

Bumrungrad Hospital Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2015

Independent Auditor's Report

To the Shareholders of Bumrungrad Hospital Public Company Limited

I have audited the accompanying consolidated financial statements of Bumrungrad Hospital Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Bumrungrad Hospital Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bumrungrad Hospital Public Company Limited and its subsidiaries and of Bumrungrad Hospital Public Company Limited as at 31 December 2015, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Sumalee Reewarabandith
Certified Public Accountant (Thailand) No. 3970

EY Office Limited
Bangkok: 24 February 2016

Bumrungrad Hospital Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Assets					
Current assets					
Cash and cash equivalents	7	5,054,159,558	4,675,713,370	4,818,341,184	4,540,098,851
Short-term investments	8	2,305,800,000	1,922,000,000	2,302,000,000	1,802,000,000
Trade and other receivables	9	2,318,422,125	1,525,212,264	2,328,382,763	1,524,709,493
Inventories	10	309,074,024	291,880,511	277,571,640	266,650,542
Prepaid expenses		75,047,152	66,488,523	50,128,468	63,553,008
Other current assets		25,775,092	18,098,499	24,489,747	14,114,470
Total current assets		10,088,277,951	8,499,393,167	9,800,913,802	8,211,126,364
Non-current assets					
Long-term loans to and interest receivable					
from related parties	6	-	-	9,017,291	1,855,253
Investments in subsidiaries	11	-	-	1,517,455,798	1,542,861,472
Investments in associates	12	234,067,252	233,168,689	1,447,047	2,862,017
Other long-term investment	13	1,700,000	1,700,000	1,700,000	1,700,000
Property, plant and equipment	14	10,472,111,743	9,948,449,913	8,791,953,504	8,300,041,641
Intangible assets	15	163,386,341	146,342,699	160,636,474	155,677,804
Goodwill	11.5.2, 16	122,584,549	111,967,771	-	-
Deferred tax assets	25	193,005,351	178,730,655	189,820,746	173,051,530
Other non-current assets		22,385,176	24,943,392	22,367,676	24,924,892
Total non-current assets		11,209,240,412	10,645,303,119	10,694,398,536	10,202,974,609
Total assets		21,297,518,363	19,144,696,286	20,495,312,338	18,414,100,973

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

Bumrungrad Hospital Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	17	830,044,220	860,237,440	820,496,588	854,355,017
Accrued physicians' fees		713,254,979	537,654,304	707,663,724	530,537,422
Current portion of long-term debentures	18	1,497,145,039	-	1,497,145,039	-
Accrued expenses		577,255,452	487,606,074	561,478,856	482,611,534
Income tax payable		372,555,228	369,829,231	361,492,993	355,329,060
Other current liabilities		66,200,918	66,687,179	52,376,111	55,579,442
Total current liabilities		4,056,455,836	2,322,014,228	4,000,653,311	2,278,412,475
Non-current liabilities					
Long-term loan from and interest payable					
to a related party	6	182,868,805	180,407,663	182,868,805	180,407,663
Long-term debentures	18	3,481,009,726	4,971,981,934	3,481,009,726	4,971,981,934
Provision for long-term employee benefits	20	476,693,998	410,329,219	468,988,677	405,518,706
Total non-current liabilities		4,140,572,529	5,562,718,816	4,132,867,208	5,557,908,303
Total liabilities		8,197,028,365	7,884,733,044	8,133,520,519	7,836,320,778

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

Bumrungrad Hospital Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Shareholders' equity					
Share capital	22				
Registered					
921,276,022 ordinary shares of Baht 1 each					
(2014: 921,251,022 ordinary shares of Baht 1 each)		921,276,022	921,251,022	921,276,022	921,251,022
1,426,663 preference shares of Baht 1 each					
(2014: 1,451,663 preference shares of Baht 1 each)		1,426,663	1,451,663	1,426,663	1,451,663
		<u>922,702,685</u>	<u>922,702,685</u>	<u>922,702,685</u>	<u>922,702,685</u>
Issued and paid-up					
728,625,559 ordinary shares of Baht 1 each					
(2014: 728,600,559 ordinary shares of Baht 1 each)		728,625,559	728,600,559	728,625,559	728,600,559
1,426,663 preference shares of Baht 1 each					
(2014: 1,451,663 preference shares of Baht 1 each)		1,426,663	1,451,663	1,426,663	1,451,663
		<u>730,052,222</u>	<u>730,052,222</u>	<u>730,052,222</u>	<u>730,052,222</u>
Premium on ordinary shares		285,568,300	285,568,300	285,568,300	285,568,300
Convertible bonds treated as equity securities	21	550,000,000	550,000,000	550,000,000	550,000,000
Retained earnings					
Appropriated - statutory reserve	23	92,275,000	92,275,000	92,275,000	92,275,000
Unappropriated		10,799,083,414	8,992,129,372	10,703,896,297	8,919,884,673
Other components of shareholders' equity		278,707,057	233,203,432	-	-
Equity attributable to owners of the Company		<u>12,735,685,993</u>	<u>10,883,228,326</u>	<u>12,361,791,819</u>	<u>10,577,780,195</u>
Non-controlling interests of the subsidiaries		364,804,005	376,734,916	-	-
Total shareholders' equity		<u>13,100,489,998</u>	<u>11,259,963,242</u>	<u>12,361,791,819</u>	<u>10,577,780,195</u>
Total liabilities and shareholders' equity		<u>21,297,518,363</u>	<u>19,144,696,286</u>	<u>20,495,312,338</u>	<u>18,414,100,973</u>
		-	-	-	-

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

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Directors
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Bumrungrad Hospital Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Revenues					
Revenues from hospital operations	6	17,600,265,940	15,571,471,756	17,099,543,050	15,159,051,490
Rental income	6	60,139,960	58,219,905	67,799,858	63,508,705
Interest income	6	137,948,768	137,784,814	134,659,230	136,898,322
Dividend income	6, 11.1, 12.2	-	-	149,308,104	-
Exchange gains		45,961,461	46,283,786	41,857,731	45,457,575
Other income	6	85,123,927	96,777,206	85,888,178	84,497,618
Total revenues		17,929,440,056	15,910,537,467	17,579,056,151	15,489,413,710
Expenses					
Cost of hospital operations	6	10,396,068,657	9,495,601,614	10,114,799,791	9,261,639,590
Administrative expenses	6	3,108,543,751	2,805,907,929	3,034,883,648	2,704,065,690
Loss on impairment of investment in a subsidiary	11.1	-	-	29,500,000	-
Loss from share capital reduction and dissolution of an associate	12.3	-	-	816,782	1,997,743
Total expenses		13,504,612,408	12,301,509,543	13,180,000,221	11,967,703,023
Profit before share of profit (loss) from investments in associates, finance cost and income tax expenses					
		4,424,827,648	3,609,027,924	4,399,055,930	3,521,710,687
Share of profit (loss) from investments in associates	12.2	12,515,402	(2,745,213)	-	-
Profit before finance cost and income tax expenses		4,437,343,050	3,606,282,711	4,399,055,930	3,521,710,687
Finance cost	6	(186,504,115)	(186,032,536)	(186,504,115)	(185,238,004)
Profit before income tax expenses		4,250,838,935	3,420,250,175	4,212,551,815	3,336,472,683
Income tax expenses	25	(823,318,882)	(685,420,058)	(801,345,874)	(663,788,161)
Profit for the year		3,427,520,053	2,734,830,117	3,411,205,941	2,672,684,522
Profit (loss) attributable to:					
Equity holders of the Company		3,435,833,613	2,730,296,149	3,411,205,941	2,672,684,522
Non-controlling interests of the subsidiaries		(8,313,560)	4,533,968		
		3,427,520,053	2,734,830,117		
Earnings per share					
Basic earnings per share	26				
Profit attributable to equity holders of the Company		4.72	3.75	4.68	3.67
Diluted earnings per share	26				
Profit attributable to equity holders of the Company		3.96	3.15	3.93	3.08

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

Bumrungrad Hospital Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Profit for the year	3,427,520,053	2,734,830,117	3,411,205,941	2,672,684,522
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to income statement in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currencies	41,886,274	(13,602,295)	-	-
<i>Other comprehensive income not to be reclassified to income statement in subsequent periods</i>				
Actuarial losses, net of income tax	(27,155,207)	(13,882,067)	(25,469,953)	(14,187,549)
Other comprehensive income for the year	14,731,067	(27,484,362)	(25,469,953)	(14,187,549)
Total comprehensive income for the year	<u>3,442,251,120</u>	<u>2,707,345,755</u>	<u>3,385,735,988</u>	<u>2,658,496,973</u>
Total comprehensive income attributable to:				
Equity holders of the Company	3,454,182,031	2,705,654,907	<u>3,385,735,988</u>	<u>2,658,496,973</u>
Non-controlling interests of the subsidiaries	(11,930,911)	1,690,848		
	<u>3,442,251,120</u>	<u>2,707,345,755</u>		
	-	-		

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

Bumrungrad Hospital Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from operating activities				
Profit before tax	4,250,838,935	3,420,250,175	4,212,551,815	3,336,472,683
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	1,044,743,956	1,044,768,194	1,001,753,542	1,016,545,731
Bad debts and allowance for doubtful accounts	74,967,467	38,980,445	75,164,062	37,456,113
Reduction of cost of inventories to net realisable value	993,023	-	-	-
(Gain) loss on sales/write-off of building, equipment and intangible assets	10,960,789	(209,330)	7,993,195	306,130
Long-term employee benefits expenses	76,054,319	67,231,170	74,867,278	66,154,930
Loss on impairment of investment in a subsidiary	-	-	29,500,000	-
Loss from share capital reduction and dissolution of an associate	-	-	816,782	1,997,743
Share of (profit) loss from investments in associates	(12,515,402)	2,745,213	-	-
Interest income	(137,948,768)	(137,784,814)	(134,659,230)	(136,898,322)
Dividend income	-	-	(149,308,104)	-
Amortisation of debenture issuing costs to interest expenses	6,172,831	5,891,819	6,172,831	5,891,819
Interest expenses	180,331,284	180,140,717	180,331,284	179,346,185
Profit from operating activities before changes in operating assets and liabilities	5,494,598,434	4,622,013,589	5,305,183,455	4,507,273,012
Operating assets (increase) decrease				
Trade and other receivables	(868,177,328)	(253,035,407)	(878,837,332)	(259,924,591)
Inventories	(18,186,536)	27,926,255	(10,921,098)	27,386,988
Prepaid expenses	(8,558,629)	(16,548,431)	13,424,540	(17,324,598)
Other current assets	(7,676,593)	15,158,897	(10,375,277)	17,216,382
Other non-current assets	2,558,216	2,515,658	2,557,216	2,505,658
Operating liabilities increase (decrease)				
Trade and other payables	(2,662,519)	62,716,405	(14,891,066)	75,153,925
Accrued physicians' fees	175,600,675	49,096,317	177,126,302	47,211,942
Accrued expenses	92,110,517	66,011,770	78,867,321	66,190,332
Other current liabilities	(486,261)	816,825	(3,203,331)	(987,429)
Provision for long-term employee benefits	(43,296,046)	(20,215,278)	(43,234,749)	(27,073,374)
Cash flows from operating activities	4,815,823,930	4,556,456,600	4,615,695,981	4,437,628,247
Cash paid for corporate income tax	(828,415,647)	(666,153,494)	(805,583,668)	(651,389,533)
Net cash flows from operating activities	3,987,408,283	3,890,303,106	3,810,112,313	3,786,238,714

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

Bumrungrad Hospital Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from investing activities				
(Increase) decrease in short-term investments	(383,800,000)	795,729,959	(500,000,000)	800,729,959
Increase in long-term loan to a subsidiary	-	-	(9,000,000)	-
Acquisition of investments in subsidiaries	-	(308,667,600)	(2,239,073)	(440,611,125)
Dividend received	-	-	149,308,104	-
Repayment debt of acquired subsidiary as at acquisition date	-	(85,705,200)	-	-
Cash receipt of capital increasing from non-controlling interest of the subsidiary	-	7,932,407	-	-
Cash increased from acquisitions of subsidiaries	-	2,591,147	-	-
Acquisition of property, plant and equipment and payment of construction and medical equipment payables	(1,498,237,056)	(1,240,108,114)	(1,432,550,796)	(1,204,243,214)
Acquisition of computer software	(42,620,517)	(16,428,530)	(41,182,572)	(16,083,987)
Cash receipt from share capital reduction and liquidation of an associate	598,188	2,250,000	598,188	2,250,000
Proceeds from sales of equipment and computer software	1,233,407	3,948,335	1,233,407	15,423,627
Interest income	137,948,768	137,784,814	134,641,939	136,898,322
Net cash flows used in investing activities	(1,784,877,210)	(700,672,782)	(1,699,190,803)	(705,636,418)
Cash flows from financing activities				
Interest paid for long-term debentures	(232,100,000)	(232,100,000)	(232,100,000)	(232,100,000)
Dividend paid	(1,568,080,973)	(1,385,233,955)	(1,568,079,177)	(1,385,233,955)
Interest paid for convertible bonds treated as equity securities	(32,500,000)	(32,500,000)	(32,500,000)	(32,500,000)
Net cash flows used in financing activities	(1,832,680,973)	(1,649,833,955)	(1,832,679,177)	(1,649,833,955)
Increase (decrease) in translation adjustment	8,596,088	(3,563,882)	-	-
Net increase in cash and cash equivalents	378,446,188	1,536,232,487	278,242,333	1,430,768,341
Cash and cash equivalents at beginning of year	4,675,713,370	3,139,480,883	4,540,098,851	3,109,330,510
Cash and cash equivalents at end of year	5,054,159,558	4,675,713,370	4,818,341,184	4,540,098,851
	-	-	-	-
Supplemental cash flow information				
Non-cash transactions				
Interest capitalised as cost of assets	54,229,859	55,511,340	54,229,859	55,511,340
Decrease in construction and medical equipment payables	28,675,888	64,281,587	20,112,549	72,844,925
Convert long-term loan to a related party to investment in a subsidiary	-	-	(1,855,253)	-

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

Bumrungrad Hospital Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2015

1. General information

Bumrungrad Hospital Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in hospital business, investment in other companies and rental of properties service. The registered office of the Company is at 33 Soi 3 (Nana Nua) Sukhumvit Road, Klongtoey Nua Sub District, Wattana District, Bangkok.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Bumrungrad Hospital Public Company Limited and the following subsidiaries (“the Group”).

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2015	2014
			(%)	(%)
<u>Subsidiaries held by the Company</u>				
Vitalife Corporation Ltd. (“VTL”)	Health care center	Thailand	100	100
Asia Global Research Co., Ltd. (“AGR”)	Clinical research service and sales of vaccine	Thailand	100	100
Ruenmongkol Co., Ltd. (“RM”)	A holding real estate assets company	Thailand	100	100
Bumrungrad Health Network Co., Ltd. (“BHN”) (formerly known as “Bumrungrad Personnel Development Center Co., Ltd.” (“PDC”))	Overseas investment (2014: Personnel development and training center for healthcare service business)	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2015	2014
			(%)	(%)
Bumrungrad Personnel Development and Training Center Co., Ltd. ("PDTC")	Personnel development and training center for healthcare service business to affiliated companies	Thailand	100	100
Asia Global Health Ltd. ("AGH")	Investment in healthcare business	Hong Kong	100	100
Life and Longevity Ltd. ("LLL")	Overseas investment	Hong Kong	100	100
Health Horizons Enterprises Pte. Ltd. ("HHE")	Overseas investment	Singapore	80	80
Bumrungrad Services Co., Ltd. ("BS")	Referral services to both domestic and foreign patients and training center for healthcare service business	Thailand	100	-
<u>Subsidiaries held by subsidiaries</u>				
Vitalife International AG ("VTL AG") (Investment through LLL)	Overseas investment	Switzerland	51	51
Bumrungrad Mongolia LLC ("BML") (Investment through HHE)	Overseas investment	Mongolia	80	80
Seoul Seniors Tower LLC ("SST") (Investment through BML)	Owner and operates hospital	Mongolia	41	41
Bumrungrad Myanmar Co., Ltd. ("BM") (Investment through BHN)	The operation of a private clinic and diagnostic service	Myanmar	80	-

- b) The Group 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 Group 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 currencies" in the statement of changes in shareholders' equity.
- f) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

g) Non-controlling interests represent the portion of profit (loss) and net assets of the subsidiaries that are not held by the Company and presented separately in the consolidated income statement and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

3. New financial reporting standards

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

a. Financial reporting standards that became effective in the current year

The Group has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which became effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, some of these standards involve changes to key principles, which are summarised below.

TAS 19 (revised 2014) Employee Benefits

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

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

TFRS 10 Consolidated Financial Statements

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

This standard does not have any impact on the Group's financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Group.

TFRS 13 Fair Value Measurement

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

This standard does not have any significant impact on the Group's 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 the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

- a) Revenues from hospital operations, mainly consisting of medical fees, hospital room sales, and medicine sales, are recognised as income when services have been rendered or medicine delivered.
- b) Consulting and management service income are recognised when services have been rendered taking into account the stated of completion.
- c) Rental income and related service income are recognised on a straight-line basis over the lease term.
- d) Interest income is recognised on an accrual basis based on the effective interest rate.
- e) 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 at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

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 experience and analysis of debt aging.

4.4 Inventories

Inventories are valued at the lower of cost (weighted average basis) and net realisable value.

4.5 Investments

- a) Investment in non-marketable equity securities, which the Company classifies as other investment, is stated at cost net of allowance for loss on impairment (if any).
- b) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method net of allowance for loss on impairment (if any).

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in the income statement.

4.6 Property, plant and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation of buildings and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives.

Land improvement	5 and 30 years
Buildings and construction	10 - 40 years
Facility systems	10 - 40 years
Medical accessory equipment	5 - 15 years
Hospital equipment	3 - 15 years
Equipment and furniture	5 - 15 years
Motor vehicles	5 and 10 years

Depreciation is included in determining income.

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

An item of property, plant 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 the income statement when the asset is derecognised.

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction 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.

4.8 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and 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 the income statement.

A summary of the intangible assets with finite useful lives is as follows.

	<u>Useful lives</u>
Computer software	3 - 10 years
Compensation for business combination	10 years

4.9 Goodwill

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

4.10 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.

4.11 Long-term leases

Leases of property, plant and 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 the income statement over the lease period. The asset acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant and 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 the income statement on a straight-line basis over the lease term.

4.12 Deferred debenture issuing costs

Debenture issuing costs are recorded as deferred financial fees and amortised to be interest expense using the effective interest rate method over the term of the debentures.

Deferred debenture issuing costs are presented as a deduction against the debenture amounts in the statement of financial position.

4.13 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is the Company'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 determining income.

4.14 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and 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.

An impairment loss is recognised in the income statement.

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 the income statement.

4.15 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee 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 fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law and other employee benefit plans. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans 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.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in the income statement.

4.16 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.

4.17 Income tax

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

Current tax

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

Deferred tax

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

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises 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 reduces 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.

4.18 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 its 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.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows.

Consolidation of subsidiaries in which the Group holds less than half of shares

The management of the Group determined that the Group has control over Seoul Seniors Tower LLC (“SST”), even though the Company holds 41% of shares and voting rights, which is less than half of shares and voting rights. This is because the Group is a major shareholder of this company, exercises control over its management and has the ability to direct its significant activities of that company. As a result, SST is deemed to be a subsidiary of the Group and has to be included in the consolidated financial statements from the date on which the Group assumed control.

Leases

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

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Property, plant and equipment and depreciation

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

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses 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.

Goodwill

The initial recognition and measurement of goodwill, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash-generating units 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 and other long-term employee benefits

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

Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2015	2014	2015	2014	
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Medical service income	-	-	31,928	24,360	Market price
Professional service income	-	-	12,222	3,501	Actual paid
Rental income	-	-	7,676	5,715	As per contracts 6.1)
Dividend income	-	-	149,308	-	As declared
Sales of equipment	-	-	154	13,393	Cost plus margin
Interest income on long-term loans	-	-	17	3,346	1.38% p.a. (2014: 3.25% p.a.)
Other income	-	-	1,845	-	Cost plus margin
Lab service expense	-	-	249	137	Market price
Pharmacy expense	-	-	7,688	7,558	Market price
Training expenses	-	-	150,609	73,545	Cost plus margin
Service expenses	-	-	2,098	-	Cost plus margin
Transactions with associates					
Consulting income	42	179	42	179	As per contract 6.2)
Interest expense on long-term loan	2,461	2,755	2,461	2,755	1.38% and 1.50% p.a. (2014: 1.50% and 2.00% p.a.)
Transactions with related parties					
Medical service income	87,026	93,881	87,026	93,881	Market price
Rental income	2,359	2,182	2,359	2,182	Market price
Interest income on short-term investments	48,584	25,962	46,896	23,254	1.88% to 3.10% p.a. (2014: 2.85% to 3.00% p.a.)
Other income	794	733	794	733	At cost
Lab service expense	9,645	2,927	9,645	2,923	Market price
Purchase of medicine and medical supplies	12,843	12,743	12,843	12,743	Market price
Donation expense	24,000	24,000	24,000	24,000	-
Insurance expense	35,110	32,707	34,930	32,436	As per insurance policies
Credit card commission fees	125,262	116,099	120,862	112,550	Market price
Legal advisory fee	2,655	5,326	2,421	4,330	Market price
Construction consulting fee	-	578	-	578	Baht 0.1 million per month as stated in the agreement
Service fee	2,054	1,411	2,054	1,411	Market price
Interest expense on long-term debentures	46,244	46,244	46,244	46,244	4.13% to 4.97% p.a.
Interest expense on convertible bonds	32,500	32,500	32,500	32,500	10.00% p.a. and 1.00% p.a.
Interest expense on long-term loan	-	794	-	-	3.25% p.a.

- 6.1) Subsidiaries have leased building spaces and office equipment from the Company for use in their operations, as detailed below.

Company's name	Rent assets	(Unit: Thousand Baht)	
		Rental fee per month	
		2015	2014
Vitalife Corporation Ltd.	Building spaces	350	350
Bumrungrad Health Network Co., Ltd. (Formerly known as "Bumrungrad Personnel Development Center Co., Ltd.")	Building spaces and office equipment	-	100 - 204*
Bumrungrad Personnel Development and Training Center Co., Ltd.	Building spaces	290**	-

*The rental agreement starts in February 2014.

**The rental charge starts in January 2015.

- 6.2) The Company entered into a Consulting Support Agreement with an associate (Bumrungrad International Ltd.). The associate is obliged to pay a fee at a fixed rate amounting to Baht 0.2 million per annum, as stipulated in the agreement, and additional fee for consulting service provided by employees of the Company to the associate at the rates per agreement multiplied with actual hours worked. The agreement will expire in accordance with the conditions in the agreement.

The balances of the accounts as at 31 December 2015 and 2014 between the Company and those related parties are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2015	2014	2015	2014
Short-term investments - Fixed deposits with a local commercial bank (Note 8)				
Related company (common director)	2,302,000	1,902,000	2,302,000	1,802,000
Trade and other receivables - related parties (Note 9)				
Subsidiaries	-	-	20,278	14,144
Associates	3	66	3	66
Related parties (common director)	3,191	1,161	3,191	1,161
Total	3,194	1,227	23,472	15,371
Trade and other payables - related parties (Note 17)				
Subsidiaries	-	-	16,581	13,395
Long-term loans to and interest receivable from related parties				
Subsidiaries	-	-	9,017	1,855
Long-term loan from and interest payable to a related party				
Associate	182,869	180,408	182,869	180,408

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Long-term debentures (Note 18)				
Related companies (Major shareholder and common director)	955,000	955,000	955,000	955,000
Convertible bonds treated as equity securities (Note 21)				
Related company (common director)	550,000	550,000	550,000	550,000

Long-term loans to and interest receivable from related parties

During the year ended 31 December 2015, movements of long-term loans to and interest receivable from subsidiaries were as follows.

	(Unit: Thousand Baht)			
	Separate financial statements			
	Balance as at	During the year		Balance as at
	31 December	Increase	Decrease	31 December
	2014			2015
Life and Longevity Ltd.				
Principal	1,855	-	(1,855)	-
Bumrungrad Health Network Co., Ltd.				
Principal	-	9,000	-	9,000
Interest receivable	-	17	-	17
Total	-	9,017	-	9,017
Total	1,855	9,017	(1,855)	9,017

As at 31 December 2014, long-term loan to a subsidiary (Life and Longevity Ltd.) was in the form of promissory notes in Swiss franc, amounting to CHF 51,000, bearing no interest and due at call. The Company provided this loan to the subsidiary as its investment in overseas and the loan was therefore classified as a long-term loan. During the year 2015, the Company converted the long-term loan to additional equity in the subsidiary. As discussed in Note 11.4.2 to the financial statements.

As at 31 December 2015, long-term loan to a subsidiary (Bumrungrad Health Network Co., Ltd. (formerly known as "Bumrungrad Personnel Development Center Co., Ltd.)) carries interest at the 1-year fixed deposit rate of a local commercial bank. Interest is due when principal is paid. Since the Group's management does not plan to call the loan in the near future, it is therefore classified as a long-term loan.

Long-term loan from and interest payable to a related party

During the year ended 31 December 2015, movements of long-term loan from and interest payable to a related company were as follows.

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements			
	Balance as at	During the year		Balance as at
	31 December	Increase	Decrease	31 December
	2014			2015
Bumrungrad International Ltd.				
Principal	176,400	-	-	176,400
Interest payable	4,008	2,461	-	6,469
Total	180,408	2,461	-	182,869

On 1 April 2013, the Company and two other shareholders of Bumrungrad International Ltd. entered into a loan agreement with Bumrungrad International Ltd., which is the Company's associate, granting them loans totaling Baht 394.8 million, of which the Company's portion is Baht 176.4 million and due at call. The loan carries interest at the 1-year fixed deposit rate of a local commercial bank. Interest is due annually. The Company's management believes that the associate does not plan to call the loan in the near future, it is therefore classified as a long-term loan.

Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Group had employee benefit expenses payable to their directors and management as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Short-term benefits	123,977	135,020	99,940	121,632
Post-employment benefits	4,726	9,052	4,442	9,046
Other long-term benefits	2	7	1	7
Total	128,705	144,079	104,383	130,685

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash	10,836	18,017	10,264	17,511
Bank deposits	3,734,880	2,998,684	3,555,436	2,914,056
Bills of exchange	1,308,444	1,659,012	1,252,641	1,608,532
Total	5,054,160	4,675,713	4,818,341	4,540,099

As at 31 December 2015, bank deposits in savings accounts, fixed deposits and bills of exchange carried interests between 0.05% and 3.60% per annum (2014: between 0.10% and 2.75% per annum).

8. Short-term investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Fixed deposits with a local commercial bank	2,305,800	1,922,000	2,302,000	1,802,000
Interest rate (% p.a.)	1.90 - 2.00	2.80 - 3.10	1.90 - 2.00	2.85 - 3.00

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	2,851	833	5,857	970
Past due				
1 - 30 days	-	-	-	54
Total trade receivables - related parties	2,851	833	5,857	1,024

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	989,973	489,737	984,354	483,888
Past due				
1 - 30 days	5,866	281,815	4,061	279,227
31 - 60 days	260,881	146,993	260,461	142,314
61 - 90 days	220,749	120,523	219,771	120,119
91 - 180 days	312,333	232,722	310,947	232,339
181 - 365 days	397,789	194,403	397,643	193,621
More than 365 days	240,556	148,610	240,207	147,531
Total	2,428,147	1,614,803	2,417,444	1,599,039
Less: Allowance for doubtful debts	(119,182)	(98,464)	(118,781)	(97,345)
Total trade receivables - unrelated parties, net	2,308,965	1,516,339	2,298,663	1,501,694
Total trade receivables - net	2,311,816	1,517,172	2,304,520	1,502,718
<u>Other receivables</u>				
Advances and loans to employees	6,263	7,646	6,248	7,644
Accrued income - related parties	343	394	17,615	14,347
Total other receivables	6,606	8,040	23,863	21,991
Trade and other receivables - net	2,318,422	1,525,212	2,328,383	1,524,709

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Medicine	157,592	156,734	227	288	157,365	156,446
Medical supplies	75,843	67,898	1,083	29	74,760	67,869
Other supplies	76,949	67,566	-	-	76,949	67,566
Total	310,384	292,198	1,310	317	309,074	291,881

(Unit: Thousand Baht)

Separate financial statements

	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Medicine	143,392	143,138	-	-	143,392	143,138
Medical supplies	57,403	56,005	-	-	57,403	56,005
Other supplies	76,777	67,508	-	-	76,777	67,508
Total	<u>277,572</u>	<u>266,651</u>	<u>-</u>	<u>-</u>	<u>277,572</u>	<u>266,651</u>

11. Investments in subsidiaries

11.1 Details of investments in subsidiaries as presented in the separate financial statements are as follows.

(Unit: Thousand Baht)

Company	Paid-up capital		Shareholding percentage		Cost		Allowance for loss on impairment		Carrying amounts based on cost method - net	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
			(%)	(%)						
Vitalife Corporation Ltd.	Baht 31.5 million	Baht 31.5 million	100.00	100.00	25,610	25,610	-	-	25,610	25,610
Asia Global Research Co., Ltd.	Baht 50.0 million	Baht 50.0 million	100.00	100.00	50,000	50,000	50,000	50,000	-	-
Ruenmongkol Co., Ltd.	Baht 340.0 million	Baht 340.0 million	100.00	100.00	1,045,034	1,045,034	-	-	1,045,034	1,045,034
Bumrungrad Health Network Co., Ltd. (formerly known as "Bumrungrad Personnel Development Center Co., Ltd.")	Baht 5.0 million	Baht 5.0 million	100.00	100.00	5,000	5,000	-	-	5,000	5,000
Bumrungrad Personnel Development and Training Center Co., Ltd.	Baht 5.0 million	Baht 5.0 million	100.00	100.00	5,000	5,000	-	-	5,000	5,000
Asia Global Health Ltd.	HKD 7.1 million	HKD 7.1 million	100.00	100.00	31,558	31,558	29,500	-	2,058	31,558
Life and Longevity Ltd.	USD 62,000	USD 1	100.00	100.00	2,143	48	-	-	2,143	48
Health Horizons Enterprises Pte. Ltd.	USD 16.6 million	USD 16.6 million	80.00	80.00	430,611	430,611	-	-	430,611	430,611
Bumrungrad Services Co., Ltd.	Baht 2.0 million	-	100.00	-	2,000	-	-	-	2,000	-
Total					<u>1,596,956</u>	<u>1,592,861</u>	<u>79,500</u>	<u>50,000</u>	<u>1,517,456</u>	<u>1,542,861</u>

During the year 2015, the Company received dividend from Vitallife Corporation Ltd. amounting to Baht 149.3 million (2014: nil).

During the year 2015, the Company considered to set allowance for loss on impairment of investment in Asia Global Health Ltd. amounting to Baht 29.5 million because it had capital deficit for several years.

11.2 Details of investment in subsidiary that has material non-controlling interests

(Unit: Thousand Baht)

Company	Proportion of equity		Accumulated balance		Profit/loss allocated to		Dividend paid to non-	
	interest held by		of non-controlling		non-controlling		controlling interests	
	interests		interests		interests during the year		during the year	
	2015	2014	2015	2014	2015	2014	2015	2014
	(%)	(%)						
Seoul Seniors Tower LLC	49	49	245,003	275,959	6,466	(8,766)	-	-

11.3 Summarised financial information that based on amounts before inter-company elimination about subsidiary that has material non-controlling interests

Summarised information about financial position

(Unit: Thousand Baht)

	Seoul Seniors Tower LLC	
	2015	2014
Current assets	43,048	35,786
Non-current assets	558,898	545,094
Current liabilities	144,878	128,558

Summarised information about comprehensive income

(Unit: Thousand Baht)

	Seoul Seniors Tower LLC	
	For the year ended 31 December	
	2015	2014
Revenues	242,188	278,983
Profit (loss)	(10,445)	22,140
Total comprehensive income	(10,445)	22,140

Summarised information about cash flow

	(Unit: Thousand Baht)	
	Seoul Seniors Tower LLC	
	For the year ended 31 December	
	2015	2014
Cash flow from operating activities	37,284	63,182
Cash flow from investing activities	(32,610)	(51,570)
Cash flow from financing activities	-	(1,489)
Increase in translation adjustment	34	35
Net increase in cash and cash equivalents	4,708	10,158

11.4 The changes of investments in subsidiaries account during the year 2015

11.4.1 Establishment of new subsidiaries

Bumrungrad Services Co., Ltd.

On 30 April 2015, the Company set up and registered a new subsidiary, Bumrungrad Services Co., Ltd., incorporated in Thailand with a registered share capital of Baht 2.0 million, comprising of 200,000 common shares with par value of Baht 10 each. The Company's shareholding percentage represents 100% of total issued and paid-up share capital. The Company paid for common shares of the subsidiary on 18 August 2015.

The investment was made in accordance with a resolution of the Investment Committee Meeting held on 25 February 2015, which approved the Company's establishment of the new subsidiary to be engaged in referral services to both domestic and foreign patients.

Bumrungrad Myanmar Co., Ltd.

On 14 May 2015, Bumrungrad Health Network Co., Ltd. (formerly known as "Bumrungrad Personnel Development Center Co., Ltd.") ("BHN"), the Company's wholly-owned subsidiary which is registered in Thailand, was granted permission to temporarily set up and register a new subsidiary, Bumrungrad Myanmar Co., Ltd. ("BM"), incorporated in Myanmar with a registered share capital of USD 1.3 million, comprised of 1,325,750 common shares with par value of USD 1 each. Thereafter, BM obtained a business permit from the Myanmar Investment Commission on 25 September 2015 and obtained a certificate of permanent incorporation of BM from the Directorate of Investment and Company Administration on 21 October 2015. As at 31 December 2015, BNH has paid for share subscription of 1,060,600 ordinary shares with a par value of USD 1 each, represented 80% of the total issued and paid-up share capital, with an investment of Baht 38.7 million.

The investment was made in accordance with a resolution of the Investment Committee Meeting held on 7 November 2014, which approved the establishment of the new subsidiary to engage in the operation of a private clinic and diagnostic services.

11.4.2 Call up of subsidiaries' shares

Life and Longevity Ltd.

On 10 March 2015, Life and Longevity Ltd., the Company's wholly-owned subsidiary which is registered in Hong Kong Special Administrative Region of the People's Republic of China, registered an increase of its capital and called up USD 61,999, or equivalent to Baht 2.1 million, for the additional common shares. The Company made payment for the additional common shares by converting to equity a long-term loan to the subsidiary in the form of promissory notes denominated in Swiss francs, amounting to CHF 51,000, and paid the remaining cost on 4 June 2015.

Bumrungrad Mongolia LLC

On 16 September 2015, Health Horizons Enterprises Pte. Ltd., a subsidiary in Singapore, 80% owned by the Company, acquired 100% of the additional common shares of Bumrungrad Mongolia LLC, a subsidiary in Mongolia, amounting to MNT 60 million or equivalent to Baht 1 million.

11.5 The changes of investments in subsidiaries account during the year 2014

11.5.1 Establishment of new subsidiaries

Bumrungrad Health Network Co., Ltd. (formerly known as "Bumrungrad Personnel Development Center Co., Ltd.")

On 6 January 2014, the Company set up and registered a new subsidiary, Bumrungrad Health Network Co., Ltd., incorporated in Thailand with a registered share capital of Baht 5.0 million, comprising of 500,000 common shares with par value of Baht 10 each. The Company paid for a common share of the subsidiary at 25% of par value of Baht 10, totaling Baht 1.3 million, representing 100% of total issued and paid-up share capital. Subsequently, on 10 February 2014, the Company fully paid for the unpaid amount of common shares of the subsidiary totaling Baht 3.7 million.

The investment was made in accordance with a resolution of the Investment Committee Meeting held on 19 December 2013, which approved the Company's establishment of a new subsidiary to be the personnel development and training center for healthcare service business.

Bumrungrad Personnel Development and Training Center Co., Ltd.

On 20 November 2014, the Company set up and registered a new subsidiary, Bumrungrad Personnel Development and Training Center Co., Ltd., incorporated in Thailand with a registered share capital of Baht 5.0 million, comprising of 500,000 common shares with par value of Baht 10 each. The Company fully paid for a common share of the subsidiary of total issued and paid-up share capital on 12 December 2014, amounting to Baht 5.0 million.

The investment was made in accordance with a resolution of the Investment Committee Meeting held on 7 November 2014, which approved the Company's establishment of a new subsidiary to be the Group's personnel development and training center for healthcare service business.

Vitalife International AG

On 16 January 2014, the Company set up and registered a new subsidiary, Vitalife International AG, incorporated in Switzerland with a registered share capital of CHF 100,000, comprising of 100,000 common shares with par value of CHF 1 each. The Company invested in the new subsidiary with 51% shareholding through a wholly owned subsidiary, Life and Longevity Ltd.

The investment was made in accordance with a resolution of the Investment Committee Meeting held on 20 September 2013, which approved the Company's establishment of a new subsidiary to be the Company's holding company for overseas investments.

Health Horizons Enterprises Pte. Ltd.

On 4 March 2014, the Company set up and registered a new subsidiary, Health Horizons Enterprises Pte. Ltd. ("HHE"), incorporated in Singapore with a registered share capital of USD 20,000, comprising of 20,000 common shares with par value of USD 1 each. As at registered date, HHE had 1 paid-up share capital with par value of USD 1 each. The Company's shareholding percentage represents 80% of total issued and paid-up share capital.

Subsequently, on 20 June 2014, HHE issued new 16,629,422 common shares with a par value of USD 1 each. The Company and AFH Health Care Investment Limited ("AFH"), which is another shareholder of HHE, invested in newly issued common shares in proportion to their existing shareholdings and also paid for the existing registered capital, by converting loans to and interest receivable from HHE to equity and paying additional amounts in cash, as follows.

(Unit: USD)

	Shareholding (%)	Payment for common shares		
		Loan and interest receivable conversion	Cash	Total
The Company	80.00	12,343,537	976,000	13,319,537
AFH	20.00	3,085,885	243,999	3,329,884
Total	100.00	15,429,422	1,219,999	16,649,421

The investment was made in accordance with a resolution of the Board of Directors' Meeting held on 19 December 2013, which approved the Company's establishment of a new subsidiary to be the Company's holding company for overseas investments.

11.5.2 Acquisitions of new subsidiaries

On 28 March 2014, Health Horizons Enterprises Pte. Ltd. ("HHE"), an overseas subsidiary, 80% owned by the Company, acquired 100% of the common shares of Bumrungrad Mongolia LLC ("BML"), which holds 51% of the common shares of Seoul Seniors Tower LLC ("SST"), for approximately USD 12.0 million in cash. Additionally, HHE provided a loan of USD 3.3 million to SST, which owns and operates Ulaanbaatar Songdo Hospital in Mongolia.

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

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

The investment was made in accordance with a resolution of the Board of Directors' Meeting held on 19 December 2013.

Fair value amounts of the assets acquired and the liabilities of BML and SST as at the acquisition date are as follows.

	(Unit: Thousand Baht)
Consideration transferred	
Cash	308,668
Repayment debt of acquired subsidiary	85,705
Total cash payment for purchase of investments in subsidiaries	<u>394,373</u>
Assets acquired and liabilities assumed	
Cash and cash equivalents	2,591
Trade and other receivables	4,205
Inventories	15,269
Property, plant and equipment - net	631,649
Deferred tax assets	3,053
Other assets	81
Trade and other payables	(1,263)
Accrued physicians' fee	(312)
Income tax payable	(250)
Long-term loans	(101,916)
Other liabilities	(1,545)
Total net assets of the subsidiaries	<u>551,562</u>
Non-controlling interests in the subsidiaries	<u>(267,391)</u>
Net assets of the subsidiaries in the Company's proportion	284,171
Goodwill	<u>110,202</u>
Cash payment for purchase of investments in subsidiaries	394,373
Less: Cash and cash equivalents of the subsidiaries	<u>(2,591)</u>
Net cash payment for purchase of investments in subsidiaries	<u>391,782</u>

For the period as from 1 April 2014 to 31 December 2014, HHE which included SST and BML has contributed revenue and profit of approximately Baht 211.8 million and Baht 16.3 million, respectively, to the consolidated income statement. There is no significant difference had HHE Group been included in the consolidated financial statements from 1 January 2014 to 31 December 2014.

12. Investments in associates

12.1 Details of investments in associates

(Unit: Thousand Baht)

Company	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2015	2014	2015	2014	2015	2014
			(%)	(%)				
Bumrungrad International Ltd.	Holding company	Thailand	31.50	31.50	1,447	1,447	234,067	232,226
CDE Trading Ltd.	Cease its operation	Thailand	-	30.00	-	5,415	-	943
Total					1,447	6,862	234,067	233,169

(Unit: Thousand Baht)

Company	Separate financial statements							
	Shareholding percentage		Cost		Allowance for loss on impairment		Carrying amounts based on cost method - net	
	2015	2014	2015	2014	2015	2014	2015	2014
	(%)	(%)						
Bumrungrad International Ltd.	31.50	31.50	1,447	1,447	-	-	1,447	1,447
CDE Trading Ltd.	-	30.00	-	5,415	-	4,000	-	1,415
Total			1,447	6,862	-	4,000	1,447	2,862

12.2 Share of comprehensive income and dividend received

During the years, the Company has recognised its share of profit (loss) from investments in associate companies in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Associates	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investments in associates during the year		Dividend received during the year	
	2015	2014	2015	2014
Bumrungrad International Ltd.	1,841	(6,094)	-	-
CDE Trading Ltd.	10,674	3,349	-	-
Total	12,515	(2,745)	-	-

12.3 Summarised financial information of associates

Financial information of the associates is summarised below.

(Unit: Million Baht)

Company	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for the years ended		Profit (loss) for the years ended	
	31 December		31 December		31 December		31 December		31 December	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Bumrungrad International Ltd.										
("BIL")	4.6	4.6	754.2	754.9	11.2	17.7	13.4	16.1	5.8	(19.3)
CDE Trading Ltd. ("CDE")	-	2.5	-	5.8	-	2.5	-	-	(1.1)	(1.1)

On 1 July 2014, an associate (CDE) registered with the Ministry of Commerce to reduce its registered and paid-up share capital from Baht 10.0 million (100,000 ordinary shares at par value of Baht 100.00 each) to Baht 2.5 million (25,000 ordinary shares at par value of Baht 100.00 each). The associate's share capital reduction was made in accordance with a resolution of the Extraordinary General Meeting of its shareholders held on 29 May 2014. The Company received a return of share capital in proportion to its 30.0% shareholding in the associate on 23 December 2014, amounting to Baht 2.3 million (22,500 shares at a value of Baht 100.00 each). Using the cost method, the share capital reduction of the associate resulted in a loss of Baht 2.0 million presented in the separate income statement for the year ended 31 December 2014.

On 17 November 2015, the Extraordinary General Meeting of shareholders of CDE passed a resolution to approve the dissolution of CDE. CDE registered its dissolution with the Ministry of Commerce on 17 November 2015. At present, CDE is in the process of liquidation. During the year ended 31 December 2015, the Company received the return of share capital of Baht 0.6 million from CDE. The Company has written-off the investment in CDE and recognised loss from dissolution of an associate amounting to Baht 0.8 million in the separate income statement.

13. Other long-term investment

(Unit: Thousand Baht)

Company	Shareholding		Consolidated		Separate	
	percentage		financial statements		financial statements	
	2015	2014	2015	2014	2015	2014
	(%)	(%)				
Chantaburi Country Club Co., Ltd.	0.5	0.5	4,500	4,500	4,500	4,500
Less: Allowance for loss on impairment			(2,800)	(2,800)	(2,800)	(2,800)
Other long-term investment - net			1,700	1,700	1,700	1,700

14. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements										
	Land	Land leasehold right and land improvement	Buildings and construction	Facility systems	Medical accessory equipment	Hospital equipment	Equipment and furniture	Motor vehicles	Assets under construction and installation	Total
Cost										
1 January 2014	2,863,748	35,510	5,211,295	650,145	3,555,477	1,234,976	567,492	46,879	477,635	14,643,157
Increase from acquisition of subsidiaries	-	-	579,136	-	111,289	5,593	11,616	1,402	-	709,036
Additions	-	1,099	56,065	137,509	613,845	75,632	34,664	1,813	255,198	1,175,825
Disposals	-	-	(1,607)	(41)	(28,977)	(269,051)	(10,955)	(7,289)	-	(317,920)
Transfer in (out)	-	-	142,937	1,749	(7,252)	7,356	83	-	(144,873)	-
Capitalised interest	-	-	-	-	-	-	-	-	55,511	55,511
Translation adjustment	-	-	(22,298)	-	(2,291)	(40)	(292)	(36)	-	(24,957)
31 December 2014	2,863,748	36,609	5,965,528	789,362	4,242,091	1,054,466	602,608	42,769	643,471	16,240,652
Additions	754,933	-	33,142	46,226	195,757	112,339	19,734	1,046	306,384	1,469,561
Disposals/write-off	-	-	(247)	(8,266)	(105,116)	(33,993)	(35,092)	(61)	(4,000)	(186,775)
Transfer in (out)	-	-	366,574	45,255	-	1,014	-	-	(444,583)	(31,740)
Capitalised interest	-	-	-	-	-	-	-	-	54,230	54,230
Translation adjustment	-	38	19,261	-	218	5,336	426	84	64	25,427
31 December 2015	3,618,681	36,647	6,384,258	872,577	4,332,950	1,139,162	587,676	43,838	555,566	17,571,355
Accumulated depreciation										
1 January 2014	-	18,093	1,616,369	203,470	2,366,971	964,717	338,628	38,977	-	5,547,225
Increase from acquisition of subsidiaries	-	-	14,767	-	53,311	4,582	4,237	490	-	77,387
Depreciation for the year	-	603	346,477	58,858	448,838	82,167	42,117	2,632	-	981,692
Depreciation on disposals	-	-	(768)	(15)	(27,475)	(268,620)	(10,014)	(7,289)	-	(314,181)
Translation adjustment	-	-	(82)	-	(68)	(3)	(6)	(1)	-	(160)
31 December 2014	-	18,696	1,976,763	262,313	2,841,577	782,843	374,962	34,809	-	6,291,963
Depreciation for the year	-	694	356,090	72,770	407,990	93,596	42,400	2,872	-	976,412
Depreciation on disposals	-	-	(247)	(8,055)	(104,093)	(29,144)	(32,981)	(61)	-	(174,581)
Translation adjustment	-	5	1,771	-	211	2,955	233	35	-	5,210
31 December 2015	-	19,395	2,334,377	327,028	3,145,685	850,250	384,614	37,655	-	7,099,004

(Unit: Thousand Baht)

Consolidated financial statements										
	Land	Land leasehold right and land improvement	Buildings and construction	Facility systems	Medical accessory equipment	Hospital equipment	Equipment and furniture	Motor vehicles	Assets under construction and installation	Total
Allowance for impairment loss										
1 January 2014	-	-	-	-	-	239	-	-	-	239
31 December 2014	-	-	-	-	-	239	-	-	-	239
31 December 2015	-	-	-	-	-	239	-	-	-	239
Net book value										
31 December 2014	2,863,748	17,913	3,988,765	527,049	1,400,514	271,384	227,646	7,960	643,471	9,948,450
31 December 2015	3,618,681	17,252	4,049,881	545,549	1,187,265	288,673	203,062	6,183	555,566	10,472,112
Depreciation for the years										
2014 (Baht 694.0 million included in cost of hospital operations, and the balance in administrative expenses)										981,692
2015 (Baht 726.2 million included in cost of hospital operations, and the balance in administrative expenses)										976,412

As at 31 December 2015, the Company had an outstanding balance of land, work under construction of building and building improvement of Baht 1,129.2 million (2014: Baht 1,150.1 million) which has been financed by long-term debentures and borrowing costs totaling Baht 54.2 million (2014: Baht 55.5 million) were capitalised during the year ended 31 December 2015. The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation was 4.87% per annum (2014: 4.87% per annum).

As at 31 December 2015, certain equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to Baht 1,589.1 million (Separate financial statements: Baht 1,553.5 million) (2014: Baht 1,223.7 million (Separate financial statements: Baht 1,193.3 million)).

15. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Computer software	Total	Computer software	Compensation for business combination	Total
Cost					
1 January 2014	1,030,497	1,030,497	1,065,842	192,928	1,258,770
Increase from acquisition of subsidiaries	19	19	-	-	-
Additions	16,429	16,429	16,084	-	16,084
Disposals/Write-off	(172)	(172)	(1,323)	(192,928)	(194,251)
31 December 2014	1,046,773	1,046,773	1,080,603	-	1,080,603
Additions	42,621	42,621	41,182	-	41,182
Transfer from assets under installation	31,740	31,740	31,740	-	31,740
Translation adjustment	9	9	-	-	-
31 December 2015	1,121,143	1,121,143	1,153,525	-	1,153,525
Accumulated amortisation					
1 January 2014	470,966	470,966	492,629	65,917	558,546
Amortisation during the year	63,076	63,076	62,596	-	62,596
Amortisation on disposals/Write-off	(172)	(172)	(533)	(65,917)	(66,450)
Realised gain on sales in the past	(3,673)	(3,673)	-	-	-
31 December 2014	530,197	530,197	554,692	-	554,692
Amortisation during the year	68,332	68,332	67,964	-	67,964
Realised gain on sales in the past	(11,019)	(11,019)	-	-	-
Translation adjustment	14	14	-	-	-
31 December 2015	587,524	587,524	622,656	-	622,656

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Computer software	Total	Computer software	Compensation for business combination	Total
Allowance for impairment loss					
1 January 2014	370,233	370,233	370,233	127,011	497,244
Decrease during the year	-	-	-	(127,011)	(127,011)
31 December 2014	370,233	370,233	370,233	-	370,233
31 December 2015	370,233	370,233	370,233	-	370,233
Net book value					
31 December 2014	146,343	146,343	155,678	-	155,678
31 December 2015	163,386	163,386	160,636	-	160,636

16. Goodwill

Goodwill resulted from the acquisition by Health Horizons Enterprises Pte. Ltd. ("HHE"), an overseas subsidiary that is 80% owned by the Company, of a 100% interest in the common shares of Bumrungrad Mongolia LLC ("BML") on 28 March 2014. BML holds 51% of the common shares of Seoul Seniors Tower LLC ("SST"), which operates Ulan Bator Songdo Hospital in Mongolia. The excess of the purchase price over the net value of the tangible assets acquired was allocated as goodwill. The amount of goodwill is USD 3.4 million, which mainly comprises the value of expected synergies from customer base expansion.

The change in the goodwill account is due to the impact of exchange differences on translation of the foreign operation's financial statements.

17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade payables - unrelated parties	754,355	753,834	732,435	745,308
Construction and medical equipment payables	52,671	81,347	52,671	72,783
Other payables - related parties	-	-	16,581	13,395
Other payables - unrelated parties	23,018	25,056	18,810	22,869
Total	830,044	860,237	820,497	854,355

18. Long-term debentures

The Extraordinary General Meeting of the Company's shareholders held on 8 December 2011 approved the issuance and offering of unsecured, unsubordinated debentures in Baht currency with the principal amount not exceeding Baht 7,000 million and the tenor not more than 10 years.

As at 31 December 2015 and 2014 detail of long-term debentures are as follows.

(Unit: Thousand Baht)

Series	Maturity date	No. of units (Thousand units)	Par value (Baht)	Interest rate (% p.a.)	Term of interest payment	Carrying amount	
						2015	2014
1	Entirely redeemed on 20 December 2016 (5 years)	1,500	1,000	4.13	Semi-annual	1,500,000	1,500,000
2	Entirely redeemed on 20 December 2018 (7 years)	1,000	1,000	4.59	Semi-annual	1,000,000	1,000,000
3	Entirely redeemed on 20 December 2021 (10 years)	2,500	1,000	4.97	Semi-annual	2,500,000	2,500,000
Total						5,000,000	5,000,000
Less: Deferred debenture issuing costs						(21,845)	(28,018)
Long-term debentures - net						4,978,155	4,971,982
Less: Current portion						(1,497,145)	-
Non-current portion						3,481,010	4,971,982

The long-term debentures are unsecured and unsubordinated debentures in Baht currency with fixed interest rates.

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

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

19. Undrawn loan facilities

As at 31 December 2015, the Group has short-term credit facilities which have not yet been drawn down amounted to Baht 3,310.0 million (2014: Baht 3,310.0 million).

20. Provision for long-term employee benefits

Provision for long-term employee benefits was as follows.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Compensations on employees' retirement		Other long-term employee benefits		Total	
	2015	2014	2015	2014	2015	2014
Provision for long-term employee benefits at beginning of year	379,874	322,439	30,455	26,992	410,329	349,431
Included in the income statement:						
Current service cost	55,822	47,528	5,641	5,146	61,463	52,674
Interest cost	10,969	12,509	915	1,053	11,884	13,562
Past service cost and gains or losses on settlement	-	-	2,707	995	2,707	995
Included in the statement of comprehensive income:						
Actuarial (gain) loss arising from						
- Demographic assumption changes	94	-	-	-	94	-
- Financial assumptions changes	16,967	31,910	-	-	16,967	31,910
- Experience adjustments	16,546	(14,558)	-	-	16,546	(14,558)
Benefits paid during the year	(39,655)	(19,954)	(3,641)	(3,731)	(43,296)	(23,685)
Provision for long-term employee benefits at end of year	440,617	379,874	36,077	30,455	476,694	410,329

(Unit: Thousand Baht)

	Separate financial statements					
	Compensations on		Other long-term		Total	
	employees' retirement		employee benefits			
	2015	2014	2015	2014	2015	2014
Provision for long-term employee						
benefits at beginning of year	375,447	321,768	30,072	26,935	405,519	348,703
Transfer of defined benefit delegation to a subsidiary	-	(3,124)	-	(271)	-	(3,395)
Included in the income statement:						
Current service cost	54,862	46,647	5,573	5,080	60,435	51,727
Interest cost	10,807	12,376	902	1,041	11,709	13,417
Past service cost and gains or losses on settlement	-	-	2,723	1,011	2,723	1,011
Included in the statement of comprehensive income:						
Actuarial (gain) loss arising from						
- Financial assumptions changes	16,271	31,898	-	-	16,271	31,898
- Experience adjustments	15,566	(14,164)	-	-	15,566	(14,164)
Benefits paid during the year	(39,612)	(19,954)	(3,622)	(3,724)	(43,234)	(23,678)
Provision for long-term employee						
benefits at end of year	433,341	375,447	35,648	30,072	468,989	405,519

Line items in the income statement under which long-term employee benefit expenses as recognised are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Cost of hospital operations	41,318	41,070	41,318	41,070
Administrative expenses	34,736	26,161	33,549	25,085
Total expenses recognised in the income statement	76,054	67,231	74,867	66,155

The Group expects to pay Baht 56.8 million (2014: Baht 48.6 million) (separate financial statements: Baht 56.7 million, 2014: Baht 48.5 million) of long-term employee benefits during the next year.

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 19 - 24 Years (2014: 20 - 26 years) (separate financial statements: 22 years, 2014: 22 years).

Key actuarial assumptions used for the valuation are as follows.

(Unit: % p.a.)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Discount rate	2.0 - 2.8	3.0 - 3.5	2.6	3.0
Salary increase rate	5.0	5.0	5.0	5.0
Turnover rate	0.0 - 18.0	0.0 - 20.0	0.0 - 14.0	0.0 - 14.0

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at 31 December 2015 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	1% increase	1% decrease	1% increase	1% decrease
	Discount rate	(44.2)	52.1	(43.3)
Salary increase rate	42.6	(36.9)	41.7	(36.1)
Turnover rate	(47.1)	30.6	(46.1)	30.2

21. Convertible bonds treated as equity securities

Convertible bonds treated as equity securities as at 31 December 2015 and 2014 are as follows.

- a) Partly secured convertible bonds in an amount of Baht 300 million, with a maturity of 12 years, and a coupon rate of 2.5% for years 1 - 4, 5% for years 5 - 8, and 10% for years 9 - 12, payable semi-annually. The current conversion price is Baht 4.55 per one ordinary share. The bondholders have the option to convert the bonds into ordinary shares throughout the life of the bonds. The bonds were secured by the mortgage of the Company's land. On 23 August 2012, the Company released the mortgage of the land.

b) Partly secured convertible bonds in an amount of Baht 250 million (after conversion by the bondholder of Baht 750 million in the year 2003); with a maturity of 12 years, and a coupon rate of 1% per annum, payable semi-annually. The current conversion price is Baht 3.50 per one ordinary share. The bondholders have the option to convert the bonds into ordinary shares throughout the life of the bonds. The bonds were secured by the mortgage of the Company's land. On 23 August 2012, the Company released the mortgage of the land.

On 22 November 2000, the meeting of the bonds' holders and on 24 November 2000, an extraordinary meeting of the Company's shareholders passed approval of the amendment to the terms and conditions governing the rights and obligations of the issuer and the bondholders, which gives the Company the option to either redeem the convertible bonds or to convert the bonds into ordinary shares on the maturity date.

On 6 December 2011, the meeting of bonds' holders and on 8 December 2011, an extraordinary meeting of the Company's shareholders passed approval of the amendment to the terms and conditions governing the rights and obligations of the issuer and the bondholders, which to extend the tenure of the convertible bonds for additional 5 years maturing on 23 August 2017 and that the security of the convertible bonds be released in accordance with the same term on 23 August 2012.

On 9 November 2015, the meeting of bonds' holders and on 30 November 2015, an extraordinary meeting of the Company's shareholders passed approval of the amendment to the terms and conditions governing the rights and obligations of the issuer and the bondholders, which to extend the tenure of the convertible bonds for additional 10 years maturing on 23 August 2027 and to cancel the appointment of a bondholders' representative since the collateral for the convertible bonds has already been released. In addition, it is proposed that the name of the BH Convertible Bonds Series#1 and Series#2 be changed to reflect the new maturity date and the release of the collateral for the bonds.

According to the Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentation", because the Company has the option to either redeem the convertible bonds or to convert them into ordinary shares on the maturity date, and delivery of equity securities will not be changed by fair value of such equity securities (since the Company determined a certain conversion price), so the convertible bonds are not covered by the definition of financial liabilities and are to be treated as equity securities. In addition, the Company's management expresses their intention to convert these bonds into ordinary shares on the maturity date. Therefore, the whole amounts of the convertible bonds are presented as part of shareholders' equity and future interest on the bonds will be recorded as a deduction from shareholders' equity.

The Company has reserved 178,571,433 ordinary shares to accommodate the above convertible bonds.

Interest expense for the year 2015 of the convertible bonds amounted to Baht 32.5 million (2014: Baht 32.5 million), being recorded as a reduction to unappropriated retained earnings.

22. Share capital

Preference shareholders have the same right as the ordinary shareholders except that they are entitled to receive an annual dividend at 15% of preference shares capital prior to the dividend paid to the ordinary shareholders. Preference shares can be converted into ordinary shares.

In the first quarter of 2015, 25,000 preference shares (2014: 40,000 shares) were converted into ordinary shares at ratio of one preference share to one ordinary share. The Company registered this conversion with the Ministry of Commerce on 3 March 2015.

23. 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% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

24. Expenses by nature

Significant expenses classified by nature are as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Salaries and wages and other employee benefits	3,256,712	2,798,041	3,081,219	2,683,566
Physicians' fee	3,876,569	3,509,757	3,841,544	3,478,043
Depreciation	976,412	981,692	933,790	953,950
Amortisation	68,332	63,076	67,964	62,596
Loss on impairment of investment in a subsidiary	-	-	29,500	-
Loss from share capital reduction and dissolution of an associate	-	-	817	1,998
Property, plant and equipment rental expenses from operating lease agreements	77,908	80,860	75,469	79,696
Building and equipment maintenance expenses	308,545	325,049	294,227	314,078
Advertising and public relation expenses	255,174	229,730	245,715	217,371
Medicine, medical supply and other supply consumptions	2,961,992	2,778,519	2,836,084	2,670,439

25. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Current income tax:				
Current income tax for the year	831,141	705,047	811,748	682,567
Deferred tax:				
Relating to origination and reversal of temporary differences	(7,822)	(19,627)	(10,402)	(18,779)
Income tax expenses reported in the income statement	823,319	685,420	801,346	663,788

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Deferred tax relating to actuarial loss	(6,452)	(3,470)	(6,367)	(3,547)
Total	(6,452)	(3,470)	(6,367)	(3,547)

The reconciliation between accounting profit and income tax expenses is shown below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Accounting profit before tax	4,250,839	3,420,250	4,212,552	3,336,473
Applicable tax rate			20%	20%
Accounting profit before tax multiplied by income tax rate	871,404	685,217	842,510	667,295
Effects of:				
Tax-exempt revenue	(41,417)	-	(29,861)	-
Non-deductible expenses	15,030	21,868	15,092	20,447
Additional expense deductions allowed	(37,344)	(28,509)	(37,344)	(28,509)
Others	15,646	6,844	10,949	4,555
Total	(48,085)	203	(41,164)	(3,507)
Income tax expenses reported in the income statement	823,319	685,420	801,346	663,788

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

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Deferred tax assets				
Allowance for doubtful accounts	23,756	19,446	23,756	19,446
Allowance for diminution in value of inventories	45	58	-	-
Allowance for loss on impairment of investments	5,900	13,200	5,900	13,200
Allowance for loss on impairment of intangible assets	-	589	-	535
Accumulated depreciation - building and equipment	55,924	46,143	55,924	46,143
Accumulated amortisation - intangible assets	5,992	5,096	5,944	5,042
Provision for long-term employee benefits	103,020	94,683	102,666	94,290
Unrealised loss from exchange rate	2,737	5,120	-	-
Total	197,374	184,335	194,190	178,656
Deferred tax liabilities				
Deferred debenture issuing costs	(4,369)	(5,604)	(4,369)	(5,604)
Total	(4,369)	(5,604)	(4,369)	(5,604)
Deferred tax assets - net	193,005	178,731	189,821	173,052

As at 31 December 2015 the subsidiaries have unused tax losses totaling Baht 46.4 million (2014: Baht 66.8 million). No deferred tax assets have been recognised on this amount as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

The unused tax losses amounting to Baht 46.4 million will expire between 2016 and 2020.

26. Earnings per share

Basic earnings per share is calculated 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.

Diluted earnings per share is calculated 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 plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following tables set forth the computation of basic and diluted earnings per share.

Consolidated financial statements					
Profit for the year		Weighted average number of ordinary shares		Earnings per share	
2015	2014	2015	2014	2015	2014
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)
Basic earnings per share					
Profit attributable to equity holders					
of the Company					
3,435,834	2,730,296	728,621	728,593	4.72	3.75
Effect of dilutive potential ordinary shares					
Preference shares					
-	-	1,431	1,459		
Convertible bonds					
-	-	137,363	137,363		
Diluted earnings per share					
Profit of ordinary shareholders					
assuming the conversion of					
dilutive potential ordinary shares					
<u>3,435,834</u>	<u>2,730,296</u>	<u>867,415</u>	<u>867,415</u>	3.96	3.15

	Separate financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2015	2014	2015	2014	2015	2014
	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	3,411,206	2,672,685	728,621	728,593	4.68	3.67
Effect of dilutive potential ordinary shares						
Preference shares	-	-	1,431	1,459		
Convertible bonds	-	-	137,363	137,363		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>3,411,206</u>	<u>2,672,685</u>	<u>867,415</u>	<u>867,415</u>	3.93	3.08

27. 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 one main reportable operating segment of the Group is hospital and health care center and the geographical areas of its operations are Thailand and Mongolia. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment.

For the years 2015 and 2014, the Group has no major customer with revenues of 10% or more of the Group's revenues.

28. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees contributed to the fund monthly at the rate of 5% of their basic salaries and the Group contributed 5% - 7% of basic salary. The fund, which is managed by Bualuang Securities Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2015 amounting to Baht 66.5 million (2014: Baht 66.8 million) (separate financial statements: Baht 64.5 million, 2014: Baht 66.0 million), were recognised as expenses.

29. Dividends paid

Dividend	Approved by	Dividend paid (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2013	Annual General Meeting of the shareholders on 29 April 2014	875,859	1.20
Interim dividends for 2014	Board of Director's meeting on 8 August 2014	511,032	0.70
Total for 2014		<u>1,386,891</u>	
Final dividends for 2014	Annual General Meeting of the shareholders on 29 April 2015	912,557	1.25
Interim dividends for 2015	Board of Director's meeting on 10 August 2015	656,668	0.90
Total for 2015		<u>1,569,225</u>	

30. Commitments and contingent liabilities

30.1 Capital commitments

As at 31 December 2015 and 2014, the Group has capital commitments as below.

Details of Commitments	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
1) Design and renovation agreements of buildings	145.5	163.4	144.1	163.4
2) Purchase of medical instruments and hospital equipment	176.7	150.0	176.1	150.0

30.2 Operating lease and long-term service commitments

The Group has entered into operating lease agreements in respect of the lease of lands, buildings, office space, vehicles and equipment and long-term service agreements. The terms of the agreements are generally between 1 and 30 years.

As at 31 December 2015 and 2014, future minimum payments required under the above agreements were as follows.

(Unit: Million Baht)

		Consolidated financial statements							
		Payable within						Total	
Details of commitments		1 year		1 to 5 years		More than 5 years			
		2015	2014	2015	2014	2015	2014	2015	2014
1)	Nursing dormitory land rental expense (shall be extended for a further period of 30 years)	2	2	7	7	2	4	11	13
2)	Lease of office space	32	31	33	51	-	-	65	82
3)	Maintenance service fee for medical instruments	136	136	100	137	-	-	236	273
4)	Rental and maintenance service fee for cars	11	11	16	14	-	-	27	25
5)	Fee to a bank which is bondholders' representative	-	-	-	1	-	-	-	1
6)	Service fee for medical treatment information database	41	30	218	199	-	35	259	264

(Unit: Million Baht)

		Separate financial statements							
		Payable within						Total	
Details of commitments		1 year		1 to 5 years		More than 5 years			
		2015	2014	2015	2014	2015	2014	2015	2014
1)	Nursing dormitory land rental expense (shall be extended for a further period of 30 years)	2	2	7	7	2	4	11	13
2)	Lease of office space	32	31	33	51	-	-	65	82
3)	Maintenance service fee for medical instruments	128	136	64	137	-	-	192	273
4)	Rental and maintenance service fee for cars	10	11	15	14	-	-	25	25
5)	Fee to a bank which is bondholders' representative	-	-	-	1	-	-	-	1
6)	Service fee for medical treatment information database	39	30	213	199	-	35	252	264

30.3 Commitments from other contract

The Company entered into the medical equipment utilisation contract with a local company. The contract covers period of 7 years (expire in 2021) and under the conditions of the contract, the Company is required to purchase medical supplies and services to use with the medical equipment at the prices specified in the contract in total throughout the period of the contract. As at 31 December 2015, the outstanding amount of medical supplies and services that the Company is required to purchase in accordance with the contract is Baht 239.4 million (2014: Baht 319.0 million).

30.4 Uncalled portion of investment in subsidiary

As at 31 December 2015, the Company has commitment in respect of the uncalled portion of investment in an overseas subsidiary (Asia Global Health Ltd.) of HKD 2.34 million (2014: HKD 2.34 million).

30.5 Bank guarantees

As at 31 December 2015, there were outstanding bank guarantees of Baht 27.6 million (2014: Baht 29.1 million) issued by banks on behalf of the Company. All were required in the normal course of business e.g. payment of utility expenses and space rental.

30.6 Contingent liabilities arising from agreement to acquire investments in subsidiaries

Health Horizons Enterprises Pte. Ltd. ("HHE"), an overseas subsidiary that is 80% owned by the Company, has contingent liabilities under the Share Sales and Purchase Agreement, dated 5 March 2014, whereby it acquired common shares of Bumrungrad Mongolia LLC ("BML") and Seoul Seniors Tower LLC ("SST"). The seller is entitled to receive an additional contingent consideration in the form of earn-out payments, provided certain cumulative net profit targets are achieved through 31 December 2016, at a maximum amount of MNT 10,965.9 million.

The Group has reviewed and reassessed the likelihood that the Group will have to pay this additional amount, taking into consideration the economic situation, operating performance and the forecast operating results of SST for the years 2014 to 2016. As at 31 December 2015 and 2014, the Group estimated that it has no obligation to pay an additional consideration.

31. Fair value hierarchy

As at 31 December 2015, the Group had liabilities that were disclosed their fair value using a level of inputs as follows.

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements			Total
	Level 1	Level 2	Level 3	
Liabilities for which fair value are disclosed				
Debentures	-	5,323,275	-	5,323,275

32. Financial instruments

32.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentation", principally comprise cash and cash equivalents, short-term investments, accounts receivable and payable, long-term loan to and long-term loan from and long-term debentures. 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 accounts receivable and other receivables. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Group has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivables and other receivables as stated in the statement of financial position.

Interest rate risk

The Group's exposures to interest rate risk relate primarily to their interest-bearing, cash at banks, short-term investments, long-term loan to and long-term loan from and long-term debentures. However, since most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the current market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2015							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	3,986	-	-	995	73	5,054	0.05 - 3.60
Short-term investments	2,306	-	-	-	-	2,306	1.90 - 2.00
Trade and other receivables	-	-	-	-	2,318	2,318	-
	<u>6,292</u>	<u>-</u>	<u>-</u>	<u>995</u>	<u>2,391</u>	<u>9,678</u>	
Financial liabilities							
Trade and other payables	-	-	-	-	830	830	-
Accrued physicians' fees	-	-	-	-	713	713	-
Long-term loan from and interest payable to a related party	-	176	-	-	7	183	1.38
Long-term debentures	1,497	996	2,485	-	-	4,978	4.13 - 4.97
	<u>1,497</u>	<u>1,172</u>	<u>2,485</u>	<u>-</u>	<u>1,550</u>	<u>6,704</u>	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2015							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	3,897	-	-	908	13	4,818	0.05 - 1.85
Short-term investments	2,302	-	-	-	-	2,302	1.90 - 2.00
Trade and other receivables	-	-	-	-	2,328	2,328	-
Long-term loan to and interest receivable from a related party	-	9	-	-	-	9	1.38
	<u>6,199</u>	<u>9</u>	<u>-</u>	<u>908</u>	<u>2,341</u>	<u>9,457</u>	
Financial liabilities							
Trade and other payables	-	-	-	-	820	820	-
Accrued physicians' fees	-	-	-	-	708	708	-
Long-term loan from and interest payable to a related party	-	176	-	-	7	183	1.38
Long-term debentures	1,497	996	2,485	-	-	4,978	4.13 - 4.97
	<u>1,497</u>	<u>1,172</u>	<u>2,485</u>	<u>-</u>	<u>1,535</u>	<u>6,689</u>	

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2014							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)	
Financial assets							
Cash and cash equivalents	2,947	-	-	1,652	77	4,676	0.10 - 2.75
Short-term investments	1,922	-	-	-	-	1,922	2.80 - 3.10
Trade and other receivables	-	-	-	-	1,525	1,525	-
	<u>4,869</u>	<u>-</u>	<u>-</u>	<u>1,652</u>	<u>1,602</u>	<u>8,123</u>	
Financial liabilities							
Trade and other payables	-	-	-	-	860	860	-
Accrued physicians' fees	-	-	-	-	538	538	-
Long-term loan from and interest payable to a related party	-	176	-	-	4	180	1.50
Long-term debentures	-	<u>2,489</u>	<u>2,483</u>	<u>-</u>	<u>-</u>	<u>4,972</u>	<u>4.13 - 4.97</u>
	<u>-</u>	<u>2,665</u>	<u>2,483</u>	<u>-</u>	<u>1,402</u>	<u>6,550</u>	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2014							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)	
Financial assets							
Cash and cash equivalents	2,896	-	-	1,601	43	4,540	0.10 - 2.75
Short-term investments	1,802	-	-	-	-	1,802	2.85 - 3.00
Trade and other receivables	-	-	-	-	1,525	1,525	-
Long-term loan to a related party	-	-	-	-	2	2	-
	<u>4,698</u>	<u>-</u>	<u>-</u>	<u>1,601</u>	<u>1,570</u>	<u>7,869</u>	
Financial liabilities							
Trade and other payables	-	-	-	-	854	854	-
Accrued physicians' fees	-	-	-	-	531	531	-
Long-term loan from and interest payable to a related party	-	176	-	-	4	180	1.50
Long-term debentures	-	<u>2,489</u>	<u>2,483</u>	<u>-</u>	<u>-</u>	<u>4,972</u>	<u>4.13 - 4.97</u>
	<u>-</u>	<u>2,665</u>	<u>2,483</u>	<u>-</u>	<u>1,389</u>	<u>6,537</u>	

In addition, as at 31 December 2015 and 2014, the Company's exposures to fixed interest rate risk relate to convertible bonds treated as equity securities amounting to Baht 550 million with maturity date in 2027 and carry interests at the rates 1% and 10% per annum, as described in Note 21 to the financial statements.

Foreign currency risk

The Company's exposure to foreign currency risk arises from investments in subsidiaries those are denominated in foreign currencies. The Company has no foreign currency forward contracts to reduce the exposure since the Company expects the risk to be minimal. The Group does not use foreign currency forward contracts or purchased currency options for trading purposes.

The Group has no significant balance of financial assets and liabilities denominated in foreign currencies as at 31 December 2015 and 2014.

32.2 Fair values of financial instruments

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows.

- a) For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, short-term investments, trade and other receivables, long-term loan to and long-term loan from, trade and other payables and accrued physicians' fees, the carrying amounts at the statement of financial position approximate fair value.
- b) For long-term debentures, fair value is derived from quoted market prices of the Thai Bond Market Association at the close of the business on the reporting date.

Since the majorities of the Group's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position. The carrying amount of long-term debentures with fixed interest rates as at 31 December 2015 amounted to Baht 4,978.2 million (2014: Baht 4,972.0 million), and their fair value amounted to Baht 5,323.3 million (2014: Baht 5,264.6 million).

33. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2015, the Group's debt-to-equity ratio was 0.64:1 (2014: 0.72:1) and the Company's was 0.66:1 (2014: 0.74:1).

34. Events after the reporting period

On 24 February 2016, a meeting of the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of shareholders to be held in April 2016 to adopt a resolution to pay a dividend of Baht 2.35 per share, or a total of Baht 1,715.6 million, to the shareholders in respect of the 2015 profit. The Company already paid an interim dividend of Baht 0.90 per share, or a total of Baht 657.0 million on 9 September 2015. The remaining dividend of Baht 1.45 per share, or a total of Baht 1,058.6 million will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2016.