

Section 1

Business operation

1. BUSINESS POLICY AND OVERALL OPERATION

Bumrungrad Hospital Public Company Limited (the "Company") operates a private hospital business in Bangkok with 580 licensed beds and capacity over 5,500 outpatients per day (as of 31 December 2014). The Company is one of the leading healthcare providers in Thailand and in the Southeast Asian region, providing complete healthcare services for both outpatients and inpatients. The Company has always emphasized the importance of quality healthcare and experienced physicians and staff. Bumrungrad International Hospital, Bangkok is the first hospital in Asia to receive the US standard accreditation from the Joint Commission International (JCI). The hospital has also received JCI's Clinical Care Program Certification (CCPC) for specialties programs including the Primary Stroke Program, Acute Myocardial Infarction, Diabetes Mellitus Type I and II and Chronic Kidney Disease Stage I to IV. Besides, the Company is the first hospital which was approved by Thai Hospital Accreditation (HA).

1.1 Vision / Mission / Values

Vision/Mission:

Bumrungrad aspires to provide the best care with science, compassion, and integrity for each of our patients

Values:

1. Compassionate Caring
We care with compassion for our patients, each other, our community and our environment.
2. Adaptability, Learning, and Innovation
We strive to innovate, learn, improve, meet challenges with a positive attitude and adapt to a changing world.
3. Safety, Quality with Measurable Results
We evaluate ourselves by the measurable quality of care and safety we provide to our patients, and the results we return to our colleagues and stakeholders.
4. Teamwork and Integrity
We work TOGETHER and treat our patients and stakeholders with respect, honesty and integrity.

1.2 Company history

1980: Bumrungrad Hospital was opened in the central Bangkok area with a capacity of 220 beds.

1989: Bumrungrad Hospital Public Company Limited (the "Company") became a listed company on the Stock Exchange of Thailand.

1997: The hospital opened the new replacement facility with capacity of 554 beds.

1999: Bumrungrad Hospital received ISO9002 certification and was the first private hospital in Thailand to receive Thai Hospital Accreditation (HA).

2000: The Company voluntarily requested for the suspension of the trading of its shares on the Stock Exchange of Thailand (SET), as the Company was in the process of negotiating with its creditors on the debt restructuring. In August of the same year, the Company successfully completed its debt restructuring.

2001: Bumrungrad Hospital received ISO14001 standard for its environmental management, and was the first hospital in Asia to receive ISO9001:2000 accreditation. In addition, it was the first hospital to receive the renewal of Thai Hospital Accreditation (HA).

2002: Bumrungrad Hospital was the first hospital in Asia to receive the highly prestigious international standard hospital accreditation by the US-based Joint Commission International Accreditation ("JCIA").

2003: The Company succeeded in transferring its securities to the Healthcare Service Sector and the Company's shares commenced trading on the SET again on 29 October 2003. In addition, the Company started its expansion plan by building a new outpatient facility to accommodate the increase in demand.

2004: The Company reduced its par value from Baht 10 per share to Baht 5 per share and used all the reduced paid-up share capital to settle against retained loss. In addition, the Company changed its par value from Baht 5 per share to Baht 1 per share (share split). On the international expansion, Bumrungrad International Limited's policy was changed from providing consulting and management services to investments in hospitals in the region.

2005: Bumrungrad International Limited invested an effective shareholding of 43.25% in Asian Hospital Inc. ("AHI") which is the operator of 253-bed private hospital in Manila, the Philippines at that time.

2006: Bumrungrad International Limited ("BIL") made a 49% investment in Bumrungrad Hospital Dubai LLC, the operator of a 250-bed private hospital in Dubai, United Arab Emirates. In addition, BIL increased its capital through an issuance of 5,764,701 new shares to strategic partners, Temasek, Istithmar and Bangkok Bank Public Company Limited. As a result, the Company's shareholding in Bumrungrad International Limited was decreased from 100% to 51%.

2007: For the expansion of the Bangkok facility, the Company completed the construction of the new Bumrungrad International Clinic Building and opened the Health Screening Center on the 11th floor and the parking in the beginning of 2007.

In 2007, Bumrungrad International Limited ("BIL") increased its capital from Baht 1,176,470,100 to Baht 2,749,336,700 in two tranches: the first tranche to allow Asia Financial Holdings Group to become a 19.5% shareholder in BIL, resulting in a decrease in the Company's shareholding in BIL from 51% to 31.5%; and the second tranche to raise additional capital for BIL's investments.

BIL invested US\$ 75 million for a 100% stake of Asia Renal Care Limited ("ARC"), the largest private provider of dialysis and related services in Asia. Also, BIL signed a four-year agreement with the Health Authority of Abu Dhabi to manage Mafraq Hospital in Abu Dhabi, United Arab Emirates. In addition, BIL converted management fees received from AHI in the Philippines into equity stake, resulting in an increase in its shareholding in AHI from 43.25% to 45.5% as at 31 December 2007.

Global Care Solutions (Thailand) Company Limited ("GCS Thailand"), the Company's 30% associated company, sold its software and other assets to the Microsoft Group, resulting in a share of profit from GCS Thailand of Baht 829 million in the fourth quarter of 2007. GCS Thailand then changed its name from Global Care Solutions (Thailand) Company Limited to CDE Trading Company Limited.

2008: For the Bangkok facility, the Company held a grand-opening of the new Bumrungrad International Clinic Building in June 2008, with seven additional floors opened, of which four floors are outpatient clinics. The hospital also invested in major technologies to improve its quality of service especially for patient safety, including the new state-of-the-art, fully-automated drug management system, the 'Pharmacy Robot', which is the first of its kind in Asia, and Thailand's first modern medical lab automation system, Beckman Coulter's Lab Automation. In addition, the Company bought back BH Tower from Bangkok Bank Public Company Limited for Baht 470 million.

For the international business, in February 2008, Bumrungrad International Limited ("BIL") increased its paid-up capital from Baht 2,749,336,700 to Baht 3,199,336,700. The fund was used for the expansion of AHI in the Philippines, consisting of the construction of a new hospital building. As BIL

was the only shareholder that participated in AHI's capital increase, together with the conversion of management fees into equity stake, BIL's shareholding in AHI increased from 45.5% to 54.4% as at 31 December 2008.

In December 2008, the Company, together with Asia Renal Care (SEA) Limited ("ARC (SEA)"), which is BIL's 100% subsidiary, through Asia Renal Care Limited, formed a joint venture, Asia Renal Care (Thailand) Co., Ltd. ("ARC Thailand"), with registered and paid-up capital of Baht 12 million. The Company has 51% shareholding in ARC Thailand while ARC (SEA) holds the remaining 49%.

2009: In February 2009, ARC Thailand made a 20% investment in Nephromed Co., Ltd. ("Nephromed"), a dialysis service provider with 14 clinics in Thailand at the time. With ARC (SEA) directly holding another 40% in Nephromed, the group's collective shareholding in Nephromed is 60%.

In November 2009, Bumrungrad International Limited ("BIL") sold all of its shares in Bumrungrad Hospital Dubai LLC back to Istithmar World Group. BIL had made provision for the investment in its 2008 financial statements upon the temporarily suspension of the project. In addition, as at 31 December 2009, BIL's shareholding in AHI was at 56.4%, an increase from 54.4%, as a result of the conversion of management fees into equity.

In addition, in 2009, two 100%-owned subsidiaries have been incorporated: (1) Asia Global Health Limited (AGH) was registered in Hong Kong in March 2009, with paid-up capital of HK\$ 4.8 million, or approximately Baht 22.08 million, with the objective to seek investment opportunities in healthcare and related businesses in the region; and (2) Asia Global Research Company Limited (AGR) was incorporated in June 2009, with registered capital of Baht 20 million, and with the objective to provide clinical research and related services.

2010: For Bumrungrad Hospital, Bangkok, the renovating and upgrading all of its inpatient rooms was completed, the number of available beds has been 484 beds.

In March 2010, the Company received two additional disease-specific JCI Certifications: Diabetes Mellitus and Chronic Kidney Disease. The Company opened new Women Center at the second floor of Bumrungrad Hospital building.

In May 2010, Bumrungrad International Limited signed a share purchase agreement in relation to the sale of all the shares of ARC to Fresenius Medical Care Beteiligungsgesellschaft mbH ("Fresenius Medical Care"), a company incorporated in Germany. ARC is a 100% indirectly owned subsidiary of Bumrungrad International Limited. In tandem with the above sale, the Company signed a share purchase agreement to sell all of the ARC Thailand shares held by the Company of 51% to Nephrocare (Thailand) Co., Ltd., an affiliated company of Fresenius Medical Care.

In June 2010, the Company opened new Digestive Decease Center.

2011: In March 2011, the Company, acquired common shares of Bangkok Chain Hospital Plc. (KH) doing business as Kasemrad Hospital Group in an amount of 415,624,000 shares or equivalent to 24.99% of total issued and paid-up shares at acquisition price of Baht 8.50 per share. The transaction value is Baht 3,562.9 million (included investment acquisition expenses). KH became an associated company of the Company as of 18 March 2011. The Company recognized its share of profit (loss) of KH as of the second quarter of 2011.

In April 2011, Bumrungrad International Ltd. registered with the Ministry of Commerce to reduce its registered and paid-up share capital from Baht 3,199.3 million (31,993,367 ordinary shares at par value of Baht 100.00 each) to Baht 1,176.0 million (11,760,000 ordinary shares at par value of Baht 100.00 each). The associate's share capital reduction was made in accordance with a resolution of the Extraordinary General Meeting of its shareholders held on 14 March 2011. The Company received a return of share capital in proportion to its 31.5% shareholding in the associate on 19 April 2011, amounting to Baht 612.6 million (6,373,506 shares at a value of Baht 96.12 each). Bumrungrad International Ltd remained an associate of the Company.

In September 2011, the Extraordinary General Shareholders' Meeting of the Company's subsidiary (Asia Global Research Ltd.) approved the increase of registered share capital from Baht 20.0 million (2.0 million ordinary shares of Baht 10.00 each) to Baht 50.0 million (5.0 million ordinary shares of Baht 10.00 each), through the issuance of 30.0 million additional ordinary shares with a par value of Baht 10.00 each, for offer to its existing shareholders at Baht 10.00 per share. The Company purchased all of the additional ordinary shares and paid for the share subscription on 13 September 2011. The subsidiary registered the increase of its capital with the Ministry of Commerce on 14 September 2011.

In November 2011, BIL entered into a Share Purchase Agreement for the sale of all of its interests in companies in the Philippines related to Asian Hospital, Inc. to Metro Pacific Investment Corporation, a company incorporated in the Philippines. Subsequently, on 6 December 2011, the most significant aspects of the sales transaction were completed including the transfer of control over these companies to the buyer. In December 2011, BIL also notified SEHA that BIL decided to not renew the Hospital Management Services Agreement in relation to Mafraq Hospital in the UAE.

The Company determined a need to acquire additional land to support the expansion of its Bangkok hospital business. In this regards, the Investment Committee had considered and approved the proposal to acquire additional land for totaling 4-0-49 Rai (located at Petchburi Road).

In December 2011, Extraordinary General Meeting of Shareholders No. 1/2011 has approved the issuance and offering of debentures by the Company to Institutional and high net-worth investors in compliance with the notifications of the Securities and Exchange Commission at 3 tranches with tenors of 5, 7 and 10 years (principal amount Baht 5,000 million). And also to extend the tenure of the Convertible Bonds for additional 5 years, maturing on 23 August 2017 but the security of the Convertible Bonds be released in accordance with the same term on 23 August 2013. The Company also sold 229,680 shares at price of Baht 9.80 per share or Baht 2.3 million in its subsidiary, Bumrungrad Medical Center Ltd. ("BMC") to a third party, resulting in a loss incurred from sales of investment of Baht 1.0 million. The loss was included in the profit or loss for the year ended 31 December 2011. The Company's shareholding in BMC decreased from 100 percent to 51 percent. BMC remained a subsidiary of the Company.

2012: In May 2012, to increase efficiency for using of the land and in consistence with the business expansion, the Company acquired the additional land (342 sq.wah) adjacent to land previously acquired by the Company on Petchburi Road (totaling 4-3-91.2 Rai).

In July 2012, the Company divested 498,748,800 common shares, equivalent to 24.99% of the total issued and paid-up shares of Bangkok Chain Hospital Plc. (BCH). The transaction value is Baht 4,563.55 million.

In September 2012, to provide expansion capability, the Company acquired 34,000,000 shares common shares of Ruenmongkol Co., Ltd., representing 100% of Ruenmongkol Co., Ltd.'s issued and paid-up capital. The total amount of transactions was Baht 1,053.11 million. (Ruenmongkol owns the land approx. 3-3-44.4 Rai on Sukhumvit Soi 1).

In September 2012, the Company sold 63,747 shares (in ABSPC Group Co., Ltd. (previously named Bumrungrad Medical Center Co., Ltd. representing 51% of ABSPC Group Co., Ltd.'s issued and paid-up capital, at the average price of 24 Baht per share. The total amount of transactions was 1,529,928 Baht.

During 2012, an associate (Bumrungrad International Ltd.) registered with the Ministry of Commerce to reduce its registered and paid-up share capital 4 times, 15 Mar 2013, 18 May 2013, 23 July 2013 and 25 September 2013: from Baht 1,176.0 million to Baht 4.6 million (45,938 ordinary shares at par value of Baht 100.00 each). The associate's share capital reduction was made in accordance with a resolution of its shareholders meetings. The Company received a return of share capital in proportion to its 31.5% shareholding in the associate, amounting to Baht 361.8 million. Bumrungrad International Ltd. is still an associate of the Company.

In 2012, the Company has been recognized by third-party organizations for its achievements in various areas and received awards as follows:

1. Bumrungrad receives Happy Workplace award for "Do Good for the King" CSR campaign from the Thai Health Promotion Foundation. The award is part of a program started by business, government and non-government sectors.
2. Bumrungrad named a 'Happy Workplace' from Thai Health Promotion Foundation.
3. Trusted Brand Award 2012 from Readers Digest
5. Bumrungrad named a 'CSR Thailand: 50 Good Practices in 2012' from Thai CSR Network of Thaipat Institute.
6. 'Best Practice Workplace' in the 'large-enterprise without Federation of Labor Union' category by the Ministry of Labor for the fourth consecutive year.

2013: In May 2012, the Company opened the remaining five floors in Bumrungrad International Clinic Building; that consisted of 4 additional clinic floors and one floor for education and conference facilities. As a result, the hospital's outpatient capacity increased to 5,500 patients per day. In addition the Company finished the construction and renovating 58 inpatient beds on 12th floor of the Bumrungrad International Hospital Building at the end of 2013.

In June 2013, to acquire a full road frontage of the land on Petchburi Road, the Company acquired the additional land (59 sq.wah) adjacent to the existing land owned by the Company on Petchburi Road (totaling 5-0-51 Rai).

In October 2013, the Company acquired Boss Tower Building (23-storey building, total building area of 40,650 sq. m.) with the land area of 2-0-42 Rai located on Rama IV Road. This building will accommodate for back office space and employee housing for over 1,000 nurses. The transaction value is Baht 837.50 million.

In October 2013, a 100%-owned subsidiary, Life and Longevity Limited ("LLL") was registered in Hong Kong Special Administrative Regions of the People's Republic of China, with paid-up capital of HK\$ 100,000, LLL was incorporated to be a holding company for overseas investments.

In 2013, the Company was recognized by third-party organizations for its achievements in various areas and received awards as follows:

1. Bumrungrad named a "2013 Best of Asia-Pacific Medical Tourism" from Frost & Sullivan
2. Bumrungrad named a 'Happy Workplace' Award from Thai Health Promotion Foundation.
3. 'Best Practice Workplace' in the 'large-enterprise without Federation of Labor Union' category by the Ministry of Labor for the fifth consecutive year.
4. 2013 AMCHAM CSR Excellence Award from The American Chamber of Commerce in Thailand (AMCHAM)

2014: In January 2014, a 99.99% subsidiary owned by the Company, Bumrungrad Personnel Development Center Co., Ltd. ("BHPDC") was established for the education and training in clinical and healthcare service to Bumrungrad and outside parties with a registered capital of Baht 5,000,000.

In the same month, Life and Longevity Limited ("LLL"), an overseas subsidiary 100% owned by the Company, together with Inovex Holding AG, formed a joint venture in Switzerland, Vitallife International AG ("VTLAG"), with registered and paid up capital of CHF 100,000. LLL holds 51% shareholding in VTL AG (another 49% is held by Inovex Holding AG). VTLAG is served as a holding company for overseas investment.

In March 2014, the Company together with AFH Healthcare Investment Limited established an overseas subsidiary, Health Horizons Enterprises Pte. Ltd. ("HHE"), with registered and paid up capital of USD 20,000 in Singapore. HHE is an overseas subsidiary 80% owned by the Company (another 20% owned by AFH Healthcare Investment Limited) established as a holding company for overseas investments.

HHE acquired 100% of the common shares of Bumrungrad Mongolia LLC ("BML"), which holds 51% of the common shares of Seoul Seniors Tower LLC ("SST"), who owns and operates a 98-bed private hospital in Mongolia, Ulaanbaatar Songdo Hospital ("UBSD"). BML has registered and paid up 4,081,000 common shares at the total value of USD 15,300,000.

In November 2014, the Company established a 99.99% owned subsidiary, Bumrungrad Personnel Development and Training Center Co., Ltd. ("BHPDTC"), with a registered capital of Baht 5,000,000, to provide personnel development and training for the employees of Company and affiliated companies only.

Bumrungrad International Holding Pte., Ltd. and Bumrungrad International Holdings (Hong Kong) Limited, 100% owned subsidiaries of Bumrungrad International Limited had conducted a members' voluntary liquidation and dissolved on 18 October 2014 and 3 June 2014 respectively.

To provide capacity to accept more referrals from within Thailand and around the world, the Company added an additional 18 ICU to the Bangkok campus in April 2014.

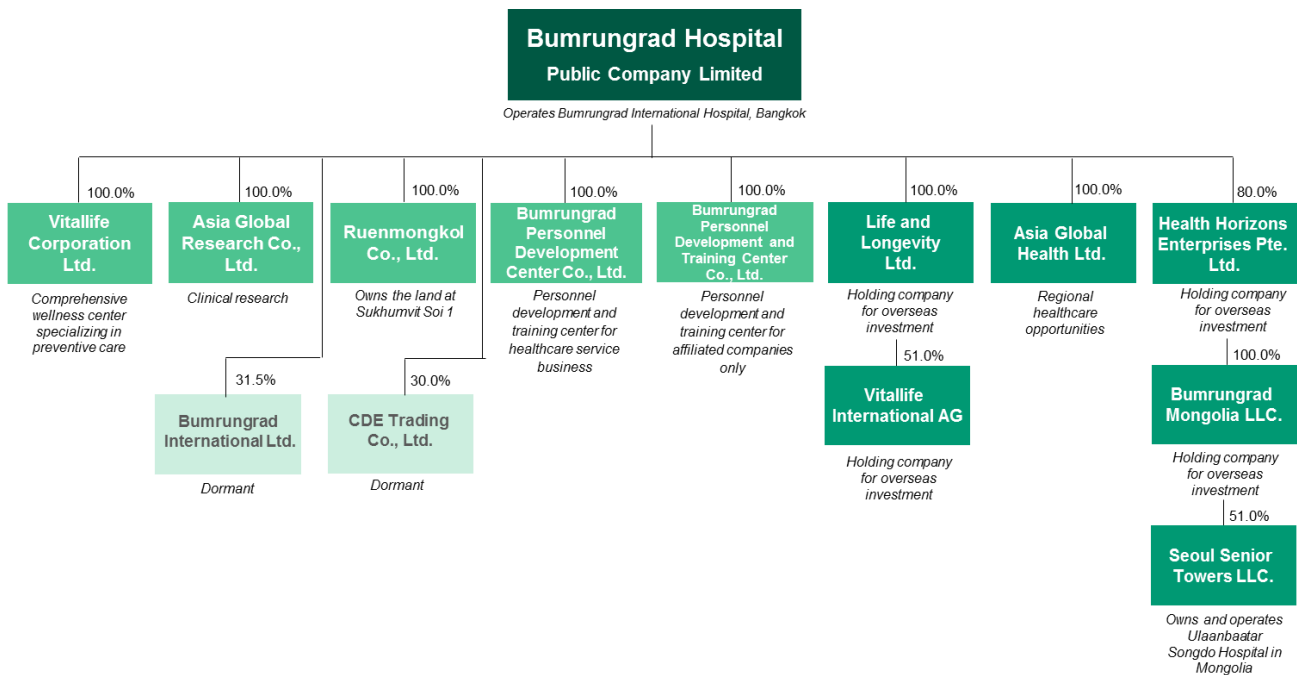
To increase the clinical capabilities of its nursing staff, Bumrungrad, developed the first private Thai hospital 'Simulation Training Center'. In addition, the Company entered into the Donation for Educational Support Agreement with St. Louis College to donate 69 MB for expansion of nurse training program and facilities of St. Louis College which will provide an addition 60 nurse students per year. This cooperation will secure additional nursing staff for Bumrungrad.

Two other important advances in the diagnosis and treatment for the patients, the Company opened Thailand's first dedicated Cardiac Electrophysiology lab (EP Lab), the most advanced facility of its kind in SE Asia for the treatment of irregular heartbeats (arrhythmia) in July 2014. The Company also entered into an agreement to utilize IBM Watson for Oncology. The cognitive computing system developed collaboratively by IBM and Memorial Sloan Kettering integrates patient information into the analysis of its database and makes individualized treatment recommendation to provide latest evidence based care with the best outcome for Bumrungrad patients with cancer. Bumrungrad is the first adopter outside America of this cognitive computing tool.

In 2014, the Company has been recognized by third-party organizations for its achievements in various areas and received awards as follows:

1. Bumrungrad named a 'Happy Workplace' Award from Thai Health Promotion Foundation.
2. 'Best Practice Workplace' in the 'large-enterprise without Federation of Labor Union' category by the Ministry of Labor for the sixth consecutive year.
3. 2014 AMCHAM CSR Excellence Award from The American Chamber of Commerce in Thailand (AMCHAM) for the second consecutive year.
4. Bumrungrad was the first hospital in Thailand to receive "Westgard Sigma Verification Laboratories" by Westgard QC Inc.
5. 2014 Outstanding Company Performance Award by The Stock Exchange of Thailand

1.3 Corporate structure (as of 31 December 2014)



Bumrungrad Hospital Public Company Limited (the "Company") operates a private hospital business in Bangkok with the current 580 licensed beds and capacity over 5,500 outpatients per day. The Company is one of the leading healthcare providers in Thailand and in the Southeast Asian region, providing complete healthcare services for both outpatients and inpatients. The Company has always emphasized the importance of quality healthcare and experienced physicians and staff. Bumrungrad International Hospital, Bangkok is the first hospital in Asia to receive the US standard accreditation from the Joint Commission International (JCI). The hospital has also received JCI's Clinical Care Program Certification (CCPC) for specialties programs including the Primary Stroke Program, Acute Myocardial Infarction, Diabetes Mellitus Type I and II and Chronic Kidney Disease Stage I to IV. Besides, the Company is the first hospital which was approved by Thai Hospital Accreditation (HA).

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

The Company also has three indirectly owned subsidiaries, including (1) Vitalife International AG (51%-owned), (2) Bumrungrad Mongolia LLC. (80%-owned as per its shareholding portion in Health Horizons Enterprises Pte. Ltd.) and (3) Seoul Seniors Towers LLC (approx. 41%-owned with control as per its shareholding portion through Health Horizons Enterprises Pte. Ltd. and Bumrungrad Mongolia LLC.).

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

Vitalife Corporation Limited ("VTL") is a pioneer in longevity medicine; integrating predictive, preventive, rejuvenating, and regenerative strategies for optimal healthy lifestyles. Vital Life brings together cutting-edge technologies to provide patients the means to "Feel Younger, Look Better, and Live Longer". Biomarker analysis, advanced supplementation, toxicity assessments, early detection, and regenerative medicine are key Vital Life analytics.

Asia Global Health Limited ("AGH") is a company that supports the strategy for regional investment in healthcare and related business.

Asia Global Research Company Limited ("AGR") is the provider of clinical research, both within Thailand and Southeast Asia. The services include (1) contract research organization ("CRO"), which performs multicenter clinical trials for international biotech, pharmaceutical and device companies, and (2) site management organization ("SMO"), which manages groups of investigational sites to provide quality research and quality data.

Ruenmongkol Company Limited ("RM") is the owner of land to be used for business expansion at Sukhumvit Soi 1 (approx. 3-3-44.4 Rai).

Life and Longevity Limited ("LLL") registered in Hong Kong Special Administrative Regions of the People's Republic of China, a holding company for overseas investments of the Company.

Bumrungrad International Limited ("BIL") has served as a Company international investment arm. BIL had focused on hospital ownership and management. In 2013, BIL ceased its operating activity and pursued the distribution of its funds to shareholders via capital reduction and loan to shareholders.

CDE Trading Company Limited ("CDE") (previously Global Care Solutions (Thailand) Company Limited) was a healthcare software development company. In December 2007, Global Care Solutions (Thailand) Company Limited completed the sale of its core assets, which was the hospital software, and other assets to the Microsoft Group and changed its name from Global Care Solutions (Thailand) Company Limited to CDE Trading Company Limited. CDE Trading is currently a temporarily dormant company.

Bumrungrad Personnel Development Center Co., Ltd. ("BHPDC") is the personnel development and training company that provides education and training in clinical and healthcare service to outside parties.

Vitalife International AG ("VTLAG") is a holding company registered in Switzerland, that supports the strategy for overseas investment in preventive care, wellness and anti-aging services.

Health Horizons Enterprises Pte. Ltd. ("HHE") is a holding company registered in Singapore, which supports the Company's strategy for overseas investment in healthcare and related business.

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

Seoul Seniors Towers LLC ("SST") is a company that owns and operates Ulaanbaatar Songdo Hospital in Mongolia.

Bumrungrad Personnel Development and Training Center Co., Ltd. ("BHPDTC") is the personnel development and training company that focus on improving and expanding the capabilities in clinical and healthcare service to the Company and affiliated companies only.

2. BUSINESS DESCRIPTIONS

Revenue Structure

Unit: Baht Million

Product line / Business Group	Operate by	% Shareholding By Company	2014		2013		2012	
			Revenue	%	Revenue	%	Revenue	%
Healthcare	Bumrungrad Hospital Pcl.		15,135	95.1	14,008	95.6	12,662	90.2
Healthcare	Vitalife Corporation Ltd.	100.0	225	1.4	243	1.7	194	1.4
Healthcare	Seoul Seniors Towers LLC	40.8	212	1.3	-	-	-	-
Total Healthcare			15,572	97.9	14,251	97.3	12,856	91.6
Rental	Bumrungrad Hospital Pcl.		58	0.4	94	0.6	125	0.9
Rental	Ruenmongkol	100.0	-	0.0	1	-	1	-
Total Rental			58	0.4	95	0.6	126	0.9
Others	Bumrungrad Hospital Pcl.		262	1.6	280	1.9	1,048	7.5
Others	Vitalife Corporation Ltd.	100.0	4	0.0	5	0.1	4	-
Others	Asia Global Research Ltd.	100.0	12	0.1	18	0.1	7	-
Others	Ruenmongkol Co., Ltd.	100.0	-	-	2	-	-	-
Others	Health Horizons Enterprises Pte. Ltd.	80.0	1	0.0	-	-	-	-
Others	Bumrungrad Personnel Development Co., Ltd.	100.0	1	0.0	-	-	-	-
Total Others			280	1.8	305	2.1	1,059	7.5
Total			15,910	100.0	14,651	100	14,041	100

2.1 Products and services description

Bumrungrad Hospital Public Company Limited ("the Company")

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

In 2014, the revenue from hospital operations of the Bangkok facility is 95.1% of total revenues.

The Hospital's Services:

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

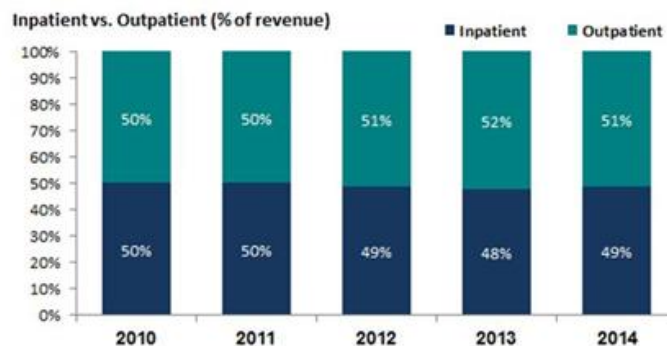
- Outpatient service has 39 clinics/centers with 276 examination rooms, and capacity to serve over 5,500 outpatients per day, with the following details:
 - Allergy Center
 - Arrhythmia Center
 - Breast Care Clinic
 - Children's (Pediatrics) Center
 - Dental Center
 - Diabetes Center
 - Diagnostic Center
 - Dialysis Center
 - Digestive Disease (GI) Center
 - Ear, Nose and Throat Center
 - Emergency Center
 - Eye Center
 - Fertility Center & IVF Clinic
 - Joint Replacement Center
 - Memory Clinic
 - Men Center
 - Neuroscience Center
 - Nephrology (Kidney) Center
 - Orthopedic Center
 - Parkinson's Disease and Movement Disorders Clinic
 - Perinatal Center
 - Physical Therapy & Rehabilitation
 - Plastic Surgery (Cosmetic) Center
 - Pulmonary (Lung) Center
 - Skin Center (Dermatology)
 - Sleep Lab

- Health Screening Center (Check-up)
- Heart Center
- Horizon Regional Cancer Center
- Hyperbaric Oxygen Therapy
- Hypertension Clinic
- Intensive Care Unit (ICU)
- Medical Clinics (Internal Medicine)
- Spine Institute
- Surgical Clinics
- Travel Medicine Center
- Urology Center
- Wellness & Anti-aging (Vitalife)
- Women Center

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

In 2014, the Company treated a total of over 1.1 million medical episodes. The revenue contributions by inpatient and outpatient in 2014 are as follows:

Inpatient vs. Outpatient (% of total revenue)



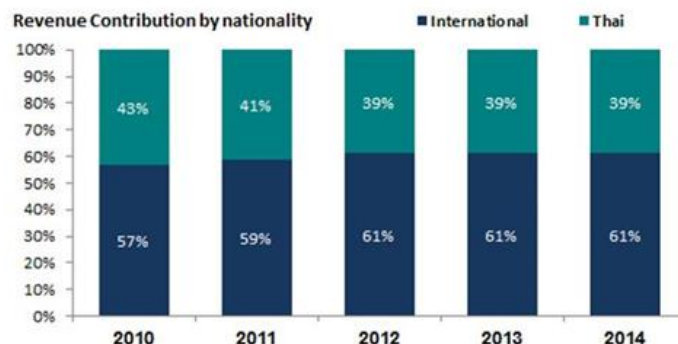
International Patient Services:

The Company has a strong and successful track record in increasing its share in the international market. It has an International Patient Services Center to facilitate and accommodate international patients. The services offered include interpreters, international insurance coordination and international medical coordinators, referral center, email correspondence, visa extension counter, embassy assistance, airport reception and travel assistance. The Company also has 26 overseas referral offices in 17 countries.

In 2014, Bumrungrad International Hospital treated over 516,000 international medical episodes from over 200 countries. The top three highest revenue contributors by country are Myanmar, the United Arab Emirates and Oman.

The following graph shows the historical revenue contribution of international patients over the past five years.

Thai vs. international patients (% of total revenue)



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

The Bangkok Facility:

At present, the hospital's services are conducted in five buildings:

1. **Bumrungrad International Clinic Building** is a 22-storey outpatient facility, with the first ten floors being used as parking spaces and the top 12 floors as outpatient clinics and ancillary services together with non-clinic floors for patient services, conference and educational facilities.
2. **Bumrungrad International Hospital Building** offers a combination of inpatient and outpatient services. The licensed inpatient bed capacity of the Bumrungrad International Hospital Building is 580.
3. **BH Residence Building** offers space on the Bangkok campus for support functions and 7 floors of parking spaces.
4. **Vitalife Building** is occupied by Vitalife Corporation Limited which provides preventive care services targeted at health-conscious individuals.
5. **Bumrungrad Tower** accommodates back office functions and employee housing for over 1,000 nurses.

The Ulaanbaatar Songdo Hospital in Mongolia:

At present, the hospital's services are offered in the 8-storey building + basement, with 98 inpatient beds.

2.2 Industry and Competition

In Thailand, the private hospital sector has evolved from small family businesses into large corporations with professional management. Many are now regularly reviewed by domestic or international accreditation organizations, resulting in improved medical quality, safety, management discipline and operating processes. These hospitals encourage and attract an increasing pool of highly skilled medical practitioners. Business opportunities and competition are expanding.

In 2014, the political environment in Thailand that began in 1Q14 contributed to weak volumes and lower revenue intensity, particularly in the first half of the year. Volumes from the international market segment have been significantly more impacted than volumes from the Thai and expat market segments during this period as some countries had travel warnings to Thailand. The situation improved with the new interim government taking control, and by Q4 2014 volume growth returned, partly driven by a recovery in external demand and also due to the Company's business strategies. Economic and consumer income growth, together with an aging population has encouraged spending on both necessary and discretionary healthcare. Healthcare providers continued to aggressively market their services. Thailand's popularity as both a tourist and medical destination provided more patients. Preventative and wellness services opened market segments beyond the sick. Expanded networks reached more suburban and provincial consumers, and gave the biggest providers increased economies of scale and bargaining power.

Bangkok continues to host the most private hospitals. It has seen not only renovations, expansions, and new campuses in the private sector, but also public hospital developments targeting premium private hospital market segments. Thais and international patients seeking high quality treatment in modern facilities for serious conditions have more options than ever.

The Company positions itself at the premium end of the domestic market. For a family in the higher socioeconomic strata seeking the best available treatment – often for a serious medical condition – Bumrungrad offers excellent doctors supported by experienced colleagues, advanced technology and

responsive service, in a comforting environment. It uses a wide variety of tools, including mass media, events, the internet, and onsite communications, to convey these benefits.

The global medical tourism industry is expected to see continued growth, and Thailand has been one of the top destinations. Demand continues to be driven by two groups: aging populations in developed countries with dysfunctional, expensive healthcare systems; and upwardly mobile consumers in emerging economies where healthcare resources are not sufficiently developed. These factors will continue to drive patients across borders in search of care. However, they may not have to travel as far. Thailand's strongest competitors were once Singapore and India; today they include Malaysia, South Korea, Turkey and Latin America. One reason for our acquisition of Ulaanbaatar Songdo Hospital in Mongolia was to more effectively compete with South Korea for referrals from Mongolia.

As more countries develop medical tourism strategies and more hospitals get international accreditation, medical tourism will become more segmented and regional. The Company believes it can compete successfully across a wide variety of medical specialties, but its key patient sources will be within a half day's flight.

Worldwide competition is growing but hospitals in Thailand have a competitive advantage. Thailand offers a unique combination of high quality doctors, an appealing service culture, affordability and long experience serving international patients. The country is also a popular tourist destination with a good supporting infrastructure. The Company benefits from all these characteristics, plus a large, centrally-located campus that provides rapid access to resources that meet virtually all the needs of a typical medical tourist.

International patients travel for medical expertise they cannot find at home, so the Company introduces many of its top doctors at events in key source markets. A network of 26 overseas referral offices helps raise awareness of the hospital, answer questions and coordinate patient visits. The Company also seeks to differentiate itself with more transparent pricing and an experienced team of multicultural medical coordinators and interpreters.

Target Markets

The domestic market can be divided into two types, upper-middle to premium class Thais and the expatriate community in Thailand. The international market reflects primarily medical tourism from countries where there are issues with quality, access and affordability with their healthcare services. In addition, the Company also targets patients from corporate contracts, insurance companies and referral patients both within Thailand and from abroad.

Distribution and Marketing Channels

An effective way to attract customers is by way of obtaining patient referrals, both within Thailand and from other countries. With Bumrungrad International Hospital, Bangkok as a reputable tertiary hospital of more than 30 years, specializing in the treatments of complicated diseases, the Company has established excellent referral connections with hospitals and doctors both within Thailand and abroad.

The hospital maintains over one thousand corporate and insurance contracts as a method for directing patients to the hospital.

For its international marketing, the Company has set up 26 referral offices in 17 countries.

2.3 Sources of Products and Services

Bumrungrad International Hospital, Bangkok

Capacity

As at 31 December

Inpatients	2014	2013	2012
Total number of licensed beds*	580	563	538
Beds in operation*	565	543	487
Weighted total capacity**	204,218	179,458	178,242
Occupied beds per year (beds)	135,342	134,908	138,580
Weighted capacity Utilization (percent)	66.27	75.18	77.75

* In April 2014, the Company has increased the licensed beds to 580 and operational beds to 565.

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

As at 31 December

Outpatients	2014	2013	2012
Capacity per day (persons)*	5,500	5,500	4,500
Average outpatients per day (persons)	2,976	3,021	3,017
Weighted Capacity Utilization (percent)	54.11	59.43	67.04

Raw Materials and Suppliers

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

Environmental Compliance

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

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

3. RISK FACTORS

Political, macroeconomic and natural disaster-related factors

In recent years, the hospital industry in Thailand has been affected by a number of external factors, including global and domestic economic downturns, political unrest, flu pandemics and weather-related events.

The domestic political turbulence stopped Thailand GDP growth at the end of 2013 and turned it negative in the first quarter of 2014. This affected local consumers' medical decisions, particularly about less serious treatment. Protests and economic uncertainty cause many people to postpone routine care.

The political situation and the negative international economic environments also were the additional factors which affected international medical travel decisions as it triggered fears about Thailand's safety and in some cases prompted travel bans from key international source markets.

In order to minimize risk, our strategy does not rely on high volume, low intensity healthcare. It is about serious medical concerns. The more serious the concern, the more patients and their families want to be cared for by the hospital they believe to be the best in the region. Moreover, the Company maintains a balanced portfolio of international and Thai patients so that our hospital does not rely excessively on revenue from international patients. The Company continues to focus on marketing activities related to the domestic market while continuing to work to attract international patients.

Intensified competition in the premium healthcare sector

As private hospitals in Thailand and across the region continue to develop, competition in the private healthcare sector continues to intensify the risk of losing clients to competitors.

In order to maintain its leading position in Thailand and Asia and to mitigate this risk, the Company has focused on continuing to recruit and attract doctors of the highest caliber (especially sub-specialty experts), providing an ideal professional and clinical environment. We invested in up-to-date equipment and information technology (such as the advance-based diagnose and treatment plans for Oncology – IBM Watson system), upgraded and expanded both inpatient and outpatient facilities as well as continuously improved its quality of care and maintained to develop a sustainable leadership and experienced staff.

The Company's Bangkok hospital was the first hospital in Asia to receive US standard accreditation from Joint Commission International Accreditation (JCIA) and has also received JCI's Clinical Care Program Certification (CCPC) for specialty programs, including the Primary Stroke Program, Acute Myocardial Infarction, Diabetes Mellitus Types I and II, and Chronic Kidney Disease Stages I to IV. The hospital was also the first private hospital in Thailand to receive Thai Hospital Accreditation (HA) and the first to be awarded "Thailand Quality Class" from the Thailand Productivity Institute.

In addition, we developed the network relationships with many hospitals to refer complicated cases therefore Bumrungrad Hospital has a strong client base of referral patients both from within Thailand and internationally.

Shortage of professional staff

The hospital business requires a large number of professional personnel including nurses, pharmacists and various technicians, with specific technical expertise and knowledge. A shortage of these professionals is due in part to increasing demand from both the private and public sectors. Given the importance of its international client base, the Company also requires multi-lingual professionals.

In order to minimize risk, the Company offers competitive compensation and benefits for its staff. Bumrungrad Hospital also provides education and training, recreation, staff engagement projects, scholarships and staff welfare activities to all staff members. Through a decentralized management structure, the Company also offers excellent career paths to various categories of staff.

Moreover, in 2014, the Company contributed to an academic collaboration with St. Louis College's nursing program that opens a new pipeline for top nursing school graduates, including opened an innovative Simulation Lab for nurse training, the first such facility at a private hospital in Thailand.

Legal disputes

The hospital business is subject to litigation risk related to the provision of healthcare services by hospital staff and physicians.

To minimize litigation risk, Bumrungrad Hospital has implemented a quality management system to ensure that the risk of mistakes by BH personnel are minimized and corrected. In addition, BH has various insurance policies in force against potential litigation.

4. **ASSETS USED FOR BUSINESS OPERATIONS**

Fixed Assets of the Company and its Subsidiaries

As at 31 December 2014



Type/Characteristics of Assets	Ownership Status	Obligations	Book Value (Baht million)
11 plots of land on Sukhumvit Rd., a total of 9 rai 3 ngarn	Owner	-	290.86
3 plots of land on Sukhumvit Rd., A total of 2 rai 1 ngarn	Owner	-	297.53
Land at New Phetchaburi Road A total of 5 rai 51 wah	Owner	-	893.52
7 plots of land on Sukhumvit Soi 1 Rd., A total of 3 rai 3 ngarn 44 sq.wah	Owner	-	1,045.03
2 plots of land on Rama IV Road A total of 2 rai 42 sq.wah	Owner	-	336.80
Leasehold rights and land improvement	30-year right	-	17.91
12-storey hospital building on Sukhumvit Rd.	Owner	-	1,760.68
22-storey hospital building	Owner	-	1,110.12
BH Tower I and II	Owner	-	149.13
Nurse dormitory	Owner	-	11.46
Bumrungrad Tower	Owner	-	478.58
Building and Building Improvement - Subsidiaries	Subsidiaries	-	478.79
Facility system	Owner	-	527.05
Medical equipment	Owner	-	1,400.52
Hospital equipment	Owner	-	271.39
Utensils and furniture	Owner	-	227.65
Vehicles	Owner	-	7.96
Assets under construction and installation	Owner	-	643.47
Total			9,948.45

Intangible Assets of the Company and its Subsidiaries

As at 31 December 2014, the Company and subsidiaries have net intangible assets of Baht 146.34 million, most of which are computer program used for hospital business & ancillary businesses of the Company and subsidiaries.

Trademark

The Company's subsidiary and affiliate have trademarks which have been registered with Department of Intellectual Property, Ministry of Commerce. At present, two trademarks are being used commercially as follows:

Trademark	Objective of use	Registration Date	Expiry Date
	For services including physical therapy, healthcare, child care, baby delivery, optical services, blood bank services, medical services, medical assistance, pharmaceutical advisory, medical clinic, dentistry, hospital business, plastic surgery, rehabilitation service, nursery and beauty clinic	23 May 2005	22 May 2021
	For services including physical therapy, healthcare, child care, baby delivery, optical services, blood bank services, medical services, medical assistance, pharmaceutical advisory, medical clinic, dentistry, hospital business, plastic surgery, rehabilitation service, nursery and beauty clinic, and for services including business management, and supporting services for the group	27 December 2004	26 December 2024

In addition, the Company's subsidiary has registered trademark "Vitallife" in other countries.

5. LEGAL DISPUTES

At present, the Company has no legal disputes which will materially impact the Company's assets and operations.

6. **GENERAL INFORMATION**

1. Company Information

Name :	Bumrungrad Hospital Public Company Limited
Type of Business :	Private hospital
Head Office Address :	33 Sukhumvit Soi 3 (Nana Nua) Sukhumvit Road Klong Toey Nua, Wattana, Bangkok 10110
Registration No. :	0107536000994
Home page :	http://www.bumrungrad.com
E-mail address :	ir@bumrungrad.com
Telephone :	0 2667 1000
Fax :	0 2667 2525
Registered Capital :	Baht 922,702,685 Divided into Ordinary shares of 921,251,022 shares, par value at Baht 1 per share Preferred shares of 1,451,663 shares, par value at Baht 1 per share
Issued and Paid up Capital:	Baht 730,052,222 Divided into Ordinary shares of 728,600,559 shares, par value at Baht 1 per share Preferred shares of 1,451,663 shares, par value at Baht 1 per share

2. Entities in which the Company has more than 10% shareholding

Company	Type of Business	Issued ordinary shares	Shareholding (%)
1. Vitallife Corporation Limited 210 Sukhumvit Soi 1, Sukhumvit Road, Klong Toey Nua, Wattana, Bangkok 10110 Phone 0 2667 2340, Fax 0 2667 2341	Wellness Center	315,000 shares	100.0%
2. Asia Global Research Company Limited 2 Sukhumvit Road, Klong Toey, Klong Toey, Bangkok 10110 Phone 0 2667 1700, Fax 0 2667 1800	Clinical Research	5,000,000 shares	100.0%
3. Asia Global Health Limited Room 337, 3 rd Fl. South China C.S. Building, 13-17 Wah Sing Street, Kwai Chung, New Territories, Hong Kong. Phone (852) 881 8226, Fax (852) 881 0377	Investment in healthcare & related business in Asia	1,220,000 shares	100.0%
4. Ruenmongkol Company Limited 11/26 Sukhumvit Soi 1 Sukhumvit Road, Klong Toey Nua, Wattana, Bangkok 10110 Phone 0 2667 1000, Fax 0 2667 2525	Owens the land at Sukhumvit Soi 1	34,000,000 shares	100.0%

Company	Type of Business	Issued ordinary shares	Shareholding (%)
5. Life and Longevity Limited Room 337, 3 rd Fl. South China C.S. Building, 13-17 Wah Sing Street, Kwai Chung, New Territories, Hong Kong. Phone (852) 881 8226, Fax (852) 881 0377	Holding company for overseas investments	100,000 shares	100.0%
6. Vitallife International AG Neuhofstrasse 5a, Baar, Switzerland	Holding company for overseas investments	100,000 shares	51.0% (51% by LLL)
7. Bumrungrad Personnel Development Center Co., Ltd. 33 Sukhumvit Soi 3 Sukhumvit Road, Klong Toey Nua, Wattana, Bangkok 10110 Phone 0 2667 1000, Fax 0 2667 2525	Personnel Development and Training Center	500,000 shares	100.0%
8. Health Horizons Enterprises Pte. Ltd. 8 Marina Boulevard #05-02 Marina Bay Financial Center, Singapore 018981 Phone +65 6338 1888, Fax +65 6337 5100	Holding company for overseas investments	20,000 shares	80.0%
9. Bumrungrad Mongolia LLC Choidog-5, Peace Avenue, 1st Khoroo, Sukhbaatar District, Ulaanbaatar, Mongolia Phone +976-7012-9000, Fax +976-7011-1164	Holding company for overseas investments	4,081,000 Shares	80.0% (100% by HHE)
10. Seoul Seniors Tower LLC Choidog-5, Peace Avenue, 1st Khoroo, Sukhbaatar District, Ulaanbaatar, Mongolia Phone +976-7012-9000, Fax +976-7011-1164	Holding company for overseas investments	8,000,000 shares	40.8% (51% by BML)
11. Bumrungrad Personnel Development and Training Center Co., Ltd. 33 Sukhumvit Soi 3 Sukhumvit Road, Klong Toey Nua, Wattana, Bangkok 10110 Phone 0 2667 1000, Fax 0 2667 2525	Personnel Development and Training Center (for affiliated companies only)	500,000 shares	100.0%
12. Bumrungrad International Limited 33 Sukhumvit Soi 3 Sukhumvit Road, Klong Toey Nua, Wattana, Bangkok 10110 Phone 0 2667 1000, Fax 0 2667 2525	Temporarily Dormant Company	45,938 shares	31.5%
13. CDE Trading Company Limited 33 Sukhumvit Soi 3 Sukhumvit Road, Klong Toey Nua, Wattana, Bangkok 10110 Phone 0 2667 1000, Fax 0 2667 2525	Temporarily Dormant Company	100,000 Shares	30.0%

3. Reference Persons

1. Auditor	EY Office Limited 33 rd Floor, Lake Rajada Office Complex, 193/136-137 New Rajadapisek Road, Bangkok 10110 Phone 0 2264 0777, Fax 0 2264 0789-90
2. Legal Consultant	Damrongtham Law Office 63 Soi 8 (Soi Preeda), Sukhumvit Road, Bangkok 10110 Phone 0 2255 2552, Fax 0 2653 1133
3. Share Registrar	Thailand Securities Depository Company Limited 62 The Stock Exchange of Thailand Building, 4 th and 6 th -7 th Floor, Rachadapisek Road, Klong Toey, Bangkok 10110 Phone 0 2229 2888, Fax 0 2359 1259
4. Convertible Bonds Registrar	Bumrungrad Hospital Public Company Limited 33 Sukhumvit Soi 3 (Nana Nua), Sukhumvit Road, Klong Toey Nua, Wattana, Bangkok 10110 Phone 0 2667 2025, Fax 0 2667 2031
5. Convertible Bondholders' Representative	Thai Military Bank Public Company Limited 3000 Paholyothin Road, Jatujak, Bangkok 10900 Phone 0 2299 1111, 0 2617 9111, Fax 0 2299 1784
6. Debentures Registrar	Siam Commercial Bank Public Company Limited 9 Rutchadapisek Road, Jatujak, Bangkok 10900 Phone 0 2544 4049, Fax 0 2937 7662