

## **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 for over 5,500 outpatients per day. The Company is one of the leading healthcare providers in Thailand and 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 specialty programs including the Primary Stroke Program, Diabetes Mellitus Program, Chronic Kidney Disease Program and Knee Replacement Program. Additionally, the hospital is the first to be approved by Thai Hospital Accreditation (HA), and the first hospital in Thailand to receive accreditations from the College of American Pathologists (CAP) and the first in Asia to receive Det Norske Veritas (DNV) in Managing Infection Risk (MIR).

##### **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 11<sup>th</sup> 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 Disease 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 12<sup>th</sup> 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

**2015:** In February 2015, a 99.99% subsidiary owned by the Company, Bumrungrad Personnel Development Center Co., Ltd. ("BHPDC") was renamed to Bumrungrad Health Network Co., Ltd. ("BHN"). BHN is the personnel development and training company that focus on improving and expanding the capabilities in clinical and healthcare service to outside parties as well as supporting the investment in healthcare and related business overseas.

In April 2015, the Company opened new Liver Center in BI Hospital Building.

In the same month, a 99.99% subsidiary owned by the Company, Bumrungrad Services Co., Ltd. ("BHS"), with a registered capital of Baht 2,000,000 was established to provide referral services to domestic and foreign patients.

In May 2015, Bumrungrad Myanmar Company Limited, a 80% owned subsidiary through BHN (another 20% held by Yangon International Medical Services Co., Ltd.), was established in Yangon, Myanmar, to operate a private clinic and diagnostic services in Myanmar.

In 2015, the Company has been recognized by third-party organizations for its achievements in various areas and received awards as follows:

1. 'The International Hospital of the Year' 2015 by the International Medical Travel Journal based in London.
2. One of the 'Top Ten Hospitals in the World' by ontoplists.com
3. Bumrungrad named 'Best Practice Workplace' in the 'large-enterprise without Federation of Labor Union' category by the Ministry of Labor for the seventh consecutive year.
4. 2015 AMCHAM CSR Excellence Award from The American Chamber of Commerce in Thailand (AMCHAM) for the three consecutive year.

**2016:** In March 2016, the Company received JCI's Clinical Care Program Certification (CCPC) for 3 specialty programs, including Diabetes Mellitus Program, Chronic Kidney Disease Program and Knee Replacement Program. In addition, the Company received the Advance Hospital Accreditation (A-HA) from the Healthcare Accreditation Institute.

In March 2016, the Annual General Meeting of the shareholders of a subsidiary (Bumrungrad Health Network Co., Ltd.) passed a resolution to increase the registered share capital from Baht 5 million (0.5 million ordinary shares with a par value of Baht 10 each) to Baht 120 million (12 million ordinary shares with a par value of Baht 10 each), by issuing additional 11.5 million ordinary shares with a par value of Baht 10 each to the subsidiary's existing shareholders. The Company acquired all of the additional shares and paid in the additional share capital on 14 March 2016. The subsidiary registered the increase of its share capital with the Ministry of Commerce on 15 March 2016.

In March 2016, the Extraordinary General Meeting of shareholders of a subsidiary (Vitallife International AG ("VTLAG") (which was held by Life and Longevity Ltd.)), passed a resolution to approve the dissolution of VTLAG. VTLAG registered its dissolution and liquidation on 10 October 2016.

In June 2016, the Annual General Meeting of the shareholders of a subsidiary (Health Horizons Enterprises Pte. Ltd.) passed a resolution to increase the registered share capital from USD 16.6 million (16.6 million ordinary shares of USD 1 each) to USD 16.8 million (16.8 million ordinary shares of USD 1 each), by issuing additional 0.2 million ordinary shares with a par value of USD 1 each to the subsidiary's existing shareholders. The Company acquired the additional 0.16 million shares and paid in the additional share capital on 22 July 2016. The subsidiary registered the increase of the share capital on 27 July 2016.

The Company opened a private primary care and diagnostic services clinic in (Bumrungrad Yangon Clinic) in Myanmar, to treat primary care and health screening cases as well as to support patient care locally both before and following procedures at Bumrungrad International, Bangkok.

In September 2016, the Company opened a Physical Therapy clinic at AIA Sathorn Tower, in the Sathorn district, to better increase access to patients seeking treatment in that area of the city.

The Company has signed memorandum of understanding (MOU) to collaborate with 36 leading hospitals from all regions in uplifting of the quality and access of patient care and the development of academic medical collaboration, to improve the patient continuity of care in all parts of the country and better serve our Thai and foreign patients.

Bumrungrad International, Bangkok, was the first private hospital in Thailand to receive accreditation from the College of American Pathologists (CAP) that certifies our laboratory to be equivalent to the top institutions within the USA.

In December 2016, the Directors' Resolutions in writing of a subsidiary (Life and Longevity Ltd.) passed a resolution to increase the registered share capital from USD 62,000 (62,000 ordinary shares of USD 1 each) to USD 82,000 (82,000 ordinary shares of USD 1 each), by issuing additional 20,000 ordinary shares with a par value of USD 1 each to the subsidiary's existing shareholders. The Company acquired all of the additional shares and paid in the additional share capital totally USD 20,000. The subsidiary registered the increase of the share capital on 5 December 2016.

In 2016, the Company has been recognized by third-party organizations for its achievements in various areas and received awards as follows:

1. Bumrungrad's Central Sterile Services Department (CSSD) received certificate of 'CSSD Center of Excellence Program' by Asia Pacific Society of Infection Control (APSIC).
2. Bumrungrad International Institutional Review Board (BI-IRB) has received certificates of recognition from SIDCER/FERCAP and NECAST at the 16th FERCAP International Conference.
3. Bumrungrad named 'Best Practice Workplace' in the 'large-enterprise without Federation of Labor Union' category by the Ministry of Labor for eighth consecutive year.
4. Bumrungrad received 'Thailand's Model Organization on Labor Relations Management Awards' from the Ministry of Labor.
5. 2016 AMCHAM CSR Excellence Award from The American Chamber of Commerce in Thailand (AMCHAM) for the fourth consecutive year.

**2017:** In January 2017, Life and Longevity Ltd. (LLL), the Company's wholly-owned subsidiary which is registered in Hong Kong Special Administrative Region of the People's Republic of China, acquired 49% of the common shares of Inovital International AG which is incorporated in Swiss Confederation, for CHF 49,000 (490 ordinary shares with a par value of CHF 100 each). That company is principally engaged in manufacture and sale of vitamin supplement products and after sales services.

In April 2017, the shareholders' meeting of Bumrungrad Mongolia LLC., a subsidiary held by Health Horizons Enterprises Pte. Ltd. (the Company's subsidiary), passed a resolution to increase the registered share capital from MNT 4,141 million (4.14 million ordinary shares with a par value of MNT 1,000 each) to MNT 4,181 million (4.18 million ordinary shares with a par value of MNT 1,000 each), by issuing additional MNT 0.04 million ordinary shares with a par value of MNT 1,000 each, or equivalent to approximately Baht 1 million, to the existing shareholder. Health Horizons Enterprises Pte. Ltd. acquired all of the additional shares. The subsidiary registered the increase of its share capital on 3 May 2017.

In July 2017, Bumrungrad expanded our collaborative network to 51 hospitals nationwide, in both the private and public sector. This provides a strong source of patient referrals domestically, complementing our international referral offices in 23 countries.

In December 2017, the Extra Ordinary Meeting of the shareholders of a subsidiary (Asia Global Research Co., Ltd.) passed a resolution to increase the registered share capital from Baht 50 million (5 million ordinary shares with a par value of Baht 10 each) to Baht 95 million (9.5 million ordinary shares with a par value of Baht 10 each), by issuing additional 4.5 million ordinary shares with a par value of Baht 10 each to the subsidiary's existing shareholders. The Company acquired all of the additional shares and paid in the additional share capital in advance on 28 December 2017. The subsidiary registered the increase of its share capital with the Ministry of Commerce on 11 January 2018.

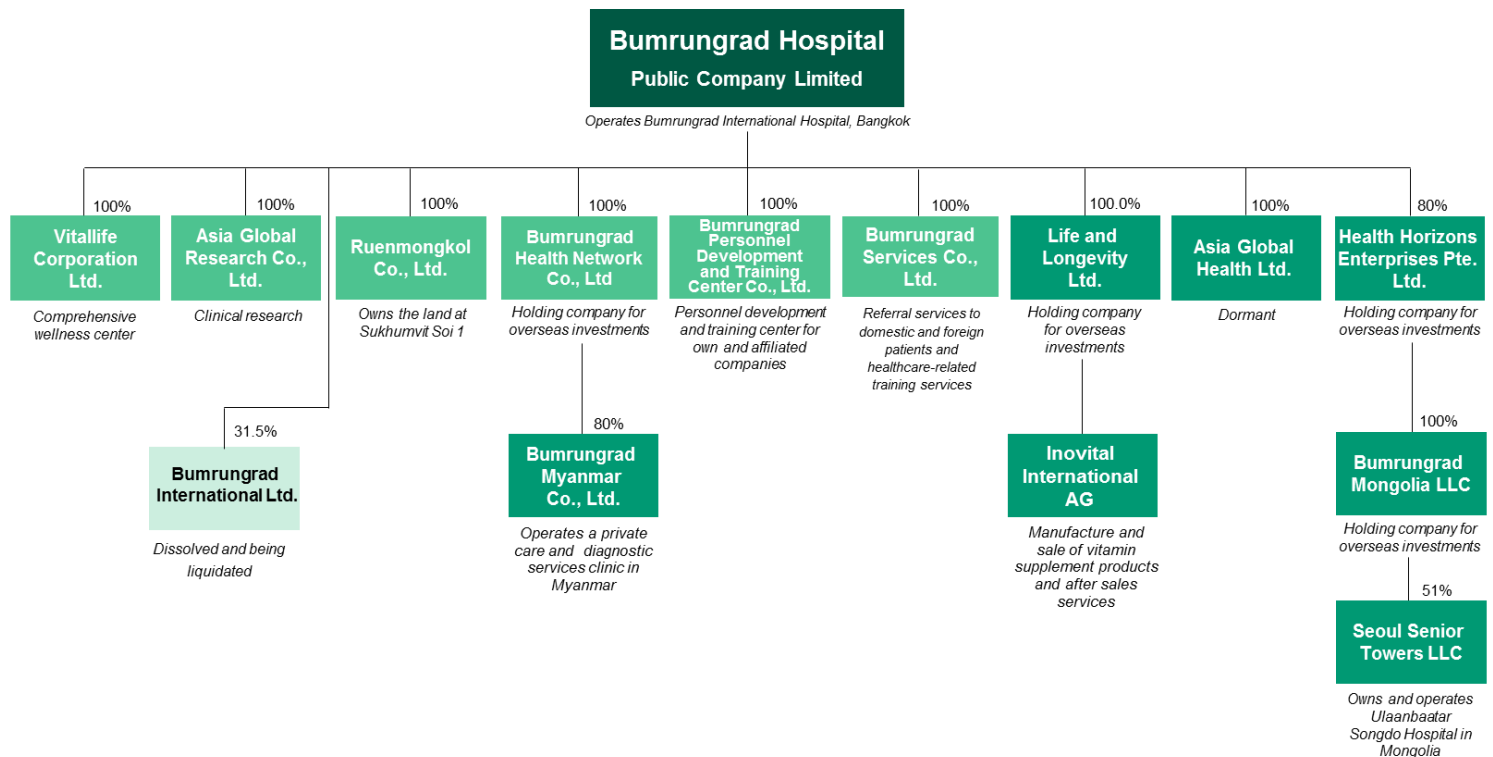
In December 2017, an extraordinary general meeting of shareholders of an associate (Bumrungrad International Limited ("BIL")), approved the dissolution of the BIL, and BIL registered its dissolution with the Ministry of Commerce on 28 December 2017. Currently, BIL is in the process of liquidation.



In 2017, the Company has been recognized by third-party organizations for its achievements in various areas and received awards as follows:

1. Bumrungrad received recognition by the ANCC's Pathway to Excellence Program (subsidiary of the American Nurses Association).
2. Bumrungrad International Hospital became the first hospital outside the US to be awarded a three-year term of "Accreditation with Excellence" by the Global Healthcare Accreditation (GHA) Program for its Medical Destination Program.
3. Bumrungrad named 'Best Employer Award' by the Ministry of Labor for the ninth consecutive year.
4. 2017 AMCHAM CSR Excellence Award from The American Chamber of Commerce in Thailand (AMCHAM) for the fifth consecutive year.

### 1.3 Corporate structure (as of 31 December 2017)



The Company has nine subsidiaries, including (1) Vitallife Corporation Limited, (2) Asia Global Health Limited, (3) Asia Global Research Company Limited, (4) Ruenmongkol Company Limited, (5) Life and Longevity Limited, (6) Bumrungrad Health Network Company Limited, (7) Bumrungrad Personnel Development and Training Center Company Limited, (8) Health Horizons Enterprises Pte. Ltd., and (9) Bumrungrad Services Company Limited

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

The Company has two associated companies, including (1) 31.5%-owned Bumrungrad International Limited, and (2) 49%-owned Inovital International AG.

#### Details of subsidiaries, affiliated companies and associated companies are as follows:

**Vitallife Corporation Limited ("Vitallife")** 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")** has served as a company that supports the strategy for regional investment in healthcare and related business. It is now a dormant company.

**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")** had 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. The Company was dissolved on 28 December 2017 and is now in the liquidation process.

**Bumrungrad Health Network Co., Ltd. ("BHN")** (previously Bumrungrad Personnel Development Center Co., Ltd.) is a company focused on investing in healthcare and related businesses overseas.

**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 businesses.

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

**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. ("BPDTC")** is the personnel development and training company that focuses on improving and expanding the capabilities in clinical and healthcare service to the Company and affiliated companies only.

**Bumrungrad Services Co., Ltd. ("BS")** is a company that supports the strategy for referral services to both domestic and foreign patients and provides healthcare-related training services to non-affiliated companies.

**Bumrungrad Myanmar Co., Ltd. ("BM")** is a company that operates a private primary care and medical diagnostic services clinic in Myanmar.

**Inovital International AG ("Inovital")** is principally engaged in manufacture and sale of vitamin supplement products and after sales services.

## 2. BUSINESS DESCRIPTIONS

### 2.1 Revenue Structure

Unit: Baht Million

Product line / Business Group	Operate by	% Shareholding By Company	2017		2016		2015	
			Revenue	%	Revenue	%	Revenue	%
Healthcare	Bumrungrad Hospital Pcl.		17,635	95.2	17,301	95.4	17,067	95.2
Healthcare	Vitalife Corporation Ltd.	100.0	422	2.3	321	1.8	293	1.6
Healthcare	Seoul Seniors Towers LLC	40.8	194	1.0	212	1.2	240	1.4
Healthcare	Bumrungrad Health Network Co., Ltd.	100.0	28	0.2	17	0.1	0	0.0
<b>Total Healthcare</b>			<b>18,279</b>	<b>98.7</b>	<b>17,851</b>	<b>98.5</b>	<b>17,600</b>	<b>98.2</b>
Rental	Bumrungrad Hospital Pcl.		67	0.4	64	0.4	60	0.3
<b>Total Rental</b>			<b>67</b>	<b>0.4</b>	<b>64</b>	<b>0.4</b>	<b>60</b>	<b>0.3</b>
Others	Bumrungrad Hospital Pcl.		156	0.8	189	1.0	249	1.4
Others	Vitalife Corporation Ltd.	100.0	7	0.0	8	0.0	7	0.0
Others	Asia Global Research Ltd.	100.0	4	0.0	5	0.0	8	0.0
Others	Health Horizons Enterprises Pte. Ltd.	80.0	6	0.0	7	0.0	2	0.0
Others	Bumrungrad Health Network Co., Ltd.	100.0	(8)	0.0	1	0.0	1	0.0
Others	Bumrungrad Services Co., Ltd.	100.0	6	0.0	1	0.0	2	0.0
<b>Total Others</b>			<b>171</b>	<b>0.9</b>	<b>211</b>	<b>1.1</b>	<b>269</b>	<b>1.5</b>
<b>Total</b>			<b>18,517</b>	<b>100.0</b>	<b>18,126</b>	<b>100.0</b>	<b>17,929</b>	<b>100.0</b>

### 2.2 Products and services description

#### Bumrungrad Hospital Public Company Limited ("the Company")

The Company is an owner and operator of multiple healthcare-related entities, both within and outside of Thailand. They include Bumrungrad International Hospital and Vitalife Wellness Center, both in Bangkok, Bumrungrad Clinic Yangon in Myanmar, and Ulaanbaatar Songdo Hospital in Mongolia, with Bumrungrad International Hospital as the main revenue contributor.

In 2017, the revenue from hospital operations of the Bangkok facility is 95.2% of total revenues.

#### The Hospital's Services:

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

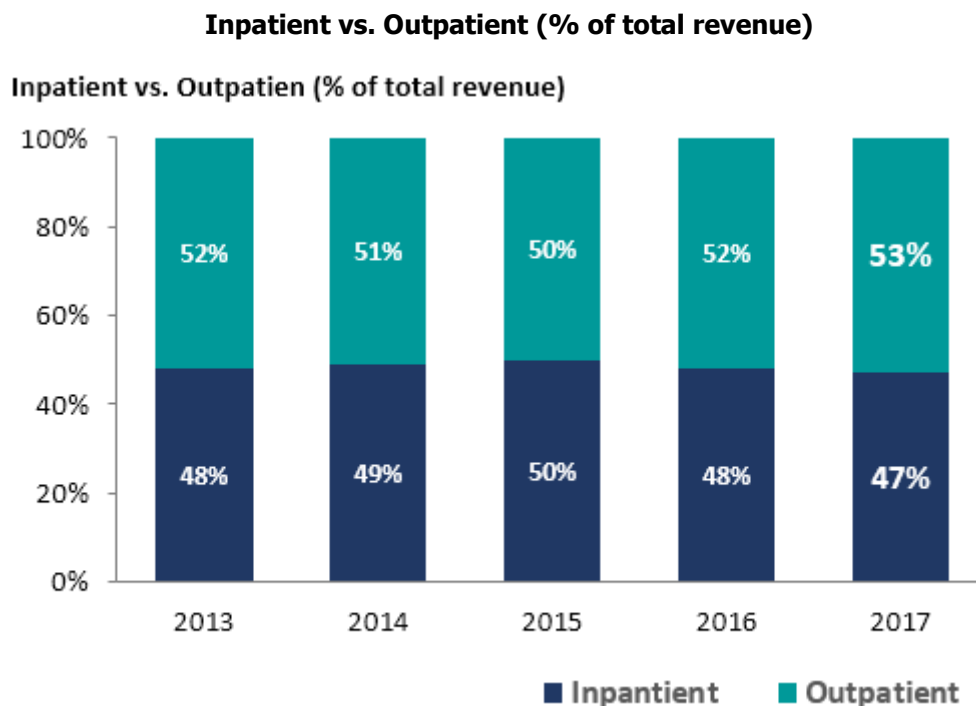
2.2.1 Outpatient service has 45 clinics/centers with 276 examination rooms, and capacity to serve over 5,500 outpatients per day, with the following details:

- Allergy Center
- Arrhythmia Center
- Breast Care Clinic
- Breast Feed Clinic
- Bumrungrad Nichada Family Clinic
- Children's (Pediatrics) Center
- Dental Center
- Diabetes Center
- Liver Center
- Medical Clinic
- Memory Clinic
- Men's Center
- Nephrology (Kidney) Center
- Neuroscience Center
- New Life Healthy Aging Clinic
- Orthopedic Center

- Diagnostic Center
- Dialysis Center
- Digestive Disease (GI) Center
- Ear, Nose and Throat Center
- Emergency Center
- Eye Center
- Fertility Center & IVF Clinic
- Health Screening Center (Check-up)
- Hearing and Balance Clinic
- Heart Center (Cardiology)
- Horizon Regional Cancer Center
- Hyperbaric Oxygen Therapy
- Hypertension Clinic
- Intensive Care Unit (ICU)
- Joint Replacement Center
- Parkinson's Disease and Movement Disorders Clinic
- Perinatal Center
- Physical Therapy & Rehabilitation
- Plastic (Cosmetic) Surgery Center
- Pulmonary (Lung) Center
- Refractive Surgery Center
- Skin Center (Dermatology)
- Sleep Lab
- Spine Institute
- Surgical Clinics
- Travel Medicine Center
- Urology Center
- Wellness & Anti-aging (Vitalife)
- Women's Center

2.2.2 Licensed capacity for inpatient service totals 580 beds, which includes ward beds and an intensive care beds.

In 2017, the Company treated more than 1.1 million medical episodes. The revenue contribution by inpatient and outpatient services in 2017:

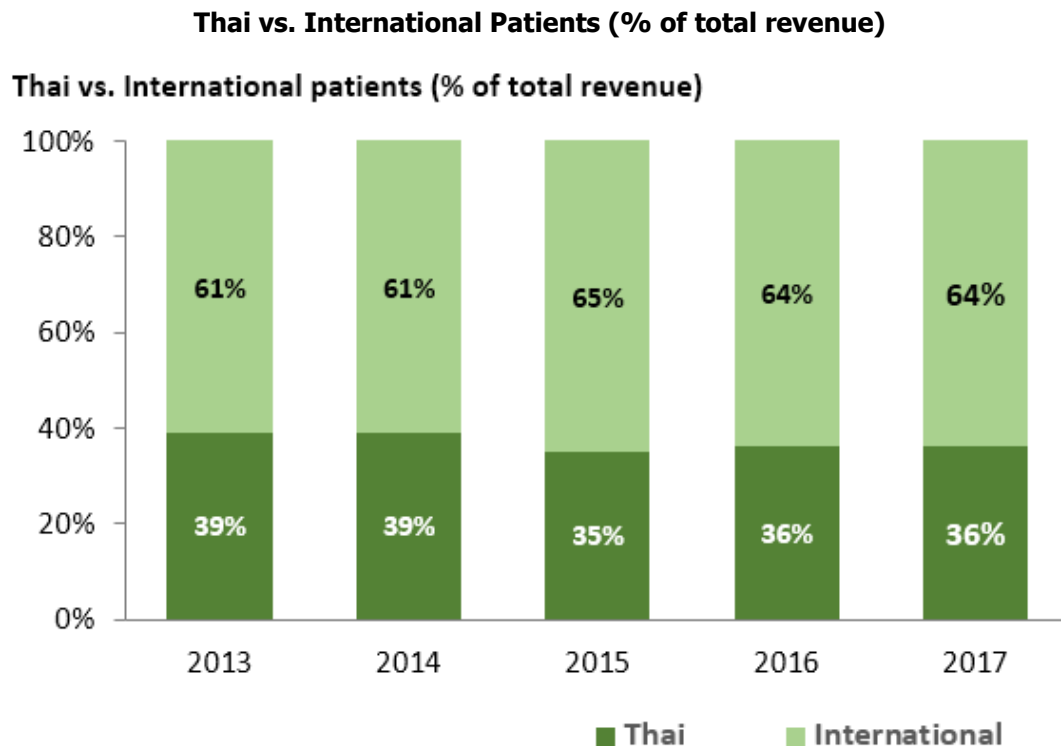


#### International Patient Services:

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 medical coordinators, interpreters, insurance coordination, referral center, visa extension counter, embassy assistance, airport reception and travel assistance. The Company also has 41 overseas referral offices in 23 countries.

In 2017, Bumrungrad International Hospital treated over 640,000 international medical episodes from over 190 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.



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

### The Bangkok Facility:

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

1. **Bumrungrad International Clinic Building (BIC)** 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 (BIH)** offers a combination of inpatient and outpatient services. The licensed inpatient bed capacity of the Bumrungrad International Hospital Building is 580.
3. **Bumrungrad International Tower Building (BIT)** was renovated for clinical and support functions, with 7 floors of parking spaces. The construction was completed end of 2017.
4. **Vitalife Building** is occupied by Vitallife Corporation Limited, which provides a scientifically based, highly personalized approach for the prediction and prevention of age related disease as well as helping customers shape a more youthful life.
5. **Bumrungrad Residential and Office Building (BRO)** accommodates back office functions and employee housing for over 1,000 nurses.

### The Ulaanbaatar Songdo Hospital in Mongolia:

Ulaanbaatar Songdo is one of the leading private hospitals in Mongolia. Strategically located in the center of the country's capital, the hospital's services are offered in an 8-storey building, with 88 inpatient beds.

## 2.3 Industry and Competition

In 2017, the global economy slowly recovered from the weak growth of 2016. Central Bank interest rates remain subdued in several regions around the world, while increases in the US Federal Reserve interest rate were modest. The Eurozone economy was in a slow recovery while the Japanese economy remained tepid. Oil prices throughout the year remained between USD 40 and USD 50 per barrel, acting as a damper on economies in the Middle East and other countries that rely on the export of oil and petroleum production. Southeast Asian economies showed steady growth with many ASEAN countries forecasting high single digit GDP growth in 2017. The global rate of inflation remained moderate.

In 2017, the world economy was reported to have expanded by 3.6 percent. Growth in the Thai economy is forecast at 3.5% in 2017, with a strengthening trend towards the second half of the year.

Medical tourism in Thailand grew mostly from neighboring countries and mainland China while growth in other regions such as the Gulf Coast Countries (GCC) and Middle-East nations remained tepid.

Thailand is one of the most popular destinations in Asia for tourists. The country attracts tourists and travelers with its diverse package of beaches, cultural sites and shopping options.

Thailand is also a leading destination for medical tourism. Private hospitals offer English-speaking physicians, many of whom have studied internationally, and high-quality healthcare that may not be available or affordable in patients' home countries.

Bumrungrad International Hospital has become known as one of the top premium destinations for medical tourism in the world. Nevertheless, there are domestic competitors that seek to attract both domestic and foreign patients. Our strategy therefore focuses on serving local and international patients who seek the differentiation of our services compared with other healthcare providers.

Our core values guide the healthcare that we provide, caring for our patients with compassion, professionalism and as a team, while continuously strengthening the systems and processes that ensure quality, safety and consistency to deliver better outcomes. We offer excellent doctors supported by experienced colleagues, advanced technology, and responsive service in a comforting environment.

In 2017, our business showed steady demand from domestic markets, particularly in the second half of the year. When there are outbreaks of illness or infectious disease, we typically see an increase in domestic patients.

We also saw growth in our overseas markets. Although muted in certain Middle-East regions, demand from neighboring countries and China was strong. This was mostly due to the inability of healthcare infrastructure in these countries to cope with rising demand and need for more complex services and treatments. We have also seen a rise in patients at the Yangon Clinic in Myanmar, with referrals back to Bumrungrad.

Despite the challenges faced in 2017, the management team delivered strong performance in managing costs and produced another consistent year of record revenue, EBIDTA, profit, and margins.

We invest in our people and systems to continuously redefine what it means to be a leading healthcare provider of outstanding service and results.

## Markets

Our markets can be viewed in two broad categories: domestic and international. The domestic market consists mainly of Thais of upper-middle class incomes and above and the local expatriate community. The international market primarily comprises medical tourism patients from countries where healthcare infrastructure and services lack quality, access or affordability.

In both market segments, the Company attracts patients based on the strength of our reputation. This may be on an individual basis or through third parties, including corporate contracts, insurance companies, and referral sources both within Thailand and abroad.

## Distribution and Marketing Channels

Patient referrals are a particularly effective way to attract customers. Over the course of nearly 40 years, we have built a reputation for excellence, specializing in the treatment of complicated diseases. During this time, the Company has established excellent connections with hospitals and doctors in Thailand and overseas, which allows for referrals. In addition, the Company has set up 41 referral offices in 23 countries.

Within Thailand, we have built a network of 51 domestic hospitals that operate in public, private and research sectors and serve as a source of referred patients. In addition, we have established numerous direct billing agreements with insurance providers, assistance companies and corporate sales agreements.

## Sources of Products and Services

Bumrungrad International Hospital, Bangkok

### Capacity

As at 31 December

<b>Inpatients</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Total number of licensed beds	580	580	580
Beds in operation	546	539	539
Weighted total capacity*	199,290	197,274	196,735
Occupied beds per year (beds)	127,985	137,243	149,519
Weighted capacity Utilization (percent)	64.22	69.57	76.00

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

As at 31 December

<b>Outpatients</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Capacity per day (persons)	5,500	5,500	5,500
Average outpatients per day (persons)	2,888	2,952	2,992
Weighted Capacity Utilization (percent)	52.51	53.67	54.40

## Raw Materials and Suppliers

Primary raw materials of the hospital business are pharmaceuticals, medical supplies and medical equipment. Raw material 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, macroeconomics and other unexpected factors**

In 2017, the hospital industry in Thailand was impacted by weakness in both the domestic and international economy. This was prevalent in the early part of the year with a continuation of the slowdown observed in the last quarter of 2016.

The economies of several countries in the region have not yet shown positive signs of recovery. Crude oil and commodity prices fluctuated but remained mostly depressed over the course of 2017 in a continuation of 2016, directly affecting the economic environment in many commodity countries. Economic weakness is one of the major factors eroding demand for healthcare services in the international markets.

To minimize risk, our strategy does not rely on high-volume, low-intensity healthcare but instead targets higher acuity and more complicated cases that require more extensive medical care. In addition, the Company maintains a balanced and diversified portfolio of international and Thai resident patients so that our hospital does not rely excessively on revenue from any one sector. The hospital continues to focus on marketing activities related to the domestic market while continuing work to attract international patients.

### **Intensified competition in the premium healthcare sector**

As private hospitals in Thailand, Southeast Asia and the Middle East continue to develop, competition in this healthcare sector intensifies the risk of losing business to competitors.

In order to mitigate this risk and maintain our leading position in Thailand and Asia, the Company continues to recruit doctors of the highest caliber, especially sub-specialty experts, providing them with an ideal professional and clinical environment while expanding services to our patients.

In 2017, our hospital was the first private hospital in Thailand to receive accreditation from Det Norske Veritas (DNV) in Managing Infection Risk (MIR). This certification examines the practices and standards of the hospital to ensure the successful containment and effective treatment of infectious diseases.

We also completed a digital transformation of our patient care systems, including data servers, patient health information systems and ERP platform. This transformation allows our patients and clinicians to securely access patient records and other critical information making for greater patient safety and efficiency of our clinicians.

The Company's Bangkok hospital successfully received JCI reaccreditation for the 5<sup>th</sup> time and was the first hospital in Asia to receive US standard accreditation from Joint Commission International Accreditation (JCIA). In addition, the hospital 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, Knee Replacement and Chronic Kidney Disease Stages I to IV. The hospital was the first private hospital in Thailand to receive Thai Hospital Accreditation (HA), and the first awarded "Thailand Quality Class" from the Thailand Productivity Institute.

In addition, we have expanded our network relationships with 51 major hospitals across Thailand, as well as international referral offices to refer complicated cases. This provides our Bangkok Bumrungrad hospital with a strong base of referral patients both from within Thailand and abroad.

### **Shortage of professional staff**

The hospital business requires a large number of professional personnel including nurses, pharmacists and technologists, 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 this risk, the Company offers competitive compensation and benefits for its staff. Bumrungrad Hospital also provides education and training, recreation, staff engagement projects and staff welfare activities to all staff members. Through a decentralized management structure, the Company also offers excellent career advancement opportunities.

### **Control Dilution**

The Company has two series of convertible bonds: series #1 - an amount of Baht 300 million with the current conversion price of Baht 4.55 per one ordinary share, and series #2 - an amount of Baht 250 million with the current conversion price of Baht 3.50 per one ordinary share. Bondholders have the option to convert bonds into ordinary shares throughout the life of the bonds. Should the bondholders exercise their right to convert bonds, the dilutive impact to existing shareholders and the Company will be 137.36 million additional common shares of the Company.

As at 31 December 2017, no convertible bonds have been exercised.

### **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 International Hospital has implemented a quality management system to ensure that the risk of mistakes by hospital personnel are minimized and corrected. In addition, the hospital has insurance policies in force against potential litigation.

#### 4. **ASSETS USED FOR BUSINESS OPERATIONS**

##### 4.1 **Fixed Assets of the Company and its Subsidiaries**

As at 31 December 2017




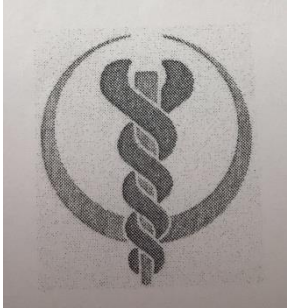
Type/Characteristics of Assets	Ownership Status	Obligations	Book Value (Baht million)
11 plots of land on Sukhumvit Rd., a total of 9 rai 3 ngarn	Owner	-	290.86
3 plots of land on Sukhumvit Rd., A total of 2 rai 1 ngarn	Owner	-	297.53
Land at New Phetchaburi Road A total of 5 rai 51 sq.wah	Owner	-	893.52
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
5 plots of land on Sukhumvit Soi 1 Rd., A total of 2 ngarn 41.3 sq.wah	Owner	-	141.11
1 plot of land on Sukhumvit Soi 3 Rd., A total of 1 ngarn 5.5 sq.wah	Owner	-	154.00
14 plots of land on Sukhumvit Soi 1 Rd., A total of 1 rai 63 sq.wah	Owner	-	459.82
1 plot of land on Sukhumvit Soi 3 Rd., A total of 1 ngarn 0.5 sq.wah	Owner	-	165.17
1 plot of land Sukhumvit Soi 1/1 Rd., A total of 34.5 sq.wah	Owner	-	36.54
1 plot of land on Sukhumvit Soi 1 Rd., A total of 1 Ngarn 87.30 sq.wah	Owner	-	206.94
Leasehold rights and land improvement	30-year right	-	38.91
12-storey BI Hospital	Owner	-	1,345.12
22-storey BI Clinic	Owner	-	1,021.22
BI Tower	Owner	-	510.31
Nurse dormitory	Owner	-	-
BRO Building	Owner	-	579.89
Building and Building Improvement - Subsidiaries	Subsidiaries		353.72
Facility system	Owner	-	736.91
Medical equipment	Owner	-	1,511.42
Hospital equipment	Owner	-	403.08
Utensils and furniture	Owner	-	161.39
Vehicles	Owner	-	8.33
Assets under construction and installation	Owner	-	1,085.90
<b>Total</b>			<b>11,784.24</b>



##### 4.2 **Intangible Assets of the Company and its Subsidiaries**




As at 31 December 2017, the Company and subsidiaries have net intangible assets of Baht 500.16 million, most of which are computer program used for hospital business & ancillary businesses of the Company and subsidiaries.

### 4.3 Trademark

The Company and its subsidiary as well as affiliate have trademarks and service marks which have been registered with Department of Intellectual Property, Ministry of Commerce, and overseas countries. At present, 12 trademarks and service marks are being used commercially as follows:

Trademark	Objective of use	Registration Date	Expiry Date
	Physical therapy; healthcare; childbirth assistance; optical services; blood bank services; nursing care; medical assistance; drug advisory; medical clinic; dentistry; hospital; plastic surgery; sanitarium; beauty care center; rehabilitation; elderly care; and anti-aging advisory	23 May 2001	22 May 2021
	Physical therapy; healthcare; childbirth assistance; optical services; blood bank services; nursing care; medical assistance; drug advisory; medical clinic; dentistry; hospital; plastic surgery; sanitarium; beauty care center; rehabilitation; elderly care; and anti-aging advisory	5 Jul 2002	7 Jul 2022
 Bumrungrad International	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,  For services including business management, and supporting services for the group	27 Dec 2004	26 Dec 2024
	Business management; support services to enhance an enterprise's subsidiaries or branch  Physical therapy; healthcare; childbirth assistance; optical services; blood bank services; nursing care; medical assistance; drug advisory; medical clinic; dentistry; hospital; plastic surgery; sanitarium; beauty care center; rehabilitation; elderly care; and anti-aging advisory	27 Dec 2004	26 Dec 2024

Trademark	Objective of use	Registration Date	Expiry Date
 <b>Vitalife</b> CENTER <small>Wellness Through Service</small>	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
 <b>Bumrungrad</b> International	Business management; support services to enhance an enterprise's subsidiaries or branch  Physical therapy; healthcare; childbirth assistance; optical services; blood bank services; nursing care; medical assistance; drug advisory; medical clinic; dentistry; hospital; plastic surgery; sanitarium; beauty care center; rehabilitation; elderly care; and anti-aging advisory	20 Jan 2005	19 Jan 2025
<b>Bumrungrad</b>  Thailand	Business management; support services to enhance an enterprise's subsidiaries or branch  Scientific research and development services for medical purposes  Physical therapy; healthcare; childbirth assistance; optical services; blood bank services; nursing care; medical assistance; drug advisory; medical clinic; dentistry; hospital; plastic surgery; sanitarium; beauty care center; rehabilitation; elderly care; and anti-aging advisory	27 Oct 2014	26 Oct 2024

Trademark	Objective of use	Registration Date	Expiry Date
 Hong Kong	Business management; support services to enhance an enterprise's subsidiaries or branch, and retail of medicines Scientific research and development services for medical purposes Physical therapy; healthcare; childbirth assistance; optical services; blood bank services; nursing care; medical assistance; drug advisory; medical clinic; dentistry; hospital; plastic surgery; sanitarium; beauty care center; rehabilitation; elderly care; and anti-aging advisory	16 Oct 2014	15 Oct 2024
 Australia	Business management; support services to enhance an enterprise's subsidiaries or branch, and retail of medicines Scientific research and development services for medical purposes Physical therapy; healthcare; childbirth assistance; optical services; blood bank services; nursing care; medical assistance; drug advisory; medical clinic; dentistry; hospital; plastic surgery; sanitarium; beauty care center; rehabilitation; elderly care; and anti-aging advisory	16 Oct 2014	16 Oct 2024
 B&W Vietnam	Business management; support services to enhance an enterprise's subsidiaries or branch, and retail of medicines Scientific research and development services for medical purposes Physical therapy; healthcare; childbirth assistance; optical services; blood bank services; nursing care; medical assistance; drug advisory; medical clinic; dentistry; hospital; plastic surgery; sanitarium; beauty care center; rehabilitation; elderly care; and anti-aging advisory	29 Oct 2014	29 Oct 2024

Trademark	Objective of use	Registration Date	Expiry Date
<b>Bumrungrad</b>  Bahrain	Business management; support services to enhance an enterprise's subsidiaries or branch, and retail of medicines Scientific research and development services for medical purposes Physical therapy; healthcare; childbirth assistance; optical services; blood bank services; nursing care; medical assistance; drug advisory; medical clinic; dentistry; hospital; plastic surgery; sanitarium; beauty care center; rehabilitation; elderly care; and anti-aging advisory	30 Oct 2014	30 Oct 2024
<b>Bumrungrad</b>  Mongolia	Business management; support services to enhance an enterprise's subsidiaries or branch, and retail of medicines Scientific research and development services for medical purposes Physical therapy; healthcare; childbirth assistance; optical services; blood bank services; nursing care; medical assistance; drug advisory; medical clinic; dentistry; hospital; plastic surgery; sanitarium; beauty care center; rehabilitation; elderly care; and anti-aging advisory	4 Nov 2014	4 Nov 2024
<b>Bumrungrad</b>  Kuwait	Business management; support services to enhance an enterprise's subsidiaries or branch, and retail of medicines Scientific research and development services for medical purposes Physical therapy; healthcare; childbirth assistance; optical services; blood bank services; nursing care; medical assistance; drug advisory; medical clinic; dentistry; hospital; plastic surgery; sanitarium; beauty care center; rehabilitation; elderly care; and anti-aging advisory	20 Nov 2014	19 Nov 2024



Trademark	Objective of use	Registration Date	Expiry Date
<b>Bumrungrad</b>  Myanmar	Business management; support services to enhance an enterprise's subsidiaries or branch, and retail of medicines Scientific research and development services for medical purposes Physical therapy; healthcare; childbirth assistance; optical services; blood bank services; nursing care; medical assistance; drug advisory; medical clinic; dentistry; hospital; plastic surgery; sanitarium; beauty care center; rehabilitation; elderly care; and anti-aging advisory	1 Dec 2014	3 Sep 2018
<b>Bumrungrad</b>  United Arab Emirates	Business management; support services to enhance an enterprise's subsidiaries or branch, and retail of medicines Scientific research and development services for medical purposes	19 Nov 2014	19 Nov 2024
<b>Bumrungrad</b>  Cambodia	Business management; support services to enhance an enterprise's subsidiaries or branch, and retail of medicines Scientific research and development services for medical purposes Physical therapy; healthcare; childbirth assistance; optical services; blood bank services; nursing care; medical assistance; drug advisory; medical clinic; dentistry; hospital; plastic surgery; sanitarium; beauty care center; rehabilitation; elderly care; and anti-aging advisory	4 Dec 2014	4 Dec 2024



Trademark	Objective of use	Registration Date	Expiry Date
<b>Bumrungrad</b>  Oman	Business management; support services to enhance an enterprise's subsidiaries or branch, and retail of medicines Scientific research and development services for medical purposes Physical therapy; healthcare; childbirth assistance; optical services; blood bank services; nursing care; medical assistance; drug advisory; medical clinic; dentistry; hospital; plastic surgery; sanitarium; beauty care center; rehabilitation; elderly care; and anti-aging advisory	18 Nov 2014	18 Nov 2024
<b>Bumrungrad</b>  China	Business management; support services to enhance an enterprise's subsidiaries or branch, and retail of medicines Scientific research and development services for medical purposes Physical therapy; healthcare; childbirth assistance; optical services; blood bank services; nursing care; medical assistance; drug advisory; medical clinic; dentistry; hospital; plastic surgery; sanitarium; beauty care center; rehabilitation; elderly care; and anti-aging advisory	7 Feb 2016	6 Feb 2026
<b>Bumrungrad</b>  Ethiopia	Business management; support services to enhance an enterprise's subsidiaries or branch, and retail of medicines Scientific research and development services for medical purposes Physical therapy; healthcare; childbirth assistance; optical services; blood bank services; nursing care; medical assistance; drug advisory; medical clinic; dentistry; hospital; plastic surgery; sanitarium; beauty care center; rehabilitation; elderly care; and anti-aging advisory	3 Jun 2015	3 Jun 2022

... Translation ...

In addition, Vitallife Corporation Limited, the Company's subsidiary, has registered trademark "Vitallife" and the new logo in Thailand

Trademark	Objective of use	Registration Date	Expiry Date
 (New Vitallife Logo)	<p>Cosmetic sets for facial care, cosmetic sets for skin care, skin care creams, soap</p> <p>Supplementary foods for medical purposes, vitamins, minerals, medicines for the treatment of skin diseases, medicines for the treatment of acnes, herbal medicines for body care</p> <p>Food supplements made from animals not for medical purposes, food supplements made from plants not for medical purposes</p> <p>Business management; support services to enhance an enterprise's subsidiaries or branch, and retail of medicines</p> <p>Scientific research and development services for medical purposes</p> <p>Physical therapy; healthcare; childbirth assistance; optical services; blood bank services; nursing care; medical assistance; drug advisory; medical clinic; dentistry; hospital; plastic surgery; sanitarium; beauty care center; rehabilitation; elderly care; and anti-aging advisory</p>	22 Jul 2016	21 Jul 2026
 (YOUVION (in Black and White))	<p>Cosmetic sets for facial care, cosmetic sets for skin care, skin care creams, soap</p>	22 Mar 2018	In the process of issuing registration certificate

## **5. LEGAL DISPUTES**

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

## 6. **GENERAL INFORMATION**

### 6.1 **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 Toei Nua, Vadhana, Bangkok 10110
Registration No. :	0107536000994
Home page :	<a href="http://www.bumrungrad.com">http://www.bumrungrad.com</a>
E-mail address :	ir@bumrungrad.com
Telephone :	0 2066 8888
Fax :	0 2011 5100
Registered Capital : (31 December 2017)	Baht 922,702,685 Divided into Ordinary shares of 921,339,320 shares, par value at Baht 1 per share Preferred shares of 1,363,365 shares, par value at Baht 1 per share
Issued and Paid up Capital: (31 December 2017)	Baht 730,052,222 Divided into Ordinary shares of 728,688,857 shares, par value at Baht 1 per share Preferred shares of 1,363,365 shares, par value at Baht 1 per share

### 6.2 **Entities in which the Company has more than 10% shareholding**

Legal Entity	Type of Business	Issued ordinary shares	Shareholding (%)
1. Vitallife Corporation Limited 210 Sukhumvit Soi 1, Sukhumvit Road Klong Toei Nua, Vadhana Bangkok 10110 Phone 0 2066 8899, Fax 0 2011 4011	Comprehensive wellness center	315,000 shares	100%
2. Asia Global Research Company Limited 3241 Rama 4 Road, Klong Ton, Klong Toei Bangkok 10110 Phone 0 2011 5126, Fax 0 2011 5127	Clinical research	5,000,000 shares	100%
3. Asia Global Health Limited Room 337, 3 <sup>rd</sup> 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%

Legal Entity	Type of Business	Issued ordinary shares	Shareholding (%)
4. Ruenmongkol Company Limited 11/26 Sukhumvit Soi 1, Sukhumvit Road Klong Toei Nua, Vadhana Bangkok 10110 Phone 0 2066 8888, Fax 0 2011 5100	Owns the land at Sukhumvit Soi 1	34,000,000 shares	100%
5. Life and Longevity Limited Room 337, 3 <sup>rd</sup> 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	82,000 shares	100%
6. Bumrungrad Heath Network Co., Ltd. (previously Bumrungrad Personnel Development Center Co., Ltd.) 33 Sukhumvit Soi 3 Sukhumvit Road, Klong Toei Nua, Vadhana Bangkok 10110 Phone 0 2066 8888, Fax 0 2011 5100	Holding company for overseas investments	12,000,000 shares	100%
7. Health Horizons Enterprises Pte. Ltd. 8 Marina Boulevard #05-02 Marina Bay Financial Centre, Singapore 018981 Phone +65 6338 1888, Fax +65 6337 5100	Holding company for overseas investments	16,849,422 shares	80%
8. 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	4,181,000 shares	80% (100% by HHE)
9. Seoul Seniors Tower LLC Choidog-5, Peace Avenue, 1st Khoroo, Sukhbaatar District, Ulaanbaatar, Mongolia Phone +976-7012-9000, Fax +976-7011-1164	Owns and operates Ulaanbaatar Songdo Hospital in Mongolia	8,000,000 shares	41% (51% by BML)
10. Bumrungrad Personnel Development and Training Center Co., Ltd. 33 Sukhumvit Soi 3, Sukhumvit Road Klong Toei Nua, Vadhana Bangkok 10110 Phone 0 2066 8888, Fax 0 2011 5100	Personnel development and training center (for affiliated companies only)	500,000 shares	100%
11. Bumrungrad International Limited 33 Sukhumvit Soi 3, Sukhumvit Road Klong Toei Nua, Vadhana Bangkok 10110 Phone 0 2066 8888, Fax 0 2011 5100	Dissolved and being liquidated	45,938 shares	31.5%

Legal Entity	Type of Business	Issued ordinary shares	Shareholding (%)
12. Bumrungrad Services Co., Ltd. 33 Sukhumvit Soi 3, Sukhumvit Road Klong Toei Nua, Vadhana Bangkok 10110 Phone 0 2066 8888, Fax 0 2011 5100	Referral services to both domestic and overseas patients and healthcare-related training services to non-affiliated companies	200,000 shares	100%
13. Bumrungrad Myanmar Co., Ltd. No.46/B GF-A Pantra Street, Dagon Township, Yangon, Myanmar Phone 95-978 230 2424 Fax 95-1 230 2424	Operate a private primary care and medical diagnostic services clinic in Myanmar	1,325,750 shares	80% (80% by BHN)
14. INOVITAL International AG Neuhofstrasse 5A, 6340 Baar, Switzerland	Manufacture and sale of vitamin supplement products and after sales services	490 shares	49% (100% by BHN)

### 6.3 Reference Persons

1. Auditor	EY Office Limited 33 <sup>rd</sup> 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 93 The Stock Exchange of Thailand Building, Rachadapisek Road, Dindaeng, Bangkok 10400 Phone 0 2009 9000, Fax 0 2009 9999
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. Debentures Registrar	Siam Commercial Bank Public Company Limited 9 Rutchadapisek Road, Jatujak, Bangkok 10900 Phone 0 2544 4049, Fax 0 2937 7662