

YOUR TRUSTED HEALTHCARE NETWORK

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THE POWER OF ONE HOSPITAL NETWORK

BDMS
Bangkok Dusit Medical Services



Message from Chairman of the Board of Directors

In 2014, the Board of Directors had made plans for the growth of the Company as well as made capital investments to continuously raise the quality of services provided. Even though the economy in 2014 showed signs of recovery, overall domestic purchasing power remained slow from 2013. However, the Company adjusted our strategy accordingly, which resulted in the Company being able to maintain the Group's overall growth with favorable operational results.

Furthermore, the economic integration of the ASEAN region in 2015 is a significant stimulant for adjustment of many businesses in Thailand. It is both an opportunity and a challenge for Bangkok Dusit Medical Services Public Company Limited (BDMS), which is comprised of Bangkok Hospital, Samitivej Hospital, BNH Hospital, Phyathai Hospital, Paolo Memorial Hospital and Royal Hospital, to take advantage from the benefits of opening up the ASEAN Community. Thus, the Board of Directors and the Management are determined to drive the businesses within the Group to continuously and sustainably grow, with the resolution that management of the companies shall be carried out with efficiency, transparency and accountability, which will truly create trust and confidence in all stakeholders. The Board of Directors recognizes that sustainable growth with the foundation of virtue and honesty, along with social responsibility, are vital in creating sustainable and continuous value to our shareholders.

On behalf of Bangkok Dusit Medical Services Public Company Limited, I would like to express my sincere gratitude to our investors and stakeholders who have entrusted us and helped BDMS to become a leading Thai medical organization that is ready to continue to grow with capable and good personnel alongside Thai society. I would also like to thank the doctors, nurses, and all personnel for their role in the growth of our organization. I hope that the BDMS's next step will be stable and sustainable; not only in terms of business growth but also in ensuring that our society is livable.

A handwritten signature in black ink, consisting of a stylized 'A' followed by a comma.

Hon. Prof. Dr. Arun Pausawadi
Chairman of the Board of Directors



Message from the Chief Executive Officer & President

2014 was another year that Bangkok Dusit Medical Services Public Company Limited achieved rapid developments in all areas of the healthcare sector.

Apart from opening 7 new hospitals, namely, Bangkok Hospital Chinatown, Bangkok Hospital Khon Kaen, Bangkok Hospital Chiangmai, Sanamchan Hospital, Thepakorn Hospital, Phuket International Hospital and Royal Hospital Phnom Penh, the Company also received cooperation from many leading universities and medical institutions in the United States. This included the signing of an agreement with Stanford University to exchange knowledge and skills in the field of orthopaedics with a focus on excellence in the treatment of the musculoskeletal system; the “Sister Institute” project with MD Anderson Cancer Center (MDACC) to collaborate on research and academic for cancer treatment; and the establishment of BDMS-OHSU International Health Alliance with Oregon Health & Science University (OHSU), a leading US medical institution, with the aim to become an international medical center and elevate to a medical excellence center in all areas, especially in occupational health and pediatrics, in the Asia Pacific region. We are proud to say that such collaborations are in line with the Company’s initial intentions at the start of the Company.

Furthermore, the Company signed an agreement with leading universities and medical institutions in Japan, which included the collaboration with Nagoya University in studies, training and exchange of medical personnel as well as patient referrals, and collaboration between Samitivej Public Company Limited, a Group company, and Sano Hospital on gastrointestinal tract disease research and patient referrals.

The aforementioned cooperation with leading international medical institutions has resulted in new services, including diagnosis of illnesses, medical tools and equipment, and research, which has elevated to the Global Recognition. This is another step that has transformed Bangkok Dusit Medical Services Public Company Limited (BDMS) from a local private hospital group to a leading national medical institution with the knowledge, skills and standards of service on par with leading international medical institutions.

The Company’s business is in healthcare and apart from expansion of our hospital network to cover all regions of the country so that the Thai people will receive good medical care, we recognize that the standard of services that we provide is also an important obligation. In 2014, we endeavored to have all our hospitals be accredited by Joint Commission International (JCI) and Hospital Accreditation (HA) in order that our patrons will be confident that they will receive the best service that meet international standards.

Our determination to expand our services to encompass all regions, cooperation with world renowned medical institutions and to provide standardized services, has enabled the Company’s business to grow outstandingly. This is shown in the number of patients who have visited hospitals within our network, which has increased significantly from 2013, as well as the praise we have received.

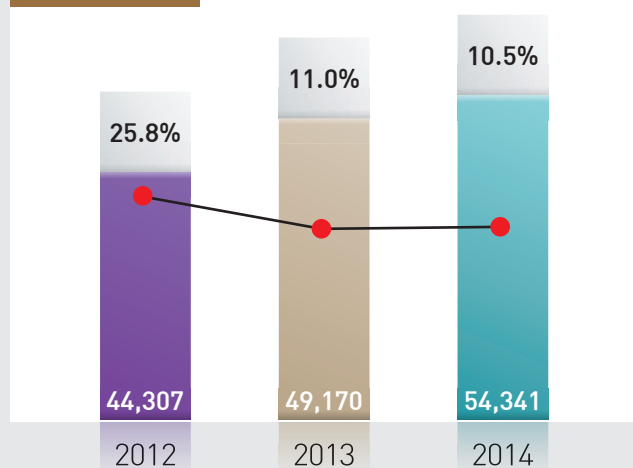
Nevertheless, BDMS will not stop growing. We are determined to continue to develop in all areas with the aspiration for the Company to grow and become the leader in healthcare for the people of Southeast Asia.

On behalf of BDMS, I would like to express my sincere gratitude to all our shareholders, patrons and business alliances that have entrusted and continuously supported activities of BDMS. I would also like to thank the doctors, nurses, and all personnel for their vital role in supporting the sustainable growth and stability of our organization.

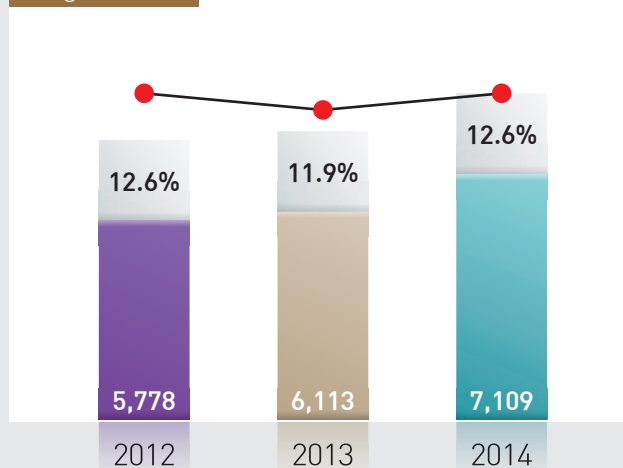
Mr. Prasert Prasarttong-Osoth, M.D.
Chief Executive Officer & President

Financial Highlights

Revenue from Hospital Operations and Growth



Net profit and Net Profit Margin



Remark Excluding Non-Recurring Items

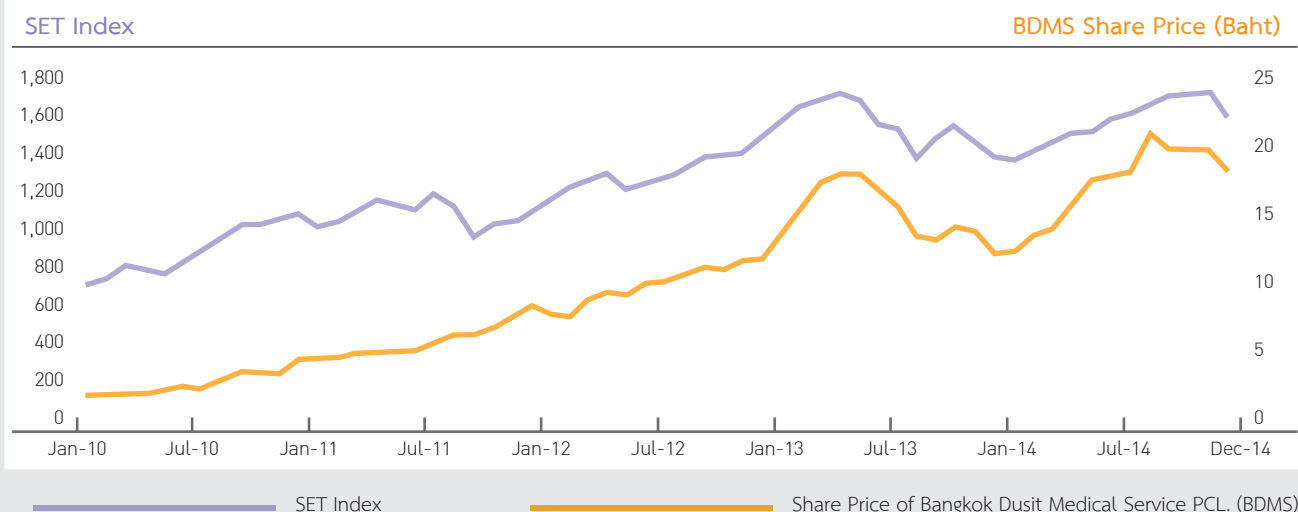
Revenue from Hospital Operations (Million Baht)

Growth on Revenue from Hospital Operations

Net Profit (Million Baht)

Net Profit Margin

5 Years Share Prices (2010-2014) Compared to SET Index



Remark : The share price above has been adjusted to reflect the change in par value from Baht 1 to Baht 0.10 per share

Financial Highlights

	2014	2013	2012
Balance Sheets (Million Baht)			
Total Assets	93,228	76,399	68,461
Total Liabilities	44,274	33,755	30,074
Total Shareholders' Equity	48,954	42,644	38,387
Income Statements (Million Baht)			
Revenue from Hospital Operations	54,341	49,170	44,307
Total Operating Income	56,588	51,158	45,994
Net Profit (Excluding Non-Recurring Items)	7,109	6,113	5,778
Net Profit	7,394	6,261	7,849
Liquidity Ratio			
Current Ratio (x)	1.0	0.9	0.8
Quick Ratio (x)	0.9	0.8	0.7
Operating Cash Flow Ratio (x)	0.8	0.7	0.9
Account Receivable Turnover (x)	9.7	10.2	11.0
Average Collection Period (Days)	37.3	35.4	32.7
Inventory Turnover (x)	35.9	38.8	32.2
Average Inventory Period (Days)	10.0	9.3	11.2
Account Payable Turnover (x)	8.7	8.6	8.3
Average Payable Period (Days)	41.6	41.7	43.1
Cash Cycle (Days)	5.7	3.0	0.8
Profitability Ratio (%) ^{1/}			
Gross Profit Margin ^{2/}	34.9	34.8	35.7
EBIT to Net Sale	17.9	17.2	18.8
Other Income Margin	1.1	1.3	1.3
Operating Cash Flow to EBIT	103.5	97.8	98.3
Net Profit Margin	12.6	11.9	12.6
Return on Equity	16.3	15.8	16.8
Efficiency Ratio ^{1/}			
Return on Assets (%)	8.4	8.4	9.1
Return on Fixed Assets (%)	25.3	26.0	27.9
Asset Turnover (x)	0.7	0.7	0.8
Financial Policy Ratio ^{1/}			
Total Liabilities to Equity (x)	0.9	0.8	0.8
Interest Coverage (x) ^{3/}	13.0	11.4	12.6
Commitment Coverage on Cash Basis (x)	0.3	0.4	0.3
Dividend Payout Ratio (%) ^{4/}	50.1 ^{5/}	50.6	48.1

1/ Excluding non-recurring items

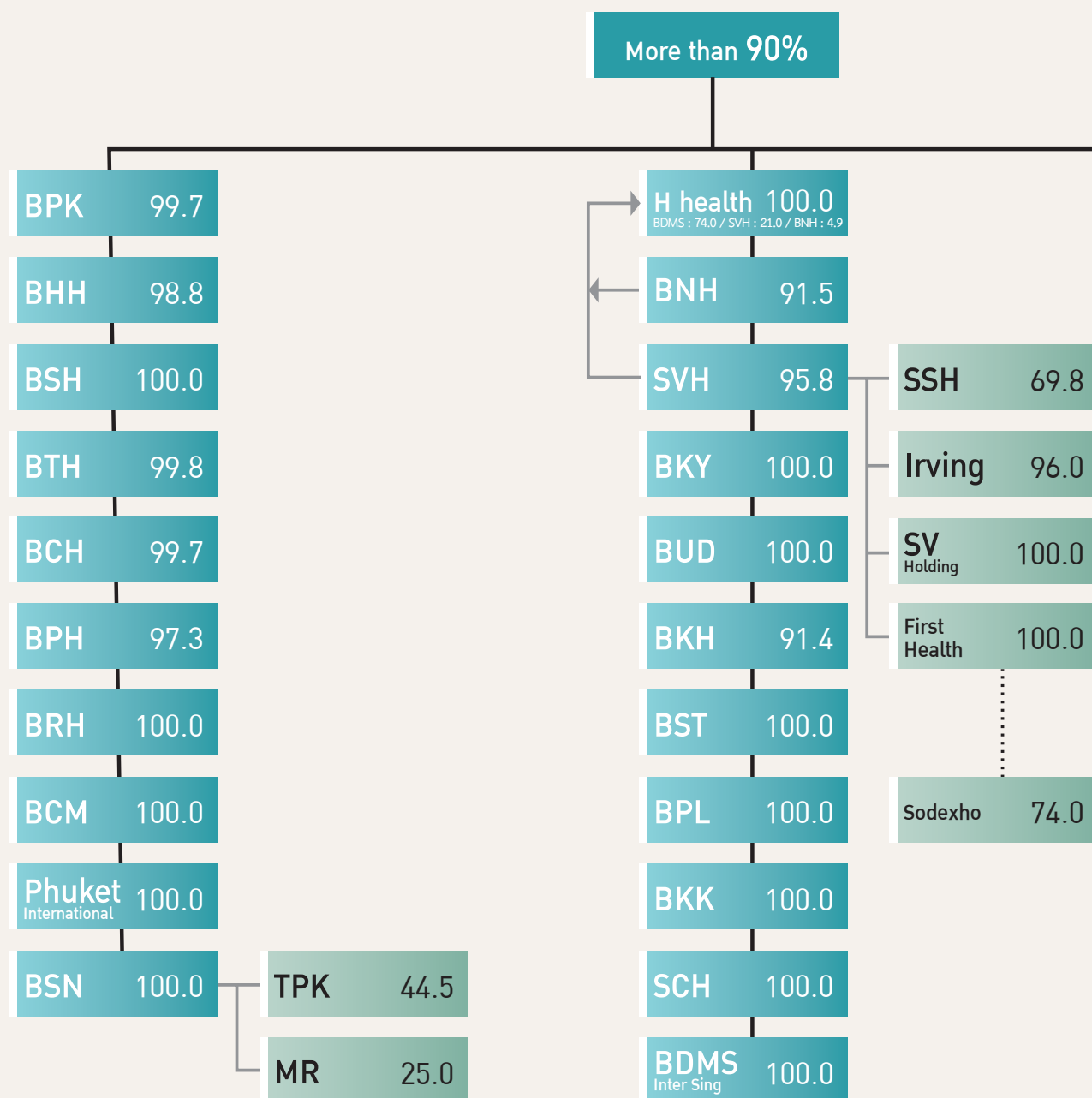
2/ Gross profit margin = Gross profit/revenue from hospital operations and revenue from goods and food

3/ Interest coverage = EBITDA/interest expenses

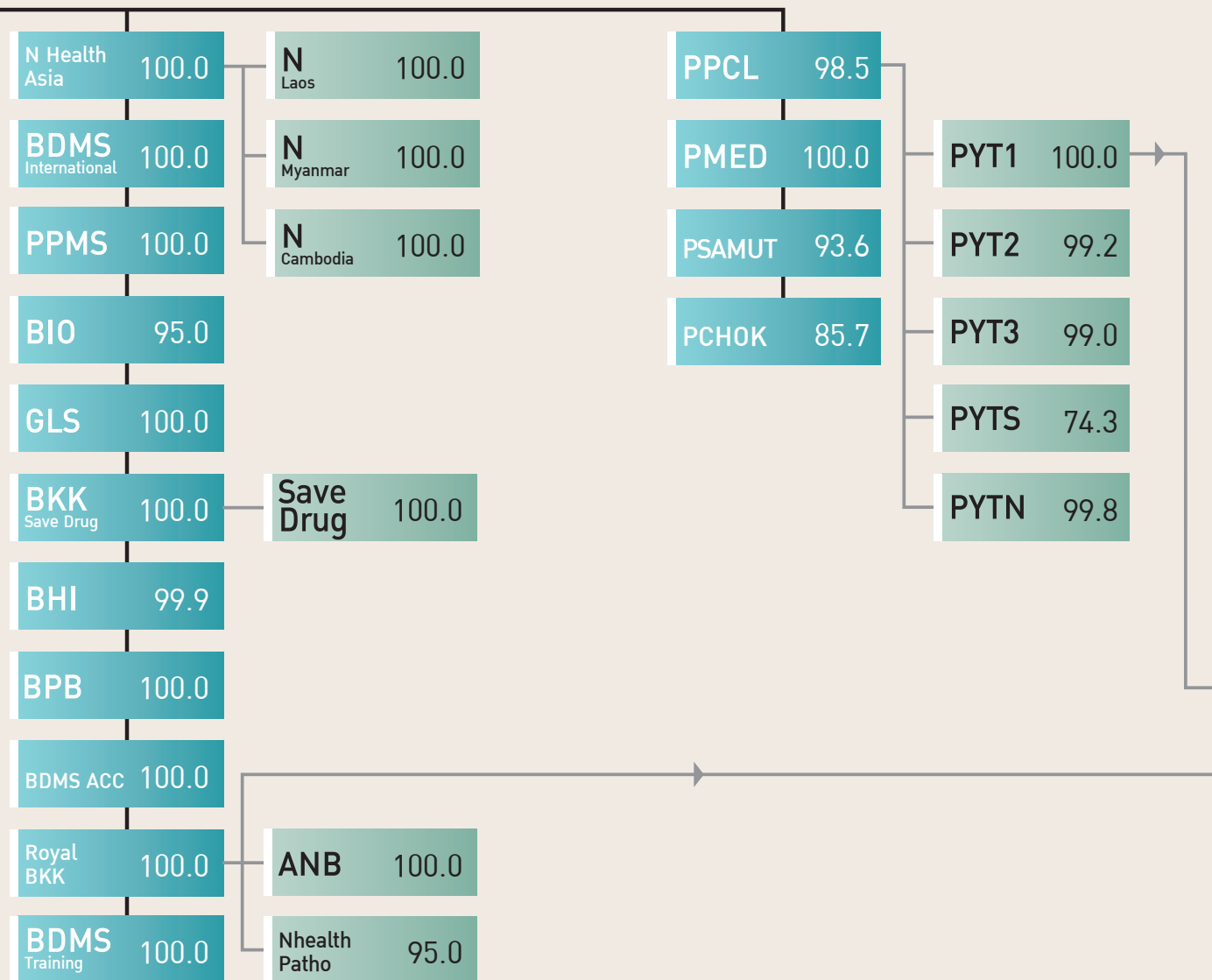
4/ Dividend payout ratio = Dividend per share/earnings per share

5/ Board-approved dividend payment rate at Baht 0.23/share on 11 March 2015

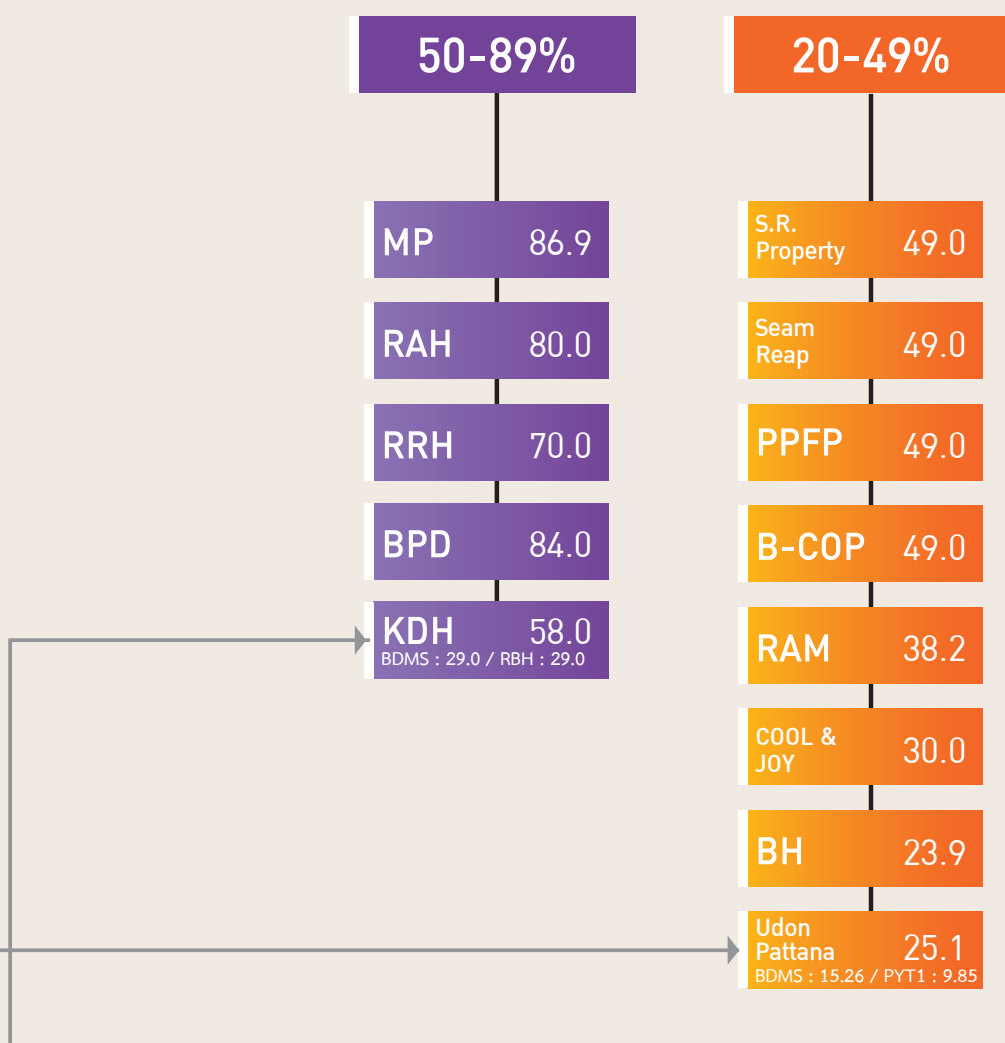
Group Structure as at December 31, 2014



Initial	Company Name	Initial	Company Name
ANB	A.N.B. Laboratories Co., Ltd.	BHH	Bangkok Hospital Hadyai Co., Ltd.
BCH	Wattanavej Co., Ltd.	BHI	Bangkok Health Insurance PCL.
BCM	Bangkok Hospital Chiangmai Co., Ltd.	BIO	Bio-Molecular Laboratories (Thailand) Co., Ltd.
B-Cop	Bangkok Helicopter Services Co., Ltd.	BKH	Bangkok Hospital Ratchasima Co., Ltd.
BDMS Acc	BDMS Accounting Co., Ltd.	BKK	Bangkok Hospital Khon Kaen Co., Ltd.
BDMS Inter	BDMS International Medical Services Co., Ltd.	BKK Save	Bangkok Save Drug Co., Ltd.
BDMS Inter Sing	BDMS Inter Pte. Ltd.	BKY	Bangkok Hospital Khao Yai Co., Ltd.
BDMS Training	BDMS Training Co., Ltd.	BNH	BNH Medical Center Co., Ltd.
BH	Bumrungrad Hospital PCL.	BPB	Bangkok Premier Life Insurance Broker Co., Ltd.



Initial	Company Name	Initial	Company Name
BPD	Bangkok Hospital Prapradaeng Co., Ltd.	BUD	Bangkok Hospital Udon Co., Ltd.
BPH	Bangkok Hospital Pattaya Co., Ltd.	Cool & Joy	Cool & Joy Co., Ltd.
BPK	Bangkok Hospital Phuket Co., Ltd.	First Health	First Health Food Co., Ltd.
BPL	Bangkok Hospital Phitsanulok Co., Ltd.	GLS	Greenline Synergy Co., Ltd.
BRH	Bangkok Hospital Rayong Co., Ltd.	Irving	Irving Sheridan SE Co., Ltd.
BSH	Bangkok Hospital Samui Co., Ltd.	KDH	Thonburi Medical Centre PCL.
BSN	Bangkok Hospital Sanamchan Co., Ltd.	MP	The Medic Pharma Co., Ltd.
BST	Bangkok Hospital Surath Co., Ltd.	MR	G. Wasupol Co., Ltd. (Muang Raj Hospital)
BTH	Bangkok Hospital Trat Co., Ltd.	N Cambodia	N Health Cambodia Co., Ltd.



Initial	Company Name	Initial	Company Name
N Health	National Healthcare Systems Co., Ltd.	PYTS	Sriracha Nakorn General Hospital PCL.
N Health Asia	N Health Asia Pte. Ltd.	RAH	Angkor Pisith Co., Ltd.
N Laos	N Health Laos Co., Ltd.	RAM	Ramkhamhaeng Hospital PCL.
N Myanmar	N Health Myanmar Co., Ltd.	Royal BKK	Royal Bangkok Healthcare Co., Ltd.
Nhealth Patho	Nhealth Pathology Co., Ltd.	RRH	Royal Rattanak Medical Services Co., Ltd.
PCHOK	Siam Medical Co., Ltd.	S.R. Property	S.R. Property Investment Co., Ltd.
Phuket Inter	Bangkok Phuket International Hospital Co., Ltd.	Save drug	Save Drug Center Co., Ltd.
PMED	Paolo Medic Co., Ltd.	SCH	Samitivej Chonburi Co., Ltd.
PPCL	Prasit Pattana PCL.	Seam Reap	Siem Reap Land Investment Co., Ltd.
PPFP	Phnom Penh First Property Co., Ltd.	Sodexo	Sodexo Healthcare Support Service (Thailand) Co., Ltd.
PPMS	Phnom Penh Medical Services Co., Ltd.	SSH	Samitivej Sriracha Co., Ltd.
PSAMUT	Paolo Samut Prakran Co., Ltd.	SV Holding	SV Holding Co., Ltd.
PYT 1	Phyathai 1 Hospital Co., Ltd.	SVH	Samitivej PCL.
PYT 2	Phyathai 2 Hospital Co., Ltd.	TPK	Thepakorn Hospital Co., Ltd.
PYT 3	Phyathai 3 Hospital Co., Ltd.	Udon Pattana	Udon Pattana Co., Ltd.
PYTN	Thai Medical Center PCL.		



BDMS signed an agreement to become a “Sister Institute” of MD Anderson (University of Texas MD Anderson Cancer Center – MDACC),

which is a world renown institution in the clinical study and treatment of cancer and is one of the top 2 best hospitals for cancer care in the United States.

The aim is to develop our capabilities in the treatment of cancer as well as to establish an internationally recognized cancer center within BDMS, starting with the treatment of hematology cancer.

Board of Directors

1. Professor Emeritus
Arun Pausawasdi, M.D.
Chairman



1

2. Mr.Chuladej
Yossundharakul, M.D.
1st Vice Chairman



2

3. Mr.Wichai Thongtang
2nd Vice Chairman



3

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



4

5. Mr.Chatree Duangnet, M.D.
Director



5

6. Mr.Pradit Theekakul
Director



6

7. Mr.Chirotchana Suchato, M.D.
Director



7

8. Professor Emeritus
Santasiri Sornmani, M.D.
Independent Director



8

9. Mr.Chawalit Setthmethikul
Independent Director

10. Mr.Sripop Sarasas
Independent Director

11. Mr.Thongchai
Jira-alongkorn
Director

12. Mrs.Phornsiri Manoharn
Independent Director

13. Mr.Sombut Uthaisang
Independent Director

14. Dr.Veerathai Santiprabhob
Independent Director

15. Miss Poramaporn
Prasarttong-Osoth M.D.
Director



9



10



11



12



13



14



15

Company Management

Bangkok Dusit Medical Services Public Company Limited



Professor Emeritus Arun Pausawasdi, M.D.

Chairman of the Board of Directors

Age 77 years

Education

- Directors Accreditation Program Class 45, Thai Institute of Directors Association
- Dr. Med, Hamburg University, German
- Facharzt für Chirurgie, The Medical Council of Hamburg, German
- Certificate of Medical Clinic, Mahidol University
- Medical Doctor, Faculty of Medicine Siriraj Hospital, Mahidol University

Experience

- Assistant to Ministry of Public Health
- Advisor to the Minister of Public Health
- President, Royal College of Surgeons of Thailand
- Secretary General, Royal College of Surgeons of Thailand
- Chairman of Scientific Session Medical, The Medical Association of Thailand
- Dean, Faculty of Medicine Siriraj Hospital, Mahidol University
- Director of the Medical Association

Other Position

- Chairman, Centre for Continuing Medical Education of Thailand
- Vice President, The Prince Mahidol Award Foundation
- Member of the Thai medical registration license committee
- Vice President, Siriraj Foundation
- Director of Chaophya Medical Center Co., Ltd.
- Director of Chaophya Hospital PCL.

Number year of services • 17 years

Board of Director meeting attendance • 13/13

Number of shareholding* • 3,818,710 shares (0.03%)

Relationship among other management • None

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No



Mr. Prasert Prasarttong-Osoth, M.D.

CEO & President/Chairman of Executive Committee/Authorized Director

Age 81 years

Education

- Directors Accreditation Program Class 45, Thai Institute of Directors Association
- Certificate from National Defense College, Course for the Joint State Private Sector, Class 1
- Bachelor Degree from Siriraj Medical School, University of Medicine

Experience

- Member of National Legislative Council (Senator)
- Member of National Legislative Council
- Surgeon in Department of Surgery, Faculty of Medicine Siriraj Hospital

Other Position

- Chairman, The Medic Pharma Co., Ltd.
- Director/CEO, Bangkok Airways PCL.
- Chairman, Bangkok Airways Holding Co., Ltd.
- Chairman, Bangkok Media & Broadcasting Co., Ltd.

Number year of services • 21 years

Board of Director meeting attendance • 13/13

Executive Committee meeting Attendance • 12/12

Number of shareholding* • 2,980,930,240 shares (19.24%)

Relationship among other management

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

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No



Mr. Chuladej Yossundharakul, M.D.

1st Vice Chairman/Executive Director/
Member of the Nomination and
Remuneration Committee/

Authorized Director

Age 82 years

Education

- Medical Doctor, Faculty of Medicine Siriraj Hospital, Mahidol University
- Diplomate of American Board of Surgery
- Fellow American College of Surgeons
- Fellow American College of Chest Physicians
- Fellow Royal College of Surgeons of Thailand
- Directors Accreditation Program Class 45, Thai Institute of Directors Association

Experience

- Head, Surgical Unit, National Cancer Institute
- Hospital Director, Karuna Pitak Hospital
- Hospital Director, Bangkok Hospital

Other Position

- Chairman, Bangkok Hospital Prapadaeng Co., Ltd.
- Director, Bangkok Hospital Pattaya, Co., Ltd.

Number year of services • 21 years

Board of Director meeting attendance • 13/13

Executive Committee meeting Attendance • 12/12

Number of shareholding* • 275,987,950 shares (1.78%)

Relationship among other management • None

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No



Mr. Wichai Thongtang

2nd Vice Chairman

Age 68 years

Education

- Certificate from Thai Institute of Directors Association
 - Directors Accreditation Program (DAP) # 15
 - Audit Committee Program (ACP) # 3
 - Directors Certification Program (DCP) # 62,
 - Financial for Non-Finance Director (FND) # 21
 - Role of the Chairman Program (RCP) # 11
 - Capital Market Academy # 9
- Honorary Doctoral Degree of Arts in Hospital Management, Christian University
- Master's Degree of Public Administration, Thammasat University, Bangkok, Thailand
- Bachelor's Degree of Law, Thammasat University, Bangkok, Thailand

Experience

- President and CEO of Sikarin Hospital PCL.
- Vice Chairman of KPN, Yamaha Group
- Chairman of Audit Committee, KPN Automotive PCL.
- Chairman of the Board, Health Network PCL.
- Chairman of the Board, Yannaphan PCL.
- Executive Vice President of I V Global Securities PCL.

Other Position

- Chairman, Prasit Pattana PCL.
- Chairman, Phyathai 1 Hospital Co., Ltd.
- Chairman, Phyathai 2 Hospital Co., Ltd.
- Chairman, Phyathai 3 Hospital Co., Ltd.
- Chairman, Sriracha Nakorn Hospital PCL.
- Chairman, Paolo Memorial Hospital Co., Ltd
- Chairman, Paolo Samutprakarn Co., Ltd.
- Chairman, Siam Medical Co., Ltd.
- Chairman, Thai Medical Center Public Co., Ltd.
- Head of the Wichai Thongtang Law Firm
- Chairman of the Board of Directors and Executive Director of Grand Asset Hotels and Property
- Executive Vice President of Metromachinery Co., Ltd.
- Chairman of Cable Thai Holding PCL.

Number year of services • 4 years

Board of Director meeting attendance • 12/13

Number of shareholding* • 1,039,916,550 shares (6.71%)

Relationship among other management • None

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

Noted : Directors Profile as of 31 December 2014

: *Outstanding shares held as of 2nd February 2015 includes spouses and dependents (if any).



Mr.Chatree Duangnet, M.D.
 Authorized Director/
 Executive Director/
 Chief Operating Officer – Medical Affairs/
 CEO of Bangkok Hospital Medical Center/
 Age 70 years

Education

- Directors Accreditation Program Class 54, Thai Institute of Directors Association
- Certified of National Defense College
- Fellow, American College of Medical Quality
- Certified, American Board of Quality Assurance & Utilization Review Physicians
- Fellow, American Academy of Pediatrics
- Certified, American Board of Pediatrics
- Medical Doctor, Faculty of Medicine, Chulalongkorn University

Experience

- Group Chief Medical Officer, Bumrungrad Hospital, Bangkok
- Chief Executive Administrator, Bangkok Hospital,
- Clinical Assistant Professor of Pediatrics, College of Medicine, Pennsylvania State University, Pennsylvania, USA
- Chairman of the Board, Jameson Physician Hospital Organization, New Castle, Pennsylvania, USA
- President, Lawrence Independent Physician Association, Lawrence County, Pennsylvania, USA
- Physician Executive, Jameson Health System, New Castle, Pennsylvania, USA
- Training courses in QA/UR/RM. American Board of Quality Assurance & Utilization Review Physicians, USA

Other Position

- Chairman, Bangkok Hospital Samui Co., Ltd.
- Chairman, Greenline Synergy Co., Ltd.
- Chairman, Bangkok Hospital Udon Co., Ltd.
- Chairman, Bangkok Hospital Khon Kaen Co., Ltd.
- Chairman, Bangkok Hospital Phitsanulok Co., Ltd.
- Chairman, Bangkok Hospital Ratchasima Co., Ltd.
- Chairman, Bangkok Hospital Sanamchan Co., Ltd.
- Chairman, Bangkok Hospital Phuket Co., Ltd.
- Director, Bangkok Hospital Chiangmai Co., Ltd.
- Chairman, National Healthcare Systems Co., Ltd.
- Chairman, Bio Molecular Laboratory (Thailand) Co., Ltd.
- Chairman, Bangkok Health Insurance PCL.
- Chairman, Bangkok Premier Life Insurance Broker Co., Ltd.
- Director, Prasit Pattana PCL.
- Director, Phyathai 1 Hospital Co., Ltd.
- Director, Phyathai 2 Hospital Co., Ltd.
- Director, Phyathai 3 Hospital Co., Ltd.
- Director, Sriracha Nakorn Hospital PCL.
- Director, Paolo Memorial Hospital Co., Ltd.
- Director, Paolo Samutprakarn Co., Ltd.
- Director, Siam Medical Co., Ltd.
- Director, Thai Medical Center Public Co., Ltd.
- Director, Bangkok Helicopter Services Co., Ltd.
- Chairman, B.D.M.S. International Medical Services Co., Ltd.
- Chairman, S.R. Property Investment Co., Ltd.
- Chairman, Siem Reap Land Investment Co., Ltd.
- Director, Angkor Pisith Co., Ltd.
- Chairman, Phnom Penh Medical Services Co., Ltd.
- Director, Phnom Penh First Property Co., Ltd.
- Director, Sodexho Healthcare Support Services (Th) Co., Ltd.
- Director, Superior Bio Tech Co., Ltd.

Number year of services • 9 years

Board of Director meeting attendance • 12/13

Executive Committee meeting Attendance • 11/12

Number of shareholding* • 2,200,000 shares (0.01%)

Relationship among other management • None

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No



Mr. Pradit Theekakul

Authorized Director/Executive Director/
Executive advisor to CEO

Age 56 years

Education

- Directors Certification Program Class 29th,
- Thai Institute of Directors Association
- Bachelor Degree of Law Chulalongkorn University / Bangkok
- The Thai Barrister
- Bachelor Degree of Arts (Political Science)
Ramkhamhaeng University / Bangkok, Thailand

Other Position

- Director, Samitivej PCL.
- Director, Prasit Pattana PCL.
- Director, Phyathai 1 Hospital Co., Ltd.
- Director, Phyathai 2 Hospital Co., Ltd.
- Director, Phyathai 3 Hospital Co., Ltd.
- Director, Sriracha Nakorn Hospital PCL.
- Director, Paolo Memorial Hospital Co., Ltd.
- Director, Paolo Samutprakarn Co., Ltd.
- Director, Siam Medical Co., Ltd.
- Director, Thai Medical Center Public Co., Ltd.
- Director, Thonburi Medical Center PCL.
- Director, Bangkok Hospital Chaingmai Co., Ltd.
- Director, National Healthcare Systems Co., Ltd.
- Director, Royal Bangkok Healthcare Co., Ltd.
- Director, A.N.B. Laboratories Co., Ltd.
- Director, Bangkok Save Drug Co., Ltd.
- Director, BDMS Training Co., Ltd.
- Director, BDMS Accounting Co., Ltd.
- Director, Bangkok Helicopter Services Co., Ltd.
- Director, Bangkok Health Insurance PCL.
- Director, Bangkok Premier Life Insurance Broker Co., Ltd.
- Director, Sodexo Healthcare Support Services (Thailand) Co., Ltd.
- Director, Sodexo Support Services (Thailand) Co., Ltd.
- Senior Executive Vice President- Administration, Bangkok Airways PCL.
- Director, Bangkok Airways Holding Co., Ltd.
- Director, Catering – Bangkok Airways Co., Ltd.
- Director, Thai Petroleum Service Co., Ltd.
- Chairman, Bangkok Air Catering, WFS-PG Cargo Co., Ltd.
- Director, Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.
- Director, WFS-PG Cargo Co., Ltd.

Number year of services • 7 years

Board of Director meeting attendance • 13/13

Executive Committee meeting Attendance • 12/12

Number of shareholding* • 12,500,000 shares (0.08%)

Relationship among other management • None

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital

Market Supervisory Board • Yes

Dispute in the 10 preceding years • No



Mr. Chiroatchana Suchato, M.D.

Director

Age 79 years

Education

- Honorary Doctorate in Business Management, Christian University
- Directors Accreditation Program Class 45, Thai Institute of Directors Association
- Diplomate of American Board of Radiology, Downstate University of New York
- Graduated Course Radiobiology at M.D. Anderson Hospital, Houston, Texas
- Medical Doctor, Faculty of Medicine Siriraj Hospital, Mahidol University

Experience

- School Director, School of X-Ray Technician
- Professor of Radiology division, Faculty of Medicine, Ramathibodi Hospital
- Consultant to Radiology, Clinic of The Teacher Council of Thailand

Number year of services • 21 years

Board of Director meeting attendance • 13/13

Number of shareholding* • 394,080,090 shares (2.54%)

Relationship among other management • None

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

Noted : Directors Profile as of 31 December 2014

: *Outstanding shares held as of 2nd February 2015 includes spouses and dependents (if any).



Professor Emeritus Sintasiri Sornmani, M.D.

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

Age 80 years

Education

- Certificate from Thai Institute of Directors Association
 - Directors Accreditation Program Class 43
 - Role of Compensation Committee
- Ph.D. (Tropical Medicine), Liverpool University
- Medical Doctor, Faculty of Medicine Siriraj Hospital, Mahidol University

Experience

- Vice President for Administration, Mahidol University
- Dean, Faculty of Tropical Medicine, Mahidol University
- Member, Expert Committee on Food Borne Parasitic Diseases, WHO

Other Position

- Director, The Medic Pharma Co., Ltd.

Number year of services • 21 years

Board of Director meeting attendance • 13/13

Number of shareholding* • 15,651,270 shares (0.10%)

Relationship among other management • None

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No



Mr. Sripop Sarasas

Independent Director/Member of Audit Committee/Member of the Nomination and Remuneration Committee

Age 58 years

Education

- Certificate, Audit Committee Program – ACP 1/2004
Thai Institute of Directors
- Certificate, Director Certification Program 22/2002
Thai Institute of Directors
- Diploma Thai Institute of Directors
- Master Degree in Business Administration (Finance)
University of Southern California, U.S.A.

Experience

- President & CEO/Krung Thai Asset Management PCL.
- President & CEO/General Environmental Conservation PCL.
- Managing Director/Phatra Finance PCL.

Other Position

- Director/Chairman of Audit Committee, Bangkok Airways PCL.
- Director, The Royal Ceramic Industry PCL.
- Director/Member of Audit Committee/
Member of Remuneration Committee,
Advanced Information Technology PCL.
- Director/Chairman of Audit Committee
Kiattana Transport PCL.
- Director/Chairman of Audit Committee
Golden Line PCL.

Number year of services • 7 years

Board of Director meeting attendance • 13/13

Number of shareholding* • None

Relationship among other management • None

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No



Mr. Chavalit Sethameteekul
Independent Director/Member of the
Nomination and Remuneration Committee
Age 67 years

Education

- Master of Political Science (M.Pol.Sc), Public Administration, Thammasat University
- Diploma from National Defence College of Thailand, Class 40
- Barrister at Law, Institute of Legal Education, Thai Bar Association
- Bachelor of Laws (LL.B.) (Second Class Honors), Thammasat University
- Certificate from Thai Institute of Directors Association
 - Directors Accreditation Program Class 6/2003
 - Director Certification Program (DCP) Class 74

Experience

- Director General of The Thai Customs Department, Ministry of Finance
- Deputy Permanent Secretaries of Ministry of Finance
- Inspector of Ministry of Finance
- Deputy Director-General : The Excise Department of Ministry of Finance
- Chairman: The Board of Small Business Credit Guarantee Corporation
- Vice Chairman : The Board of Metropolitan Electricity Authority
- Vice President: The Board of Airports of Thailand PCL.
- Vice President: TOT PCL.
- Director : Office of The council of State
- Director : The Thai BAR

Other Position

- Chairman of the Board of Directors: Hemaraj Land and Development PCL.
- President: Sriracha Harbour PCL.

Number year of services • 4 years

Board of Director meeting attendance • 13/13

Number of shareholding* • 370,000 Shares (0.00%)

Relationship among other management • None

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No



Mr. Thongchai Jira-alongkorn
Executive Director
Age 55 years

Education

- Directors Accreditation Program Class 107, Thai Institute of Directors Association
- Bangkok University, School of Business Administration Major Marketing

Other Position

- Director/Sansiri PCL.
- Deputy Managing Director/The Viriyah Insurance PCL.
- President/S.V.T. Property 2003 Co., Ltd.
- Managing Director/Thonburi Motor Sales Co., Ltd.
- Chief Executive Officer/V and G Logic Co., Ltd.
- Chairman/V.M.S.Car Sale Co., Ltd.
- Chairman/Viriyah Nakarin Co., Ltd.
- Chairman/Viriyah Auto Sale Co., Ltd.
- Chairman/V.S.T.Auto Sale Co., Ltd.
- Chairman/V.S.R.Auto Sale Co., Ltd.
- Chairman/V.S.K.Automobile Co., Ltd.
- Chairman/Viriyah Mazda 2004 Co., Ltd.
- Chairman/V.Group Mitsu Auto Sale Co., Ltd.

Number year of services • 3 years

Board of Director meeting attendance • 12/13

Executive Committee meeting Attendance • 11/12

Number of shareholding* • 11,373,360 shares (0.07%)

Relationship among other management • None

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

Noted : Directors Profile as of 31 December 2014

: *Outstanding shares held as of 2nd February 2015 includes spouses and dependents (if any).



Mrs. Phornsiri Manoharn

Independent Director

Age 66 years

Education

- Bachelor of Arts, Chulalongkorn University
- Certificate from Thai Institute of Directors Association
 - Director Certification Program (DCP) Course
 - Financial Statements for Directors (FSD) Course
 - Audit Committee Program (ACP)
- State Enterprise Administration Programme, the Sasin Graduate Institute of Business Administration of Chulalongkorn University/Kellogg
- Corporate Governance Program, King Prajadhipok's Institute
- Advanced Executive Course I, the Office of the Civil Service Commission
- Public Relation Executive Program Class 37, The Government Public Relation Department
- Executive Relationship Development Course Class I, the Directorate of Civil Affairs Royal Thai Army

Experience

- Chairman, Board of Directors, Pacific Asia Travel Association (PATA)
- Governor, Tourism Authority of Thailand (TAT)
- President, Thailand Incentive and Convention Association (TICA)
- Advisor to the Board of Directors, of Thailand Convention and Exhibition Bureau (TCEB)

Other Position

- Member, Civil Aviation Board of Directors
- Board Member, Pacific Leisure (Thailand) Co., Ltd.
- Vice Chairman, N. C. C. Management & Development Co., Ltd.
- Independent Director, Grande Asset Hotels and Property PCL.
- Board Member, Vnu Exhibitions Asia Pacific Co., Ltd.
- Board Member, Pacific Leisure (Thailand) Limited
- Board Member, Thai Show 2013 Co., Ltd.

Number year of services • 2 years

Board of Director meeting attendance • 12/13

Number of shareholding* • None

Relationship among other management • None

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No



Mr. Sombut Uthaisang

Independent Director

Age 78 years

Education

- Certificate from Thai Institute of Directors Association
 - Role of Chairman
 - Audit Committee
 - Director Accreditation
- Diploma in the Joint State – Private Sector Course Class 1 / Thailand National Defense College
- Master of Business Administration/ National Institute of Development Administration
- Bachelor of Laws/ Thammasat University

Experience

Political positions

- Deputy Minister of Interior
- Deputy Minister of Transportation and Communications
- Advisor to Minister of Information Communications and Technology

Civil Servant positions

- Deputy Permanent Secretary of Ministry of Transportation and Communications
- Director General of Meteorological Department
- Director General of Post and Telegraph Department

Other Position

- Chairman, Samart Corporate PCL.
- Chairman of Audit Committee, Thonburi Medical Center PCL.

Number year of services • 2 years

Board of Director meeting attendance • 13/13

Number of shareholding* • 150,000 shares (0.00%)

Relationship among other management • None

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No



Miss Poramaporn Prasarttong-Osoth M.D.

Director/Deputy CEO Group 1 and
Hospital Director Bangkok Hospital

Age 44 years

Education

- Fellowship of Royal College Of Surgeons (FRCS (Glasg)), Royal College of Physicians and Surgeons of Glasgow
- MSc in Surgical Science, Imperial College of Science, Technology and Medicine, University of London
- Diploma in Clinical Science - Mahidol University, Thailand
- Doctor of Medical (M.D.) - Siriraj Hospital Faculty of Medicine, Mahidol University, Thailand
- Director Certificate Program (DCP) 107/2014, Institution of Director Thailand
- Certificate of Good Governances for Executive M.D. Class 1, King Prajadhipok's Institute
- Advance Management Program Harvard Business School, (AMP) Executive Education, U.S.A

Experience

- Deputy Hospital Director, Bangkok Hospital
 - Deputy Hospital Director, BNH Hospital
 - Assistant Dean of Siriraj Hospital, Human Resource Mahidol University
 - Assistant Dean of Siriraj Hospital, Student Affairs Mahidol University
- Professional Experience
- Lecturer Head, Neck and Breast Unit, Siriraj Hospital, Mahidol University
 - Clinical Research Fellow Endocrine Surgery, Hammersmith Hospital, United Kingdom

Other Position

- Director, BNH Medical Center Co., Ltd.
- Director, Bangkok Hospital Pattaya Co., Ltd.
- Director, Bangkok Hospital Phuket Co., Ltd.
- Director, Bangkok Hospital Phuket International Co., Ltd.
- Director, Bangkok Hospital SanamChan Co., Ltd.
- Lecturer (Part Time) Head, Neck and Breast Unit, Siriraj Hospital, Mahidol University

Number year of services • 1 year

Board of Director meeting attendance • 12/12
(start attending meeting#2/2014)

Number of shareholding* • 419,705,980 shares (2.71%)

Relationship among other management

- A daughter of Mr Prasert Prasarttong-Osoth, M.D./ CEO & President

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No



Dr. Veerathai Santiprabhob

Independent Director/Member of Audit Committee

Age 45 years

Education

- Ph.D. in Economics, Harvard University, USA
- A.M. in Economics, Harvard University, USA
- B.A. in Economics (First Class Honors), Thammasat University, Thailand
- MIT Sloan School of Management, USA
- Corporate Strategy Executive Education Program

Training

- Thai Institute of Directors Association
 - Director Certification Program (DCP) Class 194
 - Director Accreditation Program (DAP 63)
 - Capital Market Academy, Thailand, Leadership Program (CMA 4)

Experience

- Executive Vice President and Chief Strategy Officer, The Stock Exchange of Thailand
- Executive Vice President, Siam Commercial Bank PCL.
- Economist, International Monetary Fund
- Co-director, Policy Research Institute, Fiscal Policy Office, Ministry of Finance
- Independent Expert Oversight Advisory Committee Member, World Health Organization

Other Position

- Director and Member of the Monetary Policy Committee, Bank of Thailand
- Member, State-owned Enterprise Policy and Supervisory Committee
- Advisor, Thailand Development Research Institute
- Director and Treasurer, Royal Initiative Discovery Foundation
- Audit Committee Member, Thammasat University
- Director, Thai Airways International PCL.
- Director, Aksorn Education PCL.

Number year of services • 1 year

Board of Director meeting attendance • 10/10
(start attending meeting#4/2014)

Number of shareholding* • None

Relationship among other management • None

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital

Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

Noted : Directors Profile as of 31 December 2014

: *Outstanding shares held as of 2nd February 2015 includes spouses and dependents (if any).



Mrs. Narumol Noi-am

Chief Financial Officer

Age 57 years

Education

- MBA Banking and Finance, from North Texas State University, USA
- Bachelor of Economics (second class honors) Faculty of Economics from Chulalongkorn University, Thailand
- Leader Program Capital Market Academy Class 15 by Capital Market Academy (CMA) The Stock Exchange of Thailand
- TLCA Leadership Development Program “Enhancing Competitiveness” by Thai Listed Companies Association & IMD
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives, class 13 by King Prajadhipok’s Institute
- Successful Formulation & Execution of Strategy Class 6/2010 by Thai Institute of Directors Association
- Directors Certification Program Class 107 by Thai Institute of Directors Association
- Financial Executive Development Program Class 12 by The Thai Institute of Banking and Finance for Executives from Financial Institutions
- Applied International Management Program, Sweden by Government of Sweden

Experience

- Senior Vice President, Investment Banking Department TMB Bank PCL.
- Senior Vice President, Finance Department Industrial Finance Corporation of Thailand

Other Position

- Director, Thai Listed Companies Association
- Director, Bangkok Hospital Pattaya Co., Ltd.
- Director, Bangkok Hospital Phuket Co., Ltd.
- Director, Samitivej PCL.
- Director, Prasit Pattana PCL.
- Director, Phyathai 1 Hospital Co., Ltd.
- Director, Phyathai 2 Hospital Co., Ltd.
- Director, Phyathai 3 Hospital Co., Ltd.
- Director, Sriracha Nakorn Hospital PCL.
- Director, Paolo Memorial Hospital Co., Ltd.
- Director, Paolo Samutprakarn Co., Ltd.
- Director, Siam Medical Co., Ltd.
- Director, Thai Medical Center Public Co., Ltd.
- Director, Bangkok Hospital Chiang Mai Co., Ltd.
- Director, Bangkok Hospital Khao Yai Co., Ltd.
- Director, Bangkok Hospital Sanamchan Co., Ltd.

- Director, Bangkok Phuket International Hospital Co., Ltd.
- Director, Angkor Pisith Co., Ltd.
- Director, Phnom Penh Medical Services Co., Ltd.
- Chairman, BDMS Accounting Co., Ltd.
- Director, National Healthcare System Co., Ltd.
- Director, Greenline Synergy Co., Ltd.
- Director, Bangkok Helicopter Services Co., Ltd.

Number of shareholding* • 3,300,000 Shares (0.02%)

Relationship among other management • None



Mr. Trin Charumilind

Chief of Doctor

Age 64 years

Education

- Diplomat American Board of Allergy and Immunology/The United States
- Diplomat American Board of Pediatrics/The United States
- Faculty of Medicine Siriraj Hospital/Mahidol University, Thailand

Experience

- Chief Medical Officer, Bangkok Hospital Medical Center

Other Position

- Director of Allergy and Asthma Center, Bangkok hospital
- Director, Bangkok Hospital Sanamchan Co., Ltd.
- Director, Bangkok Hospital Khon Kaen Co., Ltd.
- Director, Bangkok Hospital Pitsanulok Co., Ltd.
- Director, The Medic Pharma Co., Ltd.
- Director, National Healthcare Systems Co., Ltd.
- Director, Bangkok Phuket International Hospital Co., Ltd.
- Member of the committee to develop the master of science program (Emergency Medical Technician Program) Rangsit University

Number of shareholding* • 9,700 Shares (0.00%)

Relationship among other management • None



The Bangkok Orthopaedic Center, Bangkok Hospital and the Department of Orthopaedic Surgery, Stanford University

signed a Memorandum of Understanding to exchange knowledge and skills in the field of orthopaedics with a focus on excellence in the treatment of the musculoskeletal system. The cooperation also seeks to develop knowledge through research in orthopaedic surgery as well as improve the efficiency in the treatment of patients with bone and joint issues.

Policy and Nature of Business

Bangkok Dusit Medical Services Public Company Limited was registered on 30th October 1969 under the name “Bangkok Dusit Medical Services Company Limited” with an initial registered capital of Baht 10 million. On 26th February 1972, Bangkok Hospital commenced operations in providing medical services. The Company was later listed on the Stock Exchange of Thailand on 2nd October 1991 and registered its conversion to public company limited in 1994. Presently, the Company has a registered capital of Baht 1,649.79 million, with paid-up capital of Baht 1,549.09 million.

Presently, the Company operates in the large private hospital business with networks in Thailand and Cambodia totaling 37 hospitals. The Company operates under 6 hospital groups, namely, Bangkok Hospital Group, Samitivej Hospital Group, BNH Hospital, Phyathai Hospital Group, Paolo Memorial Hospital Group and Royal Hospital Group. In addition, the Company’s network also covers businesses that support medical care such as medical laboratories, medicine production and saline production.

Vision, Mission and Guidelines

Vision

Bangkok Hospital is a premier tertiary healthcare provider, dedicated to international quality, customer focused care.

Mission

We are committed to being the leader in providing internationally accepted, efficient and ethical high quality care through a dedicated healthcare team, effective leadership and up to date technology.

In order to meet the aforementioned vision, the Company has set the following guidelines:

Hospitals

- **Tertiary Excellence** : Set structure, processes and high level success, which are comparable to tertiary organizations with world class excellence
- **High Standards** : Continuously improve the standard of medical care at the tertiary level in terms of service, efficiency and environmental conservation
- **International Level Quality** : Cooperation with world renowned medical organizations so as to achieve accreditation at the international level

Customers

- **Trustworthy** : Provide medical care that focuses on quality and safety at reasonable and transparent prices
- **Satisfaction** : Provide excellent services which can be evaluated for further continuous improvement





Major Changes and Developments

2012



- The Company invested in an additional 70,522,600 common shares of Bumrungrad Hospital Public Company Limited equal to 9.66% of registered and paid-up capital. Consequently, the Company now holds 174,350,200 shares or 23.88% of registered and paid-up capital of Bumrungrad Hospital Public Company Limited.
- The Annual General Meeting of the Shareholders in 2012 approved the decrease of registered capital in the amount of Baht 7,932,525 from Baht 1,553,391,408. This resulted in new registered capital of Baht 1,545,458,883. The Meeting also approved increase in registered capital by way of a general mandate in the amount of Baht 154,545,888 from Baht 1,545,458,883, resulting in new registered capital of Baht 1,700,004,771 for flexibility in raising capital for the business.
- The Company made a tender offer for all outstanding shares of Prasit Pattana Public Company Limited (“PYT”) in order to delist shares of PYT from the Stock Exchange of Thailand. with the Office of the Securities and Exchange Commission. Consequently, the delisting of PYT was completed on 4th May 2012.
- The Company established a new 100% owned subsidiary under Bangkok Hospital Chiangmai Company Limited to construct a 200-bed hospital in Muang District, Chiangmai Province with registered capital of Baht 1,000 million.
- The Company established a new 100% owned subsidiary under Bangkok Hospital Udon Company Limited to operate a 120-bed private hospital on Thongyai Road in Muang District, Udonthani Province with registered and paid-up capital of Baht 500 million. The subsidiary bought the business from Udon Panyavej Hospital and officially commenced business as Bangkok Hospital Udon on 12th December 2012.



- The Bangkok Hospital network is visionary in introducing technological innovation, namely ROBO DOCTOR or Remote Presence System from U.S.A., to increase efficiency of patient care. Patients have close and fast access to specialist physicians so that people in remote areas can be treated by specialists. The specialist physicians are able to interact face-to-face with patients and exchange information, which strengthens efficiency of care and confidence of the patients in accepting medical care.
- Bangkok Hospital Medical Center and the College of Sports Science and Technology, Mahidol University received the FIFA Medical Centre of excellence Certificate from Jiri Dvorak, M.D., FIFA Chief Medical Officer. We are the first in Thailand and the ASEAN region and third in Asia (Japan, Qatar, Thailand and Saudi Arabia) to receive such honor.
- Bangkok Hospital opened the Bangkok Academy of Sports and Exercise Medicine (BASEM) to strengthen our capabilities and raise the level of service with over Baht 70 million invested. BASEM was established to meet our objective of being the leader in health care, be providing treatment for sports-related injuries and analysis of problems in playing sports. The services include medical care of injuries sustained by the athletes and rehabilitation with focus on increasing physical fitness and sports techniques for the greatest efficiency of the athletes,



- The Phyathai Hospital Group and the Bangkok Hospital Group joined forces to open the Phyathai 3 Heart Center by Bangkok Heart Hospital with a budget of over Baht 100 million to expand client base in Thonburi area. Reiterating the Group's leadership in heart hospitals that meet international standards and the use of Off-Pump CABG. Moreover, the heart hospital provides complete service in health care and heart disease with state-of-the-art technology and a team of specialists in all fields of heart disease to meet the international standards (JCI) and provide heart patients in the Thonburi area with the same level of service as received at Bangkok Heart Hospital.

- The Bangkok Spine Academy, Bangkok Hospital announced the success of a new surgical technique developed in Thailand to treat back pain through Direct Lateral Interbody Fusion (DLIF). The surgery treats back and leg pain caused by the spine pressing on the nerves. Moreover, the technique can effectively treat Spondylolisthesis or Scoliosis in elderly patients without having to make incisions along the back muscles, which may help lessen chronic back pain, median nerve entrapment, loose screws or loss of back muscle that occur after conventional surgery.

2013



- The Company registered the long term land leasehold on Yaowarat Road with area of 1-0-99 rai including a 12,000 sq. m. building with the Best Fortune Property and Loan Fund for a period of 30 years. This was for the renovation of the land and building into a new private hospital under the name “Bangkok Hospital Chinatown”. The hospital will provide selected tertiary care services and Advanced Emergency and Intermediate Care, and is expected to start operating in the first quarter of 2014.
- The Company has set up a new 100% owned subsidiary named, Bangkok Hospital Khon Khaen Company Limited with a registered and paid-up capital of Baht 600 million. The Company bought the Vechprasit Hospital building in Muang District, Khon Khaen Province and is renovating the building in order to open a new hospital under the name, Bangkok Hospital Khon Khaen.
- The 2013 Annual General Meeting of the Shareholders on 18th April 2013 resolved to approve to extend the allocation of newly issued shares n under the General Mandate of no more than 154,545,888 shares at par value of Baht 1. The new shares are to be issued by the next Annual General Meeting of the Shareholders or within the date at which the law requires the next annual general meeting of the shareholders to be held , whichever comes first.
- The 2013 Annual General Meeting of the Shareholders on 18th April 2013 resolved to approve the purchase of shares of The Medic Pharma Company Limited from the existing shareholders. The Medic Pharma Company Limited was originally an associated company in which the company held 49% ownership. After said purchase, the Company’s holding in The Medic Pharma Company Limited increased from 1,050,000 shares or 49% to 1,862,000 shares or 86.89% of the registered and paid-up capital.
- The Royal Bangkok Healthcare Company Limited (RBH), a 100% owned subsidiary, purchased shares of Krunghthon Hospital (KDH) from some of the existing shareholders equal to 24.94% of the outstanding shares at Baht 55 per share. When combined with the existing KDH shares already held by the Company equal to 3,002,029 shares or 20.01%, RBH had to make a tender offer for all shares of KDH at the same price. After the tender offer, RBH held a total of 3,750,859 shares of KDH or 25.01%. This resulted in the ownership of 45.02% of KDH by the Bangkok Hospital Group. Consequently, Krunghthon Hospital Public Company Limited registered its name change to “Thonburi Medical Center Public Company Limited” (Trading Name: KDH) and changed the name of the hospital to Samitivej Thonburi Hospital .





Later, at the KDH Extraordinary Shareholders' Meeting 1/2013 on 31st October 2013, the meeting approved the increase in registered capital of another Baht 75 million, resulting in registered capital increasing from Baht 150 million to Baht 225 million. The rights offering of 7.5 million shares at Baht 80 per share at 2:1, existing shares to new shares, garnered interest for only 4.384 million shares or Baht 43.84 million. While the Bangkok Hospital Group exercised its entire right to the new shares resulting in the increase of the Group's holding to 55.3% of the registered and paid-up capital after the rights offering (Baht 193.84 million).

- The Company set up a new wholly owned subsidiary named Bangkok Hospital Phitsanulok Company Limited with a registered and paid-up capital of Baht 600 million. On 1st October 2013, Phitsanulok Hospital purchased and took over the business of Rattanavej Hospital Company Limited, a private hospital in Muang District, Phitsanulok Province. The takeover was priced at Baht 576 million and the hospital reopened under the name "Bangkok Hospital Phitsanulok". In addition, the company issued a rights offering under the general mandate for 3,636,771 shares to the existing shareholders of Rattanavej Hospital Company Limited through a private placement at Baht 127.22 per share totaling Baht 463 million. This increased the registered and paid-up capital from Baht 1,545,458,883 to Baht 1,549,095,654. Bangkok Hospital Phitsanulok has grand opening on January 16, 2014 which located on Amphor Phitsanulok, Phitsanulok Province and there is 100 beds.
- The Company set up a new 100% owned subsidiary named Samitivej Chonburi Company Limited with a registered capital of Baht 600 million to operate a private hospital under the name "Samitivej Chonburi Hospital" in Muang District, Chonburi Province.
- The Company set up a new 100% owned subsidiary named Bangkok Hospital Surat Company Limited with a registered capital of Baht 300 million to operate a private hospital under the name "Bangkok Hospital Surat" in Muang District, Surat Thani Province.
- Bangkok Hospital Phuket Company Limited, a subsidiary in which the Company holds 99.69%, invested in the construction of a second hospital under the name "Deebuk Hospital" with total investment of approximately Baht 627 million.
- The Company has set up two holding companies in Singapore. The first holding company is BDMS Inter Pte. Ltd. with a registered capital of US 40,000 dollars and was set up for the Groups overseas investments. The second holding company is N Health Asia Pte. Ltd. with a registered capital of US 40,000 dollars and was set up for investments of the Group in offshore labs.

Furthermore, the Board of Directors resolved to set up four new subsidiaries for the investment in hospitals in the Lao People's Democratic Republic as well as investments in medical laboratories and equipment in the ASEAN region. The subsidiaries were set up through the holding company in Singapore and are as follows:

1. A subsidiary in the Lao People's Democratic Republic to invest in the construction of a hospital in Luang Prabang with a registered capital of about Baht 10 million and 100% owned by BDMS Inter Pte. Ltd. (Singapore).
2. N Health Myanmar Co., Ltd. with registered capital of US 500,000 dollars and 60% owned by N Health Asia Pte. Ltd. (Singapore).

3. N Health Laos Co., Ltd. with registered capital of US 200,000 dollars and 70% owned by with N Health Asia Pte. Ltd. (Singapore).
4. N Health Cambodia Co., Ltd. with registered capital of US 320,000 dollars and 100% owned by with N Health Asia Pte. Ltd. (Singapore).

2014



- The 2014 Shareholders' Annual General Meeting held on 18th April 2014 approved the change in the par value of the Company's common shares by reducing the par value from Baht 1 per share to Baht 0.10 per share, resulting in the increase of the number of the Company's ordinary shares from 1,700,004,771 shares to 17,000,047,710 shares. However, the shareholding ratio of existing shareholders will not be affected by the change in the par value above and the registered capital as well as the paid-up capital of the Company will remain unchanged. The change in par value of the Company's common shares came into effect on 25th April 2014.
- The Extraordinary General Meeting of Shareholders of Bangkok Dusit Medical Services Public Company Limited No. 1/2014 held on 5th August 2014 approved the issuance and offering of unsecured and unsubordinated convertible bonds in an amount not exceeding Baht 10,000 million or an equivalent amount in other currencies. The bonds may be converted into ordinary shares of the Company during the term of the bond.

On 18th September 2014, the Company offered the convertible bonds in the amount of Baht 10,000 million entirely to foreign investors. The convertible bonds are zero-coupon and may be redeemed in 2019. Subsequently, the Company listed the convertible bonds on the Singapore Exchange Securities Trading Limited on 19th September 2014 (details of the convertible bonds are shown on page 50)

- The Extraordinary General Meeting of Shareholders of Bangkok Dusit Medical Services Public Company Limited No. 1/2014 held on 5th August 2014 approved the increase in the registered capital of the Company in the amount of Baht 100,691,217.40 from the existing registered capital of Baht 1,549,095,654 to Baht 1,649,786,871.40 by issuing 1,006,912,174 new ordinary shares at par value of Baht 0.10 per share, divided as follows:
 - (a) newly issued ordinary shares to support the conversion of the convertible bonds in the amount not exceeding 542,183,478 shares with par value of baht 0.10 per share (equal to 3.5% of the Company's paid-up capital) and;
 - (b) newly issued ordinary shares under the general mandate in the amount not exceeding 464,728,696 shares with no more than 232,364,348 newly issued shares representing 1.5% of the Company's paid-up capital to be allocated for offering to the public and no more than 232,364,348 newly issued shares representing 1.5% of the Company's paid-up capital to be allocated for offering on a private placement basis. Either or both methods of allocation in aggregate shall not exceed 1.5% of the Company's paid-up capital as at the date on which the Board of Directors resolved to approve the capital increase or totaling not exceeding 232,364,348 shares.



BDMS hospital network expansion and investment in healthcare related companies

- On 31st January 2014, HRH Princess Maha Chakri Sirindhorn presided over the opening ceremony of Bangkok Hospital Chinatown, which began operating on 12th November 2014. The Hospital, a 59 bed private hospital, is located on Yaowaraj Road.
- Bangkok Hospital Chiangmai Company Limited, a subsidiary in which the company holds 100%, officially opened the Bangkok Hospital Chiang Mai on 11th July 2014. Bangkok Hospital Chiangmai is a 185 bed private hospital located in Muang Chiangmai District, Chiangmai Province.
- The Company established a new subsidiary of the Company under the name Bangkok Hospital Sanamchan Company Limited with a registered capital of Baht 3,655 million, divided into 365,500,000 ordinary shares with a par value of Baht 10 per share, approximately 99.99 per cent of which is held by the Company, in order to acquire and receive the transfer of the entire business of Sanamchan Hospital Company Limited (“Sanamchan”) which is a company operating a private hospital in Nakorn Pathom Province under the name “Sanamchan Hospital”. The transfer was completed on 15th August 2014 and the businesses transferred included Sanamchan Hospital, Muang Petch-Thonburi Hospital, as well as 44.5% equity interest in Thepakorn Hospital Company Limited and 25% equity interest in G. Wasupol Company Limited which currently operates Muang Ratch Hospital.
- The Company established a subsidiary under the name “Bangkok Phuket International Hospital Company Limited” with a registered capital of Baht 3,610,000,000 divided into 361,000,000 ordinary shares with par value of Baht 10 per share, in which the Company holds 100%, to acquire and receive the entire business transfer of Phuket International Hospital Company Limited, which operates a private hospital under the name “Sirirot Hospital”, a 151 bed hospital in Phuket Province.
- Bangkok Hospital Khon Kaen Company Limited, a subsidiary in which the company holds 100%, officially opened the Bangkok Hospital Khon Kaen on 10th November 2014. Bangkok Hospital Khon Kaen is a 140 bed private hospital located in Muang Khon Kaen District, Khon Kaen Province.





- Phnom Penh Medical Services Company Limited, a subsidiary in which the company holds 100%, officially opened the Royal Hospital, Phnom Penh on 18th November 2014. Royal Hospital is a 100 bed private hospital located in Phnom Penh, Cambodia.
- The Company has established the Bangkok Save Drug Company Limited with registered capital of Baht 450 million, divided into 45,000,000 common shares with a par value of Baht 10 per share, approximately 99.99% of which is held by the Company, in order to acquire all shares of Save Drug Center Company Limited, which is engaged in sale of medicine, supplementary food, and medical supplies and equipments businesses under the brand “Save Drug” through 107 stores and branches nationwide.

Medical Advancement and Development

- Bangkok Hospital has upgraded its minimally invasive surgery technology with the introduction of the “Advanced 3D Laparoscopic Surgery”, which improves the accuracy and precision while providing natural 3D vision and depth perception while performing laparoscopic procedures. The procedure thus offers less scarring, less pain, and faster recovery. The technology is now being used at three major centers, including the Bangkok Surgery Clinic, Bangkok Women’s Health Center and Bangkok Urological Center and has expanded to treatment of cancer such as colon cancer, prostate cancer and gastric cancer.



- Paolo Memorial Hospital Nawamin, under management of Thai Medical Center Public Company Limited, has changed its name to “Phyathai Hospital Nawamin”. In addition, the hospital has improved the quality and standards of its medical services with physicians specializing in various areas and state-of-the-art technology enabling the hospital to provide care for more complex ailments which meet the standards of the Phyathai Hospital Group. This improvement has resulted in quality medical services for the greatest benefit to the patients.

- Bangkok Hospital awarded prizes to the Bangkok Emergency Services (BES) and OPD Patient Flow Project in the category of Core Process Improvement Project to applaud departments that aimed to improve internal processes, lessen redundancy, lower cost, increase efficiency, increase speed and lessen procedural mistakes within the organization.



- Bangkok Heart Hospital opened the Hybrid OR, which can rotate 360 degrees freely while taking “Flex Move Heart Navigator” and “Software Heart Navigator” x-rays and can make an image of the heart in great detail. It has the capability to perform a Transcatheter Aortic Valve Implantation, Valvular Repair or Stenting using a Fluoroscopy. The highlight of the Hybrid OR is that it combines the Catheterization Unit and the Cardiothoracic Surgeries into one room. In the case that there are complications, the surgeons can operate immediately without having to move the patient.
- Bangkok Hospital opened the “Brain Power, Fit Brain, Firm Life Center” “Bangkok Hospital open” The Brain Power center” providing full service care for the brain with physicians from 5 clinics, namely, Stroke Clinic, Epilepsy Clinic, Memory Clinic, Headache Clinic, and Parkinson’s and Movement Disorder Clinic.
- National Healthcare Systems Company Limited (N health), a subsidiary of Bangkok Hospital, and the National Science and Technology Development Agency (NSTDA), Ministry of Science and Technology signed a memorandum of understanding on research & product development and medical services support. The aim, through the experience and expertise of N health, is to stimulate product development, material development and efficient medical care, as well as push for real practice in leading hospitals both in Thailand and offshore in order to decrease imports and turn Thailand into a medical hub in anticipation of the growth in the ASEAN region.
- The Bangkok Health Research Center, Bangkok Hospital Group has been certified as a AO Clinical Study Site (AOCSC) by the AO Foundation. This certifies that the Center’s clinical research, training of clinical research personnel and important role in controlling the quality of clinical research in the field of Orthopaedic Surgery and the treatment of bones and joints meet international standards.





- HRH Princess Maha Chakri Sirindhorn presided over the opening of the 2014 annual academic conference organized by Bangkok Dusit Medical Services Public Company Limited entitled “Get Healthy Get Ready for ASEAN Community”, which was comprised of 6 hospital groups, namely, Bangkok Hospital, Samitivej Hospital, BNH Hospital, Phyathai Hospital, Paolo Memorial Hospital and Royal Hospital in Cambodia. HRH graciously supported the cooperation in providing healthcare of the Thai people of all genders and ages, the development of medical academics and the integration of Thai public health as well as publicizing Thailand’s potential in terms of medical care and public health to the ASEAN Community and the international medical center at the World Heart Day on 26th September 2014.
- BDMS organized a press conference to announce a new upgrade to the Group’s medical services with the launch of “B-eXchange”, a database that connects medical records in its hospital network into one centralised system. The system is being implemented within the Bangkok Hospital, Samitivej Hospital, BNH Hospital, Phyathai Hospital and Paolo Memorial Hospital to increase the quality of medical services and decrease treatment errors, thus creating a foundation to becoming the medical hub of the ASEAN region.

Medical Cooperation

1. Sano Hospital

On 9th July 2014, Samitivej Public Company Limited, the Company subsidiary, signed an agreement with Sano Hospital, Japan for cooperation in studying and developing projects on gastrointestinal tract disease, as well as patient referrals, as appropriate to the illness, between the two hospitals.

2. MD Anderson

On 1st August 2014, Bangkok Dusit Medical Services Public Company Limited, Faculty of Medicine Siriraj Hospital and MD Anderson (University of Texas: MD Anderson Cancer Center – MDACC) signed an agreement on cooperation on the Global Academic Program (GAP), an academic and research project, as well as the MD Anderson Cancer Network Associate Project, a project on treatment of the disease. Later, on 16th November 2014, Wattanosoth Hospital and the Faculty of Medicine Siriraj Hospital became “Sister Institutes” of MDACC under GAP. The Company continues to achieve cooperation in treatment of cancer in the future.

3. Stanford University

On 6th August 2014, the Bangkok Orthopaedic Center, Bangkok Hospital and the Department of Orthopaedic Surgery, Stanford University signed a Memorandum of Understanding to exchange knowledge and skills in the field of orthopaedics with a focus on excellence in the treatment of the musculoskeletal system. The cooperation also seeks to develop knowledge through research in orthopaedic surgery as well as improve the efficiency in the treatment of patients with such ailments. The signing of the agreement will lead to cooperation in studies, research and medical conferences to develop the potential of medical personnel.





4. Oregon Health & Science University (OHSU)

On 1st October 2014, Bangkok Dusit Medical Services Public Company Limited together with the Oregon Health & Science University (OHSU) established the BDMS-OHSU International Health Alliance to become an international medical center and elevate to a medical excellence center in all areas, especially in occupational health and pediatrics, in the Asia Pacific region.

5. Heavy Ion Therapy

On 9th October 2014, Wattanosoth Hospital, a hospital specializing in cancer, signed an agreement to collaborate with Universal Strategy Institute Limited Liability Company, Japan on the establishment of an irradiation center, which will use the “Heavy Ion Therapy” technology, as part of the plan to become the center for cancer treatment in the Asia Pacific region. The technology is state-of-the-art and effective in the treatment of cancer with shorter treatment time and fewer side effects. The treatment can be used with patients who are not suited to the conventional irradiation or for those who did not see results with the conventional irradiation. The advantage of this treatment is that it is highly accurate. The beams can destroy deep cancer cells with accuracy with the suitable amount of ions as the beam will relieve most of the energy on the position so that the amount of ions that passes through the body will have as little effect on the normal cells as possible.

6. Nagoya University

Bangkok Dusit Medical Services Public Company Limited together with Nagoya University, Japan signed an agreement on two significant items, (1) cooperation in studies through medical personnel exchanges for training in all fields of medicine and (2) referrals of patients between the University and the Hospital in the case that a patient should be travelling to Thailand (and neighboring countries) or to Nagoya (and nearby places).

Accreditation and Special Recognition

- As at the end of 2014, the Company’s group of private hospitals includes 19 hospitals that have received national recognition by the Hospital Accreditation Thailand (HA). The Group also has 12 hospitals and 1 clinic that have received international recognition by the Joint Commission International (JCI), namely, Bangkok Hospital Medical Center (comprised of 3 hospitals which are Bangkok Hospital, Bangkok Heart Hospital and Wattanosoth Hospital), Bangkok Hospital Pattaya, Bangkok Hospital Phuket, Bangkok Hospital Samui, Bangkok Hospital Hua Hin, Samitivej Hospital Sukhumvit, Samitivej Hospital Srinakarin, Samitivej Hospital Sriracha, BNH Hospital and International Clinic Koh Chang.
- BDMS received the “Southeast Asia Top Companies for Leaders Special recognition 2014” presented by AON Hewitt. The Company was selected from leading organizations around the world in terms of connectivity and consistency of leadership practices and financial results.



BDMS together with the Oregon Health & Science University (OHSU),

a leading US medical institution, especially in the field of occupational health and hygiene, which has been recognized by the United States Centers for Disease Control (USCDC) as one of the top 4 Total Worker Centers of Excellence in the US, has established the BDMS-OHSU International Health Alliance in order to elevate the medical industry as well as to exchange knowledge and academic skills to become an international medical center. In addition, the center is working with the Faculty of Medicine, Siriraj Hospital to develop clinical studies.



Nature of Business

The Company's main business is the private hospital business operated by the Company and the Subsidiaries. In addition, the Company has invested in businesses that support the hospital business, which can be summarized according to the financial statements as follows:

Income Structure of the Company and Subsidiaries

During 2012 - 2014

Unit: Million baht

Type of revenue	Operated by	% of Holding	2014		2013		2012	
			Revenue	%	Revenue	%	Revenue	%
Patient revenue								
	Bangkok Dusit Medical Services PCL.	100.0	11,683.3	21.5	10,871.9	22.1	9,909.3	22.4
	Samitivej PCL. (SVH)	95.8	9,124.0	16.8	8,265.2	16.8	7,580.7	17.1
	BNH Medical Center Co., Ltd.	91.5	2,328.8	4.3	2,112.8	4.3	1,869.9	4.2
	Prasit Pattana PCL. (PPCL)	98.5	10,076.2	18.5	9,329.3	19.0	8,714.1	19.7
	Paolo Medic Co., Ltd.	100.0	2,358.1	4.3	2,211.1	4.5	1,979.3	4.5
	Siam Medical Co., Ltd.	85.7	879.8	1.6	811.2	1.6	712.7	1.6
	Thai Medical Center PCL.	99.8	1,001.9	1.8	809.4	1.6	675.3	1.5
	Paolo Samut Prakran Co., Ltd.	93.6	1,203.5	2.2	1,179.0	2.4	1,087.3	2.5
	Bangkok Hosital Prapradaeng Co., Ltd.	84.0	264.1	0.5	265.7	0.5	240.2	0.5
	Bangkok Hospital Pattaya Co., Ltd.	97.3	3,442.4	6.3	3,347.3	6.8	3,167.5	7.1
	Bangkok Hospital Rayong Co., Ltd.	100.0	1,873.9	3.4	1,742.4	3.5	1,575.9	3.6
	Bangkok Hospital Trat Co., Ltd.	99.8	360.5	0.7	329.2	0.7	321.3	0.7
	Wattanavej Co., Ltd.	99.7	1,038.4	1.9	928.7	1.9	852.3	1.9
	Bangkok Hospital Had Yai Co., Ltd.	98.8	1,397.5	2.6	1,316.0	2.7	1,110.0	2.5
	Bangkok Hospital Samui Co., Ltd.	100.0	652.3	1.2	634.8	1.3	545.9	1.2
	Bangkok Hospital Phuket Co., Ltd.	99.7	2,633.6	4.8	2,473.3	5.0	2,319.1	5.2
	Bangkok Hospital Ratchasima Co., Ltd.	91.4	1,340.5	2.5	1,282.4	2.6	1,113.2	2.5
	Bangkok Hospital Udon Co., Ltd. (1)	100.0	403.8	0.7	330.3	0.7	73.6	0.2
	Bangkok Hospital Phitsanulok Co., Ltd. (2)	100.0	495.5	0.9	107.9	0.2		
	Thonburi Medical Centre PCL. (2)	58.0	345.3	0.6	244.4	0.5		
	Bangkok Hospital Chiangmai Co., Ltd.	100.0	87.7	0.2				
	Bangkok Hospital Khon Kaen Co., Ltd.	100.0	24.9	0.0				
	Bangkok Hospital Sanamchan Co., Ltd. (BCM)	100.0	323.3	0.6				
	Thepakorn Hospital Co., Ltd. (Held through BCM)	44.5	41.5	0.1				
	Bangkok Hospital Phuket International Co., Ltd.	100.0	234.7	0.4				
	Angkor Pisith Co.. Ltd.	80.0	138.5	0.3	116.4	0.2	112.8	0.3
	Rattanak Medical Services Co., Ltd.	70.0	148.2	0.3	185.1	0.4	176.0	0.4
	Phnom Penh Medical Services Co., Ltd.	100.0	61.4	0.1				
	Total		53,963.5	99.2	48,893.9	99.4	44,136.4	99.6

Unit: Million baht

Type of revenue	Operated by	% of Holding	2014		2013		2012	
			Revenue	%	Revenue	%	Revenue	%
Other revenue which related to patient revenue								
	National Healthcare Systems Co., Ltd.	100.0	377.4	0.7	276.0	0.6	168.9	0.4
	Bio-Molecular Laboratories (Thailand) Co., Ltd.	95.0	0.4	0.0	0.0	0.0	2.0	0.0
	Total		377.8	0.7	276.0	0.6	170.9	0.39
	Total revenue from operation		54,341.4	100	49,169.9	100.0	44,307.3	100.0

1. Products and Services

Healthcare Business

No.	Hospital	Operated By	Number of bed	Total number of Bed	% of Holding
Bangkok Hospital Group					
1	Bangkok Hospital	Bangkok Dusit Medical Services PCL. (BDMS)	343		
2	Bangkok Heart Hospital	Bangkok Dusit Medical Services PCL. (BDMS)	97		
3	Wattanosoth Cancer Hospital	Bangkok Dusit Medical Services PCL. (BDMS)	48		
4	Bangkok Hospital ChinaTown	Bangkok Dusit Medical Services PCL. (BDMS)	59		
5	Bangkok Hospital Hua Hin	Bangkok Dusit Medical Services PCL. (BDMS)	60		
6	Bangkok Hospital Prapradang	Bangkok Hospital Prapadaeng Co., Ltd	60		84.0%
7	Bangkok Hospital Pattaya	Bangkok Hospital Pattaya Co., Ltd	400		97.3%
8	Bangkok Hospital Rayong	Bangkok Hospital Rayong Co., Ltd	220		100.0%
9	Bangkok Hospital Chantaburi	Wattanavej Co., Ltd.	170		99.7%
10	Bangkok Hospital Trat	BangkokHospital Trat Co., Ltd.	114		99.8%
11	Bangkok Hospital Ratchasima	Bangkok Hospital Ratchasima Co., Ltd.	300		91.4%
12	Bangkok Hospital Pakchong	Bangkok Hospital Ratchasima Co., Ltd.	30		91.4%
13	Bangkok Hospital Udon	Bangkok Hospital Udon Co., Ltd.	120		100.0%
14	Bangkok Hospital Khon Kaen	Bangkok Hospital Khon Kaen Co., Ltd.	140		100.0%
15	Bangkok Hospital Phitsanulok	Bangkok Hospital Phitsanulok Co., Ltd.	100		100.0%
	Ratanavej Hospital (children hospital)	Bangkok Hospital Phitsanulok Co., Ltd.	58		100.0%
16	Bangkok Hospital Chiangmai	Bangkok Hospital Chiangmai Co., Ltd.	185		100.0%
17	Bangkok Hospital Samui	Bangkok Samui Hospital Co., Ltd.	50		100.0%
18	Bangkok Hospital Phuket	Bangkok Phuket Hospital Co., Ltd.	317		99.7%
19	Bangkok Hospital Had Yai	Bangkok Had Yai Hospital Co., Ltd.	165	3,036	

No.	Hospital	Operated By	Number of bed	Total number of Bed	% of Holding
Samitivej Group					
20	Samitivej Sukumvit Hospital	Samitivej PCL. (SVH)	275		95.8%
21	Samitivej Srinakarin Hospital	Samitivej PCL. (SNH)	400		95.8%
22	Samitivej Thonburi Hospital (BDMS : 29.01% & RBH : 29.02%)	Thonburi Medical Centre PCL.	150		58.0%
23	Samitivej Sriracha Hospital	Samitivej Sriracha Co., Ltd. (Hold through SVH)	150	975	69.8%
24	BNH Hospital	BNH Medical Centre Co., Ltd.	144	144	91.5%
Royal Hospital Group					
25	Royal Angkor Hospital	Angkor Pisith Co., Ltd.	21		80.00%
26	Royal Phnom Phen Hospital	Phnom Penh Medical Services Co., Ltd.	100	121	100.00%
Phyathai Hospital Group (Shares held through Prasit Pattana PCL., which is a subsidiary in which the Company holds 98.52%)					
27	Phyathai 1 Hospital	Phyathai 1 Hospital Co., Ltd. (PYT1)	350		100.0%
28	Phyathai 2 Hospital	Phayathai 2 Hospital Co., Ltd.	260		99.2%
29	Phyathai 3 Hospital	Phayathai 3 Hospital Co., Ltd.	230		99.0%
30	Phyathai Hospital Nawamin	Thai Medical Center PCL.	140		99.8%
31	Phyathai Sriracha Hospital	Sriracha Nakorn General Hospital PCL.	257	1,237	74.3%
Paolo Memorail Hospital Group					
32	Paolo Memorial Hospital Phaholyothin	Paolo Medic Co., Ltd.	237		100.0%
33	Paolo Memorial Hospital Samutprakarn	Paolo Samut Prakran Co., Ltd.	200		93.6%
34	Paolo Memorial Hospital Chokchai 4	Siam Medical Co., Ltd.	120	557	85.7%
Other Hospital					
35	Sanamchan Hospital	Bangkok Hospital Sanamchan Co., Ltd. (BSN)	200		100.0%
36	Thepakorn Hospital (BSN : 44.5%)	Thepakorn Hospital Co., Ltd.	100		44.5%
37	Phuket International Hospital	Bangkok Phuket International Hospital Co., Ltd.	151	451	100.0%
	Total number of BDMS patient beds			6,521	
Group of invested Hospitals (Company has not manage)					
38	Aek Udon International Hospital (BDMS : 15.29 % & PYT1 : 9.85%)	Udon Pattana (1994) Co., Ltd.	350		25.1%
39	Ramkamhaeng Hospital	Ramkamhaeng Hospital PCL.	300		38.2%
40	Bumrungrad Hospital	Bumrungrad Hospital PCL.	538		23.9%
41	Muang Ratch Hospital. (Held through BSN)	G. Wasupol Co., Ltd.	100	1,288	25.0%

Businesses Related to Medical Services

Nature of Business	Operated By	% of holding
1. Manufacture saline and medical equipment	A.N.B. Laboratories Co., Ltd. (Held through Royal Bangkok Healthcare Co., Ltd., which is the company subsidiary own 100%)	100
	The Medic Pharma Co., Ltd.	86.9
2. Pharmaceutical	Save Drug Co., Ltd. (Held through Bangkok Save Drug Co., Ltd., which is the company subsidiary own 100%)	100
3. Medical Lab and Shared Services (central procurement)	National Healthcare Systems Co., Ltd. (BDMS : 74.02% SVH : 21.04% & BNH : 4.93%)	100
4. Bio Molecular Lab	Bio-Molecular Laboratories (Thailand) Co., Ltd.	95.0
5. Information and technology for company and the Subsidiaries Shared service	Greenline Synergy Co., Ltd.	100
6. Medical evacuation	Bangkok Helicopter Services Co., Ltd.	49.0
7. Marketing and promotion support company and the subsidiaries	Cool & Joy Co., Ltd.	30.0
8 Catering and general support for company and the subsidiaries	Irving Sheridan SE Co., Ltd. (Held through Samitivej PCL, which is the company subsidiary)	96.0
	First Health Food Co., Ltd. (Held through Samitivej PCL, which is the company subsidiary)	100.0
	Sodexo Healthcare Support Service (Thailand) Co., Ltd. (Held through First Health Food Co., Ltd. , which is the Samitivej PCL's subsidiary)	74.0
9. Land holding company in Cambodia	S.R. Property Investment Co., Ltd.	49.0
	Siem Reap Land Investment Co., Ltd.	49.0
	Phnom Penh First Property Co., Ltd.	49.0
10. Healthcare business (Holding Company)	Royal Bangkok Healthcare Co., Ltd. (RBH)	100
	BDMS Inter Pte. Ltd. (Singapore)	100
	N Health Asia Pte. Ltd. (Singapore)	100
	N Health Cambodia Pte. Ltd. (Cambodia)	100
11 Training	BDMS Training Co., Ltd.	100
12 Health insurance	Bangkok Health Insurance PCL.	100
	Bangkok Premier Life Insurance Co., Ltd.	100
13 Accounting services	BDMS Accounting Co., Ltd.	100



2. Market Outlook and Competition

2.1 Thailand Hospital Industry Overview

Healthcare expenditure in Thailand was US\$14.40 billion in 2012, accounting for 3.9% of the country's gross domestic product ("GDP") according to the World Bank. Thailand's healthcare expenditure has increased at a compounded annual growth rate ("CAGR") of 12.2% from 2003 to 2012. The healthcare expenditure in Thailand grew at a faster rate compared to that of its real GDP growth, with a CAGR of 3.9% from 2003 to 2012 according to the Bank of Thailand.

Thailand's healthcare industry is expected to be driven by strong demand from favourable demographic trends, a rising middle class, underpenetrated healthcare industry and growth in medical tourism. However, public healthcare supply is limited in terms of beds per population of public healthcare facilities. In addition, the low level of clinical staff per population relative to Thailand's peers is another challenge to the public healthcare facilities. It is therefore expected that private healthcare providers, with a relatively greater availability of beds, higher quality of service and better access to clinical personnel, would be well placed to capitalise on the growing demand and limited supply in Thailand's healthcare industry.

Favourable Demographic Trend

The increase in population, longer life expectancy which leads to an aging population, and a more health conscious trend in Thailand is expected to increase the demand for sophisticated medical procedures and healthcare services. The population of Thailand is forecasted to reach 68 million in 2020, primarily due to an overall improvement in healthcare services according to the United Nations World Population Prospectus (2014 Revision). In 2010, 8.9% of Thailand's population was aged above 65 and this figure is expected to rise to 12.3% by 2020 and therefore, Thailand would have the highest percentage of population above 65 in Southeast Asia after Singapore according to the United Nations World Population Prospectus (2014 Revision).

Rising Middle Class

Thailand's GDP per capita has increased from Baht 136,918 to Baht 174,376 or a CAGR of 5.0% from 2008 to 2013 according to the International Monetary Fund. Going forward, Thailand's GDP per capita is expected to grow at a CAGR of 5.7% from 2013 to 2019 from Baht 174,376 in 2013 to Baht 242,523 in 2019 according to the International Monetary Fund. In addition, higher gross provincial product ("GPP") per capita in non-Bangkok regions, including the northern, northeastern, southern, central and western regions of Thailand according to the National Economic and Social Development Board, suggests increasing ability to access more sophisticated and high quality healthcare services, which in turn drives the demand within Thailand's healthcare industry. Higher dispensable income among all regions of Thailand will make healthcare services more affordable and accessible, which in turn drives the overall healthcare demand in Thailand.

Underpenetrated Healthcare Industry

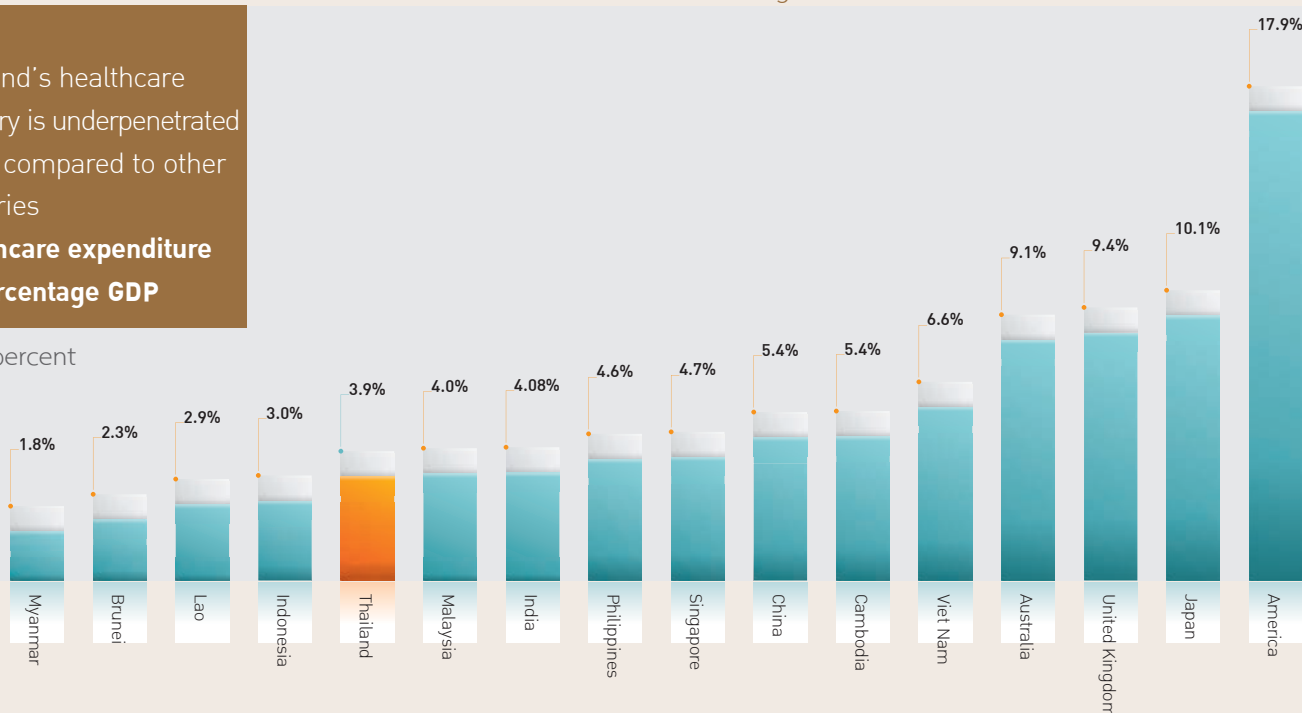
Thailand is ranked fifth amongst ASEAN countries in terms of healthcare expenditure as a percentage of GDP at 3.9% in 2012 according to the World Health Organisation. Likewise, Thailand's proportion of healthcare expenditure as a percentage of GDP is significantly lower compared to that of developed countries. For example, healthcare expenditure in Japan and United Kingdom in 2012 were at 10.1% and 9.4% of GDP, respectively, according to the World Health Organization. This suggests that there is significant room for growth for Thailand's healthcare industry.

Source: World Health Organisation Database

Thailand's healthcare industry is underpenetrated when compared to other countries

Healthcare expenditure as percentage GDP

Unit: percent



Medical Tourism

Thailand is one of the key destinations in Southeast Asia for medical tourism. The medical tourism industry in Thailand has been growing over the past five years. International patient revenue has been growing at a CAGR of 24.3% between 2008 and 2012 to Baht 121,658 million in 2012 according to the Thai Ministry of Public Health.

Thailand's key competitive advantages are its competitive pricing, quality and accredited clinical excellence. On average, medical procedures in Thailand are 86.0% less expensive compared to the United States and 19.8% less expensive compared to Singapore according to the World Health Organization on Medical Tourism as of October 2013. In addition, Thailand has a higher number of hospitals that have received accreditation from the Joint Commission International ("JCI") than its key competitors, such as India, Singapore and Malaysia according to the JCI.

Growing Health Insurance Coverage

Private insurance is one of the growth drivers of Thailand's private healthcare expenditure. Private insurance spending has increased from Baht 19.1 billion in 2003 to Baht 43.4 billion in 2011, representing a CAGR of 10.8% according to the National Health Accounts of Thailand. In addition, the amount of Thailand's population covered by private insurance has increased from 1.4 million in 2007 to 3.5 million in 2013 or at a CAGR of 15.8% according to the National Statistics Office. Thailand's non-life insurance premium as a percentage of GDP in 2012 was 2.1%, which was relatively low compared to other developed countries, such as Australia (2.8%), United Kingdom (2.8%), United States of America (4.5%) and South Korea (5.3%) according to Swiss Re World Insurance Report 2012. This suggests a potential growth in private insurance spending.

Hospital Infrastructure in Thailand

Thailand has a total of 1,348 hospitals and 146,994 beds as of 2012, a majority of which are public hospitals. Public hospitals accounted for approximately 76.0% of the total number of hospitals and approximately 79.0% of the total number of beds in 2012 according to the Thai Ministry of Public Health.

In terms of hospital infrastructure, Thailand's hospital bed density per 10,000 population is above average amongst ASEAN countries. The number of beds per 10,000 population in Thailand in 2012 is 21, which is comparable to Singapore. The number of hospital beds per 10,000 population in Japan, US and UK are 137, 29, and 29, respectively in 2012 according to the World Health Organisation (World Health Statistics 2014).



Clinical Staff

With more clinical staff trained during the past several years in Thailand, clinical staff per 10,000 population ratio ("clinical staff penetration") in Thailand has increased from 23 in 2008 to 26 in 2012 or at a CAGR of 2.7% according to the Thai Ministry of Public Health. However, the level of clinical staff coverage in Thailand is still relatively low when compared to Singapore and Malaysia that have clinical staff penetration of 87 and 49, respectively, according to the World Health Organisation (World Health Statistics 2014). This suggests a clinical staff shortage in Thailand.

2.2 Marketing Strategy

The company has determined the marketing policy with the aim to bring medical services to all groups of people by building both secondary care and tertiary care hospitals so that customers may access medical services that meet international standards. The goal is to become one of the top three hospitals in Asia with focus on our strategy as an Excellence Center in terms of medical services. We will emphasize the treatment of brain disease, heart disease and cancer with the cooperation of leading institutes such as MD Anderson in the treatment of lymphoma by stem cell

transplant or the Mayo Clinic in treating heart disease, to attract patients. The Company shall abide by the 4 principles, namely, Good Doctor, Good Nurse, Good Service + Thai Service and Good Technology. In addition, the Company has strategies in supporting operations as follows:

1. Efficiently manage all companies within the network so as to efficiently manage costs, as well as well-equipped to service foreign patients;
2. Emphasize accessibility to target market by building relationships through direct marketing channels, especially insurance companies both domestic and international;
3. Create a strong brand for the entire hospital network. The assembling of all hospitals within the network both in Bangkok and up-country, as well as in neighboring countries, has enabled the company to raise the level of service to a universal medical center that has expertise in a variety of medical specialties.

Since 2013, the company has aimed to develop our service excellence in health care and medical services, as well as to become the complete center for expertise in all aspects of health and medicine, such as

- Opening specialized centers and clinics to focus on providing medical care that meets the target patients such as the Bangkok Mental Health Rehabilitation and Recovery Center (BMRC) to care for mental patients and substance abuse rehabilitation; the Bangkok Longevity Center for elder care, currently the number of elders has increased in Thailand; the Bangkok Brain (Neuro) Center has opened clinics for headaches and Epilepsy; and the Bangkok Heart Hospital which specializes in treating cardiac arrhythmia and CABG surgery technique.
- Opening the Bangkok Emergency Services (BES) to increase efficiency of patient transfers so that emergency patients may life threatening situations more quickly, this is achieved with the cooperation of various public hospitals and a network of 13 private hospitals to transfer patients in Bangkok and vicinity, as well as supporting the government's "7 days of Danger" Project by preparing SKY ICU to transport emergency patients.
- Launched the new technique in treatment by specialists at Bangkok Hospital such as Bangkok Fracture Center revealed a new technique in treating broken bones with Minimally Invasive Plate Osteosynthesis (MIPO) which is less likely to cause bleeding and has a faster recovery; the Bangkok Spine Academy, which uses Direct Lateral Interbody Fusion (DLIF); the Brain (Neuro) Center revealed the success in treating Parkinson's through DBS Therapy; and the Bangkok Hospital Eye Center uses Femto LASIK to correct eyesight.
- Expand medical expertise to hospitals within the network as well as hospital alliances such as the opening of the Heart Center at Bangkok Hospital Udon with surgeons at Bangkok Heart Hospital ready to operate in Udon, Out-Patient Transfer Project for radiology among National Health Security Office (NHSO), Wattanosoth Hospital, Phyathai Hospital Navamin, etc.

Furthermore, we have in place a pricing strategy by increasing the efficiency of services within an appropriate price range. For the ASEAN region market, we focus on building networks with medical and health care businesses in neighboring countries such as Myanmar, Cambodia and Laos, to connect the service networks to cover areas across Thailand and ASEAN countries.





3. Recruitment and Procurement

1. Medical Personnel

The Company has the policy to recruit physicians that are experts in each of field, as well as nurses and other medical personnel, in order to provide quality service that covers all areas. Such recruitment is carried out for all companies within the group. The recruitment of physicians and nurses is conducted by selecting candidates from leading medical and nursing schools. Each of the physicians and nurses is then selected for employment by the Medical Committee of the respective hospital.

As medical personnel are essential to the Company's hospital business and in order for medical personnel to develop their knowledge and medical advancement techniques both in terms of profession and technology, the Company supports medical research and academic conferences. The Company also organizes continuous training for physicians and nurses to develop medical knowledge of related personnel. This includes training for nurses so that they have expertise in providing patient care prior to starting work. Furthermore, the Company recognizes the importance of investments in medical technology and medical tools and equipment, which can indirectly attract capable and expert medical personnel to remain with the hospital for a longer period of time. Such technology and equipment also help to foster experiences and skills in medical diagnoses and treatment.



2. Procurement of Medicine and Medical Supplies

The Company has the policy to procure medicine and medical supplies from domestic distributors by dispersing orders to various distributors. To this end, the Company utilizes the Central Procurement System for each hospital within the network whereby Central Procurement shall collect all orders for medicine and medical supplies from the hospitals within the network and then contact and order those medicine and medical supplies with the distributors. This process of purchasing medicine and medical supplies ensures the highest efficiency in managing procurement and inventory within the group, which includes the suitability of prices, efficiency and quality of medicine and medical supplies as well.



3. Procurement of Medical Equipment

As medical equipment and tools are important factors in providing quality and efficient medical services to the patients, the procurement of medical equipment and tools within the Company and network hospitals is therefore delegated to the Medical Committee for the Procurement of Medical Equipment. This Medical Committee shall carefully consider the necessity and the required quality of the medical equipment and tools to suit the needs of the hospital group. In procuring medical equipment and tools, the Company shall make orders with domestic agents and enter into purchase agreements with the distributor. The agreements shall clearly state the price denominated in Thai Baht as well as the requirements on after-sale services.

Heavy Ion Therapy

Wattanosoth Hospital signed an agreement to collaborate with Universal Strategy Institute Limited Liability Company

on the establishment of an irradiation center, which will use the “Heavy Ion Therapy” technology, as part of the plan to become the center for cancer treatment in the Asia Pacific region. The technology is state-of-the-art and effective in the treatment of cancer with shorter treatment time and fewer side effects. The treatment can be used with patients who are not suited to the conventional irradiation or for those who did not see results with the conventional



Risk Factors

1. Risk of Economic Volatility

The Bank of Thailand (December 2014) estimated that Thailand's overall economy would grow at 0.8%, a decrease from the growth of 2.9% in 2013. The main reason is the low growth of domestic demand, slow recovery of goods and services exports, as well as the slow down in government spending due to limitations in disbursement and project feasibility assessments. However, the Bank of Thailand estimates that in 2015, the economy shall recover and grow at 4.0% driven by increased public consumption and gradual private sector investments in accordance with plans set, such as telecommunication projects. The recovery of tourism as concerns about the domestic political instability lessen, will also contribute to the economic growth.

Even though medical care is one of the four requisites of life, the state of the economy can impact purchasing power and patrons of private hospitals may choose to delay or lessen visits to the hospitals such as delay of treatment, postponement of visits for non-emergency ailments, shortening hospital stays and decreasing medical costs by visiting public hospitals or less costly private hospitals. Nevertheless, the Company has closely monitored the situations in order to analyze and assess the risks that may affect the Company's operations, as well as made preparations and determined measures to manage such risks accordingly. The Company has the strategy to expand the hospital network to various provinces that have potential and are in need of private hospitals to encompass all regions. The expansion shall provide a variety of services to varying customer groups in order to diversify the risk and lessen the impact of situations that may occur.



2. Operational Risks

2.1 Risk from future changes in standards or regulations governing the Company

The Company operates under the supervision of the Ministry of Public Health and other related government agencies. Furthermore, the Company must have a license to operate a health care business and health clinics as stipulated by the law governing health clinics. In addition, the Company must comply with laws governing health clinics, companies and other related laws.

Any changes in the interpretation of current regulations or enforcement of laws or new regulations or policies that are likely to be stricter, may impact the Company's operations. The enforcement of laws or new regulations, as well as the deliberation of the draft Patient Protection Act, which protects persons who have been wronged or received damages from health care services with the goal to compensate the patients in a timely manner without having to prove wrongdoing, may affect health care providers including the Company. There is also consideration of setting up a patient protection fund to pay for damages to patients, whereby the health care clinics (including the Company as a health care business operator) are responsible for contributing to the fund according to the rules, procedures and rate determined by the Patient Protection Committee. Therefore, the Company may not be able to guarantee that future changes to laws and regulations or issuance of new regulations or new policies related to the Company's business will not affect the Company's operations and business opportunities.



However, the Company and hospitals within the networks are in compliance with various standards of quality such as JCI (Joint Commission International) and HA (Hospital Accreditation). Compliance with HA requires that a Committee be established to monitor the quality of patient care and ensure that it meets the standards of safety and environmental conservation, as well as monitor the various risks, especially risk in providing medical care. This may help to lessen the effects of changes to laws regarding health and the environment.

2.2 Risk of Competition

The private hospital business is highly competitive. Apart from competition with hospitals at the same level, the Company must also compete with mid level private hospitals, which have improved and developed medical services, as well as acquired state-of-the-art medical equipment in order to expand their customer base. Public hospitals have also expanded medical services offered such as opening after-hours clinics, and private hospitals managed by large public hospitals, which may take away some of our patients.

Therefore, to increase servicing efficiency and competitive edge, the Company gives significance to patient transfers as well as hub and spoke hospital management. In each region, the Company has hub hospitals which have the capability to provide complex treatment while the spoke hospitals are smaller than the hub hospital will provide convenience and an alternative for patients in the surrounding areas and transfer patients to the hub hospital for more complex treatment. Furthermore, the Company manages shared services of the central medical laboratories, central procurement, central accounting and central information technology. The Company has also invested in companies relating to and supporting health care services such as companies that produce and distribute medicine, saline and medical supplies in order to support hospitals both within and outside of the network, providing full service coverages as well as economy of scale.

2.3 Risk in retaining medical personnel or crucial executives

The private hospital business must depend on skilled medical personnel such as physicians, nurses, pharmacists and technicians. Therefore, failure to retain medical personnel or crucial executives, and not being able to replace them with comparable personnel may have negative effects on the Company.

Presently, the hospital business in Thailand is faced with the problem of lack of medical personnel. Great reliance is placed upon the public sector to develop medical personnel and there have not been sufficient medical personnel to meet demand. The Company has had to compete with other hospital operators in retaining and attracting skilled medical personnel, which may affect the Company's operational costs.

However, the company is a large hospital network and has continued to provide financial support for education and research to medical personnel in order to improve specialized skills. We are a knowledge organization that aims to enhance medical knowledge in all areas as well as state-of-the-art medical technology. Moreover, the Company has set measures in determining compensation that is fair when compared to other operators in the private hospital business. Therefore, in comparison with other private hospital groups, the Company currently has not been significantly affected by this risk.



2.4 Legal Risk

Presently, people are more aware of patients' rights, especially with the issuance of the Act on Court Proceedings for Consumer Cases B.E. 2551 (2008), which more easily enables consumers and patients to file suit against health care service providers. This law may affect health care service providers and medical personnel, which puts the Company at risk of being sued for medical services provided.

Nevertheless, management recognizes the importance of controlling and inspecting quality of medical services, the screening of physicians, as well as respecting patients' rights. The Company gives importance to providing information, managing patients' expectations, reporting procedures and finding solutions when a complaint is received, as well as improving quality and determining indicators that ensure that the quality of service always meets international standards in order to lessen such risks.



2.5 Risk of Reliance on Revenue from Foreign Patients

Medical services revenue from foreign patients, which includes persons living or working in Thailand, or persons travelling to Thailand for pleasure or specifically to receive medical care, as well as staff of foreign governments or agencies, or employees of foreign companies, is an important part of the Company's revenue from medical services. This group of patrons chooses to come to Thailand for health care services because of the internationally recognized standard and quality of medical services, reasonable medical fees and Thailand's renowned tourism industry.



Therefore, the Company faces risk from various crises that will affect patients' confidence in coming to Thailand for health care services, which is out of the Company's control, such as domestic politics as well as various natural disasters and increased competition. All these factors will directly affect the number of foreign patients that will come to Thailand for medical services. To this end, the Company has a policy to diversify and reduce this risk by expanding the hospital network to other provinces across the country, which have potential and need of medical services. In addition, the Company has expanded the foreign patient base to over more diverse countries to reduce the risk of concentration of patients in any one group.



2.6 Foreign Investment Risk

The Company has made foreign investments with total value (in the form of paid-up capital, loans to subsidiaries and loan guarantee with financial institutions for subsidiaries) as of 31st December 2014 of USD 57.4 million which is equal to approximately Baht 2,000 million or 2.1% of the Company's total assets.

The Company's foreign investments include ownership of 80% of the shares of Angkor Pisith Co., Ltd. (which manages Royal Angkor International Hospital), 70% of the shares of Royal Rattanak Medical Services Co., Ltd. (which manages the Royal Rattanak Hospital) and 100% of the shares of Phnom Penh Medical Services Co., Ltd. (which manages Royal Phnom Penh Hospital) and BDMS International Medical Services Co., Ltd. The factors that may negatively impact the Company's foreign investments are for example, foreign laws, regulations or government policies which govern the Company's offshore business, or political and economic conditions, foreign currency exchange volatility, or higher than expected cost of capital or operations. The aforementioned factors may result in the Company not achieving the expected return or may impact the Company's financial status and performance.



3. Financial Risk

3.1 Risk in receiving payment of medical fees

Receiving payment is one of the financial risks that the Company faces, that is, when providing medical care before charging fees and expenses, there is a risk that we may not be able to receive payment for such services. However, the Company has the following policies in reducing such risk:

1. When providing services to patients who are personally responsible for the expense, in the case of non-emergency procedures, the Company has the policy to assess the expense before providing medical services so that the patient will be aware of the budget and make payment or a deposit prior to treatment.
2. The Company also has the policy to notify the party responsible for the payment of medical expenses of the expenses incurred during the course of treatment and encourages payment along the way to lessen the burden of one-time payment at the end of treatment.
3. For payment by counter parties, the Company also has a policy to provide credit for payment of medical services with caution by analyzing the counter party's credit history and financial status, as well as regularly reviewing the relationship. When the outstanding credit exceeds the limit, the Company will halt the credit, which lessens the risk of non-payment.

The Company has set up the Debtor Management Committee comprised of management from finance and operations. The Committee meets regularly to review and determine measures to manage the risk, as well as find appropriate solutions for the Company and patients when there is default of payment.

3.2 Interest Rates Volatility Risk

As of 31st December 2014, the Company has liabilities with floating interest rate equal to 26.7% of all financial liabilities. Therefore, fluctuations of the interest rates may affect the Company financial costs. However, the Company has the policy to hedge interest rate risk, including entering into interest rate swaps, as deemed appropriate according to the market situation.



3.3 Effects of global economy and foreign currency exchange volatility

Part of the Company's revenue comes from services provided to foreigners who travel to Thailand. Therefore, the economic status of the country of origin of the foreign patients has an impact on the number of foreigners who visit hospitals within the Company's network in the same way that the domestic economy impacts the number of local patients. Thus, The Company's business, financial status, profits and business opportunities may be impacted by the economy of the various countries of origin of the foreign patients.

Furthermore, the volatility of foreign currency against the Thai Baht, which is a determining factor in setting competitive pricing compared to health care providers in other countries, is another factor that may affect the Company's revenue. The Company thus faces risk from the volatility of foreign currency exchange, which is an external factor that is out of the Company's control. In this case, the Company has tried to maintain a suitable ratio of domestic and foreign patients in order to reduce this risk. In 2014, the Thai Baht fluctuated between Baht 31.72 to Baht 33.10 to USD.

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



4. Risks Affecting the Rights or Investments of Securities Holder

Currently, the Company has a group of major shareholders that together hold more than 25%. Therefore, in the case that the Company proposes any agendas that require votes in favor of more than three quarters ($\frac{3}{4}$) of the votes at the meeting as prescribed by the Company's regulations or related laws and such agenda is not supported by the group of shareholders that hold more than 25%, there may be a risk that such agenda will not be passed by the shareholder meeting.

5. Risk to shareholders should convertible bond rights be exercised

Under the holders' rights of the convertible bonds issued by the Company, convertible bond holders may exercise their right to convert the bond to common shares of the Company with a ratio of 47,517.2250 common shares to Baht 1,000,000 in convertible bonds. Should the convertible bond holder exercise their right, there will be a control dilution effect not exceeding 3.38%. This is calculated as follows: Number of shares issued for the bond conversion (542,183,478 shares) / Number of paid-up shares (15,490,956,540 shares) + Number of shares issued for the bond conversion (542,183,478 shares)

As of 31st December 2014, no one has exercised such rights of the convertible bonds.

Securities and Shareholders

1. Registered Capital and Paid-up Capital

- (1) On 31st December 2014, the Company has a registered capital of Baht 1,649,786,871.40 and paid-up capital of Baht 1,549,095,654 divided into 15,490,956,540 common shares with par value of Baht 0.10 per share.
- (2) On 18th September 2014, the Company has issued the convertible debentures contains obligations and certain limitations which the Company must comply with, as specified in the offering circular of the bonds. The convertible debentures were listed on the Singapore Exchange Securities Trading Limited named “Zero Coupon THB 10.0 billion USD Settled Convertible Bonds due 2019”. Key terms and conditions of the convertible debentures are as the following:

Type of debentures	Unsecured and unsubordinated convertible debentures
Maturity	5 years, commencing from the issue date
Issue Size	Baht 10,000 million
Currency	THB-Denominated, USD-Settled
Maturity Date	18 September 2019
Put Option	At 18 September 2017 equal to 106.152% of the principal amount
Call Option	At any time after 18 March 2017, if the closing price of the Company’s shares is at least 130% of the applicable Early Redemption Amount, divided by the effective Conversion Ratio
Coupon	Zero
Redemption Price	110.462% of principal amount
Conversion Price	Baht 21.045 per one newly issued ordinary share

2. Shareholder Structure

Top ten shareholders of the Company as of the latest registrar closing date on 2nd February 2015:

No.	10 Major Shareholder	Number of Shares	Percentage of Shares
1.	Mr.Prasert Prasarttong-Osoth, M.D. and spouse	2,980,930,240	19.24%
	Miss Poramaporn Prasarttong-Osoth, M.D.	419,705,980	2.71%
	Mrs.Ariya Prasarttong-Osoth	50,652,500	0.33%
	Miss Somruthai Prasarttong-Osoth	36,400,000	0.24%
	Mr.Puttipong Prasarttong-Osoth, M.D. and spouse	36,226,660	0.23%
	Total	3,523,915,380	22.75%

No.	10 Major Shareholder	Number of Shares	Percentage of Shares
2.	Mr.Wichai Thongtang and spouse	1,039,916,550	6.71%
	Mr.Itti Thongtang	353,691,680	2.28%
	Mr.Attikhun Thongtang	348,002,380	2.25%
	Miss Viorn Thongtang	250,000,000	1.61%
	Mr.Att Thongtang	233,032,280	1.51%
	Mrs.Petcharath Thongtang	8,390,000	0.05%
	Total	2,233,032,890	14.41%
3.	Bangkok Airways PCL. ^{1/}	1,008,418,690	6.51%
	Bangkok Airways Holding Co., Ltd.	205,000,000	1.32%
	Total	1,213,418,690	7.83%
4.	The Viriyah Insurance PCL ^{2/}	952,138,630	6.15%
5.	Mr.Chiratchana Suchato, M.D.and spouse	394,080,090	2.54%
	Mr.Janus Suchato	4,801,460	0.03%
	Mrs.Nasuda Darnchaivijitr	10,444,000	0.07%
	Mrs. Ranitha Thongdee	10,244,930	0.07%
	Mr.Trongtham Thongdee	282,000	0.00%
	Total	419,852,480	2.71%
6.	Miss Noppamas Ladpli	168,622,400	1.09%
	Mrs.Atinuch Malakul Na Ayudhaya	131,223,020	0.85%
	Mr.Parameth Ladpli, M.D.	84,994,350	0.55%
	Total	384,839,770	2.49%
7.	Thai NDVR Co., Ltd.	360,849,494	2.33%
8.	HSBC (SINGAPORE) NOMINEES PTE LTD.	310,007,482	2.00%
9.	Mr.Chuladej Yossundharakul, M.D. and spouse	275,987,950	1.78%
	Mr.Chulawat Yossundharakul	6,452,300	0.04%
	Mrs.Marin Chansai	5,692,000	0.04%
	Mr.Chulavej Yossundharakul	1,928,240	0.01%
	Miss Chulada Yossundharakul	5,000	0.00%
	Total	290,065,490	1.87%
10.	Social Security Office (2)	228,708,100	1.48%
	Total	9,916,828,406	64.02%

Source: Thailand Securities Depository Company Limited

Remark: Bangkok Airways Public Company Limited holds 99.9% of Bangkok Airways Holding Company Limited.

1/ Bangkok Airways Public Company Limited's (as of the latest registrar closing date on 8th December 2014) major shareholders are as follows:

Name	Number of Shares	Percentage of Shares
1. Mr.Prasert Prasarttong-Osoth, M.D. and spouse	419,271,100	19.97%
2. Mr.Puttipong Prasarttong-Osoth	324,119,300	15.43%
3. Miss Poramaporn Prasarttong-Osoth, M.D.	308,709,920	14.70%
	1,052,100,320	50.10%

2/ The Viriyah Insurance Public Company Limited had major shareholders as follows:

Name	Number of Shares	Percentage of Shares
1. Viriyah Property Co., Ltd.	6,000,010	30.00%
2. The Ancient City Co., Ltd.	2,000,000	10.00%
3. Thonburi Panich Leasing Co., Ltd.	1,999,990	10.00%
	10,000,000	50.00%

3. Other Securities

As of 31st December 2014, the Company had a total of 7 debentures that had not yet matured, which are registered and traded on the Thai Bond Market Association (Thai BMA), as follows:

- Bangkok Dusit Medical Services PCL. Debenture BDMS166A registered and traded on Thai BMA since 4th June 2009
- Bangkok Dusit Medical Services PCL. Debenture BDMS153A registered and traded on Thai BMA since 3rd March 2011
- Bangkok Dusit Medical Services PCL. Debenture BDMS 228A registered and traded on Thai BMA since 6th August 2012
- Bangkok Dusit Medical Services PCL. Debenture BDMS 228B registered and traded on Thai BMA since 8th August 2012
- Bangkok Dusit Medical Services PCL. Debenture BDMS233A registered and traded on Thai BMA since 14th March 2013
- Bangkok Dusit Medical Services PCL. Debenture BDMS205A and BDMS235A registered and traded on Thai BMA since 10th May 2013

Features of the seven debentures are as follows:

(A) Bangkok Dusit Medical Services PCL. Debenture No. 1/2009 Series 2 Due in 2016 (BDMS166A)

Debenture Type	:	UNSECURED BOND, UNSUBORDINATED WITH BOND HOLDERS' NAME REGISTERED AND WITH BOND HOLDERS' REPRESENTATIVE
Issue Term	:	7 years from issue date
Issue Value (Baht)	:	1,000,000,000 Baht
Issue Size (Units)	:	1,000,000 Unit
Face Value	:	1,000 Baht
Offer Price	:	1,000 Baht
Issue Date	:	4 June 2009
Maturity Date	:	4 June 2016
Coupon Payment	:	5.35% per annum to be paid every 6 months from date of issue and paid on 4th June and 4th December of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Debenture Holder Representative	:	Kasikornbank Public Company Limited
Outstanding Size as of 31st December 2014	:	1,000,000 Unit
Outstanding Value as of 31st December 2014	:	1,000,000,000 Baht
Credit Rating (Tris Rating)	:	AA-

(B) Bangkok Dusit Medical Services PCL. Debenture No. 1/2011 Due in 2015 (BDMS153A)

Debenture Type	:	UNSECURED BOND, UNSUBORDINATED WITH BOND HOLDERS' NAME REGISTERED AND WITHOUT BOND HOLDERS' REPRESENTATIVE
Issue Term	:	4 years from issue date
Issue Value (Baht)	:	2,500,000,000 Baht
Issue Size (Units)	:	2,500,000 Unit
Face Value	:	1,000 Baht
Offer Price	:	1,000 Baht
Issue Date	:	3 March 2011
Maturity Date	:	3 March 2015
Coupon Payment	:	3.99% per annum to be paid every 6 months from date of issue and paid on 3th March and 3th September of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31st December 2014	:	2,500,000 Unit
Outstanding Value as of 31st December 2014	:	2,500,000,000 Baht
Credit Rating (Tris Rating)	:	AA-

(C) Bangkok Dusit Medical Services PCL. Debenture No. 1/2012 Due in 2022 (BDMS228A)

Debenture Type	:	UNSUBORDINATE, UNSECURED BOND WITH BOND HOLDERS' NAME REGISTERED AND WITHOUT BOND HOLDERS' REPRESENTATIVE
Issue Term	:	10 years from issue date
Issue Value (Baht)	:	500,000,000 Baht
Issue Size (Units)	:	500,000 Unit
Face Value	:	1,000 Baht
Offer Price	:	1,000 Baht
Issue Date	:	6 August 2012
Maturity Date	:	6 August 2022
Coupon Payment	:	4.50% per annum to be paid every 6 months from date of issue and paid on 6th February and 6th August of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31st December 2014	:	500,000 Unit
Outstanding Value as of 31st December 2014	:	500,000,000 Baht

(D) Bangkok Dusit Medical Services PCL. Debenture No. 1/2012 Due in 2022 (BDMS228B)

Debenture Type	:	UNSUBORDINATE, UNSECURED BOND WITH BOND HOLDERS' NAME REGISTERED AND WITHOUT BOND
Issue Term	:	10 years from issue date
Issue Value (Baht)	:	100,000,000 Baht
Issue Size (Units)	:	100,000 Unit
Face Value	:	1,000 Baht
Offer Price	:	1,000 Baht
Issue Date	:	8 August 2012
Maturity Date	:	8 August 2022
Coupon Payment	:	4.50% per annum to be paid every 6 months from date of issue and paid on 6th February and 6th August of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31st December 2014	:	100,000 Unit
Outstanding Value as of 31st December 2014	:	100,000,000 Baht

(E) Bangkok Dusit Medical Services PCL. Debenture No. 1/2013 Due in 2023 (BDMS233A)

Debenture Type	:	UNSUBORDINATE, UNSECURED BOND WITH BOND HOLDERS' NAME REGISTERED AND WITHOUT BOND HOLDERS' REPRESENTATIVE
Issue Term	:	10 years from issue date
Issue Value (Baht)	:	4,000,000,000 Baht
Issue Size (Units)	:	4,000,000 Unit
Face Value	:	1,000 Baht
Offer Price	:	1,000 Baht
Issue Date	:	14 March 2013
Maturity Date	:	14 March 2023
Coupon Payment	:	4.63% per annum to be paid every 6 months from date of issue and paid on 14th March and 14th September of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31st December 2014	:	4,000,000 Unit
Outstanding Value as of 31st December 2014	:	4,000,000,000 Baht
Credit Rating (Tris Rating)	:	AA-

(F) Bangkok Dusit Medical Services PCL. Debenture No. 2/2013 Series 1 Due in 2020 (BDMS205A)

Debenture Type	:	UNSUBORDINATE, UNSECURED BOND WITH BOND HOLDERS' NAME REGISTERED AND WITHOUT BOND HOLDERS' REPRESENTATIVE
Issue Term	:	7 years from issue date
Issue Value (Baht)	:	2,000,000,000 Baht
Issue Size (Units)	:	2,000,000 Unit
Face Value	:	1,000 Baht
Offer Price	:	1,000 Baht
Issue Date	:	10 May 2013
Maturity Date	:	10 May 2020
Coupon Payment	:	4.19% per annum to be paid every 6 months from date of issue and paid on 10th May and 10th November of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31st December 2014	:	2,000,000 Unit
Outstanding Value as of 31st December 2014	:	2,000,000,000 Baht

(G) Bangkok Dusit Medical Services PCL. Debenture No. 2/2013 Series 2 Due in 2023 (BDMS235A)

Debenture Type	:	UNSUBORDINATE, UNSECURED BOND WITH BOND HOLDERS' NAME REGISTERED AND WITHOUT BOND HOLDERS' REPRESENTATIVE
Issue Term	:	10 years from issue date
Issue Value (Baht)	:	1,000,000,000 Baht
Issue Size (Units)	:	1,000,000 Unit
Face Value	:	1,000 Baht
Offer Price	:	1,000 Baht
Issue Date	:	10 May 2013
Maturity Date	:	10 May 2023
Coupon Payment	:	4.39% per annum to be paid every 6 months from date of issue and paid on 10th May and 10th November of every year
Debenture Registrar	:	Baht
Outstanding Size as of 31st December 2014	:	1,000,000 Unit
Outstanding Value as of 31st December 2014	:	1,000,000,000 Baht

4. Dividend Payment Policy of the Company

The Company has prescribed a material dividend payment policy since the Annual Shareholders' Meeting in 2009. The Company's policy is to pay dividends at no less than 50% of the company profits, depending on business expansion and capital requirements of the Company in each year, as approved by the shareholders, except for dividends within accounting periods which may be approved by the Board of Directors if the Board deems that the Company has had good operating results and sufficient liquidity.



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

Annual Dividend Payments	2009	2010	2011	2012	2013
Net profit per share (Consolidated financial statements)	1.42	1.88	3.00	5.14	4.05
Net profit per share (Company's financial statements)	0.76	0.82	1.57	1.73	2.45
Dividend per share (Baht per share)	0.70	0.80	1.10	1.80	2.00
Par value (Baht 1/ per share)	1.00	1.00	1.00	1.00	1.00
Dividend per share/net profit per share (%)					
- Consolidated financial statements	49%	43%	37%	35%	49%
- Company's financial statements	92%	98%	70%	104%	82%
Date of Dividend Announcement	19/04/53	12/01/54 ⁽¹⁾	04/05/55	03/05/56	02/05/57

Note: (1) The Company announced interim dividend payment from 2010 operations in January 2011 and the 2011 Annual General Meeting of the Shareholders resolved not to pay additional dividends.

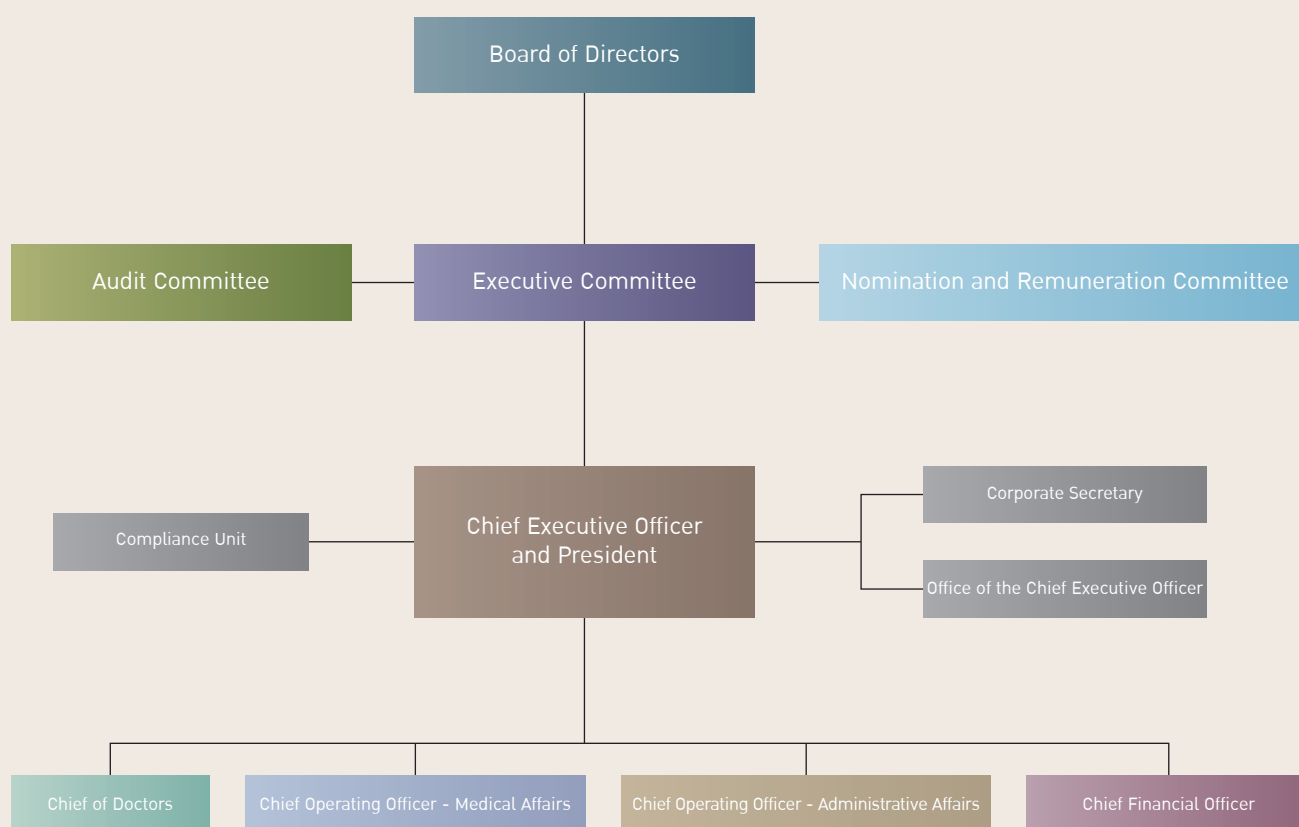
Dividend Payment Policy of the Subsidiaries

In the case of subsidiaries which are not listed on the Stock Exchange of Thailand, the Company has the policy for such subsidiaries to set aside profit as reserves prescribed by law as well as cash reserves as deemed necessary for operations of the business. Once the reserves have been allocated, the subsidiaries may then allocate the remaining profit as dividends to shareholders.

For subsidiaries which are listed on the Stock Exchange of Thailand, the dividend payment policy shall be determined by the Board of Directors of each company as deemed appropriate and according to the policy that each subsidiary had announced to investors.

Management Structure

Management Structure as of 31st December 2014



1. Board of Directors (as of 31st December 2014)

Directors' Name	Title	Meeting Attendance			
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee
1. Professor Emeritus Arun Pausawasdi, M.D.	Chairman of the Board	13/13			
2. Mr.Chuladej Yossundharakul, M.D. ⁽¹⁾	1st Vice Chairman / Executive Director / Director of the Nomination and Remuneration Committee	13/13		3/3	12/12
3. Mr.Wichai Thongtang	2nd Vice Chairman	12/13			
4. Mr.Prasert Prasarttong-Osoth, M.D. ⁽¹⁾	Group CEO & President / Chairman of the Executive Committee	13/13			12/12
5. Mr.Chiroatchana Suchato, M.D.	Director	13/13			
6. Mr.Chatree Duangnet, M.D. ⁽¹⁾	Director / Executive Director	12/13			11/12
7. Mr.Pradit Theekakul ⁽¹⁾	Director / Executive Director	13/13			12/12
8. Professor Emeritus Santasiri Sornmani, M.D.	Independent Director / Chairman of the Audit Committee / Chairman of the Nomination and Remuneration Committee	13/13	9/9	3/3	
9. Mr.Chavalit Sethameteekul	Independent Director / Director of the Nomination and Remuneration Committee	13/13		3/3	
10. Mr.Sripop Sarasas	Independent Director / Audit Committee Director / Director of Nomination and Remuneration Committee	13/13	9/9	3/3	
11. Mr.Thongchai Jira-alongkorn	Director / Executive Director	12/13			11/12
12. Mrs.Phornsiri Manoharn	Independent Director	12/13			
13. Mr.Sombut Uthaisang	Independent Director	13/13			
14. Miss Poramaporn Prasarttong- Osoth M.D. ⁽²⁾	Director	12/12			
15 Dr.Veerathai Santiprabhob ⁽³⁾	Independent Director / Member of Audit Committee	10/10	6/6		

(1) Authorized signatories of the Company include Mr.Prasert Prasarttong-Osoth, M.D., Mr.Chuladej Yossundharakul, M.D., Mr.Chatree Duangnet, M.D., and Mr.Pradit Theekakul two out of four (2 of 4) Directors sign jointly and affix the company seal.

(2) Miss Poramaporn Prasarttong- Osoth M.D. was appointed at Board of Directors Meeting No. 1/2014 as Director to replace Mr.Pongsak Viddayakorn, M.D. who had resigned. She attended the Board Meetings from No. 2/2014 onwards.

(3) Mr.Veerathai Santiprabhob, Ph.D. was appointed as Director at the 2014 Annual General Shareholders' Meeting held on 18th April 2014 and attended the Board Meetings and Audit Committee Meeting from No. 4/2014 onwards.

Names of company independent director are independent directors in subsidiaries.

1. Professor Emeritus Santasiri Sornmani, M.D.
Independent Director / The Medic Pharma Co., Ltd.
2. Mr. Sombut Uthaisang
Independent Director / Chairman of Audit committee : Thonburi Medical Centre PCL.

Names of Directors who retired and resigned in year 2014

Name	Title	Date of Resignation	Board Meeting Attendance
1. Mr.Pongsak Viddayakorn, M.D.	Director	1 January 2014	0/0
2. Mr.Somchai Sujjapongse, Ph.D.	Independent Director	18 April 2014	0/3

Duties and Responsibilities of the Board of Directors

1. Perform duties using their knowledge and expertise for the benefit of the Company in accordance with the regulations of the Company and resolutions of the shareholders' meeting. Directors are authorized to perform actions indicated in the Articles of Association, the Public Company Act and relevant laws.
2. Comply with the provisions and the good practices of listed company directors of the Stock Exchange of Thailand.
3. Determine policies and ensure that management acts in accordance with those policies, as well as approve business plans, annual budgets, investments, and make financial decisions.
4. Monitor the operational results of management and the Company in order to ensure consistency with established goals and plans.
5. Set efficient internal control and audit systems for the purpose of auditing, operational oversight and liaise with the Audit Committee.
6. Protect the interests of the shareholders, practice standardized and transparent disclosure of information as well as provide channels for suitable and regular communications with shareholders.
7. Manage Conflicts of Interest
 - 7.1 Report conflicts of interest of oneself, spouse and related persons as prescribed in the Securities and Exchange Act, as well as report securities held of oneself, spouse and children (not yet of legal age) to the Company Secretary for further reporting of any changes at the Board of Directors' meetings.
 - 7.2 Ensure compliance with the laws and regulations of the Stock Exchange on procedures and complete disclosure of transactions with potential conflicts of interest.
 - 7.3 Report to the Company on any conflicts of interests, which pertain to the management of the Company or subsidiaries, of oneself or related persons. For transparency, such transactions are to be reported to the Board of Directors whenever there is a change.

The Board of Directors has appointed sub-committees to ensure good corporate governance and such committees are responsible for auditing, studying and filtering the Company's operations. The three sub-committees include the Audit Committee, which is entirely comprised of independent directors, the Nomination and Remuneration Committee, and the Executive Committee. Details on the structure of the committees, duties and responsibilities of the Board of Directors and the sub-committees can be found under the section entitled "Corporate Governance".

2.Executive Management

Name	Title
1. Mr.Prasert Prasarttong-Osoth, M.D.	Group CEO & President/ Acting Chief Operating Officer – Administrative Affairs
2. Mr.Chatree Duangnet, M.D.	Chief Operating Officer – Medical Affairs
3. Mrs.Narumol Noi-am	Chief Financial Officer
4. Mr.Trin Charumilind, M.D.	Chief of Doctors

Duties and Responsibilities of the Executive Management

1. Operate and/or manage the Company in accordance with the policies, plans, goals, guidelines, provisions and good corporate governance as prescribed by the Company, as well as strictly abiding by relevant laws and regulations.
2. Manage the Company in accordance with the resolutions of the Shareholders' Meetings, the Board of Directors' Meetings and the Executive Committee Meetings (as the case may be) within the approved duties, responsibilities and authorization. Executive Management shall carry their duties with honesty and care for the best interest of the organization and shareholders and fairness to stakeholders.
3. Report results and progress of the Company regularly at the meeting of the Board of Directors to ensure results and that the Company is operating under the determined goals and plans.
4. Report conflicts of interest of oneself, spouse and related persons as stipulated in the Securities and Exchange Act, as well as report securities holdings of oneself, spouse and children (not yet of legal age) to the Company Secretary for further reporting of any changes at the Board of Directors' meetings.
5. Consider and review matters to be presented for consideration by the Executive Committee and/or the Board of Directors (as the case may be), as well as consider solutions to problems that the Company faces.
6. Other duties as assigned from time to time by the Executive Committee and/or the Board of Directors (as the case may be).

The above authority and duties shall not include an item that will cause the executive officers or persons with possible conflict to have a stake or conflict of interest in any form with the Company or subsidiaries. Furthermore, it does not include connected transactions and acquisition/sale of important assets of the listed company in accordance with the regulations of the Stock Exchange of Thailand or other related notifications. The Company must act in accordance with regulations and guidelines of the Stock Exchange of Thailand or other related notifications on the related matter.

3. Company Secretary

The Board of Directors has appointed Ms. Kessara Wongsekate, Assistant Vice President, as the Company Secretary to act in accordance with the law with regards to securities and securities exchange and notifications of the Capital Market Supervisory Board. Furthermore, the Company Secretary shall ensure disclosure and reporting of information under responsibility to the regulating body in accordance with the laws and regulations on disclosure of company information. The Company Secretary shall also coordinate and monitor to ensure compliance with the resolutions of the Board of Directors' and the Shareholders' Meetings for success and good corporate governance, as well as carry out any other duties as assigned by the Board of Directors.

4. Directors' and Executive Management Remuneration

4.1 Monetary Remuneration

Remuneration of Directors, including sub-committees (for 1 year period ending 31st December 2014)

(Unit : Baht)

Name of Director	Title	Director's Annual Allowance	Meeting Allowance				Total
			Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee	
1. Professor Emeritus Arun Pausawasdi, M.D.	Chairman of the Board	4,935,492	780,000				5,715,492
2. Mr.Chuladej Yossundharakul, M.D.	1st Vice Chairman / Executive Director / Director of the Nomination and Remuneration Committee	3,290,322	520,000		120,000	600,000	4,530,322
3. Mr.Wichai Thongtang	2nd Vice Chairman	3,290,322	480,000				3,770,322
4. Mr.Prasert Prasarttong-Osoth, M.D.	Group CEO & President / Chairman of the Executive Committee	3,290,322	520,000			900,000	4,710,322
5. Mr.Chiroatchana Suchato, M.D.	Director	3,290,322	520,000				3,810,322
6. Mr.Chatree Duangnet, M.D.	Director / Executive Director	3,290,322	480,000			600,000	4,370,322
7. Mr.Pradit Theekakul	Director / Executive Director	3,290,322	520,000			600,000	4,410,322
8. Professor Emeritus Santasiri Sornmani, M.D.	Independent Director / Chairman of the Audit Committee / Chairman of the Nomination and Remuneration Committee	3,290,322	520,000	630,000	180,000		4,620,322
9. Mr.Chavalit Sethameteekul	Independent Director / Director of Nomination and Remuneration Committee	3,290,322	520,000		120,000		3,930,322

(Unit : Baht)

Name of Director	Title	Director's Annual Allowance	Meeting Allowance				Total
			Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee	
10. Mr.Sripop Sarasas	Independent Director / Member of Audit Committee / Director of Nomination and Remuneration Committee	3,290,322	520,000	420,000	120,000		4,350,322
11. Mr.Thongchai Jira-alongkorn	Director / Executive Director	3,290,322	480,000			550,000	4,320,322
12. Mrs.Phornsiri Manoharn	Independent Director	3,290,322	480,000				3,770,322
13. Mr.Sombut Uthaisang	Independent Director	1,271,055	520,000				1,791,055
14. Miss Poramaporn Prasarttong- Osoth M.D. (1)	Director	964,560	480,000				1,444,560
15. Dr.Veerathai Santiprabhob (2)	Independent Director / Audit Committee Director		400,000	300,000			700,000
Total Directors' Remuneration		43,364,649	7,740,000	1,350,000	540,000	3,250,000	56,244,649

(1) Appointed as Director to replace a retired Director by resolution of the Board of Directors at Meeting 1/2014 on 29th January 2014.

(2) Appointed Independent Director by resolution of the 2014 Annual General Meeting of the Shareholders on 18th April 2014.

Remuneration of Independent Directors Received From Subsidiaries (for 1 year period ending 31st December 2014)

(Unit : Baht)

Name	Title	Annual Allowance	Board Meeting Allowance	Audit Committee Meeting Allowance	Total
1. Professor Emeritus Santasiri Sornmani, M.D.	Independent director : The Medic Pharma Co., Ltd.	105,260		40,000	145,260
2. Mr.Sombut Uthaisang	Independent director/ Chairman of Audit committee : Thonburi Medical Centre PCL.	52,632	70,000	60,000	182,632

Remuneration of directors resigned during the period

(Unit : Baht)

Name	Title	Date of Resignation	Annual Allowance	Board Meeting Allowance	Audit Committee Meeting Allowance	Nomination and Remuneration Committee Meeting Allowance	Total
1. Mr.Thavatvong Thanasumitra	Director	23 November 2013	2,019,267				2,019,267
2. Mr.Pongsak Viddayakorn, M.D.	Director	1 January 2014	2,325,762				2,325,762
3. Mr.Somchai Sujjapongse, Ph.d.	Independent Director / Member of Audit Committee / Director of Nomination and Remuneration Committee	18 April 2014	3,290,322		80,000	40,000	3,410,322
			7,635,351		80,000	40,000	7,755,351

Remuneration of Executive Management (for 1 year period ending 31st December 2014)

In 2014, the Company paid the top 4 Executives officers in the form of salary, bonus and meeting allowance in the total amount of Baht 92.5 million

In addition, the Company made contributions to the provident fund for those executive officers in 2014, which is at a rate as specified in the Company's regulations as is the rate for general employees, in the amount of Baht 2.87 million.

4.2 Other Remuneration

Directors and Sub-Committee Members Apart from compensation in the form of meeting allowances and annual allowances as approved by the Shareholders, as the Company provides medical services, therefore, the Directors receive medical benefits according to company policy, the same as with employees of the Company.

Executive Officers Apart from compensation in the form of company car and mobile phone, executive officers also receive medical benefits according to company policy, the same as with employees of the Company.

5. Personnel

As of 31st December 2014, the Company employed a total of 3,449 persons and 1,144 physicians, details as follows:

(Unit : Persons)

Type	Employees and Physicians	Temporary Employees and Consulting Physicians	Total
Nurses	1,023	165	1,188
General employees	2,048	213	2,261
Total employees	3,071	378	3,449
Physicians	457	687	1,144

Note: Physicians means doctors that work for the Company more than 40 hours a week but they are not considered employees of the Company.

Human Resources Development Policy

1. The Company recognizes the significance of our employees a "Human Capital", which is the most important factor in driving the organization to reach the defined goals. Therefore, the Company has clearly determined action plans and allotted an annual budget. The different levels of human resources development are as follows:

- 1.1 Orientation for new employees to introduce the organization as well as provide an understanding of the organization's culture, management structure through learning with management and current employees. The purpose of the orientation is to provide new employees a preliminary knowledge and understanding of their responsibilities, which will develop and draw out their potential to prepare for their career in the organization.
- 1.2 Career Development by clearly determining career paths and promotion paths. The Company has also determined the number of management training hours for those that will be promoted to management at all levels, to prepare employees for management responsibilities and their career paths. The



Company has developed personnel through the Advanced Management Program (AMP) for top level executives, the BDMS Excellent Management Program (BEMP) and the Mini-MBA in Healthcare Management for middle management or division heads, the BDMS Development Program (BLDP) and Mini-MBA in Healthcare Management for lower level management or department heads, and BDMS Introduction to Healthcare Management Program (BIMP) for new section heads.

1.3 The Company has determined Training Development using Competency Base Training as well as surveying training needs and has provided both public training and in-house training, which covers knowledge development, attitude development, and skill development such as the Effective Feedback Skills Course. Furthermore, the Company also organizes non-training and knowledge sharing activities, which allows the opportunities for employees to attend according to their interests. These activities are organized with special lectures by successful executives and speakers from outside the organization, examples of the topics of these activities are Great Leader”, “Characteristic and Style of Leadership”, “Crisis Management”, “Russian Camp”, “Transformative HR System”, and “Labor Laws”.

2. The Company gives continued importance to “engagement” of employees by organizing various activities such as New Year’s Party, Network Singing Contest, Network Sports Events, “Offering Food to Monks in Your Birth Month”, Employee Physical Check-ups, and “Do Good in Your Birth Month” by merit making at the temple and donating medicine cabinets to schools.



3. Apart from skill and career development, the Company aims to develop personnel into good members of society by instilling Corporate Social Responsibility (CSR) in our employees, which corresponds to the Company’s vision. Such activities include giving middle management the opportunity to attend training on CSR organized by the Stock Exchange of Thailand so that they may introduce those programs and other knowledge into activities within the organization. Furthermore, the Company supports employees and management in attending CSR activities during work hours without having to take leave, in order to instill social responsibility in their conscience. Such activities include the Green Health Project, Mobile Nursing Units for the Less Fortunate, public assistance during natural disasters, improvement of buildings for energy conservation, and school lunch for children with the Vejdasit Foundation,

4. The Company also gives importance to safety and hygiene in the work place by providing knowledge and information through various media within the organization. In addition, the Company organizes fire drills and training course entitled “Committee on Occupational Health, Safety and Working Environment”.

Labor disputes issues within 3 years

Two ex-managements of the company was petitioner sue the Company to the Central Labor Court. In the case of unfair dismissal, the court ordered the company to pay to the plaintiff the total amount of Baht 55.73 million.

Employee compensation

For year 2014, the Company and subsidiaries paid the employee compensation, which included salaries, social security payments, the Medical fee and other benefits totaling Baht 12,889.9 million, having Baht 2,724.1 million allocated to the Company and Baht 10,165.8 million to the subsidiaries.

Company Secretary

Company Secretary	Miss Kessara Wongsekate
Education and Training	• Directors Certification Program Class 166/2012, Thai Institute of Directors Association • Role of the Nomination and Governance Committee Class 5/2013, Thai Institute of Directors Association • Role of the Compensation Committee Class 16/2013, Thai Institute of Directors Association • Company Secretary Program, Thai Institute of Directors Association • Bachelor Degree of Business Administration, Major Banking and Finance from Chulalongkorn University, Thailand
Position	• Assistant Vice President, Bangkok Dusit Medical Services PCL. • Director, Samitivej Sriracha Co., Ltd. • Director, Bangkok Hospital Rayong Co., Ltd. • Director, Bangkok Hospital Khao Yai Co., Ltd. • Director, Bangkok Hospital Udon Co., Ltd. • Director, Bangkok Hospital Chiangmai Co., Ltd. • Director, Prasit Pattana Plc. • Director, Phyathai 1 Hospital Co., Ltd. • Director, Phyathai 2 Hospital Co., Ltd. • Director, Phyathai 3 Hospital Co., Ltd. • Director, Sriracha Nakorn Hospital Plc. • Director, Paolo Medic Co., Ltd. • Director, Paolo Samutprakarn Co., Ltd. • Director, Siam Medical Co., Ltd. • Director, Thai Medical Center PCL. • Director, The Medic Pharma Co., Ltd. • Director, Royal Bangkok Healthcare Co., Ltd. • Director, Bangkok Health Insurance PCL. • Director, Bangkok Premier Life Insurance Broker Co., Ltd. • Director, Save Drug Center Co., Ltd.



Hybrid OR

The Hybrid OR

can rotate 360 degrees freely while taking “Flex Move Heart Navigator” and “Software Heart Navigator” x-rays and can image the heart in great detail.

It has the capability to perform a Transcatheter Aortic Valve Implantation, Valvular Repair or Stenting using a Fluoroscopy. The highlight of the Hybrid OR is that it combines the Catheterization Unit and the Cardiothoracic Surgeries into one room. In the case that there are complications, the surgeons can operate immediately without having to move the patient.

Good Corporate Governance

The Company recognizes its role, duty and responsibility in practicing good corporate governance and believes that corporate governance determines the structure of the relationships among the shareholders, the Board of Directors, management and all stakeholders. The aim of good corporate governance is to increase competitive edge and value for shareholders in the long term, as well as increase the benefits to the other stakeholders, which will ensure the Company's continuous and sustainable growth.

The Board of Directors plays many significant roles; one of those roles is to ensure good corporate governance as assigned to the President and management, which will comply with corporate governance policies approved by the Board of Directors and the guidelines set by the Stock Exchange of Thailand. The Company stays abreast of any new regulations that have been put into practice and adjusts the Company's practices to comply with such regulations.

1. Corporate Governance Policy

The Board of Directors is responsible to every shareholder and endeavors to understand the needs of shareholders, as well as assess economic, social, environmental and ethical factors which may significantly impact the interests of shareholders. Each Director must possess honesty, determination, as well as independence of thought and decision making. In addition, the Board of Directors must also be aware of the interests of the other stakeholders.

The corporate governance policy recognizes the special role that the Board of Directors plays in connecting the shareholders with the President, as well as management. Furthermore, the policy clearly covers the dual role of the President and other directors who are both members of the Board and members of executive management.

Since 2008, the Board of Directors has reviewed and revised the current corporate governance policy and made many changes to meet international standards. The Board of Directors has emphasized good corporate governance through integration of policy and business direction, sufficient internal controls and auditing, as well as ensuring that management act efficiently under the established policies so as to ascertain that the Company is transparent, ethical and abides by the governing laws and regulations.

The Board of Directors has entrusted the Audit Committee to draft the internal audit scheme to ensure that the organization complies with all policies, including the regular monitoring, review and revision of policies. This is to assure that the Company's corporate governance policy is up-to-date and suits the present situation.

The Corporate Governance Policy covers the following topics:

1. Shareholders' Rights
2. Equal treatment of shareholders
3. Policy on stakeholders' interests
4. Disclosure and transparency
5. Responsibility of the Board of Directors and sub-committees

Rights and equal treatment of shareholders

1. Rights and Equality

The Company is responsible to shareholders in disclosure of information, preparation of financial statements, utilization of insider information and resolution of conflicts of interest. Management must possess ethics and any decisions made must be made with honesty and integrity, as well as be fair to major and minor shareholders for the benefit of the stakeholders.

The Company is aware of its responsibility in assigning importance to rights without bias and with equal treatment of all shareholders. It is the Company's duty to protect the rights and interests of the shareholders, including the right to receive dividends and the right to receive relevant information regularly and in a timely fashion. Moreover, the Company has the duty to disclose information with transparency and show responsibility of management by holding the Shareholders' Meetings.

The Company has the policy to support disclosure of information and business transactions so that the shareholders may better understand the Company's operations. Major and minor shareholders, institutional investors and foreign investors equally receive information on business operations, management policy and the financial statements of the Company and have the right to be treated fairly.

At each Shareholders' Meeting, the Company will distribute the letter of invitation in advance to inform the shareholders of the meeting agenda as well as opinion of the Board of Directors on each agenda and other documents so that the shareholders may be well informed when making the decision to vote. In the letter, the Company also informs shareholders of their rights in attending the meetings and their right to vote. In addition, to provide greater convenience, the Company posts the letter of invitation to the Shareholders' Meeting on the Company's website. Since the Shareholders' Meeting in 2011, the Company has posted the letter of invitation on the website 30 days in advance of the meeting date.

The shareholders shall receive proxy forms to allow the shareholders to appoint an authorized representative to attend meetings and vote on their behalf. In addition, to provide another channel in exercising shareholders' rights, the Company suggests that in the case that the shareholder cannot attend a particular meeting, the shareholder should appoint an Independent Director as proxy to attend the meeting and vote on the shareholder's behalf. In appointing such proxy, shareholders may use any one of the proxy forms or the Power of Attorney form included in the meeting invitation package or download the proxy form from the Company's website.

The Company has a policy to give shareholders the opportunity to submit questions and to propose agendas for the Annual Shareholders' Meeting, as well as to nominate qualified and capable persons as directors to the Board of Directors prior to the meeting. The Company gives opportunity to do so for a period of 45 days and interested shareholders can access information on guidelines and conditions in proposing agendas and nominees on the Company's website. In the case that the Board of Directors has considered that the proposed agenda is suitable, constructive and beneficial to the Company, the Board of Directors will include such agenda in the meeting proceedings for consideration of the shareholders. However, if the Board of Directors is of the opinion that such agenda is not suitable, the Board of Directors shall report this to the Shareholders' Meeting and provide reasons as to why that agenda was not included in the proceedings. In 2014, the Company provided the opportunity for shareholders to propose agendas for the annual general meeting for the year 2015 as well as to nominate qualified and capable persons as directors to the Board of Directors prior to the meeting between 18 December 2014 to 31 January 2015.

During the Shareholders' Meeting, each shareholder has equal rights to express their opinions and pose questions within the appropriate time frame. The process of voting and counting votes is carried out swiftly with full disclosure. The Company deems that one share equals one vote and the majority vote decides the outcome (for general agendas for which the law does not specify otherwise). If the vote is equal, the Chairman of the meeting shall cast an additional vote, apart from his/her vote as a shareholder, as the deciding vote. Ballots shall be used only in the case that a shareholder objects, abstains or a split vote. The ballots shall be retained for further inspection after the meeting. The results of the voting are recorded in the minutes of the meeting. For each agenda, number of "for", "against" and "abstain" votes are recorded, as well as the questions raised, explanations and opinions of the meeting so that shareholders may later verify the information.

In the case that any shareholder has a special stake in any of the agendas, the shareholder is not allowed to vote on that agenda with the exception of voting for appointment or removal of directors.

2. Shareholders' Meetings

The Company's policy is to convene the Shareholders' Meeting as prescribed by law and give shareholders the opportunity to be fully informed before exercising their rights. To this end, the Company has held the annual general shareholders meeting within four months from the end of the accounting year. The meetings are held in compliance with the laws and regulations of the Stock Exchange of Thailand from announcement of the meeting and organization of the meeting to after the meeting.

Shareholders with total shares no less than one fifth (1/5) of shares outstanding or shareholders no less than 25 persons whose total shares is no less than one tenth (1/10) of shares outstanding, may petition the Board of Directors to hold an extraordinary meeting of the Company's shareholders as stated in the company rules and regulations. The petition must clearly state the reason for convening the extraordinary meeting. The Board of Directors must convene the Extraordinary Shareholders' Meeting within one month from the day the petition is received. Details of the proceedings of shareholders' meetings are as follows:

• Prior to Meetings

The Company has sent letters of notification by registered mail no less than 10 days in advance for general matters, which is a higher standard than the law requires, and at least 14 days in advance in the case approval is needed for connected transactions or special matters. The notification of the meeting is published in at least one daily Thai language newspaper and one daily English language newspaper for three consecutive days prior to the meeting date.

The Company has announced the shareholders' meeting and accompanying documents both in Thai and English on the Company's website (<http://www.bangkokhospital.com>) under the menu item "Investor Relations" as an additional mode of dispensing information to ensure shareholder equality. Moreover, the Company has posted the meeting invitation in both Thai and English on the Company's website 30 days prior to the meeting date.

The meeting invitation shall include details of the meeting, such as time and place for the meeting, meeting agenda as well as opinions of the Board of Directors on each agenda and accompanying documents for informed decision making (if any), the Company's annual report, proxy form and a list of accompanying documents of the meeting. Additionally, the Company has delivered details on the meeting proceedings and appointment of proxy, including suggesting that the shareholder appoint an independent director to act as proxy. This is to assist the shareholders in making informed decisions when exercising their rights and voting.

For the convenience of the shareholders, the Company provides registration at the meeting using bar codes and has prepared separate ballots for each agenda, especially for the selection of directors, whereby the Company has prepared ballots for the voting of individual directors. Shareholders and/or proxies shall receive the ballots at the registration stage.

• During Meetings

The Company has assigned the Chairman of the meeting the duty of notifying and explaining the voting procedures in the various agendas before the meeting is officially convened. The President is assigned the task of responding to questions from the shareholders. After each agenda, the results of the vote will be announced and duly recorded.

For the convenience of the shareholders and for clarity, the Company uses multimedia facilities in presenting information and voting results after each agenda during the meeting. The Company has the policy to strictly adhere to the meeting agenda and to allow shareholders equal opportunity in casting votes.

To honor the rights of all shareholders, the Company has put in place a policy, which requires that all directors, as well as sub-committees, the auditor and executive management such as Chief Financial Officer, Accounting Director and Financial Director (Investor Relations), attend each shareholders' meeting. If any director or executive cannot attend the shareholders' meeting, he/she must submit a written explanation of the absence to the Chairman of the Board (in the case of directors) or the President (in the case of executive management).

The Chairman of the meeting has provided sufficient opportunity for shareholders to raise questions and make suggestions on business operations, and the annual financial reports without infringing shareholders' rights. The Chairman of the Board and the President will clarify all information during the meeting and give all directors the opportunity to unofficially meet the shareholders after each meeting.

- **After Meetings**

The Company has prepared the minutes of the meeting as well as recorded the results of the voting. For each agenda, number of "for", "against" and "abstain" votes are recorded, as well as the questions raised, explanations and opinions of the meeting are detailed in the minutes. The minutes of the shareholders' meeting are submitted to the Stock Exchange of Thailand within the prescribed 14 days after the meeting. The Company has the policy to announce the minutes of the shareholders' meeting on the company website (<http://www.bangkokhospital.com>) under the menu item "Investor Relations" in a timely fashion so shareholders and investors may be informed and may verify the information.

Policy on Stakeholders' Interests

The Company recognizes the significance of each group of stakeholders, whether they are internal personnel or external stakeholders such as shareholders, customers, creditors, counter-parties, communities, government agencies and other related organizations. The Company also recognizes that the support of each of the stakeholders will ensure the stability and longevity of the organization in the long term.

Therefore, the Company has the policy to protect the rights of the stakeholders through compliance with relevant laws and regulations, as well as respecting the interests of all related parties. The policies are as follows:

1. Policy on Transactions which may cause Conflict of Interest and Transactions between Companies

The Board of Directors understands that transactions which may lead to conflicts of interest and/or transactions with related counter-parties must be thoroughly contemplated to ensure compliance with the relevant laws and regulations of the Securities and Stock Exchange Commission and the Capital Market Committee, as well as the Company's internal guidelines. Moreover, such transactions must be strictly carried out as with any other transactions with external parties which have no relationship with the Company. Also, the transactions must fully provide value to the Company and the shareholders. The terms and conditions of the transactions must follow the generally accepted standard terms and conditions of business transactions.

The Company has the policy to prevent directors, management and employees from using their status for their own personal gain. Directors, management and employees must refrain from engaging in transactions which have conflict of interest with the Company. Furthermore, any directors, management or employees who have a stake in any transactions shall not be allowed to participate in the decision making process. Directors, especially, will not be allowed to consider or vote on any matters in which they have an interest, including transactions between companies and transactions between subsidiaries and stakeholders.

2. Policy on Shareholders

The Company aims to achieve the utmost benefits in the long term for the shareholders through stable growth and sustainable capability in generating profits, including maintaining the competitive edge by recognizing the current and future business risks. The Company emphasizes business for consistent profits through continuous business development. Moreover, the Company strives on professional management, efficient internal control, systematic audit and strong risk management to reciprocate and show responsibility to our shareholders.

Other than fundamental rights of the shareholders such as the right to inspect number of shares, right to receive share certificate, right to attend shareholders' meetings and to vote, right to freely express opinions and make suggestions on the Company operations at the shareholders' meetings, right to fairly receive returns, and other lawful rights, the Company also has the policy to disclose information justly, with transparency and in a timely fashion within any business restrictions so that every shareholder equally receives information.

3. Policy on Employees

Employees are a valuable asset to the Company. Capable and experienced employees are consistently well-taken care of in compliance with the Company's strategy and operational plans. The Company also ensures equal opportunity and suitable compensation. Furthermore, the Company has arranged for the necessary training by both internal and external persons in order to continuously enhance the skills of employees. Moreover, the Company supports and promotes the healthy working environment and organizational culture, and treats employees equally and justly. Employees are given the opportunity to express their opinions and make suggestions to management via the Company's internal website.

Furthermore, employees are provided with benefits and safety which include medical benefits, provident fund, and academic scholarships for doctors, nurses and employees so that they may use the knowledge to assist in the development of the organization. The aim is for the Company to be a place of learning for personnel, as well as to motivate knowledgeable and capable persons to remain with the organization in the long-term. The Company has put in place guidelines in human resources management from recruitment and training to maintaining quality personnel as follows:

- Recruitment and Career Advancement

The Company recognizes the importance of personnel development from the recruitment process onwards. To this end, the Company clearly defines the level of education, experience, expertise and other qualifications of each position in order to recruit the most suitable candidates. In recruiting for a particular position, the Company shall give priority to internal staff in order to provide an opportunity for career advancement. If there are no suitable internal candidates, the Company shall then consider external candidates. Each new employee is required to attend orientation in order to be informed about the working process of the various departments within the organization. This will enable employees to plan and act according to the objectives set. The Company also gives importance to career advancement of employees in order to retain outstanding employees.

- Employee Training

The Company has the policy to support training and development of personnel. In order to regularly and continuously develop and improve employees' skills, the Company organizes both internal and external training sessions. Apart from training on work skills organized internally, the Company also encourages employees to exchange knowledge and experience among the various departments, be it through meetings or information exchange through the intranet. For external training, the Company encourages employees to fill out questionnaires on training desired and will send them to attend those training sessions as appropriate. The Company shall monitor results or measure the knowledge gained in each training course for the greater benefit of the Company and the employees.

- Employee Evaluation

The Company evaluates the employees' knowledge and skill by clearly and justly specifying the guidelines in evaluating employees at all levels. The employees shall be evaluated based on their capabilities and potential in terms of skill, knowledge, attributes and performance.

The Company has widely communicated the evaluation guidelines in advance. In determining employee compensation, apart from business profits and the state of the economy in each year, the employee evaluation is also an important factor. By basing employee compensation on employee evaluations, employees will be encouraged to carry out their duties and develop their potential efficiently and effectively.

- Equal Treatment of Employees

The Company recognizes the importance of treating employees equally within the organization, from recruitment to promotion, without bias or nepotism in evaluations, when expressing opinions and when working.

- Employee Engagement Surveys

In order to become aware of each employee's satisfaction or happiness in their work, the Company has specified that surveys be conducted of employees at all levels to gather opinions and suggestions. The information gathered can be used to correct and/or improve any shortcomings in management of the organization and personnel both in the short and long term. In addition, the Company has also set guidelines on submitting grievances in order to fairly and justly alleviate any frustration in the work place.

- Provide Better Quality of Life for Employees

The Company recognizes the importance of good quality of life of our personnel, which will encourage our employees to work efficiently. We, therefore, pay close attention to ensuring that the workplace is safe and hygienic for the health and benefit of our employees. In terms of health, the Company provides annual medical check-ups for employees. Furthermore, if the number of employees in any department is insufficient for the amount of work assigned, the Company shall employ additional employees so that the amount of work is suitable for the number of employees to better the quality of life for all.

- Build Solid Management and Intra-Working Systems

The Company recognizes the importance of continuous work processes from beginning to end in order to produce quality output that meet standards, as well as eliminate and lessen conflicts. To this end, every department has contributed to the Operational Manual to be used as a guideline in communicating and coordinating among departments within the organization. The manual is accessible by all through the intranet and is reviewed and revised as appropriate.

- Build Good Relationship between Management and Employees

The Company recognizes the significance of a good working relationship between management and employees, which affects the work efficiency. Therefore, we have organized activities between management and employees, which will improve the relationship between the two and encourage contentment in the work place; such activities include New Year's Party, merit making and sports events. In addition, management meets regularly with employees in order to exchange views. This will enable the organization to efficiently and effectively reach for the same goals.

- Create First-Rate Employees for the Organization and Society

In order for employees to conform and for collective discipline, when any employee evades or is in violation of work regulations, that employee will be considered to be at fault. This must be deliberated and rectified according to the regulations by taking into consideration good corporate governance as defined by the Company, which has set a guideline for management and employees. The Company firmly believes that developing employees into good and outstanding individuals will ensure the organization's stable and sustainable growth.

4. Policy on Management

The Company realizes that management is an important success factor. To this end, the Company has set up a suitable compensation program which is comparable to management in the health care business. Moreover, management is able to carry out their duties and responsibilities independently without intervention, which is for the mutual interest of the organization and all related persons.

5. Policy on Counter-Parties

The Company does business justly and ethically with partners, competitors, creditors, counter-parties and others according to the terms and conditions in the trade agreement. The Company has the policy to avoid any actions which may be dishonest or infringe on the rights according to the law or as mutually agreed upon of the counter-party, as well as to ensure that the transactions are ethical business-wise.

6. Policy on Customers

The Company recognizes that the customers are an important success factor of the business. The Company strives for customer satisfaction by providing quality professional service with the determination to continuously improve the quality of medical care services in order to meet the needs and expectations of the customers. This organization maintains the privacy of customers and will not disclose any customer's information unless required by law or when the customer has given consent.

7. Policy on Social Responsibility and the Environment

The Company aims to consistently treat society and the environment with the highest standards by upholding safety and environment-friendly standards throughout the business. The Company is involved in public interest and has participated in activities that benefit the community and the environment. It is the Company's policy to act responsibly towards society, related persons and personnel within the organization.

The Company recognizes the impact of the medical care process on the environment, as well as the safety of the customers and the health of all levels of personnel providing service. To this end, the Company first adopted ISO 14001 for Environmental Management and Mor Or Gor. 18001/ OHSAS18001 for Occupational Hygiene and Safety Management within the organization and received certification from Management System Certification Institute (MASCI). Furthermore, the Company has announced and conveyed the "Environmental, Occupational Health, and Safety Policy" within the hospital to all personnel and related persons since 2003. The policy has been practiced earnestly and consistently. Moreover, the Company has participated in many charitable activities and has supported the employees' concerns regarding the environment and the community. In 2007, the Company established the "Community Relations Committee" to oversee, coordinate and communicate between the organization and the community.

Disclosure and Transparency

The Company has the policy to ensure that disclosure of financial information and general information to shareholders, investors and securities analysts, as well as the general public, is done so sufficiently, completely, justly, timely, with transparency, and as prescribed by relevant laws and regulations.

The Company has the policy to disclose the financial statements, important information and any other information which may affect the interests of the shareholders or the decision to invest in the Company, which in turn, may affect the price of the shares and/or securities of the Company.

This information will be disclosed sufficiently, completely and at the appropriate time through fair and suitable channels. The main purpose is to ensure that the decision to invest in securities of the Company is made fairly and with equal information. Since 2014, the Board of Directors has determined the policy on corporate information disclosure and policy supervision of inside information usage and distributed those policies to the directors, management and employees for further action.

Furthermore, the Board of Directors has prepared the report of responsibilities to the financial statements along with the report from the auditors and has included the reports in the annual report and the annual information disclosure form so that management may recognize the commitment and responsibility to information and financial reports, which must be accurate before being made available to the investors.

In communicating to external parties, executive management who have been assigned the task of disclosing information about the Company are the President, the Chief Financial Officer and Financial Director (Investor Relations). In 2014, the executive officers, including the Financial Director (Investor Relations) met with and provided information at the following opportunities:

1. Road shows: 3 domestically, and 3 abroad (6 times in total)
2. Analyst Meetings: 4 times
3. Received Company Visits and Conference Calls: 188 times
4. Site Visits: 16 times

The Company provides information on the company, operating results, financial statements, and news to the Stock Exchange of Thailand (SET). Interested persons may look up this information on the SET website www.set.or.th and the Company's website www.bangkokhospital.com. For further information, investors and interested persons may contact the Financial Director (Investor Relations) by telephone at 0-2755-1793, e-mail: investor@bangkokhospital.com or the company website www.bangkokhospital.com.

Responsibilities of the Board of Directors and the Sub-Committees

Board of Directors

The Board of Directors is comprised of 15 members, 6 of those being Executive Directors, 3 being Non-Executive Directors, and 6 Independent Directors. The Board of Directors believes that having 6 qualified and capable Independent Directors is a sufficient number to balance and review the management.

Executive Directors

Executive Directors are directors who are involved full-time in the management of the Company and receive monthly compensation, whether it be a monthly salary or other forms of compensation consistent with the Company's regulations or benefit plans.

Non-Executive Directors

Non-Executive Directors are directors who are not involved full-time in the management of the Company nor do they receive a monthly salary from the Company. These directors may be appointed or be representatives of major shareholders.

Independent Directors

Independent Directors are directors who are not involved in management of the Company, subsidiaries, associates or related companies with independent management, major shareholders nor have authority to take over the business. Furthermore, the Independent Directors must not have a business or be involved with the interests of the Company, subsidiaries, associates or related companies, which may negatively affect the interests of the Company and/or shareholders.

Qualifications of Independent Directors, which the Company has set according to regulations of the SEC, are as follows:

1. Holds less than 1.0 percent of the voting shares of the Company, its subsidiaries, associates or affiliates, or juristic persons with conflicts of interest. This includes shares held by related persons of the individual independent directors. (Related persons meaning children as defined in Article 258 of the Securities and Exchange Act.)
2. Is not/has not been an executive director, staff, employee, salaried advisor or person with controlling power of the Company, parent company, subsidiaries, associated companies, same level subsidiaries, major shareholders or persons with controlling power, unless that status has ended for no less than 2 years prior to the appointment. This restriction shall not apply to an independent director who has been a civil servant or an advisor to a government authority that is a major shareholder or controlling person of the Company. (Same level subsidiaries meaning subsidiary with the same parent company.)
3. Is not a blood relative of or has a legally registered relationship as father, mother, spouse, sibling and child, as well as spouse of child, with management, major shareholders with controlling power or individuals to be proposed as management or those having controlling power over the company or subsidiaries.
4. Does not have/has not had business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders or persons with controlling power, in a way that may hinder one's independent judgment. In addition, the individual must not be/have been a substantial shareholder or a person with controlling power of an entity that has a business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders or persons with controlling power, unless that status has ended for no less than 2 years prior to the appointment.
5. Is not/has not been an auditor of the Company, parent company, subsidiaries, associated companies, major shareholders or persons with controlling power of the Company and is not a substantial shareholder, a person with controlling power or partner of an audit firm which employs auditors of the Company, parent company, subsidiaries, associated companies, major shareholders or persons with controlling power, unless that status has ended for no less than 2 years prior to the appointment.
6. Is not/has not been a professional advisor, which includes legal counsel and financial advisor, who receives a service fee exceeding Baht 2 million per year from the Company, parent company, subsidiaries, associated companies, major shareholders or persons with controlling power and is not a substantial shareholder, a person with controlling power or partner of the professional advisor, unless that status has ended for no less than 2 years prior to the appointment.
7. Is not a director who has been appointed as a representative of the Company's directors, major shareholders or a shareholder who is a related person to a major shareholder.
8. Not conducting any business which is of the same nature as or in material competition with that of the Company or its subsidiaries, nor be a substantial partner, executive director, staff, employee, salaried advisor, or hold more than 1% of total shares with voting rights of any company whose business is of the same nature as or in material competition with that of the Company or its subsidiaries.
9. Not possess any other characteristics which may render that person incapable of expressing independent opinions with regards to the Company's operations.

Independent Directors may be assigned by the Board of Directors to make decisions regarding operations of the Company, subsidiaries, associated companies, same level subsidiaries or juristic persons that pose a conflict of interest through a collective decision.

Separation of Positions

1. Presently, the Chairman of the Board of Directors does not participate in the management of the Company. Furthermore, the Company has stipulated that the Chairman and the President must not be the same person nor be a member of any sub-committee so that the Chairman may be independent from management and have the

independence to make decisions and ensure that the directors carry out their responsibilities with transparency and without bias. The Chairman shall act fairly in using policy and active strategy in ensuring that Board meetings are held and that all directors participate and independently raise questions at each meeting.

2. The Company has determined that the Chairman of the Board must not be a member of the Nomination and Remuneration Committee so that the Committee shall be free to make decisions independent of the Board of Directors.

Authority of Directors and Management are clearly defined and separated

The Company has clearly separated the responsibilities of the Board of Directors from that of management, whereby the Board of Directors shall determine the policy and ensure that management acts in accordance at the policy level. The Board of Directors shall meet regularly each month to monitor and support strategic policies of the Company. At the same time, the Board of Directors shall not interfere with day-to-day operations or business activities under the responsibility of the President and management. While management is under the supervision of the President, who will ensure that the Company complies with the policies and goals that have been set, as only the President is assigned such tasks by the Board and the Executive Committee. Therefore, management efficiently responds to the power and responsibility of the President. Furthermore, the Company has clearly defined the duties and authority of the Board of Directors, Sub-Committees and all levels of management.

Term of Directorship

In principal, directors should not serve for a long, continuous period of time. However, there is a shortage of persons with experience and knowledge and understanding of healthcare, as well as limitations in finding suitable replacements. In addition, we must take into consideration management risk that may occur because of lack of knowledge and understanding of healthcare, which is an important factor in selecting directors, especially in the healthcare business, which requires expertise and specialization in order to clearly understand the Company's business. Therefore, the Company has not set any official limitations on the term of the directors.

Duties of Directors

Each director has the duty and responsibility to determine and monitor the operational policies of the Company, apart from the duties and responsibilities as stated in "Shareholding Structure and Management", the duties of the Directors include the following:

1. Directors should have sufficient access to financial information and other business information so that he/she may carryout duties efficiently.
2. Directors should attend every Board meeting as well as sub-committee meetings, and raise important questions to protect and maintain the rights and interests of the shareholders and stakeholders to ensure proper business conduct and operations.
3. Directors should attend every shareholders' meeting, especially Directors who have been appointed to the Audit Committee, in order to answer and provide explanations to the shareholders' queries, as well as acknowledge suggestions from the shareholders.
4. Directors should be capable and have the intention to learn about the Company's business, as well as share opinions independently, devote time to the Company as needed and show interest in the important issues.
5. Independent Directors should submit a letter to the Company to confirm that he/she is truly independent, according to the Company's definition, on the day that he/she has accepted the appointment to the position and each year after such appointment.
6. Directors must submit and update their personal stake and report changes in securities held by him/her, his/her spouse as well as children under juristic age (if any) to show transparency and must report any changes to the Board of Directors' meeting.
7. Any other duties of the Directors as stipulated in notifications, acts or laws governing the Company.

Board of Directors Meetings and Sub-Committee Meetings

The Company has set the dates for the Board of Directors' meetings and the Executive Committee Meetings in advance for the entire year and may have extra-ordinary meetings as deemed necessary. The regular Board of Directors' meetings are to be held on the last Tuesday of each month with the Executive Committee meeting to be held on the Monday prior to the Board meeting and members of the Board and Executive Committee are made aware of these dates in advance so that they can arrange their schedules to accommodate the meetings. The agenda of each meeting will also be set in advance and will include continuing agendas to follow up on any assignments from prior meetings. The Company Secretary shall send meeting invitations and the agenda at least 7 business days in advance of each meeting in order to allow directors sufficient time to review the information prior to attending the meeting.

The meetings of the Audit Committee and the Nomination and Remuneration Committee are not set in advance. However, the meetings of the two sub-committees are held as deemed appropriate and when opportunity allows in order to accomplish the duties assigned. After the sub-committee meetings, the Chairman of the committees or an appointed representative shall report the result of the meeting to the Board of Directors at the subsequent Board meeting.

The Company has disclosed attendance at the 2014 Board of Directors' Meetings and the Sub-Committee Meetings in the section titled "Management Structure".

Determining Remuneration for Directors and Executives

Presently, the Company has appointed the Nomination and Remuneration Committee the task of justly determining the remuneration of directors to correspond to the directors' duties and responsibilities by comparing to those of leading companies listed on the Stock Exchange of Thailand and those companies of similar size in the same industry. In addition, the remuneration must be in-line with the Company's operational results and must be approved by the Shareholders' Meeting.

As for remuneration of executives, the Company will award remuneration by performance evaluation as stated in the guidelines defined by the Board of Directors and the Human Resources Department for each level of management. The performance is linked to the operational results of the Company and individual accomplishments.

Directors' Knowledge Enhancement

The Company has the policy to encourage directors of the Company and subsidiaries to attend the Director Certification Program (DCP) and the Director Accreditation Program (DAP) organized by the Thai Institute of Directors (IOD). The programs will provide the directors with knowledge and understanding of efficient corporate governance and will enable them to use the knowledge for continuous good corporate governance. Fifteen of the directors have attended and passed the Director Certification Program and/or the Director Accreditation Program. The Company also encourages directors to attend training courses on amendments and updates of the regulations, policies and guidelines of the Stock Exchange and the SEC.

The Company has assigned the Company Secretary the task of summarizing significant changes to the regulations or guidelines to the President for further reporting to the Board of Directors for their acknowledgement and practice. In some cases, the Company may invite experts in specific fields to present such information or guidelines to the Board of Directors for their acknowledgement and practice. In conjunction, the Company also supported the Company Secretary's attendance in the Director Certification Program.

2. Sub-Committees

The Board of Directors resolved to appoint three sub-committees, namely, the Audit Committee, the Nomination and Remuneration Committee and the Executive Committee, to assist in ensuring corporate governance, internal control and to filter issues. The Board has also clearly separated the duties of each committee by prescribing the responsibilities in the respective committee's charter.

2.1 Audit Committee

The Committee is comprised of three independent directors and each member serves for a term of three years. The Audit Committee members are as follows:

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| 1. Professor Emeritus Santasiri Sornmani, M.D. | Chairman of the Audit Committee |
| 2. Mr.Sripop Sarasas | Audit Committee Member |
| 3. Mr.Veerathai Santiprabhob, Ph.D. | Audit Committee Member |

The Audit Committee is granted full authority by the Board of Directors to carry out its duties, which include systematic monitoring of business practices, ensuring efficient and strict internal control measures, ensuring compliance with laws on disclosure and determining risk management dealing with the business and finances of the Company. Presently, two of the Audit Committee members are knowledgeable and have direct experience in accounting and finance, namely, Mr. Sripop Sarasas and Mr. Veerathai Santiprabhob, Ph.D.

In planning internal audits, the Audit Committee will have the internal audit officers plan the audit of the Company for the entire year. The Company has engaged an external company, which is licensed and suitably qualified to carry out the internal audit. We believe that internal audit by external auditors will result in just and efficient reporting of the facts as they have independence and flexibility. The Audit Committee will report the activities of the internal auditors at the Board of Directors' meeting immediately after each meeting.

At Audit Committee meetings that deal with the financial statements and disclosure of financial reports of the Company, the Chief Financial Officer and the Accounting Director will both be in attendance. Prior to meetings on the financial statements with management, the Audit Committee shall meet with the accounting auditors separately, without management, to enquire about the important risks that may occur from the financial statements or the financial status or limitations, which the auditor has found in the process of auditing the financial statements of the Company and subsidiaries. This is to ensure that auditors are able to act independently without impediments in auditing the Company.

Qualifications of the Audit Committee

The Audit Committee must be comprised of Independent Directors appointed by the Shareholders' Meeting or the Board of Directors' Meeting. The Independent Directors must have the following qualifications as prescribed by the Securities and Exchange Commission:

1. Shall not hold shares exceeding 1.0% of the total number of voting shares of the Company, its parent company, subsidiary, associate, or juristic person that may have conflict of interest, including shares held by related persons of such independent director. (Related persons means persons according to Clause 258 of the Securities and Exchange Act.)

2. Shall neither be nor have ever been a director with management authority, employee, staff member, advisor who receives a salary or is a controlling person of the Company, its parent company, subsidiary, associate, same-tier subsidiary company, major shareholder or controlling person unless the foregoing status has ended not less than two years prior to the date of becoming a director. Such prohibitions shall not, however, include cases where the Independent Director previously served as a government officer or an advisor to a government agency which is a major shareholder or controlling person of the Company. (Same-tier subsidiary company means subsidiaries with the same parent company.)

3. Shall not be a person related by blood or legal registration as father, mother, spouse, sibling, or child, including spouse of child of other directors, of an executive, major shareholder, controlling person, or person to be nominated as director, executive or controlling person of the Company or its subsidiary.

4. Shall neither have nor have ever had a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, in a manner that may interfere with his/her independent judgment, and neither is nor has ever been a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of becoming an independent director.

5. Shall not be nor have ever been an auditor of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and not be a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of becoming an independent director.

6. Shall not be nor have ever been a provider of any professional services including legal advisor or financial advisor who receives service fees exceeding Baht 2 Million per year from the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and not be a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of becoming an independent director.

7. Shall not be a director appointed as representative of the Board of Directors, major shareholder or shareholder who is related to a major shareholder of the Company.

8. Apart from not undertaking any business in the same nature and in competition with the business of the Company or its subsidiary, the Independent Director must also not be an employee, staff member or advisor who receives salary or holds shares exceeding 1.0% of the total number of shares with voting rights of another company which undertakes business in the same nature and in competition with the business of the Company or its subsidiary.

9. Shall not have any other characteristic that limits his or her ability to express independent opinions regarding the Company's operations.

The Independent Director may be assigned by the Board of Directors to make decisions relating to business operations of the Company, its parent company, subsidiary, associate, same-tier subsidiary or any juristic person with a conflict of interest on the basis of collective decision.

Apart from the aforementioned qualifications of the Independent Director, the Audit Committee Member shall possess the following additional qualifications:

1) Shall not be a Director who has been assigned by the Board of Directors to make decisions regarding operations of the Company, parent company, subsidiary, associate, same-tier subsidiary or juristic persons with conflict of interest.

2) Shall possess knowledge and experience as well as be able to dedicate sufficient time to carry out the duties as assigned.

3) Shall not be an Audit Committee Member at any other company listed on the Stock Exchange of Thailand, which is in the same business or industry nor be an Audit Committee Member of more than five other companies listed on the Stock Exchange of Thailand as it may affect the Director's ability to fully carry out his/her duty.

The following are not considered to have an impact on the Audit Committee Members' ability to carry out their duties or to provide independent opinion:

1. Transactions between the Audit Committee Member or related persons and the Company, subsidiary, associate or major shareholder of the Company regarding purchase or sales of products or services under the following conditions:

1) The purchase or sale of such products or services is transacted under normal business and generally accepted conditions with clearly defined and disclosed guidelines;

2) The prices of the products or services are comparable to those offered to other customers.

2. Connected transactions which have been carried out in accordance with the related notifications of the Stock Exchange of Thailand.

3. Other transactions which have been carried out in accordance with the laws, regulations or notifications of the Stock Exchange of Thailand and under the responsibility of the Audit Committee to assist the Committee in carrying out their duties in ensuring the accuracy of the financial reports, the efficiency of the internal audit system and compliance with laws, regulations and ethics as well as to promote good corporate governance.

Scope of Duties and Responsibilities of the Audit Committee

To enable the Audit Committee to carry out their duties as assigned by the Board of Directors, the Company has defined the duties and responsibilities of the Audit Committee as follows:

1. Ensure that the Company abides by the laws governing securities and exchange, regulations of the Stock Exchange of Thailand and laws related to the Company's business.
2. Ensure that the Company reports and discloses information in the financial statements accurately, completely and reliably by coordinating with the external auditor and management in charge of preparing financial statements at the periods prescribed by the Stock Exchange of Thailand, applicable laws and government agencies.
3. Select and nominate the auditor and the auditor's annual remuneration to the Board of Directors for further approval by the Shareholders' Meeting.
4. Ensure that there is a process for employees to notify of any unsuitable items in the financial statements, including other matters, as well as provide the whistleblower with the confidence that there is an independent process of investigation and suitable monitoring.
5. Ensure that the Company has suitable and efficient Internal Control and Internal Audit systems by reviewing the systems with both the internal and external auditors. The Audit Committee shall consider the independence of the internal auditor department.
6. Review evidence of the internal investigations when there is doubt or assumptions that there has been fraud or irregularities or significant defect in the internal control system and report such findings to the Board of Directors for further consideration.
7. Delegate and review the evidence if there is suspicion that a law or regulation of the Stock Exchange of Thailand has been violated, which has or may have a significant impact on the Company's financial status or performance.
8. Employ or engage a specialist to support auditing and investigations, by following the Company's guidelines on employment and engagement, in the case that the Audit Committee finds or suspects that there is a transaction or action that may significantly impact the Company's financial status or performance. Such employment or engagement shall be paid by the Company.
9. In the case that the Company has its own Internal Audit Department, the Audit Committee has the authority to approve the appointment, transfer or termination as well as the authority to evaluate the performance of the Head of the Internal Audit Department. However, if the Company engages an external auditor to conduct the internal audit, the Audit Committee has the authority to approve the appointment and remuneration of such engagement.
10. Ensure that the Company has suitable risk management and controls, encompassing the entire organization as well as suggest appropriate and efficient management of risks associated with the Company's business.
11. Review the risk management report and monitor important risk factors as well as present to the Board of Directors the report on the sufficiency of the system and risk controls.
12. Ensure that conflicts of interest do not arise by reviewing connected transactions between the Company or subsidiaries and connected persons to ensure that they are in compliance with the laws and regulations of the Stock Exchange of Thailand.
13. Prepare the report of the Audit Committee and disclose in the Company's annual report, such report shall include details as prescribed by the notifications of the Stock Exchange of Thailand and other related regulations.
14. Review the Audit Committee's charter annually to ensure that the charter, at the minimum, includes details on the scope of the duties of the Committee as prescribed by the regulations of the Stock Exchange of Thailand regarding the qualifications and scope of duties and responsibilities of the Audit Committee. The charter must also include sufficient guidelines to support the duties of the Audit Committee, such as the employment of a specialist to provide an opinion that requires expertise with expenses paid by the Company. In the case that the Audit Committee deems it necessary to amend the charter to suit the guidelines, regulations or circumstances that have changed, the Audit Committee shall propose such changes to the Board of Directors for further approval.
15. Perform other actions as assigned by the Board of Directors.

2.2 Nomination and Remuneration Committee

In order to comply with good corporate governance of listed companies, the Board of Directors passed a resolution to appoint the Nomination and Remuneration Committee. The Committee must be mainly comprised of Independent Directors and serve for a term of three years. The Committee has the duty to seek qualified candidates for nomination as directors of the Company for both replacements of directors who have retired and new director positions, as well as the Chief Executive Officer and the President. Furthermore, the Committee shall set the guidelines to determine appropriate remuneration for the Board of Directors, sub-committee members, and the Chief Executive Officer and President.

The Nomination and Remuneration Committee is comprised of the following:

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| 1. Professor Emeritus Santasiri Sornmani, M.D. | Chairman of Committee |
| 2. Mr.Chuladej Yossundharakul, M.D. | Member |
| 3. Mr.Chawalit Setthmethikul | Member |
| 4. Mr.Sripop Sarasas | Member |

Scope of Duties and Responsibilities of the Nomination and Remuneration Committee

1. Specify the qualifications, the method and process in selecting candidates, as well as identify qualified candidates for directorship and propose those candidates to the Board of Directors for consideration of further proposal to the Shareholders' Meeting for resolution.

2. Consider the format, guidelines and rate of remuneration of the Board of Directors and sub-committees for consideration by the Board of Directors before presenting to the Shareholders' Meeting for resolution. Such format, guidelines and rate of remuneration, shall be concise, transparent, fair and consistent with the responsibilities and performance, which will motivate and retain qualified directors with potential.

3. Specify the qualifications, the method and process in selecting candidates for the position of Chief Executive Officer and President, as well as identify a qualified candidate and propose the appointment of the candidate to the Board of Directors for approval.

4. Consider the format, guidelines and rate of remuneration of the Chief Executive Officer and President, and propose to the Board of Directors for approval. Such format, guidelines and rate of remuneration, shall be concise, transparent, fair and consistent with the responsibilities and performance.

5. Prepare guidelines and method in assessing the performance of the Chief Executive Officer and President for approval by the Board of Directors.

6. Assess the performance of the Chief Executive Officer and President according to the guidelines approved by the Board of Directors and consider the annual remuneration from the results of the assessment, and then propose to the Board of Directors for approval.

7. Prepare the succession plan for the position of Chief Executive Officer and President and propose to the Board of Directors for approval.

8. Review the Nomination and Remuneration Committee's charter annually and in the case that the Committee deems it necessary to amend the charter to suit the guidelines, regulations or circumstances that have changed, the Nomination and Remuneration Committee shall propose such changes to the Board of Directors for further approval.

9. Perform other actions as assigned by the Board of Directors.

2.3 Executive Committee

In order to ensure that the Company follows the strategy, goals and plans set for the year, the Board of Directors made the decision to appoint the Executive Committee. The Committee is comprised of 5 executive directors and has the responsibility to supervise and ensure that the Company and its subsidiaries act in accordance with the set plans. In addition, the Executive Committee shall consider reports by management that are to be presented to the Board of Directors as well as have the authority to approve normal business transactions or transactions that support normal business activities of the Company within a given monetary limit. The approval authority of the Executive Committee cannot be used with persons that may have conflict of interest, stake or any other forms of conflict with the Company or subsidiaries. Such authority also does not include connected transactions and purchase/sale of important assets of the listed Company in accordance with the rules and regulations of the Stock Exchange of Thailand or other related regulations. The Company must act in accordance with the rules and regulations of the Stock Exchange of Thailand or other related regulations on such particular matter. Moreover, the approval authority of the Executive Committee does not include other matters which require approval from the Shareholders' Meeting as stated in the Articles of the Company.

The Executive Committee is comprised of five members as follows:

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| 1. Mr.Prasert Prasarttong-Osoth, M.D. | Chairman |
| 2. Mr.Chuladej Yossundharakul, M.D. | Vice Chairman |
| 3. Mr.Chatree Duangnet, M.D. | Member |
| 4. Mr.Pradit Theekakul | Member |
| 5. Mr.Thongchai Jira-alongkorn | Member |

Scope of Duties and Responsibilities of the Executive Committee

1. Determine the vision, direction of the business, policies and strategies of the Company for further approval by the Board of Directors.
2. Review the business plan, budget plan, annual costs, investment plan and Corporate Social Responsibility (CSR) plan of the Company in accordance with the defined policies and strategies and propose to the Board of Directors for approval.
3. Ensure good corporate governance in accordance with the determined plans as well as ensure compliance with related laws, regulations and guidelines of the various agencies as well as the articles of the Company.
4. Consider the summary of the Company's operations and present to the Board of Directors for acknowledgement each quarter.
5. Approve investments and operational expenses under the authority assigned by the Board of Directors.
6. Approve or review the loan limit to subsidiaries under the authority assigned by the Board of Directors.
7. Ensure that the Company has suitable and succinct internal audit system as well as risk management and control system, which are both in accordance with the suggestions and comments of the Audit Committee.
8. Screen and review the organizational structure and scope of duties and responsibilities of the high level personnel for approval by the Board of Directors.
9. Approve the succession plan of the Hospital Director or equivalent up to the position of the Chief Executive Officer or equivalent.
10. Approve the appointment, transfer or termination of management for the level of Chief Executive Officer or equivalent. The Executive Committee shall also approve the candidates for nomination as representatives of the Company to the Board of Directors of subsidiaries so that the subsidiaries may further nominate those candidates through the approval process as stipulated by the laws or regulations and the articles governing each company.

11. Screen and review the pay scale and guidelines in the Company's and subsidiaries' annual salary adjustment for further approval by the Board of Directors. (This does not include the positions of the Chief Executive Officer and President.)

12. Appoint working teams to improve and/or solve various problems that may occur in accordance with the Company's policies.

13. Review the Executive Committee's charter annually and in the case that the Committee deems it necessary to amend the charter to suit the guidelines, regulations or circumstances that have changed, the Executive Committee shall propose such changes to the Board of Directors for further approval.

14. Perform other actions as assigned by the Board of Directors.

The above authority, duties and responsibilities may not be used with persons who may have a conflict, a stake or any other conflict of interest with the Company or subsidiaries. Nor do they include connected transactions or purchase and sale of important assets of the listed company in accordance with the regulations of the Stock Exchange of Thailand or other related notifications. In this regard, the Company shall act in accordance with the rules and regulations of the Stock Exchange of Thailand or other notifications relating to that particular matter. Furthermore, the above authority, duties and responsibilities do not include other matters in which the articles of the Company stipulate that a resolution of the Shareholders' Meeting is required.

3. The Nomination and Appointment of Directors and Executive Management

3.1 Nomination of Directors and Independent Directors

The Nomination and Remuneration Committee, which is comprised of 4 members with 3 of the members being independent directors, has the duty to nominate persons to become directors to replace those who are retired by rotation or to new Director positions by selecting suitable candidates in accordance with the qualifications and guidelines stipulated by the Committee. In the case of appointment of a new Director to replace a vacant position, the Committee will then propose those candidates to the Board of Directors for approval, which requires $\frac{3}{4}$ (three quarters) of the votes of the remaining directors. However, in the case of new Director positions, the Nomination and Remuneration Committee shall propose the candidates to the Board of Directors for consideration of further proposal to the Shareholders' Meeting for resolution.

As no less than one third of the Board of Directors must be comprised of Independent Directors, the Company's process in nominating Independent Directors will be the same as the process in nominating directors. However, the Company has determined additional qualifications for Independent Directors, which are consistent with the rules of the Office of the Securities and Exchange Commission as mentioned in the section "Responsibilities of the Board of Directors".

Guidelines and Method in Selecting Candidates for Nomination as Directors

The Nomination and Remuneration Committee will select suitable candidates by considering the following:

1. Knowledgeable and capable individuals with a clean work history, as well as being an expert in areas needed for the Board Matrix so that the Board of Directors may be able to set appropriate policies and strategies.
2. Possess integrity and accountability.
3. Can make decisions professionally and reasonably with the information provided.
4. Possess maturity, leadership skills and vision.
5. Possess qualifications as stated in the Board of Directors' charter as well as in the related laws, rules and regulations of the governing agencies.

In nominating directors to replace those who have retired by rotation or for new directorship positions, such candidates must be approved by the Shareholders' Meeting resolution. Such resolutions shall comply with the following:

1. Any one shareholder has the number of votes equal to the number of shares owned.
2. Each shareholder shall use all his/her rights to vote as stated in 1. to elect an individual(s). In the case of election of more than one Director, the votes cannot be split to any one person.
3. The candidates shall be ranked in descending order from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. If the votes cast for the candidates in descending order are tied, which would otherwise cause the number of directors to be exceeded, the Chairman of the Meeting shall cast the deciding vote.

Furthermore, the appointment and removal of a Director shall be as stated in the Company's articles as follows:

- 1) The Board of Directors shall be comprised of at least 5 directors and no less than one half shall have residence in Thailand.
- 2) Directors shall be individuals with the following qualifications:
 - Be of legal age
 - Has not filed for bankruptcy, is not incompetent or near incompetent
 - Has never been imprisoned or received sentence of imprisonment for wrongful acquisition of assets
 - Has never been fired or terminated from civil service or government agency for malfeasance
- 3) At each annual general meeting, at least one third of the directors shall resign by rotation. If the number of directors cannot be divided by three, then the closest number to one third of the directors shall resign. Directors who have resigned by rotation may be re-elected as director.
- 4) Apart from resignation by rotation, directors may be removed in the following events:
 - Death
 - Voluntary resignation
 - Unqualified or be legally ineligible
 - Shareholders' Meeting passes a resolution for the removal of a director with no less than three quarters of the number of shares attending the meeting with the right to vote and with total number of shares of no less than half of the total number of shares held by the shareholders attending the meeting with the right to vote.
 - Court ordered resignation
- 5) Any director who wishes to resign may submit a letter of resignation to the Company and such resignation will be effective from the day the Company receives said letter.
- 6) If a director position should become vacant due to reasons other than the resignation by rotation, the Board of Directors shall select a qualified individual, who is not legally ineligible to the position at the subsequent meeting of the Board of Directors, unless the term of the vacant director position is less than two months. In this case, the director who fills the vacant position shall serve only until the end of the remaining term. The Board of Directors' vote for the appointment of the director to fill the vacant position shall be no less than three quarters of the remaining directors.
- 7) In the case that there is a large number of vacant director positions and the required quorum cannot be met, the remaining directors shall act in the name of the Board of Directors only in organizing a shareholders' meeting to elect individuals to fill all of the vacant director positions. Such meeting shall be held within one month from the date that the number of vacant director positions exceeds the required quorum. Those individuals filling those vacant positions shall serve only the remaining term of the director who previously held the position.

Furthermore, in past nominations of directors at the Shareholders' Meeting, the Company gave minor shareholders the opportunity to nominate qualified persons to the Board of Directors prior to the meeting so that the Company may consider nominating those persons at the Shareholders' Meeting. However, none of the shareholders had nominated persons for consideration by the Shareholders' Meeting. In addition, the Company had determined the method in voting whereby the shareholders shall vote for directors individually in accordance with good corporate governance.

3.2 Nominations of Executive Management

The process of nominating executive management begins from the selection of good, capable individuals with an attitude that suits the organization. The Company focuses on the new generation with the potential, knowledge and competence to develop and prepare for the opportunity to grow. The individual should also have the potential to rise up to top level management through evaluation by the Human Resources Department. In order to develop the individual's skills and knowledge of all aspects within the organization, the individual shall be assigned important tasks and rotated among the different departments to ready him/her to fill any important position that should become vacant.

In the case of the top executive management position in the organization (President), the Board of Directors has assigned the Nomination and Remuneration Committee the responsibility of determining the guidelines as well as the qualifications of the suitable candidate and presenting the guidelines to the Board of Directors for appointment of the position. Apart from the qualifications in terms of knowledge and capabilities, whereby the Nomination and Remuneration Committee may consider executive management within the organization or may engage an external advisor to select qualified candidates, the President shall also be a member of the Board of Directors. Therefore, the candidate whom the Nomination and Remuneration Committee believes is qualified and suitable for nomination to the position of the President, must have the suitable qualifications and be appointed as a director on the Board by the Shareholders' Meeting before assuming the position of President.

4. Governance of Subsidiaries

Maintaining Shareholder Rights

In governing the subsidiaries and associated companies, the Company as a shareholder has the same rights as other shareholders, such as the right to attend meetings and the right to vote. Therefore, the Company has the policy to appoint a representative to attend the Shareholders' Meeting. The Company's representative has the right to vote on important agendas at the Shareholders' Meeting such as capital decrease, rights offering, approval of the balance sheet, and approval of management structure. In this regard, the Company's representative shall vote according to the guidelines given by the President on behalf of the Company or the representative may ask the Executive Committee or the Board of Directors for guidelines and approval of the vote in the case of crucial agendas prior to the Shareholders' Meeting.

Nominating Representative(s) as Director of a Subsidiary or Associate Company

The Company shall appoint representatives as directors of the subsidiaries and associated companies. The Board of Directors has assigned the Executive Committee the task of determining the individuals who have the qualifications suitable for that particular business to represent the Company on the Board of Directors of the subsidiaries and associated companies. The representative has the duty to act for the benefit and in accordance with the articles of that subsidiary or associated company, which will be advantageous to the Company as a shareholder. At the same time, the Company has determined the policy that states that voting as a director of subsidiaries and associated companies on important agendas at the Shareholders' Meeting such as capital decrease, rights offering, approval of the balance sheet, approval of management structure and entering various transactions as stipulated in the Securities and Exchange Act, shall be in accordance with the guidelines set by the Executive Committee or the Board of Directors of the Company (as the case may be). The voting shall also be consistent with good corporate governance. In appointing representatives as directors of subsidiaries or associated companies, the representation shall correspond with the ratio of shares held by the Company.

Furthermore, in the case of subsidiaries, the Company has set the rule that individuals appointed by the Company shall make certain that the subsidiaries have regulations on connected transactions, purchase or sale of assets or any other important transactions to ensure completeness and accuracy as well as disclosure of such information consistent with the Company's own regulations. In addition, the representative shall also ensure that accounting records are kept and are accessible for the Company to review and collect for preparation of the consolidated financial statements within the given time period.

Group's Central Accounting and Finance Policy

Presently, the Company has determined that all subsidiaries shall abide by the Central Accounting and Finance Policy. This is to ensure that each subsidiary has an accounting policy, as well as accurate and timely reporting and disclosure of financial information in accordance with the rules of the regulating agency and related regulations.

5. Controlling Use of Insider Information

The Board of Directors approved the policy on controlling the use of insider information to determine guidelines in disclosing and preventing transactions that may cause conflict of interest, including the misuse of insider information. The guidelines are as follows:

1. Prepare the Company's ethics manual as well as employee ethics, which cover conflicts of interest, information disclosure, and prohibition of the use of or benefit from insider information or disclosure of insider information for personal gain or others' benefit. The guidelines also state the policy on treatment of stakeholders with regards to shareholders' rights and maintaining privacy of customers. These guidelines are communicated to related persons for acknowledgment and general practice.

2. Determine the Quiet Period when the directors and management of the Company are not allowed to provide or give their opinion or the direction on the operating results for a period of 14 days before the announcement of the quarterly financial statements and the annual financial statements. The Quiet Period is stated in the Company's policy on information disclosure.

3. Disclosure of securities held by the directors and management (as defined in the Securities and Exchange Act and/or the Notification of the Capital Market Supervisory Board) whereby the directors and management are required to report to the Office of the Securities and Exchange Commission any purchase and sale of Company's securities within one month from the date of first appointment to the position and within three business days after any changes. The directors and management shall also report securities held or any changes to the Company Secretary so that the Company Secretary may gather reports on the changes in ownership of the Company's securities and include them in the agenda of the next Board of Directors' Meeting for acknowledgement.

4. In reporting any stake or interest, the Company has determined that the directors and management shall report one's stake or that of a related person to the Company Secretary as well as report any changes in such stakes. The Company Secretary then has the duty to file the reports and report any changes to the Chairman of the Board and the Board of Directors' Meeting in accordance with the Securities and Exchange Act B.E. 2535. The Company shall use the information to control transactions between the Company and directors or management and/or persons related to the aforementioned as required by law.

5. The Company has determined the procedures and punishments when it is discovered that there has been misuse of insider information for personal gain, which is in accordance with the rules, regulations and policies on the use of insider information posted on the Company's website.

6. Anti-Corruption Policy

The Company has the policy to conduct business with virtue and social responsibility. The Board of Directors has approved the policy on anti-corruption, which has been communicated to personnel within the Company, subsidiaries and associated companies for acknowledgment and practice. The policy has also been posted on the Company's website.

In the past, the Company has carried out the aforementioned policy to prevent fraud and corruption, which can be summarized as follows:

1. The Company has provided guidelines on assessing the operational risk and on ranking the risks that may occur for the planning of internal auditing and risk management.

2. Guidelines are provided on the control and prevention of any risks that may occur by determining the principals and regulations on procurement, reimbursement, budget approval, charitable donations, entertaining guests or giving gifts. In addition, the guidelines specify that there shall be an internal control system in finance, accounting, data recording as well as other internal processes related to accounting and finance to ensure confidence that the financial transactions are consistent with the approved objectives and that the business is transparent.

3. The Company has communicated the policy on anti-corruption to the various departments within the Company, the subsidiaries and the associated companies through various channels, namely, employee training, intranet and the Company's website for the acknowledgement and practice of related persons.

4. The Audit Committee has the duty to ensure that the Company has sufficient good corporate governance, consistent with the policy set.

5. The Company has provided channels to report any violations or unlawful acts or ethical misconduct or fraudulent or corrupt behavior. In addition, the Company has set the Whistleblower Policy to protect and alleviate any damages to the whistleblower or petitioner or persons cooperating in the reporting of such acts.

7. Auditor's Remuneration

EY Office Company Limited has been the auditor of the Company and its subsidiaries since the annual audit in 2005 to the present. In 2014, the Company and its subsidiaries have compensated the auditor as follows:

1. Auditing Fee

The Company and subsidiaries paid auditing fees in Baht, details as follows:

(Unit : Baht)

	Review of 3 quarterly financial statements	Annual Audit Fee	Total
Bangkok Dusit Medical Services PCL.	870,000	1,030,000	1,900,000
43 companies in the Network	5,866,500	13,405,500	19,272,000
Total auditor remuneration			21,172,000

2. Other fees

In 2014, EY Office Company Limited provided due diligence and reviewed the issuance of convertible debentures at a fee of Baht 7.7 million.

AON Hewitt Reward

BDMS received the
“Southeast Asia Top Companies
for Leaders Special
recognition 2014”
presented by AON Hewitt

Company was selected from
leading organizations around the world
in terms of connectivity
and consistency of leadership practices
and financial results



Internal Control

The Company recognizes the importance of the internal control system as it is one of the significant tools in preventing losses to the Company. The internal control system can also lessen any damages that may occur as well as being a tool that ensures efficient management of the Company. Therefore, the Board of Directors has stipulated that the Company shall have in place an internal control system in various areas such as procurement, approval of disbursements, administrations by the Human Resource Department, purchase/sale of medical equipment, as well as monitor the changes and adjustments that were noted in the previous audit to ensure that management of all areas are transparent.

To this end, the Company with approval of the Audit Committee has appointed Accounting Revolution Company Limited, an external company, as the Internal Auditor. In turn, Accounting Revolution Company Limited appointed Mrs. Sasivimol Suksai as the main person to carry out the duties of the Internal Auditor. The Audit Committee has reviewed the qualifications of both Accounting Revolution Company Limited and Mrs. Sasivimol Suksai and is of the opinion that they are qualified and suitable for the said position as they have experience in governance and internal auditing, they are independent and have the personnel suitable for the position of the Company's Internal Audit. With these qualifications and capabilities, they are able to independently audit the various departments within the Company according to the internal control assessment guidelines determined by the Securities and Exchange Commission as well as report to the Audit Committee to ensure that the Company has standardized internal controls that are efficient in preventing risks that may occur. The profile and experience of the aforementioned Head of Internal Audit Team is as follows:

Head of Audit Team

Mrs. Sasivimol Suksai, Managing Director, Accounting Revolution Company Limited

Education:

- MBA: Masters of Business Administration, Chulalongkorn University
- BBA: Major in Accounting, Thammasat University

Work Experience

- 1988 – 1991 Assistant Auditor, Office of SGV Arthur Andersen (Currently KPMG Audit)
- 1991 – 1996 Director, VSP Consultants Company Limited (provides auditing services)
- 1996 – 2002 Director, CAS Company Limited (provides auditing services)
- 2002 – 2006 Director, Auditor, Thana Ake Advisory Company Limited (provides auditing services)
- 2006 – present Director, Accounting Revolution Company Limited

Other Qualifications

- Certified Public Account (Thailand)
- Special Lecturer, Dhurakij Pundit University
- Special Lecturer, Eastern Asia University

The objective of the internal audit is to support the various departments within the organization in carrying out their duties and responsibilities with transparency and effective risk management, as well as control and ensure that the operations of the subsidiaries suit the framework that has been put in place. The Internal Audit shall gather information on the functions of the various departments, analyze, assess and provide advice and suggestions to the Company and report directly to the Audit Committee. The Audit Committee believes that the Internal Audit has been carried out efficiently and meets the goals and corporate governance principles of the Company as well as sufficiently enables the mitigation of risks that may arise.

At the Board of Directors' meeting 2/2015 held on 26th February 2015, attended by 9 Directors who are also part of management as well as Directors from outside the Company, and 6 Independent Directors, which included 3 members of the Audit Committee, the Board of Directors reviewed the assessment of the adequacy of the internal control, as reported by the Audit Committee, in five aspects, namely, Organization and Environment, Risk Assessment, Control of Activities, Information and Communication, and Monitoring Activities. The Board of Directors believes that the Company has sufficient internal controls, which suit the current business conditions, and operations as a whole have been carried out with transparency and good corporate governance that can be verified.

Report of the Audit Committee

The Board of Directors of Bangkok Dusit Medical Services Public Company Limited appointed the Audit Committee, which is comprised of 3 independent directors, namely Professor (Emeritus) Santasiri Sornmani, M.D. as Chairman of the Audit Committee and Mr. Sripop Sarasas and Dr. Veerathai Santiprabhob as members of the Committee. The main duties and responsibilities of the Audit Committee are to ensure that the Company's financial statements are in accordance with accounting standards and have accurate and sufficient disclosure, ensure that the Company has an internal control system that assesses the risks and ensures suitable and efficient risk controls, ensure compliance with related regulations and laws, as well as mitigate conflicts of interest between the Company and related persons.

In 2014, the Audit Committee held a total of 9 meetings to carry out duties as assigned, the most important being:

1. Review the financial statements of the Company and subsidiaries before presentation to the Board of Directors, as reviewed and explained by the auditor and executive management. The Audit Committee is of the opinion and belief that the aforementioned financial statements were prepared according to accounting standards with accurate and complete disclosure of important facts.
2. Consider and nominate the auditor from EY Office Company Limited and the annual auditing fee to the Board of Directors for further approval by the Shareholders' Meeting. The Audit Committee is of the opinion that the person nominated as the auditor is qualified in terms of knowledge, capability and is sufficiently independent from the Company and subsidiaries.
3. Consider the appointment of Accounting Revolution Company Limited, a qualified and experienced external company, as the Internal Audit. The Internal Audit was evaluated based on the team, sufficient number of staff, experience, knowledge and capabilities, as well as independency, to carry out audits of the various departments within the Company according to the guidelines for assessment of the sufficiency of the internal control system.
4. Consider transactions with connected persons, disclosure of transactions with connected persons and ensure that acquisitions or sales of assets are in compliance with applicable laws and regulations.
5. Consider approving the annual audit plan, review internal audit procedures, which are a part of the Company's management policy, and provide written approval on the internal audit process to be used as a guideline according to international standards.
6. Consider and hear the internal audit report and explanation from the internal auditor, which has been appointed with the approval of the Audit Committee. The internal auditors carried out the audit according to the importance of the risks as assessed. The Audit Committee reported and provided suggestions to the Board of Directors and executive management on good corporate governance, compliance with laws, regulations and practices, and efficiency in risk evaluation and risk mitigation of the various departments and the organization.
7. Review and assess the sufficiency of the internal control systems annually. The Committee is of the opinion that the internal control system is suitable and sufficient in risk mitigation in accordance with the policies and strategies of the Company.
8. Confer with the auditor without management so that the auditor can freely report on any problems or limitations as a result of the audit. The auditor has reported that there were no limitations of significance.

The Audit Committee has carried out the duties as assigned with care and to the best of our ability for the benefit of the Company, the Shareholders and all stakeholders.



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

Connected Transactions

1. Connected Transactions

1.1 General Transactions

Bangkok Dusit Medical Services Public Company Limited (“the Company”) and Subsidiary Companies

Connected Person/Relationship	Transaction	Value (Baht) as of		Reason and Necessity
		31/12/2014	31/12/2013	
1. Pranaporn Company Limited Relationship Mr.Pradit Theekakul (Director) is a major shareholder	1. Land sale	399,157,000	-	1.1 Selling of land not used in operations and decrease assets which do not contribute to the Company's revenue. The Company announced the sale of said land, along with 4 other pieces of land not used in operations, to the public by posting for sale signs at the respective land for a period of at least 1 month. The minimum price posted of each piece of land was the average appraisal of 2 independent land appraisers listed on the Office of the SEC's list of appraisers.
	2. Deposit – land cost	-	99,157,000	1.2 Pranaporn Co., Ltd. (the buyer) had bid for said land under the same terms and during the time period as other bidders and won with the highest bid of Baht 131,000 per square wah or at a value of Baht 399,157,000 (the minimum price posted was Baht 120,000 per square wah, which was the average appraisal price of 2 independent appraisers, namely American Appraisal and Years Appraisal, both listed on the Office of the SEC's list of appraisers).
	3. Interest receivable	14,343,288	5,465,753	The buyer asked to extend the transfer of the land from 28/09/2013 to within 31/03/2014 and a further extension to 30/09/2014 while agreeing to pay interest of 7% per annum on the remainder of the sale price, to be paid on the day of the land transfer. The bid of the land had 3 interested bidders and Pranaporn Co., Ltd. offered a bid considerably higher than the other bidders. In addition, the land is quite large with a high value and the buyer has paid a deposit of as much as 25% of the sale price. Therefore, the Company agreed to extend the transfer of the land and charged an interest of 7% per annum on the remainder of the sale price, which is a higher rate than the Company's financial cost. The Company received full payment of the land cost plus interest in September 2014.
2. Bangkok Airways Public Company Limited: BA Relationship 1. Mr.Prasert Prasarttong-Osoth, M.D. and Miss Poramaporn Prasarttong - Osoth M.D. (Directors) are major shareholders of BA. 2. Mr.Prasert Prasarttong-Osoth, M.D. (Director) Mr.Pradit Theekakul (Director) are Director of BA. Mr.Sripop Sarasas (ID*) is BA's ID*.	1. Air fare and air freight charges	22,566,762	21,899,557	The Company and subsidiaries paid air fare and air freight charges to Bangkok Airways Public Company Limited at the market rate.
	2. Creditor - Air fare and air freight charges	2,580,905	1,661,830	Air fare of management and employees, and air freight charges not yet due to Bangkok Airways Public Company Limited, which the Company and subsidiaries receive general credit terms as with any other counter party of BA.

*Independent Director

Connected Person/Relationship	Transaction	Value (Baht) as of		Reason and Necessity
		31/12/2014	31/12/2013	
	3. Medical services revenue	3,340,855	2,584,340	Revenue from medical services provided under the medical services agreement between the Company, and subsidiaries, and Bangkok Airways Public Company Limited, which is a normal business transaction of the Company under the same terms as with other customers.
	4. Trade Debtor – medical services revenue	1,494,659	1,186,375	Debt on medical services provided under the medical services agreement with Bangkok Airways Public Company Limited, which is a normal business transaction of the Company under the same terms as with other customers.
	5. Cost of patient transport by air	2,126,439	1,767,500	Subsidiaries paid for patient transport by air to Bangkok Airways Public Company Limited to support normal trade at the market rate for a chartered flight with normal trade terms.
	6. Trade creditor – cost of patient transport by air	214,690	37,686	Payment of patient transport by air not yet due to Bangkok Airways Public Company Limited, which are under general credit terms that subsidiaries receive.
	7. Lease of billboard for advertising	1,000,000	-	The Company paid for sub-lease of billboard for advertising to Bangkok Airways Public Company Limited at normal market rates.
	8. Income from other services	96,300	-	Income from provision of basic first-aid training to personnel of Bangkok Airways Public Company Limited similar to transactions with other customers.
	9. Exercising rights offering	-	3,465,850	The Company paid for rights offering of Bangkok Airways Public Company Limited under shareholder rights at the same price and with the same conditions as other shareholders in order to maintain shareholder ratio.
	10. Marketing support expense	-	500,000	A subsidiary paid marketing expenses for a joint marketing event and is considered a normal business transaction in support of a subsidiary in the area.
	1. Helicopter lease and cost of patient transport by air	57,306,132	58,838,278	- The Company cannot own a helicopter due to the legal limitations in air transport so the Company has to lease helicopters to transport patients. - Payment for air transport and patient transfer by air under the service agreement between the Company and Bangkok Helicopter Services Company Limited, an associated company. Under the agreement, the Company leased a chartered helicopter with the engine capacity to fly all over Thailand, equipment that enables flight in all kinds of weather conditions as well as at night (Glass cockpit), special medical equipment and support for patient care and transfer akin to an ICU and ready for 24-hour emergency service. The helicopter also has received International Accreditation & Standardization from European Aero-Medical Institute (EURAMI), which is widely recognized across Europe, the Middle East and Asia.
	3. Bangkok Helicopter Services Company Limited <u>Relationship</u> The Company holds 49% with the remaining shares held by juristic persons connected to Mr. Prasert Prasarttong-Osoth, M.D. (Director)			

Connected Person/Relationship	Transaction	Value (Baht) as of		Reason and Necessity
		31/12/2014	31/12/2013	
4. BAC Gourmet House Company Limited <u>Relationship</u> Bangkok Air Catering Co., Ltd., a subsidiary of Bangkok Airways Public Company Limited, is a major shareholder and Mr. Pradit Theekakul (Director) is also a Director of BAC	2. Trade creditor – patient transport by air	21,013,873	32,652,659	The Company has account payable for transport of patients by air which is not yet due to Bangkok Helicopter Services Company Limited, which is a normal business transaction.
	3. Income for accounting services	360,000	360,000	Income for accounting services in accordance with the agreement between a subsidiary and Bangkok Helicopter Services Company Limited, which is a normal business transaction of the subsidiary.
	4. Income for office lease	72,590	64,094	Office lease charged to Bangkok Helicopter Services Company Limited in accordance with the lease agreement at the market rate and general lease conditions.
	5. Deposit for office lease	14,868	14,868	The Company received a deposit on office lease from Bangkok Helicopter Services Company Limited, which is a normal business condition whereby the owner shall ask for a deposit from the lessee.
	6. Medical Services revenue	51,350	44,643	Revenue from medical services provided under the medical services agreement between the Company and Bangkok Helicopter Services Company Limited, which is a normal business transaction of the Company under the same terms as with other customers.
	7. Trade debtor – lab analysis	-	33,100	A subsidiary provided lab analysis services, under the medical services agreement, for annual check-up of employees of Bangkok Helicopter Services Company Limited which is a normal business transaction under the same terms as with other counter-parties.
	8. Income from food services	-	4,206	A subsidiary provided food to Bangkok Helicopter Services Company Limited, a normal business transaction for the subsidiary, at market prices.
	1. Retail space leasing	5,885,849	6,033,701	The Company received retail space rental in Bangkok Plaza from BAC Gourmet House Company Limited at the market rate and under the same rental terms as other renters.
	2. Debtor – retail space rental	741,028	-	Debtor for retail space rental in Bangkok Plaza from BAC Gourmet House Company Limited at the market rate and under the same rental terms as other renters.
	3. Deposit for retail space rental	613,840	613,840	The Company received a deposit on office lease from BAC Gourmet House Company Limited, which is in accordance with the lease agreement as with other renters.
	4. Food services	2,684,727	2,517,033	The Company and subsidiaries paid for food coupons for patients who came in for medical check-ups as well as catering services to BAC Gourmet House Company Limited, a provider of Arabic food, at market prices.

Connected Person/Relationship	Transaction	Value (Baht) as of		Reason and Necessity
		31/12/2014	31/12/2013	
	5. Creditor – food services	988,210	-	The Company and subsidiaries have payment for food services not yet due to BAC Gourmet House Company Limited under general credit terms.
	6. Medical Services revenue	51,860	-	Revenue from medical services provided under the medical services agreement between the Company and BAC Gourmet House Company Limited, which is a normal business transaction of the Company under the same terms as with other customers.
5. Bangkok Travel Club Company Limited Relationship a persons connected to Mr.Prasert Prasarttong-Osoth, M.D. (Director) are Directors and major shareholders of Bangkok Travel Club and Mr.Pradit Theekakul (Director) is a Director	1. Organization of offsite meetings and seminars	1,847,556	3,450,699	The Company paid for services in organizing offsite meetings and seminars, including accommodation and transportation, to Bangkok Travel Club Company Limited at market rate and under the same trade terms comparable to other service providers.
	2. Retail space rental	137,143	120,000	Revenue from retail space rental for a booth to sell products at the regular rate charged to other renters of retail space for booths.
	3. Debtor – retail space rental	10,000	-	Retail space rental for a booth to sell products not yet due in accordance with the rental agreement under the same terms and rental rate as with other renters.
	4. Medical Services revenue	-	4,500	Revenue from medical services provided under the medical services agreement between the Company and Bangkok Travel Club Company Limited, which is a normal business transaction of the Company under the same terms as with other customers.
	5. Trade Debtor – medical services revenue	-	4,500	Debt on medical services provided under the medical services agreement with Bangkok Travel Club Company Limited, which is a normal business transaction of the Company under the same terms as with other customers.
6. Rankindeeyudee Limited Partnership Relationship Miss Poramaporn Prasarttong-Osoth M.D. (Director) and connected persons are major shareholders	1. Retail space rental	573,290	455,989	The Company and subsidiaries received payment for rental of retail space in the hospitals at the market rate and under the same rental terms as other renters.
	2. Debtor – retail space rental	50,009	47,826	Retail space rental not yet due in accordance with the rental agreement under the same terms and rental rate as with other renters.
	3. Deposit for retail space rental	61,200	61,200	The Company received a deposit on retail space rental, which is in accordance with the lease agreement as with other renters.
	4. Medical Services revenue	2,200	-	Revenue from medical services provided under the medical services agreement between the Company and Rankindeeyudee Limited Partnership, which is a normal business transaction of the Company under the same terms as with other customers.

Connected Person/Relationship	Transaction	Value (Baht) as of		Reason and Necessity
		31/12/2014	31/12/2013	
7. Bangkok Air Tour (1988) Company Limited Relationship person(s) connected to Mr.Prasert Prasarttong-Osoth, M.D. (Director) are Director(s) and major shareholder(s) and Mr.Pradit Theekakul (Director) is a Director	1. Air fare	11,230,690	11,235,002	The Company and subsidiaries paid for air fare of management and employees to Bangkok Air Tour (1988) Company Limited, an airplane ticket agent, at market rates.
	2. Creditor – air fare	453,587	151,200	The Company and subsidiaries has account payable for air fare of management and employees which are not yet due to Bangkok Air Tour (1988) Company Limited under general credit terms.
	1. Advertising costs	2,983,672	-	The Company and subsidiaries paid on PPTV to Bangkok Media and Broadcasting Company Limited at the market rate and under the same trade terms as other clients.
8. Bangkok Media and Broadcasting Company Limited Relationship Mr.Prasert Prasarttong-Osoth, M.D. (Director) is a Director and major shareholder and Mr.Pradit Theekakul (Director) is a Director	2. Creditor – advertising costs	735,000	-	The Company and subsidiaries has account payable for advertising costs not yet due to Bangkok Media and Broadcasting Company Limited under general credit terms.
	3. Revenue from services	10,800	-	A subsidiary received revenue from installation of IT systems from Bangkok Media and Broadcasting Company Limited, which is a normal business transaction.
	1. Medical Services revenue	1,708,760	2,383,860	A subsidiary provided medical services to Bangkok Air Catering Company Limited under the medical services agreement, which is a normal business transaction of the subsidiary under the same terms as with other customers.
9. Bangkok Air Catering Company Limited Relationship a subsidiary of Bangkok Airways Public Company Limited and Mr.Pradit Theekakul (Director) is a Director	2. Trade Debtor – medical services revenue	211,560	106,560	Debt on medical services provided under the medical services agreement with Bangkok Air Catering Company Limited under general credit terms.
	3. Lab analysis revenue	70,965	53,865	A subsidiary provided lab analysis services, under the medical services agreement, for annual check-up of employees of Bangkok Air Catering Company Limited which is a normal business transaction under the same terms as with other counter-parties.
	4. Trade debtor – lab analysis	11,970	17,955	Debt on lab analysis from Bangkok Air Catering Company Limited under general credit terms.
10. X-Ray Computer Urupong Company Limited Relationship Mr. Chiratchana Suchato, M.D. (Director) is a major shareholder and a Director	1. Purchase of goods	3,003,921	42,608	A subsidiary paid to X-Ray Computer Urupong Company Limited for X-ray services as the subsidiary does not have the equipment and the fees charged to the subsidiary are lower than that of other service providers
	2. Creditor – purchase of goods	594,688	-	A subsidiary has a credit for X-ray services that are not yet due to X-Ray Computer Urupong Company Limited, which is a general credit term.

Connected Person/Relationship	Transaction	Value (Baht) as of		Reason and Necessity
		31/12/2014	31/12/2013	
11. Metro Machinery Company Limited Relationship Mr. Wichai Thongtang (Director) is a Director	1. Electricity generator cost	4,558,200	-	A subsidiary purchased an electricity generator from Metro Machinery Company Limited, which provides installation and maintenance services, in accordance with the normal procurement process of the subsidiary.
	2. Maintenance fee of electricity generator	135,189	1,792,222	A subsidiary paid for maintenance fees of an electricity generator to Metro Machinery Company Limited, a service provider of electricity generator maintenance, in accordance with the normal procurement process of the subsidiary.
	3. Medical Services revenue	-	19,826	A subsidiary provided medical services to Metro Machinery Company Limited under the medical services agreement, which is a normal business transaction of the subsidiary.
12. Prasarttong-Osoth Company Limited Relationship Mr. Prasert Prasarttong-Osoth, M.D. (Director) is a Director and major shareholder	1. Purchase of goods	148,034	-	The Company purchased goods from Prasarttong-Osoth Company Limited in accordance with the normal procurement process and with general trade terms.
	2. Creditor – purchase of goods	21,660	-	The Company has account payable for goods purchased from Prasarttong-Osoth Company Limited not yet due under general trade terms.
13. Tim Products Company Limited Relationship a person connected Mr. Prasert Prasarttong-Osoth, M.D. (Director) is a Director and major shareholder	1. Drinking water expense	-	14,443,282	The Company purchased bottled drinking water from Tim Products Company Limited to produce a hospital brand in accordance with the normal procurement process and with general trade terms.
	2. Creditor – drinking water expense	-	3,317	The subsidiary has account payable for purchase of bottled drinking water from Tim Products Company Limited not yet due under general credit terms.
14. THN Network Company Limited Relationship Mr. Pradit Theekakul (Director) is a Director and major shareholder	Advertising cost	-	3,210,000	The Company paid for television advertisement to THN Network Company Limited, an English channel cable operator to service foreign customers, whereby the Company paid for production costs only and did not have to pay for air time.
15. Samui Palm Beach Resort Company Limited Relationship a juristic person connected to Mr. Prasert Prasarttong-Osoth, M.D. (Director) is a major shareholder and Mr. Pradit Theekakul (Director) is a Director	Medical services revenue	-	18,314	A subsidiary provides medical services to guests of Samui Palm Beach Resort Company Limited in accordance with the service agreement, which has the same terms and prices as with other counter-parties.

Opinion of the Audit Committee

The Meeting of the Audit Committee was of the opinion that the aforementioned transactions were reasonable transactions which were entered under general business terms.

1.2 Summary of Loans for Financial Assistance at the end of 2014

Company name	Relationship	Loan to Subsidiaries		
		Long term loan	Short term loan	Interest receivable
Bangkok Hospital Pattaya Co., Ltd.	Company holds 97.3%			
Bangkok Hospital Rayong Co., Ltd.	Company holds 100.0%		240,985,704	897,466
Bangkok Hospital Hadyai Co., Ltd.	Company holds 98.8%			
Wattanavej Co., Ltd.	Company holds 99.7%			
Bangkok Hospital Samui Co., Ltd.	Company holds 100.0%			
Bangkok Hospital Trat Co., Ltd.	Company holds 99.8%			
Bangkok Hospital Ratchasima Co., Ltd.	Company holds 91.4%	43,900,000	184,925,979	642,418
Bangkok Hospital Phuket Co., Ltd.	Company holds 99.7%		89,171,820	143,125
Bangkok Hosital Prapradaeng Co., Ltd.	Company holds 84%		42,461,086	133,487
Samitivej PCL. (SVH)	Company holds 95.8%			
BNH Medical Centre Co., Ltd.	Company holds 91.5%			
Prasit Pattana PCL. (PPCL)	Company holds 98.5%	2,609,932,400		518,411
Paolo Medic Co.,Ltd.	Company holds 100.0%	300,540,000		59,696
Siam Medical Co., Ltd.	Company holds 85.7%			
Thai Medical Center PCL.	Company holds 99.8%	485,250,000		96,385
Paolo Samut Prakran Co., Ltd.	Company holds 93.6%	75,270,000		14,951
Ankor Pisith Co., Ltd (1)	Company holds 80%	41,016,000		1,392,283
Phnom Penh Medical Services Co., Ltd.(2)	Company holds 100.0%	605,266,583		6,317,607
Royal Rattanak Medical Services Co., Ltd.	Company holds 70.0%			407,434
National Healthcare Systems Co., Ltd.	Company holds 74.0%		251,133,469	752,574
Bio-Molecular Laboratories (Thailand) Co., Ltd.	Company holds 95.0%			
Greenline Synergy Co., Ltd.	Company holds 100.0%			
BDMS Training Co., Ltd.	Company holds 100.0%			
Royal Bangkok Healthcare Co., Ltd.	Company holds 100.0%		65,679,040	47,399
Bankok Premier Life Insurance Broker Co., Ltd.	Company holds 100.0%			
Bangkok Hospital Udon Co., Ltd.	Company holds 100.0%	500,000,000	197,932,031	873,278
Bangkok Hospital Chiangmai Co., Ltd.	Company holds 100.0%		252,921,208	830,387
BDMS Accounting Co., Ltd.	Company holds 100.0%			
Bangkok Hospital Khao Yai Co., Ltd.	Company holds 100.0%			
Bangkok Hospital Khon Kaen Co., Ltd.	Company holds 100.0%	380,000,000	181,591,679	287,017
Bangkok Hospital Phitsanulok Co., Ltd.	Company holds 100.0%	40,000,000	11,721,358	14,063
Bangkok Hospital Surath Co., Ltd	Company holds 100.0%			
Samitivej Chonburi Co., Ltd.	Company holds 100.0%			
Medicpharma Co., Ltd.	Company holds 86.9%			
Bangkok Hospital Sanamchan Co., Ltd.	Company holds 100.0%		237,185,965	1,036,529
Bangkok Phuket International Hospital Co., Ltd.	Company holds 100.0%	260,000,000		67,671
Bangkok Save Drug Co., Ltd.	Company holds 100.0%			
Samitivej Sriracha Co., Ltd.	Hold through SVH 69.8%			
		5,341,174,983	1,755,709,338	14,532,182

Remarks : (1) Debt for loan in foreign currency US\$ 1.25 million (equal to Baht 41.02 million)

(2) Debt for loan in foreign currency US\$ 18.45 million (equal to Baht 605.27 million)

Unit : Baht

Cash pooling	Guarantee Obligation	Short term loan	Accrued interest
-		269,680,009	832,491
241,883,170			
-		184,577,982	250,490
-		192,606,736	298,589
-		137,430,880	220,326
-		12,989,304	18,354
229,468,397			
89,314,944			4,544
42,594,573			
-		1,090,281,851	1,789,912
-		347,560,028	692,965
2,610,450,811		1,247,737,544	2,203,982
300,599,696		30,943,860	95,812
-		154,842,013	220,124
485,346,385		107,157,119	182,683
75,284,951		204,118,741	309,865
42,408,283	USD 2,732,000		
611,584,190			
407,434			
251,886,043			
-		41,489,502	68,588
-		112,898,732	147,842
-		4,884,506	4,421
65,726,439			1,278
-			
698,805,309			
253,751,595			
-		29,091,104	46,406
-		2,000,000	
561,878,695			
51,735,421			14,053
-			
-		241,216,011	427,494
-		96,678,916	140,576
238,222,495			
260,067,671		82,853,781	135,223
-		112,000,000	
-			
7,111,416,503	USD 2,732,000	4,703,038,618	8,106,021

Summary of Loans for Financial Assistance to Connected Persons as of the end of 2014

1. Mr.Prasert Prasarttong-Osoth, M.D.
2. Mr.Chuladej Yossundharakul, M.D.
3. Mr.Wichai Thongtang
4. Mr.Santasiri Sornmani, M.D.
5. Mr.Chatree Duangnet, M.D.
6. Mr.Pradit Theekakul
7. Miss Poramaporn Prasarttong- Osoth M.D.
8. Mrs.Narumol Noi-am
9. Mr.Trin Charumilind, M.D.

The Director was appointed to the subsidiary as a representative of the Company as a major shareholder, not as a personal appointment. (Exempted Mr. Santasiri Sornmani, M.D., He is Independent Director in the subsidiary company)

2. Policy and Future Connected Transactions

Type of Transaction	Trend and Policy
Normal business transactions or transactions that support general business	Normal business transactions In the case that the Company and/or subsidiaries provides medical services and/or patient transfers, the Company has the policy for the Company and subsidiaries to charge fees for such transactions between the Company and/or subsidiaries and connected persons at the market rate. The rate charged, payment terms and other business terms shall be equal to or similar to such rates and terms that the Company and/or subsidiaries charges and stipulates for transactions with other persons or counter parties under the same situations. Transactions that support general business In the case that the Company and subsidiaries purchase goods and services, raw materials and medical supplies, or procurements related to and in support of medical services provided among the companies, or between the Company and/or subsidiaries and connected persons, which are transactions in support of the Company's and/or subsidiary's normal business, the product price or service fee of such transactions must be at a referenced market rate. In addition, the payment terms and trade agreements and terms must not differ from the term and conditions in which the Company and/or subsidiary enters with other counter parties under the same circumstances. The Securities and Stock Exchange Act (Fourth Edition) Amendment B.E. 2551 effective 31st August 2008 and the Securities and Exchange Commission circular dated 16th July 2008 state that for flexibility, the Company may bring transactions with associated companies which are normal business transactions or transactions supporting normal business between the Company or subsidiaries and a related person in front of the Board of Directors for approval in principal. Therefore, at the Board of Directors Meeting 8/2551 on 27th August 2008, the Board gave management approval in principal to consider entering into normal business or transaction supporting normal business transactions with normal trade terms, which are priced or have fees charged at the market rate with the same terms as the Company's transactions with external parties.

Type of Transaction	Trend and Policy
Financial Assistance	The Company has the policy to provide financial assistance only to subsidiaries in which the Company holds more than 50 percent of the shares outstanding. The financial assistance is provided under the condition that the subsidiary has no connected person that holds more than 10 percent of the remaining shares. Such financial assistance will centralize financial management to manage costs appropriately and efficiently for the greater benefit of the organization as a whole. The Company has the policy to enter into 3 types of financial assistance transactions as follows: 1. Loans to subsidiaries The Company will take out a loan in the money market or from a financial institution and then loan that money to the subsidiary at a rate of no more than 1% per annum above the actual cost of capital, which is less than the rate the subsidiary would be charged if taking out a loan directly. Benefit derived The subsidiary can take out a loan at a rate lower than borrowing directly from a financial institution as the Company is capable of seeking loans at a lower rate. 2. Guarantee loans of foreign subsidiaries Benefit derived To enable the foreign subsidiary to seek a loan directly from a financial institution in that particular country at a prime rate. 3. Centralize Liquidity Management (Cash Pooling) At the end of the business day, the liquidity management program will transfer money from the subsidiary's bank account to the Company's bank account. The money transferred into the Company's bank account will be stated as short-term loan from a subsidiary with interest charged at the market rate. At the same time, if any subsidiary requires capital, the Company will transfer the excess liquidity to the subsidiary with interest charged at the market rate. Benefit derived For liquidity management within the Group, companies with excess liquidity will receive interest at a rate higher than the savings rate of financial institutions, while companies needing capital can borrow at a rate no higher than the market rate.
Other transactions defined as connected transactions by the Securities and Exchange Act	In the case that it is deemed necessary for the Company and/or subsidiaries to enter into transactions with each other in the future, such transactions shall be for the benefit of the Company and equal benefit of each shareholder under the regulations and guidelines of the Securities and Exchange Act as well as any other related notifications of agencies that regulate the Company.

All types of connected transactions will be executed in accordance with the Securities and Exchange Act and/or regulations of the Stock Exchange of Thailand and/or notifications of the Capital Market Supervisory Board. Furthermore, for investor protection and transparency, in the case that it is necessary for the Company and/or subsidiaries to engage in connected transactions, the company has assigned the Audit Committee the task of ensuring that such transactions are fair. In the case that the Audit Committee does not have the expertise to review a connected transaction that may occur, the company has the policy to seek an independent professional to provide an opinion on the transaction for the consideration by the Audit Committee and/or Board of Directors and/or the Shareholders' meeting, as the case may be.

Management Discussion and Analysis

for the year ended December 31, 2014

Executive Summary

Performance 2014

Bangkok Dusit Medical Services Public Company Limited (“Company”) reported consolidated operating income were Baht 56,588 million or increased by 11% yoy. The growth was attributable to an increase in revenue from hospital operations of 11% from an increase in revenue of network hospitals in Bangkok and vicinity of 8% yoy and network hospitals in the upcountry of 14% yoy. Key growth drivers were attributable to an increase in number of both inpatients and outpatients as a result of new network hospitals together with existing capacity expansion, patient ward renovation and an increase in patient referral.

In addition, revenue from sales of goods and food increased 18% yoy due mainly to the consolidation of The Medic Pharma Co., Ltd since June 2013.

The Company and its subsidiaries reported EBITDA of Baht 12,663 million, increased by 16% yoy. Consequently, the Company and its subsidiaries reported net profit of Baht 7,109 million, increased by 16% yoy. If including non-recurring items totaling Baht 285 million in 2014 which are consisted of gain on disposal of land not used in operation, impairment of investment, share of income from investment in Ramkhamhaeng Hospital Public Co., Ltd (“RAM”) and dividend income of Phyathai 1 Hospital Co., Ltd. (“PYT1”) received from Phuket International Hospital Co., Ltd (“PKI”) in relation to the Entire Business Transfer of PKI and, in 2013, gain on fair value adjustment of investments totaling Baht 148 million, net profit of Baht 7,394 million increased 18% yoy.

Major Development in 2014

1. Upgrade the Company rating and senior unsecured debenture rating to AA- by Tris Rating

On October 27, 2014, Tris Rating upgrades the Company rating and senior unsecured debenture ratings to AA- from A+ with “stable” outlook. The upgrades reflect Company’s stronger business profile, supported by the ongoing growth of the healthcare industry, Company’s more extensive referral network of hospitals, plus ability to manage the Group’s overall operating performance and maintain an appropriate level of leverage.

2. Issuance of convertible debentures

On September 18, 2014, Company has issued the zero-coupon convertible debentures (“Bonds”) in the amount of Baht 10,000 million with maturity in 2019 to investors outside Thailand. The initial conversion price is fixed at Baht 21.045 per one newly issued ordinary share and yield to maturity is 2% per annum. The Bonds listed on the Singapore Exchange Securities Trading Limited.

3. An expansion of new network hospitals

During 2014, Company added 7 hospitals to network as follow:-

Hospital	Number of Structured beds	Opening Month
Bangkok Chiangmai	185	July 14
Sanamchan	200	Aug 14
Thepakorn	100	Aug 14
Phuket International	151	Oct 14
Bangkok Khon Kaen	140	Oct 14
Royal Phnom Penh	100	Oct 14
Bangkok Chinatown	59	Nov 14

4. Acquisition of Save Drug Center Co., Ltd.

On October 30, 2014, Bangkok Save Drug Co., Ltd. has completed its acquisition of the total issued shares of Save Drug Center Co., Ltd., a retail sales of medicine, supplementary food, and medical supplies and equipments businesses under the brand Save Drug as well as other trade names through 107 stores nationwide, and made full payment of Baht 231 million.

5. The change in the par value of the Company's shares and the increase of the Company's registered capital

- Approved the change in the par value of the Company's shares from Baht 1 per share to Baht 0.10 per share.
- Approved the increase in registered capital of the Company to Baht 1,649.8 million to support the conversion of the convertible debentures in the amount of not exceeding 542.2 million shares and newly issued ordinary shares under the general mandate in the amount of not exceeding 464.7 million shares in which 1) up to 232.4 million newly issued ordinary shares is to be offered on a public offering basis and 2) up to 232.4 million newly issued ordinary shares is to be offered on a private placement basis. The allocation of the newly issued ordinary shares pursuant to item 1) or 2) or both shall not, in aggregate, exceed 1.5% of the Company's paid-up capital or totaling not exceeding 232.4 million shares.

2014 Consolidated Financial Summary

Operating Income

(THB mm)

	2014	2013	%Chg
Revenues from hospital operations	54,341	49,170	11%
Revenue from sales of goods and food	1,712	1,446	18%
Other income*	534	543	(2)%
Total Operating Income	56,588	51,158	11%

* Excluding non-recurring items

In 2014, total operating income were Baht 56,588 million, an increase of Baht 5,429 million or 11% from 2013, primarily due to

- Revenues from hospital operations were Baht 54,341 million, an increase of Baht 5,171 million or 11% from 2013. The growth was contributable to an increase in number of outpatients and inpatients across our network hospitals, hospital network expansion namely Samitivej Thonburi Hospital, Bangkok Hospital Phitsanulok in 2013 and Bangkok Hospital Chiangmai, Sanamchan Hospital, Thepakorn Hospital, Phuket International Hospital, Bangkok Hospital Khon Kaen, Royal Phnom Penh Hospital and Bangkok Hospital Chinatown in 2014 together with patient ward expansion and renovation, an increase in patient referral and qualified clinical staffs and specialist doctors. During 2014, Thai and international patients grew 11% and 9% yoy respectively resulting in the revenue proportion between Thai and international patients remain unchanged at 72%:28% in 2013 and 2014. From type of patient perspectives, outpatient and inpatient revenues grew by 11% yoy.
- Revenues from sales of goods and food were Baht 1,712 million, an increase by 18% yoy, mainly from an increase in sales of The Medic Pharma Co., Ltd. which was consolidated into the Company since June 2013.
- Other incomes (excluding non-recurring items) were Baht 534 million, a decreased by 2% yoy.

Operating Expenses

(THB mm)

	2014	2013	%Chg
Cost of hospital operations and others	36,473	32,977	11%
Administrative expenses*	11,157	10,549	6%
Total Operating Expenses	47,630	43,526	9%

* Excluding non-recurring items

In 2014, the Company and its subsidiaries reported total operating expenses & depreciation of Baht 47,630 million, an increase of Baht 4,104 million or 9% yoy.

- Cost of hospital operations and others (including depreciation and amortization) were Baht 36,473 million, an increased by 11% yoy. Cost of hospital operations and others are mainly consisted of rising in clinical staffs expenses as a result of increasing in number of clinical staffs and newly recruited specialist doctors both full-time and part-time together with an increase in medical supplies and lab expenses which are in line with an increase in total operating income.
- The administrative expenses (including depreciation and amortization but excluding non-recurring items) were Baht 11,157 million, an increased by 6% yoy, due mainly to an increase in non-clinical staffs expenses. However, administrative expenses grew at the slower pace than total operating income as a result of Company's cost containment measures.
- The depreciation and amortization expenses were Baht 3,705 million in 2014, an increase by 14% yoy due mainly to the building renovation and expansion of new network hospitals.

Other Major Items

- Share of income (excluding non-recurring items) from investments in associated companies were Baht 983 million in 2014, a decrease of Baht 6 million or 1% yoy. Share of income from investments in associated companies in 2014 were mainly from investment in Bumrungrad Hospital Public Co., Ltd. of Baht 654 million together with investment in RAM of Baht 301 million.
- Finance expenses increased to Baht 972 million increased by 2% yoy.
- Taxes in 2014 were Baht 1,671 million, an increase from Baht 1,392 million in 2013, due mainly to an increase in pre-tax profit.

Non-Recurring Items

During 2014, the Company and its subsidiaries recorded non-recurring items of totaling Baht 285 million from the following items

1. Other income:- Gain on disposal of land not used in operation Baht 95 million.
2. Administrative expenses:- The impairment of investment in Royal Rattanak Medical Services Co., Ltd. ("RRH") of Baht 100 million as the Company decided to cease the operation of RRH and transferred the business to our new network hospital namely Royal Phnom Penh Hospital.
3. Dividend Income:- dividend income of PYT1 received from PKI as in relation to the Entire Business Transfer of PKI of Baht 205 million.
4. Share of income from investments in associated companies:- share of income from investment in RAM which RAM recorded dividend income received from Sanamchan Hospital Co., Ltd ("SNC") of Baht 85 million as SNC paid to its shareholders in relation to the Entire Business Transfer.

During 2013, the Company and its subsidiaries recorded non-recurring items of totaling Baht 148 million from gain on fair value adjustment of investments in Thonburi Medical Center Public Co., Ltd of Baht 61 million and in The Medic Pharma Co., Ltd of Baht 87 million.

Profitability Analysis

(THB mm)

	2014	2013	%Chg
EBITDA	12,663	10,877	16%
EBITDA margin	22.4%	21.3%	
EBIT*	10,027	8,721	15%
EBIT margin*	17.7%	17.0%	
Net profit*	7,109	6,113	16%
Net profit margin*	12.6%	11.9%	
Net profit	7,394	6,261	18%
Net profit margin	13.1%	12.2%	
(THB)			
Basic earnings per share*	0.46	0.40	16%
Basic earnings per share	0.48	0.40	18%

* Excluding non-recurring items

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

If excluding the non-recurring items, EBITDA increased from 10,877 in 2013 to Baht 12,663 million in 2014 or increased by 16% yoy. EBITDA margin changed from 21.3% in 2013 to 22.4% in 2014. Net profit was Baht 7,109 million in 2014, an increase of Baht 995 million, or increased by 16% yoy. Net profit margin increased from 11.9% in 2013 to 12.6% in 2014. Basic earnings per share were 0.46 Baht per share or increased by 16% yoy.

If including the non-recurring items, net profit was Baht 7,394 million, an increase of Baht 1,132 million or increased by 18% yoy. Net profit margin increased from 12.2% in 2013 to 13.1 % in 2014. Basic earnings per share were 0.48 Baht per share or increased by 18% yoy.

Asset

(THB mm)

	2014	2013	%Chg
Cash & cash equivalents	3,594	4,061	(11)%
Short-term investments	1,878	120	1,460%
Trade & other receivables	5,819	4,925	18%
Inventories	1,111	919	21%
Investment in associates	14,225	13,092	9%
Property, premises & equipment	46,502	38,875	20%
Goodwill	16,000	10,945	46%
Other assets	4,099	3,462	18%
Total assets	93,228	76,399	22%

The consolidated financial position of the Company and its subsidiaries as of December 31, 2014: The Company and its subsidiaries reported total assets of Baht 93,228 million, an increase of Baht 16,829 million or increased by 22% from December 31, 2013. Significant changes are summarized as follows:-

- Short-term investments increased about Baht 1,757 million mainly from investment in mutual fund to get higher return than saving account.
- Inventories increased about Baht 192 million mainly from new network hospitals expansion.
- Property, premises and equipment increased about Baht 7,627 million mainly from the purchase of new medical equipment for both existing and new network hospitals, building and building improvement and building under construction and medical equipment under installation for new network hospitals of Baht 7,685 million together with land, building and medical equipment from the acquisitions netted with depreciation during the period.
- Goodwill also increased by Baht 5,055 million mainly from the acquisition of SNC of Baht 2,353 million and PKI of Baht 2,702 million.

Liabilities and Equity

(THB mm)

	2014	2013	%Chg
Debentures*	11,092	14,059	(21)%
Long-term loans*	10,904	8,564	27%
Convertible debentures	9,346	-	N/A
Other liabilities	12,932	11,133	16%
Total liabilities	44,274	33,755	31%
Equity attributable to equity holder of the Company	46,780	40,681	15%
Non-controlling interests	2,174	1,963	11%
Total equity	48,954	42,644	15%

* Including current portion

Total consolidated liabilities as of December 31, 2014 were Baht 44,274 million, an increase of Baht 10,518 million or 31% from December 31, 2013, due mainly to the issuance of convertible debentures of Baht 9,346 million together with an increase in long-term loans from financial institutions of Baht 2,340 million.

Total consolidated shareholders' equity as of December 31, 2014 was Baht 48,954 million, an increased by Baht 6,311 million or 15% from December 31, 2013. This is due mainly to comprehensive income during 2014 netted with dividend payment of Baht 3,098 million.

Liquidity and Capital Management

(THB mm)

Cash Flow	2014
Net cash from operating activities	10,376
Net cash used in investing activities	(16,156)
Net cash from financing activities	5,313
Net decrease in cash and cash equivalents	(467)
Beginning cash and cash equivalents	4,061
Ending cash and cash equivalents	3,594

For year ended December 31, 2014, the Company and its subsidiaries had net decrease in cash and cash equivalent of Baht 467 million, with the cash and cash equivalents at the beginning of the period of Baht 4,061 million. As a result, cash and cash equivalents at the end of the period was Baht 3,594 million. Details of cash flow by activities during the period are as follows:-

Net cash flows from operating activities were Baht 10,376 million, resulting mainly from profit during 2014.

Net cash used in investing activities were Baht 16,156 million. The investing activities during the period were mainly from purchase of property, premises and equipment for Baht 7,798 million to expand our network hospitals together with purchase of investments in subsidiaries, associates and other company of Baht 7,450 million due mainly to acquisitions in SNC and PKI and an increase in short-term investment of Baht 1,757 million.

Net cash from financing activities were Baht 5,313 million comprising mainly from cash received from issuance of convertible debentures of Baht 9,835 million together with cash received from short-term loans from financial institutions of Baht 5,303 million and long-term loans from financial institutions of Baht 3,645 million, netted with repayment of short-term loans of Baht 5,547 million and long-term loans from financial institutions of Baht 1,523 million, redemption of maturing debentures of Baht 2,970 million and dividend payment of Baht 3,098 million.

Capital Expenditures

Capital expenditures in 2014 amounted to Baht 10,429 million or 18.4% of total operating income. The capital expenditure consisted mainly of land and medical equipments purchase for existing and new network hospitals totaling Baht 7,685 million together with net land, building and equipment from acquisition totaling Baht 2,744 million, mainly from the acquisition of SNC, PKI and Save Drug Center Co., Ltd. The Company's strategy remains focused on the continued expansion in the healthcare and healthcare related businesses to serve the increasing patient demand in key strategic areas. The capital expenditures are funded mostly through our internal cash flows, long-term debt, debentures and convertible debentures.

Ratios Analysis

	2014	2013
Returns (%)		
Return on Asset	8.4	8.4
Return on Equity	16.3	15.8
Liquidity (x)		
Current ratio	1.0	0.9
Quick ratio	0.9	0.8
Assets & Liabilities Management (Days)		
Average Collection Period	37.3	35.4
Average Inventory Period	10.0	9.3
Average Payable Period	41.6	41.7
Leverage & Coverage Ratios (x)		
Total debt to equity	0.6	0.5
Net debt to equity	0.6	0.4
Net debt to EBITDA	2.2	1.7
Interest coverage	13.0	11.4

Excluding non-recurring items

Remark 1. Assets & Liabilities Management is calculated based on 360 days

2. Interest coverage = EBITDA/Interest Expenses

Return on assets during 2014 remains unchanged from 2013 while return on equity during 2014 increased from 2013 due mainly to an increase in profit for the period. Current ratio and quick ratio slightly increased from 2013 as a result of an increase in current assets.

Total debt to equity increased from 0.5x as of December 31, 2013 to 0.6x as of December 31, 2014. Net debt to equity also increased from 0.4x as of December 31, 2013 to 0.6x as of December 31, 2014. Net debt to EBITDA increased from 1.7x as of December 31, 2013 to 2.2x as of December 31, 2014. Such increases were as a result of issuance of convertible debentures. However, Interest coverage ratio increased from 11.4x as of December 31, 2013 to 13.0x as of December 31, 2014.

The leverage and coverage ratios are well within the financial covenant of the long-term loans and debentures.

Management's Outlook

Increasing healthcare demand

As Thailand's stable political and economic environment is expected to be normalized with the recovery of domestic consumption under way, the Company remains focus on strengthening our hospital operations in each regional hub while expanding our hospital presence in various key provinces for diversification of our patient base and proper sustainable growth.

We are confident that the long-term prospect of the Company is still intact as a result of the rising income per capita especially for those in the rural area, people pay more attention to their health and aging population. The growth would also simulated by medical tourism on value for money and the quality of care in Thailand. On the other hand, in term of hospital bed supply, in 2013 the number of bed in Thailand per population of 10,000 was still at 21 beds, well below global average at 26 beds according to World Health Organization. These favorable factors support our strategy to increase our network hospitals, enhance our clinical capabilities for secondary care and tertiary care together with multidisciplinary specialists, state of the art medical equipment and experienced staffs to accommodate increasing demand of healthcare.

Expansion of network hospital

The Company has set a clear vision to establish strong footprints in key strategic location to serve both Thai and international patients. The Company would also continue to enhance referral network by using the Hub-and-Spoke hospitals in each region. Hub hospital would offer full range of tertiary care services with advanced medical equipment whereas the spoke hospitals would be smaller hospitals located in the surrounding provinces and would be the gateway for referring patient to the hub for sophisticated procedures

Since the beginning of 2015, the Company already added 2 new network hospitals in the upcountry namely, Sri Rayong Hospital in Rayong, and Muang Petch Hospital in Petchaburi bringing the total network hospitals to 39 hospitals.

Dibuk Medical Services also opened for 29 beds and would become a hospital in the future.

Going forward, the Company plans to open the following network hospitals:-

- Bangkok: Paolo Rangsit Hospital
- Upcountry: Samitivej Chonburi Hospital in Chonburi and Jomtien Hospital in Pattaya

To mitigate the operational and financial risk of these new hospitals, we plan to open all new hospitals in phases by gradually increase the bed capacity according to the patient demand.

In addition, the new investment would also include expanding into healthcare related business i.e. pharmaceutical and medical supply companies to increase our corporate efficiency and capability going forward.

The Board of Directors' Report on its Responsibility to the Financial Statements

The Board of Directors recognizes the importance of duties and responsibilities in ensuring that the Company practices good corporate governance, that the financial statements in the 2014 Annual Report are accurate and fully disclosed, as well as in compliance with generally accepted accounting standards by selecting appropriate accounting policies and consistently adhering to those policies, with careful discretion. The Board of Directors has assigned the Audit Committee the task of reviewing the Company's financial statements and has been informed that the financial statements are in compliance with generally accepted accounting standards by selecting appropriate accounting policies and consistently adhering to those policies. The financial statements were carefully prepared with consideration of the suitable items to be presented and provide sufficient disclosure in the notes. The Audit Committee has reported these opinions in the Audit Committee Report in the 2014 Annual Report and the Company's 2014 Form 56-1.

Furthermore, the Board of Directors has put in place an efficient internal control system to ensure that all accounting information is recorded accurately and assets are safe-kept in order to prevent fraud or significant damages.

In conclusion, the Board of Directors is of the opinion that the Company's internal control system is satisfactory and reasonably believes the trustworthiness of the Company's financial statements as of 31st December 2014, which the auditor has reviewed in accordance with generally accepted accounting standards. Additionally, the financial statements accurately show the significant aspects of the Company's financial status and performance in accordance with generally accepted accounting standards.



(Mr. Prasert Prasarttong-Osoth, M.D.)
CEO & President



Certificate for AO Clinical Study Clinic

The Bangkok Health Research Center,
Bangkok Hospital Group
has been certified as a AO Clinical Study Clinic (AOCSC)
by the AO Foundation.

This certifies that the Center's clinical research, training of clinical research personnel and important role in controlling the quality of clinical research in the field of Orthopaedic Surgery and the treatment of bones and joints meet international standards.

Report and consolidated financial statements

31 December 2014 and 2013

Bangkok Dusit Medical Services Public Company

Report of independent auditor

To the Shareholders of Bangkok Dusit Medical Services Public Company Limited

I have audited the accompanying consolidated financial statements of Bangkok Dusit Medical Services Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2014, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Bangkok Dusit Medical Services Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

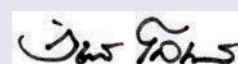
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the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

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Dusit Medical Services Public Company Limited and its subsidiaries and of Bangkok Dusit Medical Services Public Company Limited as at 31 December 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Wichart Lokatekrawee

Certified Public Accountant (Thailand) No. 4451

EY Office Limited

Bangkok: 26 February 2015

Statement of financial position

As at 31 December 2014

(Unit: Baht)

Assets	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December 2014	As at 31 December 2013	As at 31 December 2014	As at 31 December 2013
Current assets					
Cash and cash equivalents	6	3,594,335,664	4,061,345,500	1,862,514,806	1,756,130,780
Short-term investments	6	1,877,618,065	120,375,963	1,583,291,938	12,978
Trade and other receivables	8, 9, 10	5,818,869,050	4,925,058,894	1,051,772,413	884,799,028
Short-term loans to related parties	10	-	-	1,755,709,338	912,718,302
Dividend receivable - a related party	10	9,100,000	5,979,333	-	-
Inventories	11	1,110,813,412	918,672,840	98,629,263	100,923,649
Other current assets		268,528,550	197,598,728	22,939,305	21,580,198
Total current assets		12,679,264,741	10,229,031,258	6,374,857,063	3,676,164,935
Non-current assets					
Long-term deposit at financial institution	6	-	10,418,441	-	-
Restricted financial institution deposits	6, 7	29,525,658	20,683,895	14,000,000	14,000,000
Investments in associated companies	12	14,225,109,812	13,092,169,493	9,079,738,113	9,035,363,113
Investments in subsidiary companies	13	-	-	36,506,027,892	27,529,788,589
Other long-term investments	14	1,006,683,252	500,695,841	664,246,284	282,378,259
Long-term loans to related parties	10	-	-	5,341,174,983	5,733,377,121
Investment properties	15	265,450,433	260,698,513	519,109,433	514,357,513
Property, premises and equipment	16	46,501,842,516	38,874,981,340	7,386,789,781	6,934,566,575
Land not used in operation	17	297,307,543	602,007,543	296,981,200	601,681,200
Goodwill	13	15,999,933,687	10,944,814,666	-	-
Intangible assets	18	861,366,689	654,920,311	310,489,847	291,522,819
Other non-current assets					
Leasehold rights	10, 19	968,606,961	967,951,181	379,561,562	396,459,238
Others	10	392,763,825	240,642,204	46,320,418	22,975,502
Total non-current assets		80,548,590,376	66,169,983,428	60,544,439,513	51,356,469,929
Total assets		93,227,855,117	76,399,014,686	66,919,296,576	55,032,634,864

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

Statement of financial position (continued)

As at 31 December 2014

(Unit: Baht)

Liabilities and shareholders' equity

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December 2014	As at 31 December 2013	As at 31 December 2014	As at 31 December 2013
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	20	21,850,446	18,941,531	-	-
Trade and other payables	10, 21	4,408,232,621	4,020,697,449	927,757,614	986,902,792
Current portion of long-term loans from financial institutions	22	1,562,367,640	999,876,448	1,537,680,800	928,639,200
Current portion of liabilities under finance lease agreements	23	59,337,586	84,092,301	10,717,752	11,109,263
Current portion of debentures	24	2,499,842,503	2,969,455,061	2,499,842,503	2,969,455,061
Short-term loans		88,700,000	-	-	-
Short-term loans from related parties	10	-	-	4,703,038,618	2,926,436,769
Income tax payable		631,985,257	473,257,464	82,257,572	34,281,001
Accrued expenses		2,793,652,748	2,483,366,669	592,525,182	533,890,576
Current portion of deferred income - membership		307,562,934	265,673,232	104,650,389	93,711,022
Other current liabilities	10, 13	505,208,530	445,956,622	139,230,005	187,282,857
Total current liabilities		12,878,740,265	11,761,316,777	10,597,700,435	8,671,708,541
Non-current liabilities					
Long-term loans from financial institutions - net of current portion	22	9,341,602,676	7,563,647,555	9,306,925,600	7,326,342,400
Liabilities under finance lease agreements - net of current portion	23	101,402,802	75,332,355	15,404,412	18,368,151
Debentures - net of current portion	24	8,592,143,587	11,089,780,476	8,592,143,587	11,089,780,476
Convertible debentures - liability component	25	9,345,724,643	-	9,345,724,643	-
Provision for long-term employee benefits	26	1,354,975,802	1,202,043,962	245,985,250	238,374,454
Long-term portion of deferred income - membership		666,508,527	574,534,440	159,154,452	157,796,999
Deferred tax liabilities	31	1,843,793,861	1,393,591,718	231,950,440	146,832,381
Other non-current liabilities	10, 13	148,704,083	95,162,621	54,733,977	76,170,563
Total non-current liabilities		31,394,855,981	21,994,093,127	27,952,022,361	19,053,665,424
Total liabilities		44,273,596,246	33,755,409,904	38,549,722,796	27,725,373,965

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

Statement of financial position (continued)

As at 31 December 2014

(Unit: Baht)

Liabilities and shareholders' equity (continued)		Consolidated financial statements		Separate financial statements	
	Note	As at 31 December 2014	As at 31 December 2013	As at 31 December 2014	As at 31 December 2013
Shareholders' equity					
Share capital	27				
Registered					
16,497,868,714 ordinary shares of Baht 0.1 each (31 December 2013: 1,700,004,771 ordinary shares of Baht 1 each)		1,649,786,871	1,700,004,771	1,649,786,871	1,700,004,771
Issued and fully paid-up					
15,490,956,540 ordinary shares of Baht 0.1 each (31 December 2013: 1,549,095,654 ordinary shares of Baht 1 each)		1,549,095,654	1,549,095,654	1,549,095,654	1,549,095,654
Share premium					
Premium on ordinary shares		20,481,530,880	20,481,530,880	20,418,606,952	20,418,606,952
Difference from shareholding restructure		305,000,325	305,000,325	-	-
Retained earnings					
Appropriated - statutory reserve	29	170,000,477	170,000,477	170,000,477	170,000,477
Unappropriated		23,059,104,916	18,686,664,352	4,698,257,167	4,449,793,336
Other components of shareholders' equity		1,215,093,947	(511,721,450)	1,533,613,530	719,764,480
Equity attributable to owners of the Company		46,779,826,199	40,680,570,238	28,369,573,780	27,307,260,899
Non - controlling interests of the subsidiaries		2,174,432,672	1,963,034,544	-	-
Total shareholders' equity		48,954,258,871	42,643,604,782	28,369,573,780	27,307,260,899
Total liabilities and shareholders' equity		93,227,855,117	76,399,014,686	66,919,296,576	55,032,676,927

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

Income statement

For the year ended 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Revenues					
Revenues from hospital operations	10	54,341,350,192	49,169,881,061	11,753,349,210	10,931,549,695
Other income	10				
Revenue from sales of goods and foods		1,712,248,291	1,445,554,308	47,590,019	51,811,022
Interest income and gain on sale of short-term investments		77,200,806	62,658,608	319,656,946	284,309,372
Dividend income	12, 13, 14	214,523,164	37,340,164	2,380,502,301	3,236,109,954
Gain on fair value adjustment of investments		-	148,065,504	-	-
Others		629,243,443	543,024,286	793,054,096	739,363,376
Total other income		2,633,215,704	2,236,642,870	3,540,803,362	4,311,593,724
Total revenues		56,974,565,896	51,406,523,931	15,294,152,572	15,243,143,419
Expenses					
Cost of hospital operations and goods sold	10	36,472,643,489	32,976,969,438	7,268,947,724	6,934,727,928
Administrative expenses	10	11,257,252,160	10,548,666,175	3,505,354,016	3,393,188,999
Total expenses		47,729,895,649	43,525,635,613	10,774,301,740	10,327,916,927
Profit before share of income from investments in associated companies, finance expenses and income tax expenses		9,244,670,247	7,880,888,318	4,519,850,832	4,915,226,492
Share of income from investments in associated companies	12	1,067,570,476	988,095,823	-	-
Profit before finance expenses and income tax expenses		10,312,240,723	8,868,984,141	4,519,850,832	4,915,226,492
Finance expenses	10	(972,232,771)	(957,027,814)	(1,034,304,851)	(1,013,938,994)
Profit before income tax expenses		9,340,007,952	7,911,956,327	3,485,545,981	3,901,287,498
Income tax expenses	31	(1,670,926,369)	(1,391,978,345)	(216,106,562)	(119,658,205)
Profit for the year		7,669,081,583	6,519,977,982	3,269,439,419	3,781,629,293
Profit attributable to:					
Equity holders of the Company		7,393,522,539	6,261,464,863	3,269,439,419	3,781,629,293
Non-controlling interests of the subsidiaries		275,559,044	258,513,119		
		7,669,081,583	6,519,977,982		
Basic earnings per share	32				
Profit attributable to equity holders of the Company		0.48	0.40	0.21	0.24
Weighted average number of ordinary shares (shares)		15,490,956,540	15,463,058,020	15,490,956,540	15,463,058,020

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

Statement of comprehensive income

For the year ended 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Profit for the year		7,669,081,583	6,519,977,982	3,269,439,419	3,781,629,293
Other comprehensive income:					
Gain (loss) on change in value of available-for-sale investments	14	289,809,996	(34,620,089)	305,494,421	(34,831,065)
Actuarial gain		-	45,731,961	-	-
Exchange differences on translation of financial statements in foreign currencies		17,861,679	79,428,968	-	-
Reversal revaluation surplus on land not used in operation		(77,172,820)	(30,498,400)	(77,172,820)	(38,940,298)
Transferred revaluation surplus on land to retained earnings due to disposal of land not used in operation		77,172,820	-	77,172,820	13,671,410
Gain on revaluation of land	16	703,497,120	-	-	-
Share of other comprehensive income from associated companies		282,804,795	(88,958,202)	-	-
Other comprehensive income for the year		1,293,973,590	(28,915,762)	305,494,421	(60,099,953)
Total comprehensive income for the year		8,963,055,173	6,491,062,220	3,574,933,840	3,721,529,340
Total comprehensive income attributable to:					
Equity holders of the Company		8,660,576,551	6,231,979,951	3,574,933,840	3,721,529,340
Non-controlling interests of the subsidiaries		302,478,622	259,082,269		
		8,963,055,173	6,491,062,220		

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

Statement of cash flows

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before income tax expenses	9,340,007,952	7,911,956,327	3,485,545,981	3,901,287,498
Adjustments to reconcile profit before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation and amortisation expenses	3,704,802,644	3,244,247,247	709,023,331	671,522,651
Write-off of assets	47,464,288	46,212,437	4,363,172	282,512
Bad debts and doubtful debts	128,233,231	238,534,018	54,217,765	106,980,684
Loss on impairment of investment	-	393,071	58,967,211	95,095,189
Loss on impairment of assets	94,960,933	18,889,707	14,018,081	-
Reserve (reversal) of loss on deteriorated inventories	55,966	(998,172)	(455,083)	(1,340,629)
Amortisation of deferred income - membership	(437,246,815)	(465,196,530)	(139,795,921)	(180,127,891)
Share of income from investments in associated companies	(1,067,570,476)	(988,095,823)	-	-
Gain on fair value adjustment of investments	-	(148,065,504)	-	-
Amortisation of expense for debentures and convertible debentures	11,051,627	3,759,374	11,051,627	3,759,374
Loss (gain) on disposal of property, premises and equipment and land not used in operation	(108,751,484)	44,185,109	(95,241,103)	(51,821,248)
Gain on fair value adjustment of investment properties	(2,500,000)	(5,650,000)	(2,500,000)	(23,719,000)
Loss from liquidation of a subsidiary company	-	-	-	267,300
Unrealised loss (gain) on foreign exchange	17,753,400	-	28,232,239	(42,797,157)
Long-term employee benefit expenses	162,786,112	170,455,972	29,869,194	29,005,709
Annual leave expenses	14,290,881	25,808,125	6,037,033	7,636,207
Interest income	(77,200,806)	(62,658,608)	(319,656,946)	(284,309,372)
Dividend income	(214,523,164)	(37,340,164)	(2,380,502,301)	(3,236,109,954)
Interest expense	972,232,771	957,027,814	1,034,304,851	1,013,938,994
Profit from operating activities before changes in operating assets and liabilities	12,585,847,060	10,953,464,400	2,497,479,131	2,009,550,867

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

Statement of cash flows (continued)

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities (continued)				
Decrease (increase) in operating assets				
Trade and other receivables	(860,078,560)	(630,306,305)	(232,969,272)	(19,068,127)
Inventories	(79,977,627)	(38,755,146)	2,749,469	(8,315,772)
Other current assets	(69,819,006)	(33,786,832)	(1,359,108)	(2,032,228)
Other non-current assets	32,521,773	41,752,388	(23,641,168)	1,081,690
Increase (decrease) in operating liabilities				
Trade and other payables	402,306,352	41,819,197	26,599,706	(19,219,869)
Accrued expenses	252,507,149	160,513,673	69,633,075	7,122,802
Deferred income - membership	571,110,604	430,606,386	152,092,743	153,837,765
Other current liabilities	(11,682,730)	38,455,328	(48,052,853)	77,731,826
Provision for long-term employee benefits	(60,035,476)	(44,743,838)	(22,258,398)	(3,155,506)
Other non-current liabilities	(22,461,112)	33,872,899	(21,436,583)	(6,608,665)
Net cash from operating activities	12,740,238,427	10,952,892,150	2,398,836,742	2,190,924,783
Cash received from interest incomes	84,277,189	55,909,755	331,435,069	273,702,572
Cash paid for interest expenses	(908,310,983)	(904,758,643)	(977,855,954)	(968,787,432)
Cash received from tax refund	11,786,111	11,472,013	-	-
Cash paid for income tax expenses	(1,551,935,419)	(1,588,516,843)	(161,506,078)	(154,679,598)
Net cash from operating activities	10,376,055,325	8,526,998,432	1,590,909,779	1,341,160,325
Cash flows from investing activities				
Decrease (increase) in short-term investments	(1,757,242,102)	234,094,815	(1,583,278,960)	(2,769)
Decrease (increase) in restricted financial institution deposits	(8,841,763)	26,695,070	-	(14,000,000)
Decrease (increase) in long-term financial institution deposits	10,418,441	(10,418,441)	-	-
Dividend received	609,954,463	479,035,232	2,380,502,301	3,243,907,554
Cash received from disposal of investment in a subsidiary company	-	4,450	-	4,450
Cash receipt from capital repayment due to liquidation of a subsidiary company	-	-	-	732,000
Cash paid for purchase of investments in subsidiaries, associates and other company	(7,449,927,544)	(380,523,177)	(8,604,684,513)	(2,558,428,362)
Cash received from disposal of investment property	-	821,028	-	821,028
Cash paid for investment property	(187,250)	(7,600,278)	(187,250)	(7,600,278)
Cash received from disposal of property, premises and equipment	44,794,515	17,202,857	9,426,827	153,759,119
Cash received from disposal of land and buildings not used in operation	399,157,000	-	399,157,000	52,133,497
Cash paid for purchase of property, premises and equipment	(7,797,938,001)	(7,344,224,009)	(1,165,041,195)	(1,275,006,273)
Cash paid for leasehold rights	(19,453,037)	(426,710,772)	-	(311,870,772)
Increase in short-term loans to related parties	-	-	(842,991,036)	(705,619,516)
Increase in long-term loans to related parties	-	-	(997,090,150)	(1,003,918,500)
Cash received from long-term loans to related parties	-	-	889,898,368	638,318,600
Cash paid for purchase of intangible assets	(186,540,669)	(207,292,837)	(72,158,558)	(137,848,552)
Net cash used in investing activities	(16,155,805,947)	(7,618,916,062)	(9,586,447,166)	(1,924,618,774)

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

Statement of cash flows (continued)

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from financing activities				
Cash received from short-term loans	17,500,000	-	-	-
Increase (decrease) in short-term loans from related parties	(53,762,425)	-	1,776,601,849	129,812,221
Cash received from bank overdraft and short-term loans from financial institutions	5,303,020,895	4,600,000,000	5,300,000,000	4,600,000,000
Repayment of bank overdraft and short-term loans from financial institutions	(5,546,702,887)	(5,808,766,861)	(5,300,000,000)	(5,800,000,000)
Cash received from long-term loans from financial institutions	3,644,510,600	-	3,644,510,600	-
Repayment of long-term loans from financial institutions	(1,523,186,031)	(980,091,623)	(1,072,639,200)	(820,198,400)
Repayments of liabilities under finance lease agreements	(102,291,765)	(113,668,086)	(13,492,531)	(9,739,646)
Cash received from issue of debentures	-	6,991,621,900	-	6,991,621,900
Cash paid for redemption of debentures	(2,970,000,000)	(2,000,000,000)	(2,970,000,000)	(2,000,000,000)
Cash received from issue of convertible debentures	9,835,089,103	-	9,835,089,103	-
Cash received from issue share capital	-	-	-	462,670,007
Cash paid for investment in subsidiary companies from non - controlling interests	(75,640,602)	(269,760,322)	-	-
Dividend paid	(3,098,148,408)	(2,781,671,189)	(3,098,148,408)	(2,781,671,189)
Dividend paid by subsidiaries to non-controlling interests	(117,647,694)	(73,976,301)	-	-
Net cash from (used in) financing activities	5,312,740,786	(436,312,482)	8,101,921,413	772,494,893
Net increase (decrease) in cash and cash equivalents	(467,009,836)	471,769,888	106,384,026	189,036,444
Cash and cash equivalents at beginning of year	4,061,345,500	3,589,575,612	1,756,130,780	1,567,094,336
Cash and cash equivalents at end of year	3,594,335,664	4,061,345,500	1,862,514,806	1,756,130,780
Supplemental cash flows information:				
Non-cash items:				
Assets acquired under finance lease agreements	69,498,570	83,922,862	8,980,891	20,595,814
Increase (decrease) in accounts payable - property, premises and equipment	(196,929,144)	25,741,169	(31,132,167)	(21,090,705)
Decrease in accounts payable - investment property	-	(1,516,975)	-	(1,516,975)
Increase (decrease) in payable to construction - retention	14,299,604	159,762,669	(22,043,314)	23,409,404
Dividend receivable	9,100,000	5,979,333	-	-
Acquired investment in subsidiary company by issuing shares	-	462,670,007	-	-
Conversion of long-term loan to subsidiary to investmen in a subsidiary company	-	-	474,897,000	-

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

Statement of changes in shareholders' equity

	Issued and paid-up share capital	Premium on ordinary shares	Difference from shareholding restructure	Retained earnings		
				Appropriated-statutory reserve	Unappropriated	
Balance as at 31 December 2012	1,545,458,883	20,022,497,644	305,000,325	170,000,477	15,158,377,702	
Issue of share capital	3,636,771	459,033,236	-	-	-	
Profit for the year	-	-	-	-	6,261,464,863	
Other comprehensive income for the year	-	-	-	-	48,492,976	
Total comprehensive income for the year	-	-	-	-	6,309,957,839	
Dividend paid (Note 28)	-	-	-	-	(2,781,671,189)	
Share of Interest paid for convertible bonds treated as equity securities from an associated company	-	-	-	-	-	
Change in non-controlling interests of subsidiaries from purchase investments in subsidiaries	-	-	-	-	-	
Decrease in non-controlling interests of subsidiaries from dividend of subsidiaries	-	-	-	-	-	
Balance as at 31 December 2013	1,549,095,654	20,481,530,880	305,000,325	170,000,477	18,686,664,352	
Balance as at 31 December 2013	1,549,095,654	20,481,530,880	305,000,325	170,000,477	18,686,664,352	
Profit for the year	-	-	-	-	7,393,522,539	
Other comprehensive income for the year	-	-	-	-	77,066,433	
Total comprehensive income for the year	-	-	-	-	7,470,588,972	
Issue convertible debentures - equity component (Note 25)	-	-	-	-	-	
Dividend paid (Note 28)	-	-	-	-	(3,098,148,408)	
Share of Interest paid for convertible bonds treated as equity securities from an associated company	-	-	-	-	-	
Change in non-controlling interests of subsidiaries from purchase investments in subsidiaries	-	-	-	-	-	
Decrease in non-controlling interests of subsidiaries from dividend of subsidiaries	-	-	-	-	-	
Balance as at 31 December 2014	1,549,095,654	20,481,530,880	305,000,325	170,000,477	23,059,104,916	

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

For the year ended 31 December 2014

(Unit: Baht)

Consolidated financial statements

Equity attributable to owners of the Company

Other components of shareholders' equity							Total equity attributable to owners of the Company	Equity attributable to non-controlling interest of the subsidiaries	Total shareholders' equity
Other comprehensive income				Convertible debentures - equity component	Surplus investment over book value of subsidiary companies	Total other components of shareholders' equity			
Surplus on changes in value of available-for-sale investments	Revaluation surplus on land	Exchange differences on translation of financial statements in foreign currency	Share of other components of shareholders' equity from associated companies						
3,898,606	2,070,359,709	(144,466,313)	210,651,898	-	(2,488,452,171)	(348,008,271)	36,853,326,760	1,533,634,767	38,386,961,527
-	-	-	-	-	-	-	462,670,007	-	462,670,007
-	-	-	-	-	-	-	6,261,464,863	258,513,119	6,519,977,982
(34,623,403)	(30,498,400)	76,102,117	(88,958,202)	-	-	(77,977,888)	(29,484,912)	569,150	(28,915,762)
(34,623,403)	(30,498,400)	76,102,117	(88,958,202)	-	-	(77,977,888)	6,231,979,951	259,082,269	6,491,062,220
-	-	-	-	-	-	-	(2,781,671,189)	-	(2,781,671,189)
-	-	-	(7,761,611)	-	-	(7,761,611)	(7,761,611)	-	(7,761,611)
-	-	-	-	-	(77,973,680)	(77,973,680)	(77,973,680)	244,293,809	166,320,129
-	-	-	-	-	-	-	-	(73,976,301)	(73,976,301)
(30,724,797)	2,039,861,309	(68,364,196)	113,932,085	-	(2,566,425,851)	(511,721,450)	40,680,570,238	1,963,034,544	42,643,604,782
(30,724,797)	2,039,861,309	(68,364,196)	113,932,085	-	(2,566,425,851)	(511,721,450)	40,680,570,238	1,963,034,544	42,643,604,782
-	-	-	-	-	-	-	7,393,522,539	275,559,044	7,669,081,583
289,806,430	599,617,462	17,652,505	282,911,182	-	-	1,189,987,579	1,267,054,012	26,919,578	1,293,973,590
289,806,430	599,617,462	17,652,505	282,911,182	-	-	1,189,987,579	8,660,576,551	302,478,622	8,963,055,173
-	-	-	-	585,527,449	-	585,527,449	585,527,449	-	585,527,449
-	-	-	-	-	-	-	(3,098,148,408)	-	(3,098,148,408)
-	-	-	(7,783,870)	-	-	(7,783,870)	(7,783,870)	-	(7,783,870)
-	-	-	(6,008,920)	-	(34,906,841)	(40,915,761)	(40,915,761)	26,567,200	(14,348,561)
-	-	-	-	-	-	-	-	(117,647,694)	(117,647,694)
259,081,633	2,639,478,771	(50,711,691)	383,050,477	585,527,449	(2,601,332,692)	1,215,093,947	46,779,826,199	2,174,432,672	48,954,258,871

Statement of changes in shareholders' equity (continued)

	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		
			Appropriated-statutory reserve	Unappropriated	
Balance as at 31 December 2012	1,545,458,883	19,959,573,716	170,000,477	3,436,163,822	
Issue of share capital	3,636,771	459,033,236	-	-	
Profit for the year	-	-	-	3,781,629,293	
Other comprehensive income for the year	-	-	-	13,671,410	
Total comprehensive income for the year	-	-	-	3,795,300,703	
Dividend paid (Note 28)	-	-	-	(2,781,671,189)	
Balance as at 31 December 2013	1,549,095,654	20,418,606,952	170,000,477	4,449,793,336	
Balance as at 31 December 2013	1,549,095,654	20,418,606,952	170,000,477	4,449,793,336	
Profit for the year	-	-	-	3,269,439,419	
Other comprehensive income for the year	-	-	-	77,172,820	
Total comprehensive income for the year	-	-	-	3,346,612,239	
Issue convertible debentures - equity component (Note 25)	-	-	-	-	
Dividend paid (Note 28)	-	-	-	(3,098,148,408)	
Balance as at 31 December 2014	1,549,095,654	20,418,606,952	170,000,477	4,698,257,167	

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

For the year ended 31 December 2014

(Unit: Baht)

Separate financial statements

Other components of shareholders' equity				Total shareholders' equity
Other comprehensive income		Convertible debentures - equity component	Total other components of shareholders' equity	
Surplus on changes in value of available-for-sale investments	Revaluation surplus on land			
3,561,343	789,974,500	-	793,535,843	25,904,732,741
-	-	-	-	462,670,007
-	-	-	-	3,781,629,293
(34,831,065)	(38,940,298)	-	(73,771,363)	(60,099,953)
(34,831,065)	(38,940,298)	-	(73,771,363)	3,721,529,340
-	-	-	-	(2,781,671,189)
(31,269,722)	751,034,202	-	719,764,480	27,307,260,899
(31,269,722)	751,034,202	-	719,764,480	27,307,260,899
-	-	-	-	3,269,439,419
305,494,421	(77,172,820)	-	228,321,601	305,494,421
305,494,421	(77,172,820)	-	228,321,601	3,574,933,840
-	-	585,527,449	585,527,449	585,527,449
-	-	-	-	(3,098,148,408)
274,224,699	673,861,382	585,527,449	1,533,613,530	28,369,573,780

Notes to consolidated financial statements For the year ended 31 December 2014

1. General information

Bangkok Dusit Medical Services Public Company Limited ("the Company") is a public company under Thai laws and domiciled in Thailand. The Company is principally engaged in the hospital business. The registered office of the Company is at 2, Soi Soonvijai 7, New Petchburi Road, Bang Kapi, Huaykwang, Bangkok.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

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

Company's name	Nature of business	Percentage of shareholding by the Company (percent)	
		2014	2013
Held by the Company			
Samitivej Public Co., Ltd.	Hospital	95.76	95.76
Bangkok Hospital Hatyai Co., Ltd.	Hospital	98.80	98.80
Bangkok Phuket Hospital Co., Ltd.	Hospital	99.69	99.69
BNH Medical Center Co., Ltd.	Hospital	91.48	91.48
Bangkok Phrapradaeng Hospital Co., Ltd.	Hospital	84.00	84.00
Bangkok Pattaya Hospital Co., Ltd.	Hospital	97.27	97.27
Bangkok Rayong Hospital Co., Ltd.	Hospital	100.00	100.00
Bangkok Samui Hospital Co., Ltd.	Hospital	100.00	100.00
Bangkok Trat Hospital Co., Ltd.	Hospital	99.76	99.76
Wattanavej Co., Ltd.	Hospital	99.69	99.69
Bangkok Ratchasima Hospital Co., Ltd.	Hospital	91.36	90.94
National Healthcare Systems Co., Ltd. (held by the Company at 74.02% and indirectly held by subsidiaries at 24.66%)	Central lab	74.02	74.02
Bio Molecular Laboratories (Thailand) Co., Ltd.	Central lab	95.00	95.00
Angkor Pisith Co., Ltd.	Hospital	80.00	80.00
Phnom Penh Medical Services Co., Ltd.	Hospital	100.00	100.00
Royal Rattanak Medical Services Co., Ltd.	Hospital	70.00	70.00
B.D.M.S. International Medical Services Co., Ltd.	Hospital	100.00	100.00
BDMS Accounting Co., Ltd.	Accounting service	100.00	100.00
Bangkok Health Insurance Public Co., Ltd.	Health insurance	99.97	99.94

Company's name	Nature of business	Percentage of shareholding by the Company (percent)	
		2014	2013
Held by the Company (continued)			
Royal Bangkok Healthcare Co., Ltd.	Investment	100.00	100.00
Greenline Synergy Co., Ltd.	Technology and information service	100.00	100.00
Bangkok Hospital Kao Yai Co., Ltd.	Hospital	100.00	100.00
BDMS Training Co., Ltd.	Training business	100.00	100.00
Prasit Patana Public Co., Ltd.	Investment	98.52	98.43
Paolo Medic Co., Ltd.	Hospital	100.00	100.00
Paolo Samutprakarn Co., Ltd.	Hospital	93.61	93.45
Siam Medical Co., Ltd.	Hospital	85.71	85.71
Thai Medical Center Public Co., Ltd.	Hospital	99.76	99.76
Bangkok Premier Life Insurance Broker Co., Ltd.	Life insurance broker	100.00	100.00
Bangkok Hospital Chiangmai Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Udon Co., Ltd.	Hospital	100.00	100.00
Bangkok Khon Kaen Hospital Co., Ltd.	Hospital	100.00	100.00
The Medicpharma Co., Ltd.	Production and distribution of medicines	86.89	86.89
Thonburi Medical Center Public Co., Ltd. (held by the Company at 29.01% and indirectly held by subsidiary at 29.02%)	Hospital	29.01	26.33
Bangkok Hospital Surat Co., Ltd.	Hospital	100.00	100.00
BDMS Inter Pte. Ltd.	Investment	100.00	100.00
N Health Asia Pte. Ltd.	Investment	100.00	100.00
Samitivej Chonburi Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Phitsanulok Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Sanamchan Co., Ltd.	Hospital	100.00	-
Bangkok Phutket International Hospital Co., Ltd.	Hospital	100.00	-
Bangkok Save Drug Co., Ltd.	Investment	100.00	-
Held by subsidiaries			
National Healthcare Systems Co., Ltd.	Central lab	25.97	25.97
Samitivej Sriracha Co., Ltd.	Hospital	69.75	69.75
Irving Sheridan SE Co., Ltd.	Assets management for healthcare business	96.03	96.03
First Health Food Co., Ltd.	Restaurant and distributing health food products and facility management and investments	100.00	100.00

Company's name	Nature of business	Percentage of shareholding by the Company (percent)	
		2014	2013
Held by subsidiaries (continued)			
Sodexo Healthcare Support Services (Thailand) Co., Ltd.	Restaurant and distributing health food products and facility management	74.00	74.00
SV Holding Co., Ltd.	Investment	100.00	100.00
A.N.B. Laboratories Co., Ltd.	Manufacturer and distributor of medicine and pharmaceutical products	100.00	100.00
Thonburi Medical Center Public Co., Ltd.	Hospital	29.02	29.02
Phyathai 1 Hospital Co., Ltd.	Hospital	100.00	100.00
Phyathai 2 Hospital Co., Ltd.	Hospital	99.16	99.16
Phyathai 3 Hospital Co., Ltd.	Hospital	98.23	98.22
Sriracha Nakorn General Hospital Public Co., Ltd.	Hospital	74.22	74.07
N Health Cambodia Co., Ltd.	Central Lab	100.00	-
Tepakorn Hospital Co., Ltd.	Hospital	44.53	-
Save Drug Center Co., Ltd.	Retailer of medicine and pharmaceutical products	100.00	-
N Health Pathology Co., Ltd.	Central Lab	95.00	-
Samitivej International Co., Ltd.	Clinic	80.00	-

All subsidiaries incorporated in Thailand except B.D.M.S. International Medical Services Co., Ltd., Angkor Pisith Co., Ltd., Phnom Penh Medical Services Co., Ltd., Royal Rattanak Medical Services Co., Ltd. and N Health Cambodia Co., Ltd. which were registered in Cambodia and BDMS Inter Pte. Ltd. and N Health Asia Pte. Ltd. registered in Singapore and Samitivej International Co., Ltd. registered in Republic of the Union of Myanmar.

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within shareholders' equity in the consolidated statement of financial position.

g) In recording the acquisition of additional shares of subsidiaries (repurchase of shares from minority shareholders) when the fair value of the net assets acquired is lower than the cost of the investment the difference has been presented in other components of shareholders' equity in the statement of financial position under the caption of "Surplus on investments in subsidiary companies arising as a result of acquisition of additional shares at a price higher than net book value at the acquisition date". When the fair value of the net assets acquired is higher than the cost of the investment the difference has been presented in other components of shareholders' equity in the statement of financial position under the caption of "Lower of investment in subsidiary companies arising as a result of acquisition of additional shares at a price lower than net book value at the acquisition date".

2.3 The separate financial statements, which present investments in subsidiaries and associates under the cost method, have been prepared solely for the benefit of the public.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

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

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards :

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards :

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard

Interpretations :

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company and subsidiaries believe they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognises actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognised actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believe that this standard will not have any significant impact on the Company's and its subsidiaries' financial statements.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believe that this standard will not have any significant impact on the Company's and its subsidiaries' financial statements.

4. Significant accounting policies

4.1 Revenue recognition

Hospital operations

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

Revenue from sales of goods and foods

Sales of goods and foods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods and food supplied after deducting discounts.

Service income

Service income is recognised when services have been rendered.

Membership income

Membership income is cash receipt from sales of membership cards which initially recorded as deferred income and gradually amortised to income within membership period. For cash received in advance from the Life Privilege membership program is amortised to income over a period of 10 years.

Interest income

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

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable and allowance for doubtful accounts

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

4.4 Inventories

Inventories are valued at lower of cost (weighted average basis) or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

4.5 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).
- e) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- f) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

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

4.6 Investment properties

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

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.7 Property, premises and equipment/Depreciation

Land is stated at revalued amount. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to its fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Company and its subsidiaries' assets, the increase is credited directly to other comprehensive income under the heading of "Revaluation surplus on land". However, a revaluation increase will be recognised as income to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company and its subsidiaries' assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus on land" in respect of the same asset.

Depreciation of premises and equipment is calculated by reference to their cost on a straight-line basis over the following estimated useful lives:

Land improvements	5 - 30 years
Building, structures and building improvements	5 - 50 years
Medical tools and equipment and machines	3 - 10 years
Structure equipment, furniture and office equipment	3 - 15 years
Vehicles	5 - 8 years

Depreciation attributed to the original cost portion is included in determining income.

No depreciation is provided on land and fixed assets under construction and installation.

An item of property, premises and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.9 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

The intangible asset with finite useful lives is as follow :

Computer software 5 - 10 years

Intangible assets with indefinite useful lives are not amortised such as trademark, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

4.10 Goodwill / Business combination

Business combinations are accounted for using the acquisition method with the cost of the acquisition being the fair value at the acquisition date of consideration transferred, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest, if any, in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and the services are received.

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

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

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.11 Related party transactions

Related parties comprise enterprises and individuals that control or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company.

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

4.12 Long-term rental agreements

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

4.13 Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership is retained by the lessor are classified as operating leases. Payments made under operating leases are recognised as expenses in profit or loss on a straight line basis over the period of the lease

4.14 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, premises and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss. However in cases where property was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.15 Leasehold rights

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

4.16 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.17 Convertible debentures

Convertible debentures are classified into liability and equity components and these are presented separately in the statements of financial position. In separately presenting such components, the Company determines the liability component by discounting the stream of future payments of principal and interest at the prevailing market rate. The carrying amount of the equity component was then determined by deducting the liability component from the total carrying value of the convertible debenture.

The liability component is presented at amortised cost until the conversion or maturity of the debentures. The value of the equity component determined upon the issue of the debentures does not change in subsequent periods.

Expenses for issuance debentures separately recorded between liability and equity component and based on the proportion. The expenses related to liability component deducted from convertible debenture - liability component and amortising over the life of the debentures and expenses related to equity component deducted from equity component and did not amortise.

4.18 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company's and its subsidiaries contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Provisions for vacation

The Company and its subsidiaries have set up provisions for vacation which is calculated in accordance with the Company's policy and formula, taking into consideration the employee's salary, the number of years of service and the unused vacation day. This provision has been adjusted annually.

4.19 Provisions

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

4.20 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

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

Deferred tax

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

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.21 Financial instruments

Financial assets carried on the statement of financial position included cash and cash equivalents, short-term investments, trade and other receivables, short-term loans and long-term loans to related parties, restricted financial institution deposits, and investments. Financial liabilities carried on the statement of financial position included bank overdrafts and short-term loans from financial institutions, trade and other payables, short-term loans from related parties, long-term loans, liabilities under finance leases, debentures and convertible debentures.

The Company and its subsidiaries have no policy to hold any off-statement of financial position derivative financial instruments for speculative or trading purpose.

4.22 Interest rate swap contracts

The net amount of interest to be received from or paid to the counterparty under an interest rate swap contract is recognised as income or expenses on an accrual basis.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgments and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risks and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining allowances for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, debt collection experience, the aging profile of outstanding debts and the prevailing economic conditions.

Property, premises and equipment/Depreciation

In determining depreciation of premises and equipment, the management is required to make estimates of the useful lives and residual values of the Company's and its subsidiaries' premises and equipment and to review estimate useful lives and residual values when there are any changes.

The Company and its subsidiaries measure land at revalued amounts. Fair value from revaluation is determined by independent valuer using market approach. Such valuation is based on certain assumptions and estimates.

In addition, the management is required to review property, premises and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Impairment of equity investments

The Company and its subsidiaries treat available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement of the management.

Investment properties

The Company and its subsidiaries present investment properties at the fair value estimated by an independent appraiser, and recognise changes in the fair value in profit or loss. The valuation involves certain assumptions and estimates.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and other intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating unit and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Company and its subsidiaries have contingent liabilities arising from litigation. The Company's management has used judgment to assess the outcome of the litigation. In cases of loss, the Company and its subsidiaries will record provision for contingent liabilities in their books of account. In cases where it has assessed that no damage will arise from the litigation, the Company and its subsidiaries will not record provision for contingent liabilities at the end of the reporting period.

6. Cash and cash equivalents

Cash and cash equivalents consist of the following :

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash and deposits at financial institution	3,571,259	3,673,169	1,862,515	1,556,131
Fixed deposits	346,942	539,655	14,013	214,013
Mutual funds	1,583,279	-	1,583,279	-
	5,501,480	4,212,824	3,459,807	1,770,144
Less: Fixed deposits with maturities of more than 3 months and mutual funds (short-term investments)	(1,877,618)	(120,376)	(1,583,292)	(13)
Fixed deposit with maturities of more than 12 months (long-term deposit)	-	(10,418)	-	-
Restricted financial institution deposits	(29,526)	(20,684)	(14,000)	(14,000)
Total cash and cash equivalents	3,594,336	4,061,346	1,862,515	1,756,131

As at 31 December 2014, bank deposits in saving accounts and fixed deposits carried interests between 0.13 and 3.00 percent per annum (2013: between 0.13 and 3.25 percent per annum).

7. Restricted financial institutions deposits

These represent bank deposits that the Company and its subsidiary companies have placed with banks to secure letters of guarantees issued by the banks on behalf of the Company and its subsidiary companies. These also represent bank deposits have placed with government agencies, state enterprises and private entities to guarantee contractual performance.

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade receivables - related parties	8,913	6,527	16,935	15,766
Trade receivables - unrelated parties-net	5,509,084	4,673,669	919,616	766,301
Other receivables - related parties	28,911	25,062	80,454	75,514
Other receivables - unrelated parties	271,961	219,801	34,767	27,218
Total trade and other receivables - net	5,818,869	4,925,059	1,051,772	884,799

9. Trade accounts receivable

As at 31 December 2014 and 2013, the aging analysis of the outstanding trade accounts receivable is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Related parties				
Less than 3 months	8,381	4,765	16,793	15,213
3 - 6 months	373	1,356	142	506
6 - 12 months	47	382	-	36
over 12 months	112	24	-	11
Total trade accounts receivable - related parties	8,913	6,527	16,935	15,766
Unrelated parties				
Less than 3 months	4,616,581	3,870,470	869,391	692,662
3 - 6 months	601,296	572,966	60,593	58,371
6 - 12 months	309,471	285,228	32,177	50,828
over 12 months	413,212	376,132	199,574	174,409
Total trade accounts receivable - unrelated parties	5,940,560	5,104,796	1,161,735	976,270
Less: Allowance for doubtful accounts	(431,476)	(431,127)	(242,119)	(209,969)
Total trade accounts receivable - unrelated parties - net	5,509,084	4,673,669	919,616	766,301
Total trade accounts receivable -net	5,517,997	4,680,196	936,551	782,067

10. Related party transactions

The Company and its subsidiaries had significant business transactions with individuals or related parties, which have been concluded on commercial terms and bases agreed upon between the Company and those related parties. Below is a summary of those transactions.

Transaction	Pricing and lending policy
Revenues from hospital operations and lab services	Based on the price charged to normal customers
Revenues and expenses from consulting and management	Rates as stipulated in agreements
Revenues and costs of sales and purchases of goods and services	Based on the price charged to normal customers
Rental income and rental expenses	Rates as stipulated in agreements
Interest charge of inter-company loans	Interest rates close to that charged by commercial banks
Purchases and sales of assets	Prices are dependent on the condition of assets
Purchases of investments	The same prices as purchases from unrelated parties

The significant intercompany transactions are as follows:

(Unit: Million Baht)

For the years ended 31 December				
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Associated companies				
Revenue from hospital operations and lab services	22.2	15.3	11.1	10.4
Consulting and management fee income	0.4	0.4	-	-
Dividend income (Note 12)	-	-	387.3	430.4
Other income	48.9	32.3	0.1	0.1
Service cost	58.4	104.6	57.3	64.9
Other expenses	0.1	9.0	0.1	-
Subsidiary companies				
Revenue from hospital operations and lab services	-	-	70.0	59.6
Consulting and management fee income	-	-	524.1	476.4
Interest income	-	-	247.7	250.2
Dividend income (Note 13)	-	-	1,987.3	2,773.1
Gain on disposal of asset	-	-	-	49.3
Other income	-	-	64.4	36.5
Service cost	-	-	724.6	686.8
Consulting and management fee expenses	-	-	253.4	234.7
Other expenses	-	-	87.2	45.6
Interest expenses	-	-	78.2	80.2
Purchase of assets	-	-	7.1	-
Individuals or related companies				
Revenue from hospital operations and lab services	5.2	7.7	2.1	2.5
Dividend income (Note 14)	0.6	28.0	0.6	28.0
Interest income	14.3	5.5	14.3	5.5
Gain on sale of asset	94.5	-	94.5	-
Other income	6.7	21.8	6.5	7.3
Service cost	7.4	3.6	0.8	0.5
Other expenses	55.1	57.6	35.1	33.3
Dividend payment	201.8	193.0	201.8	187.8
Labor law compensation	-	15.2	-	15.2
Purchase of assets	4.6	-	-	-

The outstanding balances of the above transactions as at 31 December 2014 and 2013 have been separately shown in the statement of financial position as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade receivables - related parties				
Associated companies	7,087	4,886	3,104	2,162
Subsidiary companies	-	-	12,597	12,512
Related companies	1,826	1,641	1,234	1,092
Total trade receivables - related parties	8,913	6,527	16,935	15,766
Dividend receivable - a related party				
An associated company	9,100	5,979	-	-
Total dividend receivable - a related party	9,100	5,979	-	-
Other receivables - related parties				
Consulting and management fee receivable				
Subsidiary companies	-	-	34,672	42,381
Total	-	-	34,672	42,381
Others				
Associated companies	20,181	10,279	-	-
Subsidiary companies	-	-	45,000	27,561
Related companies	8,730	14,783	782	5,572
Total	28,911	25,062	45,782	33,133
Total other receivables - related parties	28,911	25,062	80,454	75,514
Leasehold rights - related parties (included in other non-current assets)				
Associated companies	288,608	290,442	-	-
A related party	52,800	72,861	-	-
Total leasehold rights - related parties	341,408	363,303	-	-
Deposits and long-term prepaid expense - related party (included in other non-current assets)				
Subsidiary company	-	-	3,528	4,599
Total deposits and long-term prepaid expense - related party	-	-	3,528	4,599
Trade payables - related parties				
Associated companies	34,992	38,021	21,023	27,056
Subsidiary companies	-	-	117,262	95,381
Related companies	1,804	56	104	-
Total trade payables - related parties	36,796	38,077	138,389	122,437

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Other payables - related parties				
Associated companies	1,980	8,539	-	5,600
Subsidiary companies	-	-	49,902	86,423
Related companies	3,779	2,661	1,746	-
Total other payables - related parties	5,759	11,200	51,648	92,023
Deposits - related parties				
(included in other non-current liabilities)				
Associated company	15	15	15	15
Subsidiary companies	-	-	1,195	2,457
Related companies	735	99,218	735	99,218
Total deposits - related parties	750	99,233	1,945	101,690

Movement of loans to and loans from related parties during the year are summarised as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	31 December 2013	Increase	Decrease	31 December 2014
Short-term loans to related parties				
Subsidiary companies	912,718	1,002,866	(159,875)	1,755,709
Total short-term loans to related parties	912,718	1,002,866	(159,875)	1,755,709
Long-term loans to related parties				
Subsidiary companies	5,733,377	997,090	(1,389,292)	5,341,175
Total long-term loans to related parties	5,733,377	997,090	(1,389,292)	5,341,175
Short-term loans from related parties				
Subsidiary companies	2,926,437	2,463,025	(686,423)	4,703,039
Total short-term loans from related parties	2,926,437	2,463,025	(686,423)	4,703,039

Short-term and long-term loans to related parties and short-term loans from related parties

The Company has entered into agreement to provide short-term loans and long-term loans with terms of 3 - 8 years with its subsidiaries and also obtained short-term loans from its subsidiaries. The loans to related parties bear interest at MLR minus fixed rate per annum and LIBOR plus fixed rate per annum stipulated in the agreement. The loans from related parties bear interest at Fixed Deposit Rate. The interest is payable on a monthly basis while principal is repayable on the basis stipulated in the agreements.

In July 2014, the Company converted long-term loans to investment in subsidiary as described in Note 13.1.

Service and management agreement

The Company

The Company has entered into Management Service Agreements with subsidiary companies. The Company is to receive a monthly management income at a certain percentage of net revenue as stipulated in the agreements.

The Subsidiaries

A subsidiary company has entered into a Hospital Management Agreement with subsidiary companies. The subsidiary company is to receive management income at a certain percentage of total operation result as stipulated in the agreement.

A subsidiary company has entered into service and management agreements with the Company and subsidiaries which have to pay monthly service and management fees to the subsidiary at the rates stipulated in the agreements.

A subsidiary company has entered into accounting service agreements with the Company and subsidiaries which have to pay monthly service fees to the subsidiary at the rates stipulated in the agreements.

A subsidiary company has entered into information technology management agreements with the Company and subsidiaries which have to pay monthly service fees to the subsidiary at the rate stipulated in the agreements.

A subsidiary company has entered into food providing and maintenance service agreements with the Company and subsidiaries which have to pay monthly service fee to the subsidiary at the rates stipulated in the agreements.

Long term rental agreement

The Company

In May 2004, a subsidiary company has entered into a three-year agreement to rent land from the Company for use in hospital operations whereby the subsidiary company has to pay a monthly rental fee at the rate stipulated in the agreement. Subsequently, the subsidiary extended the agreement to 30 April 2016.

The Subsidiaries

A subsidiary company has entered into an agreement to rent land from another subsidiary company for construction of a building, expiring on 31 December 2015. The subsidiary company has to pay a monthly rental fee at the rate stipulated in the agreement. In addition, such another subsidiary company entered into an agreement to rent the building from a subsidiary company for its hospital operations, expiring on 30 April 2017. That subsidiary company has to pay a monthly rental fee at the rate stipulated in the agreement.

A subsidiary company has entered into a three-year agreement to rent land from another subsidiary company for construction of a building for use in operation from 1 January 2013 to 31 December 2015. The subsidiary company has to pay quarterly rental fee at the rate stipulated in the agreement.

Air ambulance service agreement

Associated company

On 1 September 2007, an associated company entered into an air ambulance service agreement with the Company. The agreement is for a period of 3 years from the date the service commenced and is renewable. The agreement stipulates the monthly minimum service fee that the associated company is to earn from the Company. The Company has extended the agreement for 25 months ended on 30 September 2015.

Guarantee obligations with related parties

The Company has guaranteed long-term loan with financial institution amount of USD 1.7 million (2013: USD 2.4 million) and overdraft facility amounting to USD 1.0 million (2013: USD 1.0 million) for an overseas subsidiary company.

A subsidiary company has guaranteed credit facility with financial institution amounting to Baht 3.9 million for an associated company.

Sales of land not use in operation

In 2013, the Company has entered into agreement to sell land of Baht 399 million with a related party. The Company received interest on the requested postponement the scheduled purchase of the land. In the third quarter of 2014, the Company sold land and transferred the ownership to such related party.

Directors and management's benefits

During the years ended 31 December 2014 and 2013, the Company and its subsidiaries had benefits for their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Short-term employee benefits	151.6	132.1	151.6	132.1
Post-employment benefits	2.3	2.1	2.3	2.1
Total	153.9	134.2	153.9	134.2

11. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Medicines and medical supplies	808,021	778,343	98,629	101,379
Reagent	121,488	81,421	-	-
Supplies and others	182,981	60,530	-	-
Total	1,112,490	920,294	98,629	101,379
Less: Provision for deteriorated inventories	(1,677)	(1,621)	-	(455)
Inventories - net	1,110,813	918,673	98,629	100,924

12. Investments in associated companies

(Unit: Thousand Baht)

Company's name	Natures of business	Paid-up Capital	% Shareholding		Consolidated financial statements		Separate financial statements	
					Equity Method		Cost Method	
			2014	2013	2014	2013	2014	2013
Associated companies held by the Company								
Cool & Joy Co., Ltd.	Production of television and radio program	Baht 5 million	30.00	30.00	1,069	1,069	1,500	1,500
S.R. Property Investment Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	2,964	2,472	101	101
Siem Reap Land Investment Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	2,545	2,132	101	101
Phnom Penh First Property Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	5,295	4,531	88	88
Bangkok Helicopter Services Co., Ltd.	Service	Baht 100 million	49.00	49.00	31,430	31,673	50,859	50,859
Ramkhamhaeng Hospital Public Co., Ltd.	Hospital	Baht 120 million	38.24	38.24	3,653,933	3,039,994	1,459,801	1,459,801
Udon Pattana (1994) Co., Ltd. (held by the Company at 15.26% and indirectly held by subsidiary at 9.85%)	Hospital	Baht 300 million	25.11	25.09	198,180	191,331	69,952	69,952
Bumrungrad Hospital Public Co., Ltd.	Hospital	Baht 730 million	23.95	23.88	10,164,710	9,812,320	7,497,336	7,452,961
Total investments in associated companies held by the Company							9,079,738	9,035,363
Total investments in associated companies held by the Company and subsidiaries					14,060,126	13,085,522		
Associated companies held by the subsidiary companies								
Sodexo Support Services (Thailand) Co., Ltd.	Management services	Baht 5 million	26.00	26.00	7,134	6,647		
Al Ghaith Bangkok Dusit Management Services LLC.	Management services	UAE DIRHAM 0.15 million	30.00	30.00	393	393		
G. Wasupol Co., Ltd.	Hospital	Baht 54 million			157,850	-		
Total investments in associated company held by the subsidiary companies			25.83	-	165,377	7,040		
Less: Allowance for impairment of investment					(393)	(393)		
Total investments in associated companies held by subsidiary companies - net					164,984	6,647		
Total investments in associated companies in the consolidated financial statements					14,225,110	13,092,169		

12.1 Additional investments in associated companies

Bumrungrad Hospital Public Co., Ltd.

In the first quarter of 2014, the Company purchased additional investment totaling Baht 44.4 million in Bumrungrad Hospital Public Co., Ltd. As a result, the Company's shareholding in that company increased to 23.95 percent.

12.2 Details of share of income and dividend received from the associated companies are set out below.

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of income/(loss) from investments in associated companies		Dividend received during the year	
	2014	2013	2014	2013
Associated companies held by the Company				
The Medicpharma Co., Ltd.	-	1,820	-	44,100
Cool & Joy Co., Ltd.	-	-	-	-
S.R. Property Investment Co., Ltd.	346	226	-	-
Siem Reap Land Investment Co., Ltd.	315	240	-	-
Phnom Penh First Property Co., Ltd.	727	736	-	-
Bangkok Helicopter Services Co., Ltd.	(244)	(3,304)	-	-
Ramkhamhaeng Hospital Public Co., Ltd.	386,302	348,343	55,061	55,061
Thonburi Medical Centre Public Co., Ltd.	-	(20)	-	-
Udon Patana (1994) Co., Ltd.	6,849	5,901	-	-
Bumrungrad Hospital Public Co., Ltd.	653,916	627,940	332,215	331,265
Associated companies held by the subsidiary companies				
Sodexo Support Services (Thailand) Co., Ltd.	9,588	6,214	-	-
Al Ghaith Bangkok Dusit Management Services LLC.	-	-	-	-
G. Wasupol Co., Ltd.	9,771	-	-	-
Total	1,067,570	988,096	387,276	430,426

Below are fair values of investments in associated companies that are listed companies on the Stock Exchange of Thailand

(Unit: Thousand Baht)

Company's name	Fair values as at 31 December	
	2014	2013
Ramkhamhaeng Hospital Public Co., Ltd.	9,176,848	9,176,848
Bumrungrad Hospital Public Co., Ltd.	24,653,878	24,653,878
Total	33,830,726	33,830,726

12.3 Below is a summary of financial information of associated companies

(Unit: Million Baht)

Company's name	As at 31 December				For the years ended 31 December					
	Paid-up capital		Total assets		Total liabilities		Total revenues		Net income (loss)	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Associated companies held by the Company										
Cool & Joy Co., Ltd.	Baht 5 million	Baht 5 million	2.9	2.9	-	-	-	-	-	-
S.R. Property Investment Co., Ltd.	Riel 20 million	Riel 20 million	72.5	72.2	66.5	67.2	0.7	0.7	0.7	0.5
Siem Reap Land Investment Co., Ltd.	Riel 20 million	Riel 20 million	66.0	65.8	60.9	61.4	0.7	0.7	0.6	0.5
Phnom Penh First Property Co., Ltd.	Riel 20 million	Riel 20 million	151.7	151.0	140.9	141.8	1.5	1.5	1.5	1.5
Bangkok Helicopter Services Co., Ltd.	Baht 100 million	Baht 100 million	184.2	208.2	120.0	144.7	70.2	68.0	0.6	(2.5)
Ramkhamhaeng Hospital Public Co., Ltd.	Baht 120 million	Baht 120 million	10,857.9	7,778.6	3,914.6	2,569.1	3,680.0	3,289.5	999.0	879.0
Udon Patana (1994) Co., Ltd.	Baht 300 million	Baht 300 million	1,082.1	1,068.3	306.7	320.2	502.0	458.9	27.3	23.5
Bumrungrad Hospital Public Co., Ltd.	Baht 730 million	Baht 730 million	19,144.7	17,251.5	7,884.7	7,654.6	15,910.5	14,651.4	2,734.8	2,520.8
Associated companies held by the subsidiary companies										
Sodexo Support Services (Thailand) Co., Ltd.	Baht 5 million	Baht 5 million	163.3	156.0	135.9	130.4	465.7	439.1	36.9	23.9
Al Ghaith Bangkok Dusit Management Services LLC.	UAE DIRHAM 0.15 million	UAE DIRHAM 0.15 million	-	-	-	-	-	-	-	-
G. Wasupol Co., Ltd.	Baht 54 million	-	296.6	-	43.6	-	132.2	-	37.8	-

Share of income from investment in two associated companies which are listed company on the Stock Exchange of Thailand for the year ended 31 December 2014 of Baht 1,040.2 million (2013: three associated companies Baht 976 million) representing 97 percent (2013: 99 percent) of total share of income from all associated companies were calculated based on audited financial statements of those companies.

13. Investments in subsidiary companies

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up Capital	% Shareholding		Separate financial statements			
					Investments-cost method		Dividend received during the year	
			2014	2013	2014	2013	2014	2013
Samitivej Public Co., Ltd.	Hospital	Baht 1,000 million	95.76	95.76	1,639,071	1,639,071	526,700	215,468
Bangkok Hospital Hatyai Co., Ltd.	Hospital	Baht 500 million	98.80	98.79	574,535	574,458	98,800	79,032
Bangkok Phuket Hospital Co., Ltd.	Hospital	Baht 500 million	99.69	99.69	610,174	610,174	49,843	448,580
BNH Medical Center Co., Ltd.	Hospital	Baht 586 million	91.48	91.48	602,657	602,657	160,857	160,857
Bangkok Phrapradaeng Hospital Co., Ltd.	Hospital	Baht 105 million	84.00	84.00	101,868	101,868	-	-
Bangkok Pattaya Hospital Co., Ltd.	Hospital	Baht 280 million	97.27	97.27	708,966	708,966	490,218	789,795
Bangkok Rayong Hospital Co., Ltd.	Hospital	Baht 400 million	100.00	100.00	415,020	415,020	-	350,000
Bangkok Samui Hospital Co., Ltd.	Hospital	Baht 150 million	100.00	100.00	150,000	150,000	67,500	48,750
Bangkok Trat Hospital Co., Ltd.	Hospital	Baht 250 million	99.76	99.76	245,889	245,889	17,457	17,457
Wattanavej Co., Ltd.	Hospital	Baht 180 million	99.69	99.69	450,643	450,643	107,670	89,725
Bangkok Ratchasima Hospital Co., Ltd.	Hospital	Baht 300 million	91.36	90.94	934,438	929,973	40,923	-

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up Capital	% Shareholding		Separate financial statements			
					Investments-cost method		Dividend received during the year	
			2014	2013	2014	2013	2014	2013
National Healthcare Systems Co., Ltd. (held by the Company at 74.02% and indirectly held by subsidiary at 24.66%)	Central Lab	Baht 75 million	74.02	74.02	56,768	56,768	-	183,209
Bio Molecular Laboratories (Thailand) Co., Ltd.	Central Lab	Baht 10 million	95.00	95.00	9,502	9,502	19,000	12,350
Angkor Pisith Co., Ltd.	Hospital	USD 10 million	80.00	80.00	287,840	287,840	-	-
Phnom Penh Medical Services Co., Ltd.	Hospital	USD 25 million	100.00	100.00	813,220	338,323	-	-
Royal Rattanak Medical Services Co., Ltd.	Hospital	Riel 26,000 million	70.00	70.00	154,063	154,063	-	-
B.D.M.S. International Medical Services Co., Ltd.	Hospital	Riel 9,200 million	100.00	100.00	94,208	94,208	-	-
BDMS Accounting Co., Ltd.	Accounting service	Baht 30 million	100.00	100.00	30,000	38,750	-	-
Bangkok Health Insurance Public Co., Ltd.	Health insurance	Baht 200 million	99.97	99.94	142,027	47,027	-	-
Royal Bangkok Healthcare Co., Ltd.	Investment	Baht 736 million	100.00	100.00	736,000	736,000	-	-
Greenline Synergy Co., Ltd.	Technology and information service	Baht 200 million	100.00	100.00	200,000	200,000	-	-
Bangkok Hospital Kao Yai Co., Ltd.	Hospital	Baht 70 million	100.00	100.00	70,000	70,000	-	-
BDMS Training Co., Ltd.	Training business	Baht 1 million	100.00	100.00	1,000	1,000	-	-
Prasit Patana Public Co., Ltd.	Investment	Baht 1,108 million	98.52	98.43	9,256,115	9,247,281	185,604	185,442
Paolo Medic Co., Ltd.	Hospital	Baht 300 million	100.00	100.00	2,922,872	2,922,872	60,000	180,000
Paolo Samutprakarn Co., Ltd.	Hospital	Baht 42 million	93.61	93.45	1,737,239	1,735,219	94,200	7,842
Siam Medical Co., Ltd.	Hospital	Baht 100 million	85.71	85.71	939,775	939,765	68,571	4,633
Thai Medical Center Public Co., Ltd.	Hospital	Baht 201 million	99.76	99.76	887,131	887,131	-	-
Bangkok Premier Life Insurance Broker Co., Ltd.	Life insurance broker	Baht 20 million	100.00	100.00	20,000	20,000	-	-
Bangkok Hospital Chiangmai Co., Ltd.	Hospital	Baht 1,000 million	100.00	100.00	1,000,000	1,000,000	-	-
Bangkok Hospital Udon Co., Ltd.	Hospital	Baht 500 million	100.00	100.00	499,930	499,930	-	-
Bangkok Khon Kaen Hospital Co., Ltd.	Hospital	Baht 800 million	100.00	100.00	800,000	600,000	-	-
The Medicpharma Co., Ltd.	Production and distribution of medicines	Baht 21.4 million	86.89	86.89	214,900	214,900	-	-
Thonburi Medical Center Public Co., Ltd. (held by the Company at 29.01% and indirectly held by subsidiary at 29.02%)	Hospital	Baht 193.8 million	29.01	100.00	327,802	273,152	-	-
Bangkok Hospital Surat Co., Ltd.	Hospital	Baht 90 million	100.00	100.00	90,000	90,000	-	-
BDMS Inter Pte. Ltd.	Investment	USD 40,000	100.00	100.00	1,217	1,217	-	-
N Health Asia Pte. Ltd.	Investment	USD 2 million	100.00	100.00	65,310	1,217	-	-
Samitvej Chonburi Co., Ltd.	Hospital	Baht 600 million	100.00	100.00	600,000	150,000	-	-
Bangkok Hospital Phitsanulok Co., Ltd.	Hospital	Baht 600 million	100.00	-	600,000	600,000	-	-
Bangkok Hospital Sanamchan Co., Ltd.	Hospital	Baht 3,655 million	100.00	-	3,655,000	-	-	-
Bangkok Phuket International Hospital Co., Ltd.	Hospital	Baht 3,610 million	100.00	-	3,610,000	-	-	-
Bangkok Save Drug Co., Ltd.	Investment	Baht 405 million	100.00	-	405,000	-	-	-
Total investments in subsidiary companies					36,660,090	27,644,884	1,987,343	2,773,140
Less: Allowance for impairment of investments					(154,062)	(115,095)		
Total investments in subsidiary companies - net					36,506,028	27,529,789		

13.1 Investments in subsidiary companies which the Company and its subsidiary companies previously held Bangkok Health Insurance Public Co., Ltd.

On 27 January 2014, the Extraordinary General Meeting of shareholders No. 1/2014 of Bangkok Health Insurance Public Co., Ltd. passed the resolution to approve the increase of its registered capital from Baht 105 million to Baht 200 million through the increase in capital of 9,500,000 additional ordinary shares with a par value of Baht 10 each. The Company already invested in the additional shares totaling Baht 95 million in October 2014.

BDMS Accounting Co., Ltd.

The Board of Directors of BDMS Accounting Co., Ltd. approved to call up additional share capital of Baht 11.25 million (1,500,000 ordinary shares at Baht 7.50 each) and the Company already paid the call up additional share capital in the first quarter of 2014. As a result, the subsidiary had issued and paid up share capital of Baht 50 million.

On 28 April 2014, the Annual General Meeting of the subsidiary's shareholders approved to decrease its registered capital of Baht 20 million through the decrease in capital of 2,000,000 ordinary shares in order to offset deficits. As a result, the subsidiary has registered capital of Baht 30 million (3,000,000 ordinary shares with a par value of Baht 10 each).

Prasit Pattana Public Co., Ltd.

In 2014, the Company purchased additional investment totaling Baht 8.8 million in Prasit Patana Public Co., Ltd. As a result, the Company's shareholding in that company increased to 98.52 percent.

Prasit Patana Public Co., Ltd. and Sriracha Nakorn General Hospital Public Co., Ltd.

In 2014, the subsidiary company purchased additional investment totaling Baht 6.9 million in Sriracha Nakorn General Hospital Public Co., Ltd. As a result, the subsidiary company's shareholding in that company increased to 74.34 percent.

Bangkok Khon Kaen Hospital Co., Ltd.

On 15 May 2014, the Extraordinary General Meeting of Bangkok Khon Kaen Hospital Co., Ltd.'s shareholders No. 1/2014 has approved to increase registered share capital from Baht 600 million to Baht 800 million. In the second quarter of 2014, the Company acquired all of the new shares in order to maintain its shareholding.

Thonburi Medical Center Public Co., Ltd.

In 2014, the Company purchased additional investment totaling Baht 54.7 million in Thonburi Medical Center Public Co., Ltd. As a result, the Company's shareholding in that company increased to 29.01 percent. The Company and its subsidiary company hold 58.03 percent in that company.

N Health Asia Pte. Ltd.

On 5 March 2014, the Board of Directors of N Health Asia Pte. Ltd. approved to increase the share capital from USD 40,000 to USD 2 million. In the first quarter of 2014, the Company acquired all of the new ordinary shares in order to maintain its shareholding.

N Health Asia Pte. Ltd. and N Health Cambodia Co., Ltd.

On 28 August 2013, a meeting of the Board of Directors of the Company approved the establishment of a new subsidiary, namely N Health Cambodia Co., Ltd., located in Kingdom of Cambodia with a registered share capital of USD 320,000 which is 100% held by N Health Asia Pte. Ltd., the Company's subsidiary in Singapore. N Health Cambodia Co., Ltd. has registered its establishment in second quarter 2014 and fully paid up share capital in the third quarter of 2014.

Samitivej Chonburi Co., Ltd.

In September 2014, Samitivej Chonburi Co., Ltd. call up additional share capital of Baht 450 million (60,000,000 ordinary shares at Baht 7.50 each). As a result, the subsidiary had issued and paid up share capital of Baht 600 million.

Phnom Penh Medical Services Co., Ltd.

On 19 December 2013 the Board of Directors of Phnom Penh Medical Services Co., Ltd. approved an increase in its share capital from USD 10 million to USD 25 million. In July 2014, the Company and Phnom Penh Medical Services Co., Ltd. agreed to settle the long-term loan to the Company by converting the loan of USD 15 million to the capital of Phnom Penh Medical Services Co., Ltd.

Royal Rattanak Medical Services Co., Ltd.

On 27 October 2014 the Board of Directors of Royal Rattanak Medical Services Co., Ltd. considered to cease the operation of Royal Rattanak Medical Services Co. Ltd. The Company has set up full allowance for impairment of investment in the subsidiary company, with Baht 95 million set aside in the fourth quarter of 2013 and an additional Baht 59 million set aside in the third quarter of 2014.

Royal Rattanak Medical Services Co., Ltd.

In 2014, the Company purchased additional investment totaling Baht 4.4 million in Bangkok Ratchasima Hospital Co., Ltd. As a result, the Company's shareholding in that company increased to 91.36 percent.

Paolo Samutprakarn Co., Ltd.

In 2014, the Company purchased additional investment totaling Baht 2.0 million in Paolo Samutprakarn Co., Ltd. As a result, the Company's shareholding in that company increased to 93.61 percent.

13.2 Investments in new subsidiary companiesBangkok Hospital Sanamchan Co., Ltd. and acquisition of entire business of Sanamchan Hospital Co., Ltd.

On 28 May 2014, the Board of Directors of the Company approved the establishment of a new subsidiary company namely Bangkok Hospital Sanamchan Co., Ltd. with a registered capital of Baht 3,655 million. The Company holds 100 percent in this company. The Board of Directors of the Company also approved Bangkok Hospital Sanamchan Co., Ltd. to acquire and receive the transfer of the entire business of Sanamchan Hospital Co., Ltd.

On 15 August 2014, Bangkok Hospital Sanamchan Company Limited has executed the acquisition of the entire business of Sanamchan Hospital Company Limited and paid cash consideration of Baht 3,655 million for the acquisition and acquired all assets and liabilities of Sanamchan Hospital Co., Ltd. which include all shares held by Sanamchan Hospital Company Limited in Tepakorn Hospital Company Limited and G. Wasupol Company Limited, representing equity interests of 44.5 percent and 25 percent respectively. In addition, the Company appointed directors and management to manage Tepakorn Hospital Company Limited. This made a control of such company therefore Tepakorn Hospital Company Limited become a subsidiary company. Operating results since September 2014 of this subsidiary company included in the consolidated financial statements.

The fair values of assets and liabilities as at acquisition dates are as follows:

(Unit: Thousand Baht)

Cash and cash equivalents	37,974
Trade and other receivables	102,393
Inventories	18,638
Other current assets	1,111
Investment in associated company	150,255
Available-for-sale investments	143,724
Property, premises and equipment	1,583,823
Intangible assets	5,786
Other non-current assets	1,454
Trade and other payables	(82,402)
Short-term loans from financial institutions	(242,134)
Short-term loans	(71,200)
Short-term loans from related parties	(53,762)
Income tax payable	(59)
Other current liabilities	(42,964)
Provision for long-term employee benefits	(19,184)
Deferred tax liabilities	(161,413)
Fair value of net assets	1,372,040
Non-controlling interests	(69,928)
Fair value of net assets acquired	1,302,112
Add : Goodwill	2,352,888
Consideration paid (Cash paid for investments)	3,655,000
Less : Cash and cash equivalents of subsidiary companies	(37,974)
Net cash paid for acquisition of subsidiary companies	3,617,026

Bangkok Phuket International Hospital Co., Ltd. and acquisition of entire business of Phuket International Hospital Co., Ltd.

On 27 August 2014, the Board of Directors of the Company approved the establishment of a new subsidiary company namely Bangkok Phuket International Hospital Co., Ltd. with a registered capital of Baht 3,610 million. The Company holds 100 percent in this company. The Board of Directors of the Company also approved Bangkok Phuket International Hospital Co., Ltd to acquire and receive the transfer of the entire business of Phuket International Hospital Co., Ltd.

On 1 October 2014 Bangkok Phuket International Hospital Co., Ltd has completed its acquisition of Phuket International Hospital Co., Ltd. and made a full payment to Phuket International Hospital Co., Ltd., comprising cash consideration of Baht 3,559.3 million and an assumption of all liabilities in the amount not exceeding Baht 466 million.

The fair values of assets and liabilities as at acquisition dates are as follows:

(Unit: Thousand Baht)

Cash and cash equivalents	2,280
Trade receivables	66,649
Inventories	27,419
Leasehold rights	29,813
Property, premises and equipment	1,120,377
Intangible assets	2,730
Other non-current assets	31,245
Trade and other payables	(35,103)
Long-term loans from financial institutions	(201,283)
Liabilities under finance lease agreements	(27,234)
Accrued expenses	(57,179)
Other current liabilities	(27,970)
Provision for long-term employee benefits	(30,997)
Deferred tax liabilities	(42,636)
Other non-current liabilities	(1,002)
Fair value of net assets acquired	857,109
Add : Goodwill	2,702,231
Consideration paid (Cash paid for investment)	3,559,340
Less : Cash and cash equivalents of subsidiary company	(2,280)
Net cash paid for acquisition of subsidiary company	3,557,060

Bangkok Save Drug Co., Ltd. and acquisition of shares in Save Drug Center Co., Ltd.

On 30 July 2014, the Board of Directors of the Company approved the establishment of a new subsidiary company namely Bangkok Save Drug Co., Ltd. with a registered capital of Baht 450 million. The Company holds 100 percent in this company. As of 30 September 2014 the subsidiary has Baht 405 million paid-up share capital.

On 30 October 2014, Bangkok Save Drug Co., Ltd. has executed the acquisition of the total issued shares of Save Drug Center Co., Ltd. from their existing shareholders and made a full payment of Baht 231.5 million in consideration of such shares.

Under the share purchase agreement, Bangkok Save Drug Co., Ltd. and sellers agreed to reserve of Baht 75 million with a financial institution as a guarantee against losses in the event that the sellers fail to comply with the agreement. Interest on this guarantee amount belongs to the sellers and the reserves are to be returned to the sellers within 5 years from the purchase date. The subsidiary company recorded the reserves as a non-current liability in the statement of financial position.

The fair values of assets and liabilities as at acquisition dates are as follows:

(Unit: Thousand Baht)

Inventories	66,161
VAT receivable	12,430
Fixture and equipment	28,380
Trademark	177,570
Deposits	28,093
Trade and other payables	(81,168)
Fair value of net assets acquired and consideration paid (Cash paid for investments)	231,466

N Health Pathology Co., Ltd.

On 25 November 2014, a meeting of the Board of Directors of the Company approved the establishment of a new subsidiary, N Health Pathology Co., Ltd., with a registered share capital of Baht 30 million which is 95% held by Royal Bangkok Healthcare Co., Ltd., the Company's subsidiary. N Health Pathology Co., Ltd. has registered its establishment in December 2014.

14. Other long-term investments

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Consolidated and separate financial statements	
				2014	2013	Dividend income during the years	
				2014	2013	2014	2013
Investments held by the Company							
Available-for-sale investments							
Investments in listed securities							
Thai Military Bank Public Co., Ltd.	Bank	41,495	-	1,770	1,770	4	2
Aikchol Hospital Public Co., Ltd.	Hospital	150	0.20	350	350	192	150
Bangkok Chain Hospital Public Co., Ltd.	Hospital	2,494	1.50	269,829	269,829	4,875	3,900
Surplus (loss) on changes in value of available-for-sale investments				271,949	271,949	5,071	4,052
Investments in listed securities				33,087	(39,088)	-	-
Investments in related companies				305,036	232,861	5,071	4,052
Bangkok Airways Public Co., Ltd.	Airline	2,100	0.85	39,466	39,466	-	27,962
X-Ray Computer Urupong Co., Ltd.	X-ray lab	100	4.09	4,520	4,520	613	408
				43,986	43,986	613	28,370
Surplus on changes in value of available-for-sale investments				309,693	-	-	-
Investments in related companies				353,679	43,986	613	28,370

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Consolidated and separate financial statements	
						Dividend income during the years	
				2014	2013	2014	2013
Investments in unrelated companies							
Thai Longstay Management Co., Ltd.	Travel business	100	0.53	531	531	-	-
Superior Biotech Holding Co., Ltd.	Investment	53	7.58	5,000	5,000	200	120
Investments in unrelated companies				5,531	5,531	200	120
Total other long-term investments in the separate financial statements				664,246	282,378	5,884	32,542

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Consolidated and separate financial statements	
						Dividend income during the years	
				2014	2013	2014	2013
Investment held by the subsidiary companies							
Available-for-sale investments							
Investments in investment unit				10,000	10,000	-	-
Surplus on changes in value of available-for-sale investments				1,060	817	-	-
Investments in investment unit				11,060	10,817	-	-
Investment in listed securities							
Mahachai Hospital Public Company Limited	Hospital	160	4.28	143,724	-	-	-
Loss on changes in value of available-for-sale investments				(19,848)	-	-	-
Investments in listed securities				123,876	-	-	-
Investment in Government Saving Bank bonds				25,000	25,000	-	-

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Consolidated and separate financial statements	
				2014	2013	Dividend income during the years	
						2014	2013
Investments in unrelated companies							
Thai Herbal Products Co., Ltd.	Sales of herbal products	80	0.60	290	290	143	58
Prasitthirat Co., Ltd.	Educational institution known as "Rangsit university"	150	33.33	107,192	107,192	2,500	2,000
Phuket International Hospital Co., Ltd.	In process of liquidation (2013: Hospital)	195	6.15	29,552	29,552	205,968	2,700
Asia Laboratories Center Limited	Central lab	5	8.00	400	400	28	40
Kendall Gammatron Limited	Trading of medical supplies	120	5.10	8,000	8,000	-	-
General Hospital Products Public Co., Ltd.	Manufacturer and distributor of medical supplies	60	0.44	1,178	1,178	-	-
Investments in unrelated companies				146,612	146,612	208,639	4,798
Investments in ordinary shares (ceased operations)							
Phyathai 4 Hospital (Petchaburi Road) Co., Ltd.	Adjudged bankrupt	328	89.79	-	-	-	-
Klass - V Co., Ltd.	Adjudged bankrupt	250	89.66	-	-	-	-
Phuket Paradise Co., Ltd.	Adjudged bankrupt	409	72.26	-	-	-	-
Phyathai Herbs Co., Ltd.	In process of liquidation	196	63.64	42,889	42,889	-	-
Phuket Hospital Public Co., Ltd.	Hospital	358	19.08	-	-	-	-
				42,889	42,889	-	-
Less : Allowance for impairment of investment				(7,000)	(7,000)	-	-
Investment in ordinary shares (ceased operations) - net				35,889	35,889	-	-
Total other long-term investments - net in the consolidated financial statements				1,006,683	500,696	214,523	37,340

The Company and the subsidiary companies recorded the changes in the gain on change in value of available-for-sale investment in the consolidated financial statements which increased of Baht 290 million (net of deferred tax liabilities of Baht 72 million) and in the separate financial statements of Baht 305 million (net of deferred tax liabilities of Baht 76 million) and presented in the statements of comprehensive income under "Gain (loss) on change in value of available-for-sale investments".

Prasitthirat Company Limited

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

Investments in ordinary shares (ceased operations)

A subsidiary company has investments in companies that have ceased their operations but has not classified them as investments in subsidiary companies because the subsidiary company has no power to control such companies.

15. Investment properties

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Land	Building	Total	Land	Building	Total
31 December 2012	35,445	187,350	222,795	271,035	187,350	458,385
Purchase	-	6,084	6,084	-	6,084	6,084
Transfer from property, premises and equipment	-	26,991	26,991	-	26,991	26,991
Gain on revalue of assets	-	5,650	5,650	18,069	5,650	23,719
Disposal of assets	-	(821)	(821)	-	(821)	(821)
31 December 2013	35,445	225,254	260,699	289,104	225,254	514,358
Purchase	-	187	187	-	187	187
Transfer from property, premises and equipment	-	2,064	2,064	-	2,064	2,064
Gain on revalue of assets	-	2,500	2,500	-	2,500	2,500
31 December 2014	35,445	230,005	265,450	289,104	230,005	519,109

The investment properties of the Company and its subsidiaries consist of land and building for rent. The fair value of land has been determined based on valuations performed by an accredited independent valuer, using the Market approach. The fair value of building for rent has been determined based on income approach.

16. Property, premises and equipment

(Unit: Thousand Baht)

Consolidate financial statements							
	Assets which are stated at cost or reappraised value	Assets which are stated at cost					Total
		Land and land improvement	Building and building improvement	Medical tools, machine and equipment	Structure equipment, furniture, fixture and office equipment	Vehicles	Building under construction and medical tools and equipment under installation
Cost/reappraised value							
31 December 2012	10,150,790	26,162,771	13,337,004	6,508,040	692,772	1,658,644	58,510,021
Increase from acquisitions	541,401	794,023	21,965	314,217	12,635	12,835	1,697,076
Purchases	1,144,612	616,016	1,741,583	972,525	95,337	3,095,488	7,665,561
Transfer in / (Transfer out)	(23,711)	1,252,657	68,294	275,402	9,660	(1,620,550)	(38,248)
Disposals/Written-off	-	(170,037)	(169,289)	(226,100)	(40,001)	(6,798)	(612,225)
Translation adjustment	-	24,918	5,903	6,532	469	34,736	72,558
31 December 2013	11,813,092	28,680,348	15,005,460	7,850,616	770,872	3,174,355	67,294,743
Increase from acquisitions	1,228,583	1,788,724	554,599	306,374	24,416	180,687	4,083,383
Increase from revaluation	879,371	-	-	-	-	-	879,371

(Unit: Thousand Baht)

Consolidate financial statements (continued)							
	Assets which are stated at cost or reappraised value	Assets which are stated at cost					Total
	Land and land improvement	Building and building improvement	Medical tools, machine and equipment	Structure equipment, furniture, fixture and office equipment	Vehicles	Building under construction and medical tools and equipment under installation	
Purchases	353,350	1,444,024	2,164,754	1,893,169	61,810	1,767,700	7,684,807
Transfer in / (Transfer out)	34,663	2,021,290	273,313	370,096	2,568	(2,740,256)	(38,326)
Disposals/Written-off	-	(42,459)	(194,898)	(78,711)	(35,897)	(4,750)	(356,715)
Translation adjustment	-	4,296	2,624	2,614	28	7	9,569
31 December 2014	14,309,059	33,896,223	17,805,852	10,344,158	823,797	2,377,743	79,556,832
Accumulated depreciation							
31 December 2012	25,297	11,811,303	8,283,151	4,730,135	503,320	-	25,353,206
Increase from acquisitions	-	210,146	-	249,244	10,141	-	469,531
Depreciation for the year	1,157	1,228,950	1,229,146	556,568	67,784	-	3,083,605
Transfer in / (Transfer out)	-	(84)	2	(289)	-	-	(371)
Disposals / Written-off	-	(116,867)	(165,511)	(206,501)	(39,107)	-	(527,986)
Translation adjustment	-	5,855	5,308	6,455	400	-	18,018
31 December 2013	26,454	13,139,303	9,352,096	5,335,612	542,538	-	28,396,003
Increase from acquisitions	10,937	682,742	424,892	199,840	20,615	-	1,339,026
Depreciation for the year	3,769	1,385,709	1,370,139	677,122	73,362	-	3,510,101
Transfer in / (Transfer out)	-	(903)	71,368	(70,910)	-	-	(445)
Disposal / Written-off	-	(35,393)	(180,448)	(69,761)	(35,796)	-	(321,398)
Translation adjustment	-	579	163	439	24	-	1,205
31 December 2014	41,160	15,172,037	11,038,210	6,072,342	600,743	-	32,924,492
Allowance for impairment of fixed assets							
31 December 2012	4,869	-	-	-	-	-	4,869
Impairment loss	-	18,890	-	-	-	-	18,890
31 December 2013	4,869	18,890	-	-	-	-	23,759
Increase from acquisition	-	11,777	-	-	-	-	11,777
Impairment loss	-	79,306	12,811	1,373	1,471	-	94,961
31 December 2014	4,869	109,973	12,811	1,373	1,471	-	130,497
Net book value							
31 December 2013	11,781,769	15,522,155	5,653,364	2,515,004	228,334	3,174,355	38,874,981
31 December 2014	14,263,030	18,614,213	6,754,831	4,270,443	221,583	2,377,743	46,501,843
Depreciation charged included in income statement for the year							
2013 (Baht 2,445 million included in cost of hospital operations, sales and services, and the balance in administrative expenses)							3,083,605
2014 (Bah 2,804 million included in cost of hospital operations, sales and services, and the balance in administrative expenses)							3,510,101

(Unit: Thousand Baht)

Separate financial statements							
	Assets which are stated at cost or reappraised value	Assets which are stated at cost					Total
	Land and land improvement	Building and building improvement	Medical tools, machine and equipment	Structure equipment, furniture, fixture and office equipment	Vehicles	Building under construction and medical tools and equipment under installation	
Cost/reappraised value							
31 December 2012	1,863,384	4,674,036	3,389,456	1,649,713	173,041	365,735	12,115,365
Purchases	109,499	236,264	367,818	200,825	25,133	358,356	1,297,895
Transfer in / (Transfer out)	(56,022)	217,661	218	67,070	-	(311,980)	(83,053)
Disposals / Written-off	(101,761)	(6,613)	(6,541)	(9,286)	(8,035)	(8)	(132,244)
31 December 2013	1,815,100	5,121,348	3,750,951	1,908,322	190,139	412,103	13,197,963
Purchases	68,337	270,841	409,454	270,838	25,513	75,865	1,120,848
Transfer in / (Transfer out)	2,196	257,075	10,437	76,482	1,898	(364,848)	(16,760)
Disposals / Written-off	-	(1,635)	(29,625)	(10,570)	(12,274)	(40)	(54,144)
31 December 2014	1,885,633	5,647,629	4,141,217	2,245,072	205,276	123,080	14,247,907
Accumulated depreciation							
31 December 2012	-	2,117,101	2,201,999	1,224,092	124,096	-	5,667,288
Depreciation for the year	21	197,828	320,413	93,426	14,498	-	626,186
Transfer in / (Transfer out)	-	(84)	2	56	-	-	(26)
Disposals / Written-off	-	(6,613)	(6,540)	(8,865)	(8,034)	-	(30,052)
31 December 2013	21	2,308,232	2,515,874	1,308,709	130,560	-	6,263,396
Depreciation for the year	265	239,264	267,877	115,429	19,542	-	642,377
Transfer in / (Transfer out)	-	(883)	-	439	-	-	(444)
Disposals / Written-off	-	(317)	(21,622)	(9,999)	(12,274)	-	(44,212)
31 December 2014	286	2,546,296	2,762,129	1,414,578	137,828	-	6,861,117
Net book value							
31 December 2013	1,815,079	2,813,116	1,235,077	599,613	59,579	412,103	6,934,567
31 December 2014	1,885,347	3,101,333	1,379,088	830,494	67,448	123,080	7,386,790
Depreciation charged included in income statement for the year							
2013 (Baht 544 million included in cost of hospital operations, sales and services, and the balance in administrative expenses)							626,186
2014 (Baht 551 million included in cost of hospital operations, sales and services, and the balance in administrative expenses)							642,377

In 2014, four subsidiary companies have recorded appraisal result which engaged an independent appraiser to appraise all of their land using the market approach. The fair values of the revalued land in consolidated financial statements amount of Baht 3,683 million which increased from the book values of Baht 703 Million (net of deferred tax liabilities of Baht 176 million). The subsidiaries recorded the increase amount as “Revaluation surplus on land” in the statements of comprehensive income.

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

If the Company and its subsidiaries recorded land at cost, net book value as at 31 December 2014 and 2013 would have been as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value (at cost):		
As of 31 December 2014	9,857,172	1,351,476
As of 31 December 2013	8,484,067	1,286,375

As at 31 December 2014, the Company and its subsidiaries have medical tools, equipment and vehicles under finance lease agreements with net book values amounting to Baht 115.9 million and Baht 26.6 million in the separate financial statements (2013: Baht 176.7 million and Baht 29.3 million in the separate financial statements).

As at 31 December 2014, the Company and its subsidiaries have certain building improvement, medical tools, equipment and vehicles which have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 15,141.7 million and Baht 4,297.3 million in the separate financial statement (2013: Baht 13,592.7 million and Baht 3,579.5 million in the separate financial statements).

17. Land not used in operations

Land not used in operations as at 31 December 2014 and 2013 consisted of:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Land at historical cost				
Balance brought forward	347,752	368,174	347,425	367,847
Transfer from property, premises and equipment	-	18,040	-	18,040
Disposal	(227,527)	-	(227,527)	(38,462)
Transfer to property, premises and equipment	-	(38,462)	-	-
Balance carry forward	120,225	347,752	119,898	347,425
Revaluation surplus				
Balance brought forward	254,975	265,668	254,975	265,668
Transfer from property, premises and equipment	-	37,982	-	37,982
Reversal revaluation surplus	(77,173)	(38,123)	(77,173)	(48,675)
Transfer to property, premises and equipment	-	(10,552)	-	-
Balance carry forward	177,802	254,975	177,802	254,975
Allowance for impairment	(719)	(719)	(719)	(719)
Total	297,308	602,008	296,981	601,681

The cumulative capitalised interest on loans recorded as a portion of cost of land not used in operations amounted to approximately Baht 29 million (2013: Baht 29 million).

18. Intangible assets

Intangible assets, as at 31 December 2014 and 2013, which are computer software and trademark, are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Cost		
As at 31 December 2012	1,193,388	283,485
Increase from acquisitions	8,883	-
Purchases	207,293	137,848
Transfer in	5,869	40
Disposals / written-off	(702)	(29)
Translation adjustment	144	-
As at 31 December 2013	1,414,875	421,344
Increase from acquisitions	194,536	-
Purchases	186,541	72,158
Transfer in	12,855	13,593
Disposals / written-off	(23,007)	(17,035)
Translation adjustment	(2,167)	-
As at 31 December 2014	1,783,633	490,060
Accumulated amortisation		
As at 31 December 2012	624,668	99,214
Increase from acquisitions	6,659	-
Amortisation for the year	128,880	30,607
Transfer in	18	-
Disposals / written-off	(352)	-
Translation adjustment	82	-
As at 31 December 2013	759,955	129,821
Increase from acquisitions	8,449	-
Amortisation for the year	158,493	49,749
Transfer in	328	-
Disposals/written-off	(3,558)	-
Translation adjustment	(1,401)	-
As at 31 December 2014	922,266	179,570
Net book value		
As at 31 December 2013	654,920	291,523
As at 31 December 2014	861,367	310,490

19. Leasehold rights

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cost	1,211,920	1,182,283	444,881	444,881
Less: Accumulated amortisation	(243,313)	(214,332)	(65,319)	(48,422)
Book value - net	968,607	967,951	379,562	396,459
Amortisation for the year	36,208	31,762	16,897	14,729

A reconciliation of the net book value of leasehold rights for the years 2014 and 2013 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Net book value at beginning of year	967,951	552,715	396,459	99,317
Increase from acquisition	29,813	-	-	-
Purchases	19,453	426,711	-	311,871
Less: amortisation	(36,208)	(31,762)	(16,897)	(14,729)
Translation adjustment	(12,402)	20,287	-	-
Net book value at end of year	968,607	967,951	379,562	396,459

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

As at 31 December 2014, the Company and its subsidiaries have bank overdraft facilities with banks of Baht 1,193 million and USD 1 million (2013: Baht 1,219 million and USD 1 million) and in separate financial statements of Baht 860 million (2013: Baht 850 million). The facilities carry interest rate at MOR for Baht currency facilities and LIBOR plus fixed rate for US currency facilities.

21. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade payables - related parties	36,796	38,077	138,389	122,437
Trade payables - unrelated parties	2,853,990	2,344,505	358,912	339,963
Other payables - related parties	5,759	11,200	51,648	92,023
Other payables - unrelated parties	947,090	1,076,616	305,695	337,323
Accounts payable - construction and retention	564,598	550,299	73,114	95,157
Total trade and other payables	4,408,233	4,020,697	927,758	986,903

22. Long-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2014	8,563,524	8,254,981
Increase from acquisition	201,283	-
Increase	3,644,511	3,644,511
Less: Repayment during the year	(1,523,186)	(1,072,638)
Unrealised loss on foreign exchange	17,753	17,753
Translation adjustment	86	-
Balance as at 31 December 2014	10,903,971	10,844,607
Less: Current portion of long-term loans from financial institutions	(1,562,368)	(1,537,681)
Long-term loans from financial institutions - net of current portion	9,341,603	9,306,926

The Company

- a) In 2008, the Company entered into a 10-year loan agreement with a bank granting the credit facilities of Baht 3,438 million. The loan carries interest at the Fixed Deposit Rate plus fixed rate per annum as stipulated in the agreement with interest and principal payable on a monthly basis. This loan agreement includes a condition that the Company and its subsidiaries may not mortgage any assets and also certain covenants which the Company and its subsidiaries must comply. The outstanding balance of this loan as at 31 December 2014 was Baht 1,088.7 million (2013: Baht 1,432.5 million).
- b) In November 2011, the Company entered into a 7 years and 6 months loan agreement with a financial institution granting credit facilities of Baht 3,000 million carrying interest at the rate of six-month Fixed Deposit Rate plus fixed rates per annum as stipulated in the agreement. The interest is repayable on a monthly basis and the principal is repayable on a quarterly basis according to a condition as stipulated in the agreement. As at 31 December 2014, this loan has outstanding balance of Baht 1,919.0 million (2013: Baht 2,269.0 million).
- c) In January 2012, the Company entered into a 8 years and 6 months loan agreement with a financial institution granting credit facilities of Baht 586 million carrying interest at the rate of six-month Fixed Deposit Rate plus fixed rates per annum as stipulated in the agreement. The interest and principal are repayable on a monthly basis according to a condition as stipulated in the agreement. As at 31 December 2014, this loan has outstanding balance of Baht 470.6 million (2013: Baht 525.7 million).
- d) In June 2012, the Company entered into a 7 years and 6 months loan agreement with a financial institution granting credit facilities of Baht 1,766 million carrying interest at the rate of six-month Fixed Deposit Rate plus fixed rates per annum as stipulated in the agreement. The interest is repayable on a monthly basis and principal is repayable on a quarterly basis according to a condition as stipulated in the agreement. As at 31 December 2014, this loan has outstanding balance of Baht 1,348.0 million (2013: Baht 1,527.8 million).
- e) In July 2012, the Company entered into a 5-year loan agreement with a financial institution amounting to Baht 2,500 million carrying interest at the fixed rate per annum as stipulated in the agreement. The interest is repayable on a semi-annually basis and principal is repayable at the end of loan period. As at 31 December 2014, this loan has outstanding balance of Baht 2,500.0 million (2013: Baht 2,500 million).
- f) In February 2014, the Company entered into a 7-year loan agreement with a financial institution granting credit facilities of USD 20 million carrying interest at the rate of LIBOR plus fixed rates for the first year and at the fixed rates per annum as stipulated in the agreement. The interest is repayable on a quarterly basis and the principal is repayable on a semi-annually basis according to a condition as stipulated in the agreement. As at 31 December 2014, this loan has outstanding balance of USD 20.0 million or equivalent to Baht 662.3 million.

- g) In April 2014, the Company entered into a 5-year loan agreement with a financial institution granting credit facilities of Baht 1,000 million carrying interest at the rate of three-month BIBOR plus fixed rates per annum as stipulated in the agreement. The interest and principal are repayable on a monthly basis according to a condition as stipulated in the agreement. As at 31 December 2014, this loan has outstanding balance of Baht 1,000 million.
- h) In May 2013, the Company entered into a 7-year loan agreement with a financial institution granting credit facilities of Baht 2,000 million. In the second quarter of 2014, the Company drawn down the loan totaling Baht 2,000 million. The loan carries interest at the rate of six-month Fixed Deposit Rate plus fixed rates per annum as stipulated in the agreement. The interest is repayable on a monthly basis and principal is repayable on a semi-annually basis according to a condition as stipulated in the agreement. As at 31 December 2014, this loan has outstanding balance of Baht 1,856.0 million.

The subsidiaries

- a) In 2007 and 2008, Angkor Pisith Co., Ltd., a subsidiary company, entered into a 7 years and 10 months loan agreement with a foreign financial institution granting credit facilities of USD 4 million. The loan bears interest at the rate of LIBOR plus a fixed rate per annum. The interest is repayable on a monthly basis and the principal is repayable on a quarterly basis according to a condition as stipulated in the agreement. This loan is guaranteed by the Company. As at 31 December 2014, this loan has outstanding balance of USD 1.7 million or equivalent to Baht 57.1 million. (2013: USD 2.4 million or equivalent to Baht 79.1 million).
- b) In 2008, Bangkok Ratchasima Hospital Co., Ltd., a subsidiary company, entered into a 7 - year loan agreement with a financial institution. The credit facilities were Baht 20 million. The loan bears interest at fixed rate per annum. The interest and principal are repayable on a monthly basis according to a condition as stipulated in the agreement. As at 31 December 2014, this loan has outstanding balance of Baht 2.3 million (2013: Baht 5.6 million).
- c) In 2009, Sriracha Nakorn General Hospital Public Company Limited, a subsidiary company of a subsidiary company, entered into a 9-year loan agreement with a financial institution to obtain loan of Baht 410 million. This loan consequently amended to bear interest at a six-month Fixed Deposit Rate plus fixed rate per annum, with the specified repayments of principal and interest as stipulated in the agreement. As at 31 December 2013, the subsidiary company has outstanding balance of Baht 223.8 million. During the year, the subsidiary company has fully paid the loan amount.

The Company's and its subsidiaries' loan agreements contain certain covenants which the Company and its subsidiaries must comply such as financial ratios.

23. Liabilities under finance lease agreements

As at 31 December 2014 and 2013, liabilities under finance lease agreements are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Liabilities under finance lease agreements	169,770	168,623	27,412	31,275
Less: Deferred interest expenses	(9,029)	(9,199)	(1,290)	(1,798)
Total	160,741	159,424	26,122	29,477
Less: Current portion of liabilities under finance lease agreements	(59,338)	(84,092)	(10,718)	(11,109)
Liabilities under finance lease agreements - net of current portion	101,403	75,332	15,404	18,368

As at 31 December 2014 and 2013, the Company and its subsidiaries have future minimum lease payments which required under the finance lease agreements as follows:

(Unit: Thousand Baht)

	As at 31 December 2014		
	Consolidated financial statements		
	Less than 1 year	1-5 years	Total
Future minimum finance lease payments	63,849	105,921	169,770
Deferred interest expenses	(4,511)	(4,518)	(9,029)
Present value of future minimum finance lease payments	59,338	101,403	160,741

(Unit: Thousand Baht)

	As at 31 December 2013		
	Consolidated financial statements		
	Less than 1 year	1-5 years	Total
Future minimum finance lease payments	89,376	79,247	168,623
Deferred interest expenses	(5,284)	(3,915)	(9,199)
Present value of future minimum finance lease payments	84,092	75,332	159,424

(Unit: Thousand Baht)

	As at 31 December 2014		
	Separate financial statements		
	Less than 1 year	1-5 years	Total
Future minimum finance lease payments	11,480	15,932	27,412
Deferred interest expenses	(762)	(528)	(1,290)
Present value of future minimum finance lease payments	10,718	15,404	26,122

(Unit: Thousand Baht)

	As at 31 December 2013		
	Separate financial statements		
	Less than 1 year	1-5 years	Total
Future minimum finance lease payments	12,017	19,258	31,275
Deferred interest expenses	(908)	(890)	(1,798)
Present value of future minimum finance lease payments	11,109	18,368	29,477

The Company and its subsidiaries have finance lease agreements with various leasing companies to rent medical tools, equipment, and vehicles for use in their operations. Installments are due on a monthly basis over 32-60 months and at the end of the agreements.

24. Debentures

Movements of debentures net from debenture expenses and amortisation of expenses during the years ended 31 December 2014 and 2013 are summarised below.

(Unit: Thousand Baht)

	Consolidated /Separate financial statements	
	2014	2013
Balance as at beginning of year	14,059,235	9,063,854
Debentures issued during the year	-	7,000,000
Redemption of debentures during the year	(2,970,000)	(2,000,000)
Debenture expenses	-	(8,378)
Amortisation of debenture expenses	2,752	3,759
Balance as at end of year	11,091,987	14,059,235
Less: Current portion of debentures	(2,499,843)	(2,969,455)
Debentures - net of current portion	8,592,144	11,089,780

On 6 March 2008, the Company had issued unsecured, named registered and unsubordinated debentures without a debentureholders' representative for the total number of 5,000,000 units, at the price of Baht 1,000 per unit, totaling Baht 5,000 million. These debentures are divided into two tranches: the 3-year debentures for the amount of Baht 3,000 million at the coupon rate of 4.11% per annum and the 5-year debentures for the amount of Baht 2,000 million at the coupon rate of 4.84% per annum with interest payable every six-month. The Company had redeemed the 3-year debentures for the amount of Baht 3,000 million and the 5-year debentures for the amount of Baht 2,000 million in the first quarter of 2011 and the first quarter 2013, respectively.

On 4 June 2009, the Company had issued unsecured, name registered and unsubordinated debentures for the total number of 3,000,000 units, at the price of Baht 1,000 per unit, totaling Baht 3,000 million. These debentures are divided into two tranches: the 5-year debentures for the amount of Baht 2,000 million at the coupon rate of 4.80% per annum and the 7-year debentures for the amount of Baht 1,000 million at the coupon rate of 5.35% per annum with interest payable every six-month. Up to 31 December 2014, the Company had repurchased such debentures for amount of 30,000 units, totaling Baht 30 million. The Company had redeemed the 5-year debentures for the amount of Baht 1,970 million in the second quarter of 2014.

On 3 March 2011, the Company had issued unsecured, name registered and unsubordinated debentures without a debentureholders' representative debenture for the total number of 2,500,000 units, at the price of Baht 1,000 per unit, totaling Baht 2,500 million. These debentures are 4-year debentures at the coupon rate of 3.99% per annum with interest payable every six-month.

On 29 March 2011, the Company had issued unsecured, name registered and unsubordinated debentures without a debentureholders' representative debenture for the total number of 1,000,000 units, at the price of Baht 1,000 per unit, totaling Baht 1,000 million. These debentures are 3-year debentures at the coupon rate of 3.78% per annum with interest payable every six-month. The Company had redeemed such debentures in the first quarter of 2014.

In August 2012, the Company had issued unsecured, name registered and unsubordinated debentures without a debentureholders' representative debenture for the total number of 600,000 units, at the price of Baht 1,000 per unit, totaling Baht 600 million. These debentures are 10-year debentures at the coupon rate of 4.5% per annum with interest payable every six-month.

On 14 March 2013, the Company had issued unsecured, name registered and unsubordinated debentures without a debentureholders' representative debenture for the total number of 4,000,000 units, at the price of Baht 1,000 per unit, totaling Baht 4,000 million. This debenture is 10-year debentures at the coupon rate of 4.63% per annum with interest payable every six-month. On 4 April 2014 and 15 October 2014, the Company entered into an interest rate swap contract for the above debentures totaling Baht 4,000 million with a financial institution as described in Note 37.2.

On 10 May 2013, the Company had issued unsecured, name registered and unsubordinated debentures without a debentureholders' representative debenture for the total number of 3,000,000 units, at the price of Baht 1,000 per unit, totaling Baht 3,000 million. These debentures are divided into two tranches: the 7-year debentures for the number of 2,000,000 units at the coupon rate of 4.19% per annum and the 10-year debentures for the number of 1,000,000 units at the coupon rate of 4.39% per annum with interest payable every six-month.

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

25. Convertible debentures

On 5 August 2014, the Extraordinary General Meeting of Shareholders' No. 1/2014 of the Company has approved for the issue and offer of the convertible debentures in the amount not exceeding Baht 10,000 million or an equivalent in other currencies and the Meeting has approved to increase its registered capital to support the conversion of the convertible debentures as described in Note 27.

On 18 September 2014, the Company has issued the convertible debentures to the foreign investors (except the investors in the United States of America). Key terms and conditions of the convertible debentures are as the following:

Type of Debentures	Unsecured and unsubordinated convertible debentures
Maturity	5 years, commencing from the issue date
Issue Size	Baht 10,000 million
Currency	THB-Denominated, USD-Settled
Maturity Date	18 September 2019
Put Option	At 18 September 2017 equal to 106.152% of the principal amount
Call Option	At any time after 18 March 2017, if the closing price of the Company's shares is at least 130% of the applicable Early Redemption Amount, divided by the effective Conversion Ratio
Coupon	Zero
Redemption Price	110.462% of principal amount
Conversion Price	Baht 21.045 per one newly issued ordinary share

Convertible debentures agreement contains obligations and certain limitations which the Company must comply with, as specified in the offering circular of the bonds. On 19 September 2014, the convertible debentures were listed on the Singapore Exchange Securities Trading Limited.

Thai Accounting Standard No. 107 “Financial Instruments: Disclosure and Presentation”, requires the issuer of convertible debentures to present the debentures’ liability and equity components separately in the statement of financial position. Therefore, upon issuing the convertible debentures, the Company separated these components, determining the liability component by discounting the stream of future payments of principal and interest at the prevailing market rate. The carrying amount of the equity component was then determined by deducting the liability component from the total carrying value of the convertible debenture.

The liability component is presented at amortised cost until the conversion or maturity of the debentures. The value of the equity component determined upon the issue of the debentures does not change in subsequent periods.

26. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees’ retirement, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Defined benefit obligation at beginning of year	1,202,044	1,108,656	238,374	212,524
Increase from acquisitions	50,181	25,759	-	-
Current service cost	116,430	127,282	21,557	20,893
Interest cost	46,356	43,174	8,312	8,113
Benefits paid during the year	(60,035)	(44,744)	(22,258)	(3,156)
Actuarial gain	-	(58,083)	-	-
Defined benefit obligation at end of year	1,354,976	1,202,044	245,985	238,374

Long-term employee benefit expenses included in the profit or loss were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current service cost	116,430	127,282	21,557	20,893
Interest cost	46,356	43,174	8,312	8,113
Total expense recognised in profit or loss	162,786	170,456	29,869	29,006
Line items under which such expenses are included in profit or loss				
Cost of hospital operations, sales and services	89,163	91,256	10,905	10,098
Administrative expenses	73,623	79,200	18,964	18,908

Principal actuarial assumptions at the valuation date were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(% per annum)		(% per annum)	
Discount rate	3.7 - 4.1	3.7 - 4.1	4.1	4.1
Future salary increase rate (depending on age of employee)	3.0 - 7.5	3.0 - 7.5	6.0	6.0

The cumulative amount of actuarial losses recognised in other comprehensive income and taken as part of retained earnings of the Company and its subsidiaries as at 31 December 2014 amounted to Baht 76.7 million and the separate financial statements Baht 46.7 million (2013: Baht 76.7 million and the separate financial statements Baht 46.7 million).

Amounts of defined benefit obligation for the current and previous four years are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation		Experience adjustments arising on the plan liabilities	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2014	1,354,976	245,985	-	-
Year 2013	1,202,044	238,374	9,330	-
Year 2012	1,108,656	212,524	68,661	31,203
Year 2011	862,972	148,516	-	-
Year 2010	471,633	132,629	-	-

27. Share capital

On 18 April 2014, the Annual General Meeting of the Company's shareholders has approved the following resolutions;

1. Approved the change in the par value of the Company's ordinary shares from Baht 1 per share to Baht 0.10 per share, resulting in the increase of the number of the Company's ordinary shares from 1,700,004,771 shares to 17,000,047,710 shares. The proportionate shareholdings of existing shareholders will remain unchanged.
2. Approved the reduction of the Company's registered capital in the amount of Baht 150,909,117 from the current registered capital of Baht 1,700,004,771 to the new registered capital of Baht 1,549,095,654 by cancelling its 1,509,091,170 unissued ordinary shares at par value of Baht 0.10 per share.
3. Approved the increase of the Company's registered capital under the General Mandate in the amount of Baht 154,909,564 from the current registered capital of Baht 1,549,095,654 to the new registered capital of Baht 1,704,005,218, by issuing 1,549,095,640 new ordinary shares at par value of Baht 0.10 per share and approved the allocation of the newly issued ordinary shares.

The registration of the change in par value of the Company's ordinary shares and the reduction and the increase of the Company's registered capital was completed in April 2014. As a result, the number of the Company's ordinary shares increased to 17,040,052,180 shares, at par value of Baht 0.10 per share, and the Company has registered capital of Baht 1,704,005,218.

On 5 August 2014, the Extraordinary General Meeting of the Company's shareholders No.1/2014 has approved the following resolutions;

1. Cancellation of the increase in the registered capital of the Company and the allocation of 1,549,095,640 ordinary shares, at a par value of Baht 0.10 per share, under the general mandate as previously approved by the 2014 Annual General Meeting of the Company's shareholders held on 18 April 2014. Reduction of the registered capital of the Company by the amount of Baht 154,909,564 from the existing registered capital of Baht 1,704,005,218 to Baht 1,549,095,654, by cancelling 1,549,095,640 authorised but unissued shares, at a par value of Baht 0.10 per share.

2. Approved the increase in the registered capital of the Company by the amount of Baht 100,691,217.40 from the existing registered capital of Baht 1,549,095,654 to Baht 1,649,786,871.40 by issuing 1,006,912,174 newly issued ordinary shares at a par value of Baht 0.10 per share, divided into (a) newly issued ordinary shares to support the conversion of the convertible debentures in the amount not exceeding 542,183,478 shares and (b) newly issued ordinary shares under the general mandate in the amount not exceeding 464,728,696 shares in which 1) up to 232,364,348 newly issued ordinary shares is to be offered on a public offering basis and 2) up to 232,364,348 newly issued ordinary shares is to be offered on a private placement basis. The allocation of the newly issued ordinary shares pursuant to item 1) or 2) or both shall not, in aggregate, exceed 1.5 percent of the Company's paid-up capital as the date on which the Board of Directors resolved the capital increase, or totaling not exceeding 232,364,348 shares.

The registration of the change in the Company's registered capital was completed in August 2014. As a result, the number of the Company's ordinary shares decreased to 16,497,868,714 shares, at par value of Baht 0.10 per share, and the Company has registered capital of Baht 1,649,786,871.40.

28. Dividend

Dividend	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
Final dividend for 2012	Annual General Meeting of the shareholders on 18 April 2013	2,782	1.80
Total 2013 dividend		2,782	1.80

The Company paid such dividend in May 2013.

Dividend	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
Final dividend for 2013	Annual General Meeting of the shareholders on 18 April 2014	3,098	2.00
Total 2014 dividend		3,098	2.00

The Company paid such dividend in May 2014.

29. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

30. Expenses by nature

Significant expenses by nature for the years ended 31 December 2014 and 2013 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Employee expenses	12,889.9	11,712.6	2,724.1	2,566.5
Doctor fee	12,136.8	11,109.7	2,625.0	2,502.5
Cost of drugs and supplies	7,827.4	7,168.5	1,707.0	1,621.9
Depreciation and amortisation expenses	3,704.8	3,244.2	709.0	671.5
Advertising and public relation expenses	547.7	866.7	211.3	358.0
Rental expenses	562.0	510.7	110.1	85.1

31. Income tax

Income tax of the Company and its subsidiaries are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2014	2013	2014	2013
Current income tax:				
Current income tax charge	1,680,888	1,384,760	209,184	149,148
Adjustments in respect of current income tax of previous year	(7,795)	2,905	(1,821)	905
Deferred tax:				
Relating to origination and reversal of temporary differences	(2,167)	4,313	8,744	(30,395)
Income tax reported in the income statements	1,670,926	1,391,978	216,107	119,658

The amounts of income tax relating to each component of other comprehensive income (loss) are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2014	2013	2014	2013
Deferred tax relating to actuarial gain	-	(12,351)	-	-
Deferred tax relating to loss (gain) on change in value of available-for-sale investments	(72,452)	8,654	(76,374)	8,708
Deferred tax relating to loss (gain) on revaluation of land	(175,874)	7,625	-	9,735
	(248,326)	3,928	(76,374)	18,443

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2014	2013	2014	2013
Accounting profit before tax	9,340,008	7,911,956	3,485,546	3,901,287
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	1,868,002	1,582,391	697,109	780,257
Adjustments in respect of current income tax of previous year	(7,795)	2,905	(1,821)	905
Effects of:				
Promotional privileges	(84,933)	(55,024)	(37,578)	(26,845)
Dividend income not subject to tax	(21,452)	(7,468)	(475,980)	(647,214)
Tax loss not utilised	88,767	39,549	-	-
Gain on fair value adjustment of investment	-	(29,613)	-	-
Share of income from investment in associated companies	(213,514)	(197,619)	-	-
Non-deductible expenses and others	53,433	66,910	35,818	14,857
Additional expenses deductions allowed	(11,582)	(10,053)	(1,441)	(2,302)
Total	(189,281)	(193,318)	(479,181)	(661,504)
Income tax reported in the income statements	1,670,926	1,391,978	216,107	119,658
Effective income tax rates	17.89%	17.59%	6.20%	3.07%

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at 31 December 2014	As at 31 December 2013	As at 31 December 2014	As at 31 December 2013
Deferred tax assets				
Allowance for doubtful accounts	86,295	86,295	48,424	41,994
Allowance for diminution in value of inventories	335	335	-	91
Allowance for asset impairment	15,425	15,425	30,812	23,019
Accrued expense and other provision	34,093	34,093	12,726	12,025
Provision for long-term employee benefits	270,995	270,995	49,197	47,675
Others	(8,433)	(8,433)	-	-
Total	398,710	398,710	141,159	124,804

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at 31 December 2014	As at 31 December 2013	As at 31 December 2014	As at 31 December 2013
Deferred tax liabilities				
Accumulated depreciation - plant and equipment	166,989	130,769	43,837	34,576
Amortisation of expense for debentures, convertible debentures and loan	32,925	2,153	32,925	2,152
Gain on fair value adjustment of investment properties	5,414	4,914	55,467	54,967
Gain (loss) on re-measuring available-for-sale investments	68,768	(7,654)	68,556	(7,818)
Revaluation surplus on land and building	1,968,408	1,627,845	172,324	187,759
Total	2,242,504	1,758,027	373,109	271,636
Deferred tax liabilities - net	1,843,794	1,393,592	231,950	146,832

32. Earnings per share

Basic earnings per share is determined by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year. The number of ordinary shares is adjusted in proportion to the change in the number of shares as a result of the change in par value from Baht 1 per share to Baht 0.1 per share as described in Note 27 to the financial statements. The number of ordinary shares is adjusted as if the changes in number of shares and par value had occurred at the beginning of the earliest period reported.

For the year ended 31 December				
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit for the year (Baht)	7,393,522,539	6,261,464,863	3,269,439,419	3,781,629,293
Number of ordinary shares after reflecting the resulting change in par value (shares)	15,490,956,540	15,463,058,020	15,490,956,540	15,463,058,020
Earnings per share (Baht/share)	0.48	0.40	0.21	0.24

Diluted earnings per share

No disclosure of diluted earnings per share is required for year of 2014 after the issue of convertible debentures (as described in Note 25) since the calculated earnings per share assuming the conversion of all convertible debentures to ordinary shares is antidilutive.

33. Long-term lease agreements

The Company

The Company has entered into a land rental agreement for hospital building for a period of 20 years from 26 February 2004 to 25 February 2024. The rental fee for the first 17 months is Baht 200,000 per month and will be increased by the rate as agreed in the agreement. The rental for the last 3 years will be Baht 560,000 per month.

The Company has entered into a land rental agreement for car parking lot for a period of 6 years from 1 September 2012 to 31 August 2018. The rental fee for the first 3 years is Baht 205,000 per month and the last 3 years is Baht 235,000 per month.

The Company has entered into a land rental agreement for construction of an OPD building for a period of 30 years from 28 September 2004 to 27 September 2034. The first payment date is 10 October 2005 at the rental fee of Baht 50,000 per month and this fee is to be increased every 3 years. The rate will be increased by 10% of the latest rental of every 3 years.

The Company had entered into a land rental agreement for a period of 1 year from 1 September 2012 to 31 August 2013. The Company is in the process of renewal the rental agreement for another 1 year.

The Company has entered into a land rental agreement for a period of 30 years from 1 January 2006 to 31 December 2036 and the rental is paid on a monthly basis. The first payment date is 5 January 2006 and rental to be paid at Baht 30,000 per month and from 1 January 2027 onward at Baht 100,000 per month.

The Company has entered into an agreement to construct a hospital building on land owned by a government authority. The condition of the agreement states that upon completion of the building construction, the Company has to transfer the ownership over such building to that authority. After the authority accepts such transfer, in 2006 the Company entered into another land and hospital building rental agreement with that government authority. The agreement will cover a period of 30 years after the signing date of the agreement and the Company is obliged to pay rental on a yearly basis. The rental fee for the first 5 years is Baht 492,676 per year and this fee is to be increased every 5 years. The rental for the last 5 years will thus be Baht 990,943 per year.

The Company has entered into a land rental agreement for a period of 30 years from 18 March 2011 to 17 March 2041 and the rental is paid on a monthly basis with no rental for the first 3 months. The first payment date is 18 July 2011 and rental to be paid at Baht 100,000 per month and this fee is to be increased every 3 years. The rate will be increased by 10% of the latest rental of every 3 years.

The Company has entered into rental agreements with a company to operate medical clinic in a building for a period of 3 years from 28 September 2013 to 27 September 2016. The Company has to pay fee at the fixed rate and the rate stipulated in the agreement, of monthly gross operating revenue before deducted any expenses or the minimum fee stipulated in agreement whichever is higher.

The Company has entered into a land and building agreement to operate hospital business and related services for a period of 30 years from 5 April 2013 to 4 April 2043. The Company has to pay rental fee on a yearly basis at fixed rate of Baht 16,449,525 per year and leasehold right of Baht 300 million on the first date of agreement. The leasehold right was fully paid.

The Company has entered into a land and building agreement to operate medical clinic in a building for a period of 3 years from 1 February 2014 to 31 January 2017. The rental fee is Baht 260,000 per month. The Company can renew this agreement every 3 years ended 31 January 2028.

Samitivej Public Company Limited

The subsidiary company has entered into a rental agreement for a parking building dated 10 September 2003, for 30 years, effective from 8 December 2004. The total rental fee is Baht 155.1 million. The subsidiary company is committed to pay Baht 38.8 million as prepaid rental as per the schedule. The remaining rental fee will be paid on a monthly basis. In addition, the subsidiary company has entered into a service agreement with the same company for providing of services in the parking building for 30 years totaling Baht 103.4 million.

The subsidiary company has entered into a rental agreement with a company to operate medical clinic in a building for a period of 5 years from 28 May 2010. The contract period has been extended to 31 August 2016. The subsidiary company has to pay fee at the rate stipulated in the agreement, of monthly gross operating revenue before deducted any expenses or the minimum fee stipulated in agreement whichever is higher.

BNH Medical Center Co., Ltd.

The subsidiary company entered into an agreement with an association which is a shareholder, to lease land for the construction of a hospital for a period of 30 years, commencing 1 September 1993, with options to renew.

Paolo Medic Co., Ltd.

The subsidiary company entered into a land and premises rental agreement which will be expired in January 2037, and the rental fee is paid on a monthly basis at the amount as stipulated in the agreement.

Phyathai 1 Hospital Co., Ltd.

The subsidiary company entered into a land rental agreement with a state enterprise for a period of 3 years expiring in the year 2013 and made an additional memorandum of renewal the land rental agreement for another 3 years expiring in the year 2016. The subsidiary company will pay rental fee as stipulated in the memorandum.

Sriracha Nakorn General Hospital Public Co., Ltd.

The subsidiary company entered into a land rental agreement with the Treasury Department and the rental fee is paid on monthly basis as stipulated in the agreement.

34. Commitments and contingent liabilities

As at 31 December 2014 and 2013, commitments and contingent liabilities are as follows:

(Unit: Million Baht)

As at 31 December 2014						
	Consolidated financial statements			Separate financial statements		
	Within 1 year	1-5 years	Over 5 years	Within 1 year	1-5 years	Over 5 years
Contractual commitments						
- the land and building rental contracts (including long-term agreements in Note 33)	143	318	1,108	40	106	385
- the office equipment rental and other services	271	74	-	181	1	-
- the medical equipment provision and maintenance contracts	279	114	-	114	-	-
- the building construction and decoration contracts	1,382	22	-	112	-	-
- the sale and purchase contract for land	58	-	-	-	-	-
Total	2,133	528	1,108	447	107	385

(Unit: Million Baht)

As at 31 December 2013

	Consolidated financial statements			Separate financial statements		
	Within 1 year	1-5 years	Over 5 years	Within 1 year	1-5 years	Over 5 years
Contractual commitments						
- the land and building rental contracts (including long-term agreements in Note 33)	157	350	1,184	29	115	529
- the office equipment rental and other services	320	127	-	20	3	-
- the medical equipment provision and maintenance contracts	112	104	-	-	-	-
- the building construction and decoration contracts	1,471	-	-	369	-	-
Total	2,060	581	1,184	418	118	529

Contingent liabilities

As at 31 December 2014, the Company and its subsidiaries had outstanding bank guarantees of approximately Baht 291 million (2013: Baht 263 million) and the Company's was Baht 36 million (2013: Baht 33 million) issued by the bank on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business, such as facility usage and contractual performance.

35. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the executive committee.

The Company and its subsidiaries have two reportable segments that are hospital operations and other businesses that support hospital business including central lab, manufacturer and distributor of medicine and pharmaceutical products, assets management for healthcare business, restaurant and distribution of health food products and facility management, accounting services, technology and information service, training business, health insurance and life insurance broker. These two segments have similar economic characteristics. They both have common customer group, similar service provision methods and similar management.

In addition, the operations of the Company and its subsidiaries are carried on in the geographical areas of Thailand and overseas.

As hospital operation is the main business segment and the segment information that has been considered based on a quantitative basis is over 90 percent of the total population both operational and geographical areas. For this reason, the management considers to aggregate operating segments into one operating segment of hospital operation. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical areas.

For the years 2014 and 2013, the Company and its subsidiaries has no major customer with revenue of 10 percent or more of its revenues.

36. Promotional privileges

The Company has been granted promotional privileges under The Investment Promotion Act B.E. 2520, according to the promotional certificate No. 2302(2)/2553, dated 26 November 2010, for hospital business Type 7.7. Significant privileges are as follows:

- Exemption of import duty on machinery as approved by the board.
- Exemption from corporate income tax derived from the promoted operation, with the limited rate of 100 percent of the investment excluding land and working capital for a period of 8 years commencing from the date that revenues are first derived from the promoted operation.

In case of losses being incurred during the corporate income tax exemption period, the Company is allowed to utilise the loss as a deduction against net profits for a period of 5 years after exemption period, whether from any one year or from several years.

- Exemption from income tax on dividend paid from the profit of the promoted operations throughout the tax exemption period.

A.N.B. Laboratories Co., Ltd.

A.N.B. Laboratories Co., Ltd. has been granted promotional privileges under The Investment Promotion Act B.E. 2520, according to the promotional certificate No. 1913(2)/2554, dated 4 August 2011, for production of large-volume of sterile solution (saline solution), type 6.5 for production of pharmaceuticals and/or pharmaceutical active ingredients. Significant privileges are as follows:

- Exemption of import duty on machinery as approved by the board.
- Exemption from corporate income tax derived from the promoted operation, with the limited rate of 100 percent of the investment excluding land and working capital for a period of 5 years commencing from the date that revenues are first derived from the promoted operation.

In case of losses being incurred during the corporate income tax exemption period, the Company is allowed to utilise the loss as a deduction against net profits for a period of 5 years after exemption period, whether from any one year or from several years.

- Exemption from income tax on dividend paid from the profit of the promoted operation throughout the tax exemption period.

The Medic Pharma Co., Ltd.

The Medic Pharma Co., Ltd. has been granted promotional privileges under The Investment Promotion Act B.E. 2520, according to the promotional certificate No. 1218(2)/2553, dated 3 March 2010, for production of medicines for human use, type 6.5 for production of pharmaceuticals and/or pharmaceutical active ingredients from 25 January 2010. Significant privileges are as follows:

- Exemption from corporate income tax derived from the promoted operation, with the limited rate of 100 percent of the investment excluding land and working capital for a period of 5 years commencing from the date that revenues are first derived from the promoted operation.
- Revenues that must be included in calculation of net profit is revenue from sales of by products such as scrap or waste from production process.
- In case of losses being incurred during the corporate income tax exemption period, the Company is allowed to utilise the loss as a deduction against net profits for a period of 5 years after exemption period, whether from any one year or from several years.
- Exemption from income tax on dividend paid from the profit of the promoted operation throughout the tax exemption period.

The Company and its subsidiaries must comply with the conditions stipulated in the investment promotional privileges.

Revenues of the Company and its subsidiaries for the years 2014 and 2013 can be separated between the promoted and non-promoted operation as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Promoted operation		Non-promoted operation		Total	
	2014	2013	2014	2013	2014	2013
Revenue from hospital operations	588,611	462,495	53,752,739	48,707,386	54,341,350	49,169,881
Other income	1,143,953	823,940	1,489,263	1,412,703	2,633,216	2,236,643
Total revenues	1,732,564	1,286,435	55,242,002	50,120,089	56,974,566	51,406,524

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operation		Non-promoted operation		Total	
	2014	2013	2014	2013	2014	2013
Revenue from hospital operations	588,611	462,495	11,164,738	10,469,054	11,753,349	11,753,349
Other income	-	-	3,540,803	4,311,594	3,540,803	3,540,803
Total revenues	588,611	462,495	14,705,541	14,780,648	15,294,152	15,294,152

37. Financial instruments

The Company and its subsidiaries' financial instruments, which are defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentation", principally comprise the financial assets and liabilities mentioned in Note 4.21 to financial statements. The Company and its subsidiaries have the financial risks associated with these financial instruments and how they are managed is described below.

37.1 Financial risk management

The Company and its subsidiaries are exposed to risk arising from changes in market interest rates and foreign currency exchange rates, and from nonperformance of contractual obligation by counterparties in the future. The subsidiaries do not use derivative instruments, while the Company uses derivative instruments as and when they consider appropriate, to manage such risks. Neither the Company nor subsidiaries hold or issue derivative financial instruments for speculative or trading purposes.

37.2 Interest rate risk

The Company and its subsidiaries are exposed to interest rate risk relates primarily to its cash at banks, bank overdrafts, short-term loans, long-term loans, and debentures. However, most of financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate and the Company enters into interest rate swap contract to manage this risk as appropriate.

Interest rate swap contract

Interest rate swap contract is entered into to manage exposure to fluctuations in interest rate.

On 4 April 2014, the Company entered into a nine-year interest rate swap contract with a financial institution by converting the interest rate of fixed rate per annum to fixed rate for the first 4 years and floating rate based on Fixed Deposit Rate plus fixed rate per annum for the last 5 years on the debentures balance as described in Note 24. Then, on 15 October 2014, the Company agreed with the financial institution to change interest rate whereby they agreed to reduce the interest rate in the first year and to change the interest rate from floating rate in the fifth and the sixth year to a fixed rate, with the interest rate of other years maintained as same as specified in the contract.

Net fair value

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Fair value of interest rate swap contract - asset	70.6	-	70.6	-

Fair value of interest rate swap contract has been calculated using rate quoted by the financial institution as if the contract was terminated at the statements of financial position date.

Significant financial assets and liabilities classified by type of interest rate are as follows:

(Unit: Million Baht)

As at 31 December 2014						
Consolidated financial statements						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within 1 year	1-5 years	Over 5 years			
Financial Assets						
- Cash and cash equivalent	23	-	-	3,549	22	3,594
- Short-term investments	295	-	-	-	1,583	1,878
- Trade and other accounts receivable	-	-	-	-	5,819	5,819
- Restricted financial institution deposit	25	-	-	5	-	30
- Investments	-	-	-	-	15,232	15,232
	343	-	-	3,554	22,656	26,553
Financial liabilities						
- Bank overdrafts and short-term loans from financial institution	-	-	-	22	-	22
- Trade and other payables	-	-	-	-	4,408	4,408
- Short-term loans	89	-	-	-	-	89
- Long-term loans	2	2,500	-	8,402	-	10,904
- Liabilities under finance lease agreements	59	101	-	-	-	160
- Debentures	2,500	999	7,593	-	-	11,092
- Convertible debentures	-	9,346	-	-	-	9,346
	2,650	12,946	7,593	8,424	4,408	36,021

(Unit: Million Baht)

As at 31 December 2013

Consolidated financial statements

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within 1 year	1-5 years	Over 5 years			
Financial Assets						
- Cash and cash equivalent	389	-	-	3,651	21	4,061
- Short-term investments	120	-	-	-	-	120
- Trade and other accounts receivable	-	-	-	-	4,925	4,925
- Long-term deposit at financial institutions	-	10	-	-	-	10
- Restricted financial institution deposit	19	-	-	2	-	21
- Investments	-	-	-	-	13,593	13,593
	528	10	-	3,653	18,539	22,730
Financial liabilities						
- Bank overdrafts and short-term loans from financial institution	-	-	-	19	-	19
- Trade and other payables	-	-	-	-	4,021	4,021
- Long-term loans	3	2,503	-	6,058	-	8,564
- Liabilities under finance lease agreements	84	75	-	-	-	159
- Debentures	2,969	3,499	7,591	-	-	14,059
	3,056	6,077	7,591	6,077	4,021	26,822

(Unit: Million Baht)

As at 31 December 2014

Separate financial statements

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within 1 year	1-5 years	Over 5 years			
Financial Assets						
- Cash and cash equivalent	-	-	-	1,859	4	1,863
- Short-term investments	1,583	-	-	-	-	1,583
- Trade and other receivables	-	-	-	-	1,052	1,052
- Short-term loans to related parties	-	-	-	1,756	-	1,756
- Restricted financial institution deposit	14	-	-	-	-	14
- Long-term loans to related parties	-	-	-	5,341	-	5,341
- Investments	-	-	-	-	46,250	46,250
	1,597	-	-	8,956	47,306	57,859

(Unit: Million Baht)

As at 31 December 2014						
Separate financial statements						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within 1 year	1-5 years	Over 5 years			
Financial liabilities						
- Trade and other payables	-	-	-	-	928	928
- Short-term loans from related parties	-	-	-	4,703	-	4,703
- Long-term loans	-	2,500	-	8,345	-	10,845
- Liabilities under finance lease agreements	11	15	-	-	-	26
- Debentures	2,500	999	7,593	-	-	11,092
- Convertible debentures	-	9,346	-	-	-	9,346
	2,511	12,860	7,593	13,048	928	36,940

(Unit: Million Baht)

As at 31 December 2013						
Separate financial statements						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within 1 year	1-5 years	Over 5 years			
Financial Assets						
- Cash and cash equivalent	200	-	-	1,554	2	1,756
- Trade and other receivables	-	-	-	-	885	885
- Short-term loans to related parties	-	-	-	913	-	913
- Restricted financial institution deposit	14	-	-	-	-	14
- Long-term loans to related parties	-	-	-	5,733	-	5,733
- Investments	-	-	-	-	36,848	36,848
	214	-	-	8,200	37,735	46,149
Financial liabilities						
- Trade and other payables	-	-	-	-	987	987
- Short-term loans from related parties	-	-	-	2,926	-	2,926
- Long-term loans	-	2,500	-	5,755	-	8,255
- Liabilities under finance lease agreements	11	18	-	-	-	29
- Debentures	2,969	3,499	7,591	-	-	14,059
	2,980	6,017	7,591	8,681	987	26,256

37.3 Foreign currency risk

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

Forward exchange contract

As at 31 December 2014 and 2013, a subsidiary company has the outstanding balance of forward exchange contracts were as follows:

Balance as at	Foreign currency	Amount sold	Contractual exchange rate for amount sold
			(Baht per foreign currency unit)
31 December 2014	US Dollar	969,981	32.60 - 33.24
31 December 2013	US Dollar	1,889,271	31.25 - 33.01

Net fair value

The net fair value of forward exchange contracts at the statements of financial position date was:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Fair value of forward exchange contract (liabilities)	(229.1)	(1,345.7)	-	-

Fair value of forward exchange contract has been calculated using rate quoted by the financial institution as if the contracts were terminated at the statements of financial position date.

37.4 Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable, loans, bill of exchange and other receivable. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses.

In addition, the Company and its subsidiaries do not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans and other receivables as stated in the statement of financial position.

37.5 Fair values of financial instruments

Since the majority of the Company's and its subsidiaries' financial instruments bear floating interest rates or fixed interest rates which are close to market rate, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

38. Capital management

The primary objective of the Company's and its subsidiaries' capital management is to ensure that they have appropriate capital structure in order to support its business and maximise shareholders value. As at 31 December 2014, the Group's debt-to-equity ratio was 0.9:1.0 (2013: 0.8:1.0) and the Company's was 1.4:1.0 (2013: 1.0:1.0).

39. Subsequent events after reporting date

On 9 February 2015, Royal Bangkok Healthcare Co., Ltd., a subsidiary company in which the Company has a 100% shareholding, invested in General Hospital Products Public Company Limited, purchasing 1,201,686 shares from minority shareholders, representing 20.03% of the paid up capital. The value of the investment is Baht 96,134,880.

40. Approval of financial statements

These financial statements have been authorised for issue by the Company's Board of Directors on 26 February 2015.

Juristic persons in which the company holds 10% of shares or greater

as at December 31, 2014

Name	Date Registered	Location	Business	Shares issued and paid-up	% held
1 Bangkok Phuket International Hospital Co., Ltd.	26 Aug 2014	44 Chaloe Prakit R.9 Rd. Wichit, Muang, Phuket	Private Hospital	361,000,000 Par value Baht 10 / share	100.00
2 Bangkok Save Drug Co., Ltd. (BKK Save Drug)	23 Sep 2014	2 Soi Soonvijai 7 New Petchburi Rd., Bangkok	Holding Company	45,000,000 Par value Baht 10 / share	100.00
3 Save Drug Center Co., Ltd. Held through BKK Save Drug	26 Aug 1998	99/163 A Bldg. 4 Fl. Soi Phet Kasem 73/1 Nong Khaem, Bangkok	Pharmacy	230,000,000 Par value Baht 10 / share	100.00
4 Bangkok Hospital Sanamchan Co., Ltd. (BSN)	27 May 2014	1194 Phet Kasem Rd. Sanam Chan, Muang Nakhon Pathom	Private Hospital	365,500,000 Par value Baht 10 / share	100.00
5 Thepakorn Hospital Co., Ltd. (TPK) Held through BSN	14 Jun 1995	24 Soi 1 Thesa Rd. Phraphom Jedee, Muang, Nakhon Pathom	Private Hospital	3,000,000 Par value Baht 10 / share	44.53
6 G.Wasupol Co., Ltd. (MuangRaj Hospital) BSN : 25% and TPK : 1.85%	26 Oct 1995	59/3 Phet Kasem Rd. Na Muang, Muang, Ratchaburi	Private Hospital	5,400,000 Par value Baht 10 / share	25.00
7 N Health Cambodia Co., Ltd. Held through N Health Asia Pte. Ltd.	27 Jun 2014	Cambodia	Central Lab	1,000 Par value KHR 1,280,000 / share	100.00
8 N Health Asia Pte. Ltd.	8 April 2013	Singapore	Investment company	2,000,000 Par value USD 1 / share	100.00
9 BDMS Inter Pte. Ltd.	8 April 2013	Singapore	Investment company	40,000 Par value USD 1 / share	100.00
10 Bangkok Hospital Surat Co., Ltd.	26 Jun 2013	2 Soi Soonvijai 7 New Petchburi Rd., Bangkok	Private Hospital	30,000,000 Par value Baht 10/share	100.00
11 Thonburi Medical Center PCL. BDMS : 29.01% and RBH : 29.02%	7 Jan 1993	337 Somdet Phrachao Taksin Rd. Samre, Thon Buri, Bangkok	Private Hospital	19,384,226 Par value Baht 10/share	58.03
12 Samitivej Chonburi PCL.	22 Aug 2013	133 Soi Sukhumvit 49 Khlong Ton Nua, Vadhana, Bangkok	Private Hospital	60,000,000 Par value Baht 10/share	100.00
13 Bangkok Hospital Phitsanulok Co., Ltd.	26 Aug 2013	138 Phra Ongdam Rd. Nai Muang, Muang, Phitsanulok	Private Hospital	60,000,000 Par value Baht 10/share	100.00
14 Bangkok Hospital Khon Kaen Co., Ltd.	8 Feb 2013	2 Soi Soonvijai 7 New Petchburi Rd., Bangkok	Private Hospital	80,000,000 Par value Baht 10/share	100.00
15 Bangkok Hospital Chaingmai Co., Ltd.	24 May 2013	2 Soi Soonvijai 7 New Petchburi Rd., Bangkok	Private Hospital	100,000,000 Par value Baht 10/share	100.00
16 Bangkok Hospital Udon Co., Ltd.	28 May 2007	111 Thongyai Rd. Mak Khaeng, Muang, Udon Thai	Private Hospital	50,000,000 Par value Baht 10/share	100.00
17 Prasit Pattana PCL. (PPCL)	24 Jan 1975	943 Paholyothin Rd., Samsennai, Phayathai, Bangkok	Holding Company	1,108,208,020 Par value Baht 1/share	98.52
18 Phayathai 1 Hospital Co., Ltd. Held through PPCL	11 Dec 2001	364/1 Sri Aduddaya Rd., Phayathai, Radjdhevee, Bangkok	Private Hospital	48,100,000 Par value Baht 10 / share	100.00
19 Phayathai 2 Hospital Co., Ltd. Held through PPCL	7 Sep 1984	943 Phaholyothin Rd., Samsennai, Phayathai, Bangkok	Private Hospital	22,511,351 Par value Baht 10 / share	99.16
20 Phayathai 3 Hospital Co., Ltd. Held through PPCL	24 Sep 1996	111 Phet Kasem Rd., Pak Khlong Tarat Phasi Charoen, Bangkok	Private Hospital	Common share 5,442,995 Prefer share 3,750,000 Par value Baht 10 / share	98.95
21 Sriracha Nakorn General Hospital PCL. Held through PPCL	29 April 1992	90 Sriracha Nakorn Rd., 3 Sriracha, Chonburi	Private Hospital	35,954,180 Par value Baht 10 / share	74.34

Name	Date Registered	Location	Business	Shares issued and paid-up	% held
22 Paolo Medic CO.,LTD.	8 Oct 1986	6670/1 Phaholyothin Rd., Samsennai, Phayathai, Bangkok	Private Hospital	30,000,000 Par value Baht 10 / share	100.00
23 Paolo Samut Prakran Co., Ltd.	30 Jan 1992	123 Srinakarin Rd., Tambon Banmueng, Ampor Mueng Samut Prakran	Private Hospital	8,400,000 Par value Baht 5 / share	93.61
24 Siam Medical Co., Ltd.	7 Jul 1970	1 Chokchai Rd., 4 Lat Phrao, Khet Lat Phrao, Bangkok	Private Hospital	Common Share 8,700,000 Prefer share 1,300,000 Par value Baht 10 / share	85.20 89.13
25 Thai Medical Center PCL.	27 Jan 1993	44/505 Navamin Rd. Khet Bueng Kum, Bnagkok	Private Hospital	200,538,671 Par value Baht 10 / share	99.76
26 Bangkok Hospital Khao Yai Co., Ltd.	18 Jul 2007	2 Soi Soonvijai 7 New Petchburi Rd., Bangkok	Private Hospital	7,000,000 Par value Baht 10/share	100.00
27 Bangkok Hospital Samui Co., Ltd.	14 Aug 2003	57 Moo 3, Bor Pud Samui Island, Suratthani	Private Hospital	15,000,000 Par value Baht 10/share	100.00
28 Bangkok Hospital Rayong Co., Ltd.	13 Aug 2002	8 Moo 2, Soi Saengchanniramit Nern Pra, Muang, Rayong	Private Hospital	40,000,000 Par value Baht 10/share	100.00
29 Bangkok Hospital Trat Co., Ltd.	25 Jan 1994	276 Sukhumvit Rd., Muang, Trad	Private Hospital	50,000,000 Par value Baht 5/share	99.76
30 Wattanavej Co., Ltd.	28 Oct 1983	25/14 Thaluang Rd., Muang, Chantaburi	Private Hospital	18,000,000 Par value Baht 10/share	99.69
31 Bangkok Hospital Phuket Co., Ltd.	15 Mar 1994	2/1 Hongyokuthit Rd., Muang, Phuket	Private Hospital	100,000,000 Par value Baht 5/share	99.69
32 Bangkok Hospital Had yai Co., Ltd.	27 Jul 1995	75 Soi 15, Petchkasem Rd., Muang, Songkla	Private Hospital	100,000,000 Par value Baht 5/share	98.80
33 Bangkok Hospital Pattaya Co., Ltd.	1 May 1989	301 Sukhumvit Rd., km 143 Pattaya, Chonburi	Private Hospital	28,000,000 Par value Baht 10/share	97.27
34 Samitivej PCL. (SVH)	28 Dec 1976	133 Sukhumvit 49 Klongtan, Wattana, Bangkok	Private Hospital (Samitivej Sukhumvit, Samitivej Srinakarin)	100,000,000 Par value Baht 10/share	95.76
35 BNH Medical Center Co., Ltd. (BNH)	27 Aug 1991	9/1 Convent Rd., Silom, Bangrak, Bangkok	Private Hospital	58,611,935 Par value Baht 10/share	91.48
36 Bangkok Hospital Ratchasima Co., Ltd.	24 Nov 1992	1308/9 Mitraparp Rd., Nai Muang, Muang Nakornratchasima	Private Hospital	30,000,000 Par value Baht 10/share	91.36
37 Bangkok Hosital Prapradaeng Co., Ltd.	7 Sep 1992	288 Suksawat Muang, Samutprakarn	Private Hospital	10,500,000 Par value Baht 10/share	84.00
38 Angkor Pisith Co., Ltd.	20 Dec 2005	National Road No.6, Kruos Village, Svay Dangkom Commune, Siem Reap District, Siem Reap, Cambodia.	Private Hospital in Camobia	10,000 Par value USD1,000/share	80.00
39 Royal Rattanak Medical Services Co., Ltd.	21 Jun 2007	No.11, Street 592, Sangkat Boeung Kak 2, Khan Toul Kok, Phnom Penh, Cambodia.	Private Hospital in Cambodia	6,500 Par value USD 1,000/share	70.00
40 Phnom Penh Medical Services Co., Ltd.	27 Nov 2006	Toeuk Thla Village, Russian Federation Blvd., Sangkat Toeuk Thla, Khan Russey Keo, Phnom Penh, Cambodia.	Private Hospital in Cambodia (Not yet in operations)	10,000 Par value USD1,000/share	100.00

Name	Date Registered	Location	Business	Shares issued and paid-up	% held
41 B.D.M.S. International Medical Services Co., Ltd.	20 Dec 2005	61A Street 214, Sangkat Beong Rang, Khan Don Peh, Phnom Penh, Cambodia.	Private Hospital in Cambodia (Not yet in operations)	1,000 Par value KHR 9,200,000/share	100.00
42 S.R. Property Investment Co., Ltd.	20 Dec 2005	517 Road No.6, Phum Salakanseng, Khum Svay Damdum, Srok Khet, Siem Reap, Cambodia.	Land Holding Company	1,000 Par value KHR 20,000/share	49.00
43 Siem Reap Land Investment Co., Ltd.	10 Feb 2007	517 Road No.6, Phum Salakanseng, Khum Svay Damdum, Srok Khet, Siem Reap, Cambodia.	Land Holding Company	1,000 Par value KHR 20,000/share	49.00
44 Phnom Penh First Property Co., Ltd.	27 Nov 2007	No.61 Street 214, Sangkat Beong Rang, Khan Don Peh, Phnom Penh, Cambodia.	Land Holding Company	1,000 Par value KHR 20,000/share	49.00
45 Bio-Molecular Laboratories (Thailand) Co., Ltd.	7 Nov 2001	2 Soi Soonvijai 7 New Petchburi Rd., Bangkok	Bio molecular laboratories	1,000,000 Par value Baht 10/share	95.00
46 National Healthcare Systems Co., Ltd. BDMS : 74.02% SVH : 21.04 and BNH : 4.93%	25 Jul 2001	2301/2 New Petchaburi Rd., Bangkok	Share service company	7,500,000 Par value Baht 10/share	100.00
47 BDMS Accounting Co., Ltd. (BDMS Acc) Changed from Asia International Healthcare Co., Ltd.	17 Jul 2003	2 Soi Soonvijai 7 New Petchburi Rd., Bangkok	Accounting Services	5,000,000 Par value Baht 10/share	100.00
48 Al Ghaith Bangkok Dusit Management Services LLC. held through BDMS Acc	Jun 2007	Al Gaith Tower 14th Floor, Office Number 1401, Hamdan Street, Abu Dhabi, United Arab Emirates	management company	10,000 Par value AED 1,000/share	30.00
49 Greenline Synergy Co., Ltd.	18 Aug 2008	2301/2 Dental center New Petchaburi Rd., Bangkok	Information technology	20,000,000 Par value Baht 10/share	100.00
50 Royal Bangkok Healthcare Co., Ltd. (RBH)	11 Feb 2008	2 Soi Soonvijai 7 New Petchburi Rd., Bangkok	Holding Company	73,600,000 Par value Baht 10/share	100.00
51 A.N.B. Laboratories Co., Ltd. Held through RBH	1 Jun 1961	39/1 Ram-Indra Rd., Kannayao, Bangkok	Manufacture and distribution of medicine	115,000 Par value Baht 1,000/share	100.00
52 Bangkok Health Insurance PCL.	2 Jan 1981	2 Soi Soonvijai 7 New Petchburi Rd., Bangkok	Health insurance	10,500,000 Par value Baht 10/share	99.97
53 Bangkok Premier Life Insurance Broker Co., Ltd.	29 Aug 2011	2301/2 New Petchaburi Rd., Bangkok	Insurance Broker	2,000,000 Par value Baht 10/share	100.00
54 Samitivej Sriracha Co., Ltd. Held through SVH	30 Aug 1990	8 Soi Laemkate Choem Chormphon Rd., Si Racha, Chon Buri	Private Hospital (Samitivej Sukhumvit, Samitivej Srinakarin)	18,751,000 Par value Baht 10/share	69.75
55 Medic Pharma Co., Ltd.	29 Aug 1971	124 Thonburi-Parktor Rd., Bangkok	Manufacture and distribution of medicine	2,143,000 Par value Baht 10/share	86.89
56 Bangkok Helicopter Services Co., Ltd.	29 Jun 1995	1111 Ploenchit Rd., Lumpini, Patumwan, Bangkok	Air medical transport	10,000,000 Par value Baht 10/share	49.00
57 Cool & Joy Co., Ltd.	20 May 2003	2 Soi Soonvijai 7 New Petchburi Rd., Bangkok	Public relations and marketing support	500,000 Par value Baht 10/share	30.00
58 Ramkhamhaeng Hospital PCL. ***	25 Aug 1986	2138 Ramkhamhaeng Rd., Bangkok, Bangkok	Private Hospital	12,000,000 Par value Baht 10/share	38.24
59 Bumrungrad Hospital PCL.***	15 Dec 1989	33 Sukumvith Rd., Soi 3 Klong Tun Nua Wattana, Bangkok	Private Hospital	Common share 728,383,622 Par value Baht 1/share	23.95

Name	Date Registered	Location	Business	Shares issued and paid-up	% held
60 Udon Pattana (1994) Co., Ltd. *** BDMS : 15.26% and PYT1 : 9.85%	9 Jun 1994	555/5 Posri Rd., Muang, Udonthani	Private Hospital	30,000,000 Par value Baht 1/share	25.11
61 BDMS Training Co., Ltd.	23 Sep 2010	2 Soi Soonvijai 7 New Petchburi Rd., Bangkok	Training Center for staff within the network	100,000 Par value Baht 10/share	100.00
62 Irving Sheridan SE Co., Ltd. Held through SVH	14 Nov 2002	488 Srinakarin Rd., Suanluang, Bangkok	Asset management	10,000 Par value Baht 10/share	96.03
63 First Health Food Co., Ltd. (First Health) Held through SVH	23 Mar 2004	488 Srinakarin Rd., Suanluang, Bangkok	Restaurant and health food	1,400,000 Par value Baht 10/share	99.99
64 Sodexo Healthcare Support Service (Thailand) Co., Ltd. Held through First Health	15 May 2004	23/93 Sornchai Building Soi Sukhumvit 63, Wattana, Bangkok	Other services	150,000 Par value Baht 100/share	74.00
65 SV Holding Co., Ltd. Held through SVH	28 Aug 2013	488 Srinakarin Rd., Suanluang, Bangkok	Investment company	400,000 Par value Baht 10/share	100.00
66 N Health Pathology Co., Ltd. Held through RBH	8 Dec 2014	2301/2, New Petchaburi Rd. , Huaykwang Bangkok	Central Lab	3,000,000 Par value Baht 10/share	95.00
67 Samitivej International Co., Ltd Held through SV Holding	8 Sep 2014	Republic of the Union of Myanmar	Clinic	1,250,000 Par value USD 1 / share	80.00

Note : ***The Company is shareholder only and is not involved in management of the business

General Information and Other Important Information

Type of Business	Health Care Business
Location	2 Soi Soonwijai 7, New Petchaburi Road, Bangkok, Huay Kwang, Bangkok 10320 Telephone 1719, 02-310-3000 Fax 02-310-3252, 02-310-3327
Company Registration Number	BorMorJor. 0107537000025
Web site	www.bangkokhospital.com
Registered Capital	Baht 1,649.79 million with Baht 1,549.10 million in paid-up capital, divided into 15,490.96 million common shares with par value of Baht 0.10 each
Reference Information	
Securities Registrar	Thailand Securities Depository Co., Ltd. 4th Floor, Stock Exchange of Thailand Building, 62 Ratchadaphisek Road, Klongtoey, Bangkok 10110 Telephone 02-229-2800, 02-654-5599 Fax 0-2359-1259
Bond Registrar and Paying Agent	TMB Bank Public Company Limited 10th Floor, 393 Silom Road, Silom, Bangrak, Bangkok 10500 Telephone 02-230-5878, 02-230-5756 Fax 02-230-6093
Convertible Bond Registrar and Transfer Agent	The Bank of New York Mellon (Luxembourg Branch) 2-4 rue Eugene Ruppert Vertigo Building - Polaris, L-2453 Luxembourg
Convertible Bond Trustee and Principal Agent	The Bank of New York Mellon (London Branch) One Canada Square, Canary Wharf, London E14 5AL, England
Auditor	EY Office Limited. (formerly known as Ernst & Young Office Co., Ltd.) 33rd Floor, Lake Rajada Building, 193/136-137 Ratchadaphisek Road, Klongtoey, Bangkok 10110 Telephone 02-661-9190, 02-264-0777 Fax 02-661-9192, 02-264-0789-90



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