

- Translation -

Section 3

Financial position and performance

13. FINANCIAL POSITION AND PERFORMANCE

Summary of Financial Information

**BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
COMPARED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER**

Unit: Thousand Baht

	2014	%	2013	%	2012	%
ASSETS						
Current assets						
Cash and cash equivalents	4,675,713	24.42	3,139,481	18.20	6,034,144	37.75
Short-term investments	1,922,000	10.04	2,717,730	15.75		
Trade and other receivables	1,525,212	7.97	1,306,952	7.58	1,335,000	8.35
Inventories	291,881	1.52	304,538	1.77	233,751	1.46
Prepaid expenses	66,488	0.35	49,940	0.29	52,359	0.33
Other current assets	18,099	0.09	33,194	0.19	14,449	0.09
Total current assets	8,499,393	44.40	7,551,836	43.77	7,669,703	47.98
Non-current assets						
Investments in associates	233,169	1.22	234,586	1.36	237,745	1.49
Other long-term investments	1,700	0.01	1,700	0.01	1,700	0.01
Property, plant and equipment	9,948,450	51.96	9,095,693	52.72	7,683,004	48.06
Intangible assets	146,343	0.76	189,298	1.10	235,973	1.48
Other non-current assets	24,943	0.13	27,459	0.16	33,629	0.21
Goodwill	111,968	0.58				
Deferred tax assets	178,730	0.93	150,957	0.88	122,952	0.77
Total non-current assets	10,645,303	55.60	9,699,693	56.23	8,315,003	52.02
TOTAL ASSETS	19,144,696	100.00	17,251,529	100.00	15,984,706	100.00

- Translation -

**BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
COMPARED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER**

Unit: Thousand Baht

	2014	%	2013	%	2012	%
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities						
Trade and other payables	860,237	4.49	858,882	4.98	799,949	5.00
Accrued physicians' fees	537,654	2.81	488,246	2.83	502,738	3.15
Accrued expenses	491,615	2.57	422,052	2.45	394,061	2.47
Income tax payable	369,829	1.93	329,139	1.91	372,559	2.33
Other current liabilities	66,687	0.35	64,324	0.37	68,315	0.43
Total current liabilities	2,326,022	12.15	2,162,643	12.54	2,137,622	13.37
Non-current liabilities						
Long-term loans from a related party	176,400	0.92	176,400	1.02	-	-
Long-term debentures	4,971,982	25.97	4,966,090	28.79	4,960,466	31.03
Provision for long-term employee benefits	410,329	2.14	349,431	2.03	376,130	2.35
Total non-current liabilities	5,558,711	29.04	5,491,921	31.83	5,336,596	33.39
Total liabilities	7,884,733	41.18	7,654,564	44.37	7,474,218	46.76

- Translation -

**BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
COMPARED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER**

	Unit: Thousand Baht					
	2014	%	2013	%	2012	%
Shareholders' equity						
Share capital						
Registered						
921,211,062 ordinary shares of Baht 1 each (2013: 921,211,022 ordinary shares of Baht 1 each, 2012: 921,043,709 ordinary shares of Baht 1 each)	921,211		921,211		921,044	
1,491,623 preference shares of Baht 1 each (2013: 1,491,663 preference shares of Baht 1 each, 2012: 1,658,976 preference shares of Baht 1 each)	1,492		1,492		1,659	
Issued and paid-up						
728,600,559 ordinary shares of Baht 1 each (2013: 728,560,559 ordinary shares of Baht 1 each, 2012: 728,393,246 ordinary shares of Baht 1 each)	728,601	3.81	728,561	4.22	728,393	4.55
1,451,663 preference shares of Baht 1 each (2013: 1,491,663 preference shares of Baht 1 each, 2012: 1,658,976 preference shares of Baht 1 each)	1,452	0.01	1,492	0.01	1,659	0.01
Premium on ordinary shares	285,568	1.49	285,568	1.66	285,568	1.79
Convertible bonds treated as equity securities	550,000	2.87	550,000	3.19	550,000	3.44
Retained earnings						
Appropriated - statutory reserve	92,275	0.48	92,275	0.53	92,275	0.58
Unappropriated	8,992,129	46.97	7,695,106	44.61	6,608,287	41.34
Other components of shareholders' equity	233,203	1.22	243,963	1.41	244,306	1.53
Equity attributable to owners of the Company	10,883,228	56.85	9,596,965	55.63	8,510,488	53.24
Non-controlling interests of the subsidiary	376,735	1.97	-	-	-	-
Total shareholders' equity	11,259,963	58.82	9,596,965	55.63	8,510,488	53.24
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	19,144,696	100.00	17,251,529	100.00	15,984,706	100.00

- Translation -

**BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
INCOME STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER**

Unit: Thousand Baht

	2014	%	2013	%	2012	%
Revenues						
Revenues from hospital operations	15,571,472	97.87	14,250,586	97.27	12,856,205	91.56
Rental income	58,220	0.37	95,400	0.65	126,339	0.90
Interest income	137,785	0.87	154,135	1.05	98,369	0.70
Gain on sales of investments	-	-	-	-	789,826	5.62
Exchange gains	46,284	0.29	54,417	0.37	69,509	0.50
Other income	96,777	0.61	96,848	0.66	101,389	0.72
Total revenues	15,910,538	100.00	14,651,386	100.00	14,041,637	100.00
Expenses						
Cost of hospital operations	9,495,602	59.68	8,836,088	60.31	8,242,007	58.70
Administrative expenses	2,805,908	17.64	2,527,116	17.25	2,294,947	16.34
Total expenses	12,301,510	77.32	11,363,204	77.56	10,536,954	75.04
Profit before share of profit (loss) from investments in joint venture and associates, finance cost and income tax expenses	3,609,028	22.68	3,288,182	22.44	3,504,683	24.96
Share of profit (loss) from investments in joint venture and associates	(2,745)	(0.01)	5,882	0.04	93,343	0.66
Profit before finance cost and income tax expenses	3,606,283	22.67	3,294,064	22.48	3,598,026	25.62
Finance cost	(186,033)	(1.17)	(147,874)	(1.01)	(240,750)	(1.71)
Profit before income tax expenses	3,420,250	21.50	3,146,190	21.47	3,357,276	23.91
Income tax expenses	(685,420)	(4.31)	(625,408)	(4.27)	(798,764)	(5.69)
Profit for the year	2,734,830	17.19	2,520,782	17.21	2,558,512	18.22
Profit attributable to:						
Equity holders of the Company	2,730,296	17.16	2,520,782	17.21	2,557,792	18.21
Non-controlling interests of the subsidiary	4,534	0.03	-	-	720	0.01
	2,734,830	17.19	2,520,782	17.21	2,558,512	18.22

- Translation -

**BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 DECEMBER**

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
	Issued and paid-up share capital		Premium on ordinary shares	Convertible bonds treated as equity securities	Retained earnings		Other components of shareholders' equity					
							Other					
							comprehensive					
							income					
							Exchange differences					
	Ordinary shares	Preference shares			Appropriated	Unappropriated	on translation of financial statements in foreign currencies	Other paid-in capital of an associate	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Balance as at 1 January 2013	728,393	1,659	285,568	550,000	92,275	6,608,287	(7,867)	252,173	244,306	8,510,488	-	8,510,488
Preference shares converted to ordinary shares	167	(167)	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	(1,387,085)	-	-	-	(1,387,085)	-	(1,387,085)
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(32,500)	-	-	-	(32,500)	-	(32,500)
Total comprehensive income for the year	-	-	-	-	-	2,506,405	(343)	-	(343)	2,506,062	-	2,506,062
Balance as at 31 December 2013	728,561	1,492	285,568	550,000	92,275	7,695,107	(8,210)	252,173	243,963	9,596,965	-	9,596,965
Balance as at 1 January 2014	728,561	1,492	285,568	550,000	92,275	7,695,107	(8,210)	252,173	243,963	9,596,965	-	9,596,965
Preference shares converted to ordinary shares	40	(40)	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	(1,386,891)	-	-	-	(1,386,891)	-	(1,386,891)
Cash receipt of capital increasing from non-controlling interest of the subsidiary	-	-	-	-	-	-	-	-	-	-	107,653	107,653
Increase in non-controlling interests of the subsidiaries due to purchase of investments in subsidiaries	-	-	-	-	-	-	-	-	-	-	267,391	267,391
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(32,500)	-	-	-	(32,500)	-	(32,500)
Total comprehensive income for the year	-	-	-	-	-	2,716,414	(10,759)	-	(10,759)	2,705,655	1,691	2,707,346
Balance as at 31 December 2014	728,601	1,452	285,568	550,000	92,275	8,992,129	(18,969)	252,173	233,203	10,883,228	376,735	11,259,963

- Translation -

**BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CASH FLOW STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER**

	Unit: Thousand Baht		
	2014	2013	2012
Cash flows from operating activities			
Profit before tax	3,420,250	3,146,190	3,357,276
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities: -			
Depreciation and amortisation	1,044,768	882,266	709,080
Allowance for loss on impairment of assets	-	(354)	594
Bad debts and allowance for doubtful accounts	38,980	23,940	15,108
Loss on sales and write-off of equipment	(209)	2,643	11,748
Provision for long-term employee benefits	67,231	44,400	56,735
Gain on sales of investments	-	-	(789,826)
Share of profit from investments in associates	2,745	(5,882)	(93,343)
Interest income	(137,785)	(154,135)	(98,369)
Amortisation of debenture issuing costs to interest expense	5,892	5,624	5,540
Interest expense	180,141	142,250	235,210
Profit from operating activities before changes in operating assets and liabilities	4,622,013	4,086,942	3,409,753
Operating assets (increase) decrease			
Trade and other receivables	(253,035)	4,107	(224,047)
Prepaid expenses	(16,548)	2,419	
Inventories	27,926	(70,787)	31,989
Other current assets	15,159	(18,746)	(15,053)
Other non-current assets	2,515	6,170	(16,282)
Operating liabilities increase (decrease)			
Trade and other payables	62,716	38,205	118,297
Accrued physicians' fee	49,096	(14,493)	50,683
Accrued expenses	66,012	(3,577)	124,954
Other current liabilities	817	(3,990)	11,107
Provision for long-term employee benefits	(20,215)	(58,783)	(24,650)
Cash flows from operating activities	4,556,456	3,967,467	3,466,751
Cash paid for income tax expense	(666,153)	(693,209)	(442,199)
Net cash flows from operating activities	3,890,303	3,274,258	3,024,552

- Translation -

**BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER**

Unit: Thousand Baht

	2014	2013	2012
Cash flows from investing activities			
Acquisition of investments	-	-	(1,045,034)
Increase (decrease) in short-term investments	795,730	(2,717,730)	-
Dividend received	-	5,400	49,875
Acquisition of investments in subsidiaries	(308,668)	-	-
Repayment debt of acquired subsidiary as at acquisition date	(85,705)	-	-
Cash receipt of capital increasing from non-controlling interest of the subsidiary	7,933	-	-
Cash increased from acquisitions of subsidiaries	2,591	-	-
Cash receipt from share capital reductions of a subsidiary and an associate	2,250	-	361,738
Cash receipt from sales of investments	-	-	4,483,293
Acquisition of property, plant and equipment and payment of construction and medical equipment payables	(1,295,617)	(2,217,856)	(982,397)
Acquisition of computer software	(16,428)	(13,762)	(37,276)
Proceeds from sales of equipment	3,948	4,436	3,958
Decrease in cash and cash equivalents of a subsidiary at the disposal date	-	-	(1,527)
Interest income	137,785	154,135	98,369
Net cash flows from (used in) investing activities	(756,181)	(4,785,377)	2,930,999
Cash flows from financing activities			
Cash receipt from long-term loan from a related party	-	176,400	-
Interest paid for long-term loan from a related party	-	(1,664)	-
Interest paid for long-term debentures	(176,592)	(139,333)	(235,210)
Dividend paid	(1,385,234)	(1,386,072)	(911,750)
Interest paid for convertible bonds treated as equity securities	(32,500)	(32,500)	(32,500)
Net cash flows from (used in) financing activities	(1,594,326)	(1,383,169)	(1,179,460)
Decrease (increase) in translation adjustment	(3,564)	(376)	174
Decrease in non-controlling interests of a subsidiary	-	-	(2,852)
Net increase in cash and cash equivalents	1,536,232	(2,894,663)	4,773,413
Cash and cash equivalents at beginning of year	3,319,481	6,034,144	1,260,731
Cash and cash equivalents at end of year	4,675,713	3,139,481	6,034,144

- Translation -

**BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FINANCIAL RATIO SUMMARY**

<i>Consolidated</i>	2014	2013	2012
<u>Liquidity Ratios</u>			
Liquidity ratio (times)	3.65	3.49	3.59
Quick ratio (times)	2.66	2.05	3.44
Cash ratio (times)	1.73	1.52	1.66
Accounts Receivables Turnover (times)	10.37	10.20	9.82
Average Collection Period (days)	34.71	35.30	36.67
Inventory Turnover (times)	29.30	30.52	30.93
Sales Period (days)	12.29	11.80	11.65
Accounts Payable Turnover (times)	12.09	12.19	12.83
Payment Period (days)	29.79	29.54	28.10
Cash Cycle (days)	17.21	17.55	20.24
<u>Profitability Ratios</u>			
Gross Margin (%)	43.9	42.4	39.9
EBITDA Margin (%)	28.6	27.7	25.3
Operation Margin (%)	22.0	21.6	25.9
Cash to operating profit (%)	112.1	104.5	88.8
EBT Margin (%)	21.5	21.5	23.8
Net Margin before Extraordinary Items (%)	17.2	17.2	15.1
Net Margin (%)	17.2	17.2	18.1
Return on equity (%)	26.2	27.8	35.0
<u>Efficiency Ratio</u>			
Return on assets (%)	15.0	15.2	18.1
Return on fixed assets (%)	39.6	40.6	46.9
Asset turnover (times)	0.87	0.88	0.95
<u>Financial Policy Ratio</u>			
Total Liabilities to Equity (times)	0.70	0.80	0.88
Debt to Equity (times)	0.46	0.54	0.59
Net Debt to Equity (times)	0.04	0.21	(0.12)
Interest Coverage Ratio (times)	18.75	16.42	13.81
Debt service coverage ratio (CASH BASIS) (times)	14.76	14.38	13.56

- Translation -

**BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FINANCIAL RATIO SUMMARY**

<i>Consolidated</i>	2014	2013	2012
<u>Baht per share</u>			
Par Value	1.00	1.00	1.00
Book Value Per Share	15.45	13.17	11.68
Book Value Per Share - Fully Diluted	12.98	11.06	9.81
Earnings Per Share	3.75	3.46	3.51
Earnings Per Share - Fully Diluted	3.15	2.91	2.95
Dividend per share	1.90	1.90	1.80
<u>Growth ratios</u>			
Sales from hospital operations (%)	9.3	10.8	16.7
Cost of goods sold (%)	6.4	6.3	17.1
Administrative expenses (%)	11.0	7.8	13.2
EBITDA (%)	12.4	20.8	18.0
Operating profit (%)	10.8	-8.0	56.9
Net profit before extraordinary items (%)	8.3	25.4	29.2
Net profit (%)	8.3	-1.4	61.1
Total assets (%)	11.0	7.9	16.8

14. Management Discussion and Analysis

For 2014, Total revenues increased to Baht 15,911 million, producing an 8.6% improvement over 2013 revenues of Baht 14,651 million. Net profit advanced 8.3% to Baht 2,730 million in 2014 from Baht 2,521 million in 2013, with Net profit margin at 17.2% for both 2014 and 2013.

On 28 March 2014, Health Horizons Enterprises Pte. Ltd. ("HHE"), an overseas subsidiary 80% owned by the Company, acquired 100% of the common shares of Bumrungrad Mongolia LLC ("BML"), which holds 51% of the common shares of Seoul Seniors Tower LLC ("SST"), for approximately USD 12 million in cash. Additionally, HHE provided a loan of USD 3.3 million to SST, which owns and operates Ulaanbaatar Songdo Hospital ("UBSD") in Mongolia. HHE's consolidated assets, liabilities, and operating results, which include SST and BML as of the acquisition date, are included in the Company's consolidated financial statements for 2014. The details of this transaction are presented in the Significant Event section of this document.

Details of the management discussion and analysis are as follows.

1. Income Statement

Revenues from hospital operations were Baht 15,571 million for 2014, a 9.3% improvement year-over-year from Baht 14,251 million in 2013. Outpatient and inpatient volumes advanced 7.5% and 11.2%, respectively, in 2014 compared with 2013 as a result of volumes added by the UBSD acquisition. Excluding UBSD volumes, outpatient volumes declined 1.5% in 2014 while inpatient volume grew 1.8% in 2014, both impacted by the ongoing political environment in Thailand that began in 1Q14 and continued to contribute to weak volumes and lower revenue intensity, especially through 2Q14. Volumes from the international market segment were significantly more impacted than volumes from the Thai and expat market segments during this period, although international volumes progressively recovered after 2Q14 and exhibited strong growth in 4Q14. Thai volumes ended 2014 with a 2.6% increase in admissions and a 1.2% decrease in outpatient visits, while international volumes, excluding UBSD, slightly increased 0.9% in admissions with a 1.9% decrease in outpatient visits year-over-year. Impacted by the significantly lower intensity services provided by UBSD compared to the Company's, and to a lesser degree the drop in international volumes and elective procedures caused by the unstable Thailand political environment, revenue intensity decreased by 8.9% and 6.7% for outpatient and inpatient services, respectively. Revenue intensity, excluding UBSD, decreased 1.7% for outpatient services, while inpatient services intensity improved 3.1% on a patient-day basis and 1.7% on an admission basis. The combined results of the above resulted in outpatient service revenues advancing 6.3% while inpatient service revenues grew by 11.7%. The revenue contribution from inpatient services in 2014 was 48.8% and from outpatient services was 51.2%, compared with 47.6% and 52.4%, respectively, for 2013. In terms of revenues by market segment, international patients accounted for 61.5% of the total in 2014, with the remaining 38.5% from Thai patients, reflecting a small decrease to the 38.9% from Thai patients in 2013.

Rental income was Baht 58 million in 2014 compared to Baht 95 million in 2013 due to the planned expiration of a service apartment building lease, and the conversion of previous rental space to temporary offices for hospital personnel necessitated by the campus expansion. Interest income decreased from Baht 154 million in 2013 to Baht 138 million in 2014, mainly due to decreased cash balances and interest rates. Exchange gains decreased to Baht 46 million from Baht 54 million mostly due to timing differences associated with collections on certain Middle East accounts. Total revenues in 2014 were Baht 15,911 million, compared to Baht 14,651 million in 2013, an 8.6% improvement year-over-year.

The Company reported Cost of hospital operations (including Depreciation and amortization) of Baht 9,496 million for 2014, or 7.5% more year-over-year from Baht 8,836 million in 2013, compared to the 9.3% growth in Revenues from hospital operations. The percentage of Cost of hospital operations to Revenues from hospital operations improved from 62.0% in 2013 to 61.0% in 2014. Administrative expenses (including Depreciation and amortization) were Baht 2,806 million in 2014, increasing 11.0% from Baht 2,527 million in 2013. This change included Baht 74 million in additional repair and maintenance expense, Baht 69 million in donations to support nurse recruitment, Baht 43 million in inflationary increases in staff cost, Baht 29 million in Depreciation and amortization associated with the

- Translation -

campus expansion and revised estimated useful lives of certain assets, and Baht 20 million more in software support and maintenance. EBITDA grew 12.4% year-over-year from Baht 4,016 million in 2013 to Baht 4,516 million in 2014, with the EBITDA margin advancing to 28.6% in 2014 compared with 27.7% in 2013.

Depreciation and amortization increased from Baht 882 million in 2013 to Baht 1,045 million in 2014, largely associated with the campus expansion. The Company reported Baht 6 million Share of profit from investments in associates in 2013 compared to Baht 3 million Share of loss from investments in 2014. The 2014 Share of loss was mostly due to realized exchange rate losses of Bumrungrad International Limited (BIL) connected with the planned closure of its subsidiaries [Bumrungrad International Holdings (Hong Kong) Limited and Bumrungrad International Holdings Pte. Ltd.] in June 2014 as part of the BIL wind-down process.

Finance cost increased from Baht 148 million in 2013 to Baht 186 million in 2014, primarily due to Baht 42 million less in capitalized interest expense associated with the campus expansion.

Corporate income tax of Baht 685 million in 2014 was higher than Baht 625 million in 2013, mostly due to Baht 58 million increased taxes due to higher taxable profit in 2014 compared with 2013, and Baht 10 million tax benefit from realized loss on impairment of the investment in Asia Global Research Co.,Ltd. (AGR) in 2013, offset by tax benefits of Baht 14 million related to donations to St. Louis College to support the nurse training program and Baht 15 million associated with outside training.

Basic EPS for 2014 was Baht 3.75, producing an 8.3% increase year-over-year from Baht 3.46 in 2013, while 2014 Diluted EPS also increased at the same rate to Baht 3.15 from Baht 2.91 in 2013.

Income statements Unit: Million Baht	2014	2013	Change
Revenues from Hospital Operations	15,571	14,251	9.3%
Total Revenues	15,911	14,651	8.6%
EBITDA	4,516	4,016	12.4%
Net Profit	2,730	2,521	8.3%
<i>EBITDA Margin</i>	<i>28.6%</i>	<i>27.7%</i>	
<i>Net Profit Margin</i>	<i>17.2%</i>	<i>17.2%</i>	
EPS Unit: Baht	2014	2013	Change
EPS – Basic	3.75	3.46	8.3%
EPS – Fully Diluted	3.15	2.91	8.3%

2. Statement of Financial Position

As at 31 December 2014, the Company reported Total current assets of Baht 8,499 million, an increase from Baht 7,552 million as at 31 December 2013. The variance is mostly due to an increase of Baht 1,536 million in Cash and cash equivalents and Baht 218 million in Trade and other receivables, offset with a decrease of Baht 796 million in Short-term investments, due to fewer fixed deposits invested for periods over three months and less than one year, and therefore, included as Cash and cash equivalents rather than Short-term investments. Previously, fixed deposits with a maturity exceeding three months but not more than one year were included with Cash and cash equivalents, but are now reported as a separate line item for all periods presented. Trade receivables were Baht 1,516 million at 31 December 2014 versus Baht 1,284 million 31 December 2013. The collection period was 34.7 days at 31 December 2014 compared to 35.3 days 31 December 2013.

Total non-current assets increased to Baht 10,645 million at 31 December 2014 from Baht 9,700 million 31 December 2013, mostly due to additional Property, plant and equipment and Goodwill associated with the acquisition of UBSD in Mongolia, described in the Significant Event section of this document. Total assets grew to Baht 19,145 million at 31 December 2014 from Baht 17,252 million 31 December 2013.

Total current liabilities were Baht 2,326 million at 31 December 2014, an increase from Baht 2,163 million 31 December 2013. The variance is mostly due to Baht 70 million additional Accrued expenses, mostly for accrued vacation and accrued bonus, Baht 49 million additional Accrued physicians' fees, and Baht 41 million additional Income tax payable.

Non-current liabilities rose to Baht 5,559 million as 31 December 2014 from Baht 5,492 million 31 December 2013, mostly due to Baht 61 million increase in Provision for long-term employee benefits. As a result of the increase in Cash and cash equivalents, Net debt to equity improved to 0.0x as at 31 December 2014 from 0.2x as at 31 December 2013. After adding back the 2014 and 2013 capitalized interest expense related to the campus expansion of Baht 55 million and Baht 97 million, respectively, the Company's Interest coverage ratio improved to 18.8x in 2014 from 16.4x in 2013, due to higher EBITDA in 2014 compared to 2013.

Total shareholders' equity grew to Baht 11,260 million at 31 December 2014 from Baht 9,597 million 31 December 2013. This increase resulted from the Company's 2014 Net profit of Baht 2,730 million and change in Non-controlling interests of the subsidiaries of Baht 377 million representing Non-controlling interests of the subsidiary in Mongolia, offset with a dividend payment of Baht 1,387 million and other changes in Retained earnings of Baht 57 million. Average return on assets (ROA) decreased slightly from 15.2% in 2013 to 15.0% in 2014. Average return on equity (ROE) declined from 27.8% in 2013 to 26.2% in 2014. Both of these changes were mostly attributable to the impact associated with the UBSD acquisition.

Unit: Million Baht	31-Dec-14	31-Dec-13	Change
Total Assets	19,145	17,252	11.0%
Total Liabilities	7,885	7,655	3.0%
Total Shareholders' Equity	11,260	9,597	17.3%
	2014	2013	
Interest Coverage Ratio (x)	18.8*	16.4*	
Average Collection Period (days)	34.7	35.3	
Average Inventory Period (days)	12.3	11.8	
Average Payables Period (days)	29.8	29.5	
Net Debt to Equity (x)	0.0	0.2	
Average Return on Assets (%)	15.0%	15.2%	
Average Return on Equity (%)	26.2%	27.8%	

* After adding back the 2014 and 2013 capitalized interest expense related to the campus expansion.

- Translation -

3. Liquidity

The Company's Net cash flows from operating activities in 2014 were Baht 3,890 million, compared to Baht 3,274 million in 2013. This increase was due to additional cash from operations and increased working capital. Net cash flows used in investment activities were Baht 756 million in 2014, compared to Baht 4,785 million in 2013. This change was mainly due to Baht 3,513 million less in Short-term investments and Baht 922 million less capital spending in 2014, offset with Baht 309 million for the Company's portion of the acquisition of the subsidiary in Mongolia, and Baht 86 million for the Company's portion of a loan repayment made by the subsidiary in Mongolia, described in the Significant Event section of this document. The variance in Short-term investments is mostly related to a change in reporting classifications. Previously, Short-term investments, defined as investments with a maturity exceeding three months but less than one year, were included with Cash and cash equivalents, but are now reported as a separate line item for all periods presented. The Company reported Net cash flows used in financing activities of Baht 1,594 million in 2014 versus Baht 1,383 million in 2013. This increase was primarily from Baht 176 million long-term loan from an associate in 2013. As a result of the above, Cash and cash equivalents were Baht 4,676 million as at 31 December 2014, compared to Baht 3,139 million as at 31 December 2013.

The Company's Liquidity ratio as at 31 December 2014 increased to 3.7x from 3.5x as at 31 December 2013. Similarly, the Quick ratio increased to 2.7x as at 31 December 2014 from 2.0x as at 31 December 2013.

Unit: Million Baht	2014	2013
Cash Flow from Operating Activities	3,890	3,274
Cash Flow used in Investing Activities	(756)	(4,785)
Cash Flow used in Financing Activities	(1,594)	(1,383)
Net (decrease) increase in cash and cash equivalents	1,536	(2,895)
Cash and cash Equivalents at end of year	4,676	3,139
	31-Dec-14	31-Dec-13
Liquidity Ratio (x)	3.7	3.5
Quick Ratio (x)	2.7	2.0

4. Contractual Obligations

					(Unit: Million Baht)
As at 31 December 2014					
	Fixed interest rates				
	Within 1 year	1-5 years	Over 5 years	Total	Effective interest rate
					(% per annum)
Long-term loan from					
a related party	-	176	-	176	2.00
Long-term debentures	-	2,489	2,483	4,972	4.13 - 4.97
	-	2,665	2,483	5,148	

Under the terms and conditions of the debentures, the Company has to comply with certain restrictions and maintain certain financial ratios which include:

- a) maintenance of a net debt to equity ratio not exceeding 1.75:1
- b) maintenance of a net debt to EBITDA ratio not exceeding 3.25:1

5. Significant Event

On 28 March 2014, Health Horizons Enterprises Pte. Ltd. ("HHE"), an overseas subsidiary 80% owned by the Company, acquired 100% of the common shares of Bumrungrad Mongolia LLC ("BML"), which holds 51% of the common shares of Seoul Seniors Tower LLC ("SST"), for approximately USD 12 million in cash. Additionally, HHE provided a loan of USD 3.3 million to SST, which owns and operates Ulaanbaatar Songdo Hospital ("UBSD") in Mongolia.

The seller of shares of SST is entitled to receive additional contingent consideration in the form of earn-out payments, provided certain cumulative net profit targets are achieved through 31 December 2016, at the maximum of MNT 10,965.9 million.

The Group has reviewed and reassessed the likelihood that the Group would incur such additional contingent consideration by taking into account the current economic situation and the current performance and forecast operating results of Ulaanbaatar Songdo Hospital for the years 2014 - 2016. As at 31 December 2014, the Group estimated that there is no likelihood that the Group would incur such additional contingent consideration.

HHE's consolidated assets and liabilities, which include SST and BML as of the acquisition date, are included in the Company's consolidated financial statements as from the first quarter of 2014. HHE has recorded the net tangible assets of SST and BML acquired at their fair values as of the acquisition date. The remaining excess of the purchase price over the net value of the tangible assets acquired was allocated as goodwill. The amount of goodwill is approximately USD 3.4 million.

14.1 Audit Fees

For the year 2014, the Company and subsidiaries have paid audit fees in the amount of Baht 2.96 million. The Company's 2014 audit fees have been approved by the shareholders' meeting.