholders
4. Policy and Treatment of Stakeholders
5. Disclosure and transparency

Sustainable Value Creation

The Board of Directors has the intention to support the Company and subsidiaries in becoming an efficient organization in terms of business operations, good corporate governance, excellence in management and operating with responsibility, ethics, fairness, transparency and accountability. Hence, the Board of Directors, management and all staff have a joint responsibility in creating sustainable value by carrying out their duties with determination and to the fullest extent of their capabilities. There must be duty of care and duty of loyalty to achieve the goals and main objectives of the organization, under the business laws, rules and ethics. Thus supporting the organization's competitiveness and good performance while keeping in mind the long term impact, benefits to society, responsibility to shareholders and stakeholders, as well as adaptability to changes.

Role and Responsibility of the Board of Directors

Structure of the Board

As of 31 December 2018, the Board of Directors is comprised of 14 members, 7 of those being Executive Directors, 1 Non-Executive Director and 6 Independent Directors.



However, on 21 January 2019 Mr. Prasert Prasarttong-Osoth, M.D., Group CEO & President and Miss Poramaporn Prasarttong-Osoth M.D., a Director, tendered their resignation from the Board of Directors. Hence, at the Meeting No. 1/2019 held on 23 January 2019, the Board resolved to appoint Mrs. Narumol Noi-am and Mr. Puttipong Prasarttong-Osoth as Directors to fill the vacant positions, effective from 23 January 2019. Presently, the Company has 6 Executive Directors, 2 Non-Executive Directors and 6 Independent Directors.

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 Directors

Non-Executive Directors are directors who are 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. They are independent of management, major shareholders or persons with 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.

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 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 is an Independent Director. The Company has stipulated that the Chairman and the President must not be the same person 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 Executive Committee and the President. 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 scope of 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, and 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.

Orientation of New Directors

The Company recognizes the importance of new directors and has thus arranged for an introduction to the overall operations of the Company, structure of the subsidiaries and related businesses to provide an understanding of the method of work and the shareholding structure within the Group. Additionally, the new directors are given important and necessary information for their role as a director, such as the charters of the Board of Directors and the sub-committees, overall business of the Company, internal organization chart, the Articles of Association, Company objectives, business ethics of the Board of Directors, as well as the corporate governance policies that have been issued within the Group

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, the Nomination and Remuneration Committee the Risk Management Committee and the Corporate Governance Committee are not set in advance. However, the meetings of the four 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 next subsequent Board meeting.

The Company has disclosed attendance at the 2018 Board of Directors’ Meetings and the Sub-Committee Meetings in the section titled “Management Structure”.

Assessing the Performance of the Board of Directors and Sub-Committees

The Board of Directors and Sub-Committees conduct a self-assessment at least once a year. Each committee shall assess their workings and consider any necessary improvements or changes in order to achieve utmost efficiency and effectiveness. The assessment includes assessing the efficacy of the structure and qualifications of the Board of Directors and Sub-Committees,

sufficiency and suitability of the meeting agendas and number of meetings, as well as the efficacy of the workings of the Board and Sub-Committees. The Company Secretary shall send out the assessment forms to all Directors and will collect the completed forms in order to record the outcome of the assessment.

Assessing the Performance of the CEO and President

The Company assesses the performance of the CEO and President annually. The results of the assessment shall be used as part of the consideration of suitable remuneration of the CEO and President. The Board of Directors has assigned the Nomination and Remuneration Committee the task of assessing the performance of the CEO and President, comparing with the Company's goals, strategies, and operating results, as well as assessing leadership qualifications and capabilities. The Chairman of the Nomination and Remuneration Committee is the one who informs the CEO and President of the results of the assessment.

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 realizes the role, duties and responsibilities of the Directors with regards to the Company and thus, recognizes the importance of enhancing the knowledge, capabilities, skills and potential of the Directors and executives. To this end, the Company encourages continuous participation in seminars and training programs, both inside and outside the Company. 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. All 14 members of the Board and the Company Secretary 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, as well as essential programs organized by the Thai Institute of Directors (IOD) that would be beneficial to the directors, such as

- Advanced Audit Committee Program (AACP)
- Finance Statements for Directors Program (FSD)
- Roles of Compensation Committee Program (RCC)
- Role of the Nomination and Governance Committee (RNGC)
- Anti-Corruption the Practical Guide (ACPG)
- Ethical Leadership Program (ELP)

In 2018, the directors attending the following courses.

Director	Seminar/Training Program/Activity
Mr. Chavalit Sethameteekul	<ul style="list-style-type: none"> • Advanced Audit Committee Program 28/2018 • Financial Statements of Directors Program 35/2018

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.

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 all.

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 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 by the shareholders. However, should the Board of Directors be 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 2019 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 2018 to 14 January 2019.

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 then 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. Should any shareholder have a special stake in a particular agenda, such shareholder is prohibited from voting on said agenda.

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.

One or more shareholders with combined shares of no less than one tenth (1/10) of shares outstanding, may together 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 45 days 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 and in support of shareholders' rights to receive information. 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 objectives, reasons and opinions of the Board of Directors on each agenda and accompanying documents (if any) for informed decision making, 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 for speed and verification, 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 shall provide 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 and 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 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 under good corporate governance and social responsibility, including maintaining the competitive edge by recognizing the current and future business risks. The Company emphasizes business for consistent profits through continuous business development in the long term. 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 a 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 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 enhance 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, provide annual medical check-ups for employees, and vaccinations as appropriate. Furthermore, we pay close attention to ensuring that the work place is safe and hygienic for the health and benefit of our employees by organizing continuous training and promoting knowledge through various media within the organization, namely:

- Fire extinguishing and evacuation
- New employees orientation, training on tools and equipment in the workplace, and work processes for learning and prevention of errors
- Analysis of accidents and sickness in the work place
- First-aid and rescue procedures
- Fitness gym and exercise programs for employee health
- Mental health promotion programs for employees and their families

Should the number of employees in any department be insufficient for the increased amount of work, 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. Thus, the Company has set up a suitable compensation program which is comparable to management in the healthcare business. Moreover, management have the opportunity 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

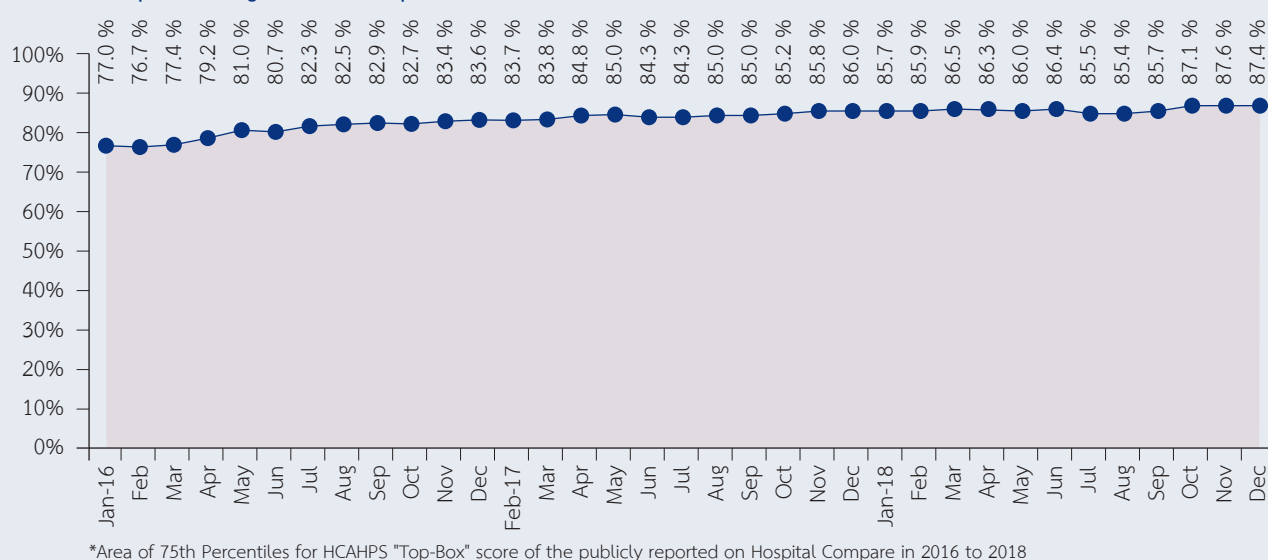
The Company has the policy to act honestly towards companies in the same business in accordance with trade dealings. The framework of this policy has been shaped by related laws and regulations. The policy prohibits the seeking of business competitor's inside information through dishonest or inappropriate 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.

Moreover, the Company has asked all hospitals in the network to conduct patient satisfaction surveys each month using the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) developed by The Centers for Medicare & Medicaid Services (CMS) in conjunction with The Agency for Healthcare Research and Quality (AHRQ), which has been officially certified by the National Quality Forum, U.S.A. The main objective is to assess patients' perspectives on the main care processes within the hospitals in order to improve quality of service. In the US, the results of the survey are disclosed to the public to enhance social responsibility and provide opportunity for hospitals to compare the results of patients' views for further improvement of services. Scores are calculated using the percentage of patients who provide "top-box" scores in each scale, which focuses on the consistency of service in each area in order to promote the culture of providing patients with the best experience every time.

Overall Hospital Rating of BDMS hospitals as of end of 2018



The assessment of patient satisfaction during 2016-2018 of hospitals within the BDMS network shows an increased score from 77% to 87%, which is in the 90th percentile when compared to 4,213 US hospitals with HCAHPS scores.

8. Policy on Creditors

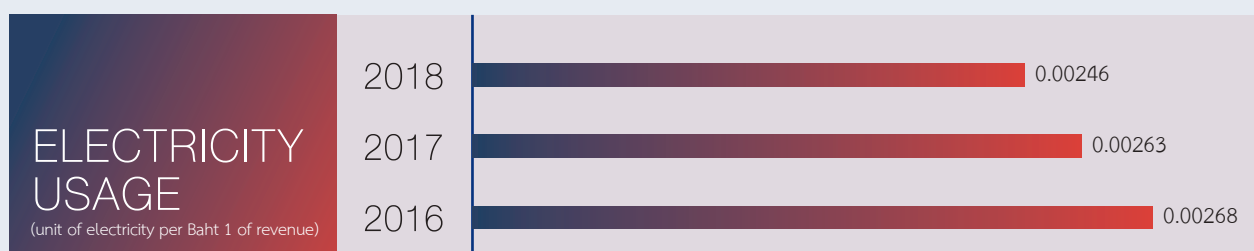
The Company has the policy to abide by the contracts and commitments made with debtors of all types, whether in terms of the objective, repayment, maintaining quality of collateral (if any), payment period, as well as any other terms and conditions agreed upon with the debtor. In addition, the Company 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 a sustainable 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. Thus, we have adopted the Institute of Hospital Quality Improvement and Association (HA-Thailand) and Joint Commission International (JCI) standards in our hospitals and we have received accreditation from both organizations.

In addition, the Company has increased usage of recycled water by using treated wastewater in the chiller system. This has reduced water usage by 9.2% over the past year. In 2018, the Company has reduced electricity usage by changing light bulbs in the hospitals to LED and implemented other electricity saving measures, which has helped to lessen electricity usage during 2016-2018 as follows:



When constructing new hospitals, the Company has specified construction using the principals of Leadership in Energy and Environmental Design (LEED) in construction of new buildings in order to reduce energy usage and protect the environment. This has been implemented at Bangkok Hospital Chiang Mai, Bangkok Hospital Chiang Rai and Bangkok International Hospital, which will all open in 2019. Solar cells have been installed to provide electricity to the hospitals as well as solar collectors to provide hot water in patients' rooms. In addition, district heat pumps have been installed to reserve hot water from the solar collectors during the night.

In terms of charitable contribution, the Company has dispatched health units to provide knowledge as well as medical tools and equipment, medicine and medical supplies along with other foundations and neighboring communities.

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 on Non-Infringement of Intellectual Property Rights and Copyrights

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 on Non-Infringement of Intellectual Property Rights and Copyrights" so that the directors, management and employees shall acknowledge and act accordingly. The policy has also been published on the Company's website.

12. Information Security Management Policy

The Company has instituted the Information Security Management Policy as a guideline and standard rules in using information technology and computer networks suitably and with the utmost efficiency. The Policy also prevents any problems that may

arise from risk of misuse that may result in damages. The Company has declared the Policy to employees of the Company and subsidiaries, as well as individuals who are involved or have dealings with the Company, for acknowledge and practice.

13. 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. Corporate Governance Policy
3. Code of Conduct and Whistleblower Policy
4. Corporate information disclosure Policy
5. Supervision of Using Inside Information Policy
6. Fraud Prevention and anti-corruption Policy
7. Policy and Guidelines on Human Rights
8. Policy on Non-Infringement of Intellectual Property Rights and Copyrights
9. Policy on Risk Management

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

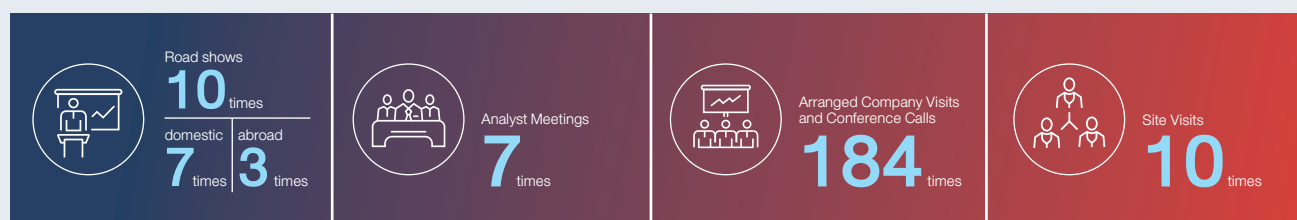
fair and suitable channels. The main purpose is to ensure that the decision to invest in securities of the Company is made fairly and with equal information, in accordance with the corporate information disclosure Policy and the supervision of supervision of using inside Information Policy to the directors, 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.

Channels for 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 Group CEO & President, the Chief Financial Officer, the Assistant Vice President of Investor Relations, as well as other related executives, in accordance with the policy on information disclosure.

In 2018, the executive officers, including the Assistant Vice President of Investor Relations met with stakeholders and provided information at the following opportunities:



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 Assistant 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>.

2. Sub-Committees

The Board of Directors resolved to appoint five sub-committees, namely, the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee, the Risk Management Committee and the Corporate Governance Committee, to assist in managing internal control, risk management, corporate governance and to screen issues. The Board has also clearly separated the duties of each committee by prescribing the responsibilities in the respective committee's charter. Each sub-committee shall carry out self-assessment annually at least once a year in order to achieve utmost efficiency and effectiveness.

2.1 Audit Committee

As of 31 December 2018, the Committee was comprised of three independent directors and each member serves for a term of three years. The Audit Committee members are as follows

- | | |
|--|----------|
| 1. Professor Emeritus Santasiri Sornmani, M.D. | Chairman |
| 2. Mr. Weerawong Chittmittrapap | Member |
| 3. Mr. Chavalit Sethameteekul* | Member |

* Mr. Chavalit Sethameteekul was appointed at the Board Meeting No. 2/2018 held on 28 February 2018 to replace a member who had resigned.

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. Chavalit Sethameteekul.

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. The Committee also conducts an annual meeting with the auditor without management being present. 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 a Director, major shareholder or shareholder who is related to a major shareholder of the Company.
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 a Member of the Audit Committee 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.

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 shall serve for a term of three years and the Chairman of the Committee shall be an Independent Director. 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 Group 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 Group Chief Executive Officer and President.

The Nomination and Remuneration Committee is comprised of the following:

- | | |
|--|----------|
| 1. Professor Emeritus Santasiri Sornmani, M.D. | Chairman |
| 2. Mr. Chuladej Yossundharakul, M.D. | Member |
| 3. Mr. Chavalit Sethameteekul | 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 Group 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 Group Chief Executive Officer and President for approval by the Board of Directors.
6. Assess the performance of the Group 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 Group 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 members, with the Chief Executive Officer and President being one of them by the position. The Committee 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.

As of 31 December 2018, the Executive Committee was comprised of five members as follows:

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|--|--|
| 1. Mr. Prasert Prasarttong-Osoth, M.D. | Chairman (Resigned on 21 January 2019) |
| 2. Mr. Chuladej Yossundharakul, M.D. | Member |
| 3. Mr. Pradit Theekakul | Member |

- | | |
|---|--------------------------------------|
| 4. Mr.Thongchai Jira-alongkorn | Member |
| 5. Miss Poramaporn Prasarttong-Osoth M.D. | Member (Resigned on 21 January 2019) |

The Board of Directors' Meeting No. 1/2562 held on 23 January 2019 resolved to appoint Mr. Chuladej Yossundharakul, M.D. and Mrs. Narumol Noi-am as Chairman of the Executive Committee and Member of the Executive Committee, respectively.

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 plans 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 Group 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.

2.4 Risk Management 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 Risk Management Committee. The Committee is comprised of Directors and executive management, with at least 3 members being Directors of the Company. The term is for three years. The Committee has the duty to screen risk management policy and guidelines of the Company for presentation to the Board of Directors as well as monitor adherence to the policy approved by the Board. In addition, the Committee shall review sufficiency of the risk management policy and systems, including efficacy of the systems and compliance with the determined policy.

As of 31 December 2018, the Risk Management Committee was comprised of five members as follows:

1. Mr. Chavalit Sethameteekul	Chairman
2. Mr. Sripop Sarasas	Member
3. Mr. Pradit Theekakul	Member
4. Miss Poramaporn Prasarttong-Osoth M.D.	Member (<i>Resigned on 21 January 2019</i>)
5. Mrs. Narumol Noi-am	Member

Scope of Duties and Responsibilities of the Risk Management Committee

1. Review the risk management policy and guidelines of the Company, which encompasses various important risks such as financial risk, investment risk and reputation risk, to present to the Board of Directors for approval.
2. Determine strategy and procedure in risk management that complies with the risk management policy, which can be assessed and monitored to ensure that the risk is at a suitable level.
3. Supervise and monitor compliance with the risk management policy under the guidelines approved by the Board of Directors.
4. Determine measurement of risk and acceptable risk ceiling.
5. Determine measures in managing risk to suit the situation.
6. Review the sufficiency of the risk management policy and systems, including the efficacy of the systems and compliance with the determined policy.
7. Report to the Board of Directors regularly on management, process and risk status, as well as any changes and improvements required to comply with the determined policy and strategy.
8. Perform other actions as assigned by the Board of Directors.

2.5 Corporate Governance Committee

In order to support the Board of Directors in determining guidelines on good practices in various dealings of the organization in accordance with good corporate governance, which will lead to sustainable success of the Company, the Board of Directors made the decision to appoint the Corporate Governance Committee. The Committee is comprised of three Directors with an Independent Director as the Chairman. The term is for three years. The Corporate Governance Committee has the responsibility of determining guidelines and suggestions on the good corporate governance policy to the Board of Directors for implementation by the organization. The Committee also annually reviews the policy and assesses the organization's operations in accordance with good corporate governance.

As of 31 December 2018, the Corporate Governance Committee was comprised of three members as follows:

1. Mr. Weerawong Chittmittrapap	Chairman
2. Mr. Sripop Sarasas	Member
3. Mr. Pradit Theekakul	Member

Scope of Duties and Responsibilities of the Corporate Governance Committee

1. Determine guidelines, suggestions on policy and practices on ethics and business morals in accordance with good corporate governance for the Board of Directors and management to set CG Code for the organization, so that the organization's practices meet the standards of good corporate governance of listed companies.
2. Supervise and provide advice on practicing good corporate governance and business ethics in order to develop and elevate the Company's corporate governance to create sustainable value.
3. Review the Corporate Governance 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 Corporate Governance Committee shall propose such changes to the Board of Directors for further approval.
4. Review and assess the CG Code annually. Should there be any part of the guidelines of the CG Code that have not yet been put to practice as suitable to the business, the Committee shall report to the Board of Directors for acknowledgement.
5. Perform other actions as assigned by the Board of Directors.

3. The Nomination and Appointment of Directors and Executive Management

3.1 Nomination of Directors and Independent Directors

The Nomination and Remuneration Committee is comprised of 4 members with 2 of the members being independent directors, one of which will act as Chairman. The Committee has the duty to nominate persons to become directors to replace those who have 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 one or more individuals as a Director. 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 (1/3) of the directors shall resign by rotation. If the number of directors cannot be divided by three, then the closest number to one third (1/3) 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
- 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.

For the succession of top level management, the Board of Directors has assigned the Nomination and Remuneration Committee the responsibility of determining the method and guidelines in selecting a successor as well as the suitable qualifications.

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' Meetings. 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 Executive Committee shall also determine the roles and responsibilities of the representative in representing the Company with honesty to protect the benefits of the subsidiaries and company policies in accordance with good corporate governance and related laws and regulations. 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 as stipulated by the Company. In appointing representatives as directors of subsidiaries, the representation shall correspond with the ratio of shares held by the Company.

Policy on Governing of Subsidiaries

In governing internal control, 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 appropriate and concise regulations on connected transactions, purchase or sale of assets or any other important transactions to ensure completeness and accuracy consistent

with the Company's own regulations. In addition, the representative shall also ensure that disclosure of financial status, performance and other important information are in compliance of applicable regulations as well as 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.

Furthermore, when a subsidiary invests in another business at a level that is significant to the Company, the representative has the responsibility in ensuring that the management of the subsidiary has entered into a contract or agreement for clarity of authority in management

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 30 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 Insider 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. Auditor's Remuneration

EY Office Limited has been the auditor of the Company and its subsidiaries (except two subsidiaries in the Republic of the Union of Myanmar). EY shall replace an auditor if he or she has audited the Company for 5 years.

In 2018, the Company and its subsidiaries have compensated the auditor as follows:

1. Auditing Fee

- The Company and subsidiaries paid auditing fees to EY Office Limited in Baht, details as follows:

(Unit : Baht)

	Review of 3 quarterly financial statements	Annual Audit Fee	Total
Bangkok Dusit Medical Services Plc.	957,000.00	1,283,000.00	2,240,000.00
Subsidiaries (58 companies)	7,266,900.00	17,483,950.00	24,705,850.00
Total audit fees paid			26,950,850.00

- The two subsidiaries in the Republic of the Union of Myanmar, namely, N Health Myanmar Co., Ltd. and Samitivej International Co., Ltd., paid an audit fee to Win Tin & Associates and UTW (Myanmar) Limited., which operates in Myanmar, in the amount of equivalent to Baht 267,645.

2. Other fees

- None -

7. Practice on Good Corporate Governance Code for Listed Companies 2017

The Board of Directors acknowledges the 2017 Good Corporate Governance Code for Listed Companies and recognizes its role as the governing body in creating sustainable value for the Company. Thus, the Board has considered and reviewed the Good Corporate Governance Code and has adapted such practices as appropriate in governing the organization in order to produce good profits in the long term, build the trust of our shareholders and the public, as well as sustainable growth. However, there are some parts of the Code that the Board of Directors has reviewed and determined to be unsuitable, and thus, has not put them to practice and the reason has been recorded in the Board resolution. Nevertheless, the Board of Directors has set other suitable measures to substitute the aforementioned parts of the Code.

8. Anti-Corruption Practices

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:

- The Company has provided guidelines on assessing the operational risk and on prioritizing the risks that may occur for the planning of internal auditing and risk management.
- 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.
- 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.
- The Audit Committee has the duty to ensure that the Company has sufficient good corporate governance, consistent with the policy set.
- 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.

Internal Control and Risk Management

Internal Control

The Company recognizes the importance of the internal control system as it is one of the significant factors in mitigating risks and preventing losses to the Company. The internal control system is also 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.

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:

- BBA: Major in Accounting, Thammasat University
- MBA: Masters of Business Administration, Chulalongkorn 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 2/2019 held on 28th February 2019, attended by a total of 14 Directors comprised of 6 Executive Directors, 2 Non-Executive Directors 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, Control Environment, Risk Assessment, Control Activities, Information & 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 2018, the Company did not find any significant errors related to conflicts of interest, malfeasance or significant anomalies or defects in the internal control system of the Company or subsidiaries.

Risk Management

The Company recognizes the importance of risk management, which is an essential component of good corporate governance. We believe that risk management is an important mechanism and tool in ensuring that the Company meets the determined objectives and goals, as well as reduce obstacles or unexpected circumstances with regards to profits, operations and the trust of shareholders and other stakeholders. The Board of Directors, thus appointed the Risk Management Committee to screen the Company's risk management policy and guidelines, as well as monitor adherence to the risk management policy and processes. In 2018, the Risk Management Committee met a total of 5 times.

Moreover, the Board of Directors, as proposed by the Risk Management Committee, approved the Risk Management Policy and announced such policy to the Company and subsidiaries. Executive management and employees at all levels have the responsibility of being aware of the risks that may occur in their work and organizations, and should give sufficient and appropriate importance to risk management. The Board also determined important risk management that affect the achievement of the organization's objectives as follows:

- Timely determine risk
- Analyze, assess and prioritize opportunity of risk and the impact
- Manage risk in accordance with the determined risk management process by taking into consideration related costs and impact from risk management
- Monitor and evaluate to ensure that the risk has been appropriately mitigated

Furthermore, risks that may affect high level/very high level business plans and strategies of the Company shall be reported to the Risk Management Committee, the Executive Committee and the Board of Directors.

Report of the Audit Committee

The Board of Directors of Bangkok Dusit Medical Services Public Company Limited appointed the Audit Committee. As of 31 December 2018, the Audit Committee was comprised of 3 independent directors, namely Professor (Emeritus) Santasiri Sornmani, M.D. as Chairman of the Audit Committee, and Mr. Chavalit Sethameteekul 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 2018, the Audit Committee held a total of 7 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.

Signed By **Santasiri Sornmani**

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

Connected Transactions

1. Transactions

1.1 General Transactions

Transactions between Bangkok Dusit Medical Services PLC. (“the Company”) and its subsidiaries for the period ending 31 December 2018

Connected Person/Relationship	Transaction	Value (Baht) as of		Reason and Necessity
		31/12/2018	31/12/2017	
<p>1. Bangkok Airways PLC.: BA</p> <p><u>Relationship</u></p> <p>1. Mr. Prasert Prasarttong-Osoth, M.D. is a major shareholders of BA.</p> <p>2. Mr. Prasert Prasarttong-Osoth, M.D. (Director), Mr. Pradit Theekakul (Director), Mr. Sripop Sarasas (Director) and Mrs. Narumol Noi-am (Chief Financial Officer) are Directors of BA.</p>	1. Air fare and air freight/patient transport by air charges	20,864,792	25,763,781	<p>The Company and subsidiaries paid air fare and air freight charges to Bangkok Airways PLC. at the market rate with conditions of normal transactions.</p> <p>The Company and subsidiaries paid for patient transport by air to Bangkok Airways PLC., which is considered as a transaction supporting the business of a subsidiary, with charter charges at market rate under conditions of normal transactions.</p> <p>The Company paid travel expenses as part of the Affiliation Program to increase the potential and develop BDMS business.</p>
	2. Creditor - Air fare and air freight/patient transport by air charges	410,134	482,745	Air fare, air freight and patient transport by air and charter charges not yet due to Bangkok Airways PLC., which the Company and subsidiaries receive general credit terms as with any other counter party of BA.
	3. Dividend Income	5,371,680	8,952,800	The Company received dividends from investment in common shares of Bangkok Airways PLC. in accordance with the dividend payment.
	4. Maintenance and management expenses	3,072,000	3,072,000	Subsidiary paid maintenance and management expense of helicopter to Bangkok Airways PLC. at the rate expressed in the agreement. This transaction is a normal transaction.
	5. Creditor -Maintenance and management expenses	547,840	547,840	Subsidiary's maintenance and management expenses to Bangkok Airways PLC. under normal credit terms.
	6. Advertising and corporate public relations expense	4,615,510	3,412,315	<p>The Company and subsidiaries paid advertising and public relations expense to BA, with rate and under conditions of normal transactions as with other counter parties.</p> <p>In 2017, 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. The advertising cost is at market rate and is the same support as provided by other sponsors of the event.</p>

Connected Person/Relationship	Transaction	Value (Baht) as of		Reason and Necessity
		31/12/2018	31/12/2017	
	7. Creditor - Advertising and corporate public relations expense	831,925	494,740	The Company and subsidiaries had unpaid advertising and public relations expense to BA, normal credit terms.
	8. Advertising insurance	85,600	85,600	A subsidiary paid advertising insurance to BA, which are considered normal transactions.
	9. Revenue from medical services	4,035,785	5,022,056	Revenue from medical services provided under the medical services agreement between the Company & subsidiaries and Bangkok Airways PLC., which is normal business for the Company & subsidiaries under the same terms as with other customers.
	10. Revenue from other services	836,620	477,750	Revenue from provision of basic first-aid training to personnel of Bangkok Airways PLC., which are considered normal transactions.
	11. Revenue from sales of goods	46,660	888,664	Revenue from sales of goods between subsidiaries and Bangkok Airways PLC., which are considered normal transactions.
	12. Trade Debtor and other debtors	655,958	1,934,960	The Company and subsidiaries are creditors on medical services in accordance with service agreements, and on other goods and services with BA under normal terms and conditions as with other counter parties.
2. BAC Gourmet House Co., Ltd. <u>Relationship</u> Bangkok Air catering Co., Ltd., a subsidiary of Bangkok Airways PLC., is a major shareholder	1. Retail space leasing	10,130,544	8,953,763	The Company and subsidiaries received retail space rental from BAC Gourmet House Co., Ltd. at the market rate and under the same rental terms as other renters.
	2. Debtor – retail space rental	1,654,104	500,778	The Company and subsidiaries are creditor for retail space rental from BAC Gourmet House Co., Ltd. at the market rate and under the same rental terms as other renters.
	3. Deposit for retail space rental	645,340	645,340	The Company received a deposit on retail lease from BAC Gourmet House Co., Ltd., which is in accordance with the lease agreement as with other renters.
	4. Food and catering service	216,693,697	170,404,753	The Company and subsidiaries paid for food for patients and catering services to BAC Gourmet House Co., Ltd., at market prices and under general terms.
	5. Creditor - Food and catering service	19,000,322	16,000,504	The Company and subsidiaries have payment for food services not yet due to BAC Gourmet House Co., Ltd. under general credit terms.
	6. Revenue from medical services	68,591	792,570	The Company and subsidiaries have revenue from medical services provided under the medical services agreement between the Company and BAC Gourmet House Co., Ltd., 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
		31/12/2018	31/12/2017	
	7. Revenue from sale of goods and services	1,329,296	639,884	Revenue from laundry services and sales of goods between subsidiaries and BAC Gourmet House Co., Ltd. at market prices and under general terms.
	8. Debtor - sale of goods and services	959,857	843,923	Subsidiaries are creditor of medical services, laundry services and sales of goods not yet due from BAC Gourmet House Co., Ltd. under general credit terms.
3. Bangkok Travel Club Co., Ltd. <u>Relationship</u> Person(s) connected to Mr. Prasert Prasarttong-Osoth, M.D. (Director) is a Director and major shareholder of the Company	1. Organization of offsite meetings and seminars	4,478,309	4,102,747	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.
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	526,038	471,384	The Company and subsidiaries received payment for rental of retail space in the hospitals in accordance with the rental agreement at the market rate and under the same rental terms as other renters.
	2. Debtor – retail space rental	46,906	59,673	The Company and subsidiaries have 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	84,052	84,052	The Company received a deposit on retail space rental, which is in accordance with the rental agreement as with other renters.
	4. Food services	187,260	399,253	The Company and subsidiaries paid for food and catering services to Rankindeeyudee Limited Partnership at market rate.
	5. Creditor – food services	37,960	74,820	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) Co., Ltd. <u>Relationship</u> Person(s) connected to Mr. Prasert Prasarttong-Osoth, M.D. (Director) are Director(s) and major shareholder(s)	1. Air fare	17,752,245	18,104,788	The Company and subsidiaries paid for air fare to Bangkok Air Tour (1988) Co., Ltd., an airplane ticket agent, at market rates and under general business terms.
	2. Creditor – air fare	1,020,440	1,215,185	The Company and subsidiaries has account payable for air fares which are not yet due to Bangkok Air Tour (1988) Co., Ltd. under general credit terms.
6. Bangkok Air Catering Co., Ltd. <u>Relationship</u> a subsidiary of Bangkok Airways PLC. and Mr. Pradit Theekakul (Director) is a Director	1. Medical Services revenue	2,220,000	1,541,850	The Company and subsidiaries provided medical services to Bangkok Air Catering Co., Ltd. under the medical services agreement, which is a normal business transaction under the same terms as with other customers.
	2. Trade Debtor – medical services revenue	370,000	339,800	Debtor on medical services provided under the medical services agreement with Bangkok Air Catering Co., Ltd. under general credit terms.

Connected Person/Relationship	Transaction	Value (Baht) as of		Reason and Necessity
		31/12/2018	31/12/2017	
7. Bangkok Air Catering Samui Co., Ltd. <u>Relationship</u> Bangkok Air Catering Co., Ltd., a subsidiary of Bangkok Airways PLC., is a major shareholder	1. Food and catering service	13,388,763	14,805,561	A subsidiary paid for food for patients and catering services to Bangkok Air Catering Samui Co., Ltd. at market rate and general business terms.
	2. Creditor - Food and catering service	2,214,223	4,387,963	A subsidiary has payment for food and catering services not yet due to Bangkok Air Catering Samui Co., Ltd. under general credit terms.
	3. Medical Services revenue	115,480	126,040	A subsidiary provided medical services to Bangkok Air Catering Samui Co., Ltd. under the medical services agreement, which is a normal business transaction under the same terms as with other customers.
	4. Trade Debtor – medical services revenue	115,480	126,040	Debtor on medical services provided under the medical services agreement with Bangkok Air Catering Samui Co., Ltd. under general credit terms.
8. Bangkok Air Catering Phuket Co., Ltd. <u>Relationship</u> Bangkok Air Catering Co., Ltd., a subsidiary of Bangkok Airways PLC., is a major shareholder	1. Medical Services revenue	25,500	-	A subsidiary provided medical services to Bangkok Air Catering Phuket Co., Ltd. under the medical services agreement, which is a normal business transaction under the same terms as with other customers.
	2. Trade Debtor – medical services revenue	1,700	-	Debtor on medical services provided under the medical services agreement with Bangkok Air Catering Phuket Co., Ltd. under general credit terms.
9. Bangkok Media and Broadcasting Co., Ltd. <u>Relationship</u> Mr. Prasert Prasarttong-Osoth, M.D. (Director) is a Director and major shareholder and Mrs. Narumol Noi-am is a Director	1. Advertising costs	4,266,400	24,675,000	<p>The Company and subsidiaries paid Bangkok Media and Broadcasting Co., Ltd. for television advertising at the market rate and under the same trade terms as other clients.</p> <p>In 2017, the Company paid for television advertising to Bangkok Media and Broadcasting Co., Ltd. at market rate and under agreed upon terms. Bangkok Media and Broadcasting Co., Ltd. had 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.</p>
	2. Creditor – advertising costs	3,210,000	-	The Company has account payable for advertising costs to Bangkok Media and Broadcasting Co., Ltd. under general credit terms.

Connected Person/Relationship	Transaction	Value (Baht) as of		Reason and Necessity
		31/12/2018	31/12/2017	
10. Prasarttong-Osoth Co., Ltd. <u>Relationship</u> Mr. Prasert Prasarttong-Osoth, M.D. (Director) is a Director and major shareholder	1. Purchase of goods	181,385	243,611	The Company and subsidiaries purchased goods from Prasarttong-Osoth Co., Ltd. in accordance with the normal procurement process and with general trade terms.
	2. Creditor – purchase of goods	30,170	22,380	The Company and subsidiaries have account payable for goods purchased from Prasarttong-Osoth Co., Ltd. not yet due under general trade terms.
	3. Other revenue	300	35,000	Revenue from training services on goods between the subsidiaries and Prasarttong-Osoth Co., Ltd. under general trade terms.
	4. Other debtors	300	-	Subsidiaries had revenue on training services on goods expense not yet due from Prasarttong-Osoth Co., Ltd. under general credit terms.
11. Saithong Property Co., Ltd. <u>Relationship</u> Mr. Att Thongtang (Director) and connected person(s) are Directors and major shareholders	1. Revenue from medical services	26,400	31,000	A subsidiary provided medical services to Saithong Property Co., Ltd. under the medical services agreement, which is a normal business transaction under the same terms as with other customers.
12. Bangkok Airways Ground Services Co., Ltd. <u>Relationship</u> A subsidiary of Bangkok Airways PLC.	1. Cost of ground and passenger handling	1,120,713	481,367	A subsidiary paid for Ground and Passenger Handling services at Don Muang International Airport. Bangkok Airways Ground Services Co., Ltd. is the only service provider to be awarded the concession at Don Muang International Airport. Therefore, it was necessary for Bangkok Helicopter Services Co., Ltd. to use the service, which was charged at the normal price determined by Bangkok Airways Ground Services Co., Ltd..
	2. Creditor - ground and passenger handling	62,886	-	A subsidiary has unpaid ground and passenger handling costs at Don Muang International Airport where Bangkok Airways Ground Services Co., Ltd. is the only service provider to be awarded the concession, under general credit terms.
13. The One Enterprise Co., Ltd. <u>Relationship</u> 1. A juristic person with Miss. Poramaporn Prasarttong-Osoth M.D. as a major shareholder, is a major shareholder of The One Enterprise Co., Ltd.. 2. Miss. Poramaporn Prasarttong-Osoth M.D. and Mr. Pradit Theekakul are Directors	1. Medical Services revenue	49,285	26,740	The Company and subsidiaries provided medical services to The One Enterprise Co., Ltd. under the medical services agreement, which is a normal business transaction under the same terms as with other customers.
	2. Trade Debtor – medical services revenue	2,421	3,641	Debtor on medical services provided under the medical services agreement with The One Enterprise Co., Ltd. under general credit terms.
	3. Advertising costs	1,000,000	-	A subsidiary paid advertising costs to The One Enterprise Co., Ltd. at market rate and under the same terms as with other customers

Connected Person/Relationship	Transaction	Value (Baht) as of		Reason and Necessity
		31/12/2018	31/12/2017	
14. One 31 Co., Ltd. <u>Relationship</u> A subsidiary of The One Enterprise Co., Ltd. and Mr. Pradit Theekakul is a Director	1. Advertising costs	1,000,000	-	A subsidiary paid advertising costs to One 31 Co., Ltd. at market rate and under the same terms as with other customers.
15. Acts Studio Co., Ltd. <u>Relationship</u> 1. A subsidiary of The One Enterprise Co., Ltd. 2. Mr. Pradit Theekakul is a Directors	1. Location rental	-	248,200	A subsidiary paid for location rental and services to Acts Studio Co., Ltd. at market rate and terms comparable to other customers.
16. WTH Holdings Co., Ltd. <u>Relationship</u> Mr. Att Thongtang and family are major shareholders	1. Office building rental	5,021,591	1,943,947	A subsidiary paid office building rental to WTH Holdings Co., Ltd. at a market rate and under the same terms as other renters.
	2. Creditor – Office building rental	25,909	1,943,947	A subsidiary is a debtor of office building rental to WTH Holdings Co., Ltd. under general credit terms.
	3. Rental insurance	1,226,700	1,130,400	A subsidiary paid rental insurance under the terms of the rental agreement, which is under general terms.
	4. Unpaid rental insurance	-	1,130,400	A subsidiary has unpaid rental insurance due to WTH Holdings Co., Ltd. under general credit terms.
17. Samui Palm Beach Resort Co., Ltd. <u>Relationship</u> Juristic person with connection to Mr. Prasert Prasarttong-Osoth, M.D., as a major shareholder and Mr. Pradit Theekakul as a director	1. Room charges	246,900	-	Subsidiaries paid Samui Palm Beach Resort Co., Ltd. for rooms, at market rates and under normal terms and conditions.
	2. Creditor – room charges	2,900	-	Subsidiaries has unpaid room charges with Samui Palm Beach Resort Co., Ltd. under normal credit terms.

Opinion of Audit Committee

The Meeting of the Audit Committee had the opinion that the aforementioned transactions were within reason and under normal trade conditions.

1.2 Financial Assistance

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

2. Policy and Trend of 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 31 August 2008 and the Securities and Exchange Commission circular dated 16 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 to the Board of Directors for approval in principal.</p> <p>Therefore, at the Board of Directors Meeting 8/2551 on 27 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>

Type of Transaction	Trend and Policy
	<p>1. Loans to subsidiaries 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 MLR-2.25% per annum, which is less than the rate the subsidiary would be charged if taking out a loan directly. 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>2. Guarantee loans of foreign subsidiaries 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> <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. 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 the consideration by the Audit Committee and/or Board of Directors and/or the Shareholders' meeting, as the case may be.





Financial Statements

- The Board of Directors' Report on its Responsibility to the Financial Statements
- Management Discussion and Analysis
- Independent Auditor's Report
- Financial Statements
- Notes to Consolidated Financial Statements

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 2018 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 2018 Annual Report and the Company's 2018 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 31 December 2018, 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.

Signed By **Arun Pausawadi**

Professor Emeritus Arun Pausawasdi, M.D.
Chairman of the Board of Directors

Management Discussion and Analysis

Executive Summary 2018 Performance

For the year ended December 31, 2018 (“2018”), the consolidated operating income were Baht 79,333 million, an increase of 9% yoy. The growth was attributable to an increase in revenue from hospital operations of 9% yoy which was mainly driven by an expansion of new patient base especially from insurance patients both Thai and international patients together with an increase in price intensity.

In addition, revenue from sales of goods was Baht 3,087 million, increased by 10% yoy due mainly to an increase in sales of Medic pharma Co., Ltd. (“Medipharma”) and A.N.B. Laboratories Co., Ltd. (“A.N.B”).

The Company and its subsidiaries reported EBITDA of Baht 17,175 million, increased by 11% yoy in resulting in an increase in EBITDA margin from 21.3% in 2017 to 21.6% in 2018.

Core profit in 2018 was Baht 9,918 million, increased 24% from 2017. However, the Company recorded non-recurring items as follow:-

- In 2018, income tax expense of Baht 727 million to record deferred tax liabilities as a result of the Company’s disposal of all of its investment in Ramkhamhaeng Hospital Public Company Limited (“RAM”) during 1Q19.
- In 2017, gain on partial sale of investment in Bumrungrad Hospital Public Co., Ltd. (“BH”) of Baht 2,195 million (net of income tax).

If including these non-recurring items, net profit in 2018 was 9,191 million, decreased by 10% yoy.

Subsequent Event

Disposition of all equity investment in RAM

During 1Q19, the Company divested all of its investment in RAM totaling 4,588,424 ordinary shares, or approximately 38.24% of issued and paid-up shares of RAM, at the price of Baht 2,800 per share for Baht 12,847.59 million. The company would realize the total gain (net of tax and expenses) of approximately Baht 5,369 million. Details are as follows:-

- (1) In 4Q18: The Company recorded income tax expense of Baht 727 million for deferred tax liabilities (in accordance with Thai Accounting Standard No.12 which stated that deferred tax liabilities has to be set up for share of profit of the associates that the Company had realized since the Company plan to divest all of the investment in the foreseeable future). Income tax expense of Baht 727 million calculated from share of profit from RAM of Baht 3,632 million that the Company had realized in income statement until 31 December 2018.
- (2) In 1Q19: The Company would record net gain from RAM divestment of approximately Baht 6,096 million.

(THB mm)	4Q18	1Q19	Total
Net received from RAM		12,711	
<u>Less</u> Equity method investment		(5,704)	
<u>Add</u> Unrealized profit sharing in comprehensive income		612	
Gain before tax		7,619	7,619
<u>Less</u> Income tax	(727)	(1,524)	(2,250)
Net gain		6,096	5,369

Major Development

1. TRIS Rating affirmed the Company rating and senior unsecured debentures rating at AA-

On 24 October 2018, TRIS Rating affirmed the company and senior unsecured debenture ratings at AA- with stable outlook. The ratings reflect BDMS's leading market position as the largest operator of private hospitals in Thailand with an extensive network of hospitals and strong franchise of its hospital brands, supported by its high quality of services and medical staff. The ratings also take into consideration the company's sound operating performance, moderate financial risk profile and exposure to intense competition from local and international healthcare services providers. Over the next 12-24 months, the Company's liquidity is adequate considering the sources and used of funds.

2. New financial reporting standards

In 2018, the Company has adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

3. Investment in BH

On 12 November 2018, the Company acquired 32 million shares of BH or approximately 4.38% of issued and paid-up shares of BH totaling approximately Baht 5,941 million financed by our internal cash and borrowing from financial institutions. The Company's stake in BH has changed from 20.50% to 24.88% of issued and paid-up shares of BH.

4. Conversion of Convertible Bonds

On 18 September 2014, the Company issued zero coupon convertible bonds ("CB") to investors outside Thailand for Baht 10,000 million due in 2019. On 18 September 2017, the CB holders has exercised the put option totaling Baht 1,560 million, resulting the outstanding principle amount of the CB reduced to Baht 8,440 million.

During 2018, the CB holders exercised their conversion rights at Baht 21.045 per share of Baht 3,746 million. As the result, the Company's paid up capital increased from Baht 1,549 million on 31 December 2017 to Baht 1,567 million on 31 December 2018 while the outstanding principle amount of the CB reduced to Baht 4,694 million.

5. Opening of a new network hospital

In 2018, Company opened new 52-bed hospital, Chiva Transitional Care Hospital, providing intensive rehabilitation programs for postoperative patients by multidisciplinary team including Geriatrics Medicine and Rehabilitation Medicine, Physical therapists, Nurses, Pharmacists and Nutritionists with the room designed especially for rehabilitative patients. The Hospital also provides recreational activities for physical and mental rehabilitation to fasten patient recovery.

2018 Consolidated Financial Summary

Operating Income

(THB mm)	2018	2017	%Chg
Revenues from hospital operations	75,331	69,123	9%
Revenue from sales of goods	3,087	2,810	10%
Other income	915	840	9%
Total Operating Income	79,333	72,772	9%

In 2018, total operating income were Baht 79,333 million, an increase of Baht 6,561 million or 9% yoy, primarily due to

- Revenues from hospital operations were Baht 75,331 million, an increase of Baht 6,208 million or 9% yoy. Key growth drivers were higher patient volume and price intensity from 10 Centers of Excellence and expanding new patients base especially from insurance patients together with an increase in influenza and outbreaks during 1Q18. In addition, the Company has the Bangkok Emergency Services to timely and efficiently coordinate patients referral in case of accident or patients in critical conditions.

Revenues from hospital operations in 2018	Chg. (yoy)	% to revenues
Revenues growth from hospital operations	9%	100%
Breakdown by location		
Bangkok & Vicinity	7%	59%
Upcountry	11%	41%
Breakdown by nationality		
Thai	9%	70%
International	9%	30%
Breakdown by type of patients		
Outpatients	8%	46%
Inpatients	9%	5%

Revenue of network hospitals in Bangkok and vicinity grew 7% yoy while revenue of network hospitals in the upcountry grew 11% yoy in 2018.

Revenue from Thai patients and international patients grew 9% yoy. International patients' growth were driven mainly from increase in Kuwaitis 26% yoy, Cambodian 23% yoy and Chinese patients 20% yoy. The revenue proportion between Thai and international patients remain unchanged at 70%:30% in 2017 and 2018. The occupancy rate increased from 64% in 2017 to 66% in 2018.

- Revenues from sales of goods were Baht 3,087 million, an increase of 10% yoy, mainly from an increase in sales of Medicpharma and A.N.B.

Operating Expenses

(THB mm)	2018	2017	%Chg
Cost of hospital operations and others	51,546	47,975	7%
Administrative expenses	15,998	14,488	10%
Total Operating Expenses	67,544	62,463	8%

In 2018, the Company and its subsidiaries reported total operating expenses & depreciation of Baht 67,544 million, an increase of Baht 5,081 million or 8% yoy which grew at the slower pace than total operating income.

- Cost of hospital operations and others (including depreciation and amortization) were Baht 51,546 million, increased by 7% yoy. An increase was due mainly to higher expenses from doctors & clinical staffs, medicine and medical supplies given the growth in number of outpatients and inpatients.
- The administrative expenses (including depreciation and amortization) were Baht 15,998 million, increased by 10% yoy, due mainly to an increase in non-clinical personnel expenses, repair and maintenance expenses together with marketing expenses for Happy and Healthy Bike Lane to support public sports activities and the winter festival, "Un Ai Rak Khlai Khwam Nao", to inherit beautiful Thai culture.
- The depreciation and amortization expenses were Baht 5,386 million in 2018, increased by 4% yoy due mainly to depreciation and amortization of new network hospitals and opening of BDMS Wellness Clinic.

Other Major Items

- Share of profit from investments in associates were Baht 1,690 million in 2017, increase of 19% yoy driven mainly from investment in BH of Baht 894 million, increased 6% yoy, and investment in RAM of Baht 725 million, increased 43% yoy mainly from gain on selling of land.
- Finance expense decreased to Baht 1,165 million in 2018 or decreased by 24% yoy because of a decrease in outstanding of CB after exercising conversion rights.
- Tax expense in 2018 were Baht 2,740 million, increased from Baht 2,564 million in 2017 as Company recorded income tax expense, non-recurring items, for deferred tax liabilities totaling Baht 727 million in 2018 given divestment in RAM during 1Q19.

Non-recurring items

During 2018, the Company recorded income tax expense, non-recurring items, of Baht 727 million for deferred tax liabilities in accordance with Thai Accounting Standard No.12 from divestment in RAM in 1Q19.

During 2017, the Company recorded gain on partial sale of investment in BH of Baht 2,195 million (net of income tax).

Profitability Analysis

(THB mm)	2018	2017	%Chg
EBITDA	17,175	15,477	11%
EBITDA margin	21.6%	21.3%	
EBIT	13,552	11,794	15%
EBIT margin	17.1%	16.2%	
Core profit	9,918	8,021	24%
Core profit margin	12.5%	11.0%	
Non-recurring items	(727)	2,195	(133)%
Net profit	9,191	10,216	(10)%
Net profit margin	11.6%	14.0%	
Core EPS (THB)	0.64	0.52	23%
EPS (THB)	0.59	0.66	(10)%
Weighted average number of ordinary shares (mm shares)	15,570	15,491	

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

As previously mentioned EBITDA increased from Baht 15,477 million in 2017 to Baht 17,175 million in 2018 or increased by 11% yoy resulting in an EBITDA margin to increase from 21.3% in 2017 to 21.6% in 2018.

Core profit was Baht 9,918 million in 2018, increased by 24% yoy resulting in an increase in core profit margin from 11.0% in 2017 to 12.5% in 2018. Core EPS was Baht 0.64 per share or increased by 23% yoy.

If including the non-recurring items in 2018 and 2017, net profit was Baht 9,191 million, decreased by 10% yoy resulting in a decrease of net profit margin from 14.0% in 2017 to 11.6% in 2018. EPS was Baht 0.59 per share or decreased by 10% yoy.

Assets

(THB mm)	Dec 18	Dec 17	%Chg
Cash & cash equivalents	5,034	5,091	(1)%
Trade & other receivables	7,545	6,975	8%
Inventories	1,786	1,735	3%
Investment in associates	22,647	15,807	43%
Property, premises & equipment	74,496	71,559	4%
Goodwill	17,539	17,539	0%
Other assets	4,452	3,920	14%
Total assets	133,499	122,627	9%

As of 31 December 2018, The Company and its subsidiaries reported total assets of Baht 133,499 million increased by 9% from 31 December 2017, due mainly to an increase in investment in associates of Baht 6,840 million mainly from additional investment in BH during the year together with net increase in property, premises and equipment of Baht 2,937 million from investment in hospital network expansion.

The Company carried goodwill of Baht 17,539 million, which remain unchanged from 31 December 2017. Such goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. However, the Company has considered that this goodwill is not impaired.

Liabilities and Equity

(THB mm)	Dec 18	Dec 17	%Chg
Bank overdrafts and short-term loans	5,945	139	4,166%
Debentures *	19,588	19,585	0%
Long-term loans *	9,327	10,799	(14)%
Convertible bonds *	5,056	8,774	(42)%
Other liabilities	20,145	17,459	15%
Total liabilities	60,061	56,756	6%
Equity attributable to equity holder of the Company	70,320	63,071	12%
Non-controlling interests	3,118	2,800	11%
Total equity	73,438	65,871	11%

* Including current portion

Total consolidated liabilities as of 31 December 2018 were Baht 60,061 million increased by 6% from 31 December 2017, due mainly to an increase in bank overdrafts and short-term loans from financial institutions of Baht 5,805 million netted with decreases in CB of Baht 3,718 million and long-term loans from financial institutions of Baht 1,472 million.

Total consolidated shareholders' equity as of 31 December 2018 was Baht 73,438 million, increased by 11% from 31 December 2017, due mainly from net profit during the year.

Liquidity and Capital Management

Cash Flow

(THB mm)	2018
Net cash from operating activities	14,804
Net cash used in investing activities	(13,351)
Net cash used in financing activities	(1,511)
Net increase in cash and cash equivalents	(58)
Beginning cash and cash equivalents	5,091
Ending cash and cash equivalents	5,034

For the year ended 31 December 2018, the Company and its subsidiaries had net decrease in cash and cash equivalent of Baht 58 million from the beginning balance of Baht 5,091 million. As a result, cash and cash equivalents at the end of period was Baht 5,034 million. Details of cash flow by activities during the year are as follows:-

Net cash flows from operating activities were Baht 14,804 million, resulting mainly from profit during the year.

Net cash used in investing activities were Baht 13,351 million. The investing activities during the period were mainly from purchase of property, premises and equipment of Baht 7,119 million from hospital network expansion and development together with investment in subsidiaries and associates and other long-term investment of Baht 5,964 million mainly from investment in BH.

Net cash used in financing activities were Baht 1,511 million mainly from dividend payment of Baht 5,594 million together with repayment of long-term loans from financial institutions of Baht 1,461 million netted with net cash received from short-term loans from financial institutions of Baht 5,805 million.

Ratios Analysis

	2018	2017
Returns (%)		
Return on Asset (ROA)	7.2	8.9
Return on Equity (ROE)	13.8	17.2
Liquidity (x)		
Current ratio	0.5	1.1
Quick ratio	0.5	0.9
Assets & Liabilities Management (Days)		
Average Collection Period	34.6	34.0
Average Inventory Period	12.3	12.2
Average Payable Period	34.7	34.3
Leverage & Coverage Ratios (x)		
Interest coverage	14.7	10.1
Total debt to equity	0.5	0.6
Net debt to equity	0.5	0.5
Net debt to EBITDA	2.0	2.2

Remarks

- Assets & liabilities management based on 360 days
- Interest coverage = EBITDA/Interest expense
- Debt refers to interest bearing debt

Return on assets (“ROA”) and return on equity (“ROE”) decreased from 2017 as there was gain from partial disposal of investment in BH in 2017. If excluding such non-recurring item, ROA and ROE increased from a strong performance in 2018.

Current ratio decreased from 1.1x in 2017 to 0.5x in 2018 while quick ratio decreased from 0.9x in 2017 to 0.5x in 2018 mainly from increases in short-term loans from financial institutions and current portion of CB as CB will be matured in 2019.

Average collection period increased from 34.0 days in 2017 to 34.6 days in 2018. The Company and its subsidiaries reported the aging of the outstanding trade accounts receivable which most of them aged not over than 3 months. The Company and its subsidiaries report allowance for doubtful accounts 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.

Average inventory period slightly increased from 12.2 days in 2017 to 12.3 days in 2018. The Company’s inventories were mostly medicines and medical supplies which the Company and its subsidiaries already recorded allowance for the expired medicine and medical supplies to reduce its cost to net realizable value.

Average payable period also increased from 34.3 days in 2017 to 34.7 days in 2018.

Interest coverage ratio increased from 10.1x in 2017 to 14.7x in 2018 due mainly to a decrease in finance expense.

Total interest bearing debt to equity decreased from 0.6x as of 31 December 2017 to 0.5x as of 31 December 2018. Net interest bearing debt to equity remain unchanged at 0.5x as of 31 December 2017 and as of 31 December 2018. Net interest bearing debt to EBITDA decreased from 2.2x as of 31 December 2017 to 2.0x as of 31 December 2018.

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, rising income per capita, especially those in the rural area, rising health and wellness trend where people pay more attention to their health wishing to live longer with a better quality of life together with growth of health insurance in Thailand.

On the other hand, international healthcare demand continues to rise as Thailand remains one of the world's most attractive medical tourism destinations for our quality of care, Thai hospitality and value for money. Potential growth markets are China, CLMV, Middle East and Expatriate market.

In term of supply, private hospital operators continued to expand business to serve these rising healthcare demand.

These favorable factors support our strategy of focusing on preventive care services at Mövenpick BDMS Wellness Resort Bangkok and BDMS Wellness Clinic together with upgrading our clinical capabilities at our Centers of Excellence 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:

- **Increasing asset utilization**

With the rising healthcare inflations, we foresee private health insurance as one of the key potential growth drivers for healthcare business going forward. We are working closely with both domestic and international insurance companies to develop exclusive insurance policies that would help expand our patient base. Also the development of e-claims and e-billing system will provide convenience for both insurance companies and patients. These initiatives would help diversify our payor base by growing private health insurance portion and increase our bed utilization unlocking the true potential of our hospital network growth prospects.

- **Improving operational efficiencies**

We continue to improve operational efficiencies, profitability and asset utilization of ramping-up hospitals by improving their standard of care and encouraging cooperation among our network hospitals. We divided network hospitals into 6 groups. Its cluster synergy enables us to realize the scale benefit, utilize shared services functions and increase efficiency of our operations.

- **Centers of Excellence**

The Company is upgrading 10 hub hospitals to be Centers of Excellence. With the determination for continuous development of these network hospitals to be in accordance with the Joint Commission International (JCI), we also would continue to collaborate with world leading institutions to uplift our Thai standard of care effectively to be equivalent to the international standard.

- **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).

The Company aims to give back to the society in all sort of medical needs. Bangkok Emergency patients (BES) is the project designed to serve emergency patients and accident in Bangkok and throughout the country. The Company also publishes medical information through our websites.

Moreover, the Company and Vejdusit Foundation have been working in range of social activities to encourage our staffs to make a contribution to the society as we are firmly committed to drive the Company forward as a sustainable organization that keeps growing alongside Thai society.

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 December 2018

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 2018, 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 2018, 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 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 Note 22 to the financial statements, the Company and its subsidiary had the medical care programs with a small amount of charges to members who have prepaid the membership fees for life. The Company and its subsidiary discontinued the programs due to legal reasons on 20 January 2017 and 2 February 2017, respectively. The Company and its subsidiary have recorded the liabilities in the financial statements as at 31 December 2016, 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, amounting to approximately Baht 964 million (approximately Baht 820 million in the separate financial statements). During 2017, 182 of the 334 members whose compensation was recorded in the consolidated financial statements and 151 of the 282 members in the separate financial statements have accepted the offers and already received the payment from the Company and its subsidiary.

As a result of discontinuing the lifelong membership programs, some former members of the program filed numerous complaints against the Company and its subsidiary with the courts and requested that the Company and its subsidiary continue the programs while some made claims for indemnity from the Company and its subsidiary.

During the court's consideration of certain cases, the court issued orders for temporary injunctions prior to the release of a judgment to the former members who filed complaints against the Company. The essence of the temporary injunction was for the Company to provide medical services to the former members at a normal rate and without any discount and also to allow the other former members to utilise their rights under the programs until the

court rules or orders otherwise. Furthermore, the court ordered for the former members who are under the temporary injunction to enter into contracts with the court which would provide that they agreed to be held liable for the aforementioned bills to the Company, should the court issue a final judgment that the Company is entitled to cease such program. The Company keeps record of the debt owed to the Company for medical services rendered and shall not collect amounts for such medical bills unless the court rules or orders otherwise.

Since then, the Civil Court ruled on some of the cases between the former members and the Company and its subsidiary (including all cases where the court has ordered for temporary injunctions prior to a judgment). The judgment of the Company's cases are rendered in three directions which are: 1) to order for the Company to continue complying with the terms of the programs; 2) to order for the Company to continue complying with the terms of the programs but also to make indemnity payment should the Company fail to comply with such terms of the programs at the amount specified in a judgment, the amount of which are usually close to amounts that the Company made in its counteroffer to some members prior to filing of complaints; and 3) to order the plaintiff to refund to the Company the membership fee together with the compensation accepted from the Company in relation to pre-litigation settlement agreements made prior to the filing of the complaints, and to order for the Company to continue complying with the terms of the programs. In all three directions of judgments, the court ordered that the Company must provide compensation for the medical expenses to the plaintiffs in certain from the date of the discontinuation of the programs up to the date on which the judgment was rendered. As for the complaints against the subsidiary, the judgment is also rendered in two directions which are: 1) to order for the subsidiary to make indemnity payment at the amount specified in a judgment, the amount of which are usually close to amounts that the subsidiary made in its counteroffer to some members prior to filing of complaints; and 2) to order for the subsidiary to continue complying with the terms of the programs and also for it to compensate the plaintiffs for any actual medical expenses resulted from the date of the discontinuance of the programs up to the date on which the judgment was rendered. In this regard, there are some pending cases under the consideration of the Civil Court.

In the fourth quarter of 2018, the Court of Appeal affirmed the judgment of the Civil Court on some of the cases of the Company to continue complying with the term of the program. As at 31 December 2018, the Company and its subsidiary recorded a provision for contingent liabilities from litigation in case the Company and its subsidiary have to comply with the judgment.

Nonetheless, the legal advisor of the Company and its subsidiary opined that, in consideration of all known facts and the provisions of the law, the programs in dispute are deemed contracts of insurance, rendering the cessation of such programs a lawful process. Therefore, the management, under the advisory of the Company and its subsidiary's legal advisor, proceeded to utilise its legal right to file an appeal and a petition against the ruling of the Civil Court, for the Court of Appeal's and the Supreme Court's consideration and ruling which shall serve as precedent of future legal processes. Currently, such cases are currently under the consideration of the Court of Appeal and the Supreme Court. The judgment of the cases is still uncertain. The Company and its subsidiary shall keep record of the amounts of debt owed to the Company and its subsidiary for medical services rendered which have not been collected in relation to for such medical bills unless the court rules otherwise.

My opinion is not qualified in respect of the above matter.

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 95% of the consolidated total revenues and they directly affect the operating result of the Group. 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. I therefore gave significant attention to the revenue recognition of the Group.

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 17 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 therefore gave significant attention to the amount of goodwill of the Group.

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.

Litigation

As discussed in emphasis of matters and Note 22 to the financial statements, the Company and its subsidiary had contingent liabilities arising from many litigations relating to discontinuation of the lifelong membership programs. Since then, the Civil Court judged some cases and the Company and its subsidiary to continue the life long membership programs. In the fourth quarter of 2018, the Court of Appeal affirmed the judgment of the Civil Court on some of the cases of the Company. As at 31 December 2018, the Company and its subsidiary recorded a provision for contingent liabilities from litigation in case the Company and its subsidiary have to comply with the judgment. However, the Company utilise its legal right to file an appeal and a petition against the ruling of the Civil Court, and currently the cases are not yet finalised. The management needs to exercise significant judgement and take into account related laws and regulations in assessing the effects of the litigation, in order to determine the corresponding liabilities. However, the actual outcomes of the litigation may differ from the estimates. There are therefore risks with respect to the recognition of provision or disclosure of contingent liabilities with respect to the litigation. Therefore, I gave significant attention to the audit of this litigation.

I inquired with the Company's management and legal department regarding the procedures followed to collate and monitor lawsuits filed and pending as at the date of the financial statements, reviewed legal consultation fees to check the completeness of the litigation notified by the Company and its subsidiary, inquired about the details and progress of cases and the methods applied by the management in estimating liabilities from litigation, and assessed the judgement exercised by the management in estimating these liabilities. To carry out these procedures, I performed the following:

- Reviewed relevant conditions and provisions of agreements, together with the claims and objections submitted by the Company, a subsidiary and counterparties to the court for the purpose of providing background of the litigation.
- Reviewed correspondences between the Company, a subsidiary and the legal consultants involved in the litigation, including the Company and its subsidiary's Civil Court's and the Court of Appeal's verdicts, appeals, petition and relevant supporting documentation used by management and prepared by external experts, and sent confirmation letters to the legal consultants whose services were used by the Company and its subsidiary requesting written reports on case details and status, and legal opinions on the possible effects of the litigation on the Company and its subsidiary. I also assessed the legal consultants' competence, experiences, independence and objectivity in accordance with relevant auditing standards, and I considered whether the legal principles and regulations and leading cases referred to by the legal consultants were relevant to the Company and its subsidiary's litigation.
- I assessed the actuary competence, experiences and independence in accordance with relevant auditing standards, relating to the consideration of the various assumptions to estimate the contingent liabilities for continuation of lifelong membership programs.

In addition, I reviewed the disclosure of information relating to litigation in the 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.

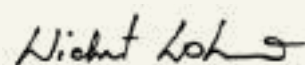
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies 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.

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



Wichart Lokatekrawee
 Certified Public Accountant (Thailand) No. 4451
 EY Office Limited
 Bangkok: 28 February 2019

Statement of financial position

Assets		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	As at 31 December 2018	As at 31 December 2017	As at 31 December 2018	As at 31 December 2017
Current assets					
Cash and cash equivalents	6	5,033,517,730	5,091,153,164	2,295,456,151	2,618,963,957
Short-term investments	7	816,666,238	571,624,577	393,825	392,950
Trade and other receivables	9, 10	7,545,014,364	6,974,711,426	1,501,254,143	1,473,167,179
Short-term loans to subsidiaries	10	-	-	2,619,641,784	2,723,764,670
Inventories	11	1,785,910,780	1,735,272,042	111,613,577	113,241,565
Other current assets		16,950,549	21,084,678	-	-
Total current assets		15,198,059,661	14,393,845,887	6,528,359,480	6,929,530,321
Non-current assets					
Restricted financial institution deposits	8	9,562,544	7,947,612	-	-
Investments in associates	12	22,646,989,663	15,807,178,513	13,889,081,071	7,948,498,671
Investments in subsidiaries	13	-	-	53,529,888,908	52,435,450,014
Other long-term investments	14	526,648,269	645,799,727	223,243,837	323,320,929
Long-term loans to subsidiaries	10	-	-	4,063,053,777	4,790,396,350
Investment properties	15	316,725,611	307,777,419	688,859,200	675,359,200
Property, premises and equipment	16	74,496,217,376	71,559,483,132	13,134,964,168	12,316,569,147
Goodwill	17	17,538,868,508	17,538,868,508	-	-
Intangible assets	18	1,272,824,213	1,237,368,137	524,100,699	503,729,959
Deferred tax assets	32	96,100,847	68,013,620	-	-
Other non-current assets					
Leasehold rights	10, 19	901,007,064	664,715,064	319,347,846	334,256,038
Others	10	495,747,180	395,693,895	28,869,182	14,332,159
Total non-current assets		118,300,691,275	108,232,845,627	86,401,408,688	79,341,912,467
Total assets		133,498,750,936	122,626,691,514	92,929,768,168	86,271,442,788

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

Statement of financial position (continued)

Liabilities and shareholders' equity		(Unit: Baht)			
	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		As at 31 December 2018	As at 31 December 2017	As at 31 December 2018	As at 31 December 2017
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	20	5,877,527,982	72,337,111	5,800,000,000	-
Trade and other payables	10, 21	5,191,771,446	4,749,670,467	1,020,980,975	979,557,002
Accrued expenses	10	5,957,292,302	5,223,013,766	1,510,956,216	1,366,207,386
Liabilities for discontinued life long medical care program	22	623,893,500	440,022,035	463,123,151	379,777,105
Current portion of long-term liabilities					
- Long-term loans from financial institutions	23	4,181,364,533	1,463,307,467	4,181,364,533	1,463,307,467
- Liabilities under finance lease agreements	24	14,046,994	22,039,204	1,034,848	4,743,561
- Convertible debentures - liability component	26	5,056,398,296	-	5,056,398,296	-
Short-term loans from non-related parties		67,000,000	67,000,000	-	-
Short-term loans from subsidiaries	10	-	-	10,770,758,930	9,952,013,760
Income tax payable		863,683,833	706,015,432	111,217,919	108,494,246
Current provision for employee benefits	27	158,000	2,441,500	158,000	2,441,500
Deferred income - membership due within one year		225,577,042	224,097,990	106,639,814	101,030,164
Other current liabilities		440,141,584	447,168,874	120,755,557	121,037,758
Total current liabilities		28,498,855,512	13,417,113,846	29,143,388,239	14,478,609,949
Non-current liabilities					
Long-term loans from financial institutions	23	5,145,466,667	9,335,332,000	5,145,466,667	9,335,332,000
Liabilities under finance lease agreements	24	19,511,055	16,492,526	-	136,723
Debentures	25	19,588,045,854	19,584,603,035	19,588,045,854	19,584,603,035
Convertible debentures - liability component	26	-	8,774,269,700	-	8,774,269,700
Non-current provision for employee benefits	27	2,581,912,181	2,005,835,724	773,969,646	571,860,982
Deferred income - membership		632,664,373	632,004,436	149,059,906	122,067,489
Deferred tax liabilities	32	3,447,624,294	2,847,116,595	292,263,741	385,767,821
Other non-current liabilities	10	146,598,681	142,809,384	38,942,500	44,560,022
Total non-current liabilities		31,561,823,105	43,338,463,400	25,987,748,314	38,818,597,772
Total liabilities		60,060,678,617	56,755,577,246	55,131,136,553	53,297,207,721

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

Statement of financial position (continued)

Liabilities and shareholders' equity (continued)

(Unit: Baht)

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		As at 31 December 2018	As at 31 December 2017	As at 31 December 2018	As at 31 December 2017
Shareholders' equity					
Share capital					
Registered					
17,582,235,672 ordinary shares of Baht 0.1 each	28	1,758,223,567	1,758,223,567	1,758,223,567	1,758,223,567
Issued and fully paid-up					
15,668,956,048 ordinary shares of Baht 0.1 each (31 December 2017: 15,490,956,540 ordinary shares of Baht 0.1 each)	26, 28	1,566,895,605	1,549,095,654	1,566,895,605	1,549,095,654
Premium on ordinary shares	26, 28	24,741,066,923	20,572,873,162	24,678,142,995	20,509,949,234
Difference from shareholding restructure		305,000,325	305,000,325	-	-
Surplus investment over book value of subsidiaries		(2,683,558,421)	(2,683,446,777)	-	-
Retained earnings					
Appropriated - statutory reserve	30	175,822,357	175,822,357	175,822,357	175,822,357
Unappropriated		37,657,403,888	34,314,505,000	8,881,694,312	7,943,891,220
Other components of shareholders' equity		8,557,476,618	8,837,349,624	2,496,076,346	2,795,476,602
Equity attributable to owners of the Company		70,320,107,295	63,071,199,345	37,798,631,615	32,974,235,067
Non - controlling interests of the subsidiaries		3,117,965,024	2,799,914,923	-	-
Total shareholders' equity		73,438,072,319	65,871,114,268	37,798,631,615	32,974,235,067
Total liabilities and shareholders' equity		133,498,750,936	122,626,691,514	92,929,768,168	86,271,442,788

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

Income statement

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2018	2017	2018	2017
Revenues					
Revenues from hospital operations	10	75,330,518,642	69,122,919,381	14,305,821,605	13,446,843,966
Revenue from sales of goods		3,086,758,322	2,809,580,753	-	-
Other income	10				
Interest income		58,047,913	51,761,502	280,053,452	385,534,167
Dividend income	12, 13, 14	16,299,501	15,587,971	5,583,667,879	3,573,869,116
Gain on disposal of investment in an associate	12	-	2,880,064,316	-	3,424,968,894
Others		915,305,884	839,556,638	1,225,547,838	1,092,701,699
Total other income		989,653,298	3,786,970,427	7,089,269,169	8,477,073,876
Total revenues		79,406,930,262	75,719,470,561	21,395,090,774	21,923,917,842
Expenses					
Cost of hospital operations and goods sold	10	51,546,078,684	47,975,225,531	8,926,322,325	8,399,959,145
Administrative expenses	10	15,998,176,993	14,487,862,750	4,230,366,452	3,909,268,797
Total expenses		67,544,255,677	62,463,088,281	13,156,688,777	12,309,227,942
Profit before share of income from investments in associates, finance cost and income tax expense		11,862,674,585	13,256,382,280	8,238,401,997	9,614,689,900
Share of income from investments in associates	12	1,689,692,873	1,417,310,474	-	-
Profit before finance cost and income tax expense		13,552,367,458	14,673,692,754	8,238,401,997	9,614,689,900
Finance cost	10	(1,165,472,481)	(1,535,450,432)	(1,264,909,188)	(1,619,250,923)
Profit before income tax expense		12,386,894,977	13,138,242,322	6,973,492,809	7,995,438,977
Income tax expense	32	(2,739,848,876)	(2,563,539,888)	(343,115,861)	(943,920,282)
Profit for the years		9,647,046,101	10,574,702,434	6,630,376,948	7,051,518,695
Profit attributable to:					
Equity holders of the Company		9,191,462,706	10,215,739,620	6,630,376,948	7,051,518,695
Non-controlling interests of the subsidiaries		455,583,395	358,962,814		
		9,647,046,101	10,574,702,434		
Basic earnings per share	33				
Profit attributable to equity holders of the Company		0.59	0.66	0.43	0.46
Weighted average number of ordinary shares (shares)		15,570,403,901	15,490,956,540	15,570,403,901	15,490,956,540

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

Statement of comprehensive income

(Unit: Baht)				
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profits for the years	9,647,046,101	10,574,702,434	6,630,376,948	7,051,518,695
Other comprehensive income:				
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Loss on change in value of available-for-sale investments - net of income tax ¹⁴	(96,941,627)	(152,148,999)	(80,061,674)	(83,265,587)
Exchange differences on translation of financial statements in foreign currencies	(15,344,610)	(65,573,426)	-	-
Share of other comprehensive income from associates ¹²	(411,961,328)	115,905,066	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	(524,247,565)	(101,817,359)	(80,061,674)	(83,265,587)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
Revaluation surplus on land - net of income tax ¹⁶	593,801,938	2,208,147,388	-	1,410,082,526
Actuarial loss - net of income tax	(268,530,698)	-	(94,825,518)	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	325,271,240	2,208,147,388	(94,825,518)	1,410,082,526
Other comprehensive income for the years	(198,976,325)	2,106,330,029	(174,887,192)	1,326,816,939
Total comprehensive income for the years	9,448,069,776	12,681,032,463	6,455,489,756	8,378,335,634
Total comprehensive income attributable to:				
Equity holders of the Company	8,887,134,112	12,317,425,710	6,455,489,756	8,378,335,634
Non-controlling interests of the subsidiaries	560,935,664	363,606,753		
	9,448,069,776	12,681,032,463		

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

Statement of cash flows

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit before income tax expense	12,386,894,977	13,138,242,322	6,973,492,809	7,995,438,977
Adjustments to reconcile profit before income tax expense to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	5,386,219,861	5,167,658,678	1,024,818,748	967,614,442
Write-off of assets	23,480,664	26,525,894	2,883,242	40,036
Loss on withholding tax diminution and written-off	8,631,232	20,906,492	824,895	1,184,664
Bad debts and doubtful debts	197,796,233	193,050,641	62,237,911	47,861,380
Allowance (reversal) for impairment of assets	(3,008,267)	2,895,566	(3,008,267)	7,764,819
Allowance (reversal) for reduce cost to net realisable value - inventory	14,820,432	14,612,038	(203,757)	89,695
Amortisation of deferred income - membership	(326,776,257)	(320,916,881)	(121,576,445)	(126,588,731)
Loss on impairment of an other long-term investment	17,975,000	-	-	-
Share of income from investments in associates	(1,689,692,873)	(1,417,310,474)	-	-
Amortisation of expense for debentures and convertible debentures	25,038,851	43,309,298	25,038,851	43,309,298
Gain on disposal of investment in an associate	-	(2,880,064,316)	-	(3,424,968,894)
Loss (gain) on disposal of property, premises and equipment	31,103,050	9,130,204	(5,740,342)	(2,038,738)
Loss (gain) on fair value adjustment of investment properties	(14,934,238)	580,829	(10,287,270)	29,869,749
Loss (gain) on foreign exchange	(8,928,837)	44,144,144	(23,142,337)	44,144,144
Provisions (reversal) for employee benefit expense	318,474,664	150,938,407	102,408,333	(943,862)
Annual leave (reversal) expense	11,688,532	(2,930,571)	3,479,914	(3,332,573)
Interest income	(58,047,913)	(41,764,284)	(280,053,452)	(385,534,167)
Dividend income	(16,299,501)	(15,587,971)	(5,583,667,879)	(3,573,869,116)
Finance cost	1,165,472,481	1,535,450,432	1,264,909,188	1,619,250,923
Profit from operating activities before change.s in operating assets and liabilities	17,469,908,091	15,668,870,448	3,432,414,142	3,239,292,046

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

Statement of cash flows (continued)

(Unit: Baht)				
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities (continued)				
Decrease (increase) in operating assets				
Trade and other receivables	(768,984,955)	(830,684,282)	(90,787,944)	(463,211,200)
Inventories	(65,459,169)	(226,462,583)	1,831,744	(4,427,387)
Other current assets	4,134,129	19,702,665	-	16,861,190
Other non-current assets	(60,228,350)	(2,921,706)	213,940	1,084,025,357
Increase (decrease) in operating liabilities				
Trade and other payables	380,484,313	(397,378,503)	187,911,486	(412,088,283)
Accrued expenses	718,010,630	252,380,339	138,457,831	53,100,713
Deferred income - membership	328,915,246	313,514,378	154,178,511	123,579,215
Other current liabilities	(12,011,406)	40,884,990	(6,619,521)	22,574,291
Provisions for employee benefits	(80,345,080)	(416,189,811)	(35,547,567)	(297,274,870)
Other non-current liabilities	3,789,296	6,081,488	(5,617,523)	(160,548)
Net cash flow provided by operating activities	17,918,212,745	14,427,797,423	3,776,435,099	3,362,270,524
Cash received from interest income	55,451,989	42,441,528	280,516,525	385,099,476
Cash paid for finance cost	(936,707,722)	(970,864,368)	(1,035,694,712)	(1,055,865,232)
Cash received from tax refund	32,279,008	25,224,963	-	-
Cash paid for income tax expense	(2,264,958,081)	(2,591,250,828)	(387,554,089)	(806,421,446)
Net cash flow provided by operating activities	14,804,277,939	10,933,348,718	2,633,702,823	1,885,083,322
Cash flows from investing activities				
Increase in short-term investments	(241,559,952)	(23,561,425)	(874)	(5,923)
Decrease (increase) in restricted financial institution deposits	(1,614,933)	37,914,447	-	-
Dividend received	513,161,011	513,778,924	5,583,667,879	3,573,869,116
Cash paid for purchase of investments in subsidiaries and associates and other long-term investment	(5,963,660,400)	(1,343,540,528)	(6,044,826,294)	(12,004,406,002)
Cash received from disposal of an associate	-	4,505,059,791	-	4,505,059,791
Decrease (increase) in short-term loans to subsidiaries	-	-	103,479,446	(582,417,198)
Cash paid for long-term loans to subsidiaries	-	-	(1,010,000,000)	(5,101,574,828)
Cash received from long-term loans to related parties	-	-	760,475,217	5,342,130,615
Cash paid for purchase investment properties	(1,619,000)	(605,960)	(1,619,000)	(605,960)
Cash received from disposal of property, premises and equipment	43,292,532	45,317,368	9,000,691	5,600,353
Cash paid for purchase of property, premises and equipment	(7,119,047,648)	(15,303,721,720)	(1,782,382,026)	(1,289,607,894)
Cash paid for purchase leasehold rights	(270,292,450)	(8,026,495)	-	-
Cash paid for purchase of intangible assets	(309,478,197)	(292,260,311)	(134,164,815)	(120,368,597)
Net cash flow used in investing activities	(13,350,819,037)	(11,869,645,909)	(2,516,369,776)	(5,672,326,527)

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

Statement of cash flows (continued)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from financing activities				
Decrease in short-term loans from non-related parties	-	(22,000,000)	-	-
Increase in short-term loans from subsidiaries	-	-	818,745,170	1,608,655,752
Increase (decrease) in bank overdraft and short-term loans from financial institutions	5,805,348,839	(1,503,788,829)	5,800,000,000	(1,500,000,000)
Cash received from long-term loans from financial institutions	-	7,400,000,000	-	7,400,000,000
Repayment of long-term loans from financial institutions	(1,461,350,133)	(4,248,792,047)	(1,461,350,133)	(4,236,710,133)
Repayments of liabilities under finance lease agreements	(23,057,970)	(43,698,120)	(3,870,100)	(9,887,739)
Cash received from debentures issuance	-	6,992,451,150	-	6,992,451,150
Cash paid for convertible debentures redemption	-	(1,655,971,435)	-	(1,655,971,435)
Cash paid for purchase of investments in subsidiaries from non - controlling interests	(7,100,194)	(21,898,969)	-	-
Increase in non - controlling interests of subsidiaries from additional paid-up shares of subsidiaries	-	33,247,552	-	-
Dividend paid	(5,594,365,790)	(4,954,692,927)	(5,594,365,790)	(4,954,692,927)
Dividend paid by subsidiaries to non-controlling interests	(230,569,088)	(164,236,877)	-	-
Net cash flow provided by (used in) financing activities	(1,511,094,336)	1,810,619,498	(440,840,853)	3,643,844,668
Net increase (decrease) in cash and cash equivalents	(57,635,434)	874,322,307	(323,507,806)	(143,398,537)
Cash and cash equivalents at beginning of years	5,091,153,164	4,216,830,857	2,618,963,957	2,762,362,494
Cash and cash equivalents at end of years	5,033,517,730	5,091,153,164	2,295,456,151	2,618,963,957
Supplemental cash flows information:				
Non-cash items:				
Assets acquired under finance lease agreements	16,952,581	19,410,307	-	-
Increase (decrease) in accounts payable - property, premises and equipment	145,351,504	99,332,421	(22,283,987)	11,771,548
Increase (decrease) in payable to construction - retention	96,976,188	97,241,764	(40,857,480)	90,140,104
Increase in dividend payable	4,984,115	2,287,431	3,382,548	15,989,317

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

Statement of changes in shareholders' equity

						Retained earnings
		Issued and paid-up share capital	Premium on ordinary shares	Difference from shareholding restructure	Surplus investment over book value of subsidiaries	Appropriated-statutory reserve
	Note					
Balance as at 31 December 2016		1,549,095,654	20,481,530,880	305,000,325	(2,680,290,437)	170,000,477
Profit for the year		-	-	-	-	-
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-
Redemption of convertible debentures	26	-	91,342,282	-	-	-
Statutory reserve	30	-	-	-	-	5,821,880
Dividend paid	29	-	-	-	-	-
Share of Interest paid for convertible debentures treated as equity securities from an associate		-	-	-	-	-
Change in non-controlling interests						
- Purchase of investments in subsidiaries		-	-	-	(3,156,340)	-
- Dividend paid of subsidiaries		-	-	-	-	-
Balance as at 31 December 2017		1,549,095,654	20,572,873,162	305,000,325	(2,683,446,777)	175,822,357
Balance as at 31 December 2017		1,549,095,654	20,572,873,162	305,000,325	(2,683,446,777)	175,822,357
Profit for the year		-	-	-	-	-
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-
Conversion debenture to ordinary shares	26	17,799,951	4,168,193,761	-	-	-
Dividend paid	29	-	-	-	-	-
Share of Interest paid for convertible debentures treated as equity securities from an associate		-	-	-	-	-
Change in non-controlling interests of subsidiaries						
- Purchase of investments in subsidiaries		-	-	-	(111,644)	-
- Dividend paid of subsidiaries		-	-	-	-	-
Balance as at 31 December 2018		1,566,895,605	24,741,066,923	305,000,325	(2,683,558,421)	175,822,357

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

(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								
Unappropriated	Other comprehensive income				Convertible debentures - equity component	Total other components of shareholders' equity	Total equity attributable to owners of the Company		
	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 associates					
29,069,149,164	370,576,940	5,136,305,510	30,734,353	700,931,600	585,527,449	6,824,075,852	55,718,561,915	2,586,292,484	58,304,854,399
10,215,739,620	-	-	-	-	-	-	10,215,739,620	358,962,814	10,574,702,434
(9,868,977)	(152,150,464)	2,200,555,964	(62,624,476)	125,774,043	-	2,111,555,067	2,101,686,090	4,643,939	2,106,330,029
10,205,870,643	(152,150,464)	2,200,555,964	(62,624,476)	125,774,043	-	2,111,555,067	12,317,425,710	363,606,753	12,681,032,463
-	-	-	-	-	(91,342,282)	(91,342,282)	-	-	-
(5,821,880)	-	-	-	-	-	-	-	-	-
(4,954,692,927)	-	-	-	-	-	-	(4,954,692,927)	-	(4,954,692,927)
-	-	-	-	(6,939,013)	-	(6,939,013)	(6,939,013)	-	(6,939,013)
-	-	-	-	-	-	-	(3,156,340)	14,252,563	11,096,223
-	-	-	-	-	-	-	-	(164,236,877)	(164,236,877)
34,314,505,000	218,426,476	7,336,861,474	(31,890,123)	819,766,630	494,185,167	8,837,349,624	63,071,199,345	2,799,914,923	65,871,114,268
34,314,505,000	218,426,476	7,336,861,474	(31,890,123)	819,766,630	494,185,167	8,837,349,624	63,071,199,345	2,799,914,923	65,871,114,268
9,191,462,706	-	-	-	-	-	-	9,191,462,706	455,583,395	9,647,046,101
(250,815,480)	(96,940,161)	482,773,066	(15,242,422)	(424,103,597)	-	(53,513,114)	(304,328,594)	105,352,269	(198,976,325)
8,940,647,226	(96,940,161)	482,773,066	(15,242,422)	(424,103,597)	-	(53,513,114)	8,887,134,112	560,935,664	9,448,069,776
-	-	-	-	-	(219,338,582)	(219,338,582)	3,966,655,130	-	3,966,655,130
(5,597,748,338)	-	-	-	-	-	-	(5,597,748,338)	-	(5,597,748,338)
-	-	-	-	(7,021,310)	-	(7,021,310)	(7,021,310)	-	(7,021,310)
-	-	-	-	-	-	-	(111,644)	(10,714,908)	(10,826,552)
-	-	-	-	-	-	-	-	(232,170,655)	(232,170,655)
37,657,403,888	121,486,315	7,819,634,540	(47,132,545)	388,641,723	274,846,585	8,557,476,618	70,320,107,295	3,117,965,024	73,438,072,319

Statement of changes in shareholders' equity

	<i>Note</i>	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings	
				Appropriated-statutory reserve	Unappropriated
Balance as at 31 December 2016		1,549,095,654	20,418,606,952	170,000,477	5,852,887,332
Profit for the year		-	-	-	7,051,518,695
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	-	7,051,518,695
Redemption of convertible debentures	26	-	91,342,282	-	-
Statutory reserve	30	-	-	5,821,880	(5,821,880)
Dividend paid	29	-	-	-	(4,954,692,927)
Balance as at 31 December 2017		1,549,095,654	20,509,949,234	175,822,357	7,943,891,220
Balance as at 31 December 2017		1,549,095,654	20,509,949,234	175,822,357	7,943,891,220
Profit for the year		-	-	-	6,630,376,948
Other comprehensive income for the year		-	-	-	(94,825,518)
Total comprehensive income for the year		-	-	-	6,535,551,430
Conversion debenture to ordinary shares	26	17,799,951	4,168,193,761	-	-
Dividend paid	29	-	-	-	(5,597,748,338)
Balance as at 31 December 2018		1,566,895,605	24,678,142,995	175,822,357	8,881,694,312

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

(continued)

(Unit: Baht)

Separate financial statements				
Other components of shareholders' equity				Total shareholders' equity
Other comprehensive income		Convertible debentures - equity component	Total other components of shareholders' equity	
Surplus on changes in value of available-for-sale investments	Revaluation surplus on land			
300,613,114	673,861,382	585,527,449	1,560,001,945	29,550,592,360
-	-	-	-	7,051,518,695
(83,265,587)	1,410,082,526	-	1,326,816,939	1,326,816,939
(83,265,587)	1,410,082,526	-	1,326,816,939	8,378,335,634
-	-	(91,342,282)	(91,342,282)	-
-	-	-	-	-
-	-	-	-	(4,954,692,927)
217,347,527	2,083,943,908	494,185,167	2,795,476,602	32,974,235,067
217,347,527	2,083,943,908	494,185,167	2,795,476,602	32,974,235,067
-	-	-	-	6,630,376,948
(80,061,674)	-	-	(80,061,674)	(174,887,192)
(80,061,674)	-	-	(80,061,674)	6,455,489,756
-	-	(219,338,582)	(219,338,582)	3,966,655,130
-	-	-	-	(5,597,748,338)
137,285,853	2,083,943,908	274,846,585	2,496,076,346	37,798,631,615

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2018

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 pharmacies. The registered office of the Company is at 2, Soi Soorvijai 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 11 October 2016, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

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

Company's name	Nature of business	Percentage of shareholding (percent)	
		2018	2017
Held by the Company			
Samitivej Public Co., Ltd.	Hospital	95.76	95.76
Bangkok Hospital Hatyai Co., Ltd.	Hospital	98.82	98.82
Bangkok Phuket Hospital Co., Ltd.	Hospital	99.70	99.70
BNH Medical Center Co., Ltd.	Hospital	91.48	91.48
Paolo Phrapradaeng Hospital Co., Ltd. (formerly known as "Bangkok Phrapradaeng Hospital Co., Ltd.")	Hospital	84.00	84.00
Bangkok Pattaya Hospital Co., Ltd.	Hospital	97.27	97.27
Bangkok Rayong Hospital Co., Ltd.	Hospital	100.00	100.00
Bangkok Samui Hospital Co., Ltd.	Hospital	100.00	100.00
Bangkok Trat Hospital Co., Ltd.	Hospital	99.76	99.76
Wattanavej Co., Ltd.	Hospital	99.72	99.69
Bangkok Ratchasima Hospital Co., Ltd.	Hospital	91.45	91.42
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 Samutprakarn Co., Ltd.	Hospital	93.65	93.65
Siam Medical Co., Ltd.	Hospital	85.71	85.71
Thai Medical Center Public Co., Ltd.	Hospital	99.76	99.76
Bangkok Hospital Chiangmai Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Udon Co., Ltd.	Hospital	100.00	100.00
Bangkok Khon Kaen Hospital Co., Ltd.	Hospital	100.00	100.00
Thonburi Medical Center Public Co., Ltd. (held by the Company at 34.43% and indirectly held by a subsidiary at 29.02%)	Hospital	34.43	34.43
Samitivej Chonburi Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Phitsanuok Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Sanamchan Co., Ltd.	Hospital	100.00	100.00
Bangkok Phuket International Hospital 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 Surat Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Chiangrai Co., Ltd.	Hospital	100.00	100.00

Company's name	Nature of business	Percentage of shareholding (percent)	
		2018	2017
Held by the Company (continued)			
National Healthcare Systems Co., Ltd. (held by the Company at 74.02% and indirectly held by subsidiaries at 24.66%)	Laboratory services	74.02	74.02
Bio Molecular Laboratories (Thailand) Co., Ltd.	Laboratory services	95.00	95.00
BDMS Wellness Clinic Co., Ltd.	Holistic Clinical Wellness (Preventative and Regenerative Medicine)	100.00	100.00
BDMS Wellness Resort Co., Ltd.	Hotel	100.00	-
BDMS Accounting Co., Ltd.	Accounting service	100.00	100.00
Bangkok Health Insurance Public Co., Ltd.	Health insurance	99.99	99.99
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 Patana Public Co., Ltd.	Investment	98.59	98.59
Bangkok Premier Insurance Broker Co., Ltd. (formerly known as "Bangkok Premier Life Insurance Broker Co., Ltd.")	Insurance broker	100.00	100.00
BDMS Property Management Co., Ltd.	Assets managements	100.00	100.00
The Medicpharma Co., Ltd.	Production and distribution of medicines	87.05	87.05
B.D.M.S. International Medical Services Co., Ltd.	Not yet operate	100.00	100.00
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 Land 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 a subsidiary at 12.75%)	Air transportation services	87.25	87.25

Company's name	Nature of business	Percentage of shareholding (percent)	
		2018	2017
<u>Held by subsidiaries</u>			
Samitivej Sriracha Co., Ltd.	Hospital	70.14	70.14
Thonburi Medical Center Public Co., Ltd.	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 Public Co., Ltd.	Hospital	75.25	75.07
Tepakorn Hospital Co., Ltd.	Hospital	44.53	44.53
National Healthcare Systems Co., Ltd.	Laboratory services	25.97	25.97
Irving Sheridan SE Co., Ltd.	Assets management for healthcare business	99.98	99.98
First Health Food Co., Ltd.	Distributing health products, cosmetic products and facility management	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.	Laboratory services	100.00	100.00
Save Drug Center Co., Ltd.	Retsiler of medicine and pharmaceutical products	100.00	100.00
N Health Pathology Co., Ltd.	Laboratory services	95.00	95.00
Samitivej International Co., Ltd.	Clinic	80.00	80.00
N Health Myanmar Co., Ltd.	Laboratory services	60.00	60.00

All subsidiaries incorporated in Thailand except Angkor Pisith Co., Ltd., Phnom Penh Medical Services Co., Ltd., Royal Rattanak Medical Services Co., Ltd., N Health (Cambodia) Co., Ltd., B.D.M.S. International Medical Services Co., Ltd., S.R. Property Investment Co., Ltd., Siem Reap Land Investment Co., Ltd. and Phnom Penh First Property Co., Ltd. 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 major accounting policies as the Company.

- e) The assets and liabilities in the financial statements of overseas subsidiaries are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- f) Material balances and transactions of the Group has 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 shareholders' equity in the statement of financial position under the caption of "Surplus of investment over book value of subsidiaries". When the fair value of the net assets acquired is higher than the cost of the investment the difference has been presented in shareholders' equity in the statement of financial position under the caption of "Deficits of investment lower book value of subsidiaries".

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

3. New financial reporting standards

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

During the current year, the Group has adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standards involve changes to key principles, as summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

Regarding adoption of TRFS 15, the Group's management considered that there is no any significant impact to the financial statements when it is applied.

(c) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued the set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When this set of TFRSs are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are applied.

4. Significant accounting policies

4.1 Revenue recognition

Revenues from hospital operations

Revenues from hospital operations, mainly consisting of revenue from medical services, hospital room and medicine, are recognised as income when services have been rendered or 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 buyers. Revenue are recognised as per invoice amount net of related discounts and excluded value added tax.

Service income

Service income is recognised when services have been rendered.

Membership income

Membership income is which initially recorded as deferred income and gradually amortised to income according to services provided over membership period.

Space rental and related service income

The Group recognises space rental and related service income over the term of the lease and service agreements.

Interest income

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

Dividend Income

Dividend Income is recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

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

4.3 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. The allowance is generally based on collection experiences and analysis of debt aging.

4.4 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.

4.5 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in income statement.
- 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 income statement when the securities are sold.
- c) Investments in held-to-maturity securities, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method. The amortised/accreted amount is presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities, which the Group classifies as other investments, are stated at cost net of allowance for impairment (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.

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

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

4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gains or losses arising from changes in the value of investment properties are recognised in income statement when incurred.

On disposal of investment properties, the difference between the reward and the carrying amount of the asset is recognised in income statement in the period when the asset is derecognised.

4.7 Property, premises and equipment/Depreciation

Land is stated at revalued amount. Premises and equipment are stated at cost less accumulated depreciation and allowance for impairment loss 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 recorded with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the assets, the increase is credited directly to other comprehensive income under the heading of "Revaluation surplus on land" in shareholder's equity. 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 assets, the decrease is recognised in income statement. 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 assets.

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	30 years or lease period
Premises, structures and premises improvements	3 - 50 years
Medical tools and equipment and machines	2 - 20 years
Helicopter	20 years
Helicopter spare parts and equipment	5 years
Structure equipment, furniture and office equipment	2 - 20 years
Vehicles	5, 8 years

Depreciation is recognised as expenses in income statement.

No depreciation is provided on land and 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 income statement when the asset is derecognised.

4.8 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.

4.9 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 income statement.

The intangible asset with finite useful lives is as follow:

Computer software	5 – 10 years
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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.

4.10 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 income statement.

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

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group 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 income statement. Impairment losses relating to goodwill cannot be reversed in future periods.

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

4.12 Long-term rental agreements

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

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

4.13 Impairment of assets

At the end of each reporting period, the Group performs 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 Group 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 income statement. However in cases where land 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 Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

The reversal of an impairment loss of asset is recognised in the income statement except for the asset carried at a revalued amount, the reversal of impairment loss recognised in the income statement will not exceed the impairment loss previously recognised. The excess of carrying amount is treated as a revaluation increase (if any).

4.14 Leasehold rights

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

4.15 Foreign currencies

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

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

Gains and losses on exchange are included in income statement.

4.16 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 convertible debentures and expenses related to equity component deducted from equity component and was not amortised.

4.17 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred. The Group set up provisions for vacation which is calculated in accordance with the Group's policy and formula, taking into consideration the employee's salary, years of service and the unused vacation days.

Post-employment benefits and other long - term employee benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The Group contributions are recognised as expenses when incurred.

Defined benefit plans and other long - term employee benefits

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and medical care after post-employment. The Group treats these severance payment and medical care obligations as defined benefit plans. In addition, the Group provides other long-term employee benefit plan, namely long service awards, which will be rewarded employees when the employees complete the milestones service years.

The obligations under the defined benefit plans and other long-term employee benefits are 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 while arising from other long-term employee benefits are recognised in the income statement.

4.18 Provisions

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

4.19 Income tax

Income tax expense represents the sum of current income tax and deferred tax.

Current tax

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

Deferred tax

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

The Group recognises deferred tax liabilities for all taxable temporary differences while 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.

The Group does not recognise a deferred tax liability of all taxable temporary differences associated with investments in subsidiaries and associates as the Group is able to control the timing of reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future. The Group will recognise a deferred tax liability of all taxable temporary differences associated with investments in subsidiaries and associates immediately when it is probable that the Group will dispose the investments in subsidiaries and associates in the foreseeable future.

At each reporting date, the Group reviews 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 Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.20 Financial assets / Financial liability

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 subsidiaries, 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 non - subsidiaries, long-term loans, liabilities under finance leases, debentures and convertible debentures.

4.21 Fair value measurement

Fair value is the price that would be received from sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure 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 Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

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

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

4.22 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 expense on an accrual basis.

5. 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.

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 Group's premises and equipment and to review estimate useful lives and residual values when there are any changes.

The Group measures 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 Group treats 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 Group presents investment properties at the fair value estimated by an independent appraiser, and recognise changes in the fair value in income statement. 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 and other long - term employee benefits

The obligation under the defined benefit plan and other long term employee benefit 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 Group has contingent liabilities arising from litigation. The Group's management has used judgment to assess the outcome of the litigation. In cases of loss, the Group will record provision for contingent liabilities in financial statement. In cases where it has assessed that no damage will arise from the litigation, the Group will not record provision for contingent liabilities at the end of the reporting period.

6. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash and bank deposits at financial institutions	5,033,465	5,084,714	2,295,456	2,618,964
Fixed deposits	53	6,439	-	-
Total cash and cash equivalents	5,033,518	5,091,153	2,295,456	2,618,964

As at 31 December 2018, bank deposits in saving accounts and fixed deposits carried interest rates between 0.10 and 1.00 percent per annum (2017: between 0.10 and 1.00 percent per annum).

7. Short-term investments

Short-term investments consist of the following:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Fixed deposits	100,992	61,274	10	10
Treasury bill	193,269	-	-	-
Mutual funds	516,405	510,351	384	383
Total short-term investments	810,666	571,625	394	393

As at 31 December 2018, fixed deposits and treasury bill carried interest rates between 0.50 and 1.54 percent per annum (2017: between 0.50 and 1.50 percent per annum).

8. Restricted financial institutions deposits

Restricted financial institutions deposits represent bank deposits that subsidiaries have placed with banks to secure letters of guarantees issued by the banks on behalf of the subsidiaries. This includes bank deposits placed with government agencies, state enterprises and private entities to guarantee contractual performance.

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade receivables - related parties-net	13,386	9,835	23,873	28,226
Trade receivables - unrelated parties-net	7,035,693	6,418,934	1,274,972	1,195,960
Other receivables - related parties	2,241	960	117,413	126,582
Other receivables - unrelated parties	238,183	268,941	23,568	51,016
Prepaid expenses	255,511	276,041	61,428	71,383
Total trade and other receivables - net	7,545,014	6,974,711	1,501,254	1,473,167

As at 31 December 2018 and 2017, the aging analysis of the outstanding trade accounts receivable are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<u>Related parties</u>				
Not over than 3 months	13,007	9,015	23,494	20,698
3 - 6 months	227	623	180	6,109
6 - 12 months	55	133	190	1,396
over 12 months	113	64	25	23
Total trade accounts receivable - related parties	13,402	9,835	23,889	28,226
Less: Allowance for doubtful accounts	(16)	-	(16)	-
Total trade accounts receivable - related parties - net	13,386	9,835	23,873	28,226
<u>Unrelated parties</u>				
Not over than 3 months	6,403,814	5,788,194	1,202,575	1,097,000
3 - 6 months	464,614	459,405	81,782	105,964
6 - 12 months	307,214	290,907	54,496	36,863
over 12 months	440,410	372,128	160,640	144,273
Total trade accounts receivable - unrelated parties	7,616,052	6,910,634	1,499,493	1,384,100
Less: Allowance for doubtful accounts	(580,359)	(491,700)	(224,521)	(188,140)
Total trade accounts receivable - unrelated parties - net	7,035,693	6,418,934	1,274,972	1,195,960
Total trade accounts receivable - net	7,049,079	6,428,769	1,298,845	1,224,186

10. Related party transactions

The Group 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.

<u>Transaction</u>	<u>Pricing and lending policy</u>
Revenues and costs from hospital operations and laboratory services	Based on the price charged to normal customers
Revenues and expenses from consulting and management service, accounting service, information technology service and maintenance service	Certain percentage of net revenue or 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 subsidiaries in Cambodia, interest rate charged as stipulated in the agreements

The significant intercompany transactions are as follows:

	(Unit: Million Baht)			
	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<u>Associates</u>				
Revenue from hospital operations and laboratory services	18.1	19.5	11.5	9.8
Dividend income (Note 12)	-	-	492.5	494.1
Other income	8.7	6.9	-	0.1
Service cost	8.8	12.4	1.3	-
Other expenses	0.6	0.1	0.6	-
<u>Subsidiaries</u>				
Revenue from hospital operations and laboratory services	-	-	177.6	129.5
Consulting and management fee income	-	-	911.3	838.7
Interest income	-	-	248.8	352.7
Dividend income (Note 13)	-	-	5,081.7	3,069.2
Other income	-	-	104.2	85.2
Service costs	-	-	803.3	803.4
Consulting and management fee expenses	-	-	250.3	244.5
Other expenses	-	-	43.1	36.8
Interest expense	-	-	105.5	91.0

(Unit: Million Baht)

For the years ended 31 December			
Consolidated financial statements		Separate financial statements	
2018	2017	2018	2017

Individuals or related companies

Revenue from hospital operations and laboratory

services	6.5	5.4	5.0	3.5
Dividend income (Note 14)	5.4	9.0	5.4	9.0
Other income	13.0	13.6	9.4	11.9
Service costs	173.9	139.6	135.6	106.1
Consulting and management fee expenses	3.1	3.1	-	-
Other expenses	116.9	125.0	79.5	94.3

The outstanding balances of the above transactions as at 31 December 2018 and 2017 have been separately shown in the statement of financial position as follows:

(Unit: Thousand Baht)

Consolidated financial statements		Separate financial statements	
2018	2017	2018	2017

Trade receivables - related parties (Note 9)

Associates	11,821	6,927	1,178	2,220
Subsidiaries	-	-	22,088	24,755
Related companies	1,581	2,908	625	1,251
Total trade receivables - related parties	13,402	9,835	23,889	28,226
Less: Allowance for doubtful accounts	(16)	-	(16)	-
Total trade accounts receivable - related parties - net	13,386	9,835	23,873	28,226

Other receivables - related parties (Note 9)

Consulting and management fee receivable

Subsidiaries	-	-	83,189	77,904
Total	-	-	83,189	77,904

Accrued interest income and others

Subsidiaries	-	-	33,554	47,826
Related companies	2,241	960	670	852
Total	2,241	960	34,224	48,678
Total other receivables - related parties	2,241	960	117,413	126,582

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2018	2017	2018	2017
<u>Leasehold rights - a related party</u>				
(included in other non-current assets)				
A related party	28,431	34,523	-	-
Total leasehold rights - a related party	28,431	34,523	-	-
<u>Other non-current assets - related parties</u>				
Subsidiaries	-	-	15,901	597
Related companies	1,312	398	-	-
Total other non-current assets - related parties	1,312	398	15,901	597
<u>Trade payables - related parties (Note 21)</u>				
Associates	2,022	1,955	91	96
Subsidiaries	-	-	104,278	150,201
Related companies	17,201	17,021	11,149	11,377
Total trade payables - related parties	19,223	18,976	115,518	161,674
<u>Other payables - related parties (Note 21)</u>				
Associates	60	148	-	-
Subsidiaries	-	-	93,246	60,438
Related companies	10,198	8,966	8,390	2,456
Total other payables - related parties	10,258	9,114	101,636	62,894
<u>Accrued interest expense - related parties</u>				
(included in accrued expenses)				
Subsidiaries	-	-	10,591	9,045
Total accrued interest expense - related parties	-	-	10,591	9,045
<u>Other non-current liabilities - related parties</u>				
Associates	343	-	343	-
Subsidiaries	-	-	12,189	9,547
Related companies	729	729	729	729
Total other non-current liabilities - related parties	1,072	729	13,261	10,276

Movement of loans to and loans from subsidiaries during the years are summarised as follows:

(Unit: Thousand Baht)			
	Separate financial statements		
	31 December		31 December
	2017	Increase	2018
<u>Short-term loans to subsidiaries</u>			
Subsidiaries	2,723,765	513,655	(617,776)
Total short-term loans to subsidiaries	2,723,765	513,655	(617,776)
<u>Long-term loans to subsidiaries</u>			
Subsidiaries	4,790,396	1,010,000	(1,737,342)
Total long-term loans to subsidiaries	4,790,396	1,010,000	(1,737,342)
<u>Short-term loans from subsidiaries</u>			
Subsidiaries	9,952,014	1,434,967	(616,242)
Total short-term loans from subsidiaries	9,952,014	1,434,967	(616,242)

Short-term and long-term loans to subsidiaries and short-term loans from subsidiaries

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 as 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 as stipulated in the agreements.

Guarantee obligations with subsidiaries

As at 31 December 2018, the Company has guaranteed overdraft facility amounting to USD 2 million (2017: USD 2 million) for overseas subsidiaries.

Directors and management's benefits

During the years ended 31 December 2018 and 2017, the Group had benefits for their directors and management as below.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Short-term employee benefits	275.5	282.8	257.0	267.1
Post-employment benefits and other long-term benefits	0.5	2.1	0.5	2.1
Total	276.0	284.9	257.5	269.2

11. Inventories

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Medicines and medical supplies	1,754,476	1,713,266	111,362	113,536
Packaging and others	67,222	42,973	503	180
Total	1,821,698	1,756,239	111,865	113,716
Less: Allowance to reduce cost to net realisable value	(35,787)	(20,967)	(271)	(474)
Inventories - net	1,785,911	1,735,272	111,594	113,242

12. Investments in associates

Company's name	Natures of business	Paid-up capital	% Shareholding	Consolidated financial statements		Separate financial statements	
				Equity Method		Cost Method	
				2018	2017	2018	2017
<u>Associates held by the Company</u>							
Cool & Joy Co., Ltd.	Ceased operation	Baht 5 million	30.00	871	1,069	1,500	1,500
Ramkhamhaeng Hospital Public Co., Ltd.	Hospital	Baht 120 million	38.24	5,704,289	5,338,905	1,459,801	1,459,801
Udon Pattana (1994) Co., Ltd. (held by the Company at 15.26% and indirectly held by a subsidiary at 9.85%)	Hospital	Baht 300 million	25.11	181,250	187,895	69,952	69,952
Bumrungrad Hospital Public Co., Ltd.	Hospital	Baht 730 million	24.83	16,197,451	9,792,564	12,357,828	6,417,246
Total investments in associates held by the Company						13,889,081	7,948,498
Total investments in associates held by the Group				22,083,861	15,320,433		
<u>Associates held by the subsidiaries</u>							
AI Chaith Bangkok Dusit Management Services LLC.	In process of liquidation	UAE DIRHAM 0.15 million	30.00	-	-		
General Hospital Products Public Co., Ltd.	Manufacturer and distributor of medical supplies	Baht 120 million	46.03	563,129	486,746		
Total investments in associates held by subsidiaries				563,129	486,746		
Total investments in associates in the consolidated financial statements				22,646,990	15,807,179		

12.1 Investments in associate by the Company

Bumrungrad Hospital Public Company Limited

On 31 October 2018, the meeting of the Company's Board of Directors had approved the Company to make additional investment in not exceeding 32 million shares of Bumrungrad Hospital Public Company Limited at the amount of not exceeding Baht 6,060 million. On 12 November 2018, the Company acquired 32 million shares of Bumrungrad Hospital Public Company Limited totaling Baht 5,940.6 million. As a result, the percentage of ownership increased from 20.50% to 24.88% of issued and paid-up capital of Bumrungrad Hospital Public Company Limited.

12.2 Investments in associate by subsidiaries

General Hospital Products Public Co., Ltd.

In the second quarter of 2018, Royal Bangkok Healthcare Co., Ltd., a subsidiary in which the Company has a 100% shareholding, purchased additional shares in General Hospital Products Public Co., Ltd. totaling of Baht 3.1 million. The total investments in General Hospital Products Public Company Limited, including the shareholding by another subsidiary, representing 46.03% of the paid up capital of such company.

12.3 Details of share of profit, comprehensive income and dividend received from the associates

Company's name	Consolidated financial statements				(Unit: Thousand Baht) Separate financial statements	
	Share of profit (loss) from investments in associates during the year		Share of other comprehensive income from investments in associates during the year		Dividend received during the year	
	2018	2017	2018	2017	2018	2017
<u>Associates held by the Company</u>						
Cool & Joy Co., Ltd.	(197)	-	-	-	-	-
Ramkhamhaeng Hospital Public Co., Ltd.	725,117	507,621	(408,621)	138,435	73,415	73,415
Udon Patana (1994) Co., Ltd.	(5,645)	(4,536)	-	-	-	-
Bumrungrad Hospital Public Co., Ltd.	893,716	843,183	(3,340)	(22,530)	419,050	420,678
<u>Associate held by the subsidiaries</u>						
General Hospital Products Public Co., Ltd.	77,702	71,042	-	-	-	-
Total	1,689,693	1,417,310	(411,961)	115,905	492,465	494,093

*Included deferred tax liabilities of share profit in investment in associate amounting to Baht 122.3 million (Note 32, 40.1).

Fair value of investments in listed associates

Fair values as at 31 December 2018 and 2017 of investments in associates 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:

Company's name	(Unit: Thousand Baht)	
	Fair values as at 31 December	
	2018	2017
Ramkhamhaeng Hospital Public Co., Ltd.	12,205,208	13,627,619
Bumrungrad Hospital Public Co., Ltd.	34,061,382	28,285,873
Total	46,266,590	41,913,492

12.4 Summary of financial information of associates

Company's name	As at 31 December						For the years ended 31 December						Total comprehensive income		
	Paid-up capital		Current assets		Non-Current assets		Current liabilities		Non-Current liabilities		Total revenues			Profit (loss)	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017		2018	2017
Associates held by the Company															
Cool & Joy Co., Ltd.	5	5	2.9	2.9	-	-	-	-	-	-	-	-	-	-	
Ramkhamhaeng Hospital Public Co., Ltd.	120	120	2,181.4	1,725.7	13,043.9	14,751.8	1,820.1	4,268.5	337.5	489.7	5,589.1	4,173.0	1,322.1	1,567.0	
Udon Prasna (1994) Co., Ltd.	300	300	46.2	65.8	881.9	905.5	149.2	112.3	70.5	124.4	405.3	412.2	(26.5)	(18.1)	
Bumrungrad Hospital Public Co., Ltd.	730	730	12,100.8	10,550.3	12,643.0	12,933.6	2,878.1	3,648.9	3,126.2	3,132.1	18,541.0	18,271.6	4,156.2	3,841.4	
Associated held by the subsidiaries															
General Hospital Products Public Co., Ltd.	120	120	747.1	632.5	818.1	880.0	250.1	263.8	189.8	280.2	1,085.2	1,038.7	172.7	156.8	

Share of income from investments in two associates which are listed companies on the Stock Exchange of Thailand for the year ended 31 December 2018 of Baht 1,618.8 million (2017: 2 associates Baht 1,350.8 million) representing 96 percent (2017: 95 percent) of total share of income from all associates were calculated based on audited financial statements of those companies.

13. Investments in subsidiaries

Company's name	Nature of business	Paid-up capital	% Shareholding	Separate financial statements			
				Investments		Dividend received	
				(Cost method)		during the years	
				2018	2017	2018	2017
Samitivej Public Co., Ltd.	Hospital	Baht 1,000 million	95.76	1,639,071	1,539,071	1,292,809	1,053,400
Bangkok Hospital Hanyai Co., Ltd.	Hospital	Baht 500 million	98.82	574,697	574,697	98,821	49,405
Bangkok Phuket Hospital Co., Ltd.	Hospital	Baht 500 million	99.70	610,332	610,332	74,773	-
BNH Medical Center Co., Ltd.	Hospital	Baht 588 million	91.48	602,657	602,657	428,952	107,239
Pacific Prapadaeng Hospital Co., Ltd. (formerly known as "Bangkok Prapadaeng Hospital Co., Ltd.")	Hospital	Baht 105 million	84.00	101,868	101,868	-	-
Bangkok Pattaya Hospital Co., Ltd.	Hospital	Baht 280 million	97.27	708,993	708,993	653,635	-
Bangkok Rayong Hospital Co., Ltd.	Hospital	Baht 400 million	100.00	415,020	415,020	60,000	60,000
Bangkok Samui Hospital Co., Ltd.	Hospital	Baht 150 million	100.00	150,000	150,000	90,000	120,000
Bangkok Trat Hospital Co., Ltd.	Hospital	Baht 250 million	99.76	245,899	245,899	38,902	38,902
Watanavej Co., Ltd.	Hospital	Baht 180 million	99.72	450,788	450,643	161,505	17,945
Bangkok Ratchasima Hospital Co., Ltd.	Hospital	Baht 300 million	91.45	935,355	935,005	41,139	41,139
National Healthcare Systems Co., Ltd. (held by the Company at 74.02% and indirectly held by subsidiaries at 24.66%)	Laboratory services	Baht 75 million	74.02	56,768	56,768	66,622	66,622
Bio Molecular Laboratories (Thailand) Co., Ltd.	Laboratory services	Baht 10 million	95.00	9,502	9,502	42,750	38,000
Angkor Plieth Co., Ltd.	Hospital	USD 10 million	80.00	287,840	287,840	-	-
Phnom Penh Medical Services Co., Ltd.	Hospital	USD 55 million	100.00	1,803,415	813,220	-	-
Royal Rattanak Medical Services Co., Ltd.	Ceased operation	Ref 26,000 million	70.00	154,063	154,063	-	-
B.D.M.S. International Medical Services Co., Ltd.	Not yet operate	Ref 9,200 million	100.00	94,208	94,208	-	-

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up capital	% Shareholding	Separate financial statements			
				Investments		Dividend received	
				(Cost method)		during the year	
				2018	2017	2018	2017
BDMIS Accounting Co., Ltd.	Accounting service	Baht 30 million	100.00	30,000	30,000	-	-
Bangkok Health Insurance Public Co., Ltd.	Health insurance	Baht 250 million	99.99	192,027	192,027	-	-
Royal Bangkok Healthcare Co., Ltd.	Investment	Baht 1,086 million	100.00	1,086,000	1,086,000	190,050	-
Greenline Synergy Co., Ltd.	Technology and information service	Baht 200 million	100.00	200,000	200,000	-	-
Bangkok Hospital Khao Yai Co., Ltd.	Not yet operate	Baht 70 million	100.00	70,000	70,000	-	-
BDMIS Training Co., Ltd.	Training business	Baht 1 million	100.00	1,000	1,000	-	-
Prasit Patana Public Co., Ltd.	Investment	Baht 1,108 million	98.59	9,263,950	9,263,580	1,311,109	983,054
Pacio Medic Co., Ltd.	Hospital	Baht 1,000 million	100.00	3,622,872	3,622,872	-	-
Pacio Samutprakarn Co., Ltd.	Hospital	Baht 42 million	93.65	1,737,706	1,737,667	137,661	137,661
Siam Medical Co., Ltd.	Hospital	Baht 100 million	85.71	939,775	939,775	102,857	85,714
Thai Medical Center Public Co., Ltd.	Hospital	Baht 201 million	99.76	887,131	887,131	100,025	100,024
Bangkok Premier Insurance Broker Co., Ltd. (formerly known as "Bangkok Premier Life Insurance Broker Co., Ltd.")	Insurance broker	Baht 20 million	100.00	20,000	20,000	-	-
Bangkok Hospital Changmai Co., Ltd.	Hospital	Baht 1,500 million	100.00	1,500,000	1,500,000	-	-
Bangkok Hospital Udon Co., Ltd.	Hospital	Baht 800 million	100.00	799,930	799,930	-	-
Bangkok Khon Kaen Hospital Co., Ltd.	Hospital	Baht 1,500 million	100.00	1,500,000	1,500,000	-	-
The Medipharma Co., Ltd.	Production and distribution of medicines	Baht 42,86 million	87.05	551,318	551,318	7,462	7,462

(Unit: Thousand Baht)

Separate financial statements

Company's name	Nature of business	Paid-up capital	% Shareholding	Investments (Cost method)			Dividend received during the year	
				2018	2017	2017	2018	2017
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	442,252	34.43	442,252	-	-
Bangkok Hospital Surat Co., Ltd.	Hospital	Baht 600 million	100.00	800,000	100.00	800,000	-	-
BDMS Inter Pte. Ltd.	Investment	USD 0.2 million	100.00	6,721	100.00	3,381	-	-
N Health Asia Pte. Ltd.	Investment	USD 3.5 million	100.00	116,655	100.00	116,655	-	-
Samitivej Chonburi Co., Ltd.	Hospital	Baht 800 million	100.00	800,000	100.00	800,000	-	-
Bangkok Hospital Pitsanulok Co., Ltd.	Hospital	Baht 800 million	100.00	800,000	100.00	800,000	-	-
Bangkok Hospital Sanamchan Co., Ltd.	Hospital	Baht 3,855 million	100.00	3,855,000	100.00	3,855,000	109,650	109,650
Bangkok Phuket International Hospital Co., Ltd.	Hospital	Baht 3,610 million	100.00	3,610,000	100.00	3,610,000	-	-
Bangkok Save Drug Co., Ltd.	Investment	Baht 450 million	100.00	450,000	100.00	450,000	-	-
S.R. Property Investment Co., Ltd.	Real estate	Riel 20 million	49.00	101	49.00	101	-	-
Siem Resp Land Investment Co., Ltd.	Real estate	Riel 20 million	49.00	101	49.00	101	-	-
Phnom Penh First Property Co., Ltd.	Real estate	Riel 20 million	49.00	88	49.00	88	-	-
Bangkok Helicopter Services Co., Ltd. (held by the Company at 87.25% and indirectly held by a subsidiary at 12.75%)	Air transportation services	Baht 400 million	87.25	350,858	87.25	350,858	-	-

Company's name	Nature of business	Paid-up capital	% Shareholding	Separate financial statements			
				Investments		Dividend received	
				(Cost method)		during the years	
			2018	2018	2017	2018	2017
Bangkok Hospital Changrai Co., Ltd.	Hospital	Baht 600 million	100.00	800,000	800,000	-	-
Bangkok Hospital Muangraj Co., Ltd.	Hospital	Baht 1,300 million	100.00	1,300,000	1,300,000	52,000	52,000
BDMS Property Management Co., Ltd.	Assets managements	Baht 10 million	100.00	10,000	10,000	-	-
BDMS Wellness Clinic Co., Ltd.	Holistic Clinical Wellness (Preventative and Regenerative Medicine)	Baht 9,600 million	100.00	9,600,000	9,600,000	-	-
BDMS Wellness Resort Co., Ltd.	Hotel	Baht 100 million	100.00	100,000	-	-	-
Total investments in subsidiaries				53,583,951	52,585,512	6,081,721	3,069,216
Less: Allowance for impairment of investments				(154,062)	(154,062)		
Total investments in subsidiaries - net				53,529,889	52,431,450		

13.1 Investments in subsidiaries by the Group

Phnom Penh Medical Services Co., Ltd.

On 18 October 2017 the Board of Directors of Phnom Penh Medical Services Co., Ltd. ("PPMS") approved an increase in its share capital from USD 25 million to USD 55 million. In June 2018, the Company and PPMS had converted the long-term loan and its accrued interest which PPMS had borrowed from the Company amounting to USD 30 million to be the capital of PPMS.

BDMS Inter Pte. Ltd.

On 30 July 2018, the Board of Directors of BDMS Inter Pte. Ltd. approved to increase the share capital from USD 100,000 to USD 200,000. In the third quarter of 2018, the Company acquired all of the new ordinary shares.

13.2 Investments in a new subsidiary

BDMS Wellness Resort Co., Ltd.

On 28 November 2018, the Board of Directors of the Company approved the establishment of a new subsidiary, namely BDMS Wellness Resort Co., Ltd., with a registered share capital of Baht 100 million to operate hotel business. The Company holds 100% shareholding in that subsidiary. In December 2018, BDMS Wellness Resort Co., Ltd. completely registered its establishment. The Company already paid for the shares capital of Baht 100 million in the fourth quarter of 2018.

13.3 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 Group, there are 5 subsidiaries having material non-controlling interest since the Company has 40 to 70 percentage of ownership over these subsidiaries.

The summary of financial information before elimination transactions of the subsidiaries having material non-controlling interest, based on the Company's percentage of ownership in the subsidiaries, is the followings:

Company's name	As at 31 December						For the years ended 31 December						(Unit: Million Baht)			
	Paid-up capital		Current assets		Non-Current assets		Current liabilities		Non-Current liabilities		Total revenues				Profit (loss)	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Thonburi Medical Center Public Co., Ltd.	193.8	193.8	179.2	122.9	449.1	473.7	156.2	155.2	16.3	13.1	777.4	685.6	31.1	(22.2)	27.4	(22.2)
S.R. Property Investment Co., Ltd.	0.2	0.2	-	-	71.4	71.9	0.5	0.3	62.6	63.7	0.7	0.8	0.6	0.6	-	-
Siem Reap Land Investment Co., Ltd.	0.2	0.2	0.1	0.1	64.9	65.4	0.4	0.3	57.3	58.3	0.7	0.7	0.5	0.6	-	-
Phnom Penh First Property Co., Ltd.	0.2	0.2	0.1	0.1	149.3	150.3	2.5	0.6	132.7	135.1	1.6	1.6	(0.4)	1.3	-	-
Tepakorn Hospital Co., Ltd.	30.0	30.0	29.0	30.2	132.1	127.5	108.8	96.3	6.1	4.1	144.1	150.9	(8.4)	3.3	-	-

14. Other long-term investments

(Unit: Thousand Baht)							
Company's name				Consolidated and separate financial statements			
	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend received during the years	
				2018	2017	2018	2017
Investments held by the Company							
Available-for-sale investments							
Investments in listed securities							
Thai Military Bank Public Co., Ltd.	Bank	41,659	-	1,770	1,770	5	5
Aikchul Hospital Public Co., Ltd.	Hospital	150	0.20	350	350	132	189
				2,120	2,120	137	194
Surplus on changes in value of available-for-sale investments							
				3,368	4,964	-	-
				5,488	7,084	137	194
Investments in listed securities							
Investments in a related company							
Bangkok Airways Public Co., Ltd.	Airline	2,100	0.85	39,466	39,466	5,372	8,953
Surplus on changes in value of available-for-sale investments							
				168,239	268,720	-	-
				207,705	308,186	5,372	8,953
Investments in related companies							

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend received during the years		(Unit: Thousand Baht) Consolidated and separate financial statements
				2018	2017	2018	2017	
Investments in unrelated companies								
Thai Longstay Management Co., Ltd.	VISA service	100	0.53	531	531	-	-	
Superior Biotech Holding Co., Ltd.	Investment	113	3.55	5,000	5,000	3,360	800	
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	3,973	1,413	
Total other long-term investments in the separate financial statements				223,244	323,321	9,482	10,560	

(Unit: Thousand Baht)
Consolidated and separate
financial statements

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend received during the years	
				2018	2017	2018	2017
Investment held by the subsidiaries							
Available-for-sale investments							
Investments in investment unit				10,000	10,000	-	-
Surplus on changes in value of available-for-sale investments				1,604	1,487	-	-
Investments in investment unit				11,604	11,487	-	-
Investment in listed securities							
Mahachulalongkornrajavidyalaya University	Hospital	160	4.28	143,724	143,724	2,806	3,011
Loss on changes in value of available-for-sale investments				(21,217)	-	-	-
Investments in listed securities				122,507	143,724	2,806	3,011

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend received during the years	
				Investment (cost)		the years	
				2018	2017	2018	2017
Investments in unrelated companies							
Thai Herbal Products Co., Ltd.	Manufacturer and distributor of herbal products	80	0.60	290	290	12	17
Prasithrai Co., Ltd.	Educational institution known as "Rangsit university"	150	33.33	107,192	107,192	4,000	2,000
Asia Laboratories Center Limited	Laboratory service	5	8.00	400	400	-	-
Kendali Gammatron Limited	Manufacturer and distributor of medical equipment	157	5.10	8,000	8,000	-	-
Pracharat Raksamakkee Khonkaen (Enterprise for social) Co., Ltd.	OTOP processing and travelling	4	0.38	15	15	-	-
Korat Medical Group Co., Ltd.	Hospital	92	1.08	1,000	1,000	-	-
UB (Thailand) Co., Ltd.	Manufacturer and distributor of medical equipment	8	11.00	879	879	-	-
U2 Bio (Thailand) Co., Ltd.	Laboratory service	10	10.00	1,000	1,000	-	-
				118,776	118,776	4,012	2,017
Less: Allowance for impairment of investments				(2,879)	(2,879)	-	-
Investments in unrelated companies - net				115,897	115,897	4,012	2,017

(Unit: Thousand Baht)
Consolidated and separate
financial statements

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	(Unit: Thousand Baht)		
				Consolidated and separate financial statements		
				Dividend received during the years		
				2018	2017	2017
Investments in held-to-maturity securities						
Debt securities - listed companies				20,000	-	-
Investments in ordinary shares (ceased operations)						
Phytofai Herbs Co., Ltd.	In process of liquidation	220	63.64	42,889	42,889	-
Black Brain Health, LLC.	In process of liquidation	USD 1.38 million	4.81	17,975	17,975	-
				(27,468)	(9,493)	-
Less: Allowance for impairment of investment				33,396	51,371	-
Investments in ordinary shares (ceased operations) - net						
				526,648	645,800	16,300
Total other long-term investments - net in the consolidated financial statements						
						15,588

The Group recognised the decrease in fair value of available-for-sale investments in the consolidated financial statements of Baht 96.9 million (net of deferred tax liabilities of Baht 24.2 million) and that in the separate financial statements of Baht 80.1 million (net of deferred tax liabilities of Baht 20.0 million), presenting in the statements of comprehensive income under "Loss on change in value of available-for-sale investments".

Prasitthirat Company Limited

A subsidiary has 33.33 percentage of shareholding in Prasitthirat Company Limited but has not classified it as investment in an associate because the subsidiary has no power to participate in the financial and operating policy decisions of that company and other shareholders are major shareholders of that company.

Phyathai Herbs Co., Ltd.

A subsidiary has investment in Phyathai Herbs Co., Ltd. that have ceased its operation but has not classified it as investment in subsidiary because the subsidiary has no power to control such company.

15. Investment properties

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
31 December 2016	306,744	704,499
Purchase	606	606
Transfer from land and premises	1,008	124
Loss on fair value adjustment	(581)	(29,870)
31 December 2017	307,777	675,359
Purchase	1,619	1,619
Transfer from (to) land and premises	(7,605)	1,594
Gain on fair value adjustment	14,935	10,287
31 December 2018	316,726	688,859

The investment properties of the Group 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 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 (%)	11.0 - 13.0	11.5 - 13.0	Decrease in fair value

16. 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						
	Land and land improvement	Building and building improvement	Medical tools, machine, helicopter and equipment	Structure, equipment, furniture, fixture and office equipment	Vehicles	Building under construction and medical tools and equipment under installation	Total
Cost/reappraised value							
31 December 2018	20,370,354	38,842,095	20,560,659	11,891,820	805,740	2,804,916	95,475,685
Increase from acquisition	723,946	130,054	19,321	5,451	2,909	4,000	863,881
Increase from revaluation	2,740,890	-	-	-	-	-	2,740,890
Purchases	10,382,855	545,072	1,900,358	857,759	92,027	2,849,816	16,607,921
Transfer in / (Transfer out)	(10,653)	904,515	429,368	272,905	7,674	(1,618,911)	(13,152)
Disposals/Written-off	(539)	(193,940)	(438,152)	(383,318)	(36,548)	(20,365)	(1,072,864)
Translation adjustments	(27,835)	(85,038)	(35,283)	(56,547)	(1,436)	(1,589)	(207,726)
31 December 2017	34,159,018	40,150,759	22,536,471	12,585,204	970,365	4,019,895	114,424,683
Increase from revaluation	742,252	-	-	-	-	-	742,252
Purchases	162,690	971,737	1,852,717	1,043,769	65,990	3,294,462	7,381,655
Transfer in / (Transfer out)	43,075	1,836,040	157,309	501,806	95,537	(2,535,811)	19,096
Disposals/Written-off	(332)	(256,557)	(1,115,288)	(896,037)	(37,224)	(38,353)	(2,442,791)
Translation adjustments	(2,052)	(6,199)	(2,801)	(4,132)	(132)	(235)	(15,551)
31 December 2016	35,104,941	42,656,790	23,428,408	13,173,710	1,015,536	4,739,929	120,119,384
Accumulated depreciation							
31 December 2018	76,070	18,408,091	13,103,687	6,656,617	635,163	-	38,880,628
Depreciation for the year	11,169	1,770,866	2,002,229	1,044,166	75,355	-	4,963,787
Transfer in / (Transfer out)	(15,074)	13,589	(1,012)	(5,354)	(152)	-	(7,753)
Disposals/Written-off	(554)	(170,452)	(417,957)	(380,353)	(36,470)	-	(1,005,786)
Translation adjustments	(3)	(11,434)	(12,909)	(17,589)	(700)	-	(42,635)
31 December 2017	71,608	20,311,682	14,574,038	7,297,787	673,196	-	42,728,291
Depreciation for the year	8,959	1,780,537	2,105,136	1,076,452	67,394	-	5,068,478
Transfer in / (Transfer out)	-	(3,393)	(132)	3,907	-	-	(18)
Disposals/Written-off	(332)	(263,716)	(1,587,844)	(945,388)	(36,559)	-	(2,334,439)
Translation adjustment	-	(817)	(950)	(1,299)	(51)	-	(3,126)
31 December 2016	80,235	21,524,273	15,760,239	7,430,459	703,980	-	45,488,186

(Unit: Thousand Baht)

Consolidated financial statements (continued)

Assets which are stated at cost or reappraised value	Assets which are stated at cost						
	Land and land improvement	Building and building improvement	Medical tools, machine, helicopter and equipment	Structure equipment, furniture, fixture and office equipment	Vehicles	Building under construction and medical tools and equipment under installation	Total
Allowance for impairment of fixed assets							
31 December 2016	5,588	115,510	10,071	1,373	1,471	-	134,013
Impairment loss (reversal)	(112)	3,008	-	-	-	-	2,896
31 December 2017	5,476	118,518	10,071	1,373	1,471	-	136,909
Reversal of impairment loss	-	(3,008)	-	-	-	-	(3,008)
31 December 2018	5,476	115,510	10,071	1,373	1,471	-	133,901
Net book value							
31 December 2017	34,081,934	20,020,579	7,852,352	5,239,044	295,698	4,019,885	71,509,483
31 December 2018	35,019,230	21,018,967	7,868,036	5,741,878	310,085	4,736,929	74,495,217

(Unit: Million Baht)

Depreciation for the years

	2018	2017
Part of cost of hospital operations and services	4,124	3,919
Part of administrative expenses	974	985
Total	5,098	4,904

(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	Structure equipment, furniture and office equipment	Vehicles	Building under construction and medical tools and equipment under installation	
Cost/reappraised value							
31 December 2016	3,735,553	6,036,310	3,929,555	1,593,752	205,979	1,089,514	16,690,712
Increase from revaluation	1,743,310	-	-	-	-	-	1,743,310
Purchases	2,017	94,980	298,886	114,452	5,963	880,743	1,396,820
Transfer in / (Transfer out)	-	15,474	42,250	24,738	-	(82,432)	20
Disposals/Written-off	-	(120)	(51,725)	(17,701)	(7,699)	(1,003)	(78,248)
31 December 2017	5,480,920	6,146,662	4,218,736	1,815,231	207,243	1,886,822	19,755,614
Purchases	7,140	192,680	284,637	230,985	11,224	982,589	1,719,241
Transfer in / (Transfer out)	6,133	682,693	50,378	109,729	280	(536,538)	6,675
Disposals/Written-off	-	(21,033)	(309,815)	(11,905)	(12,456)	-	(355,179)
31 December 2018	5,494,193	7,001,038	4,243,936	2,144,320	205,291	2,036,873	21,128,351
Accumulated depreciation							
31 December 2016	895	3,089,955	2,632,576	775,994	147,449	-	6,648,870
Depreciation for the year	362	279,475	369,584	192,210	16,722	-	858,353
Transfer in / (Transfer out)	-	(457)	(12)	463	-	-	(16)
Disposals/Written-off	-	(120)	(49,239)	(17,589)	(7,898)	-	(74,646)
31 December 2017	1,258	3,368,843	2,952,906	951,078	166,473	-	7,430,561
Depreciation for the year	491	290,995	402,010	200,891	13,487	-	907,584
Transfer in / (Transfer out)	-	(487)	(132)	800	-	-	(19)
Disposals/Written-off	-	(18,040)	(307,029)	(11,891)	(12,456)	-	(348,215)
31 December 2018	1,749	3,641,221	3,047,758	1,140,878	157,505	-	7,988,911
Allowance for impairment of fixed assets							
31 December 2016	719	-	-	-	-	-	719
Impairment loss	4,757	3,008	-	-	-	-	7,765
31 December 2017	5,476	3,008	-	-	-	-	8,484
Reversal of impairment loss	-	(3,008)	-	-	-	-	(3,008)
31 December 2018	5,476	-	-	-	-	-	5,476
Net book value							
31 December 2017	5,474,186	2,774,811	1,265,827	864,153	50,770	1,886,822	12,316,569
31 December 2018	5,486,968	3,359,817	1,196,178	1,003,342	48,786	2,036,873	13,134,964

(Unit: Million Baht)

Depreciation for the years

Part of cost of hospital operations and services

Part of administrative expenses

Total

2016

2017

751 703

157 153

908 856

In 2018, 5 subsidiaries have recorded an independent appraiser's result of land, using market approach. The fair values of the revalued land in consolidated financial statements of Baht 1,881.2 million increased from the book values of Baht 593.8 million (net of deferred tax liabilities of Baht 148.5 million). The subsidiaries recorded the increase amount as "Revaluation surplus on land" in the other components of shareholders' equity.

In 2017, the Company and 8 subsidiaries have recorded an independent appraiser's result of land, using market approach. The fair values of the revalued land in consolidated financial statements totaling of Baht 8,173.8 million increased from the book values of Baht 2,192.7 million (net of deferred tax liabilities of Baht 548.2 million) and the fair value of the revalued land in separate financial statements of Baht 4,890.5 million increased from the book values of Baht 1,394.6 million (net of deferred tax liabilities of Baht 348.7 million). The Company and the subsidiaries recorded the increase amounts 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 Group recorded land at cost, net book value as at 31 December 2018 and 2017 would have been as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value (at cost):		
As at 31 December 2018	23,321,005	3,068,527
As at 31 December 2017	23,174,443	3,068,527

As at 31 December 2018, the Group has medical tools, equipment and vehicles under finance lease agreements with net book values amounting to Baht 52.1 million and Baht 2.0 million in the separate financial statements (2017: Baht 56.6 million and Baht 6.6 million in the separate financial statements).

As at 31 December 2018, the Group has 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 20,516.8 million and Baht 3,991.5 million in the separate financial statement (2017: Baht 16,707.8 million and Baht 3,359.9 million in the separate financial statements).

17. Goodwill

Movement in goodwill during the years ended 31 December 2018 and 2017 was summarised below.

	(Unit: Million Baht)	
	Consolidated financial statements	
	2018	2017
Balance as at beginning of years	17,539	16,932
Increase from acquisition	-	607
Balance as at end of years	17,539	17,539

The Group determined the recoverable amounts of the cash generating units (CGUs) based on value-in-use, using cash flow projections covering 5 - 10 years as hospital business requires approximately at least 5-year period for business expansion to benefit from synergy. These 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	3.0 - 16.3
Pre-tax discount rate	7.54

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.

The management has considered that goodwill is not impaired.

18. Intangible assets

Intangible assets as at 31 December 2018 and 2017, which are computer software and commercial rights, are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Cost		
As at 31 December 2016	2,434,332	785,510
Acquisition	904	-
Purchases	292,260	120,369
Transfer out	(2,856)	(144)
Written-off	(23,281)	(5,300)
Translation adjustment	574	-
As at 31 December 2017	2,701,933	900,435
Purchases	309,478	134,165
Transfer out	(12,820)	(11,437)
Written-off	(105,808)	(30)
Translation adjustment	(9,806)	-
As at 31 December 2018	2,882,977	1,023,133
Accumulated amortisation		
As at 31 December 2016	1,246,030	303,339
Amortisation for the years	227,109	93,349
Transfer in	7,546	17
Written-off	(15,965)	-
Translation adjustment	(155)	-
As at 31 December 2017	1,464,565	396,705
Amortisation for the years	249,905	102,327
Written-off	(104,308)	-
Translation adjustment	(9)	-
As at 31 December 2018	1,610,153	499,032
Net book value		
As at 31 December 2017	1,237,368	503,730
As at 31 December 2018	1,272,824	524,101

19. Leasehold rights

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Cost				
Beginning of years	1,000,141	997,865	449,051	449,051
Purchases	270,292	8,026	-	-
Translation adjustment	2,413	(5,750)	-	-
Ending of years	1,272,846	1,000,141	449,051	449,051
Accumulated amortisation				
Beginning of years	335,426	300,150	114,795	98,883
Amortisation for the years	37,838	36,763	14,908	15,912
Translation adjustment	(1,425)	(1,487)	-	-
Ending of years	371,839	335,426	129,703	114,795
Net book value	901,007	664,715	319,348	334,256

20. Bank overdrafts and short-term loans from financial institutions

As at 31 December 2018, the Group had outstanding balances of bank overdrafts and short-term loans from financial institutions of Baht 5,878 million (2017: Baht 72 million). The bank overdrafts carry interest rate at MLR for Baht currency facilities and LIBOR plus fixed rate for US currency facilities. The loans carry interest at fixed rate. The principal and interest is repayable on maturity according to a condition as stipulated in the agreement.

21. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Trade payables - related parties	18,223	18,976	115,518	161,674
Trade payables - unrelated parties	3,290,617	3,286,789	410,715	403,445
Other payables - related parties	10,258	9,114	101,636	62,894
Other payables - unrelated parties	1,315,536	975,629	257,615	175,189
Accounts payable - construction and retention	556,137	459,162	135,487	176,355
Total trade and other payables	5,191,771	4,749,670	1,020,981	979,557

22. Liabilities for discontinued lifelong medical care programs and contingent liabilities from litigation

At the 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 membership programs providing lifelong medical services with small amount of charges to their members who have prepaid the membership fees for life. The reason of this discontinuation 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 would be illegal for the Company and its subsidiary to continue providing medical services under these membership programs as they do not have the necessary permission from the relevant authorities to operate an insurance business. 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 their membership fees together with compensation. They also offered members benefit in the form of a 50% discount on medical care for life. 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 by considering that they were past events that caused the present commitment and they were subsequent events that should be adjusted in order to comply with Thai Accounting Standard No. 10 Events after the reporting period. As at 31 December 2016, the liabilities for discontinued lifelong medical care program in consolidated and separate financial statements were amounted to Baht 964 million and Baht 820 million, respectively.

In 2017, some members (182 of the 334 members in the consolidated financial statements and 151 of the 282 members in the separate financial statements) accepted the offers but other members did not accept the offers as of yet. As at 31 December 2017, the liabilities from the discontinuation of the lifelong memberships for the medical care program, based on the total amounts payable to the former members and the compensation expected to be paid to the former members who have not accepted the offers in the consolidated and separate financial statements amounts to approximately Baht 440 million and Baht 380 million, respectively.

As a result of discontinuing the lifelong membership programs, some former members of the program filed numerous complaints against the Company and its subsidiary with the courts and requested that the Company and its subsidiary continue the program while some made claims for indemnity from the Company and its subsidiary.

During the court's consideration of certain cases, the court issued orders for temporary injunctions prior to the release of a judgment to the former members who filed complaints against the Company. The essence of the temporary injunction was for the Company to provide medical services to the former members at a normal rate and without any discount and also to allow the other former members to utilise their rights under the programs until the court rules or orders otherwise. Furthermore, the court ordered for the former members who are under the temporary injunction to enter into contracts with the court which would provide that they agreed to be held liable for the aforementioned bills to the Company, should the court issue a final judgment that the Company is entitled to cease such program. The Company keeps record of the debt owed to the Company for medical services rendered and shall not collect amounts for such medical bills unless the court rules or orders otherwise.

Since then, the Civil Court ruled on some of the cases between the former members and the Company and its subsidiary (including all cases where the court has ordered for temporary injunctions prior to a judgment). The judgment of the Company's cases are rendered in three directions which are: 1) to order for the Company to continue complying with the terms of the programs; 2) to order for the Company to continue complying with the terms of the programs but also to make indemnity payment should the Company fail to comply with such terms of the programs at the amount specified in a judgment, the amount of which are usually close to amounts that the Company made in its counteroffer to some members prior to filing of complaints; and 3) to order the plaintiff to refund to the Company the membership fee together with the compensation accepted from the Company in relation to pre-litigation settlement agreements made prior to the filing of the complaints, and to order for the Company to continue complying with the terms of the programs. In all three directions of judgments, the court ordered that the Company must provide compensation for the medical expenses to the plaintiffs in certain from the date of the discontinuation of the programs up to the date on which the judgment was rendered. As for the complaints against the subsidiary, the judgment are also rendered in two directions which are: 1) to order for the subsidiary to make indemnity payment at the amount specified in a judgment, the amount of which are usually close to amounts that the subsidiary made in its counteroffer to some members prior to filing of complaints; and 2) to order for the subsidiary to continue complying with the terms of the programs and also for it to compensate the plaintiffs for any actual medical expenses resulted from the date of the discontinuance of the programs up to the date on which the judgment was rendered. In this regard, there are some pending cases under the consideration of the Civil Court.

In the fourth quarter of 2018, the Court of Appeal affirmed the judgment of the Civil Court on some of the cases of the Company. As at 31 December 2018, the Company and its subsidiary recorded a provision for contingent liabilities from litigation in case the Company and its subsidiary have to comply with the judgment.

Nonetheless, the legal advisor of the Company and its subsidiary opined that, in consideration of all known facts and the provisions of the law, the programs in dispute are deemed contracts of insurance, rendering the cessation of such programs a lawful process. Therefore, the management, under the advisory of the Company and its subsidiary's legal advisor, proceeded to utilize its legal right to file an appeal and a petition against the ruling of the Civil Court, for the Court of Appeal's and the Supreme Court's consideration and ruling which shall serve as precedent of future legal processes. Currently, such cases are currently under the consideration of the Court of Appeal and the Supreme Court. The Company and its subsidiary shall keep record of the amounts of debt owed to the Company and its subsidiary for medical services rendered which have not been collected in relation to for such medical bills unless the court rules otherwise.

23. Long-term loans from financial institutions

	(Unit: Thousand Baht)
	Consolidated/ Separate financial statements
Balance as at 31 December 2017	10,798,639
Less: Repayment during the year	(1,461,350)
Gain on exchange rate	(10,457)
Balance as at 31 December 2018	9,326,832
Less: Current portion of long-term loans from financial institutions	(4,181,365)
Long-term loans from financial institutions	5,145,467

The outstanding balances of long-term loans from financial institutions of the Group as at 31 December 2018 and 2017 are as follows:

Period of loan agreements		Credit facilities	Principal repayment	Interest rate per annum (%)	Outstanding balance (in million USD)		Outstanding balance (in million Baht)	
Start	End				2018	2017	2018	2017
Feb. 2008	Feb. 2018	Baht 3,438 million	Monthly	Floating rate + Spread	-	-	-	57.3
Nov. 2011	Jun. 2019	Baht 3,000 million	Quarterly	Floating rate + Spread	-	-	519.0	719.6
Jan. 2012	Jul. 2020	Baht 588 million	Monthly	Floating rate + Spread	-	-	99.5	188.5
Jun. 2012	Dec. 2018	Baht 1,788 million	Quarterly	Floating rate + Spread	-	-	269.8	639.2
May 2013	May 2021	Baht 2,000 million	Semi-annually	Floating rate + Spread	-	-	704.0	992.6
Feb. 2014*	Jul. 2021	USD 20 million	Semi-annually	Fixed rate	14.0	17.3	451.4	669.2
Apr. 2014	Jun. 2019	Baht 1,000 million	Monthly	Floating rate + Spread	-	-	83.3	323.3
Apr. 2017	Apr. 2024	Baht 1,000 million	Bullet	Fixed rate	-	-	1,000.0	1,000.0
Sep. 2017	Sep. 2019	Baht 2,000 million	Bullet	Floating rate + Spread	-	-	1,000.0	1,000.0
Sep. 2017	Sep. 2018	Baht 2,000 million	Bullet	Fixed rate	-	-	1,000.0	1,000.0
Sep. 2017	Sep. 2021	Baht 3,000 million	Bullet	Floating rate + Spread	-	-	2,400.0	2,400.0
Sep. 2017	Sep. 2021	Baht 3,000 million	Bullet	Floating rate + Spread	-	-	2,000.0	2,000.0
Total long-term loans from financial institutions in consolidated and separate financial statements					14.0	17.3	9,326.8	10,198.6

*In January 2018, the Company entered into a cross currency swap contract with a financial institution by converting US currency amounting to USD 16.0 million to Thai Baht currency amounting to Baht 515.8 million. As a result, fixed interest rate per annum in the mentioned contract is lower than the original contract.

The Group's long-term loan agreements contain certain covenants which the Group must comply such as financial ratios.

24. Liabilities under finance lease agreements

As at 31 December 2018 and 2017, liabilities under finance lease agreements are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Liabilities under finance lease agreements	35,334	40,245	1,037	4,908
Less: Deferred interest expense	(1,776)	(1,713)	(2)	(27)
Total	33,558	38,532	1,035	4,881
Less: Current portion of liabilities under finance lease agreements	(14,047)	(22,039)	(1,035)	(4,744)
Liabilities under finance lease agreements - net	19,511	16,493	-	137

As at 31 December 2018 and 2017, the Group has future minimum lease payments which required under the finance lease agreements as follows:

	(Unit: Thousand Baht)		
	As at 31 December 2018		
	Consolidated financial statements		
	Less than		
	1 year	1-5 years	Total
Future minimum finance lease payments	14,895	20,339	35,334
Deferred interest expense	(948)	(828)	(1,776)
Present value of future minimum finance lease payments	14,047	19,511	33,558

	(Unit: Thousand Baht)		
	As at 31 December 2017		
	Consolidated financial statements		
	Less than		
	1 year	1-5 years	Total
Future minimum finance lease payments	22,969	17,276	40,245
Deferred interest expense	(930)	(783)	(1,713)
Present value of future minimum finance lease payments	22,039	16,493	38,532

	(Unit: Thousand Baht)		
	As at 31 December 2018		
	Separate financial statements		
	Less than		
	1 year	1-5 years	Total
Future minimum finance lease payments	1,037	-	1,037
Deferred interest expense	(2)	-	(2)
Present value of future minimum finance lease payments	1,035	-	1,035

	(Unit: Thousand Baht)		
	As at 31 December 2017		
	Separate financial statements		
	Less than		
	1 year	1-5 years	Total
Future minimum finance lease payments	4,769	138	4,908
Deferred interest expense	(25)	(2)	(27)
Present value of future minimum finance lease payments	4,744	137	4,881

The Group has 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 36 - 60 months and at the end of the agreements.

25. Debentures

Movements of debentures net from debenture expenses and amortisation of expenses during the years ended 31 December 2018 and 2017 are summarised below.

(Unit: Thousand Baht)

	Consolidated /Separate financial statements	
	2018	2017
Balance as at beginning of years	19,584,603	12,588,900
Debentures issued during the years	-	7,000,000
Debenture expenses	-	(7,549)
Amortisation of debenture expenses	3,443	3,252
Balance as at ending of years	19,588,046	19,584,603

The outstanding balances of debentures of the Company as at 31 December 2018 and 2017 as follows:

No.	Debentures period		Number of unit	Amount (Million Baht)	Coupon rate (%)	Outstanding balance (Million Baht)	
	Issue Date	Maturity Date				2018	2017
BCMS228A	6 Aug. 2012	8 Aug. 2022	500,000	500	4.50%	500	500
BCMS228B	8 Aug. 2012	8 Aug. 2022	100,000	100	4.50%	100	100
BCMS233A	14 Mar. 2013	14 Mar. 2023	4,000,000	4,000	4.83%	4,000	4,000
BCMS205A	10 May 2013	10 May 2020	2,000,000	2,000	4.19%	2,000	2,000
BCMS235A	10 May 2013	10 May 2023	1,000,000	1,000	4.39%	1,000	1,000
BDMS256A*	25 Jun. 2015	25 Jun. 2025	2,000,000	2,000	3.85%	2,000	2,000
BCMS266A	24 Jun. 2016	24 Jun. 2026	3,000,000	3,000	2.99%	3,000	3,000
BCMS202A	8 Feb. 2017	8 Feb. 2020	3,000,000	3,000	2.41%	3,000	3,000
BCMS222A	8 Feb. 2017	8 Feb. 2022	2,500,000	2,500	2.87%	2,500	2,500
BCMS242A	8 Feb. 2017	8 Feb. 2024	1,500,000	1,500	3.46%	1,500	1,500

*The Company has entered into the Interest Rate Swap contract with a financial institution for BDMS256A by converting the fixed coupon rate per annum to the floating interest rate plus spread per annum.

The fair value of such debentures as at 31 December 2018, is between Baht 983.89 per unit to Baht 1,073.91 per unit.

Debenture agreement contains certain covenants which the Company must comply with such as financial ratios, payment of dividend, assets dispositions, etc.

26. 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). On 19 September 2014, the convertible debentures were listed on The Singapore Exchange. 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

Convertible debentures agreement contains obligations and certain limitations which the Company must comply with, as specified in the offering circular of the bonds.

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.

On 18 September 2017, the convertible debentures holders had redeemed totalling of Baht 1,560 million at principal amount of the convertible debentures. The Company has made the payment at the Early Redemption Price totally Baht 1,656 million (106.152 percent of the principal Baht 1,560 million).

In 2018, the convertible debentures holders of Baht 3,746 million exercised their conversion rights to convert into 178.0 million ordinary shares of the Company. As a result, as at 31 December 2018, the Company's paid up capital increased from Baht 1,549 million to Baht 1,567 million and premium on ordinary shares increased Baht 4,168 million. The outstanding principal amount of convertible debentures was Baht 4,694 million.

Movements of convertible debentures net from convertible debenture expenses during the year ended 31 December 2018 are summarised below.

	(Unit:Thousand Baht)			
	Consolidated/ Separate financial statements			
	Convertible debenture - liability component	Convertible debenture expenses	Total	Convertible debenture - equity component
Balance as at 1 January 2018	8,821,639	(47,369)	8,774,270	494,185
Transactions for present value of convertible debentures	227,187	-	227,187	-
Amortisation of debenture expenses	-	21,596	21,596	-
Conversion of debentures to ordinary shares	(3,981,437)	14,782	(3,966,655)	(219,338)
Balance as at 31 December 2018	5,067,389	(10,991)	5,056,398	274,847

The fair value of convertible debentures as of 31 December 2018, is equal to 118.0 percent per unit.

27. Provision for employee benefits

Provision for employee benefits were summarised as follows:

	Consolidated financial statements						(Unit: Thousand Baht)	
	Severance payments		Medical care after post-employment		Other long - term benefits			Total
	2018	2017	2018	2017	2018	2017		
Defined benefit obligation at beginning of years	1,823,102	1,672,248	185,175	573,791	-	2,008,277	2,246,039	
Increase from acquisitions	-	27,490	-	-	-	-	27,490	
Included in profit or loss:								
Current service cost	139,887	142,474	5,054	4,988	115,407	-	147,462	
Interest cost	51,207	46,466	6,920	7,447	-	-	53,913	
Adjust from condition changing of defined benefit plan	-	-	-	(50,437)	-	-	(50,437)	
Included in other comprehensive income:								
Actuarial loss arising from								
Demographic assumptions changes	218,158	-	-	-	-	-	-	
Financial assumptions changes	47,332	-	-	-	-	-	-	
Experience adjustments	70,173	-	-	-	-	-	-	
Benefits paid during the years	(67,098)	(65,576)	(13,247)	(350,614)	-	(80,345)	(416,190)	
Defined benefit obligation at end of years	2,282,761	1,823,102	183,902	185,175	115,407	2,582,070	2,008,277	
Less: Current provision for employee benefits	-	-	(158)	(2,442)	-	(158)	(2,442)	
Non-current provision for employee benefits	2,282,761	1,823,102	183,744	182,733	115,407	2,581,912	2,005,835	

(Unit: Thousand Baht)

	Separate financial statements					
	Severance payments		Medical care after post-employment		Other long - term benefits	
	2018	2017	2018	2017	2018	2017
Defined benefit obligation at beginning of years	389,127	376,929	185,175	495,592	-	872,521
Included in profit or loss:						
Current service cost	27,557	28,384	5,054	4,988	53,882	33,372
Interest cost	8,995	8,674	6,920	7,447	-	16,121
Adjust from condition changing of defined benefit plan	-	-	-	(50,437)	-	(50,437)
Included in other comprehensive income:						
Actuarial loss arising from						
Demographic assumptions changes	66,191	-	-	-	-	-
Financial assumptions changes	8,154	-	-	-	-	-
Experience adjustments	44,187	-	-	-	-	-
Employee transfer	14,432	-	-	-	-	14,432
Benefits paid during the years	(22,300)	(24,860)	(13,247)	(272,415)	-	(297,275)
Defined benefit obligation at end of years	536,343	389,127	183,902	185,175	53,882	574,302
Less: Current provision for employee benefits	-	-	(158)	(2,441)	-	(2,441)
Non-current provision for employee benefits	536,343	389,127	183,744	182,734	53,882	571,861

Expected maturity analysis of undiscounted severance payment obligation as at 31 December 2018:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Less than a year	Between 2-5 years	Over 5 years	Total
Expected benefit payments	205.0	770.4	10,191.6	11,167.0

(Unit: Thousand Baht)

	Separate financial statements			
	Less than a year	Between 2-5 years	Over 5 years	Total
Expected benefit payments	37.8	305.1	1,737.3	2,080.2

Significant actuarial assumptions were as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(% per annum)		(% per annum)	
Discount rate	1.76 - 4.38	3.0 - 3.2, 3.8	1.76 - 4.38	3.1, 3.8
Future salary increase rate	5.0	5.0	5.0	5.0
Turnover rate	0.0 - 20.0	0.0 - 20.0	0.0 - 16.0	0.0 - 14.0

The result of sensitivity analysis for significant assumptions that affect the present value of the severance payment obligation as at 31 December 2018 and 2017 are summarised below:

(Unit: Million Baht)				
As at 31 December 2018				
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(223.2)	263.9	(44.1)	51.5
Salary increase rate	268.6	(232.7)	49.9	(43.6)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
	(164.6)	192.0	(33.6)	38.5
Turnover rate	(164.6)	192.0	(33.6)	38.5
(Unit: Million Baht)				
As at 31 December 2017				
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(194.9)	238.2	(53.3)	69.4
Salary increase rate	257.4	(219.0)	45.0	(38.4)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
	(198.0)	241.1	(44.3)	53.3
Turnover rate	(198.0)	241.1	(44.3)	53.3

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment and the Group have additional liabilities for long-term employee benefits of Baht 592.1 million (Separate financial statements: Baht 127.5 million). The Group will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective.

28. Share capital

Movements of ordinary share capital during the year ended 31 December 2018 and 2017 are summarised below.

	Registered capital		Issued and paid-up capital	
	Number of ordinary shares (shares)	Amount (Baht)	Number of ordinary shares (shares)	Amount (Baht)
Balance as at 1 January 2017	16,497,868,714	1,649,786,871	15,490,956,540	1,549,095,654
Decrease in registered capital	(464,728,696)	(46,472,869)	-	-
Increase in registered capital	1,549,095,654	154,909,565	-	-
Balance as at 31 December 2017	17,582,235,672	1,758,223,567	15,490,956,540	1,549,095,654
Conversion of debenture to ordinary shares (Note 26)	-	-	177,999,508	17,799,951
Balance as at 31 December 2018	17,582,235,672	1,758,223,567	15,668,956,048	1,566,895,605

On 12 April 2017, the 2017 Annual General Meeting of the Company's shareholders has approved the following resolutions;

1. Approved the reduction of the Company's registered capital in the amount of Baht 46,472,869.60 from the current registered capital of Baht 1,649,786,871.40 to the new registered capital of Baht 1,603,314,001.80 by cancelling its 464,728,696 unissued ordinary shares at par value of Baht 0.10 per share.
2. Approved the increase of the Company's registered capital under the General Mandate in the amount of Baht 154,909,565.40 from the current registered capital of Baht 1,603,314,001.80 to the new registered capital of Baht 1,758,223,567.20, by issuing 1,549,095,654 new ordinary shares at par value of Baht 0.10 per share.
3. Approved the allocation of newly issued ordinary shares under the General Mandate in the amount of not exceeding 1,549,095,654 shares at par value of Baht 0.10 per share.

The registration of the reduction and the increase of the Company's registered capital was completed in April 2017. As a result, the number of the Company's ordinary shares increased to 17,582,235,672 shares, at par value of Baht 0.10 per share, and the Company has registered capital of Baht 1,758,223,567.20.

In 2018, the convertible debentures holders exercised their conversion rights to convert into 178.0 million ordinary shares of the Company. As a result, as at 31 December 2018, the Company's paid up capital increased from Baht 1,549 million to Baht 1,567 million and premium on ordinary shares increased by Baht 4,168 million. (Note 26).

29. Dividend

2017 Dividend payment

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2016	Annual General Meeting of the shareholders on 12 April 2017	2,942	0.19
Interim dividends for 2017	Board of Directors' meeting on 30 August 2017	2,013	0.13
Total dividend paid during the year ended 31 December 2017		4,955	0.32

The Company paid such final dividends and interim dividends in April 2017 and in September 2017, respectively.

2018 Dividend payment

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2017	Annual General Meeting of the shareholders on 11 April 2018	3,561	0.23
Interim dividends for 2018	Board of Directors' meeting on 29 August 2018	2,037	0.13
Total dividend paid during the year ended 31 December 2018		5,598	0.36

The Company paid such final dividends and interim dividends in April 2018 and in September 2018, respectively.

30. 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.

In the second quarter of 2017, the Company has set aside statutory reserve of Baht 5.82 million.

31. Expenses by nature

Significant expenses by nature for the years ended 31 December 2018 and 2017 are as follows:

			(Unit: Million Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Employee expenses	18,766.9	17,232.1	3,493.5	3,220.8
Doctor fee	16,767.5	15,337.2	2,979.7	2,842.9
Drugs, supplies and other costs of				
hospital operations	15,311.5	14,595.1	3,230.8	3,021.1
Cost of goods sold	2,242.2	2,024.2	-	-
Depreciation and amortisation	5,386.2	5,167.7	1,024.8	967.6
Advertising and public relation expenses	882.9	781.3	412.7	318.3
Rental expense	843.1	771.9	121.4	117.3

32. Income tax

Income tax of the Group 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	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Corporate income tax for the years	2,255,013	2,512,704	306,465	843,397
Adjustments in respect of corporate income tax of previous years	91,802	20,576	86,434	13,653
Deferred tax:				
Relating to origination and reversal of temporary differences	393,034	30,260	(49,783)	86,870
Income tax expense reported in the income statements	<u>2,739,849</u>	<u>2,563,540</u>	<u>343,116</u>	<u>943,920</u>

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	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Loss on change in value of available- for-sale investments	24,236	38,037	20,015	20,816
Share of income from investments in an associate	(122,303)	-	-	-
Gain on revaluation of lands	(148,450)	(548,178)	-	(348,662)
Actuarial loss	67,133	-	23,706	-
Income tax revenue (expense) charged directly to other comprehensive income	<u>(179,384)</u>	<u>(510,141)</u>	<u>43,721</u>	<u>(327,846)</u>

Reconciliation between income tax and the product of accounting profit multiplied by the applicable tax rate is presented below.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	For the years ended		For the years ended	
	31 December		31 December	
	2018	2017	2018	2017
Accounting profit before corporate income tax	12,386,895	13,138,242	6,973,493	7,995,439
Corporate income tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	2,477,379	2,627,648	1,394,699	1,599,088
Adjustments in respect of corporate income tax expense of previous years	91,802	20,576	86,434	13,653
Recognition of previous year unrecognised deferred tax	393,024	-	-	-
Effects of:				
Promotional privileges	(126,704)	(95,800)	(46,420)	(46,463)
Dividend income subject to tax exempt	(3,260)	(1,559)	(1,116,734)	(706,964)
Tax losses of the current year for Unrecognized deferred income tax asset	144,889	214,492	-	-
Utilisation of previous years unrecognised tax losses	(10,315)	(7,613)	-	-
Share of income from investments in associates	(192,915)	(283,462)	-	-
Difference in gain on disposal an associate between equity and cost method	-	108,396	-	-
Non-deductible expenses and others	96,104	117,346	44,572	107,564
Additional expense deductions allowed	(130,155)	(136,484)	(19,435)	(22,958)
Total	(222,356)	(84,684)	(1,138,017)	(668,821)
Income tax reported in the income statements	2,739,849	2,563,540	343,116	943,920
Effective income tax rates	22.12%	19.51%	4.92%	11.81%

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	31 December	31 December	31 December	31 December
	2018	2017	2018	2017
Deferred tax assets				
Allowance for doubtful accounts	116,072	98,340	44,804	37,528
Allowance to reduce cost to net realisable value - inventory	7,158	4,193	54	85
Allowance for asset impairment	37,045	33,450	30,896	30,896
Allowance for impairment for premises and equipment	2,059	5,015	951	1,553
Accrued expenses and other provisions	408,890	329,832	191,055	161,581
Provision for long-term employee benefits	516,414	401,855	154,826	114,861
Others	20,861	1,126	-	-
Total	1,108,499	873,611	422,686	346,524
Deferred tax liabilities				
Accumulated depreciation - premises and equipment	302,339	271,444	75,949	67,461
Amortisation of expense for debentures, convertible debentures	4,589	12,553	4,589	12,561
Gain on fair value adjustment of investment properties	23,150	19,177	79,105	77,047
Gain on change in value of available-for-sale investments	30,399	54,634	34,321	54,337
Share of income from investments in associates net of dividend	848,898	-	-	-
Revaluation surplus on land and premises	3,250,647	3,294,906	520,986	520,986
Total	4,460,022	3,652,714	714,950	732,392
Deferred tax assets (liabilities) - net	(3,351,523)	(2,779,103)	(292,264)	(385,768)

Deferred tax assets and liabilities in statement of financial position were as follows:

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred tax assets	96,101	68,014	-	-
Deferred tax liabilities	(3,447,624)	(2,647,117)	(292,264)	(385,766)
Deferred tax assets (liabilities) - net	<u>(3,351,523)</u>	<u>(2,779,103)</u>	<u>(292,264)</u>	<u>(385,766)</u>

As at 31 December 2018, the subsidiaries have unused tax losses totaling Baht 3,677.2 million (2017: Baht 3,150.5 million), on which deferred tax assets have not been recognised by some subsidiaries 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)	
	<u>2018</u>	<u>2017</u>
31 December 2018	-	197.7
31 December 2019	443.8	443.8
31 December 2020	515.2	515.2
31 December 2021	921.3	921.3
31 December 2022	1,072.5	1,072.5
31 December 2023	724.4	-
	<u>3,677.2</u>	<u>3,150.5</u>

33. 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 outstanding ordinary shares issuance during the year.

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Profit for the years (Baht)	9,191,482,706	10,215,739,620	6,630,376,948	7,051,518,695
Weighted average number of ordinary shares (shares)	15,570,403,901	15,490,966,540	15,570,403,901	15,490,966,540
Earnings per share (Baht/share)	0.59	0.66	0.43	0.46

Diluted earnings per share

No disclosure of diluted earnings per share is required for years of 2018 and 2017 after the issue of convertible debentures (as described in Note 26) since the calculated earnings per share assuming the conversion of all convertible debentures to ordinary shares is antidilutive.

34. Commitments and contingent liabilities

As at 31 December 2018 and 2017, commitments and contingent liabilities are as follows:

	(Unit: Million Baht)					
	As at 31 December 2018					
	Consolidated			Separate		
	financial statements			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	431	554	1,570	40	121	396
- the office equipment rental and other services	388	169	13	315	5	-
- the medical equipment provision and maintenance contracts	240	180	-	-	-	-
- the building construction and decoration contracts	2,341	1	-	653	-	-
Total	3,400	904	1,583	1,008	126	396

(Unit: Million Baht)

As at 31 December 2017

	Consolidated			Separate		
	financial statements			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	255	434	794	22	57	91
- the office equipment rental and other services	469	273	10	290	-	-
- the medical equipment provision and maintenance contracts	177	106	-	122	-	-
- the building construction and decoration contracts	1,591	1	-	714	-	-
Total	2,492	814	804	1,148	57	91

The Company

The Company has entered into 4-year rental agreements which ended on 27 September 2020 with a company to operate medical clinic. The Company has to pay fee at the fixed rate and the rate stipulated in the agreement from monthly gross operating revenue before deducted any expenses or the minimum fee stipulated in agreement whichever is higher.

The Subsidiaries

A subsidiary 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 2024. A subsidiary has to pay fee at the rate stipulated in the agreement from monthly gross operating revenue before deducted any expenses or the minimum fee, as stipulated in agreement, whichever higher.

A subsidiary has entered into a rental agreement with a company to operate medical clinic in a building for a period of 5 years from 16 March 2017. A subsidiary has to pay fee at the rate stipulated in the agreement from monthly gross operating revenue before deducted any expense or the minimum fee, as stipulated in agreement, whichever higher.

Contingent liabilities

As at 31 December 2018, the Group had outstanding bank guarantees of approximately Baht 387 million (2017: Baht 388 million) and the Company's was Baht 40 million (2017: Baht 39 million) issued by the bank on behalf of the Group in respect of certain performance bonds as required in the normal course of business, such as facility usage and contractual performance.

35. 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 Group has two reportable segments that are hospital operations and other businesses that support hospital business including medical laboratories, medicine production, saline production and pharmacies, assets management for healthcare business, distribution cosmetic goods, accounting services, technology and information service, training business and 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 Group 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 2018 and 2017, the Group has no major customer with revenue of 10 percent or more of its revenues.

36. Promotional privileges

The Company and some subsidiaries in the Group have been granted promotional privileges under The Investment Promotion Act B.E. 2520 for operation as follows:

Company	Types of promoted operation	Corporate income tax exemption period	Promotional privileges period (commencement and expiration year)
Bangkok Dusit Medical Services Public Company Limited	Hospital business, Type 7.7	8 years	2010 - 2018
A.N.B. Laboratories Co., Ltd	Production of large-volume of sterile solution (saline solution in soft package)	8 years	2018 - 2026
	Production of large-volume of sterile solution (saline solution)	8 years	2017 - 2025
	Production of injectable contraceptives	5 years	2015 - 2020
	Production of small-volume of sterile solution, type 6.5	5 years	2015 - 2020
The Medicpharma Co., Ltd.	Production of modern medicines for human and animal use, type 6.5	8 years	2016 - 2024
Bangkok Helicopter Services Co., Ltd.	Air transport, type 7.3.4	5 years	2017 - 2022
National Healthcare Systems Co., Ltd.	Service of scientific laboratories, type 7.21	8 years	2015 - 2023
N Health Pathology Co., Ltd.	Service of scientific laboratories, type 7.14	8 years	No revenue that entitled to the promotional privileges.

The Company and the subsidiaries receive privileges as follows:

1. Exemption of import duty on machinery as approved by the board.
2. 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 periods as described in the above table.
3. In case of losses being incurred during the corporate income tax exemption period, the Group are allowed to utilise the loss as a deduction against net profits for a period of 5 years after exemption period.
4. Exemption from corporate income tax on dividend paid from the profit of the promoted operation throughout the tax exemption period.
5. 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 (only The Medicpharma Co., Ltd. and A.N.B. Laboratories Co., Ltd.).

The Group must comply with the conditions stipulated in the investment promotional privileges.

Revenues of the Group for the years 2018 and 2017 can be separated between the promoted and non-promoted operation as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Promoted operation		Non-promoted operation		Total	
	2018	2017	2018	2017	2018	2017
Revenue from hospital operations	714,053	774,763	74,616,466	68,348,156	75,330,519	69,122,919
Revenue from sales of goods	2,146,775	1,467,601	939,983	1,321,980	3,086,758	2,809,581
Other income	45,678	38,017	943,975	3,748,954	989,653	3,786,971
Total revenues	<u>2,906,506</u>	<u>2,300,381</u>	<u>76,500,424</u>	<u>73,419,090</u>	<u>79,406,930</u>	<u>75,719,471</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operation		Non-promoted operation		Total	
	2018	2017	2018	2017	2018	2017
Revenue from hospital operations	677,453	734,836	13,628,369	12,712,008	14,305,822	13,446,844
Other income	-	-	7,089,269	8,477,074	7,089,269	8,477,074
Total revenues	677,453	734,836	20,717,638	21,189,082	21,395,091	21,923,918

37. Fair value hierarchy

As at 31 December 2018 and 2017, the Group had the assets and liabilities that were measured or disclosed at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	As at 31 December 2018			
	Consolidated Financial Statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Mutual funds	-	516	-	516
Available-for-sale investments				
Equity instruments	347	-	-	347
Investment properties	-	38	279	317
Land	-	34,750	-	34,750
Assets for which fair value are disclosed				
Investments in associates	46,267	-	-	46,267
Liabilities for which fair value are disclosed				
Derivative				
Interest rate swap	-	46	-	46
Cross currency swap	-	4	-	4
Debentures	-	20,181	-	20,181
Convertible debentures	5,539	-	-	5,539

(Unit: Million Baht)

As at 31 December 2017

	Consolidated Financial Statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Mutual funds	-	510	-	510
Available-for-sale investments				
Equity instruments	468	-	-	468
Investment properties	-	35	273	308
Land	-	33,861	-	33,861
Assets for which fair value are disclosed				
Investments in associates	41,913	-	-	41,913
Liabilities for which fair value are disclosed				
Derivative				
Interest rate swap	-	75	-	75
Debentures	-	20,562	-	20,562
Convertible debentures	9,064	-	-	9,064

(Unit: Million Baht)

As at 31 December 2018

Separate Financial Statements

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Equity instruments	213	-	-	213
Investment properties	-	304	385	689
Land	-	5,464	-	5,464
Assets for which fair value are disclosed				
Investments in associates	46,267	-	-	46,267
Liabilities for which fair value are disclosed				
Derivatives				
Interest rate swap	-	46	-	46
Cross currency swap	-	4	-	4
Debentures	-	20,181	-	20,181
Convertible debentures	5,539	-	-	5,539

(Unit: Million Baht)

As at 31 December 2017

Separate Financial Statements

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Equity instruments	313	-	-	313
Investment properties	-	304	371	675
Land	-	5,469	-	5,469
Assets for which fair value are disclosed				
Investments in associates	41,913	-	-	41,913
Liabilities for which fair value are disclosed				
Derivatives				
Interest rate swap	-	75	-	75
Debentures	-	20,562	-	20,562
Convertible debentures	9,064	-	-	9,064

38. Financial instruments

38.1 Financial risk management

The Group's 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 4.20 to financial statements. The Group has the financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade receivables, loans and other receivables. The Group manages the risk by adopting appropriate credit control policies and procedures, therefore does not expect to incur material financial losses. The Group does 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 receivables, loans to and other receivables as stated in the statement of financial position.

Interest rate risk

The Group is 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 closed 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 17 June 2015, the Company entered into a 10-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 plus the fixed rate per annum on the debentures balance as described in Note 25.

The net fair value of interest rate swap contract at the statements of financial position date was:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Fair value of interest rate swap contract - asset	45.8	75.4	45.8	75.4

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 2018					
	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	-	-	-	4,994	40	5,034
- Short-term investments	817	-	-	-	-	817
- Trade and other accounts receivable	-	-	-	-	7,545	7,545
- Restricted financial institution deposit	-	10	-	-	-	10
- Investments	-	-	-	-	23,174	23,174
	817	10	-	4,994	30,759	36,580
Financial liabilities						
- Bank overdrafts and short-term loans from financial institutions	-	-	-	5,878	-	5,878
- Trade and other payables	-	-	-	-	5,192	5,192
- Long-term loans	1,000	451	1,000	6,876	-	9,327
- Liabilities under finance lease agreements	14	20	-	-	-	34
- Debentures	-	13,094	9,494	-	-	19,588
- Convertible debentures	5,056	-	-	-	-	5,056
	6,070	13,565	7,494	12,754	5,192	45,075

(Unit: Million Baht)

As at 31 December 2017

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	5	-	-	5,044	41	5,091
- Short-term investments	572	-	-	-	-	572
- Trade and other accounts receivable	-	-	-	-	6,975	6,975
- Restricted financial institution deposit	-	5	-	-	-	5
- Investments	-	-	-	-	16,453	16,453
	578	8	-	5,044	23,469	29,099
Financial liabilities						
- Bank overdrafts and short-term loans from financial institutions	-	-	-	72	-	72
- Trade and other payables	-	-	-	-	4,750	4,750
- Short-term loans	67	-	-	-	-	67
- Long-term loans	-	1,050	1,000	6,796	-	10,796
- Liabilities under finance lease agreements	22	16	-	-	-	38
- Debentures	-	13,091	6,493	-	-	19,584
- Convertible debentures	-	8,774	-	-	-	8,774
	89	22,881	7,493	6,871	4,750	44,034

(Unit: Million Baht)

As at 31 December 2018

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	-	-	-	2,290	5	2,295
- Trade and other receivables	-	-	-	-	1,501	1,501
- Short-term loans to subsidiaries	-	-	-	2,620	-	2,620
- Long-term loans to related parties	-	-	-	4,063	-	4,063
- Investments	-	-	-	-	67,642	67,642
	-	-	-	6,973	69,148	76,121
Financial liabilities						
- Bank overdrafts and short-term loans from financial institutions	-	-	-	5,800	-	5,800
- Trade and other payables	-	-	-	-	1,021	1,021
- Short-term loans from subsidiaries	-	-	-	10,771	-	10,771
- Long-term loans	1,000	451	1,000	6,876	-	9,327
- Liabilities under finance lease agreements	1	-	-	-	-	1
- Debentures	-	13,094	6,494	-	-	19,588
- Convertible debentures	5,056	-	-	-	-	5,056
	6,057	13,545	7,494	23,447	1,021	51,564

(Unit: Million Baht)

As at 31 December 2017

Separate financial statements

	Fixed interest rates			Non-interest bearing	Total
	Within 1 year	1-5 years	Over 5 years		
Financial Assets					
- Cash and cash equivalent	-	-	-	5	2,619
- Trade and other receivables	-	-	-	1,473	1,473
- Short-term loans to subsidiaries	-	-	-	-	2,724
- Long-term loans to related parties	-	-	-	-	4,790
- Investments	-	-	-	60,707	60,707
	-	-	-	62,185	72,313
Financial liabilities					
- Trade and other payables	-	-	-	980	980
- Short-term loans from subsidiaries	-	-	-	9,952	9,952
- Long-term loans	-	1,000	1,000	-	10,799
- Liabilities under finance lease agreements	5	-	-	-	5
- Debentures	-	13,091	6,493	-	19,584
- Convertible debentures	-	8,774	-	-	8,774
	5	22,865	7,493	980	50,094

Foreign currency risk

The Group are exposed to foreign currency risk mainly in respect of purchase of medical tools and equipment, purchase and sales of goods and services transactions which are denominated in foreign currencies. A subsidiary seeks to manage this risk by entering into forward exchange contracts. Generally, the forward contracts mature within one year.

Cross currency swap contract

In order to mitigate the foreign currency risk exposure. As described in Note 23, the Company entered into cross currency swap contract with a financial institution in January 2018 by converting USD loan to Thai Baht loan.

Net fair value

The net fair value of cross currency swap contract at the statements of financial position date was:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2018	2017	2018	2017
Fair value of cross currency swap agreement - asset	3.7	-	3.7	-

Fair value of cross currency 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.

Forward exchange contract

As at 31 December 2018 and 2017, a subsidiary 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 2018	US Dollar	693,121	32.65 - 33.05
31 December 2017	US Dollar	400,000	32.61 - 33.22

Net fair value

Net fair value of forward exchange contracts at the statements of financial position date as follows:

Selling forward exchange contract

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2018	2017	2018	2017
Fair value of selling forward exchange contract - assets	363.1	67.8	-	-

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.

38.2 Fair values of financial instruments

Since the majority of the Group 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.

39. Capital management

The primary objective of the Group 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 2018, the Group's debt-to-equity ratio was 0.82:1.0 (2017: 0.86:1.0) and the Company's debt-to-equity ratio was 1.46:1.0 (2017: 1.62:1.0).

40. Subsequent events after reporting date

40.1 On 11 January 2019, the extraordinary meeting of the Company's Board of Directors No. 1/2019 had approved the Company to dispose all equity investment in Ramkhamhaeng Hospital Public Company Limited totaling 4,588,424 shares, or 38.24% of issued and paid-up shares of Ramkhamhaeng Hospital Public Company Limited, at the price of Baht 2,800 per share, totaling of approximately Baht 12,847.59 million. From this disposal approval, in the fourth quarter of 2018 the Company recognised deferred tax liabilities (in accordance with Thai Accounting Standard No.12 Income Tax) in the consolidated financial statements totaling of Baht 849 million, in which amount of Baht 727 million recognised in the income statement and amount of Baht 122 million recognised in the statement of comprehensive income. The deferred tax liability was calculated from profit sharing using equity method from this associate that have been recognised totaling Baht 4,244 million.

Subsequently, in the first quarter of 2019, the Company already disposed this investment. Therefore, the Company recognised gain from selling these investments, net of income tax expense, in the consolidated and in the separate financial statements amounting to approximately Baht 8,096 million and approximately Baht 9,001 million, respectively.

40.2 On 28 February 2019, a meeting of the Company's Board of Directors passed a resolution to propose the dividend payment, in respect of 2018 profit and retained earnings, of Baht 0.32 per share, or a total of Baht 5,014 million. The Company already paid an interim dividend of Baht 0.13 per share, or a total of Baht 2,037 million in September 2018. The remaining dividend is Baht 0.19 per share, or a total of Baht 2,977 million.

The Company will later propose for approval the dividend payment in the Annual General Meeting of the Company's shareholders.

41. Approval of financial statements

These financial statements have been authorised for issue by the Company's Board of Directors on 28 February 2019.

GENERAL INFORMATION AND OTHER IMPORTANT INFORMATION

Type of Business	Healthcare
Location	2 Soi Soonwijai 7, New Petchaburi Road, Bangkapi, Huay Kwang, Bangkok 10320 Telephone 1719, (66 2) 310-3000 Fax (66 2) 310-3032, (66 2) 310-3327
Company Registration Number	BorMorJor. 0107537000025
Website	www.bangkokhospital.com, www.bdms.co.th
Registered Capital	Baht 1,758.22 million with Baht 1,566.90 million in paid-up capital, divided into 15,668.96 million common shares with par value of Baht 0.10 each
Reference Information	
Securities Registrar	Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand Telephone (66 2) 009-9000, (66 2) 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) 299-1002 Fax (66 2) 299-1278
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 E 14 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

JURISTIC PERSONS IN WHICH THE COMPANY HOLDS 10% OF SHARES OR GREATER

As of 31 December 2018

Name	Date Registered	Location	Business	Shares issued and paid-up	% Held
1 Bangkok Health Insurance PCL	2 Jan 1981	2301/2 New Petchaburi Rd., Huaykwang, Bangkok	Health insurance	25,000,000 Par value Baht 10 / share	99.99%
2 Save Drug Center Co., Ltd. Held through BSD	26 Aug 1998	2301/2 New Petchaburi Rd., Bangkok	Pharmacy	44,000,000 Par value Baht 10 / share	100.00%
3 National Healthcare Systems Co., Ltd. BDMS : 74.02% SVH : 21.04 and BNH : 4.93%	25 Jul 2001	2301/2 New Petchaburi Rd., Bangkok	Central Lab	7,500,000 Par value Baht 10 / share	98.69%
4 Paolo Samut Prakran Co., Ltd.	30 Jan 1992	123 Srinakarin Rd., Tambon Banmueng, Ampor Mueng, Samut Prakran	Private Hospital	8,400,000 Par value Baht 5 / share	93.65%
5 Paolo Medic Co., Ltd.	8 Oct 1986	670/1 Phaholyothin Rd., Samsennai, Phayathai, Bangkok	Private Hospital	100,000,000 Par value Baht 10 / share	100.00%
6 First Health Food Co., Ltd. (First Health) Held through SVH	23 Mar 2004	488 Srinakarin Road, Suanluang, Bangkok	Restaurant and health food	1,400,000 Par value Baht 10 / share	95.76%
7 General Hospital Products PCL. Held through RBH : 45.74% 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	46.03%
8 A.N.B. Laboratory Co., Ltd. Held through RBH	1 Jun 1961	39/1 Ram-Indra Road, Kannayao, Bangkok	Manufacture and distribution of medicine	49,900,000 Par value Baht 10 / share	100.00%
9 N Health Pathology Co., Ltd. Held through RBH	8 Dec 2014	2301/2 New Petchaburi Rd., Bangkok	Central Lab	3,000,000 Par value Baht 10 / share	95.00%
10 SV Holding Co., Ltd. Held through SVH	28 Aug 2013	488 Srinakarin Road, Suanluang, Bangkok	Investment company	800,000 Par value Baht 100 / share	95.76%
11 Irving Sheridan SE Co., Ltd., Held through SVH	14 Nov 2002	488 Srinakarin Road, Suanluang, Bangkok	Asset management	10,000 Par value Baht 10 / share	95.70%
12 Thepakorn Hospital Co., Ltd. (TPK) Held through BSN	14 Jun 1995	24 Soi 1 Thesa Road, Phraphathom Jedee, Nakorn Pathom	Private Hospital	3,000,000 Par value Baht 10 / share	44.53%
13 Bangkok Hosital Prapradaeng Co., Ltd.	7 Sep 1992	288 Suksawat, Amphoe Muang, Samutprakarn	Private Hospital	10,500,000 Par value Baht 10 / share	84.00%
14 Bangkok Hospital Khao Yai Co., Ltd.	18 Jul 2007	2 Soi Soonwijai 7, New Petchaburi Rd., Bangkok	Private Hospital not in service	7,000,000 Par value Baht 10 / share	100.00%
15 Bangkok Hospital Ratchasima Co., Ltd.	24 Nov 1992	1308/9 Mitraparp Road, Nai Muang, Amphoe Muang, Nakornratchasima	Private Hospital	30,000,000 Par value Baht 10 / share	91.45%
16 Bangkok Hospital Samui Co., Ltd.	14 Aug 2003	57 Moo 3, Bor Pud, Samui Island, Suratthani	Private Hospital	15,000,000 Par value Baht 10 / share	100.00%
17 Bangkok Hospital Chiangmai Co., Ltd.	24 May 2012	88/8 M.6, Nong Pa Khrang, Muang, Chiang Mai	Private Hospital	150,000,000 Par value Baht 10 / share	100.00%
18 Bangkok Hospital Chiangrai Co., Ltd.	4 Aug 2015	369 Moo 13, Muang, Chiang Rai	Private Hospital	60,000,000 Par value Baht 10 / share	100.00%
19 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%
20 Bangkok Hospital Khon Kaen Co., Ltd.	8 Feb 2013	888 Nai Muang, Muang, Khon Kaen	Private Hospital	150,000,000 Par value Baht 10 / share	100.00%

Name	Date Registered	Location	Business	Shares issued and paid-up	% Held
21 Bangkok Hospital Trat Co., Ltd.	25 Jan 1994	276 Sukhumvit Rd., Amphoe Muang, Trad	Private Hospital	50,000,000 Par value Baht 5 / share	99.76%
22 Bangkok Hospital Pattaya Co., Ltd.	1 May 1989	301 Sukhumvit Road km 143, Pattaya, Chonburi	Private Hospital	28,000,000 Par value Baht 10 / share	97.27%
23 Bangkok Hospital Phitsanulok Co., Ltd.	26 Aug 2013	138 Phra Ongdam Rd., Nai Muang, Muang, Phitsanulok	Private Hospital	80,000,000 Par value Baht 10 / share	100.00%
24 Bangkok Hospital Phuket Co., Ltd.	15 Mar 1994	2/1 Hongyokuthit Rd., Amphoe Muang, Phuket	Private Hospital	100,000,000 Par value Baht 5 / share	99.70%
25 Bangkok Phuket International Hospital Co., Ltd.	26 Aug 2014	44 Chaloeam Prakiat R.9 Rd. Wichit, Muang, Phuket	Private Hospital	361,000,000 Par value Baht 10 / share	100.00%
26 Bangkok Hospital Rayong Co., Ltd.	13 Aug 2002	8 Moo 2, Soi Saengchanniramit, Rayong	Private Hospital	40,000,000 Par value Baht 10 / share	100.00%
27 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%
28 Bangkok Hospital Surat Co., Ltd.	26 Jun 2013	179 M.1 Wat Pradu, Muang, Surat Thani	Private Hospital	60,000,000 Par value Baht 10 / share	100.00%
29 Bangkok Hospital Hat Yai Co., Ltd.	27 Jul 1995	75 Soi 15, Petchkasem Rd., Amphoe Muang, Songkla	Private Hospital	100,000,000 Par value Baht 5 / share	98.82%
30 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%
31 Bumrungrad Hospital PCL.*	15 Dec 1989	33 Sukumvith Rd., Soi 3 Klong Tun Nua, Wattana, Bangkok	Private Hospital	Common share 730,052,222 Par value Baht 1 / share	24.88%
32 Phyathai 1 Hospital Co., Ltd. (PT1) Held through PPCL	11 Dec 2001	364/1 Sri Aduddaya Rd., Phayathai, Radjdhevee, Bangkok	Private Hospital	48,100,000 Par value Baht 10 / share	98.59%
33 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	97.78%
34 PhyaThai 3 Hospital Co., Ltd. Held through PPCL	24 Sep 1996	111 Phet Kasem Rd., Pak Khlong Tarat Phasi Charoen, Bangkok	Private Hospital	Common share 5,442,995 Par value Baht 10 / share Prefer share 3,750,000 Par value Baht 10 / share	97.56%
35 Ramkhamhaeng Hospital PCL.**	25 Aug 1986	2138 Ramkhamhaeng Road, Bangkapi, Bangkok	Private Hospital	12,000,000 Par value Baht 10 / share	38.24%
36 Sriracha Nakorn General Hospital PLC. 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	74.19%
37 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%
38 Greenline Synergy Co., Ltd.	18 Aug 2008	488 Samitvej Srinakarin Hospital Srinagarindra 24, Suanluang, Bangkok	Information technology	20,000,000 Par value Baht 10 / share	100.00%
39 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%
40 Bangkok Helicopter Services Co., Ltd. BDMS: 87.25% and RBH : 12.75%	29 Jun 1995	2301/2 New Petchaburi Rd., Bangkok	Air medical transport	40,000,000 Par value Baht 10 / share	100.00%
41 Bangkok Premier Insurance Broker Co., Ltd.	29 Aug 2011	2301/2 New Petchaburi Rd., Bangkok	Insurance Broker	2,000,000 Par value Baht 10 / share	100.00%

Name	Date Registered	Location	Business	Shares issued and paid-up	% Held
42 Siam Medical Co., Ltd.	17 Jul 1970	1 Chokchai Rd., 4 Lat Phrao, Khet Lat Phrao Bangkok	Private Hospital	Common Share 8,700,000 Par value Baht 10 / share Prefer share 1,300,000 Par value Baht 10 / share	85.71%
43 Thonburi Medical Center PCL. BDMS: 34.43% and RBH : 29.02%	7 Jan 1993	337 Somdet Phrachao Taksin Rd., Samre, Thon Buri, Bangkok	Private Hospital	19,384,226 Par value Baht 10 / share	63.45%
44 BNH Medical Center Co., Ltd.	27 Aug 1991	9/1 Convent Rd., Silom, Bangrak, Bangkok	Private Hospital	58,611,935 Par value Baht 10 / share	91.48%
45 BDMS Training Co., Ltd.	23 Sep 2010	2 Soi Soonwijai 7, New Petchaburi Rd., Bangkok	Training Center for staff within network	100,000 Par value Baht 10 / share	100.00%
46 BDMS Wellness Clinic Co., Ltd.	12 Jan 2017	2/4 Wireless Rd., Khwaeng Lumpini, Khet Pathum Wan, Bangkok	Preventive Healthcare	960,000,000 Par value Baht 10 / share	100.00%
47 BDMS Wellness Resort Co., Ltd.	19 Dec 2018	2 Wireless Rd., Khwaeng Lumpini, Khet Pathum Wan, Bangkok	Hotel	10,000,000 Par value Baht 10 / share	100.00%
48 BDMS Accounting Co., Ltd. (BDMS Acc)	17 Jul 2003	1/1 New Petchaburi Rd., Huaykwang, Bangkok	Accounting Services	3,000,000 Par value Baht 10 / share	100.00%
49 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%
50 Prasit Pattana PCL. (PPCL)	14 Jan 1974	943 Paholyothin Rd., Samsennai, Phayathai, Bangkok	Holding Company	1,108,208,020 Par value Baht 1 / share	98.59%
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 Wattanavej Co., Ltd.	28 Oct 1983	25/14 Thaluang Rd., Amphoe Muang, Chantaburi	Private Hospital	18,000,000 Par value Baht 10 / share	99.72%
53 Thai Medical Center PLC.	27 Jan 1993	44/505 Navamin Rd., Khet Bueng Kum, Bangkok	Private Hospital	200,538,671 Par value Baht 10 / share	99.76%
54 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%
55 Samitivej Chonburi Co., Ltd.	22 Aug 2013	888/88 M.3, Ban Suan, Muang, Chon Buri	Private Hospital	80,000,000 Par value Baht 10 / share	100.00%
56 Samitivej Sriracha Co., Ltd. Held through SVH	30 Oct 1990	8 Soi Laemkate, Choem, Chormphon Rd., Si Racha, Chon Buri	Private Hospital	18,751,000 Par value Baht 10 / share	67.17%
57 Medic Pharma Co., Ltd.	26 Aug 1971	124 Thonburi-Parktor Rd., Bangkok	Manufacture and distribution of medicine	4,286,000 Par value Baht 10 / share	87.05%
58 Udorn Pattana (1994) Co., Ltd.* BDMS : 15.26% and PT1 : 10%	9 Jun 1994	555/5 Posri Rd., Amphoe Muang, Udonrthani	Private Hospital	30,000,000 Par value Baht 1 / share	25.11%
59 Angkor Pisith Co., Ltd.	20 Dec 2005	National Road No.6, Svay Dangkom Commune, Siem Reap, Cambodia.	Private Hospital in Cambodia	10,000 Par value USD 1,000 / share	80.00%
60 B.D.M.S. International Medical Services Co., Ltd.	20 Dec 2005	61A Street 214, Sangkat Beong Rang, Phnom Penh, Cambodia.	Private Hospital in Cambodia (Not yet in operations)	1,000 Par value, KHR 9,200,000 / share	100.00%

Name	Date Registered	Location	Business	Shares issued and paid-up	% Held
61 BDMS Inter Pte. Ltd.	8 Apr 2013	Singapore	Investment company	200,000 Par value USD 1 / share	100.00%
62 N Health Asia Pte. Ltd.	8 Apr 2013	Singapore	Investment company	3,500,000 Par value USD 1 / share	100.00%
63 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%
64 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%
65 Phnom Penh First Property Co., Ltd.	27 Nov 2006	61A Street 214, Sangkat Beong Rang, Phnom Penh, Cambodia.	Land Holding Company	1,000 Par value KHR 20,000 / share	49.00%
66 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	22,000 Par value USD 2,500 / share	100.00%
67 S.R. Property Investment Co., Ltd.	20 Dec 2005	517 Road No.6, Khum Svay Damdum, Siem Reap, Cambodia.	Land Holding Company	1,000 Par value KHR 20,000 / share	49.00%
68 Samitivej International Co., Ltd. Held through SV Holding	22 Sep 2014	Republic of the Union of Myanmar	Clinic	1,250,000 Par value USD 1 / share	80.00%
69 Siem Reap Land Investment Co., Ltd.	10 Feb 2006	517 Road No.6, Khum Svay Damdum, Siem Reap, Cambodia.	Land Holding Company	1,000 Par value KHR 20,000 / share	49.00%

Remark

* The company does not involve in management of the business.

** In 1Q19 : The company divested all of its investment in Ram totally 4,588,424 ordinary shares or 38.24% of issued and paid-up shares of RAM.

BANGKOK DUSIT MEDICAL SERVICES Public Company Limited

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