



YOUR TRUSTED
HEALTHCARE
NETWORK



BDMS 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. Our hospitals shall be the medical service facilities with high standard and international quality, for trustworthiness and optimal satisfaction of the customers.

Bangkok Hospital intends to continually improve the management system and its services by emphasizing on the continuous quality improvement throughout the organization.

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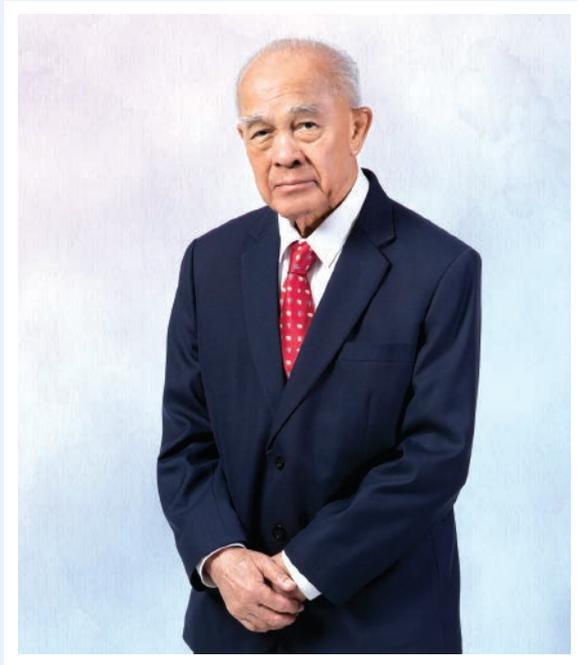


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ANNUAL REPORT 2017

BANGKOK DUSIT MEDICAL SERVICES Public Company Limited

MESSAGE FROM CHAIRMAN OF THE BOARD OF DIRECTORS



The year 2017, which marks our 45th year in the business, has been another proud year for Bangkok Dusit Medical Services Public Company Limited. It has long been our determination to provide quality medical services to our patients hand in hand with the advancement of the potential of our medical professionals and staff, as well as efficient and effective organizational management. This is to create well deserved investment value to our shareholders, with consideration of the fundamentals of corporate social responsibility and in the best interest of all stakeholders.

The Company's business has been operated with honesty, transparency and good ethics as well as adherence to good corporate governance. It is our belief that these traits will lead the Company to sustainable success and growth. As with previous years, the Board of Directors has reviewed the corporate governance policy and made necessary revisions so as to be more encompassing and in line with the current situation. The policy has been communicated and promoted

to management and staff so that they may act accordingly and create a corporate culture. Furthermore, the Board of Directors has appointed two sub-committees, namely, the Risk Management Committee and the Corporate Governance Committee, to assist the Board in screening any related matters and to support the Board so that it may act with efficiency and effectiveness.

The Company has placed importance on the quality of medical services provided and we have received quality certifications from leading domestic and international organizations. We have sought after the latest developments in medical science and technology to provide the best care for our patients, making BDMS a well-recognized and trustworthy organization. In 2017, The Company received the Thailand's Top Corporate Brand Values award in the health sector with a brand value of Baht 255,714 million from the Faculty of Commerce and Accountancy, Chulalongkorn University and the Stock Exchange of Thailand for the third consecutive year. Moreover, the Company recognizes the importance of preventive medicine by establishing the BDMS Wellness Clinic, a service that focuses on preventive medicine using modern technology and a world renowned, experienced medical team to care for our patrons. The Clinic aims to help prevent the risk of disease so that people may live a long, happy life, which is fundamental in creating quality Thai society with a population that is prepared both physically and mentally. Preventive medicine can also help lessen the public sector's budget for the medical care of the population.

On behalf of the Board of Directors, management and all staff, I would like to thank the shareholders, customers, business alliances and all stakeholders for your continued support of the Company. BDMS pledges that the Board of Directors, management and all staff will carry out our duties to the fullest extent of our capabilities with unwavering dedication to ensure continuous sustainable growth of the Company.

Signed By **Hon. Prof. Dr. Arun Pausawadi**

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

MESSAGE FROM GROUP CEO & PRESIDENT



In the past several years, Thai medical knowledge and advancements have greatly expanded leading to medical care and treatment that meet the recognized standards of care. Thailand has also seen continuous developments in business and industry. One of the ten industries that the Thailand 4.0 Policy is developing for the future is the Medical Hub, which focuses on public health and medical technology (health, wellness and biomed).

To achieve our vision of being the leading hospital network in the region and of Thailand becoming a Medical Hub, the Company continues to drive our strategy in creating differentiation and emphasizes vertical growth. We have made continuous investments in order to develop medical care potential of our network hospitals and our Center of Excellence Network (includes 9 hospitals: Bangkok Hospital, Samitivej Sukhumvit Hospital, Samitivej Srinakarin Hospital, Phyathai 2 Hospital, Bangkok

Hospital Pattaya, Bangkok Hospital Phuket, Bangkok Hospital Chiang Mai, Bangkok Hospital Udon and Royal Phnom Penh Hospital). Moreover, the Company has plans for Bangkok Hospital Rayong to be the tenth Center of Excellence in the BDMS Group, in accord with the development of the Eastern Economic Corridor (EEC).

Furthermore, the Company has continued the collaboration with leading medical institutions, such as The University of Texas MD Anderson Cancer Center, Hannover Medical School, Missouri Orthopedic Institute and Oregon Health & Science University (OHSU). We organized the BDMS Academic Annual Meeting 2017: Global Partnership for Excellent Healthcare towards Thailand 4.0 in order to enhance Thai medical knowledge and medical innovation by connecting experts from world renowned, medical institutions who are leaders in each field, namely:

- Cedars-Sinai Medical Center, Oregon Health and Science University (OHSU), MD Anderson Cancer Center, Le Bonheur Children's Hospital, Cleveland Clinic, U.S.A.
- James Cook University, Australia
- University College London (UCL) Medical School, United Kingdom
- China Medical University (CMU), Taiwan

In terms of investments and business expansion, the BDMS Group officially opened the “Paolo Hospital Kaset” and “Bangkok Hospital Surat”. The BDMS Wellness Clinic is another project which will meet the needs of the lifestyle of new age society. The Clinic focuses on preventive medicine and longevity. The Regenerative Clinic is now open and other clinics will follow in early 2018, namely, the Musculoskeletal & Sports Clinic, the Neuroscience Clinic, the Cardioscience Clinic, the Dental Clinic, the Breast Clinic and the Digestive Wellness Clinic, using modern technology and a team of world renowned experts in providing medical care.



In terms of financials, the operating results of BDMS in 2017 was still impacted by many Thai economic factors despite the government’s policy on infrastructure investments to stimulate the economic recovery. The Company continues with the policy to manage capital and decrease costs from last year. With the cooperation and benefits of a strong network, the 45th year of BDMS has been another year when we have been able overcome the obstacles. Overall, the Company showed around 6% growth and has been able to maintain the credit rating of “AA-” Stable from TRIS Rating Company Limited (TRIS).

Concerning corporate governance, the Company has reviewed the good corporate governance policy to ensure that it is updated and appropriate. The policy will be the guidelines for creating sustainable value in line with investor and stakeholder expectations, as well as support continuous innovations. In 2017, Bangkok Hospital received three awards from Thailand ICT Excellence Awards 2017 organized by the Thailand Management Association (TMA), namely, Excellence in Core Process Improvement Project, Excellence in Innovation Project for Health Passport and Distinguished in Business Sustainability Project for connecting patient data among hospitals. In addition, the Company received “Thailand’s Top Corporate Brand 2017” in the medical industry for the third consecutive year from the Faculty of Commerce and Accountancy, Chulalongkorn University, with an organizational brand worth Baht 255,714 million. The Company also received the Best IR in Sector: Healthcare from IR Magazine Awards – South East Asia 2017 organized by IR Magazine and held in Singapore. The Award is given to listed companies that standout in investor relations and are recognized by institutional investors in the ASEAN region. Moreover, the Company received the Corporate Governance Rating: CGR 2017 of Very Good CG Scoring by the Thai Institute of Directors in association with the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

Through 45 years of operations, BDMS has conducted our business with social and environmental responsibility. We have recognized the importance of quality of life and continue to develop the quality of life of the community and society by supporting charitable projects like the Green Health Care & Share and Vejdsut Foundation. In the past year, the Company has organized various socially responsible activities in medicine and public health for the disadvantaged and indigent patients. We have prepared the Sustainability Report to provide a record of such socially responsible activities, as we believe that all forms of “giving” are of value to Thai society.

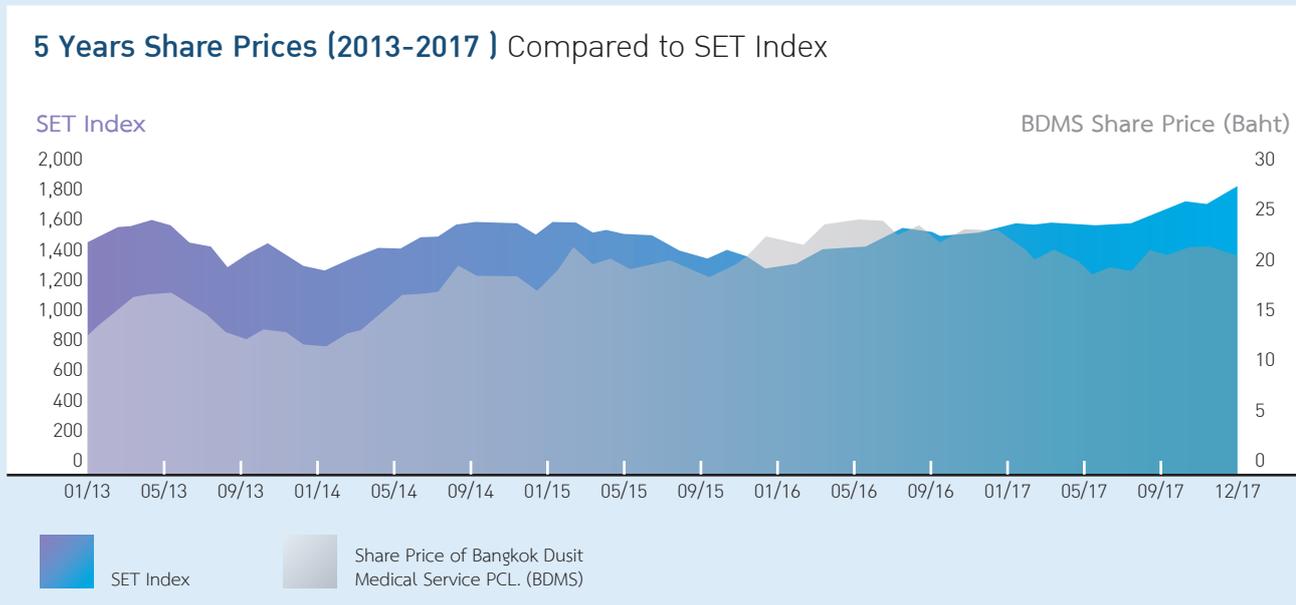
On behalf of Bangkok Dusit Medical Services Public Company Limited, I am proud that our organization has grown strong, with a reputation that is internationally recognized. Such growth could not have come about without the support of our shareholders, patrons, doctors, nurses, management and all personnel of the Company and subsidiaries. The growth of BDMS from the cooperation of all involved, is not only a success for the organization, but is also a driver of the Thai medical industry to grow and stand proudly on the world stage.

Signed By **Mr. Prasert Prasarttong-Osoth, M.D.**

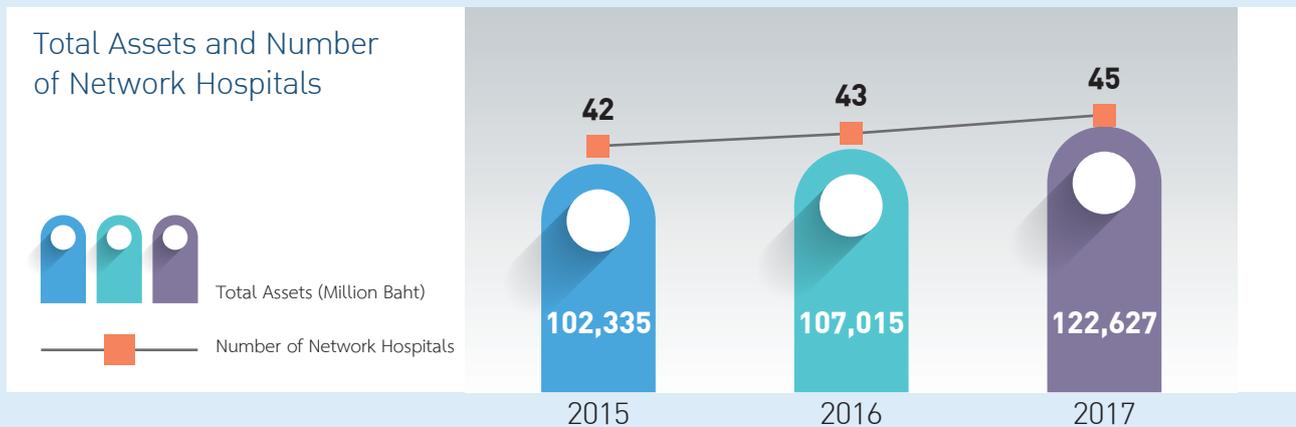
Mr. Prasert Prasarttong-Osoth, M.D.
Group Chief Executive Officer and President

FINANCIAL HIGHLIGHTS

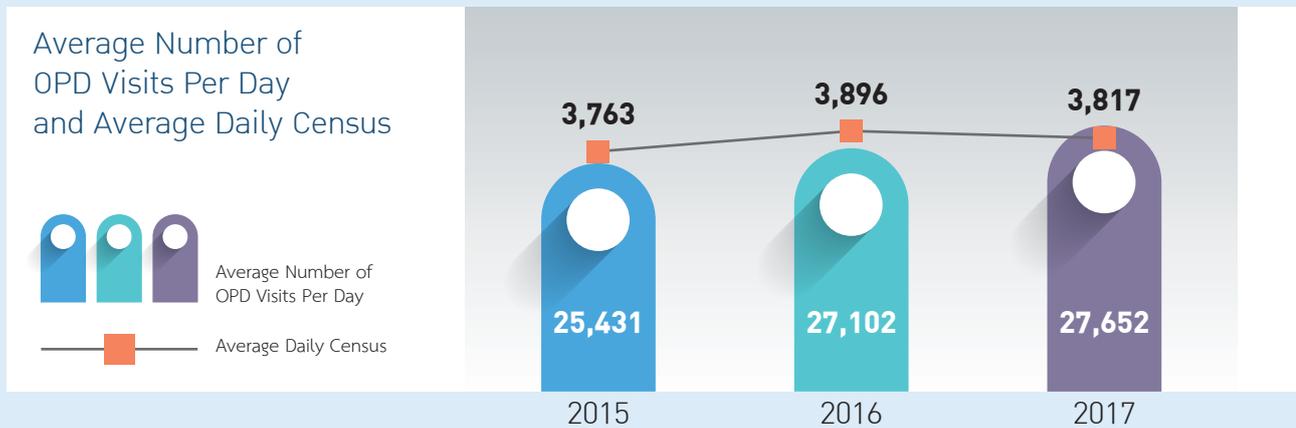
5 Years Share Prices (2013-2017) Compared to SET Index



Total Assets and Number of Network Hospitals



Average Number of OPD Visits Per Day and Average Daily Census





Total Operating Income (Million Baht)



Total Operating Income
(Million Baht)



Growth of Total
Operating Income

12.4%

63,633

2015

8.2%

68,844

2016

6.0%

72,772

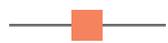
2017

Remark: Operating income is calculated from hospital revenue + revenue from sales of goods and food + other income

Net profit and Net Profit Margin



Net profit (Million Baht)



Net Profit Margin

12.6%

8,021

2015

12.2%

8,386

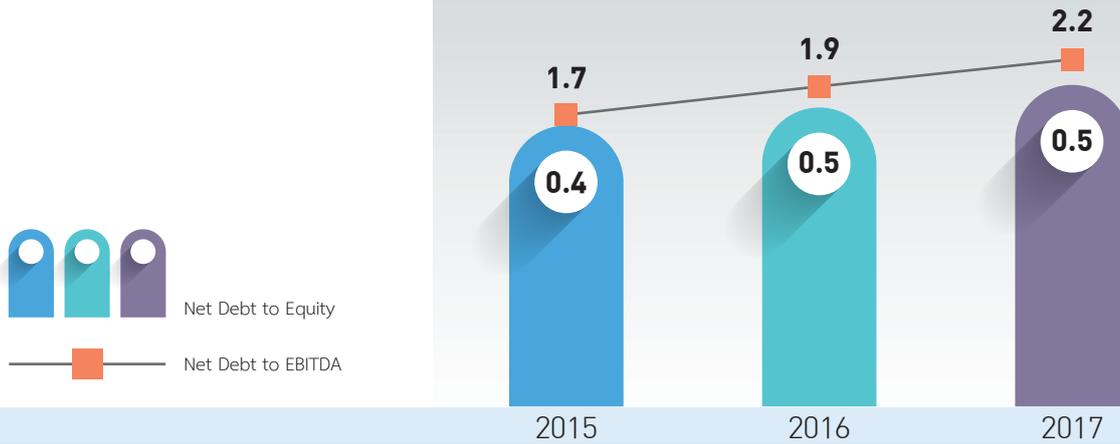
2016

14.0%

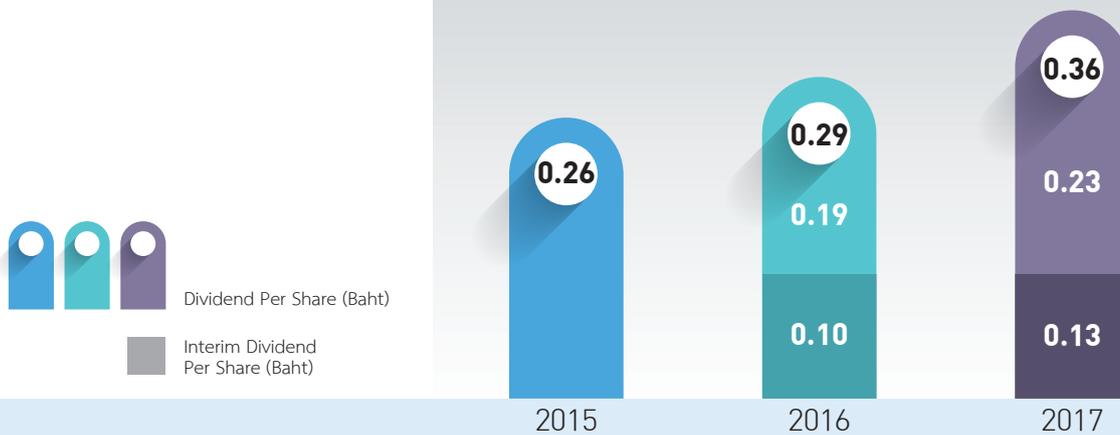
10,216

2017

Net Debt to Equity and Net Debt to EBITDA (X)



Dividend Per Share (Baht)



* Board of Directors had resolution on 28 February 2018 to propose for dividend payment of Baht 0.36 per share. However, the Company paid interim dividend at the rate of Baht 0.13 per share from the Board of Directors resolution on 30 August 2017. Therefore, the Company shall pay an additional dividend at Baht 0.23 per share.



Financial Highlights

	2017	2016	2015
Balance Sheets (Million Baht)			
Total Assets	122,627	107,015	102,335
Total Liabilities	56,756	48,710	47,338
Total Shareholders' Equity	65,871	58,305	54,997
Income Statements (Million Baht)			
Revenue from Hospital Operations	69,123	65,237	60,240
Total Operating Income	72,772	68,844	63,633
Net Profit (Excluding Non-Recurring Items)	8,021	8,220	7,812
Net Profit	10,216	8,386	8,021
Liquidity Ratio			
Current Ratio (x)	1.1	0.7	0.9
Quick Ratio (x)	0.9	0.6	0.8
Operating Cash Flow Ratio (x)	0.7	0.8	0.9
Average Collection Period (Days)	34.0	35.4	37.8
Average Inventory Period (Days)	12.2	11.1	10.5
Average Payable Period (Days)	34.3	37.1	40.8
Profitability Ratio (%)			
Gross Profit Margin ^{1/}	33.3	33.3	34.5
EBIT to Net Sale	16.4	16.7	17.8
Operating Cash Flow to EBIT	92.7	109.5	115.3
Net Profit Margin	14.0	12.2	12.6
Return on Equity	17.2	15.5	16.4
Efficiency Ratio			
Return on Assets (%)	8.9	8.0	8.2
Return on Fixed Assets (%)	24.1	24.1	24.8
Asset Turnover (x)	0.7	0.7	0.7
Financial Policy Ratio			
Total Liabilities to Equity (x)	0.9	0.8	0.9
Interest Coverage (x) ^{2/}	10.1	16.7	12.5
Commitment Coverage on Cash Basis (x)	0.4	0.5	0.5
Dividend Payout Ratio (%) ^{3/}	54.6 ^{4/}	53.6	50.2

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

2/ Interest coverage = EBITDA/interest expenses

3/ Dividend payout ratio = Dividend per share/earnings per share (including non-recurring items)

4/ Board of Directors had resolution on 28 February 2018 to propose for dividend payment of Baht 0.36 per share.

However, the Company paid interim dividend at the rate of Baht 0.13 per share from the Board of Directors resolution on 30 August 2017.

Therefore, the Company shall pay an additional dividend at Baht 0.23 per share.

Innovation

Over the past four decades our hospital in BDMS have been at the cutting edge of healthcare. Embodied by a culture of innovation, Thailand's leading hospital network continually aims to apply new technologies and techniques combined with medical expertise. Today, it is widely regarded by both the private and public healthcare sectors as the medical institution for innovation.

“Our Hospital, where advances in medicine meet with compassionate care”



Hybrid OR



PET/CT Scan with Flow Motion



Biplane Imaging (EOS)



SKY ICU

Excellence

45th



**New Radiation Machine:
Varian EDGE**



Anti-Gravity Treadmill (Alter-G)



256-Slice CT Scan

Board of Directors



Professor Emeritus Arun Pausawasdi, M.D.
Chairman/Independent Director



Mr. Chuladej Yossundharakul, M.D.
Vice Chairman



**Professor Emeritus
Santasiri Sornmani, M.D., Ph.D.**
Independent Director



Mr. Chavalit Sethameteekul
Independent Director



Mr. Weerawong Chittmittrapap
Independent Director



Mr. Kan Trakulhoon
Independent Director



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



Mr. Chatree Duangnet, M.D.
Director



Mr. Pradit Theekakul
Director



Miss Poramaporn Prasarttong-Osoth, M.D.
Director



Mr. Sripop Sarasas
Director



Mr. Thongchai Jira-alongkorn
Director



Mr. Att Thongtang
Director

Professor Emeritus Arun Pausawadi, M.D.

Chairman of the Board of Directors/
Independent Director

Age 79 years

Education

- Dr. Med, Hamburg University, German
- Facharzt fur Chirurgie, The Medical Council of Hamburg, German
- Certificate of Medical Clinic, Mahidol University
- Medical Doctor, Faculty of Medicine Siriraj Hospital, Mahidol University

Training

- Directors Accreditation Program Class 45, Thai Institute of Directors Association

Experience

- Assistant to Ministry 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
- Advisor to the Minister of Public Health
- Vice President, The Prince Mahidol Award Foundation

Other Position in Listed Company

- None

Other Position

1. Chairman, Centre for Continuing Medical Education of Thailand
2. Member of the Thai medical registration license committee
3. 1st Vice President, Siriraj Foundation
4. Director of Chao Phya Hospital PCL
5. Director of Chao Phya Medical Center Co., Ltd.

Number year of services

- 19 years and 4 months (Since September 1998)

Board of Directors' meeting attendance in Year 2017

- 14/14

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



* : Outstanding shares held as of 29 December 2017, includes spouses and dependents (if any).



Mr. Prasert Prasarttong-Osoth, M.D.

Group Chief Executive Officer & President/
Chairman of Executive Committee/
Authorized Director

Age 84 years

Education

- Certificate from National Defense College, Course for the Joint State Private Sector, Class 1
- Bachelor Degree from Siriraj Medical School, University of Medicine

Training

- Directors Accreditation Program Class 45, Thai Institute of Directors Association

Experience

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

Other Position in Listed Company

1. Vice Chairman of Board of Director/
Chairman of Executive Committee, Bangkok Airways PCL.

Other Position

1. Chairman, The Medic Pharma Co., Ltd.
2. Chairman, Bangkok Helicopter Services Co., Ltd.
3. Chairman, BDMS Wellness Clinic Co., Ltd.
4. Chairman, Bangkok Media & Broadcasting Co., Ltd.
5. Chairman, The Sahakol Estate Co., Ltd.

Number year of services • 23 years (Since 1994)

Board of Directors' meeting attendance in Year 2017

• 14/14

Executive Committee meeting attendance • 12/12

Number of company shares* • 2,913,602,540 shares (18.81%)

Relationship among other management

- Parent of Company's director;
Miss Poramaporn Prasarttong-osothe, 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



* : Outstanding shares held as of 29 December 2017, includes spouses and dependents (if any).

Mr. Chuladej Yossundharakul, M.D.

Vice Chairman/Authorized Director/
Executive Director/Member of
the Nomination and Remuneration Committee
Age 85 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

Training

- 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 in Listed Company

- None

Other Position

1. Chairman, Bangkok Hospital Prapadaeng Co., Ltd.
2. Chairman, Bangkok Hospital Pattaya, Co., Ltd.
3. Chairman, Bangkok Hospital Trat Co., Ltd.
4. Chairman, Wattanavej Co., Ltd.

Number year of services • 23 years (Since 1994)

Board of Directors' meeting attendance in Year 2017
• 14/14

Executive Committee meeting attendance • 12/12

Number of company shares • 50,060,490 shares (0.32%)

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



* : Outstanding shares held as of 29 December 2017, includes spouses and dependents (if any).



Mr. Chatree Duangnet, M.D.

Authorized Director/
Executive Advisor to CEO

Age 73 years

Education

- 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

Training

- Directors Accreditation Program Class 54, Thai Institute of Directors Association
- Certified of National Defense College Class 10

Experience

- Group Chief Medical Officer, Bumrungrad Hospital, Bangkok
- Chief Executive Administrator, Bangkok Hospital, Bangkok
- 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 in Listed Company

- None

Other Position

1. Chairman, Bangkok Hospital Udon Co., Ltd.
2. Chairman, Bangkok Hospital Chiangmai Co., Ltd.
3. Chairman, Bangkok Hospital Chiangrai Co., Ltd.
4. Chairman, National Healthcare Systems Co., Ltd.
5. Chairman, Bio Molecular Laboratory (Thailand) Co., Ltd.
6. Director, Prasit Pattana PCL.
7. Director, Phyathai 1 Hospital Co., Ltd.
8. Director, Phyathai 2 Hospital Co., Ltd.
9. Director, Phyathai 3 Hospital Co., Ltd.
10. Director, Sriracha Nakorn Hospital PCL.
11. Director, Paolo Medic Co., Ltd.
12. Director, Paolo Samutprakarn Co., Ltd.
13. Director, Siam Medical Co., Ltd.
14. Director, Thai Medical Center PCL.
15. Director, Bangkok Helicopter Services Co., Ltd.
16. Chairman, B.D.M.S. International Medical Services Co., Ltd.
17. Chairman, S.R. Property Investment Company Limited
18. Chairman, Siem Reap Land Investment Company Limited
19. Director, Phnom Penh First Property Co., Ltd.

Number year of services

- 11 years and 9 months (Since April 2006)

Board of Directors' meeting attendance in Year 2017

- 14/14

Executive Committee meeting attendance • 12/12

Number of company shares* • 4,500,000 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



* : Outstanding shares held as of 29 December 2017, includes spouses and dependents (if any).

Mr. Pradit Theekakul

Authorized Director/Member of
Executive Committee /Executive advisor to CEO/
Member of RiskManagement Committee/
Member of Corporate Governance Committee
Age 59 years

Education

- Bachelor Degree of Law Chulalongkorn University/ Bangkok
- The Thai Barrister
- Bachelor Degree of Arts (Political Science)
Ramkhamhaeng University/ Bangkok, Thailand

Training

- Directors Certification Program Class 29th,
Thai Institute of Directors Association

Other Position in Listed Company

1. Director, Samitivej PCL.
2. Director, Thonburi Medical Centre PCL.
3. Director/ Executive Vice President-Corporate Administration,
Bangkok Airways PCL.

Other Position

1. Chairman, Prasit Pattana PCL.
2. Director, Phyathai 1 Hospital Co., Ltd.
3. Director, Phyathai 2 Hospital Co., Ltd.
4. Director, Phyathai 3 Hospital Co., Ltd.
5. Director, Sriracha Nakorn Hospital PCL.
6. Director, Paolo Medic Co., Ltd.
7. Director, Paolo Samutprakarn Co., Ltd.
8. Director, Siam Medical Co., Ltd.
9. Director, Thai Medical Center PCL.
10. Director, Bangkok Hospital Chaingmai Co., Ltd.
11. Director, National Healthcare Systems Co., Ltd.
12. Chairman, Royal Bangkok Healthcare Co., Ltd.
13. Chairman, A.N.B. Laboratories Co., Ltd.
14. Chairman, Save Drug Centre Co., Ltd.
15. Chairman, Bangkok Save Drug Co., Ltd.
16. Director, General Hospital Products PCL.
17. Director, BDMS Wellness Clinic Co., Ltd.
18. Chairman, BDMS Training Co., Ltd.
19. Director, BDMS Accounting Co., Ltd.
20. Director, Bangkok Helicopter Services Co., Ltd.
21. Director, Bangkok Airways Holding Co., Ltd.
22. Director, Bangkok Air Catering Co., Ltd.
23. Director, Bangkok Airways Ground Services Co., Ltd.
24. Director, WFS-PG Cargo Co., Ltd.
25. Director, The Sahakol Estate Co., Ltd.
26. Director, Thai Petroleum Service Co., Ltd.
27. Director, Prasartthong-Osoth Co., Ltd.
28. Director, Sabai Sabai Niwet Co., Ltd.
29. Director, Sabai Sabai Sukhothai Co., Ltd.
30. Director, The One Enterprise Co., Ltd.

Number year of services

- 9 years and 9 months (Since April 2008)

Board of Directors' meeting attendance in Year 2017

- 14/14

Executive Committee meeting attendance • 11/12

Number of company shares* • 16,500,000 shares (0.11%)

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



* : Outstanding shares held as of 29 December 2017, includes spouses and dependents (if any).



Professor Emeritus Santasiri Sornmani, M.D., Ph.D.

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

Age 83 Years

Education

- Ph.D. (Tropical Medicine), Liverpool University
- Medical Doctor, Faculty of Medicine Siriraj Hospital, Mahidol University

Training

- Certificate from Thai Institute of Directors Association
 - Directors Accreditation Program Class 43
 - Role of Compensation Committee

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 in Listed Company

- None

Other Position

1. Vice Chairman, The Medic Pharma Co., Ltd.

Number year of services • 23 years (Since 1994)

Board of Directors' meeting attendance in Year 2017

- 14/14

Number of company shares • 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



* : Outstanding shares held as of 29 December 2017, includes spouses and dependents (if any).

Mr. Sripop Sarasas

Director⁽¹⁾/Member of Nomination and Remuneration Committee/Member of Corporate Governance Committee/Member of Risk Management Committee/Chief Administrative Officer⁽²⁾
Age 61 years

Education

- Master Degree in Business Administration (Finance)
University of Southern California, U.S.A.
- Bachelor of Medical Technology, Chulalongkorn University

Training

- Certificate from Thai Institute of Directors Association
- Audit Committee Program-ACP 1/2004
- Certificate, Director Certification Program 22/2002 (Diploma)

Experience

- Independent Director/ Member of Audit Committee,
The Royal Ceramic Industry PCL.
- Independent Director/ Member of Audit Committee,
Living Land Capital PCL.

Other Position in Listed Company

1. Independent Director/ Chairman of Audit Committee/
Chairman of Nomination and Remuneration Committee,
Bangkok Airways PCL.
2. Independent Director/ Member of Audit Committee/ Member of
Remuneration Committee, Advanced Information Technology PCL.
3. Independent Director/ Chairman of Audit Committee
Kiattana Transport PCL.
4. Independent Director/ Chairman of Audit Committee
Golden Line PCL.

Other Position

1. Director, Khan Co., Ltd.
2. Director, Parute (2008) Co., Ltd.

Number year of services

- 9 years and 9 months (Since April 2008)

Board of Directors' meeting attendance in Year 2017 • 13/14

Number of company shares* • 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

Remark

- (1) January 8, 2018, Mr. Sripop Sarasas had resigned from Member of Audit Committee and changed his directorship from independent director to company director.
- (2) January 15, 2018, Mr. Sripop Sarasas had been appointed to be Chief Administrative Officer of BDMS.



* : Outstanding shares held as of 29 December 2017, includes spouses and dependents (if any).



Mr. Chavalit Sethameteekul

Independent Director/Member of Audit
Committee⁽¹⁾/Member of Nomination and
Remuneration Committee/Chairman of Risk
Management Committee
Age 70 years

Education

- Bachelor of Laws (LL.B.) (Second Class Honors), Thammasat University
- Barrister at Law, Institute of Legal Education, Thai Bar Association
- Diploma from National Defence College of Thailand, Class 40
- Master of Political Science (M.Pol.Sc), Public Administration, Thammasat University

Training

- Certificate from Thai Institute of Directors Association
- Advanced Audit Committee Program Class 28/2018 (Attended on March 2018)
 - Financial Statements of Directors Program Class 35/2018 (Attended on March 2018)
 - 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.
- Director: Office of The council of State
- Director: The Thai BAR

Other Position in Listed Company

1. Director/ Hemaraj Land and Development PCL.

Other Position

1. President: Sriracha Harbour PCL.

Number year of services

- 6 years and 9 months (Since April 2011)

Board of Directors' meeting attendance in Year 2017

- 14/14

Number of company shares* • 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

Remark

- (1) February 28, 2018, the Board of Directors Meeting no 2/2018 had resolution to appoint Mr. Chavalit Sethameteekul to be Member of Audit Committee.



* : Outstanding shares held as of 29 December 2017, includes spouses and dependents (if any).

Mr.Thongchai Jira-alongkorn

Director/Member of Executive Committee

Age 58 years

Education

- Bangkok University, School of Business Administration major Marketing

Training

- Directors Accreditation Program Class 107 Thai Institute of Directors Association

Other Position in Listed Company

1. Director/ Sansiri PCL.
2. Director/ Property Perfect PCL.

Other Position

1. Deputy Managing Director/ The Viriyah Insurance PCL.
2. President/ S.V.T. Property 2003 Co., Ltd.
3. Chairman/ V.M.S. Car Sale Co., Ltd.
4. Chairman/ Viriyah Auto Sale Co., Ltd.
5. Chairman/ V.S.T. Auto Sale Co., Ltd.
6. Chairman/ V.S.R. Auto Sale Co., Ltd.
7. Chairman/ V.S.K.Automobile Co., Ltd.
8. Chairman/ V. Group Mitsu Auto Sale Co., Ltd.
9. Chairman/ VMD Auto Sale Co., Ltd.
10. Chairman/ V.G. Car Co., Ltd
11. Chairman/ V Perfect Auto Car Co., Ltd
12. Chairman/ VHD Auto Sales Co., Ltd.
13. Director/ Viriyah Property Co., Ltd.

Number year of services

- 5 years and 9 months (Since April 2012)

Board of Directors' meeting attendance in Year 2017

- 12/14

Executive Committee meeting attendance • 11/12

Number of company shares* • 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



* : Outstanding shares held as of 29 December 2017, includes spouses and dependents (if any).



Miss Poramaporn Prasarttong-Osoth M.D.

Authorized Director/Member of Executive Committee⁽¹⁾/Member of Risk Management Committee/Chief Operating Officer⁽²⁾/CEO Group 1
Age 48 years

Education

- Fellowship of Royal College, Royal College of Physicians and Surgeons of Surgeons (FRCS (Glasg) 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

Training

- 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
- Senior Executive Program (CMA 20), Capital Market Academy

Experience

- CEO Group 1
- Hospital Director, Bangkok Hospital
- Deputy Hospital Director, Bangkok Hospital
- Deputy Hospital Director, BNH Hospital
- Assistant Dean of Human Resource Department, Siriraj Hospital, Mahidol University
- Assistant Dean of Student Affairs Siriraj Hospital, 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 in Listed Company

- None

Other Position

1. Director, BNH Medical Centre Co., Ltd.
2. Director, Bangkok Hospital Phuket Co., Ltd.
3. Director, Bangkok Hospital Samui Co., Ltd.
4. Director, Bangkok Hospital Sanam Chan Co., Ltd.
5. Director, Bangkok Hospital Muangraj Co., Ltd.
6. Director, Bangkok Hospital Chaingrai Co., Ltd.
7. Director, Phnom Penh Medical Services Co., Ltd.
8. Director, Greenline Synergy Co., Ltd.
9. Director, Bangkok Helicopter Services Co., Ltd.
10. Director, BDMS Wellness Clinic Co., Ltd.
11. Director, Pranaporn Co., Ltd.
12. Director, The Sahakol Estate Co., Ltd.
13. Director, Prasartthong Osoth Co., Ltd.
14. Director, Sabai Sabai Niwet Co., Ltd.
15. Director, Sabai Sabai Niwet Sukhothai Co., Ltd.
16. Director, The One Enterprise Co., Ltd.
17. Lecturer (Part Time) Head, Neck and Breast Unit, Siriraj Hospital, Mahidol University

Year of appointed to be a director

- 4 years (Since January 2014)

Board of Directors' meeting attendance in Year 2017

- 13/14

Number of company shares* • 560,437,610 shares (3.62%)

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

Remark

- (1) January 31, 2018, Miss Poramaporn Prasarttong-Osoth M.D. had been appointed to be Member of Executive Committee.
- (2) January 15, 2018, Miss Poramaporn Prasarttong-Osoth M.D. had been appointed to be Chief Operating Officer of BDMS.



* : Outstanding shares held as of 29 December 2017, includes spouses and dependents (if any).

Mr. Weerawong Chittmittrapap

Independent director/Member of Audit Committee/Chairman of Corporate Governance Committee

Age 60 years

Education

- LL.B., Chulalongkorn University, Thailand (Outstanding Alumnus 2013, Faculty of Law, Chulalongkorn University)
- LL.M., University of Pennsylvania, USA
- Thai Barrister-at-Law, and the first Thai lawyer to be admitted to the New York State Bar

Training

- Director Certification Program (DCP) Thai Institute of Directors
- Senior Executive Program (CMA 12) Capital Market Academy

Experience

- GMM Grammy PCL.
Director and Member of Audit Committee
- Minor International PCL.
Director
- Golden Land Property Development PCL.
Director and Chairman of Audit Committee
- Fraser and Neave, Limited (Listed Company In Singapore)
Director
- Thai Airways International PCL.
Director and Chairman of Audit Committee

Other Position in Listed Company

1. Siam Commercial Bank PCL.
Director and Member of Nomination and Remuneration Committee
2. Berli Jucker PCL
Director
3. Siam Commercial Life Assurance PCL.
Director and Chairman of Nomination and Remuneration Committee
4. Big C Supercenter PCL
Director
5. Frasers Centrepoint Limited (Listed Company in Singapore)
Director

Other Position

1. Weerawong, Chinnavat & Peangpanor Ltd./ Senior Partner
2. Special Speaker, Thai Institute of Directors
3. Special Speaker, King Prajadhipok's Institute

Number year of services

- 2 year and 3 months (Since October 2015)

Board of Directors' meeting attendance in Year 2017

- 14/14

Number of company shares* • 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



* : Outstanding shares held as of 29 December 2017, includes spouses and dependents (if any).



Mr. Att Thongtang

Director/CEO Group 5

Age 43 years

Education

- Bachelor's Degree of Science, Business Administration (Finance) San Francisco State University USA
- Advanced Executive Program (AEP), Kellogg School of Management, Northwestern University, IL, USA
- Executive Program for Senior Management (EXPSM), Fiscal Policy Research Institute Foundation, Thailand

Training

- Thai Institute of Directors
 - Directors Accreditation Program (DAP)
 - Directors Certification Program (DCP)
 - Monitoring the Internal Audit Function (MIA)
 - Audit Committee Program (ACP)
 - Monitoring the System of Internal Control and Risk Management (MIR)
- Senior Executive Program (CMA 13), Capital Market Academy
- Certificate Course in governance for Medical Practice Executive, King Prajadhipok's Institute (MDKPI)
- Top Executive Program in Commerce and Trade, Commerce Academy (TEPCOT)

Experience

- Director, Health Network PCL.
- Director, Paolo Samutprakarn Hospital Co., Ltd.
- Director, Paolo Medic Co., Ltd.
- Director, Thai Medical Center PCL.
- Director, Phyathai 1 Hospital Co., Ltd.
- Director, Sikarin PCL.

Other Position in Listed Company

- None

Other Position

1. Director/ Chief Executive Officer, Prasit Pattana PCL.
2. Director/ Chief Executive Officer, Phyathai 2 Hospital Co., Ltd.
3. Director/ Chief Executive Officer, Phyathai 3 Hospital Co., Ltd.
4. Director/ Chief Executive Officer, Sriracha Nakorn Hospital PCL.
5. Director/ Chief Executive Officer, Siam Medic Co., Ltd.
6. Chief Executive Officer, Phyathai 1 Hospital Co., Ltd.
7. Chief Executive Officer, Paolo Samutprakarn Co., Ltd.
8. Chief Executive Officer, Paolo Medic Co., Ltd.
9. Chief Executive Officer, Siam Medic Co., Ltd.
10. Director, Sai-Thong Property Co., Ltd.
11. Director, Saithong Turakij Co., Ltd.
12. Director, Wichai Thongtang Law Office Co., Ltd.

Number year of services

- 1 year and 9 months (Since April 2016)

Board of Directors' meeting attendance in Year 2017

- 14/14

Number of shareholding • 346,874,295 shares (2.24%)

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



* : Outstanding shares held as of 29 December 2017, includes spouses and dependents (if any).

Mr. Kan Trakulhoon

Independent director

Age 63 years

Education

- B.E. Electrical First Class Honours, Chulalongkorn University
- M.S. Engineering, The Georgia Institute of Technology, U.S.A.
- M.S. Management, The Georgia Institute of Technology, U.S.A.

Training

- Advanced Management Program (AMP), Harvard Business School, U.S.A.
- Director Certification Program (DCP) 29/2003 IOD

Experience

- President & CEO, The Siam Cement PCL.
- Outside Director, Kubota Corporation (Japan)

Other Position in Listed Company

1. Director, The Siam Cement PCL.
2. Independent Director, The Siam Commercial Bank PCL.
3. Chairman, Advanced Info Service PCL.
4. Independent Director, Intouch Holdings PCL.

Other Position

- None

Number year of services

- He has been appointed as Independent Director since December 20, 2017

Board of Directors' meeting attendance in Year 2017

- None

Number of company shares* • 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



* : Outstanding shares held as of 29 December 2017, includes spouses and dependents (if any).



Mrs. Narumol Noi-am

Chief Financial Officer/
Member of Risk Management Committee
Age 60 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

Training

- Institute of Business and Industrial Development (class 3)
- 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 in Listed Company

1. Director, Samitivej PCL
2. Director, Bangkok Airways PCL

Other Position

1. Director, Thai Listed Company Association
2. Director, Bangkok Hospital Pattaya Co., Ltd.
3. Director, Bangkok Hospital Phuket Co., Ltd.
4. Director, Bangkok Hospital Phuket International Co., Ltd.
5. Director, Prasit Pattana PCL.
6. Director, Phyathai 1 Hospital Co., Ltd.
7. Director, Phyathai 2 Hospital Co., Ltd.
8. Director, Phyathai 3 Hospital Co., Ltd.
9. Director, Sriracha Nakorn Hospital PCL.
10. Director, Paolo Medic Co., Ltd.
11. Director, Paolo Samutprakarn Co., Ltd.
12. Director, Siam Medical Co., Ltd.
13. Director, Thai Medical Center PCL.
14. Director, Bangkok Hospital Chiangmai Co., Ltd.

15. Director, Bangkok Hospital Chiangrai Co., Ltd.
16. Director, Phnom Penh Medical Services Co., Ltd.
17. Director, BDMS Wellness Clinic Co., Ltd.
18. Chairman, BDMS Accounting Co., Ltd.
19. Chairman, Bangkok Health Insurance PCL
20. Chairman, Bangkok Premier Life Insurance Broker Co., Ltd.
21. Director, National Healthcare Systems Co., Ltd.
22. Director, Greenline Synergy Co., Ltd.
23. Director, Bangkok Media & Broadcasting Co., Ltd.

Number of company shares* • 5,000,000 shares (0.03%)

Relationship among other management • None



* : Outstanding shares held as of 29 December 2017, includes spouses and dependents (if any).

Mr. Trin Charumilind

Chief of Doctors

Age 67 years

Education

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

Experience

- Chief Medical Officer, Bangkok Hospital Medical Center
- Director of Bangkok Allergy and Asthma Center

Other Position in Listed Company

- None

Other Position

1. Director, Bangkok Hospital Sanamchan Co., Ltd.
2. Director, Bangkok Hospital Muangraj Co., Ltd.
3. Director, Bangkok Hospital Khon Kaen Co., Ltd.
4. Director, Bangkok Hospital Pitsanulok Co., Ltd.
5. Director, Bangkok Hospital Phuket International Co., Ltd.
6. Director, The Medic Pharma Co., Ltd.
7. Director, National Healthcare Systems Co., Ltd.
8. Director, N Health Pathology Co., Ltd.
9. Member of the committee to develop the master of
science program (Emergency Medical Technician Program)
Rangsit University

Number of company shares • 27,400 shares (0.00%)

Relationship among other management • None



* : Outstanding shares held as of 29 December 2017, includes spouses and dependents (if any).

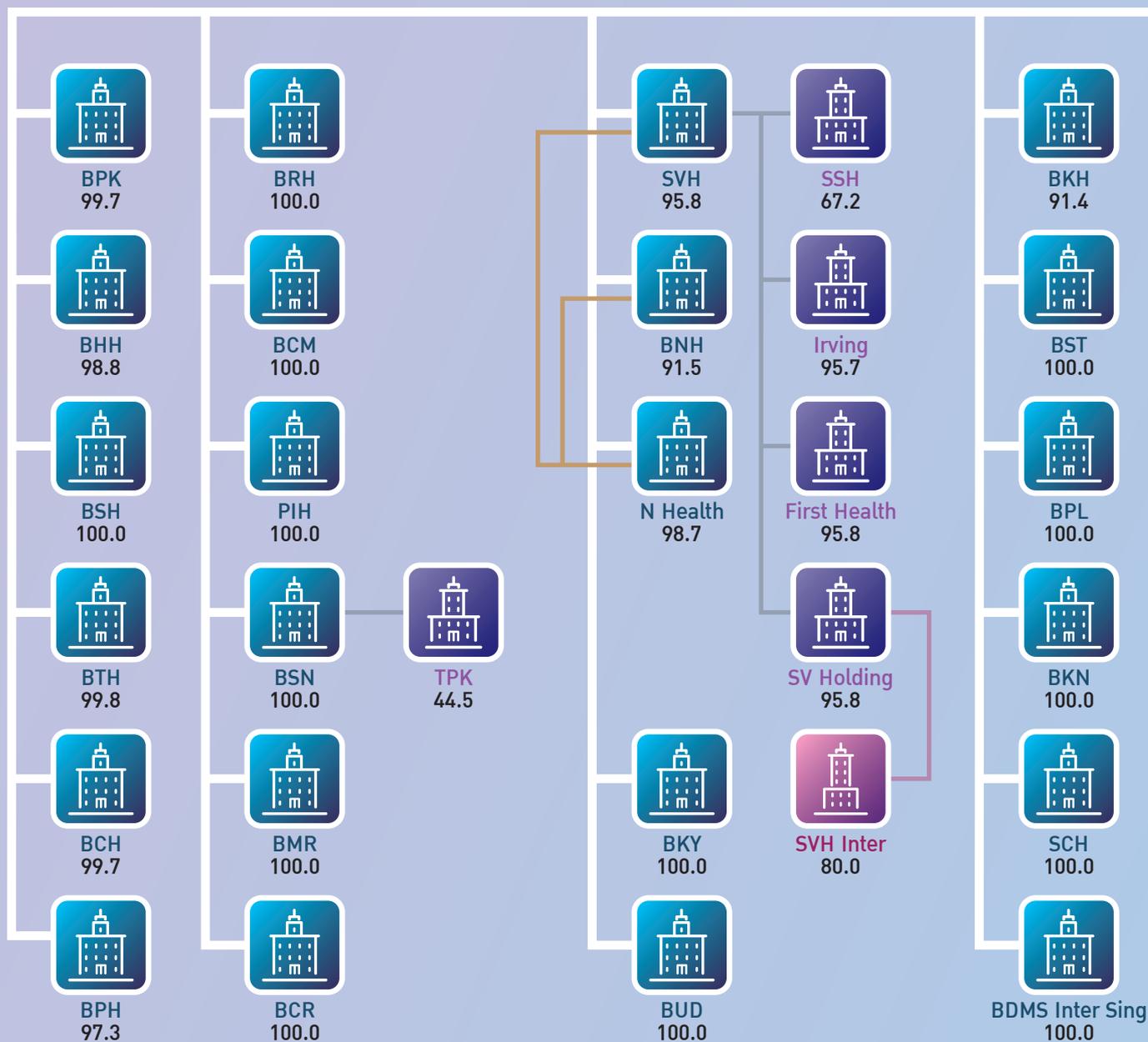


THE POWER OF ATTENTION WITH CARE

We are dedicated in providing medical services with the greatest efficiency. To this end, we have experienced physicians and nurses on hand to provide consultations and close attention with care.

Group Structure

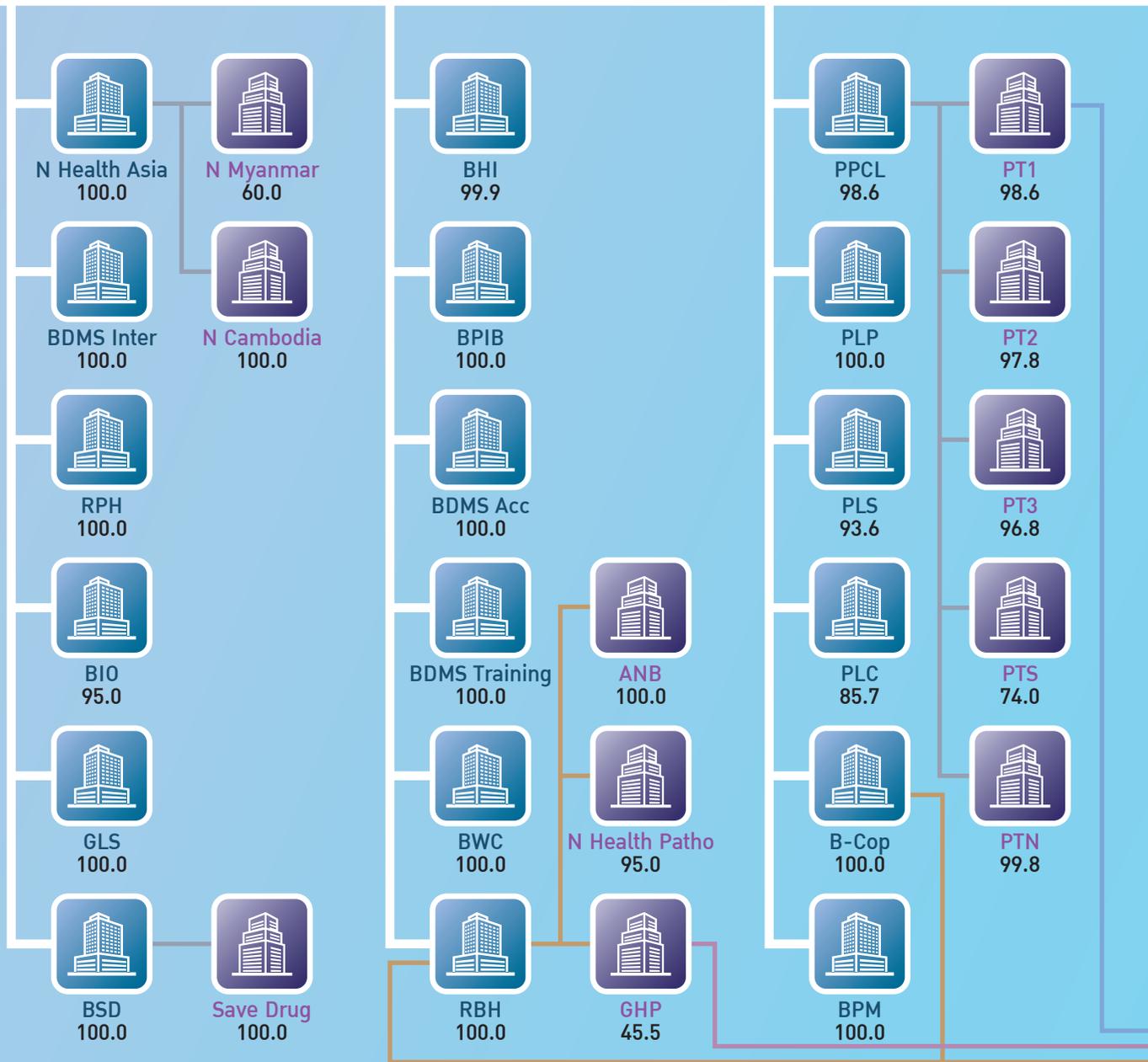
as at December 31, 2017



Initial	Company Name
ANB	A.N.B. Laboratory Co., Ltd.
BCH	Wattanavej Co., Ltd.
BCM	Bangkok Hospital Chiangmai Co., Ltd.
B-Cop	Bangkok Helicopter Services Co., Ltd.
BCR	Bangkok Hospital Chiangrai Co., Ltd.
BDMS Acc	BDMS Accounting Co., Ltd.
BDMS Inter	BDMS International Medical Services Co., Ltd.
BDMS Inter Sing	BDMS Inter Pte. Ltd.
BDMS Training	BDMS Training Co., Ltd.
BH	Bumrungrad Hospital PCL.
BHH	Bangkok Hospital Hat Yai Co., Ltd.

Initial	Company Name
BHI	Bangkok Health Insurance PCL.
BIO	Bio-Molecular Laboratories (Thailand) Co., Ltd.
BKH	Bangkok Hospital Ratchasima Co., Ltd.
BKN	Bangkok Hospital Khon Kaen Co., Ltd.
BKY	Bangkok Hospital Khao Yai Co., Ltd.
BMR	Bangkok Hospital Muangraj Co., Ltd.
BNH	BNH Medical Center Co., Ltd.
BPD	Bangkok Hosital Prapradaeng Co., Ltd.
BPH	Bangkok Hospital Pattaya Co., Ltd.
BPIB	Bankok Premier Life Insurance Co., Ltd.
BPK	Bangkok Hospital Phuket Co., Ltd.

More than **90** %



Initial	Company Name
BPL	Bangkok Hospital Phitsanulok Co., Ltd.
BPM	BDMS Property Management Co., Ltd.
BRH	Bangkok Hospital Rayong Co., Ltd.
BSD	Bangkok Save drug Co., Ltd.
BSH	Bangkok Hospital Samui Co., Ltd.
BSN	Bangkok Hospital Sanamchan Co., Ltd.
BST	Bangkok Hospital Surath Co., Ltd.
BTH	Bangkok Hospital Trad Co., Ltd.
BWC	BDMS Wellness Clinic Co., Ltd.
BUD	Bangkok Hospital Udon Co., Ltd.
First Health	First Health Food Co., Ltd.

Initial	Company Name
GHP	General Hospital Products PCL.
GLS	Greenline Synergy Co., Ltd.
Irving	Irving Sheridan SE Co., Ltd.
KDH	Thonburi Medical Centre PCL.
MP	Medic Pharma Co., Ltd.
N Cambodia	N Health Cambodia Co., Ltd.
N Health	National Healthcare Systems Co., Ltd.
N Health Asia	N Health Asia Pte. Ltd.
N Myanmar	N Health Myanmar Co., Ltd.
N Health Patho	N Health Pathology Co., Ltd.
PIH	Bangkok Phuket International Hospital Co., Ltd.

50-89%



20-49%



BPD
84.0



RAH
80.0



KDH
63.4



MP
87.0



S.R. Property
49.0



Siem Reap
49.0



PPFP
49.0



RAM
38.2



BH
20.5



Udon Pattana
25.1

Initial	Company Name
PLC	Siam Medical Co., Ltd.
PLP	Paolo Medic CO., Ltd.
PLS	Paolo Samut Prakran Co., Ltd.
PPCL	Prasit Pattana PCL.
PPFP	Phnom Penh First Property Co., Ltd.
PT 1	Phyathai 1 Hospital Co., Ltd.
PT 2	Phyathai 2 Hospital Co., Ltd.
PT 3	Phyathai 3 Hospital Co., Ltd.
PTN	Thai Medical Center PCL.
PTS	Sriracha Nakorn General Hospital PCL.
RAH	Angkor Pisith Co., Ltd.
RAM	Ramkhamhaeng Hospital PCL.

Initial	Company Name
RBH	Royal Bangkok Healthcare Co., Ltd.
RPH	Phnom Penh Medical Services Co., Ltd.
S.R. Property	S.R. Property Investment Co., Ltd.
Save drug	Save Drug Center Co., Ltd.
SCH	Samitivej Chonburi Co., Ltd.
Siem Reap	Siem Reap Invesment Co., Ltd.
SSH	Samitivej Sriracha Co., Ltd.
SV Holding	SV Holding Co., Ltd.
SVH	Samitivej PCL.
SVH Inter	Samitivej International Co., Ltd.
TPK	Thepakorn Hospital Co., Ltd.
Udon Pattana	Udon Pattana (1994) Co., Ltd.



BDMS Centers of Excellence Network (CoE)

BDMS recognizes the need to support growth potential of our personnel by continuously developing skills, knowledge, specialization, as well as state-of-the-art medical tools and technology so that we can advance to the global level in providing comprehensive healthcare. More importantly, we recognize the need to elevate the level of medical service efficiency to higher standards, thus resulting in the **Center of Excellence Network (CoE) of the hospitals within the BDMS Group. We strive to develop the potential of each hospital within the CoE to be able to cover all diseases while meeting the international standards of Joint Commission International (JCI) as well as to form alliances with world leading medical institutions.**

The five important factors on the road to becoming a Center of Excellence Network (CoE) are:

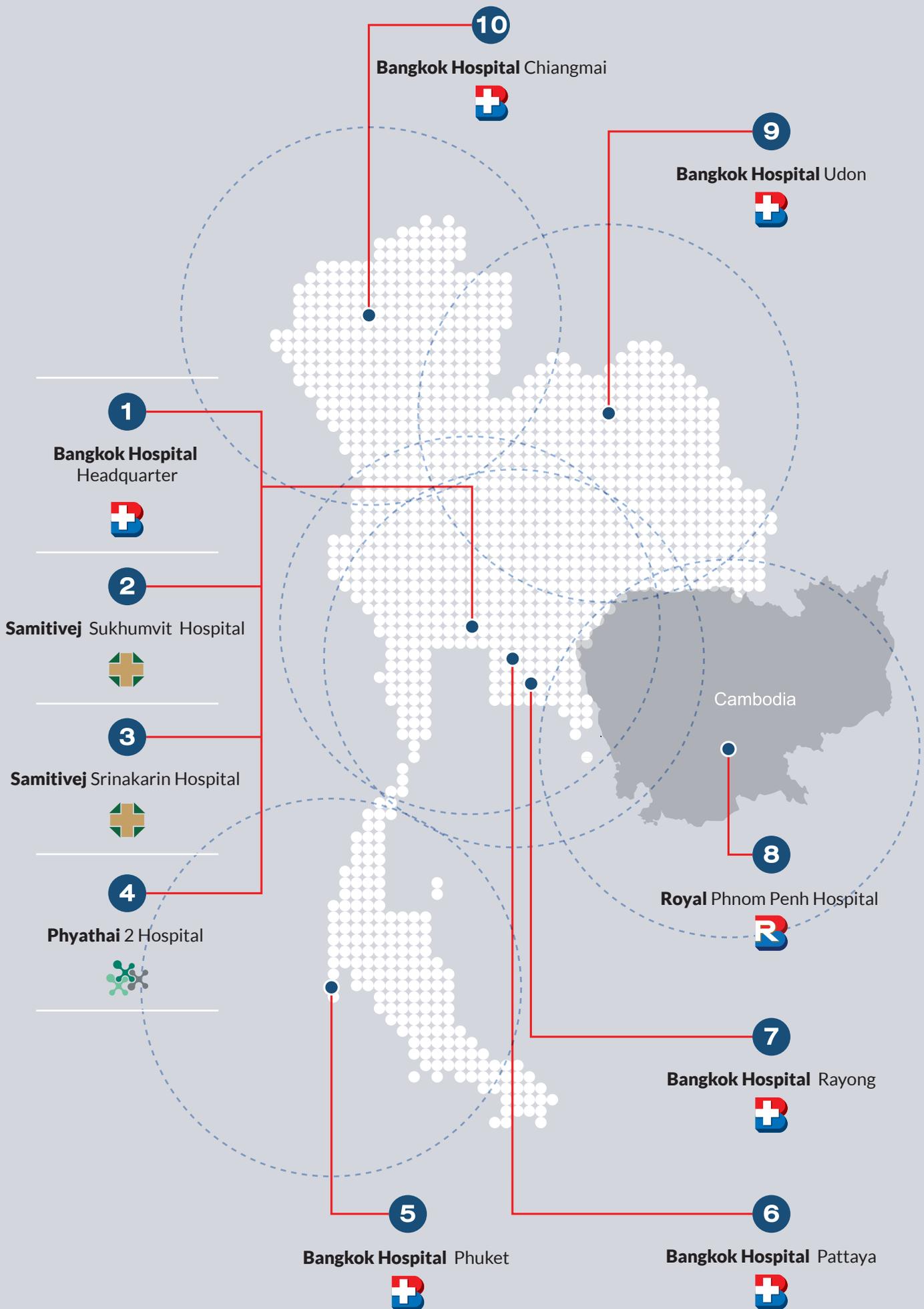
Patient Care Apart from having medical services that meet the standards of world leading hospitals, we also have efficient patient transfer service, both domestically and internationally, through various modes of transportation that meet the required standards for the better quality of life of patients in times of emergency.

Academic Research & Publications The Group continues to support medical research, knowledge exchange, as well as the publishing of academic work both on the national and international level.

Teaching & Training Provided to doctors, nurses as well as other personnel in order to enhance knowledge and expertise in general knowledge, specializations and multidiscipline.

Synergization Exchanging and providing support in terms of academic information, research and training with network hospitals.

Affiliation Collaboration with international medical institutions in academics, research development and knowledge exchange so as to strengthen medical services under "Your Trusted Healthcare Network".





1

Bangkok Hospital Headquarter

BDMS CoE

BDMS Centers of Excellence Network



2

Samitivej Sukhumvit Hospital



3

Samitivej Srinakarin Hospital



4

Phyathai 2 Hospital



5

Bangkok Hospital Phuket



6

Bangkok Hospital Pattaya



7

Bangkok Hospital Rayong



8

Royal Phnom Penh Hospital



9

Bangkok Hospital Udon



10

Bangkok Hospital Chiangmai

POLICY AND NATURE OF BUSINESS



Bangkok Dusit Medical Services Public Company Limited was registered on 30 October 1969 under the name “Bangkok Dusit Medical Services Company Limited” with an initial registered capital of Baht 10 million. On 26 February 1972, Bangkok Hospital commenced operations in providing medical services. The Company was later listed on the Stock Exchange of Thailand on 2 October 1991 and registered its conversion to public company limited in 1994. Presently, the Company has a registered capital of Baht 1,785.22 million, with paid-up capital of Baht 1,549.10 million.

Presently, the Company operates in the large private hospital business with networks in Thailand and Cambodia totaling 45 hospitals (as of 31 December 2017). 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, saline production and pharmacies.

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 medical services using state-of-the-art technology, efficient management of business networks, capable and ethical professionals, with the determination to continuously improve our services for the benefit and satisfaction of our customers as well as the stable growth of the organization.

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



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



Customers

- **Trustworthiness** : 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 2015

- Bangkok Hospital Rayong Company Limited, a subsidiary in which the Company holds 100%, officially opened the Sri-Rayong Hospital on 5 January 2015. Sri-Rayong Hospital is a private hospital with 195 beds located in Cheung Nern Sub-District, Muang District, Rayong Province, which aims to provide service to patients entitled to social security benefits in Rayong Province.
- Royal Bangkok Healthcare Company Limited (“RBH”), which is a 100% owned subsidiary, purchased shares of General Hospital Products Public Company Limited (“GHP”), a manufacturer of intravenous solutions namely, saline, glucose and other medical supplies. The Company holds shares of GHP through RBH and Medic Pharma Company Limited equal to 44.67% of the registered capital of General Hospital Products Public Company Limited.

- The Company changed the ticker symbol from “BGH” to “BDMS”.
- Samitivej Chonburi Company Limited, a subsidiary in which the Company holds 100%, officially opened Samitivej Chonburi Hospital on 1 June 2015. Samitivej Chonburi Hospital is a medium sized general hospital with 57 beds located on Sukhumvit Road, Baan Suan Sub-District, Muang District, Chonburi Province.
- Bangkok Phuket Hospital Company Limited, a 100% owned subsidiary, officially opened Dibuk Hospital on 9 July 2015. Dibuk Hospital is a 32-bed private hospital located on Chao Fah Tawantok Road, Wichit Sub-District, Muang District, Phuket Province, and aims to provide primary care, as well as services to patients on life insurance and car insurance, at a reasonable price.
- The Company established a 100% owned new subsidiary named Bangkok Hospital Chiang Rai Company Limited, aiming to invest in a private hospital in Chiang Rai Province, with a registered capital of Baht 100 million.
- Bangkok Hospital Muangraj Company Limited, a 100% owned subsidiary, acquired and accepted the transfer of the entire business of G. Wasupol Company Limited, which operated a

private hospital named Muangraj Hospital in Ratchaburi province. Bangkok Hospital Muangraj Company Limited paid a total of Baht 1,427,030,155.50 on 1 September 2015 and accepted all the liabilities of G. Wasupol Company Limited, which would not exceed Baht 47 million.

- Samitivej Hospital opened the Critical Care Complex, a state of the art medical center providing comprehensive medical care, which includes 8 new operating rooms, 5 labour rooms, a neonatal intensive care unit and 16 new ICU rooms. All these rooms have been designed to provide the best working environment for surgeons, moreover, the eight new state-of-the-art surgical suites are all fully equipped with the latest surgical technology to increase patients’ safety and well-being.
- Mr. Prasert Prasarttong-Osoth, M.D., Group Chief Executive Officer and President, Bangkok Dusit Medical Services Public Company Limited received the “2014 Thailand Outstanding Hospital Administrator of the Year” award from Privy Councilor Kasem Watanachai, M.D. organized by the Thailand Hospital Administrator Association. The Association selects successful hospital administrators



with well recognized achievements and are good examples for the public health organizations at the 2015 annual academic conference held at the Bamrasnaradura Infectious Diseases Institute, Ministry of Public Health.

- The Stock Exchange of Thailand together with Money & Banking Magazine awarded the Company the “2015 Outstanding Investor Relations Award” for listed companies with market capitalization of over Baht 100,000 million.
- Bangkok Chantaburi Hospital received the Thailand Energy Awards 2015 for energy conservation in the category of controlled buildings, from the Ministry of Energy.

2016

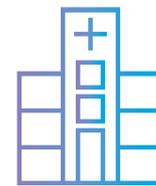
- Royal Bangkok Healthcare Company Limited, a subsidiary in which the Company holds 100%, bought the remaining shares of Bangkok Helicopter Services Company Limited (BHS) from Southeast Air Company Limited, making BDMS the owner of 100% of BHS. BHS has increased its registered capital from Baht 100 million to Baht 300 million. Presently, BHS offers two Sky ICU units for service, Helicopter BHS1 (model EC145) and Helicopter BHS2 (model H145). The two helicopters are ready to operate 24 hours and can provide emergency care, as

if the patient were in intensive care, from departure to the hospital.

- Bangkok Helicopter Services Company Limited (BHS), a subsidiary, leased an airplane model ATR 72 to be used to care for and transfer patients of the BDMS hospital network. It more efficiently facilitates rapid medical services and transfer of patients and their family, physicians and nurses by air domestically and internationally.
- The Company established a new wholly owned subsidiary, BDMS Asset Management Company Limited, to manage non-hospital related assets with a registered capital of Baht 10 million.
- The Company established a new wholly owned subsidiary, BDMS Wellness Clinic Company Limited, to purchase the land where the Park Nai Lert Project was situated on No. 2 Witthayu Road, Lumpini Sub-District, Pathumwan District, Bangkok. The land has total area of approximately 15 rai and includes the Swissotel building and the Promenade building, with total value of Baht 10,800 million and another Baht 2,000 million for renovations. The land will be used to develop the BDMS Wellness Clinic, which seeks to provide integrated care for the well-being of our patrons, both physically and mentally, as well as enhance longevity.

“
 SKY ICU
 is ready to
 operate
 24 hours
 and can provide
 emergency care
 as if the patient
 were in ICU
 ”





Paolo Hospital Kaset
BDMS

44th
Hospital

- Medic Pharma Company Limited, within the BDMS Group, opened a new medicine manufacturing plant on 15 rai land in the Sinsakhon Industrial Park, Samutsakhon Province. The new plant has comprehensive innovation and technology that meet international quality standards to support both domestic and foreign demand.
 - Bangkok Hip & Knee Center, Bangkok Hospital, announced their success in developing a new technique to treat osteoarthritis of the hip with “Direct Anterior Approach Total Hip Replacement”.
 - Bangkok Hospital opened the “Bangkok Sleep & Epilepsy Center” providing a sleep lab to diagnose patients who experience symptoms during sleep.
 - Bangkok Hospital introduced a new technique in diagnosing orthopedic problems with precision. The Hospital introduced the Biplane Imaging (EOS) machine, which allows for a life-size full-body image of your skeleton in 3D. Biplane Imaging (EOS) captures the whole skeletal system in a single scan using from 6 to 9 times less radiation than x-rays.
 - Wattanosoth Hospital announced the opening of the new PET/CT with flow motion. The scanner is able to precisely diagnose cancer faster.
 - Phyathai Hospital 1 received accreditation as a “Comprehensive Stroke Center” from DNV-GL, an international accreditation from Europe and U.S.A.
 - Phyathai Hospital 1 launched the “Mobile CT & Stroke Treatment Unit”, the first mobile unit of its kind in Asia, providing faster medical care to stroke patients than regular ambulances.
 - The Medic Pharma Company Limited, a subsidiary of the Company, received the FDA Quality Awards for the third consecutive year from the Food and Drug Administration. The Award is given to businesses with morals and ethics in producing health care products that meet accepted standards and safety, under the motto “Safe quality, care for society”.
- 2017**
Expanding network of hospitals and business, medical support
- Paolo Medic Company Limited, a subsidiary in which BDMS holds 99.99%, which operates the Paolo Phaholyothin Hospital and Paolo Hospital Rangsit, entered an entire business transfer of Mayo Hospital (Mayo Polyclinic Company Limited) on 18 January 2017. The transfer was paid in cash under the terms and conditions of the transfer agreement. Paolo Medic Company Limited increased the registered capital from Baht 600 million to Baht 1,000 million to pay for the transfer. The Mayo Hospital was later changed to “Paolo Hospital Kaset”, making it the 44th hospital in the BDMS network. Paolo Hospital Kaset is a secondary care hospital with 162 beds with high potential for growth. It is well situated along the MRT line and is a Referral Network Hospital for hospitals within the Group. The Hospital joined the list of Social Security hospitals in 2018.



- Bangkok Hospital Surat Company Limited, a wholly owned subsidiary, officially opened Bangkok Hospital Surat in Muang District, Surat Thani Province on 1 June 2017, making it the 45th hospital in the BDMS network. Bangkok Hospital Surat is a secondary care hospital with 150 beds, with 31 beds available in the initial stage after opening.
- Bangkok Hospital Chinatown on Yaowarat Road changed its name to “Samitivej Chinatown Hospital, one of the hospitals under management of the Samitivej Hospital Group. The Hospital provides complete medical services including consultation, diagnosis and treatment with experienced surgeons. Furthermore, the Hospital also has a team of physicians providing geriatrics and orthopedic care to enhance quality of life and lessen the risk of systematic diseases by a team of interdisciplinary specialists.

- The Company established the BDMS Alarm Center, a hub for BDMS network hospitals, to provide complete, efficient care that meet international standards to critical and emergency patients. The Center provides 24-hour care every day with a team of emergency physicians and senior nursing staff as well as a network of medical vehicles in order to access and transfer patients swiftly in accordance with international standards and to provide service to patients from around the world.



BDMS Alarm Center
a hub for BDMS network
to provide efficient care
to critical patients

24 hours





Medicine and Medical Care

- Wattanosoth Hospital is using Precision Radiation Therapy for treatment with radiation. The technology uses EDGE radiosurgery system, which is accurate, fast and safe for each type of cancer. The radiosurgery delivers a high dose of radiation directly targeted to the tumor instantly and replaces surgery. Moreover, EDGE is efficient in controlling radiation to the shape of the cancerous tumor, thus, the surrounding tissue are less impacted from the radiation. The system provides quick delivery of high precision radiation, which improves the patients' quality of life.
- Bangkok Hospital introduced the GI Motility Unit with the technology to treat Constipation and Gastro-Esophageal Reflux. It is a specialized clinic providing diagnosis and treatment to patients with gastrointestinal motility by specialist physicians and staff that meet international standards.

“
EDGE
radiosurgery
system,
which is accurate,
fast and safe
for each type
of cancer
”

- Bangkok Hospital Dental Center introduced Computer Guided Implant Surgery dental implant treatment planning. The Cone-beam CT and computer programming can determine the placement of the implant with precision, decreasing the amount of time needed for surgery. The program can accurately pinpoint the location of the implant, thus, increasing the efficiency of the treatment planning for the benefit of the patient.



- Bangkok Hip & Knee Center, Bangkok Hospital introduced a surgical technique, “bikini incision” for hip replacement. The patients will have a faster recovery time, less pain, flexible movement, less chance of dislocation of hip and lessen concern of surgical scarring.





- HRH Princess Maha Chakri Sirindhorn presided over the opening of the 2017 annual academic conference “BDMS Academic Annual Meeting 2017: Global Partnership for Excellent Healthcare Towards Thailand 4.0” organized by Bangkok Dusit Medical Services Public Company Limited at the Intercontinental Hotel. The objective is to recognize the importance of Thai medical industry’s part in Thailand 4.0, to develop country by increasing value of medical innovations, connecting with leading international hospitals in each field and focus on servicing to elevate Thailand as the Medical Hub. At the conference, both local and international physicians and medical staff had the opportunity to exchange experiences in medicine and public health to foster cooperation in enhancing research standards and quality of medical and public health care to meet international standards.



“
 BDMS
 Academic
 Annual Meeting
 2017
 ”

- The Bangkok Urology Center, Bangkok Hospital, introduced a technology for prostate surgery using Transurethral Resection to trim away excess prostate tissue and using electricity and laser.



- Surgery Center, Bangkok Hospital, introduced weight loss for patients with obesity and complications using Minimally Invasive Surgery (MIS) to reduce the size of the stomach by Laparoscopic surgery. The scar is smaller and recovery is faster. It also reduces the degree of medicine used to treat heart disease and diabetes in the obese and lessening the opportunity for premature death.
- The Company signed a memorandum of understanding with 4 other parties, namely, the Ministry of Tourism and Sports, the Tourism Council of Thailand, Viriyah Insurance and Angel Life, for the project “Tourism Healthcare Emergency System”. The objective is

to enhance the safety of Chinese tourists by providing complete emergency medical care. We have readied our medical services within the network and coordinated with our over 45 alliances for the project, providing advice, recommendations on primary medical care through the Angel Guard Application, and emergency services 24-hours through the BDMS Alarm Center. In addition, we provide swift patient transfer by land, water and air.

- The Company signed the memorandum of understanding in academics and research & development in treatment of cancer patients with the Department of Medical Services, Ministry of Public Health and the National Cancer Institute of Thailand. The objective is to development academic works, research & development and medical training to meet the needs of the Thai people and the people in the ASEAN region. Furthermore, the project intends to increase the convenience and timeliness in providing medical services, as well as allow for medical benefits in accordance with civil servants’ procedures or patients’ medical rights of treatment.

“
Tourism Healthcare
Emergency System
to enhance
the safety of
Chinese tourists
by providing
complete
emergency
medical care

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Awards

- The Company received the “Thailand’s Top Corporate Brand Values 2017” award in the category of medicine for the third consecutive year, from the Faculty of Commerce and Accountancy, Chulalongkorn University, with an organizational brand worth Baht 255,714 million. On this occasion, Miss Poramaporn Prasarttong- Osoth M.D., Group 1 Chief Executive Officer, received the award from Professor Bundhit Eua-arporn, Ph.D., President of Chulalongkorn University.
- Bangkok Hospital received 3 awards from Thailand ICT Excellence Awards 2017 organized by the Thailand Management Association (TMA):
 - Excellence Award in Core Process Improvement Project for electronic clinical documentation
 - Excellence Award in Innovation Project for the Health Passport
 - Distinguished Award in Business Sustainability Project for connecting patient data among hospitals (B-eXchange)
- Bangkok Hospital received the Best Medical Performance Award Group A from “Allianz Ayudhya Hospital Service Awards 2017”. The Award is given to hospitals with the highest score in terms of treatment and services.
- The Company received the Best in Sector: Healthcare from IR Magazine Awards – South East Asia 2017 organized by IR Magazine and held in Singapore. The Award is given to listed companies that stand out in investor relations and are recognized by institutional investors in the ASEAN region
- Samitivej Sukhumvit Hospital received the Distinguished Award in Innovation Project for the Samitivej Utilization Management system from the Thailand ICT Excellence Awards 2017 organized by the Thailand Management Association (TMA).
- Samitivej Sukhumvit Hospital received the Best Medical Performance Award Group B from “Allianz Ayudhya Hospital Service Awards 2017”.
- Paolo Hospital Kaset received Excellent Check Up Award Group B from “Allianz Ayudhya Hospital Service Awards 2017”.
- Bangkok Health Research Center received The Winner of the Prestigious, International Innovation Awards 2017 (IIA 2017) in the category of Service and Solution for Implementation of Real-time Laboratory-Based Influenza Surveillance System.



Medical Cooperation

1. Sano Hospital

Samitivej Public Company Limited, a 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

Bangkok Dusit Medical Services Public Company Limited together with the Faculty of Medicine Siriraj Hospital collaborated to become a Sister Institution of MD Anderson Cancer Center (MDACC) of the University of Texas, U.S.A. under the Global Academic Program (GAP). This is the first time for collaboration among 3 institutions from public and private organizations in Thailand and the U.S.A., to support basic research and developments in safe and efficient treatment, as well as the exchange of knowledge and case studies across the regions, to provide happy, quality lives, including the prevention and cure of cancer.



3. Stanford University

The Bangkok Orthopedic Center, Bangkok Hospital and the Department of Orthopedic Surgery, Stanford University signed a Memorandum of Understanding to exchange knowledge and skills in the field of orthopedics with a focus on excellence in the treatment of the musculoskeletal system. The cooperation also seeks to develop knowledge through research in orthopedic 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)

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, pediatrics, rehabilitation, clinical simulation and preventive cardiology, in the Asia Pacific region.



5. Heavy Ion Therapy (อนุภาคบำบัด)

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). This is a great opportunity to enhance the potential of Thai medical personnel in order to be able to provide more internationally standardized services. A representative from the Japanese Embassy in Thailand was invited to witness the signing ceremony.



7. Collaboration with World Leading Neurosurgeon

BDMS has collaborated with Dr. Keith L. Black, Director of the Maxine Dunitz Neurosurgical Institute at Cedars-Sinai Medical Center in Los Angeles, California. This collaboration has focused on researching and developing capabilities in treating diseases of the brain and nervous system, thus, enabling BDMS to become one of the most up-to-date medical centers in diseases of the brain and nervous system (neuroscience) in the Asia Pacific Region.



8. Collaboration with The Straumann Group

Bangkok Hospital Dental Center has worked in collaboration with The Straumann Group, a world-renown expert in implant, restorative and regenerative dentistry, in order to increase our efficiency in the dentistry implant and oral hygiene care. We have thus, been appointed as Straumann Partner Center Thailand.

9. Doernbecher Children's Hospital

Samitivej Public Company Limited, a subsidiary, signed an alliance agreement with Doernbecher Children's Hospital located in Oregon, U.S.A., a well-known children's hospital awarded the highest rating for quality and safety in children's health care in 2014 from the University Health System Consortium of hospitals for pediatric quality. Samitivej also opened the Samitivej International Children's Hospital, both at Sukhumvit and Srinakarin, and has developed a Center of Excellence. Samitivej International Children's Hospital has supported the national policy and direction of Thailand to become the medical hub of the Asia-Pacific Region.

10. Missouri Orthopedic Institute, University of Missouri, U.S.A.

Bangkok Dusit Medical Services Public Company Limited and the Missouri Orthopedic Institute signed an agreement to collaborate in the exchange of knowledge and skills in orthopedics between the Bangkok Orthopedic Center at Bangkok Hospital and the Missouri Orthopedic Institute at the University of Missouri, U.S.A., through various activities such as academic conferences to continuously improve our personnel as well as supporting research in orthopedics and other medical cooperation. This collaboration shall improve the efficiency of orthopedic patient care.



11. Hannover Medical School, Germany

Bangkok Dusit Medical Services Public Company Limited and the Hannover Medical School signed an agreement to collaborate in the exchange of knowledge and skills in orthopedics and trauma surgery between the Bangkok Orthopedic Center at Bangkok Hospital and the Department of Orthopedics and Trauma at Hannover Medical School, Germany. Through the agreement, we have organized medical seminars, as well as sent physicians and nurses to Hannover Medical School for short-term and long-term training in order to continuously develop the capabilities of our personnel and support research in orthopedics and trauma to improve efficiency of orthopedic and trauma patient care.

12. Collaboration between Samitivej Children's Hospital and Takatsuki Hospital Japan

Samitivej Children's Hospital, a subsidiary, and Takatsuki Hospital, Japan signed an alliance agreement in pediatrics and neonatal intensive care unit (NICU) to develop medical personnel and exchange experiences in order to further the potential of Samitivej, better the quality of life of child patients and provide comprehensive medical care that meet international standards.

13. N Health Pathology Company Limited together with the Royal College of Pathologists of Thailand organized the Interhospital Renal Clinicopathological Conference

N Health Pathology Company Limited together with the Royal College of Pathologists of Thailand has organized the Interhospital Renal Clinicopathological Conference since 2016 giving the opportunity to over 50 kidney and pathology specialists as well as resident physicians from various medical schools and hospitals in Thailand to share interesting case studies to enhance diagnostics and treatment. The kidney academic conference shall be held three times a year.

Quality of Service

At the end of 2017, the Group had a number of hospitals within the network that had received accreditation from Hospital Accreditation Thailand (HA) and Joint Commission International (JCI). Bangkok Hospital also received Advanced HA Accreditation. The hospitals are listed below:



15 JCI



1 AHA



30 HA



	JCI Joint Commission International 	HA Hospital Accreditation Thailand 	ADVANCED HA 
1 Bangkok Hospital Headquarter - Bangkok Hospital - Bangkok Heart Hospital - Wattanosoth Hospital	■		■
2 Samitivej China Town Hospital	■		
3 Samitivej Sukhumvit Hospital	■	■	
4 Samitivej Srinakarin Hospital	■	■	
5 Samitivej Thonburi Hospital		■	
6 BNH Hospital	■	■	
7 Phyathai 1 Hospital		■	
8 Phyathai 2 International Hospital	■	■	
9 Phyathai 3 Hospital		■	
10 Phyathai Hospital Nawamin		■	
11 Paolo Hospital Phaholyothin		■	
12 Paolo Hospital Chokchai 4		■	
13 Paolo Hospital Kaset		■	
14 Bangkok Hospital Prapradang		■	
15 Paolo Hospital Samutprakarn		■	
16 Bangkok Hospital Pattaya	■	■	
17 Samitivej Chonburi Hospital		■	
18 Samitivej Sriracha Hospital	■	■	
19 Phyathai Hospital Sriracha		■	
20 Bangkok Hospital Rayong		■	
21 Sri-Rayong Hospital		■	
22 Bangkok Hospital Chantaburi		■	
23 Bangkok Hospital Trat International Clinic Koh Chang	■		
24 Bangkok Hospital Chiangmai	■		
25 Bangkok Hospital Phitsanulok		■	
26 Bangkok Hospital Khon Kaen		■	
27 Bangkok Hospital Udon		■	
28 Bangkok Hospital Pakchong		■	
29 Bangkok Hospital Ratchasima		■	
30 Bangkok Hospital Sanamchan		■	
31 Muangraj Hospital		■	
32 Bangkok Hospital Hua Hin	■		
33 Bangkok Hospital Samui	■		
34 Bangkok Hospital Phuket	■	■	
35 Phuket International Hospital	■		
36 Bangkok Hospital Had Yai		■	
37 Dibuk Hospital		■	
38 Royal Phnom Penh Hospital	■		



BDMS Wellness Clinic

BDMS Wellness Clinic is a preventive healthcare facility that seek to redefine the core philosophy of wellness through cutting-edge technology and a team of world-class physicians. At the Clinic, medical experts uses the latest in genetic and molecular science to fully explore the physical condition down to its root cause. With the power of advanced genetics and molecular equipment, our globally recognized team can accurately identify deficiencies and imbalances in the body. With this data, current body function can then be optimized to gradually decelerate the aging process. It is through this careful study of the body that we can predict future illnesses and prescribe the ultimate preventative path to enhanced mental and physical performance. The facility consists of: Regenerative Clinic, Muskuloskeletal Clinic, Neuroscience Clinic, Cardioscience Clinic, Dental Clinic, Breast Clinic and Digestive Wellness Clinic.



The dinosaur “*Phuwiangosaurus Sirindhornae*” is a herbivore that once lived in Thailand with average life of 200 years. The “*Phuwiangosaurus Sirindhornae*” become extinct not from disease but from natural disaster. **If people could live healthily at least for half the life of a dinosaur, it would be a good thing that we can achieve.**

Regenerative Clinic

On arrival patients undergo first level comprehensive screening at the Regenerative Clinic.

Genetic testing is core to each patient's experience. Saliva and blood tests are conducted to identify biomarkers for any genetic predispositions to chronic diseases. Customized care plans are developed based on the comprehensive data collected from each patient and compounding pharmacists make necessary supplements onsite as needed.

Musculoskeletal & Sports Clinic

This clinic specializes in the treatment of chronic musculoskeletal diseases including severe office syndrome and forms of spinal stenosis. Physical conditioning through sport and exercise is vital for preventative health. Essential to any anti-aging regime is a yearly musculoskeletal-specific check-up with a focus on conditioning the body with everyday physical activities.

Neuroscience Clinic

We perform neurophysiological tests as well as a comprehensive memory assessment program to benchmark the level of cognitive function of our patients against age norms. Transcranial Magnetic Stimulation and cognitive training can then help to improve memory by sending electric brainwaves to patients. These training programs have been shown to help improve balance and cognitive function.

Cardioscience Clinic

The heart screening clinic utilizes wearables to track patients with heart conditions on an ongoing basis. Testing can also help to determine various lipid profiles that reveal the onset of heart diseases. This clinic works very closely with the sports medicine clinic to synchronize exercise regimens that help strength the heart as well as our in-house nutritionist dedicated to this floor.

Dental Clinic

Painless dental aesthetics are the goal of this center underpinned by thorough oral health checks for potential signs of cancer as well as tooth health. Patients can design their "perfect smile" via CAD/ CAM technology where molds are created in-house. Implants are also carried out using the latest available technology.

Breast Clinic

Breast cancer is one of the most common cancer in women. Genetic testing is available to determine if guests have the BRCA1 mutation, which increases the likelihood of breast and ovarian cancer. Yearly check-ups are fast and efficient. We encourage our patients to visit for yearly check-ups to detect early onset of breast cancer and to help increase the chances of successful treatment.

Digestive Wellness Clinic

The digestive system is a vital component of our daily living that must be kept in optimal condition. Digestive disorders are common causes of health problems caused by improper dietary intake which, in severe cases, can lead to gastrointestinal cancer. Therefore, early detection and elimination of the basic risks of GI and liver diseases are key at the GI Clinic. Our doctors specialize in the most up-to-date genetic testing that specifically targets blood biomarkers in the intestines to identify gastrointestinal disorders.

NATURE OF BUSINESS

The Company's main line of business is the private hospital business, which is operated through the Company and its subsidiaries. Apart from the private hospital business, the Company has also invested in many other supporting or related businesses. Such businesses and their income structure according to the financial statements can be summarized as follows:

Income Structure of the Company and Subsidiaries : During 2015-2017

(Unit: Million baht)

Type of revenue	Operated by	% of Holding	2017		2016		2015	
			Revenue	%	Revenue	%	Revenue	%
Patient revenue								
	Bangkok Dusit Medical Services PLC.	100.0	13,317.32	19.3	13,223.75	20.3	12,992.98	21.6
	Samitivej PLC. (SVH)	95.8	10,723.45	15.5	9,918.15	15.2	9,461.14	15.7
	BNH Medical Center Co., Ltd.	91.5	2,903.41	4.2	2,668.50	4.1	2,407.35	4.0
	Prasit Pattana PLC. (PPCL)	98.6	11,986.51	17.3	11,797.68	18.1	10,789.99	17.9
	Paolo Medic Co., Ltd.	100.0	2,917.17	4.2	2,582.79	4.0	2,363.22	3.9
	Siam Medical Co., Ltd.	85.7	1,138.19	1.7	977.11	1.5	923.46	1.5
	Thai Medical Center PLC.	99.8	1,201.99	1.7	1,188.06	1.8	1,145.30	1.9
	Paolo Samut Prakran Co., Ltd.	93.7	1,269.80	1.8	1,312.71	2.0	1,236.61	2.0
	Bangkok Hospital Prapradaeng Co., Ltd.	84.0	295.04	0.4	297.04	0.5	271.20	0.5
	Bangkok Hospital Pattaya Co., Ltd.	97.3	3,755.54	5.4	3,544.54	5.4	3,504.50	5.8
	Bangkok Hospital Rayong Co., Ltd.	100.0	2,424.27	3.5	2,241.69	3.4	2,027.66	3.4
	Bangkok Hospital Trad Co., Ltd.	99.8	532.50	0.8	489.54	0.8	417.10	0.7
	Wattanavej Co., Ltd.	99.7	1,366.70	2.0	1,267.45	1.9	1,163.49	1.9
	Bangkok Hospital Hat Yai Co., Ltd.	98.8	1,525.54	2.2	1,419.42	2.2	1,470.54	2.4
	Bangkok Hospital Samui Co., Ltd.	100.0	654.96	0.9	687.12	1.0	624.75	1.0
	Bangkok Hospital Phuket Co., Ltd.	99.7	2,697.15	3.9	2,549.59	3.9	2,540.50	4.2
	Bangkok Hospital Ratchasima Co., Ltd.	91.4	1,602.62	2.3	1,481.59	2.3	1,361.97	2.3
	Bangkok Hospital Udon Co., Ltd. (1)	100.0	870.29	1.3	731.64	1.1	555.17	0.9
	Bangkok Hospital Phitsanulok Co., Ltd. (2)	100.0	642.90	0.9	629.19	1.0	526.19	0.9
	Thonburi Medical Centre PCL (2)	63.5	668.49	1.0	612.03	0.9	442.60	0.7
	Bangkok Hospital Chiangmai Co., Ltd.	100.0	798.60	1.2	621.86	0.9	404.39	0.7
	Bangkok Hospital Khon Kaen Co., Ltd.	100.0	536.08	0.8	395.41	0.6	236.00	0.4
	Bangkok Hospital Sanamchan Co., Ltd. (BSN)	100.0	1,145.66	1.7	1,037.86	1.6	932.08	1.5
	Tepakorn Hospital Co., Ltd. (Held through BSN)	44.5	146.44	0.2	133.50	0.2	90.73	0.2
	Bangkok Hospital Phuket International Co., Ltd.	100.0	1,204.02	1.7	1,079.33	1.7	875.81	1.5
	Samitivej Chonburi Co., Ltd.	100.0	541.54	0.8	395.02	0.6	168.94	0.3
	Bangkok Hospital MuangRaj Co., Ltd.	100.0	508.52	0.7	499.67	0.8	155.74	0.3
	Bangkok Hospital Surat Co., Ltd.	100.0	100.57	0.2				
	BDMS Wellness Clinic Co., Ltd.	100.0	0.21	0.0				
	Angkor Pisith Co., Ltd.	80.0	174.51	0.3	179.05	0.3	173.24	0.3
	Phnom Penh Medical Services Co., Ltd.	100.0	618.21	0.9	550.07	0.8	407.84	0.7
	Total		68,268.20	98.8	64,511.35	98.9	59,670.5	99.1



(Unit: Million baht)

Type of revenue	Operated by	% of Holding	2017		2016		2015	
			Revenue	%	Revenue	%	Revenue	%
Other revenue which related to patient revenue								
	National Healthcare Systems Co., Ltd.	98.7	821.35	1.2	708.18	1.1	568.98	0.9
	N Health (Cambodia) Co., Ltd.	100.0	2.19	0.0				
	N Health Pathology Co., Ltd.	95.0	0.24	0.0				
	N Health Myanmar Co., Ltd.	60.0	30.02	0.0	16.90	0.0		
	Bio-Molecular Laboratories (Thailand) Co., Ltd.	95.0	0.92	0.0	0.09	0.0	0.35	0.0
Total			854.72	1.2	725.17	1.1	569.3	0.9
Total revenue from operation			69,122.92	100.0	65,236.52	100.0	60,239.80	100.0

Remark : Apart from revenue from main operations in accordance with the revenue structure mentioned above, the Company also generates revenue from the sale of saline, medicine and medical supplies by subsidiaries, which are included in the other revenue item in the income statements as follows:

(Unit: Million baht)

Type of revenue	Operated by	% of Holding	2017	2016	2015
	A.N.B. Laboratory Co., Ltd.	100.0	1,240.4	1,252.1	1,105.1
	Medicpharma Co., Ltd.	87.0	616.7	571.3	535.8
	Save Drug Center Co., Ltd.	100.0	839.4	743.3	736.5
	First Health Food Co., Ltd.	100.0	113.1	100.3	96.2
Total			2,809.6	2,667.0	2,473.6



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 PLC.	343		
2	Bangkok Heart Hospital	Bangkok Dusit Medical Services PLC.	97		
3	Wattanosoth Cancer Hospital	Bangkok Dusit Medical Services PLC.	48		
4	Bangkok Hospital Hua Hin	Bangkok Dusit Medical Services PLC.	60		
5	Bangkok Hospital Sanamchan	Bangkok Hospital Sanamchan Co., Ltd.	200		100.0%
6	Muang Petch Hospital	Bangkok Hospital Sanamchan Co., Ltd.	255		100.0%
7	Muangraj Hospital	Bangkok Hospital MuangRaj Co., Ltd.	125		100.0%
8	Bangkok Hospital Pattaya	Bangkok Hospital Pattaya Co., Ltd.	400		97.3%
9	Bangkok Hospital Rayong	Bangkok Hospital Rayong Co., Ltd.	220		100.0%
10	Bangkok Hospital Chantaburi	Wattanavej Co., Ltd.	170		99.7%
11	Bangkok Hospital Trat	BangkokHospital Trat Co., Ltd.	114		99.8%
12	Bangkok Hospital Ratchasima	Bangkok Hospital Ratchasima Co., Ltd.	180		91.4%
13	Bangkok Hospital Pakchong	Bangkok Hospital Ratchasima Co., Ltd.	31		91.4%
14	Bangkok Hospital Udon	Bangkok Hospital Udon Co., Ltd.	120		100.0%
15	Bangkok Hospital Khon Kaen	Bangkok Hospital Khon Kaen Co., Ltd.	140		100.0%
16	Bangkok Hospital Phitsanulok	Bangkok Hospital Phitsanulok Co., Ltd.	195		100.0%
17	Bangkok Hospital Chiangmai	Bangkok Hospital Chiangmai Co., Ltd.	181		100.0%
18	Bangkok Hospital Samui	Bangkok Samui Hospital Co., Ltd.	52		100.0%
19	Bangkok Hospital Phuket	Bangkok Phuket Hospital Co., Ltd.	266		99.7%
20	Bangkok Hospital Hat Yai	Bangkok Hat Yai Hospital Co., Ltd.	200		98.8%
21	Bangkok Hospital Surat	Bangkok Hospital Surat Co., Ltd.	150	3,547	100.0%
Samitivej group					
22	Samitivej Sukumvith Hospital	Samitivej Plc. (SVH)	275		95.8%
23	Samitivej Srinakarin Hospital	Samitivej Plc. (SNH)	400		95.8%
24	Samitivej Thonburi Hospital	Thonburi Medical Centre PCL (BDMS: 34.4% & RBH : 29.0%)	184		69.8%
25	Samitivej Sriracha Hospital	Samitivej Sriracha Co., Ltd. ⁽¹⁾	150		63.5%
26	Samitivej Chonburi Hospital	Samitivej Chonburi Co., Ltd.	220		100.0%
27	Samitivej China Town Hospital	Bangkok Dusit Medical Services PLC.	59	1,288	100.0%
โรงพยาบาล BNH					
28	BNH Hospital	BNH Medical Centre Co., Ltd.	144	144	91.5%
Royal hospital group					
29	Royal Angkor Hospital	Angkor Pisith Co., Ltd.	30		80.0%
30	Royal Phnom Penh Hospital	Phnom Penh Medical Services Co., Ltd.	100	130	100.0%



No.	Hospital	Operated By	Number of bed	Total number of Bed	% of Holding
Phyathai Group					
31	Phyathai 1 Hospital	Phyathai 1 Hospital Co., Ltd. ⁽²⁾	350		100.0%
32	Phyathai 2 Hospital	Phyathai 2 Hospital Co., Ltd. ⁽²⁾	260		99.2%
33	Phyathai 3 Hospital	Phyathai 3 Hospital Co., Ltd. ⁽²⁾	240		98.2%
34	Phyathai Sriracha Hospital	Sriracha Nakorn Hospital PLC. ⁽²⁾	350		74.8%
35	Phyathai Hospital Nawamin	Thai Medical Center PLC.	140	1,340	99.8%
Paolo Group					
36	Paolo Hospital Phaholyothin	Paolo Medic Co., Ltd.	300		100.0%
37	Paolo Hospital Rangsit	Paolo Medic Co., Ltd.	150		100.0%
38	Paolo Hospital Kaset	Paolo Medic Co., Ltd.	162		100.0%
39	Paolo Hospital Samutprakarn	Paolo Samut Prakran Co., Ltd.	200		93.6%
40	Paolo Hospital Chokchai 4	Siam Medical Co., Ltd.	148		85.7%
41	Paolo Hospital Prapradang	Paolo Medic Co., Ltd.	60	1,020	84.0%
Community hospital					
42	Sri-Rayong Hospital	Bangkok Hospital Rayong Co., Ltd.	195		100.0%
43	Thepakorn Hospital	Thepakorn Hospital Co., Ltd. ⁽³⁾	100		44.5%
44	Dibuk Hospital	Bangkok Phuket Hospital Co., Ltd.	100		99.7%
45	Phuket International Hospital	Bangkok Phuket International Hospital Co., Ltd.	151	546	100.0%
	Total number of BDMS patient beds			8,015	
The Group of Hospital which BDMS have not managed.					
46	Aek Udon International Hospital	Udon Pattana (1994) Co., Ltd. ⁽⁴⁾	350		25.1%
47	Ramkamhaeng Hospital	Ramkamhaeng Hospital PCL.	300		38.2%
48	Bumrungrad Hospital	Bumrungrad Hospital PCL	538	1,188	20.5%

Remark : (1) BDMS holds 34.4% and Royal Bangkok Healthcare Co., Ltd. holds 29.0% (a subsidiary in which BDMS holds 100% of Royal Bangkok Healthcare) of Thonburi Medical Centre PCL

(2) Prasit Pattana PCL, a subsidiary in which BDMS holds 98.6%, is a shareholder

(3) Thepakorn Hospital Co., Ltd. is held by Bangkok Hospital Sanamchan Co., Ltd., a subsidiary in which BDMS holds 100%

(4) BDMS holds 15.3% and Phyathai 1 Hospital Co., Ltd. holds 9.8% of Udon Pattana (1994) Co., Ltd.

Businesses Related to and Supporting Medical Services

Nature of Business	Operated by	% of Holding
1. Preventive Healthcare (Wellness Clinic)	BDMS Wellness Clinic Co., Ltd.	100.0%
2. Manufacture saline and medical equipment	A.N.B. Laboratories Co., Ltd. ⁽¹⁾	100.0%
	Medicpharma Co., Ltd.	87.0%
	General Hospital Products PCL. ⁽²⁾	45.5%
3. Phamaceutical	Save Drug Co., Ltd. ⁽³⁾	100.0%
4. Medical Lab and Share Services (central procurement)	National Healthcare Systems Co., Ltd. ⁽⁴⁾	98.7%
	N Health Pathology Co., Ltd. ⁽¹⁾	95.0%
	N Health Cambodia Pte. Ltd. ⁽⁵⁾ (Cambodia)	100.0%
	N Health Myanmar Co., Ltd. ⁽⁵⁾ (Myanmar)	60.0%
5. Bio Molecular Lab	Bio-Molecular Laboratories (Thailand) Co., Ltd.	95.0%
6. Information and technology for company and the Subsidiaries Shared service	Greenline Synergy Co., Ltd.	100.0%
7. Medical evacuation	Bangkok Helicopter Services Co., Ltd.	100.0%
8. Cartering and general support for company and the subsidiaries	Irving Sheridan SE Co., Ltd. ⁽⁵⁾	96.0%
	First Health Food Co., Ltd. ⁽⁵⁾	100.0%
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.	100.0%
	Save Drug Center Co., Ltd.	100.0%
	BDMS Inter Pte. Ltd. (Singapore) ⁽⁶⁾	100.0%
	N Health Asia Pte. Ltd. (Singapore) ⁽⁶⁾	100.0%
11. Training	BDMS Training Co., Ltd.	100.0%
12. Health insurance	Bangkok Health Insurance Co., Ltd.	100.0%
	Bankok Premier Life Insurance Co., Ltd.	100.0%
13. Accounting	BDMS Accounting Co., Ltd.	100.0%
14. Property management	BDMS Property Management Co., Ltd.	100.0%

Remark : (1) Held by Royal Bangkok Healthcare Co., Ltd.

(2) Royal Bangkok Healthcare Co., Ltd. holds 45.2% and Medicpharma Co., Ltd. holds 0.3%

(3) Held by Bangkok Save Drug Co., Ltd.

(4) BDMS holds 74.0%, Samitivej PCL holds 21.0% and BNH Medical Center Co., Ltd. holds 4.9%

(5) Held by Samitivej PCL

(6) Held by N Health Asia



2. Market Outlook and Competition

2.1 Private Hospital Industry Overview

Krungsri Research, Bank of Ayudhya states that Thai private hospitals aim to elevate the level of efficiency and servicing to international standards in order to attract patrons and support the long term growth in revenue. Large hospitals focus on M&A strategy to expand the network by acquiring hospitals with good profits as well as continually investing in increasing volume and raising quality of service, such as expanding areas of operations and investing in specialist treatment centers. Moreover, they are increasing branches, building new hospitals in major provincial cities to cater to the increasing number of customers and those with increased purchasing power. Major tourist cities and border cities are also targeted so as to provide service to tourists and patients from neighboring countries. The hospitals are also partnering to expand the network and form inter-business alliances, as well as expanding into wellness business such as senior homes, dietary supplements and beauty products, to attract new customer

groups. As for medium-small hospitals without branches or networks, they are also making adjustments including investments in facilities to cater to more patients. It can be said that the private hospital industry is intensely competitive as in any other industry. Nevertheless, there are many factors that support revenue growth of hospitals, namely, 1) spread of seasonal illnesses such as influenza and Dengue fever; 2) Increased medical cost benefits and free check-ups by the Social Security Office in 2017 has benefited hospitals with a broad Social



Security customer base; and 3) Adjusting strategies to attract more Thai clients to hospitals which are focused on foreign patients.

Outlook for Private Hospital Industry

Krungsri Research has forecast that the private hospital industry in Thailand will continue to grow in 2018-2020, with support from the following factors:

- **Growth of the middle class who have purchasing power**

The economic and income growth of the population especially that of the middle class, will continue to bolster the need for services of private hospitals. The low rate of private hospital medical expenses per GDP of Thailand and the growing number of middle class in the ASEAN region, continue to reflect that there is a vast opportunity for growth in the private hospital business in Thailand.

- **Urbanization**

The United Nations forecasts that the urbanization rate of Thailand will increase from 50.4% in 2015 to 60.4% in 2025. This shows that urban expansion is an opportunity for expansion of medical services to regional provinces that are rapidly expanding when compared to the need in Bangkok Metropolitan areas. Moreover, the business has advantages from the

government policies, such as industrial estates, Eastern Economic Corridor and urbanization in AEC countries, which has increased the number of people using medical services.

- **Aging population**

In the long term, aging society will significantly support the increased need for modern medical services and technology. The Office of the National Economics and Social Development Board predicts that the number of senior citizens (aged over 60) will rise from the present number of 9.1 million to 10.3 million in 2019. While it is estimated that medical expenses for senior citizens will increase from Baht 63 billion in 2010 (2.1% of GDP) to Baht 228 billion (2.8% of GDP) in 2022 (12th National Health Development Plan, 2017-2021)

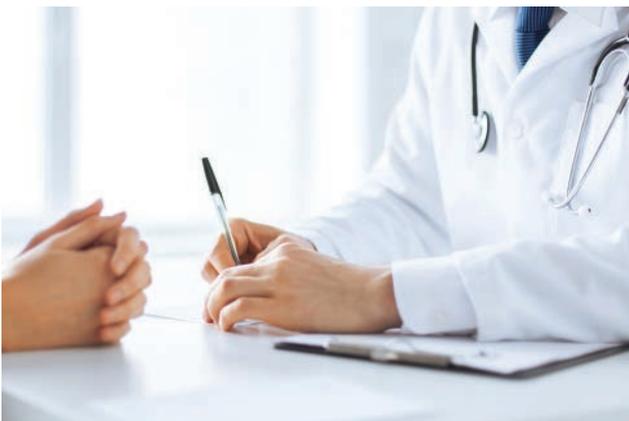
- **Increase in illness and death from critical disease of Thais**

The number of patients and deaths from non-communicable diseases (NCD) such as heart disease, stroke, cancer, diabetes, and pneumonia, are likely to increase in Thailand. Thais show at risk behaviors such as smoking, alcohol consumption, which is as high as 6.5 liters per person per year, highest sugar consumption in ASEAN, etc., leading to predictions that the need for medical services will continue to increase.



Medical expenses for senior citizens will increase to

22.8 Billion Baht in 2022



- Plans to expand branches/network/ service areas to create revenue base from hospital business and investment in non-hospital businesses

Many large hospitals have plans to invest for expansion of branches to increase number of patrons, such as Bangkok Hospital, as well as expanding the network to increase patient referral channels. While some hospitals create strengths for competitive edge, such as remodeling the hospital into specialist centers (Paolo Hospital) or going completely digital, to attract patrons and meet the needs of customers who want specialist care. It also increases the opportunity to expand to other customer groups where there are gaps in price and service, namely, those who cannot afford the high costs of private hospitals, those who do not want to wait in line at public hospitals, those who live along the metro lines and the elderly. In 2020, it is forecast that that will be at least 2,700 more beds from the current 35,000 beds or around 2.6% increase per annum. As for expansion into non-hospital businesses such as wellness centers, centers and homes for the elderly, pharmacies, medicine production, laboratories, dietary supplements, medical food and beauty products, it will enhance the private hospitals business to become more complete in terms of the supply chain and in line with the consumers' trend in putting well-being first.

- Expanding patient base to new markets, focusing on revenue from foreign patrons

In order to reduce negative impact from reliance on any one group of customers. Many hospitals have seen growth in foreign customers, other than target markets, namely, Chinese, Russian, ASEAN and CLMV. Generally, the aforementioned countries do not



have enough public health services to meet the needs of the people. Some private hospitals have refocused the target customers, putting Myanmar among the top. Many have also established representatives in Myanmar as a center for patient referral offshore. Another group that cannot be overlooked is foreign long-stay patients.

- Entering the wellness center business, in support of “Medical Tourism” trend

One of the trends that is popular around the world from healthcare, alternative medicine to anti-aging. The Global Wellness Tourism Economy Report 2013-2015 estimates that the value of medical tourism business around the world will grow at least 9% per annum. In Asia, the value is around USD 5.6 billion with more than 2.5 million tourists. Thailand is fourth in Asia and second in ASEAN after Singapore. With the changing trend from treatment to wellness, many Thai private hospitals are taking aggressive marketing strategies into the medical hub business to create long term revenue growth. BDMS Wellness Clinic (Bangkok Hospital Group) is one such example. It is expected that many other private hospitals will be adjusting to the medical tourism trend in the future.

“
Medical Tourism,
one of
the trends
that is popular
around the world
from healthcare,
alternative
medicine to
anti-aging.

”

- Government’s policy to support medical hub as one of the clusters in the Economic Zones Policy and an advanced technology industry

In four business groups, namely, medicine, herbal products, medical equipment and medical services. The government is providing incentives, such as reduced tax rate, which will increase competitive advantage as it will decrease costs for Thai hospitals, thus, enticing patrons to use medical and healthcare services.

2.2 Marketing Strategy

In 2017, the Company has reached our 45th anniversary. BDMS is proud to have provided our services and been entrusted by our Thai customers. Apart from our Thai customers, we also continue to give importance to Good Referral Hospitals so as to expand our services abroad through our trade partners in the industry and offshore doctors’ network. The Company has established the BDMS Alarm Center to support Good Referral Hospitals 24 hours a day, as well as increase experience in providing good medical care to customers through insurance products and service enhancements. We believe that BDMS brand excels in the in four areas:

1. Excellent Treatment-comparable to or better than international standards

2. Exceptional services-the Thai way, warm and with respect
3. Advance Technology-modern tools and equipment for prompt service
4. Expertise Knowledge-knowledge and research exchange with leading medical institutions around the world



Expansion of Network Hospitals

As of 31 December 2017, the Company has a total of 45 hospitals with 8,015 beds within the network. This wide network enables the Company to provide medical services that meet international standards to people in much broader areas. The Company has built and developed numerous secondary and tertiary care hospitals in the past five years. We have also made preparations for the BDMS Wellness Center as we believe that preventive healthcare is essential to bettering one’s health and it has received great interest from the public.



45 Network Hospitals



8,015 Beds



“
 The Company recognizes the importance on developing the medical services standard of the network hospitals
 ”

Developing Quality of Medical Services within the Network

The Company recognizes the importance on developing the medical services standard of the network hospitals such as developing medical technology and patient security standards. Thus, the Company has approached global standardization organizations such as JCI, TEMOS, CAMTS, HA and URAMI to certify our hospitals regularly. In 2017, the network hospitals have received the following accreditations:



1. Joint Commission International (JCI), a world renowned organization which identifies best practices in patient care through efficiency of medical personnel and state-of-the-art technology. A total of 15 hospitals within the network have received JCI accreditation such as
 - Bangkok Hospital-overall and Clinical Care Program Certification (CCPC) in 7 diseases, namely, stroke, back pain, diabetes, heart failure, acute myocardial infarction, breast cancer and traumatic brain injury.

- Samitivej Hospital-overall and children’s asthma.
 - Phyathai 2 Hospital-overall, and brain infarction and acute myocardial infarction.
2. Advance HA and HA from the Institute of Hospital Quality Improvement & Accreditation of Thailand.
 3. CAMTS (The Commission on Accreditation of Medical Transport Systems) from U.S.A. for the quality and safety of medical transport services.
 4. TEMOS (Tele Medicine for Mobile Society) a global competence network of hospitals characterized by high quality standards in patient treatment and the application of telemedicine in medical tourism. Bangkok Hospital joined the network in 2007.



Alliances with World Leading Medical Institutions

In the past four years, the Company has made alliances with world leading medical institutions that specialize in various fields, such as cancer, heart disease, trauma and bone, in order to exchange knowledge and collaborate. Furthermore, we have collaborated with these institutions on various medical researches to improve the BDMS group's medical practices to meet international standards, which will propel Thailand to fully become a medical hub. Such leading institutions include MD Anderson (cancer), Cedar Sinai (nervous system and the brain), Hannover Medical School (trauma and bone), Oregon health & Science University (occupational health) and Stanford University (bone).

The Company has furthered the knowledge received from collaborations with the leading institutions by developing ten hospitals within the BDMS network into Centers of Excellence, which focus on excellence in the treatment of cancer, brain, heart, trauma and bone, as follows:

1. Bangkok Hospital
2. Samitivej Sukhumvit Hospital
3. Samitivej Srinakarin Hospital
4. Bangkok Hospital Pattaya
5. Bangkok Hospital Chiang Mai
6. Bangkok Hospital Udon Thani
7. Phyathai 2 Hospital

8. Bangkok Hospital Phuket
9. Royal Phnom Penh Hospital
10. Bangkok Hospital Rayong

Expanding into businesses that support the Hospital

The Company has expanded into related businesses such as medical laboratory, bio molecular laboratory, as well as the manufacturing and distribution of medicine and medical supplies. This has enabled the Company to procure high quality products and services as a group.

3 Product Procurement

3.1 Medical Personnel

The Company has the policy to recruit physicians that are experts in each 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

“
The Company has furthered the knowledge from the leading institutions by developing 10 network hospitals into Centers of Excellence
”





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, 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.

3.2 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, as well as efficiency and quality of medicine and medical supplies.

3.3 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 service.

In addition, for network hospitals, to ensure that patients receive quality and efficient medical services, the Company has made certain that hospitals within the network, especially those in the regional areas, are equipped with modern medical equipment. The basic medical equipment that all hospitals should have are MRI, CT Scan and Cath Lab. Apart from being able to provide medical services to patients at the hospitals within the network, such equipment can also be of use to medical centers or clinics in the surrounding areas, as well as being able to accommodate patient referrals from other medical centers or clinics.



PRECISION RADIATION THERAPY

EDGE

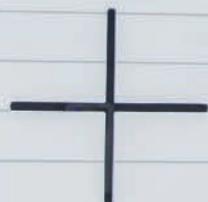
NEW ERA OF CANCER RADIOSUGERY

Radiosugery uses non-invasive tumor-destroying with high radiation doses to treat cancer anywhere in the body where radiation is indicated. **This effective advanced technology is very accurate, precise, convenient, fast and safe.**



Field Photo A
Field Photo B

DR. M. LINGG + Nurse / CSRD LINGG



Management Structure



Management Structure as of 31st December 2017



1. Board of Directors

Names of the members of the Board of Directors as of 31 December 2017 and the number of meeting attendance in the Board Meetings and Sub-Committee Meetings in 2017 as follows:

Directors' Name	Title	Board of Directors	Meeting Attendance				
			Audit Committee	Nomination and Remuneration Committee	Executive Committee	Risk Management Committee	Corporate Governance Committee
1. Professor Emeritus Arun Pausawasdi, M.D.	Chairman of The Board/ Independent Director	14/14					
2. Mr. Chuladej Yossundharakul, M.D.	Vice Chairman/Member of Executive Committee/Member of Nomination and Remuneration Committee	14/14		4/4	12/12		
3. Mr. Prasert Prasarttong-Osoth, M.D.	Group CEO & President/ Chairman of Executive Committee	14/14			12/12		
4. Professor Emeritus Santasiri Sornmani, M.D.	Independent Director/Chairman of the Audit Committee/ Chairman of the Nomination and Remuneration Committee	14/14	10/10	4/4			
5. Mr. Chatree Duangnet, M.D. (1)	Director/Member of Executive Committee	14/14			12/12		
6. Mr. Pradit Theekakul	Director/Member of Executive Committee/Member of Risk Management Committee/ Member of Corporate Governance Committee	14/14			11/12	2/2	1/1
7. Mr. Sripop Sarasas (2)	Independent Director/Member of Audit Committee/Member of Nomination and Remuneration Committee/Member of Risk Management Committee/ Member of Corporate Governance Committee	13/14	10/10	4/4		2/2	1/1
8. Mr. Chavalit Sethameteekul (3)	Independent Director/Member of Nomination and Remuneration Committee/Chairman of Risk Management Committee	14/14		4/4		2/2	
9. Mr.Thongchai Jira-alongkorn	Director/Member of Executive Committee	12/14			11/12		
10. Miss. Poramaporn Prasarttong-Osoth M.D. (4)	Director	13/14				2/2	
11. Mr. Weerawong Chittmittrapap	Independent Director/Member of Audit Committee/Chairman of the Corporate Governance Committee	14/14	10/10				1/1
12. Mr. Att Thongtang	Director	14/14					
13. Mr. Kan Trakulboon (5)	Independent Director	-					

Note:

- (1) Mr. Chatree Duangnet, M.D. had submitted a letter of resignation from the Executive Committee on 26th January 2018, but remains a Director on the Board of Directors.
- (2) Mr. Sripop Sarasas submitted a letter of resignation from the Audit Committee and from his status as an Independent Director on 8 January 2018 as he has been appointed as Chief Administrative Officer effective 15 January 2018. He continues to be a member of the Nomination and Remuneration Committee, the Risk Management Committee and the Corporate Governance Committee.
- (3) Mr. Chavalit Sethameteekul was appointed at the Board of Directors' Meeting 2/2018 on 28 February 2018 as a member of the Audit Committee to replace the member that had resigned.
- (4) Miss. Poramaporn Prasarttong-Osoth M.D. was appointed as a member of the Executive Committee at the Board of Directors' Meeting 1/2018 on 31 January 2018.
- (5) Mr. Kan Trakulboon was appointed at the Board of Directors' Meeting 12/2017 on 20 December 2017 as an Independent Director to replace a Director that had resigned.

Authorized Directors and Conditions

(1) 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 or

(2) Mr. Chuladej Yossundharakul, M.D., Mr. Chatree Duangnet, M.D., Mr. Pradit Theekakul and Miss Poramaporn Prasarttong-Osoth M.D. two out of four (2 of 4) Directors sign jointly and affix the company seal.

Names of Directors who resigned in year 2017

Name	Title	Date of Resignation	Board Meeting Attendance (times)
1. Prof. (Clinic) Udom Kachintorn, M.D.	Independent Director	21 November 2017	9/14
2. Mr. Sombut Uthaisang	Independent Director	1 December 2017	13/14

Name of company independent directors who are independent directors in subsidiaries

Professor Emeritus Santasiri Sommani, M.D. Independent Director/Medic Pharma Co., Ltd.

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. Govern the operations of management and monitor the operational results of the Company and subsidiaries 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. There are currently five sub-committees, comprised of the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee, the Risk Management Committee and the Corporate Governance 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

The Executive Management as of 31 December 2017 is as follows:

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

On 15 January 2018, the Company appointed Miss Poramaporn Prasarttong-Osoth M.D. as Chief Operating Officer and Mr. Sripop Sarasas as Chief Administrative Officer.

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/or Sub-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 to the Board of Directors and/or Sub-Committees (as the case may be) immediately should there be a situation or suspicion of a situation where there has been a violation of laws or regulations or act of wrong-doing, which may significantly affect the Company's reputation and financial status.
5. Report significant fault or error including course of remedy to the Board of Directors and/or Sub-Committees (as the case may be) in a timely manner as well as report updates on significant adjustments to such faults or errors to the relevant Committee(s).
6. 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.
7. 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.
8. Other duties as assigned from time to time by the Board of Directors and/or the Executive Committee (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.

Report on Changes in Shares held by Directors and Executives (top four only) in 2017

Name	Number of Shares held on 29 December 2017	Number of Shares held on 30 January 2017	Change
1. Professor Emeritus Arun Pausawasdi, M.D. and spouse	3,818,710	3,818,710	0
2. Mr. Chuladej Yossundharakul, M.D. and spouse	50,060,490	50,060,490	0
3. Mr. Prasert Prasarttong-Osoth, M.D. and spouse	2,913,602,540	2,871,900,240	41,702,300
4. Professor Emeritus Santasiri Sornmani, M.D.	15,651,270	15,651,270	0
5. Mr. Chatree Duangnet, M.D.	4,500,000	4,000,000	500,000
6. Mr. Pradit Theekakul	16,500,000	16,000,000	500,000

Name	Number of Shares held on 29 December 2017	Number of Shares held on 30 January 2017	Change
7. Mr. Chavalit Sethameteekul	0	0	0
8. Mr. Sripop Sarasas	0	0	0
9. Mr. Thongchai Jira-alongkorn	11,373,360	11,373,360	0
10. Miss. Poramaporn Prasarttong-Osoth, M.D.	560,437,610	523,504,280	36,933,330
11. Mr. Weerawong Chittmittrapap	0	0	0
12. Mr. Att Thongtang	346,874,295	347,274,295	(400,000)
13. Mr. Kan Trakulboon	0	0	0
14. Mrs. Narumol Noi-am	5,000,000	4,500,000	500,000
15. Mr. Trin Charumilind, M.D. and spouse	27,400	22,400	5,000
16. Mr. Krittavith Lertutsahakul, M.D. and spouse	1,314,680	1,294,680	20,000

3. Company Secretary

The Board of Directors has appointed Ms. Kessara Wongsekate, Vice President, as the Company Secretary to act in accordance with related laws and regulations. The duties and responsibilities of the Company Secretary are as follows:

1. Fulfill duties in accordance with the Securities and Exchange Act, notifications of the Capital Market Supervisory Board, as well as ensure disclosure and reporting of information under responsibility to the regulating body in accordance with the laws and regulations on disclosure of company information.

2. Coordinate and monitor to ensure that the Company, Directors and related persons, act in compliance with the resolutions of the Board of Directors' and the Shareholders' Meetings, as well as good corporate governance practices.

3. Ensure that Directors and management receive training as required of Directors and Sub-Committee members.

4. Provide necessary information to enable existing Directors and newly appointed Directors to carry out their duties.

5. Provide advice on regulations and guidelines that the Directors and management should be aware of.

6. Arrange for performance evaluation of the Board of Directors and Sub-Committees.

7. Safe-keep the Company's important documents such as Directors Register, meeting invitations and minutes of the Board of Directors meeting, shareholder meetings, annual reports and reports on conflicts of interest of the Directors and management.

8. Other duties as assigned.

Profile of the Company Secretary

Title	Vice President and Company Secretary
Education and Training	• Directors Certification Program Class 166/2555, Thai Institute of Directors Association • Anti-Corruption : The Practical Guide Class 28/2559 • Role of the Nomination and Governance Committee Class 5/2556, Thai Institute of Directors Association • Role of the Compensation Committee Class 16/2556, Thai Institute of Directors Association • Company Secretary Program, Thai Institute of Directors Association • Bachelor of Business Administration, Majoring in Banking and Finance from Chulalongkorn University, Thailand
Experience	• Finance Manager, Bangkok Dusit Medical Services PCL. • Senior Credit Manager, Bangkok Metropolitan Bank PCL. • Finance Manager, Bangkok Entertainment PCL. • Assistant Credit Manager, Nava Banking Finance and Securities Limited. • Credit Officer, Bank of Ayudhya Public Company Limited.
Positions in other listed companies	None
Positions in other companies	1. Director, Bangkok Hospital Rayong Co., Ltd. 2. Director, Bangkok Hospital Chiangrai Co., Ltd. 3. Director, Samitivej Sriracha Co., Ltd. 4. Director, Samitivej Chonburi Co., Ltd. 5. Director, Prasit Pattana Plc. 6. Director, Phyathai 1 Hospital Co., Ltd. 7. Director, Phyathai 2 Hospital Co., Ltd. 8. Director, Phyathai 3 Hospital Co., Ltd. 9. Director, Sriracha Nakorn Hospital PCL. 10. Director, Paolo Medic Co., Ltd. 11. Director, Paolo Samutprakarn Co., Ltd. 12. Director, Siam Medical Co., Ltd. 13. Director, Thai Medical Center PCL. 14. Director, Save Drug Center Co., Ltd. 15. Director, The Medic Pharma Co., Ltd. 16. Director, Royal Bangkok Healthcare Co. Ltd. 17. Director, Bangkok Health Insurance PCL. 18. Director, Bangkok Premier Life Insurance Broker Co., Ltd.



4. Directors' and Executive Management Remuneration

4.1 Monetary Remuneration (for the year ended 31 December 2017)

Remuneration of Board of Directors and Sub-Committees

(Unit : Baht)

Name of Director	Title	Director's Annual Allowance	Meeting Allowance					Total
			Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee	Risk Management Committee	
1. Professor Emeritus Arun Pausawasdi, M.D.	Chairman of The Board/ Independent Director	7,148,240	1,050,000					8,198,240
2. Mr. Chuladej Yossundharakul, M.D.	Vice Chairman/Member of Executive Committee/Member of Nomination and Remuneration Committee	4,765,520	700,000		200,000	720,000		6,385,520
3. Mr. Prasert Prasarttong-Osoth, M.D.	Group CEO & President/ Chairman of Executive Committee	4,765,520	700,000			1,080,000		6,545,520
4. Professor Emeritus Santasiri Soranmani, M.D.	Independent Director/Chairman of the Audit Committee/ Chairman of the Nomination and Remuneration Committee	4,765,520	700,000	1,050,000	300,000			6,815,520
5. Mr. Chatree Duangnet, M.D.	Director/Member of Executive Committee	4,765,520	700,000			720,000		6,185,520
6. Mr. Pradit Theekakul	Director/Member of Executive Committee/Member of Risk Management Committee/Member of Corporate Governance Committee	4,765,520	700,000			660,000	100,000	6,225,520
7. Mr. Chavalit Sethameteekul	Independent Director/Member of Nomination and Remuneration Committee/Chairman of Risk Management Committee	4,765,520	700,000		200,000		150,000	5,815,520
8. Mr. Sripop Sarasas	Independent Director/Member of Audit Committee/Member of Nomination and Remuneration Committee/Member of Risk Management Committee/Member of Corporate Governance Committee	4,765,520	650,000	700,000	200,000		100,000	6,415,520
9. Mr. Thongchai Jira-alongkorn	Director/Member of Executive Committee	4,765,520	600,000			660,000		6,025,520
10. Miss Poramaporn Prasarttong-Osoth, M.D.	Director	4,765,520	650,000				100,000	5,515,520
11. Mr. Weerawong Chittmittrapap	Independent Director/ Member of Audit Committee/ Chairman of the Corporate Governance Committee	4,765,520	700,000	700,000				6,165,520
12. Mr. Att Thongtang	Director	4,765,520	700,000					5,465,520
13. Mr. Kan Trakulboon	Independent Director							
14. Mrs. Narumol Noi-am	Chief Financial Officer/Member of Risk Management Committee						100,000	100,000
Total Directors' Remuneration		59,568,960	8,550,000	2,450,000	900,000	3,840,000	550,000	75,858,960

Note:

- (1) Mr. Chatree Duangnet, M.D. has submitted a letter of resignation from the Executive Committee on 26th January 2018, but remains a Director on the Board of Directors.
- (2) Mr. Sripop Sarasas submitted a letter of resignation from the Audit Committee and from his status as an Independent Director on 8 January 2018 as he has been appointed Chief Administrative Officer effective 15 January 2018. He continues to be a member of the Nomination and Remuneration Committee, the Risk Management Committee and the Corporate Governance Committee.
- (3) Mr. Chavalit Sethameteekul was appointed at the Board of Directors' Meeting 2/2018 on 28 February 2018 as a member of the Audit Committee to replace a member who had resigned.
- (4) Miss. Poramaporn Prasarttong-Osoth M.D. was appointed as a member of the Executive Committee at the Board of Directors' Meeting 1/2018 on 31 January 2018.
- (5) Mr. Kan Trakulboon was appointed at the Board of Directors' Meeting 12/2017 on 20 December 2017 as an Independent Director to replace a director who had resigned.
- (6) The Board of Directors' Meeting 8/2017 on 30 August 2017 passed a resolution to appoint the Corporate Governance Committee, which is comprised of 3 Directors, namely, Mr. Weerawong Chittmittrapap, Mr. Pradit Theekakul and Mr. Sripop Sarasas. There has not been any meeting allowance.

Remuneration of Directors resigned in 2017

(Unit : Baht)

Name of Director	Title	Date of Resignation	Directors' Annual Allowance	Meeting Allowance					Total
				Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee	Risk Management Committee	
1. Prof. (Clinic) Udom Kachintorn, M.D.	Independent Director	21 November 2017	4,765,520	500,000					5,265,520
2. Mr. Sombut Uthaisang	Independent Director	1 December 2017	4,765,520	650,000					5,415,520
Total remuneration			9,531,040	1,150,000					10,681,040

Remuneration of Independent Directors Received From Subsidiaries

(Unit : Baht)

Independent Director	Title	Annual Allowance	Meeting Allowance	Total
1. Professor Emeritus Santasiri Sornmani, M.D.	Independent Director: Medic Pharma Co., Ltd.	136,850	55,000	191,850

Remuneration of Executive Management

In 2017, the Company paid the top 4 Executives in the form of salary, bonus and meeting allowance in the total amount of Baht 126.42 million.

In addition, the Company made contributions to the provident fund for those executive officers in 2017, which is at a rate as specified in the Company's regulations as is the rate for general employees, in the amount of Baht 4.62 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, the Company does not provide any other remuneration to the Board of Directors and Sub-Committees.

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. Human Resources

Number of Personnel

As of 31 December 2017, the Company and subsidiaries employed a total of 37,505 persons and 12,259 physicians, details as follows:

(Unit : Persons)

Type	Employees and Full-time Physicians	Part-time Employees and Consulting Physicians	Total
Nurses	8,124	2,743	10,867
General staff	22,350	4,288	26,638
Total employees	30,474	7,031	37,505
Physicians	2,691	9,568	12,259

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

The Company recognizes the significance of our employees as “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. Orientation for new employees to introduce the organization as well as provide an understanding of the organization’s culture and 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.

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.

3. Training and Development

In 2017, the Company utilized various methods and multi-media technology in order to make training interesting and efficient. Examples are making video clips, writing songs corresponding choreography. In addition, there has been emphasis on developing skills in numerous ways apart from training so that employees will learn by doing, such as

- Coaching department heads are encouraged to teach or advise personnel under their supervision when it is deemed that they may be doing their work wrong, or they need advice or are at risk of an accident in the workplace. The Company also encourages personnel to teach or advise other members of the team according to their individual expertise, such as how to use HRIS.
- Transfer and Job Rotation the Company supports transfers with the Hospital and subsidiaries for career enhancement such as transferring to management at offshore network hospitals. The Company also encourages staff to seek learning opportunities in other positions within the department or the organization in order to enhance staff’s knowledge and capabilities in learning new duties.
- Committee in order that staff will have a chance to work with other departments, as well as receive leadership training and put the knowledge acquired through training to practice, department heads will assign team members to join various organizing committees, such as New Year’s Party, Sports day and Volunteering Activities. The department head will provide advice or suggestions for effective knowledge utilization.
- Special Assignment so as to create continuous learning, the Hospital and the Company supports the staff in initiating continuous improvement programs to submit to the Company’s CQI Award Selection Committee and further innovation.

In the development of human resources, the Company continues to adhere to three strategies for the sustainable growth of the organization, namely, BDMS Values, Leadership Competencies and Center of Excellence (CoE) as follows:

1) The BDMS Values are:

- **B = Beyond Excellence** aim to succeed in elevating the medical services to become higher than the standard.
- **D = Deep Empathy** treat fellow humans with respect, and empathy by helping others while considering their feelings, background and attitude.
- **M = Moral Commitment** provide customers with medical products and services that meet safety standards, and service with morality and professional integrity.
- **S = Service with Thai Hospitality** care for customers with love by providing warm Thai hospitality so that they will return.



B = Beyond Excellence the Company provides knowledge to front-line officers, management and personnel who are in direct contact with customers, on “BDMS Service Standards”. The workshop incorporates theory and intense practice so that personnel will have the same level of service standard across the network, which will provide efficient service with excellence to our customers.

The Company provides training using **D = Deep Empathy** together with **S = Service with Thai Hospitality**, through the program “Empathy Communication”. The program aims to create organization wide communication with understanding and empathy. Another program, “Active Listening” is designed to enhance listening skills so that our personnel may better understand our customers and respond to their needs.

M = Moral Commitment the Company has developed training programs that align with the organization’s good corporate governance policies declared to the Securities and Exchange Commission, such as the “Ethical Leadership Program”. The program is for hospital and subsidiary executives to create awareness of being a leader of the organization in establishing a system to prevent corruption as well as creating a culture and being a good role model for personnel. To this end, there is an assessment of the level of organization wide awareness on corporate governance, ethics and morals each year along with the assessment of commitment to the organization.

In addition, the Company has established a program on Environmental Management for department and division heads at the Hospital and subsidiaries. The program is meant to create environmental awareness and environmental management within the organization, suitable for each area.

2) Leadership Competencies

- Drive with Strategy: clearly determine vision and action plan.
- Lead with Passion: good leaders can stimulate dedication.
- Persuade with Partnership: allow allies to form relationships and trust, leading to mutual opportunities and benefits.

In order to strengthen leadership potential of department heads and managers, the Company, in conjunction with the Faculty of Commerce and Accounting at Chulalongkorn University, has created a 120-hour curriculum, “BDMS Managerial Leadership Program”. The program emphasizes developing knowledge and skills in business management and management of healthcare organizations. The goal is to enhance leadership and managerial skills in the hospital and healthcare business. The Company also provides knowledge to managers and department heads at our hospitals and subsidiaries about managing human resource costs with the program entitled “Full-time Equivalent Management (FTE)”. Managers will be able to calculate and plan how to use their manpower effectively.



3) Center of Excellence: CoE

The Company is determined to elevate our medical services to become a Center of Excellence (CoE) in various fields, especially, orthopedics, trauma, brain and nervous system, heart, and cancer. The goal is to efficiently develop under the same standards for the best benefit of the patients. The Company has collaborated with Oregon Health & Science University (OHSU), U.S.A. in establishing the BDMS-OHSU International Health Alliance program to encourage academic knowledge and skill exchange to achieve medical excellence as well as to develop the potential of our personnel to the same level of standard as US institutions. This year, the Company sent over 110 physicians, dentists, nurses and medical personnel to train at OHSU.

Furthermore, the Company emphasizes the importance of developing clinical skills of physicians, nurses and medical personnel by establishing the BDMS Training Center for Clinical Skill with simulation-based training for medical professionals and personnel within the entire hospital network. There is particular focus on skills on orthopedics, trauma, brain and nervous system, heart, and cancer, as part of the goal of becoming a center for excellence. Training on Advanced Cardiovascular Life Support (ACLS) is also provided, which had 1,700 participants this year.

Company and Subsidiaries Training Statistics during 2015-2017

Details	2017	2016	2015
Number of employees who received training each year	24,178	9,330	8,325
Number of hours of training in each year	795,330	588,890	568,960

Labor dispute issues within the last 3 years

There have not been any labor disputes in the past 3 years.

Employee compensation

For year 2017, the Company and subsidiaries paid the employee compensation, which included salaries, overtime, social security payments, provident fund, medical fees and other benefits totaling Baht 17,319.2 million, having Baht 3,220.8 million allocated to the Company and Baht 14,098.4 million to the subsidiaries.



GHT Awards 2017



Asiamoney
The Best Managed
Company Award
for Thailand 2016 –
Large Capitalization

The winner of the prestigious
**International Innovation
Awards 2017 (IIA 2017)**
Implementation of Real-Time
Laboratory-Based
Influenza Surveillance System.



IR Magazine Awards - South East Asia 2017
Best in sector - Healthcare

The University of Texas
MD Anderson Cancer
Center Houston,
Is Proud to be a Sister Institution
with Faculty of
Medicine Siriraj Hospital,
Mahidol University.



Thailand's Top
Corporate Brands 2016



Thailand's Top
Corporate Brands 2017



Himess Analytics Stage 6,
EMRAM



JCI 2016



Advance HA 2015

QUALITY GUARANTEED

BDMS has endeavored to improve the quality of services to achieve the same standard across our entire network to create lasting customer confidence.

This is evidenced by the numerous awards and accreditations we have received over the past 45 years from both public and private organizations.



FROST & SULLIVAN 2016,
Thailand Hospital of the Year



FROST & SULLIVAN 2016,
Asia Pacific Medical Tourism Hospital of the Year



ICT EXCELLENCE AWARDS 2017,
ICT for Business
Sustainability Project.
On the Project B-eXchange



ICT EXCELLENCE AWARDS 2017,
Clinical Documentation
In the Category of
Core Process Improvement Project



ICT EXCELLENCE AWARDS 2017,
Health Passport
In the Category of
Innovation Project

SECURITIES AND SHAREHOLDERS

1. Registered Capital and Paid-up Capital

(1) On 31 December 2017, the Company has a registered capital of Baht 1,758,223,567.20 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 18 September 2014, the Company issued convertible debentures containing obligations and certain limitations. 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	On 18 September 2017, debenture holders exercised the put option on the principal equaling Baht 1,560 million. The Company paid the early redemption price of Baht 1,656 million (or 106.152% of the principal amount of Baht 1,560 million)
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
Outstanding Value as of 31 st December 2017	Baht 8,440 million





2. Shareholder Structure

Top ten shareholders of the Company as of the latest registrar closing date on 29 December 2017:

No.	Top 10 Major Shareholders	Number of Shares	Percentage of Shareholding
1	Mr. Prasert Prasarttong-Osoth, M.D. and spouse	2,913,602,540	18.81
	Miss. Poramaporn Prasarttong-Osoth, M.D.	560,437,610	3.62
	Mrs. Ariya Prasarttong-Osoth	146,902,800	0.95
	Miss. Somruthai Prasarttong-Osoth	36,800,000	0.24
	Mr. Puttipong Prasarttong-Osoth, M.D. and spouse	30,326,660	0.20
	Total	3,688,069,610	23.81
2	Mr. Wichai Thongtang and spouse	66,639,153	0.43
	Mr. Att Thongtang	346,874,295	2.24
	Mr. Itti Thongtang and spouse	318,529,044	2.06
	Miss. Viorn Thongtang	253,725,494	1.64
	Mr. Attikhun Thongtang	199,389,604	1.29
	Total	1,185,157,590	7.65
3	Bangkok Airways PCL (1)	924,531,390	5.97
	Bangkok Airways Holding Co., Ltd. (2)	205,000,000	1.32
	Total	1,129,531,390	7.29
4	The Viriyah Insurance PCL (3)	948,283,830	6.12
5	Thai NDVR Co., Ltd.	767,994,360	4.96
6	Social Security Office	571,677,700	3.69
7	Mr. Chirothana Suchato, M.D. and spouse	394,430,090	2.55
	Mr. Janus Suchato	3,951,460	0.03
	Mrs. Nasuda Darnchaivijitr	6,324,000	0.04
	Mrs. Ranitha Thongdee and spouse	7,286,930	0.05
	Total	411,992,480	2.66
8	Miss Napamas Ladpli	159,443,600	1.03
	Mrs. Atinuch Malakul Na Ayudhaya, D.D.S.	131,303,020	0.85
	Mr. Parameth Ladpli, M.D.	70,244,350	0.45
	Total	360,990,970	2.33
9	Mr. Chuladej Yossundharakul, M.D. and spouse	50,060,490	0.32
	Mr. Chulavej Yossundharakul	120,000,000	0.77
	Mr. Chulawat Yossundharakul	60,000,000	0.39
	Flg Off Mrs. Marin Chansai	60,000,000	0.39
	Total	290,060,490	1.87
10	THE BANK OF NEW YORK MELLON	207,866,600	1.34
	Total	9,561,625,020	61.72

Source : Thailand Securities Depository Company Limited

Remarks :

(1) Top five shareholders of Bangkok Airways Public Company Limited (as of the latest registrar closing date on 10 March 2017) are as follows:

No.	Name	Number of Shares	Percentage of Shareholding
1	Mr. Prasert Prasarttong-Osoth, M.D. and spouse	223,027,500	10.62
2	Mr. Puttipong Prasarttong-Osoth	523,587,900	24.93
3	Mrs Ariya Prasarttong-Osoth	243,440,900	11.59
4	Miss Poramaporn Prasarttong-Osoth, M.D.	136,250,000	6.49
5	Bangkok Bank Public Company Limited	105,000,000	5.00
	Total	1,231,306,300	58.63

(2) Bangkok Airways Public Company Limited holds 99.99% of Bangkok Airways Holdings Company Limited.

(3) The Viriyah Insurance PCL., as of 24 April 2017, had top five shareholders as follows:

No.	Name	Number of Shares	Percentage of Shareholding
1	Viriyah Property Co., Ltd.	8,000,000	40.00
2	Viriyabhun Family	6,566,666	32.83
3	The Ancient City Co., Ltd.	2,000,000	10.00
4	Mrs. Orapan Pongpipat and family	1,641,668	8.21
5	Ms. Suvaporn Thongthew and family	1,641,666	8.21
	Total	19,850,000	99.25

3. Other Securities

As of 31 December 2017, the Company had a total of ten debentures that had not yet matured, which are registered and traded on the Thai Bond Market Association (Thai BMA), as follows:

- Debenture BDMS228A registered and traded on Thai BMA since 6 August 2012
- Debenture BDMS228B registered and traded on Thai BMA since 8 August 2012
- Debenture BDMS233A registered and traded on Thai BMA since 14 March 2013
- Debentures BDMS205A and BDMS235A registered and traded on Thai BMA since 10 May 2013
- Debenture BDMS256A registered and traded on Thai BMA since 25 June 2015
- Debenture BDMS266A registered and traded on Thai BMA since 24 June 2016
- Debentures BDMS202A, BDMS222A and BDMS242A registered and traded on Thai BMA since 8 February 2017



Features of the ten debentures are as follows:

A) 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 Units
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 6 February and 6 August of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31 st December 2017	:	500,000 Units
Outstanding Value as of 31 st December 2017	:	500,000,000 Baht

B) Bangkok Dusit Medical Services PCL Debenture No. 2/2012 Due in 2022 (BDMS228B)

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)	:	100,000,000 Baht
Issue Size (Units)	:	100,000 Units
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 8 February and 8 August of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31 st December 2017	:	100,000 Units
Outstanding Value as of 31 st December 2017	:	100,000,000 Baht

C) Bangkok Dusit Medical Services PCL Debenture No. 1/2014 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 Units
Face Value	:	1,000 Baht
Offer Price	:	1,000 Baht
Issue Date	:	14 March 2014
Maturity Date	:	14 March 2023
Coupon Payment	:	4.63% per annum to be paid every 6 months from date of issue and paid on 14 March and 14 September of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31 st December 2017	:	4,000,000 Units
Outstanding Value as of 31 st December 2017	:	4,000,000,000 Baht
Credit Rating (Tris Rating)	:	AA-

D) 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 Units
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 10 May and 10 November of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31 st December 2017	:	2,000,000 Units
Outstanding Value as of 31 st December 2017	:	2,000,000,000 Baht



E) 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 Units
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 10 May and 10 November of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31 st December 2017	:	1,000,000 Units
Outstanding Value as of 31 st December 2017	:	1,000,000,000 Baht

F) Bangkok Dusit Medical Services PCL Debenture No. 1/2015 Due in 2025 (BDMS256A)

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)	:	2,000,000,000 Baht
Issue Size (Units)	:	2,000,000 Units
Face Value	:	1,000 Baht
Offer Price	:	1,000 Baht
Issue Date	:	25 June 2015
Maturity Date	:	25 June 2025
Coupon Payment	:	3.95% per annum to be paid every 6 months from date of issue and paid on 25 June and 25 December of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31 st December 2017	:	2,000,000 Units
Outstanding Value as of 31 st December 2017	:	2,000,000,000 Baht
Credit Rating (Tris Rating)	:	AA-

G) Bangkok Dusit Medical Services PCL Non-Guarantee Debenture No. 1/2016 Due in 2026 (BDMS266A)

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)	:	3,000,000,000 Baht
Issue Size (Units)	:	3,000,000 Units
Face Value	:	1,000 Baht
Offer Price	:	1,000 Baht
Issue Date	:	24 June 2016
Maturity Date	:	24 June 2026
Coupon Payment	:	2.99% per annum to be paid every 6 months from date of issue and paid on 24 June and 24 December of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31 st December 2017	:	3,000,000 Units
Outstanding Value as of 31 st December 2017	:	3,000,000,000 Baht
Credit Rating (Tris Rating)	:	AA-



H) Bangkok Dusit Medical Services PCL Non-Guarantee Debenture No. 1/2017 1st issuance due in 2020 (BDMS202A)

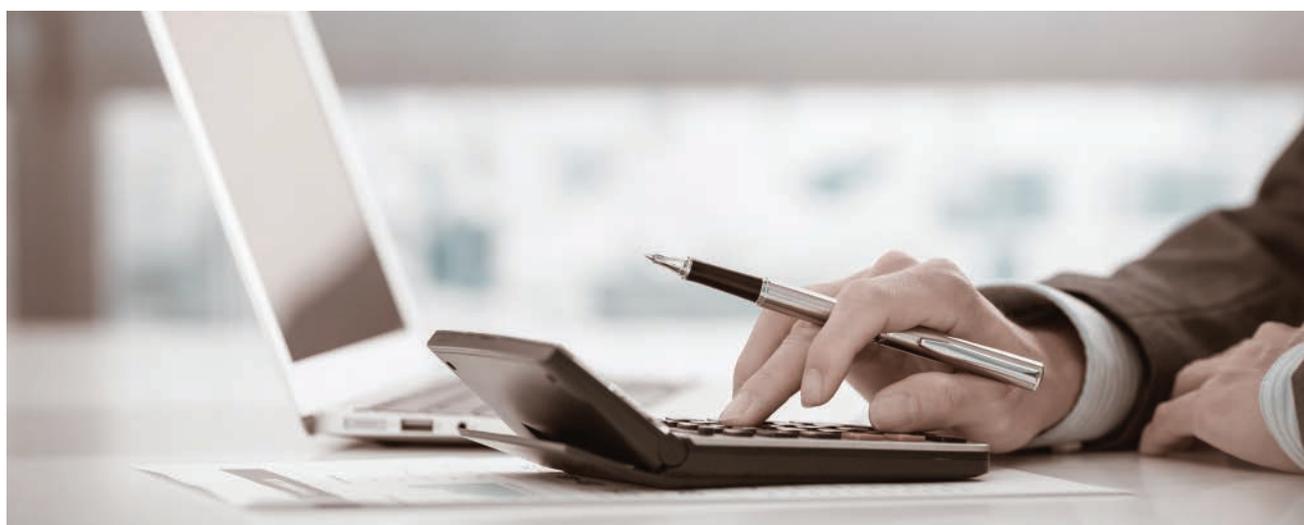
Debenture Type	:	UNSUBORDINATE, UNSECURED BOND WITH BOND HOLDERS' NAME REGISTERED AND WITHOUT BOND HOLDERS' REPRESENTATIVE
Issue Term	:	3 years from issue date
Issue Value (Baht)	:	3,000,000,000 Baht
Issue Size (Units)	:	3,000,000 Units
Face Value	:	1,000 Baht
Offer Price	:	1,000 Baht
Issue Date	:	8 February 2017
Maturity Date	:	8 February 2020
Coupon Payment	:	2.41% per annum to be paid every 6 months from date of issue and paid on 8 February and 8 August of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31 st December 2017	:	3,000,000 Units
Outstanding Value as of 31 st December 2017	:	3,000,000,000 Baht
Credit Rating (Tris Rating)	:	AA-

I) Bangkok Dusit Medical Services PCL Non-Guarantee Debenture No. 1/2017 2nd issuance due in 2022 (BDMS222A)

Debenture Type	:	UNSUBORDINATE, UNSECURED BOND WITH BOND HOLDERS' NAME REGISTERED AND WITHOUT BOND HOLDERS' REPRESENTATIVE
Issue Term	:	5 years from issue date
Issue Value (Baht)	:	2,500,000,000 Baht
Issue Size (Units)	:	2,500,000 Units
Face Value	:	1,000 Baht
Offer Price	:	1,000 Baht
Issue Date	:	8 February 2017
Maturity Date	:	8 February 2022
Coupon Payment	:	2.97% per annum to be paid every 6 months from date of issue and paid on 8 February and 8 August of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31 st December 2017	:	2,500,000 Units
Outstanding Value as of 31 st December 2017	:	2,500,000,000 Baht
Credit Rating (Tris Rating)	:	AA-

J) Bangkok Dusit Medical Services PCL Non-Guarantee Debenture No. 1/2017 3rd issuance due in 2024 (BDMS242A)

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)	:	1,500,000,000 Baht
Issue Size (Units)	:	1,500,000 Units
Face Value	:	1,000 Baht
Offer Price	:	1,000 Baht
Issue Date	:	8 February 2017
Maturity Date	:	8 February 2024
Coupon Payment	:	3.46% per annum to be paid every 6 months from date of issue and paid on 8 February and 8 August of every year
Debenture Registrar	:	TMB Bank Public Company Limited
Outstanding Size as of 31 st December 2017	:	1,500,000 Units
Outstanding Value as of 31 st December 2017	:	1,500,000,000 Baht
Credit Rating (Tris Rating)	:	AA-





4. Dividend Payment Policy

4.1 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. On 28 February 2018, the board of directors passed the resolution to change the rate of dividend payment from not less than 50% of the net profit of the company financial statements to not less than 50% of the net profit of the consolidated financial statements.

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

Annual Dividend Payments	2012	2013	2014 ⁽¹⁾	2015 (revised)	2559	2560 ⁽²⁾ (Jan - Jun)
Earning per share (Consolidated financial statements)	5.14	4.05	0.48	0.52	0.54	0.37
Earning per share (Company's financial statements)	1.73	2.45	0.21	0.29	0.45	0.39
Dividend per share (Baht per share)	1.80	2.00	0.23	0.26	0.29	0.13
Par value (Baht per share)	1.00	1.00	0.10	0.10	0.10	0.10
Dividend Payout (%)						
- Consolidated financial statements	35%	49%	48%	50%	54%	35%
- Company's financial statements	104%	82%	109%	90%	64%	33%
Date of Dividend Payment	03/05/13	02/05/14	06/05/15	04/05/16	26/04/17	28/09/17

Note: (1) On 25 April 2014, the Company registered the change in par value of common shares from Baht 1 per share to Baht 0.10 per share, in accordance with the resolution of the 2014 Annual General Meeting of the Shareholders held on 18 April 2014.

(2) The Board of Directors Meeting No. 8/2017 on 30 August 2017 passed a resolution to approval the interim dividend payment from performance during the period of January-June 2017.

4.2 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.

Risk Factors

1. Risk of Economic Volatility

The Bank of Thailand (December 2017) forecasts that the Thai economy will continue to grow 3.9% in 2018. The main drivers of growth in 2018 will be increase in exports, tourism as seen from the continuous rise in number of tourists, specifically tourists from China and ASEAN countries, as well as the rise in tourist expenditure per person as the economy strengthens and quality of tourists rises. Private sector consumption will gradually grow and will be more dispersed with continued Government stimulus. However, the main risk factors remain to be the uncertainty of the US economic policies and slower than expected growth in domestic consumption.

Even though health 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 elective procedures, shortening hospital stays and decreasing medical costs by visiting public hospitals or less costly private hospitals. Nevertheless, the Company has closely monitored the situation 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

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The Company has closely monitored the situation 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
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To increase servicing efficiency and competitive edge, the Company pays close attention to patient referral as well as hub and spoke hospital management
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impact the Company's operations. The enforcement of laws or new regulations, as well as the deliberation of the draft Patient Protection Act, which aims to protect 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.

Nevertheless, the Company and networks hospitals 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 and lower 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 draw away some of our patients.

Therefore, to increase servicing efficiency and competitive edge, the Company pays close attention to patient referral 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 hospitals and will provide convenience and an alternative for patients in the surrounding areas and transfer patients to the hub hospitals 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 completed service with economy of scale.

2.3 Risk in retaining medical personnel or key 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 key executives, and not being able to replace them with comparable personnel may have negative impact 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, BDMS is a large network of hospitals 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

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The Company has continued to provide financial support for education and research to medical personnel and has set measures in determining compensation that is fair

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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

The Company has realized 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. 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. Therefore, 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 are in need of medical services. In addition, the Company has expanded the foreign patient base to cover 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 2017 of USD 77.2 million which is equal to approximately Baht 2,543.70 million or 2.1% of the Company's total assets.

The Company's foreign investments, including majority shares held, are as follows:

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The Company has a policy to diversify and reduce this risk by expanding the hospital network to other provinces across the country.

In addition, the Company has expanded the foreign patient base to cover more diverse countries to reduce the risk of concentration of patients in any one group.

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- Angkor Pisith Co., Ltd., which manages the Royal Angkor International Hospital, 80%
- Phnom Penh Medical Services Co., Ltd., which manages Royal Phnom Penh Hospital, 100%
- BDMS International Medical Services Co., Ltd., 100%
- N-Health Asia Pte. Ltd., 100%, has invested in N-Health Cambodia Co., Ltd. and N-Health Myanmar with 100% and 60% ownership, respectively, to provide central lab work.

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.

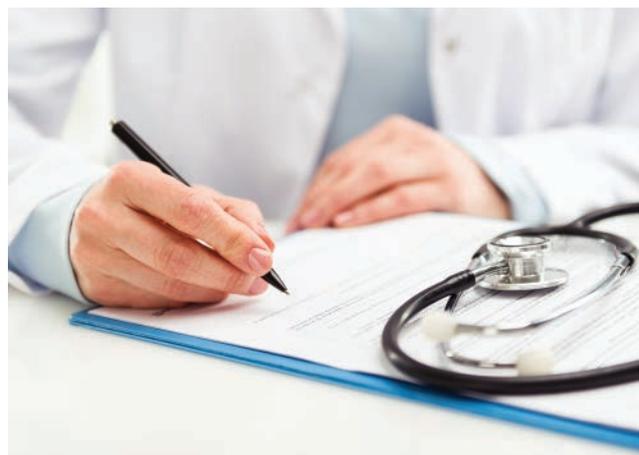
3. Financial Risk

3.1 Risk in receiving payment of medical fees

Receiving payment for medical services is one of the financial risks that the Company faces, that is, when providing medical care before collecting 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, 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 2017, the Company has liabilities with floating interest rate equal to 26.1% of all financial liabilities. Therefore, fluctuations of the interest rates may affect the Company's 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 2017, the Thai Baht fluctuated between Baht 32.49 to Baht 35.92 to the US Dollar.

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

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The Company has tried to maintain a suitable ratio of domestic and foreign patients
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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 which 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 Securities and Exchange Commission. 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 has set the good corporate governance policy as guidelines for all directors, management and employees of the Company. Therefore, the Board of Directors has appointed the Corporate Governance Committee to screen matters relating to corporate governance, including monitor, review and revision of the existing corporate governance policy so that it is up-to-date and suits the current situation. The Committee shall also ensure that the policy is in accordance with good corporate governance as determined by the regulating authority, as well as international standards. Additionally, the Board of Directors has emphasized good corporate governance through integration of policy and business direction, as well as sufficient internal controls and auditing. The Board has assigned the Audit Committee the task of drafting the internal audit scheme to ensure that the organization has complied with all policies. Moreover, the Board of Directors has overseen 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 latest Corporate Governance Policy, which the Board of Directors has reviewed to ensure consistency with good corporate governance of listed companies, was approved at Meeting No. 12/2017 on 20 December 2017. The Policy covers the following topics:

1. Sustainable Value Creation
2. Roles and Responsibilities of the Board of Directors
3. Rights of Shareholders and Fair and Equitable Treatment of Shareholders
4. Policy and Treatment of Stakeholders
5. Information Disclosure and Transparency

Sustainable Value Creation

The Board of Directors has the intention to support the Company and subsidiaries in becoming an efficient organization in terms of business operations, good corporate governance, excellence in management and operating with responsibility, ethics, fairness, transparency and accountability. Every director, executive and staff is responsible for creating sustainable value for the business. They shall perform their responsibilities in compliance with their fiduciary duties to achieve main purposes and objectives of the organization while taking into account applicable laws, regulations and business ethics which in turn will promote the Company's competitiveness and performance with long-term perspective as well as lead to the ethical and responsible business, good corporate citizenship and corporate resilience.

Role and Responsibility of the Board of Directors

Structure of the Board

As of 31 December 2017, the Board of Directors is comprised of 13 members, 7 of those being Executive Directors and 6 Independent Directors.

However, on 8 January 2018, Mr. Sripop Sarasas, Independent Director and Member of Audit Committee, submitted a letter of resignation from the Audit Committee and changed his status from an Independent Director to Executive Director effective 8 January 2018 onwards. Thus, the Company has 8 Executive Directors and 5 Independent Directors. The Board of Directors believes that having 5 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. They are independent of management, major shareholders or persons with 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.

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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 is an Independent Director. 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 independently of the Board of Directors.

Separation of Directors and Management

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, and 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.

Determining the number of companies listed on the Stock Exchange of Thailand that any one director may hold directorship

The Company has established the policy that directors of the Company may hold no more than 5 directorships of a company listed on the Stock Exchange of Thailand (including directorship of the Company) as it may result in the director not being able to give his/her full attention to a company.

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. Assess the performance of the Board of Directors and Sub-Committees as a whole.

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 Wednesday of each month, with the Executive Committee meeting to be held on the Tuesday 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, the Nomination and Remuneration Committee the Risk Management Committee and the Corporate Governance Committee are not set in advance. However, the meetings of the four 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 next subsequent Board meeting.

The Company has disclosed attendance at the 2017 Board of Directors' Meetings and the Sub-Committee Meetings in the section titled "Management Structure".

Assessing the Performance of the Board of Directors and Sub-Committees

The Board of Directors and Sub-Committees conduct a self-assessment at least once a year. Each committee shall assess their workings and consider any necessary improvements or changes in order to achieve utmost efficiency and effectiveness. The assessment includes assessing the efficacy of the structure and qualifications of the Board of Directors and Sub-Committees, sufficiency and suitability of the meeting agendas and number of meetings, as well as the efficacy of the workings of the Board and Sub-Committees.

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. All 14 members of the

Board and the Company Secretary 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 2017, the directors attended the following courses.

Director	Course
1. Professor Emeritus Santasiri Sornmani, M.D.	<ul style="list-style-type: none"> • Critical Insights for Boards and Audit Committees concerning the new Thai CG Codes by EY Corporate Services Ltd. • 2017 Annual Seminar “Business in the age of abnormal variance” by EY
2. Mr. Chavalit Sethameteekul	<ul style="list-style-type: none"> • Critical Insights for Boards and Audit Committees concerning the new Thai CG Codes by EY Corporate Services Ltd.
3. Mr. Sripop Sarasas	<ul style="list-style-type: none"> • Critical Insights for Boards and Audit Committees concerning the new Thai CG Codes by EY Corporate Services Ltd.

Rights of Shareholders and Fair and Equitable 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 all.

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. Moreover, the Company is determined to create equality among the shareholders, whether they be major shareholders, minor shareholders, institutional investors or foreign investors. Each shareholder equally receives 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 including details of each meeting agenda, supporting information, 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 order to provide greater convenience and ensure that every shareholder shall receive clear, sufficient information, as well as have enough time to consider the agendas, the Company publishes the letter of invitation to the Shareholders’ Meeting including supporting documents for each agenda as well as other related documents, such as a list of identification documents needed to attend the meeting, how to appoint proxy, registration, proxy form, map of meeting location, in both Thai and English on the SET Portal, administered by the Stock Exchange of Thailand as well as on the Company’s website 30 days in advance of the meeting date. The documents are sent to the shareholders 10 days in advance of the meeting date for general agendas, which is in advance of the number of days required by law, and at least 14 days in advance for approval of connected transactions or special resolutions.

To provide convenience to those shareholders who are unable to attend the meeting, shareholders may appoint proxies to attend the meeting and vote on their behalf. The Company has prepared the detailed proxy form (Proxy Form B), which is sent with the meeting invitation and includes a list of identification documents needed to attend the meeting, how to appoint proxy and registration form. Shareholders may also download the proxy form from the Company’s website. 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 of the Company as proxy to attend the meeting and vote on the shareholder's behalf. To this end, the Company has provided information on the Independent Director, whom the Company proposes to act as proxy for the shareholders, with the meeting invitation so that shareholders may consider to appoint the Independent Director as proxy to attend the meeting and vote on the shareholders' behalf should the shareholders' be unable to attend the meeting in person.

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 for shareholders to propose agendas and nominate directors in advance 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 by the shareholders. However, should the Board of Directors be 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. For the 2018 Annual General Meeting, the Company provided the opportunity for shareholders to propose agendas for the annual general meeting as well as to nominate qualified and capable persons as directors to the Board of Directors prior to the meeting between 1 December 2017 to 15 January 2018.

During the Shareholders' Meeting, each shareholder has equal rights to independently 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. Each shareholder has the right to vote equal to the number of shares held. Each share has one vote and no shareholder has special rights above any other shareholder. One share equals one vote and the majority vote decides the outcome (for general agendas for which the law does not specify otherwise).

The Company shall gather details of the results of the voting in each agenda and will announce the results to the meeting after the voting of each agenda. Or, in the case that an agenda requires more time in counting the votes, the Chairman of the meeting may request that the meeting consider other agendas while the votes are being counted so as the meeting may continue. Once the staff has inspected the results, they will be immediately announced to 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. Should any shareholder have a special stake in a particular agenda, such shareholder is prohibited from voting on said agenda.

2. Shareholders' Meeting

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 Meeting**

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.bdms.co.th> or <http://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 (if any) for informed decision making, 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 for speed and verification, 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 Meeting**

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, Assistant Chief Financial Officer and the executive who take charge of 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 Meeting**

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.bdms.co.th> or <http://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 and Treatment of Stakeholders

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 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 transaction 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 under good corporate governance and social responsibility, including maintaining the competitive edge by recognizing the current and future business risks. The Company emphasizes business for consistent profits through continuous business development in the long term. 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 cared for in accordance 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 a 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.

Employees are provided with benefits and safety which include medical benefits and provident fund. The Company reviews and revises employee compensation and benefits to ensure that they are competitive with the industry. Furthermore, academic scholarships are available to 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 enhance 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 courses 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 performance evaluations, work practices and when expressing opinions.

- 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, provide annual medical check-ups for employees, and vaccinations as appropriate. Furthermore, we pay close attention to ensuring that the work place is safe and hygienic for the health and benefit of our employees by organizing continuous training and promoting knowledge through various media within the organization, namely:

- Fire extinguishing and evacuation
- New employees orientation, training on tools and equipment in the workplace, and work processes for learning and prevention of errors
- Analysis of accidents and sickness in the work place
- First-aid and rescue procedures
- Exercise for employee health
- Mental health promotion programs for employees and their families

Should the number of employees in any department be insufficient for the increased amount of work, 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. Thus, the Company has set up a suitable compensation program which is comparable to management in the healthcare business. Moreover, management have the opportunity 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 conducts business with partners, competitors, creditors, counter-parties and others according to the trade terms and conditions or agreements that are contractually fair and ethical by taking into consideration the suitability of price, quality and services provided. Clear guidelines are provided on procurement, employment and other procedures. No benefits may be requested of the counter-party or received from the counter-party. Procurement of products or services that infringe on human rights or intellectual rights or are derived from illegal acts are avoided. 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 Competitors

The Company has the policy to act honestly towards companies in the same business in accordance with trade dealings. The framework of this policy has been shaped by related laws and regulations. The policy prohibits the seeking of business competitor's inside information through dishonest or inappropriate means. Furthermore, the infringement of intellectual property rights and false accusations that aim to discredit competitors without facts to support such claims are prohibited. The Company, however, supports fair competition for the greater benefit of the customers.

7. 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.

8. Policy on Debtors

The Company has the policy to abide by the contracts and commitments made with debtors of all types, whether in terms of the objective, repayment, maintaining quality of collateral (if any), payment period, as well as any other terms and conditions agreed upon with the debtor. In addition, the Company has the policy to divulge accurate information on financial status, as disclosed to the shareholders, to the debtors so as to ensure confidence in the Company's ability to repay the debt obligation and to act in accordance with the agreed upon

terms and conditions. In the case that the Company is not able to comply with any one of the agreed upon terms and conditions, the Company shall immediately inform the debtor so that a reasonable solution can be found together, thus maintaining mutual trust and good relationship.

9. 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).

In addition, the Company has increased usage of recycled water by using treated wastewater in the chiller system. This has reduced water usage by 9.2% in 2017. In the past few years, the Company has implemented electricity saving measures, which has helped to lessen electricity usage during 2015-2017 as follows:

- 2017 saved 0.00263 unit of electricity per Baht 1 of revenue
- 2016 saved 0.00273 unit of electricity per Baht 1 of revenue
- 2015 saved 0.00267 unit of electricity per Baht 1 of revenue

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.

10. Policy and Guidelines on Human Rights

The Company recognizes the importance of human rights and has thus instituted the policy on human rights. Each employee has rights, freedom and equality, as well as the opportunity for career advancement according to his/her individual skills and potential. Such rights, freedom and equality must be within the rights and freedom of the citizens as stipulated in the Constitution of the Kingdom of Thailand, no matter that person's place of birth, ethnicity, language, religion, age, gender, social-economic status or political views.

Therefore, in order that the directors, management and employees respect human rights and rights within the work place, the Company has imposed the "Policy and Guidelines on Human Rights" so that everyone shall acknowledge and act accordingly. The policy has also been published on the Company's website.

11. Policy on Non-Infringement of Intellectual Property Rights and Copyrights

The Company envisions the Company and its subsidiaries to be an efficient organization with good corporate governance. Therefore, the Company has the policy to act in accordance with laws on Intellectual Property Rights and Copy Rights by ensuring that there are no infringements upon intellectual property rights or any action or benefits derived from copy righted work, unless lawful use has been granted by the owner of those rights. Thus, the Company has established the "Policy on Non-Infringement of Intellectual Property Rights and Copyrights" so that the directors, management and employees shall acknowledge and act accordingly. The policy has also been published on the Company's website.



12. Whistleblower Policy

The Company has the policy to protect and mitigate any damages to the persons reporting the misconduct, persons assisting in the reporting or persons cooperating in the investigation of facts. Such persons shall receive protection and fairness under the Whistleblower Policy as stated in the “Company’s Code of Ethics”. The policy has also been published on the Company’s website and may be summarized as follows:

- The Complainant may choose to issue the complaint anonymously should he/she think that disclosure of his/her identity would not be safe. However, should the complainant disclose his/her identity, he/she would be able to receive progress reports as well as an explanation of the facts or receive relief of damages in a faster and more convenient manner.
- The person assigned to take complaints must keep all information confidential and disclose such information only when deemed necessary by taking into consideration the safety of and the possible damages to the complainant or persons cooperating in the investigation. The Company guarantees that there will be no grounds for termination of employment, punishment or any other actions that would be adverse to the employee.
- Persons who are adversely affected shall receive mitigation of damages through suitable and fair process.

Stakeholders Engagement

The Company provides the opportunity for employees and stakeholders, both internal and external, to contact the Company, share opinions, make complaints and report any wrong doings through channels as stated in the announcement entitled “Company’s Code of Ethics”, which has been declared and posted on the Company’s website. Persons assigned to take complaints from stakeholders must adhere to the following procedures:

- Gather facts on the violation, neglect or unethical behavior. Those in charge of the related information must disclose all information available to the person assigned to gather facts and investigate complaints.
- Assess and analyze the information to find the cause and whether there has been any violation, neglect or unethical behavior. Once the analysis is completed, it must be reported to the person with authority to take further action.
- In the event that an act of violation, neglect or unethical behavior has been found, action will be taken in accordance with the guidelines of the Company or related regulations.

Information 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. To this end, the Company monitors the issuance of any new regulations and adjusts the Company’s guidelines in accordance with such regulations. Moreover, the Company discloses such policies to internal staff as well as posts the policies on the Company’s website. Such policies are:

1. Memorandum and Articles of Association
2. Corporate Governance Policy
3. Code of Conduct
4. Corporate information disclosure Policy
5. Supervision of Inside Information Usage Policy
6. Fraud Prevention and anti-corruption Policy
7. Policy and Guidelines on Human Rights
8. Policy on Non-Infringement of Intellectual Property Rights and Copyrights

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, in accordance with the Corporate Information Disclosure Policy and the supervision of Insider Information Usage Policy 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.

Disclosure of Information

Apart from disclosure of information as mandated by law and regulations of the related agencies, the Company has established the Investor Relations unit as a channel for direct contact for investors and analysts both in Thailand and abroad, including related persons or external persons who are interested in the Company. 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, the Assistant Vice President of Investor Relations.

In 2017, the executive officers, including the Assistant Vice President of Investor Relations met with and provided information at the following opportunities:

1. Road shows: 6 domestic, and 1 abroad (7 times in total)
2. Analyst Meetings: 8 times
3. Arranged Company Visits and Conference Calls: 220 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 <http://www.bdms.co.th> or <http://www.bangkokhospital.com>. For further information, investors and interested persons may contact the Assistant Vice President, Investor Relations by telephone at 0-2755-1793, fax: 0-2755-1959 and e-mail: investor@bangkokhospital.com or the company website <http://www.bdms.co.th> or <http://www.bangkokhospital.com>.

2. Sub-Committees

The Board of Directors resolved to appoint five sub-committees, namely, the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee, the Risk Management Committee and the Corporate Governance Committee, to assist in managing internal control, risk management, corporate governance and to screen issues. The Board has also clearly separated the duties of each committee by prescribing the responsibilities in the respective committee's charter. Each sub-committee shall carry out self-assessment annually at least once a year in order to achieve utmost efficiency and effectiveness

2.1 Audit Committee

As of 31 December 2017, the Committee was 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. Weerawong Chittmitrapap | Audit Committee Member |

*Mr. Sripop Sarasas submitted a letter of resignation from the Audit Committee and changed his status from an Independent Director to Executive Director effective 8 January 2018 onwards as he was appointed Chief Administrative Officer effective 15 January 2018.

At the Board of Directors Meeting no. 2/2018 held on 28 February 2018, it was resolved that Mr. Chavalit Sethameteekul be appointed as a member of Audit Committee replacing the Director who resigned.

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, one of the Audit Committee members is knowledgeable and has direct experience in accounting and finance, namely, Mr. Chavalit Sethameteekul



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 Assistant Chief Financial Officer 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. The Committee also conducts an annual meeting with the auditor without management being present. 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 mean 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 a Director, major shareholder or shareholder who is related to a major shareholder of the Company.

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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 transactions 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 shall serve for a term of three years and the Chairman of the Committee shall be an Independent Director. 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:

- | | |
|--|---------------------------|
| 1. Professor Emeritus Santasiri Sornmani, M.D. | Chairman of the Committee |
| 2. Mr. Chuladej Yossundharakul, M.D. | Member |
| 3. Mr. Chavalit Sethameteekul | Member |
| 4. Mr. Sripap 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, with the Chief Executive Officer and President being one of them by the position. The Committee 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.

As of 31 December 2017, the Executive Committee was comprised of five members as follows:

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

On 26 January 2018, Mr. Chatree Duangnet, M.D. resigned from the Executive Committee, and the Board of Directors Meeting No. 1/2018 held on 31 January 2018 appointed Miss. Poramaporn Prasarttong-Osoth M.D. as a member of the Executive Committee.



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.

2.4 Risk Management 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 Risk Management Committee. The Committee is comprised of Directors and executive management, with at least 3 members being Directors of the Company. The term is for three years. The Committee has the duty to screen risk management policy and guidelines of the Company for presentation to the Board of Directors as well as monitor adherence to the policy approved by the Board. In addition, the Committee shall review sufficiency of the risk management policy and systems, including efficacy of the systems and compliance with the determined policy.

As of 31 December 2017, the Risk Management Committee was comprised of five members as follows:

1. Mr. Chavalit Sethameteekul	Chairman of the Committee
2. Mr. Sripop Sarasas	Member
3. Mr. Pradit Theekakul	Member
4. Miss. Poramaporn Prasarttong-Osoth, M.D.	Member
5. Mrs. Narumol Noi-am	Member

Scope of Duties and Responsibilities of the Risk Management Committee

1. Review the risk management policy and guidelines of the Company, which encompasses various important risks such as financial risk, investment risk and reputation risk, to present to the Board of Directors for approval.
2. Determine strategy and procedure in risk management that complies with the risk management policy, which can be assessed and monitored to ensure that the risk is at a suitable level.
3. Supervise and monitor compliance with the risk management policy under the guidelines approved by the Board of Directors.
4. Determine measurement of risk and risk appetite.
5. Determine measures in managing risk to suit the situation.
6. Review the sufficiency of the risk management policy and systems, including the efficacy of the systems and compliance with the determined policy
7. Report to the Board of Directors regularly on management, process and risk status, as well as any changes and improvements required to comply with the determined policy and strategy.
8. Perform other actions as assigned by the Board of Directors.

2.5 Corporate Governance Committee

In order to support the Board of Directors in determining guidelines on good practices in various dealings of the organization in accordance with good corporate governance, which will lead to sustainable success of the Company, the Board of Directors made the decision to appoint the Corporate Governance Committee. The Committee is comprised of three Directors with an Independent Director as the Chairman. The term is for three years. The Corporate Governance Committee has the responsibility of determining guidelines and suggestions on the good corporate governance policy to the Board of Directors for implementation by the organization. The Committee also annually reviews the policy and assesses the organization's operations in accordance with good corporate governance.

As of 31 December 2017, the Corporate Governance Committee was comprised of three members as follows:

1. Mr. Sripop Sarasas	Chairman of the Committee
2. Mr. Weerawong Chittmittrapap	Member
3. Mr. Pradit Theekakul	Member

On 1 February 2018, Mr. Sripop Sarasas resigned from Chairman of the Corporate Governance Committee but remains a member of the Committee, and the Board of Directors Meeting No. 1/2018 on 1 February 2018 appointed Mr. Weerawong Chittmittrapap as the Chairman in his place.

Scope of Duties and Responsibilities of the Corporate Governance Committee

1. Determine guidelines, suggestions on policy and practices on ethics and business morals in accordance with good corporate governance for the Board of Directors and management to set CG Code for the organization, so that the organization's practices meet the standards of good corporate governance of listed companies.
2. Supervise and provide advice on practicing good corporate governance and business ethics in order to develop and elevate the Company's corporate governance to create sustainable value.
3. Review the Corporate Governance 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 Corporate Governance Committee shall propose such changes to the Board of Directors for further approval.
4. Review and assess the CG Code annually. Should there be any part of the guidelines of the CG Code that have not yet been put to practice as suitable to the business, the Committee shall report to the Board of Directors for acknowledgement.
5. Perform other actions as assigned by the Board of Directors.



3. The Nomination and Appointment of Directors and Executive Management

3.1 Nomination of Directors and Independent Directors

The Nomination and Remuneration Committee is comprised of 4 members with 2 of the members being independent directors, one of which will act as Chairman. The Committee has the duty to nominate persons to become directors to replace those who have 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 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 has determined a method in screening candidates for nomination as directors by considering the following:

Knowledge, Experience and Diversity as Director

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. Has experience in being a director or executive of a large, successful organization.
3. Diversity in terms of education, profession, age and gender.

Personal Traits

1. Possess integrity and accountability.
2. Can make decisions professionally and reasonably with the information provided.
3. Possess maturity, leadership skills, vision and courage to express differing views independently.
4. Able to dedicate a sufficient and appropriate amount of his/her time as a director to the Company.
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 one or more individuals as a Director. 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 (1/3) of the directors shall resign by rotation. If the number of directors cannot be divided by three, then the closest number to one third (1/3) 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.

For the succession Plan for top level management, the Board of Directors has assigned the Nomination and Remuneration Committee the responsibility of determining the method and guidelines in selecting a successor as well as the suitable qualifications.



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' Meetings. 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 Board of Directors or the Executive Committee (as the case may be) or the representative may ask the Executive Committee or the Board of Directors for approval of the vote in the case of crucial agendas prior to the Shareholders' Meeting.

Nominating Representative(s) as Director of a Subsidiary

The Company shall appoint representatives as directors of the subsidiaries. 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. The Executive Committee shall also determine the roles and responsibilities of the representative in representing the Company with honesty to protect the benefits of the subsidiaries and company policies in accordance with good corporate governance and related laws and regulations. At the same time, the Company has determined the policy that states that voting as a director of subsidiaries 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, the representation shall correspond with the ratio of shares held by the Company.

Policy on Governing of Subsidiaries

In governing internal control, disclosure of financial statements and results, transactions between subsidiaries and connected persons, procurement or sale of assets, or the completion of significant transactions, 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.

Furthermore, when a subsidiary invests in another business at a level that is significant to the Company, the representative has the responsibility in ensuring that the management of the subsidiary has entered into a contract or agreement for clarity of authority in management.

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. Supervision of Inside Information Usage

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 prohibiting 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 customer confidentiality. 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 trade securities or provide news on the operating results or any other kind of news that may affect the price of the Company's shares and have not been publicly disclosed, for a period of 14 days before the day the quarterly financial statements and the annual financial statements are announced. The quiet period is stated in the Corporate Information Disclosure Policy and Supervision of Insider Information Usage Policy.

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. Auditor's Remuneration

EY Office Limited has been the auditor of the Company and its subsidiaries (except two subsidiaries in the Republic of the Union of Myanmar). EY shall replace an auditor if he or she has audited the Company for 5 years.

In 2017, the Company and its subsidiaries have compensated the auditor as follows:

1. Auditing Fee

- The Company and subsidiaries paid auditing fees to EY Office Limited in Baht, details as follows:

(Unit : Baht)

	Review of 3 quarterly financial statements	Annual Audit Fee	Total
Bangkok Dusit Medical Services Plc.	957,000	1,283,000	2,240,000
Subsidiaries (58 companies)	7,174,500	17,726,500	24,901,000
Total audit fees paid			27,141,000

- The two subsidiaries in the Republic of the Union of Myanmar, namely, N Health Myanmar Co., Ltd. and Samitivej International Co., Ltd., paid an audit fee to Win Tin & Associates, which operates in Myanmar, in the amount of Baht 280,000.

2. Other fees

- None -



7. Compliance of Good Corporate Governance Code for Listed Companies 2017

The Board of Directors acknowledges the 2017 Good Corporate Governance Code for Listed Companies and recognizes its role as the governing body in creating sustainable value for the Company. Thus, the Board has considered and reviewed the Good Corporate Governance Code and has adapted such practices as appropriate in governing the organization in order to produce good profits in the long term, build the trust of our shareholders and the public, as well as sustainable growth. However, there are some parts of the Code that the Board of Directors has reviewed and has determined them to be unsuitable, and thus, has not put them to practice and the reason has been recorded in the Board resolution. Nevertheless, the Board of Directors has set other suitable measures to substitute the aforementioned parts of the Code.

8. Anti-Corruption Practices

The Company has the policy to conduct business with virtue and social responsibility. The Board of Directors has approved the Fraud Prevention and anti-corruption Policy, which has been communicated to personnel within the Company, subsidiaries and associated companies for acknowledgment and practice. The policy has also been published 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 prioritizing 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 expenses or gift giving. 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 Fraud Prevention and anti-corruption Policy 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, unlawful acts, 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.

INTERNAL CONTROL AND RISK MANAGEMENT

The Company recognizes the importance of the internal control system as it is one of the significant factors in mitigating risks and 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, reliability of the financial statements, administrations by the Human Resource Department, purchase/sale of medical equipment, compliance with related laws and regulations, 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 Audit. 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.

The profile and experience of the Head of the Internal Audit Team is as follows :

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

- Licensed Auditor in Thailand
- Special Lecturer, Dhurakij Pundit University
- Special Lecturer, Eastern Asia University

Accounting Revolution Company Limited, as the Internal Audit being independent and reporting directly to the Audit Committee, has examined and assessed the efficiency of the internal control systems of the various work processes in accordance with the annual audit plan approved by the Audit Committee. The annual audit plan is in line with the Company's strategies and the major risks identified as possibly having an impact on operations.



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 management to make adjustments or improvements. The Internal Audit will report independently and 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 no.2/2018 held on 28 February 2018, attended by 8 Directors who are also part of management as well as Directors from outside the Company, and 5 Independent Directors, which included 2 members of the Audit Committee, the Board of Directors reviewed the assessment of the adequacy of the internal audit system, as reported by the Audit Committee, in five aspects, namely, Control Environment, Risk Assessment, Control Activities, Information & 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.

In 2017, the Company did not find any significant errors related to conflicts of interest, malfeasance or significant anomalies or defects in the internal control system, violation of laws on securities and exchange, regulations of the Stock Exchange of Thailand, or laws related to the Company's or subsidiaries' business. The Company has in place a process of monitoring and assessing the sufficiency of internal control, as well as determining course for development and improvement to ensure that the internal control is efficient.

REPORT OF THE AUDIT COMMITTEE

The Board of Directors of Bangkok Dusit Medical Services Public Company Limited appointed the Audit Committee. As of 31 December 2017, the Audit Committee was comprised of 3 independent directors, namely Professor (Emeritus) Santasiri Sornmani, M.D. as Chairman of the Audit Committee and Mr. Weerawong Chittmittrapap and Mr. Sripop Sarasas as members of the Committee (as of 8 January 2018, Mr. Sripop Sarasas resigned from the Audit Committee and the Board of Directors Meeting No. 2/2018 held on 28 February 2018, by recommendation of the Nomination and Remuneration Committee, appointed Mr. Chavalit Sethameteekul in his place.) 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 2017, the Audit Committee held a total of 10 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 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.



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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.

Signed By **Professor Emeritus Santasiri Sornmani, M.D.**

Professor (Emeritus) Santasiri Sornmani, M.D.

Chairman of the Audit Committee

CONNECTED TRANSACTIONS

1. Types of Transactions

1.1 General Transactions

Transactions between Bangkok Dusit Medical Services Public Company Limited (“the Company”) and its subsidiaries

Connected Person/Relationship	Transaction	Value (Baht) as of		Reason and Necessity
		31/12/17	31/12/16	
<p>1. Bangkok Airways Public Company Limited: BA</p> <p><u>Relationship</u></p> <p>1. Mr. Prasert Prasarttong-Osoth, M.D. and Miss. Poramaporn Prasarttong- Osoth M.D. are major shareholders of BA.</p> <p>2. Mr. Prasert Prasarttong-Osoth, M.D. (Director), Mr. Pradit Theekakul (Director), Mr. Sripop Sarasas (Director) and Mrs. Narumol Noi-am (Chief Financial Officer) are Directors of BA.</p>	1. Air fare and patient evacuation by air charges	28,176,096	67,007,614	<p>The Company and subsidiaries paid air fare and air freight charges to Bangkok Airways Public Company Limited at the market rate with conditions of normal transactions.</p> <p>The subsidiary paid for patient evacuation by air to Bangkok Airways Public Company Limited, which is considered as a transaction supporting the business of a subsidiary, with charter charges at market rate under conditions of normal transactions.</p> <p>The Company paid travel expenses as part of the Affiliation Program to increase the potential and develop BDMS business.</p> <p>In 2016, the Company paid charter charges to Bangkok Airways Public Company Limited to enhance capabilities in providing efficient and timely medical services and air transportation of patients, their family, physicians and nurses, both domestically and internationally. The airplanes provide ample space to provide medical care while in the air and provide convenience to our expert doctors when travelling with patients. This service is one of the factors in helping BDMS to realize our goal in becoming a Center of Excellence Network. The hourly charter charges are at market rate as when the Company charters from other companies. The number of flight hours per year is calculated by estimating future airplane usage in accordance with the business development plan of the BDMS Group.</p>
	2. Air fare payable	977,485	24,691,813	Air fare, air freight and patient evacuation by air and charter 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 Bangkok Airways.
	3. Maintenance and management expenses	3,072,000	3,072,000	Subsidiary paid maintenance and management expense of helicopter to Bangkok Airways Public Company Limited at the rate expressed in the agreement. This transaction is a normal transaction.
	4. Creditor -Maintenance and management expenses	547,840	273,920	Accrued maintenance and management expenses to Bangkok Airways Public Company Limited under normal credit terms.



Connected Person/Relationship	Transaction	Value (Baht) as of		Reason and Necessity
		31/12/17	31/12/16	
	5. Advertising and corporate public relations	1,000,000	1,000,000	The Company provided sponsorship to the “Queen’s Cup Bangkok Airways – SAT Samui Golf Tournament”, which was telecast live and the Company’s logo also appeared in newspapers, magazines and ads, thus gaining recognition for the Company both domestically and internationally. The advertising cost is at market rate and is the same support as provided by other sponsors of the event.
	6. Dividend Income	8,952,800	12,533,920	The Company received dividends from investment in common shares of Bangkok Airways Public Company Limited in accordance with the dividend payment announcement.
	7. Revenue from medical services	5,022,056	6,277,672	Revenue from medical services provided under the medical services agreement between the Company & subsidiaries and Bangkok Airways Public Company Limited, which is normal business for the Company & subsidiaries under the same terms as with other customers.
	8. Account receivable from medical services	1,350,087	3,725,904	Receivable on medical services provided under the medical services agreement with Bangkok Airways Public Company Limited, which is a normal business transaction of the Company and subsidiaries under the same terms as with other customers.
	9. Revenue from other services	477,750	77,040	Revenue from provision of basic first-aid training to personnel of Bangkok Airways Public Company Limited.
	10. Revenue from sales	888,664	1,246,117	Revenue from sales of goods between subsidiaries and Bangkok Airways Public Company Limited, which are considered normal transactions.
	11. Debtor – sales of goods	584,873	1,316,860	Debtor on sales of goods between subsidiaries and Bangkok Airways Public Company Limited, under normal credit terms.
2. 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	1. Retail space leasing	8,953,763	5,808,697	The Company received retail space rental from BAC Gourmet House Company Limited at the market rate and under the same rental terms as other renters.
	2. Debtor – retail space rental	500,778	305,391	Debtor for retail space rental 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	645,340	703,840	The Company received a deposit on retail lease from BAC Gourmet House Company Limited, which is in accordance with the lease agreement as with other renters.

Connected Person/Relationship	Transaction	Value (Baht) as of		Reason and Necessity
		31/12/17	31/12/16	
	4. Food and catering service	170,404,753	33,773,800	The Company and subsidiaries paid for food for patients and catering services to BAC Gourmet House Company Limited, at market prices and under general terms.
	5. Creditor – Food and catering service	16,000,504	4,821,368	The Company and subsidiaries have payment for food services not yet due to BAC Gourmet House Company Limited under general credit terms.
	6. Revenue from medical services	792,570	109,200	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.
	7. Debtor - Revenue from medical services	170,711	-	Revenue from medical services not yet due from BAC Gourmet House Company Limited under general credit terms.
	8. Revenue from sale of goods and services	639,884	-	Revenue from laundry services and sales of goods between subsidiaries and BAC Gourmet House Company Limited at market prices and under general terms.
	9. Debtor - sale of goods and services	673,212	-	Debtor from laundry services and sales of goods not yet due from BAC Gourmet House Company Limited under general credit terms.
3. Bangkok Travel Club Company Limited <u>Relationship</u> Person(s) connected to Mr. Prasert Prasarttong-Osoth, M.D. (Director) is a Director and major shareholder of the Company and Mr. Pradit Theekakul (Director) is a Director	1. Organization of offsite meetings and seminars	4,102,747	5,462,695	The Company paid for services in organizing offsite meetings and seminars, including accommodation and transportation, at market rate and under the same trade terms comparable to other service providers.
	2. Retail space rental	-	12,857	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	-	12,857	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. Rankindeeyudee Limited Partnership <u>Relationship</u> Miss. Poramaporn Prasarttong-Osoth M.D. (Director) and connected person(s) are major shareholders	1. Retail space rental	471,384	804,298	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	59,673	74,286	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	84,052	71,200	The Company received a deposit on retail space rental, which is in accordance with the lease agreement as with other renters.



Connected Person/Relationship	Transaction	Value (Baht) as of		Reason and Necessity
		31/12/17	31/12/16	
	4. Medical Services revenue	-	96,683	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.
	5. Food services	399,253	744,809	The Company and subsidiaries paid for food and catering services to Rankindeeyudee Limited Partnership at market rate.
	6. Creditor – food services	74,820	151,707	The Company and subsidiaries have payment for food and catering services not yet due to Rankindeeyudee Limited Partnership under general credit terms.
5. Bangkok Air Tour (1988) Company Limited <u>Relationship</u> 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	18,104,788	11,645,025	The Company and subsidiaries paid for air fare to Bangkok Air Tour (1988) Company Limited, an airplane ticket agent, at market rates and under general business terms.
	2. Creditor – air fare	1,215,185	380,632	The Company and subsidiaries has account payable for air fares which are not yet due to Bangkok Air Tour (1988) Company Limited under general credit terms.
6. Bangkok Air Catering Company Limited <u>Relationship</u> a subsidiary of Bangkok Airways Public Company Limited and Mr. Pradit Theekakul (Director) is a Director	1. Medical Services revenue	1,541,850	1,868,900	The Company and subsidiaries provided medical services to Bangkok Air Catering Company Limited under the medical services agreement, which is a normal business transaction under the same terms as with other customers.
	2. Trade Debtor – medical services revenue	339,800	-	Debtor on medical services provided under the medical services agreement with Bangkok Air Catering Company Limited under general credit terms.
7. Bangkok Air catering Samui Company Limited <u>Relationship</u> Bangkok Air Catering Company Limited, a subsidiary of Bangkok Airways Public Company Limited, is a major shareholder and Mr. Pradit Theekakul (Director) is a Director	1. Food and catering service	14,805,561	13,440,310	A subsidiary paid for food for patients and catering services to Bangkok Air Catering Samui Company Limited at market rate and general business terms.
	2. Creditor - Food and catering service	4,387,963	1,216,165	A subsidiary has payment for food and catering services not yet due to Bangkok Air Catering Samui Company Limited under general credit terms.
	3. Medical Services revenue	126,040	135,940	A subsidiary provided medical services to Bangkok Air Catering Samui Company Limited under the medical services agreement, which is a normal business transaction under the same terms as with other customers.
	4. Trade Debtor – medical services revenue	126,040	-	Debtor on medical services provided under the medical services agreement with Bangkok Air Catering Company Limited under general credit terms.

Connected Person/Relationship	Transaction	Value (Baht) as of		Reason and Necessity
		31/12/17	31/12/16	
8. Bangkok Media and Broadcasting Company Limited <u>Relationship</u> Mr. Prasert Prasarttong-Osoth, M.D. (Director) is a Director and major shareholder and Mrs. Narumol Noi-am is a Director	1. Advertising costs	24,675,000	25,980,000	<p>The Company and subsidiaries paid for advertising on television to Bangkok Media and Broadcasting Company Limited at the market rate and under the same trade terms as other clients.</p> <p>Bangkok Media and Broadcasting Company Limited acquired the rights to the Best Football League and Cup in the World (Home of Football), which broadcasts numerous international football matches. The Company's logo appeared at every match through the television station, TV advertising, online media and the show's promotional activities. The advertising was charged at market rate under agreed upon terms.</p>
	2. Creditor – advertising costs	-	8,560,000	The Company and subsidiaries has account payable for advertising costs to Bangkok Media and Broadcasting Company Limited under general credit terms.
	3. Advanced payment of advertising costs	-	12,840,000	The Company paid for television advertising in advance to Bangkok Media and Broadcasting Company Limited for public relations media in 2017, which is a normal trade transaction.
9. Prasarttong-Osoth Company Limited <u>Relationship</u> Mr. Prasert Prasarttong-Osoth, M.D. (Director) is a Director and major shareholder	1. Purchase of goods	243,611	333,021	The Company and subsidiaries purchased goods from Prasarttong-Osoth Company Limited in accordance with the normal procurement process and with general trade terms.
	2. Creditor – purchase of goods	22,380	44,807	The Company and subsidiaries have account payable for goods purchased from Prasarttong-Osoth Company Limited not yet due under general trade terms.
	3. Other revenue	35,000	-	Revenue from training services on goods between the subsidiaries and Prasarttong-Osoth Company Limited under general trade terms.
10. Sahakol Estate Company Limited <u>Relationship</u> The Prasarttong-Osoth family are Directors and major shareholders	1. Revenue from medical services	-	1,900	A subsidiary provided medical services to Sahakol Estate Company Limited under the medical services agreement, which is a normal business transaction under the same terms as with other customers.
11. Saithong Property Company Limited <u>Relationship</u> Mr. Att Thongtang (Director) and connected person(s) are Directors and major shareholders	1. Revenue from medical services	31,000	39,150	A subsidiary provided medical services to Saithong Property Company Limited under the medical services agreement, which is a normal business transaction under the same terms as with other customers.
12. Bangkok Airways Ground Services Company Limited <u>Relationship</u> A subsidiary of Bangkok Airways Public Company Limited, is a major shareholder and Mr. Pradit Theekakul (Director) is a Director and shareholder	1. Cost of ground and passenger handling	481,367	136,822	A subsidiary paid for Ground and Passenger Handling services at Don Muang Airport. Bangkok Airways Ground Services Company Limited is the only service provider to be awarded the concession at Don Muang Airport. Therefore, it was necessary for Bangkok Helicopter Services Company Limited to use the service, which was charged at the normal price determined by Bangkok Airways Ground Services Company Limited.



Connected Person/Relationship	Transaction	Value (Baht) as of		Reason and Necessity
		31/12/17	31/12/16	
	2. Medical Services revenue	-	9,200	A subsidiary provided medical services to Bangkok Airways Ground Services Company Limited under the medical services agreement, which is a normal business transaction under the same terms as with other customers.
	3. Trade Debtor – medical services revenue	-	9,200	Debtor on medical services provided under the medical services agreement with Bangkok Airways Ground Services Company Limited under general credit terms.
13. South East Air Company Limited <u>Relationship</u> Mr. Prasert Prasarttong-Osoth, M.D. (Director) and connected juristic person are major shareholders. Mr. Prasert Prasarttong-Osoth, M.D. (Director) and Mr. Pradit Theekakul (Director) are also Directors	A subsidiary acquired the remaining 51% of the shares of Bangkok Helicopter Services Company Limited	-	42,840,002	In 2016, It was necessary for BDMS to acquire all the remaining shares as owning 100% of the company would provide BDMS with flexibility in expanding the investment and the ability to restructure Bangkok Helicopter Services Company Limited's finances. This transaction supports the Company's growth and goal in becoming a Center of Excellence Network as planned. The price was reasonable and calculated using the net value of Bangkok Helicopter Services Company Limited as reported in the audited financial statements as of 31 December 2015, adjusted with the market value of the main assets. The transaction was conducted in accordance with the guidelines of the Stock Exchange of Thailand. The Audit Committee's view did not differ from that of the Board of Directors, and the resolution was disclosed to the public through the Stock Exchange of Thailand.
14. The One Enterprise Company Limited <u>Relationship</u> 1. A juristic person with Miss. Poramaporn Prasarttong-Osoth M.D. as a major shareholder, is a major shareholder of The One Enterprise Company Limited. 2. Miss. Poramaporn Prasarttong-Osoth M.D. and Mr. Pradit Theekakul are Directors	1. Medical Services revenue	26,740	-	A subsidiary provided medical services to The One Enterprise Company Limited under the medical services agreement, which is a normal business transaction under the same terms as with other customers.
	2. Trade Debtor – medical services revenue	3,641	-	Debtor on medical services provided under the medical services agreement with Bangkok Airways Ground Services Company Limited under general credit terms.
15. Acts Studio Company Limited <u>Relationship</u> 1. A subsidiary of The One Enterprise Company Limited 2. Mr. Pradit Theekakul is a Directors	1. Location rental	248,200	-	A subsidiary paid for location rental and services to Acts Studio Company Limited at market rate and terms comparable to other customers.
16. WTH Holdings Company Limited <u>Relationship</u> Mr. Att Thongtang and family are major shareholders	1. Office building rental	1,943,947	-	Subsidiaries paid office building rental to WTH Holdings Company Limited at a market rate and under the same terms as other renters.
	2. Rent insurance	1,130,400	-	Subsidiaries put down a deposit for office building rental from WTH Holdings Company Limited, which is a normal business transaction.

Connected Person/Relationship	Transaction	Value (Baht) as of		Reason and Necessity
		31/12/17	31/12/16	
	3. Accrued rental	1,943,947	-	Subsidiaries are debtor of office building rental to WTH Holdings Company Limited under general credit terms.
	4. Accrued rental insurance	1,130,400	-	Subsidiaries are debtor of rent insurance from WTH Holdings Company Limited, which is a normal business transaction.

Opinion of the Audit Committee

The Audit Committee Meeting are of the opinion that the aforementioned transactions were reasonable and were carried out under normal trade terms.

1.2 Financial Assistance

The Company did not provide any financial assistance to any connected persons or juristic persons.

2. Policy and Future Connected Transactions

Type of Transaction	Trend and Policy
Normal business transactions or transactions that support general business	<p><u>Normal business transactions.</u></p> <p>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 conditions and other business conditions shall be equal to or similar to such rates and conditions that the Company and/or subsidiaries charges and stipulates for transactions with other persons or counter parties under the same situations.</p> <p><u>Transactions that support general business.</u></p> <p>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 conditions must not differ from the term and conditions in which the Company and/or subsidiary enters with other counter parties under the same circumstances.</p> <p>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.</p> <p>Therefore, at the Board of Directors Meeting 8/2008 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 conditions, which are priced or have fees charged at the market rate with the same conditions as the Company's transactions with external parties.</p>



Type of Transaction	Trend and Policy
Financial Assistance	<p>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.</p> <p>The Company has the policy to enter into 3 types of financial assistance transactions as follows:</p> <p>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.</p> <p>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.</p> <p>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.</p>
Other transactions defined as connected transactions by the Securities and Exchange Act	<p>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.</p>

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 consideration by the Audit Committee and/or Board of Directors and/or the Shareholders' meeting, as the case may be.

MANAGEMENT DISCUSSION AND ANALYSIS

Executive Summary 2017 Performance

Bangkok Dusit Medical Services Public Company Limited (“Company”) reported consolidated operating income were Baht 72,772 million, an increase of 6% yoy. The growth was attributable to an increase in revenues from hospital operations of 6% yoy from both Thai and International patients and from both Bangkok & vicinity and upcountry hospitals. The growth was mainly driven by an increase in price intensity.

In addition, revenue from sales of goods was Baht 2,810 million, increased by 5% yoy due mainly to an increase in sales of Bangkok Save Drug Co., Ltd. (“Save Drug”) and The Medicpharma Co., Ltd. (“Medicpharma”)

The Company and its subsidiaries reported EBITDA of Baht 15,477 million, increased by 5% yoy. However, due to an increase in finance expenses, core profit were Baht 8,021 million, slightly decreased by 2% yoy. If including non-recurring items which are net gain on sale of long-term investments of Baht 2,195 million in 2017 and Baht 167 million in 2016, net profit would be Baht 10,216 million or increased by 22% yoy.

Major Development in 2017

1. TRIS Rating affirmed the Company rating and senior unsecured debentures rating at AA-

On November 8, 2017, Tris Rating affirmed the Company and senior unsecured debenture ratings at AA- with stable outlook. The ratings reflect Company’s strong business profile deriving from the leading market position as the largest private hospital operator in Thailand, the solid reputation of hospital brands and extensive hospital network, as well as experienced management team and capable physicians.

The rating also take into consideration of Company’s sound operating performance and moderate financial risk profile underpinned by steady cash flow and moderate leverage. Leverage and liquidity remained acceptable at the current rating level.

2. Early redemption payment of Convertible Bonds

On September 18, 2017, the convertible bonds holders had redeemed totaling of Baht 1,560 million or 15.6% of the principal amount. The Company has made the payment at Early Redemption Price totally Baht 1,656 million (106.152% of the principal Baht 1,560 million). The outstanding principal amount of the Bonds after the put exercise was Baht 8,440 million. The Bondholders have the right to convert their Bonds into newly issued ordinary share of the Company at Baht 21.045 per share; otherwise, the Bonds will be redeemed on September 18, 2019, at 110.462% of the principal amount of the Bonds.

3. Partial disposition of investment in Bumrungrad Hospital Public Co., Ltd. (“BH”)

% of Holding	Dec 17	Dec 16
BH	20.50	23.95

On 28 April 2017, the Board of Directors had approved the Company to dispose the equity investment in BH totaling 25.2 million shares or 3.45% of issued and paid-up share of BH at the price of Baht 179 per share, receiving total cash of Baht 4,509 million. The Company recognized gain from sale (after tax) of Baht 2,195 million.

After this transaction, BH remains our associated company with stake in BH reducing from 23.95% to 20.50% of its issued and paid-up capital.



4. Expansion of network hospitals

During 2017, Company added 2 hospitals to network as follow:-

Hospital	# Structured beds	Opening Month
Paolo Kaset	162	Jan 17
Bangkok Surat	150	Jun 17

2017 Consolidated Financial Summary

(THB mm)

Operating Income	2017	2016	%Chg
Revenues from hospital operations	69,123	65,237	6%
Revenue from sales of goods	2,810	2,667	5%
Other income	840	940	(11)%
Total Operating Income	72,772	68,844	6%

In 2017, total operating income were Baht 72,772 million, an increase of Baht 3,928 million or 6% yoy, primarily due to

- Revenues from hospital operations were Baht 69,123 million, an increase of Baht 3,886 million or 6% yoy. The growth was contributable to an increase in price intensity and complexity cases together with the opening of Paolo Kaset Hospital and Bangkok Hospital Surat. Revenue of network hospitals in Bangkok & vicinity grew 5% yoy while revenue of network hospitals in the upcountry grew 8% yoy.
- Revenue from Thai patients grew 5% yoy while revenue from international patients grew 8% yoy, driven mainly from Kuwaitis, Chinese and French patients. The revenue proportion between Thai and international patients changed from 71%:29% in 2016 to 70%:30% in 2017.



Revenues from hospital operations in 2017	Chg. (yoy)	% to revenue
Revenues growth from hospital operations	6%	100%
Breakdown by location		
Bangkok & Vicinity	5%	60%
Upcountry	8%	40%
Breakdown by nationality		
Thai	5%	70%
International	8%	30%
Breakdown by type of patients		
Outpatients	6%	47%
Inpatients	4%	53%

- Revenues from sales of goods were Baht 2,810 million, an increase of 5% yoy, mainly from an increase in sales of Save Drug and Medicpharma.
- Other income were Baht 840 million, decreased by 11% yoy as, in 2016, Company recognized gain on fair value adjustments of investment property of Baht 65 million to reflect the actual usage of the property.

(THB mm)

Operating Expenses	2017	2016	%Chg
Cost of hospital operations and others	47,975	45,277	6%
Administrative expenses	14,488	13,644	6%
Total Operating Expenses	62,463	58,921	6%





In 2017, the Company and its subsidiaries reported total operating expenses & depreciation of Baht 62,463 million, an increase of Baht 3,542 million or 6% yoy, in line with total operating income growth.

- Cost of hospital operations and others (including depreciation and amortization) were Baht 47,975 million, increased by 6% yoy. An increase was due mainly to rising in doctor fees and clinical staffs expenses as a result of an increase in newly recruited specialist doctors in key specific areas in preparation for upgrading hub hospitals to be Centers of Excellence and expanding hospital network.
- The administrative expenses (including depreciation and amortization) were Baht 14,488 million, increased by 6% yoy, due mainly to an increase in non-clinical personnel expenses together with other administrative expenses.
- The depreciation and amortization expenses were Baht 5,168 million in 2017, increased by 8% yoy due mainly to depreciation of medical equipment, hospital building renovation and opening of new factory of Medicpharma.

Other Major Items

- Share of income from investments in associated companies were Baht 1,417 million in 2017, increased by 3% yoy, driven mainly from investment in BH of Baht 843 million, Ramkhamhaeng Hospital Public Co., Ltd. of Baht 508 million and General Hospital Products Public Co., Ltd. Baht of 71 million.
- Finance expenses increased to Baht 1,535 million in 2017 or increased by 74% yoy due mainly to the adjustment in calculating the expected convertible bonds redemption together with the finance expenses in relation to the early redemption of convertible bonds, an issuance of debentures of Baht 7,000 million in February 2017 and increase in long-term loans from financial institutions.
- Tax expenses in 2017 were Baht 2,564 million, increased from Baht 1,922 million in 2016, due mainly to taxes from partially disposition of investment in BH.

Non-recurring items

During 2017, the Company recorded non-recurring items as the Company partially disposed an investment in BH totaling 25.2 million shares for Baht 4,509 million resulting in the net gain on sale (after tax) of Baht 2,195 million.

During 2016, the Company recorded non-recurring items of Baht 167 million mainly from net gain on sale (after tax) in Bangkok Chain Hospital Public Co., Ltd. of Baht 164 million.

(THB mm)

Profitability Analysis	2017	2016	%Chg
EBITDA	15,477	14,726	5%
EBITDA margin	21.3%	21.4%	
EBIT	11,794	11,367	4%
EBIT margin	16.2%	16.5%	
Core profit *	8,021	8,220	(2)%
Core profit margin *	11.0%	11.9%	
Net profit	10,216	8,386	
Net profit margin	14.0%	12.2%	22%
Core EPS * (THB)	0.52	0.53	(2)%
EPS (THB)	0.66	0.54	22%

* Excluding non-recurring items

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

EBITDA Margin = EBITDA / Operating income

As previously mentioned, EBITDA increased from Baht 14,726 million in 2016 to Baht 15,477 million in 2017 or increased by 5% yoy. However, EBITDA margin declined slightly from 21.4% in 2016 to 21.3% in 2017.

Core profit was Baht 8,021 million in 2017, slightly decreased by 2% yoy resulting in a decrease of net profit margin from 11.9% in 2016 to 11.0% in 2017.

If including the non-recurring items, net profit was Baht 10,216 million, increased by 22% yoy resulting in an increase of net profit margin from 12.2% in 2016 to 14.0% in 2017. EPS was Baht 0.66 per share or increased by 22% yoy.

(THB mm)

Assets	Dec 17	Dec 16	%Chg
Cash & cash equivalents	5,091	4,217	21%
Trade & other receivables	6,940	6,257	11%
Inventories	1,735	1,516	14%
Investment in associates	15,807	16,401	(4)%
Property, premises & equipment	71,559	56,461	27%
Goodwill	17,539	16,932	4%
Other assets	3,955	5,230	(24)%
Total assets	122,627	107,015	15%

The consolidated financial position of the Company and its subsidiaries as of December 31, 2017: The Company and its subsidiaries reported total assets of Baht 122,627 million, increased by 15% from December 31, 2016, due mainly to net increase in property, premises and equipment of Baht 15,098 million mainly from land and building of BDMS Wellness Clinic, an expansion of new network hospitals namely Paolo Kaset Hospital, Bangkok Hospital Surat and Bangkok Hospital Chiangrai and upgrading hub hospitals to be Centers of Excellence together with an increase in cash and cash equivalents of Baht 874 million.

(THB mm)

Liabilities and Equity	Dec 17	Dec 16	%Chg
Bank overdrafts and short-term loans	139	1,668	(92)%
Debentures	19,585	12,589	56%
Long-term loans *	10,799	7,705	40%
Convertible debentures	8,774	9,874	(11)%
Other liabilities	17,459	16,874	3%
Total liabilities	56,756	48,710	17%
Equity attributable to equity holder of the Company	63,071	55,719	13%
Non-controlling interests	2,800	2,586	8%
Total equity	65,871	58,305	13%

* Including current portion



Total consolidated liabilities as of December 31, 2017 were Baht 56,756 million, increased by 17% from from December 31, 2016, due mainly to an issuance of debentures of Baht 7,000 million together with net increase in long-term loans from financial institutions of Baht 3,093 million offset with decrease in short-term term loans from financial institutions of Baht 1,506 million and decrease in convertible debentures of Baht 1,099 million.

Total consolidated shareholders' equity as of December 31, 2017 was Baht 65,871 million, increased by 13% from December 31, 2016, due mainly from net income during the year.

Liquidity and Capital Management

(THB mm)	
Cash Flow	2017
Net cash from operating activities	10,933
Net cash used in investing activities	(11,870)
Net cash from financing activities	1,811
Net increase in cash and cash equivalents	874
Beginning cash and cash equivalents	4,217
Ending cash and cash equivalents	5,091

For the year ended December 31, 2017, the Company and its subsidiaries had net increase in cash and cash equivalent of Baht 874 million from the beginning balance of Baht 4,217 million. As a result, cash and cash equivalents at the end of period was Baht 5,091 million. Details of cash flow by activities during the period are as follows:-

Net cash flows from operating activities were Baht 10,933 million, resulting mainly from profit during 2017.

Net cash used in investing activities were Baht 11,870 million. The investing activities during the period were mainly from purchase of property, premises and equipment of Baht 15,304 million for land and building of BDMS Wellness Clinic and our network expansion together with purchase of investments in subsidiaries of Baht 1,344 million due mainly to acquisitions in Mayo Polyclinic Co., Ltd. which currently rebranded to Paolo Kaset Hospital netted with cash received from partial disposal of investment in BH of Baht 4,505 million.

Net cash from in financing activities were Baht 1,811 million comprising mainly from issuance of debentures of Baht 7,000 million together with net cash received from long-term loans from financial institutions of Baht 3,151 million netted with repayment of short-term loans of Baht 1,504 million and dividend payment of Baht 4,955 million.

Ratios Analysis	2017	2016
Returns (%)		
Return on Asset	8.9	8.0
Return on Equity	17.2	15.5
Liquidity (x)		
Current ratio	1.1	0.7
Quick ratio	0.9	0.6
Assets & Liabilities Management (Days)		
Average Collection Period	34.0	35.4
Average Inventory Period	12.2	11.1
Average Payable Period	34.3	37.1
Leverage & Coverage Ratios (x)		
Interest coverage	10.1	16.7
Total debt to equity	0.6	0.5
Net debt to equity	0.5	0.5
Net debt to EBITDA	2.2	1.9

*Remark Assets & liabilities management based on 360 days
Interest coverage = EBITDA/Interest expenses
Debt refers to interest bearing debt*

Return on assets and return on equity increased from 2016 mainly from gain from partial disposal of investment in BH. Current ratio and quick ratio in 2017 also increased from 2016 as a result of a decrease in bank overdrafts and short-term loans financial institutions.





Average collection period and average payable period was 34.0 days and 34.3 days decreased from 35.4 days and 37.1 days in 2016 respectively while average inventory period was 12.2 days increased from 11.1 days in 2016.

Interest coverage ratio decreased from 16.7 in 2016 to 10.1 in 2017 due mainly to an increase in finance expenses from the adjustment in calculating the expected convertible bonds redemption together with the finance expenses in relation to the early redemption of convertible bonds, an issuance of debentures of Baht 7,000 million and increase in long-term loans from financial institutions.

Total interest bearing debt to equity increased from 0.5x as of December 31, 2016 to 0.6x as of December 31, 2017. Net interest bearing debt to equity remained unchanged at 0.5x as of December 31, 2016 and December 31, 2017. Net interest bearing debt to EBITDA increased from 1.9x as of December 31, 2016 to 2.2x as of December 31, 2017. Such increase in leverage ratios were mainly from an issuance of debentures and increase in long-term loans from financial institutions to fund BDMS Wellness Clinic, an expansion of Bangkok Hospital Headquarter and an investment in Paolo Kaset Hospital.

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

Management's Outlook

Increasing healthcare demand

In 2017, Thai government approved tax deductible for individual for private health insurance premium up to Baht 15,000 per annum to help promote private health insurance and boost domestic private healthcare demand.

Long-term prospect of healthcare sector is still intact as a result of aging population and rising income per capita, especially those in the rural area. People pay more attention to their health wishing to live longer with a better quality of life.

On the other hand, international healthcare demand continues to rise as Thailand remains one of the world's most attractive medical tourism destinations for our quality of care, Thai hospitality and value for money.



These favorable factors support our strategy of focusing on preventive care services at BDMS Wellness Clinic and upgrading our clinical capabilities at our Centers of Excellence with multidisciplinary specialists, state of the art medical equipment and experienced staffs to accommodate increasing demand of healthcare.

Key strategic priorities

The Company's diverse portfolio of network hospitals with multiple brands and diversified market segments play a crucial role in continuous growth in healthcare business and serving rising healthcare demand in the future. The company would focus on the following strategic priorities:

- **Increasing asset utilization**

With the rising healthcare inflations, we foresee private health insurance as one of the key potential growth drivers for healthcare business going forward. We are working closely with both domestic and international insurance companies to develop exclusive insurance policies that would help expand our patient base. Also the development of e-claims and e-billing system will provide convenience for both insurance companies and patients. These initiatives would help diversify our payor base by growing private health insurance portion and increase our bed utilization unlocking the true potential of our hospital network growth prospects.

- **Improving operational efficiencies**

We drive performance of our growing portfolio of hospitals by dividing them into 6 hospital groups. Its cluster synergy enables us to realize the scale benefit, utilize shared services functions and increase efficiency of our operations.

Since we have added a number of new network hospitals over the past few years, we would continue to focus on ramp-up operations of these new hospitals together with the focus on standardization of care and cooperation among our network hospitals for improvement in quality and operational efficiencies.

- **Centers of Excellence**

The Company is upgrading 10 hub hospitals to be Centers of Excellence. These hospitals are

- (1) Bangkok Hospital Headquarter
- (2) Samitivej Sukhumvit Hospital
- (3) Samitivej Srinakarin Hospital
- (4) Phyathai 2 Hospital
- (5) Bangkok Hospital Pattaya
- (6) Bangkok Hospital Phuket
- (7) Bangkok Hospital Chiangmai
- (8) Bangkok Hospital Udon
- (9) Royal Phnom Penh Hospital
- (10) Bangkok Hospital Rayong

With the determination for continuous development of these network hospitals to be in accordance with the Joint Commission International (JCI), we also would continue to collaborate with world leading institutions to uplift our Thai standard of care effectively to be equivalent to the international standard.



- [BDMS Wellness Clinic](#)

BDMS Wellness Clinic goes in line with the Company’s strategies for the Complete Continuum of Healthcare by focusing on preventive care and early detection.

At BDMS Wellness Clinic, we use the latest in science and technology to fully explore the physical condition down to the genetic and molecular details. It is through this careful study of the body that we can predict future health and prescribe the ultimate preventive path to follow as well as improve mental and physical performance. BDMS Wellness Clinic is comprised of 8 specialty clinics in one location namely Neuroscience, Musculoskeletal and Sports, Cardioscience, Digestive Wellness, Regenerative, Dental, Breast and Fertility Clinics.

- [Principle of sustainability development](#)

The Company remains cautious with our operations and adapts our strategy to maintain operational resiliency and achieve business sustainability. The Company firmly believes in giving back to and taking care of our society, The Company operates in accordance with the principles of sustainable development, by placing importance on various points that have potential impacts on the service value chain, with regard to organizational capabilities to manage and measure the outcomes. Our hospitals in the BDMS network have received accreditation from JCI, Advanced Hospital Accreditation (Advanced HA) and Hospital Accreditation (HA). Moreover, the Company and Vejdusit Foundation have been working in range of activities i.e. monthly health checkup for the less-fortunate, “Volunteering Project” to encourage our staff to make a contribution to the society through various projects as we are firmly committed to drive company forward as a sustainable organization that keeps growing alongside Thai society.

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 2017 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 2017 Annual Report and the Company's 2017 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 material 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 31 December 2017, 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.

Signed By **Mr. Prasert Prasarttong-Osoth, M.D.**

Mr. Prasert Prasarttong-Osoth, M.D.

Group CEO & President

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Bangkok Dusit Medical Services Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Bangkok Dusit Medical Services Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2017, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Bangkok Dusit Medical Services Public Company Limited for the same period.

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 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matters

I draw attention to Note 22 to the financial statements, the Company and its subsidiary had the medical care programs with a small amount of charges to members who paid membership fees in advance for a lifelong membership. The Company and its subsidiary discontinued the programs due to legal reasons on 20 January 2017 and 2 February 2017, respectively. The Company and its subsidiary have recorded the liabilities in the financial statements as at 31 December 2016, based on the total amounts payable to the members and the compensation expected to be paid to the members in 2017 due to the discontinuation of the program, amounting to approximately Baht 964 million (approximately Baht 820 million in the separate financial statements). During the year ended 31 December 2017, 182 of 334 members whose compensation was recorded in the consolidated financial statements and 151 of 282 members in the separate financial statements have accepted the offers and already received the payment from the Company and its subsidiary. As at 31 December 2017, the liabilities from discontinuation of the lifelong membership for medical care program, based on the total amounts payable to the members and the compensation expected to be paid to the former members who have not accepted the offers, in the consolidated financial statements amounted to approximately Baht 440 million (approximately Baht 380 million in separate financial statements).

During 2017, some former members of the program filed complaints against the Company and its subsidiary with the courts and requesting that the Company and its subsidiary continue the programs while some of the other former members made claims for indemnity from the Company and its subsidiary.

Later in June to December 2017, the court issued orders for a temporary injunction to some of the former members who have filed complaints against the Company. The temporary injunction was for the Company to provide medical services to the former members at a normal rate and without any discount and also to allow the other former members to utilize their rights of the program until the court rules or orders otherwise. Furthermore, the court has ordered the former members who are under the temporary injunction to enter a contract with the court that they agreed to be held liable for the aforementioned bills to the Company, should the court issue a final judgment that the Company is entitled to cease such program. The Company keeps record of the debt owed to the Company for medical services rendered and shall not collect for such medical bills unless the court rules or orders otherwise.

In December 2017, January 2018 and February 2018, the Civil Court ruled on some of the cases between the former members and the Company that the Company is to continue complying with the terms of the program. In February 2018, the Civil Court then ruled on some of the other cases between the former members and the Company that the Company is to continue complying with the terms of the program and also for the Company to make indemnity payment should the Company could not comply with the terms of the program. Some of the other cases are still under the consideration of the Civil Court. Nonetheless, the legal advisor of the Company opined that due to all known facts and the provisions of the law, the program in dispute is deemed insurance contract, rendering the cessation of such program a lawful process. The legal advisor further viewed that there is a good chance of winning the case for the Company's appeal. Therefore, the management of the Company, under the opinion of the Company's legal advisor, proceeded to utilize its legal right to file an appeal against the ruling of the Civil Court for some of the cases on 20 February 2018, for the Court of Appeal's consideration and ruling which shall serve as precedent of future legal processes. Since such cases are currently under the consideration of the Court of Appeal, the Company could not yet assess the impacts of the ruling which is not yet definite nor final. The Company keeps record of the debt owed to the Company for medical services rendered and shall not collect for such medical bills unless the court rules.

My opinion is not qualified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

Revenues from hospital operations are considered significant in the financial statements as the amounts are material, representing 91% of the consolidated total revenues and they directly affect the operating result of the Group. In addition, there are various components in revenues from hospital operations which include revenue from sales of medicines and medical supplies, revenue from medical services, revenue from patient rooms, including discounts for counterparties, whereas the agreements contain various conditions for each party. I therefore gave significant attention to the revenue recognition of the Group.

I examined the revenue recognition of the Group by assessing and testing the Group's internal controls with respect to the revenue cycle by making enquiries of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. In addition, I applied a sampling method to select revenues from hospital operations transactions occurring during the year to examine the supporting documents. I requested a balance confirmation from accounts receivable and tested revenue cut-off. I also performed analytical procedures of disaggregated data and significant financial ratios with the past information and industry to detect possible irregularities in revenues from hospital operations transactions throughout the period, particularly for accounting entries made through journal vouchers.



Goodwill

I have focused my audit on the consideration of the impairment of goodwill, as discussed in Note 17 to the financial statements, because the assessment of impairment of goodwill is a significant accounting estimate requiring management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill. I therefore gave significant attention to the amount of goodwill of the Group.

I assessed the identification of cash generating units and the financial models selected by management by gaining an understanding of management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the moving average finance costs of the Company and its subsidiaries and of the industry, tested the calculation of the realisable values of the assets using the selected financial model. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill.

Business combination

As discussed in Note 13 to the financial statements, in January 2017 a subsidiary invested in Mayo Polyclinic Co., Ltd, which is engaged in hospital business. As at the date of acquisition, the subsidiary recognised and measured the assets acquired and liabilities assumed at their fair value using the purchase price allocation (PPA) method and recognised goodwill from the business combination. I have focused on this business acquisition since it is material to the financial statements as a whole, and management was required to exercise substantial judgement when appraising the fair value of the assets acquired and liabilities assumed. Therefore, there is a risk with respect to the recognition and measurement of the assets acquired and liabilities assumed.

I reviewed the terms and conditions of the agreement and inquired with management as to the nature and objectives of the acquisition in order to determine whether the acquisition meets the definition of a business combination under Thai Financial Reporting Standard 3 (Revised 2016) Business Combinations. In addition, I checked the value of the acquisition to supporting documents and related payments to ensure that it corresponds to the fair value of the consideration transferred and does not include costs of the acquisition, and I tested the calculation of the fair value of assets acquired and liabilities assumed using the purchase price allocation method. I also reviewed the appropriateness of the significant methods and assumptions used by an independent valuation specialist in calculating fair value and checked the expertise, ability and integrity of the independent valuation specialist. I tested the calculation and reviewed the reasonableness of the goodwill recorded by the Company, and reviewed the completeness and accuracy of the disclosures related to the business combination in the notes to financial statements.

Litigation

As discussed in emphasis of matters and Note 22 to the financial statements, the Company and its subsidiary had contingent liabilities arising from many litigations relating to discontinuation of the lifelong membership programs. During December 2017 to February 2018, the Civil Court judged some cases and the Company lost the cases. However, the Company appealed to the High Court in February 2018, and currently the cases are not yet finalized. The management needs to exercise significant judgement and take into account related laws and regulations in assessing the effects of the litigation, in order to determine the corresponding liabilities. However, the actual outcomes of the litigation may differ from the estimates. There are therefore risks with respect to the recognition of provision or disclosure of contingent liabilities with respect to the litigation. Therefore, I gave significant attention to the audit of this litigation.

I inquired with the Company's management and legal department regarding the procedures followed to collate and monitor lawsuits filed and pending as at the date of the financial statements, reviewed legal consultation fees to check the completeness of the litigation notified by the Company, inquired about the details and progress of cases and the methods applied by the management in estimating liabilities from litigation, and assessed the judgement exercised by the management in estimating these liabilities. To carry out these procedures, I performed the following:

- Reviewed relevant conditions and provisions of agreements, together with the claims and objections submitted by the Company and counterparties to the court for the purpose of providing background of the litigation.
- Reviewed correspondences between the Company and the legal consultants involved in the litigation, including the Civil Court's verdicts, the Company's appeals and relevant supporting documentation used by management and prepared by external experts, and sent confirmation letters to the legal consultants whose services were used by the Company requesting written reports on case details and status, and legal opinions on the possible effects of the litigation on the Company. I also assessed the legal consultants' competence, experiences, independence and objectivity in accordance with relevant auditing standards, and I considered whether the legal principles and regulations and leading cases referred to by the legal consultants were relevant to the Company's litigation.
- I requested the opinion from my legal consultant and I also assessed the legal consultant's competence, experiences, independence and objectivity in accordance with relevant auditing standards, and I considered whether the legal principles and regulations and leading cases referred to by my legal consultant were relevant to the Company's litigation.

In addition, I reviewed the disclosure of information relating to litigation in the notes to the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from



fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Kamontip Lertwitworatep
Certified Public Accountant (Thailand) No. 4377

EY Office Limited
Bangkok: 28 February 2018

Statement of financial position

(Unit: Baht)

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		As at 31 December 2017	As at 31 December 2016	As at 31 December 2017	As at 31 December 2016
Assets					
Current assets					
Cash and cash equivalents	6	5,091,153,164	4,216,830,857	2,618,963,957	2,762,362,494
Short-term investments	7	571,624,577	548,063,152	392,950	387,027
Trade and other receivables	9, 10	6,939,933,954	6,257,413,072	1,438,389,707	1,039,466,387
Short-term loans to subsidiaries	10	-	-	2,723,764,670	2,143,392,592
Inventories	11	1,735,272,042	1,515,747,918	113,241,565	108,903,873
Other current assets		21,084,678	57,280,276	-	-
Total current assets		14,359,068,415	12,595,335,275	6,894,752,849	6,054,512,373
Non-current assets					
Restricted financial institution deposits	8	7,947,612	45,862,059	-	-
Investments in associates	12	15,807,178,513	16,401,010,414	7,948,498,671	9,028,589,568
Investments in subsidiaries	13	-	-	52,435,450,014	40,431,044,012
Other long-term investments	14	645,799,727	835,985,142	323,320,929	427,402,912
Long-term loans to subsidiaries	10	-	-	4,790,396,350	5,130,374,694
Investment properties	15	307,777,419	306,743,951	675,359,200	704,498,529
Property, premises and equipment	16	71,559,483,132	56,461,043,896	12,316,569,147	10,046,123,520
Goodwill	17	17,538,868,508	16,932,250,590	-	-
Intangible assets	18	1,237,368,137	1,188,302,453	503,729,959	482,171,342
Deferred tax assets	32	68,013,620	75,106,976	-	28,948,184
Other non-current assets					
Leasehold rights	10, 19	664,715,064	697,715,441	334,256,038	350,167,562
Deposits in land and premises	16.1	-	1,080,000,000	-	1,080,000,000
Others	10	430,471,367	395,162,199	49,109,631	56,367,578
Total non-current assets		108,267,623,099	94,419,183,121	79,376,689,939	67,765,687,901
Total assets		122,626,691,514	107,014,518,396	86,271,442,788	73,820,200,274

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



Statement of financial position (continued)

Liabilities and shareholders' equity

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	<i>Note</i> As at 31 December 2017	As at 31 December 2016	As at 31 December 2017	As at 31 December 2016	
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	20	72,337,111	1,578,643,930	-	1,500,000,000
Trade and other payables	10, 21	4,749,670,467	4,399,931,003	979,557,002	849,199,011
Accrued expenses		5,223,013,766	4,912,129,391	1,366,207,386	1,269,826,020
Liabilities for discontinued life long medical care program	22	440,022,035	963,797,750	379,777,105	820,311,726
Current portion of long-term liabilities					
- Long-term loans from financial institutions	23	1,463,307,467	4,252,097,511	1,463,307,467	4,239,341,800
- Liabilities under finance lease agreements	24	22,039,204	43,860,890	4,743,561	11,213,542
Short-term loans from non-related parties		67,000,000	89,000,000	-	-
Short-term loans from subsidiaries	10	-	-	9,952,013,760	8,343,358,008
Income tax payable		706,015,432	699,777,573	108,494,246	75,348,313
Current provision for employee benefits	27	2,441,500	317,891,300	2,441,500	239,691,300
Deferred income - membership due within one year		224,097,990	216,445,069	101,030,164	105,400,778
Other current liabilities		447,168,874	403,865,319	121,037,758	98,463,467
Total current liabilities		13,417,113,846	17,877,439,736	14,478,609,949	17,552,153,965
Non-current liabilities					
Long-term loans from financial institutions	23	9,335,332,000	3,453,331,333	9,335,332,000	3,453,331,333
Liabilities under finance lease agreements	24	16,492,526	17,656,934	136,723	3,398,968
Debentures	25	19,584,603,035	12,588,899,605	19,584,603,035	12,588,899,605
Convertible debentures - liability component	26	8,774,269,700	9,873,567,164	8,774,269,700	9,873,567,164
Non-current provision for employee benefits	27	2,005,835,724	1,928,147,614	571,860,982	632,829,915
Deferred income - membership		632,004,436	647,059,860	122,067,489	120,706,391
Deferred tax liabilities	32	2,847,116,595	2,186,865,315	385,767,821	-
Other non-current liabilities	10	142,809,384	136,696,436	44,560,022	44,720,573
Total non-current liabilities		43,338,463,400	30,832,224,261	38,818,597,772	26,717,453,949
Total liabilities		56,755,577,246	48,709,663,997	53,297,207,721	44,269,607,914

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

Statement of financial position (continued)

Liabilities and shareholders' equity (continued)

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Note	As at 31 December 2017	As at 31 December 2016	As at 31 December 2017	As at 31 December 2016
Shareholders' equity					
Share capital					
Registered					
17,582,235,672 ordinary shares of Baht 0.1 each (31 December 2016: 16,497,868,714 ordinary shares of Baht 0.1 each)	28	1,758,223,567	1,649,786,871	1,758,223,567	1,649,786,871
Issued and fully paid-up					
15,490,956,540 ordinary shares of Baht 0.1 each	28	1,549,095,654	1,549,095,654	1,549,095,654	1,549,095,654
Premium on ordinary shares		20,572,873,162	20,481,530,880	20,509,949,234	20,418,606,952
Difference from shareholding restructure		305,000,325	305,000,325	-	-
Surplus investment over book value of subsidiaries		(2,683,446,777)	(2,680,290,437)	-	-
Retained earnings					
Appropriated - statutory reserve	30	175,822,357	170,000,477	175,822,357	170,000,477
Unappropriated		34,314,505,000	29,069,149,164	7,943,891,220	5,852,887,332
Other components of shareholders' equity		8,837,349,624	6,824,075,852	2,795,476,602	1,560,001,945
Equity attributable to owners of the Company		63,071,199,345	55,718,561,915	32,974,235,067	29,550,592,360
Non - controlling interests of the subsidiaries		2,799,914,923	2,586,292,484	-	-
Total shareholders' equity		65,871,114,268	58,304,854,399	32,974,235,067	29,550,592,360
Total liabilities and shareholders' equity		122,626,691,514	107,014,518,396	86,271,442,788	73,820,200,274

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



Income statement

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Revenues					
Revenues from hospital operations	10	69,122,919,381	65,236,523,139	13,446,843,966	13,330,145,501
Revenue from sales of goods		2,809,580,753	2,666,979,380	-	-
Other income	10				
Interest income		51,761,502	52,215,191	385,534,167	316,866,070
Dividend income	12, 13, 14	15,587,971	21,375,943	3,573,869,116	5,418,965,241
Gain on disposal of investment in an associate and other long-term investments	12, 14	2,880,064,316	208,663,809	3,424,968,894	205,463,809
Others		839,556,638	940,456,219	1,092,701,699	1,224,834,446
Total other income		3,786,970,427	1,222,711,162	8,477,073,876	7,166,129,566
Total revenues		75,719,470,561	69,126,213,681	21,923,917,842	20,496,275,067
Expenses					
Cost of hospital operations and goods sold	10	47,975,225,531	45,276,809,525	8,399,959,145	8,404,606,693
Administrative expenses	10	14,487,862,750	13,644,189,407	3,909,268,797	3,834,010,994
Total expenses		62,463,088,281	58,920,998,932	12,309,227,942	12,238,617,687
Profit before share of income from investments in associates, finance cost and income tax expense		13,256,382,280	10,205,214,749	9,614,689,900	8,257,657,380
Share of income from investments in associates	12	1,417,310,474	1,369,958,152	-	-
Profit before finance cost and income tax expense		14,673,692,754	11,575,172,901	9,614,689,900	8,257,657,380
Finance cost	10	(1,535,450,432)	(881,008,035)	(1,619,250,923)	(963,475,555)
Profit before income tax expense		13,138,242,322	10,694,164,866	7,995,438,977	7,294,181,825
Income tax expense	32	(2,563,539,888)	(1,922,300,568)	(943,920,282)	(358,744,037)
Profit for the years		10,574,702,434	8,771,864,298	7,051,518,695	6,935,437,788
Profit attributable to:					
Equity holders of the Company		10,215,739,620	8,386,477,660	7,051,518,695	6,935,437,788
Non-controlling interests of the subsidiaries		358,962,814	385,386,638		
		10,574,702,434	8,771,864,298		
Basic earnings per share	33				
Profit attributable to equity holders of the Company		0.66	0.54	0.46	0.45
Weighted average number of ordinary shares (shares)		15,490,956,540	15,490,956,540	15,490,956,540	15,490,956,540

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

Statement of comprehensive income

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
<i>Note</i>	2017	2016	2017	2016
Profits for the years	10,574,702,434	8,771,864,298	7,051,518,695	6,935,437,788
Other comprehensive income:				
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Gain (loss, reversal of surplus) on change in value of available-for-sale investments - net of income tax ¹⁴	(152,148,999)	33,315,720	(83,265,587)	(59,774,927)
Exchange differences on translation of financial statements in foreign currencies	(65,573,426)	(6,844,480)	-	-
Share of other comprehensive income from associates ¹²	115,905,066	440,392,219	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	(101,817,359)	466,863,459	(83,265,587)	(59,774,927)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
Gain on revaluation of land - net of income tax ¹⁶	2,208,147,388	39,232,196	1,410,082,526	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	2,208,147,388	39,232,196	1,410,082,526	-
Other comprehensive income for the years	2,106,330,029	506,095,655	1,326,816,939	(59,774,927)
Total comprehensive income for the years	12,681,032,463	9,277,959,953	8,378,335,634	6,875,662,861
Total comprehensive income attributable to:				
Equity holders of the Company	12,317,425,710	8,879,699,385	8,378,335,634	6,875,662,861
Non-controlling interests of the subsidiaries	363,606,753	398,260,568		
	12,681,032,463	9,277,959,953		

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



Statement of cash flows

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit before income tax expense	13,138,242,322	10,694,164,866	7,995,438,977	7,294,181,825
Adjustments to reconcile profit before income tax expense to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	5,167,658,678	4,803,222,771	967,614,442	937,633,690
Write-off of assets	26,525,894	12,370,741	40,036	2,823,720
Allowance for diminution of withholding tax	20,906,492	4,754,948	1,184,664	2,291,744
Bad debts and doubtful debts	193,050,641	109,215,203	47,861,380	44,127,797
Allowance (reversal) for impairment of assets	2,895,566	(5,439,998)	7,764,819	(2,700,000)
Allowance to reduce cost to net realisable value - inventory	14,612,038	2,872,967	89,695	227,596
Amortisation of deferred income - membership	(320,916,881)	(319,383,476)	(126,588,731)	(128,346,841)
Share of income from investments in associates	(1,417,310,474)	(1,369,958,152)	-	-
Amortisation of expense for debentures and convertible debentures	43,309,298	31,814,821	43,309,298	31,814,821
Gain on disposal of investment in an associate and other long-term investments	(2,880,064,316)	(208,663,809)	(3,424,968,894)	(205,463,809)
Loss (gain) on disposal of property, premises and equipment	9,130,204	(14,334,607)	(2,038,738)	(5,518,045)
Loss on liquidation of an associate and other long-term investment	-	388,735	-	-
Loss (gain) on fair value adjustment of investment properties	580,829	(65,323,848)	29,869,749	(128,771,713)
Unrealised loss (gain) on foreign exchange	44,144,144	(612,906)	44,144,144	(612,906)
Provisions (reversal) for employee benefit expense	142,938,407	196,969,047	(8,943,862)	48,745,546
Annual leave expense	(2,930,571)	12,741,483	(3,332,573)	3,118,226
Interest income	(41,764,284)	(49,231,931)	(385,534,167)	(316,866,070)
Dividend income	(15,587,971)	(21,375,943)	(3,573,869,116)	(5,418,965,241)
Interest expense	1,535,450,432	881,008,035	1,619,250,923	963,475,555
Profit from operating activities before changes in operating assets and liabilities	15,660,870,448	14,695,198,947	3,231,292,046	3,121,195,895

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

Statement of cash flows (continued)

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities (continued)				
Decrease (increase) in operating assets				
Trade and other receivables	(830,684,282)	341,939,990	(463,211,200)	438,681,128
Inventories	(226,462,583)	(232,851,541)	(4,427,387)	(9,773,684)
Other current assets	19,702,665	(26,550,018)	16,861,190	(22,522,538)
Other non-current assets	(2,921,706)	18,154,803	1,084,025,357	(34,073,166)
Increase (decrease) in operating liabilities				
Trade and other payables	(397,378,503)	388,307,235	(412,088,283)	40,480,522
Accrued expenses	252,380,339	(105,997,850)	53,100,713	(39,454,980)
Deferred income - membership	313,514,378	242,902,348	123,579,215	131,529,823
Other current liabilities	40,884,990	48,414,714	22,574,291	18,276,731
Provisions for employee benefits	(408,189,811)	(204,496,536)	(289,274,870)	(170,796,873)
Other non-current liabilities	6,081,488	6,689,236	(160,548)	7,224,305
Net cash flow provided by operating activities	14,427,797,423	15,171,711,328	3,362,270,524	3,480,767,163
Cash received from interest income	42,441,528	49,708,324	385,099,476	318,115,892
Cash paid for interest expense	(970,864,368)	(720,066,293)	(1,055,865,232)	(806,525,261)
Cash received from tax refund	25,224,963	22,088,724	-	-
Cash paid for income tax expense	(2,591,250,828)	(2,076,803,618)	(806,421,446)	(374,390,254)
Net cash flow provided by operating activities	10,933,348,718	12,446,638,465	1,885,083,322	2,617,967,540
Cash flows from investing activities				
Decrease (increase) in short-term investments	(23,561,425)	(519,782,493)	(5,923)	966,006
Decrease in restricted financial institution deposits	37,914,447	14,845,594	-	14,000,000
Dividend received	513,778,924	506,620,243	3,573,869,116	5,418,965,241
Cash paid for purchase of investments in subsidiaries and associates	(1,343,540,528)	(7,843,320)	(12,004,406,002)	(1,360,561,054)
Cash received from liquidation of an associate and an other long-term investment	-	31,339,237	-	-
Cash received from disposal of an associate and other long-term investments	4,505,059,791	484,942,700	4,505,059,791	475,292,700
Increase in short-term loans to subsidiaries	-	-	(582,417,198)	(816,453,662)
Cash paid for long-term loans to subsidiaries	-	-	(5,101,574,828)	(457,458,490)
Cash received from long-term loans to related parties	-	-	5,342,130,615	1,108,609,785
Cash paid for purchase investment properties	(605,960)	(2,305,687)	(605,960)	(2,305,687)
Cash received from disposal of property, premises and equipment	45,317,368	58,228,169	5,600,353	9,789,805
Cash paid for purchase of property, premises and equipment	(15,303,721,720)	(8,506,442,347)	(1,289,607,894)	(2,881,608,544)
Cash paid for deposits in land and premises	-	(1,080,000,000)	-	(1,080,000,000)
Cash paid for purchase leasehold rights	(8,026,495)	(82,134,134)	-	(4,169,918)
Cash paid for purchase of intangible assets	(292,260,311)	(389,696,325)	(120,368,597)	(175,139,083)
Net cash flow provided by (used in) investing activities	(11,869,645,909)	(9,492,228,363)	(5,672,326,527)	249,927,099

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



Statement of cash flows (continued)

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from financing activities				
Cash paid for purchase of investments in subsidiaries from non - controlling interests	(21,898,969)	(168,945,080)	-	-
Increase (decrease) in bank overdraft and short-term loans from financial institutions	(1,503,788,829)	1,502,969,016	(1,500,000,000)	1,500,000,000
Cash received from long-term loans from financial institutions	7,400,000,000	-	7,400,000,000	-
Repayment of long-term loans from financial institutions	(4,248,792,047)	(1,734,683,265)	(4,236,710,133)	(1,671,607,000)
Repayments of liabilities under finance lease agreements	(43,698,120)	(60,512,667)	(9,887,739)	(12,297,501)
Decrease in short-term loans from non-related parties	(22,000,000)	(8,700,000)	-	-
Increase in short-term loans from subsidiaries	-	-	1,608,655,752	40,024,351
Cash received from debentures issuance	6,992,451,150	2,996,318,126	6,992,451,150	2,996,318,126
Cash paid for debentures redemption	-	(1,000,000,000)	-	(1,000,000,000)
Cash paid for convertible debentures redemption	(1,655,971,435)	-	(1,655,971,435)	-
Increase in non - controlling interests of subsidiaries from additional paid-up shares of subsidiaries	33,247,552	-	-	-
Dividend paid	(4,954,692,927)	(5,575,114,450)	(4,954,692,927)	(5,575,114,450)
Dividend paid by subsidiaries to non-controlling interests	(164,236,877)	(217,454,036)	-	-
Net cash flow provided by (used in) financing activities	1,810,619,498	(4,266,122,356)	3,643,844,668	(3,722,676,474)
Net increase (decrease) in cash and cash equivalents	874,322,307	(1,311,712,254)	(143,398,537)	(854,781,835)
Cash and cash equivalents at beginning of years	4,216,830,857	5,528,543,111	2,762,362,494	3,617,144,329
Cash and cash equivalents at end of years	5,091,153,164	4,216,830,857	2,618,963,957	2,762,362,494
	-	-	-	-
Supplemental cash flows information:				
Non-cash items:				
Assets acquired under finance lease agreements	19,410,307	14,861,948	-	9,721,216
Increase (decrease) in accounts payable - property, premises and equipment	99,332,421	(609,976,373)	11,771,548	(332,668,621)
Increase (decrease) in payable to construction - retention	97,241,764	(155,579,840)	90,140,104	10,943,939

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	Surplus investment over book value of subsidiaries	Retained earnings	
					Appropriated-statutory reserve	
	<i>Note</i>					
Balance as at 31 December 2015	1,549,095,654	20,481,530,880	305,000,325	(2,603,132,547)	170,000,477	
Profit for the year	-	-	-	-	-	
Other comprehensive income for the year	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	-	-	
Dividend paid ²⁹	-	-	-	-	-	
Share of Interest paid for convertible debentures treated as equity securities from an associate	-	-	-	-	-	
Change in non-controlling interests of subsidiaries from purchase investments in subsidiaries	-	-	-	(77,157,890)	-	
Decrease in non-controlling interests of subsidiaries from dividend of subsidiaries	-	-	-	-	-	
Balance as at 31 December 2016	1,549,095,654	20,481,530,880	305,000,325	(2,680,290,437)	170,000,477	
Balance as at 31 December 2016	1,549,095,654	20,481,530,880	305,000,325	(2,680,290,437)	170,000,477	
Profit for the year	-	-	-	-	-	
Other comprehensive income for the year	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	-	-	
Redemption of convertible debentures	-	91,342,282	-	-	-	
Statutory reserve ³⁰	-	-	-	-	5,821,880	
Dividend paid ²⁹	-	-	-	-	-	
Share of Interest paid for convertible debentures treated as equity securities from an associate	-	-	-	-	-	
Change in non-controlling interests of subsidiaries from purchase and sale investments in subsidiaries	-	-	-	(3,156,340)	-	
Decrease in non-controlling interests of subsidiaries from dividend of subsidiaries	-	-	-	-	-	
Balance as at 31 December 2017	1,549,095,654	20,572,873,162	305,000,325	(2,683,446,777)	175,822,357	

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



(Unit: Baht)

Consolidated financial statements

Equity attributable to owners of the Company									
Unappropriated	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	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 associates					
26,197,987,900	337,255,759	5,110,102,326	37,429,212	328,121,305	585,527,449	6,398,436,051	52,498,918,740	2,498,142,000	54,997,060,740
8,386,477,660	-	-	-	-	-	-	8,386,477,660	385,386,638	8,771,864,298
59,798,054	33,321,181	26,203,184	(6,694,859)	380,594,165	-	433,423,671	493,221,725	12,873,930	506,095,655
8,446,275,714	33,321,181	26,203,184	(6,694,859)	380,594,165	-	433,423,671	8,879,699,385	398,260,568	9,277,959,953
(5,575,114,450)	-	-	-	-	-	-	(5,575,114,450)	-	(5,575,114,450)
-	-	-	-	(7,783,870)	-	(7,783,870)	(7,783,870)	-	(7,783,870)
-	-	-	-	-	-	-	(77,157,890)	(92,656,048)	(169,813,938)
-	-	-	-	-	-	-	-	(217,454,036)	(217,454,036)
29,069,149,164	370,576,940	5,136,305,510	30,734,353	700,931,600	585,527,449	6,824,075,852	55,718,561,915	2,586,292,484	58,304,854,399
29,069,149,164	370,576,940	5,136,305,510	30,734,353	700,931,600	585,527,449	6,824,075,852	55,718,561,915	2,586,292,484	58,304,854,399
10,215,739,620	-	-	-	-	-	-	10,215,739,620	358,962,814	10,574,702,434
(9,868,977)	(152,150,464)	2,200,555,964	(62,624,476)	125,774,043	-	2,111,555,067	2,101,686,090	4,643,939	2,106,330,029
10,205,870,643	(152,150,464)	2,200,555,964	(62,624,476)	125,774,043	-	2,111,555,067	12,317,425,710	363,606,753	12,681,032,463
-	-	-	-	-	(91,342,282)	(91,342,282)	-	-	-
(5,821,880)	-	-	-	-	-	-	-	-	-
(4,954,692,927)	-	-	-	-	-	-	(4,954,692,927)	-	(4,954,692,927)
-	-	-	-	(6,939,013)	-	(6,939,013)	(6,939,013)	-	(6,939,013)
-	-	-	-	-	-	-	(3,156,340)	14,252,563	11,096,223
-	-	-	-	-	-	-	-	(164,236,877)	(164,236,877)
34,314,505,000	218,426,476	7,336,861,474	(31,890,123)	819,766,630	494,185,167	8,837,349,624	63,071,199,345	2,799,914,923	65,871,114,268

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 2015	1,549,095,654	20,418,606,952	170,000,477	4,492,563,994
Profit for the year	-	-	-	6,935,437,788
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	-	6,935,437,788
Dividend paid ²⁹	-	-	-	(5,575,114,450)
Balance as at 31 December 2016	1,549,095,654	20,418,606,952	170,000,477	5,852,887,332
Balance as at 31 December 2016	1,549,095,654	20,418,606,952	170,000,477	5,852,887,332
Profit for the year	-	-	-	7,051,518,695
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	-	7,051,518,695
Redemption of convertible debentures	-	91,342,282	-	-
Statutory reserve ³⁰	-	-	5,821,880	(5,821,880)
Dividend paid ²⁹	-	-	-	(4,954,692,927)
Balance as at 31 December 2017	1,549,095,654	20,509,949,234	175,822,357	7,943,891,220

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



(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			
	360,388,041	673,861,382	585,527,449	1,619,776,872	28,250,043,949
	-	-	-	-	6,935,437,788
	(59,774,927)	-	-	(59,774,927)	(59,774,927)
	(59,774,927)	-	-	(59,774,927)	6,875,662,861
	-	-	-	-	(5,575,114,450)
	300,613,114	673,861,382	585,527,449	1,560,001,945	29,550,592,360
	300,613,114	673,861,382	585,527,449	1,560,001,945	29,550,592,360
	-	-	-	-	7,051,518,695
	(83,265,587)	1,410,082,526	-	1,326,816,939	1,326,816,939
	(83,265,587)	1,410,082,526	-	1,326,816,939	8,378,335,634
	-	-	(91,342,282)	(91,342,282)	-
	-	-	-	-	-
	-	-	-	-	(4,954,692,927)
	217,347,527	2,083,943,908	494,185,167	2,795,476,602	32,974,235,067

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2017

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 Company operates under 6 hospital groups, namely, Bangkok Hospital Group, Samitivej Hospital Group, BNH Hospital, Phyathai Hospital Group, Paolo Hospital Group and Royal Hospital Group. In addition, the Company's network also covers businesses that support medical care such as medical laboratories, pharmaceutical production and saline production and drug and pharmaceutical stores. 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 11 October 2016, 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 and the following subsidiaries ("the Group") as follows:

Company's name	Nature of business	Percentage of shareholding (percent)	
		2017	2016
<u>Held by the Company</u>			
Samitivej Public Co., Ltd.	Hospital	95.76	95.76
Bangkok Hospital Hatyai Co., Ltd.	Hospital	98.82	98.81
Bangkok Phuket Hospital Co., Ltd.	Hospital	99.70	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



Company's name	Nature of business	Percentage of shareholding (percent)	
		2017	2016
Held by the Company (continued)			
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	91.42	91.42
Angkor Pisith Co., Ltd.	Hospital	80.00	80.00
Phnom Penh Medical Services Co., Ltd.	Hospital	100.00	100.00
Paolo Medic Co., Ltd.	Hospital	100.00	100.00
Paolo Samutprakarn Co., Ltd.	Hospital	93.65	93.64
Siam Medical Co., Ltd.	Hospital	85.71	85.71
Thai Medical Center Public Co., Ltd.	Hospital	99.76	99.76
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
Thonburi Medical Center Public Co., Ltd.	Hospital	34.43	34.43
(held by the Company at 34.43% and indirectly held by a subsidiary at 29.02%)			
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	100.00
Bangkok Phuket International Hospital Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Muangraj Co., Ltd.	Hospital	100.00	100.00
Royal Rattanak Medical Services Co., Ltd.	Ceased operation	70.00	70.00
Bangkok Hospital Kao Yai Co., Ltd.	Not yet operate	100.00	100.00
Bangkok Hospital Surat Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Chiangrai Co., Ltd.	Not yet operate	100.00	100.00
National Healthcare Systems Co., Ltd.	Central lab	74.02	74.02
(held by the Company at 74.02% and indirectly held by subsidiaries at 24.66%)			
Bio Molecular Laboratories (Thailand) Co., Ltd.	Central lab	95.00	95.00
B.D.M.S. International Medical Services Co., Ltd.	Not yet operate	100.00	100.00
BDMS Accounting Co., Ltd.	Accounting service	100.00	100.00
Bangkok Health Insurance Public Co., Ltd.	Health insurance	99.99	99.97
Royal Bangkok Healthcare Co., Ltd.	Investment	100.00	100.00

Company's name	Nature of business	Percentage of shareholding (percent)	
		2017	2016
<u>Held by the Company (continued)</u>			
Greenline Synergy Co., Ltd.	Technology and information service	100.00	100.00
BDMS Training Co., Ltd.	Training business	100.00	100.00
Prasit Patana Public Co., Ltd.	Investment	98.59	98.56
Bangkok Premier Life Insurance Broker Co., Ltd.	Life insurance broker	100.00	100.00
The Medicpharma Co., Ltd.	Production and distribution of medicines	87.05	87.05
BDMS Inter Pte. Ltd.	Investment	100.00	100.00
N Health Asia Pte. Ltd.	Investment	100.00	100.00
Bangkok Save Drug Co., Ltd.	Investment	100.00	100.00
S.R. Property Investment Co., Ltd.	Real estate	49.00	49.00
Siem Reap Land Investment Co., Ltd.	Real estate	49.00	49.00
Phnom Penh First Property Co., Ltd.	Real estate	49.00	49.00
Bangkok Helicopter Services Co., Ltd. (held by the company at 87.25% and indirectly held by a subsidiary at 12.75%)	Air transportation services	87.25	87.25
BDMS Property Management Co., Ltd.	Assets managements	100.00	100.00
BDMS Wellness Clinic Co., Ltd.	Holistic Clinical Wellness (Preventative and Regenerative Medicine)	100.00	-
<u>Held by subsidiaries</u>			
Samitivej Sriracha Co., Ltd.	Hospital	70.14	69.75
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	99.18	99.18
Phyathai 3 Hospital Co., Ltd.	Hospital	98.23	98.23
Sriracha Nakorn General Hospital Public Co., Ltd.	Hospital	75.07	74.80
Tepakorn Hospital Co., Ltd.	Hospital	44.53	44.53
National Healthcare Systems Co., Ltd.	Central lab	25.97	25.97
Irving Sheridan SE Co., Ltd.	Assets management for healthcare business	99.98	99.98



Company's name	Nature of business	Percentage of shareholding (percent)	
		2017	2016
<u>Held by subsidiaries (continued)</u>			
First Health Food Co., Ltd.	Distribution and service for health and cosmetic goods	100.00	100.00
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
N Health (Cambodia) Co., Ltd.	Laboratory services	100.00	100.00
Save Drug Center Co., Ltd.	Retailer of medicine and pharmaceutical products	100.00	100.00
N Health Pathology Co., Ltd.	Laboratory services	95.00	95.00
Samitivej International Co., Ltd.	Clinic	80.00	80.00
N Health Myanmar Co., Ltd.	Laboratory services	60.00	60.00

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., N Health (Cambodia) Co., Ltd., S.R. Property Investment Co., Ltd., Siem Reap Land Investment Co., Ltd. and Phnom Penh First Property 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. and N Health Myanmar Co., Ltd. registered in Republic of the Union of Myanmar.

- b) The Company is deemed to have control over an investee or subsidiaries 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.
- c) 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.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

- e) The assets and liabilities in the financial statements of overseas subsidiaries 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.
 - f) Material balances and transactions of the Group has been eliminated from the consolidated financial statements.
 - g) 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.
 - h) 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 shareholders’ equity in the statement of financial position under the caption of “Surplus of investment over book value of subsidiaries”. When the fair value of the net assets acquired is higher than the cost of the investment the difference has been presented in shareholders’ equity in the statement of financial position under the caption of “Deficits of investment lower book value of subsidiaries”.
- 2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

3. New financial reporting standards

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

During the year, the Group has adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. 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 standards. The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements. However, one standard involves changes to key principles, which is summarised below.



TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

This standard does not have any significant impact on the Group's financial statements because the management has decided to continue accounting for such investments under the cost method in the separate financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Group believes that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Revenues from hospital operations

Revenues from hospital operations, mainly consisting of medical fees, hospital room sales and medicine sales, are recognised as income when services have been rendered or 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 been passed to the buyer. Sales are the invoiced value after deducting discounts excluding value added tax.

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.

Space rental and related service income

The Group recognizes space rental and related service income proportionately over the term of the lease and service agreements.

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 statement of income.
- 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 income statement when the securities are sold.



- c) Hold to maturities debt security, 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 Group 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 weighted average method is used for computation of the cost of investments.

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 income statement when incurred.

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

4.7 Property, premises and equipment/Depreciation

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

Land is 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 Group 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 Group's assets, the decrease is recognised in income statement. 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 assets.

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	30 years or lease period
Premises, structures and premises improvements	5 - 50 years
Medical tools and equipment and machines	2 - 20 years
Helicopter	20 years
Helicopter spare parts and equipment	5 years
Structure equipment, furniture and office equipment	2 - 15 years
Vehicles	5 - 8 years

Depreciation is recognised in the income statement.

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 income statement 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 income statement.

The intangible asset with finite useful lives is as follow:

Computer software	5 - 10 years
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Intangible assets with indefinite useful lives are not amortised such as commercial rights, 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 income statement.

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 Group'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 income statement. 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 associates 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, plant 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 long-term payables, while the interest element is charged to income statement over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in income statement on a straight line basis over the lease term.



4.13 Impairment of assets

At the end of each reporting period, the Group performs 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 Group 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 income statement. However in cases where land 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 Group estimates 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 income statement 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.

4.14 Leasehold rights

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

4.15 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group's 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 income statement.

4.16 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 convertible debentures and expenses related to equity component deducted from equity component and was not amortised.

4.17 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred. The Group set up provisions for vacation which is calculated in accordance with the Group's policy and formula, taking into consideration the employee's salary, the number of years of service and the unused vacation days.



Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The Group contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and medical care after post-employment. The Group treats 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.

4.18 Provisions

Provisions are recognised when the Group has 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.

4.19 Income tax

Income tax expense represents the sum of current income tax 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 Group recognises 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 Group reviews 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 Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.20 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 Group has no policy to hold any derivative financial instruments for speculative or trading purpose.

4.21 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.



All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

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.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

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 Group's premises and equipment and to review estimate useful lives and residual values when there are any changes.

The Group measures 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 Group treats 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 Group presents investment properties at the fair value estimated by an independent appraiser, and recognise changes in the fair value in income statement. 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 Group has contingent liabilities arising from litigation. The Group's management has used judgment to assess the outcome of the litigation. In cases of loss, the Group 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 Group 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:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash and deposits at financial institutions	5,084,714	4,210,453	2,618,964	2,762,362
Fixed deposits	6,439	6,378	-	-
Total cash and cash equivalents	5,091,153	4,216,831	2,618,964	2,762,362

As at 31 December 2017, bank deposits in saving accounts and fixed deposits carried interest rates between 0.10 and 1.00 percent per annum (2016: between 0.13 and 1.05 percent per annum).

7. Short-term investments

Short-term investments consist of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Fixed deposits	61,274	42,818	393	14
Mutual funds	510,351	505,245	-	373
Total short-term investments	<u>571,625</u>	<u>548,063</u>	<u>393</u>	<u>387</u>

As at 31 December 2017, bank deposits in fixed deposits carried interest rates between 0.50 and 1.50 percent per annum (2016: between 0.50 and 1.55 percent per annum).

8. Restricted financial institutions deposits

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

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Trade receivables - related parties	9,835	25,016	28,226	23,875
Trade receivables - unrelated parties-net	6,418,934	5,728,644	1,195,960	820,638
Other receivables - related parties	960	445	126,582	96,299
Other receivables - unrelated parties	268,941	278,606	51,016	45,187
Prepaid expenses	<u>241,264</u>	<u>224,702</u>	<u>36,606</u>	<u>53,467</u>
Total trade and other receivables - net	<u>6,939,934</u>	<u>6,257,413</u>	<u>1,438,390</u>	<u>1,039,466</u>



As at 31 December 2017 and 2016, the aging analysis of the outstanding trade accounts receivable is as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Related parties</u>				
Not over than 3 months	9,015	18,792	20,698	22,051
3 - 6 months	623	5,350	6,109	1,796
6 - 12 months	133	865	1,396	28
over 12 months	64	9	23	-
Total trade accounts receivable - related parties	9,835	25,016	28,226	23,875
<u>Unrelated parties</u>				
Not over than 3 months	5,788,194	5,055,039	1,097,000	765,548
3 - 6 months	459,405	431,061	105,964	29,588
6 - 12 months	290,907	291,439	36,863	51,247
over 12 months	372,128	332,595	144,273	128,271
Total trade accounts receivable - unrelated parties	6,910,634	6,110,134	1,384,100	974,654
Less: Allowance for doubtful accounts	(491,700)	(381,490)	(188,140)	(154,016)
Total trade accounts receivable - unrelated parties - net	6,418,934	5,728,644	1,195,960	820,638
Total trade accounts receivable - net	6,428,769	5,753,660	1,224,186	844,513

10. Related party transactions

The Group 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.

<u>Transaction</u>	<u>Pricing and lending policy</u>
Revenues from hospital operations and lab services	Based on the price charged to normal customers
Revenues and expenses from consulting and management service, accounting service, information technology service and maintenance service	Certain percentage of net revenue or 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 Loans between subsidiaries in Cambodia, interest rate charged as stipulated in the agreements
Purchases and sales of assets	Prices are dependent on the condition of assets
Purchases of investments	Prices that calculated from adjusted book value.

The significant intercompany transactions are as follows:

(Unit: Million Baht)

For the years ended 31 December

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Associates</u>				
Revenue from hospital operations and lab services	19.5	22.3	9.8	11.2
Dividend income (Note 12)	-	-	494.1	483.9
Other income	6.9	12.0	0.1	-
Service cost	12.4	18.6	-	0.7
Other expenses	0.1	0.5	-	-
<u>Subsidiaries</u>				
Revenue from hospital operations and laboratory services	-	-	129.5	106.4
Consulting and management fee income	-	-	838.7	777.2
Interest income	-	-	352.7	279.9
Dividend income (Note 13)	-	-	3,069.2	4,919.0
Other income	-	-	85.2	78.3
Service costs	-	-	803.4	748.6
Consulting and management fee expenses	-	-	244.5	230.1
Other expenses	-	-	36.6	46.7
Interest expense	-	-	91.0	94.3
<u>Individuals or related companies</u>				
Revenue from hospital operations and laboratory services	5.4	6.3	3.5	4.7
Dividend income (Note 14)	9.0	12.5	9.0	12.5
Other income	13.6	10.2	11.9	8.1
Service costs	139.6	57.2	106.1	32.1
Consulting and management fee expenses	3.1	3.1	-	-
Other expenses	125.0	105.9	94.3	75.4
Purchases of investments	-	42.8	-	-



The outstanding balances of the above transactions as at 31 December 2017 and 2016 have been separately shown in the statement of financial position as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Trade receivables - related parties (Note 9)</u>				
Associates	6,927	19,964	2,220	2,966
Subsidiaries	-	-	24,755	17,691
Related companies	2,908	5,052	1,251	3,218
Total trade receivables - related parties	9,835	25,016	28,226	23,875
<u>Other receivables - related parties (Note 9)</u>				
Consulting and management fee receivable				
Subsidiaries	-	-	77,904	72,500
Total	-	-	77,904	72,500
<u>Accrued interest income and others</u>				
Associate	-	53	-	-
Subsidiaries	-	-	47,826	23,569
Related companies	960	392	852	230
Total	960	445	48,678	23,799
Total other receivables - related parties	960	445	126,582	96,299
<u>Leasehold rights - a related party</u>				
(included in other non-current assets)				
A related party	34,523	40,615	-	-
Total leasehold rights - a related party	34,523	40,615	-	-
<u>Deposits and long-term prepaid expense - related parties</u>				
(included in other non-current assets)				
Subsidiaries	-	-	597	1,103
Related companies	398	12,926	-	12,840
Total deposits and long-term prepaid expense - related parties	398	12,926	597	13,943

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<u>Trade payables - related parties (Note 21)</u>				
Associates	1,955	4,499	96	202
Subsidiaries	-	-	150,201	115,667
Related companies	17,021	26,878	11,377	22,614
Total trade payables - related parties	18,976	31,377	161,674	138,483
<u>Other payables - related parties (Note 21)</u>				
Associates	148	-	-	-
Subsidiaries	-	-	60,438	69,703
Related companies	8,966	13,319	2,456	8,973
Total other payables - related parties	9,114	13,319	62,894	78,676
<u>Accrued interest expense - related parties</u>				
(included in accrued expenses)				
Subsidiaries	-	-	9,045	9,080
Total Accrued interest expense - related parties	-	-	9,045	9,080
<u>Deposits - related parties</u>				
(included in other non-current liabilities)				
Subsidiaries	-	-	9,547	8,626
Related companies	729	775	729	775
Total deposits - related parties	729	775	10,276	9,401

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

	(Unit: Thousand Baht)			
	Separate financial statements			
	31 December 2016	Increase	Decrease	31 December 2017
<u>Short-term loans to subsidiaries</u>				
Subsidiaries	2,143,393	1,098,877	(518,505)	2,723,765
Total short-term loans to subsidiaries	2,143,393	1,098,877	(518,505)	2,723,765
<u>Long-term loans to subsidiaries</u>				
Subsidiaries	5,130,375	5,101,574	(5,441,553)	4,790,396
Total long-term loans to subsidiaries	5,130,375	5,101,574	(5,441,553)	4,790,396
<u>Short-term loans from subsidiaries</u>				
Subsidiaries	8,343,358	2,303,293	(694,637)	9,952,014
Total short-term loans from subsidiaries	8,343,358	2,303,293	(694,637)	9,952,014



Short-term and long-term loans to subsidiaries and short-term loans from subsidiaries

The Company has entered into agreements 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.

Air ambulance service agreement

On 1 September 2007, a subsidiary 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 subsidiary company is to earn from the Company. The Company has extended the agreement for 3 years ended on 30 September 2018.

Guarantee obligations with related parties

As at 31 December 2016, The Company has guaranteed long-term loan with a financial institution amount of USD 2 million (2017: nil) and overdraft facility amounting to USD 2 million (2016: USD 2 million) for overseas subsidiaries.

Directors and management's benefits

During the years ended 31 December 2017 and 2016, the Group had benefits for their directors and management as below.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term employee benefits	218.1	205.9	218.1	205.9
Post-employment benefits	1.8	1.7	1.8	1.7
Total	219.9	207.6	219.9	207.6

11. Inventories

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Medicines and medical supplies	1,713,266	1,477,476	113,536	108,712
Supplies and others	42,973	44,627	180	804
Total	1,756,239	1,522,103	113,716	109,516
Less: Allowance to reduce cost to net realisable value	(20,967)	(6,355)	(474)	(612)
Inventories - net	1,735,272	1,515,748	113,242	108,904

12. Investments in associates

(Unit: Thousand Baht)								
Company's name	Natures of business	Paid-up Capital	% Shareholding		Consolidated financial statements		Separate financial statements	
					Equity Method		Cost Method	
					2017	2016	2017	2016
<u>Associates held by the Company</u>								
Cool & Joy Co., Ltd.	Ceased operation	Baht 5 million	30.00	30.00	1,069	1,069	1,500	1,500
Ramkhamhaeng Hospital Public Co., Ltd.	Hospital	Baht 120 million	38.24	38.24	5,338,905	4,766,264	1,459,801	1,459,801
Udon Pattana (1994) Co., Ltd. (held by the Company at 15.26% and indirectly held by a subsidiary at 9.85%)	Hospital	Baht 300 million	25.11	25.11	187,895	192,431	69,952	69,952
Bumrungrad Hospital Public Co., Ltd.	Hospital	Baht 730 million	20.50	23.95	9,792,564	11,024,522	6,417,246	7,497,337
Total investments in associates held by the Company							7,948,499	9,028,590
Total investments in associates held by the Group					15,320,433	15,984,286		
<u>Associates held by the subsidiaries</u>								
Al Ghaith Bangkok Dusit Management Services LLC.	In process of liquidation	UAE DIRHAM 0.15 million	30.00	30.00	-	-		
General Hospital Products Public Co., Ltd.	Manufacturer and distributor of medical supplies	Baht 120 million	45.76	45.49	486,746	416,724		
Total investments in associates held by subsidiaries					486,746	416,724		
Total investments in associates in the consolidated financial statements					15,807,179	16,401,010		



12.1 Partial Disposition of Investment in an associate

On 28 April 2017, the extraordinary meeting of the Company's Board of Directors No. 2/2017 had approved the Company to dispose the equity investment in Bumrungrad Hospital Public Company Limited totaling 25,189,494 shares, or 3.45% of issued and paid-up shares of Bumrungrad Hospital Public Company Limited, to an institutional investor who is not related to the Company, at the price of Baht 179 per share, totaling amount of approximately Baht 4,509 million. Bumrungrad Hospital Public Company Limited would still remain as the Company's associate after this transaction on 28 April 2017. After the transaction, the percentage of ownership was deducted from 23.95% to 20.50% of issued and paid-up shares of Bumrungrad Hospital Public Company Limited. The Company recognised gain from selling these investments under equity method in the consolidated financial statements amounting to Baht 2,195 million (net of income tax expense) and under cost method in the separate financial statements amounting to Baht 2,740 million (net of income tax expense) in the second quarter of 2017.

12.2 Investments in an associate which subsidiaries previously held

General Hospital Products Public Co., Ltd.

In the second quarter of 2017, Royal Bangkok Healthcare Co., Ltd., a subsidiary in which the Company has a 100% shareholding, purchased additional shares in General Hospital Products Public Co., Ltd. totaling of Baht 3.1 million. The total investments in General Hospital Products Public Company Limited, including of the shareholding by another subsidiary, totally representing 45.76% of the paid up capital of such company which is indirectly held by the Group.

12.3 Details of share of profit, comprehensive income and dividend received from the associates

(Unit: Thousand Baht)

Company's name	Consolidated financial statements				Separate financial statements	
	Share of profit from investments in associates during the year		Share of other comprehensive income from investments in associates during the year		Dividend received during the year	
	2017	2016	2017	2016	2017	2016
Associates held by the Company						
Cool & Joy Co., Ltd.	-	-	-	-	-	-
Ramkhamhaeng Hospital Public Co., Ltd.	507,621	435,141	138,435	465,214	73,415	64,238
Udon Patana (1994) Co., Ltd.	(4,536)	(9,837)	-	-	-	-
Bumrungrad Hospital Public Co., Ltd.	843,183	868,482	(22,530)	(24,822)	420,678	419,641
Associate held by the subsidiary						
General Hospital Products Public Co., Ltd.	71,042	76,172	-	-	-	-
Total	1,417,310	1,369,958	115,905	440,392	494,093	483,879

Fair value of investments in listed associates

Fair values as at 31 December 2017 and 2016 of investments in associates that are listed on the Stock Exchange of Thailand which were based on the closing price as quoted on the Stock Exchange of Thailand are as follows:

(Unit: Thousand Baht)

Company's name	Fair values as at 31 December	
	2017	2016
Ramkhamhaeng Hospital Public Co., Ltd.	13,627,619	16,059,484
Bumrungrad Hospital Public Co., Ltd.	28,285,873	31,647,886
Total	41,913,492	47,707,370

12.4 Below is a summary of financial information of associates

(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)	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Associates held by the Company</u>										
Cool & Joy Co., Ltd.	5	5	2.9	2.9	-	-	-	-	-	-
Ramkhamhaeng Hospital Public Co., Ltd.	120	120	16,477.6	14,531.5	4,798.1	4,427.9	4,173.0	4,116.2	1,322.1	1,126.5
Udon Patana (1994) Co., Ltd.	300	300	971.2	1,050.4	236.8	297.9	412.2	427.1	(18.1)	(39.2)
Bumrungrad Hospital Public Co., Ltd.	730	730	23,484.0	21,329.9	6,779.0	6,541.9	18,526.6	18,125.8	3,941.4	3,604.0
<u>Associated held by the subsidiary</u>										
General Hospital Products Public Co., Ltd.	120	120	1,512.5	1,551.2	563.9	750.4	1,036.7	1,031.7	156.8	154.0

Share of income from investment in two associates which are listed company on the Stock Exchange of Thailand for the year ended 31 December 2017 of Baht 1,350.8 million (2016: 2 associates Baht 1,303.6 million) representing 95 percent (2016: 95 percent) of total share of income from all associates were calculated based on audited financial statements of those companies.



13. Investments in subsidiaries

				(Unit: Thousand Baht)				
				Separate financial statements				
Company's name	Nature of business	Paid-up Capital	% Shareholding		Investments - cost method		Dividend received during the years	
			2017	2016	2017	2016	2017	2016
Samitivej Public Co., Ltd.	Hospital	Baht 1,000 million	95.76	95.76	1,639,071	1,639,071	1,053,400	957,636
Bangkok Hospital Hatyai Co., Ltd.	Hospital	Baht 500 million	99.82	98.81	574,697	574,612	49,405	247,024
Bangkok Phuket Hospital Co., Ltd.	Hospital	Baht 500 million	99.70	99.69	610,332	610,246	-	149,537
BNH Medical Center Co., Ltd.	Hospital	Baht 586 million	91.48	91.48	602,657	602,657	107,238	536,190
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	708,993	708,993	-	1,252,801
Bangkok Rayong Hospital Co., Ltd.	Hospital	Baht 400 million	100.00	100.00	415,020	415,020	60,000	60,000
Bangkok Samui Hospital Co., Ltd.	Hospital	Baht 150 million	100.00	100.00	150,000	150,000	120,000	75,000
Bangkok Trat Hospital Co., Ltd.	Hospital	Baht 250 million	99.76	99.76	245,889	245,889	39,902	29,927
Wattanavej Co., Ltd.	Hospital	Baht 180 million	99.69	99.69	450,643	450,643	17,945	287,121
Bangkok Ratchasima Hospital Co., Ltd.	Hospital	Baht 300 million	91.42	91.42	935,005	935,005	41,139	41,125
National Healthcare Systems Co., Ltd. (held by the Company at 74.02% and indirectly held by subsidiaries at 24.66%.	Central Lab	Baht 75 million	74.02	74.02	56,768	56,768	66,622	66,622
Bio Molecular Laboratories (Thailand) Co., Ltd.	Central Lab	Baht 10 million	95.00	95.00	9,502	9,502	38,000	28,500
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	813,220	-	-
Royal Rattanak Medical Services Co., Ltd.	Ceased operation	Riel 26,000 million	70.00	70.00	154,063	154,063	-	-
B.D.M.S. International Medical Services Co., Ltd.	Not yet operate	Riel 9,200 million	100.00	100.00	94,208	94,208	-	-

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up Capital	% Shareholding		Separate financial statements			
					Investments -		Dividend received	
					cost method		during the year	
			2017	2016	2017	2016	2017	2016
BDMS Accounting Co., Ltd.	Accounting service	Baht 30 million	100.00	100.00	30,000	30,000	-	-
Bangkok Health Insurance Public Co., Ltd.	Health insurance	Baht 250 million	99.99	99.97	192,027	142,027	-	-
Royal Bangkok Healthcare Co., Ltd.	Investment	Baht 1,086 million	100.00	100.00	1,086,000	1,086,000	-	-
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.	Not yet operate	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	98.59	98.56	9,263,580	9,260,719	983,054	873,787
Paolo Medic Co., Ltd.	Hospital	Baht 600 million	100.00	100.00	3,622,872	3,222,872	-	-
Paolo Samutprakarn Co., Ltd.	Hospital	Baht 42 million	93.65	93.64	1,737,667	1,737,638	137,661	137,658
Siam Medical Co., Ltd.	Hospital	Baht 100 million	85.71	85.71	939,775	939,775	85,714	68,571
Thai Medical Center Public Co., Ltd.	Hospital	Baht 201 million	99.76	99.76	887,131	887,131	100,024	100,024
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 1,500 million	100.00	100.00	1,500,000	1,000,000	-	-
Bangkok Hospital Udon Co., Ltd.	Hospital	Baht 800 million	100.00	100.00	799,930	799,930	-	-
Bangkok Khon Kaen Hospital Co., Ltd.	Hospital	Baht 1,500 million	100.00	100.00	1,500,000	800,000	-	-
The Medicpharma Co., Ltd.	Production and distribution of medicines	Baht 42.86 million	87.05	87.05	551,318	551,318	7,462	7,462



(Unit: Thousand Baht)								
Separate financial statements								
Company's name	Nature of business	Paid-up Capital	% Shareholding		Investments - cost method		Dividend received during the year	
			2017	2016	2017	2016	2017	2016
Thonburi Medical Center Public Co., Ltd. (held by the Company at 34.43% and indirectly held by subsidiary at 29.02%)	Hospital	Baht 193.8 million	34.43	34.43	442,252	442,252	-	-
Bangkok Hospital Surat Co., Ltd.	Hospital	Baht 600 million	100.00	100.00	600,000	300,000	-	-
BDMS Inter Pte. Ltd.	Investment	USD 100,000	100.00	100.00	3,381	3,381	-	-
N Health Asia Pte. Ltd.	Investment	USD 3.5 million	100.00	100.00	116,655	65,310	-	-
Samitivej Chonburi Co., Ltd.	Hospital	Baht 800 million	100.00	100.00	800,000	600,000	-	-
Bangkok Hospital Phitsanulok Co., Ltd.	Hospital	Baht 800 million	100.00	100.00	800,000	600,000	-	-
Bangkok Hospital Sanamchan Co., Ltd.	Hospital	Baht 3,655 million	100.00	100.00	3,655,000	3,655,000	109,650	-
Bangkok Phuket International Hospital Co., Ltd.	Hospital	Baht 3,610 million	100.00	100.00	3,610,000	3,610,000	-	-
Bangkok Save Drug Co., Ltd.	Investment	Baht 450 million	100.00	100.00	450,000	450,000	-	-
S.R. Property Investment Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	101	101	-	-
Siem Reap Land Investment Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	101	101	-	-
Phnom Penh First Property Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	88	88	-	-
Bangkok Helicopter Services Co., Ltd. (held by the Company at 87.25% and indirectly held by a subsidiary at 12.75%)	Air transportation services	Baht 400 million	87.25	87.25	350,858	350,858	-	-

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up Capital	% Shareholding		Separate financial statements			
					Investments -		Dividend received	
					cost method		during the years	
			2017	2016	2017	2016		
Bangkok Hospital Chiangrai Co., Ltd.	Not yet operate	Baht 600 million	100.00	100.00	600,000	600,000	-	-
Bangkok Hospital Muangraj Co., Ltd.	Hospital	Baht 1,300 million	100.00	100.00	1,300,000	1,300,000	52,000	-
BDMS Property Management Co., Ltd.	Assets managements	Baht 10 million	100.00	100.00	10,000	10,000	-	-
BDMS Wellness Clinic Co., Ltd.	Holistic Clinical Wellness (Preventative and Regenerative Medicine)	Baht 9,600 million	100.00	-	9,600,000	-	-	-
Total investments in subsidiaries					52,589,512	40,585,106	3,069,216	4,918,985
Less: Allowance for impairment of investments					(154,062)	(154,062)		
Total investments in subsidiaries - net					52,435,450	40,431,044		



13.1 Investments in subsidiaries which the Group previously held

Approved by	Additional capital				Registered share capital		Investments		
	No.	Date	Investors	Investees	Formerly	New	Date	Amounts	Percentage of new shareholding (percent)
Board of Directors of N Health Asia Pte. Ltd.	-	12 Jun. 2017	Bangkok Dusit Medical Services Public Company Limited	N Health Asia Pte. Ltd.	USD 2.0 million	USD 3.5 million	Jun. 2017	USD 1.5 million	100.00
The 2017 Annual General Meeting of N Health Myanmar Co., Ltd.	-	10 Mar. 2017	N Health Asia Pte. Ltd.	N Health Myanmar Co., Ltd.	Kyat 500 million	Kyat 3,770 million	Mar. 2017	Kyat 1,962 million	60.00
The Extraordinary General Meeting of Bangkok Health Insurance Public Co., Ltd.	1/2017	11 Jul. 2017	Bangkok Dusit Medical Services Public Company Limited	Bangkok Health Insurance Public Co., Ltd.	Baht 200 million	Baht 250 million	Jul. 2017	Baht 50 million	99.99
The Extraordinary General Meeting of Samitivej Chonburi Co., Ltd.	1/2017	25 Sep. 2017	Bangkok Dusit Medical Services Public Company Limited	Samitivej Chonburi Co., Ltd.	Baht 600 million	Baht 800 million	Sep. 2017	Baht 200 million	100.00
The Extraordinary General Meeting of Bangkok Hospital Surat Co., Ltd.	1/2017	20 Sep. 2017	Bangkok Dusit Medical Services Public Company Limited	Bangkok Hospital Surat Co., Ltd.	Baht 300 million	Baht 600 million	Sep. 2017	Baht 300 million	100.00
The Extraordinary General Meeting of Bangkok Hospital Khonkaen Co., Ltd.	1/2017	11 Oct. 2017	Bangkok Dusit Medical Services Public Company Limited	Bangkok Hospital Khonkaen Co., Ltd.	Baht 800 million	Baht 1,500 million	Oct. 2017	Baht 700 million	100.00

Additional capital					Registered share capital		Investments		
Approved by	No.	Date	Investors	Investees	Formerly	New	Date	Amounts	Percentage of shareholding (percent)
The Extraordinary General Meeting of Bangkok Hospital Phitsanulok Co., Ltd.	1/2017	11 Oct. 2017	Bangkok Dusit Medical Services Public Company Limited	Bangkok Hospital Phitsanulok Co., Ltd.	Baht 600 million	Baht 800 million	Oct. 2017	Baht 200 million	100.00
The Extraordinary General Meeting of Bangkok Hospital Chiangmai Co., Ltd.	1/2017	11 Oct. 2017	Bangkok Dusit Medical Services Public Company Limited	Bangkok Hospital Chiangmai Co., Ltd.	Baht 1,000 million	Baht 1,500 million	Oct. 2017	Baht 500 million	100.00



Prasit Patana Public Co., Ltd.

In 2017, the Company purchased additional investment totaling Baht 2.9 million in Prasit Patana Public Co., Ltd. As a result, the Company's shareholding in that company is 98.59 percent.

13.2 Investments in new subsidiaries

BDMS Wellness Clinic Co., Ltd.

On 28 September 2016, a meeting of the Board of Directors of the Company approved the establishment of a new subsidiary, namely BDMS Wellness Clinic Co., Ltd., with a registered share capital of Baht 6,400 million to acquire and receive the transfer of the land and buildings to operate BDMS Wellness Clinic Project. The Company holds 100% shareholding in that subsidiary. In January 2017, BDMS Wellness Clinic Co., Ltd. completely registered its' establishment. The Company already paid for the shares capital of Baht 3,250 million and Baht 3,150 million in the first quarter of 2017 and second quarter of 2017 respectively.

On 27 September 2017, the Extraordinary General Meeting No.2/2017 of shareholders of BDMS Wellness Clinic Co., Ltd. approved to increase the share capital from Baht 6,400 million to Baht 9,600 million through the increase in capital of 320 million additional ordinary shares with a par value of Baht 10 each. In the fourth quarter of 2017, the Company acquired all of the new ordinary shares.



Paolo Medic Co., Ltd. and acquisition of the entire business of Mayo Polyclinic Co., Ltd.

On 26 October 2016, a meeting of the Board of Directors of the Company approved the increase of registered capital of Paolo Medic Co., Ltd, 99.99% subsidiary, from Baht 600 million to Baht 1,000 million through the increase in capital of 40 million additional ordinary shares with a par value of Baht 10 each and approved Paolo Medic Co., Ltd. to acquire and receive the transfer of the entire business of Mayo Polyclinic Co., Ltd. operating private hospitals under the name of “Mayo Hospital”.

In January 2017, the Company already paid for the additional shares of Paolo Medic Co., Ltd. totaling Baht 400 million and Mayo Polyclinic Co., Ltd. had transferred the entire business to Paolo Medic Co., Ltd and Paolo Medic Co., Ltd. made a full payment to Mayo Polyclinic Co., Ltd. by cash at Baht 1,390 million and received the transfer of all assets and liabilities.

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

	(Unit: Thousand Baht)
Cash and cash equivalents	49,852
Trade and other receivables	29,002
Inventories	7,674
Other current assets	69
Property, premises and equipment	893,881
Intangible assets	904
Other non-current assets	147
Trade and other payables	(26,768)
Accrued expenses	(13,400)
Other current liabilities	(2,418)
Non-current provision for employee benefits	(27,490)
Deferred tax liabilities	(127,725)
Other non-current liabilities	(31)
Fair value of net assets	<u>783,697</u>
Add: Goodwill	606,618
Consideration paid	<u>1,390,315</u>
Less: Cash and cash equivalents of the business acquired	(49,852)
Net cash paid for acquisition of the business	<u><u>1,340,463</u></u>

13.3 Summarised financial information that based on amounts before inter-company elimination of subsidiaries that have material non-controlling interest.

Regarding the preparation of consolidated financial statements of the Group, there are 5 subsidiaries having material non-controlling interest since the Company has 40 to 70 percentage of ownership over these subsidiaries.

The summary of financial information before elimination transactions of the subsidiaries having material non-controlling interest, based on the Company's percentage of ownership in the subsidiaries, is on the followings:

(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 profit (loss)	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Thonburi Medical Center Public Co., Ltd.	193.8	193.8	596.7	630.2	168.3	179.7	685.6	626.5	(22.2)	(24.5)
S.R. Property Investment Co., Ltd.	0.2	0.2	71.9	78.8	64.0	70.8	0.8	0.8	0.6	0.6
Siem Reap Land Investment Co., Ltd.	0.2	0.2	65.5	71.8	58.6	64.9	0.7	0.7	0.6	0.6
Phnom Penh First Property Co., Ltd.	0.2	0.2	150.4	164.9	135.8	150.2	1.6	1.6	1.3	1.3
Tepakorn Hospital Co., Ltd.	30.0	30.0	157.8	159.2	100.4	103.6	150.9	136.6	3.3	(0.7)

14. Other long-term investments

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend income during the years	
				2017	2016	2017	2016
				Consolidated and separate financial statements			
Investments held by the Company							
Available-for-sale investments							
Investments in listed securities							
Thai Military Bank Public Co., Ltd.	Bank	41,648	-	1,770	1,770	5	5
Aikchol Hospital Public Co., Ltd.	Hospital	150	0.20	350	350	189	165
Bangkok Chain Hospital Public Co., Ltd.	Hospital	2,494	1.50	-	-	-	2,625
				2,120	2,120	194	2,795
Surplus on changes in value of available-for-sale investments				4,964	8,775	-	-
				7,084	10,895	194	2,795
Investments in listed securities							
Investments in related companies							
Bangkok Airways Public Co., Ltd.	Airline	2,100	0.85	39,466	39,466	8,953	12,533
Surplus on changes in value of available-for-sale investments				266,720	366,991	-	-
				306,186	406,457	8,953	12,533



Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	(Unit: Thousand Baht)			
				Investment (cost)		Consolidated and separate financial statements	
				2017	2016	Dividend income during the years	
				2017	2016	2017	2016
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	800	160
X-Ray Computer Urupong Co., Ltd.	X-ray lab	100	4.09	4,520	4,520	613	613
Investments in unrelated companies				10,051	10,051	1,413	773
Total other long-term investments in the separate financial statements				323,321	427,403	10,560	16,101

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Consolidated and separate financial statements			
				Investment (cost)		Dividend income during the years	
				2017	2016	2017	2016
<u>Investment held by the subsidiaries</u>							
<u>Available-for-sale investments</u>							
				10,000	10,000	-	-
				1,487	1,356	-	-
				11,487	11,356	-	-
<u>Investment in listed securities</u>							
Mahachai Hospital Public Company Limited	Hospital	160	4.28	143,724	143,724	3,011	2,875
Kiatnakin Bank Public Company Limited	Bank	8,468	0.02	-	-	-	400
				143,724	143,724	3,011	3,275
				-	86,234	-	-
				143,724	229,958	3,011	3,275



Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	(Unit: Thousand Baht)			
				Investment (cost)		Consolidated and separate financial statements	
				2017	2016	Dividend income during the years	
				2017	2016	2017	2016
Investments in unrelated companies							
Thai Herbal Products Co., Ltd.	Sales of herbal products	80	0.60	290	290	17	-
Prasitthirat Co., Ltd.	Educational institution known as "Rangsit university"	150	33.33	107,192	107,192	2,000	2,000
Asia Laboratories Center Limited	Laboratory service	5	8.00	400	400	-	-
Kendall Gammatron Limited	Trading of medical supplies	120	5.10	8,000	8,000	-	-
Black Brain Health, LLC.	Manufacturer and distributor of dietary supplements	USD 1.38 million	8.31	17,975	17,975	-	-
Pracharat Raksamakkee Khonkaen (Enterprise for social) Co., Ltd.	Development of economic foundations	4	0.38	15	15	-	-
Korat Medical Group Co., Ltd.	Hospital	75	1.33	1,000	1,000	-	-
UB (Thailand) Co., Ltd.	Hospital system development consulting	0.88	11.00	879	879	-	-
U2 Bio (Thailand) Co., Ltd.	Laboratory service	1	10.00	1,000	1,000	-	-
				136,751	136,751	2,017	2,000
				(2,879)	(2,879)	-	-
				133,872	133,872	2,017	2,000
Less: Allowance for impairment of investment							
Investments in unrelated companies							

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	(Unit: Thousand Baht) Consolidated and separate financial statements			
				Investment (cost)		Dividend income during the years	
				2017	2016	2017	2016
Investments in ordinary shares (ceased operations)							
Phyathai Herbs Co., Ltd.	In process of liquidation	196	63.64	42,889	42,889	-	-
Less: Allowance for impairment of investment				(9,493)	(9,493)	-	-
Investments in ordinary shares (ceased operations) - net				33,396	33,396	-	-
Total other long-term investments - net in the consolidated financial statements				645,800	835,985	15,588	21,376



The Group recorded the decrease in fair value of available-for-sale investments in the consolidated financial statements of Baht 152 million (net of deferred tax liabilities of Baht 38 million) and decrease in the separate financial statements of Baht 83 million (net of deferred tax liabilities of Baht 21 million) and presented in the statements of comprehensive income under "Gain (loss, reversal of surplus) on change in value of available-for-sale investments".

Prasitthirat Company Limited

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

Bangkok Chain Hospital Public Co., Ltd.

In 2016, the Company sold investment totaling 37.5 million shares in Bangkok Chain Hospital Public Co., Ltd. at the amount of Baht 445.3 million. The Company had recognised gain from selling these investments amounting to Baht 205.5 million in its income statement for the year.



15. Investment properties

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
31 December 2015	284,768	530,238
Reclassification	(55,310)	(60,834)
Purchase	2,305	2,305
Transfer from land and premises	9,657	104,018
Gain on fair value adjustment	65,324	128,772
31 December 2016	306,744	704,499
Purchase	606	606
Transfer from land and premises	1,008	124
Loss on fair value adjustment	(581)	(29,870)
31 December 2017	307,777	675,359

The investment properties of the Group 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.

Key assumptions used in the valuation of building for rent are summarised below:

	Consolidated financial statements	Separate financial statements	Result to fair value where as an increase in assumption value
Vacancy rate (%)	100	100	Increase in fair value
Discount rate (%)	11.0-13.0	11.0-13.0	Decrease in fair value

16. Property, premises and equipment

(Unit: Thousand Baht)

Consolidated financial statements							
Assets which are stated at cost or reappraised value	Assets which are stated at cost						
	Land and land improvement	Building and building improvement	Medical tools, machine, helicopter and equipment	Structure equipment, furniture, fixture and office equipment	Vehicles	Building under construction and medical tools and equipment under installation	Total
Cost/reappraised value							
31 December 2015	19,156,899	36,146,989	19,107,242	10,684,650	855,665	2,663,459	88,614,904
Increase from revaluation	49,040	-	-	-	-	-	49,040
Purchases	1,151,574	974,289	1,878,432	1,049,149	93,791	2,608,516	7,755,751
Transfer in / (Transfer out)	15,111	1,772,711	306,377	401,041	7,929	(2,463,489)	39,680
Disposals/Written-off	-	(46,254)	(631,046)	(238,511)	(51,614)	(3,020)	(970,445)
Translation adjustments	(2,270)	(5,639)	(346)	(4,409)	(31)	(550)	(13,245)
31 December 2016	20,370,354	38,842,096	20,660,659	11,891,920	905,740	2,804,916	95,475,685
Increase from acquisition	723,946	138,054	19,521	5,451	2,909	4,000	893,881
Increase from revaluation	2,740,890	-	-	-	-	-	2,740,890
Purchases	10,362,855	545,072	1,900,358	857,793	92,027	2,849,816	16,607,921
Transfer in / (Transfer out)	(10,653)	904,515	429,368	272,905	7,674	(1,616,911)	(13,102)
Disposals/Written-off	(539)	(193,940)	(438,152)	(383,318)	(36,549)	(20,366)	(1,072,864)
Translation adjustments	(27,835)	(85,038)	(35,283)	(56,547)	(1,436)	(1,589)	(207,728)
31 December 2017	34,159,018	40,150,759	22,536,471	12,588,204	970,365	4,019,866	114,424,683
Accumulated depreciation							
31 December 2015	57,120	16,869,315	11,836,255	5,857,408	608,139	-	35,228,237
Depreciation for the year	10,082	1,692,170	1,817,292	975,763	77,362	-	4,572,669
Transfer in / (Transfer out)	8,868	(111,031)	47,551	54,092	1	-	(519)
Disposals/Written-off	-	(41,162)	(597,466)	(230,530)	(50,315)	-	(919,473)
Translation adjustments	-	(201)	55	(116)	(24)	-	(286)
31 December 2016	76,070	18,409,091	13,103,687	6,656,617	635,163	-	38,880,628
Depreciation for the year	11,169	1,770,868	2,002,229	1,044,166	75,355	-	4,903,787
Transfer in / (Transfer out)	(15,074)	13,589	(1,012)	(5,054)	(152)	-	(7,703)
Disposals/Written-off	(554)	(170,452)	(417,957)	(380,353)	(36,470)	-	(1,005,786)
Translation adjustment	(3)	(11,434)	(12,909)	(17,589)	(700)	-	(42,635)
31 December 2017	71,608	20,011,662	14,674,038	7,297,787	673,196	-	42,728,291



(Unit: Thousand Baht)

Consolidated 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, helicopter and equipment	Structure equipment, furniture, fixture and office equipment	Vehicles	Building under construction and medical tools and equipment under installation	
Allowance for impairment of fixed assets							
31 December 2015	5,588	118,210	12,811	1,373	1,471	-	139,453
Reversal of impairment loss	-	(2,700)	(2,740)	-	-	-	(5,440)
31 December 2016	5,588	115,510	10,071	1,373	1,471	-	134,013
Impairment loss (reversal)	(112)	3,008	-	-	-	-	2,896
31 December 2017	5,476	118,518	10,071	1,373	1,471	-	136,909
Net book value							
31 December 2016	20,288,696	20,317,495	7,546,901	5,233,930	269,106	2,804,916	56,461,044
31 December 2017	34,081,934	20,020,579	7,852,362	5,289,044	295,698	4,019,866	71,559,483

(Unit: Million Baht)

Depreciation for the years

	2017	2016
Part of cost of hospital operations and services	3,919	3,632
Part of administrative expenses	985	941
Total	4,904	4,573

(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 2015	2,878,301	5,803,005	3,672,371	1,476,210	217,184	290,447	14,337,518
Purchases	903,478	98,613	312,102	196,730	9,533	1,049,149	2,569,605
Transfer in / (Transfer out)	(46,186)	137,685	80,056	33,869	220	(250,082)	(44,438)
Disposals/Written-off	-	(2,984)	(134,974)	(13,057)	(17,958)	-	(168,973)
31 December 2016	3,735,593	6,036,319	3,929,555	1,693,752	208,979	1,089,514	16,693,712
Increase from revaluation	1,743,310	-	-	-	-	-	1,743,310
Purchases	2,017	94,989	298,656	114,452	5,963	880,743	1,396,820
Transfer in / (Transfer out)	-	15,474	42,250	24,728	-	(82,432)	20
Disposals/Written-off	-	(120)	(51,725)	(17,701)	(7,699)	(1,003)	(78,248)
31 December 2017	5,480,920	6,146,662	4,218,736	1,815,231	207,243	1,886,822	19,755,614
Accumulated depreciation							
31 December 2015	586	2,798,267	2,416,597	606,148	145,305	-	5,966,903
Depreciation for the year	310	294,767	347,127	181,208	20,101	-	843,513
Transfer in / (Transfer out)	-	(1,262)	(415)	68	-	-	(1,609)
Disposals/Written-off	-	(1,817)	(130,733)	(11,430)	(17,957)	-	(161,937)
31 December 2016	896	3,089,955	2,632,576	775,994	147,449	-	6,646,870
Depreciation for the year	362	279,475	369,584	192,210	16,722	-	858,353
Transfer in / (Transfer out)	-	(467)	(12)	463	-	-	(16)
Disposals/Written-off	-	(120)	(49,239)	(17,589)	(7,698)	-	(74,646)
31 December 2017	1,258	3,368,843	2,952,909	951,078	156,473	-	7,430,561
Allowance for impairment of fixed assets							
31 December 2015	719	2,700	-	-	-	-	3,419
Reversal of impairment loss	-	(2,700)	-	-	-	-	(2,700)
31 December 2016	719	-	-	-	-	-	719
Impairment loss	4,757	3,008	-	-	-	-	7,765
31 December 2017	5,476	3,008	-	-	-	-	8,484
Net book value							
31 December 2016	3,733,978	2,946,364	1,296,979	917,758	61,530	1,089,514	10,046,123
31 December 2017	5,474,186	2,774,811	1,265,827	864,153	50,770	1,886,822	12,316,569

(Unit: Million Baht)

Depreciation for the years	2017	2016
Part of cost of hospital operations and services	703	689
Part of administrative expenses	155	155
Total	858	844



In 2017, the Company and eight subsidiaries engaged an independent appraiser to appraise all of their land using the market approach. The Company and the subsidiaries have recorded the fair values of the revalued land in consolidated financial statements totaling amount of Baht 8,173.8 million which increased from the book values of Baht 2,192.7 million (net of deferred tax liabilities of Baht 548.2 million) and the fair value of the revalued land in separate financial statements amount of Baht 4,890.5 million which increased of Baht 1,394.6 million (net of deferred tax liabilities of Baht 348.7 million). The Company and the subsidiaries recorded the increase amount as “Revaluation surplus on land” in the other components of shareholders' equity.

In 2016, a subsidiary has recorded appraisal result which engaged an independent appraiser to appraise all of its land using the market approach. The fair values of the revalued land in consolidated financial statements amount of Baht 285.6 million which increased from the book values of Baht 39.2 million (net of deferred tax liabilities of Baht 9.8 million). The subsidiary recorded the increase amount as “Revaluation surplus on land” in the other components of shareholders' equity.

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

If the Group recorded land at cost, net book value as at 31 December 2017 and 2016 would have been as follows:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Net book value (at cost):		
As of 31 December 2017	23,174,443	3,068,527
As of 31 December 2016	12,111,467	3,068,459

As at 31 December 2017, the Group has medical tools, equipment and vehicles under finance lease agreements with net book values amounting to Baht 56.6 million and Baht 6.6 million in the separate financial statements (2016: Baht 74.2 million and Baht 14.9 million in the separate financial statements).

As at 31 December 2017, the Group has 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 16,707.8 million and Baht 3,359.9 million in the separate financial statement (2016: Baht 14,440.8 million and Baht 3,007.7 million in the separate financial statements).

16.1 Deposits in land and premises

On 28 September 2016, a meeting of the Board of Directors of the Company approved the Company and / or its subsidiaries entering into an agreement to buy land and premises at Park Nai Lert totaling to Baht 10,800 million. The Company paid a security deposit amounting to Baht 1,080 million on 28 September 2016. On 20 February 2017, BDMS Wellness Clinic Co., Ltd., a wholly-owned subsidiary of the Company, accepted the transfer of ownership in the land and buildings from the sellers. For payment of the remaining purchase price in the aggregate amount of Baht 9,720 million, the sellers agreed for the Company to pay on the date of the ownership transfer acceptance in the amount of Baht 2,000 million, and the amount of Baht 7,720 million, the Company paid the sellers on 27 May 2017.

17. Goodwill

Movement in goodwill during the years ended 31 December 2017 and 2016 was summarised below.

	(Unit: Million Baht)	
	<u>Consolidated financial statements</u>	
	<u>2017</u>	<u>2016</u>
Balance as at beginning of years	16,932	16,932
Increase from acquisition	607	-
Balance as at end of years	<u>17,539</u>	<u>16,932</u>

The Group determined the recoverable amounts of the cash generating units (CGUs) based on value in use, using cash flow projections covering a 10-year period as hospital business requires approximately at least 5-year period for business expansion to benefit from synergy. These cash flow projections were prepared with reference to financial budgets approved by the management.

Key assumptions used in the value-in-use calculations are as follows:

	(Unit: Percent per annum)
Growth rate	5.0 - 25.2
Pre-tax discount rate	7.32

The management determined the growth rate based on historical operating results, the expected market growth rate, the rate of gross domestic product growth and the discount rate which is a pre-tax rate that reflects the specific risk of the particular business unit.

The management has considered that goodwill is not impaired.



18. Intangible assets

Intangible assets, as at 31 December 2017 and 2016, which are computer software and commercial rights, are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Cost		
As at 31 December 2015	2,096,863	610,746
Purchases	389,696	175,139
Transfer out	(16,272)	(248)
Disposals/written-off	(1,006)	(127)
Translation adjustment	(34,949)	-
As at 31 December 2016	2,434,332	785,510
Acquisitions	904	-
Purchases	292,260	120,369
Transfer out	(2,856)	(144)
Disposals/written-off	(23,281)	(5,300)
Translation adjustment	574	-
As at 31 December 2017	2,701,933	900,435
Accumulated amortisation		
As at 31 December 2015	1,060,135	225,603
Amortisation for the years	194,608	77,697
Transfer in/(Transfer out)	(7,904)	90
Disposals/written-off	(816)	(51)
Translation adjustment	7	-
As at 31 December 2016	1,246,030	303,339
Amortisation for the years	227,109	93,349
Transfer in	7,546	17
Disposals/written-off	(15,965)	-
Translation adjustment	(155)	-
As at 31 December 2017	1,464,565	396,705
Net book value		
As at 31 December 2016	1,188,302	482,171
As at 31 December 2017	1,237,368	503,730

19. Leasehold rights

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cost	1,000,141	997,865	449,051	449,051
Less: Accumulated amortisation	(335,426)	(300,150)	(114,795)	(98,883)
Book value - net	<u>664,715</u>	<u>697,715</u>	<u>334,256</u>	<u>350,168</u>
Amortisation for the years	<u>36,763</u>	<u>36,774</u>	<u>15,912</u>	<u>16,424</u>

A reconciliation of the net book value of leasehold rights for the years 2017 and 2016 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Net book value at beginning of years	697,715	670,177	350,168	362,422
Purchases	8,026	82,134	-	4,170
Less: amortisation	(36,763)	(36,774)	(15,912)	(16,424)
Translation adjustment	(4,263)	(17,822)	-	-
Net book value at ending of years	<u>664,715</u>	<u>697,715</u>	<u>334,256</u>	<u>350,168</u>

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

As at 31 December 2016, the Company had outstanding balance of short-term loans from financial institutions of Baht 1,500 million (2017: nil). The loans carry interest at fixed rate per annum as stipulated in the agreement. The principal and interest is repayable on maturity according to a condition as stipulated in the agreement.

As at 31 December 2017, the Group has overdraft facilities with banks in consolidated financial statements totaling of Baht 2,500 million and USD 2 million (2016: Baht 1,030 million and USD 2 million) and in separate financial statements of Baht 2,350 million (2016: Baht 860 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		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Trade payables - related parties	18,976	31,377	161,674	138,483
Trade payables - unrelated parties	3,286,789	3,091,909	403,445	408,940
Other payables - related parties	9,114	13,319	62,894	78,676
Other payables - unrelated parties	975,629	901,406	175,189	136,885
Accounts payable - construction and retention	459,162	361,920	176,355	86,215
Total trade and other payables	<u>4,749,670</u>	<u>4,399,931</u>	<u>979,557</u>	<u>849,199</u>

22. Liabilities for discontinued lifelong medical care program and contingent liabilities from litigation

At the meetings held on 19 January 2017 and 1 February 2017, the Board of Directors of the Company and its subsidiary passed resolutions to discontinue the lifelong membership programs to be effective on 20 January 2017 and 2 February 2017, respectively, due to legal reasons. These discontinued programs are the membership programs providing lifelong medical services with small amount of charges to their members who prepaid the membership fees for life. The reason for discontinuance is that these kinds of membership programs are defined as an insurance business under the law where the Company and its subsidiary are required to obtain permission of the relevant authorities. Hence, it is illegal if the Company and its subsidiary would continue providing medical services under these membership programs as they do not have permission from the relevant authorities to operate insurance business. Therefore, the contracts are prohibited by law and thus void. The Company and its subsidiary therefore discontinued the programs and offered members a refund of membership fees together with compensation. They also offered members benefit in the form of 50% discount on medical care for life. The adjustments to the financial statements for the year 2016 have been made based on the total amounts payable to the members and the compensation expected to be paid to the members in 2017 due to the discontinuation of the program by considering that they were past events that caused the present commitment and they were subsequent events that should be adjusted as complied with Thai Accounting Standard No. 10 Events after reporting period. As at 31 December 2016, the liabilities for discontinued lifelong medical care program in consolidated and separate financial statements were Baht 964 million and Baht 820 million, respectively.

In 2017, some members (182 of 334 members in the consolidated financial statements and 151 of 282 members in the separate financial statements) have accepted the offers but other members have not accepted the offers just yet. As at 31 December 2017, the liabilities from discontinuation of the lifelong membership for medical care program, based on the total amounts payable to the former members and the compensation expected to be paid to the former members who have not accepted the offers in the consolidated and separate financial statements amounting to approximately Baht 440 million and Baht 380 million, respectively.

As a result of discontinued the lifelong membership programs, in 2017, some former members of the program filed complaints against the Company and its subsidiary with the courts and requesting that the Company and its subsidiary continue the program while some of the other former members made claims for indemnity.

Between June and December 2017, the court issued orders for a temporary injunction to some of the former members who have filed complaints against the Company. The essence of the temporary injunction was for the Company to provide medical services to the former members at a normal rate and without any discount and also to allow the other former members to utilize their rights of the programs until the court rules or orders otherwise. Furthermore, the court has ordered for the former members who are under the temporary injunction to enter a contract with the court that they agreed to be held liable for the aforementioned bills to the Company, should the court issue a final judgment that the Company is entitled to cease such program. The Company keeps record of the debt owed to the Company for medical services rendered and shall not collect for such medical bills unless the court rules or orders otherwise.

In December 2017, January 2018 and February 2018, the Civil Court ruled on some of the cases between the former members and the Company that the Company is to continue complying with the terms of the programs. In February 2018, the Civil Court then ruled on some of the other cases between the former members and the Company that, the Company is to continue complying with the terms of the programs and also for the Company to make indemnity payment should the Company could not comply with the terms of the programs. Some of the other cases are still under the consideration of the Civil Court. Nonetheless, the legal advisor of the Company opined that due to all known facts and the provisions of the law, the programs in dispute are deemed contracts of insurance, rendering the cessation of such programs a lawful process. The legal advisor further viewed that the appeal has a good chance of winning the case. Therefore, the management of the Company, under the advisory of the Company's legal advisor, proceeded to utilize its legal right to file an appeal against the ruling of the Civil Court for some of the cases on 20 February 2018, for the Court of Appeal's consideration and ruling which shall serve as precedent of future legal processes. Since such cases are currently under the consideration of the Court of Appeal, the Company could not yet assess on the impacts of the ruling which is not yet definite nor final. The Company keeps record of the debt owed to the Company for medical services rendered and shall not collect for such medical bills unless the court rules.

23. Long-term loans from financial institutions

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2016	7,705,429	7,692,673
Increase	7,400,000	7,400,000
Less: Repayment during the year	(4,248,792)	(4,236,710)
Unrealised gain on foreign exchange	(57,324)	(57,324)
Translation adjustment	(674)	-
Balance as at 31 December 2017	10,798,639	10,798,639
Less: Current portion of long-term loans from financial institutions	(1,463,307)	(1,463,307)
Long-term loans from financial institutions	<u>9,335,332</u>	<u>9,335,332</u>



The outstanding balances of long-term loans from financial institutions of the Group as at 31 December 2017 and 2016 as follows:

The Company

Period of loan agreements		Credit facilities	Principal repayment	Interest rate per annum (%)	Outstanding balance (in million USD.)		Outstanding balance (in million Baht)	
Start	End				2017	2016	2017	2016
Feb. 2008	Feb. 2018	Baht 3,438 million	Monthly	Floating rate + Spread	-	-	57.3	401.1
Nov. 2011	Jun. 2019	Baht 3,000 million	Quarterly	Floating rate + Spread	-	-	719.0	1,119.0
Jan. 2012	Jul. 2020	Baht 586 million	Monthly	Floating rate + Spread	-	-	188.5	304.4
Jun. 2012	Dec. 2019	Baht 1,766 million	Quarterly	Floating rate + Spread	-	-	539.2	808.8
Jul. 2012	Jul. 2017	Baht 2,500 million	Bullet	Fixed rate	-	-	-	2,500.0
Feb. 2014	Jul. 2021	USD 20 million	Semi-annually	Fixed rate	17.3	19.3	569.3	696.0
Apr. 2014	Jun. 2019	Baht 1,000 million	Monthly	Floating rate + Spread	-	-	333.3	583.3
May. 2013	May. 2021	Baht 2,000 million	Semi-annually	Floating rate + Spread	-	-	992.0	1,280.0
Apr. 2017	Apr. 2024	Baht 1,000 million	Bullet	Fixed rate	-	-	1,000.0	-
Sep. 2017	Sep. 2019	Baht 2,000 million	Bullet	Floating rate + Spread	-	-	1,000.0	-
Sep. 2017	Sep. 2019	Baht 2,000 million	Bullet	Fixed rate	-	-	1,000.0	-
Sep. 2017	Sep. 2021	Baht 3,000 million	Bullet	Floating rate + Spread	-	-	2,400.0	-
Sep. 2017	Sep. 2021	Baht 3,000 million	Bullet	Floating rate + Spread	-	-	2,000.0	-
Total long-term loans from financial institutions in separate financial statements					17.3	19.3	10,798.6	7,692.6

The Subsidiary

Period of loan agreements		Credit facilities	Principal and interest repayment	Interest rate per annum (%)	Amount (in million USD.)		Amount (in million Baht)	
Start	End				2017	2016	2017	2016
2007-2008	Apr. 2017	USD 4 million	Quarterly	Floating rate + Spread	-	0.4	-	12.8
Total long-term loans from financial institutions in consolidated financial statements					17.3	19.7	10,798.6	7,705.4

The Group's loan agreements contain certain covenants which the Group must comply such as financial ratios.

24. Liabilities under finance lease agreements

As at 31 December 2017 and 2016, liabilities under finance lease agreements are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Liabilities under finance lease agreements	40,245	63,055	4,908	14,795
Less: Deferred interest expense	(1,713)	(1,537)	(27)	(182)
Total	38,532	61,518	4,881	14,613
Less: Current portion of liabilities under finance lease agreements	(22,039)	(43,861)	(4,744)	(11,214)
Liabilities under finance lease agreements - net	16,493	17,657	137	3,399

As at 31 December 2017 and 2016, the Group has future minimum lease payments which required under the finance lease agreements as follows:

	(Unit: Thousand Baht)		
	As at 31 December 2017		
	Consolidated financial statements		
	Less than 1		
	year	1-5 years	Total
Future minimum finance lease payments	22,969	17,276	40,245
Deferred interest expense	(930)	(783)	(1,713)
Present value of future minimum finance lease payments	22,039	16,493	38,532

	(Unit: Thousand Baht)		
	As at 31 December 2016		
	Consolidated financial statements		
	Less than		
	1 year	1-5 years	Total
Future minimum finance lease payments	44,907	18,148	63,055
Deferred interest expense	(1,046)	(491)	(1,537)
Present value of future minimum finance lease payments	43,861	17,657	61,518



(Unit: Thousand Baht)

As at 31 December 2017

	Separate financial statements		
	Less than		
	1 year	1-5 years	Total
Future minimum finance lease payments	4,769	139	4,908
Deferred interest expense	(25)	(2)	(27)
Present value of future minimum finance lease payments	<u>4,744</u>	<u>137</u>	<u>4,881</u>

(Unit: Thousand Baht)

As at 31 December 2016

	Separate financial statements		
	Less than		
	1 year	1-5 years	Total
Future minimum finance lease payments	11,231	3,564	14,795
Deferred interest expense	(17)	(165)	(182)
Present value of future minimum finance lease payments	<u>11,214</u>	<u>3,399</u>	<u>14,613</u>

The Group has 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.

25. Debentures

Movements of debentures net from debenture expenses and amortisation of expenses during the years ended 31 December 2017 and 2016 are summarised below.

(Unit: Thousand Baht)

	Consolidated /Separate financial statements	
	<u>2017</u>	<u>2016</u>
Balance as at beginning of years	12,588,900	10,590,977
Debentures issued during the years	7,000,000	3,000,000
Redemption of debentures during the years	-	(1,000,000)
Debenture expenses	(7,549)	(3,682)
Amortisation of debenture expenses	3,252	1,605
Balance as at ending of years	19,584,603	12,588,900
Less: Current portions	-	-
Debentures	<u>19,584,603</u>	<u>12,588,900</u>

The outstanding balances of Debentures of the Company as at 31 December 2017 and 2016 as follows:

No.	Debentures period		Number of unit	Amount (million baht)	Coupon rate	Outstanding balance (million baht)	
	Issue Date	Maturity Date				2017	2016
BDMS228A	6 Aug. 2012	6 Aug. 2022	500,000	500.0	4.50%	500.0	500.0
BDMS228B	8 Aug. 2012	8 Aug. 2022	100,000	100.0	4.50%	100.0	100.0
BDMS233A	14 Mar. 2013	14 Mar. 2023	4,000,000	4,000.0	4.63%	4,000.0	4,000.0
BDMS205A	10 May 2013	10 May 2020	2,000,000	2,000.0	4.19%	2,000.0	2,000.0
BDMS235A	10 May 2013	10 May 2023	1,000,000	1,000.0	4.39%	1,000.0	1,000.0
BDMS256A*	25 Jun. 2015	25 Jun. 2025	2,000,000	2,000.0	3.95%	2,000.0	2,000.0
BDMS266A	24 Jun. 2016	24 Jun. 2026	3,000,000	3,000.0	2.99%	3,000.0	3,000.0
BDMS202A	8 Feb. 2017	8 Feb. 2020	3,000,000	3,000.0	2.41%	3,000.0	-
BDMS222A	8 Feb. 2017	8 Feb. 2022	2,500,000	2,500.0	2.97%	2,500.0	-
BDMS242A	8 Feb. 2017	8 Feb. 2024	1,500,000	1,500.0	3.46%	1,500.0	-

*The Company has entered into the Interest Rate Swap contract with a financial institution for BDMS256A by converting the fixed coupon rate per annum to the floating interest rate plus spread per annum.

The fair value of such debentures as at December 31, 2017, is between Baht 988.30 per unit to Baht 1,107.57 per unit.

Debenture agreement contains certain covenants which the Company must comply with such as financial ratios, payment of dividend, assets dispositions, etc.

26. 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.

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.

On 18 September 2017, the convertible debentures holders had redeemed totalling of Baht 1,560 million at principal amount of the convertible debentures. The Company has made the payment at the Early Redemption Price totally Baht 1,656 million (106.152 percent of the principal Baht 1,560 million).

Movements of convertible debentures net from convertible debenture expenses during the year ended 31 December 2017 are summarised below.

(Unit: Thousand Baht)

	Consolidated/ Separate financial statements			
	Convertible debenture - liability component	Convertible debenture expenses	Total	Convertible debenture - equity component
Balance as at 1 January 2017	9,960,993	(87,426)	9,873,567	585,527
Redemption of convertible debenture	(1,655,971)	10,196	(1,645,775)	(91,342)
Transactions for present value of convertible debentures	516,617	-	516,617	-
Amortisation of debenture expenses	-	29,861	29,861	-
Balance as at 31 December 2017	8,821,639	(47,369)	8,774,270	494,185

The fair value of convertible debentures as of 31 December 2017, is equal to 107.4 percent per unit.



27. Non-current provision for employee benefits

Non-current provision for employee benefits, which is compensations on employees' retirement and medical care after post-employment, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Retirement benefits		Medical care after post-employment		Total	
	2017	2016	2017	2016	2017	2016
Defined benefit obligation at beginning of years	1,672,248	1,529,573	573,791	723,993	2,246,039	2,253,566
Increase from acquisitions	27,490	-	-	-	27,490	-
Current service cost	142,474	140,688	4,988	4,714	147,462	145,402
Interest cost	38,466	42,535	7,447	9,032	45,913	51,567
Adjust from condition changing of defined benefit plan	-	-	(50,437)	-	(50,437)	-
Benefits paid during the years	(57,576)	(40,548)	(350,614)	(163,948)	(408,190)	(204,496)
Defined benefit obligation at end of years	1,823,102	1,672,248	185,175	573,791	2,008,277	2,246,039
Less: Current provision for employee benefits	-	-	(2,442)	(317,891)	(2,442)	(317,891)
Non-current provision for employee benefits	1,823,102	1,672,248	182,733	255,900	2,005,835	1,928,148

(Unit: Thousand Baht)

	Separate financial statements					
	Retirement benefits		Medical care after post-employment		Total	
	2017	2016	2017	2016	2017	2016
Defined benefit obligation at beginning of years	376,929	348,779	495,592	645,794	872,521	994,573
Current service cost	28,384	27,281	4,988	4,714	33,372	31,995
Interest cost	674	7,719	7,447	9,032	8,121	16,751
Adjust from condition changing of defined benefit plan	-	-	(50,437)	-	(50,437)	-
Benefits paid during the years	(16,860)	(6,850)	(272,415)	(163,948)	(289,275)	(170,798)
Defined benefit obligation at end of years	389,127	376,929	185,175	495,592	574,302	872,521
Less: Current provision for employee benefits	-	-	(2,442)	(239,691)	(2,442)	(239,691)
Non-current provision for long-term employee benefits	389,127	376,929	182,733	255,901	571,860	632,830

Long-term employee benefit expenses included in income statement were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current service cost	147,462	145,402	33,372	31,995
Interest cost	45,913	51,567	8,121	16,751
Total expense recognised in income statement	193,375	196,969	41,493	48,746
Line items under which such expenses are included in income statement				
Cost of hospital operations, sales and services	109,596	104,711	17,978	24,490
Administrative expenses	83,779	92,258	23,515	24,256

Expected maturity analysis of undiscounted defined benefit obligations as at 31 December 2017:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	Less than a year	Between 2-5 years	Over 5 years	Total
Defined benefit obligations	69,064	398,629	8,517,910	8,985,603

	(Unit: Thousand Baht)			
	Separate financial statements			
	Less than a year	Between 2-5 years	Over 5 years	Total
Defined benefit obligations	27,425	97,543	1,611,540	1,736,508

Significant actuarial assumptions were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	(% per annum)		(% per annum)	
Discount rate	3.0 - 3.2, 3.8	3.1 - 3.2, 3.8	3.1, 3.8	3.1, 3.8
Future salary increase rate (depending on age of employee)	5.0	5.0	5.0	5.0
Turnover rate	0.0 - 20.0	0.0 - 20.0	0.0 - 14.0	0.0 - 14.0



The result of sensitivity analysis for significant assumptions that affect the present value of the non-current employee benefit obligation as at 31 December 2017 and 2016 are summarised below:

		(Unit: Million Baht)			
		As at 31 December 2017			
		Consolidated financial statements		Separate financial statements	
		Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate		(194.9)	238.2	(53.3)	69.4
Salary increase rate		257.4	(219.0)	45.0	(38.4)
		Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Turnover rate		(198.0)	241.1	(44.3)	53.3

		(Unit: Million Baht)			
		As at 31 December 2016			
		Consolidated financial statements		Separate financial statements	
		Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate		(179.5)	219.9	(48.9)	64.1
Salary increase rate		212.1	(181.6)	34.5	(29.7)
		Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Turnover rate		(158.7)	191.2	(34.6)	41.2

28. Share capital

On 12 April 2017, the 2017 Annual General Meeting of the Company's shareholders has approved the following resolutions;

1. Approved the reduction of the Company's registered capital in the amount of Baht 46,472,869.60 from the current registered capital of Baht 1,649,786,871.40 to the new registered capital of Baht 1,603,314,001.80 by cancelling its 464,728,696 unissued ordinary shares at par value of Baht 0.10 per share.
2. Approved the increase of the Company's registered capital under the General Mandate in the amount of Baht 154,909,565.40 from the current registered capital of Baht 1,603,314,001.80 to the new registered capital of Baht 1,758,223,567.20, by issuing 1,549,095,654 new ordinary shares at par value of Baht 0.10 per share.
3. Approved the allocation of newly issued ordinary shares under the General Mandate in the amount of not exceeding 1,549,095,654 shares at par value of Baht 0.10 per share.

The registration of the reduction and the increase of the Company's registered capital was completed in April 2017. As a result, the number of the Company's ordinary shares increased to 17,582,235,672 shares, at par value of Baht 0.10 per share, and the Company has registered capital of Baht 1,758,223,567.20.

29. Dividend

2016 Dividend payment

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht)
Final dividends for 2015	Annual General Meeting of the shareholders on 21 April 2016	4,027	0.26
Interim dividends for 2016	Board of Directors' meeting on 31 August 2016	1,548	0.10
Total dividend during the year ended 31 December 2016		<u>5,575</u>	<u>0.36</u>

The Company paid such final dividends and interim dividends in May 2016 and in September 2016, respectively.



2017 Dividend payment

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2016	Annual General Meeting of the shareholders on 12 April 2017	2,942	0.19
Interim dividends for 2017	Board of Directors' meeting on 30 August 2017	2,013	0.13
Total dividend during the year ended 31 December 2017		4,955	0.32

The Company paid such final dividends and interim dividends in April 2017 and in September 2017, respectively.

30. 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. In the second quarter of 2017, the Company has set aside statutory reserve of Baht 5.82 million.

31. Expenses by nature

Significant expenses by nature for the years ended 31 December 2017 and 2016 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Employee expenses	17,319.2	16,342.9	3,220.8	3,251.5
Doctor fee	15,634.5	14,675.0	2,842.9	2,809.8
Cost of drugs and supplies	9,509.6	9,200.4	1,778.8	1,839.5
Depreciation and amortisation	5,167.7	4,803.8	967.6	937.6
Advertising and public relation expenses	799.9	745.7	318.3	294.1
Rental expense	875.4	847.2	117.3	121.2

32. Income tax

Income tax of the Group are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December		For the years ended 31 December	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Corporate income tax for the years	2,512,704	2,007,632	843,397	306,892
Adjustments in respect of corporate income tax of previous years	20,576	4,669	13,653	6,213
Deferred tax:				
Relating to origination and reversal of temporary differences	30,260	(90,000)	86,870	45,639
Income tax expense reported in the income statements	<u>2,563,540</u>	<u>1,922,301</u>	<u>943,920</u>	<u>358,744</u>

The amounts of income tax relating to each component of other comprehensive income (loss) are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December		For the years ended 31 December	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax relating to gain (loss) on change in value of available-for- sale investments	38,037	(8,328)	20,816	14,943
Deferred tax relating to gain on revaluation of land	(548,178)	(9,808)	(348,662)	-
Income tax revenue (expense) charged directly to other comprehensive income	<u>(510,141)</u>	<u>(18,136)</u>	<u>(327,846)</u>	<u>14,943</u>



Reconciliation between income tax and the product of accounting profit multiplied by the applicable tax rate is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December		For the years ended 31 December	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Accounting profit before tax	13,138,242	10,694,165	7,995,439	7,294,182
Corporate income tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	2,627,648	2,138,833	1,599,088	1,458,836
Adjustments in respect of corporate income tax expense of previous years	20,576	4,669	13,653	6,213
Effects of:				
Promotional privileges	(95,800)	(81,211)	(46,463)	(51,164)
Dividend income not subject to tax	(1,559)	(2,138)	(706,964)	(1,083,251)
Tax losses of the current year for which no deferred income tax asset was recognised	214,492	184,252	-	-
Utilisation of previously unrecognised tax losses	(7,613)	(1,145)	-	-
Share of income from investments in associates	(283,462)	(273,991)	-	-
Difference in gain on disposal an associate between equity and cost method	108,396	-	-	-
Non-deductible expenses and others	117,346	48,019	107,564	41,039
Additional expense deductions allowed	(136,484)	(94,987)	(22,958)	(12,929)
Total	<u>(84,684)</u>	<u>(221,201)</u>	<u>(668,821)</u>	<u>(1,106,305)</u>
Income tax reported in the income statements	<u>2,563,540</u>	<u>1,922,301</u>	<u>943,920</u>	<u>358,744</u>
Effective income tax rates	<u>19.51%</u>	<u>17.98%</u>	<u>11.81%</u>	<u>4.92%</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
31 December	31 December	31 December	31 December	
	2017	2016	2017	2016
Deferred tax assets				
Allowance for doubtful accounts	98,340	76,298	37,628	30,803
Allowance to reduce cost to net realisable value	4,193	1,271	95	122
Allowance for asset impairment	33,450	3,153	30,896	30,897
Allowance for impairment for premises and equipment	5,015	4,351	1,553	-
Accrued expenses and other provisions	329,832	435,204	161,591	250,513
Provision for long-term employee benefits	401,655	384,871	114,861	125,807
Others	1,126	3,658	-	-
Total	873,611	908,806	346,624	438,142
Deferred tax liabilities				
Accumulated depreciation - premises and equipment	271,444	241,847	67,461	58,991
Amortisation of expense for debentures, convertible debentures	12,553	19,705	12,561	19,705
Gain on fair value adjustment of investment properties	19,177	19,381	77,047	83,021
Gain on change in value of available-for-sale investments	54,634	92,671	54,337	75,153
Revaluation surplus on land and premises	3,294,906	2,646,960	520,986	172,324
Total	3,652,714	3,020,564	732,392	409,194
Deferred tax assets (liabilities) - net	(2,779,103)	(2,111,758)	(385,768)	28,948

Deferred tax assets and liabilities in statement of financial position were as follows:

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Deferred tax assets	68,014	75,107	-	28,948
Deferred tax liabilities	(2,847,117)	(2,186,865)	(385,768)	-
Deferred tax assets (liabilities) - net	(2,779,103)	(2,111,758)	(385,768)	28,948



As at 31 December 2017, the subsidiaries have unused tax losses totaling Baht 3,150.5 million (2016: Baht 2,152.8 million), on which deferred tax assets have not been recognised as there are uncertain political and economic future which affect the utilisation of unused tax losses.

Details of expiry date of unused tax losses of subsidiaries are summarised as below:

	(Unit: Million Baht)	
	<u>2017</u>	<u>2016</u>
31 December 2017	-	74.8
31 December 2018	197.7	197.7
31 December 2019	443.8	443.8
31 December 2020	515.2	515.2
31 December 2021	921.3	921.3
31 December 2022	1,072.5	-
	3,150.5	2,152.8

33. 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.

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit for the years (Baht)	10,215,739,620	8,386,477,660	7,051,518,695	6,935,437,788
Number of ordinary shares (shares)	15,490,956,540	15,490,956,540	15,490,956,540	15,490,956,540
Earnings per share (Baht/share)	0.66	0.54	0.46	0.45

Diluted earnings per share

No disclosure of diluted earnings per share is required for years of 2017 and 2016 after the issue of convertible debentures (as described in Note 26) since the calculated earnings per share assuming the conversion of all convertible debentures to ordinary shares is antidilutive.

34. Commitments and contingent liabilities

As at 31 December 2017 and 2016, commitments and contingent liabilities are as follows:

(Unit: Million Baht)

	As at 31 December 2017					
	Consolidated			Separate		
	financial statements			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	255	434	794	22	57	91
- the office equipment rental and other services	469	273	10	290	-	-
- the medical equipment provision and maintenance contracts	177	106	-	122	-	-
- the building construction and decoration contracts	1,591	1	-	714	-	-
Total	2,492	814	804	1,148	57	91

(Unit: Million Baht)

	As at 31 December 2016					
	Consolidated			Separate		
	financial statements			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	234	373	848	24	44	101
- the office equipment rental and other services	322	91	-	194	1	-
- the medical equipment provision and maintenance contracts	248	122	-	112	-	-
- the building construction and decoration contracts	1,498	-	-	777	-	-
Total	2,302	586	848	1,107	45	101

The Company

The Company has entered into 4-year rental agreements which ended on 27 September 2020 with a company to operate medical clinic. 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 Subsidiaries

A subsidiary has entered into a rental agreement with a company to operate medical clinic in a building for a period of 5 years enter 27 January 2019. The subsidiary has to pay fee at the rate stipulated in the agreement, of monthly gross operating revenue before deducted any expenses or the minimum fee, as stipulated in agreement, whichever higher.

A subsidiary has entered into a rental agreement with a company to operate medical clinic in a building for a period of 5 years ended of 15 March 2022. The subsidiary has to pay fee at the rate stipulated in the agreement, of monthly gross operating revenue before deducted any expense or the minimum fee, as stipulated in agreement, whichever higher.

Contingent liabilities

As at 31 December 2017, the Group had outstanding bank guarantees of approximately Baht 388 million (2016: Baht 336 million) and the Company's was Baht 39 million (2016: Baht 35 million) issued by the bank on behalf of the Group 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 Group has 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, distribution and providing service for health and cosmetic goods, 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 Group 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 2017 and 2016, the Group has no major customer with revenue of 10 percent or more of its revenues.



36. Promotional privileges

The Company and some subsidiaries in the Group have been granted promotional privileges under The Investment Promotion Act B.E. 2520 for operation as follows:

Company	Types of promoted operation	Corporate income tax exemption period	Promotional privileges period (commencement and expiration year)
Bangkok Dusit Medical Services Public Company Limited	Hospital business Type 7.7	8 years	2010 - 2018
A.N.B. Laboratories Co., Ltd.	Production of large-volume of sterile solution (saline solution)	8 years	2017 - 2025
	Production of injectable contraceptives	5 years	2015 - 2020
	Production of small-volume of sterile solution, type 6.5	5 years	2015 - 2020
The Medicpharma Co., Ltd.	Production of modern medicines for human and animal use, type 6.5	8 years	2016 - 2024
Bangkok Helicopter Services Co., Ltd.	Air transport, type 7.3.4	5 years	2017 - 2022
National Healthcare Systems Co., Ltd.	Service of scientific laboratories, type 7.21	8 years	2015 - 2023
N Health Pathology Co., Ltd.	Service of scientific laboratories, type 7.14	8 years	No revenue that entitled to the promotional privileges.

The Company and the subsidiaries receive privileges as follows:

1. Exemption of import duty on machinery as approved by the board.
2. 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 periods as described in the above table.
3. In case of losses being incurred during the corporate income tax exemption period, the Group are allowed to utilise the loss as a deduction against net profits for a period of 5 years after exemption period.
4. Exemption from income tax on dividend paid from the profit of the promoted operation throughout the tax exemption period.
5. 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 (only The Medicpharma Co., Ltd. and A.N.B. Laboratories Co., Ltd.).

The Group must comply with the conditions stipulated in the investment promotional privileges.

Revenues of the Group for the years 2017 and 2016 can be separated between the promoted and non-promoted operation as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Promoted operation		Non-promoted operation		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenue from hospital operations	774,763	783,744	68,348,156	64,452,779	69,122,919	65,236,523
Revenue from sales of goods	1,487,601	672,448	1,321,980	1,994,531	2,809,581	2,666,979
Other income	38,017	-	3,748,954	1,222,712	3,786,971	1,222,712
Total revenues	2,300,381	1,456,192	73,419,090	67,670,022	75,719,471	69,126,214



(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operation		Non-promoted operation		Total	
	2017	2016	2017	2016	2017	2016
Revenue from hospital operations	734,836	741,957	12,712,008	12,588,188	13,446,844	13,330,145
Other income	-	-	8,477,074	7,166,130	8,477,074	7,166,130
Total revenues	734,836	741,957	21,189,082	19,754,318	21,923,918	20,496,275

37. Fair value hierarchy

As at 31 December 2017 and 2016, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	As at 31 December 2017			
	Consolidated Financial Statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Mutual funds	-	510	-	510
Available-for-sale investments				
Equity instruments	468	-	-	468
Investment properties	-	-	308	308
Land	-	33,861	-	33,861
Financial assets measured at fair value				
Investments in associates	41,913	-	-	41,913
Derivative				
Selling forward exchange contracts	-	0.1	-	0.1
Liabilities for which fair value are disclosed				
Derivative				
Interest rate swap	-	75	-	75
Debentures	-	20,562	-	20,562
Convertible debentures	9,064	-	-	9,064

(Unit: Million Baht)

As at 31 December 2016

Consolidated Financial Statements

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Mutual funds	-	505	-	505
Available-for-sale investments				
Equity instruments	659	-	-	659
Investment properties	-	-	307	307
Land	-	20,084	-	20,084
Financial assets measured at fair value				
Investments in associates	47,707	-	-	47,707
Derivative				
Selling forward exchange contracts	-	0.1	-	0.1
Liabilities for which fair value are disclosed				
Derivative				
Interest rate swap	-	13	-	13
Debentures	-	12,094	-	12,094
Convertible debentures	11,274	-	-	11,274



(Unit: Million Baht)

As at 31 December 2017

Separate Financial Statements

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Mutual funds	-	0.4	-	0.4
Available-for-sale investments				
Equity instruments	313	-	-	313
Investment properties	-	-	675	675
Land	-	5,469	-	5,469
Financial assets measured at fair value				
Investments in associates	41,913	-	-	41,913
Liabilities for which fair value are disclosed				
Derivatives				
Interest rate swap	-	75	-	75
Debentures	-	20,562	-	20,562
Convertible debentures	9,064	-	-	9,064

(Unit: Million Baht)

As at 31 December 2016

	Separate Financial Statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Mutual funds	-	0.4	-	0.4
Available-for-sale investments				
Equity instruments	417	-	-	417
Investment properties	-	-	704	704
Land	-	3,726	-	3,726
Financial assets measured at fair value				
Investments in associates	47,707	-	-	47,707
Liabilities for which fair value are disclosed				
Derivatives				
Interest rate swap	-	13	-	13
Debentures	-	12,094	-	12,094
Convertible debentures	11,274	-	-	11,274



38. Financial instruments

38.1 Financial risk management

The Group's 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 4.20 to financial statements. The Group has the financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade, loans and other receivables. The Group manages the risk by adopting appropriate credit control policies and procedures, therefore does not expect to incur material financial losses. The Group does 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 trade, loans and other receivables as stated in the statement of financial position.

Interest rate risk

The Group is 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 closed 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 25. 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. On 24 June 2016, the Company agreed with the financial institution to restructure interest rate. The interest rate swap contract was terminated on 30 June 2016.

On 17 June 2015, the Company entered into a 10-year interest rate swap contract with a financial institution by converting the interest rate of fixed rate per annum to floating rate based on 3-month BIBOR minus the fixed rate per annum on the debentures balance as described in Note 25.

The net fair value of interest rate swap contract at the statements of financial position date was:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Fair value of interest rate swap contract - asset	75.4	13.2	75.4	13.2

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 2017					
	Consolidated financial statements					
	Fixed interest rates					
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total
Financial Assets						
- Cash and cash equivalent	6	-	-	5,044	41	5,091
- Short-term investments	572	-	-	-	-	572
- Trade and other accounts receivable	-	-	-	-	6,940	6,940
- Restricted financial institution deposit	8	-	-	-	-	8
- Investments	-	-	-	-	16,453	16,453
	586	-	-	5,044	23,434	29,064
Financial liabilities						
- Bank overdrafts and short-term loans from financial institutions	-	-	-	72	-	72
- Trade and other payables	-	-	-	-	4,750	4,750
- Short-term loans	67	-	-	-	-	67
- Long-term loans	-	1,000	1,000	8,799	-	10,799
- Liabilities under finance lease agreements	22	16	-	-	-	38
- Debentures	-	13,091	6,493	-	-	19,584
- Convertible debentures	-	8,774	-	-	-	8,774
	89	22,881	7,493	8,871	4,750	44,084



(Unit: Million Baht)

As at 31 December 2016

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	6	-	-	4,182	29	4,217
- Short-term investments	548	-	-	-	-	548
- Trade and other accounts receivable	-	-	-	-	6,257	6,257
- Restricted financial institution deposit	44	-	-	2	-	46
- Investments	-	-	-	-	17,237	17,237
	<u>598</u>	<u>-</u>	<u>-</u>	<u>4,184</u>	<u>23,523</u>	<u>28,305</u>
Financial liabilities						
- Bank overdrafts and short-term loans from financial institution	-	-	-	1,579	-	1,579
- Trade and other payables	-	-	-	-	4,400	4,400
- Short-term loans	89	-	-	-	-	89
- Long-term loans	-	2,500	-	5,205	-	7,705
- Liabilities under finance lease agreements	44	18	-	-	-	62
- Debentures	-	2,599	9,990	-	-	12,589
- Convertible debentures	-	9,874	-	-	-	9,874
	<u>133</u>	<u>14,991</u>	<u>9,990</u>	<u>6,784</u>	<u>4,400</u>	<u>36,298</u>

(Unit: Million Baht)

As at 31 December 2017

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	-	-	-	2,614	5	2,619
- Trade and other receivables	-	-	-	-	1,438	1,438
- Short-term loans to subsidiaries	-	-	-	2,724	-	2,724
- Long-term loans to related parties	-	-	-	4,790	-	4,790
- Investments	-	-	-	-	60,707	60,707
	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,128</u>	<u>62,150</u>	<u>72,278</u>
Financial liabilities						
- Trade and other payables	-	-	-	-	980	980
- Short-term loans from subsidiaries	-	-	-	9,952	-	9,952
- Long-term loans	-	1,000	1,000	8,799	-	10,799
- Liabilities under finance lease agreements	5	-	-	-	-	5
- Debentures	-	13,091	6,493	-	-	19,584
- Convertible debentures	-	8,774	-	-	-	8,774
	<u>5</u>	<u>22,865</u>	<u>7,493</u>	<u>18,751</u>	<u>980</u>	<u>50,094</u>

(Unit: Million Baht)

As at 31 December 2016

Separate financial statements

	Fixed interest rates				Non- interest bearing	Total
	Within 1 year	1-5 years	Over 5 years	Floating interest rate		
Financial Assets						
- Cash and cash equivalent	-	-	-	2,756	7	2,763
- Trade and other receivables	-	-	-	-	1,039	1,039
- Short-term loans to related parties	-	-	-	2,143	-	2,143
- Long-term loans to related parties	-	-	-	5,130	-	5,130
- Investments	-	-	-	-	49,887	49,887
	-	-	-	10,029	50,933	60,962
Financial liabilities						
- Bank overdrafts and short-term loans from financial institution	-	-	-	1,500	-	1,500
- Trade and other payables	-	-	-	-	849	849
- Short-term loans from subsidiaries	-	-	-	8,343	-	8,343
- Long-term loans	-	2,500	-	5,193	-	7,693
- Liabilities under finance lease agreements	11	3	-	-	-	14
- Debentures	-	2,599	9,990	-	-	12,589
- Convertible debentures	-	9,874	-	-	-	9,874
	11	14,976	9,990	15,036	849	40,862

Foreign currency risk

The Group are exposed to foreign currency risk mainly in respect of purchase of medical tools and equipment, sales of goods and services transactions which are denominated in foreign currencies. A subsidiary 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 2017 and 2016, a subsidiary has the outstanding balance of selling forward exchange contracts as follows:

Balance as at	Foreign currency	Amount sold	Contractual exchange rate for amount sold
			(Baht per foreign currency unit)
31 December 2017	US Dollar	400,000	32.61 - 33.22
31 December 2016	US Dollar	358,595	35.12 - 35.93



Net fair value

Net fair value of forward exchange contracts at the statements of financial position date as follows:

Selling forward exchange contract

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Fair value of selling forward exchange contract (liabilities)	67.8	(147.0)	-	-

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.

38.2 Fair values of financial instruments

Since the majority of the Group 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.

39. Capital management

The primary objective of the Group 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 2017, the Group's debt-to-equity ratio was 0.86:1.0 (2016: 0.84:1.0) and the Company's debt-to-equity ratio was 1.62:1.0 (2016: 1.50:1.0).

40. Approval of financial statements

These financial statements have been authorised for issue by the Company's Board of Directors on 28 February 2018.

JURISTIC PERSONS IN WHICH THE COMPANY HOLDS 10% OF SHARES OR GREATER

As of 31 December 2017

Name	Date Registered	Location	Business	Shares issued and paid-up	% Held
1 Bangkok Health Insurance PCL	2 Jan 1981	2301/2 New Petchaburi Rd., Huaykwang, Bangkok	Health insurance	20,000,000 Par value Baht 10 / share	99.99%
2 Save Drug Center Co., Ltd. Held through BSD	26 Aug 1998	2301/2 New Petchaburi Rd., Bangkok	Pharmacy	44,000,000 Par value Baht 10 / share	100.00%
3 National Healthcare Systems Co., Ltd. (BDMS : 74.02% SVH : 21.04 and BNH : 4.93%)	25 Jul 2001	2301/2 New Petchaburi Rd., Bangkok	Central Lab	7,500,000 Par value Baht 10 / share	98.69%
4 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	93.65%
5 Paolo Medic CO.,LTD.	8 Oct 1986	670/1 Phaholyothin Rd., Samsennai, Phyathai, Bangkok	Private Hospital	60,000,000 Par value Baht 10 / share	100.00%
6 First Health Food Co., Ltd. (First Health) Held through SVH	23 Mar 2004	488 Srinakarin Road, Suanluang, Bangkok	Restaurant and health food	1,400,000 Par value Baht 10 / share	95.76%
7 General Hospital Products PCL. Held through RBH : 45.2% and Medi : 0.33%	22 Oct 1992	8 Gold market Bldg. 5 Fl., Thesaban Songkhro Rd., Lat Yao, Chatuchak, Bangkok	Manufacture of pharmaceuticals	12,000,000 Par value Baht 10 / share	45.49%
8 A.N.B. Laboratory Co., Ltd. Held through RBH	1 Jun 1961	39/1 Ram-Indra Road, Kannayao, Bangkok	Manufacture and distribution of medicine	49,900,000 Par value Baht 10 / share	100.00%
9 N Health Pathology Co., Ltd. Held through RBH	8 Dec 2014	2301/2 New Petchaburi Rd., Bangkok	Central Lab	3,000,000 Par value Baht 10 / share	95.00%
10 SV Holding Co., Ltd. Held through SVH	28 Aug 2013	488 Srinakarin Road, Suanluang, Bangkok	Investment company	800,000 Par value Baht 100 / share	95.76%
11 Irving Sheridan SE Co., Ltd., Held through SVH	14 Nov 2002	488 Srinakarin Road, Suanluang, Bangkok	Asset management	10,000 Par value Baht 10 / share	95.74%
12 Thepakorn Hospital Co., Ltd. (TPK) Held through BSN	14 Jun 1995	24 Soi 1 Thesa Road, Phrapathom Jedee, Nakorn Pathom	Private Hospital	3,000,000 Par value Baht 10 / share	44.53%
13 Bangkok Hospital Khao Yai Co., Ltd.	18 Jul 2007	2 Soi Soonwijai 7, New Petchaburi Rd., Bangkok	Private Hospital not in service	7,000,000 Par value Baht 10 / share	100.00%
14 Bangkok Hospital Ratchasima Co., Ltd.	24 Nov 1992	1308/9 Mitraparp Road, Nai Muang, Amphoe Muang, Nakornratchasima	Private Hospital	30,000,000 Par value Baht 10 / share	91.42%
15 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%
16 Bangkok Hospital Chaingmai Co., Ltd.	24 May 2012	88/8 M.6, Nong Pa Khrang, Muang, Chiang Mai	Private Hospital	150,000,000 Par value Baht 10 / share	100.00%
17 Bangkok Hospital Chainrai Co., Ltd.	4 Aug 2015	2 Soi Soonwijai 7, New Petchaburi Rd., Bangkok	Private Hospital not in service	60,000,000 Par value Baht 10 / share	100.00%
18 Bangkok Hospital Muangraj Co., Ltd.	27 Jul 2015	59/3 Phet Kasem Rd. Na Muang, Muang, Ratchaburi	Private Hospital	130,000,000 Par value Baht 10 / share	100.00%
19 Bangkok Hospital Khon Kaen Co., Ltd.	8 Feb 2013	888 M.16 Nai Muang, Muang, Khon Kaen	Private Hospital	150,000,000 Par value Baht 10 / share	100.00%
20 Bangkok Hospital Trat Co., Ltd.	25 Jan 1994	276 sukhumvit Road Amphoe Muang, Trad	Private Hospital	50,000,000 Par value Baht 5 / share	99.76%
21 Bangkok Hosital Prapradaeng Co., Ltd.	7 Sep 1992	288 Suksawat, Amphoe Muang, Samutprakarn	Private Hospital	10,500,000 Par value Baht 10 / share	84.00%



Name	Date Registered	Location	Business	Shares issued and paid-up	% Held
22 Bangkok Hospital Pattaya Co., Ltd.	1 May 1989	301 Sukhumvit Road km 143, Pattaya, Chonburi	Private Hospital	28,000,000 Par value Baht 10 / share	97.27%
23 Bangkok Hospital Phitsanulok Co., Ltd.	26 Aug 2013	138 Phra Ongdam Rd., Nai Muang, Muang, Phitsanulok	Private Hospital	80,000,000 Par value Baht 10 / share	100.00%
24 Bangkok Hospital Phuket Co., Ltd.	15 Mar 1994	2/1 Hongyokuthit Road, Amphoe Muang, Phuket	Private Hospital	100,000,000 Par value Baht 5 / share	99.70%
25 Bangkok Phuket International Hospital Co., Ltd.	26 Aug 2014	44 Chaloem Prakiat R.9 Rd. Wichit, Muang, Phuket	Private Hospital	361,000,000 Par value Baht 5 / share	100.00%
26 Bangkok Hospital Rayong Co., Ltd.	13 Aug 2002	8 Moo 2, Soi Saengchanniramit, Rayong	Private Hospital	40,000,000 Par value Baht 10 / share	100.00%
27 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%
28 Bangkok Hospital Surat Co., Ltd.	26 Jun 2013	179 M.1 Wat Pradu, Muang, Surat Thani	Private Hospital	60,000,000 Par value Baht 10 / share	100.00%
29 Bangkok Hospital Hat yai Co., Ltd.	27 Jul 1995	75 Soi 15, Petchkasem Road, Amphoe Muang, Songkla	Private Hospital	100,000,000 Par value Baht 5 / share	98.82%
30 Bangkok Hospital Udon Co., Ltd.	28 May 2007	111 Thongyai Rd., Mak Khaeng, Muang, Udon Thani	Private Hospital	80,000,000 Par value Baht 10 / share	100.00%
31 Bumrungrad Hospital PCL***	15 Dec 1989	33 Sukumvith Rd., Soi 3 Klong Tun Nua, Wattana, Bangkok	Private Hospital	Common share 730,052,222 Par value Baht 1 / share	20.50%
32 Phyathai 1 Hospital Co., Ltd. (PT1) Held through PPCL	11 Dec 2001	364/1 Sri Aduddaya Rd., Phayathai, Rajdhevee Bangkok	Private Hospital	48,100,000 Par value Baht 10 / share	98.59%
33 Phyathai 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	97.78%
34 PhyaThai 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 Par value Baht 10 / share Prefer share 3,750,000 Par value Baht 10 / share	96.84% 98.57%
35 Ramkhamhaeng Hospital PCL***	25 Aug 1986	2138 Ramkhamhaeng Road, Bangkapi, Bangkok	Private Hospital	12,000,000 Par value Baht 10 / share	38.24%
36 Sriracha Nakorn General Hospital PLC. Held through PPCL	17 Feb 1995	90 Sriracha Nakorn Rd., 3 Sriracha, Sriracha, Chonburi Province	Private Hospital	35,954,180 Par value Baht 10 / share	74.01%
37 Bio-Molecular Laboratories (Thailand) Co., Ltd.	7 Nov 2001	2 Soi Soonwijai 7, New Petchaburi Rd., Bangkok	Bio molecular laboratories	1,000,000 Par value Baht 10 / share	95.00%
38 Greenline Synergy Co., Ltd.	18 Aug 2008	488 Samitvej Srinakarim Hospital Srinagarindra 24, Suanluang, Bangkok	Information technology	20,000,000 Par value Baht 10 / share	100.00%
39 Bangkok Save Drug Co., Ltd.(BSD)	23 Sep 2014	2 Soi Soonwijai 7, New Petchaburi Rd., Bangkok	Holding Company	45,000,000 Par value Baht 10 / share	100.00%
40 Bangkok Helicopter Services Co., Ltd. BDMS: 87.25% and RBH : 12.75%	29 Jun 1995	2301/2 New Petchaburi Rd., Bangkok	Air medical transport	40,000,000 Par value Baht 10 / share	100.00%
41 Bangkok Premier Life Insurance Co., Ltd.	29 Aug 2011	2301/2 New Petchaburi Rd., Bangkok	Insurance Broker	2,000,000 Par value Baht 10 / share	100.00%
42 Siam Medical Co., Ltd.	17 Jul 1970	1 Chokchai Rd, 4 Lat Phrao, Khet Lat Phrao Bangkok	Private Hospital	Common Share 8,700,000 Par value Baht 10 / share	85.71%

Name	Date Registered	Location	Business	Shares issued and paid-up	% Held
43 Thonburi Medical Center PCL. BDMS: 34.43% 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	63.45%
44 BNH Medical Center Co., Ltd.	27 Aug 1991	9/1 Convent Road, Silom, Bangrak, Bangkok	Private Hospital	58,611,935 Par value Baht 10 / share	91.48%
45 BDMS Training Co., Ltd.	23 Sep 2010	2 Soi Soonwijai 7, New Petchaburi Rd., Bangkok	Training Center for staff within network	100,000 Par value Baht 10 / share	100.00%
46 BDMS Wellness Clinic Co., Ltd.	12 Jan 2017	2/4 Wireless Rd, Khwaeng Lumpini, Khet Pathum Wan, Bangkok	Preventive Healthcare	960,000,000 Par value Baht 10 / share	100.00%
47 BDMS Accounting Co., Ltd. (BDMS Acc)	17 Jul 2003	2301/2 New Petchaburi Rd., Huaykwang, Bangkok	Accounting Services	3,000,000 Par value Baht 10 / share	100.00%
48 BDMS Property Management Co., Ltd.	21 Apr 2016	2 Soi Soonwijai 7, New Petchaburi Rd., Bangkok	Property Management	1,000,000 Par value USD 1 / share	100.00%
49 Prasit Pattana PCL. (PPCL)	14 Jan 1974	943 Paholyothin Road, Samsennai, Phayathai, Bangkok	Holding Company	1,108,208,020 Par value Baht 1 / share	98.59%
50 Royal Bangkok Healthcare Co., Ltd. (RBH)	11 Feb 2008	2 Soi Soonwijai 7 New Petchaburi Rd., Bangkok	Holding Company	108,600,000 Par value Baht 10 / share	100.00%
51 Wattanavej Co., Ltd.	28 Oct 1983	25/14 Thaluang Road, Amphoe Muang, Chantaburi	Private Hospital	18,000,000 Par value Baht 10 / share	99.69%
52 Thai Medical Center PLC.	27 Jan 1993	44/505 Navamin Rd. Khet Bueng Kum Bangkok	Private Hospital	200,538,671 Par value Baht 10 / share	99.76%
53 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%
54 Samitivej Chonburi Co., Ltd.	22 Aug 2013	888/88 M.3, Ban Suan, Muang, Chon Buri	Private Hospital	80,000,000 Par value Baht 10 / share	100.00%
55 Samitivej Sriracha Co., Ltd. Held through SVH	30 Oct 1990	8 Soi Laemkate Choem, Chormphon Rd., Si Racha, Chon Buri	Private Hospital	18,751,000 Par value Baht 10 / share	67.17%
56 Medic Pharma Co., Ltd.	29 Aug 1971	124 Thonburi-Parktor Road, Bangkok	Manufacture and distribution of medicine	4,286,000 Par value Baht 10 / share	87.05%
57 Udom Pattana (1994) Co., Ltd.*** BDMS : 15.26% and PT1 : 10%	9 Jun 1994	555/5 Posri Road, Amphoe Muang, Udonthani	Private Hospital	30,000,000 Par value Baht 1 / share	25.11%
58 Angkor Pisith Co., Ltd.	20 Dec 2005	National Road No.6, Kruos Village, Svay Dangkom Commune, Siem Reap District, Siem Reap Province, Cambodia	Private Hospital in Cambodia	10,000 Par value USD 1,000 / share	80.00%
59 B.D.M.S. International Medical Services Co., Ltd.	20 Dec 2005	61A Street 214, Sangkat Beong Rang, Khan Don Peh, Phnom Penh,	Private Hospital in Cambodia (Not yet in operations)	1,000 Par value, KHR 9,200,000 / share	100.00%
60 BDMS Inter Pte. Ltd.	8 Apr 2013	Singapore	Investment company	100,000 Par value USD 1 / share	100.00%
61 N Health Asia Pte. Ltd.	8 Apr 2013	Singapore	Investment company	3,500,000 Par value USD 1 / share	100.00%
62 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%



Name	Date Registered	Location	Business	Shares issued and paid-up	% Held
63 N Health Myanmar Co., Ltd. Held through N Health Asia Pte. Ltd.	21 Sep 2015	No. 807 Mahabandoola, Lanmadaw Township, Yangon, Myanmar	Laboratory business	100,000 Par value MMK 5,000 / share	60.00%
64 Phnom Penh First Property Co., Ltd.	27 Nov 2006	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%
65 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 Hospitalin Camobia	10,000 Par value USD 2,500 / share	100.00%
66 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%
67 Samitivej International Co., Ltd. Held through SV Holding	22 Sep 2014	Republic of the Union of Myanmar	Clinic	625,000 Par value USD 1 / share	80.00%
68 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%

Remark : ***The Company does not involve 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, (66 2) 310-3000 Fax (66 2) 310-3032, (66 2) 310-3327
Company Registration Number	BorMorJor. 0107537000025
Website	www.bdms.co.th, www.bangkokhospital.com
Registered Capital	Baht 1,758.22 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. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand Telephone (66 2) 009-9000 Fax (66 2) 009 9991
Bond Registrar and Paying Agent	TMB Bank Public Company Limited 3000 Phahonyothin Road, Chom Phon, Chatuchak District, Bangkok Province 10900 Telephone (66 2) 299-1002, (66 2) 242-3946 Fax (66 2) 299-1278
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 E 14 5AL, England
Auditor	EY Office Limited. 33 rd Floor, Lake Rajada Building, 193/136-137 Ratchadaphisek Road, Klongtoey, Bangkok 10110 Telephone (66 2) 661-9190, (66 2) 264-0777 Fax (66 2) 661-9192, (66 2) 264-0789-90



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