

Quality Approved



The World Medical Center
โรงพยาบาลเว็ลคัมเวิลด์เซ็นเตอร์



โรงพยาบาลเกษมราษฎร์
KASEMRAD HOSPITAL



โรงพยาบาลการุญเวช
KARUNVEJ HOSPITAL

สารบัญ

สารจากประธานกรรมการบริษัท	1
รายงานของคณะกรรมการตรวจสอบ	2
กิจกรรมสร้างสรรค์สังคม	4
ข้อมูลสำคัญทางการเงิน	6
ผลประกอบการ	7
ข้อมูลทั่วไป	8
รูปแบบของผลิตภัณฑ์และบริการ	9
โครงสร้างการถือหุ้นของบริษัทฯ ณ วันที่ 31 ธันวาคม 2557	10
ชื่อและที่อยู่ของโรงพยาบาลแต่ละสาขา	11
ความสามารถในการให้บริการ	12
ลักษณะการประกอบธุรกิจ	14
ปัจจัยความเสี่ยง	17
โครงสร้างการจัดการ และรายละเอียดของกรรมการและผู้บริหาร	18
รายละเอียดเกี่ยวกับคณะกรรมการ ผู้บริหาร และผู้มีอำนาจควบคุม	25
หลักการกำกับดูแลกิจการที่ดี	31
การดูแลเรื่องการใช้ข้อมูลภายใน	35
รายการระหว่างกัน	36
รายงานความรับผิดชอบของคณะกรรมการต่อรายงานทางการเงิน	37
คำอธิบายและการวิเคราะห์ฐานะการเงินและผลการดำเนินงาน	38
งบการเงิน และรายงานของผู้สอบบัญชีรับอนุญาต	41

Content

Message from the Chairman of the Board of Directors	1
Report of the Audit Committee	2
Corporate Social Responsibility	4
Financial Highlights	6
The Company's Performance	7
General Information	8
Products and Services	9
Shareholding Structure of the Company as at December 31, 2014	10
Name, Address and Contact Number of Each Hospital	11
Service Capacity	12
Nature of Business	14
Risk Factors	17
Shareholding Structure, Board of Directors and Management	18
Details of the Board of Directors, Management and Authorized Persons	25
Good Corporate Governance	31
Internal Control of Information	35
Related Parties' Transaction	36
Report of the Board of Directors' Responsibilities for Financial Report	37
Management Discussion and Analysis	38
Financial Statements and Audit Report of Certified Public Accountant	41

Message from the Chairman of the Board of Directors

2014 was another changeable year for Bangkok Chain Hospital Public Company Limited. During the year, we reorganized our hospitals into three brands to have more clear segmentation and to cover all segment of clients. Our brands are :

- **World Medical Center Hospital Group ("WMC")** : focus on high-income patients and international patients
- **Kasemrad Hospital Group ("KR")** : focus on mid-income patients and social security patients
- **Karunvej Hospitals group ("KRV")** : focus on social security patients

Currently, The company operates 11 hospitals in both bangkok and upcountry which consist of 9 hospitals and 2 poly clinics. One of our key milestone is still focus on the high standard quality of our network to accommodate both Thai and international patients. In 2014, World Medical Center Hospital has received JCI Accreditation and major hospitals of Kasemrad Group have received Hospital Accreditation (HA). In addition, the company also has policy to develop quality of both physicians and hospital to ensure our customers receive the good service and care, and also continue to improve the performance of the company.

I would like to convey my sincere appreciation to the management team, doctors and all employees for their dedication, perseverance, and hard work. All of them have contributed greatly to our efforts to grow our business with good corporate governance and social responsibility. I believe that as we continue to operate with virtuous work ethics, the company can grow in a respectable and sustainable manner.

Finally, on behalf of the Board of Directors, I would like to thank all our stakeholders - including shareholders, customers, and business partners for their loyal support and confidence in the company. I look forward to your continued support in the years ahead.

C. Harnphanich

Mr. Chalerm Harnphanich, M.D.
Chairman of the Board of Directors



Report of the Audit Committee



The Audit Committee of Bangkok Chain Hospital Public Company Limited consists of three independent directors who are professional in accounting, finance, legal and organization management as follows:

- | | | |
|----|-----------------------------|-----------------------------|
| 1. | Dr. Virach Aphimeteetamrong | Chairman of Audit Committee |
| 2. | Mr. Siripong Sombutsiri | Audit Committee |
| 3. | Professor. Piphob Veraphong | Audit Committee |

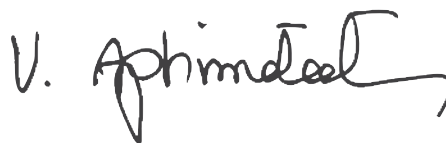
The members of the Audit Committee are responsible for the Company's Financial Reports to comply with the General Accepted Accounting Principles and Standards, review an adequacy of the internal control system to follows all the relevant regulations and laws and also monitoring all activities between the Company and related persons which might lead to be a conflict of interests. In fiscal year 2014, the Committee held four meetings by discussion with the management, the internal auditor and the external auditor. The Committee preformed its duties as follows:

- 1. Review of the report** The Audit Committee reviewed the Company's quarterly and annual financial statements for year 2014 as well as consolidated financial statements of Bangkok Chain Hospital Public Company Limited, including the related transactions. In addition, the Committee held a meeting with the external auditor without the presence of the Company's management to consider the scope and audit plan as well as to discuss on the accuracy of financial statements. The Audit Committee resolved that the financial statement was prepared with reliability and sufficiently disclosure in the note to financial statements in accordance with the Thai Financial Reporting Standard.
- 2. Review of risk management** The Audit Committee reviewed the adequacy and effectiveness of the internal control system of the Company by considering the report of both internal and external auditors, in order to ensure that the management operations was in line with policy and designated authority.

3. **Review of corporate governance** The Audit Committee reviewed the Company's corporate governance and found that the directors and employees strictly followed the prescribed principal. The Board of Directors constantly instilled ethics and morals into employees at all levels in order to comply with the regulations of the Stock Exchange of Thailand and to ensure a confidence among shareholders, investors, customers, suppliers and other related parties.
4. **Review of internal audit system** The Audit Committee appointed P & L Internal Audit Company Limited to be the internal audit of the Company. The Audit Committee reviewed the internal audit annual plan and report and also continuously follow up the results with management team to ensure the effectiveness. In 2014, the results showed that no significant deficiencies in internal control system.
5. **Review effectiveness of internal control** The Audit Committee reviewed the appropriateness of internal control system to comply with the guideline of the Securities and Exchange Commission, including operation system, financial and compliance with law. As well as to achieve the objectives and target of the company by evaluate to assess the adequacy of the internal control system. The Audit Committee considered that the Company has adequate control.
6. **Appointment of the external auditor and review of the audit fees** Based on the satisfactory results of performance appraisal and the review of the auditors' qualifications, the Audit Committee recommended KPMG Phoomchai Audit Ltd. to the Board of Directors, and the Board of Directors agreed to seek approval at the Shareholders' meeting for the appointment of KPMG Phoomchai Audit Ltd. as the Company's auditor for the fiscal year 2015 and the audit fee

The Audit Committee performed its duties as assigned by the Board of Directors. The Committee has performed prudently and independently for the best benefit to all stakeholders. The Audit Committee has opinion that the Company's financial statements was correct and reliable and has been prepared in accordance with the general accounting standard. The Company had sufficient risk management, appropriate internal control system, good corporate governance and comply with relevant law and regulation.

On behalf of the Audit Committee



(Dr. Virach Aphimeteetamrong)
Chairman of the Audit Committee

23rd February 2014

Corporate Social Responsibility



Our BCH hospital group continuously provides free medical check-up service and treatment to under privileged population in several communities.





Donation household medicine sets, medical equipment and drinking water for public benefits.



Participating blood donation activities and helping the victims who suffered from natural disasters.



Providing life rescue training for staffs from rescue foundations and an educational institution.



Rehearsing Mass Casualty Incident both governmental and private sectors.



Financial Highlights

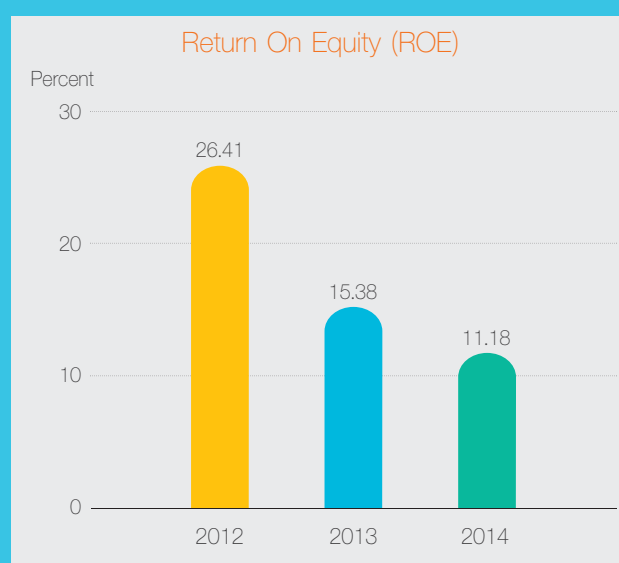
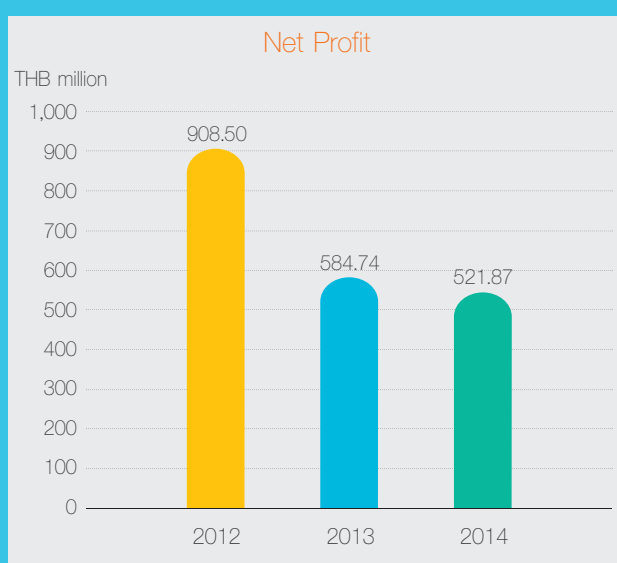
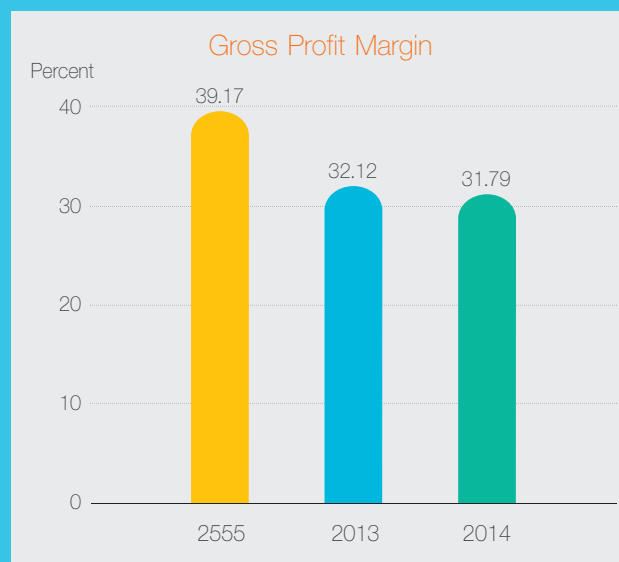
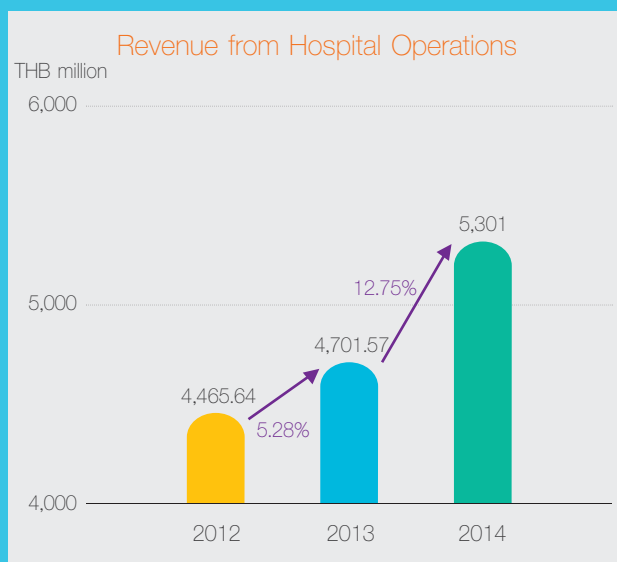
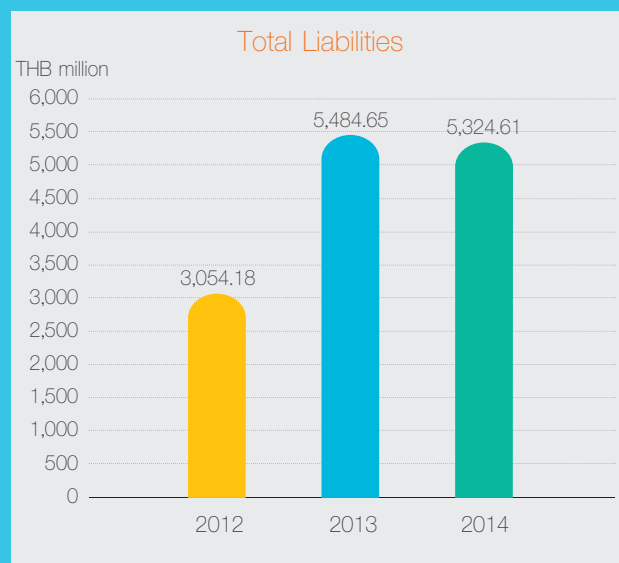
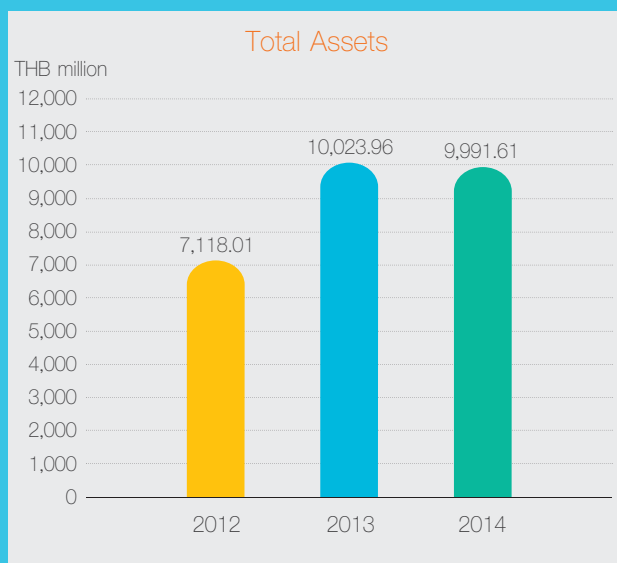


Bangkok Chain Hospital Public Company Limited

	2014	2013	2012
Operating Performance (Baht million)			
Total Revenues	5,381.50	4,796.41	4,531.11
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)	1,422.86	1,350.12	1,589.74
Net Profit	521.87	584.74	910.29
Financial Position (Baht million)			
Total Assets	9,991.61	10,030.19	7,118.08
Total Liabilities	5,324.61	5,484.65	3,054.18
Minority Interest	529.94	579.77	423.53
Shareholders' Equity of the Company	4,137.06	3,965.77	3,640.37
Financial Ratios			
Gross Profit Margin (%)	31.79	32.12	39.17
Net Profit Margin (%)	9.70	12.19	20.05
Debt To Equity Ratio (Time)	1.14	1.38	0.84
Return On Equity (%)	11.18	15.38	26.41
Return On Assets (%)	5.22	11.73	21.31
Stock Information			
Issued Share Capital (million shares) *	2,493.75	2,493.75	1,995.00
Earnings Per Share (Baht) *	0.21	0.23	0.46
Book Value Per Share (Baht) *	1.87	1.82	2.04
Cash Dividend Paid Per Share (Baht) *	0.16	0.16	0.18
Stock Price at the End of Year (Baht)	8.10	6.05	9.05

* Data per share calculated by each item / number of shares issued in each year.

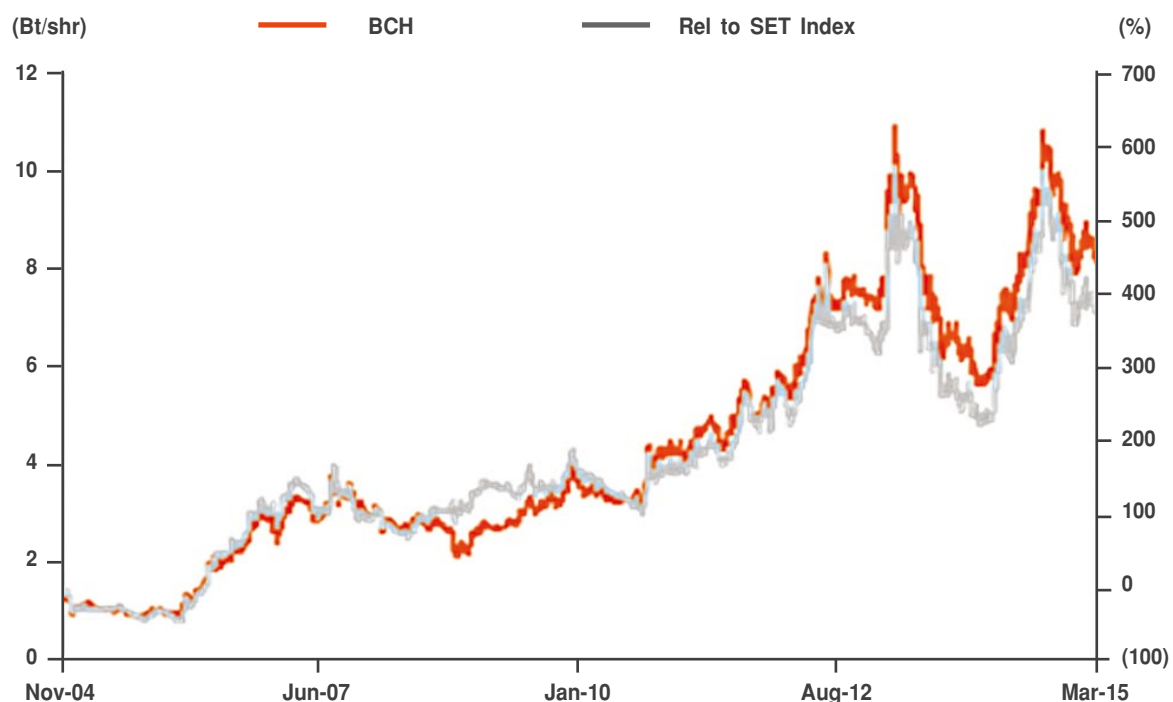
The Company's Performance



General Information

Name	: Bangkok Chain Hospital Public Company Limited
Location	: 44 Moo 4, Chaengwattana Road, Pakkred, Nonthaburi 11120
Nature of Business	: Private Hospital
Business Overview	: The Company operates private hospitals.
Year of Foundation	: 1984
Year of Listed in SET	: 2004
Website	: www.bangkokchainhospital.com
Registered Capital	: THB 2,494.00 million
Major Shareholders	: Harnphanich Family : 49.99 % Institutional investors and small shareholders : 50.01%

Historical Trading between BCH vs SET INDEX since Initial Public Offering (IPO)
Start Nov. 04 - Mar. 15



Products and Services

1. The World Medical Center (WMC)

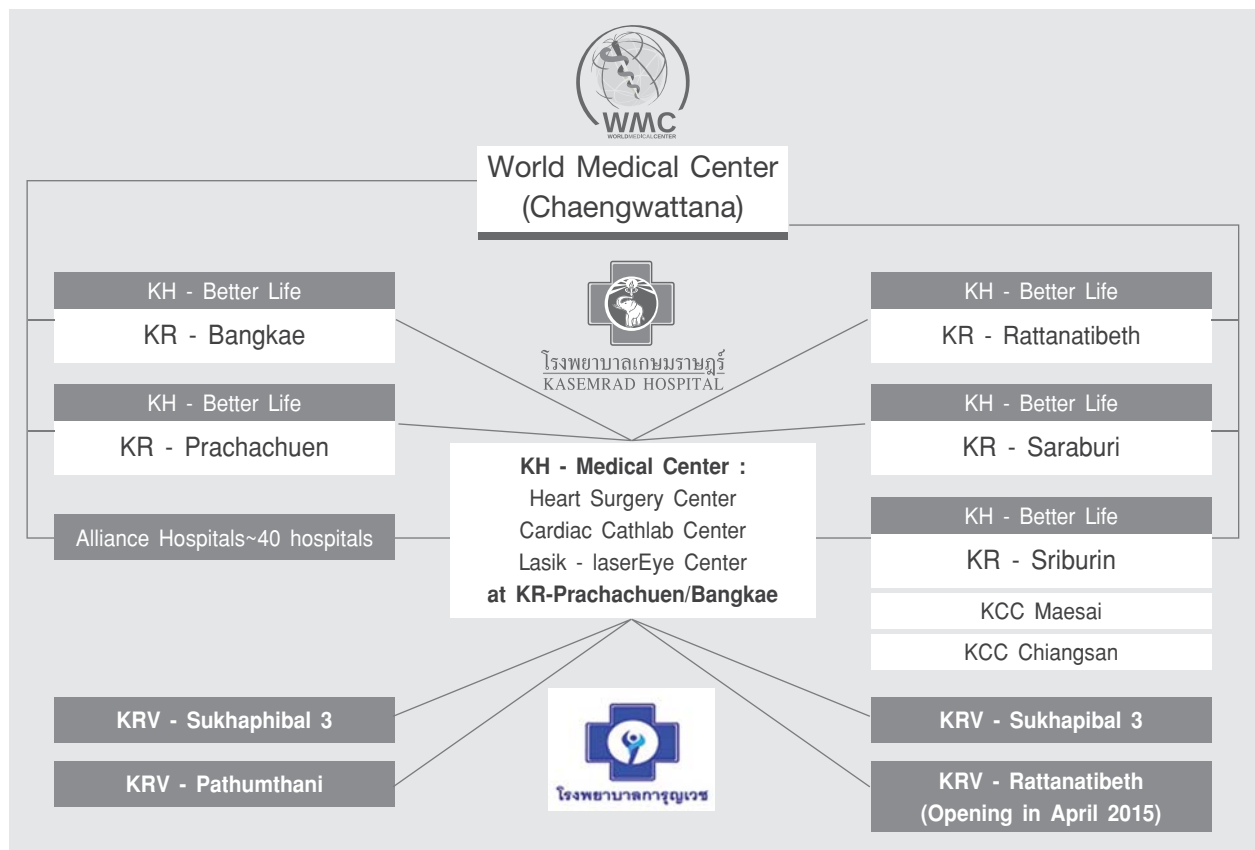
- Target customers : high-end / international patients
- Providing premium tertiary healthcare

2. Kasemrad Hospital Group (KR)

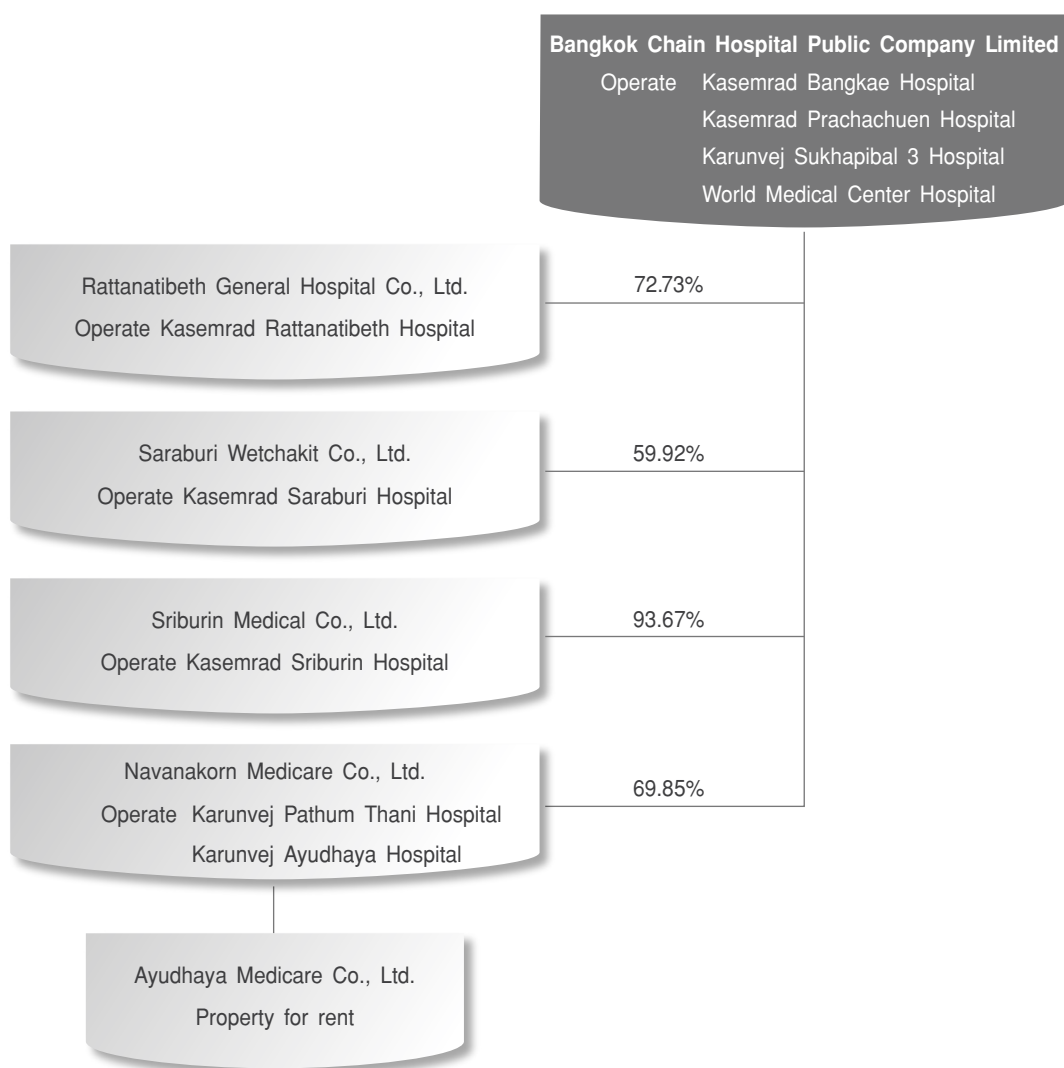
- Target customers : middle-income patients / social security patients
- **Kasemrad Hospital (KR)** : providing primary care and secondary care up to tertiary care
- **Kasemrad Medical Center [KHMC]** : providing a comprehensive medical care and tertiary care i.e. Heart Surgery Center, Cardiac Cathlab Center and MRI Center for KR hospital, KRV hospitals and alliance hospitals.
- **Kasemrad Community Clinic [KCC]** : the clinic that provides primary care up to secondary care for cash base patients in Mae-Sai District and Chiangsan District, Chiang Rai province,
- **KH Better Life** : healthy lifestyle and alternative medicine
 - ✓ Aesthetics (skin care and non-Invasive)
 - ✓ Cosmetic Surgery
 - ✓ Dental & Aesthetic Dentistry
 - ✓ Wellness Center (Health Check-up),
 - ✓ Thai Traditional Medicine

3. Karunvej Hospital Group (KRV)

- Target customer : mainly social security patients
- Providing primary and secondary care



Shareholding Structure of the Company as at December 31, 2014



Details of the Company and its Subsidiaries

Company	Registered Capital	Business	Opening/Acquiring Date
Bangkok Chain Hospital Plc.	Baht 2,494.0 million	Kasemrad Bangkae Kasemrad Prachachuen Karunvej Sukhapibal 3 World Medical Center	August 8, 1984 July 15, 1997 September 26, 2000 March 22, 2014
Rattanatibeth General Hospital Co., Ltd.	Baht 300 million	Kasemrad Rattanatibeth	February 15, 1993
Saraburi Wetchakit Co., Ltd.	Baht 321 million	Kasemrad Saraburi	January 1, 1996
Sriburin Medical Co., Ltd.	Baht 170 million	Kasemrad Sriburin	January 10, 1993
Navanakorn Medicare Co., Ltd.	Baht 375 million	Karunvej Pathum Thani Karunvej Ayudhaya	December 18, 2013
Ayudhaya Medicare Co., Ltd.	Baht 45 million	Property for rent	December 18, 2013

Name, Address and Contact Number of Each Hospital

World Medical Center Hospital	44 Moo 4, Chaengwattana Road, Pakkred, Nonthaburi 11120 Tel. (66)-2836-9999, Fax (66)-2836-9910
Kasemrad Bangkai Hospital	586,588 Petchakasem Road, Bangkai-Nua, Bangkai, Bangkok 10160 Tel. (66)-2455-0110, 0-2804-8959 Fax (66)-2454-1914
Kasemrad Prachachuen Hospital	950 Prachachuen Road, Bangsue, Bangkok 10800 Tel. (66)-2910-1600 Fax (66)-2910-1649
Kasemrad Rattatibeth Hospital	60 Moo 6 Sao-Thong-Hin, Bang-Yai, Nonthaburi 10140 Tel. (66)-2594-0020 Fax (66)-2594-0067
Kasemrad Saraburi Hospital	2/22 Mitraparb Road, Pak-Preaw, Muang, Saraburi 18000 Tel. (660)-36315-555 Fax (660)-36315-501
Kasemrad Sriburin Hospital	111/5 Moo 13 Sun-Sai, Muang, Chiangrai 57000 Tel. (660)-53910-999 Fax (660)-53717-938
Karunvej Sukhapibal 3 Hospital	88,90,92 Ramkamhaeng Road, Sapansoong, Bangkok 10260 Tel. (66)-2729-3000 Fax (66)-2729-5050
Karunvej Pathum Thani Hospital	98 Moo 13 Phahonyothin Road, Klongluang, Pathumthani Tel. (66)-2529-4533 Fax (66)-2529-3624
Karunvej Ayudhaya Hospital	61/9 Moo 4 Bangpa-in, Pranakorn Sriyudhaya Tel. (660)-35315-100 Fax (660)-35315-155

Reference Persons

Head Office	Bangkok Chain Hospital Public Company Limited 44 Moo 4, Chaengwattana Road, Pakkred, Nonthaburi 11120 Tel. (66)-2836-9999, Fax (66)-2106-4858 Homepage : www.bangkokchainhospital.com
Share Registrar	Thailand Securities Depository Co., Ltd. 62 The Stock Exchange of Thailand Building, 4 th , 6 th -7 th Floors, Ratchadapisek Road, Klongtoey, Bangkok 10110 Tel. (66)-2229-2800, (66)-2654-5599, Fax (66)-2359-1262-3
Auditor	KPMG Phoomchai Audit Limited 195 Empire Tower, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 Tel. (66)-2677-2000, Fax (66)-2677-2220-3
Legal Advisor	The Legalist Law Office Co., Ltd. 56/12 Soi Phattamon 1, Ramkamhaeng Road (Sukhapibal 3), Huamark, Bangkok, Bangkok 10240 Tel. (66)-2735-2976-80, Fax (66)-2735-2981

Service Capacity

License Beds for Patients

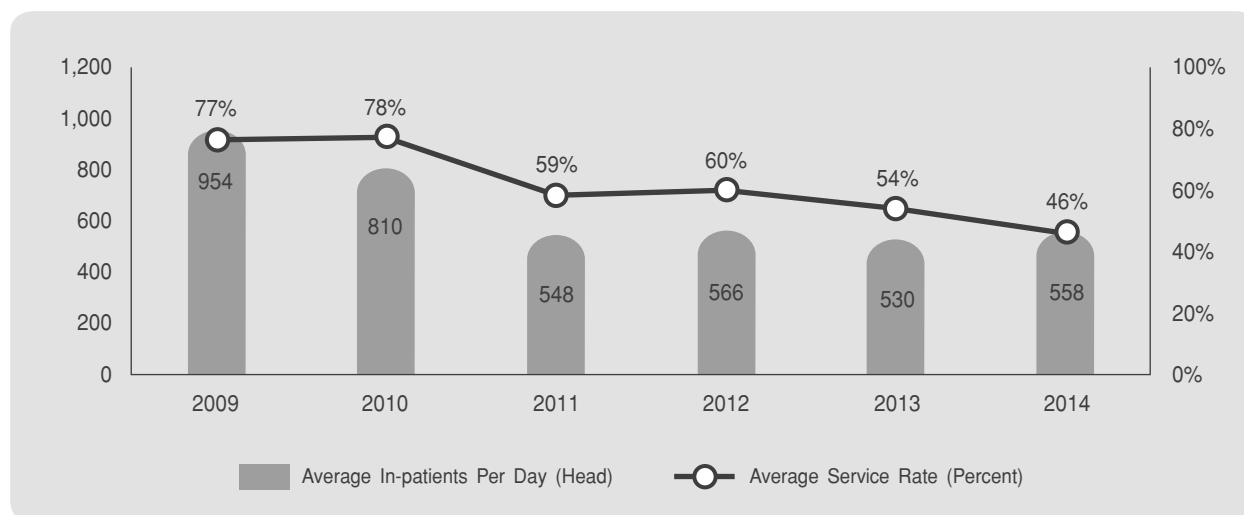
Total number of beds of nine branches of Kasemrad Hospital are as follows:

Hospitals	Out Patients	In Patients	
	No. of Exam Rooms	License Beds	Active Beds
Kasemrad Bangkai	58	317	217
Kasemrad Prachachuen	80	373	264
Karunvej Sukhapibal 3	16	100	100
Kasemrad Rattanaibeth	64	400	200
Kasemrad Saraburi	17	200	110
Kasemrad Sriburin	44	120	120
World Medical Center Hospital	84	150	51
Karunvej Pathum Thani Hospital	16	200	100
Karunvej Ayudhaya Hospital	4	105	50
Total	383	1,965	1,212

Business Limit

The Company has a limit for a public advertisement as regulated under the Advertisement Regulations for Health Care Provider B.E. 2541.

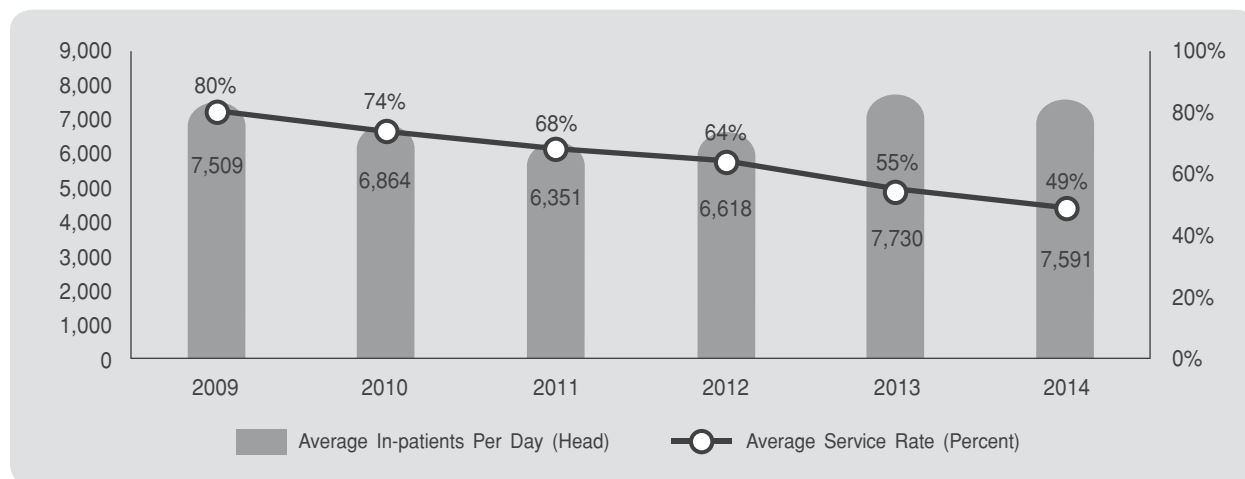
In-patients Service



- Average inpatients per day included general patients and government scheme patients
- Number of active beds is 1,212 beds (In 2013 984 active beds (exclude Karunvej Pathum Thani and Ayudhaya which the company acquired in December 2013), In 2013 946 active beds, During 2012, active beds decreased from 1,042 beds to 936 beds During 2011, active beds decreased from 1,042 beds to 936 beds, During 2010, active beds decreased from 1,220 beds to 1,042 beds, during 2009, active beds increased from 1,188 beds to 1,220 beds)

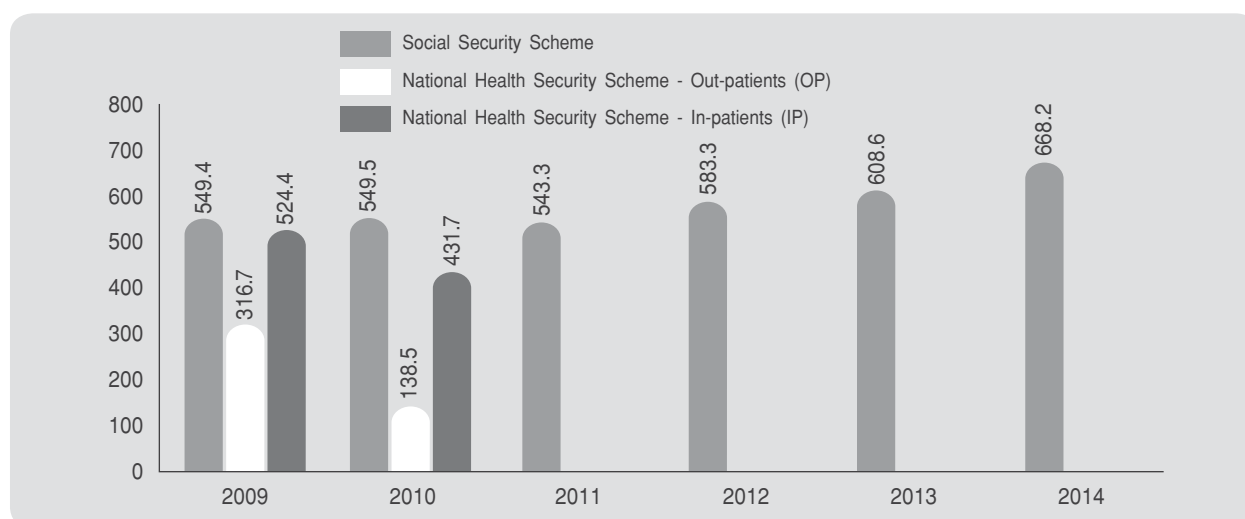
- Average Service Rate has decreased since 2011 due to the exit from the Universal Coverage Scheme.
- Average Service Rate has decreased in 2014 due to the exit from social security scheme of Kasemrad Sriburin Hospital in Chiang Rai province.

Out-patients Service



- Average out-patients per day included general patients and government scheme patients
- Service capacity per day = number of exam room X average number of out-patients per day
- No of exam room in year 2014 = 383, while year 2013 = 352 rooms (exclude Karunvej Pathum Thani and Ayudhaya which the company acquired in December 2013), while year 2012 = 258 rooms, while year 2011 = 232 rooms, while year 2006 - 2009 = 235 rooms and year 2010 = 231 rooms.
- Year 2010, Number of Out-patients decreased because the Company has quit from the Universal Coverage Scheme.

Number of registered persons under Social Security Scheme and National Health Security Scheme (Unit:'000)



- Remark:
- The Company changed the method of reimbursement from National Health Security Office (NHSO) in case of In-patients from Lump-sum per head based on the number of patients (Inclusive) to reimburse by the severity of diseases (Exclusive) from the fiscal year 2006 onwards.
 - In 2010, Number of register person of UC patient decreased due to exit from the Universal Coverage Scheme.
 - Number of register person of Social Security Scheme in 2013 is increased from the acquisition of Karunvej Pathumthani Hospital and Karunvej Ayudhaya hospital.

Nature of Business

1. Operate Business as a Group of Hospitals and Seek Alliances for Service Efficiency

The Company operates its business as a Group of hospitals consist of 9 hospitals to serve all types of customers both in Bangkok and up-country. The hospitals in the Group will refer patients to their network's referral base at Kasemrad Prachachuen and Kasemrad Bangkae Hospitals for diagnosis, one-stop service treatment for heart problems both Cardiac Cath Lab and Heart Surgery and Eye surgery with laser technology and to World Medical Center Hospital and Kasemrad Rattanaibeth Hospital for MRI

The Company has over 40 allied hospitals nationwide. The allied hospitals (Main Contractors of Social Security Department and National Health Insurance) can refer patients who are under social security and universal coverage schemes at Kasemrad Hospital who is their Supra Contractor. Kasemrad Hospital will give exclusive rates to its network. Under Our Branches facilities, patients can undergo treatment or surgery quickly. The network helps increasing revenue from treatment of referrals and the Contractor can have a full utilization of equipment and facilities.

2. Revenue from Various Types of Customer and Regular Earning from the Social Security Scheme Fund and Universal Coverage Scheme

Since the Company provides services to various types of customer both the cash-basis and the government-scheme basis, it has a strong income base and regular revenue earning from social security fund scheme participation and universal coverage scheme (in part of tertiary care service such as heart center) . The schemes are compulsory by law and regulations. Office of Social Security and National Universal Coverage Office are responsible for the expenses of patients. Having more customer means that the Company can utilize more resources and facilities such as physicians, nurses, operation staff, medical equipment and hospital beds, etc.

3. Supply Chain and Inventory Management

As a Group of hospitals, the Company enjoys the economy of scale's inventory management advantage through the central purchasing unit for materials, medicines, and medical equipments. The large purchased volumes attributes to negotiation power for prices and payment periods. An average discount percentage higher than a regular purchase individually. From the practice policies, the Company will borrow medical equipments, materials, blood or parts of blood between hospitals. The best practices help effective logistic and reduce materials expiration issues.

4. Management and Administration

The Company is being run under the Group of hospitals' management policy to share the same objectives, using experiences each hospital branch has to enhancing the operations. The top management of the Company also has crucial roles in a national health care administrative level, and works as a Secretary General of the Private Hospitals Association. These are a well-rounded hospital management capability contributing up-to-date health care competition for economy and society. The changes of environment such as Social Security Acts B.E.2535, universal coverage care in the year 2001, having its network's referral base not only to reduce the cost of treatments charged by other hospitals but also to expand the revenue by acting as a Supra Contractor, and the development of medical treatments of the group, have all been in place to boost the Company's growth continuously.

Nature of Customers

1. General Patients (Cash-base Patients)

- 1.1 General customers: they are patients who decide to choose hospital by themselves and are fully and individually responsible for their expenses. They are health conscious with a focus on good health. The hospitals provide add-value packaged services to them such as health check-up, usage of technical equipment for diagnosis and treatment.
- 1.2 Corporate contract groups, such as office employees or officers in other sectors who are under contract with the hospitals for their health coverage are kept intact. This may include employees' family who use hospitals service under a specific condition, or clients of insurance firms who are covered under their agreement terms with the insurance company, including treatment covered by the government's third-party insurance. Most of them will advise the hospitals to settle payment with their contracted corporate under specific terms.
- 1.3 Compensation Fund scheme group is a service to the companies' employees or factory employees. Under conditions of compensation funds, Hospitals will proceed the expense claims to compensation fund. Most of the cases are from accidents at workplace.

2. Government Schemes' Customer Group

- 2.1 A Group of Social Security Scheme fund: this group consists of employees whose earns are monthly deducted into Social Security Fund. They can select their preferred treatment place by terms and conditions without medical expenses, as prescribed in Social Security Act B.E. 2535, the Office of Social Security is responsible for medical expenses of the patients under social security scheme by lump-sum payment based on the number of patients who selected the hospital and by severity of disease in patients who have disease scholl (RW) equal to 2 of above. All five Kasemrad Hospitals and three Karunvej Hospitals are participated in this scheme. In addition, the Company determines that Kasemrad Prachachuen Hospital and Kasemrad Bangkai Hospital are Supra Contractor for diagnosis, one-stop service treatment for heart problems both Cardiac Cath Lab and Heart Surgery, and Chemo Therapy treatment and Eye laser surgery of the other hospitals under social security scheme and Kasemrad Rattanaibeth Hospital is a Supra Contractor for MRI.
- 2.2 A Group of Universal Coverage Scheme is a service subsidized by government to Thai citizen who are register persons in this progra. Now the Company provide service for tertiary care such as heart surgery and cardiac cath lab. And our Heart Center has resisted as Referral Heart Center which can take care cardiac patients from any hospitals in this Since the hospital group's customer is varied, each group has their own type of needs. The hospitals are complied with different needs. Differentiation means growth in the numbers of each group of customers to enhance business expansion and management efficiency.

Industry and Competition

1. Competitors

The competitors of each branch of the Company are the hospitals who located in the adjacent or same areas in approximate of 20 kilometers, including some hospitals who located in different areas but the patients rely on. However, the Group of hospitals has advantages among competitors because (1) It has experienced and specialized medical professionals recognized worldwide (2) It has varieties of medical services and continually diversify services besides a full-range conventional health services (3) It has been fully equipped with instruments and sufficiency of beds for both OPD and IPD patients. The environment is hygienic, nice, decorative, and well-managed in facilities (4) It is located in community areas with an easy access, hence attracts physicians and medical professionals to join the team

(5) It has reasonable pricing structures suitable for levels of income of targeted customers, and remains competitive among other private hospitals in the areas (6) It has a solid structure as Group of hospitals that cover services to patients in other areas beyond. Patients can choose their services at their convenience.

2. Industrial Trend and Competition

Despite the economic situation in the past year, more people by average are able to receive medical services; and have more awareness of their health. This enhances more public spending for preventive health care not for merely curative. More private hospitals play roles to serve the needs, especially those large-size hospital or network hospitals. Prompt service and diversification are keywords for business growth among private hospitals. Whereas government hospitals still have limit accessibility to serve growing public demands due to scarce resources and available budgets.

Competition among private hospitals are more inclined to be among groups. More health care allies seen as a cost effective method and effective strategy for a fierce competition among groups. Many health care groups seek foreign patients as well as specialized service area as a niche in order not to compete in similar products among their allies; and focus on their market shares between them and their competitors.

Limit of Business Operation for Private Hospitals

- Numbers of expertise in medical profession who are widely recognized are not sufficient to public demands. Each private hospital is competing on the incentives issue, which make a higher cost of funds. This high cost of funds is considered a major cause to limit business operation for private hospitals at present.
- Business operation for private hospitals required high capital investment, particularly the purchase and maintenance of medical equipments and efficient cash flow in medicine and disposable items. Financial planning is therefore crucial for the management to run its operation undeterred.
- Consumer behaviour at a critical stage is receptive to experienced individual physician and names than other factors. Newly established hospitals will take longer time to make their names known to public and their quality of service recognized.
- Laws under National Public Health system change rapidly.
- A public advertisement under the Advertisement Regulations for Health Care Provider B.E. 2541.
- Medical Council's regulations.

Risk Factors

1. Risk from Regulatory Changes on Managed Care Programs

Year 2014, BCH earns its sales from managed care services, which include Social Security Scheme (SSS) or approximately to 34% and National Health Security Scheme (NHSS), or approximately to 1 per cent of total sales and service. Regulatory changes on managed care programs could affect the Company's business operation. The management has closely followed the changes and actively participated on the policy setting. Furthermore, the company has a policy to control the expenditures and assess the progress of the above projects continuously in order to reduce the effect of the Company's performance.

2. Risk from Competition in Private Hospital Industry

The hospital business slightly increases in competition. In order to capture the market, the company has set up specialized tertiary centers (Excellent Center) to provide full medical services and to launch new services to increase the ability in competition and also build new points of sale in every branch of hospitals. As a chain hospital, the company also benefits from cost effective procurement and resource pooling which have an advantage over the competitors.

3. Risk from Shortage of Medical Staffs

The Company's business operations are based on experienced and well-trained medical team including physician, pharmacist, nurse and other specialties. The severe competition of hospital business of both private and public hospitals resulted to the shortage of medical staff.

To retain its physicians and staff, the company provides competitive remuneration packages and suitable employees' welfare in order to compete with other competitors. Moreover, the Company offers the opportunity to its employees for management participation and training programs to enhance new knowledge and to make employees feel that they are a part of business growth.

Shareholding Structure, Board of Directors and Management

Major Shareholders

List of the company's ten major shareholders as at August 29, 2014 is as follows:

Rank	Shareholders	Number of Shares	%
1.	Mr. Chalerm Harnphanich	813,750,000	32.63
2.	Mrs. Somporn Harnphanich	183,750,000	7.37
3.	Thai NVDR Co., Ltd.	144,147,617	5.78
4.	THE BANK OF NEW YORK MELLON	105,522,175	4.23
5.	Ms. Pornluck Harnphanich	83,000,000	3.33
6.	Mr. Kantaporn Harnphanich	83,000,000	3.33
7.	Ms. Pornsuda Harnphanich	83,000,000	3.33
8.	CHASE NOMINEES LIMITED 50	47,073,150	1.89
9.	NORTRUST NOMINEES LTD.	46,088,375	1.85
10.	HSBC (SINGAPORE) NOMINEES PTE LTD.	39,584,450	1.59
	Total	1,628,915,767	65.33

Board of Directors

The Company's management structure has three sets of committees, which are the Company's Board of Directors, Audit Committee and Executive Committee. Details of each committee are as follows:

Board of Directors

The Company's Board of Directors consists of the following:

1.	Mr. Chalerm Harnphanich, M.D.	Chairman of the Board and CEO
2.	Asst. Prof. Somporn Harnphanich, M.D.	Director
3.	Ms. Pornluck Harnphanich, M.D.	Director
4.	Mrs. Saifon Chaimongkol	Director
5.	Mr. Thawat Suntrajarn, M.D	Independent Director
6.	Mr. Paiboon Nakosiri	Director and Company Secretary
7.	Mr. Virach Aphimeteetamrong	Independent Director and Chairman of Audit Committee
8.	Mr. Suvit Kositsurangkakul, M.D.	Director
9.	Mr. Siripong Sombutsiri	Independent Director and Audit Committee
10.	Professor. Piphob Veraphong	Independent Director and Audit Committee

Independent Director means the director who is independent in expressing his opinion to the operation of the Company, must be a person who has no involvement or interest to the result of operation either directly or indirectly. The qualifications of the Independent Director are as follows:

1. Hold share not more than 1% of paid up capital of the Company, affiliates company, joint company, associated company, including the shares held by the related person.
2. Being independent either directly or indirectly of both financial and management of the Company or joint company or major shareholders of the Company, and having no benefit or interest in such manner within 2 years before being appointed as the Independent Director, unless the Board of Director has carefully considered and see that such participation in having benefit or interest will not affect the duty performing and the independence in giving an opinion.

3. Must not be the Director who has been appointed as the representative to maintain the interest of the Director of the Company, major shareholders, or shareholders who are related to the major shareholders of the Company.
4. Must not participate in management and must not be employee, staff or consultant who receives regular salary in the Company, affiliate company, joint company, company or major shareholder of the Company.
5. Must not be related person or relatives of the executive or major shareholders of the Company.
6. Capable to perform his duty and express opinion or report result of duty performing independently as assigned by the Board of Directors, and not under the control of the Executive or major shareholders of the Company, including related person or close relatives of such person.
7. No other character that causes the inability to give opinion to operation of the Company independently.

All the definition above has complied with the rules and regulations stipulated by Securities and Exchange Commission and the Stock Exchange of Thailand.

Directors who Have Authorization upon the Company's Affidavit are as follows:

Directors who have authorization to sign consist of Mr. Chalerm Harnphanich or Mrs. Somporn Harnphanich or Mr. Paiboon Nakosiri, two of these three directors sign together with the Company's seal.

The Scope of Authorities and Responsibilities of the Company's Directors

The Board of Directors has authorities and responsibilities to manage the Company in accordance with the law, the Company's objectives and regulations and resolutions of the shareholders' meeting in good faith and with care for the best interest of the Company. The scopes of its authorities and responsibilities are as follows:

1. To arrange the Annual General Shareholders' Meeting within 4 months from the end of the Company's accounting period;
2. To set the Board of Directors' Meeting at least once every three months;
3. To approve the Company's Balance Sheets and Income Statements as at the end of the Company's accounting period, of which review or audit by and report to at the shareholders' meeting for further approval;
4. To authorize a Director or Directors, or other persons to act on behalf of the Board, under their supervision, or authorize within a specific time, or shall cancel or amend their given authority as appropriate.

The Board of Directors may conjure to authorize the Management Committee to carry out the task with the authorization details in area extended to or limited in the scope of authority of the Committee. Such authority is, however, not enabling the Management Committee to consider or approve any issue that the Committee or any individual that may investigate a conflict of interest to the Company or its subsidiaries, unless it is an issue approved under policy or rules that have already been considered and approved by the Board;

5. To establish the Company's objectives, policies, business plan, and budgets. Also to supervise the management of the Executive Committee to ensure that objectives are reached. The Board of Directors, however, has to obtain consents from the shareholders' meeting prior to their exercise on the following subjects - approval from the shareholders' meeting that is imposed by laws i.e. increase or decrease of registered capital, issuance of debentures, sales or transfer the Company's main activities partly or wholly to other partners, purchase or acquire other Company's activities, correction of the Memorandum of Association or Regulations.

The Directors are also subjected to supervise the Company to comply with the laws and regulations of the Securities and Exchange Acts, SET's regulations, such as relevant reports and trading on significant properties and assets under SET or other related laws on the Company's business;

6. To decide the structure of administration. To set and appoint the Executive Committee, Chief Executive Officer, or other Directors as appropriate;

7. To follow up on the outcome of the Company's performance.
8. The Directors shall not engage in the same business with Company or in complete business or being shareholders of Ordinary Partnership or being the Unlimited Partnership in the limited company or being a director of private company or other companies which conduct business similar to the Company or in a competing manner of the Company, regardless the contribution is for their own ends or for the others, unless otherwise prior to the appointment with acknowledging at the shareholders' meeting;
9. To notify the Company immediately if they have directly or indirectly benefits from any Contract of the Company, or decrease / increase in shareholding portion in the Company or its subsidiaries or affiliated companies.

Audit Committee

The Company's Audit Committees comprises the following:

1.	Dr. Virach Aphimeteetamrong	Chairman of Audit Committee
2.	Mr. Siripong Sombutsiri	Audit Committee
3.	Professor. Piphob Veraphong	Audit Committee

The Scope of Duties and Responsibilities of the Audit Committee

The Audit Committee has the scope of duties and responsibilities as assigned by the Board of Directors and also report to the Board of Directors as follows:

1. Review the accuracy, sufficiency and reliability of the Company's financial report.
2. Review the appropriateness and effectiveness of internal control systems, and internal audit of the Company.
3. Monitor the Company's compliance with Securities and Exchange Acts and Regulations of the SET, and/or any other laws relevant to the Company's business.
4. Consider, select and propose to the Board of Directors for appointment of independent persons to be the Company's auditors as well as the audit fees, by considering the audit firm's independence, credibility, adequacy of its resources, audit engagements, and the experience of its supervisory and professional staff to audit the Company's financial statements, and attend a non-management meeting with auditors at least once a year.
5. Consider, select, appoint and approve the remuneration of internal audit team, by considering their knowledge, proficiency and work experience as well as approve an annual internal audit plan. In case that the Company sets up an internal audit department, the audit committee will approve the appointment, removal and discharge as well as evaluate the annual performance of internal audit team.
6. Discuss and consider the relationship and coordination of the scope and audit plan of internal and external auditors.
7. Review and consider together with the internal auditor in respect of the results of internal audit, issues and recommendation.
8. Review and consider together with the external auditor in respect of the results of the financial reporting, issues and recommendation.
9. Consider the disclosure of the connected transactions or any transactions that may cause conflict of interest completely, complying with government agencies' rules and regulations to ensure that such transactions are reasonable and create the highest benefit to the Company.
10. Prepare a report that describes the Audit Committee's activities and responsibilities. This report shall be signed by the Chairman of the Audit Committee and published in the annual report to the shareholders. The Audit Committee's report shall consist of at least the following information:
 - An opinion on preparation and disclosure of the Company's financial reports for accuracy, completeness and credibility,
 - An opinion on the adequacy of the Company's internal control systems,
 - A reason to ensure that the Company's auditors are suitable to be reappointed for another term,

- An opinion on the Company's compliance with Securities and Exchange Acts and Regulations of the SET, or any other laws relevant to the Company's business,
 - Other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board of Directors.
11. Prepare a report on activities of the Audit Committee to the Board of Directors at least once a year.
 12. Having the authority to examine and scrutinize any related issues, the Audit Committee can seek for the independent advisor with the Company's expenses in order to succeed the assignments.
 13. Any other activities specified by relevant laws or assigned by the Board of Directors under the duties and responsibilities of the Audit Committee, such as to revise the monetary management and risk management policies, to revise the management's practice following the code of conduct, to revise together with management for any significant matters to be publicized according to specified laws; i.e. Management Discussion and Analysis (MD&A).
 14. Review and amend the Audit Committee Charter annually to update and to be suitable for organizational environment.
 15. Ensure the independence of internal and external auditors.

Executive Committee

The Company's Executive Committees are as follows:

1.	Mr. Chalerm Harnphanich, M.D.	Chairman of the Executive Board / CEO
2.	Asst. Prof.Somporn Harnphanich, M.D.	Executive Director
3.	Mr. Paiboon Nakosiri	Executive Director
4.	Mr. Suvit Kositsurangkakul, M.D.	Executive Director
5.	Mr. Dhiti Pattanakumjorn, M.D.	Executive Director
6.	Ms. Apinya Jarutrakulchai	Executive Director

The Scope of Authorities and Responsibilities of the Management Committee

The scope of authorities and responsibilities of the Management Committee includes the regular operations' administration and management of the Company, policy making, business planning, budgeting, structuring administrative process and empowering the line of command in the Company in compliance with the current economic condition, subsequently present in the Board of Directors' Meeting for an approval or consensus, which will then be included the auditing and following-up part as prescribed by the Company. The scopes of authorities and responsibilities are:

1. Carry out the business and manage Company's business activities with objectives, regulations, policy, delegation or consents of the Board of Directors from the Board's Meeting or from the Company's Shareholder Meeting;
2. Analyze and issue the policy, direction, and strategy of the Company's operation. Consider and approve budgeting and financial plans, human resources management, information technology investment, business expansion, public relations, and supervise and direct the works carried out by appointed working groups to meet the objectives; and present the results to the Board of Directors for further development;
3. Plan for an annual budget allocation as being presented by the administration team prior to the consideration and approval by the Company's Board of Directors. The scope of responsibilities includes a consideration and approval for the changes or increase in the Company's annual expenses budget during the absence of a seasonal meeting for the Board of Directors. The results shall be presented to the Board of the Directors in the following meeting;
4. Authorized to consider and approve in the Capital Expenditure within each individual credit line not exceeding THB5.0 million;
5. Approve an important investment expenses as set within the annual expenses budget as being presented by the Board of Directors or primarily have been approved by the Board of Directors;
6. Authorized to consider and approve for loans, procurement of credit lines, or any credit loans made by the Company within each individual line not exceeding THB5.0 million;
7. The Management Committee act as consultants to the administration team for policies of finance, marketing, human resources management, and other relevant operations;

8. Consider on the profit and loss of the Company and the payment of interim dividend or annual dividend ; and present them to the Board of Directors for an approval;
9. Play a crucial role in a consideration for organization structure, management and administration including an appointment, employment, allocation, compensation and benefits, and reward to the managerial level who are non-executive directors, excluding the Chief Executive Officer and the termination of employment;
10. Have an authority to authorize or delegate a Director or Directors or other individuals to perform or carry out a task under a supervision of the Management Committee, or may authorize such individuals as appropriate within a specific period of time. Such authorization may be subjected to terminate, cancel, or amend unto such individuals as appropriate;
11. Operate in other issues as being given by the Board of Directors on a periodical basis

The authority of the Management Committee shall not include any approval of the issue that may invoke a conflict, or any issue that the Management Committee or the person pertaining to the Management Committee has been involved in with any means to have taken parts for the benefits, or invoke any other conflicts with the Company or its affiliations by rules on the Stock Exchange of Thailand. The approval for such mentioned issues have to be presented to the Directors' Meeting and/ or the Shareholders' Meeting for further consideration and approval as prescribed under the Company's regulations or by relevant laws.

The Scope of Authorities and Responsibilities of the Chief Executive Officer

1. Supervises the Company's operations and/or manage daily operations;
2. Operates and acts in lieu of the policy, plan, and budgets as approved by the Directors and/or the Management Committee;
3. Authorized by the Company to administer and manage the Company's activities to meet the objectives, regulations, policies and rules, and by consents of the Shareholders' Meetings and/or the Board of Directors' Meeting and/or the Management Committee's Meeting;
4. Have an authority to appoint and administer Sub-committee to optimize management with transparency. The Sub-committee shall have a periodical empowerment and/or delegates other individuals to perform a particular duty, within the scope as prescribed in the Letter of Authorization and/ or as prescribed by the regulations or by orders of the Board of Directors and/ or the Company;
5. Plans for the Company's Mission, Objectives, and Policies. Delegates the works and directs and supervises the operations as a whole;
6. Continuously follows up and evaluates the Company's performance as a risk management, internally and externally
7. Authorized for an approval of the Company's capital expenditure of each credit line not exceeding THB 2.0 million; and a regular Company's operation expenses, such as a correspondence with the bank for saving accounts, purchasing of medicines and medical equipments, with each credit line not exceeding THB 2.0 million;
8. Subjected to make a decision upon the Company's regular operations, such as in Contract for Health Service, Contract for Employment for Medical Services under a Social Security Act B.E. 2533, Contract for Medical Services in the Universal Coverage Scheme, Contract of Purchase and Employment, including a decision on the procedures to make those Contracts. Such procedures will be presented to the Management Committee and the Company's Board of Directors;
9. Authorized to hire, employ, appoint, allocate, or transfer the employees within and between the units, sections, departments; or terminate the employment. Authorized to set salary scales, compensation and benefits, rewards, and total welfare of the Company's employees;
10. Have a full authority to order, announce, delegate of rules and regulations to have the operations meet the policy and objectives of the Company and to restore and ensure that working disciplines are in place;
11. Perform other duties as assigned periodically from the Company's Board of Directors.

The authority of the Chief Executive Officer and the authority given to appropriate personnel are excluding the authority and/or an authorization for an approval that might invoke a conflict of interest and of benefits towards the personnel with the Company or affiliated companies under the SET's regulations. Approval for such cases has to be presented to the Board of Directors' Meeting and/or the Shareholders' Meeting for an approval as required by the Company's regulations or by other related laws.

Directors and Management's Remuneration

Board of Directors' remuneration for 2014 is as follows:

No.	Name	Position	Remuneration (Baht)	Pension (Baht)	Total
1.	Mr. Chalerm Harnphanich, M.D.	Chairman of Board /Chairman of the Executive Board	480,000.00	408,700.00	888,700.00
2.	Asst. Prof.Somporn Harnphanich, M.D.	Director / Executive Director	480,000.00	408,700.00	888,700.00
3.	Mr. Paiboon Nakosiri	Director / Executive Director/ Company secretary	480,000.00	408,700.00	888,700.00
4.	Mr. Suvit Kositsurangkakul, M.D.	Director / Executive Director	480,000.00	408,700.00	888,700.00
5.	Ms. Pornluck Harnphanich	Director	480,000.00	408,700.00	888,700.00
6.	Mrs. Saifon Chaimongkol	Director	480,000.00	408,700.00	888,700.00
7.	Mr. Thawat Suntrajarn, M.D.	Independent Director	480,000.00	408,700.00	888,700.00
8.	Dr. Virach Aphimeteetamrong	Independent Director and Chairman of Audit Committee	600,000.00	515,100.00	1,115,100.00
9.	Mr. Siripong Sombutsiri	Independent Director and Audit Committee	540,000.00	462,000.00	1,002,000.00
10.	Professor. Piphob Veraphong	Independent Director and Audit Committee	540,000.00	462,000.00	1,002,000.00
Total			5,040,000.00	4,300,000.00	9,340,000.00

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

The Company and its subsidiaries have Management Committee and Executive Management's remuneration of 6 persons for 2014 i.e. salary and bonus, totaling of Baht 90.03 million.

Directors' Meeting Participation in 2014

Name	Board of Directors	Management Committee	Audit Committee
1. Mr. Chalerm Harnphanich, M.D.	6 from 6	12 from 12	-
2. Asst.Prof. Somporn Harnphanich, M.D.	6 from 6	12 from 12	-
3. Mr. Paiboon Nakosiri	6 from 6	12 from 12	-
4. Ms. Pornluck Harnphanich, M.D.	6 from 6	-	-
5. Mr. Suvit Kositsurangkakul, M.D.	6 from 6	12 from 12	-
6. Dr. Virach Aphimeteetamrong	6 from 6	-	4 from 4
7. Mr. Siripong Sombutsiri	6 from 6	-	4 from 4
8. Professor.Piphob Veraphong	5 from 6	-	3 from 4
9. Mrs. Saifon Chaimongkol	6 from 6	-	-
10. Mr. Thawat Suntrajarn, M.D.	5 from 6	-	-
11. Mr. Dhiti Pattanakumjorn, M.D.	-	12 from 12	-
12. Ms. Apinya Jarutrakulchai	-	12 from 12	-

Auditor's Remuneration

No.	Company Name	Auditor	Audit Fee (Baht)
1.	Bangkok Chain Hospital PCL.	KPMG Phoomchai Audit Limited	1,780,000
2.	Rattanaibeth General Hospital Co., Ltd.	KPMG Phoomchai Audit Limited	480,000
3.	Saraburi Wetchakit Co., Ltd.	KPMG Phoomchai Audit Limited	300,000
4.	Sriburin Medical Co., Ltd.	KPMG Phoomchai Audit Limited	300,000
5.	Navanakorn Medicare Co., Ltd.	KPMG Phoomchai Audit Limited	300,000
6.	Ayudhaya Medicare Co., Ltd.	KPMG Phoomchai Audit Limited	130,000
	Total		3,290,000

Details of the Board of Directors, Management and Authorized Persons

Name - Surname / Position	Age (Years)	Education	Share holding (%)	Relationship	Work experiences in the past 5 years			
					Period	Position	Entity's Name / Company	Type of Business
Mr. Chalerm Harnphanich, M.D. Chairman of the Board of Director, Chief Executive Officer and Authorized Director	60	<div>- Board Certification Specialist in Obstetrics and Gynecology, Siriraj, Mahidol University</div> <div>- High Medical Certificate in Obstetrics and Gynecology, Siriraj, Mahidol University</div> <div>- Master Degree in Business Administration, Ramkhamhaeng University</div> <div>- M.D. Chiangmai University</div> <div>- B.Sc. (Medical Science), Chiangmai University</div> <div>- Director Certification Program and Director Accreditation Program, Thai Institute of Directors Association (IOD)</div>	32.63	Asst.Prof. Dr. Somporn's husband	2014 - present	Director	Arogya wellness Co., Ltd.	Service
					2014 - present	Director	Chiangrai Imaging Co., Ltd.	Service
					2014 - present	Director	Park inn Saraburi Co., Ltd.	Hotel
					2014 - present	Director	Brigh TV Co., Ltd.	TV
					2013 - present	Director	Ayuthaya Dedicall Co., Ltd.	Property for rent
					2013 - present	Director	Navanakorn Medicare Co., Ltd.	Hospital
					2013 - present	Director	C.M.J. Land Co., Ltd.	Property
					2011 - 2013	Director	Sub-committee for Investment,	Government
								Agency Social
					2011 - 2013	Director	Committee of National Health	Security Office
							Securities Office (NHSO) - Quality and Healthcare Standard Control	Government
							The Private Hospital Association	Association
					2011 - present	President	Park Inn Chiangrai Part., Ltd.	Hotel
					2011 - present	Partner	Medical Committee, Ministry of Public Health.	Government
					2004 - present	Committee	Sub-committee for development of medical services, Social Security Office	Agency
					2004 - 2010	Committee	Committee of National Health	Government
					2003 - 2010	Committee	Securities Office (NHSO)	Agency
					2003 - 2010	Consultant	National Medical Association	Government
					1999 - 2011	Secretary	The Private Hospital Association	Agency
					1996 - present	Director	S.C.K. Land Co., Ltd.	Association
					1996 - present	Director	Saraburi Wetchakit Co., Ltd.	Property
					1996 - present	Director	Siburin Medical Co., Ltd.	Hospital
					1993 - present	CEO	Bangkok Chain Hospital PCL.	Hospital
					1992 - present	Director	Rattanaibeth General Hospital Co., Ltd.	Hospital

Name - Surname / Position	Age (Years)	Education	Share holding (%)	Relationship	Work experiences in the past 5 years			
					Period	Position	Entity's Name / Company	Type of Business
Asst.Prof. Somporn Hamphanich, M.D. Authorized Director / Senior Executive Vice President / Executive Director	62	<ul style="list-style-type: none"> - Board Certificate: Anesthesia, Siriraj Hospital, Mahidol University - Board Certificate: Medical Laws and Public Health Class 5th, Mahidol University - Certificate of Occupational Medicine, Class 10th, Medical Council - Certificate of Asia Pacific Hospital Management Programme, Singapore Management University - Certificate of Meeting the Logistics Challenger of The Healthcare Sector HEC Montreal, Canada - Certificate of Successful Completion/Lead Assessor Certificate, Anglo Japanese American - Master Degree in Business Administration, Ramkhamhaeng University - Training in "Hospital Management", SASIN, Chulalongkorn University - Director Accreditation Program, Thai Institute of Directors Association (IOD) - Strategic Human Resource - Management, Human Resources Institute, - Role of the Chairman Program Thai Institute of Directors Association (IOD) 	7.37	Dr. Chalerm's wife	2014 - present	Director	Park inn Saraburi Co., Ltd.	Hotel
					2013 - present	Director	Ayuthaya Dedicall Co., Ltd.	Property for rent
					2013 - present	Director	Navanakorn Medicare Co., Ltd.	Hospital
					2010 - 2012	Director	Thai Listed Companies association	Association
					1996 - present	Director	Saraburi Wetchakrit Co., Ltd.	Hospital
					1996 - present	Director	Sriburin Medical Co., Ltd.	Hospital
					1995 - present	Chairman of Central Purchasing	Bangkok Chain Hospital PCL.	Hospital
					1993 - present	Senior Executive	Bangkok Chain Hospital PCL.	Hospital
					1992 - present	Vice President		
						Managing Director	Rattanaibeth General Hospital Co., Ltd.	Hospital

Name - Surname / Position	Age (Years)	Education	Share holding (%)	Relationship	Work experiences in the past 5 years			
					Period	Position	Entity's Name / Company	Type of Business
Mrs. Saifon chaimongkol	43	<ul style="list-style-type: none"> - Bachelor degree of Nursing : Mahidol University - Master degree of Nursing : Mahidol University - Director Certification Program and Director Accreditation Program, Thai Institute of Directors Association (IOD) 	-	-	2011 - present	Central Purchasing Director	Bangkok Chain Hospital PCL.	Hospital
					2010 - present	Director	Bangkok Chain Hospital PCL.	Hospital
					2009 - 2011	H.R. Director	Rattanaibeth General Hospital Co., Ltd.	Hospital
					2007 - 2009	Quality Director	Rattanaibeth General Hospital Co., Ltd.	Hospital
Ms. Pornluck Harnphanich, M.D. Director	30	<ul style="list-style-type: none"> - Doctor of Medicine, Thammasat University. - Diploma Course in Dermatology and Dermatosurgery, Institute of Dermatology, - Short Course training in Skin Laser Surgery, Faculty of Medicine, Siriraj Hospital - Executive Mini Master of Business Administration, NIDA Business School - Director Accreditation Program (DAP) Thai Program, Thai Institute of Directors (IOD) - Successful Formulation & Execution of Strategy (SFE) Program, Thai Institute of Directors (IOD) - Master degree of Healthcare and Wellness Management College of Management Mahidol University 	3.33	Dr. Chalerm's daughter	2012 - present	Medical Director	Rattanaibeth General Hospital Co., Ltd.	Hospital
					2011 - present	Director	Bangkok Chain Hospital PCL.	Hospital
					2011 - present	Director	Thipnate s.p.p. Co., Ltd.	Retail
					2009 - 2014	Director	Rattanaibeth General Hospital Co., Ltd.	Hospital

Name - Surname / Position		Age (Years)	Education	Share holding (%)	Relationship	Work experiences in the past 5 years			
						Period	Position	Entity's Name / Company	Type of Business
Dr. Virach Aphimeteetamrong Independent Director and Chairman of the Audit Committee	71	- Ph.D. (Finance), University of Illinois, Urbana-Champaign, U.S.A. - Master Degree in M.A.S., University of Illinois, Urbana-Champaign, U.S.A. - Master Degree in Business Administration, Gothenburg, Sweden - Bachelor of Accounting (Honors 2 nd), Chulalongkorn University - Director Accreditation Program, Thai Institute of Directors Association (IOD)	-	-		Present	Chairman	Office Dr. Virach & Associates Co., Ltd.	Audit Firm
						Present	Independent Director	Supalai PCL.	Property
						2007 - present	Chairman	Intouch Holdings PCL.	Holding Company
						2013 - present	Independent Director / Audit Committee	Thai Agro Energy PCL.	Energy
						2004 - present	Director / Chairman of the Audit Committee	Bangkok Chain Hospital PCL.	Hospital
						2004 - present	Independent Director / Chairman of the Audit Committee	Asia Plus Group Holdings Securities PCL.	Securities
Mr. Siripong Sombutsiri Independent Director and Member of the Audit Committee	60	- Master Degree of Business Administration in Finance, Sul Ross University - Bachelor of Accounting, Chulalongkorn University - Director Accreditation Program, Thai Institute of Directors Association (IOD)	-	-		1995 - present	Independent Independent Director / Audit Committee	Metro Systems Corporation PCL.	Computer
						2014 - present	Chairman of the Board of Directors / Chairman of the Audit Committee	ComSeven International PCL.	Retail
						2013- present	Director / Chairman of the Audit Committee	Pan Asia Footwear PCL.	Manufacturer and Supplier of shoes
						2011- present	Director	Infinite Electric (Thailand) Co., Ltd.	Manufacturer and supplier of electronic
						2004 - present	Director / Audit Committee	Bangkok Chain Hospital PCL.	Hospital
						2002 - present	Executive Director	AP (Thailand) PCL.	Property Development

Name - Surname / Position	Age (Years)	Education	Share holding (%)	Relationship	Work experiences in the past 5 years			
					Period	Position	Entity's Name / Company	Type of Business
Professor. Piphob Veraphong Independent Director and Member of the Audit Committee	53	<ul style="list-style-type: none"> - Master Degree of LL.M., Harvard University - Certificate of International Taxation, Harvard University - Master Degree of LL.M. Taxation, Boston University - Barrister-at-law - Bachelor of Law (Honors), Chulalongkorn University - Director Accreditation Program, Thai Institute of Directors Association (IOD) 	-	-	2005 - 2007	Independent Director / Audit Committee	Land and Houses Retail Bank PCL.	Bank
					2004 - present	Independent Director / Audit Committee	Bangkok Chain Hospital PCL.	Hospital
					2003 - 2010	Independent Director Audit Committee	Quality Construction Products PCL.	Produce and Trade Construction Materials
					2002 - present	Partner	LawAlliance Ltd.	Legal Consultant
Mr. Thawat Suntrajarn, M.D. Board Committee	67	<ul style="list-style-type: none"> - M.PH Mahidol University - M.D. Chiangmai University - B.Sc. (Medical Science), Chiangmai University 	-	-	2007 - present	Senior Expert member	Naresuan University Council	University
					2008 - present	Advisory	Global Fund Principle Recipient Management office, Thailand	Government Office
					2008 - present	Advisory	Ministry of Public Health Permanent Secretary	Government Office
					2008 - 2013	Advisory	Ministry of Public Health Public Health Commission, House of Senators	Parliament
					2009 - present	President	Thailand Health Association	Association
					2009 - 2014	Executive Board	Banphaew Hospital (Public Organization)	Public Organization
					2009 - present	Senior Expert member	Phayao University Council	University
					2010 - present	Director	Bangkok Chain Hospital PCL.	Private Hospital
Mr. Paiboon Nakosiri Authorized Director and Executive Director	53	<ul style="list-style-type: none"> - Master Degree in Business Administration, Thammasat University - Bachelor of Accounting, Thammasat University - Director Accreditation Program, Thai Institute of Directors Association (IOD) 	-	-	2014 - present	Director	National Vaccine Institute (Public Organization), NVI	Public Organization
					2013 - present	Director	Chiangrai Imaging Co., Ltd.	Service
					2013 - present	Director	Ayuthaya Medical Co., Ltd.	Property for Rent
					2005 - present	Director	Navanakorn Medical Co., Ltd.	Hospital
					2009 - present	Director	Bangkok Chain Hospital PCL.	Hospital
					2009 - present	Director	Saraburi Wetchakit Co., Ltd.	Hospital
					2009 - present	Director	Sriburin Medical Co., Ltd.	Hospital

Name - Surname / Position	Age (Years)	Education	Share holding (%)	Relationship	Work experiences in the past 5 years			
					Period	Position	Entity's Name / Company	Type of Business
Mr. Suvit Kositsurangkakul , M.D. Director and Executive Director	63	<ul style="list-style-type: none"> - Board Certification Specialist in Internal Medicine, Chulalongkorn University - Master Degree in Business Administration, Ramkhamhaeng University - M.D. Chulalongkorn University - Director Accreditation Program, Thai Institute of Directors Association (IOD) 	0.015	-	2006 - present	Director	Bangkok Chain Hospital PCL.	Hospital
					2004 - 2011	Hospital Director	Kasemrad Bangkoe Hospital	Hospital
Ms. Apinya Jarutrakulchai Executive Director	53	<ul style="list-style-type: none"> - Master degree of Business Administration. : National Institute of Development Administration (NIDA) - Bachelor of Business Administration. : University of the Thai Chamber of Commerce - Director Accreditation Program, Thai Institute of Directors Association (IOD) 	-	-	2013 - present	Executive Director	Bangkok Chain Hospital PCL.	Hospital
					2013 - present	Director	Navanakorn Medicare Co., Ltd.	Hospital
Mr. Dhiti Pattanakumjorn , M.D. Executive Director	62	<ul style="list-style-type: none"> - Board Certification Specialist in Orthopedic Surgery, Siriraj Hospital, Mahidol University - Master Degree in Business Administration, Ramkhamhaeng University - Master Degree in Political Science, STOU - M.D., Siriraj Hospital, Mahidol University - B.Sc.(Medical Science), Mahidol University 	-	-	2013 - present	Director	Ayudhaya Medicare Co., Ltd.	Property for rent
					2009 - 2012	Senior Director and Investment Banking Group	CIMB Thai Bank PCL.	Bank
Mr. Dhiti Pattanakumjorn , M.D. Executive Director	62	<ul style="list-style-type: none"> - Board Certification Specialist in Orthopedic Surgery, Siriraj Hospital, Mahidol University - Master Degree in Business Administration, Ramkhamhaeng University - Master Degree in Political Science, STOU - M.D., Siriraj Hospital, Mahidol University - B.Sc.(Medical Science), Mahidol University 	-	-	2000 - present	Hospital Director	Kasemrad Sukapibal 3 Hospital	Hospital

Good Corporate Governance

The Company understands and realizes the importance of good corporate governance. It means that the Company has efficient, transparent, and is able to be audited management systems that create trust and confidence amongst its shareholders, investors, other stakeholders and all relevant parties. In addition, good corporate governance is a means to add a firm's value and to sustain its growth. The Company has implemented the principles of good corporate governance that are presented in 5 categories as follows:

1. Rights of Shareholders

The Board of Directors realizes the importance of good corporate governance to provide more transparency and enhance the competency in competition of the business and to make more confidence for shareholders, investors and all relevant parties so they determine the policy to support good corporate governance which covers the following important things:

- The Board of Directors has the intention to build the value added for business in long-run and manage with circumspectness and carefulness, have the responsibility to work with competency and efficiency adequately, to maximize the usefulness for all shareholders, to oversee the prevention of the conflicts of interest and be responsible for his/her decision making and acts;
- Operate with transparency and have adequate information disclosures to be investigated by all relevant parties;
- Run business by considering the risk factors on a regular basis and have the appropriated controls and risk management;
- For every shareholders' meetings, the Company sent the invitation letters with the Board of Directors' opinion and all relevant information and supporting documents to inform of the date, time, venue and the meetings' agendas, as well as all relevant information that requires shareholders to consider before making their decisions in meetings to shareholders at least 7 days before the date of meetings and provide the minutes of the shareholders' meetings correctly and completely for shareholders to investigate. In addition, the Company has a policy to provide an option to shareholders whereby they may appoint an independent director as their proxy in case that they do not participate the meeting, and informed shareholders through SET's web site and the Company's web site on December 19, 2014 - January 31, 2015 to proposed an issues as an agendas in the Annual General Meeting for the year 2015
- The Company has a policy for all shareholders to have equal rights to investigate the Company's operations, inquire and express opinion and recommendations. The Company secretary has recorded the important issues raised in the minutes of the shareholders' meetings and submitted to SET under regulations within 14 days after the shareholders' meetings;
- The Company realizes and respects the importance of the rights of shareholders, therefore Chairman, Chief Executive Officer and other sub-committees attend the shareholders' meetings in order for shareholders to ask relevant questions directly with adequate time. In the AGM for the year 2014 was held on April 26, 2014 at Meeting Room on 22nd floor of World Medical Center Hospital, No. 44 Moo 4 Chaengwattana Road, Pakkred, Nonthaburi which the Board of Directors attended the meeting.

2. Equitable Treatment to Shareholders

- The Company emphasizes on providing equitable treatment and equal information to all shareholders and stakeholders;
- The Company has an explicit organization structure as well as the policies to prevent the conflict of interest. For example, directors and executives who have any interest in any transaction or matter directly affecting the Company, they should not vote on such issues. Therefore, the Company assigns an authority to the audit committee to consider and provide opinion and the appropriation of related party transactions in order to propose to the Board of Directors. In addition, the Company also discloses the related party transactions in the financial statements in accordance with generally accepted accounting standards;

- The Company has sent the invitation letter to inform all relevant information that requires shareholders to consider before making their decisions in meetings to shareholders, e.g. dividend payment, appointment of directors, consideration of directors' remuneration, appointment of auditors as well as audit fee, and any significant matters, such as amendments of the Company's articles of association, issuance and offer for sale of debentures, etc.;
- The Company has a policy to provide an option to shareholders whereby they may nominate an independent director on their behalf to the meeting;
- The Company provides a right of the Shareholders to appoint individually the Committee, with additional news announcement via the SET web sites on December 19, 2014 and the Company's website for such appointment consideration for General Shareholder meeting of 2015 until January 31, 2015
- Every director and executive must regularly submit to the Board a report on their ownership of the Company's shares.

3. Role of Stakeholders

Shareholders	: The Company recognizes and respects the importance of the rights of shareholders, such as the right to attend and vote in the shareholders' meeting, the right to appoint an independent director as their proxy, the right to express opinion in the shareholders' meeting, the right to fairly obtain sharing in the profit of the Company, etc.
Employees	: The Company interacts with each employee fairly and has provided employees with appropriate compensation.
Suppliers	: The Company purchases the goods and services under business conditions and abides by the contracts with all suppliers.
Creditors	: The Company practices under borrowing condition upon contract.
Customers	: The Company provides patient care in an ethical manner and at the best quality and standards possible. The Hospital has a department to monitor and improve the quality of the care provided to all patients taking into consideration patients' comments and feedback.
Competitors	: The Company competes with competitors fairly and in accordance with the rules and regulations and avoids unfair methods to destroy the competitors. In the prior year, the Company had no dispute or lawsuit with competitors.
Community	: The Company has emphasized the importance of its responsibilities towards the environment of community and society.

As described the Company interacts under laws and regulations for stakeholders' rights to be overseen fairly.

4. Disclosure and Transparency

- The Company has a policy for information disclosure, including both financial and non-financial in which related to the Company's business and its operations accurately, completely, regularly, timely, transparently and on a reliable basis, in order to reflect the Company's operations and financial status;
- The Company has set the policy for directors and management remuneration clearly and transparently and is approved by shareholders. The amount of remuneration for directors and management is determined by using the information of the Company in the same industry and the same size, the Company's performance and individual performance;
- The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries and information as appears in the annual report. The financial statements have been prepared in accordance with the generally accepted accounting principles using appropriate and consistent accounting policies. The financial statements were prepared with caution and have been evaluated for appropriateness of the overall presentation of the financial statements. There is sufficient information disclosure in the notes to the financial statements. The Board of Directors

has set up the Audit Committee, which comprises of the directors who are not management to oversee the quality of financial report and internal control system;

- After the Company has been listed in The Stock Exchange of Thailand (SET), the Company has a policy to set the investor relations team in order to provide the information disclosure to be complete, accurate, transparent, reliable and released on a timely manner, as well as to deal with other outside parties in an equal way i.e. shareholders, institute investors, general investors, analysts and all relevant parties.

For further information about investor relations i.e. the Company's information, investment in the Company's securities, please contact:

5. Responsibilities of the Board

1. Structure of the Board and Sub-Committees

The Board of Directors consists of various qualified persons who play an important role in setting the Company's policy together with top executives and determining the business plan both in short-term and long-term as well as the financial policy, risk management and the organization's overview. In addition, the Board also supervises, investigates and evaluates the Company's results of operations and performance of each top executive to be in line with the plan independently.

Presently, the Company has 10 directors that consist of 4 executive directors, representing 40.0 per cent of all directors; 2 non-executive directors, representing 20.0 per cent of all directors; and 4 independent directors, representing 40.0 per cent of all directors. In such a way, it complies with the minimum requirement of the regulations of the Securities and Exchange Commission, Thailand (SEC) and the Stock Exchange of Thailand (SET). In addition, the Board has appointed sub-committees; 1) The audit committee comprised of 3 independent directors, has the duration for position for each 2 years (names as mentioned under "Management Structure") and 2) The Management Committee comprised of 2 executive directors (names as mentioned under "Management Structure"), in order to handle specific tasks and propose to the Board of Directors for consideration and acknowledgement. Each sub-committee has its rights and duties prescribed in the scope and responsibilities of each. The Company has segregation of roles, duties and responsibilities between the Board and top executives clearly. The Board has their duties for setting the Company's policies and monitoring implementation by top executives in policy level, while top executives have their duties regarding the management in compliance with the Company's policies. Therefore, the Chairman of the Board is not the same person as the Chief Executive Officer. Both positions must be selected by the Board of Directors for the most appropriate persons.

2. Roles, Duties and Responsibilities of the Board

The Board of Directors involves in the setting of the Company's vision, mission, strategies, goals, business plans and budgets. The Board also ensures that the plans are carried out efficiently and effectively, including sets internal control, internal audit and suitable risk management. The Board follows up the said operations regularly in the Board of Directors' meeting. In addition, the Board sets the scope, roles and responsibilities for each committee; the Board of Directors, the Audit Committee, the Management Committee and Chief Executive Officer clearly and transparently.

The Company sets the disciplines and practical guidelines for business ethics in written including the punishment for related persons to follow the Company's mission honestly. The Company has a policy and guiding principles to act in avoiding the ethical problems under laws and traditional practices. In addition, the Company has an ethic in service fee, the patients can see the details of servicing by which the Company acts under the nursing business law B.E. 2541, including an ethic in public relation by which the Company acts under the private nursing business law.

The Company has clear management structure including various methods to prevent any conflict of interests. For example, in case that the Company sees any director enters into the conflict of interest, that director will be prohibited to vote. The Company sets the Audit Committee to consider in expressing opinion and reasons for entering into related party transactions to propose to the Board of Directors. In addition, the Company has disclosed the related party transactions in the financial statements in conformity with generally accepted accounting principles and standards.

3. Board Meetings

The Board of Directors usually meets 4 times a year and has extraordinary meetings as necessary. The agendas of the meeting are set in advance and considered to follow up the results of operations regularly. The Company sends the invitation letters with the agendas of meeting and supporting documents to directors at least 7 days before the meeting so that the directors will have a good deal of time to study all relevant information before the meeting (details of each committee's meetings in 2012 are mentioned under "Management Structure").

4. Remuneration

The Company has set the policy for directors and management remuneration clearly and transparently and is approved by shareholders. The amounts of remuneration for directors and management are determined by using the information of the Company in the same industry and the same size, the Company's performance and that of each executive

5. Controlling System and Internal Audit

The Company has realized the importance of internal control in both the management level and operation level to perform efficiently by setting the duties and the power of operating persons and the management clearly. The Company oversees the use of assets and has segregation of duties to assess the performance and make the balance and crosscheck among each party. In addition, the Company has internal control of financial system to report directly to the financial management.

The Company appoints the internal auditors who are the external party to investigate and report directly to the audit committee to ensure that the main operation and significant financial activities are operated in accordance with the regulations effectively. The Company has a policy to investigate the practices under laws and relevant regulations (Compliance Control).

Internal audit team has the duty to investigate every department's operations in which will investigate every department to follow its annual plan i.e. accounting records, bank deposit, and inventory and fixed assets observation. In case of doubts or unusual events occurred, they will investigate the operations of those departments immediately until the fact is found. Consequently, they provide the results of investigation to report to the Audit Committee regularly.

6. Board and Management Training

The Company encourages and facilitates training for directors and management related to corporate governance which the Company will pay for all expenses i.e. Director Certification Program (DCP) [1 directors are trained] and Director Accreditation Program (DAP) [10 directors are trained].

Internal Control of Information

The Company has a policy to prohibit the directors or the management to exploit for their own interest the important internal information of the Company. The prohibition includes trade of the Company's stocks. The directors, the management, and the staff who work within an area of such information are to avoid trading the Company's stock within a period of one month prior to presenting publicly the financial statements.

The Company has informed the management of each department to understand their roles and duties to have the Company's stock, with their spouse and children under age of 20. They are obliged to submit a report of their changes of stock holding to the Securities and Exchange Commission, Thailand Act 59 and the Penalty Regulation Act 275 under Securities and Exchange Commission Act B.E.2535.

The Company has set the Rules of Enforcement for those breaching and personal exploiting the Company's internal information. The Enforcements range from verbal warning to expelling.

Internal Control

On February 23, 2015, the Company's Committee, the Audit Committee, and the Management had convened for an evaluation of internal control system with a consideration on the audited performance from auditing, advices of the auditors, with additional information queries to the Management. From the Company's internal control system evaluation checklists, there are 5 considerable i.e. organization and environment, risk management control for management operation, information technology system, information communication and follow-up system, the committee agrees that the Company has a sufficient internal control efficiency and has its internal control system on transactions with major shareholders, directors, management, or other persons related to such groups. Other topics that related to the internal control system, the committee agrees that the Company has also sufficient internal control. For good corporate governance, the committee has promoted and supported the management team to continuously improve internal control quality.

Dividend Policy

The Company and its subsidiaries have the policy to pay the dividend at least 40 per cent of the net profit of the Separate financial statements after deducting income tax and legal reserve of the Company in case of no unusual events and no significant effect to the Company's operations. For dividend payment, the Company must consider the Company's operating results, liquidity, business expansion, and other related factors. However, the Company's dividend payment has to be approved by shareholders and/or the Board of Directors as appropriate.

Related Parties' Transaction

The Company has clearing agreement with its subsidiaries where no individual who might cause a conflict of interest have their shares in the subsidiaries more than 10 per cent, such as Rattanatibeth General Hospital Company Limited, Saraburi Wetchakit Company Limited and Sriburin Medical Company Limited. The related transactions are selling and purchasing items and services with the 3 subsidiaries, with pricing and compensation policy are complied with a regular business agreement, including credit loans and lending to Rattanatibeth General Hospital Company Limited and Saraburi Wetchakit Company Limited, respectively. The agreed interest rates are benchmarked with prevailing market rates under agreed terms. The Company has disclosed this detail in the notes to the financial statements.

Regulations and Procedures for an Approval of Related Transactions

Related transactions within a regular business activities, such as a purchase of raw materials for the Kasemrad Group of Hospitals, are carried out by the Purchasing Unit with purchasing service fees charged to its subsidiaries, or management service fees, the Company set up the prices and conditions with respect to the cost of capital by a reasonable profit margin as a best practice for the Company's benefits. In the Audit Committee Meeting, the Company will report the related party transactions and the conditions to the Committee to consider its necessity or other reasonable transactions issues.

For other related transactions, such as loans, the Company sets the prices and conditions as for other regular trading or reasonable pricing conditions to fit the best interest of the Company. The Company, in this regard, will ask an opinion from the Audit Committee if the transactions are reasonable. The Company will provide independent expertise or the Company's auditors if the Audit Committee requires such expertise of the related party transactions issues. The issues may be used for decision making for the Company's directors or the shareholders.

The Company conforms with the Securities and Exchange Commission's regulations on related party transactions; and conforms with rules and regulations, announcements, or any conditions or obligations of the Stock Exchange of Thailand, including rules on the disclosure of related party transactions, acquisition, or the Company's asset distribution. To approve the related party transactions, the directors or the shareholders have no right to vote on such issue.

Policy or Trend to Make Related Party Transactions in the Future

The Company foresees that there are still related ongoing transactions as a regular business operation with its subsidiaries, such as services for purchasing materials, purchase of properties from individuals who might have a conflict of interest, or provide management services. For financial assistance, the Company has no policy to make any additional list unless necessary, such as the Company or its subsidiaries when having liquidity problems. On such issue, the directors of the Company will act by regulations and procedures for future related party transactions as specified above. In addition, the Company will disclose the related party transactions in the audited note to the financial statements, with an awareness to comply with the generally accepted accounting principles.

Report of the Board of Directors' Responsibilities for Financial Report

The Board of Directors is responsible for the financial statement of the Company whose accounting method meets the standard requirement generally accepted in Thailand. The Board has chosen the most appropriate accounting policy to which they consistently conform. With regarding to information disclosure, the Board has revealed sufficient information attached with the remarks of the company's financial statement.

In addition, the Board of Directors has appointed the Audit Committee consisting of independent directors to supervise and evaluate the internal control system and financial statement to ensure accuracy, completeness and timeliness and also to prevent fraud and misconduct. The opinion of the Audit Committee has already reported to the Board and is attached in the company annual report.

The Board of Directors is unanimous in its opinion that the company's internal control system was satisfactory and the Company's financial statements has demonstrated accurate financial status and significant operational performance.



(Mr. Chalerm Harnphanich, M.D.)

Chairman of the Board & Chief Executive Officer

Management Discussion and Analysis

The Company and its subsidiaries which the Company holds more than 50% of the voting right (collectively called “the Company”) operate private hospitals in Bangkok vicinity and upcountry i.e. Ayudhaya Saraburi and Chiang-Rai Province with a total of 9 hospitals and 2 clinics under “Kasemrad Hospital” “World Medical Center Hospital” and “Karunvej Hospital”.

Operating Performance

Revenue from Hospital Operation

The Company's 2014 reported the net profit in the amount of Baht 521.9 million (2013: Baht 584.7 million), decrease by Baht 62.8 million or 10.7% from 2013. Profit before finance costs and tax expense in the amount of Baht 990.0 million (2013: Baht 1,005.0 million), decrease of Baht 15 million or 1.45%. Mainly due to

- In 2014, the Company had revenue from hospital operation totaling of Baht 5,381 million, an increase of Baht 585 million or 12.2% from 2013. The revenue growth was driven by the increase in cash patients of Baht 316.5 million or 10.1%, increased in the number of registered persons of Social Security Scheme (SSS) of Baht 265.2 million or 17.4%, increase in the Universal Coverage Revenue of Baht 17.8 million or 42.6%, and decreased in the other income of Baht 14.4 million or 15.2%

Revenues Structure (by Types of the Patients)

(Unit: Baht)

Revenue Structure	2014		2013		2012	
Cash-Base Revenue (Walk-in)	3,452,266,966	65%	3,135,800,645	67%	2,961,468,309	66%
Social Security Revenue	1,789,200,258	34%	1,524,006,894	32%	1,450,691,385	33%
Universal Coverage Revenue	59,615,323	1%	41,758,832	1%	53,477,130	1%
Total Revenues	5,301,082,547	100%	4,701,566,371	100%	4,465,636,824	100%

- In 2014, the Company reported cost of hospital operations of Baht 4,391.4 million, Baht 600.0 million or 15.8% increase from 2013. Which cost of sales and services increased by Baht 479.0 million or 15.0%, and administrative Expenses increased by Baht 121.0 million or 20.2%, which total cost increased 58.7% due mainly to increase in cost from Karunvej Pathum Thani Hospital and Karunvej Ayudhaya Hospital.
- The Company had cost financial in the amount of Baht 160.1 million in 2014 which increase from Baht 54.1 million in 2013. The Company had in interest expenses of debenture increased by Baht 52.29 million or 62.48%
- The income tax in 2014 were Baht 159.3 million, decrease from 2013 by Baht 18.2 million or 11.4%. In 2013-2014, the company had tax rate to 20 percent of taxable income.

Financial Status

Assets

As at 31 December 2014, the Company reported total assets of Baht 9,991.6 million, decrease by Baht 38.6 million or 0.38% from 2013 result mainly from cash and cash equivalents and current investment decrease by Baht 694.1 million or 53.12.

Asset quality

Aging analyses for trade accounts receivable were as follows:

(in thousand Baht)

	2014	2013
Within credit terms	136,059	97,623
Overdue:		
Less than 3 months	96,738	90,218
3-6 months	35,109	18,934
6-12 months	13,406	5,381
Over 12 months	23,050	21,019
Total	304,362	233,175
Less allowance for doubtful accounts	(35,282)	(23,525)
Net	269,080	209,650

The normal credit term granted by the Group is 30 days.

Aging analyses for accrued income were as follows:

(in thousand Baht)

	2014	2013
Overdue:		
Less than 3 months	315,414	269,420
3-6 months	193,242	127,426
6-12 months	167,415	80,353
Over 12 months	210,459	117,532
Total	886,530	594,731
Less allowance for doubtful accounts	(59,970)	(45,633)
Net	826,560	549,098

In 2014 and 2013, the Company had allowance for doubtful account of Baht 33.87 million and Baht 11.22 million respectively. The allowance for doubtful account is determined by the ability to pay of each client. For 2014, the Company's average collection period was 55 days. The Company had no debt collection problem because most of its debtor are insurance companies, social security office and private company.

The Group had accrued income overdue more than 12 months, mainly from receivable of Social Security Fund - In Patient. For the year 2012, the Social Security Office changed its payment method based on adjusted relative weight for the service provider hospital. Previously, the Social Security Office was informed of the reimbursements made by both the registered hospital and the service provider hospital. Therefore, the Social Security Office need time for the examination of reimbursement information to avoid double payment. The Group's management has following up on this matter with the management of the Social Security Office.

Liquidity

The company's cash flows for the year 2014, 2013 and 2012 :

Unit : Baht

	2014	2013	2012
Cash flows from operating activities	826,628,572	1,393,939,334	1,035,928,664
Cash flows from investing activities	(605,491,113)	(2,258,123,574)	(1,414,189,094)
Cash flows from financing activities	(736,355,455)	1,254,813,418	267,602,216
Net increase (decrease) in cash	(515,217,996)	390,629,178	(110,658,214)

As at December 31, 2014, the Company reported cash and cash equivalents of Baht 469.4 million, Baht 515.2 million decreased from 31st December 2013. Due to the following activities:

Cash flows from operating activities of Baht 826.6 million were from in net profit of Baht 670.6 million. depreciation and amortization Baht 432.8 million. as well as changed in current assets and current liabilities i.e. increase in account receivable of Baht 370.8 million, decrease in account payable of Baht 61.1 million and increase in accrued expenses of Baht 21.4 million.

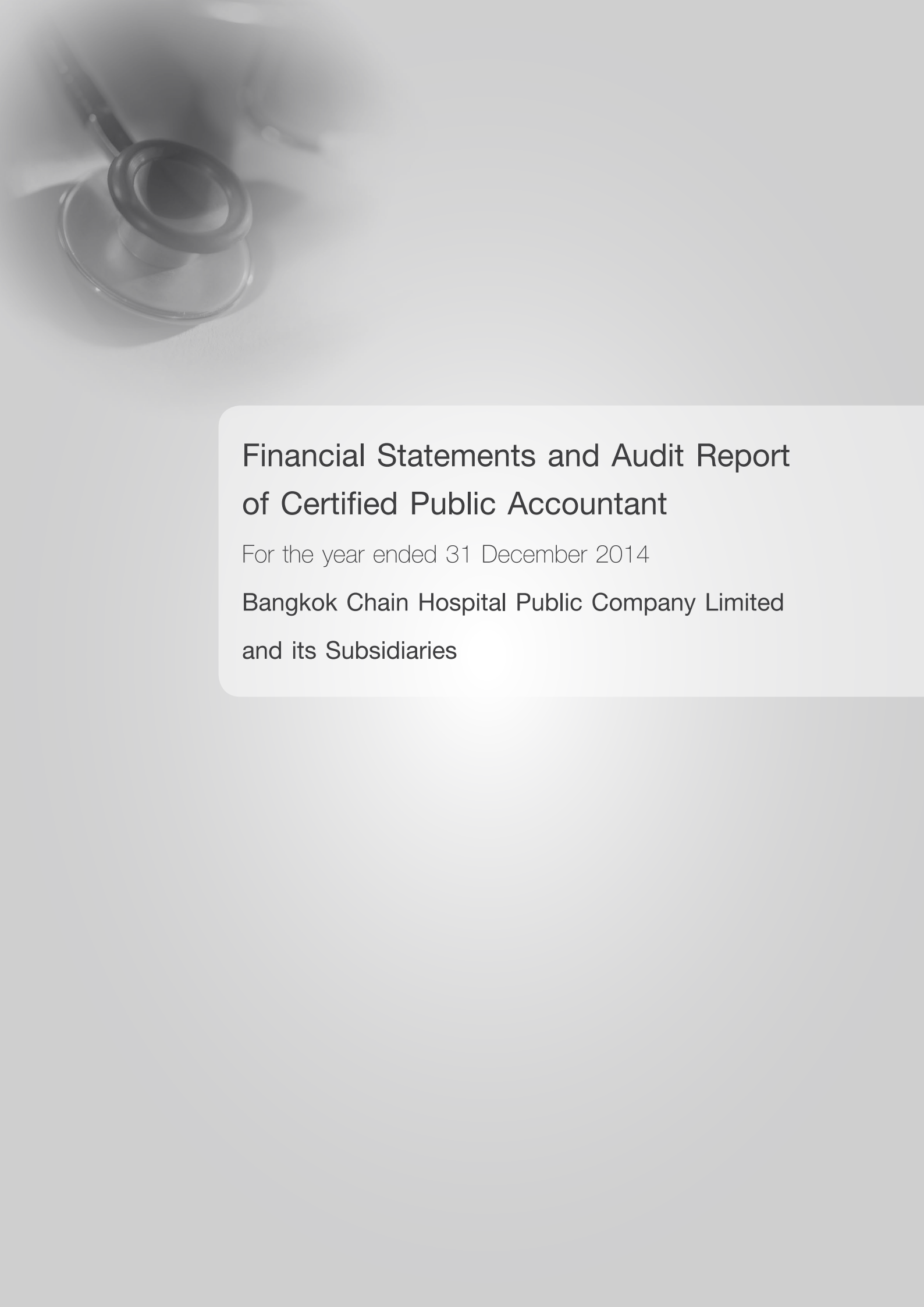
Cash flows from investing activities totaling of Baht 605.5 million, mainly from the purchase of land (in Pattaya, Chaing Khong and Ayudhaya), Medical equipment Baht 684.1 million and increase in investment in Navanakorn Medicare Co.,Ltd., totally of Baht 89.33 million.

Cash flows from financing activities totaling of Baht 736.4 million, mainly consist of dividend payment of Baht 324.2 million, dividend payment to minority shareholders of Baht 124.2 million, interest expense 163.4 Non-Controlling interests of Bath 89.3 million, finance lease of Baht 82.5 million and Long - term loan repayment of Baht 26.3 million.

Capital Structure

The shareholders' equity for year end 2014 and 2013 were Baht 4,137.1 million and 3,965.8 million, respectively. The increase was mainly due to higher net profit. Return on assets (ROA) was decrease from 15.41% in 2013 to 12.88% in 2014. due to the decreased of net profit.

Debt to equity ratio as at 31 December 2014 and 31 December 2013 were 0.44 times and 1.38 times, respectively. The interest coverage ratio in 2014 was 5.18 times, less than 9.47 times in 2013. This is due the decrease in net profit and increase in interest expenses.



Financial Statements and Audit Report of Certified Public Accountant

For the year ended 31 December 2014

**Bangkok Chain Hospital Public Company Limited
and its Subsidiaries**

Independent Auditor's Report

To the Shareholders of Bangkok Chain Hospital Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Bangkok Chain Hospital Public Company Limited and its subsidiaries (the "Group") and of Bangkok Chain Hospital Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2014, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

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

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

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Notes to the financial statements

Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2014 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

Without qualifying my opinion, I draw attention to the following matters:

As disclosed in note 3 to the financial statements, on 18 December 2013, the Company acquired the business of Navanakorn Medicare Co., Ltd. At the date of issuance of the financial statements for the year ended 31 December 2013, the fair values of the business acquired had been provisionally determined. Independent appraisal reports determining the fair values at the acquisition date were subsequently finalised. The Company continued its review of fair values during the measurement period. Consequently, the fair values of the business acquired and carrying amount of assets acquired and liabilities assumed have been adjusted to reflect the goodwill as at the acquisition date of Baht 46 million rather than of Baht 52 million, as previously preliminary assessed and reported. The consolidated financial statements for the year ended 31 December 2013 which are included as comparative information have been adjusted accordingly.



(Wilai Buranakittisophon)
Certified Public Accountant
Registration No. 3920

KPMG Phoomchai Audit Ltd.
Bangkok
23 February 2015

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Statements of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
		2014	2013	2014	2013
(Restated)					
(in Baht)					
Current assets					
Cash and cash equivalents	7	469,416,371	984,634,367	339,868,273	711,690,640
Current investments	8	143,176,027	322,071,112	599,553	599,553
Trade accounts receivable	6, 9	1,095,640,859	758,747,569	632,881,554	468,350,201
Short-term loan to related party		-	-	40,000,000	-
Inventories	10	177,683,323	163,744,873	106,459,882	104,738,935
Other receivables		34,442,675	39,342,710	8,916,893	12,744,722
Other current assets		12,978,553	4,160,142	16,062,756	4,022,647
Total current assets		1,933,337,808	2,272,700,773	1,144,788,911	1,302,146,698
Non-current assets					
Restricted deposits	11	38,689,564	37,921,014	-	-
Investments in associates		2,500,000	-	-	-
Investments in subsidiaries	12	-	-	1,532,418,704	1,443,087,152
Other long-term investment	13	48,136,287	2,322,568	-	-
Investment property	14	673,561,080	-	673,561,080	-
Property, plant and equipment	15	6,883,702,877	7,402,846,387	5,240,223,273	5,873,732,016
Intangible assets	16	87,068,918	66,315,112	35,885,095	20,347,565
Goodwill	3, 17	201,734,547	201,734,547	-	-
Deferred tax	18	32,093,063	22,412,104	15,418,096	8,215,113
Other non-current assets		90,787,254	23,935,510	77,769,419	13,569,397
Total non-current assets		8,058,273,590	7,757,487,242	7,575,275,667	7,358,951,243
Total assets		9,991,611,398	10,030,188,015	8,720,064,578	8,661,097,941

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

Bangkok Chain Hospital Public Company Limited and its Subsidiaries
Statements of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
Liabilities and equity	Note	2014	2013	2014	2013
		(Restated)			
		(in Baht)			
Current liabilities					
Bank overdrafts and short-term					
loans from financial institutions	19	693,676,010	620,044,948	645,149,639	564,999,900
Trade accounts payable	6, 20	337,980,823	399,137,740	218,915,522	276,600,739
Payables for hospital equipment					
and medical instruments		60,527,850	123,539,771	43,281,342	55,458,537
Current portion of long-term loans					
from financial institutions	19	12,588,672	16,224,000	-	-
Current portion of finance lease					
liabilities	19	82,126,970	88,575,687	80,252,292	88,496,312
Income tax payable		64,662,673	69,054,436	2,872,894	2,872,970
Accrued expenses	6	365,083,586	346,971,129	219,428,135	207,464,961
Deferred income	21	53,912,251	55,493,531	48,915,373	45,552,472
Other current liabilities		132,502,790	96,231,036	98,600,978	66,038,507
Total current liabilities		1,803,061,625	1,815,272,278	1,357,416,175	1,307,484,398
Non-current liabilities					
Debentures	19, 22	3,300,000,000	3,300,000,000	3,300,000,000	3,300,000,000
Long-term loans from financial					
institutions	19	24,255,137	46,934,744	-	-
Finance lease liabilities	19	93,838,350	169,891,981	92,844,012	164,296,376
Employee benefit obligations	23	83,340,180	80,914,185	48,342,746	42,984,027
Other non-current liabilities		20,115,408	71,638,256	15,081,488	60,234,416
Total non-current liabilities		3,521,549,075	3,669,379,166	3,456,268,246	3,567,514,819
Total liabilities		5,324,610,700	5,484,651,444	4,813,684,421	4,874,999,217
Equity					
Share capital	24				
Authorised share capital		2,493,748,115	2,493,748,115	2,493,748,115	2,493,748,115
Issued and paid-up share capital		2,493,747,984	2,493,747,984	2,493,747,984	2,493,747,984
Additional paid-in capital	25				
Premium on ordinary shares		644,640,000	644,640,000	644,640,000	644,640,000
Deficit on revaluation of investment		(8,273,207)	-	-	-
Retained earnings					
Appropriated					
Legal reserve	25	249,374,812	229,200,000	249,374,812	229,200,000
Unappropriated		757,570,589	598,178,258	518,617,361	418,510,740
Equity attributable to					
 equity holders of the Company		4,137,060,178	3,965,766,242	3,906,380,157	3,786,098,724
Non-controlling interests		529,940,520	579,770,329	-	-
Total equity		4,667,000,698	4,545,536,571	3,906,380,157	3,786,098,724
Total liabilities and equity		9,991,611,398	10,030,188,015	8,720,064,578	8,661,097,941

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

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Statements of comprehensive income

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	<i>Note</i>	2014	2013	2014	2013
		<i>(in Baht)</i>			
Revenues	6				
Revenue from hospital operations		5,301,082,547	4,701,566,371	2,708,801,865	2,491,353,669
Dividend income	12	-	-	351,277,759	458,717,014
Other income		80,412,483	94,841,694	80,361,655	94,747,194
Total revenues		5,381,495,030	4,796,408,065	3,140,441,279	3,044,817,877
Expenses	6				
Cost of hospital operations	28	3,670,498,941	3,191,497,987	2,056,867,571	1,899,275,572
Selling expenses	28	73,613,979	33,568,268	46,951,442	47,911,598
Administrative expenses	28	647,287,178	566,348,520	415,619,867	364,825,271
Finance costs	29	160,139,370	106,171,427	156,371,912	106,161,241
Total expenses		4,551,539,468	3,897,586,202	2,675,810,792	2,418,173,682
Profit before tax		829,955,562	898,821,863	464,630,487	626,644,195
Income tax expense	3, 30	(159,355,316)	(177,627,777)	(20,162,226)	(33,701,247)
Profit for the year		670,600,246	721,194,086	444,468,261	592,942,948
Other comprehensive income					
Unrealised loss	13	(14,219,041)	-	-	-
Deferred tax assets	18	2,843,808	-	-	-
Unrealised loss on valuation of available for sale investment		(11,375,233)	-	-	-
Total comprehensive income for the year		659,225,013	721,194,086	444,468,261	592,942,948
Profit attributable to:					
Owners of the Company		521,866,434	584,743,879	444,468,261	592,942,948
Non-controlling interests		148,733,812	136,450,207	-	-
Profit for the year		670,600,246	721,194,086	444,468,261	592,942,948
Total comprehensive income attributable to:					
Owners of the Company		513,593,227	584,743,879	444,468,261	592,942,948
Non-controlling interests		145,631,786	136,450,207	-	-
Total comprehensive income for the year		659,225,013	721,194,086	444,468,261	592,942,948
Basic earnings per share	31	0.21	0.23	0.18	0.24

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

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Statements of changes in equity

		Consolidated financial statements (Restated)						
		Additional paid-in capital	Retained earnings					
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Total other components of equity	Equity attributable to owners of the Company	Non- controlling interests
					(in Baht)			
		Note						Total equity
Year ended 31 December 2013								
Balance at 1 January 2013			1,994,998,492	644,640,000	199,500,000	801,233,595	3,640,372,087	423,531,160
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Stock dividends	32		498,749,492	-	-	(498,749,492)	-	-
Cash dividends	32		-	-	-	(259,349,724)	(259,349,724)	(159,582,986)
Total contributions by and distributions to owners of the Company			498,749,492	-	-	(758,099,216)	(259,349,724)	(159,582,986)
Changes in ownership interests in subsidiaries								
Acquisition of non-controlling interests	4		-	-	-	-	-	173,147,207
Effect from the impact of fair value adjustment of business acquisition	3		-	-	-	-	-	6,224,741
Total changes in ownership interests in subsidiaries			-	-	-	-	-	179,371,948
Total transactions with owners, recorded directly in equity			498,749,492	-	-	(758,099,216)	(259,349,724)	19,788,962
Comprehensive income for the year								
Profit or loss			-	-	-	584,743,879	584,743,879	136,450,207
Other comprehensive income			-	-	-	-	-	-
Total comprehensive income for the year			-	-	-	584,743,879	584,743,879	136,450,207
Transfer to legal reserve	25		-	-	29,700,000	(29,700,000)	-	-
Balance at 31 December 2013			2,493,747,984	644,640,000	229,200,000	598,178,258	3,965,766,242	579,770,329
								4,545,536,571

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

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Statements of changes in equity

	Note	Consolidated financial statements						Total equity
		Issued and paid-up share capital	Additional paid-in capital	Retained earnings		Total other components of equity	Equity attributable to owners of the Company	
				Legal reserve	Unappropriated	(in Baht)		
Year ended 31 December 2014								
Balance at 31 December 2013 - as reported		2,493,747,984	644,640,000	229,200,000	598,178,258	-	3,965,766,242	4,539,311,830
Effect from the impact of fair value adjustment of business acquisition	3	-	-	-	-	-	-	6,224,741
Balance at 31 December 2013 - restated and 1 January 2014		2,493,747,984	644,640,000	229,200,000	598,178,258	-	3,965,766,242	4,545,536,571
Transactions with owners, recorded directly in equity								
<i>Contributions by and distributions to owners of the Company</i>								
Cash dividends	32	-	-	-	(324,186,828)	-	(324,186,828)	(448,429,333)
<i>Total contributions by and distributions to owners of the Company</i>		-	-	-	(324,186,828)	-	(324,186,828)	(448,429,333)
<i>Changes in ownership interests in subsidiaries</i>								
Acquisition of non-controlling interests	4	-	-	-	(18,112,463)	-	(18,112,463)	(89,331,553)
<i>Total changes in ownership interests in subsidiaries</i>		-	-	-	(18,112,463)	-	(18,112,463)	(89,331,553)
Total transactions with owners, recorded directly in equity		-	-	-	(342,299,291)	-	(342,299,291)	(537,760,886)
Comprehensive income for the year								
Profit or loss		-	-	-	521,866,434	-	521,866,434	670,600,246
Other comprehensive income		-	-	-	-	(8,273,207)	(8,273,207)	(11,375,233)
Total comprehensive income for the year		-	-	-	521,866,434	(8,273,207)	513,593,227	659,225,013
Transfer to legal reserve	25	-	-	20,174,812	(20,174,812)	-	-	-
Balance at 31 December 2014		2,493,747,984	644,640,000	249,374,812	757,570,589	(8,273,207)	4,137,060,178	4,667,000,698

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

Bangkok Chain Hospital Public Company Limited and its Subsidiaries
Statements of changes in equity

	Note	Separate financial statements				Total equity
		Issued and paid-up share capital	Additional paid-in capital	Retained earnings		
			Share premium	Legal reserve (in Baht)	Unappropriated	
Year ended 31 December 2013						
Balance at 1 January 2013		1,994,998,492	644,640,000	199,500,000	613,367,008	3,452,505,500
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners of the Company</i>						
Stock dividends	32	498,749,492	-	-	(498,749,492)	-
Cash dividends	32	-	-	-	(259,349,724)	(259,349,724)
Total contributions by and distributions to owners of the company		498,749,492	-	-	(758,099,216)	(259,349,724)
Comprehensive income for the year						
Profit or loss		-	-	-	592,942,948	592,942,948
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	-	-	592,942,948	592,942,948
Transfer to legal reserve	25	-	-	29,700,000	(29,700,000)	-
Balance at 31 December 2013		2,493,747,984	644,640,000	229,200,000	418,510,740	3,786,098,724

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

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Statements of changes in equity

	Note	Separate financial statements					Total equity
		Issued and paid-up share capital	Additional paid-in capital	Retained earnings			
				Legal reserve (in Baht)	Unappropriated		
Year ended 31 December 2014							
Balance at 1 January 2014		2,493,747,984	644,640,000	229,200,000	418,510,740		3,786,098,724
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners of the Company</i>							
Cash dividends	32	-	-	-	(324,186,828)		(324,186,828)
<i>Total contributions by and distributions to owners of the company</i>		-	-	-	(324,186,828)		(324,186,828)
Comprehensive income for the year							
Profit or loss		-	-	-	444,468,261		444,468,261
Other comprehensive income		-	-	-	-		-
Total comprehensive income for the year		-	-	-	444,468,261		444,468,261
Transfer to legal reserve	25	-	-	20,174,812	(20,174,812)		-
Balance at 31 December 2014		2,493,747,984	644,640,000	249,374,812	518,617,361		3,906,380,157

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

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Statements of cash flows

	Consolidated financial statements		Separate financial statements	
<i>Note</i>	2014	2013 (Restated)	2014	2013
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	670,600,246	721,194,086	444,468,261	592,942,948
<i>Adjustments for</i>				
Depreciation and amortisation	432,764,208	345,127,480	282,271,274	235,516,439
Bad and doubtful debts expense	33,870,158	11,222,585	33,010,303	5,535,392
Finance costs	160,139,370	106,171,427	156,371,912	106,161,241
Loss on disposal of assets	2,836,536	6,041,004	3,870,191	6,479,166
Dividend income	-	-	(351,277,759)	(458,717,014)
Employee benefit expenses	10,141,438	10,992,066	6,548,717	7,064,878
Income tax expense	159,355,316	177,627,777	20,162,226	33,701,247
	<u>1,469,707,272</u>	<u>1,378,376,425</u>	<u>595,425,125</u>	<u>528,684,297</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	-370,763,448	85,891,575	(197,541,656)	35,482,171
Inventories	(13,938,450)	(14,649,112)	(1,720,947)	(20,096,941)
Long-term investment	4,900,035	(2,716,631)	3,827,829	8,808,084
Other current assets	(8,818,411)	6,047,123	(12,040,109)	33,403,191
Other non-current assets	(19,591,816)	(9,297,672)	(16,940,092)	(5,783,677)
Trade accounts payable	(61,156,917)	115,574,883	(57,685,217)	115,257,492
Accrued expenses	21,381,436	37,709,478	12,132,383	22,574,135
Deferred income	(1,581,280)	20,630	3,362,901	(4,213,236)
Other current liabilities	36,271,753	38,724,317	32,562,470	36,045,520
Other non-current liabilities	(51,522,848)	12,594,362	(45,152,928)	11,699,688
Employee benefit expenses paid	(7,715,443)	(2,291,425)	(1,189,999)	(1,961,515)
Income taxes paid	(170,543,311)	(252,044,619)	(27,365,284)	(89,083,747)
Net cash provided by operating activities	<u>826,628,572</u>	<u>1,393,939,334</u>	<u>287,674,476</u>	<u>670,815,462</u>

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

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Statements of cash flows

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2014	2013	2014	2013
			(Restated)		
			(in Baht)		
Cash flows from investing activities					
Increase in restricted deposits		(768,550)	(294,657)	-	-
Dividends received		-	-	351,277,759	458,717,014
Decrease of current investments		118,895,085	(36,303,313)	-	(13,617)
Purchase of investments in associates		(2,500,000)	-	-	-
Purchase of other long-term investment		(32,760)	-	-	-
Purchases of property, plant and equipment		(684,094,831)	(2,099,016,025)	(378,398,936)	(1,925,682,813)
Purchases of intangible assets		(41,728,050)	(28,335,241)	(26,026,164)	(7,037,210)
Sales of plant and equipment		4,737,993	7,306,533	3,256,643	4,747,434
Increase of loan to subsidiaries		-	-	(79,811,256)	-
Proceeds from loan		-	-	39,811,256	-
Net cash outflow on acquisition of business	3	-	(101,480,871)	-	(225,012,172)
Net cash used in investing activities		(605,491,113)	(2,258,123,574)	(89,890,698)	(1,694,281,364)
Cash flows from financing activities					
Finance costs paid		(163,408,348)	(78,711,281)	(156,541,119)	(78,701,095)
Dividends paid to equity holders of the Company		(324,186,828)	(259,349,724)	(324,186,828)	(259,349,724)
Dividends paid to non-controlling interests		(124,242,505)	(159,582,986)	-	-
Increase in bank overdrafts and short-term loans from financial institutions		73,631,062	85,275,076	80,149,739	85,621,146
Investment in non-controlling interests	4	(89,331,553)	-	(89,331,553)	-
Finance lease payments		(82,502,348)	(73,817,667)	(79,696,384)	(73,749,540)
Repayment of long - term loan		(26,314,935)	(1,559,000,000)	-	(1,559,000,000)
Proceeds from issue of debentures	22	-	3,300,000,000	-	3,300,000,000
Net cash provided by financing activities		(736,355,455)	1,254,813,418	(569,606,145)	1,414,820,787
Net increase (decrease) in cash and cash equivalents					
		(515,217,996)	390,629,178	(371,822,367)	391,354,885
Cash and cash equivalents at beginning of year		984,634,367	594,005,189	711,690,640	320,335,755
Cash and cash equivalents at end of year	7	469,416,371	984,634,367	339,868,273	711,690,640
Non-cash transactions					
Stock dividend	32	-	498,749,492	-	498,749,492
Purchase of equipment under finance lease agreements		-	290,899,300	-	290,899,300
Payables for hospital equipment and medical instruments		60,527,850	123,539,771	43,281,342	55,458,537

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

Bangkok Chain Hospital Public Company Limited and its Subsidiaries
Note to the Financial Statements

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Acquisitions of business
4	Acquisitions of non-controlling interests
5	Significant accounting policies
6	Related party transactions and balances
7	Cash and cash equivalents
8	Current investments
9	Trade accounts receivable
10	Inventories
11	Restricted deposits
12	Investments in subsidiaries
13	Other long-term investment
14	Investment property
15	Property, plant and equipment
16	Intangible assets
17	Goodwill
18	Deferred tax
19	Interest-bearing liabilities
20	Trade accounts payable
21	Deferred income
22	Debentures
23	Employee benefit obligations
24	Share capital
25	Additional paid-in capital and reserves
26	Segment information
27	Employee benefit expenses
28	Expenses by nature
29	Finance costs
30	Income tax expense
31	Basic earnings per share
32	Dividends
33	Financial instruments
34	Commitments with non-related parties and contingent liabilities
35	Event after the reporting period
36	Thai Financial Reporting Standards (TFRS) not yet adopted

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 23 February 2015.

1 General information

Bangkok Chain Hospital Public Company Limited the “Company”, is incorporated in Thailand and has its registered office at 44 Moo 4 Chaengwattana Road, Pakkred Nonthaburi.

The Company was listed on the Stock Exchange of Thailand on 10 November 2004.

The Company’s major shareholders during the financial period were Dr. Chalerm Hamphanich (32.63% shareholding).

The principal activities of the Company and its subsidiaries (together referred to as the “Group”) are private hospitals, nursing business to provide medical treatment to patients with a total of 9 chained hospitals in Bangkok vicinity, Chiang Rai, Saraburi, Nonthaburi and Ayudhaya Province. Details of the Company’s subsidiaries are as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2014	2013
<i>Direct subsidiaries</i>				
Rattanatibeth General Hospital Co., Ltd.	Hospital	Thailand	72.73	72.73
Saraburi Wetchakit Co., Ltd.	Hospital	Thailand	59.92	59.92
Sriburin Medical Co., Ltd.	Hospital	Thailand	93.67	93.67
Navanakorn Medicare Co., Ltd.	Hospital	Thailand	69.85	50.002
<i>Indirect subsidiaries</i>				
Ayudhya Medicare Co., Ltd.	Hospital	Thailand	69.85	50.002

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); and guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

The FAP has issued the following new and revised TFRS relevant to the Group's/Company's operations and effective for accounting periods beginning on or after 1 January 2014:

TFRS	Topic
TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 34 (revised 2012)	Interim Financial Reports
TAS 36 (revised 2012)	Impairments of Assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 5 (revised 2012)	Non-current Assets held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 13	Customer Loyalty Programmes
TIC 15	Operating Leases-Incentives
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease

The initial application of these new and revised TFRS has resulted in changes in certain of the Group's/Company's accounting policies. The effects of these changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for financial statements beginning on or after 1 January 2015 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's/Company's operations are disclosed in note 36.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- the present value of the defined benefit obligation.
- available-for-sale financial assets are measured at fair value;

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

(c) *Functional and presentation currency*

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(d) *Use of estimates and judgements*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 5 (r)	Current and deferred taxation
Note 9	Accounts receivable - allowance for doubtful accounts
Note 23	Measurement of defined benefit obligations
Note 33	Valuation of financial instruments

3 **Acquisitions of business**

On 18 December 2013, the Group completed the business acquisition of 2 private hospitals, Navanakorn Hospital, located at A. Klongluang, Pathumthani province and Ayudhaya Hospital, located at A. Bangpa-in, Pranakorn Sriyudhaya Province. The acquisition was made through purchase of shares comprising 50.002% of the issued and fully paid share capital of Navanakorn Medicare Co., Ltd. for a cash consideration of Baht 225 million, from the former shareholders. The said transaction is treated as a business combination.

As the business acquisition was completed close to the end of 2013, the Group's financial statements for the year ended 31 December 2013 do not include the results of the business acquired.

If the acquisition had occurred on 1 January 2013, the Group's management estimates that consolidated revenue and profit for the year ended 31 December 2013 would have been Baht 5,156 million and Baht 540 million, respectively. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2013.

Management believes that taking control of Navanakorn Medicare Co., Ltd. will enable the Group to expand the customer base from social security referrals as the business is located near to an industrial estate.

The Company completed its review of the identifiable assets and liabilities during 2014. Consequently, the fair values of the business acquired and carrying amount of assets acquired and liabilities assumed were adjusted to reflect the goodwill as at the acquisition date of Baht 46 million rather than goodwill of Baht 52 million, as previously preliminarily assessed and reported. The consolidated financial statements for the year ended 31 December 2013 which are included as comparative information have been adjusted accordingly.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Consideration transferred

	Net book value	Adjustment	Fair value
	<i>(in thousand Baht)</i>		
Cash and cash equivalents	123,531	-	123,531
Trade receivables	56,098	-	56,098
Inventories	8,119	-	8,119
Property, plant and equipment	286,956	67,448	354,404
Others	24,232	-	24,232
Loans and borrowings	(118,075)	-	(118,075)
Payable and accruals	(89,550)	-	(89,550)
Total	291,311	67,448	358,759

The trade receivables comprise gross contractual amounts due of Baht 72 million, of which Baht 16 million was expected to be uncollectible at the acquisition date.

Goodwill

Goodwill was recognised as a result of the acquisition as follows:

	Fair value
	<i>(in thousand Baht)</i>
Total consideration transferred	225,012
Non-controlling interests, based on their proportionate interest in the recognised amounts of the asset and liabilities of the acquiree	179,372
Fair value of identifiable net assets	(358,759)
Goodwill	45,623

The goodwill is attributable mainly to the customer base of Navanakorn Medicare Co., Ltd., and to the synergies expected to be achieved from integrating the company into the Group's existing business. None of the goodwill recognised is expected to be deductible for income tax purposes.

Acquisition-related costs

The Company incurred acquisition-related costs of Baht 1.28 million related to due diligence costs. The due diligence costs have been included in administrative expenses in the Company's consolidated statement of comprehensive income for 2013.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

4 Acquisitions of non-controlling interests

In 2014, the Company acquired an additional 19.85% interest in Navanakorn Medicare Co., Ltd. for Baht 89.33 million in cash, increasing its ownership from 50.002% to 69.85%. The proportionate carrying amount of Navanakorn Medicare Co., Ltd.'s net assets acquired in the Group's financial statements on the date of the acquisition was Baht 71.22 million. The Group recognised a decrease in non-controlling interests of Baht 71.22 million and a decrease in retained earnings of Baht 18.11 million.

The following summarises the effect of changes in the Company's ownership interest in Navanakorn Medicare Co., Ltd.:

	2014 <i>(in thousand Baht)</i>
Company's ownership interest at 1 January	173.16
Effect of increase in Company's ownership interest	71.22
Share of comprehensive income	<u>9.8</u>
Company's ownership interest at 31 December	<u>254.18</u>

5 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) *Basis of consolidation*

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group").

Business combinations

The Group applies the acquisition method for all business combinations other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and recognised in other expenses.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency(Baht) at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency using the foreign exchange rates ruling at the dates of the transactions.

(c) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(d) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

(e) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(f) Investments

Investments in associates and subsidiaries

Investments in associates and subsidiaries in the separate financial statements of the Company are accounted for using the cost method. Investments in associates in the consolidated financial statements are accounted for using the equity method.

Investments in other equity securities

Securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(g) Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and impairment losses.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Investment property	30 years
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(h) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvement	30 years
Buildings and buildings improvements	6 - 30 years
Buildings equipment	10 - 30 years
Hospital equipment and medical instrument	5 - 10 years
Office equipment	5 - 10 years
Computer and system work	3 - 5 years
Vehicles	5 - 10 years

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(i) *Intangible assets*

Goodwill

Goodwill in a business combination represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired. The Group has changed its accounting policy for goodwill with effect from 1 January 2008 as follows:

Acquisitions prior to 1 January 2008

Goodwill was stated at cost from the date of initial recognition and amortised over its estimated useful life of 20 years. On 1 January 2008, the Group discontinued amortisation of goodwill. The remaining balance is subject to testing for impairment, as described in note 5 (v).

Acquisitions on or after 1 January 2008

Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment as described in note 5 (v).

Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are stated at cost less accumulated amortisation and impairment losses.

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Software licence	3 - 5 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

(j) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing 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. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(l) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

(m) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

(o) Revenue

Revenue excludes value added tax and is arrived at after deduction of trade discounts.

Revenue from hospital operations

Revenues from hospital operations, mainly consisting of medical fees, hospital room sales, and medicine sales, are recognised as income when services have been rendered or medicine delivered.

Consulting and management fee income are recognised when services have been rendered.

Income from services provided to patients under the service contract with Social Security Office and National Health Security Office are recognised on the basis, procedures and conditions for reimbursement as stipulated by the aforesaid offices.

Investments

Revenue from investments comprises dividend and interest income from investments and bank deposits.

Dividend income

Dividend income is recognised in profit or loss on the date the Company's right to receive payments is established.

Interest income

Interest income is recognised in profit or loss as it accrues.

(p) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables).

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(q) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(r) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

(s) *Earnings per share*

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

6 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries are described in note 12. Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Dr. Chalerm Harnphanich	Thailand	Major shareholder, 32.63% shareholding
Dr. Somporn Harnphanich	Thailand	Shareholder, 7.37% shareholding
Dr. Pornluck Harnphanich	Thailand	Shareholder, 3.33% shareholding
Rattanatibeth General Hospital Co., Ltd.	Thailand	Subsidiary
Saraburi Wetchakit Co., Ltd.	Thailand	Subsidiary
Sriburin Medical Co., Ltd.	Thailand	Subsidiary
Navanakorn Medicare Co., Ltd.	Thailand	Subsidiary (<i>See notes 3, 4</i>)
Ayudhaya Medicare Co., Ltd.	Thailand	Indirect subsidiary, 100% shareholding by Navanakorn Medicare Co., Ltd.
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group/Company.

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policy
Revenues from hospital operations	Contractually agreed price
Other income	Contractually agreed price
Purchases and service	Based on market price / contractually agreed price
Doctor fee	Based on market price
Management benefit expenses	At the meeting of the shareholders' approval / contractually agreed price

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

Significant transactions for the years ended 31 December 2014 and 2013, with related parties were as follows:

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiaries				
Revenues from hospital operations	-	-	78,847	51,786
Dividend income	-	-	351,278	458,717
Other income	-	-	42,962	40,472
Purchases and service	-	-	6,989	22,025

Key management personnel compensation

Key management personnel compensation comprised:

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Short-term employee benefit	87,930	71,120	61,265	54,108
Post-employment benefits	2,098	2,514	1,678	2,113
Total	90,028	73,634	62,943	56,221

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Doctor fees	42,936	46,125	28,556	36,420

Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Trade accounts receivable - subsidiaries	-	-	11,670	12,873
Services and ordering goods receivable - subsidiaries	-	-	19,603	4,662
(Form part of other current assets in the statements of financial position)				
Trade accounts payable - subsidiaries	-	-	1,862	4,777
Accrued doctor fee - shareholders, directors, executive directors	2,284	3,838	2,284	3,128
(Form part of accrued expenses in the statements of financial position)				
Short-term loan to related party				
- Navanakorn Medicare Co., Ltd.	-	-	40,000	-

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

Movements during years ended 31 December 2014 and 2013 of short-term loan to a related party were as follows:

	Separate financial statements	
	2014	2013
	<i>(in thousand Baht)</i>	
Short-term loans		
Subsidiary		
At 1 January	-	-
Increase	79,811	-
Decrease	(39,811)	-
At 31 December	40,000	-

The short-term loan to subsidiary comprised promissory notes repayable at call which bear fixed interest at 3.60% per annum.

Significant agreements with related parties

Ordering goods

The Company has entered into an agreement with Rattanatibeth General Hospital Co. Ltd., Saraburi Wetchakit Co. Ltd., Sriburin Medical Co. Ltd. and Navanakorn Medicare Co. Ltd. for a period of 2 years, starting from 1 January 2014 and ending on 31 December 2015, under which the Company will make arrangements for the purchase of medicine, medical supplies, general medical supplies, equipments, medical instruments and fixed assets. The service charges will be computed based on the value of the said assets, excluding value added tax, at the rates stated in the agreements.

Hospital management

The Company has entered into a management service agreement with Rattanathibeth General Hospital Co. Ltd., Saraburi Wetchakit Co. Ltd., Sriburin Medical Co. Ltd., and Navanakorn Medicare Co. Ltd. for a period of 2 years starting from 1 January 2014 and ending on 31 December 2015. The agreements are renewable every 2 years, under which the Company will provide advisory services and management assistance for running of the hospital, including accounting, tax, personnel management and facilities management. The Company will charge for these services based on the gross revenue prior to deduction of expenses, at the rate stipulated in the agreement.

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Cash on hand	4,784	12,513	2,038	4,637
Cash at bank	456,860	532,353	336,343	269,617
Fixed deposits with maturities less than 3 months	5	400,005	-	400,000
Others	7,767	39,763	1,487	37,437
Total	469,416	984,634	339,868	711,691

Cash and cash equivalents of the Group and the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries
Note to the Financial Statements

8 Current investments

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Fixed deposits with maturities of 6 - 12 months	143,176	322,071	600	600
Total	143,176	322,071	600	600

Current investments of the Group and the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

9 Trade accounts receivable

		Consolidated Financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Related parties	6	-	-	11,670	12,873
Other parties		304,362	233,175	163,940	105,297
		304,362	233,175	175,610	118,170
Less allowance for doubtful accounts		(35,282)	(23,525)	(17,040)	(9,171)
Trade accounts receivable, net		269,080	209,650	158,570	108,999
Accrued income		886,530	594,731	510,155	375,800
Less allowance for doubtful accounts		(59,970)	(45,633)	(35,844)	(16,449)
Accrued income, net		826,560	549,098	474,311	359,351
Total		1,095,640	758,748	632,881	468,350
Bad and doubtful debts expenses for the year		33,870	11,223	33,010	5,536

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Within credit terms	136,059	97,623	87,850	51,949
Overdue:				
Less than 3 months	96,738	90,218	45,991	46,863
3-6 months	35,109	18,934	23,487	8,549
6-12 months	13,406	5,381	8,694	2,589
Over 12 months	23,050	21,019	9,588	8,220
Total	304,362	233,175	175,610	118,170
Less allowance for doubtful accounts	(35,282)	(23,525)	(17,040)	(9,171)
Net	269,080	209,650	158,570	108,999

The normal credit term granted by the Group is 30 days.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

Trade accounts receivable of the Group and the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

Aging analyses for accrued income were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Overdue:				
Less than 3 months	315,414	269,420	189,255	189,893
3-6 months	193,242	127,426	104,390	84,356
6-12 months	167,415	80,353	106,132	59,254
Over 12 months	210,459	117,532	110,378	42,297
Total	886,530	594,731	510,155	375,800
Less allowance for doubtful accounts	(59,970)	(45,633)	(35,844)	(16,449)
Net	826,560	549,098	474,311	359,351

Accrued income is derived from the Social Security Office and the National Health Security Office which have basis, procedures and conditions for reimbursement as stipulated by the aforesaid offices.

Accrued income of the Group and the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

The Group had accrued income overdue more than 12 months, mainly from receivable of Social Security Fund - In Patient. For the year 2012, the Social Security Office changed its payment method based on adjusted relative weight for the service provider hospital. Previously, the Social Security Office was informed of the reimbursements made by both the registered hospital and the service provider hospital. Therefore, the Social Security Office need time for the examination of reimbursement information to avoid double payment. The Group's management has following up on this matter with the management of the Social Security Office.

10 Inventories

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Medicine and medical supplies	154,865	150,566	92,304	96,972
Supplies and equipment	23,541	13,902	14,879	8,490
Total	178,406	164,468	107,183	105,462
Less allowance for decline in value	(723)	(723)	(723)	(723)
Total	177,683	163,745	106,460	104,739

Bangkok Chain Hospital Public Company Limited and its Subsidiaries
Note to the Financial Statements

11 Restricted deposits

The subsidiaries' fixed deposits at banks as at 31 December 2014 amounting to Baht 38.69 million were pledged as collateral for nursing care arrangement and utilities use (2013: Baht 37.92 million).

12 Investments in subsidiaries

	<i>Note</i>	Separate financial statements	
		2014	2013
		<i>(in thousand Baht)</i>	
As at 1 January		1,443,087	1,218,075
Acquisitions	3, 4	89,332	225,012
As at 31 December		1,532,419	1,443,087

Bangkok Chain Hospital Public Company Limited and its Subsidiaries
Note to the Financial Statements

Investments in subsidiaries as at 31 December 2014 and 2013, and dividend income from those investments for the years then ended were as follows:

	Ownership Interest (%)		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(in million Baht)		(in thousand Baht)									
Subsidiaries												
Rattanaibeth General Hospital Co., Ltd.	72.73	72.73	300	300	448,258	448,258	-	-	448,258	448,258	196,370	305,464
Saraburi Wetchakit Co., Ltd.	59.92	59.92	321	321	225,653	225,653	-	-	225,653	225,653	67,323	57,706
Sriburin Medical Co., Ltd.	93.67	93.67	170	170	544,164	544,164	-	-	544,164	544,164	87,585	95,547
Navanakorn Medicare Co., Ltd.	69.85	50.002	375	375	225,012	225,012	-	-	314,344	225,012	-	-
Total					1,532,419	1,443,087	-	-	1,532,419	1,443,087	351,278	458,717

The principal activities of all subsidiaries are private hospitals, nursing business to provide medical treatment to patients. All subsidiaries were incorporated in Thailand

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

During the year 2013, the Company purchased 50.002% of the issued and fully paid share capital of Navanakorn Medicare Co., Ltd., for a cash consideration of Baht 225 million, from the former shareholders. Navanakorn Medicare Co., Ltd. operates private hospitals and nursing business to provide medical treatment to patients. (*see note 3*)

In 2014, the Company acquired an additional 19.85% interest in Navanakorn Medicare Co., Ltd. for Baht 89.33 million in cash, increasing its ownership from 50.002% to 69.85%. The proportionate carrying amount of Navanakorn Medicare Co., Ltd.'s net assets acquired in the Group's financial statements on the date of the acquisition was Baht 71.22 million. The Group recognised a decrease in non-controlling interests of Baht 71.22 million and a decrease in retained earnings of Baht 18.11 million (*see note 4*).

13 Other long-term investment

	2014 (in thousand Baht)	2013
Other long-term investment		
Securities available for sale	62,355	2,274
Less unrealised gain (loss)	(14,219)	49
Net	48,136	2,323

	2014			2013		
	Cost	Unrealised gain (loss)	Fair value (in thousand Baht)	Cost	Unrealised gain (loss)	Fair value
Equity securities available for sale	62,355	(14,219)	48,136	2,274	49	2,323
Total	62,355	(14,219)	48,136	2,274	49	2,323

Bangkok Chain Hospital Public Company Limited and its Subsidiaries
Note to the Financial Statements

14 Investment property

		Land	Building	Total
	<i>Note</i>		<i>(in thousand Baht)</i>	
Cost				
At 1 January 2014		-	-	-
Transfers from property, plant and equipment	15	605,000	70,520	675,520
At 31 December 2014		605,000	70,520	675,520
Depreciation				
At 1 January 2014		-	-	-
Depreciation charge for the year		-	1,959	1,959
At 31 December 2014		-	1,959	1,959
Net book value				
At 31 December 2013		-	-	-
At 31 December 2014		605,000	68,561	673,561

Investment properties comprise land and building that are leased to a third party. The lease is for a period of 3 years with an extension period of another 3 years. No contingent rents are charged. The Company has transferred this property from property, plant and equipment (*see note 15*) to investment property, since the Company is in process on expanding the Chaengwattana project, therefore, the Company is not in utilizing this property.

Investment properties were revalued by a independent professional valuers. The appraised value was Baht 450.50 million.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries Note to the Financial Statements

15 Property, plant and equipment

	Note	Consolidated financial statements							Assets under construction	Total
		Land and land improvement	Buildings and buildings improvements	Building equipment	Hospital equipment and medical instruments	Office equipment <i>(in thousand Baht)</i>	Computer and system work	Vehicles		
Cost										
At 1 January 2013		1,147,667	2,301,217	809,582	1,271,182	309,317	141,905	68,149	1,809,123	7,858,142
Additions		713,291	42,518	22,700	572,923	52,974	24,470	11,128	971,919	2,411,923
From business combination		43,460	205,491	38,399	56,359	14,856	8,661	10,892	208	378,326
Transfers		1,226	1,785,212	4,142	43,996	3,806	21,362	2,205	(1,862,269)	(320)
Disposals		-	(675)	(10)	(25,950)	(3,052)	(151)	(7,800)	(116)	(37,754)
At 31 December 2013 and 1 January 2014		1,905,644	4,333,763	874,813	1,918,510	377,901	196,247	84,574	918,865	10,610,317
Adjustments		(3,507)	5,041	(7,621)	(4,794)	(9,054)	(2,192)	(1,754)	-	(23,881)
At 31 December 2013 and 1 January 2014	3	1,902,137	4,338,804	867,192	1,913,716	368,847	194,055	82,820	918,865	10,586,436
Additions		98,986	22,456	16,341	150,884	18,567	4,505	8,580	253,504	573,823
Transfers		879,027	39,417	15,256	2,403	6,453	184	20	(942,760)	-
Transfers to investment property	14	(605,000)	(70,520)	-	-	-	-	-	-	(675,520)
Disposals		-	(439)	(2,991)	(18,624)	(7,660)	(15,564)	(9,937)	(6,265)	(61,480)
At 31 December 2014		2,275,150	4,329,718	895,798	2,048,379	386,207	183,180	81,483	223,344	10,423,259
Depreciation										
At 1 January 2013		9,155	1,117,953	472,929	865,719	262,033	114,409	40,117	-	2,882,315
Depreciation charge for the year		1,033	131,985	28,785	120,684	21,239	19,670	7,819	-	331,215
Disposals		-	(586)	(8)	(20,148)	(2,549)	(82)	(6,567)	-	(29,940)
At 31 December 2013 and 1 January 2014		10,188	1,249,352	501,706	966,255	280,723	133,997	41,369	-	3,183,590

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

	Consolidated financial statements						
	Land and land improvement	Buildings and buildings improvements	Building equipment	Hospital equipment and medical instruments (in thousand Baht)	Office equipment	Computer and system work	Vehicles
At 31 December 2013 and 1 January 2014	10,188	1,249,352	501,706	966,255	280,723	133,997	41,369
Depreciation charge for the year	1,161	162,412	37,909	147,963	25,984	25,501	10,858
Transfers to investment property	-	(1,959)	-	-	-	-	-
Disposals	-	(3,186)	(2,273)	(17,308)	(5,838)	(15,856)	(9,402)
At 31 December 2014	11,349	1,406,619	537,342	1,096,910	300,869	143,642	42,825
Assets under construction							
At 31 December 2013 and 1 January 2014							
Owned assets	1,138,512	1,183,264	336,653	373,783	47,284	27,496	23,002
Assets under finance leases	-	-	-	31,680	-	-	5,030
	1,138,512	1,183,264	336,653	405,463	47,284	27,496	28,032
Assets under finance leases							
At 31 December 2013 and 1 January 2014							
Owned assets	1,891,949	3,089,452	361,577	658,743	88,124	44,826	31,707
Assets under finance leases	-	-	3,909	288,718	-	15,232	9,744
	1,891,949	3,089,452	365,486	947,461	88,124	60,058	41,451
Assets under finance leases							
At 31 December 2014							
Owned assets	2,263,801	2,923,099	355,665	698,345	85,338	30,823	31,034
Assets under finance leases	-	-	2,791	253,124	-	8,715	7,624
	2,263,801	2,923,099	358,456	951,469	85,338	39,538	38,658
Assets under finance leases							
At 31 December 2013 and 1 January 2014							
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Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

	Note	Separate financial statements								
		Land and land improvement	Buildings and buildings improvements	Building equipment	Hospital equipment and medical instruments	Office equipment <i>(in thousand Baht)</i>	Computer and system work	Vehicles	Assets under construction	Total
Cost										
At 1 January 2013		916,008	1,279,469	463,521	744,318	148,359	79,796	32,455	1,804,863	5,468,789
Additions		712,513	36,131	8,724	489,088	39,824	14,914	8,309	888,833	2,198,336
Transfers		-	1,713,343	2,479	43,996	1,268	21,330	-	(1,782,416)	-
Disposals		-	-	-	(12,369)	(2,623)	(73)	(4,567)	-	(19,632)
At 31 December 2013 and 1 January 2014		1,628,521	3,028,943	474,724	1,265,033	186,828	115,967	36,197	911,280	7,647,493
Additions		20,499	14,262	3,281	71,187	8,220	3,495	4,552	193,466	318,962
Transfers		877,124	1,482	4,370	3,645	4,107	171	-	(890,899)	-
Transfers to investment property	14	(605,000)	(70,520)	-	-	-	-	-	-	(675,520)
Disposals		-	-	(120)	(6,670)	(1,190)	(14,164)	(1,538)	(4,234)	(27,916)
At 31 December 2014		1,921,144	2,974,167	482,255	1,333,195	197,965	105,469	39,211	209,613	7,263,019
Depreciation										
At 1 January 2013		970	613,102	223,731	508,303	127,754	65,536	21,018	-	1,560,414
Depreciation charge for the year		194	92,923	18,866	86,266	12,188	12,498	4,351	-	227,286
Disposals		-	-	-	(8,189)	(2,146)	(11)	(3,593)	-	(13,939)
At 31 December 2013 and 1 January 2014		1,164	706,025	242,597	586,380	137,796	78,023	21,776	-	1,773,761

Bangkok Chain Hospital Public Company Limited and its Subsidiaries
Note to the Financial Statements

		Separate financial statements								
	Note	Land and land improvement	Buildings and buildings improvements	Building equipment	Hospital equipment and medical instruments	Office equipment	Computer and system work	Vehicles	Assets under construction	Total
<i>(in thousand Baht)</i>										
At 31 December 2013 and 1 January 2014		1,164	706,025	242,597	586,380	137,796	78,023	21,776	-	1,773,761
Depreciation charge for the year		195	112,941	21,435	103,244	13,171	15,215	5,582	-	271,783
Transfers to investment property	14	-	(1,959)	-	-	-	-	-	-	(1,959)
Transfers		-	-	(4,169)	(4,165)	3,492	(14,449)	(1,498)	-	(20,789)
At 31 December 2014		1,359	817,007	259,863	685,459	154,459	78,789	25,860	-	2,022,796
Net book value										
At 1 January 2013		915,038	666,366	239,790	204,336	20,605	14,260	6,407	1,804,863	3,871,665
Owned assets		-	-	-	31,680	-	-	5,030	-	36,710
Assets under finance leases		915,038	666,366	239,790	236,016	20,605	14,260	11,437	1,804,863	3,908,375
At 31 December 2013 and 1 January 2014										
Owned assets		1,627,357	2,322,918	232,127	402,632	49,032	22,712	6,256	911,280	5,574,314
Assets under finance leases		-	-	-	276,021	-	15,232	8,165	-	299,418
		1,627,357	2,322,918	232,127	678,653	49,032	37,944	14,421	911,280	5,873,732
At 31 December 2014										
Owned assets		1,919,785	2,157,160	222,392	406,530	43,506	17,965	7,121	209,613	4,984,072
Assets under finance leases		-	-	-	241,206	-	8,715	6,230	-	256,151
		1,919,785	2,157,160	222,392	647,736	43,506	26,680	13,351	209,613	5,240,223

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

The Company has transferred land and building at net book value of Baht 673 million from property, plant and equipment (*see note 14*) to investment property.

The Company purchased land and buildings located in Pak-kred District, Nonthaburi Province, total area of approximately 2,111 sq.wah for Baht 676 million from third parties. The purpose of this acquisition is for the hospital expansion in the future. The Company purchased the above land and buildings on 11 March 2013.

The Company purchased land and buildings located in Bang-Bua Thong District, Nonthaburi Province, total area of approximately 3,506 sq.wah for Baht 524 million from third parties. The purpose of this acquisition is for the hospital expansion in the future. The Company purchased the above land and buildings on 5 July 2013.

The Company purchased land located in Bang Lamung District, Chonburi Province, total area of approximately 1,814 sq.wah for Baht 143 million from third parties. The purpose of this acquisition is for the hospital expansion in the future. The Company purchased the land on 2 October 2013.

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2014 amounted to Baht 569 million (*2013: Baht 1,104 million*).

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2014 amounted to Baht 1,175 million (*2013: Baht 534 million*).

Security

At 31 December 2014 the Group's properties with a net book value of Baht 77 million (*2013: Baht 182 million*) were mortgaged to secure bank overdrafts and bank loans.

Property, plant and equipment under construction

Capitalised borrowing costs relating to the acquisition of the land and the construction of the new hospital for the year 2014, amounted to nil (*2013: Baht 15.68 million with a capitalization rate of 3.69-4.18 %*).

As from 1997, servitude has been made to Land & House Public Company Limited for a passage way with a width of not less than 7 meters for all motor vehicles, drainage water, electricity and telephone systems, on a plot of land, under the title deed No. 2175, Tambol Bangsue, Amphor Bangsue, Bangkok running along the whole length of the south side of the land, without any compensation and time frame.

16 Intangible assets

	Consolidated financial statements Software licences (in thousand Baht)
Cost	
At 1 January 2013	116,530
Additions	28,335
Transfers	321
Written-off	(5,535)
At 31 December 2013 and 1 January 2014	139,651
Additions	41,728
At 31 December 2014	181,379

Bangkok Chain Hospital Public Company Limited and its Subsidiaries
 Note to the Financial Statements

	Consolidated financial statements Software licences (in thousand Baht)
<i>Accumulated amortisation</i>	
At 1 January 2013	59,423
Amortisation charge for the year	13,913
At 31 December 2013 and 1 January 2014	73,336
Amortisation charge for the year	20,974
At 31 December 2014	94,310
<i>Net book value</i>	
At 1 January 2013	57,107
At 31 December 2013 and 1 January 2014	66,315
At 31 December 2014	87,069
	Separate financial statements Software licences (in thousand Baht)
<i>Cost</i>	
At 1 January 2013	63,494
Additions	7,038
Written-off	(5,535)
At 31 December 2013 and 1 January 2014	64,997
Additions	26,026
At 31 December 2014	91,023
<i>Accumulated amortisation</i>	
At 1 January 2013	36,420
Amortisation charge for the year	8,229
At 31 December 2013 and 1 January 2014	44,649
Amortisation charge for the year	10,489
At 31 December 2014	55,138
<i>Net book value</i>	
At 1 January 2013	27,074
At 31 December 2013 and 1 January 2014	20,348
At 31 December 2014	35,885

Bangkok Chain Hospital Public Company Limited and its Subsidiaries
Note to the Financial Statements

17 Goodwill

	<i>Note</i>	Consolidated financial statements <i>(in thousand Baht)</i>	
		2014	2013
Cost			
At 1 January		156,111	156,111
Acquired through business combinations	3	45,623	51,848
		201,734	207,959
Adjust fair value	3	-	(6,225)
At 31 December		201,734	201,734
Net book value			
At 1 January		201,734	156,111
At 31 December		201,734	201,734

18 Deferred tax

Deferred tax assets as at 31 December 2014 and 2013 were as follows:

	Consolidated financial statements		Separate financial statements	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	<i>(in thousand Baht)</i>			
Deferred tax assets	65,729	43,705	32,917	13,721
Deferred tax liabilities	(33,636)	(21,252)	(17,499)	(5,506)
Deferred tax assets - net	32,093	22,453	15,418	8,215

Movements in total deferred tax assets and liabilities during the year were as follows:

	Consolidated financial statements (Charged) / Credited to: <i>(note30)</i>				At 31 December 2014
	At 1 January 2014	Profit or loss	Other comprehensive income	Acquired in business combination	
	<i>(in thousand Baht)</i>				
Deferred tax assets					
Accounts receivable (<i>doubtful accounts</i>)	17,389	1,661	-	-	19,050
Employee benefit liabilities	16,183	485	-	-	16,668
Loss carry forward	5,861	35	-	-	5,896
Provident fund liabilities	1,785	(1,785)	-	-	-
Impairment	2,487	(989)	-	-	1,498
Accrued of Social Security Office referring	-	19,773	-	-	19,773
Unrealised loss from available for sale securities	-	-	2,844	-	2,844
Total	43,705	19,180	2,844	-	65,729

Bangkok Chain Hospital Public Company Limited and its Subsidiaries
Note to the Financial Statements

	Consolidated financial statements				
	(Charged) / Credited to: (note 30)				
	At 1 January 2014	Profit or loss	Other comprehensive income (in thousand Baht)	Acquired in business combination	At 31 December 2014
Deferred tax liabilities					
Equipment (finance lease)	(7,803)	(12,343)	-	-	(20,146)
Property, plant and equipment (revaluation)	(13,490)	-	-	-	(13,490)
Total	(21,293)	(12,343)	-	-	(33,636)
Net	22,412	6,837	2,844	-	32,093

	Consolidated financial statements				
	(Charged) / Credited to: (note 30)				
	At 1 January 2013	Profit or loss	Other comprehensive income (in thousand Baht)	Acquired in business combination	At 31 December 2013
Deferred tax assets					
Accounts receivable (doubtful accounts)	5,436	1,325	-	10,628	17,389
Employee benefit liabilities	14,443	1,740	-	1,785	17,968
Loss carry forward	-	-	-	5,861	5,861
Impairment	-	-	-	2,487	2,487
Total	19,879	3,065	-	20,761	43,705
Deferred tax liabilities					
Equipment (finance lease)	(1,310)	(4,196)	-	(2,297)	(7,803)
Property, plant and equipment (revaluation)	-	-	-	(13,490)	(13,490)
Total	(1,310)	(4,196)	-	(15,787)	(21,293)
Net	18,569	(1,131)	-	4,974	22,412

Bangkok Chain Hospital Public Company Limited and its Subsidiaries
Note to the Financial Statements

Separate financial statements (Charged) /credited to:(note 30)			
	At 1 January 2014	Profit or loss (in thousand Baht)	At 31 December 2014
Deferred tax assets			
Accounts receivable (doubtful accounts)	5,124	5,453	10,577
Employee benefit liabilities	8,597	1,071	9,668
Accrued of Social Security Office referring	-	12,672	12,672
Total	13,721	19,196	32,917
Deferred tax liabilities			
Equipment (finance lease)	(5,506)	(11,993)	(17,499)
Total	(5,506)	(11,993)	(17,499)
Net	8,215	7,203	15,418

Separate financial statements (Charged) /credited to:(note 30)			
	At 1 January 2013	Profit or loss (in thousand Baht)	At 31 December 2013
Deferred tax assets			
Accounts receivable (doubtful accounts)	4,510	614	5,124
Employee benefit liabilities	7,576	1,021	8,597
Total	12,086	1,635	13,721
Deferred tax liabilities			
Equipment (finance lease)	(1,310)	(4,196)	(5,506)
Total	(1,310)	(4,196)	(5,506)
Net	10,776	(2,561)	8,215

Bangkok Chain Hospital Public Company Limited and its Subsidiaries
Note to the Financial Statements

19 Interest-bearing liabilities

	Separate financial statements			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)			
Current				
Bank overdrafts				
- secured	14,676	128	1,150	-
Short-term loans from financial institutions				
- secured	-	54,917	-	-
- unsecured	679,000	565,000	644,000	565,000
Total	693,676	620,045	645,150	565,000
Current portion of long-term loans from financial institutions within one year				
- secured	12,589	16,224	-	-
Finance lease liabilities within one year				
-secured	82,127	88,576	80,252	88,496
Total	788,392	724,845	725,402	653,496
Non-current				
Long-term loans from financial institutions				
- secured	24,255	46,935	-	-
Debentures (Note 22)				
- unsecured	3,300,000	3,300,000	3,300,000	3,300,000
Finance lease liabilities				
- secured	93,838	169,892	92,844	164,296
	3,418,093	3,516,827	3,392,844	3,464,296
Total	4,206,485	4,241,672	4,118,246	4,117,792

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)			
Within one year	706,265	636,269	645,150	565,000
After one year but within five years	3,324,255	3,346,935	3,300,000	3,300,000
Total	4,030,520	3,983,204	3,945,150	3,865,000

The Company and its subsidiaries were granted short-term loan and long-term loans by local banks and financial institutions, for administrative management, hospital improvement and extension, purchasing land, construction the hospital and also for purchasing the medical instrument. Loan agreements are described below:

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

The Company

Short-term loans

In 2014, the short-term loans from financial institutions consisted of promissory notes and bills of exchange with interest rate of 2.40 and 2.42 % per annum. (2013: interest rate of 2.6% and 2.5% per annum)

Subsidiaries

Long-term loans

Long-term loan from a financial institution comprised 5 credit lines totaling Baht 80.71 million as follows:

- Loan credit line of Baht 15,000,000, interest of 1st year at MLR-1, 2nd year at MLR-0.75, 3rd year at MLR-0.5, for the remaining of the agreement at the rate of MLR. The subsidiary made the first repayment in September 2012 and shall complete the loan repayment within 7 years from the date of the first loan withdrawal according to the agreement. This loan was completely paid during the year 2014.
- Loan credit line of Baht 30,000,000, interest of 3%, subsidiary made the first principal repayment in September 2012 and shall complete the loan repayment within 5 years from the date of the first loan withdrawal according to the agreement.
- Loan credit line of Baht 30,000,000, interest of 3%, subsidiary made the first principal repayment in September 2012 and shall complete the loan repayment within 5 years from the date of the first loan withdrawal according to the agreement.
- Loan credit line of Baht 5,000,000, interest of 1st year at MLR-1, 2nd year at MLR-0.75, 3rd year at MLR-0.5, for the remaining of the agreement at the rate of MLR. The subsidiary made the first repayment in September 2012 and shall complete the loan repayment within 7 years from the date of the first loan withdrawal according to the agreement.
- Loan credit line of Baht 718,000, interest of MLR, subsidiary made the first repayment in November 2012 and shall complete the loan repayment within 5 years from the date of the first loan withdrawal according to the agreement

Long-term loan from a financial institution was secured by pledge of the subsidiary's land and building.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries
Note to the Financial Statements

Finance lease liabilities

Finance lease liabilities are payable as at 31 December as follows:

	Consolidated financial statements					
	2014			2013		
	Future minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	87,762	5,635	82,127	90,660	2,084	88,576
After one year but within five years	96,498	2,660	93,838	187,490	17,598	169,892
Total	184,260	8,295	175,965	278,150	19,682	258,468

	Separate financial statements					
	2014			2013		
	Future minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	85,737	5,485	80,252	90,572	2,076	88,496
After one year but within five years	95,479	2,635	92,844	181,407	17,111	164,296
Total	181,216	8,120	173,096	271,979	19,187	252,792

As at 31 December 2014 and 2013, the Group and the Company had outstanding finance lease contracts to acquire medical equipment for hospital operations and office equipment. The Group and the Company agreed to pay the monthly installments under the terms and rates as stipulated in the agreements covering the period of 3-10 years.

Interest-bearing liabilities of the Group and the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

20 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Related parties	6	-	-	1,862	4,777
Other parties		337,981	399,138	217,054	271,824
Total		337,981	399,138	218,916	276,601

Bangkok Chain Hospital Public Company Limited and its Subsidiaries
Note to the Financial Statements

21 Deferred income

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Deferred income from Social Security Office and National Health Security	47,130	36,547	42,628	36,547
Other	6,782	18,947	6,287	9,005
Total	53,912	55,494	48,915	45,552

22 Debentures

	Interest rate (%) <i>per annum</i>	Issue Date	Maturity date	Consolidated/Separate financial statements	
				2014	2013
				<i>(in thousand Baht)</i>	
No. 1/2556 1 st Set	3.69	31 January 2013	31 January 2016	800,000	800,000
No. 1/2556 2 nd Set	4.18	31 January 2013	31 January 2018	1,000,000	1,000,000
No. 2/2556	4.31	19 September 2013	19 March 2017	1,500,000	1,500,000
Total				3,300,000	3,300,000
<i>Less debenture due within one year</i>				-	-
Debentures due after one year				3,300,000	3,300,000

The debentures are in the name of specific holders, unsubordinated, without collateral and with semi annually interest payment throughout the term of the debentures.

The debentures contain certain significant covenants with which the Company must comply throughout the term of the debentures such as the maintenance of interest bearing liabilities to equity ratio not exceeding 2:1 as of the end of each quarter and a dividend payment restriction.

23 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Statement of financial position obligations for:				
Defined benefit obligations	83,340	80,914	48,343	42,984
	83,340	80,914	48,343	42,984
Year ended 31December	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Statement of comprehensive income charge:				
Defined benefit obligations	10,141	10,992	6,549	7,064
	10,141	10,992	6,549	7,064

Bangkok Chain Hospital Public Company Limited and its Subsidiaries
Note to the Financial Statements

The statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Present value of unfunded obligations	83,340	80,914	48,343	42,984
Statement of financial position obligation	83,340	80,914	48,343	42,984

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate financial statements	
<i>Year ended 31 December</i>	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	80,914	72,213	42,984	37,881
Benefits paid by the plan	(7,715)	(2,291)	(1,190)	(1,961)
Current service costs and interest	10,141	10,992	6,549	7,064
Defined benefit obligations at 31 December	83,340	80,914	48,343	42,984

Expense recognised in profit or loss (Note 27)

	Consolidated financial statements		Separate financial statements	
<i>Year ended 31 December</i>	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Current service costs	7,879	8,524	5,211	5,560
Interest on obligation	2,262	2,468	1,338	1,504
Total	10,141	10,992	6,549	7,064

The expense is recognised in the following line items in the statement of comprehensive income:

	Consolidated financial statements		Separate financial statements	
<i>Year ended 31 December</i>	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Cost of sales	8,113	8,794	5,239	5,651
Administrative expenses	2,028	2,198	1,310	1,413
Total	10,141	10,992	6,549	7,064

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated financial statements		Separate financial statements	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
			(%)	
Discount rate at 31 December	3.7	3.7	3.7	3.7
Future salary increases	4.5	4.5	4.5	4.5

Assumptions regarding future mortality are based on published statistics and mortality tables.

24 Share capital

<i>Year ended 31 December</i>		2014		2013	
	Par value per share (in Baht)	Number	Baht (thousand shares / thousand Baht)	Number	Baht
Authorised					
At 1 January					
- ordinary shares	1	2,493,748	2,493,748	1,995,000	1,995,000
Reduction of shares	1	-	-	(2)	(2)
Increase of new shares	1	-	-	498,750	498,750
At 31 December					
- ordinary shares	1	<u>2,493,748</u>	<u>2,493,748</u>	<u>2,493,748</u>	<u>2,493,748</u>
Issued and paid-up					
At 1 January					
- ordinary shares	1	2,493,748	2,493,748	1,994,998	1,994,998
Issue of new shares	1	-	-	498,750	498,750
At 31 December					
- Ordinary shares	1	<u>2,493,748</u>	<u>2,493,748</u>	<u>2,493,748</u>	<u>2,493,748</u>

The registered capital

At the Annual General Meeting of Shareholders, held on 26 April 2013, the shareholders approved the decrease in the Company's authorised share capital from Baht 1,995,000,000 (1,995,000,000 ordinary shares, par value Baht 1 each) to Baht 1,994,998,492 (1,994,998,492 ordinary shares, par value Baht 1 each) and to approve the increase in the Company's authorised share capital from Baht 1,994,998,492 to Baht 2,493,748,115 by issuing 498,749,623 new ordinary shares with a par value of Baht 1 per share to support the offering for stock dividend payments. The said stock dividend was issued to shareholders in May 2013.

The Company registered the decrease in the Company's authorised share capital from Baht 1,995,000,000 to Baht 1,994,998,492 on 9 May 2013 and the Company registered the increase in the Company's authorised and issued share capital from Baht 1,994,998,492 to Baht 2,493,748,115 on 10 May 2013.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

25 Additional paid-in capital and reserves

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

The Company appropriated Baht 20.2 million to the legal reserve during 2014 (2013: Baht 29.7 million)

26 Segment information

The Group operates private hospital business. The management considers the operations as one business segment. When taking into consideration the business location of the Company and its subsidiaries, there is only one geographical segment as the business operates only in the Kingdom of Thailand.

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.

27 Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
<i>Management</i>					
Salaries and bonuses	6	<u>90,028</u>	<u>73,130</u>	<u>62,943</u>	<u>56,221</u>
<i>Other employees</i>					
Wages and salaries		759,240	638,145	392,720	367,019
Bonuses		52,187	58,821	22,681	26,926
Contributions to defined contribution plans		3,413	3,170	1,618	1,656
Others		<u>240,127</u>	<u>222,643</u>	<u>128,984</u>	<u>124,178</u>
		<u>1,054,967</u>	<u>922,779</u>	<u>546,003</u>	<u>519,779</u>
Total		<u>1,144,995</u>	<u>995,909</u>	<u>608,946</u>	<u>576,000</u>

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at 2% of their basic salaries and by the Group at 2% of the employees’ basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Managers.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries
Note to the Financial Statements

28 Expenses by nature

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Medical and supply costs		1,081,068	941,451	586,696	526,875
Personnel expenses	27	1,144,995	995,909	608,946	576,000
Doctor fee		1,098,238	985,658	628,365	608,166
Depreciation and amortisation	14,15,16	432,763	345,128	282,272	235,515
Utility expense		172,012	144,285	102,513	93,012
Others		462,324	378,984	310,647	272,444
Total cost of sales of goods, selling expenses and administrative expenses		4,391,400	3,791,415	2,519,439	2,312,012

29 Finance costs

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Interest paid and payable to:					
Debentures		135,970	83,684	135,970	83,684
Finance lease liabilities		10,502	9,378	9,229	9,378
Financial institutions		13,667	28,791	11,173	28,781
Total		160,139	121,853	156,372	121,843
Less: amounts included in the cost of qualifying assets:					
- Property, plant and equipment under construction	15	-	(15,682)	-	(15,682)
Net		160,139	106,171	156,372	106,161

30 Income tax expense

Income tax recognised in profit or loss

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Current tax expense					
Current year		170,859	176,497	26,445	31,140
Adjustment for prior years		(4,668)	-	920	-
		166,191	176,497	27,365	31,140
Deferred tax expense	18				
Movements in temporary differences		(6,836)	1,131	(7,203)	2,561
		159,355	177,628	20,162	33,701

Bangkok Chain Hospital Public Company Limited and its Subsidiaries
Note to the Financial Statements

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	2014	2013		2014	2013	
	Before tax	Tax (expense) benefit	Net of tax	Before Tax	Tax (expense) benefit	Net of tax
			(in thousand Baht)			
Unrealised loss from investment available for sale	14,219	(2,844)	11,375	-	-	-
Total	14,219	(2,844)	11,375	-	-	-

Reconciliation of effective tax rate

	Consolidated financial statements			
	2014	2013		
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		829,956		898,822
Income tax using the Thai corporation tax rate	20	165,991	20	179,764
Expenses not deductible for tax purposes and others		2,672		(2,136)
Recognition of previously unrecognised deferred tax		(9,308)		-
Total	19	159,355	20	177,628

Reconciliation of effective tax rate

	Separate financial statements			
	2014	2013		
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		464,630		626,644
Income tax using the Thai corporation tax rate	20	92,926	20	125,329
Income not subject to tax		(70,256)		(91,743)
Expenses not deductible for tax purposes		1,560		115
Recognition of previously unrecognised deferred tax		(4,068)		-
Total	4	20,162	6	33,701

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively. Royal Decree No. 577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015.

The Group has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2014 and 2013 in accordance with the clarification issued by the FAP in 2012.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

31 Basic earnings per share

Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2014 was based on the profit for the periods attributable to equity holders of the Company and the number of ordinary shares outstanding during the period.

The calculations of basic earnings per share for the year ended 31 December 2013 were based on the profit for the years attributable to equity holders of the Company and the number of ordinary shares outstanding during the years: after adjusting the number of ordinary shares to reflect the impact of the stock dividend, as discussed in note 24 to the financial statements.

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to equity holders of the Company	<u>521,866</u>	<u>584,744</u>	<u>444,468</u>	<u>592,943</u>
Number of ordinary shares outstanding at 1 January	2,493,748	1,994,998	2,493,748	1,994,998
Effect of issue of additional ordinary shares for stock dividend	<u>-</u>	<u>498,750</u>	<u>-</u>	<u>498,750</u>
Ordinary shares (Basic)	<u>2,493,748</u>	<u>2,493,748</u>	<u>2,493,748</u>	<u>2,493,748</u>
Basic earnings per share (in Baht)	<u>0.21</u>	<u>0.23</u>	<u>0.18</u>	<u>0.24</u>

32 Dividends

At the Board of Directors' meeting of the Company held on 14 August 2014, the directors approved the appropriation of interim dividends for the operating results for the six-month period ended 30 June 2014 at the rate of Baht 0.05 per share, amounting to Baht 124.69 million. The interim dividends were paid to shareholders in September 2014.

At the Annual General Meeting of Shareholders held on 29 April 2014, the shareholders approved the appropriation of cash dividends of Baht 0.16 per share amounting to Baht 399 million, from retained earnings and profit of the year 2013. The interim dividends were paid in September 2013 for Baht 0.08 per share, of Baht 199.5 million. The additional cash dividend payment is Baht 0.08 per share, amounting to Baht 199.5 million. The dividends were paid to shareholders in May 2014.

At the Board of Directors' meeting of the Company held on 14 August 2013, the directors approved the appropriation of interim dividends from net income for the six-month period ended 30 June 2013. The interim dividends were paid in September 2013 for Baht 0.08 per share, of Baht 199.50 million.

At the Annual General Meeting of Shareholders, held on 26 April 2013, the shareholders approved the appropriation of dividends from retained earnings and profit of the year 2012 amounting to Baht 857.85 million, by paying in cash dividend amounting to Baht 359.1 million. An interim dividend of Baht 0.15 per share, amounting to Baht 299.25 million was paid in September 2012. The additional cash dividend payment was Baht 0.03 per share, amounting to Baht 59.85 million and stock dividend at the ratio of four existing shares to one share held, amounting to Baht 498.75 million, or equivalent to Baht 0.25 per share. The cash dividend and stock dividends were paid to shareholders in May 2013.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

33 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result for operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly float. The Group is primarily exposed to interest rate risk from its borrowings.

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

	Effective interest rate (% per annum)	Consolidated financial statements			Total
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	
2014					
Current					
Loans payable - financial institutions	2.40 and 2.42	694	-	-	694
Non-current					
Debentures	3.69 to 4.31	-	3,300	-	3,300
Long-term loan - financial institutions	3.00 and 6.75	13	24	-	37
Finance lease liabilities	3.60 to 5.00	82	94	-	176
Total		789	3,418	-	4,207

Bangkok Chain Hospital Public Company Limited and its Subsidiaries
Note to the Financial Statements

Consolidated financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	Total
2013					
Current					
Loans payable - financial institutions	2.50 and 2.60	620	-	-	620
Non-current					
Debentures	3.69 to 4.31	-	3,300	-	3,300
Long-term loan - financial institutions	3.00 and 6.125	16	47	-	63
Finance lease liabilities	3.60 to 5.00	89	170	-	259
Total		725	3,517	-	4,242

Separate financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	Total
2014					
Current					
Long-term loan - financial institutions	2.40 and 2.42	645	-	-	645
Non-current					
Debentures	3.69 to 4.31	-	3,300	-	3,300
Finance lease liabilities	3.60 to 5.00	80	93	-	173
Total		725	3,393	-	4,118

Separate financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	Total
2013					
Current					
Long-term loan - financial institutions	2.50 and 2.60	565	-	-	565
Non-current					
Debentures	3.69 to 4.31	-	3,300	-	3,300
Finance lease liabilities	3.60 to 5.00	88	164	-	252
Total		653	3,464	-	4,117

Most of the financial assets and liabilities of the Company are at floating interest rates, which are based on market rates such as MLR or fixed deposit rate, etc.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

Foreign currency risk

Management believe that the foreign currency risk for the operation is minimal because revenues and expenses are principally denominated in Thai Baht.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount and these are also defined rules and regulations for credit approval and debt collection period. At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of trade and other short-term receivables is taken to approximate the carrying value.

At 31 December 2014 and 2013, there were no financial instruments which had fair values significantly different from their reported book values.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries
Note to the Financial Statements

34 Commitments with non-related parties and contingent liabilities

(a) Capital commitments

As at 31 December, capital commitments of the Group and the Company were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Capital commitments				
Contracted but not provided for:				
Building and constructions	43,721	221,975	33,958	173,175
Hospital equipment and medical instruments	9,851	2,283	3,931	98
Computer and system work	15,912	16,286	11,363	9,927
Equipment	1,440	-	-	-
Total	70,924	240,544	49,252	183,200

(b) Letters of guarantee

As at 31 December, the Group and the Company had commitments and contingent liabilities with commercial banks for letters of guarantee issued by the said banks as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Letters of guarantees for nursing care	65,497	61,512	34,575	38,999
Letters of guarantees for electricity use	23,140	21,866	15,236	15,236
Letters of guarantees for purchase of assets	60	50	60	50
Total	88,697	83,428	49,871	54,285

(c) Rental and service agreement

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Non - cancellable operating lease and service contracts commitments				
Within one year	10,287	11,292	8,411	10,690
After one year but within five years	4,958	13,501	-	8,706
After five years	3,881	4,747	-	-
Total	19,126	29,540	8,411	19,396

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

The Company

The Company entered into a building lease contract with a company for office space of Sukaphibal 3 branch, with contract period of 16 years, starting from the date on which the leased assets are in proper condition as specified in the contract dated 9 September 1999. The rental fees are charged at various rates in each year.

Subsidiaries

Rattanatibeth General Hospital Co., Ltd.

The subsidiary entered into a 30-year sub-lease agreement for a plot of land with a local company for operation of a hospital which will expire on 31 October 2024. The rental and services fees are at various rates in each year.

(d) Litigations

The Company has been prosecuted by patients claiming for compensation regarding the provision of medical treatment, in the total amount of Baht 29.47 million as at 31 December 2014. Up to the date of this report, the cases have not been settled. The Company has not set up an estimated provision in the financial statements as based on managements' past experience and opinion of the Company's legal advisor, it is not considered that any eventual liability would be material.

35 Events after the reporting period

The appropriation of dividends

At the Board of Directors' meeting of the Company held on 23 February 2015, the directors approved the appropriation of cash dividends for Baht 0.12 per share amounting to Baht 299.25 million, from 2014 operations. The interim dividends were paid in September 2014 for Baht 0.05 per share, of Baht 124.69 million. The additional cash dividend payment is Baht 0.07 per share, amounting to Baht 174.56 million. The dividend will be paid to shareholders in May 2015 subject to approval by the Annual General Meeting of Shareholders of the Company.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Note to the Financial Statements

36 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's/Company's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated, are set out below. The Group/Company does not plan to adopt these TFRS early.

TFRS	Topic	Year effective
TAS 1 (revised 2014)	Presentation of Financial Statements	2015
TAS 2 (revised 2014)	Inventories	2015
TAS 7 (revised 2014)	Statement of Cash Flows	2015
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	2015
TAS 10 (revised 2014)	Events after the Reporting Period	2015
TAS 12 (revised 2014)	Income Taxes	2015
TAS 16 (revised 2014)	Property, Plant and Equipment	2015
TAS 17 (revised 2014)	Leases	2015
TAS 18 (revised 2014)	Revenue	2015
TAS 19 (revised 2014)	Employee Benefits	2015
TAS 23 (revised 2014)	Borrowing Costs	2015
TAS 24 (revised 2014)	Related Party Disclosures	2015
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans	2015
TAS 27 (revised 2014)	Separate Financial Statements	2015
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures	2015
TAS 33 (revised 2014)	Earnings per Share	2015
TAS 34 (revised 2014)	Interim Financial Reporting	2015
TAS 36 (revised 2014)	Impairment of Assets	2015
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	2015
TAS 38 (revised 2014)	Intangible Assets	2015
TAS 40 (revised 2014)	Investment Property	2015
TFRS 2 (revised 2014)	Share-based Payment	2015
TFRS 3 (revised 2014)	Business Combinations	2015
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations	2015
TFRS 8 (revised 2014)	Operating Segments	2015
TFRS 10	Consolidated Financial Statements	2015
TFRS 11	Joint Arrangements	2015

Bangkok Chain Hospital Public Company Limited and its Subsidiaries
Note to the Financial Statements

TFRS	Topic	Year effective
TFRS 13	Fair Value Measurement	2015
TSIC 15 (revised 2014)	Operating Leases - Incentives	2015
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2015
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2015
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease	2015
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment	2015
TFRIC 13 (revised 2014)	Customer Loyalty Programmes	2015
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate	2015

The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

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KASEMRAD HOSPITAL



โรงพยาบาลการุญเวช
KARUNVEJ HOSPITAL



บริษัท บางกอก เซน ฮอสปิเทล จำกัด (มหาชน)

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