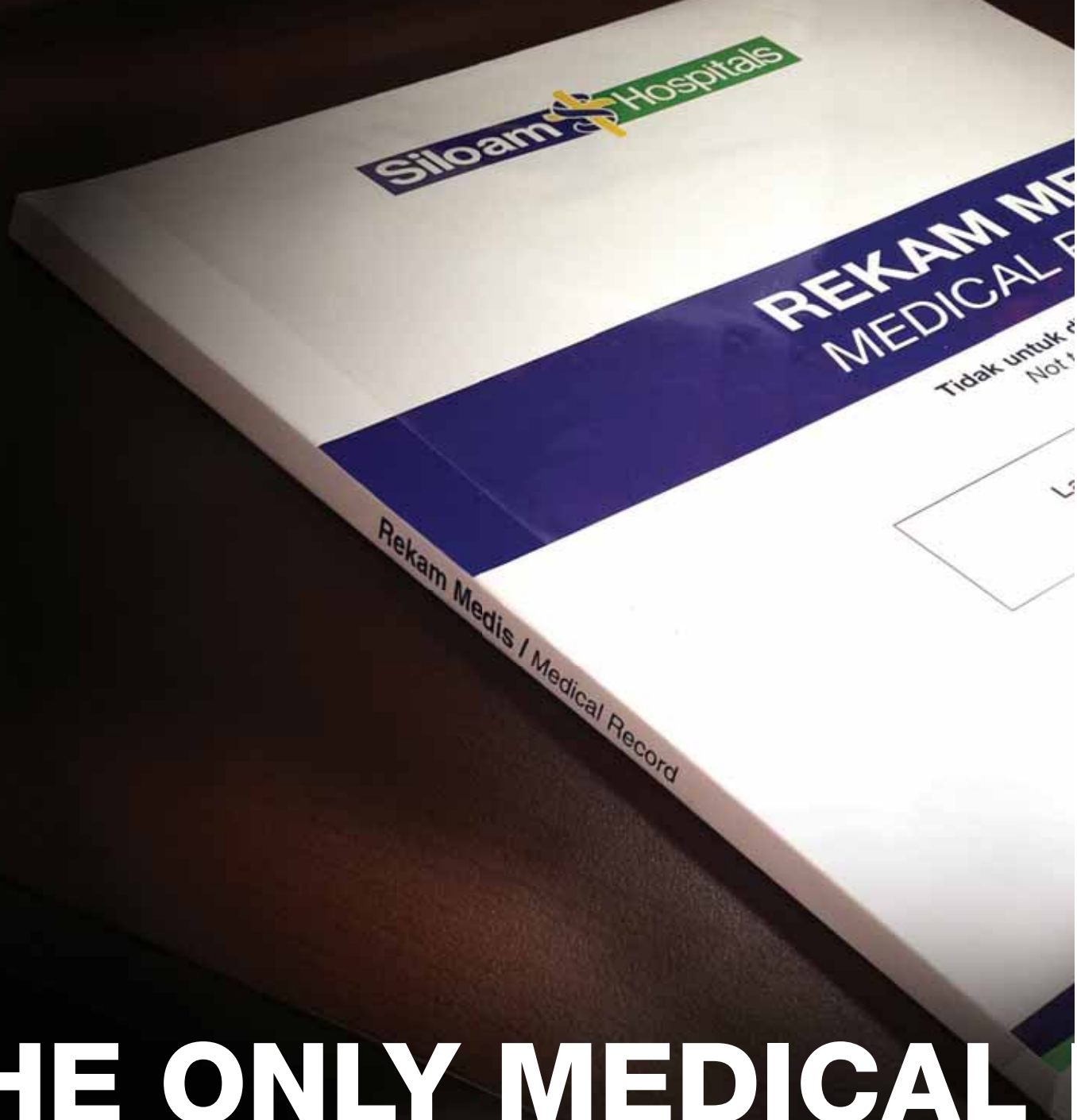




Mempertahankan Laju Pertumbuhan
KEEPING UP THE SPEED

2015 Annual Report
PT Siloam International Hospitals Tbk.



**THE ONLY MEDICAL
YOU NEED**

MEDIS
AL RECORD

Untuk dibawa keluar Rumah Sakit
Not to be taken outside the Hospital

Label Pasien
Patient Label

VOL.



RECORD

Siloam is the leading private hospital network with 20 hospitals in 14 cities across Indonesia.

Siloam Hospitals Group is Indonesia's most progressive and innovative healthcare provider that has set the benchmark for quality healthcare services. Siloam's medical team of more than 400 general practitioners, 1,700 specialist doctors and 8,200 nurses, allied health and support staff, offers best-in-class healthcare services to nearly two million patients annually

For 24 Hour Siloam Ambulance Service, contact: 1 – 500 – 911
For Appointment and General Information, contact: 1 – 500 – 181



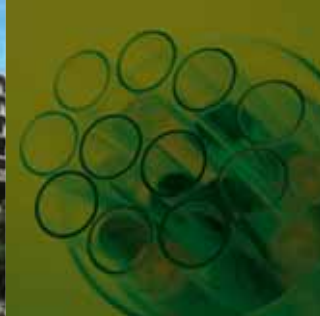
BUTON



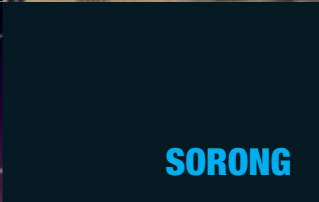
**LUBUK
LINGGAU**



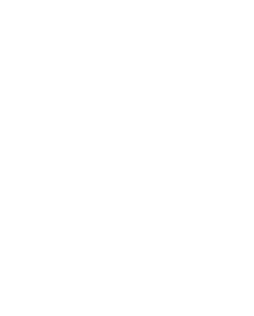
**BANGKA
BELITUNG**



SORONG



**SEMARANG
SRONDOL**



KEEPING UP THE SPEED

This year's award from Frost and Sullivan as Indonesia Hospital of the Year has helped reaffirm our commitment to expansion and growth. In the course of driving new hospitals, new centers of excellence and service excellence, management has taken into account both the desire by Indonesians to have better access to more modern healthcare and the generally very positive demographic trends.

These key indicators along with Siloam Hospitals' proven track record of multiplication from 4 to 20 hospitals in the span of four years and experienced teams of medical and non-medical staffs have made keeping up the speed the clearest path to fulfill our vision. By expanding local and international partnerships, Siloam Hospitals is engaging all stakeholders with clinical best practice, expanded service, sustainable financial performance and an underlying sense of care.

5



Siloam Hospitals in Brief

22



Board of Commissioners Report

26



Board of Directors Report

Siloam Hospitals in Brief	5	Stock Highlights	20
Corporate Culture	7	Supporting Professionals and Institutions	21
2015 Awards	9	Report of the Board of Commissioners	22
Vision, Mission, and Values	11	Report of Board of Directors	26
Organization Structure	12	Strategy	33
Milestones	14	Management Discussion & Analysis	35
Siloam Hospitals Service Area	17		
Financial Highlights	18		

Table of Contents

35



Management Discussion & Analysis

65



Good Corporate Governance (GCG)

101



Corporate Social Responsibility (CSR)

Business Review	37	Corporate Social Responsibility (CSR)	101
Financial Performance Analysis	47	Occupational Health and Safety (K3)	107
Human Resources	53	Corporate Data	109
Clinical Governance and Quality Standard	59	Profile of the Board of Commissioners	110
Information and Communication Technology (ICT)	63	Profile of the Board of Directors	114
Good Corporate Governance (GCG)	65	Statement of Responsibility of the Board of Commissioners and the Board of Directors for the 2015 Annual Report of PT Siloam International Hospitals Tbk.	118
Report of Audit Committee	94	Financial Statements	121
Report of Nomination and Remuneration Committee	96		
Report of Internal Audit	98		



SILOAM HOSPITALS IN BRIEF

PT Siloam International Hospitals Tbk. (the "Company", "Siloam Hospitals") operates the largest private hospital network in Indonesia. Beginning business in 1996 as PT Sentralindo Wirasta and growing to 4 hospitals by 2010, the Company now manages and operates 20 state-of-the-art-hospitals, comprising 7 hospitals in Jabodetabek and 13 hospitals distributed across Java, Sumatra, Kalimantan, Sulawesi and Bali. Of the 20 hospitals in operation, 12 hospitals are already serving BPJS (National Insurance Program) patients and more to follow in the near future.

In September 2013, the Company was listed at the Indonesia Stock Exchange as PT Siloam International Hospitals Tbk. with code SILO.

To meet the demand for world-class medical services by a growing Indonesian middle class as well as the demand from the introduction of the national healthcare plan, Siloam Hospitals is rapidly increasing the numbers of hospitals and broadening the services it offers.

Committed to delivering world class healthcare services, Siloam Hospitals invests in the latest medical equipment including 12 Cath Labs, 14 MRI, 22 CT-Scan, 1 Gamma Knife, 2 Linear Accelerators, and 1 Cyclotron within its integrated network. Investment in both technology and medical staff supports a strategic goal to offer a comprehensive range of specialist and general medical services including complex surgical procedures, laboratory services, radiology and imaging services, fertility treatment, diagnostic and emergency services.

Siloam Hospitals Lippo Village is accredited by the Joint Commission International (JCI) and BIMC Nusa Dua accredited by the Australian Council on Healthcare Standards (ACHS), setting the stage for further certifications of more hospitals. By December 2015, Siloam Hospitals had a bed-capacity of 4,800, with 2,100 doctors, of which about 1,700 are specialists, and

more than 8,200 nurses, allied health technicians and support staff providing care for almost 2 million patients.

The Company's dedication within the Indonesian healthcare industry is acknowledged locally and internationally. During 2015, the Company received several awards, for example, the 2015 Indonesia Hospital of the Year from Frost & Sullivan and the 2015 Indonesia Best Practices Awards: Indonesia Healthcare Most Reputable Brand 2015, based on healthcare survey in Jabodetabek category of private hospitals.

Looking forward, the Siloam Hospitals will continue its focus on ensuring patient satisfaction and expanding the reach of the network. Revenue growth will be driven by increasing contributions from recently opened hospitals and the ramp-up of hospital operations as they gain greater recognition in their locations.



CORPORATE CULTURE

Siloam Hospitals attributes the path of its success over the past 20 years on the Company's values, values that span all Company aspects, both medical and non-medical. As a signal to all stakeholders, the carrying out of these values in all the hospitals' day to day affairs, as well as management actions, helps to confirm the Company vision to achieve international quality healthcare available across Indonesia provided with Godly Compassion.

Those values are: Love, Caring, Integrity, Honesty, Empathy, Compassion, and Professionalism.

Service excellence occupies a central place within Siloam Hospitals' day to day operations nationwide. Improved trainings and tighter oversight of performance demonstrate the Company's commitment to ensure that patients are well treated at all stages, from entry through the door to discharge.

Siloam Hospitals enjoys the privilege of producing own nurses in cooperation with UPH Nursing School through scholarships an opportunity to nurture and shape young talents of competent and caring nurses who live up the Company's values.



FROST & SULLIVAN

FROST & SULLIVAN

FROST & SULLIVAN

FROST & SULLIVAN

BEST PRACTICES AWARDS

BEST PRACTICES AWARDS

BEST PRACTICES AWARDS

BEST PRACTICES AWARDS

2014

2014

2012

2010

2015 AWARDS



24 June 2015

Indonesia Healthcare Most Reputable Brand 2015 based on Healthcare Survey in Makassar City category Private Hospital



24 June 2015

Indonesia Healthcare Most Reputable Brand 2015 based on Healthcare Survey in Jabodetabek City category Private Hospital



9 September 2015

The Best Champion of Balikpapan WOW Service Excellence Award 2015 for Siloam Hospitals Balikpapan (Category: General Hospital (B-Class))



1 October 2015

2015 Indonesia Best Practices Awards: Indonesia Healthcare Services Provider of the Year



9 October 2015

Silver Champion of Indonesia WOW Service Excellence Award 2015 for Siloam Hospitals in Jabodetabek (Category: General Hospital (A-Class), Region: Jawa Bali)



9 October 2015

The Best of Indonesia WOW Service Excellence Award 2015 for Siloam Hospitals Manado (Category: General Hospital (B-Class))



22 October 2015

Ranked 74th in Most Valuable Indonesian Brands 2015 & has been awarded a USD 31 million Brand Value & A+



9 October 2015

Gold Champion of Indonesia WOW Service Excellence Award 2015 for Siloam Hospitals Balikpapan (Category: General Hospital (B-Class), Region: Kalimantan)



9 October 2015

Silver Champion of Indonesia WOW Service Excellence Award 2015 for Siloam Hospitals Manado (Category: General Hospital (B-Class), Region: Sulampapua)



VISION, MISSION, AND VALUES

Vision

- International Quality
- Scale
- Reach
- Godly Compassion

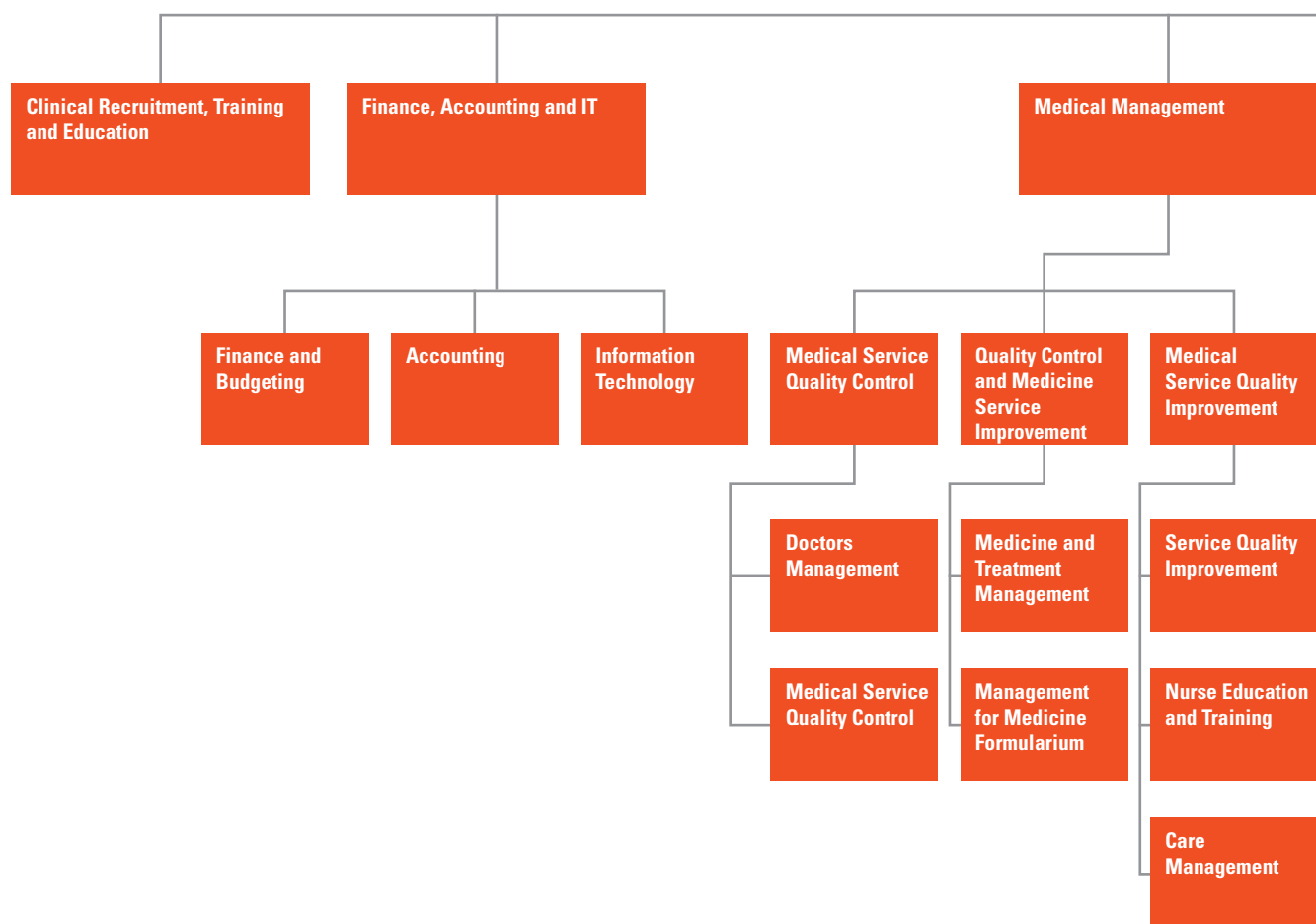
Mission

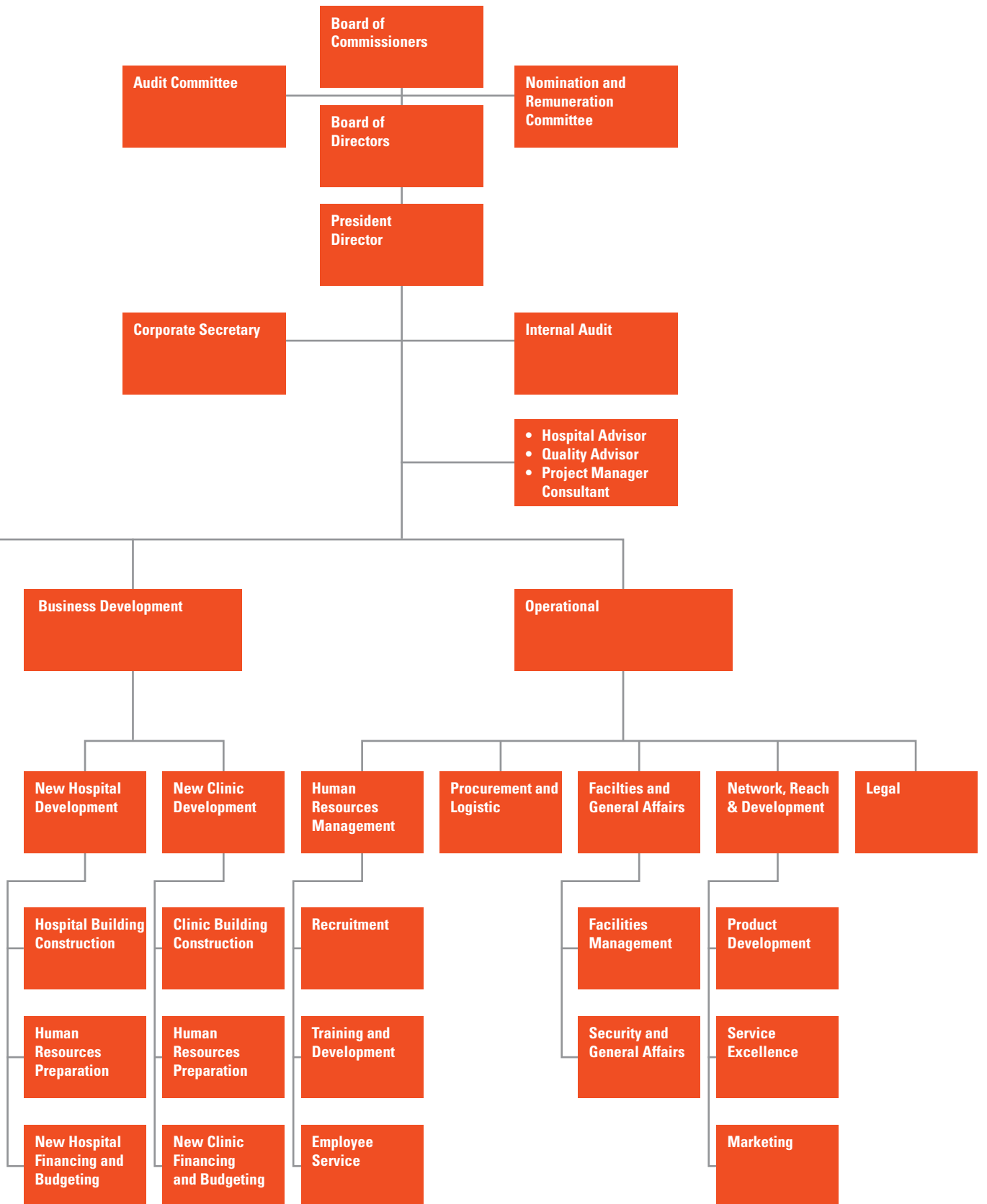
The trusted destination of choice for holistic world class healthcare, health education and research.

Values

- Love
- Caring
- Integrity
- Honesty
- Empathy
- Compassion
- Professionalism

ORGANIZATION STRUCTURE





MILESTONES



1996 Opening of Siloam Gleneagles Hospital located at Lippo Village, as a joint venture with Gleneagles Development Pte, Ltd.	2001 ISO Approval of Siloam Gleneagles Hospital.	2002 Opening of Siloam Gleneagles Hospitals Lippo Cikarang. Akuisisi Rumah Sakit Graha Medika dan Rumah Sakit Budi Mulia Acquisition of Graha Medika Hospital and Budi Mulia Hospital..
2010 Consolidation of Siloam Hospitals Lippo Village, Siloam Hospitals Kebon Jeruk, Siloam Hospitals Surabaya and Siloam Hospitals Lippo Cikarang to PT Siloam International Hospitals. Re-accreditation of Siloam Hospitals Lippo Village by JCI.	2011 MARCH Opening of Siloam Hospitals Jambi, the Company's first hospital in Sumatera. Opening of Siloam Hospitals Balikpapan, the Company's first hospital in Kalimantan. OCTOBER Opening and Inauguration of Mochtar Riady Comprehensive Cancer Centre (MRCCC) by the President of Republic of Indonesia Susilo Bambang Yudhoyono.	2012 APRIL Acquisition of Cardiovascular Clinic in Cinere, Depok. MAY Opening Paviliun B SHLV (Rumah Sakit Umum Siloam (RSUS)), the first private general hospitas in Indonesia. Opening of Siloam Hospitals Manado; opening a gateway for healthcare services in the Eastern part of Indonesia. SEPTEMBER Opening of Siloam Hospitals Makassar, the Company's second hospital in Sulawesi. OCTOBER Opening of Siloam Sriwijaya, known as Siloam Hospitals Palembang in Sumatera. NOVEMBER Opening of Siloam Heart Institute at Siloam Hospitals Kebon Jeruk.

2003

Rebranding of Graha Medika Hospital to Siloam Hospitals Kebon Jeruk.

2004

Rebranding of Budi Mulia Hospital to Siloam Hospitals Surabaya.

2007

Accreditation of Siloam Hospitals Lippo Village by Joint Commission International (JCI) the first Indonesian private hospital to be accredited by JCI.

2013**JANUARY**

Opening of Siloam Hospitals Bali, the Company's first hospital in Bali.

FEBRUARY

Commissioning of Gamma Knife Center located at Siloam Hospitals Lippo Village; the first and only state-of-the-art knifeless brain surgery centre in Indonesia.

JULY

Opening of Siloam Hospitals TB, in South Jakarta.

SEPTEMBER

Listing of the Company's shares (Code: SILO) at IDX at an initial offering price of Rp 9,000/share, valuing the Company at USD 1 billion.

DECEMBER

Acquisition of Bali Indonesia Medika Citra (BIMC) in Kuta and Nusa Dua, Bali; consolidated the Company's position as the lead Health Service provider in Bali and pioneered medical tourism in Indonesia.

2014**MAY**

Opening of Siloam Hospitals Purwakarta.

Re-accreditation of Siloam Hospitals Lippo Village by JCI.

JULY

Accreditation of BIMC Nusa Dua by the Australian Council on Healthcare Standards (ACHS).

AUGUST

Acquisition of Siloam Hospitals ASRI, in South Jakarta, specialized in Urology.

DECEMBER

Opening and inauguration of Siloam Hospitals Kupang by the President of Republic of Indonesia Ir. H. Joko Widodo.

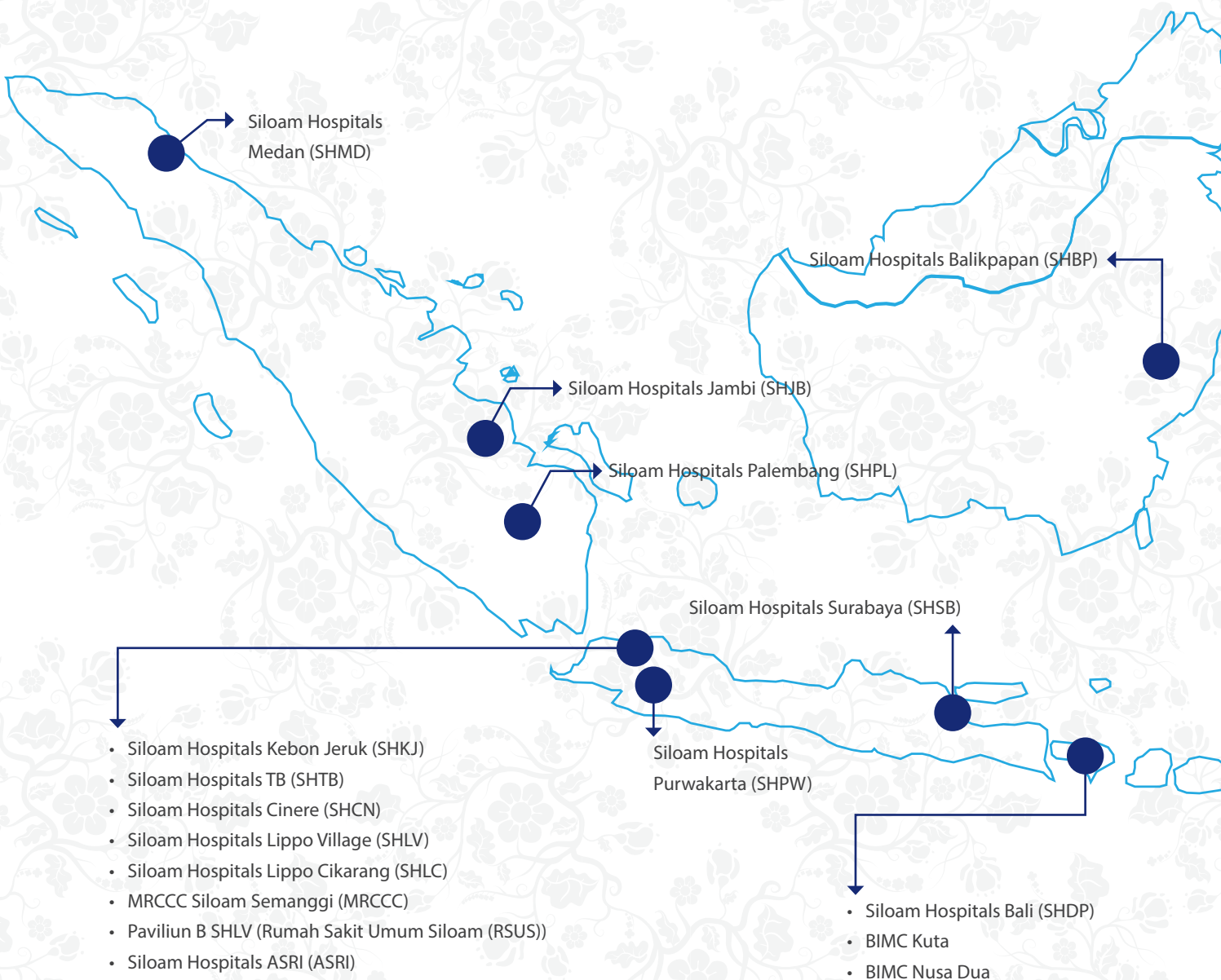
Soft Opening of Siloam Hospitals Medan.

2015

Inauguration of Paviliun B Siloam Hospitals Lippo Village by Coordinating Minister for Development of Human Capital and Culture, Puan Maharani, in December.

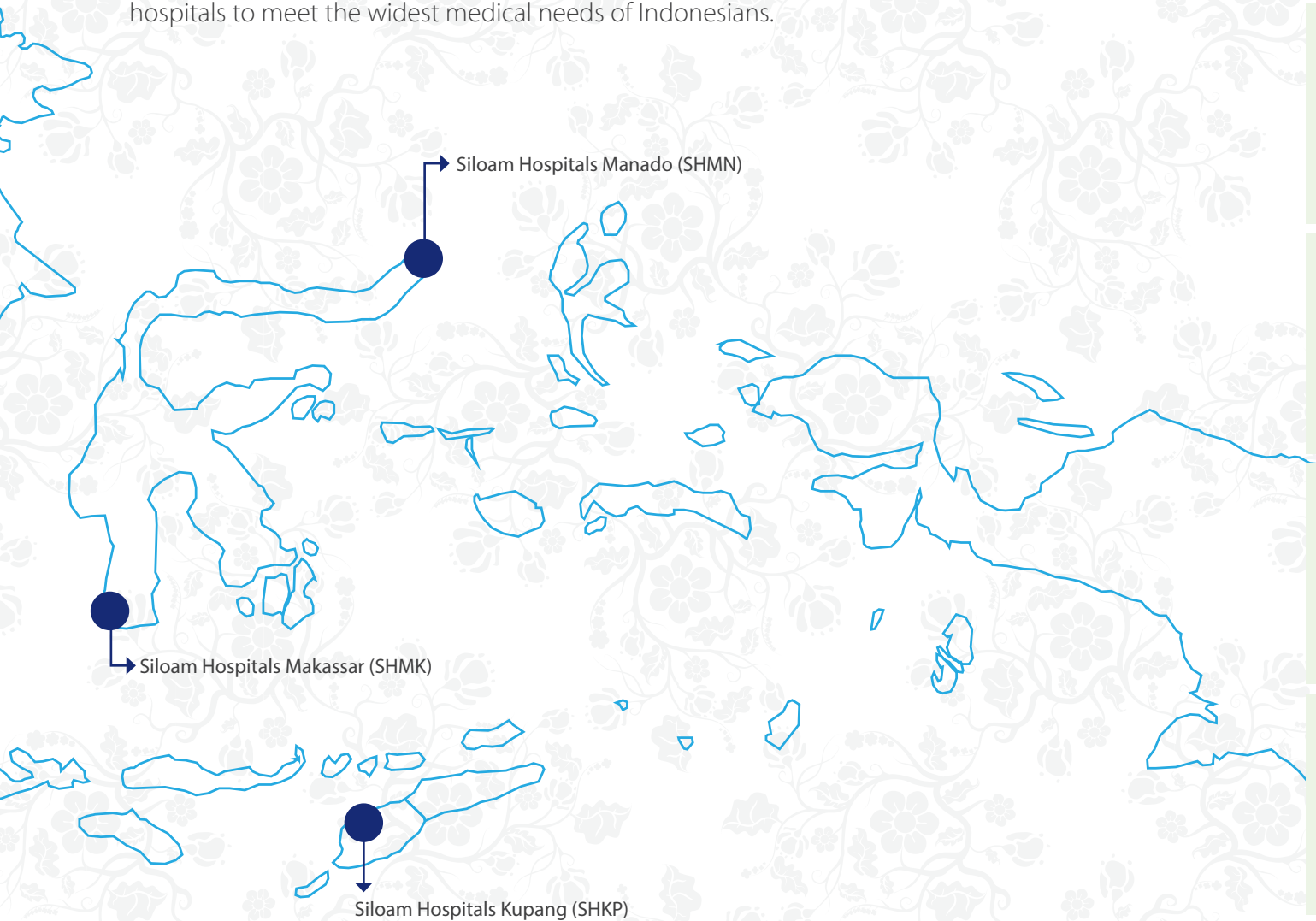
Completion of construction of Siloam Hospitals Labuan Bajo and Siloam Hospitals Yogyakarta.

Extending Siloam services to "BPJS Kesehatan" patients from 7 hospitals to 12 hospitals.



SILOAM HOSPITALS SERVICE AREA

The Company has been expanding outward from the first hospital, the Siloam Hospital Lippo Village, in Tangerang for almost 20 years. This journey of expansion continues apace with a number of hospitals currently in the pipeline. Siloam Hospitals is keeping up the speed to create an unrivaled network of top quality hospitals to meet the widest medical needs of Indonesians.



FINANCIAL HIGHLIGHTS

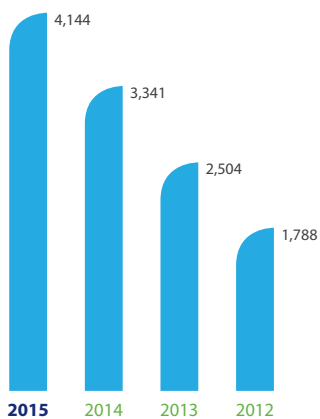
in billion Rupiah, unless stated otherwise	2015	2014*	2013	2012
PROFIT AND LOSS				
Revenue	4.144	3.341	2.504	1.788
Gross Profit	1.177	952	659	445
EBITDA	574	466	298	221
Profit from Operation	158	146	79	91
Profit After Tax	62	69	50	52
Earning per Share (Rupiah)	61	62	48	50
Number of Shares Outstanding (Shares)	1,156,100,000	1,156,100,000	1,156,100,000	1,000,000,000

BALANCE SHEET				
Net Working Capital	326	358	612	189
Total Assets	2,986	2,846	2,601	1,586
Total Liabilities	1,246	1,186	962	1,342
Stockholders' Equity	1,740	1,660	1,639	245

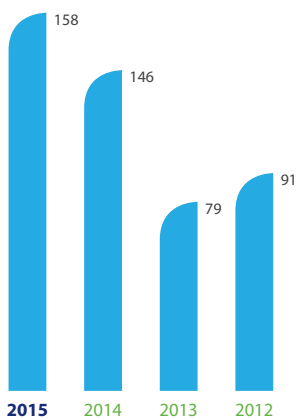
FINANCIAL RATIOS				
Return on Assets (%)	2.1	2.4	1.9	3.3
Return on Equity (%)	3.5	4.2	3.1	21.2
Debt to Assets	41.7	41.7	37.0	84.6
Debt to Equity	71.6	71.5	58.7	548.4
Gross Profit Margin (%)	28.4	28.5	26.3	24.9
EBITDA Margin (%)	13.9	13.9	11.9	12.4
Operating Profit Margin (%)	3.8	4.4	3.1	5.1
Net Profit Margin (%)	1.5	2.1	2.0	2.9

* Restated PSAK 24 (Revision2013)

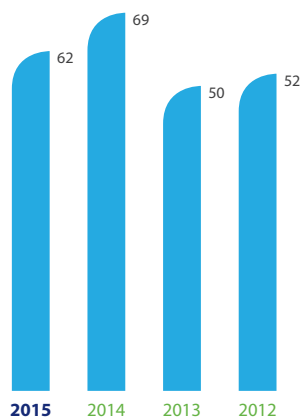
Revenue
(in billion Rupiah)



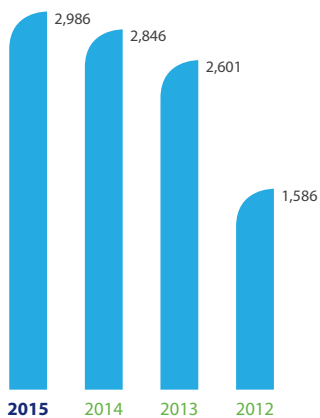
Profit from Operation
(in billion Rupiah)



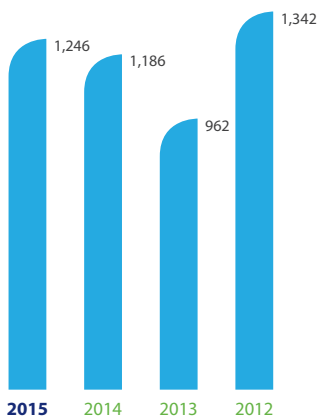
Profit After Tax
(in billion Rupiah)



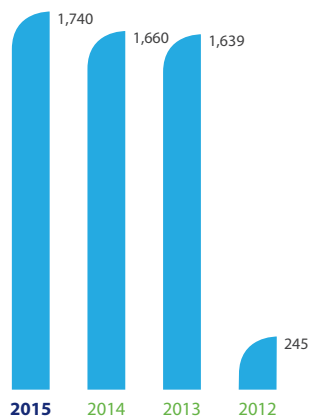
Total Assets
(in billion Rupiah)



Total Liabilities
(in billion Rupiah)



Stockholders' Equity
(in billion Rupiah)



STOCK HIGHLIGHTS

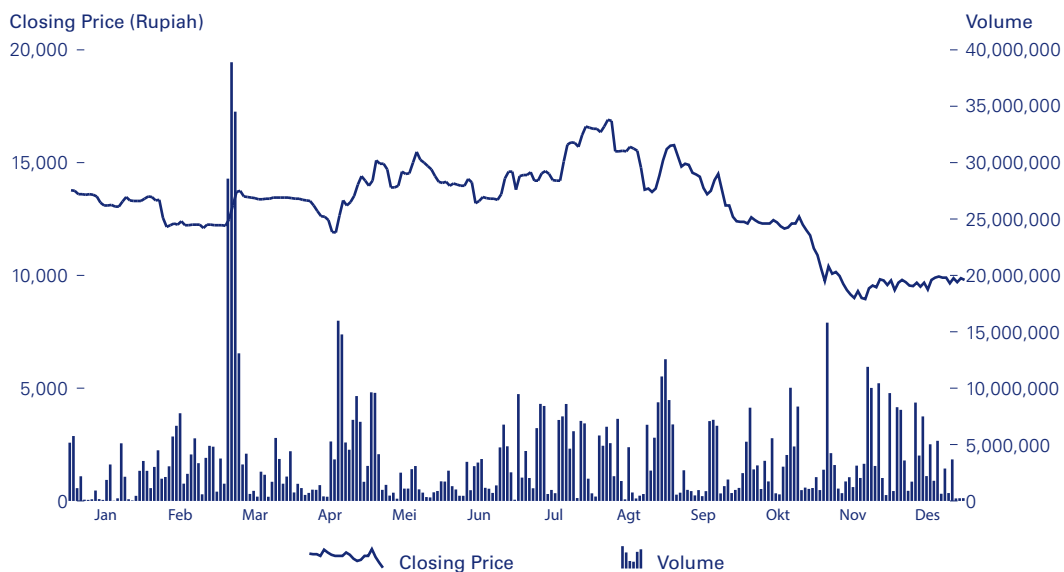
Shareholders Structure

No	Shareholders	Number of Shares	Percentage of Ownership
1	PT Megapratama Karya Persada	699,000,000	60.46%
2	Public (below 5%)	457,100,000	39.54%
Total		1,156,100,000	100.00%

Capital History

Description	Date	Number of Shares	Total Issued Shares
Initial Public Offering	12 September 2013	156,100,000	1,156,100,000

2015 Share Price Movement



SUPPORTING PROFESSIONALS AND INSTITUTIONS

Public Accountant:

AMIR ABADI JUSUF, ARYANTO, MAWAR & Rekan
Plaza ASIA 10th Floor
Jl. Jend. Sudirman Kav. 59
Jakarta 12190, Indonesia
Tel. : +6221-5140-1340
Fax. : +6221-5140-1350

Share Registrar:

PT SHARESTAR INDONESIA
BeritaSatu Plaza (d/h Citra Graha Building) 7th Floor
Jl. Jend. Gatot Subroto Kav. 35-36
Jakarta 12950
Tel. : +6221-527 7966
Fax. : +6221-527 7967



Ketut Budi Wijaya
President Commissioner

REPORT OF THE BOARD OF COMMISSIONERS

The Company experienced strong increases in both number of beds and numbers of patients served per bed. This strong organic growth on a hospital-by-hospital basis supports performance objectives and targets of the Company

Dear Honorable Shareholders,

The economic situation in Indonesia remained very positive for the health sector in 2015. Good GDP growth at 4.79% and low inflation at 2.4%, as well as softening prices for petrol, have created an optimism that is serving to boost spending in healthcare generally and in the specific medical treatments available at Siloam Hospitals. Furthermore, as Siloam Hospitals has invested in medical treatment equipment formerly only found outside of Indonesia, the Company has tapped into a large market and is successfully connecting with this market.

What appears most rewarding in this developing situation is the motivation and optimism especially for the nursing and doctors that comes from knowing that Siloam Hospitals is prepared to invest in training and equipment to develop the broadest range of techniques and technology to deliver clinical care at global best standards. Thus, while it will take time and significantly more investment to do this, there is an overall positive feeling and good energy in the Company's approach to medical treatment.

The Company experienced strong increases in both number of beds and numbers of patients served per bed. This strong organic growth on a hospital-by-hospital basis supports performance objectives and targets. While 2 hospitals were awaiting final permits to open in 2015, the bolstered revenue stream from the 20 existing hospitals has resulted in renewed motivation to continue the expansion.

The Board of Commissioners is in agreement on the strategy of the Company in furthering its business plans for expansion of hospitals and the rolling out of medical clinics in high traffic areas. Further, the Board recognizes that the difficulty in achieving full licensing on both the recently constructed hospitals in new areas and on the innovative medical clinics is due to the very newness of this process. Throughout the year, the Board of Commissioners gave its full support to the Board of Directors to persevere in this process and in the overall push to further the Company's expansion agenda.

The Audit Committee has remained active and aligned with Internal Audit to accomplish any final touches to governance issues due to the recent listing on the Indonesia Stock Exchange but especially in ensuring that systems of control and information are being prepared for the Company as it substantially grows in size. The Board of Commissioners is providing guidance and advice to management in regards to the various risks that need to be addressed both in terms of expansion and in terms of general economic potentials.

There some changes to the Board of Commissioners in 2015 with the departure of Commissioner Rahmawaty and Independent Commissioner Prof. Dr. H. Muladi, who ended their terms early due to personal commitments. We welcome to the Board Jenny Kuistono as Commissioner and Dr. Niel Byron Nielson as Independent Commissioner. Both of these experienced professionals bring valuable insight to support our oversight responsibilities.

In 2015, the Board of Commissioners also established a Committee of Nomination and Remuneration to improve the corporate governance of the Company.

The Company's approach to support the intensive training of medical and non-medical staff to ensure best delivery of service is of benefit to the society as a whole. As well, the Company has broad scope to pursue a variety of other corporate social responsibility outlets, primarily in the medical range. This the Company must do as part of its vision and to ensure its place within the community as a caring provider of medical treatments and advice.

The outlook for 2016 and the Company growth projections prepared by the Board of Directors are well thought through and fully in line with the strategy approved by the Board of Commissioners. Accordingly, the expectations of continuing GDP growth set by the government and the robust latent demand for Siloam Hospitals' medical treatments, there exists much opportunity for organic growth across the country.



THE BOARD OF COMMISSIONERS

from left to right

Theo L. Sambuaga - Commissioner

Lambock V. Nahattands - Commissioner

Ketut Budi Wijaya - President Commissioner

Jenny Kuistono - Commissioner

Farid Harianto - Independent Commissioner

Ir. Jonathan L. Parapak - Independent Commissioner

Dr. Niel Byron Nielson - Independent Commissioner



The prospects for the Company are therefore very good and success in fulfilling the stated objectives will result in a stronger hospital network, greater economies of scale, better availability nation-wide for high quality medical care, and ultimately benefits both financially and organizationally for the Company.

In closing, I will, on behalf of the Board of Commissioners, thank the shareholders and the patients for their trust in Siloam Hospitals and its dedicated staff. I want also to thank the Board of Directors and all employees in working so hard to create a world-class hospital network. Finally, I thank the regulators both nationally and in all the regions for working with us to ensure that the best standards of medical care are deliverable to the most Indonesia people that we can reach.

A handwritten signature in black ink, appearing to read 'Ketut Budi Wijaya'.

Ketut Budi Wijaya
President Commissioner



Romeo Fernandez Lledo
President Director/Independent Director

REPORT OF BOARD OF DIRECTORS

The Company is indeed ready to keep up the speed of expansion as demand growth is continuing to open up opportunities. Given the expected growth in the services we can provide, the Company is set to remain on track for increased revenue and solid profitability for the near term

Honored Shareholders,

Siloam Hospitals is moving steadily forward to fulfill its vision to expand our integrated network for healthcare across Indonesia. This vision serves as motivation for expansion strategy and for our patient care commitments, and the result in 2015 increased patient visits, the completion of two new hospitals and the sound progress in the construction of pipeline projects. This welcome news has set the tone for continued growth in the future.

The Company was successful to integrate Indonesia's new universal healthcare program (BPJS) in its clinical service delivery model and continued to serve the strong demand for quality healthcare options throughout the country.

Performance In 2015

Overall, the men and women at Siloam Hospitals, in both the clinical and non-clinical areas, can gain satisfaction in the expanding trust developed in all our hospitals. This growth has allowed the Siloam Hospitals to consolidate strong earnings per hospital and create overall savings in procurements, combining to further facilitate the expansion plans we have made. With 44 locations in the pipeline, financially and organizationally, Siloam Hospitals is prepared to help meet the medical needs of even more Indonesians.

Indonesia's 2015 GDP growth of 4.79% and low inflation at 2.4% once again position the economy amongst the best performers globally. Nevertheless, as viewed from the previous above 6% GDP experienced for so many years, there is necessarily some contraction in the dynamism

within several economic sectors. Siloam Hospitals is benefitting, however, from the growing awareness of the world-class medical care we offer, and of the obvious benefits of investing in good health, a momentum that had previously led many to seek medical care abroad.

Our Revenues expanded 24% to Rp 4,144 billion from 2014, largely due to the ramp up of hospitals we opened for the past 5 years. Through the efficiencies created by better occupancy and higher utilization rates of beds and equipment, the EBITDA succeeded in reaching Rp 574 billion, up from Rp 466 billion the year before. Some success in planning and due attention to cost control have balanced nicely with investments in growth, especially medical and non-medical training, leading to a consistent Gross Profit Margin of 28%, in line with 28% last year.

The completion of 2 new hospitals, Yogyakarta and Labuan Bajo in April 2015 and December 2015, respectively is a welcome addition in 2015. The ongoing construction of hospitals are on track though securing full range of national, regional, local permits and hospital operating licenses remain to be challenging going forward.

The Company is continuing to pursue its new delivery model of Siloam Medika in high traffic areas, with some locations under constructions. The expansion plan for 50 hospitals and Siloam Medika by 2017 remains on track and our ability to satisfy existing marketplace demand further bolsters the prospects for the Siloam Hospitals network.



BOARD OF DIRECTORS

from left to right

Dr. dr. Andry, M.M., M.H.Kes. - Director

Prof. George Mathew - Director

dr. Grace Frelita Indradjaja, M.M. - Director

Romeo Fernandez Lledo - President Director/Independent Director

dr. Anang Prayudi - Director

Richard Hendro Setiadi W.P. - Director

Kailas Nath Raina - Director



Strategic Direction

This network concept follows along a four pillar strategy of 1) Emergency Services, 2) State-of-the-Art Technology, 3) Telemedicine, and 4) Doctors. By linking all participants through communications systems, patients at any point in the medical treatment process (spoke) can have access to the center of excellence (hub) of Siloam Hospitals. Thus mutual support is one key for Siloam Hospitals to spread access to quality medical care across the archipelago. The Emergency Services has filled a void in Indonesia for fast, experienced, well-supported first responders to patients in trauma cases. Our hope is to save lives, bring patients in for effective treatments and generate that trust and goodwill to support future growth of the hospital network.

In a broader framework, Siloam Hospitals is striving towards a greater medical presence by its current cooperation with the Moctar Riady Institute for Nanotechnology and the medical school of Universitas Pelita Harapan. This overarching cooperation has great potential in the medium term to add to Siloam Hospital's Centers of Excellence by motivating and providing growth opportunities to a wide range of medical practitioners and researchers. Given this hopeful future, the present levels of cooperation and support include nurturing a nursing staff by scholarship support and by encouraging doctors' professional development.

REPORT OF BOARD OF DIRECTORS

Corporate and Clinical Governance

Patient care is our first priority and standards and processes of clinical governance have been instituted. Certification by Joint Commission International at Siloam Hospitals Lippo Village in Karawaci has helped all hospitals establish, monitor and train to industry best standards. The Company is committed to staying on course with future domestic and international certifications of all of its hospitals.

In terms of corporate governance, the Company has fairly seamlessly adjusted to its status as a listed public company. With the support of the Corporate Secretary and Internal Audit, as well as the oversight committees under the Board of Commissioners, the Company has been continuously strengthening its business and operational control functions, towards minimizing risk and maximizing stakeholder benefits. We appreciate the input and good wishes especially of all our shareholders as we prepare for our Annual General Meeting of Shareholders.

There was a change to the Board of Directors in 2015, with the addition of Richard Hendro Setiadi to the Board. This new Directorship will help the Company direct the increasing work load and expanded responsibilities of a Company growing in many directions.

Corporate Social Responsibility (CSR)

Siloam Hospitals has great potential to interact with the community on health issues. This most obvious of CSR approaches is currently our main approach and is being carried out and expanded to meet the needs of that section of the community who might otherwise be medically unseen to. Care must be taken to ensure that programs are sustainable and actually deliver value to recipients. As the Company grows, CSR targets and programs will likewise be enhanced and developed.

Awards

It is gratifying to receive recognition from external groups as well as from patients. In 2015 numerous hospitals received individual awards in many areas and this is a sign of the growth and maturity of these hospitals. Siloam Hospitals as a whole was pleased to be awarded in 2015 the Frost & Sullivan Indonesia Hospital of the Year as well as the 2015 Indonesia Best Practices Awards: Indonesia Healthcare Services Provider of the Year, and the Indonesia Healthcare Most Reputable Brand 2015, based on a Healthcare Survey in the Jabodetabek City category Private Hospital.

Prospects

We are looking forward to both completing and opening numerous hospitals and Siloam Medika in 2016. The Company has prepared the network systems to integrate these new facilities, strengthening the network as a whole. We are looking at expanding our nursing and doctor intake to fill the new positions and building new competencies with doctors, based on those medical techniques demanded.

The Company is indeed ready to keep up the speed of expansion as demand growth is continuing to open up opportunities. Given the expected growth in the services we can provide, the Company is set to remain on track for increased revenue and solid profitability for the near term. Moreover, the benefits of having an expanded network include better efficiencies and better utilization of equipment, both of which will have dramatic impacts on the Company's finances

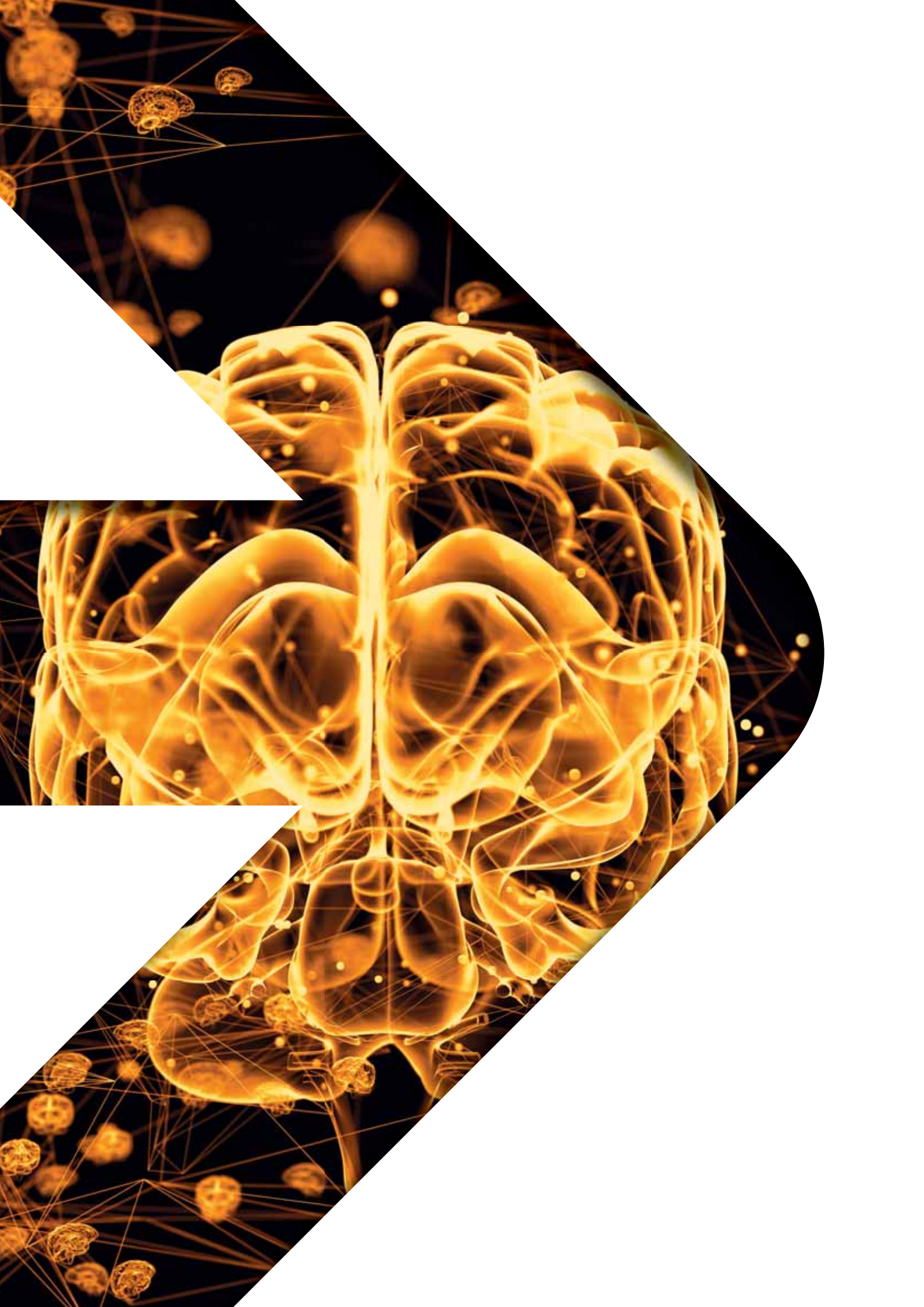
Appreciation

On behalf of the Board of Directors, I want to begin by thanking patients for their trust and for choosing Siloam Hospitals. I want also to recognize and thank our professional medical staff for their dedication to their calling and their care and thank all the support staff for making things run so smoothly. I want finally to thank shareholders and the Board of Commissioners for continuing to trust in the Board of Director as it pursues this course of expansion.



Romeo Fernandez Lledo

President Director/Independent Director



STRATEGY

Management is following a well-developed strategy based on Company experience and the assessed medical needs across Indonesia. Solidly grounded in demonstrated Siloam Hospitals competencies, the objectives of this strategy are to expand and integrate the four pillars (Emergency Services, State-of-the-Art Technology, Telemedicine, and Doctors) into a network that addresses the medical concerns cited most by people in our target market.

A wide variety of stakeholders, including universities, research centers, and professional medical practitioners are galvanizing around the development of this new medical approach for Indonesia. Balanced against this optimism is the success of those general and specialist treatments the Company offers, assisting in the health concerns and driving this Company's push forward to fulfill its mission.





MANAGEMENT DISCUSSION AND ANALYSIS

Siloam Hospitals currently manages a network of 20 hospitals as of end of 2015, with two more completed pending licensing, situated strategically in cities across Indonesia. Siloam Hospitals has the largest private network of hospitals in Indonesia and by offering high quality, internationally accredited services, with the brand image of Siloam Hospitals strong and growing



BUSINESS REVIEW

The target of opening more hospitals and Siloam Medika remains on-track, with plans in place for physical construction, personnel training, and ICT and other systems integrations

INDONESIAN HEALTHCARE INDUSTRY

The state of Indonesia's healthcare system is one of rapid expansion and improvement. This is the result of a combination of factors: improving access to technology, increasing disposable income, more and better trained medical professionals, focus on medical system strengthening by national and local governments, and a willingness of Indonesians to invest in better healthcare.

A good summary of the prospects occurs in the 2015 Frost & Sullivan Health care Outlook, indicating that Indonesian health care sector spending is expected to triple from USD 7 billion in 2014 to USD 21 billion in 2019 and the total healthcare expenditure is expected to increase from USD 27 billion in 2013 to USD 61 billion in 2018.

With the world's fourth largest population, Indonesia has experienced both strong economic growth over the past decade and is undergoing a jump in urbanization and a middle class expected to move from 29% today to 63% by 2030, at the backdrop of Indonesian healthcare market that is still underserved. According to an OECD report, Indonesia's number of bed to population ratio is one bed/1000 population, which is below the global average at two beds/1000 population and five beds/1000 people in OECD countries. Doctor

to population ratio in Indonesia is also very low at 0.23 per 1000 people, as compared to global average of 1.3 and 3.14 in OECD countries.

These numbers along with the phase in of the national healthcare program BPJS can be said to characterize a definite long term shift in attitudes and personal investments in healthcare in Indonesia. Siloam Hospitals is expanding its hospital network to meet this demand and to supply its high quality care, top medical staffs and state-of-the-art equipment as part of Indonesia's multi-pronged approach to delivering better healthcare to Indonesians.

Changing lifestyles of Indonesians with urbanization and access to global medical information is creating demand for new methods and procedures to be introduced into Indonesia's healthcare system. These same changes in living habits are also changing the medical treatments appearing in the healthcare system.

An overall spirit of optimism in Indonesia's prospects by the people of Indonesia is translated into the medical area as a growing awareness and trust that better access to high technology and specialized medical treatments are the next step in raising Indonesia to the next level of development. There appears to be a thrust forward at university medical faculties to expand horizons to meet the demands for new doctors and to meet awareness of new medical possibilities.

BUSINESS REVIEW

Review of Company Business

Siloam Hospitals currently manages a network of 20 hospitals as of end of 2015, with 2 more completed pending licensing, situated strategically in cities across Indonesia. This hospital network is supported by the emergency 1-500-911 phone number and by a planned network of clinics ready to open upon licensing approval. Currently, Siloam Hospitals is the largest private network of hospitals in Indonesia and by offering high quality, internationally accredited services, with the brand image of Siloam Hospitals strong and growing.

By providing a select and comprehensive range of general and specialist medical services including complex surgical procedures, laboratory services, radiology and imaging services, fertility treatment, advanced diagnostics, and emergency services, Siloam Hospitals has been able to successfully promote its broad range of medical care offerings and establish strong market positions in each of its locations.

Strengths of Siloam Hospitals

Siloam Hospitals early on established a patient-oriented approach. A policy of doctor and nurse training and upgrading has expanded the range of effective treatments and choices for patients, supporting an integrated approach to clinical and non-clinical treatment. Siloam Hospitals is known as a leader in Innovative Clinical Service Model, and employs state-of-the-art equipment, including 12 Cath-Labs, 14 MRI, 22 CT-Scan, the first Gamma Knife in Indonesia, 2 Linear Accelerators, and 1 Cyclotron.

Accreditations both national and international remain goals of Siloam Hospitals as part of its clinical governance. Siloam Hospitals Lippo Village was the first Indonesian hospital to be recognized internationally through accreditation by the Joint Commission International, the American gold standard for clinical excellence, in 2007 and the

hospital has subsequently been re-accredited twice. In addition to that, BIMC Nusa Dua is also the first hospital in Indonesia to be accredited by the Australian Council on Healthcare Standards International.

The Company maintains governance and medical governance standards at the highest levels, with routine assessments by internal and external parties. The Company and individual hospitals are recipients of numerous awards each year. In 2015, the Company completed construction of two hospitals, in Yogyakarta, and Labuan Bajo. Licensing delays in these new areas have pushed back openings, but these hospitals are expected to all begin serving their communities in the first quarter of 2016. The target of opening more hospitals and Siloam Medika remains on-track. The main focus of Siloam Hospitals is to serve the whole of Indonesia, with the aim of offering international quality healthcare services.

Plans for 2016 include getting the two completed and some other hospitals opened. The Siloam Medika is an innovative service and access point in high traffic areas like metro Jakarta and to be located in shopping malls or easily accessible commercial zones.

Research and Academic Support

Siloam Hospitals established best practice guidelines for yearly training for medical staff. As part of a clinical governance approach the Company encourages training in order to expand medical competencies, to maintain knowledge as up-to-date and ultimately to ensure that medical facilities function at the highest standards. Regular collaboration with international healthcare providers and with Indonesian medical professional educators and research is a strategic objective to boost Siloam Hospitals profile within the Indonesian medical community and to provide patients with best care options.

Siloam Hospitals has a long term collaborative relationship with affiliated Pelita Harapan University Health Service (UPHMS), the School of Medicine and Nursing School at Pelita Harapan University. The cooperation with the affiliated Mochtar Riady Institute of Nanotechnology, a research institute, which focuses on genetic and cancer research, is helping to bring medical research into medical practice. This strategic cooperation between clinical practice, education and research is a strategic advantage in opening up avenues for Indonesia to expand medical expertise.

Centers of Excellence

By creating and expanding Siloam Hospitals' Centers of Excellence, the Company is building focus and attention on the expanded medical services now available fully within Indonesia. The Company has developed Centers of Excellence in the treatment areas of cancer, cardiac, neurology, fertility, urology and orthopedics.

Centers of Excellence

Hospital	Specialization
SHLV	Cardiology, Neuroscience, Orthopaedics and Emergency
SHKJ	Urology, Orthopaedics, Cardiology, and Emergency
SHSB	Fertility Treatments, Cardiology, and Emergency
SHLC	Occupational Health and Emergency
SHJB	Emergency
SHBP	Orthopaedics and Emergency
MRCCC	Cancer, Liver and Emergency
Paviliun B SHLV (RSUS)	Emergency
SHMN	Emergency
SHMK	Cardiology, Endocrinology and Emergency
SHPL	Gastroenterology and Emergency
SHCN	Cardiology
SHDP	Treatment for tourists, Orthopaedics, Cardiology and Emergency
SHTB	Cardiology, Oncology, Neuroscience and Emergency
BIMC Kuta	Treatment for tourists and Emergency
BIMC Nusa Dua	Emergency, Cosmetic Surgery
SHPW	Emergency
ASRI	Urology
SHKP	Emergency
SHMD	Emergency

BUSINESS REVIEW

Integrated Hospital Network

The following table outlines information about hospitals owned by the Company.

	SHLV	SHKJ	SHSB	SHLC	SHJB	SHBP	MRCCC	PAV B SHLV (RSUS)	SHMN	SHMK	SHPL	SHCN	SHDP	SHTB	BIMC Kuta	BIMC Nusa Dua	SHPW	Asri	SHKP	SHMD	TOTAL
Year of Opening	1996	1991	1977	2002	2004	2008	2011	2012	2012	2012	2012	2006	2013	2013	1998	2012	2014	2008	2014	2014	
Year of Acquisition	-	2002	2002	-	2011	2011	-	-	-	-	-	2012	-	-	2013	2013	-	2014	-	-	
Bed Capacity	308	285	162	114	100	232	334	640	238	360	357	50	281	269	19	39	202	40	416	356	4,802
Operational Beds	274	217	160	108	90	165	122	300	177	215	135	37	127	80	18	20	176	40	100	80	2,641
Medical Staff																					
General Practitioners	36	32	17	23	15	15	31	34	24	19	17	6	29	17	27	24	13	13	16	13	421
Specialist Doctors	197	185	124	72	55	90	137	18	84	90	119	20	91	121	24	33	41	91	34	73	1,699
Nurses	435	343	250	166	129	155	229	256	232	211	183	37	182	132	63	66	181	81	148	85	3,564

Patient Points of Entry

There are five main business lines of patient Entry Points to access and pay for the Company's hospital services.

1. Emergency
2. Outpatient Services
3. Medical check-up
4. Referrals
5. Inpatient Services

Performance Summary

	2015	2014	2013
Number of Hospitals	20	20	16
Inpatient Admission	145,753	115,067	85,909
ALOS (Average Length of Stay, Days)	3.9	4.1	4.3
Occupancy Rate	59.6%	53.4%	51.30%

The Company's revenues comprise consultancy fees; medical care and administration; sales of medicines; usage of medical devices; diagnostic tests such as lab tests, general diagnostics, and radiology; and charges for medical procedures and inpatient room charges.

Admissions to hospital inpatient services are largely created by patients who come through outpatient services or the emergency department.

1. Emergency

As one of the Company's four pillars, the Company has invested substantially in its emergency services, which is now considered one of the best in Indonesia. The Company utilizes a centralized call center "1-500-911" which links Siloam Hospitals' network of ambulance services nationwide.

Patients cared for by Siloam Hospitals Emergency Units

2015	2014	2013	2012
207,777	171,105	131,706	99,139

Additionally, all of the Company's hospitals have been equipped with modern ambulances "moving hospitals" to stabilize the patient during transport to the Company's hospitals. All of the Company's clinical staff have been trained in international standard emergency care and protocols for cardiac, stroke and trauma handling, in accordance with the guidelines of the American and Australasian Schools of Emergency Medicine.

2. Outpatient Services

The Company's outpatient service is the largest entry point encompassing about 78% of the all patients in 2015. Outpatient services also include the use of the state of the art facilities for one day surgery, minimal invasive procedures or treatments, such as minor surgery, physiotherapy, endoscopy, haemodialysis and chemotherapy.

Patients cared for by Siloam Hospitals Outpatient Services

2015	2014	2013	2012
1,573,563	1,254,442	1,014,564	804,395

3. Medical Check-Up

All of the Company's hospitals provide a wide range of medical check-up programs using sophisticated diagnostic equipment and medical tests. The medical checkup is a main entry point used by the Company to acquire business from insurance companies and companies requiring these services. The Company offers competitively priced medical and health checkups.

Patients cared for by Siloam Hospitals Medical Check-Up

2015	2014	2013	2012
84,568	74,288	64,978	68,778

4. Referrals

Referrals are patients referred by other hospitals and physicians for inpatient and other services such as radiology, laboratory and other diagnostic equipment services.

5. Inpatient Services

The Company's inpatient services unit provides care for outpatient, emergency services, and referral patients who need to receive further care. In 2015, the Company's inpatient services provided the largest portion of the revenue contribution at about 62% (2014: 62%).

The number of inpatients is mostly patient conversion from outpatient and emergency service, while the average inpatient revenue per patient-day is affected by room type selected by the patients and the complexity of medical care. Inpatient services revenue includes consulting fees, room fees, administrative fees, laboratory fees, cost of medication, and medical equipment fees, radiology and revenue from additional equipment and operating room fees. For 2015, the average length of stay (ALOS) in the Company hospitals was about 3.9 days, (2014: about 4.1 days).

Revenues from Inpatient Service for the years ended December 31, 2015 (in billion Rupiah)

	2015		2014		2013		2012	
	Rp	%	Rp	%	Rp	%	Rp	%
Medical Support and Expert Services	970.8	23.4	745.1	22.31	557.5	22.3	400.3	22.4
Medicines and Medical Equipment	885.8	21.4	734.3	21.99	584.7	23.4	402.6	22.5
Inpatient Room	362.4	8.7	286.7	8.58	199.9	8.0	136.2	7.6
Administration Revenues	87.1	2.1	73.8	2.21	60.9	2.4	43.2	2.4
Operation Room	109.3	2.6	80.6	2.41	38.2	1.5	25.8	1.4
Others	169.1	4.1	139.8	4.19	99.8	4.0	68.9	3.85
Total	2,584.6	62.4	2,060.3	61.68	1,541	61.59	1,077	60.2

BUSINESS REVIEW

Revenues from Outpatient Service for the years ended December 31, 2015 (in billion Rupiah)

	2015		2014		2013		2012	
	Rp	%	Rp	%	Rp	%	Rp	%
Medical Support and Expert Services	961.4	23.2	777.2	23.27	590.1	23.6	439.2	24.6
Medicines and Medical Equipment	479.8	11.6	390.7	11.7	298.5	11.9	220.6	12.3
Administration Revenues	67.2	1.6	33.7	1.01	29.7	1.2	22.5	1.3
Others	51.1	1.2	78.7	2.36	44.3	1.8	28.8	1.6
Total	1,559.5	37.6	1,280.30	38.32	962.6	38.5	711.1	39.8

Revenue Source Summary (in thousand Rupiah)

	2015	2014	2013	2012
Ave Inpatient Revenues per Patient	17,733	17,905	17,937	17,580
Ave. Inpatient Revenues per Patient-Day	4,502	4,413	4,144	4,229
"Ave. Outpatient Revenues per Patient"	832.5	844	793	731

2015 Business Strategy

Management has been consistent in basing strategy on the Company's striving for its Vision of: International Quality, Scale, Reach and Godly Compassion. Based on these long-standing values, the Board of Directors has developed, with Board of Commissioner support, a 4 Pillar Strategy to ensure top quality patient care, professional development and effective use of expansion investments.

To advance the position of Siloam Hospitals as a leader in Indonesian healthcare, specific efforts were taken in 2015 within the 4 Pillars of:

- 1) Excellence in Emergency Services, further advertising the 1-500-911 phone number and emergency response protocols;
- 2) State-of-the-Art Medical Equipment and Systems, adding to Siloam Hospitals' range of treatments;
- 3) Digital Telemedicine "Hub and Spoke", providing all hospitals with an established communication channel and confirmed access

- 4) Siloam Doctor Partnership and Development Program, attracting highly motivated young doctors and ensuring that all Siloam Hospitals doctors have an industry recognized career development and support pathways.

Priority remains on implementing the highest standards and strict clinical rules, with Company strategy directed to achieve specific and measurable goals in the following:

1. Systematically and effectively increase bed numbers by building or acquiring new hospitals and expanding facilities, after identifying underserved markets.
2. Expand specialist availability by developing the Hub and Spoke model to extend the reach of specialist services, providing expert diagnosis in real time and reducing costs.
3. Offer more high value services to stem the outward flow of medical tourists and gain better returns.

4. Implement a holistic model for clinical services and continuous quality by providing healthcare services that are innovative, comprehensive and integrated across primary, secondary, tertiary and quaternary treatment options.
5. Encourage efficiency with advanced technology to supports the financial and administrative systems while still adhering to international standard procedures and clinical practices, through:
 - Leading-edge information systems within laboratory information systems, financial systems, radiology, image archiving, communication systems, building management information systems, HR information systems, centralized data base, and the procurement system;
 - Connection via 24 hour bandwidth network and server to support emergency services and the call center;
 - Updating the systems whenever required.
6. Support clinical operations with top research and academic facilities to provide excellent service.
7. Continue aggressive and effective recruitment and retention activities, expanding training and career development.

Patient Payment Methods

1. Out-of-Pocket Expense (OPE)

Patients come at their own expense, and conduct payments by cash or credit card for services rendered by the Company's hospitals. Historically, OPE patients contributed the major amount of the Company's revenues at about 48%.

2. Corporate/Company Payments

The Company actively engages other companies to manage their health and medical programs for their employees by offering a variety of treatment packages. The Company's corporate clients include multinational and national companies. This method contributes an average of 12% to revenue.

3. Private Insurance Companies Payment

This segment represents approximately 25%, with a list of insurance providers including Prudential, Manulife, AIA Financial, Bupa International, Allianz, AXA Financial, and Lippo General Insurance, especially through the Mediplus family medical insurance plan.

4. Accepted Government Health Insurance Payment

Currently health insurance from the government contributes 5% - 7% toward the Company's revenues, and it is expected to increase to 15%. Siloam Hospitals supports the government's new insurance plan, and has substantially altered the way it designs hospitals in order to accommodate access to Siloam Hospitals services via the "BPJS Kesehatan" insurance plan

While currently only 12 hospitals are accepting BPJS patients, we expect 18 out of 20 existing hospitals in our network to join.

BUSINESS REVIEW

Hospitals which accepting BPJS Kesehatan

No	Units	Available
1	SHLV	January 2014
2	Paviliun B SHLV (RSUS)	January 2014
3	SHPW	May 2014
4	SHMN	October 2014
5	SHBP	November 2014
6	SHDP	November 2014
7	SHLC	November 2014
8	SHJB	December 2014
9	SHKP	December 2014
10	MRCCC	October 2015
11	SHMK	January 2015
12	SHKJ	October 2015

5. Referrals

Patient referrals from doctors and other hospitals are currently not a significant portion of our business. However, with increased awareness of our specialty treatments and growing range of treatments, the Company expects this segment to grow over time.

Marketing

The Company directs a range of promotional activities to pursue a clear marketing strategy. To promote awareness of services for new patients and address the needs of existing patient groups, targeted campaigns identify different groups and provide useful and attractively presented information to help potential clients make informed decisions. Foremost in marketing is the Company's offering a strong product line at a competitive price. Maintaining trust and encouraging word of mouth referrals are central to the Company's approach.

The Company supports actively encourages advertisement of the national call center 1-500-181, through paid adverts and public service

announcements in newspapers and other publications, radio and television talk shows and on our premises. This call center number is becoming better known as a way to get general information and to set the time for patient examinations. Public service announcements variously detail those treatable conditions that should and can be addressed, highlighting the Company's role as partner in promoting awareness and providing healthcare.

The Company partners with various institutions to offer promotions and discounts to credit card users. Patients can enjoy the installment payments and medical check-up packages, discount programs, voucher programs and seasonal discounts, such as for Mother's Day, Father's Day and Valentine's Day. Cooperation continues with affiliated Lippo Insurance to offer family insurance under the banner MediPlus.

To bolster an informed customer base, the Company provides articles and health content for free through its website and social media networks Facebook and Twitter.

Service Excellence

Siloam strongly believes in building advocacy from existing and new patients by delivering high levels of service excellence at the various touch-points throughout the coordination of care. Service excellence in Siloam includes Greet, Smile and Thanks (GST), Go The Extra Mile Service (GEMS), Communications & Scripting for all frontline staff, Grooming, Delighting our customers (where possible) and Service Recovery. With these implemented and with on-going training programs, Siloam strives to ensure a total experience for all patients who walk through our doors.

Suppliers and Procurement

The Company operates a centralized procurement system to maintain and appropriately utilize the Company's diverse locations throughout Indonesia and achieve economies of scale. For the majority of the Company's medicine orders from main suppliers, the Company processes through an individual hospital ordering mechanism, providing both supplier and hospital with effective inventory management.

Competition

The Company competes with private hospitals, hospitals operated by non-profit organizations and philanthropists, as well as hospitals affiliated with medical education institutions in Indonesia and even regionally. In Indonesia, the Company regards the Mitra Keluarga Group, the Awal Bros Group, the Sari Asih Group and Ramsay Sime Darby Health Care, as comprising the main actors in the competitive space.

While the Company also faces competition from regional groups operating in Singapore and Penang, for example, the main focus of Siloam Hospitals is to serve the whole of Indonesia, with the aim of offering consistent international quality healthcare services for Indonesian society within the next 5 years.

By attaining the goal of opening hospitals all across Indonesia, the Company would want to be regarded as the healthcare provider that has significantly helped to transform Indonesia's access to and reputation for quality medical services. With a population of over 250 million people, the Company has established achievable targets for growth and with effective short and long term strategies, the Company is ready to deliver on a world class integrated healthcare network spanning across all of Indonesia.

Asset Light Strategy

Siloam Hospitals participate with parent company PT Lippo Karawaci Tbk. in sourcing funding for hospital construction. In this, PT Lippo Karawaci Tbk. provides Siloam Hospitals with an "asset light strategy", namely that both liabilities and assets associated with the physical hospital building are not on the books of the Company but on PT Lippo Karawaci Tbk.'s, freeing Siloam Hospitals to focus on developing medical staff, medical equipment purchases and providing top quality care.



FINANCIAL PERFORMANCE ANALYSIS

Gross Operating Revenue of the Company grew by 24% was primarily due to the patient throughput growth for the 7 mature hospitals and also the ramp-up of the hospitals

The year of 2015 was a year of growing financial strength, where the gains accruing monthly from the ramp-up of hospitals we opened in 2012, 2013 and 2014.

Notable milestones include:

- The opening of the Cardiology Center in Siloam Hospitals TB Simatupang and Siloam Hospitals Cinere and the Cardiac Center in Siloam Hospitals Balikpapan.
- Extending Siloam services to “BPJS Kesehatan” patients from 7 hospitals to 12 hospitals.
- Opening of new beds in most of the existing hospitals and increasing the out-patient capacity in Siloam Hospitals Lippo Village.
- Installation of Siloam Hospitals’ own hospital information system (HIS MedicOS) in all new hospitals completed and/or opened in 2014 and 2015.
- Solidifying the model and application for the Siloam Medika clinics, to be rolled out in 2016, as an innovative outpatient method to provide state-of-the-art-technology and reliable emergency services in high traffic areas.
- Awarded the Frost & Sullivan Indonesia Hospital of the Year.

STATEMENT OF PROFIT AND LOSS

Overview

Gross Operating Revenue of the Company grew by 24% from 2014. The CAGR from 2011 to 2015 is 34.7%. This year-on-year revenue growth reflects on the positive service and image that the hospitals provide, while confirming the effectiveness in choice of treatment options and efficiency in hospital service delivery systems.

EBITDA increased by 23% from 2014, net of the drag from the delays of pipeline projects. The EBITDA showed similar strong growth with a CAGR of 38.7% in the same period from 2011 to 2015.

GROSS OPERATING REVENUE (GOR)

The Company’s GOR comprises of in-patient revenue and out-patient revenue. During 2015, the Company’s revenue increased by 24% to Rp 4,144 billion from Rp 3,341 billion in 2014.

The increase was primarily due to the patient throughput growth for the 7 mature hospitals, ramp-up of the developing and new hospitals opened in 2014 and 2015, and also hospitals acquired in 2014. The new hospitals opened in 2012 (SHMN, SHMK, SHPL, Paviliun B SHLV (RSUS), and SHCN) and 2013 (SHDP, SHTB, BIMC Kuta and BIMC Nusa Dua) recorded an impressive GOR growth of 31% and 48%, respectively, as they are ramping up their operations to capacity, while the new hospitals acquired in 2013 and 2014 are performing as planned.

FINANCIAL PERFORMANCE ANALYSIS

Cost Of Sales

The Company's cost of sales comprises of costs relating to salary and employees' benefit (including doctor professional fees), drugs and medical supplies, depreciation charges, clinical supplies, food and beverages, repairs and maintenance and other costs with respect to in-patient and outpatient services.

The Company's cost of sales increased by 24% to Rp 2,968 billion in 2015 from Rp 2,389 billion in 2014.

This increase was in line with the revenue growth.

In-patient cost of sales relating to salaries and employees' benefits increased by 31% to Rp 857 billion in 2015 from Rp 653 billion in 2014. While cost of sales relating to drugs and medical supplies increased by 12% to Rp 517 billion in 2015 from Rp 460 billion in 2014. Cost of sales relating to depreciation charges increased by 26% to Rp 149 billion in 2015 from Rp 118 billion in 2014. Cost of Sales relating to medical equipment increased by 12% to Rp 65 billion in 2015 from Rp 59 billion in 2014. Cost of Sales for patient meals increased by 23% to Rp 65 billion in 2015 from Rp 53 billion on 2014. Cost of sales relating to Outchecking increased by 76% to Rp 44 billion in 2015 from Rp 25 billion in 2014. Other cost of sales increased by 42% to Rp 95 billion in 2015 from Rp 67 billion in 2014.

Out-patient cost of sales relating to salaries and employees' benefits increased by 22% to Rp 554 billion in 2015 from Rp 453 billion in 2014. Out-patient cost of sales relating to drugs and medical supplies increased by 20% to Rp 392 billion in 2015 from Rp 325 billion in 2014.

Gross Profit

The Company's gross profit increased 24% from Rp 952 billion in 2014 to Rp 1,177 in 2015. The gross profit margin at 28%, broadly in line with 2014 (28%).

Operating Expenses

The Company's operating expenses for 2015 were Rp 965 billion increased 25% from the Rp 772 billion in 2014. The increase was mainly due to the following:

- General and Administrative Expenses increased by 23% from Rp 744 billion in 2014 to Rp 919 billion in 2015, primarily due to the increases in number of hospitals, thus resulted in increases in salaries and employees' benefits, water and electricity expenses, repair and maintenance expenses, rental and depreciation charges.
- Salaries and employees' benefits increased by 27% to Rp 330 billion in 2015 from Rp 259 billion in 2014. Water and electricity expenses increased by 7% to Rp 95 billion in 2015 from Rp 89 billion in 2014. Repair and maintenance expenses increased by 57% to Rp 30 billion in 2015 from Rp 19 billion in 2014. Rental increased by 58% to Rp 105 billion in 2015 from Rp 66 billion in 2014. Depreciation charges increased by 26% to Rp 102 billion in 2015 from Rp 81 billion in 2014. The above increases were primarily resulted from inflation adjustments.

Finance Charges

Financial charges increased by 3% to Rp 57 billion in 2015 from Rp 56 billion in 2014, primarily due to interest charges from the loan payable to PT Lippo Karawaci, Tbk. (parent company), which was effective from 2014.

Profit Before Tax

Profit before income tax Rp 105,7 billion, broadly in line with 2014 (Rp 105,8 billion).

Tax Expenses

Tax expense increased by 19% to Rp 44 billion in 2015 from Rp 37 billion in 2014 primarily due to increase in taxable income as a result of increase in profit before tax.

Net Profit

The Company's net profit for 2015 is Rp 62 billion. There is re-statement on 2014 net profit from Rp 60 billion to Rp 69 billion due to the new implementation of updated PSAK No. 24 (revised 2013) on employee benefits. Without this re-statements, the Company's net profit increased by 3% compared to 2014. In 2015, the Company also set the bad debt provision of Rp 16.5 billion to secure from bad debt risk exposures.

Segmental Analysis

1) Services

Average Revenue Per Patient

For In-patient Department (IPD), 7 mature hospitals average revenue per patient was at Rp 21 million. The developing hospitals, while ramping up their operation, were hitting average revenue per patient ranging from Rp 14 million to Rp 26 million. While acquired Siloam Hospitals Cinere, average revenue per patient was at Rp 37 million due to high number of complex cardiac cases. Acquired BIMC hospitals average revenue per patient was at Rp 54 million due to its 3-tier pricing

policy. The acquired hospitals in 2014, Siloam Hospitals ASRI, was achieving average revenue per patient at Rp 21 million as planned, while Paviliun B SHLV (RSUS), SHPW and SHKP was achieving average revenue per patient at Rp 8 million. SHMD, the new hospital opened in 2014 was achieving average revenue per patient at Rp 13 million.

For Outpatient Department (OPD), 7 mature hospitals shows the average revenue of Rp 0.9 million per patient, and the developing hospitals were hitting average revenue per patient ranging from Rp 0.6 million to Rp 1.3 million. Acquired BIMC hospitals average revenue per patient was at Rp 1.4 million due to its 3-tier pricing policy. The acquired hospitals in 2014, Siloam Hospitals ASRI, was achieving average revenue per patient at Rp 0.7 million as planned, while Paviliun B SHLV (RSUS), SHPW and SHKP was achieving average revenue per patient at Rp 0.3 million. SHMD, the new hospital opened in 2014 was achieving average revenue per patient at Rp 0.8 million.

FINANCIAL PERFORMANCE ANALYSIS

Overall Emergency Department (ED) visits grew by 21% as compared to last year. MRCCC grew by 100%, while Paviliun B SHLV (RSUS) visits grew by 34%. The new hospitals opened in 2013 grew by a significant 30% while the 4 new hospitals opened in 2012 grew by 18%. SHPW, the newly acquired hospital in 2014 contributed about 17 thousand ED visits.

2) Hospitals Ramping Up

Growth Of Total Hospitals

The number of hospitals has grown rapidly over the last 5 years. Starting with four hospitals in 2010, the Company now has 20 hospitals at the end of 2015. This growth shows a favourable CAGR of 38% during that period.

Continuing Visits & Admissions Growth

IPD admissions of the 7 mature hospitals contributed 45% of total IPD admissions. While developing hospitals grew by 39% as compared to last year. Paviliun B SHLV (RSUS) grew by 22% as this hospital was adding their operational beds during the year. The highest growth was experienced by the new hospitals opened in 2012, especially SHMK and SHMN grew by 49% and 52%, respectively, and new hospitals opened in 2013, SHDP and SHTB grew by 49% and 21%, respectively. Newly acquired general hospital in 2014, SHPW has contributed about 16 thousand IPD admissions. In total, IPD admissions grew by 27%.

OPD visits of the 7 mature hospitals contributed 59% of total OPD Visits. While developing hospitals grew by 47% as compared to last year. Paviliun B SHLV (RSUS) visits grew by 72%. New hospitals opened in 2012, especially SHMK and SHMN grew by 57% and 37%, respectively, and new hospitals opened in 2013, SHDP and SHTB grew by 64% and 44%, respectively, as these hospitals are ramping-up their throughput. Newly acquired general hospital in 2014, SHPW has contributed about 89 thousand OPD visits. In total, OPD visits grew by 25%.

Balance Sheet

Assets

The Company's Total Assets increased by 5% to Rp 2,986 billion from the Rp 2,846 billion in 2014. Mainly in receivables due to revenue growth.

Liabilities

Total liabilities as at year end 2015 were Rp 1,246 billion, up from 2014's Rp 1,186 billion.

Total current liabilities as at 31 December 2015 were Rp 630 billion, up from Rp 482 billion at end of year 2014 mainly from accrued expenses.

While the total long-term liabilities as at 31 December 2015 were Rp 616 billion, decreased from the 2014 year end figure of Rp 704 billion.

Equity

Total equity of the Company as per 31 December 2015 increased to Rp 1,740 billion from Rp 1,660 billion in 2014.

Dividend Policy

The Company declares cash dividends based on the financial performance and financial condition in an amount equal to a rate of 10% of net income every year if the consolidated after tax net income for the year is Rp 150 billion, and 15%-30% of net income if the consolidated net income after tax for the year exceeds Rp 150 billion, in an effort to maximize shareholders value in the long-term.

Important Events After the Date of Auditor Report

There are no material events after the date of the auditor's report.

Significant Events After the Date Already Audited Financial Statements There are no material events after the date of the audited financial statements.

Liquidity and Capital Resources

Perseroan mendefinisikan likuiditas sebagai The Company defines liquidity as its ability to generate sufficient funds from both internal and external sources to meet its obligations and commitments. In addition, liquidity includes the ability to obtain appropriate financing and to convert into cash those assets that are no longer required to meet existing strategic and financial objectives.

The Company financed its 2015 capital requirements primarily through funds generated from its operations, loan from parent company, financing from banks and from the IPO proceeds. The primary use of capital in 2015 were related to expansions.

The Company believes that it has sufficient capital resources from its operations, access to financing from banks, financial institutions, and other lenders. The Company strives to maintain a minimum balance of cash and cash equivalents sufficient to cover operating expenses for a period of three to six months.

Solvability

The solvability ratio shows the ability of the Company in fulfilling its overall liabilities, including its financial liabilities such as interest bearing liabilities. This ratio can be measured by comparing total financial liabilities to equity (Debt to Equity Ratio).

The Company's solvability ratios are as follows:

Solvability	2015	2014*
Total Liabilities to Total Assets	41.7%	41.7%
Total Liabilities to Total Equity	71.6%	71.5%

*Restated in accordance with SFAS No. 24 (Revised 2013)

Profitability

Profitability ratio is defined as the ability of a company to produce profit within a certain period. It can be measured by calculating the net earnings ratio Return on Assets (ROA) ratio and Return on Equity (ROE) ratio.

The Company's profitability ratios are as follows:

Profitabilitas	2015	2014*
Marjin laba bersih	1,5%	2,1%
Tingkat Pengembalian Aset	2,1%	2,4%
Tingkat Pengembalian Ekuitas	3,5%	4,2%

*Restated in accordance with SFAS No. 24 (Revised 2013)



HUMAN RESOURCES

The HR vision to grow in stewardship and transform life continues to promote fundamental principles and practices

As primarily a service business, Siloam Hospitals recognizes the need to have the best staffs. It thus remains Company policy to attract and retain those people who demonstrate the highest levels of professionalism and competence. Our continued success in this matter going into the future relies on Siloam Hospitals remaining proactive in its recruitment and retention programs, and most certainly in providing a positive and challenging work environment. The Company has an effective HR division to oversee the Company's HR policies and practices, harmonious strong employee relations are maintained.

Recruitment

National and international recruitment are both used as means of addressing the needs of Siloam Hospitals growing network and increasing patient numbers at existing hospitals. Differing recruitment techniques can be used to seek out people to fill a wide variety of positions: doctors, nurses, medical technicians, administrators, support staff, and other supporting roles.

This recruitment is coordinated centrally in head office but in closed collaboration with individual units to ensure local talents are considered as we are hoping to secure local talent whenever possible. Close contact with Faculties of Medicine and Nursing Education Institutions throughout Indonesia provides direct pathways for talented students to pursue their professional development goals at Siloam Hospitals.

Siloam Hospital's expansion of treatment options and acquisition of specialized advanced technology offers either specific recruitment or intensive training up-grades. In either case, the current improvement in Indonesian health care by Siloam Hospitals and by others is creating more intense competition in the marketplace for certain specialties and as generally for trained, licensed medical professionals. The Company has expanded its scholarship up-take program to over 300 in 2015 in an effort to help young people get nursing training and to then work at our fine hospitals.

Employee Composition

As at year end December 31, 2015, the Company and its subsidiaries employed 8,737, up from 7,810 in 2014 and 6,174 in 2013.

Composition of Management & Employees by Work Status

Description	31 December 2015	31 December 2014
Permanent Employees	6,983	6,547
Contract Employees	1,754	1,263
Total	8,737	7,810

HUMAN RESOURCES

Composition of Management & Employees by Level

Description	31 December 2015	31 December 2014
Director	6	3
Executive	81	111
Manager	240	256
Supervisor	847	761
Staff	7,563	6,679
Total	8,737	7,810

Composition of Management & Employees by Education

Description	31 December 2015	31 December 2014
Post Graduate	310	1,007
Graduate	1,878	851
Diploma	4,368	4,025
Senior High School, Junior High School, & Others	2,181	1,927
Total	8,737	7,810

Composition of Management & Employees by Ages

Description	31 December 2015	31 December 2014
up to 30 yrs old	5,637	4,993
31 - 45 yrs old	2,534	2,262
46 - 55 yrs old	482	446
more than 55 yrs old	84	109
Total	8,737	7,810

Composition of Management & Employees by Gender

Description	31 December 2015	31 December 2014
Male	2,727	2,355
Female	6,010	5,455
Total	8,737	7,810

Employees by Function

Description	31 December 2015	31 December 2014
General Practitioner/ RMO	469	389
Nurses	3,604	3,256
Allied Health Staff	1,376	1,554
Support & Management	3,288	2,611
Total	8,737	7,810

Retention and Training

To offer the type of high quality service and treatment promised, the Company is keen on ensuring adequate numbers of experienced medical professionals. Thus we take a holistic approach to retain, train and improve employee engagement in general. By focusing on employee welfare, the Company has established a motivating and cooperative spirit, prioritizing patient care and Company reputation.

In addition to this holistic approach, remuneration is designed to strengthen each hospital's functioning in the long term. Features of the remuneration system include:

- a. Performance bonus linked to both employee and Company performance.
- b. Salary Adjustment System based on annual review, compliance to government minimum wage .
- c. Perks and benefits include religious holidays allowance, health insurance for immediate family members, Jamsostek coverage, pension fund, compassionate leave, and emergency aid assistance.
- d. Long service achievement awards for those working for more than 10 years and Certificates of Achievements for outstanding service.
- e. Training Programs in either medical or non-medical areas.

The flagship Siloam Doctors Partnership Development Program coordinates with all our doctors within the Siloam Hospitals network to develop plans and allocate resources to maintain or extend skills in line with advancements in their areas. For management succession, the Management Associate Program opens the door for high potential graduates to begin on the path to become the Company's future leaders.

Leadership Development Program has become our additional flagship program to prepare our future leaders. This program is designed in collaboration with Universitas Pelita Harapan Graduate Program, by providing scholarship to existing Siloam Hospitals' executives to obtain a dual degree of Master in Business Administration and Master in Hospital Management. The first three classes was developed in collaboration with Universitas Pelita Harapan and Peking University, Beijing China. The next class will be a collaboration with UPH and Massachusetts Institute of Technology (MIT) and Sourbourne University in France. At this moment, the Company has extend the scholarship to the total of 32 executives.

Work Culture and Performance Management

The HR division is in charge of designing and maintaining the Company's performance management system. Leading from the top is key to establishing the quality that is needed in a world class hospital. This culture of dedication and diligence is communicated at all levels helping every employee to gain both clear understanding of their roles and in succeeding to meet targets set in individually agreed upon Key Performance Indicators.

With results showing strong performance and consistent efforts, performance evaluation results serve as the basis for rewarding the employees along a Pay for Performance method. Higher achievements allows opens opportunity for advancements as well as more competitive rewards. Specific programs to encourage the work culture at Siloam Hospitals in 2015 include:

- Director of Nursing Development Program
- Employee gathering
- Long service awards
- Performance Bonus and
- Stock options for executives

HUMAN RESOURCES

The HR vision to grow in stewardship and transform life continues to promote fundamental principles and practices including:

- Ensuring the work culture is ethical and in accordance with integrity;
- Promoting transparency in the organizational processes as part of malpractice management; and
- Positively impacting lives;
- Increasing employee engagement by creating favorable working environments;
- Ensuring equal opportunity for employees to seek self-development and career advancement.

To ensure efficiency of implementing this program, since 2015, the Company has included this as part of the online HR transaction, whereby the evaluation was conducted online, via our HR Information System.

Human Resources Information System

The HR division maintains open channels of communication with employees on a face to face basis and also through the Human Resources Information System (HRIS). Through the use of ICT portals, a single HRIS platform is accessible

from in each business unit, and can easily expand to include the new hospitals as they come on line. Available relevant information is included on topics such as recruitment, performance and competency management, employee development and a help desk service.

Employee Self Service and Management Self Service functions encourage both employees and managers to understand work process in an effort to bring the whole Company into the view of each employee. As well, the HRIS eases HR tasks by allowing employees and HR management to handle administrative tasks easily and quickly.

Going Forward

The HR division will continue to work hard at keeping talent and motivation at high levels. Plans are in place to step-up recruitment to fill up-coming position at both new and existing hospitals. Maintaining close employee engagement will help the Company achieve strategic objectives, and will ultimately help ensure Siloam Hospitals' ability to deliver quality, caring medical treatments to more and more people.



Needless to travel.

The miracle of healing is not in the treatment, but in the presence of the beloved family members and friends. Siloam Hospitals is the leading private hospital network with 20 hospitals in 14 cities across Indonesia.

Siloam Hospitals is Indonesia's most progressive and innovative healthcare provider that has set the benchmark for quality healthcare services. Siloam Hospitals' medical team of more than 400 general practitioners, 1,700 specialist doctors and 8,200 nurses, allied health and support staff, offers best-in-class healthcare services to nearly two million patients annually

For 24 Hour Siloam Ambulance Service, contact: 1 – 500 – 911
For Appointment and General Information, contact: 1 – 500 – 181



CLINICAL GOVERNANCE AND QUALITY STANDARD

Every healthcare practitioner that works for the Company must have proper qualifications and adherence to highest medical discipline standards

The Company's approach to clinical governance contains four main elements: (1) Human Resources Review, (2) Review of Clinical Practice, (3) External Assessment & Recognition, and (4) Commitment to Continuous Education.

Human Resources Review

Every healthcare practitioner that works for the Company must meet the required qualifications and adhere to highest medical discipline standards. To achieve this, the Company is committed to assessing and verifying the credentials of all licensed and certified healthcare practitioner it employs. This assessment will be done at the time of hire and every 3 years thereafter (re-credentialing). This process will include the Primary Source Verification to determine the accuracy of a qualification declared by the individual by contacting the original source. All credentialing and verification process must be completed before the individual is allowed to provide patient care.

A certified Emergency Medical Treatment (EMT) training program modeled from Johns Hopkins Hospital has been put in place and the result clearly shown to strengthen the emergency response protocols and provide improved confidence to nurses, paramedics and doctors.

Furthermore, starting 2015, a comprehensive Resident Medical Officer (RMO) training program was provided for newly recruited RMO in their role as the front liners to support them in providing the best medical care according to the standards.

Clinical Practice Review

To maintain the delivery of clinical excellence, daily review of case reports presented by clinical staffs by the medical committee is one of the key elements. All clinical practice is performed in accordance with the Clinical Guidelines and Protocols adopted from the National Guidelines and College of each Specialist Group Guidelines.

In 2015 the Company completed their review and standardization of all Policy & Procedure to ensure compliance to JCI Accreditation standards as well as National Accreditation standards in implementing International Quality Standards with emphasis on Patient Safety. All the documents is managed through Q-Pulse application that is accessible for all staff.

External Assessment & Recognition

Aside from internal monitoring and regular assessment, the Company also introduces external consultants to conduct independent assessments of clinical practice. Since 2015, the Company has started a continuous collaboration with Senior JCI Consultants to provide inputs, conduct audits and hold interactive discussions with Company's Clinical Practitioner. These steps are projected to add more JCI Accredited hospitals in the Company. Furthermore, the Company continuously improves from patient invaluable direct input.

Commitment to Continuous Clinical Education

Up to date Continuous Clinical Education is obviously required as the Company's medical staffs need to nurture and grow their contemporary knowledge and skills, in order to improve as well as sharpen their clinical practice protocols and implement innovative solutions to address various clinical issues. The Company's policy emphasized completion of 40 hours annual training for medical staffs, and 20 hours for non medical staff.

The Company regularly maintains its' online database subscription to www.uptodate.com, which provide unlimited access for clinical staff to various up-to-date medical journals. Furthermore we also have our own e-learning website that consists of education materials and clinical journals. Both of these resources provide inexhaustible support for all medical staff to learn and update their knowledge.

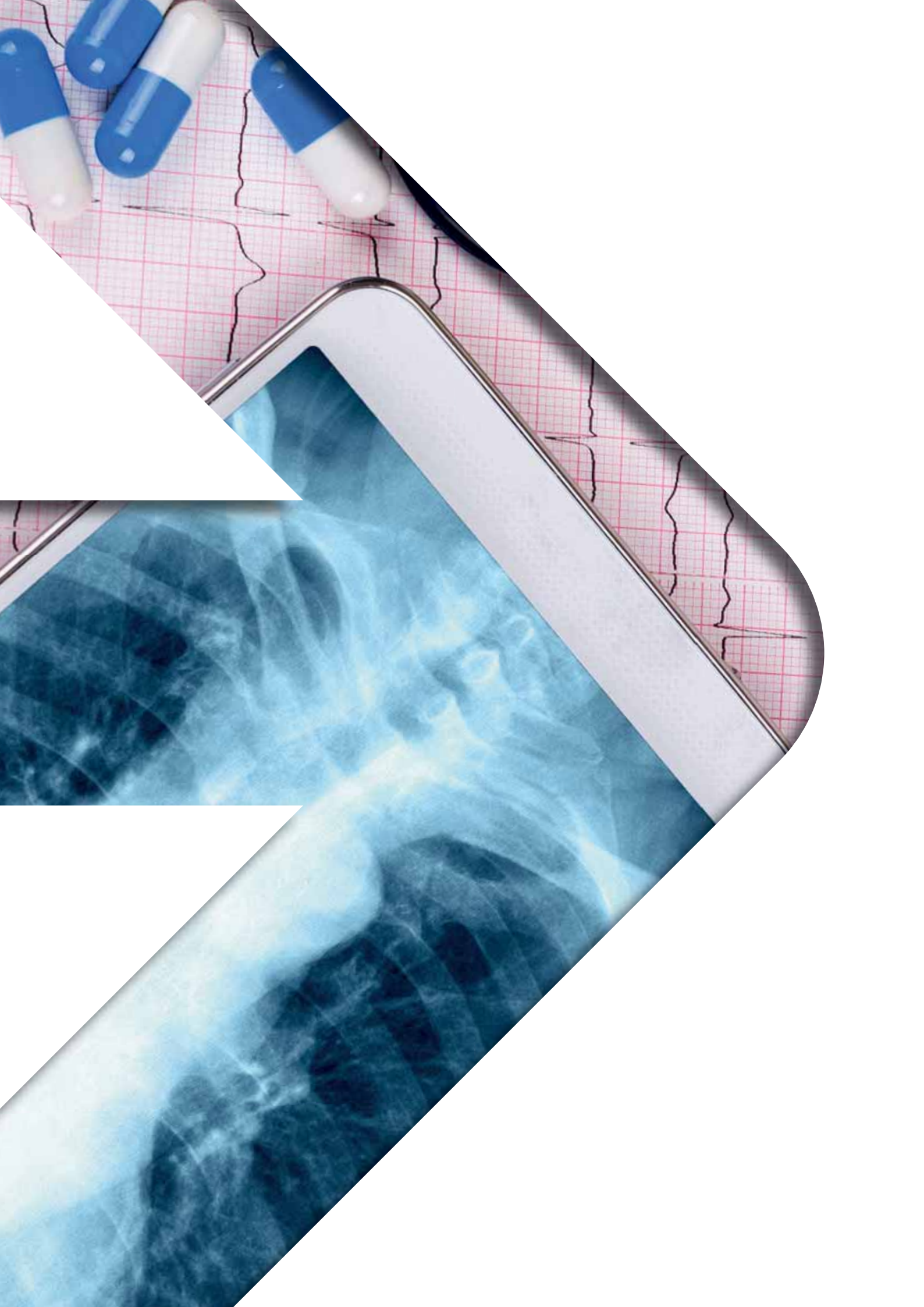
CLINICAL GOVERNANCE AND QUALITY STANDARD

Unit Siloam Hospitals	JCI	ACHS
SHLV/Paviliun B SHLV (RSUS)	3rd Fully Accredited (2014)	
BIMC Nusa Dua		2014

Siloam Hospitals Terakreditasi KARS

Unit Siloam Hospitals	KARS
SHKJ	Standar Akreditasi versi 2012
SHLC	Standar Akreditasi versi 2012
SHLV/Paviliun B SHLV (RSUS)	Standar Akreditasi versi 2012
SHDP	Standar Akreditasi versi 2012
BIMC Kuta	Standar Akreditasi versi 2012
RSU MRCCC	Standar Akreditasi versi 2012
SHTB	Standar Akreditasi versi 2012
SHSB	Utama (2015) – akan remedial menuju paripurna di 2016
BIMC Nusa Dua	Standar Akreditasi versi 2012
SHJB	KARS versi 2007
SHBP	KARS versi 2007
SHPW	KARS versi 2007
ASRI	KARS versi 2007 (5 bidang pelayanan).





INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

The Company is continuing to expand its ICT capacity and capabilities and to ensure that growth and ICT functional enhancements continue in tandem with the corporate strategy

ICT is an essential part of the hospital operation. In order to pursue the objective of an integrated hospital network, Siloam Hospitals places top priority on a strong ICT backbone. Given the size of Indonesia and the requirements for clear and precise data communications, it remains critical to stabilize, develop, review, and bolster all elements of ICT, on an on-going basis. The hospitals uses several multiple core applications such as the Hospital Information System (HIS), Finance and Accounting system and other record keeping, inventory control, and research and development applications.

Resources

ICT is managed through the ICT Division staffed by 67 qualified and certified IT professionals, located mostly centrally at head office, with an average 3-5 personnel located at each hospital. As each new hospital is brought on line, their infrastructure and systems are integrated and tested with training given as required to support the operational of the hospital. External consultants are periodically accessed to maintain and increase the knowledge of our ICT human resources and cutting edge functionality. In 2015, various collaborations and training with major ICT principals were conducted, such as with Cisco, IBM/ Lenovo, Huawei, Acer, Asus, ESET to equip our ICT resources. These collaborations not just help to support the hospital operation, but also support the personal capabilities of each ICT staffer. Cooperation with University of Pelita Harapan for the Internship Program is continuing, with best ranking graduates hired as required to support the current operation and also for pipeline development.

Standardization, Consolidation and Centralization

The success key for ongoing ICT development within Siloam Hospitals is Standardization, Consolidation and Centralization. The Siloam Hospitals' Hub and Spoke Network allows uniform access by all health professionals to access every expertise nationwide, enabled by the standardized strategy to enable all

access everywhere within the hospitals internal network. The design of this communication protocol relies on investments in standardized infrastructure and systems for existing hospitals and periodically for new site development. The main ICT hub is located in Tangerang with strong management of the main centralized infrastructure and connectivity all across Siloam sites. Consolidation and Centralization are currently underway and in line with Siloam Hospital's long term ICT strategy. Currently Siloam Hospitals is consolidating its financial and accounting system into Microsoft Dynamix Axapta and targeting all hospitals to be consolidated by the end of this year, thus ease the consolidation process and reporting. Centralization is next in line to boost more efficiency and effectiveness of the ICT operation, especially in supporting new hospital development in terms of cost efficiencies.

System Security

ICT uses Active Directory for security management, allowing one user to have only one login for multiple applications with multiple levels of security access, enabling logging, monitoring of access to prevent misuse and unauthorized access. ICT also operates a centralized ICT helpdesk to quickly and accurately log, manage and solve any ICT issues, meeting 95% of SLA expectations in 2015. In order to facilitate business continuity, the Company has developed a Disaster Recovery Plan. The current objective remains to provide reasonable protection should a disaster event occur with an efficient and effective return to normal operating parameters.

Looking Ahead

The Company is continuing to expand its ICT capacity and capabilities and to ensure that growth and ICT functional enhancements continue in tandem with the corporate strategy. Future investments in training and hardware/software will occur based upon the long term and short term ICT strategy set up by the Management in line with the business strategy. ICT will remain to be as critical as ever in the hospital development strategy.





GOOD CORPORATE GOVERNANCE (GCG)

The Company continues to expand GCG coverage and depth in line with requirements as a listed company, with the expansion of Siloam Hospitals across Indonesia. In doing so, the Company grounds its GCG practices on Transparency, Accountability, Responsibility, Independency and Fairness



Rekam Medis
Medical Record

Tidak untuk dibawa keluar Rumah Sakit
Not to be taken outside the Hospital

GOOD CORPORATE GOVERNANCE (GCG)

I. FUNDAMENTALS OF GCG IMPLEMENTATION

The Company implements its GCG standards, rules, policies, procedures and evaluations based on the prevailing laws and regulations on limited liability companies and on public listed companies as enacted by Financial Services Authority (OJK) and Indonesian Stock Exchange, best practices, the Company's Articles of Association and the Company's Vision, Mission and Values.

Management commitment to consistent GCG implementation at all organizational levels and securely within all systems is understood as helping the Company achieve short term and long-term business objectives while providing lasting value for all stakeholders.

The Company continues to expand GCG coverage and depth in line with requirements as a listed company, with the expansion of the Siloam Hospitals across Indonesia.

The Company grounds its GCG practices on the following principles.

Perseroan menerapkan praktik GCG dengan prinsip-prinsip berikut:

1. Transparency

The Company manages information transparently ensuring that all stakeholders gain access to important, material and useful information, in both Indonesian and English languages. Use is made of both print and electronic media, for both internal and external stakeholders to access information in a timely fashion.

2. Accountability

Accountability is implemented in the three-tier governance through regular holding of meetings in which the Board of Directors reports to the Board of Commissioners the financial and operational aspects of the Company, operational budgeting prior to the commencement of a financial year and evaluation of performance towards the end of a financial year, and the General Meeting of Shareholders held annually in which the Board of Directors and the Board of Commissioners report to the shareholders the result of performance in the most recent financial year. The Company also conducts quarterly reviews and evaluations of each hospital performance and of systems effectiveness.

3. Responsibility

Operating in a heavily regulated industry, the Company must adhere closely to a host of both clinical and non-clinical regulations, and compliance with these is a central part of risk management and business sustainability.

4. Independence

The avoidance of conflict of interest at the board level and indeed at all levels is essential to good company management. Independence is achieved through incorporation of independent directors, independent commissioners and independent parties on the Audit Committee.

5. Fairness

In its relationships with stakeholders, the Company makes every attempt to engage on the basis of equality and fairness in addressing the rights of all shareholders and other stakeholders, with basic approaches grounded in prevailing laws and regulations.

GOOD CORPORATE GOVERNANCE (GCG)

II. ELEMENTS OF GCG

The Company routinely evaluates and adjusts governance elements both proactively and in response to conditions in the industry.

1. Company Regulation

The Company's Company Regulation were ratified by Decision of the Minister of Manpower and Transmigration of the Republic of Indonesia dated March 7, 2011, No. KEP. 560/15797/DISNAKERTRANS.

2. Corporate Policies and Standard Operating Procedures

The Company continues to improve and refine its policies and procedures to ensure that staff have effective reference for best practice and good governance. These policies and procedures are grounded in GCG principles and encourage the development of leadership capability and value.

At times, specific policies and procedures need to be detailed to ensure consistency across the Siloam Hospitals. In these activities the Company has benchmarked against best practice, looking to long term interest as prime factors to introduce all Company procedures.

Together these policies and procedures are the foundation to safeguard the Company, the employees and the patients. In this all participants can become aware of their rights and obligations, helping to create a harmonious environment and positive relationships.

3. Evaluation of GCG Implementation

The quality of GCG implementation is assessed periodically, including by independent parties. The criteria used in conducting GCG assessments at Siloam Hospitals are grouped under 7 main aspects:

- a. Rights and responsibilities of shareholders;
- b. GCG policy;
- c. GCG implementation;

- d. Disclosure of information;
- e. Risks management;
- f. Relationships with shareholders;
- g. Commitment.

III. GCG STRUCTURE

The Company has three main decision-making organs, namely:

1. The General Meeting of Shareholders, the highest decision-making forum.
2. The Board of Commissioners, the main oversight body overseeing the management of the Company.
3. The Board of Directors, the management of the Company.

Day-to-day management of the Company is conducted by the Board of Directors, which is supervised by the Board of Commissioners, and ultimately evaluated by the GMS. In its task of monitoring the management of the Company, the Board of Commissioners is assisted by the Audit Committee (who is assisted by Internal Audit) and the Nomination and Remuneration Committee. Concurrently, the Board of Directors is assisted by the Corporate Secretary.

1. GMS

The GMS has the authority to, among other things, appoint and dismiss members of the Board of Commissioners and the Board of Directors, evaluate the performance of the Board of Commissioners and the Board of Directors, approve amendments to the Articles of Association, approve the financial statements and determine the remuneration of the members of the Board of Commissioners and the Board of Directors. An Annual General Meeting of Shareholders (AGMS) must be held at least one time per year, and an Extraordinary General Meeting of Shareholders (EGMS) is held as needed.

On 19 May 2015, the Company held its AGMS and EGMS at Aryaduta Hotel, Lippo Village.

2. Board of Commissioners

a. Duties and Authorities

The tasks of the Board of Commissioners include to:

- (i) Conduct oversight on the management of the Company by the Board of Directors and approve the Company's annual work plan.
- (ii) Conduct assignments, tasks, authorities and responsibilities given to it in accordance with the Articles of Association, prevailing laws and regulations and/or the GMS' resolutions.
- (iii) Analyze and review annual report prepared by the Board of Directors as well as sign such annual report.
- (iv) Comply with the Articles of Association and prevailing laws and regulations as well as implement principles of professionalism, efficiency, transparency, independency, accountability, responsibility and discretion.

The Board of Commissioners is therefore also obliged to:

- (i) Oversee the implementation of the Company's annual work plan.
- (ii) Follow the development of the Company's business activities and, in case the Company shows significant declining symptoms, promptly send a report to the GMS accompanied by suggestion of corrective measures to be taken.
- (iii) Advising the GMS on any other issues that are deemed important for the management of the Company.
- (iv) Conduct other oversight duties determined by the GMS.
- (v) Commenting the Board of Directors' regular reports at any time necessary for the development of the Company.

The Board of Commissioners has the following rights to:

- (i) At any time within the Company's office hours, enter buildings and courtyards or other premises used or possessed by the Company and check all books, letters and other documents, inventories, check and verify the cash and other securities.
- (ii) Be informed of the actions taken by the Board of Directors and, in specific cases, the Board of Directors and each member thereof are obliged to give response to any queries asked by the Board of Commissioners or its hired experts.
- (iii) Request assistance from experts and/or committees for short periods and at Company expense.
- (iv) Dismiss temporarily one or more Director(s) from their offices should they be deemed to be acting contrary to the Articles of Association and/or prevailing laws and regulations and/or neglecting his/her obligations.

b. Appointment, Dismissal and Term of Office

Commissioners are appointed and dismissed by the GMS, each for a period as of the date as determined by the GMS in which they are being appointed and up to the close of the third AGMS, without limiting the GMS right to dismiss them at any time. Commissioners whose term of office expires may be re-elected by the GMS.

The term of a Commissioner ends if the

- (i) Commissioner passes away, (ii) term of office of Commissioner ends, (iii) Commissioner is dismissed by the GMS, (iv) Commissioner resigns, (v) Commissioner is declared bankrupt or placed under guardianship, or (vi) Commissioner is no longer qualified as a member of the Board of Commissioners.

GOOD CORPORATE GOVERNANCE (GCG)

c. Independent Commissioners

An Independent Commissioner is a member of the Board of Commissioners from outside of the Company who does not have any shares in the Company directly or indirectly, any affiliated relationship with the Company, other Commissioners, members of the Board of Directors and/or controlling shareholders, or any business relationship that relates to the Company's business activities directly or indirectly.

d. Membership Composition

The membership composition of the Board of Commissioners based on the Deed of Statement of Resolution of the General Meeting of Shareholders No. 09 dated June 12th, 2015, made before Nurlani Yusup, S.H., M.Kn., Notary in District of Tangerang, and notified to the Ministry of Justice and Human Rights based on the Receipt of Amendment of the Company Data No. AHU-AH.01.03-0942314 dated June 17th, 2015, is as follows:

Composition of the Board of Commissioners from May 19th, 2015 onwards is:

Composition of the Board of Commissioners

No	Name	Position
1	Ketut Budi Wijaya	President Commissioner
2	Theo L. Sambuaga	Commissioner
3	Jenny Kuistono	Commissioner
4	Lambock V. Nahattands	Commissioner
5	Farid Harianto	Independent Commissioner
6	Dr. Niel Byron Nielson	Independent Commissioner
7	Ir. Jonathan L. Parapak	Independent Commissioner

Whilst the membership composition of the Board of Commissioners before May 19th, 2015 was:

Composition of the Board of Commissioners

No	Name	Position
1	Ketut Budi Wijaya	President Commissioner
2	Theo L. Sambuaga	Commissioner
3	Rahmawaty	Commissioner
4	Lambock V. Nahattands	Commissioner
5	Farid Harianto	Independent Commissioner
6	Prof Dr. H. Muladi S.H.	Independent Commissioner
7	Ir. Jonathan L. Parapak	Independent Commissioner

e. Division of Tasks

The division of tasks amongst members of the Board of Commissioners is determined by themselves.

f. Meetings

Meeting of the Board of Commissioners must be held at least once every 2 (two) months or as more deemed necessary by the President Commissioner or at least 2 Commissioners, or upon a written request of the Board of Directors, or upon request of 1 (one) or more shareholders representing at least 1/10 (one tenth) of the Company's total issued shares with voting rights. During 2015, the Board of Commissioners held 7 (seven) meetings.

The below table details percentage of attendance of Commissioners at BOC meetings:

Meetings of the Board of Commissioners

No	Date	Agenda	Name of Commissioner									Percentage (%)
			KBW	TLS	RAH	JK*	LVN	FH	MUL	NBN**	JLP	
1	26-Jan-15	I. Opening. II. Full year Performance 2014. III. Going forward - Budget 2015. IV. Key Core Strategies and core innovation Strategies. V. Other matters.	1	1	1	0	0	1	0	0	0	57%
2	23-Feb-15	I. Opening. II. Confirmation on Minutes of Board of Commissioners on 26 January 2015 Meeting. III. 2015 January Performance. IV. Other matters.	1	1	1	0	0	1	1	0	0	83%
3	21-Apr-15	I. Opening. II. Confirmation on Minutes of Board of Commissioners on 23 February 2015 Meeting. III. Financial Performance as of February and March 2015. IV. Technology (DT and BD Roll-out) VI. Pipeline (including Siloam Express Roll-out) VII. Other matters.	1	1	1	0	1	1	1	0	1	100%
4	08-Jun-15	I. Opening. II. Confirmation on Minutes of Board of Commissioners on 21 April 2015 Meeting. III. Financial Performance. IV. Clinical Governance. V. Other matters.	1	1	0	1	0	1	0	1	1	86%
5	27-Jul-15	I. Opening. II. Confirmation on Minutes of Board of Commissioners on 8 June 2015 Meeting. III. Clinical Governance. IV. PT Navi proposal on LINAC Radio Therapy Equipment. V. PT Navi proposal on LINAC Radio Therapy Equipment. V. Other matters.	1	1	0	1	0	1	0	1	1	86%
6	30-Sep-15	I. Opening. II. Confirmation on Minutes of Board of Commissioners on 27 July 2015 Meeting. III. Financial Performance as of August 2015 dan 2016 Budget. IV. Pipeline. V. Other matters.	1	1	0	1	0	1	0	1	1	86%

GOOD CORPORATE GOVERNANCE (GCG)

Meetings of the Board of Commissioners

No	Date	Agenda	Name of Commissioner									Percentage (%)
			KBW	TLS	RAH	JK*	LVN	FH	MUL	NBN**	JLP	
7	23-Nov-15	I. Opening. II. Confirmation on Minutes of Board of Commissioner of 30 September 2015 Meeting. III. Financial Performance as of October 2015. IV. 2016 Budget. V. Other matters.	1	1	0	1	0	0	0	1	1	71%

Note:
 * Jenny Kuistono was elected as a Commissioner on 19 May 2015.
 ** Dr. Niel Byron Nielson was elected as a Commissioner on 19 May 2015.
 KBW : Ketut B. Wijaya FH : Farid Harianto
 TLS : Theo L. Sambuaga MUL : Muladi
 RAH : Rahmawaty NBN : Niel Byron Nielson
 JK : Jenny Kuistono JLP : Jonathan L. Parapak
 LVN : Lambock V. Nahattands

g. Remuneration

In accordance with the Articles of Association, Commissioners are given salaries/honorariums and allowances in amounts determined by the Nomination and Remuneration Committee.

Two (2) members of the Board of Directors are jointly entitled to act on behalf of the Board of Directors and represent the Company.

3. Board of Directors

a. Duties and Authorities

The main duties of the Board of Directors are to:

- (i) Guide, manage and direct the Company in accordance with the Company's vision and mission, and constantly undertake to improve the Company's efficiency and effectiveness;
- (ii) Possess, maintain and manage the Company's assets; and
- (iii) Prepare annual work plan which contains the Company's annual budget.

The Board of Directors is entitled to represent the Company either in or out of court on all matters and in any event, bind the Company to other parties and bind other parties to the Company as well as execute all actions with regard to either management or ownership matters by observing restrictions stipulated by the Articles of Association and prevailing capital market laws and regulations.

Without prejudice to its responsibilities, the Board of Directors is for specific actions entitled to appoint a proxy by giving him/her authority to execute such particular action as stipulated in a power of attorney and carried out in accordance with the Articles of Association.

The Board of Directors must seek approval from the Board of Commissioners to:

- (i) Borrowing or lending money on behalf of the Company (exclusive of withdrawing the Company's money from bank) except in the context of daily business activities;
- (ii) Purchasing or by other means acquiring immovable assets;
- (iii) Selling or by other means disposing of immovable assets (except in the context of daily business activities), divesting subsidiary companies or collateralizing the Company's assets for a value that will not exceed the limit stipulated by prevailing laws and regulations; or

- (iv) Binding the Company as a guarantor for a value that will not exceed the limit stipulated by prevailing laws and regulations;

For executing the following actions, the Board of Directors must obtain a prior approval of the GMS which is attended by shareholders or their proxies holding at least $\frac{3}{4}$ (three fourths) of the Company's issued shares with voting rights and whose resolution is valid if approved by the attending shareholders or their proxies holding more than $\frac{3}{4}$ (three fourths) of the shares with voting rights as counted at the GMS:

- (i) Transferring or releasing any entitlement that amounts more than $\frac{1}{2}$ (half) of the Company's net assets or represents all the Company's assets in 1 (one) or more transactions whether they are independent or related to each other, within 1 (one) fiscal year; or
- (ii) Collateralizing any of the Company's assets that amounts more than $\frac{1}{2}$ (half) of the Company's net assets or represents all the Company's assets in 1 (one) or more transaction whether they are independent or related to each other.

In particular, for executing actions such as transactions having conflict of interest of members between the Board of Directors, members of the Board of Commissioners or the controlling shareholders and business interest of the Company, the

Board of Directors must obtain prior approval of the independent shareholders in a GMS pursuant to the prevailing rules enacted by OJK.

b. Appointment, Dismissal and Term of Office

Directors are appointed and dismissed by the GMS, each for a period as of the date as determined by the GMS in which they are being appointed and up to the close of the third AGMS without limiting the GMS right to dismiss them at any time. A Director whose term of office expires may be re-elected by the GMS.

The term of a Director ends if the

- (i) Director passes away, (ii) Term of office of Director ends, (iii) Director is dismissed by the GMS, (iv) Director resigns, (v) Director is declared bankrupt or placed under guardianship, or (vi) Director is no longer qualified as a member of the Board of Directors.

c. Membership Composition

The membership composition of the Board of Directors based on the Deed of Statement of Resolution of the General Meeting of Shareholders No. 09 dated June 12th, 2015, made before Nurlani Yusup, S.H., M.Kn., Notary in District of Tangerang, and notified to the Ministry of Justice and Human Rights based on the Receipt of Amendment of the Company Data No. AHU-AH.01.03-0942314 dated June 17th, 2015, is as follows:

GOOD CORPORATE GOVERNANCE (GCG)

Composition of the Board of Directors, after the AGMS of May 19th, 2015:

Composition of the Board of Directors

No	Name	Position
1	Romeo Fernandez Lledo	President Director/Independent Director
2	Prof. George Mathew	Director
3	Kailas Nath Raina	Director
4	dr. Grace Frelita Indradjaja, M.M.	Director
5	dr. Anang Prayudi	Director
6	Dr. dr. Andry, M.M., M.H.Kes.	Director
7	Richard Hendro Setiadi W.P.	Director

While the membership composition of the Board of Directors before May 19th, 2015 was:

Composition of the Board of Directors

No	Name	Position
1	Romeo Fernandez Lledo	President Director/Independent Director
2	Prof. George Mathew	Director
3	Kailas Nath Raina	Director
4	dr. Grace Frelita Indradjaja, M.M.	Director
5	dr. Anang Prayudi	Director
6	Dr. dr. Andry, M.M., M.H.Kes.	Director

d. Division of Tasks

Division of tasks among the members of the Board of Directors are as follows:

- (i) Romeo F. Lledo, President Director/
Independent Director
Responsible for determining strategies and making policies, as well as implementing vision, mission and values of the Company.
- (ii) Prof. George Mathew, Director
Responsible for the recruitment, training and education of physicians, nurses and other health professions for all Siloam Hospitals, clinics and other health facilities managed by the Company; also responsible for the management of the Company's health facilities as well as medical researches and studies.

- (iii) Kailas N. Raina, Director
Responsible for planning for and implementing new transformational initiatives in the Company.
- (iv) dr. Grace Frelita, M.M., Director
Responsible for the management of physicians practicing in Siloam Hospitals as well as clinics and other health facilities managed by the Company, including the quality control of medical and medication services rendered by them to the patients; also responsible for mediation of any professional dispute arising out of a relationship between physicians and management of Siloam Hospitals.

- (v) dr. Anang Prayudi, Director
Responsible for the development of business activities of the Company with the construction of new Siloam Hospitals, clinics and other health facilities managed by the Company including the budgeting, execution and preparation of human resources.
- (vi) Dr. dr. Andry, M.M., M.H.Kes., Director
Responsible for daily operations of all Siloam Hospitals, clinics and other health facilities managed by the Company; also responsible to oversee settlement of medical case(s) involving any of Siloam Hospitals and/or clinics or other facilities managed by the Company and/or each doctor(s).
- (vii) Richard Hendro Setiadi W.P. Director
Responsible for finance and accounting affairs of the Company and its subsidiaries and efficiency and

effectiveness of financial functions applied to the Company and its subsidiaries.

e. Meetings

Meeting of the Board of Directors may be held once a month or more upon request of one or more Directors or upon a written request of 1 (one) or more Commissioners, or upon a written request of one or more shareholders representing at least 1/10 (one tenth) of the Company's issued shares with voting rights. During 2015, the Board of Directors held a meeting roughly once a month, attended by members of the Board of Directors and other key personnel of the Company.

The below table details percentage of attendance of Directors at BOD meetings in 2015:

Meetings of the Board of Directors

No.	Date	Agenda	Name of Director							Percentage (%)
			RL	GM	GF	AP	AND	RHS*	KRN	
1	07-Jan-15	I. Opening. II. Confirmation on Minutes of 10 December 2014 Meeting. III. Evaluation of opening of Siloam Hospitals Kupang and Siloam Hospitals Medan. IV. Operational of Rumah Sakit ASRI. V. Centralised Purchasing Model. VI. IT & MedicOS IT VII. Human Resources, Employee's facility welfare. VI. Financial target 2014. VII. Other matters.	1	0	1	1	1	0	1	83%
2	14-Jan-15	I. Opening. II. Confirmation on Minutes of 7 January 2015 Meeting. III. Pipeline updates, targets of opening new hospitals. IV. Evaluation of LINAC Center opening in Indonesia. V. DON Development. VI. Siloam Hospitals Kupang updates, how to handle obstacles. VII. Application of MedicOS in Paviliun B SHLV (RSUS) and Siloam Hospitals Kupang. VIII. Other matters.	1	0	1	1	1	0	1	83%

GOOD CORPORATE GOVERNANCE (GCG)

Meetings of the Board of Directors

No.	Date	Agenda	Name of Director							Percentage (%)
			RL	GM	GF	AP	AND	RHS*	KRN	
3	21-Jan-15	I. Opening. II. Confirmation on Minutes of 14 January 2015 Meeting. III. Pipeline updates, development of hospital units that will operate. IV. Global Quality Development, preparation of hospital unit which will follow the JCI accreditation. IV. MedicOS Training for employees of Siloam Hospitals Kupang. V. Siloam Clinic Costing updates. VI. Other matters.	1	1	1	1	1	0	1	100%
4	11-Feb-15	I. Opening. II. Confirmation on Minutes of 21 January 2015 Meeting. III. Radiology Hub & Spoke with CARG & Meddiff. IV. Heart Centre. V. How can we assist MRCCC to do BPJS successfully? VI. Siloam Hospitals MRCCC, Siloam Hospitals TB & Siloam Hospitals Makassar business development summary. VII. Training for Resident Medical Officer. VIII. Other matters.	1	1	1	1	0	0	1	83%
5	17-Feb-15	I. Opening. II. Confirmation on Minutes of 11 February 2015 Meeting. III. Financial updates. IV. Head Office Relocation. V. Discussion of Kalbe case, 2 patients died in Siloam Hospitals caused by errors drug labeling committed by Kalbe.	0	1	1	1	1	0	1	83%
6	25-Feb-15	I. Opening. II. Confirmation on Minutes of 17 February 2015 Meeting. III. Pipeline updates. IV. Radiology. V. Heart Center Event. VI. BPJS Status in Siloam Hospitals MRCCC BPJS to get type A for oncology and type B for other BPJS Services. VI. Development of Kalbe case, consideration of using other products.	0	1	1	1	1	0	1	83%

Meetings of the Board of Directors

No.	Date	Agenda	Name of Director						Percentage (%)	
			RL	GM	GF	AP	AND	RHS*		KRN
7	04-Mar-15	I. Opening. II. Confirmation on Minutes of 25 February 2015 Meeting. III. Scholarship program of Medical Students. IV. IT Development Report in Siloam Hospitals Medan, Siloam Hospitals Denpasar, Siloam Hospitals Kupang, ASRI and Siloam Hospitals TB. V. Financial updates. VI. Development of Kalbe Case. VII. JCI Training Planning Report. VIII. Discussion of Siloam Express.	0	1	1	1	1	0	1	83%
8	25-Mar-15	I. Opening. II. Confirmation of Minutes on 4 March 2015 Meeting. III. Development of HO relocation planning report. IV. Financial updates. V. Report of MRCCC preparation in accepting BPJS participants.	1	1	1	1	1	0	1	100%
9	01-Apr-15	I. Opening. II. Confirmation on Minutes of 25 March 2015 Meetings. III. Development of HO relocation planning report. IV. Financial updates. V. Change of call center number. VI. Report of new hospitals opening preparation. VII. Investor Relations.	1	0	1	1	1	0	1	83%
10	20-May-15	I. Opening. II. Confirmation on Minutes 1 April 2015 Meeting. III. Corporate Communication Letter. IV. Concept, structure, types of services in Siloam Medika. V. Preparation of new hospitals opening. VI. Hemodialysis Services. VII. "Hospital Dial-In" Services	1	1	0	1	1	1	1	86%
11	27-May-15	I. Opening. II. Confirmation on Minutes of 20 May 2015 Meeting. III. Hospital Financial Dashboard & Hospital "Dial-In". IV. Operational report of Siloam Hospitals Medan. V. Planning of Siloam Pipeline & Siloam Medika recruitment. VI. Election of Hemodialysis appliances brands. VII. Report of new hospitals opening preparation.	1	1	1	1	1	1	1	100%

GOOD CORPORATE GOVERNANCE (GCG)

Meetings of the Board of Directors

No.	Date	Agenda	Name of Director							Percentage (%)
			RL	GM	GF	AP	AND	RHS*	KRN	
12	24-Jun-15	I. Opening. II. Confirmation on Minutes of 27 May 2015 Meeting. III. Laporan perkembangan pelatihan marketing. IV. Fire & Safety Program Executive Summary. V. Fire & Safety/Disaster Training VI. Hospital Financial Dashboard & Hospital "Dial-In". VII. Call Center service enhancement. VIII. Discussion on HR Management and issues. IX. Report of new hospitals opening preparation. X. RMO and Doctors training. XI. Financial Reports.	1	1	1	0	1	1	1	86%
13	01-Jul-15	I. Opening. II. Confirmation on Minutes of 27 June 2015 Meeting. III. Project update presentation. IV. Q2 Financial Result. V. Pipeline updates. VI. Quality & Clinical Governance updates. VII. Any other business.	1	1	1	1	0	1	1	86%
14	05-Aug-15	I. Opening. II. Konfirmasi Berita Acara Rapat tanggal 27 Juni 2015. III. Presentasi Project up date. IV. Q2 Financial Result. V. Pipeline up date. VI. Quality & Clinical Governance up dates. VII. Any other business.	1	1	1	1	1	1	1	100%
15	19-Aug-15	I. Opening. II. Confirmation on Minutes of 27 June 2015 Meeting. III. Project update presentation. IV. Q2 Financial Result. V. Pipeline updates. VI. Quality & Clinical Governance up dates. VII. Any other business.	1	1	1	1	1	1	1	100%
16	26-Aug-15	I. Opening. II. Konfirmasi Berita Acara Rapat tanggal 19 Agustus 2015. III. Finance up dates IV. Operation up dates V. Quality & Clinical Governance up dates. VI. Pipeline. VII. Human Resources. VIII. Marketing. IX. Others matters.	1	1	1	1	1	1	1	100%
17	23-Sep-15	I. Opening. II. Confirmation on Minutes of 26 August 2015 Meeting. III. Quality & Clinical Governance updates. IV. Network Development and Pipeline. V. Human Resources. VI. Information Technology. VII. Other matters.	1	1	1	1	1	1	1	100%

Meetings of the Board of Directors

No.	Date	Agenda	Name of Director							Percentage (%)
			RL	GM	GF	AP	AND	RHS*	KRN	
18	06-Oct-15	I. Opening. II. Confirmation on Minutes of 23 September 2015 Meeting. III. Quality & Clinical Governance updates. VI. Human Resources. V. Information Tecnology. VII. Marketing. VIII. Other matters.	1	1	1	1	0	1	1	86%
19	04-Nov-15	I. Opening. II. Confirmation on Minutes of 6 October 2015 Meeting. III. Call Center 1-500-181 expansion IV. Human Resources. V. Clinical Governance VI. Sunshine Cathering. VII. License up date	1	1	1	1	1	1	1	100%
20	25-Nov-15	I. Opening. II. Confirmation on Minutes of 4 November 2015 Meeting. III. Patient Satisfaction. Management Program. VI. Media Planning. V. Other matters.	1	1	1	1	1	1	1	100%
21	16-Dec-15	I. Opening. II. Confirmation on Minutes of 25 November 2015 Meeting. III. Information Tecnology. IV. Clinical Governance. V. Human Resources. VI. Budget 2016. VII. Other matters.	1	1	1	1	1	1	0	86%

Note:
 # Richard H. Setiadi W.P. has been holding the post of Director since 19 May 2015.
RL : Romeo F. Lledo **AND** : Andry
GM : George Mathew **RHS** : Richard H. Setiadi W.P.
GF : Grace Frelita Indradjaja **KRN** : Kailas N. Raina
AP : Anang Prayudi

List of Attendance of Joint Meetings of Board of Commissioners and Board of Directors year 2015

No.	Date	Agenda	Name of Commissioner and Director															Percentage (%)	
			KBW	TL5	RAH	JK*	LVN	FH	MUL	NBN**	JLP	RL	GM	GF	AP	AND	RHS		KRN
1	23-Feb-15	I. Opening. II. Approval on Company and Subsidiary Financial Statements for Period Ended on 31 December 2015 (Audited); III. Miscellaneous.	1	1	1	0	0	1	1	0	0	1	1	1	0	1	0	1	77%
2	21-Apr-15	I. Opening. II. Approval on Company and Subsidiary Financial Statements for Period Ended on 31 March 2015 (Unaudited); III. Miscellaneous.	1	1	1	0	1	1	1	0	1	1	1	1	1	1	0	1	100%

GOOD CORPORATE GOVERNANCE (GCG)

List of Attendance of Joint Meetings of Board of Commissioners and Board of Directors year 2015

No.	Date	Agenda	Name of Commissioner and Director															Percentage (%)	
			KBW	TLS	RAH	JK*	LVN	FH	MUL	NBN**	JLP	RL	GM	GF	AP	AND	RHS		KRN
3	27-Jul-15	I. Opening. II. Approval on Company and Subsidiary Financial Statements for Period Ended on 30 June 2015 (Unaudited). III. Miscellaneous.	1	1	0	1	0	1	0	1	1	1	1	1	1	1	1	1	93%
4	26-Oct-15	I. Opening. II. Approval on Company and Subsidiary Financial Statements for Period Ended on 30 September 2015(Unaudited) III. Miscellaneous.	1	1	0	1	0	1	0	1	1	1	1	1	1	1	1	1	93%

Note:
 * Jenny Kuistono has been holding the post of Commissioner since 19 May 2015.
 ** Dr. Niel Byron Nielson has been holding the post of Commissioner since 19 May 2015.

KBW : Ketut B. Wijaya	TLS : Theo L. Sambuaga	RAH : Rahmawaty
JK : Jenny Kuistono	LVN : Lambock V. Nahattands	FH : Farid Harianto
MUL : Muladi	NBN : Niel Byron Nielson	JLP : Jonathan L. Parapak
RL : Romeo F. Lledo	GM : George Mathew	GF : Grace Frelita Indradjaja
AP : Anang Prayudi	AND : Andry	RHS : Richard H. Setiadi W.P.
KRN : Kailas N. Raina		

f. Remuneration

In accordance with the Articles of Association, the members of the Board of Directors are given salaries and allowances in amounts determined by the Nomination and Remuneration Committee.

2. Having sufficient competence in reading and understanding financial statements and business, particularly in healthcare sector, audit process, and risk management;
3. Having sufficient knowledge on capital market and other related laws and regulations;
4. Adherence to the ethical code for Audit Committee enacted by the Company;
5. Willingness to continuously improve competence through education and training;
6. At least 1 (one) member having educational background in accounting and finance;
7. Not an insider of public accountants office, legal consultants office, public appraisal office or other parties rendering services of insurance, non-insurance, valuation and/or other consultancy services to the Company within the last 6 (six) months prior to being appointed by the Board of Commissioners;
8. Not authorized or responsible for planning, guiding and controlling the Company's business activities within the last 6 (six)

IV. AUDIT COMMITTEE

The Audit Committee was established by the Decision of the Board of Commissioners dated October 1st, 2013, to assist the Board of Commissioners in implementing its tasks and functions.

The qualifications for membership of the Audit Committee are:

1. Having high integrity, capability, sufficient knowledge and experience in line with his/her educational background and good communication skills;

- months prior to being appointed by the Board of Commissioners (except for the Independent Commissioner);
9. Not having any shares in the Company directly or indirectly;
 10. Not having an affiliation with members of the Board of Commissioners, the Board of Directors or the controlling shareholder within the meaning defined under the prevailing OJK regulations; and
 11. Not having a business relationship directly or indirectly with the Company's business activities.

The Audit Committee is headed by an Independent Commissioner with 2 (two) independent parties member with a term of office of 3 (three) years at the maximum, and members can be reappointed for one subsequent term of office.

The roles and responsibilities of the Audit Committee are to:

1. Conduct review of financial information to be issued by the Company to public and/or the authorities including financial statements, projection, and other reports related to the financials of the Company.
2. Conduct review on compliance with laws and regulations related to the activities of the Company.

3. Render independent opinions in the event of discrepancies of opinions among the management and the accountant.
4. Rendering recommendations to the Board of Commissioners regarding the appointment of accountant based upon independency, scope of assignment and remuneration.
5. Conduct review on the implementation of audits by Internal Audit and oversee the follow-up taken actions by the Board of Directors of the findings of the Internal Audit.
6. Conduct review on the risk management activities undertaken by the Board of Directors, in the absence of risk supervision function under the Board of Commissioners.
7. Conduct review on complaints relating to accounting process and financial reporting of the Company.
8. Conduct review and render advice to the Board of Commissioners relating to potential conflict of interest in the Company.
9. Keep all of the Company's documents, data and information confidential.

The Audit Committee is authorized to access records or information on the Company's employees, funds, assets and other resources in relation to audits.

The below table details attendance percentage at Audit Committee meetings:

The Audit Committee Meeting Attendance

No.	Date	Agenda	Name of Member			Percentage (%)
			FH	LKT	SP	
1	23-Feb-15	I. Presentation on Company and Subsidiary Financial Statement year end 2015 (by External Auditors). II. Discussion on Company and Subsidiary Financial Statements year end 2015 (Audited). III. Miscellaneous.	1	1	1	100%
2	21-Apr-15	I. Discussion on Company and Subsidiary Interim Financial Statements for Period Ended on 31 March 2015 (Unaudited). II. Internal Audit's Report for the period ended on 31 March 2015. III. Miscellaneous.	1	0	1	67%
3	23-Jul-15	I. Discussion on Company and Subsidiary Interim Financial Statements for Period Ended on 30 June 2015 (Unaudited). II. Internal Audit's Interim Report for the period ended on 30 June 2015. III. Miscellaneous.	1	1	1	100%

GOOD CORPORATE GOVERNANCE (GCG)

The Audit Committee Meeting Attendance

No.	Date	Agenda	Name of Member			Percentage (%)
			FH	LKT	SP	
4	26-Oct-15	I. Discussion on Company and Subsidiary Interim Financial Statements for Period Ended on 30 September 2015 (Unaudited). II. Internal Audit's Interim Report for the period ended on 30 September 2015. III. Miscellaneous.	1	1	1	100%
FH : Farid Harianto SP : Siswanto Pramono		LKT : Lim Kwang Tak				

V. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was established by the Decision of the Board of Commissioners dated May 18th, 2015, to assist the Board of and its members in carrying out the supervisory duty on the Nomination and Remuneration process, so that the process may run in an objective, effective and efficient manner, and to improve the quality, competence and responsibility of the Board of Directors and Board of Commissioners in achieving the vision of the Company

In carrying out its duties, the Nomination and Remuneration Committee is required to act independently, and report directly to the Board of Commissioners.

The Nomination and Remuneration Committee shall at least consist of 3 (three) members with the following provisions:

- 1 (one) chairman who is also coindependent Commissioner; and
- Other members may be from:
 - Members of the Board of Commissioners;
 - External parties; or
 - Those who occupy managerial positions under the Director in charge of human resources.

The Nomination and Remuneration Committee's term of office is 3 (three) years at the maximum and can be reappointed for one subsequent term of office.

Composition of the Nomination and Remuneration as follow:

- Jonathan L. Parapak; chairman
- Bapak Ketut Budi Wijaya; member
- Bapak Ishak Kurniawan; member

The roles and responsibilities of the Nomination and Remuneration are:

- With respect to nomination function, the Committee undertakes the following duties and responsibilities:
 - To give recommendation to the Board of Commissioners concerning:
 - Composition of office of members of the Board of Directors and/or members of the Board of Commissioners;
 - Policy and criteria required in the Nomination process; and
 - Performance evaluation policy for members of the Board of Directors and/or members of the Board of Commissioners.
 - To assist the Board of Commissioners in evaluating the performance of members of the Board of Directors and/or members of the Board of Commissioners.
 - To give advice to improve the capability development program of members of the Board of Directors/members of the Board of Commissioners.
 - To nominate any candidate qualifies as member of the Board of Directors/member of the Board of Commissioners to the Board of Commissioners to be presented to the GMS.

2. With respect to remuneration function:
- (a) To give recommendation to the Board of Commissioners concerning:
 - i. Remuneration structure;
 - ii. Remuneration policy; and
 - iii. Nominal amount of remuneration.
 - (b) To assist the Board of Commissioners in conducting evaluation of performance and suitability of Remuneration received by each member of the Board of Directors and/or member of the Board of Commissioners.

In carrying out its functions and roles, the Nomination and Remuneration Committee has a Charter which was stipulated on December 18th, 2015 and which governs matters related to: organizational structure and composition of membership, duties and responsibilities, authority, dan meeting.

In 2015, Nomination and Remuneration Committee convened 1 meeting to review and stipulate Charter of the Nomination and Remuneration Committee.

The below table details attendance percentage at Nomination and Remuneration Committee meetings:

Komite Nominasi dan Remunerasi Kehadiran Rapat

No.	Tanggal	Agenda	Nama			Persentase (%)
			JLP	KBW	IK	
1	18-Dec-15	I. Pembukaan. II. Persetujuan Piagam Komite Nominasi dan Remunerasi. III. Lain-lain.	1	1	1	100%

JLP : Jonathan L. Parapak KBW : Ketut B. Wijaya
 IK : Ishak Kurniawan

VI. INTERNAL AUDIT

Internal Audit was established on June 5th, 2013, with the objective to ensure an effective and integrated internal control system among the Company and its subsidiaries, serving as a partner of management in achieving the Company's goals by performing both an audit function and consultative function in an independent and objective manner.

The Internal Audit's role is to assess and evaluate the implementation of internal control and risk management system in accordance with the Company's policy, following an annual audit plan which was approved and authorized by the Board of Directors.

The Internal Audit conducts inspection and assessment of the efficiency and effectiveness of finance, accounting, operations, human resources,

information technology and other activities, with Internal Audit reports submitted to the President Director and to the Board of Commissioners with a copy to the Audit Committee.

Furthermore, Internal Audit monitors follow-up recommendations to ensure that recommendations for improvement and/or prevention have been implemented.

As a reference for Internal Audit in implementing all internal audit activities, the Company formulated the Internal Audit Charter in accordance with OJK Regulatory. The Internal Audit Charter sets forth the intent and purpose, structure and membership, internal auditor requirements, functional independence, duties and responsibilities, accountability and reporting forms, authority, scope of activities, code of ethics, determination and renewal of the Internal Audit Charter.

GOOD CORPORATE GOVERNANCE (GCG)

The Board of Directors appointed Hieronimus Gunawan H.P. as Head of the Internal Audit following the Board of Directors' Decision Letter dated June 5th, 2013.

VII. CORPORATE SECRETARY

The Corporate Secretary is appointed and dismissed by the Board of Directors. In general, the function of the Corporate Secretary is as a compliance officer assisting the duties of Directors in meeting good corporate governance requirements. Based on the Decision of the Board of Directors No. 046/SKD-SIH/IV/2015 dated April 15th, 2015, regarding the Appointment of the Corporate Secretary, the Board of Directors appointed Cindy Riswanto as the Corporate Secretary of the Company.

The functions and responsibilities of the Corporate Secretary as stipulated in OJK Regulation No. 35/POJK.4/2014 regarding the Corporate Secretary of Publicly-listed Companies are, among others, to:

1. Keep abreast of developments in the capital markets, especially the prevailing capital market laws and regulations.
2. Provide input to the Board of Directors and the Board of Commissioners in complying with the prevailing capital market laws and regulations.
3. Assisting the Board of Directors and the Board of Commissioners in implementing corporate governance, in particular of:
 - a. The disclosure of information to the public, including the availability of information in the Company's website;
 - b. The on time submission of reports to OJK;
 - c. Convening and documentation of the GMS;
 - d. Convening and documentation of meetings of the Board of Directors and the Board of Commissioners;
 - e. The implementation of orientation program to the Company for new Directors and Commissioners.
4. As a liaison between the Company, the shareholders, OJK and other stakeholders.

Below are details of the Corporate Secretary's correspondence with the capital market regulators during 2015:

Corporate Secretary Correspondence with Capital Market Authorities in 2015

No	Date	No. Letter	Recipient	Reference	Regulation
1	9-Jan-15	001/Corsec-SIH/I/2015	PT Bursa Efek Indonesia (via IDX Net e-reporting) cc: Executive Chairman of Capital Market Supervisory Agency	Monthly Report Regarding Registration of Securities Holders of PT Siloam International Hospitals Tbk	BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
2	14-Jan-15	003/Corsec-SIH/I/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority cc: PT Bursa Efek Indonesia (via IDX Net e-reporting)	Report of Fund Utilization from Initial Public Offering Proceeds	Bapepam Regulation No. X.K.4 Attachment to The Chairman of Bapepam Decree No. Kep-27/PM/2003 dated Juli 17, 2003 Regarding Report of Fund Utilization of Public Offering Proceeds
3	29-Jan-15	011/Corsec-SIH/I/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority PT Bursa Efek Indonesia (via IDX Net e-reporting)	Press Release	Bapepam Regulation No. X.K.1 Attachment to The Chairman of Bapepam Decree No. Kep-86/PM/1996 dated January 24, 1996 Regarding Immediate Information Disclosure to Public BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
4	9-Feb-15	013/Corsec-SIH/I/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority PT Bursa Efek Indonesia (via IDX Net e-reporting)	Information Disclosure on Definite Shareholders	Bapepam Regulation Nomor X.M.1 Attachment to The Chairman of Bapepam Decree No. Kep-82/PM/1996 dated January 17, 1996 Regarding Information Disclosure of Definite Shareholders

Corporate Secretary Correspondence with Capital Market Authorities in 2015

No	Date	No. Letter	Recipient	Reference	Regulation
5	9-Feb-15	014/Corsec-SIH/II/2015	PT Bursa Efek Indonesia (via IDX Net e-reporting) cc: Executive Chairman of Capital Market Supervisory Agency	Monthly Report Regarding Registration of Securities Holders of PT Siloam International Hospitals Tbk	BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
6	22-Feb-15	022/Corsec-SIH/II/2015	PT Bursa Efek Indonesia (via IDX Net e-reporting)	Announcement of Information Disclosure to public kalbe	Bapepam Regulation No. X.K.1 Attachment to The Chairman of Bapepam Decree No. Kep-86/PM/1996 dated January 24, 1996 Regarding Immediate Information Disclosure to Public BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
7	24-Feb-15	023/Corsec-SIH/II/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority	Announcement of Information Disclosure to public kalbe	Bapepam Regulation No. X.K.1 Attachment to The Chairman of Bapepam Decree No. Kep-86/PM/1996 dated January 24, 1996 Regarding Immediate Information Disclosure to Public BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
8	10-Mar-15	026/Corsec-SIH/III/2015	PT Bursa Efek Indonesia (via IDX Net e-reporting) cc: Executive Chairman of Capital Market Supervisory Agency	Monthly Report Regarding Registration of Securities Holders of PT Siloam International Hospitals Tbk	BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
9	10-Mar-15	027/Corsec-SIH/III/2015	PT Bursa Efek Indonesia (via IDX Net e-reporting)	Explanation of the Volatility from IDX	BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
10	27-Mar-15	031/Corsec-SIH/III/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority PT Bursa Efek Indonesia	Submission of Annual Consolidated Financial Statement of PT Siloam International Hospitals Tbk	Bapepam & LK Regulation No. X.K.2 Attachment to The Chairman of Bapepam & LK Decree No. Kep-346/BL/2011 dated July 5, 2011 Regarding Obligation on Submission of Regular Financial Statement of Issuer or Public Company BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
11	27-Mar-15	032/Corsec-SIH/III/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority PT Bursa Efek Indonesia (via IDX Net e-reporting)	Submission of Advertisement Copy of PT Siloam Hospitals Tbk Financial Statement	Bapepam & LK Regulation No. X.K.2 Attachment to The Chairman of Bapepam & LK Decree No. Kep-346/BL/2011 dated July 5, 2011 Regarding Obligation on Submission of Regular Financial Statement of Issuer or Public Company BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
12	27-Mar-15	033/Corsec-SIH/III/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority PT Bursa Efek Indonesia (via IDX Net e-reporting)	Press Release of Financial Statement	Bapepam Regulation No. X.K.1 Attachment to The Chairman of Bapepam Decree No. Kep-86/PM/1996 dated January 24, 1996 Regarding Immediate Information Disclosure to Public BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
13	27-Mar-15	035/Corsec-SIH/III/2015	PT Bursa Efek Indonesia (via IDX Net e-reporting)	Explanation on the Change of more than 20% of Total Assets	BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
14	1-Apr-15	036/Corsec-SIH/IV/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority PT Bursa Efek Indonesia (via IDX Net e-reporting)	The Changing announcement of the Company Address	Bapepam Regulation No. X.K.1 Attachment to The Chairman of Bapepam Decree No. Kep-86/PM/1996 dated January 24, 1996 Regarding Immediate Information Disclosure to Public BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure

GOOD CORPORATE GOVERNANCE (GCG)

Corporate Secretary Correspondence with Capital Market Authorities in 2015

No	Date	No. Letter	Recipient	Reference	Regulation
15	2-Apr-15	037/Corsec-SIH/IV/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority PT Bursa Efek Indonesia (via IDX Net e-reporting)	Notification of GMS SILO Plan	Financial Services Authority (OJK) Regulation No. 32/POJK.04/2014 Regarding the Planning and Implementation of the General Meeting of Shareholders of Public Company
16	2-Apr-15	038/Corsec-SIH/IV/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority cc: PT Bursa Efek Indonesia (via IDX Net e-reporting)	Submission of GMS Agenda	Financial Services Authority (OJK) Regulation No. 32/POJK.04/2014 Regarding the Planning and Implementation of the General Meeting of Shareholders of Public Company
17	7-Apr-15	040/Corsec-SIH/IV/2015	PT Bursa Efek Indonesia (via IDX Net e-reporting)	Financial Statements Revision	Bapepam & LK Regulation No. X.K.2 Attachment to The Chairman of Bapepam & LK Decree No. Kep-346/BL/2011 dated July 5, 2011 Regarding Obligation on Submission of Regular Financial Statement of Issuer or Public Company BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
18	10-Apr-15	041/Corsec-SIH/IV/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority PT Bursa Efek Indonesia (via IDX Net e-reporting)	Monthly Report Regarding Registration of Securities Holders of PT Siloam International Hospitals Tbk	BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
19	10-Apr-15	042/Corsec-SIH/IV/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority PT Bursa Efek Indonesia (via IDX Net e-reporting)	Submission of Advertisement Copy of Notification of GMS	Financial Services Authority (OJK) Regulation No. 32/POJK.04/2014 Regarding the Planning and Implementation of the General Meeting of Shareholders of Public Company
20	10-Apr-15	043/Corsec-SIH/IV/2015	PT Bursa Efek Indonesia (via IDX Net e-reporting)	Submission of Advertisement Copy of the Information of Capital Increase without Pre-emptive rights	Financial Services Authority (OJK) Regulation dated December 29, 2014 Regarding Capital Increase without Pre-emptive rights and subject to the Decree of the Board of Indonesia Stock Exchange No. Kep 00001/BEI/01-2014 dated January 20, 2014 concerning the Amendment Regulation No. 1-A of the Registration of Shares and Equity Securities other than Shares Issued by the Listed Company
21	15-Apr-15	048/Corsec-SIH/IV/2015	PT Bursa Efek Indonesia (via IDX Net e-reporting) Executive Chairman of Capital Market Supervisory Agency	The changing notification of the Corporate Secretary	BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
22	15-Apr-15	049/Corsec-SIH/IV/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority	Report of Fund Utilization from Initial Public Offering Proceeds	Bapepam Regulation No. X.K.4 Attachment to The Chairman of Bapepam Decree No. Kep-27/PM/2003 dated July 17, 2003 Regarding Report of Fund Utilization of Public Offering Proceeds
23	15-Apr-15	050/Corsec-SIH/IV/2015	PT Bursa Efek Indonesia (via IDX Net e-reporting)	Information Disclosure on Demand Explanations and Answers Reminder Capital Improvement Plan without Pre-emptive Rights	Financial Services Authority (OJK) Regulation dated December 29, 2014 Regarding Capital Increase without Pre-emptive rights and subject to the Decree of the Board of Indonesia Stock Exchange No. Kep 00001/BEI/01-2014 dated January 20, 2014 concerning the Amendment Regulation No. 1-A of the Registration of Shares and Equity Securities other than Shares Issued by the Listed Company

Corporate Secretary Correspondence with Capital Market Authorities in 2015

No	Date	No. Letter	Recipient	Reference	Regulation
24	22-Apr-15	059/Corsec-SIH/IV/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority PT Bursa Efek Indonesia (via IDX Net e-reporting) ICAMEL	Interim Financial Statements of PT Siloam International Hospitals Tbk. as of March 31, 2015	Bapepam & LK Regulation No. X.K.2 Attachment to The Chairman of Bapepam & LK Decree No. Kep-346/BL/2011 dated July 5, 2011 Regarding Obligation on Submission of Regular Financial Statement of Issuer or Public Company BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
25	22-Apr-15	060/Corsec-SIH/IV/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority PT Bursa Efek Indonesia	Information Disclosure Interim Financial Statements of PT Siloam International Hospitals Tbk. as of March 31, 2015	BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
26	27-Apr-15	062/Corsec-SIH/IV/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority PT Bursa Efek Indonesia (via IDX Net e-reporting)	Invitation to GMS and EGMS Submission of Advertisement Copy of GMS Notification	Financial Services Authority (OJK) Regulation No. 32/POJK.04/2014 Regarding the Planning and Implementation of the General Meeting of Shareholders of Public Company BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
27	27-Apr-15	063/Corsec-SIH/IV/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority PT Bursa Efek Indonesia (via IDX Net e-reporting)	Submission of Advertisement Copy of GMS Notification	Financial Services Authority (OJK) Regulation No. 32/POJK.04/2014 Regarding the Planning and Implementation of the General Meeting of Shareholders of Public Company BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
28	27-Apr-15	064/Corsec-SIH/IV/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority PT Bursa Efek Indonesia	Submission of Annual Report	Financial Services Authority (OJK) Regulation No. 32/POJK.04/2014 Regarding the Planning and Implementation of the General Meeting of Shareholders of Public Company BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
29	4-May-15	069/Corsec-SIH/V/2015	PT Bursa Efek Indonesia (via IDX Net e-reporting)	Announcement of Public Expose of PT Siloam International Hospitals Tbk	BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
30	6-May-15	070/Corsec-SIH/V/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority PT Bursa Efek Indonesia (via IDX Net e-reporting)	Modification and/or Additional of Information on Capital Increase without Preemptive Rights (ER) Plans of PT Siloam International Hospitals Tbk. (Company)	Financial Services Authority (OJK) Regulation dated December 29, 2014 Regarding Capital Increase without Pre-emptive rights and subject to the Decree of the Board of Indonesia Stock Exchange No. Kep 00001/BEI/01-2014 dated January 20, 2014 concerning the Amendment Regulation No. 1-A of the Registration of Shares and Equity Securities other than Shares Issued by the Listed Company
31	11-May-15	072/Corsec-BDH/V/2015	PT Bursa Efek Indonesia (via IDX Net e-reporting) cc: Executive Chairman of Capital Market Supervisory Agency	Monthly Report Regarding Registration of Securities Holders of PT Siloam International Hospitals Tbk	BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
32	11-May-15	076/Corsec-SIH/V/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority	Modification and/or Additional of Information on Capital Increase without Preemptive Rights (ER) Plans of PT Siloam International Hospitals Tbk. (Company)	Financial Services Authority (OJK) Regulation dated December 29, 2014 Regarding Capital Increase without Pre-emptive rights and subject to the Decree of the Board of Indonesia Stock Exchange No. Kep 00001/BEI/01-2014 dated January 20, 2014 concerning the Amendment Regulation No. 1-A of the Registration of Shares and Equity Securities other than Shares Issued by the Listed Company

GOOD CORPORATE GOVERNANCE (GCG)

Corporate Secretary Correspondence with Capital Market Authorities in 2015

No	Date	No. Letter	Recipient	Reference	Regulation
33	13-May-15	080/Corsec-SIH/V/2015	PT Bursa Efek Indonesia (via IDX Net e-reporting)	Submission of Public Expose Materials	BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
34	20-May-15	082/Corsec-SIH/V/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority PT Bursa Efek Indonesia (via IDX Net e-reporting)	Disclosure of the Annual General Meeting of the Shareholders	Bapepam Regulation No. X.K.1 Attachment to The Chairman of Bapepam Decree No. Kep-86/PM/1996 dated January 24, 1996 Regarding Immediate Information Disclosure to Public BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
35	21-May-15	084/Corsec-SIH/V/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority PT Bursa Efek Indonesia (via IDX Net e-reporting)	Resolutions of GMS	Financial Services Authority (OJK) Regulation No. 32/POJK.04/2014 Regarding the Planning and Implementation of the General Meeting of Shareholders of Public Company BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
36	21-May-15	085/Corsec-SIH/V/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority PT Bursa Efek Indonesia (via IDX Net e-reporting)	Submission of Advertisement Copy of GMS Notification	Financial Services Authority (OJK) Regulation No. 32/POJK.04/2014 Regarding the Planning and Implementation of the General Meeting of Shareholders of Public Company BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
37	21-May-15	086/Corsec-SIH/V/2015	PT Bursa Efek Indonesia (via IDX Net e-reporting)	Report of the Result of Public Expose	BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
38	21-May-15	087/Corsec-SIH/V/2015	PT Bursa Efek Indonesia (via IDX Net e-reporting)	Schedule of Cash Dividends	Decree of the Board of Directors of the Indonesia Stock Exchange No. Kep-00023/BEI/03-2015 Regarding the Stipulation Schedule Cash Dividend
39	21-May-15	088/Corsec-SIH/V/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority PT Bursa Efek Indonesia (via IDX Net e-reporting)	Submission of Advertisement Copy of Final Cash Share of Dividend	Decree of the Board of Directors of the Indonesia Stock Exchange No. Kep-00023/BEI/03-2015 Regarding the Stipulation Schedule Cash Dividend
40	10-Jun-15	098/Corsec-SIH/VI/2015	PT Bursa Efek Indonesia (via IDX Net e-reporting) cc: Executive Chairman of Capital Market Supervisory Agency	Monthly Report Regarding Registration of Securities Holders of PT Siloam International Hospitals Tbk	BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
41	18-Jun-15	101/Corsec-SIH/VI/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority	Submission of AGMS & EGMS Material	Financial Services Authority (OJK) Regulation No. 32/POJK.04/2014 Regarding the Planning and Implementation of the General Meeting of Shareholders of Public Company BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
42	7-Jul-15	102/Corsec-SIH/VII/2015	PT Bursa Efek Indonesia (via IDX Net e-reporting) cc: Executive Chairman of Capital Market Supervisory Agency	Monthly Report Regarding Registration of Securities Holders of PT Siloam International Hospitals Tbk	BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
43	10-Jul-15	104/Corsec-SIH/VII/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority	Report of Fund Utilization from Initial Public Offering Proceeds	Bapepam Regulation No. X.K.4 Attachment to The Chairman of Bapepam Decree No. Kep-27/PM/2003 dated July 17, 2003 Regarding Report of Fund Utilization of Public Offering Proceeds
44	31-Jul-15	112/Corsec-SIH/VII/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority	Financial Statements as of 30 June 2015	Bapepam & LK Regulation No. X.K.2 Attachment to The Chairman of Bapepam & LK Decree No. Kep-346/BL/2011 dated July 5, 2011 Regarding Obligation on Submission of Regular Financial Statement of Issuer or Public Company

Corporate Secretary Correspondence with Capital Market Authorities in 2015

No	Date	No. Letter	Recipient	Reference	Regulation
45	31-Jul-15	113/Corsec-SIH/VII/2015	PT Bursa Efek Indonesia (via IDX Net e-reporting)	Financial Statements as of 30 June 2015	BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
46	31-Jul-15	114/Corsec-SIH/VII/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority PT Bursa Efek Indonesia (via IDX Net e-reporting)	Submission of Advertisement Copy of Financial Statement of PT Siloam International Hospitals Tbk	Bapepam & LK Regulation No. X.K.2 Attachment to The Chairman of Bapepam & LK Decree No. Kep-346/BL/2011 dated July 5, 2011 Regarding Obligation on Submission of Regular Financial Statement of Issuer or Public Company BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
47	31-Jul-15	115/Corsec-SIH/VII/2015	Executive Chairman of Capital Market - Financial Service Authority cc: PT Bursa Efek Indonesia (via IDX Net e-reporting)	Press Release of midyear Financial Statement	Bapepam Regulation No. X.K.1 Attachment to The Chairman of Bapepam Decree No. Kep-86/PM/1996 dated January 24, 1996 Regarding Immediate Information Disclosure to Public BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
48	7-Aug-15	116/Corsec-SIH/VIII/2015	PT Bursa Efek Indonesia (via IDX Net e-reporting) cc: Executive Chairman of Capital Market Supervisory Agency	Monthly Report Regarding Registration of Securities Holders of PT Siloam International Hospitals Tbk	BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
49	8-Sep-15	117/Corsec-SIH/IX/2015	PT Bursa Efek Indonesia (via IDX Net e-reporting) cc: Executive Chairman of Capital Market Supervisory Agency	Monthly Report Regarding Registration of Securities Holders of PT Siloam International Hospitals Tbk	BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
50	8-Oct-15	126/Corsec-SIH/X/2015	PT Bursa Efek Indonesia (via IDX Net e-reporting) cc: Executive Chairman of Capital Market Supervisory Agency	Monthly Report Regarding Registration of Securities Holders of PT Siloam International Hospitals Tbk	BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
51	12-Oct-15	127/Corsec-SIH/X/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority	Report of Fund Utilization from Initial Public Offering Proceeds	Bapepam Regulation No. X.K.4 Attachment to The Chairman of Bapepam Decree No. Kep-27/PM/2003 dated July 17, 2003 Regarding Report of Fund Utilization of Public Offering Proceeds
52	30-Oct-15	137/Corsec-SIH/X/2015	Executive Chairman of Capital Market Supervisory Agency - Financial Service Authority PT Bursa Efek Indonesia	Financial Statement as of 30 September 2015	Bapepam & LK Regulation No. X.K.2 Attachment to The Chairman of Bapepam & LK Decree No. Kep-346/BL/2011 dated July 5, 2011 Regarding Obligation on Submission of Regular Financial Statement of Issuer or Public Company BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
53	30-Oct-15	138/Corsec-SIH/X/2015	PT Bursa Efek Indonesia (via IDX Net e-reporting)	Press Release of Financial Statement as of 30 September 2015	BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure
54	10-Nov-15	140/Corsec-SIH/XI/2015	PT Bursa Efek Indonesia (via IDX Net e-reporting) cc: Executive Chairman of Capital Market Supervisory Agency	Monthly Report Regarding Registration of Securities Holders of PT Siloam International Hospitals Tbk	BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on ac Disclosure
55	10-Dec-15	150/Corsec-SIH/XII/2015	PT Bursa Efek Indonesia (via IDX Net e-reporting) cc: Executive Chairman of Capital Market Supervisory Agency	Monthly Report Regarding Registration of Securities Holders of PT Siloam International Hospitals Tbk	BEI Regulation No. I-E Kep-306/BEJ/07-2004 Regarding Obligation on Information Disclosure

GOOD CORPORATE GOVERNANCE (GCG)

VIII. DISCLOSURE OF INFORMATION

In classifying information, the Company always refers to the prevailing laws and regulations. Non-confidential information is allowed for publication and is accessible to the public through appropriate means of communication and facilities. To obtain information regarding Siloam Hospitals, the Company opens access to information for shareholders, the public and potential investors through its website: www.siloamhospitals.com, which contains the most recent information such as company profile, subsidiaries' profiles, corporate news, organizational structure, investor relations, GCG, financial statements, corporate actions, CSR, job opportunities and other information.

IX. INVESTOR RELATIONS

To ensure that good relations with investors are maintained and improved, Investor Relations is dedicated to maintaining transparency and providing updates on the development and growth of the Company to investors, analysts, rating agencies and other parties related to the Company's business activities.

Below is detailed the road shows held in 2015:

2015 Roadshow Schedule

No	Date	Activity	Venue
1	12-15 Jan	33rd Annual JP Morgan Healthcare Conference	San Fransisco, USA
2	20-23 Jan	Non Deal Roadshow with Deutsche Bank	San Fransisco; New York; Boston, USA
3	9 Feb	RHB OSK/DMG ASEAN Consumer Day	Singapore
4	11-18 Feb	Non Deal Roadshow with Credit Suisse	Singapore; Hongkong, London, New York, Boston
5	2-3 Mar	The 9th Annual Daiwa Investment Conference Tokyo 2015	Tokyo, Japan
6	4-6 Mar	Bank of America Merrill Lynch 2015 ASEAN Conference	Singapore
7	9-10 Mar	UBS Indonesia Conference 2015	Jakarta, Indonesia
8	12 Mar	Nomura ASEAN IPO Corporate Day	Singapore
9	26-27 Mar	Credit Suisse 18th Annual Asian Investment Conference	Hong Kong
10	16-17 Apr	Macquarie ASEAN Conference 2015	Hong Kong
11	24 Apr	Invest Malaysia Kuala Lumpur 2015 in Partnership with CIMB	Kuala Lumpur, Malaysia
12	18-19 May	UBS Global Healthcare Conference 2015	New York, USA
13	25 May	Non Deal Roadshow with Daiwa	Toronto, Canada
14	26 May	Daiwa Investment Conference New York 2015	New York, USA
15	4-5 Jun	Citibank Asean Investor Conference 2015	Singapore
16	11-12 Jun	CIMB 9th Annual Indonesia Conference	Bali, Indonesia
17	7-9 Jul	DBS Vickers Pulse of Asia Conference 2015	Singapore
18	11 Aug	Credit Suisse Indonesia Consumer and Lifestyle Conference 2015	Jakarta, Indonesia
19	2-4 Sep	Non Deal Roadshow with UOB Kay Hian	Toronto; Montreal, Canada
20	9-10 Sep	14th Annual Deutsche Bank's GEMS Conference	New York, USA

2015 Roadshow Schedule

No	Date	Activity	Venue
21	11 Sep	Non Deal Roadshow with Deutsche Bank	Boston, USA
22	8-9 Oct	CIMB Asia Pacific Investor Conference 2015	Hong Kong
23	12 Oct	UOB Kay Hian Asian GEMS Conference	Singapore
24	3-4 Nov	dBAccess Indonesia Conference 2015	Jakarta, Indonesia
25	12 Nov	IDX & Credit Suisse Indonesia Corporate Day Conference	Singapore
26	18-19 Nov	Jefferies Autumn 2015 Global Healthcare Conference	London, UK
27	24-25 Nov	J.P. Morgan Asia Rising Dragons 1x1 Forum	Singapore
28	26-27 Nov	J.P. Morgan Asia Rising Dragons 1x1 Forum	Hong Kong

X. BUSINESS RISKS

In addition to facing normal business risks, the Company as a private company providing healthcare services to the public faces an additional specific set of risks. The Board of Directors takes the identification, assessment, and mitigation of risk seriously, and has developed what it believes are effective ways for managing risk.

The Board of Directors believes that the primary risks facing the Company are Regulatory Risk, Reputation Risk, Strategic Risk, Operational Risk, and Competitive Risk.

1. Regulatory Risk

This risk involves (possible) changes to regulation that would affect the way the Company conducts business. At present, there is a consensus that Indonesians want and need better access to healthcare, and the Board of Directors has confidence that any changes to regulation, while perhaps resulting in increased expenses, will not dramatically alter Indonesia's healthcare provision landscape.

Mitigation: The Company tries to anticipate changes in government regulations and policies, for example by proactively adopting global best practice clinical governance standards. In addition, diversification of service

offerings help ensure that specific regulatory changes have a limited effect in any given year. The Company has generated experience and goodwill in meeting local regulations when setting up new hospitals.

2. Reputation Risk

The risk of losing patient trust is of paramount concern in the healthcare industry. Unprofessional conduct, misdiagnosis, or equipment malfunction could all result in the creation of a bad company image, lowering trust.

Mitigation: Prioritizing the Company's value in the recruitment of medical professionals, and in the commitment to provide quality equipment and services all help mitigate the risk of losing patient trust.

3. Strategic Risk

The current growth strategy contains risks that growth will suddenly stop or that growth will continue but outstrip the Company's ability to manage the new larger business platform.

Mitigation: While there is some concern that the global economy may trigger a significant economic slowdown in Indonesia, current market conditions indicate that latent demand and disposable income are sufficient to cushion any such externally

GOOD CORPORATE GOVERNANCE (GCG)

caused slowdown. Without such a slowdown, the Board of Directors is confident that sufficient opportunities exist to complete current growth targets at current pace. The Company remains vigilant to ensure that growth does not get “out of hand”, but adopts a measured approach into an earnings position before moving on, with investments in new personnel, personnel upgrades, and new technology in line with close financial management: a conservative yet assertive growth.

4. Operational Risk

There are numerous operational risks such as the failure to adequately integrate new hospitals, difficulties in standardizing the ICT network, difficulties in managing inventory, failure to maintain or attract qualified medical staff, or unforeseen events that outstrip insurance coverage.

Mitigation: To address these risks, management has adopted strong internal controls to evaluate on-going integration projects, while avoiding over-optimism. Seasoned and professional management at all levels are tasked to ensure that inventory, recruitment, and insurance mechanisms are sufficient to the tasks, with further assessments made at other levels of the organization.

5. Competitive Risk

There is the risk that new healthcare providers may enter the market, that new healthcare treatments or technology may make the Company’s offered treatments redundant, or that the competitive space becomes fully occupied.

Mitigation: The Board of Directors is confident that the Company’s position in the healthcare market provides a positive and growing brand image, and the services it offers, while not immune to competition, are resistant to any major shifts. While there remains enough room for growth, both geographically and in terms of expanding service offerings, the Company is meeting potential competition by adhering strictly to its value system and delivery of healthcare at the highest standards.



REPORT OF AUDIT COMMITTEE

To the Honorable
Board of Commissioners
PT Siloam International Hospitals Tbk.
Gedung Fakultas Kedokteran Universitas Pelita Harapan Lt. 32
Jl. Boulevard Jendral Sudirman No. 15, Lippo Village
Tangerang 15810

Dear Sirs,
Subject: Audit Committee Report 2015

To comply with the provision as governed in Otoritas Jasa Keuangan Regulation No. 55/POJK. 04/2015 dated 23 December 2015 regarding Establishment and Guidelines on Audit Committee Work Implementation and Decree of Board of Directors of PT Bursa Efek Jakarta No. Kep-305/BEJ/07/2004 dated 19 July 2004 regarding Registration of Shares and Equity Shares other than Shares issued by Registered Companies, we, as the Audit Committee of PT Siloam International Hospitals Tbk. ('Company') hereby deliver the Audit Committee Report on the activities held during 2015.

Primary activities of the Audit Committee throughout 2015 were among others as follows:

1. Reviewing the independency and objectivity of the Company's External Auditor which performed the audit on the Consolidated Financial Statement of PT Siloam International Hospitals Tbk. and subsidiaries for the year ended on 31 December 2015, which has been appointed by Company's Board of Directors based on the authority delegated by Company's Shareholders in the Annual General Meeting of Shareholders which was held on 19 May 2015, namely the Public Accountant Office of Amir Abadi Jusuf, Aryanto, Mawar & Partners.
2. Reviewing on qualitative and integrity aspects of the implementation of bookkeeping, audit and report.
3. Reviewing on business and risk management processes as well as compliance to the prevailing law and regulations.
4. Carrying discussion with the Internal Auditor concerning work plan and target focus of the Internal Auditor, implementation and results on the internal control system for the period of 2015 and also the Internal Auditor investigation result in 2015.
5. Carrying out discussion with the Company's management on:
 - financial statement per quarter
 - business strategy and work plan as well as budget plan for 2015
 - internal control system
 - compliance to the prevailing law and regulations
 - risk management process.
6. Carrying out discussion with the External Auditor concerning the findings and audit results.
7. Delivering the report on the Audit Committee meeting result to Company's Board of Commissioners.

In order to comply with disclosure obligation upon the Audit Committee reviewing result in the Company's Annual Report 2015, we convey that to our best knowledge, the Company's Financial Statements have been prepared and presented well and complies with the accounting principles generally applicable in Indonesia.

Therefore we convey this Audit Committee Report.

Best Regards,



Farid Harianto
Chairman



Lim Kwang Tak
Member



Siswanto Pramono
Member

Farid Harianto

Chairman

Indonesian citizen, 64 years. Obtained his Bachelor of Engineering, Electrical Department from Bandung Institute of Technology in 1975. Farid Harianto earned a Post Graduate in Applied Economics in 1988 and an honorary PH.D from the Wharton School of the University of Pennsylvania, USA in 1989. Farid Harianto was appointed as Audit Committee Chairman of the Company since 2013.

Farid Harianto's career began at the Institute of PPM with his last position as Director of the Graduate Program (1989-1993), as a Senior Researcher (1990-1993) at the Universitas Indonesia, University of Toronto as Visiting Professor (1993-1995), PT Indonesian Securities Rating Agency with his last position as President Director (1994-1998), PT Indonesia Clearing Guarantee Corporation (KPEI) with his last position as Commissioner (1998-2006), Vice Chairman of the National Bank Restructuring Agency (IBRA) (1998-2000), Advisor for Governor of Bank Indonesia (2008-2013) and member of Risk Oversight Committee of Bank International Indonesia Tbk.

Farid Harianto is concurrently at PT Unggul Indah Cahaya Tbk. as Independent Commissioner (2004-present), PT Lippo Karawaci Tbk., as Independent Commissioner (2005-present), Special Staff for the Vice President of the Republic of Indonesia (2009-2014), PT Toba Bara Sejahtera Tbk. as Independent Commissioner (2012-present), PT Sepatu Bata Tbk. as Independent Commissioner (2011-present).

Lim Kwang Tak

Member

Indonesian citizen, 58 years. Graduated with a Bachelor of Economics Universitas Indonesia-Salemba, Jakarta in 1980. Lim Kwang Tak was appointed as Audit Committee member of the Company since 2013.

Lim Kwang Tak began his career with public accounting and consulting firms Touche Ross Management Consultants Darmawan & Co. (1981-1982), Data Impact Management Consultants (1983-1984), Business Advisory Service (1984-1985), and Senior Consultant and shareholder of PT BAS - Mgt Consultant since 1985. From 1991 he has held numerous position as Director and Commissioner, as Director of PT Trimex Sarana Trisula (1991-2000), as Director of the PT Southern Cross Textile Industry (1991-2011), as Commissioner of PT Nusantara Cemerlang (1997-2005), as President Commissioner of PT Trisenta Interior Manufacturing (1999-2006), as Director of Trisula Corporation Pte Ltd (2000-present), as Commissioner of PT Trisula Garmindo Manufacturing (2008-present), as President Commissioner of PT Trimas Sarana Garment Industry (2010-2011), as President Director of PT Trisula Textile Industries (2010-2011), as Director of PT Trisula Insan Tiara (2011-2014), as President Director of PT Timas Sarana Garment Industry (2011-present), as Commissioner of PT Trisula Textile Industries (2011-present), as Commissioner of PT Southern Cross Textile Industry (2011-2012), as Commissioner of PT Mido Indonesia (2011-present), as Commissioner of PT Nissiel Garment Manufacturer (2011-2012), as Commissioner of PT Trisula International Tbk. (2011-present), and as Commissioner of PT Paramount Enterprise (2013-present), and as Commissioner of PT Trisco Tailored Manufacturing (2015-present).

Siswanto Pramono

Member

Indonesian citizen, 59 years. Graduated with a BSc in Commerce, major in Economic from University of Santo Tomas, Manila, Philippines in 1983.

Siswanto Pramono was appointed as Audit Committee member of the Company since 2013.

Siswanto Pramono began his career as Account Officer at PT Lippo Pacific Finance (1984-1989) and later at PT Indo Citra Finance (1989-1990). He subsequently became Marketing Manager at PT Dai-ichi Kangyo Panin Leasing (1990-1995), as Marketing Manager at PT GE Astra Finance (1996-1999), as Managing Director at Banten World International Tours and Travel (1999-2004), as Managing Director at Tiga Negeri Music House (2003-2014).

REPORT OF NOMINATION AND REMUNERATION COMMITTEE

To the Honorable
Board of Commissioners
PT Siloam International Hospitals Tbk.
Gedung Fakultas Kedokteran Univ. Pelita Harapan Lt. 32,
Jl. Boulevard Jend. Sudirman No. 15
Tangerang 15810

Subject: Report of Remuneration Committee 2015

Dear Sirs,

Establishment of the Nomination and Remuneration Committee is a part of implementation of good corporate governance and provision of competitive remuneration to members of Board of Directors and members of Board of Commissioners, so as the improvement of quality, competencies, and responsibilities of Board of Directors and Board of Commissioners will be achieved.

The members of Nomination and Remuneration Committee of PT Siloam International Hospitals Tbk. ('Committee') are as follows:

Chairman : Jonathan L. Parapak
Members : Ketut Budi Wijaya
Ishak Kurniawan

Duties and responsibilities of the Nomination and Remuneration Committee are:

1. Related to the nomination function, duties and responsibilities of the Committee are:
 - (a) Providing recommendation to Board of Commissioners on:
 - i. Composition members of Board of Directors and/or members of Board of Commissioners;
 - ii. Policy and criteria required in a nomination process; and
 - iii. Performance evaluation policy for members of Board of Directors and/or members of Board of Commissioners.
 - (b) Assisting Board of Commissioners to evaluate the performance of members of Board of Directors and/or members of Board of Commissioners.
 - (c) Providing suggestions to improve the capabilities development program of members of Board of Directors / members of Board of Commissioners.
 - (d) Providing proposal on the nominations of members of Board of Directors / members of Board of Commissioners to Board of Commissioners to be delivered to GMS.
2. Related to remuneration function:
 - (a) Providing recommendation to Board of Commissioners regarding:
 - i. Remuneration structure;
 - ii. Remuneration policy; and
 - iii. Suggestion on Remuneration.
 - (b) Assisting Board of Commissioners to carry out performance assessment to conform with the remuneration received by the respective member of Board of Directors and/or member of Board of Commissioners.

The Nomination and Remuneration Committee prepares remuneration budget for Board of Commissioners and Board of Directors based on Company's performance and the members contribution which reflect the performance of Board of Commissioners and Board of Directors.

The Nomination and Remuneration Committee has held a meeting on 18 December 2015 to decide on the Guidelines of Nomination and Remuneration Committee.

Best Regards,
Nomination and Remuneration Committee



Jonathan L. Parapak
Chief



Ketut B. Wijaya
Member



Ishak Kurniawan
Member

Jonathan L. Parapak

Chief

Indonesian citizen, 74 years. Graduated with a Bachelor degree in Technical Engineering from the University of Tasmania, Australia (1966), Master of Engineering Science from the University of Tasmania, Australia (1968). Obtained a diploma in Dynamic Management for International Executives from the University of Syracuse, New York, USA (1975). Graduated from the National Institute of Defense (1984) with "Wibawa Seroja Nugraha" award (the highest score). Earned the Honorary Doctor of Engineering from the University of Tasmania, Australia (2009). Ir. Jonathan L. Parapak was appointed as Nomination and Remuneration Committee Chairman by Decision of Board of Commissioner of the Company dated May 18, 2015.

Ir. Jonathan L. Parapak started his career in PT Indosat with his last position as President Commissioner (1980-2000), Chairman of the Intelsat Board of Governors (1989-1990), Secretary General of the Department of Parpostel (1991-1998), PT INTI with his last position as President Commissioner (1993-2000), member of the National Research Council (1995-2005), Secretary General of the Department of Tourism Art and Culture (1998-1999), PT Siloam Health Care Group Tbk as Commissioner (2000-2004), PT Bukit Sentul Tbk with last position as Commissioner (2000-2004), PT Pacific Utama with his last position as Commissioner (2000-2004), PT AsiaNet, PT First Media with his last position as President Commissioner (2000-2009) and Director of master of Universitas Pelita Harapan (2003-2006). He is concurrently Rector of Universitas Pelita Harapan (2006-present), Commissioner at PT Matahari Department Store (2009-present), Commissioner at PT Multipolar Corporation Tbk (2009-present), Commissioner at PT Matahari Putra Prima Tbk., (2009-present), and Commissioner at PT Lippo Karawaci Tbk. (2009-2014).

Ketut B. Wijaya

Member

Indonesian citizen, 61 years old. Graduated from Akademi Akuntansi Indonesia in 1980 and Sekolah Tinggi Ekonomi Indonesia majoring in Accounting in 1982. Ketut Budi Wijaya was appointed as Nomination and Remuneration Committee member by Decision of Board of Commissioner of the Company dated May 18, 2015.

Ketut Budi Wijaya started his career in PT Bridgestone Tire Indonesia as Production Planning Staff (1975-1976). His career continued at the public accounting firm Darmawan & Co., with his last position as Audit Supervisor (1976-1987), and has served as a Senior Audit Manager at PT Lippo Bank (1987-1990), as Director of PT Multipolar Corporation Tbk. (1990-2005) PT Wal-Mart Indonesia with his last position as CFO (1995-1998) and PT Across Asia Multi Media with his last position as CFO (2001-2002). Other leading positions were: PT Matahari Putra Prima Tbk., last position as Director of Corporate Division (2001-2006), PT Multipolar Tbk. last position as Commissioner (2006-2008), PT Lippo Karawaci Tbk. as Director (2006-2010), PT Lippo Cikarang Tbk. As President Commissioner (2009-present), PT Multifiling Mitra Indonesia Tbk. as Commissioner (2010-2015), PT Gowa Makassar Tourism Development Tbk. as President Commissioner (2010-present), PT Lippo Karawaci Tbk. as President Director (2010-present).

Ishak Kurniawan

Member

Ishak Kurniawan, Indonesian citizen, XX years. Graduated from Petra Christian University, Surabaya, Indonesia in 1982 with a BSc in Civil Engineering and an MBA from San Diego State University in 1988. Ishak Kurniawan was appointed as Nomination and Remuneration Committee member by Decision of Board of Commissioner of the Company dated May 18th, 2015.

Ishak Kurniawan began his career in financial services in 1989 at Household Finance Corporation, Pamona California as Senior Financial Analyst. In 1991, Ishak Kurniawan moved to Citibank Indonesia as assistant to the Customer Service Director, later holding many positions with the last as Country Head of Human Resources (2008).

REPORT OF INTERNAL AUDIT

Tangerang, March 2016

To :

President Director of PT Siloam International Hospitals Tbk.
Attn. The Honorable Mr. Romeo F. Lledo

cc:

- Audit Committee of PT Siloam International Hospitals Tbk.
Attn. The Honorable Mr. Farid Harianto - Chairman of the Audit Committee
- Board of Commissioner of PT Siloam International Hospitals Tbk.
Attn. The Honorable Mr. Ketut B. Wijaya – President Commissioner

Dear Sir,

We have completed the internal examination on PT Siloam International Hospitals Tbk. (the Company) for the year ended on 31 December 2015. The purpose of the internal audit is to review, assess and perform evaluation towards the supervision of management of the Company's business activities.

The internal examination is carried out in accordance with the Company's Internal Audit Unit Charter by implementing risk-based investigation through review processes on internal supervision, evidence testing, interview, and follow-up on deviations found.

Throughout 2015, 65 audits were carried out which included 21 units of Siloam Hospitals with 917 audit findings. The Internal Audit findings have been discussed with the related unit management and up to 31 December 2015, 835 (91%) findings have been followed-up and resolved in the ongoing period, while 82 (9%) findings are still in a planned improvement process to be completed in the next period.

As for the finding throughout 2015, there were several matters that require attention from the management, as follows:

1. Monitoring of the Company's SOP implementation and enforcing sanctions for each violation.
2. Compliance with the licensing required by each business unit, and
3. Oversight on the physical and maintenance of the Company's assets.

The internal examination we carried out also included quarterly (throughout 2015) and annual consolidated financial statements of the Company which ended on 31 December 2015. Upon the review on such financial statement, there are no material findings necessary to be delivered.

Therefore we convey the Company's internal examination results for the year ended on 31 December 2015.

PT Siloam International Hospitals Tbk.



Gunawan Hadi Prajitno
Chief Internal Audit

Gunawan Hadi Prajitno

Chief Internal Audit

Gunawan Prajitno is an experienced auditor with a Bachelor's degree in Accounting from Trisakti University in 1995, and about to matriculate from Pelita Harapan University with an MBA. Mr. Prajitno gained an Internal Audit Certificate from Pusat Pengembangan Akuntansi Indonesia in 2013. He began his career as Junior Analyst at WL & BP Consulting (1995-1996), moving to Arthur Anderson affiliate KAP Prasetio, Utomo & Co. (1996-2000), as Finance & Accounting Manager of PT Gowa Makassar Tourism Development Tbk. (2000-2005), as Finance & Accounting Div. of PT Bukit Sentul Tbk. (2005-2006), as Finance & Accounting Manager of PT Metropolis Propertindo Utama (2006-2009), as Internal Audit Division Head of PT Lippo Karawaci Tbk. (2009-present) and in 2013 was appointed as Head of Internal Audit at Company.





CORPORATE SOCIAL RESPONSIBILITY (CSR)

In 2015, individual hospitals and Siloam Hospitals as a whole were able to impact many lives by making healthcare services available to all layers of the society as well as through social activities carried out



CORPORATE SOCIAL RESPONSIBILITY (CSR)

Our CSR projects are expanding on an individual hospital basis and on a group-wide basis, engaging local communities and seek to meet their needs

Siloam Hospitals' vision embodies a godly compassion to widely deliver international quality care. In terms of Social Corporate Responsibility (CSR), this vision extends to all stakeholders, including to employees, suppliers, the surrounding community, and their environment. Primarily, the Company must fully comply with government regulations in medical matters but also in general corporate matters, including creating positive community relationships as a matter of business sustainability.

During this current phase of rapid Company expansion, our CSR programs are expanding on an individual hospital basis and on a group-wide basis. As each hospital moves into a mature phase, the ability to fill out and coordinate CSR programs across the group will necessarily increase. In 2015, individual hospitals and Siloam Hospitals as a whole were able to impact many lives, address environmental issues, coordinate employee benefits.

Long Term Projects

Siloam Hospitals sponsors a number of on-going CSR programs facilitated by the hospitals.

Vibrant Healthy Heart (Semarak Jantung Sehat) is a community outreach program begun in 2013 with the aim of educating the general public on the importance of early prevention of heart disease.

Semarak Jantung Sehat was developed by the Siloam Heart Institute, to increase awareness of good exercise and early awareness of the signs of heart problems. Focused Programs include the numerous intermittent activities such as mass free medical treatments, patient protection education, health care seminars and natural disaster relief.

Short Term Projects

Each year, hospitals and their staffs will assess local needs and seek to meet them. These projects engage local communities and help raise the care of each hospital.

To serve the community around Tangerang and closely work with National Army we commemorated Hari Juang Kartika & National Army anniversary with Siloam Hospitals Group involved again in free social medication and circumcision. Located in Teluk Naga, Tangerang, Tuesday, 22 December 2015 and attended by Deputy Commander Regional Army Jaya, Commander of Army Resort Military WKR, Chief of Resort Police Officer Tangerang, Commander of Military District Tangerang, Vice of Tangerang Regent and other local informal leaders. Siloam Hospitals donated 3,000 drugs for 850 patients and medical equipment for 70 circumcision patients. This donation is regular as an implementation of synergy between government and private sector to support the basic medication for lower economic people.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Siloam Hospitals conducted free health checks for 2,900 hundred people in 9 locations around the Greater Jakarta area. The objective of this program included educating the public about healthy behaviors. These health checks included examinations of elderly health, maternal and child health checks, nutrition health checks, blood sugar checks and blood pressure in consultation with a physician from one of the participating Siloam Hospitals: MRCCC Siloam Semanggi, SH ASRI, SH Lippo Village, SH Lippo Cikarang, Paviliun B SHLV (RSUS), SH Cinere, SH Kebon Jeruk.

Going forward, Siloam Hospitals has planned a long term program for 2016 in caring for people focusing not on medication, but on preventive activities such as building public toilets in area that currently lack such facilities, hand washing tutorials in local elementary schools and emergency response preparedness for disaster relief.



MRCCC Siloam Hospitals Semanggi Adalah *Filmless Hospital*

Mengapa Filmless?

- Meningkatkan kualitas pelayanan dengan meminimalkan waktu pembacaan
- Kualitas foto yang lebih baik membantu dokter untuk melihat lebih detail
- Mempermudah Anda dalam penyimpanan hasil foto dan meminimalkan risiko kehilangan
- Ramah Lingkungan

Mulai tanggal 14 Maret 2016, MRCCC Siloam Hospitals Semanggi akan menjadi *filmless hospital*. Anda akan mendapatkan CD sebagai pengganti film Radiologi. Untuk informasi lebih lanjut, silahkan hubungi staf kami.



OCCUPATIONAL HEALTH AND SAFETY (K3)

Siloam Hospitals continues to monitor the consistency and continuity of K3 programs to provide security and comfort for patients, family members, visitors, and employee

Occupational health and safety (K3) applies for occupants of the hospital: patients, their families, visitors, and workers, as well as the health facilities. Siloam Hospitals has developed procedures of handling of potentially dangers in a hospital, through implementation of K3 programs such as patients and workers protections, safety procedures and disaster management, training or simulations of evacuation, etc.

There are indicators to assess the effectiveness of K3 program implementation in the hospital, among others, schedules and evidence of K3 socialization or direct training to workers, installation of safety-related signs (such as evacuation route describers and gathering point locators), K3 guidelines for hospital, protocols for emergency response to fires, earthquakes, floods, and others, implementation of occupational health services, and decrease in workplace accidents.

One of the efforts of Siloam Hospitals to achieve optimum performance of hospitals K3 is the setting up of disaster-response facilities and the establishment of a special team internally (under each hospital's K3 committee) to coordinate all elements in Siloam Hospitals in response to emergency situations .

New employees as well as existing employees have scheduled K3 training at least once per year.

In 2015, a Japanese earthquake consultant was brought in to assess the building conditions of MRCCC, one of the tallest hospitals in Asia, as well as the existing earthquake safety procedures, and to provide recommendations in respect of the readiness of the hospital in responding to earthquakes. The assessment issued will now be carried out for other Siloam Hospitals having more than 4 floor-building.

Safety surveillance of medical and non-medical equipment occurs under a Planned Preventive Maintenance program or PPM. This program covers data collection on all types of facilities as well as licensing term and certification, routine maintenance, regular calibration in accordance with the standard operation procedures. This activity is well documented and is an important part in the hospital accreditation process.

For monitoring purposes, K3 audit is conducted once a year.

Over time, Siloam Hospitals will continue monitor the consistency and continuity of K3 programs within each unit of Siloam Hospitals with the goal to provide security and comfort for patients, family members, visitors, and employee.





CORPORATE DATA



PROFILE OF THE BOARD OF COMMISSIONERS

Ketut Budi Wijaya

President Commissioner

Indonesian citizen, 61 years old. Graduated from Akademi Akuntansi Indonesia in 1980 and Sekolah Tinggi Ekonomi Indonesia majoring in Accounting in 1982. Ketut Budi Wijaya joined the Board of Commissioners in 2013 and was appointed most recently by Decision of AGMS of 23 April 2014, to serve until the close of the AGMS 2017.

Ketut Budi Wijaya started his career in PT Bridgestone Tire Indonesia as Production Planning Staff (1975-1976). His career continued at the public accounting firm Darmawan & Co., with his last position as Audit Supervisor (1976-1987), and has served as a Senior Audit Manager at PT Lippo Bank (1987-1990), as Director of PT Multipolar Corporation Tbk. (1990-2005) PT Wal-Mart Indonesia with his last position as CFO (1995-1998) and PT Across Asia Multi Media with his last position as CFO (2001-2002). Other leading positions were: PT Matahari Putra Prima Tbk., last position as Director of Corporate Division (2001-2006), PT Multipolar Tbk. last position as Commissioner (2006-2008), PT Lippo Karawaci Tbk. as Director (2006-2010), PT Lippo Cikarang Tbk. As President Commissioner (2009-present), PT Multifiling Mitra Indonesia Tbk. as Commissioner (2010-2015), PT Gowa Makassar Tourism Development Tbk. as President Commissioner (2010-present), PT Lippo Karawaci Tbk. as President Director (2010-present).



Theo L. Sambuaga

Commissioner

Indonesian citizen, 67 years. Theo L. Sambuaga graduated from the Faculty of Social Studies Universitas Indonesia in 1977, Master of International Public Policy from the School of International Studies (SAIS) Johns Hopkins University, USA, in 1990. Mr. Sambuaga joined the Board of Commissioners in 2011 and was appointed most recently by Decision of AGMS of 23 April 2014, to serve until the close of the AGMS 2017.

Theo L. Sambuaga is concurrently at PT Lippo Karawaci Tbk., last position as President Commissioner (2004- present), PT First Media Tbk., as President Commissioner (2013-present), the Lippo Group as President (2010-present), Berita Satu Media Holdings as President (2011-present), PT Multipolar Tbk. as President Commissioner (2012-present), PT Matahari Putra Prima Tbk. as Vice President Commissioner (2013-present).



Farid Harianto

Independent Commissioner

Indonesian citizen, 64 years. Obtained his Bachelor of Engineering, Electrical Department from Bandung Institute of Technology in 1975. Farid Harianto earned a Post Graduate in Applied Economics in 1988 and an honorary PH.D from the Wharton School of the University of Pennsylvania, USA in 1989. Mr. Harianto joined the Board of Commissioners in 2013 and was appointed most recently by Decision of AGMS of 23 April 2014, to serve until the close of the AGMS 2017.

Farid Harianto's career began at the Institute of PPM with his last position as Director of the Graduate Program (1989-1993), as a Senior Researcher (1990-1993) at the Universitas Indonesia, University of Toronto as Visiting Professor (1993-1995), PT Indonesian Securities Rating Agency with his last position as President Director (1994-1998), PT Indonesia Clearing Guarantee Corporation (KPEI) with his last position as Commissioner (1998-2006), Vice Chairman of the National Bank Restructuring Agency (IBRA) (1998-2000), Advisor for Governor of Bank Indonesia (2008-2013) and member of Risk Oversight Committee of Bank International Indonesia Tbk.

Farid Harianto is concurrently at PT Unggul Indah Cahaya Tbk. as Independent Commissioner (2004 present), PT Lippo Karawaci Tbk., as Independent Commissioner (2005-present), Special Staff for the Vice President of the Republic of Indonesia (2009-2014), PT Toba Bara Sejahtera Tbk. as Independent Commissioner (2012-present), PT Sepatu Bata Tbk. as Independent Commissioner (2011-present).

PROFILE OF THE BOARD OF COMMISSIONERS



Lambock V. Nahattands

Commissioner

Indonesian citizen. 64 years old. Graduated with a Bachelor in Law from Universitas Indonesia in 1978 and a Master degree in Economic Law from Universitas Tarumanegara in 2004. Mr. Nahattands joined the Board of Commissioners in 2014 by Decision of AGMS of 23 April 2014, to serve until the close of the AGMS 2017.

He held various positions in the Secretariat of State Ministry from 1991 to 2014, with last position as Secretary of the Ministry of State. He received numerous awards from many Presidents of the Republic of Indonesia with the highest being Bintang Mahaputra Nararya, received in 2014. He was also member of numerous committees in many government agencies and lecturer in law at many universities. Mr Nahattands has served as Commissioner and then President Commissioner in PT (PERSERO) Kawasan Berikat Nusantara 1990 to 2007, Commissioner in PT (PERSERO) Angkasa Pura I 2006 to 2007, Commissioner in PT (PERSERO) Perusahaan Pengelola Aset 2004 to 2012, and as President Commissioner at PT (PERSERO) Pelabuhan Indonesia II 2007 to 2012 and Commissioner in PT Senayan Trikarya Sempana 2011 to 2014. Currently he is also President Commissioner at PT (PERSERO) Danareksa 2012 to present.



Dr. Niel Byron Nielson

Independent Commissioner

Citizen of the United States of America, 62 years. Dr. Neil Nielson graduated from Wheaton College, IL, USA, majoring in philosophy and holds an M.A. and a Ph.D in philosophy from Vanderbilt University, TN, United States. Mr. Nielson joined the Board of Commissioners in 2015 by Decision of AGMS of 19 May 2015, to serve until the close of the AGMS 2017.

Dr. Neil Nielson began his career as a derivatives trader, risk manager, and a human resources executive at Chicago Research and Trading Group and Nations Bank; as Managing Director of Russian-American joint venture with the Service Master Company (1984–1997). From 1997 to 2002, Dr. Nielson served as pastor of the church near the city of Chicago, IL, United States.

From 2002 to 2012, Dr. Niel Nielson served as president of Covenant College, GA, USA, also co-founding Learning Dew LLC (2012).

Dr. Niel Nielson currently sits on the boards of directors of more than 100 investment funds associated with First Trust Advisors, LP, and Crossway Books. He currently serves as Executive Director and Chief Operating Officer, Pelita Harapan Education Foundation and Chairman, Lippo Group Education Initiatives.



Ir. Jonathan L. Parapak

Independent Commissioner

Indonesian citizen, 74 years. Graduated with a Bachelor degree in Technical Engineering from the University of Tasmania, Australia (1966), Master of Engineering Science from the University of Tasmania, Australia (1968). Obtained a diploma in Dynamic Management for International Executives from the University of Syracuse, New York, USA (1975). Graduated from the National Institute of Defense (1984) with “Wibawa Seroja Nugraha” award (the highest score). Earned the Honorary Doctor of Engineering from the University of Tasmania, Australia (2009). Ir. Jonathan L. Parapak joined the Board of Commissioners in 2013 and was appointed most recently by Decision of AGMS of 23 April 2014, to serve until the close of the AGMS 2017.

Ir. Jonathan L. Parapak started his career in PT Indosat with his last position as President Commissioner (1980-2000), Chairman of the Intelsat Board of Governors (1989-1990), Secretary General of the Department of Parpostel (1991-1998), PT INTI with his last position as President Commissioner (1993-2000), member of the National Research Council (1995-2005), Secretary General of the Department of Tourism Art and Culture (1998-1999), PT Siloam Health Care Group Tbk as Commissioner (2000-2004), PT Bukit Sentul Tbk with last position as Commissioner (2000-2004), PT Pacific Utama with his last position as Commissioner (2000-2004), PT AsiaNet, PT First Media with his last position as President Commissioner (2000-2009) and Director of master of Universitas Pelita Harapan (2003-2006). He is concurrently Rector of Universitas Pelita Harapan (2006-present), Commissioner at PT Matahari Department Store (2009-present), Commissioner at PT Multipolar Corporation Tbk. (2009-present), Commissioner at PT Matahari Putra Prima Tbk., (2009-present), and Commissioner at PT Lippo Karawaci Tbk. (2009-2014).



Jenny Kuistono

Commissioner

Indonesian citizen, 54 years old. Jenny Kuistono graduated from Universitas Trisakti, Jakarta as an Electrical Engineer. Ms. Kuistono joined the Board of Commissioners in 2015 by Decision of AGMS of 19 May 2015, to serve until the close of the AGMS 2017.

Jenny Kuistono was an independent Director and Corporate Secretary of PT Lippo Karawaci Tbk. Prior to her appointment as a Corporate Secretary of PT Lippo Karawaci Tbk. in 2004, she held various positions: as President Director and a Commissioner of PT Sharestar Indonesia; General Manager of PT Jasa Century Permai Nusantara (JCPenny); and a Director of PT Multipolar Tbk.



PROFILE OF THE BOARD OF DIRECTORS

Romeo Fernandez Lledo

President Director/Independent Director

Philippine citizen, 60 years. Attained Certified Public Accountant (CPA) in the Philippines in 1977, Management Development Program (MDP) from Asian Institute of Management, Philippines in 1986, and Strategic Business Economics Program Certificate for Senior Executives (SBEP) from Center for Research and Communication, Philippines in 1991. Romeo Fernandez Lledo joined the Board of Directors in 2010 and most recently appointed by Decision of AGMS of 23 April 2014, to serve until the close of the AGMS 2017.

Romeo Fernandez Lledo started his career at SGV & Co. (Member of Ernst & Young) with last position as Audit Manager (1977-1988), Nonwoven Fabric Philippines, Inc. with last position of Director and Chief Operating Officer (1988-1992), Salim Group with last position as Chief of Internal Audit, Internal Audit Division II (1992-1999), PT Indosiar Visual Mandiri with last position as Controller (1994-1997), PT Matahari Lintas Cakrawala, INDOVISION with last position as Director and Chief Operating Officer and Director (1995-2007), PT Datakom Asia with last position as Director (1997-2006), PT Mitra Kreasidharma with last position as President Director (2008-2010), PT Inti Everspring Indonesia with last position as President Director (2008-2010), PT Indonox Mitra Pratama with last position as President Commissioner (2008-2010), PT Unggul Indah Cahaya Tbk. with last position as President Commissioner (2008-2010).



Prof. George Mathew

Director

Indian Citizen, 65 years. Prof. George Mathew graduated with a Medical degree -MBSS- from Christian Medical College Vellore, Madras University, India, in 1975. Graduated as Master of Surgery from Christian Medical College Vellore Madras University, India in 1984 and attained his Doctorate in Surgery from Adelaide University, South Australia in 1998. Prof. George Mathew joined the Board of Directors in 2011 and most recently appointed by Decision of AGMS of 23 April 2014, to serve until the close of the AGMS 2017.

Prof. George Mathew started his career at the Christian Medical College, Department of Surgery (1984- 1997) India, with last position as Reader, University of Adelaide, Australia with last position as Research Scholar, Department of Surgery (1994-1997), and Christian Medical College, India with last position as Professor & Head (1997-2003). Concurrently he is in Professor and Head, General Surgery Unit III (General Surgery & Oesophago Gastro Duodenal Surgery) (2003-2011), Mochtar Riady Institute for Nanotechnology as President (2011-present), Universitas Pelita Harapan as President Medical Group (2011-present).



dr. Grace Frelita Indradjaja, M.M.

Director

Indonesian Citizen, 59 years. dr. Grace Frelita Indradjaja graduated with a Medical Degree from Universitas Katolik Atmajaya, Jakarta in 1982 and Master in Management from Universitas Indonusa Esa Unggul, Jakarta in 1997. dr. Grace Frelita Indradjaja, M.M. joined the Board of Directors in 2007 and most recently appointed by Decision of AGMS of 23 April 2014, to serve until the close of the AGMS 2017.

dr. Grace Frelita Indradjaja, M.M. started her career in Dharma Jaya Psychiatry and Neurological Hospital (1986-1989), as physician in the Balai Kesehatan Masyarakat Keluarga Mulia Jakarta (1989-1991), Ongkomulyo Hospital as physician (1992-1995), Siloam Hospitals Lippo Village with last position as Clinical & Ancillary Services Administrator (1995-1998), Siloam Hospitals Lippo Village with last position as Chief Operating Officer (1998-2001), Siloam Hospitals Lippo Village with last position as Chief Executive Officer (2001-2007).

PROFILE OF THE BOARD OF DIRECTORS



dr. Anang Prayudi

Director

Indonesian citizen, 54 years. Graduated with a Medical Degree in General Medicine from Universitas Brawijaya, Malang in 1989 and Magister Kedokteran Kerja from Universitas Indonesia, Jakarta in 2006. dr. Anang Prayudi joined the Board of Directors in 2011 and most recently appointed by Decision of AGMS of 23 April 2014, to serve until the close of the AGMS 2017.

dr. Anang Prayudi started his career as a physician with the Indonesian Armed Forces (TNI Angkatan Darat) (1989-1998), International SOS with last position as Clinical Director (1998-2011), PT Siloam International Hospitals Tbk. as Unaffiliated Director (2011-2014).



Dr. dr. Andry, M.M., M.H.Kes.

Director

Indonesian citizen, 53 years. Graduated with a Medical Degree from Universitas Yarsi, Jakarta, in 1989; Master of Management from Universitas Indonusa Esa Unggul, Jakarta in 1998; Master of Health Law from Universitas Katolik Soegiofanoto Semarang in 2008; and Doctor of Law, Universitas Pelita Harapan, Tangerang, in 2011 Dr. dr. Andry, M.M., M.H.Kes. joined the Board of Directors in 2014 appointed by Decision of AGMS of 23 April 2014, to serve until the close of the AGMS 2017.

Dr. dr. Andry, M.M., M.H.Kes. began his career at the Health Center III & Flying Doctors, Jayapura, Irian Jaya, 1990 to 1992, Department for Children, Army Central Hospital, Jakarta, from 1992 to 1993, and at Mitra Keluarga Hospitals, Bekasi, from 1993 to 1995. He joined Siloam Hospitals Lippo Village in 1995 until 2013, he was CEO at the Siloam Hospitals Lippo Village, Tangerang, and a lecturer at the Faculties of Medicine and of Law at the University of Pelita Harapan. He has also served as Member at the Private Hospital Association of Indonesia from 2002 to 2005; the Secretary then Chairman of PERSI Banten 2002-2011; Labor, then Public Relations, then International Accreditation Member at PERSI Center, 2003-2012. He also was a Member of the Defense and Advocacy IDI Tangerang, 2009 -2012, and an Honorary Board Member of the Association of Mediators Indonesia 2009-2015 and Law and Advocacy Member of the Private Hospital Association of Indonesia (ARSSI) 2011-2014. He has been Managing Director Chief Enterprise & Operations Officer of Company since 2014.



Richard Hendro Setiadi W.P.

Director

Indonesian citizen, 46 years. Richard Hendro Setiadi W.P. graduated, majoring in Accounting, from the University of Atma Jaya, Yogyakarta in 1993. Richard Hendro Setiadi W.P. joined the Board of Directors in 2015 appointed by Decision of AGMS of 19 May 2015, to serve until the close of the AGMS 2017.

Richard Hendro Setiadi W.P. started his career as an auditor at the accounting firm Arthur Andersen in 1993. He was an external auditor for PT Matahari Putra Prima Tbk from 1993, until joining the Lippo Group in 2001 as Head of Finance Accounting PT Matahari Putra Prima Tbk.

During his career at Lippo Group, he has occupied several positions: participated in the separation of business unit Matahari Department Store (MDS) and Matahari Food Business (MFB) in 2002; Chief Financial Officer (CFO) of Matahari Food Business (MFB) (2003); a director at PT Matahari Putra Prima Tbk.. (2012).

Currently he also serves as Director of PT Multipolar Tbk and Commissioner of PT First Media Tbk.



Kailas Nath Raina

Director

Indian Citizen, 46 years. Graduated with Bachelor of Arts from University of Delhi with major in Economics, 1990. He became a member of the Institute of Chartered Accountants of India in 1997. Kailas Nath Raina joined the Board of Directors in 2014 and most recently appointed by Decision of AGMS of 23 April 2014, to serve until the close of the AGMS 2017.

Kailas Nath Raina began his career at S. B. Billimoria and Co, Chartered Accountants, (member firm of Deloitte Touché Tohmatsu) New Delhi, India from 1994 to 1997, with last position as audit assistant. Previously he was at New Delhi Hilton with last position Deputy Manager Finance and Accounts (1997-1998), at Associates India Financial Services Pvt. Ltd. in Assistant Manager Credit Admin (1998-2000), at CitiFinancial India, New Delhi, India as Assistant Vice President, Consumer & Mortgage Operations, Expense Processing (2000-2003), at CitiFinancial Corporation Philippines as Assistant Vice President, Project Manager (2003-2004), Citibank N.A Indonesia as Vice President, Operations and Technology Head (2004-2007), CBPS Pte. Ltd. Philippines as Vice President, Program Head - Credit Operations and Transaction Services (2007-2010), Citibank N.A. Indonesia as Senior Vice President, Head - Cards and Investment Operations (2010-2013), Siloam Hospitals MRCCC as Director – Finance and Administration (2013-2014).

Statement of Responsibility of the Board of Commissioners and the Board of Directors for the 2015 Annual Report of PT Siloam International Hospitals Tbk.

We, the undersigned, hereby declare that all information in the Annual Report of PT Siloam International Hospitals Tbk. for the year 2015 have been presented in their entirety, and that we assume full responsibility for the accuracy of the contents of such Annual Report.

This statement is duly made in all integrity.

Tangerang, Maret 2016

BOARD OF COMMISSIONERS



Ketut Budi Wijaya
President Commissioner



Theo L. Sambuaga
Commissioner



Jenny Kuistono
Commissioner



Lambock V. Nahattands
Commissioner



Farid Harianto
Independent Commissioner



Dr. Niel Byron Nielson
Independent Commissioner



Ir. Jonathan L. Parapak
Independent Commissioner

DIRECTOR



Romeo Fernandez Lledo
President Director/Independent Director



Prof. George Mathew
Director



dr. Grace Frelita Indradjaja, M.M.
Director



dr. Anang Prayudi
Director




Dr. dr. Andry, M.M., M.H.Kes.
Director



Richard Hendro Setiadi W.P.
Director



Kailas Nath Raina
Director

A large, clear glass hourglass is shown against a light grey background. The top bulb is partially filled with brown sand. A thin stream of sand is falling from the narrow neck into the bottom bulb. In the bottom bulb, the sand has formed a distinct heart shape. The bottom bulb is mostly empty, with only a small amount of sand at the very bottom.

Heart attacks should be treated early.

Early diagnosis and treatment for people with high risk factors (such as high blood pressure, high cholesterol, tobacco user, diabetes or obesity) may stop the progression of coronary artery disease and help prevent a heart attack

For 24 Hour Siloam Ambulance Service, contact: 1 – 500 – 911
For Appointment and General Information, contact: 1 – 500 – 181





FINANCIAL STATEMENTS

PT SILOAM INTERNATIONAL HOSPITALS Tbk
AND SUBSIDIARIES

Consolidated Financial Statements
for years ending on 31 December 2015 and 2014

**PT SILOAM INTERNATIONAL HOSPITALS Tbk
AND SUBSIDIARIES**

Table of Contents	Page
Board of Directors' Statement Letter	
Independent Auditor's Report	
Consolidated Financial Statements For the Years Ended December 31, 2015 and 2014 and Consolidated Statement of Financial Position As of January 1, 2014/December 31, 2013	
Consolidated Statements of Financial Position	1
Consolidated Statements of Profit or Loss and Other Comprehensive Income	3
Consolidated Statements of Changes in Equity	4
Consolidated Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6

**DIRECTOR'S STATEMENT
ON
THE RESPONSIBILITY FOR PT SILOAM INTERNATIONAL HOSPITALS Tbk
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2015 AND 2014 AND JANUARY 01, 2014 / DECEMBER 31, 2013
AND FOR THE YEAR ENDED DECEMBER 31, 2015 AND 2014**

We the undersigned :

- | | |
|---|---|
| 1. Name | : Romeo Fernandez Lledo |
| Address | : Fakultas Kedokteran Universitas Pelita Harapan 32 th floor
Jl. Boulevard Sudirman No. 15 Lippo Village, Tangerang 15810 |
| Residential Address
(as in indentify card) | : Jl. Dharmawangsa No. 2
Taman Mediterranean Golf Lippo Village, Tangerang |
| Telephone | : (021) 2566 8000 |
| Title | : President Director / Independent Director |
| | |
| 2. Name | : Richard Hendro Setiadi Wangsa Putra |
| Address | : Fakultas Kedokteran Universitas Pelita Harapan 32 th floor
Jl. Boulevard Sudirman No. 15 Lippo Village, Tangerang 15810 |
| Residential Address
(as in indentify card) | : Jl. Hanoman Raya 20A RT/RW.003/009
Rawa Buaya, Cengkareng, Jakarta Barat |
| Telephone | : (021) 2566 8000 |
| Title | : Director |

State that;

1. We are responsible for the preparation and presentation of consolidated financial statements of PT Siloam International Hospitals Tbk ("the Company");
2. The Company's consolidated financial statements have been prepared and presented in accordance with Indonesian financial accounting standards;
3. a. All information contained in the Company's consolidated financial statements is complete and correct;
b. The Company's consolidated financial statements do not contain misleading material information or facts and do not remove material information or facts; and
4. We are responsible for the Company's internal control system.

This statement is issued to the best of our knowledge and belief.

Lippo Village, February 25, 2016

PT Siloam International Hospitals Tbk



Romeo Fernandez Lledo
President Director / Independent Director

Richard Hendro Setiadi Wangsa Putra
Director

Amir Abadi Jusuf, Aryanto, Mawar & Rekan

Amir Abadi Jusuf, Aryanto, Mawar & Rekan
Registered Public Accountants

This report is originally issued in Indonesia language

Number : R/079.AGA-E/dwd.2/2016

RSM Indonesia
Plaza ASIA, Level 10
Jl. Jend. Sudirman Kav. 59
Jakarta 12190 Indonesia

T +62 21 5140 1340

F +62 21 5140 1350

www.rsmindonesia.id

Independent Auditors' Report

The Stockholders, Board of Commissioners and Directors
PT Siloam International Hospitals Tbk

We have audited the accompanying consolidated financial statements of PT Siloam International Hospitals Tbk and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2015 and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

This report is originally issued in Indonesia language

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respect, the consolidated financial position of PT Siloam International Hospitals Tbk and its subsidiaries as of December 31, 2015, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Emphasis of Matter

As described in Note 38 to the consolidated financial statements, the Company and subsidiaries have applied Statements and Interpretation of Financial Accounting Standards that have been effective since January 1, 2015 and PSAK 22 (Revised 2010) "Business Combination" which have been applied retrospectively. Therefore, the Company and subsidiaries have restated their consolidated financial statements for the year ended December 31, 2014, and consolidated statement of financial position as of January 1, 2014/ December 31, 2013 with adjustments to the certain accounts in the previous consolidated financial statements. We have audited those adjustments and our opinion is not modified in respect to this matter.

Amir Abadi Jusuf, Aryanto, Mawar & Rekan



Didik Wahyudiyanto

Public Accountant License Number: AP.0502

Jakarta, February 25, 2016

These consolidated financial statements are originally issued in Indonesian language

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2015 and 2014 and January 1, 2014/ December 31, 2013

(Expressed in Full Rupiah, unless otherwise stated)

ASSETS	Notes	December 31, 2015 Rp	December 31, 2014*) Rp	January 1, 2014/ December 31, 2013*) Rp
CURRENT ASSETS				
Cash and Cash Equivalents	3, 10, 31, 32	159,848,063,872	279,958,770,048	515,437,837,445
Trade Receivables	4, 32			
Related Parties	10	10,130,038,169	3,549,747,601	2,432,208,891
Third Parties		565,096,838,752	389,096,670,786	268,370,030,779
Other Current Financial Assets	5, 32	6,457,567,169	9,435,126,642	3,143,279,756
Inventories	6	140,434,193,057	105,857,883,964	94,831,081,782
Prepaid Taxes	7.a	6,991,423,747	6,991,423,747	--
Prepaid Expenses	8	67,134,726,064	45,907,747,875	23,250,233,636
Total Current Assets		<u>956,092,850,830</u>	<u>840,797,370,663</u>	<u>907,464,672,289</u>
NON-CURRENT ASSETS				
Advances	9	150,344,464,185	83,097,752,888	60,581,873,952
Due from Related Parties Non-Trade	10, 32	1,287,224,420	1,341,961,213	515,189,971
Property and Equipment	12	1,553,306,654,744	1,589,306,930,919	1,402,270,240,507
Goodwill	13.a	288,276,804,990	288,276,804,990	180,791,360,696
Intangible Assets	13.b	10,704,038,028	9,605,766,175	7,332,931,883
Deferred Tax Assets	7.d	22,995,423,430	20,388,928,129	15,890,537,456
Other Non-Current Financial Assets	11	3,262,687,479	13,398,002,929	22,836,666,648
Total Non-Current Assets		<u>2,030,177,297,276</u>	<u>2,005,416,147,243</u>	<u>1,690,218,801,113</u>
TOTAL ASSETS		<u>2,986,270,148,106</u>	<u>2,846,213,517,906</u>	<u>2,597,683,473,402</u>

*) Restated (Note 38)

These consolidated financial statements are originally issued in Indonesian language

**PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Continued)**

As of December 31, 2015 and 2014 and January 1, 2014/ December 31, 2013
(Expressed in Full Rupiah, unless otherwise stated)

LIABILITIES AND EQUITY	Notes	December 31, 2015	December 31, 2014*) Rp	January 1, 2014/ December 31, 2013*) Rp
LIABILITIES				
CURRENT LIABILITIES				
Trade Payables - Third Parties	14, 32	254,713,743,081	192,762,995,806	163,966,851,520
Short-Term Bank Loans	17, 32	2,173,564,967	3,540,195,011	4,927,167,196
Accrued Expenses	10, 16, 32	249,661,341,149	145,004,370,941	66,910,610,412
Advances from Patients		10,113,325,361	14,914,613,299	9,915,718,285
Taxes Payable	7.b	29,559,388,820	33,130,693,777	16,983,882,633
Other Current Financial Liabilities	15, 32	64,186,469,225	68,658,339,115	9,526,754,910
Current Portion of Long-Term-Bank Loans	17, 32	7,482,980,034	12,435,856,488	11,792,174,233
Current Portion of Deferred Gain on Sale and Leaseback Transactions	18, 35.a	11,897,445,548	11,897,445,548	11,897,445,548
Total Current Liabilities		629,788,258,185	482,344,509,985	295,920,604,737
NON-CURRENT LIABILITIES				
Long-Term Bank Loans	17, 32	23,042,103,703	30,525,083,739	42,960,940,232
Due to Related Parties Non-Trade	10, 32	354,745,657,192	415,813,668,549	387,074,492,750
Deferred Gain on Sale and Leaseback Transactions	18, 35.a	107,011,818,445	118,909,263,993	130,806,709,541
Long-Term Employment Benefit Liabilities	19	100,057,230,423	110,642,588,110	80,672,651,522
Deferred Tax Liabilities	7.d	31,673,452,294	28,147,868,966	11,983,104,371
Total Non-Current Liabilities		616,530,262,057	704,038,473,357	653,497,898,416
Total Liabilities		1,246,318,520,242	1,186,382,983,342	949,418,503,153
EQUITY				
Equity Attributable to Owners of the Parent				
Capital Stock, par Value - Rp100 per Share				
Authorized Capital - 4,000,000,000 shares Issued and Fully Paid:				
1,156,100,000 Shares as of December 31, 2015 and 2014; and January 1, 2014/ December, 31 2013	20	115,610,000,000	115,610,000,000	115,610,000,000
Additional Paid-in Capital - Net	21	1,289,664,515,321	1,289,664,515,321	1,289,664,515,321
Difference in Value from Non-Controlling Interest	22	(25,748,354,393)	(25,748,354,393)	--
Retained Earnings		364,490,437,227	275,396,402,731	215,940,422,508
Total Equity Attributable to Owners of the Parent		1,744,016,598,155	1,654,922,563,659	1,621,214,937,829
Non-Controlling Interest	24	(4,064,970,291)	4,907,970,905	27,050,032,420
TOTAL EQUITY		1,739,951,627,864	1,659,830,534,564	1,648,264,970,249
TOTAL LIABILITIES AND EQUITY		2,986,270,148,106	2,846,213,517,906	2,597,683,473,402

*) Restated (Note 38)

These consolidated financial statements are originally issued in Indonesian language

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

For The Years Ended December 31, 2015 and 2014
 (Expressed in Full Rupiah, unless otherwise stated)

	Notes	2015 Rp	2014*) Rp
REVENUE	25	4,144,118,302,585	3,340,793,371,873
COST OF REVENUE	26	<u>(2,967,571,739,357)</u>	<u>(2,388,731,054,071)</u>
GROSS PROFIT		1,176,546,563,228	952,062,317,802
Operating Expenses	10, 27	(965,324,197,173)	(771,576,725,991)
Others - Net		<u>(53,156,676,612)</u>	<u>(34,262,795,577)</u>
PROFIT FROM OPERATION		158,065,689,443	146,222,796,234
Interest Income	28	4,979,577,918	15,432,527,455
Financial Charges	28	<u>(57,298,648,120)</u>	<u>(55,779,008,271)</u>
PROFIT BEFORE TAX		105,746,619,241	105,876,315,418
Tax Expenses	7.c	<u>(44,040,542,713)</u>	<u>(36,891,758,587)</u>
PROFIT FOR THE YEAR		<u><u>61,706,076,528</u></u>	<u><u>68,984,556,831</u></u>
OTHER COMPREHENSIVE INCOME			
Item that Will Not be Reclassified Subsequently to Profit or Loss			
Remeasurement of Defined Benefit Plan		32,568,982,362	(16,518,656,688)
Income Tax Related to Item that Will not be Reclassified to Profit or Loss on Defined Benefit Plan		<u>(8,142,245,590)</u>	<u>4,129,664,172</u>
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		<u><u>24,426,736,772</u></u>	<u><u>(12,388,992,516)</u></u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		<u><u>86,132,813,300</u></u>	<u><u>56,595,564,315</u></u>
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Parent Company		70,396,404,160	71,843,232,747
Non-Controlling Interest		<u>(8,690,327,632)</u>	<u>(2,858,675,916)</u>
		<u><u>61,706,076,528</u></u>	<u><u>68,984,556,831</u></u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Parent Company		95,105,754,496	59,455,980,223
Non-Controlling Interest		<u>(8,972,941,196)</u>	<u>(2,860,415,908)</u>
		<u><u>86,132,813,300</u></u>	<u><u>56,595,564,315</u></u>
EARNINGS PER SHARE			
Basic, Profit for the Year Attributable to Shareholders of Common Shares of the Parent Company	30	60.89	62.14

*) Restated (Note 38)

The accompanying notes form an integral part of these consolidated financial statements

These consolidated financial statements are originally issued in Indonesian language

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For The Years Ended December 31, 2015 and 2014

(Expressed in Full Rupiah, unless otherwise stated)

Notes	Total Equity Attributable to Owner of Parent										Total Equity	
	Capital Stock		Additional Paid-in Capital - Net		Difference in Value from Non-controlling Interest		Retained Earnings		Total Equity Attributable to Owners of the Parent			Non-controlling Interest
	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp		
												Paid-in Capital Excess of Par
	115,610,000,000	1,312,722,350,000	(11,329,652,726)	(11,728,781,933)	1,289,664,515,321	--	206,108,534,831	1,611,383,050,152	27,608,728,827	1,638,991,778,979		
BALANCE AS OF DECEMBER 31, 2013												
Impact of Result of Adoption of PSAK No.24 (Revision 2013)												
	--	--	--	--	--	--	5,682,004,321	5,682,004,321	--	5,682,004,321	--	
Accumulated of Retained Earnings							--	--	--	--	--	
Non-controlling Interest							--	--	--	--	(588,696,407)	
Total Comprehensive Income for the Year							--	--	--	--	--	
	115,610,000,000	1,312,722,350,000	(11,329,652,726)	(11,728,781,933)	1,289,664,515,321	--	215,940,422,608	1,621,214,937,829	27,050,032,420	1,648,264,970,249		
BALANCE AS OF JANUARY 1, 2014												
AFTER INITIAL ADOPTION OF PSAK NO.24 (Revision 2013)												
	--	--	--	--	--	--	23,100,000,000	(23,100,000,000)	--	--	--	
Changes in Equity for the Year 2014							--	--	--	--	--	
General Fund							--	--	--	--	--	
Acquisition of Shares of Subsidiaries Non-controlling Interest							--	--	--	--	--	
Total Income Current Year							--	--	--	--	(19,281,645,607)	
Total Comprehensive Income for the Year							--	--	--	--	--	
	115,610,000,000	1,312,722,350,000	(11,329,652,726)	(11,728,781,933)	1,289,664,515,321	(25,748,354,393)	23,100,000,000	1,654,922,863,659	4,907,970,905	1,659,830,834,564		
BALANCE AS OF DECEMBER 31, 2014 ^{*)}												
	--	--	--	--	--	--	--	--	--	--	--	
Changes in Equity for the Year 2015							--	--	--	--	--	
Cash Dividend							--	--	--	--	--	
Total Income Current Year							--	--	--	--	--	
Total Comprehensive Income for the Year							--	--	--	--	--	
	115,610,000,000	1,312,722,350,000	(11,329,652,726)	(11,728,781,933)	1,289,664,515,321	(25,748,354,393)	23,100,000,000	1,744,016,598,155	(4,064,970,291)	1,739,951,627,864		
BALANCE AS OF DECEMBER 31, 2015												

*) Restated (Note 38)

**) Including Remeasurement of Defined Benefit Plan

The accompanying notes form an integral part of these consolidated financial statements

These consolidated financial statements are originally issued in Indonesian language

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2015 and 2014
(Expressed in Full Rupiah, unless otherwise stated)

	Notes	2015 Rp	2014*) Rp
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from Customers		3,973,218,027,214	3,218,128,438,733
Payments to Suppliers and Third Parties		(2,920,990,800,853)	(2,373,899,687,598)
Payments to Management and Employees		(731,514,512,613)	(531,054,022,103)
Cash Flows from Operations		<u>320,712,713,748</u>	<u>313,174,729,033</u>
Financial Charges Payment - Net		(10,337,910,182)	(5,772,163,585)
Payments of Taxes		(55,229,121,553)	(22,195,779,215)
Net Cash Provided by Operating Activities		<u>255,145,682,013</u>	<u>285,206,786,233</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Advances for Purchase of Property and Equipment and Others		(68,756,812,851)	(50,889,937,133)
Property and Equipment and Software			
Disposal	12	--	515,630,303
Acquisition	12, 13.b	(279,092,825,388)	(331,472,153,901)
Advances for Addition of Goodwill		(4,182,000,003)	(1,526,712,080)
Acquisition of Non-Controlling Interest Shares		--	(45,030,000,000)
Acquisition of Subsidiary - Net of Cash Acquired	29	--	(83,695,538,337)
Net Cash Used in Investing Activities		<u>(352,031,638,242)</u>	<u>(512,098,711,148)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for Bank Loan	17	(13,802,486,534)	(81,381,882,713)
Dividend Payments		(6,011,720,000)	--
Receipts from (Payment to) Related Parties		(3,445,263,207)	75,766,161,883
Payments for Share Issuance Costs		--	(1,899,274,884)
Net Cash Provided by Financing Activities		<u>(23,259,469,741)</u>	<u>(7,514,995,714)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(120,145,425,970)	(234,406,920,629)
Effect of Foreign Exchange on Cash and Cash Equivalents			
at the End of the Year		34,719,794	(1,072,146,768)
CASH AND CASH EQUIVALENTS AT BEGINNING YEAR	3	<u>279,958,770,048</u>	<u>515,437,837,445</u>
CASH AND CASH EQUIVALENTS AT ENDING YEAR	3	<u>159,848,063,872</u>	<u>279,958,770,048</u>

*) Restated (Note 38)

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013

And for the Years Ended December 31, 2015 and 2014

(In Full Rupiah, Unless Otherwise Stated)

1. General

1.a. The Company's Establishment

PT Siloam International Hospitals Tbk ("the Company") was established under the name of PT Sentralindo Wirasta on August 3, 1996 based on the Deed of Establishment No. 3, which was made in the presence of Myra Yuwono, S.H., a notary in Sukabumi. The deed of establishment was approved by the Minister of Justice of the Republic of Indonesia in his decree No. C2-8639.HT.01.01.TH.96 dated August 27, 1996 and was published in the State Gazette No. 97, Supplement No. 9518 on December 3, 1996.

The Company's articles of association have been amended several times, and the latest was by Notarial Deed No. 10 dated June 12, 2015, made in the presence of Nurlani Yusup, S.H., M.Kn., a notary in Tangerang, to change the Company's articles of association one of them is the Company's purpose and objective. The change in articles of association was approved by the Minister of Law and Human Rights of the Republic of Indonesia in his decree No. AHU-AH.01.03-0942343 dated June 17, 2015.

In accordance with Article 3 of the Company's articles of association, the Company's principal activity is engaging in healthcare provision, including setting up and managing hospitals, polyclinics, health facilities and supporting infrastructure and engaging in government healthcare programs.

The Company commenced commercial operations in 2010 after the restructuring of PT Lippo Karawaci Tbk's hospital units. The Company's principal activity is engaging in healthcare provision, including setting up and managing hospitals. The operation of hospital units of the Company and the subsidiaries (the Group) are in several cities on the island of Sumatra, Java, Bali, Kalimantan, Sulawesi and Nusa Tenggara Timur.

The Company's head office is located at Gedung Fakultas Kedokteran UPH Lt.32. Jl. Boulevard Jend.Sudirman No.15,Tangerang 15810, Banten – Indonesia. The parent entity of the Company is PT Megapratama Karya Persada and the ultimate parent entity is PT Lippo Karawaci Tbk.

1.b. The Company's Initial Public Offering

The Company's initial public offering of 156,100,000 shares was declared effective by the Indonesian Financial Services Authority (formerly Bapepam) in its letter No. S-260/D.04/2013 dated September 2, 2013, and was listed in the Indonesian Stock Exchange on September 12, 2013.

1.c. The Group's Structure

The Company has control in subsidiaries as follows:

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						2015 Rp	2014 Rp
PT Aritasindo Permaismesta	Jakarta	Trading, Development, Mining, Agriculture, Land Transportation, Printing and Industry	99.99%	--	--	76,559,368	78,124,746
PT Perdana Kencana Mandiri	Jakarta	Development, Trading, Industry Land Transportation, Workshop, Printing, Agriculture, Mining and Services	99.75%	--	--	600,000	520,403,206
PT Multiselaras Anugerah	Tangerang	Development, Trading and Services	99.99%	--	--	9,138,115	448,067,441
PT Nusa Medika Perkasa	Jakarta	Healthcare	--	59.69%	--	932,687,770	926,687,462
PT Siloam Graha Utama and Subsidiary	Jakarta	Trading, Development, Land Transportation, and Services	99.99%	--	--	118,401,195,607	142,511,589,460
PT East Jakarta Medika	Bekasi	Healthcare	--	79.84%	2002	118,394,342,094	142,492,350,947

These consolidated financial statements are originally issued in Indonesian language

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
And for the Years Ended December 31, 2015 and 2014
(In Full Rupiah, Unless Otherwise Stated)

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						2015 Rp	2014 Rp
PT Guchi Kencana Emas and Subsidiary	Jakarta	Development and Services	99.97%	--	--	81,070,295,372	88,570,503,605
PT Golden First Atlanta	Jambi	Healthcare and Pharmacy	--	83.00%	2008	81,068,056,854	88,539,839,436
PT Prawira Tata Semesta and Subsidiary	Jakarta	Trading, Development, Industry, Mining, Land Transportation, Agriculture, Printing, Workshop and Services except Services of and Tax	99.98%	--	--	228,123,139,722	237,404,060,017
PT Balikpapan Damai Husada	Balikpapan	Healthcare including Hospital Clinic, Health Centre, Polyclinic and Other related Services	--	79.61%	2007	188,952,720,833	198,183,010,595
PT Siloam Emergency Services	Tangerang	Healthcare	99.99%	--	2013	2,611,998,278	2,624,415,127
PT Medika Harapan Cemerlang Indonesia	Tangerang	Trading, Industry and Services	99.99%	--	2013	3,469,450,033	2,177,323,630
PT Pancawarna Semesta and Subsidiary	Tangerang	Trading, Development, Printing and Services	99.99%	--	--	66,955,366,327	70,026,074,020
PT Diagram Healthcare Indonesia	Depok	Hospital services, Clinic and Polyclinic, Medical Treatment and Other related Services	--	80.00%	2006	36,398,484,767	39,467,645,852
PT Adamanisa Karya Sejahtera	Jakarta	Trading, Development, Printing and Services	99.90%	--	--	1,012,776,138	995,085,833
PT Brenada Karya Bangsa	Tangerang	Trading, Development, Printing and Services	99.99%	--	--	594,998,333	605,403,333
PT Harmoni Selaras Indah	Tangerang	Trading, Development, Printing and Services	99.99%	--	--	594,665,000	597,340,833
PT Kusuma Primadana and Subsidiaries	Tangerang	Trading, Development, Printing and Healthcare including Hospital Clinic and Polyclinic, Medical Treatment and Other related Services	99.99%	--	--	144,519,575,447	102,195,707,668
PT Adijaya Buana Sakti and Subsidiaries	Tangerang	Services, Development, Trading, Workshop, Land Transportation, Industry, Printing and Agriculture	--	80.00%	--	144,518,510,447	102,188,966,835
PT Siloam Sumsel Kemitraan	Tangerang	Trading, Development and Services	--	56.00%	--	7,991,123,670	8,003,625,337
PT RS Siloam Hospital Sumsel	Palembang	Healthcare include Hospital Clinical, and Health Center, Polyclinic and Other Related Service	--	70.00%	2012	145,516,091,499	103,163,599,553
PT Optimum Karya Persada	Jakarta	Services, Development, Trading, Workshop, Land Industry, Printing and Agriculture	99.90%	--	--	1,000,970,300	1,017,232,500
PT Rosela Indah Cipta	Tangerang	Trading, Development, Printing and Services	99.99%	--	--	594,665,000	597,153,333
PT Sembada Karya Megah	Tangerang	Trading, Development, Printing and Services	99.99%	--	--	602,666,157	617,340,833
PT Trijaya Makmur Bersama	Tangerang	Trading, Development, Printing and Services	99.99%	--	--	594,665,000	597,340,833

These consolidated financial statements are originally issued in Indonesian language

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
And for the Years Ended December 31, 2015 and 2014
(In Full Rupiah, Unless Otherwise Stated)

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						2015 Rp	2014 Rp
PT Visindo Galaxi Jaya	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agribusiness, Services and Transport	99.99%	--	--	4,984,948,333	4,993,540,833
PT Tunggal Pilar Perkasa and Subsidiaries	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agribusiness, Services and Transport	99.99%	--	--	1,104,842,861,746	902,863,440,805
PT Tirtasari Kencana	Serang	Healthcare Services, including Hospitals, Clinic, Health Center, and Other Related	--	99.99%	--	1,129,177,218	1,130,696,718
PT Gramari Prima Nusa	Medan	Healthcare/ Hospital,	--	99.99%	2014	142,285,912,947	130,585,488,531
PT Krisolis Jaya Mandiri	Kupang	Healthcare Services, including Hospitals, Clinic, Health Center, and Other Related	--	99.99%	2014	135,816,231,542	69,331,687,626
PT Kusuma Bhakti Anugerah	Ambon	Healthcare Services, including Hospitals, Clinic, Health Center, and Other Related	--	99.99%	--	7,186,262,922	7,199,648,894
PT Agung Cipta Raya	Semarang	Healthcare including Hospital Clinic, Health Centre, Polyclinic and Other related Services	--	99.99%	--	964,225,000	972,630,000
PT Bina Cipta Semesta	Padang	Healthcare including Hospital Clinic, Health Centre, Polyclinic and Other related Services	--	99.99%	--	998,898,474	1,012,427,500
PT Mega Buana Bhakti	Bangka	Healthcare including Hospital Clinic, Health Centre, Polyclinic and Other related Services	--	99.99%	--	6,289,590,225	5,982,333,520
PT Taruna Perkasa Megah	Yogya	Healthcare including Hospital Clinic, Health Centre, Polyclinic and Other related Services	--	99.99%	--	96,121,791,102	19,014,504,078
PT Tataka Bumi Karya	Bogor	Healthcare including Hospital Clinic, Health Centre, Polyclinic and Other related Services	--	99.99%	--	845,251,870	610,452,500
PT Tataka Karya Indah	Bandung	Healthcare including Hospital Clinic, Health Centre, Polyclinic and Other related Services	--	99.99%	--	825,433,327	837,254,382
PT Siloam Medika Cemerlang**)	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agribusiness, and Services	--	99.99%	--	12,240,837,850	3,388,608,668

These consolidated financial statements are originally issued in Indonesian language

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
And for the Years Ended December 31, 2015 and 2014
(In Full Rupiah, Unless Otherwise Stated)

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						2015 Rp	2014 Rp
PT Koridor Usaha Maju and Subsidiaries	Tangerang	Trading, Development, Printing, Agribusiness, and Services	--	99.99%	--	480,847,930,537	458,363,437,079
PT Medika Sarana Traliandia and Subsidiary	Bali	Hospital Public Services	--	99.99%	2008	266,476,908,793	256,054,381,752
PT Trisaka Raksa Waluya	Badung	Healthcare including Hospital Clinic, Health Centre, Polyclinic and Other related Services	--	99.99%	2008	137,390,081,888	132,956,917,983
PT Buana Utama Sejati**)	Tangerang	Healthcare including Hospital Clinic, Health Centre, Polyclinic and Other related Services	--	99.99%	--	23,370,843,650	16,312,100,196
PT Sentra Sejahtera Utama**)	Sorong	Hospital Service Clinic, Polyclinic, and Treatment Clinic	--	99.99%	--	600,000,000	600,000,000
PT Bumi Unggul Persada*)	Tangerang	Hospitals Services, Clinic, Polyclinic, Rumah Sakit and Health Center	--	99.99%	--	641,265,124	--
PT Berlian Cahaya Indah	Tangerang	Healthcare including Hospital Clinic, Health Centre, Polyclinic and Other related Services	--	99.99%	--	138,001,094,698	45,004,044,700
PT Rashal Siar Cakra Medika	Jakarta	Healthcare including Hospital Clinic, Health Centre, Polyclinic and Other related Services	--	99.99%	2008	59,415,242,800	53,352,264,266
PT Mulia Pratama Cemerlang**)	Tangerang	Healthcare including Hospital Clinic, Health Centre, Polyclinic and Other related Services	--	99.99%	--	3,679,309,300	600,000,000
PT Medika Rescue International**) (formerly PT Karya Pesona Cemerlang)	Tangerang	Trading, and Services	--	99.99%	--	878,649,715	600,000,000
PT Indah Kemilau Abadi**)	Jember	Healthcare including Hospital Clinic, Health Centre, Polyclinic and Other related Services	--	99.99%	--	657,128,900	600,000,000
PT Persada Dunia Semesta**)	Tangerang	Healthcare including Hospital Clinic, Health Centre, Polyclinic and Other related Services	--	99.99%	--	2,349,333,094	600,000,000
PT Inti Pratama Medika**)	Tangerang	Healthcare including Hospital Clinic, Health Centre, Polyclinic and Other related Services	--	99.99%	--	600,363,000	600,000,000
PT Sentra Sehat Sejahtera**)	Tangerang	Healthcare including Hospital Clinic, Health Centre, Polyclinic and Other related Services	--	99.99%	--	878,649,715	600,000,000
PT Genta Raya Internusa**)	Tangerang	Healthcare including Hospital Clinic, Health Centre, Polyclinic and Other related Services	--	99.99%	--	600,388,000	600,000,000

These consolidated financial statements are originally issued in Indonesian language

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
And for the Years Ended December 31, 2015 and 2014
(In Full Rupiah, Unless Otherwise Stated)

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						2015 Rp	2014 Rp
PT Sembilan Raksa Dinamika**)	Jakarta	Healthcare including Hospital Clinic, Health Centre, Polyclinic and Other related Services	--	99.99%	--	54,795,114,119	600,000,000
PT Saritama Mandiri Zamrud**)	Jakarta	Healthcare including Hospital Clinic, Health Centre, Polyclinic and Other related Services	--	99.99%	--	600,000,000	600,000,000
PT Gempita Nusa Sejahtera**)	Jakarta	Healthcare including Hospital Clinic, Health Centre, Polyclinic and Other related Services	--	99.99%	--	600,000,000	600,000,000
PT Aryamedika Teguh Tunggal**)	Jakarta	Healthcare including Hospital Clinic, Health Centre, Polyclinic and Other related Services	--	99.99%	--	600,000,000	600,000,000
PT Lintas Buana Jaya*)	Nusa Tenggara Timur	Healthcare including Hospital Clinic, Health Centre, Polyclinic and Other related Services	--	99.99%	--	9,886,018,026	--
PT Bina Bahtera Sejati*)	Baubau	Healthcare including Hospital Clinic, Health Centre, Polyclinic and Other related Services	--	99.99%	--	600,000,000	--
PT Lintang Laksana Utama*)	Kota Lubuk Linggau	Healthcare including Hospital Clinic, Health Centre, Polyclinic and Other related Services	--	99.99%	--	600,000,000	--
PT Optakarya Tirta Cemerlang*)	Tangerang	Healthcare including Hospital Clinic, Health Centre, Polyclinic and Other related Services	--	99.99%	--	600,000,000	--
PT Mahkota Buana Selaras	Tangerang	Trading, Development, Printing, and Services	99.99%	--	--	37,690,051,627	38,623,709,806

*) Established in 2015

***) Established in 2014

Based on the deed Nos. 65, 66 and 67 on December 13, 2013 made in presence of Sriwi Bawana Nawaksari, S.H., M.Kn., notary in Tangerang, KUM acquired 80% ownership in PT Medika Sarana Traliansia (MST), at the acquisition cost of Rp189,600,000. This transaction represented business combination (see Note 29). MST commenced commercial operations in 2008. MST had ownership 99.99% of PT Trisaka Raksa Waluya (TRW). TRW commenced commercial operations in 2008.

On July 23, 2014, TPP and MBS, acquired 75% and 25%, respectively, ownership in PT Rashal Siar Cakra Medika (RSCM), at the acquisition cost of Rp78,540,426,657 and Rp26,250,528,327, respectively. This transaction represent business combination (see Note 29). RSCM commenced commercial operations in 2008.

On November 28, 2014, TPP acquired 20% ownership of MST from Steer Clear Limited, at the acquisition cost of Rp45,030,000,000. Difference from acquisition cost and investment value amounted to Rp25,748,354,393, which is recognized as Difference in Value from non-controlling interest (Note 22).

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
 And for the Years Ended December 31, 2015 and 2014
 (In Full Rupiah, Unless Otherwise Stated)

1.d. Board of Commissioners, Directors, Employees and Audit Committee

Based on Notarial Deed No. 9 dated June 12, 2015, made in the presence of Nurlani Yusup, S.H., M.Kn., notary in Tangerang, which has been accepted by the Ministry of Law and Human Rights of the Republic of Indonesia through notification No. AHU-AH.01.03-0942314 dated June 17, 2015 and based on Notarial Deed No. 1 dated May 2, 2014, made in the presence of Nurlani Yusup, S.H., M.Kn., Notary in Jakarta, which has been accepted by Ministry of Law and Human Rights of the Republic of Indonesia through notification No. AHU-06412.40.22.2014 dated May 5, 2014, the composition of the Board of Commissioners and Directors as of December 31, 2015 and 2014, are as follows:

	2015	2014
Board of Commissioners		
President Commissioner	Ketut Budi Wijaya	Ketut Budi Wijaya
Commissioner	Theo Leo Sambuaga	Theo Leo Sambuaga
	Jenny Kuistono	Rahmawaty
	Lambock V. Nahattands	Lambock V. Nahattands
Independent Commissioner	Farid Harianto	Farid Harianto
	Dr. Niel Byron Nielson	Muladi
	Jonathan Limbong Parapak	Jonathan Limbong Parapak
Directors		
President Director	Romeo Fernandez Lledo *)	Romeo Fernandez Lledo *)
Director	Grace Frelita Indradjaja	Grace Frelita Indradjaja
	Andry	Andry
	Kailas N. Raina	Kailas N. Raina
	Anang Prayudi	Anang Prayudi *)
	Prof. George Matthew	George Mathew
	Richard Hendro Setiadi WP	--

*) Independent Director

The audit committee composition as of December 31, 2015 and 2014 are as follows:

Audit Committee	
Chairman	Farid Harianto
Members	Lim Kwang Tak
	Sswanto Pramono

As of December 31, 2015 and 2014, the Company's Corporate Secretary is Cindy Riswentyo and Sugianganto Budisuharto, respectively and head of internal audit is Gunawan HP.

As of December 31, 2015 and 2014, the Group have 6,974 and 6,547 permanent employees, respectively (unaudited).

2. Summary of Significant Accounting Policies

2.a. Compliance with the Financial Accounting Standards

The consolidated financial statements were prepared and presented in accordance with Indonesian Financial Accounting Standards which include the Statement of Financial Accounting Standards (PSAK) and Interpretation of Financial Accounting Standards (ISAK) issued by the Financial Accounting Standard Board – Indonesian Institute of Accountant (DSAK – IAI), and regulations in the Capital Market include Regulations of Financial Services Authority/Capital Market and Supervisory Board and Financial Institution (OJK/Bapepam-LK) No. VIII.G.7 regarding guidelines for the presentation of financial statements, decree of Chairman of Bapepam-LK No. KEP-347/BL/2012 regarding presentation and disclosure of financial statements of the issuer or public company.

2.b. Basis of Measurement and Preparation of Consolidated Financial Statements

The consolidated financial statements have been prepared and presented based on going concern assumption and accrual basis of accounting, except for the consolidated statements of cash flows. Basis of measurement in preparation of these consolidated financial statements is the historical costs concept, except for certain accounts which have been prepared on the basis of other measurements as described in their respective policies. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
And for the Years Ended December 31, 2015 and 2014
(In Full Rupiah, Unless Otherwise Stated)

The consolidated statements of cash flows are prepared using the direct method by classifying cash flows into operating, investing and financing activities.

The presentation currency used in the preparation of the consolidated financial statements is Indonesian Rupiah which is the functional currency of the Group. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

2.c. New and Revised Statements and Interpretation of Financial Accounting Standards Effective in the Current Year

The following are new standards, amendments of standards and interpretation of standard issued by DSAK - IAI and effectively applied for the period starting on or after January 1, 2015, as follows:

- PSAK No. 1 (Revised 2013) "Presentation of Financial Statements"
- PSAK No. 4 (Revised 2013) "Separate Financial Statements"
- PSAK No. 15 (Revised 2013) "Investments in Associates and Joint Ventures"
- PSAK No. 24 (Revised 2013) "Employee Benefits"
- PSAK No. 46 (Revised 2013) "Income Taxes"
- PSAK No. 48 (Revised 2014) "Impairment of Assets"
- PSAK No. 50 (Revised 2014) "Financial Instruments: Presentation"
- PSAK No. 55 (Revised 2014) "Financial Instruments: Recognition and Measurement"
- PSAK No. 60 (Revised 2014) "Financial Instruments: Disclosures"
- PSAK No. 65 "Consolidated Financial Statements"
- PSAK No. 66 "Joint Arrangements"
- PSAK No. 67 "Disclosure of Interests in Other Entities"
- PSAK No.68 "Fair Value Measurement"
- ISAK No. 26 "Reassessment of Embedded Derivatives"

The following is the impact of the amendments in accounting standards that are relevant and significant to the consolidated financial statements of the Group:

- PSAK No. 1 (Revised 2013) "Presentation of Financial Statements"
PSAK No. 1 (Revised 2013) has introduce changes in the format and revision of the title of the report. The significant impact of changes of this accounting standard to the Group, among others, are:
 - a. Change of report title which previously named "Statement of Comprehensive Income" become "Statement of Profit or Loss and Other Comprehensive Income";
 - b. Requirement for the presentation of other comprehensive income are grouped into (a). items that will not be reclassified to profit or loss; and (b). items that will be reclassified to profit or loss.

This standard is applied retrospectively and certain comparative information have been restated, accordingly.

- PSAK No. 4 (Revised 2013) "Separate Financial Statements"
PSAK No. 4 (Revised 2009) "Consolidated and Separate Financial Statements" has been revised and re-titled into PSAK No. 4 (Revised 2013) "Separate Financial Statements" which became a standard only deals with requirement for separate financial statements. The existing guidance for separate financial statements remains unchanged.
- PSAK No. 15 (Revised 2013) "Investments in Associates and Joint Ventures"
PSAK No. 15 (Revised 2009) "Investments in Associates" has been revised and re-titled into PSAK 15 (Revised 2013) "Investments in Associates and Joint Ventures". This standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

It defines "significant influence", provides guidance on how the equity method of accounting is to be applied and prescribes how investments in associates and joint ventures should be tested for impairment.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
And for the Years Ended December 31, 2015 and 2014
(In Full Rupiah, Unless Otherwise Stated)

The adoption of the revised standard had no material effect to the consolidated financial statements.

- PSAK No. 24 (Revised 2013) "Employee Benefits"
This PSAK amending several accounting provisions related to defined benefit plans. The key amendments include elimination of the "corridor approach", modification of accounting for termination benefits and improvement of the recognition, presentation and disclosure requirements for defined benefit plans.

Amended provisions that impacting the Group's consolidated financial statements are as follows:

- a. the recognition of actuarial gains (losses) through other comprehensive income;
- b. all past service cost is recognized as an expense at the earlier of the date when the amendment/curtailment occurs or the date when the entity recognizes related restructuring costs or termination benefits. Therefore the unvested past service cost is no longer be deferred and recognized over the vesting period.
- c. interest expense and returns on plan assets used in the previous PSAK No. 24 is replaced by the concept of net interest, which is calculated using a discount rate liabilities (assets) net defined benefit as determined at the beginning of each annual reporting period.

This amendments have been applied retrospectively (except for changes to the carrying value of assets that include employee benefit costs in the carrying amount) and the effect of the revised standard is presented in Note 38.

- PSAK No. 46 (Revised 2013) "Income Taxes"
This PSAK No. 46 (Revised 2013) emphasize on measurement of deferred tax on assets measured at fair value, assuming that the carrying amount of the assets will be recovered through sales. In addition, this standard also removes provision on final tax.
- PSAK No. 48 (Revised 2014) "Impairment of Assets"
Changes in PSAK No. 48 (Revised 2014), mainly to incorporate the changes in definition and requirements of fair value as governed in PSAK No. 68.

The adoption of the revised standard had no material effect to the consolidated financial statements.

- PSAK No. 50 (Revised 2014) "Financial Instrument: Presentation", PSAK No. 55 (Revised 2014) "Financial Instrument: Recognition and Measurement", and PSAK No. 60 (Revised 2014) "Financial Instrument: Disclosures"

The amendment of these PSAKs mainly related to the changes as an impact the issuance of PSAK No. 68 concerning fair value.

PSAK No. 50 (Revised 2014) removing arrangement of income tax related to dividend and will refer to PSAK No. 46. Furthermore, PSAK No. 50 (Revised 2014) provides more specific arrangement (application guidelines) related to the criteria for offsetting and net settlement of financial asset and financial liability.

The changes in PSAK No. 55 (Revised 2014) deals with measurement and reclassification of embedded derivative, arrangement of criteria and derecognition of hedging instrument, and arrangement of date of recording financial instrument.

PSAK No. 60 (Revised 2014) deals with additional disclosures relates to the fair value, offsetting financial asset and liability, and transfers of financial assets.

The Group had adopting these PSAKs and had completed the required disclosures requirements.

- PSAK No. 65 "Consolidated Financial Statements"
This standard replaces all of the guidance on control and consolidation in PSAK No. 4 (Revised 2009) and ISAK No.7. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the consolidation procedures.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013

And for the Years Ended December 31, 2015 and 2014

(In Full Rupiah, Unless Otherwise Stated)

PSAK 65 introduces a single consolidation model that identifies control as the basis for consolidation for all types of entities, where control is based on whether an investor has power over the investee, exposure / rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the returns.

The new standard also includes guidance on participating and protective rights and on agent -principal relationships.

The adoption of the PSAK No. 65 has no impact to the consolidated financial statements upon initial adoption, as its scope of consolidation remains unchanged.

- PSAK No. 67 “Disclosure of Interests in Other Entities”
PSAK No. 67 combines, enhances, and replaces the disclosure requirements for subsidiaries, joint arrangements, associates, and unconsolidated structured entities. This standard requires the Group to disclose information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on Group’s consolidated financial statements.

The application of this standard has resulted in more extensive disclosures in the Group’s consolidated financial statements.

- PSAK No. 68 “Fair Value Measurement”
PSAK No. 68 defines fair value, sets out a single framework for measuring fair value and requires disclosures about fair value measurements. PSAK No.68 applies when other SAKs require or permit fair value measurements.

The Group has completed the disclosures requirement as required under this standard.

2.d. Principles of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and subsidiaries as described in Note 1.c.

A subsidiary is an entity controlled by the Group, that is the Group exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its current ability to direct the entity’s relevant activities (power over the investee).

The existence and effect of substantive potential voting rights that the Group has the practical ability to exercise (ie substantive rights) are considered when assessing whether the Group controls another entity.

The Group’s financial statements incorporate the business results, cash flows, assets and liabilities of the Company and all of its directly and indirectly controlled subsidiaries. Subsidiaries are consolidated from the effective date of acquisition, which is the date on which the Group effectively obtains control of the acquired business, until that control ceases.

Parent company prepares consolidated financial statements applying uniform accounting policies for like transactions and other events in similar circumstances. All intragroup transactions, balances, income, expenses and cash flows are eliminated in full on consolidation.

The Group attributed the profit and loss and each component of other comprehensive income to the owners of the parent and non-controlling interest even though this results in the non-controlling interests having a deficit balance. The Group presents non-controlling interest in equity in the consolidated statement of financial position, separately from the equity owners of the parent.

Changes in the parent’s ownership interest in a subsidiary that do not result in loss of control are equity transactions (ie transactions with owners in their capacity as owners). When the proportion of equity held by non-controlling interest change, the Group adjusted the carrying amounts of the controlling interest

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
 And for the Years Ended December 31, 2015 and 2014
 (In Full Rupiah, Unless Otherwise Stated)

and non-controlling interest to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

If the Group loses control, the Group:

- (a) Derecognizes the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- (b) Derecognise the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them);
- (c) Recognize the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control;
- (d) Recognizes any investment retained in the former subsidiary at fair value at the date when control is lost;
- (e) Reclassify to profit or loss, or transfer directly to retained earnings if required by other SAKs, the amount recognized in other comprehensive income in relation to the subsidiary;
- (f) Recognizes any resulting difference as a gain or loss attributable to the parent.

2.e. Foreign Currency Transactions and Balances

In preparing financial statements, each of the entities within the Group record by using the currency of the primary economic environment in which the entity operates (“the functional currency”). The functional currency of the Company and most of the subsidiaries is Rupiah.

Transactions during the year in foreign currencies are recorded in Rupiah by applying to the foreign currency amount the spot exchange rate between Rupiah and the foreign currency at the date of transactions. At the end of reporting period, foreign currency monetary items are translated to Rupiah using the closing rate, ie middle rate of Bank of Indonesia at December 31, 2015 and 2014 as follows:

	2015 Rp	2014 Rp
1 United States Dollar (USD)	13,795	12,440
1 Euro (EUR)	15,069	15,133
1 Singapore Dollar (SGD)	9,751	9,422
1 Australian Dollar (AUD)	10,064	10,218

Gain or loss from foreign exchange difference arising from foreign currency transactions are referred in profit or loss.

2.f. Cash and Cash Equivalent

Cash and cash equivalents are cash on hand, cash in banks (demand deposits) and time deposits with maturity periods of three months or less at the time of placement that are not used as collateral or are not restricted.

2.g. Related Parties Transactions and Balances

A related party is a person or an entity that is related to the reporting entity:

- a. A person or a close member of that person’s family is related to a reporting entity if that person:
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b. An entity is related to the reporting entity if any of the following conditions applies:
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others;
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013

And for the Years Ended December 31, 2015 and 2014

(In Full Rupiah, Unless Otherwise Stated)

- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity, or an entity related to the reporting entity. If the reporting entity in itself such a plan, the sponsoring employers are also related to the reporting entity;
- (vi) The entity is controlled or jointly controlled by a person identified in (a); or
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or a parent of the entity).

All significant transactions and balances with related parties are disclosed in the relevant Notes.

2.h. Inventories

Inventories are carried at the lower of cost and net realizable value. The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The amount of any write-down of inventories to net realisable value and all losses of inventories shall be recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2.i. Prepaid Expenses

Prepaid expenses are amortized over the period benefitted using straight line method.

2.j. Property and Equipment

Fixed assets are initially recognized at cost, which comprises its purchase price and any cost directly attributable in bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

When applicable, the cost may also comprises the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

After initial recognition, fixed assets, except land, are carried at its cost less any accumulated depreciation, and any accumulated impairment losses.

Lands are recognised at its cost and are not depreciated.

Depreciation of fixed assets starts when its available for use and its computed by using straight-line method based on the estimated useful lives of assets as follows:

	<u>Years</u>
Building, Infrastructure and Renovations	4 - 20
Equipment and Medical Supplies	4 - 8
Furniture, Fixtures and Office Equipment	4 - 10
Vehicles	5

Self-constructed fixed assets are presented as part of the fixed assets under "Asset in Construction" and are stated at its cost. All costs, including borrowing costs, incurred in relation with the construction of these assets are capitalized as part of the cost of assets in construction. Cost of assets in construction shall exclude any internal profits, cost of abnormal amounts of wasted material, labour, or other resources incurred.

The accumulated costs will be transferred to the respective fixed assets items at the time the asset is completed or ready for use and are depreciated since the operation.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
And for the Years Ended December 31, 2015 and 2014
(In Full Rupiah, Unless Otherwise Stated)

The carrying amount of an item of fixed assets is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition (that determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item) is included in profit or loss when item is derecognized.

At the end of each reporting period, the Company made regular review of the useful lives, residual values, depreciation method and residual life based on the technical conditions.

2.k. Lease

The determination of whether a lease agreement or an agreement containing with a lease is a finance lease or an operating lease depends on the substance of transaction rather than the form of the contract at the inception date of lease.

A lease is classified as finance leases if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Group as Lessee

At the commencement of the lease term, Group recognizes finance leases as assets and liabilities in the statement of financial position at amounts equal to the fair value of leased asset or the present value of the minimum lease payments, if the present value is lower than fair value. Assessment is determined at the inception of the lease. The discount rate to be used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, if not, the lessee's incremental borrowing is used. Any initial direct costs of the lessee are added to the amount recognized as an asset. The depreciation policy for depreciable leased assets is consistent with the fixed assets that are owned.

Under an operating lease, Group recognizes the lease payments as an expense on a straight-line basis over the lease term.

Group as lessor

Group recognizes assets under a finance lease as a receivable in the statement of financial position at an amount equal to the net investment in the lease. Collection of lease receivable is treated as principal payments and finance income. The recognition of finance income is based on a pattern reflecting a constant periodic rate of return on Group's net investment in the finance lease as lessor.

Group presents assets subject to operating leases in the statement of financial position according to the nature of the asset. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized as an expense over the lease term on the same basis as the lease income. Contingent rents, if any, be recognized as income in the period incurred. Lease income from operating leases is recognized as revenue on a straight-line basis over the lease term.

Sale and Leaseback

Assets sold under a sale and leaseback transaction are accounted for as follows:

- If the sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount of the asset is deferred and amortized over the lease term.
- If the sale and leaseback transaction result in an operating lease and the transaction is established at fair value, any profit or loss is recognized immediately. If the sale price is below fair value, any profit or loss is recognized immediately except that, if the loss is compensated by future lease payments at below market price, it is deferred and amortized in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is deferred and amortized over the period for which the asset is expected to be used.

2.l. Impairment of Assets

At the end of each reporting period, the Group assess whether there is any indication that an asset may be impaired. If any such indication exists, the Group shall estimate the recoverable amount of the asset.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013

And for the Years Ended December 31, 2015 and 2014

(In Full Rupiah, Unless Otherwise Stated)

Recoverable amount is determined for an individual asset, if its is not possible, the Group determines the recoverable amount of the asset's cash-generating unit.

The recover amount of non-financial assets shall be estimated at the time of the events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized in the current year.

The recoverable amount is the higher of fair value less costs to sell and its value in use. Value in use is the present value of the estimated future cash flows of the asset or cash generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset or unit whose impairment is being measured.

If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount. The reduction is an impairment loss and is recognized immediately in profit or loss.

An impairment loss recognized in prior period for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset shall be increased to its recoverable amount. That increase is a reversal of an impairment loss.

2.m. Business Combination

Business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. Business combination is accounted for by applying the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to former owners of the acquiree, and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized as expenses in the periods in which the costs are incurred and the services are received.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value except for certain assets and liabilities that are measured in accordance with the relevant standards.

Component of non-controlling interests are measured either at fair value or at the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognized in profit or loss. When in prior periods, a changes in the value of its equity interest in the acquiree prior to the acquisition date had been recognized in other comprehensive income, that amount shall be recognized on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have resulted in the recognition of those assets and liabilities as of that date.

At acquisition date, goodwill is measured at its cost being the excess of (a) the aggregate of the consideration transferred and the amount of any non-controlling interest, over (b) the net of identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss as gain on bargain purchase after previously the management reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognize any additional assets or liabilities that are identified in that review.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
And for the Years Ended December 31, 2015 and 2014
(In Full Rupiah, Unless Otherwise Stated)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination, from the acquisition date, be allocated to each of the Group's Cash Generating Units that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those Cash Generating Units.

If goodwill has been allocated to Cash Generating Units and certain operations on the Cash Generating Units is disposed, the goodwill associated with the operation disposed is included in the carrying amount of the operation when determining the gain or losses on disposal. Disposed goodwill is measured on the basis of relative values of the operation disposed of and the portion of the Cash Generating Units retained.

2.n. Intangible Assets

Intangible asset is measured on initial recognition at cost. After initial recognition, intangible asset is carried at cost less any accumulated amortization and any accumulated impairment loss. The useful life of intangible asset is assessed to be either limited or unlimited.

Intangible asset with limited useful life

Intangible asset with finite life is amortized over the economic useful life by using a straight-line method. (or other method as it reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity).

Amortisation is calculated so as to write off the cost of the asset, less its estimated residual value, over its useful economic life as follows:

Licences	5 years straight line
Development costs	5 years straight line

The amortization period and the amortization method for an intangible asset with a limited useful life are reviewed at least at each financial year-end.

Goodwill

Goodwill arising in a business combination is initially measured at its cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

2.o. Employee Benefits

Short-term employee benefits

Short-term employee benefits are recognized when an employee has rendered service during accounting period, at the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service.

Short term employee benefits include such as wages, salaries, bonus and incentive.

Post-employment Benefits

Post-employment benefits such as retirement, severance and service payments are calculated based on Labor Law No. 13/2003 ("Law 13/2003").

The Group recognizes the amount of the net defined benefit liability at the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets which calculated by independent actuaries using the Projected Unit Credit method. Present value benefit obligation determine by discounting the benefit.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
And for the Years Ended December 31, 2015 and 2014
(In Full Rupiah, Unless Otherwise Stated)

The Group account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices.

Current service cost, past service cost and gain or loss on settlement, and net interests on the net defined benefit liability (asset) are recognized in profit and loss.

The remeasurement of the net defined benefit liability (assets) comprises actuarial gains and losses, the return on plan assets, and any change in effect of the asset ceiling are recognized in other comprehensive income.

Termination Benefits

The Group recognizes a liability and expense for termination benefits at the earlier of the following dates:

- a. When the Group can no longer withdraw the offer of those benefits; and
- b. When the Group recognizes costs for a restructuring that is within the scope of PSAK No. 57 and involves payment of termination benefits.

The Group measures termination benefits on initial recognition, and measures and recognizes subsequent changes, in accordance with the nature of the employee benefits.

2.p. Business Combination of Entities Under Common Control

Business combination of entities under common control transactions, such as transfers of business conducted within the framework of the reorganization of the entities that are in the same group is not a change of ownership in terms of economic substance, so that the transaction can not result in a gain or loss for the Group as a whole or the individual entity within the Group.

Due to business combination transactions of entities under common control does not lead to change in economic substance of ownership on the exchanged asset, liability, shares or other ownership instrument, then the transferred asset or liability (in its legal form) is recorded at its carrying amount as well as a business combination under the pooling of interest method.

An entity that receives the business, in a business combination of entities under common control, recognizes the difference between the amount of the consideration transferred and the carrying amount of each transaction is a business combination of entities under common control in equity under additional paid in capital.

2.q. Revenue and Expense Recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and Value Added Tax (VAT).

The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Sales of goods are recognized upon the transfer of ownership of the goods to the customer, either upon delivery of the goods, or in the case of goods stored in the Group's warehouse at the request of the customer, when issued invoices.

Rendering of services

Revenue is recognized when the service is rendered by reference to the stage of completion of transaction.

Hospital revenue is recognized when medical services are rendered or when medical supplies are delivered to patients.

Expenses are recognized as incurred on an accruals basis.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
And for the Years Ended December 31, 2015 and 2014
(In Full Rupiah, Unless Otherwise Stated)

2.r. Income Tax

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax. Current tax and deferred tax is recognized in profit or loss, except for income tax arising from transactions or events that are recognized in other comprehensive income or directly in equity. In this case, the tax is recognized in other comprehensive income or equity, respectively.

Current tax for current and prior periods shall, to the extent unpaid, be recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognised as an asset. Current tax liabilities (assets) for the current and prior periods shall be measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax benefits relating to tax loss that can be carried back to recover current tax of a previous periods is recognized as an asset. Deferred tax asset is recognized for the carryforward of unused tax losses and unused tax credit to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- a) the initial recognition of goodwill; or
- b) the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset shall be recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and deferred tax assets shall reflect the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The carrying amount of a deferred tax asset reviewed at the end of each reporting period. The Group shall reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

The Group offset deferred tax assets and deferred tax liabilities if, and only if:

- a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - i. the same taxable entity; or
 - ii. different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
And for the Years Ended December 31, 2015 and 2014
(In Full Rupiah, Unless Otherwise Stated)

The Group offset current tax assets and current tax liabilities if, and only if, the Group:

- a) has legally enforceable right to set off the recognized amounts, and
- b) intends either to settle on a net basis, or to realize the assets and settle liabilities simultaneously.

2.s. Financial Instrument

Initial Recognition and Measurement

The Group recognize a financial assets or a financial liabilities in the consolidated statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument. At initial recognition, the Group measure all financial assets and financial liabilities at its fair value. In the case of a financial asset or financial liability not at fair value through profit or loss, fair value plus or minus with the transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs incurred on acquisition of a financial asset and issue of a financial liability classified at fair value through profit or loss are expensed immediately.

Subsequent Measurement of Financial Assets

Subsequent measurement of financial assets depends on their classification on initial recognition. The Group classifies financial assets in one of the following four categories:

(i) Financial Assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets at FVTPL are financial assets held for trading or upon initial recognition it is designated as at fair value through profit or loss. Financial asset classified as held for trading if it is acquired or incurred principally for the purpose of selling and repurchasing it in the near term, or it is a part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking, or it is a derivative, except for a derivative that is a designated and effective hedging instrument.

After initial recognition, financial assets at FVTPL are measured at its fair value. Gains or losses arising from a change in the fair value of financial assets are recognized in profit or loss.

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determined payments that are not quoted in an active market, other than:

- (a) those that intends to sell immediately or in the near term and upon initial recognition designated as at fair value through profit or loss;
- (b) those that upon initial recognition designated as available for sale; or
- (c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

After initial recognition, loans and receivable are measured at amortized cost using the effective interest method.

(iii) Held to Maturity (HTM) Financial Assets

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

After initial recognition, HTM investments are measured at amortized cost using the effective interest method.

(iv) Available-for-Sale (AFS) Financial Assets

AFS financial assets are non-derivative financial assets that are designated as available for sale on initial recognition or are not classified as (a) loans and receivable, (b) held-to-maturity investment, or (c) financial assets at fair value through profit or loss.

After initial recognition, AFS financial assets are measured at its fair value. Gains or losses arising from a change in the fair value is recognized on other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial assets is derecognized. At that time, the cumulative gains losses previously recognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
And for the Years Ended December 31, 2015 and 2014
(In Full Rupiah, Unless Otherwise Stated)

Investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

Subsequent Measurement of Financial Liabilities

Subsequent measurement of financial liabilities depends on their classification on initial recognition. The Group classifies financial liabilities into one of the following categories:

- i. **Financial Liabilities at Fair Value Through Profit or Loss (FVTPL)**
Financial liabilities at FVTPL are financial liabilities held for trading or upon initial recognition it is designated as at fair value through profit or loss. Financial liabilities classified as held for trading if it is acquired or incurred principally for the purpose of selling and repurchasing it in the near term, or it is a part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking, or it is a derivative, except for a derivative that is a designated and effective hedging instrument.

After initial recognition, financial liabilities at FVTPL are measured at its fair value. Gains or losses arising from a change in the fair value are recognized in profit or loss.

- ii. **Other Financial Liabilities**
Financial liabilities that are not classified as financial liabilities at FVTPL are grouped in this category and are measured at amortized cost using the effective interest method.

Derecognition of Financial Assets and Liabilities

The Group derecognize a financial asset when, and only when the contractual rights to the cash flows from the financial asset expire or the Group transfer the contractual rights to receive the cash flows of the financial asset or retains the contractual rights to receive the cash flows but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement. If the Group transfers substantially all the risks and rewards of ownership of the financial asset, the Group derecognize the financial asset and recognize separately as asset or liabilities any rights and obligation created or retained in the transfer. If the Group neither transfer nor retains substantially all the risks and rewards of ownership of the financial asset and has retained control, the Group continue to recognize the financial asset to the extent of its continuing involvement in the financial asset. If the Group retains substantially all the risks and rewards of ownership of the financial asset, the Group continue to recognize the financial asset.

The Group remove a financial liability from its statement of financial position when, and only when, it is extinguished, ie when the obligation specified in the contract is discharged or cancelled or expires.

Impairment of Financial Assets

At the end of each reporting period, the Group assess whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment lossess are incurred, if and only if, there is objective evidence of impairment as a result of one or more events that occured after the initial recognition of the asset (loss event), and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The following are objective evidence that a financial asset or group of financial assets is impaired:

- (a) Significant financial difficulty of the issuer or obligor;
- (b) A breach of contract, such as default or delinquency in interest or principal payments;
- (c) It becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- (d) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition, such as adverse changes in the payment status of borrowers or economic condition that correlate with defaults.

For investment in equity instrument, a significant and prolonged decline in the fair value of the equity instrument below its cost is an objective evidence of impairment.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
And for the Years Ended December 31, 2015 and 2014
(In Full Rupiah, Unless Otherwise Stated)

If there is objective evidence that an impairment loss has been incurred on loans and receivable or held-to-maturity investments carried at amortized cost, the amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate and recognized in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognized in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment even though the financial assets has not been derecognized. The amount of the cumulative loss that is reclassified are the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.

The Effective Interest Method

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discount estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimate cash flows considering all contractual terms of the financial instrument, for example, prepayment, call and similar option, but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Reclassification

The Group shall not reclassify a derivative out of the fair value through profit or loss category while it is held or issued and not reclassify any financial instrument out of the fair value through profit or loss category if upon initial recognition it was designated by the Group as at fair value through profit or loss. The Group may reclassify that financial asset out of the fair value through profit or loss category if a financial asset is no longer held for the purpose of selling or repurchasing it in the near term. The Group shall not reclassify any financial instrument into the fair value through profit or loss category after initial recognition.

If, as a result of a change in Group's intention or ability, it is no longer appropriate to classify an investment as held to maturity, it shall be reclassified as available for sale and remeasured at fair value. Whenever sales or reclassification of more than an insignificant amount of held-to-maturity investments, any remaining held-to-maturity investments shall be reclassified as available for sale, other than sales or reclassification that are so close to maturity or the financial asset's call date, occur after all the financial asset's original principal has been collected substantially through scheduled payments or prepayments, or are attributable to an isolated event that is beyond control, non-recurring, and could not have been reasonably anticipated.

Offsetting a Financial Asset and a Financial Liability

A financial asset and financial liability shall be offset when and only when, the Group currently has a legally enforceable right to set off the recognized amount; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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 market participants at the measurement date.

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
And for the Years Ended December 31, 2015 and 2014
(In Full Rupiah, Unless Otherwise Stated)

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date (Level 1)
- (ii) Inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly (Level 2)
- (iii) Unobservable inputs for the assets or liabilities (Level 3)

When measuring the fair value of an asset or a liability, the Group uses market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, the Group uses valuation techniques that appropriate in the circumstances and maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

Transfers between levels of the fair value hierarchy are recognised by the Group at the end of the reporting period during which the change occurred.

2.t. Earnings Per Share

Basic earnings per share is computed by dividing the profit or loss attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the Group shall adjust profit or loss attributable to ordinary equity holders of the parent entity, and the weighted average number of shares outstanding, for the effect of all dilutive potential ordinary shares.

2.u. Operating Segments

Group presented operating segments based on the financial information used by the chief operating decision maker in assessing the performance of segments and in the allocation of resources. The segments are based on the activities of each of the operating legal entities within the Group.

An operating segment is a component of the entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to the transactions with other components of the same entity);
- whose operating results are regularly reviewed by chief operating decision maker to make decisions about resources to be allocated to the segment and assesses its performance; and
- for which separate financial information is available.

2.v. Significant Accounting Estimation and Justification

The preparation of the consolidated financial statements in accordance with the Indonesian Financial Accounting Standards requires the management to make assumptions and estimates that could affect the carrying amounts of certain assets and liabilities at end of reporting year.

In the preparation of these consolidated financial statements, accounting assumptions have been made in the process of applying accounting policies that may affect the carrying amounts of assets and liabilities in the consolidated financial statements. In addition, there are accounting assumptions about the sources of estimation uncertainty at end of reporting period that could materially affect the carrying amounts of assets and liabilities in the subsequent reporting year.

The management periodically reviews them to ensure that the assumptions and estimates have been made based on all relevant information available on the date in which the consolidated financial statements have been prepared. Because there is inherent uncertainty in making estimates, the value of assets and liabilities to be reported in the future might differ from those estimates.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013

And for the Years Ended December 31, 2015 and 2014

(In Full Rupiah, Unless Otherwise Stated)

i. Significant Accounting Estimations and Justification

At the reporting date, the management has made significant assumptions and estimates which have the most significant impact to the carrying amount recognized in the consolidated financial statements are as follows:

Allowance for Impairment of Accounts Receivable

In general, the management analyzes the adequacy of the allowance for impairment based on several data, which include analyzing historical bad debts, the concentration of each customer's trade receivables, credit worthiness and changes in a given period of repayment. The analysis is carried out individually on a significant amount of accounts receivable, while the insignificant group of trade receivables is carried on the collective basis. At the reporting date, the carrying amount of trade receivables has been reflected at fair value and the carrying value may change materially in the subsequent reporting period. The change, however, will not be attributable to the assumptions and estimates made as of this reporting date (see Note 4).

Deferred Tax Assets Estimation

Recognition of deferred tax assets is performed only if it is probable that the asset will be recovered in the form of economic benefits to be received in future periods, in which the temporary differences and tax losses can still be used. Management also considers the future estimated taxable income and strategic tax planning in order to evaluate its deferred tax assets in accordance with applicable tax laws and its updates. As a result, related to its inherent nature, it is likely that the calculation of deferred taxes is related to a complex pattern where assessment requires a judgment and is not expected to provide an accurate calculation. Estimated Deferred tax disclose to the Note 7.d.

Estimated Useful Lives of Property and Equipment

Management makes a periodic review of the useful lives of property and equipment based on several factors such as physical and technical conditions and development of medical equipment technology in the future. The results of future operations will be materially influenced by the change in estimate as caused by changes in the factors mentioned above. Changes in estimated useful life of property and equipment, if any, are prospectively treated in accordance with PSAK No. 25 (Revised 2010), "Accounting Policies, Changes in Accounting Estimates and Errors". Carrying value of property and equipment disclose to the Note 12.

Post-employment Benefits

The present value of post-employment benefits obligation depends on several factors that are determined on an actuarial basis based on several assumptions. Assumptions used to determine the cost (income) include the discount rate. Changes in these assumptions will affect the carrying amount of post-employment benefits.

The Group determines the appropriate discount rate at the end of the reporting period by the interest rate used to determine the present value of future cash outflows expected to settle an estimated obligation. In determining the appropriate level of interest rates, the Group considers the interest rate of government bonds denominated in Rupiah that have a similar period to the corresponding period of the obligation.

Another key assumption is partly determined by current market conditions during the period in which the post-employment benefits is resolved. Changes in the employee benefits assumption will impact recognition of actuarial gains or losses at the end of the reporting period. Information about assumption and balance of liability and post employment benefits expense disclose to the Note 19.

Fair Value of Financial Instruments

When the fair value of financial assets and liabilities recorded in the consolidated statements of financial position is not available in an active market, it is determined using valuation techniques including the use of mathematical models. Input for this model is derived from observable market data through the data available. When observable market data is not available, management judgment is required to determine the fair value. Such considerations include liquidity and volatility feedback model for derivative transactions and long-term discount rates, prepayments, and default rate assumptions. Fair value of financial instruments disclose to the Note 32.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
 And for the Years Ended December 31, 2015 and 2014
 (In Full Rupiah, Unless Otherwise Stated)

ii. Significant Consideration in the Determination of Accounting Policies

The following considerations made by management in the application of accounting policies that have significant effect on the amount presented in the financial statements:

Revenue Recognition – Doctors Fee

Policy and billing system to the patient is an integral of over all charges consist of consulting with the doctors, use of drugs and other medical procedures. Above the cost of consulting a doctor, the Hospital perform specific calculations for each doctor, make payments net of withholding tax to the doctor, although a bill to the patient is not fully collected. Management of the Group considered that there was no agency relationship between the hospital and its doctors, with consideration to the impact of the significant benefits and risks related to the provision of medical services by the doctors to patients. Bills for medical services are recognized as revenue when the recognition criteria are met.

3. Cash and Cash Equivalents

	2015 Rp	2014 Rp
Cash on Hand	6,593,009,400	4,686,173,378
Cash in Banks		
Related Party (Note 10)		
<u>Rupiah</u>		
PT Bank Nationalnobu Tbk	39,888,659,387	28,610,235,853
<u>Foreign Currencies</u>		
PT Bank Nationalnobu Tbk	6,897,500	--
Third Parties		
<u>Rupiah</u>		
PT Bank Negara Indonesia (Persero) Tbk	25,715,545,210	64,786,797,252
PT Bank CIMB Niaga Tbk	19,697,298,211	23,952,651,436
PT Bank Central Asia Tbk	12,395,526,958	26,979,098,279
PT Bank Mandiri (Persero) Tbk	9,642,752,315	16,847,350,898
PT Bank Mayapada International Tbk	4,005,777,071	--
PT Bank Pembangunan Daerah Sulawesi Selatan dan Sulawesi Barat	1,590,923,946	--
PT Bank Rakyat Indonesia (Persero) Tbk	740,806,745	3,125,898,534
Others (below Rp1 billion each)	983,285,002	1,505,945,728
<u>Foreign Currencies</u>		
<u>SGD</u>		
PT Bank Maybank Indonesia Tbk (formerly PT Bank International Indonesia Tbk)	3,171,995,413	3,060,587,810
PT Bank CIMB Niaga Tbk	523,005,173	36,742,787,678
<u>USD</u>		
PT Bank ANZ Indonesia	5,690,910,669	9,572,022,812
PT Bank Negara Indonesia (Persero) Tbk	3,153,091,938	1,594,322,497
Others (below Rp1 billion each)	564,475,260	438,730,064
<u>EURO</u>		
PT Bank ANZ Indonesia	2,785,627,924	2,679,901,063
Others (below Rp1 billion each)	162,398,105	1,769,016,147
<u>AUD</u>		
PT Bank ANZ Indonesia	3,586,077,645	4,086,002,246
Subtotal	134,305,054,472	225,751,348,297

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
 And for the Years Ended December 31, 2015 and 2014
 (In Full Rupiah, Unless Otherwise Stated)

	2015 Rp	2014 Rp
Time Deposits - Third Parties		
<u>Rupiah</u>		
PT Bank CIMB Niaga Tbk	18,900,000,000	43,570,717,986
PT Bank Mandiri (Persero) Tbk	--	5,900,530,387
PT Bank Negara Indonesia (Persero) Tbk	50,000,000	50,000,000
Subtotal	<u>18,950,000,000</u>	<u>49,521,248,373</u>
Total	<u>159,848,063,872</u>	<u>279,958,770,048</u>
	2015	2014
<u>Rupiah</u>		
Annual Contractual Interest Rates	4% - 10%	4% - 10%
Maturity Period	30 Days	30 Days

There are no cash and cash equivalent pledged as collateral and restricted.

4. Trade Receivables

	2015 Rp	2014 Rp
Related Parties (see Note 10)	10,130,038,169	3,549,747,601
Third Parties		
Enterprise	548,109,822,856	362,159,592,394
Individual	27,371,483,237	21,979,027,324
Credit Card	13,881,033,821	12,149,167,644
Others (below Rp500 million each)	6,770,088,324	7,363,001,809
Subtotal	<u>596,132,428,238</u>	<u>403,650,789,171</u>
Less: Allowance for Impairment losses	<u>(31,035,589,486)</u>	<u>(14,554,118,385)</u>
Trade Receivables - Third Parties - Net	<u>565,096,838,752</u>	<u>389,096,670,786</u>
Total - Net	<u>575,226,876,921</u>	<u>392,646,418,387</u>

The movements in allowance for impairment losses are as follows:

	2015 Rp	2014 Rp
Third Parties		
Beginning Balance	14,554,118,385	8,734,468,948
Addition	16,481,471,101	6,275,399,274
Reversal	--	(455,749,837)
Ending Balance	<u>31,035,589,486</u>	<u>14,554,118,385</u>

All trade receivables are denominated in Rupiah.

Trade receivables of PT Golden First Atlanta, a subsidiary, are pledged as collateral for loans obtained from PT Bank Central Asia Tbk (Note 17).

Based on management's evaluation of trade receivables with individual basis at the end of the reporting year, certain trade receivables are impaired. The management has reserves for impairment losses based on the Group's accounting policies. Expense (recovery) loss reserve accounts are recorded in the statement of profit or loss and other comprehensive income in the consolidated as part of other expense-net.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
 And for the Years Ended December 31, 2015 and 2014
 (In Full Rupiah, Unless Otherwise Stated)

Management believes that the allowance was made because the receivables cannot be collected and is adequate to cover possible losses from uncollectible accounts.

5. Other Current Financial Assets

	2015	2014
	Rp	Rp
<u>Other Current Financial Assets - Third Parties</u>		
Rental Receivables	4,695,871,306	4,620,197,836
Others (below Rp1 million each)	1,761,695,863	4,814,928,806
Total	6,457,567,169	9,435,126,642

Rental receivables represent receivables from retail tenants of the leased area in the hospital building.

As of December 31, 2015 and 2014, Group did not provide allowance for impairment losses on the receivables because management believes that all receivables are collectible.

6. Inventories

	2015	2014
	Rp	Rp
Medicine	79,049,191,983	55,372,035,426
Medical Supplies	50,709,325,168	45,608,886,699
Others	10,675,675,906	4,876,961,839
Total	140,434,193,057	105,857,883,964

The Group's inventory have been insured against all forms of risk by PT Lippo General Insurance Tbk, a related party, amounting to Rp104,419,551,042 and Rp144,482,221,851 as of December 31, 2015 and 2014, respectively. The management believes that insurance coverage is adequate to cover possible losses of the insured assets.

The medicine and consumable goods of PT Golden First Atlanta, a subsidiary, are pledged as collateral for loans obtained from PT Bank Central Asia Tbk (Note 17).

The amount of inventories charged to cost of sales for the years ended December 31, 2015 and 2014 amounted to Rp909,201,728,189 and Rp785,636,868,503, respectively (Note 26).

The management believes that there is no indication of impairment of inventory as of December 31, 2015.

7. Taxes

a. Prepaid Tax

This account represent prepaid income tax article 28A amounting to Rp6,991,423,747 for fiscal year 2014.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
 And for the Years Ended December 31, 2015 and 2014
 (In Full Rupiah, Unless Otherwise Stated)

b. Taxes Payable

	2015 Rp	2014 Rp
Income Tax		
Article 4 (2)	1,556,195,058	1,125,399,126
Article 21	14,175,433,047	15,285,439,574
Article 23	1,109,328,646	360,508,411
Pasal 25	3,636,219,800	2,020,164,583
Article 26	--	1,179,920
Article 29		
The Company	138,172,253	--
Subsidiaries	8,181,436,344	13,901,085,091
Value Added Tax	762,603,672	436,917,072
Total	29,559,388,820	33,130,693,777

On February 4, 2015, PT Medika Sarana Traliansia (MST), a subsidiary, received the result of tax inspection for income tax article 21, 25, 23, 26 and 4 (2) for the year 2012 and Value added tax for the year 2012 through Underpayment of Tax Assessment Letters (SKPKB) amounting to Rp4,655,558,034. SKPKB has been fully paid on February 11, 2015.

On December 3, 2015, PT Trisaka Reksa Waluya (TRW), a subsidiary, received the result of tax inspection for income tax article 21, 23 and 4 (2) for the year 2012 and Value added tax for the year 2012 and 2013 through Underpayment of Tax Assessment Letters (SKPKB) amounting to Rp1,864,805,775. SKPKB has been fully paid on December 29, 2015.

On December 13 and 17, 2015, the Company received the result of tax inspection for income tax article 21, 23, 26, 4 (2) and value added tax for the year 2011, 2012 and 2013 through Underpayment of Tax Assessment Letters (SKPKB) and STP article 29 amounting to Rp5.963.531.829. SKPKB has been fully paid on December 30, 2015.

c. Taxes Expense (Benefit)

	2015			2014		
	The Company Rp	Subsidiaries Rp	Consolidated Rp	The Company Rp	Subsidiaries Rp	Consolidated Rp
Current Tax Expense	32,320,617,800	18,943,082,476	51,263,700,276	17,219,496,560	20,834,211,417	38,053,707,977
Deferred Tax Expense (Benefit)	(8,164,857,604)	941,700,041	(7,223,157,563)	(92,464,033)	(1,069,485,357)	(1,161,949,390)
Consolidated Tax Expense (Benefit)-Net	24,155,760,196	19,884,782,517	44,040,542,713	17,127,032,527	19,764,726,060	36,891,758,587

*) Restated (Note 38)

Current Tax

The calculation of estimated current tax expense and corporate income tax payable of the Company are as follows:

	2015 Rp	2014 Rp
Profit Before Tax as Reported in the Consolidated Statements of profit or loss and other Comprehensive Income	105,746,619,241	105,876,315,418
Less: Profit Before Tax of Subsidiaries	(3,442,158,677)	(36,529,610,373)
Profit Before Tax of the Company	102,304,460,564	69,346,705,045
Timing Differences:		
Employee Benefits	14,200,294,836	14,083,715,752
Allowance for Impairment Losses	15,090,510,687	1,054,104,077
Depreciation and Amortization Charges	3,368,624,892	(15,507,675,962)
	32,659,430,415	(369,856,133)

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
And for the Years Ended December 31, 2015 and 2014
(In Full Rupiah, Unless Otherwise Stated)

	2015 Rp	2014 Rp
Permanent Differences:		
Deferred Charge	--	10,446,670,224
Salary and Allowances Employees	--	4,075,644,094
Entertainment and Donation	3,427,300,120	1,181,256,125
Tax Expenses	4,499,860,284	--
Income Already Subjected to Final Tax	(13,521,347,123)	(3,524,678,002)
Interest Income already Subjected to Final Tax	(2,196,758,555)	(12,222,955,246)
Others	2,109,525,511	(54,799,867)
	<u>(5,681,419,763)</u>	<u>(98,862,672)</u>
Estimated Taxable Income	<u>129,282,471,216</u>	<u>68,877,986,240</u>
Estimated Current Taxes - the Company	<u>32,320,617,800</u>	<u>17,219,496,560</u>
Less: Prepayments of Income Tax Article 25	<u>(32,182,445,547)</u>	<u>(24,210,920,307)</u>
Estimated Corporate Tax Payable (Prepaid tax)	<u>138,172,253</u>	<u>(6,991,423,747)</u>

Until the reporting date, the Company has not submitted the Annual Tax Return (SPT) for the year 2015 to the tax office. Taxable income, estimated current taxes and corporate tax payable for the year 2014 is consistent with the SPT submitted by the Company to the tax office for the year 2014.

A reconciliation between profit before tax expense as presented in the consolidated statements of comprehensive income with the total consolidated tax expense is as follows:

	2015 Rp	2014 Rp
Profit before Tax as Presented in the Consolidated		
Statements of profit or loss and other Comprehensive Income	105,746,619,241	105,876,315,418
Less: Profit before Tax of Subsidiaries	<u>(3,442,158,677)</u>	<u>(36,529,610,373)</u>
Profit before Tax of the Company	<u>102,304,460,564</u>	<u>69,346,705,045</u>
Current Prevailing Tax Rate 25%	25,576,115,141	17,336,676,261
Deferred Charge	--	2,611,667,556
Salary and Allowances Employees	--	1,018,911,024
Entertainment and Donation	856,825,030	295,314,031
Tax Expenses	1,124,965,067	--
Income Already Subjected to Final Tax	(3,380,336,781)	(881,169,501)
Interest Income already Subjected to Final Tax	(549,189,639)	(3,055,738,812)
Others	527,381,378	(13,699,967)
Total Tax Expenses of the Company	<u>24,155,760,196</u>	<u>17,127,032,527</u>
Current Tax Expenses - Subsidiaries	18,943,082,476	20,834,211,417
Deferred Tax Benefit - Subsidiaries	941,700,041	(529,775,406)
Deferred Tax Benefit on Increasing Fair Value of		
Property and Equipment of subsidiary acquisition	--	(539,709,951)
Total Consolidated Tax Expenses - Net	<u>44,040,542,713</u>	<u>36,891,758,587</u>

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
And for the Years Ended December 31, 2015 and 2014
(In Full Rupiah, Unless Otherwise Stated)

d. Deferred Tax

	December 31, 2014	Charged (Credited) to Profit or Loss	Charged (Credited) to Other Comprehensive Income	Deferred Tax Liabilities from the Acquired Company	December 31, 2015
	Rp	Rp	Rp	Rp	Rp
Deferred Tax Assets					
The Company					
Employee Benefits	21,637,429,426	3,550,073,709	(8,366,005,850)	--	16,821,497,285
Depreciation of Property and Equipment	(9,826,303,651)	842,156,223	--	--	(8,984,147,428)
Allowance for Impairment Losses	1,319,623,187	3,772,627,672	--	--	5,092,250,859
	13,130,748,962	8,164,857,604	(8,366,005,850)	--	12,929,600,716
Subsidiaries	7,258,179,167	2,583,883,287	223,760,260	--	10,065,822,714
Total Deferred Tax Assets	20,388,928,129	10,748,740,891	(8,142,245,590)	--	22,995,423,430
Deferred Tax Liability - Subsidiaries	(28,147,868,966)	(3,525,583,328)	--	--	(31,673,452,294)
	January 1, 2014/ December 31, 2013	Charged (Credited) to Profit or Loss	Charged (Credited) to Other Comprehensive Income	Deferred Tax Liabilities from the Acquired Company	December 31, 2014
	Rp	Rp	Rp	Rp	Rp
Deferred Tax Assets					
The Company					
Employee Benefits	15,357,678,387	3,520,928,938	2,758,822,101	--	21,637,429,426
Depreciation of Property and Equipment	(5,949,384,660)	(3,876,918,991)	--	--	(9,826,303,651)
Allowance for Impairment Losses	1,056,097,167	263,526,020	--	--	1,319,623,187
	10,464,390,894	(92,464,033)	2,758,822,101	--	13,130,748,962
Subsidiaries	5,426,146,561	461,190,535	1,370,842,071	--	7,258,179,167
Total Deferred Tax Assets	15,890,537,455	368,726,502	4,129,664,172	--	20,388,928,129
Deferred Tax Liability - Subsidiaries	(11,983,104,371)	(1,530,675,892)	--	(14,634,088,703)	(28,147,868,966)

Management believes that the deferred tax asset can be recovered through taxable income in the future.

8. Prepaid Expenses

	2015 Rp	2014 Rp
Rental	46,963,026,645	36,073,984,961
Scholarship	5,667,166,760	1,374,718,852
Software Maintenance	3,496,280,930	2,050,531,221
Advertising	3,335,289,237	3,543,804,853
Insurance	2,004,146,987	2,463,613,449
Others	5,668,815,505	401,094,539
Total	67,134,726,064	45,907,747,875

Prepaid rental mainly related to the lease of the land and building of Siloam Hospitals Lippo Cikarang from PT Graha Pilar Sejahtera and lease of Siloam Cinere Hospital to PT Anadi Sarana Tatahusada (see Note 35.a) and the lease of land PT Buana Utama Sejati, a subsidiary, to I Wayan Buana Partha and I Nyoman Ada.

Employee scholarship is a scholarship given to employees will be expensed along period of their education.

9. Advances

	2015 Rp	2014 Rp
Advances for Purchase of Property and Equipment	93,847,902,929	52,507,590,784
Rental Advances	28,249,998,964	--
Construction	18,951,138,268	17,892,758,610
Others	9,295,424,024	12,697,403,494
Total	150,344,464,185	83,097,752,888

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
 And for the Years Ended December 31, 2015 and 2014
 (In Full Rupiah, Unless Otherwise Stated)

Advances for purchase of property and equipment mainly represent the purchase of medical equipment for Siloam Hospitals Lippo Village, Siloam Kebon Jeruk, Rumah Sakit Umum Siloam, Siloam Palembang, Siloam Surabaya, Siloam TB Simatupang, Siloam MRCCC, Siloam Kupang and Siloam Hospital Medan.

Advances lease land for Siloam Medika Canggus and Seminyak, the rental of building to Siloam Medika Samarinda and Banjarmasin, lease of land and buildings for Siloam Medika Kairagi Manado.

Advances for construction represent downpayment to suppliers related to the hospitals renovation.

10. Transactions with Related Parties

In its normal business transactions, the Company conducts business transactions with related parties as follows:

	2015 Rp	2014 Rp	Percentage to Total Assets/Liabilities	
			2015 %	2014 %
Cash and Cash Equivalent				
PT Bank Nationalnubu Tbk	<u>39,895,556,887</u>	<u>28,610,235,853</u>	<u>1.34</u>	<u>1.01</u>
Trade Receivables				
PT Lippo General Insurance Tbk	4,378,335,377	504,165,422	0.15	0.02
PT Lippo Karawaci Tbk	876,923,485	346,711,685	0.03	0.01
Lain-lain	4,874,779,307	2,698,870,494	0.16	0.09
Total	<u>10,130,038,169</u>	<u>3,549,747,601</u>	<u>0.34</u>	<u>0.12</u>
Due from Related Parties Non-Trade				
Other (below Rp1 billion each)	<u>1,287,224,420</u>	<u>1,341,961,213</u>	<u>0.04</u>	<u>0.05</u>
	2015 Rp	2014 Rp	Percentage to Total Liabilities	
			2014 %	2013 %
Due to Related Parties Non-Trade				
PT Lippo Karawaci Tbk	351,114,788,403	412,988,106,981	28.17	34.81
PT Primakreasi Propertindo	2,018,000,000	2,018,000,000	0.16	0.17
Other (below Rp1 billion each)	1,612,868,789	807,561,568	0.13	0.07
Total	<u>354,745,657,192</u>	<u>415,813,668,549</u>	<u>28.46</u>	<u>35.05</u>
Accrued Expense				
PT Lippo Karawaci Tbk	<u>159,017,042,266</u>	<u>72,685,845,080</u>	<u>12.76</u>	<u>6.13</u>
	2015 Rp	2014 Rp	Percentage to Total Operating Expenses	
			2014 %	2013 %
Rent Expenses				
PT Lippo Karawaci Tbk	<u>67,606,041,058</u>	<u>34,834,048,969</u>	<u>7.00</u>	<u>4.51</u>
Interest Expenses				
PT Lippo Karawaci Tbk	<u>34,795,388,015</u>	<u>31,018,102,587</u>	<u>3.60</u>	<u>4.02</u>
Employee Benefit for Key Management				
Short-Term Post-Employment Benefits				
Directors and Board of Commissioners	<u>20,902,824,977</u>	<u>21,094,556,133</u>	<u>2.17</u>	<u>2.73</u>

On April 30, 2013, the Company entered into a loan agreement with PT Lippo Karawaci Tbk. This agreement was effective from the signing of the agreement and will expire immediately when the Company repays the loan. It does not bear interest if it fully paid by December 31, 2013. On December 31, 2015 and 2014, the bear interest is 7% - 7,5% per year based on prevailing interest rate on loans as agreed by both parties.

The entire balance of the related party transactions are transactions denominated in Rupiah.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
And for the Years Ended December 31, 2015 and 2014
(In Full Rupiah, Unless Otherwise Stated)

The relationship and nature of accounts/ transactions with related parties are as follows:

Related Parties	Relationship	Nature of Accounts/Transaction
PT Bank Nationalnobu Tbk	Under common control	Placement of current account
PT Lippo Karawaci Tbk	Ultimate parent entity	Non-interest bearing and without maturity date of loan, key management employee benefits and rental expense and accrual
PT Lippo General Insurance	Under common control	Trade Receivable
PT Primakreasi Propertindo	Under common control	Non-interest bearing and without maturity date of loan
Directors and Board of Comissioners	Key of Management	Employee Benefit

All related parties transactions are disclosed in the consolidated financial statements.

11. Other Non Current Financial Assets

	2015	2014
	Rp	Rp
Deferred Charges	--	11,108,902,947
Others	3,262,687,479	2,289,099,982
Total	3,262,687,479	13,398,002,929

Deferred charges represents expenses related to development of professional staff for operational planning of future hospitals.

12. Property and Equipment

	2015				Ending Balance
	Beginning Balance	Addition	Disposal	Reclassification	
	Rp	Rp	Rp	Rp	Rp
Acquisition Cost					
Direct Ownership					
Land	101,533,729,300	--	--	--	101,533,729,300
Building, Infrastructure and Renovations	384,128,542,270	28,988,415,972	--	18,494,185,768	431,611,144,010
Medical Equipment	1,550,568,223,668	103,534,842,911	5,506,416,776	96,623,523,056	1,745,220,172,859
Furniture, Fixtures and Office Equipment	383,028,078,681	59,259,719,523	268,055,707	15,036,195,236	457,055,937,733
Transportation Equipment and Vehicles	21,486,196,448	326,495,250	235,000,000	984,000,000	22,561,691,698
Total Direct Ownership	2,440,744,770,367	192,109,473,656	6,009,472,483	131,137,904,060	2,757,982,675,600
Construction In Progress	179,608,304,490	111,575,774,642	--	(131,137,904,060)	160,046,175,072
Total Acquisition Cost	2,620,353,074,857	303,685,248,298	6,009,472,483	--	2,918,028,850,672
Accumulated Depreciation					
Direct Ownership					
Building, Infrastructure and Renovations	81,736,152,676	30,104,397,345	--	--	111,840,550,021
Medical Equipment	699,687,050,331	231,562,150,511	2,785,724,122	--	928,463,476,720
Furniture, Fixtures and Office Equipment	237,459,152,064	71,639,710,680	268,055,707	--	308,830,807,037
Transportation Equipment and Vehicles	12,163,788,867	3,658,573,282	235,000,000	--	15,587,362,149
Total Accumulated Depreciation	1,031,046,143,938	336,964,831,819	3,288,779,829	--	1,364,722,195,928
Carrying Amount	1,589,306,930,919				1,553,306,654,744

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
 And for the Years Ended December 31, 2015 and 2014
 (In Full Rupiah, Unless Otherwise Stated)

	2014				
	Beginning Balance Rp	Addition Rp	Disposal Rp	Reclassification Rp	Ending Balance Rp
Acquisition Cost					
Direct Ownership					
Land	43,195,729,300	58,338,000,000	--	--	101,533,729,300
Building, Infrastructure and Renovations	291,719,048,205	68,032,606,754	--	24,376,887,311	384,128,542,270
Medical Equipment	1,358,780,589,835	166,317,721,765	1,072,435,349	26,542,347,417	1,550,568,223,668
Furniture, Fixtures and Office Equipment	311,337,811,186	64,063,749,879	989,017,775	8,615,535,391	383,028,078,681
Transportation Equipment and Vehicles	19,094,402,824	2,127,507,250	158,063,626	422,350,000	21,486,196,448
Total Direct Ownership	<u>2,024,127,581,350</u>	<u>358,879,585,648</u>	<u>2,219,516,750</u>	<u>59,957,120,119</u>	<u>2,440,744,770,367</u>
Construction In Progress	90,456,063,910	149,109,360,699	--	(59,957,120,119)	179,608,304,490
Total Acquisition Cost	<u>2,114,583,645,260</u>	<u>507,988,946,347</u>	<u>2,219,516,750</u>	<u>--</u>	<u>2,620,353,074,857</u>
Accumulated Depreciation					
Direct Ownership					
Building, Infrastructure and Renovations	52,915,955,840	28,820,196,836	--	--	81,736,152,676
Medical Equipment	516,513,232,971	184,081,252,705	907,435,345	--	699,687,050,331
Furniture, Fixtures and Office Equipment	133,735,387,829	104,691,145,630	967,381,395	--	237,459,152,064
Transportation Equipment and Vehicles	9,148,828,113	3,173,024,380	158,063,626	--	12,163,788,867
Total Accumulated Depreciation	<u>712,313,404,753</u>	<u>320,765,619,551</u>	<u>2,032,880,366</u>	<u>--</u>	<u>1,031,046,143,938</u>
Carrying Amount	<u>1,402,270,240,507</u>				<u>1,589,306,930,919</u>

In 2014, the addition of property and equipment, included property and equipment of the acquired company (see Notes 1.c and 29) with a total acquisition cost of Rp154,614,736,423 and accumulated depreciation of Rp53,643,975,818.

In 2015 and 2014, the addition of the Group's property and equipment, including non-cash transactions from the realization of advances for purchase of fixed assets of Rp27,416,500,706 and Rp26,847,346,117, respectively (Note 34).

Depreciation charges that were allocated in the consolidated statements of profit or loss and other comprehensive income are as follows:

	2015 Rp	2014 Rp
Cost of Sales (Note 26)	235,305,719,225	186,347,318,979
Operating Expenses (Note 27)	101,659,112,594	80,774,324,754
Total Depreciation Charges	<u>336,964,831,819</u>	<u>267,121,643,733</u>

The disposal of the Group's property and equipment are as follows:

	2015 Rp	2014 Rp
Acquisition Cost	6,009,472,483	2,219,516,750
Accumulated Depreciation	(3,288,779,829)	(2,032,880,366)
Carrying Value	<u>2,720,692,654</u>	<u>186,636,384</u>
Selling Price	85,000,000	515,630,303
Replacement Value of Insurance	2,967,663,048	--
Selling Price/ Replacement Value	<u>3,052,663,048</u>	<u>515,630,303</u>
Gain on Disposal of Property and Equipment	<u>331,970,394</u>	<u>328,993,919</u>

Land and building, infrastructure, machinery and tools and medical equipment of PT Balikpapan Damai Husada, a subsidiary, are pledged as collateral for loan obtained from Bank Pembangunan Daerah Kalimantan Timur (Note 17).

Land and building, vehicles, furniture, fixtures and office equipment and tools and medical equipment of PT Golden First Atlanta, a subsidiary, are pledged as collateral for loan obtained from PT Bank Central Asia Tbk (Note 17).

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
 And for the Years Ended December 31, 2015 and 2014
 (In Full Rupiah, Unless Otherwise Stated)

The Group's property and equipment are insured for fire and other risks with the total sum insured amounted to Rp1,407,559,441,393 and Rp1,451,471,100,425, respectively, as of December 31, 2015 and 2014 by PT Lippo General Insurance Tbk, a related party. Management believes that insurance coverages are adequate to cover possible losses of insured assets.

The management believes that there is no impairment in the carrying amount of property and equipment as of December 31, 2015.

13. Goodwill and Intangible Assets

a. Goodwill

	2015			
	Beginning Balance	Addition	Disposal	Ending Balance
	Rp	Rp	Rp	Rp
Acquisition Cost				
Goodwill	295,419,949,188	--	--	295,419,949,188
Accumulated Impairment				
Impairment of Goodwill	7,143,144,198	--	--	7,143,144,198
Carrying Amount	288,276,804,990			288,276,804,990
	2014*)			
	Beginning Balance	Addition	Disposal	Ending Balance
	Rp	Rp	Rp	Rp
Acquisition Cost				
Goodwill	187,934,504,894	107,485,444,294	--	295,419,949,188
Accumulated Impairment				
Impairment of Goodwill	7,143,144,198	--	--	7,143,144,198
Carrying Amount	180,791,360,696			288,276,804,990

*) Restated (Note 38)

The details of goodwill as of December 31, 2015 and 2014 are as follows:

Acquirer	Share Acquisition in	Year of Acquisition	Net Value	
			2015	2014
			Rp	Rp
PT Koridor Usaha Maju*)	PT Medika Sarana Traliansia	2013	132,006,537,817	132,006,537,817
	PT Trisaka Raksa Waluya	2010	75,119,377	75,119,377
PT Tunggal Pilar Perkasa	PT Rashal Sjar Cakra Medika	2014	101,776,732,211	101,776,732,211
PT Prawira Tata Semesta Perusahaan	PT Balikpapan Damai Husada	2011	27,480,578,103	27,480,578,103
	PT Prawira Tata Semesta	2011	14,146,465,217	14,146,465,217
PT Pancawarna Semesta	PT Diagram Healthcare Indonesia	2012	9,251,046,030	9,251,046,030
The Company	PT Guchi Kencana Emas	2011	3,540,326,235	3,540,326,235
Total			288,276,804,990	288,276,804,990

*) Restated (Note 38)

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
 And for the Years Ended December 31, 2015 and 2014
 (In Full Rupiah, Unless Otherwise Stated)

b. Intangible Assets

	2015			
	Beginning Balance	Addition	Disposal	Ending Balance
	Rp	Rp	Rp	Rp
Acquisition Cost				
Software	18,143,192,477	2,824,077,796	--	20,967,270,273
Accumulated Amortization				
Amortization of Software	--	--	--	10,263,232,245
	8,537,426,302	1,725,805,943	--	10,263,232,245
Carrying Amount	9,605,766,175			10,704,038,028
	2014			
	Beginning Balance	Addition	Disposal	Ending Balance
	Rp	Rp	Rp	Rp
Acquisition Cost				
Software	13,197,902,383	4,945,290,094	--	18,143,192,477
Accumulated Amortization				
Amortization of Software	5,864,970,500	2,672,455,802	--	8,537,426,302
Carrying Amount	7,332,931,883			9,605,766,175

All of amortization of software expense is recorded as part of other expenses.

14. Trade Payables – Third Parties

This account consist of as follows:

	2015 Rp	2014 Rp
<u>Rupiah</u>		
Suppliers	154,419,561,387	118,113,947,689
Professional Doctor Fee	100,294,181,694	74,649,048,117
Total	254,713,743,081	192,762,995,806

Payables to suppliers mainly represent Group's payables to distributors and manufacturers of drugs and medical supplies as follows:

	2015 Rp	2014 Rp
PT Anugerah Pharmindo Lestari	19,201,599,786	13,991,396,803
PT Enseval Putera Megatrading	15,235,001,945	14,193,276,989
PT Anugrah Argon Medica	14,077,936,078	11,367,395,848
PT Dos Ni Roha	6,972,805,875	6,195,152,808
PT Mensa Binasukses	6,216,683,871	3,234,466,804
PT Parit Padang Global	4,730,323,566	4,594,357,825
PT Tempo	3,620,649,032	3,132,176,757
PT Antar Mitra Sembada	3,617,547,383	2,610,098,338
PT Merapi Utama Pharma	3,293,249,311	2,830,532,051
PT Binasan Prima	2,806,143,208	2,226,111,702
PT Kebayoran Farma	1,953,207,237	1,791,012,686
PT Kimia Farma (Persero) Tbk	1,857,802,723	1,129,147,325

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
 And for the Years Ended December 31, 2015 and 2014
 (In Full Rupiah, Unless Otherwise Stated)

	2015 Rp	2014 Rp
PT Tawada Healthcare	1,445,060,155	1,476,515,793
PT Parazelsus Indonesia	1,355,487,311	3,057,567,235
PT Millenium Pharmacon International Tbk	1,268,998,346	596,429,223
PT Multidaya Medika	1,163,762,581	546,968,413
PT Modern International	1,136,022,089	533,930,382
PT Nugra Karsera	787,050,515	1,140,652,920
Others (Rp1billion each)	63,680,230,375	43,466,757,787
Total	154,419,561,387	118,113,947,689

There is no collateral given by the Group on these payables.

15. Other Current Financial Liabilities

This account consist of:

	2015 Rp	2014*) Rp
Deposits	37,124,128,083	18,791,131,269
Payable on Purchasing of shares of subsidiary	12,062,499,966	20,366,632,213
Yayasan Majelis Ta'lim Raudhotus Sholihin	--	11,932,609,260
Koperasi Rashal Perdana	--	3,419,260,227
Others (below Rp500 million each)	14,999,841,176	14,148,706,146
Total	64,186,469,225	68,658,339,115

*)Restated (Note 38)

Deposits represents receipt of payment that have not been invoiced by the Company.

Payable on purchase of shares of subsidiary represents loan of PT Rashal Siar Medical Chakra (RSCM) to the previous shareholders.

Payable to Yayasan Majelis Ta'lim Rhaudoli Sholihin represents loan of RSCM, subsidiary, related to social responsibility commitment of RSCM before acquisition date.

Payable on Koperasi Rashal Perdana represent payable to Koperasi RSCM related to purchasing of hospitality household.

16. Accrued Expenses

This account consist of:

	2015 Rp	2014 Rp
Rental (Note 35.b)	105,796,241,219	46,393,438,562
Interest Expenses	55,941,467,013	31,018,102,587
Cost of Sales	37,007,695,825	19,079,289,656
Contract Service	22,599,833,938	21,642,499,126
Water and Electricity	9,774,060,248	6,768,822,194
Employees' Salary and Allowances	8,594,319,658	13,829,314,230
Repair and Maintenance	4,144,727,985	2,742,245,247
Others	5,802,995,263	3,530,659,339
Total	249,661,341,149	145,004,370,941

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
 And for the Years Ended December 31, 2015 and 2014
 (In Full Rupiah, Unless Otherwise Stated)

17. Bank Loans

	2015 Rp	2014 Rp
Rupiah - Third Parties		
Short-Term Bank Loan		
PT Bank Central Asia Tbk	2,173,564,967	3,540,195,011
Short-Term Portion	2,173,564,967	3,540,195,011
Long-Term Bank Loans		
Bank Pembangunan Daerah Kalimantan Timur	24,041,220,753	29,993,214,251
PT Bank Central Asia Tbk	6,483,862,984	12,967,725,976
Subtotal	30,525,083,737	42,960,940,227
	(7,482,980,034)	(12,435,856,488)
Long-Term Portion	23,042,103,703	30,525,083,739

Bank Pembangunan Daerah Kalimantan Timur

Based on Credit Agreement No. 005/870/9200/KI.59/BPDKP/2008 dated February 25, 2008, PT Balikpapan Damai Husada (BDH), a subsidiary, obtained an investment credit facility (Non-PRK) with a maximum credit of Rp50,000,000,000 and which bears interest at an annual rate of 11.5%. This loan was used to increase investment funds for financing the development of hospitals and repaying the Company's loan obtained from PT Bank Mandiri Tbk. This loan will mature on February 25, 2019.

This facility is secured by collateral as follows:

- One (1) parcel of land with an area of 12,562 sqm including healthcare building and hospital with an area of 8,024 sqm with Right to Build (HGB) No. 2069 located at Jl. MT. Haryono RT. 35 Kelurahan Gang Bahagia, Balikpapan which is registered under the name of PT Balikpapan Damai Husada (Note 12).
- Supporting infrastructure, tools and machinery and medical equipment with the estimated value of Rp8,665,020,000 (Note 12).

There are no restrictive financial ratios which are required to be maintained by BDH.

Payments of the principal amount of the loan for the current year amounted to Rp5,951,993,498.

PT Bank Central Asia Tbk

Based on Deed of Credit Agreement No. 1 dated April 1, 2003 made in the presence of Yandes Effriady, S.H., a notary in Jambi, and the letter No. 0242/JAM/2010 dated February 3, 2010, as amended by Credit Agreement No. 54 dated July 19, 2010 in the presence of Hasan S. H., a notary in Jambi and the latest by Credit Agreement No. 0163-ADD-2015 dated July 30, 2016, PT Golden First Atlanta (GFA), a subsidiary, obtained several credit facilities as follows:

- Local Credit Facility (Current Account) with a maximum amount of Rp5,000,000,000.
- Investment Credit Facility with a maximum amount of Rp32,419,314,946.

Both facilities bear interest at an annual rate of 12,5% and will mature on May 5, 2016 and December 20, 2016, respectively.

Both facilities are secured by collaterals as follows:

- Three (3) parcels of land with an area of 7,132 sqm and building with Right to Build (HGB) Nos. 840, 841 and 842/Paal Merah which are registered under the name of GFA, a subsidiary (Note 12).
- Medical equipment, furniture, fixtures and office equipment, machinery and medical equipment, inventory of medicine and consumable goods and trade receivable (Notes 4, 6 and 12).

Based on the loan agreement, GFA needs to maintain maximum debt to equity ratio of 5.83 times. As of December 31, 2015 and 2014, GFA has complied with the financial ratio as required.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
 And for the Years Ended December 31, 2015 and 2014
 (In Full Rupiah, Unless Otherwise Stated)

Payments of the principal amount of the loan for the current year amounted to Rp7.850.493.036.

PT Bank Bukopin Tbk

Based on Deed of Credit Agreement Amandement Restructuring No. 2330/DKM/III/2011 dated March, 8 2011, and the approval statement of credit facility of PT Rashal Siar Cakra Medika (RSCM) No. 12344/DRPK/XII/2011 dated December 16, 2011, PT Bank Bukopin approved the restructuring of credit facility as the following:

- Investment Credit Facility with maximum limit amounted to Rp52,000,000,000, this loan used for the construction of ASRI Hospital
- Investment Credit Facility Interest During Construction (IDC) amounting to Rp11,925,657,410.
- Investment Credit Facility with maximum amount to Rp6,000,000,000, this loan used for purchasing of medical equipment.
- Working capital loan facility amounted to Rp5,000,000,000.

This loan facility bears an interest rate of 11% per annum with maturity date in December 2025.

On December 18, 2014, this loan facility paid amounted to Rp68,202,736,290.

18. Deferred Gain on Sale and Leaseback Transactions

	2015 Rp	2014 Rp
Acquisition Cost	51,954,383,673	51,954,383,673
Accumulated Depreciation	(16,444,307,342)	(16,444,307,342)
Carrying Value	35,510,076,331	35,510,076,331
Proceeds	219,921,683,217	219,921,683,217
Less: Gain Credited to Consolidated Statements of Profit or Loss and Other Comprehensive Income	(5,949,923,669)	(5,949,923,669)
Deferred Gain on Sale and Leaseback Transactions - Net	178,461,683,217	178,461,683,217
Less: Accumulated Amortization	(59,552,419,224)	(47,654,973,676)
Subtotal	118,909,263,993	130,806,709,541
Less: Current Portion	(11,897,445,548)	(11,897,445,548)
Non Current Portion	107,011,818,445	118,909,263,993

Deferred gain on sale and leaseback transactions are amortized proportionately over the lease period of 15 years using the straight-line method (see Note 35.a).

19. Long-Term Employment Benefits Liabilities

Post-employment benefits – No Funding Defined Benefit Plan

The Group appointed independent actuaries to determine and recognize post-employment liability in accordance with the existing manpower regulations. Post-employment benefit liabilities of the Group as of December 31, 2015 and 2014 was calculated by PT Mega Jasa Aktuaria with report dated February 18, 2016 and February 16, 2015, respectively. Management believes that the estimates of post-employment benefits are sufficient to cover such liabilities.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
 And for the Years Ended December 31, 2015 and 2014
 (In Full Rupiah, Unless Otherwise Stated)

The post-employment benefits liability in the statements of financial position are as follows:

	2015 Rp	2014 Rp
Present Value of Defined Benefit Obligation End of Year	100,057,230,423	110,642,588,110
Plan Assets	--	--
Total	100,057,230,423	110,642,588,110

The details of post-employment benefit expense recognized in the consolidated statements of profit or loss and other comprehensive income are as follows:

	2015 Rp	2014 Rp
Current Service Cost	17,600,976,041	20,104,955,534
Interest Expense	8,731,117,324	6,426,784,487
Total Post-employment Benefit Expense	26,332,093,365	26,531,740,021

Reconciliation of changes in liabilities recognized in the consolidated statements of financial position are as follows:

	2015 Rp	2014 Rp
Beginning Balance Liabilities	110,642,588,110	80,672,651,522
Payment of Employees' Benefits	(4,348,468,691)	(13,080,460,121)
Other Comprehensive Income Current Year	(32,568,982,362)	16,518,656,688
Post-employment Benefits Expense During the Year	26,332,093,365	26,531,740,021
Ending Balance Liabilities	100,057,230,423	110,642,588,110

Reconciliation of changes in present value of defined benefit obligation are as follows:

	2015 Rp	2014 Rp
Present Value of Defined Benefit Obligation	110,642,588,110	80,672,651,522
Current Service Cost	17,600,976,041	20,104,955,534
Interest Expense	8,731,117,324	6,426,784,487
Payment of Employees' Benefits	(4,348,468,691)	(13,080,460,121)
Present Value of Expected Liabilities End of Year	132,626,212,784	94,123,931,422
Actual Present Value of Liabilities End of Year	100,057,230,423	110,642,588,110
Actuarial Gain (Lose) Current Year	32,568,982,362	(16,518,656,688)

Movements in consolidated other comprehensive income are as follow:

	2015 Rp	2014 Rp
Beginning Balance	(22,706,158,497)	(5,533,177,809)
Beginning Accumulated of Actuarial Gain (Lose)	--	(654,324,000)
Other Comprehensive Income Current Year	32,568,982,362	(16,518,656,688)
Ending Balance	9,862,823,865	(22,706,158,497)

The defined benefit pension plan typically expose the Group to interest rate risk and salary risk.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
 And for the Years Ended December 31, 2015 and 2014
 (In Full Rupiah, Unless Otherwise Stated)

Interest Risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond rate. A decrease in the bond interest rate will increase the plan liability.

Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's ability.

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumption constant.

	<u>2015</u>	<u>2014</u>
Discount Rates	: 8%	8%
Salary Increase Projection Rate	: 8%	8%
Mortality Rate	: Indonesia – III	Indonesia – III
Permanent Disability Rate	: 10% x TMI – III	10% x TMI – III
Withdrawal Rate	: 1% for age 18 – 44, 0% for age 45 – 54	1% for age 18 – 44, 0% for age 45 – 54

Sensitivity analysis

1% increase in the assumed discount rate on December 31, 2015, will result in a decrease in employee benefits expense to Rp15,746,047,792 and a decrease in defined benefit obligation to Rp90,767,311,521.

A decrease of 1% in the discount rate assumed on December 31, 2015, will result in an increase in employee benefits expense to Rp19,847,157,455 and an increase in defined benefit obligation to Rp111,053,338,490.

20. Capital Stock

The composition of the Company stockholders as of December 31, 2015 and 2014 are as follows:

Stockholders	<u>2015</u>		
	<u>Total Shares</u>	<u>Percentage Ownership (%)</u>	<u>Issued and Fully Paid Rp</u>
PT Megapratama Karya Persada	699,000,000	60.46	69,900,000,000
PT Gloria Mulia	50,000,000	4.32	5,000,000,000
PT Nilam Biru Bersinar	44,100,000	3.81	4,410,000,000
PT Safira Prima Utama	24,700,000	2.14	2,470,000,000
PT Maharama Sakti	1,000,000	0.09	100,000,000
Public (less than 5% each)	337,300,000	29.18	33,730,000,000
Total	1,156,100,000	100.00	115,610,000,000

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
 And for the Years Ended December 31, 2015 and 2014
 (In Full Rupiah, Unless Otherwise Stated)

Stockholders	2014		
	Total Shares	Percentage Ownership (%)	Issued and Fully Paid Rp
PT Megapratama Karya Persada	699,000,000	60.46	69,900,000,000
PT Safira Prima Utama	100,000,000	8.65	10,000,000,000
PT Gloria Mulia	50,000,000	4.32	5,000,000,000
PT Nilam Biru Bersinar	44,100,000	3.81	4,410,000,000
PT Kalimaya Pundi Bumi	17,500,000	1.51	1,750,000,000
PT Maharama Sakti	1,000,000	0.09	100,000,000
Public (less than 5% each)	244,500,000	21.15	24,450,000,000
Total	1,156,100,000	100.00	115,610,000,000

Reconciliation of number of outstanding shares as of December 31, 2015 and December 31, 2014 is as follows:

Outstanding Shares	2015 Shares	2014 Shares
Number of Outstanding Shares - Beginning	1,156,100,000	1,156,100,000
Addition	--	--
Outstanding Shares - Ending	1,156,100,000	1,156,100,000

21. Additional Paid-in Capital - Net

Details of additional paid-in capital - net as of December 31, 2015 and 2014 are as follows:

	Rp
Addition Paid-in Capital Excess of Par - Net	1,312,722,950,000
Difference in Value Change in Equity Transactions of Subsidiaries Under Common Control - Net	(11,728,781,953)
Difference in Value of Restructuring Transaction between Entities Under Common Control - Net	(11,329,652,726)
Total	1,289,664,515,321

Additional Paid-in Capital Excess of Par

The details addition paid-in capital excess of par as of December 31, 2015 and 2014 is as follows:

	Rp
Initial Public Offering	
Additional Paid-in Capital Excess of Par	1,389,290,000,000
Share Issuance Costs	(76,567,050,000)
Total - Net	1,312,722,950,000

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
 And for the Years Ended December 31, 2015 and 2014
 (In Full Rupiah, Unless Otherwise Stated)

Difference in Value of Restructuring Transaction between Entities Under Common Control – Net
 Difference in value from restructuring transactions between entities under common control as of December 31, 2015 and 2014 are as follows:

	Net Assets Value	Transaction Value	Difference in Value from Restructuring Transaction between Entities Under Common Control
	Rp	Rp	Rp
Transfer of Net Assets Value of PT Lippo Karawaci Tbk Hospital Division	80,547,087,833	85,000,000,000	(4,452,912,167)
Transfer of Share Ownership			
PT Siloam Dinamika Perkasa	243,948,248	249,999,000	6,050,752
PT Siloam Tata Prima	243,948,248	249,999,000	6,050,752
PT Multiselaras Anugerah	(958,167,625)	599,999,000	(1,558,166,625)
PT Persada Kencana Mandiri	(1,427,431,797)	399,000,000	(1,826,431,797)
PT Aritasindo Permaistemesta	(3,491,744,641)	12,499,000	(3,504,243,641)
Total	75,157,640,266	86,511,496,000	(11,329,652,726)

Difference in value from restructuring transactions between entities under common control resulted from the transfer of net assets of Hospital Division from PT Lippo Karawaci Tbk to the Company and transfer of share ownership.

Difference in Value of Change in Equity Transactions of Subsidiaries

The change in equity transactions of subsidiaries as of December 31, 2015 and 2014 are as follows:

	Rp
PT Aritasindo Permaistemesta	5,398,081,672
PT Siloam Graha Utama	(18,602,651,139)
PT Nusa Medika Perkasa	1,475,787,514
Total	(11,728,781,953)

The change in equity transactions of subsidiaries resulted from the excess of acquisition costs over the net assets value.

22. Difference in Value from Non-Controlling Interest

On 2014, PT Tunggal Prima Perkasa (TPP) acquired 20% ownership of PT Medika Sarana Traliansia (MST) from Steer Clear Limited at the acquisition cost of Rp45,030,000,000. Difference between acquisition cost and acquired investment amounted to Rp25,748,354,393 recorded as Difference transaction with Non-Controlling Interest (Note 1c.)

23. Dividend and Reserve Fund

Based on Deed of Annual General Meeting of Shareholders No. 41 dated May 19, 2015 made in the presence of Nurlani Yusup, S.H., M.Kn., a Notary in Tangerang, the Company's Stockholders approved which one of them, the distribution of cash dividend of Rp6,011,720,000.

Based on the results of the General Meeting of Shareholders of the Company on April 23, 2014 by the letter No.065/NOT-IV/2014 was made in the presence of Nurlani Yusuf, S.H., M.Kn a notary in Tangerang, the meeting approved a reserve fund of Rp23,100,000,000 to set aside in accordance with the Limited Liability Company Act.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
 And for the Years Ended December 31, 2015 and 2014
 (In Full Rupiah, Unless Otherwise Stated)

24. Non-Controlling Interest

Details of non-controlling interests in the equity of each subsidiary are as follows:

	2015	2014
	Rp	Rp
PT Pancawarna Semesta	4,323,279,443	5,534,783,733
PT Prawira Tata Semesta	2,727,999,535	1,106,879,282
PT Kusuma Prima Dana	427,801,268	1,605,857,840
PT Guchi Kencana Emas	(4,422,909,525)	(4,377,308,126)
PT Siloam Graha Utama	(4,475,887,173)	5,257,158,503
Others	(2,645,253,840)	(4,219,400,327)
Total	(4,064,970,291)	4,907,970,905

25. Revenue

Details of income for the years ended December 31, 2015 and 2014 were as follows:

	2015	2014
	Rp	Rp
In-Patient		
Medical Support Services and Professional Fees	970,803,101,313	745,130,966,397
Drugs and Medical Supplies	885,836,419,950	734,258,430,590
Room Service	362,387,046,730	286,678,643,530
Hospital's Facility	169,093,824,862	104,826,015,261
Operating Theatre	109,323,687,592	80,610,771,450
Administration and Others	87,130,498,008	108,818,971,286
Subtotal	<u>2,584,574,578,455</u>	<u>2,060,323,798,514</u>
Out-Patient		
Medical Support Services and Professional Fees	961,402,538,011	777,240,395,844
Drugs and Medical Supplies	479,828,470,861	390,739,191,326
Hospital's Facility	51,120,796,660	36,017,024,986
Others	67,191,918,598	76,472,961,203
Subtotal	<u>1,559,543,724,130</u>	<u>1,280,469,573,359</u>
Total	<u>4,144,118,302,585</u>	<u>3,340,793,371,873</u>

There were no sales to customers exceeding 10% of net revenues for respective years.

26. Cost of Sales

Details of cost of sales for years ended December 31, 2015 and 2014, are as follows:

	2015	2014
	Rp	Rp
In-Patient		
Doctors Fee, Salaries and Employees' Benefit	856,823,134,933	653,494,603,737
Drugs and Medical Supplies	517,425,828,840	460,438,028,755
Depreciation Charges (Note 12)	148,500,949,271	118,051,021,086
Clinical Supplies	65,462,019,209	58,631,395,654
Food and Beverage	64,592,975,663	52,502,661,183
Outchecking Expense	43,780,801,233	24,937,753,143
Others	95,418,112,873	67,326,860,305
Subtotal	<u>1,792,003,822,022</u>	<u>1,435,382,323,863</u>

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013

And for the Years Ended December 31, 2015 and 2014

(In Full Rupiah, Unless Otherwise Stated)

	2015 Rp	2014 Rp
Out-Patient		
Doctors Fee, Salaries and Employees' Benefit	553,523,208,957	453,472,276,368
Drugs and Medical Supplies	391,775,899,349	325,198,839,748
Depreciation Charges (Note 12)	86,804,769,954	68,296,297,893
Clinical Supply	51,160,524,558	30,359,422,835
Outchecking Expense	30,443,747,092	30,969,518,309
Others	61,859,767,425	45,052,375,055
Subtotal	1,175,567,917,335	953,348,730,208
Total	2,967,571,739,357	2,388,731,054,071

There were no purchases to supplier exceeding 10% of net revenue for the years.

27. Operating Expenses

Details of operating expenses for years ended December 31, 2015 and 2014, are as follows:

	2015 Rp	2014 Rp
Selling Expense		
Salaries and Employees' Benefit	25,317,708,625	10,417,507,994
Marketing and Advertising	20,989,132,540	16,369,417,317
Others	388,351,243	473,770,556
Subtotal	46,695,192,408	27,260,695,867
General and Administrative Expense		
Salaries and Employees' Benefit	330,477,037,180	259,367,578,655
Other Office Expenses	125,947,552,816	121,791,499,663
Rental	104,530,017,480	66,321,198,219
Depreciation Charges (Note 12)	101,659,112,594	80,774,324,754
Water and Electricity	95,411,702,039	88,967,980,295
Transportation and Accommodation	31,979,441,108	25,265,545,963
Repair and Maintenance	30,012,459,363	19,166,148,702
Office Supply	25,351,412,863	20,306,981,078
Communication	17,156,489,570	15,380,030,051
Insurances	17,081,246,481	8,599,713,274
Training and Development	10,930,853,577	7,823,473,307
Professional Fees	9,267,812,723	6,642,224,739
Permit and License	7,582,390,411	7,446,689,416
Others	11,241,476,560	16,462,642,008
Subtotal	918,629,004,765	744,316,030,124
Total	965,324,197,173	771,576,725,991

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
 And for the Years Ended December 31, 2015 and 2014
 (In Full Rupiah, Unless Otherwise Stated)

28. Financial Income (Charges) - Net

Details of financial income (charges) - net for period ended December 31, 2015 and 2014, respectively, are as follows:

	2015 Rp	2014 Rp
Interest Income	4,979,577,918	15,432,527,455
Financial Charges		
Administration Bank	(17,057,795,594)	(18,324,915,310)
Interest Expense	(40,240,852,526)	(37,454,092,961)
Subtotal	(57,298,648,120)	(55,779,008,271)
Total - Net	(52,319,070,202)	(40,346,480,816)

Administration bank represents administration charges on using electronic data capture (EDC) and bank services.

29. Business Combination

Acquisition of PT Rashal Siar Cakra Medika (RSCM)

On July 26, 2014, TPP and MBS, acquired 75% and 25%, respectively, ownership in PT Rashal Siar Cakra Medika (RSCM) from third parties, in line with the strategic business expansion plan which supports the Group's business activities.

The following table summarises the identifiable assets acquired and the liabilities taken over at the acquisition date of RSCM:

	Book Value Rp	Fair Value Rp
Net Assets		
Cash and Cash Equivalent	728,784,434	728,784,434
Trade Receivables	3,448,662,848	3,448,662,848
Other Current Financial Assets	1,103,523,414	1,103,523,414
Inventories	2,262,299,275	2,262,299,275
Prepaid Tax	3,907,670,574	3,907,670,574
Prepaid Expenses	142,249,976	142,249,976
Due From Related Parties Non-Trade	742,933,125	742,933,125
Property and Equipment	42,434,405,798	100,970,760,605
Trade Payables-Third Parties	(4,598,342,558)	(4,598,342,558)
Accrued Expense	(5,394,701,296)	(5,394,701,296)
Taxes Payable	(781,249,546)	(781,249,546)
Other Current Liabilities	(16,609,381,086)	(16,609,381,086)
Long-Term Bank Loan	(68,202,736,290)	(68,202,736,290)
Deferred Tax Liabilities	--	(14,634,088,702)
Other Non-current Financial Liabilities	(72,162,000)	(72,162,000)
Total Net Asset	(40,888,043,332)	3,014,222,773
Proportion Acquired		100%
Share of Fair Value of Net Assets		3,014,222,773
Goodwill		101,776,732,211
Total Purchase Consideration		104,790,954,984

Goodwill arising from the acquisition amounted to Rp101,776,732,211 (Note 13) and represents subsidiary business results that support and synergy with the core business of the Group.

Cost related to the acquisition amounted to Rp1,124,632,854, recorded as acquisition cost.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
 And for the Years Ended December 31, 2015 and 2014
 (In Full Rupiah, Unless Otherwise Stated)

In connection with the acquisition, the financial statements from the date of acquisition have been consolidated into the financial statements of the Group.

Total revenue and profit before tax of RSCM since the date of acquisition was consolidated to comprehensive income statement for the year ended December 31, 2014 amounted to Rp36,921,501,108 and Rp489,251,724, respectively.

Total revenue and current income of RSCM for the year ended December 31, 2014, as if RSCM was consolidated since January 1, 2014 amounted to Rp36,921,501,108 and Rp298,135,217, respectively.

Acquisition of PT Medika Sarana Traliansia (MST)

On December 13, 2013, PT Koridor Usaha Maju acquired 80% of the outstanding shares of MST from third parties, in line with the strategic business expansion plan which supports the Group's business activities.

The following table summarises the identifiable assets acquired and the liabilities taken over at the acquisition date of MST:

	Book Value	Fair Value
	Rp	Rp
Net Assets		
Cash and Cash Equivalent	27,436,090,446	27,436,090,446
Trade Receivables	10,435,964,113	10,435,964,113
Other Current Financial Assets	244,157,342	244,157,342
Inventories	5,242,737,740	5,242,737,740
Prepaid Tax	9,666,551,053	9,666,551,053
Prepaid Expenses	1,799,222,306	1,799,222,306
Trade Receivables-Third parties	52,914,861,030	52,914,861,030
Property and Equipment	148,521,465,206	167,319,345,979
Other Intangible Asset	77,008,822	77,008,822
Trade Payables-Third Parties	(682,034,266)	(682,034,266)
Accrued Expense	(2,612,701,121)	(2,612,701,121)
Taxes Payable	(104,609,273)	(104,609,273)
Deferred Tax Liabilities	(630,384,178)	(5,329,854,371)
Other Current Liabilities	(8,220,363,189)	(8,220,363,189)
Current Portion Non-current Financial Liabilites	(137,832,101,689)	(137,832,101,689)
Deferred Income	(189,687,581)	(189,687,581)
Long-Term Employment Benefits Liabilities	(40,620,704,669)	(40,620,704,669)
Other Non-current Financial Liabilites	(416,164,840)	(416,164,840)
Total Net Asset	65,029,307,252	79,127,717,832
Proportion Acquired		80%
Share of Fair Value of Net Assets		63,302,174,266
Goodwill		126,297,825,734
Total Purchase Consideration		189,600,000,000

Goodwill arising from the acquisition amounted to Rp126,297,825,734 (Note 13) and represents subsidiary business results that support and synergy with the core business of the Group.

In 2015 further adjustments was made in relation to the acquisition value (Note 38).

Non-controlling interest is measured by the percentage of the non-controlling ownership of the fair value from net assets MST. The balance of non-controlling interest on this acquisition was Rp15,825,543,566.

Acquisition related expenses were not calculated in this business combination since they were not material but have been charged to the current statement of profit or loss and other comprehensive income.

In connection with the acquisition, the financial statements from the date of acquisition have been consolidated into the financial statements of the Group.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
 And for the Years Ended December 31, 2015 and 2014
 (In Full Rupiah, Unless Otherwise Stated)

Total revenue and profit before tax of MST since the date of acquisition was consolidated to comprehensive income statement for the year ended December 31, 2014 amounted to Rp195,249,110,205 and Rp27,987,987,406, respectively.

Total revenue and current income of MST for the year ended December 31, 2013, as if MST was consolidated since January 1, 2013 amounted to Rp110,929,201,050 and Rp19,093,869,714, respectively.

30. Basic Earnings per Share

Calculation of basic earnings per share is as follows:

	<u>2015</u>	<u>2014*)</u>
Profit for the Period Attributable to Owners of the Parent Entity (Rupiah)	70,396,404,160	71,843,232,747
Number of Shares Outstanding at the Beginning Period	1,156,100,000	1,156,100,000
Basic Earnings per Share (Rupiah)	<u>60.89</u>	<u>62.14</u>

*)Restated (Note 38)

31. Monetary Asset Denominated in Foreign Currencies

	<u>2015</u>				<u>Equivalent in Rupiah</u>
	<u>Foreign Currencies</u>				
	<u>USD</u>	<u>SGD</u>	<u>EURO</u>	<u>AUD</u>	
Asset					
Cash and Cash Equivalent	682,521	378,928	195,626	356,322	19,644,479,627
	<u>682,521</u>	<u>378,928</u>	<u>195,626</u>	<u>356,322</u>	<u>19,644,479,627</u>
	<u>2014</u>				
	<u>Foreign Currencies</u>				
	<u>USD</u>	<u>SGD</u>	<u>EURO</u>	<u>AUD</u>	<u>Equivalent in Rupiah</u>
Asset					
Cash and Cash Equivalent	932,884	4,224,465	293,988	399,874	59,943,370,317
	<u>932,884</u>	<u>4,224,465</u>	<u>293,988</u>	<u>399,874</u>	<u>59,943,370,317</u>

32. Financial Instruments and Financial Risks Management

The main financial risks faced by the Group are credit risk, foreign currency risk and liquidity risk. Attention to the management of this risk has increased significantly with considerable change and volatility in the Indonesian markets.

The Board of Directors has reviewed the financial risk management policy regularly

(i) Credit Risk

Credit risk is the risk that the Group will incur a loss arising from the customers, clients or counterparties that fail to meet their contractual obligations. The Group's financial instruments that have the potential credit risk consist of cash and cash equivalents, accounts receivable, other current financial assets and other non-current financial assets and investments available for sale.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
And for the Years Ended December 31, 2015 and 2014
(In Full Rupiah, Unless Otherwise Stated)

Total maximum credit risk exposure of financial assets on December 31, 2015 and 2014 are as follows:

	2015		2014	
	Carrying Value	Maximum Exposure	Carrying Value	Maximum Exposure
	Rp	Rp	Rp	Rp
Financial Assets				
Loans and Receivables:				
Cash and Cash Equivalents	159,848,063,872	159,848,063,872	279,958,770,048	279,958,770,048
Trade Receivables	575,226,876,921	575,226,876,921	392,646,418,387	392,646,418,387
Due from Related Parties Non-Trac	1,287,224,420	1,287,224,420	1,341,961,213	1,341,961,213
Other Current Financial Assets	6,457,567,169	6,457,567,169	9,435,126,642	9,435,126,642
Total	742,819,732,382	742,819,732,382	683,382,276,290	683,382,276,290

The Group manages credit risk by setting limits on the amount of risk that is acceptable to each customer and to be more selective in choosing banks and financial institutions, only banks and financial institutions reputable and well chosen.

The following tables analyze assets that have matured but not impaired and are not yet due and not impaired as well as financial assets that are individually determined to be impaired:

	2015							Total
	Not Yet Overdue	Overdue but Not Impaired			Not Yet Overdue but Not Impaired			
		0-90 Days	91-180 Days	> 181 Days	Banking Company	Non-Banking Company	Company	
		Rp	Rp	Rp	Rp	Rp	Rp	
Cash and Cash Equivalents	--	--	--	153,255,054,472	6,593,009,400	--	159,848,063,872	
Trade Receivables	68,564,698,496	200,430,172,137	46,309,557,384	31,035,589,486	--	259,922,448,904	606,262,466,407	
Due from Related Parties Non-Trad	--	--	--	--	--	1,287,224,420	1,287,224,420	
Other Current Financial Assets	--	--	--	--	--	6,457,567,169	6,457,567,169	
Total	68,564,698,496	200,430,172,137	46,309,557,384	31,035,589,486	153,255,054,472	274,260,249,893	773,855,321,869	

	2014							Total
	Not Yet Overdue	Overdue but Not Impaired			Not Yet Overdue but Not Impaired			
		0-90 Days	91-180 Days	> 181 Days	Banking Company	Non-Banking Company	Company	
		Rp	Rp	Rp	Rp	Rp	Rp	
Cash and Cash Equivalents	--	--	--	275,272,596,670	4,686,173,378	--	279,958,770,048	
Trade Receivables	46,476,342,368	137,014,416,918	41,130,037,237	14,554,118,385	--	168,025,621,864	407,200,536,772	
Due from Related Parties Non-Trad	--	--	--	--	--	1,341,961,213	1,341,961,213	
Other Current Financial Assets	--	--	--	--	--	9,435,126,642	9,435,126,642	
Total	46,476,342,368	137,014,416,918	41,130,037,237	14,554,118,385	275,272,596,670	183,488,883,097	697,936,394,675	

The Group has recorded provision for impairment of trade receivables which has overdue accounts (Note 4).

Financial assets that are not yet due, as indicated credit risk primarily of cash and cash equivalents and other non-current financial assets.

Management believes that there is no significant credit risk on placement of funds in the bank that its use is not limited or restricted, due to the placement of funds is only placed on banks that are predicated good.

(ii) Liquidity Risk

Liquidity risk is the risk that the cash flow position of the Group indicates short-term earnings are not enough to cover short-term expenses.

The Group manages liquidity risk by maintaining cash and cash equivalents are sufficient to meet the Group's commitment to the normal operation of the Group and regularly evaluates the cash flow projections and actual cash flows, as well as maturity date schedule of financial assets and liabilities.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
 And for the Years Ended December 31, 2015 and 2014
 (In Full Rupiah, Unless Otherwise Stated)

The following table details financial liabilities analyzed by maturity:

	2015				
	Due			Maturity Not Determined Rp	Total Rp
	Less Than 1 Year Rp	1 - 5 Years Rp	More than 5 Years Rp		
Measured at Amortized cost :					
Trade Payable - Third Parties	254,713,743,081	--	--	--	254,713,743,081
Accrued Expenses	249,661,341,149	--	--	--	249,661,341,149
Bank Loans	9,656,545,001	23,042,103,703	--	--	32,698,648,704
Other Current Financial Liabilities	64,186,469,225	--	--	--	64,186,469,225
Due to Related Parties Non-Trade	--	--	--	354,745,657,192	354,745,657,192
Total	578,218,098,456	23,042,103,703	--	354,745,657,192	956,005,859,351
	2014				
	Due			Maturity Not Determined Rp	Total Rp
	Less Than 1 Year Rp	1 - 5 Years Rp	More than 5 Years Rp		
Measured at Amortized cost :					
Trade Payable - Third Parties	192,762,995,806	--	--	--	192,762,995,806
Accrued Expenses	145,004,370,941	--	--	--	145,004,370,941
Bank Loans	15,976,051,499	30,525,083,739	--	--	46,501,135,238
Other Current Financial Liabilities	68,658,339,115	--	--	--	68,658,339,115
Due to Related Parties Non-Trade	--	--	--	415,813,668,549	415,813,668,549
Total	422,401,757,361	30,525,083,739	--	415,813,668,549	868,740,509,649

(iii) Market Risk

a. Foreign Currency Risk

Currency risk is the risk of fluctuations in the value of financial instruments due to changes in foreign currency exchange rates.

Group is significantly exposed to foreign currency risk because most transactions in foreign currency group.

Sensitivity Analysis

A hypothetical weakening of the exchange rate of Rupiah against US Dollar is 10%, the Group's profit before tax for the year would have increased by Rp941.537.537 (2014: Rp1.160.507.537).

A hypothetical weakening of the exchange rate of Rupiah against Singapore Dollar is 10%, the Group's profit before tax for the year would have increased by Rp369.500.059 (2014: Rp3.980.337.548).

The weakening of the exchange rate of Rupiah against other foreign currencies do not have material impact to the profit after tax.

The above analysis is based on the assumption that the weakening and strengthening of all foreign currencies happened with the similar patterns, which may not be the case in reality.

b. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group did not have interest rate risk mainly because it does not have a loan with a floating interest rate.

Estimation of Fair Value

The following table presents the carrying amounts of each category of financial assets and liabilities:

	2015		2014	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	Rp	Rp	Rp	Rp
Financial Asset s:				
Loans and Receivables:				
Cash and Cash Equivalents	159,848,063,872	159,848,063,872	279,958,770,048	279,958,770,048
Trade Receivables	575,226,876,921	575,226,876,921	392,646,418,387	392,646,418,387
Due from Related Parties Non-Trade	1,287,224,420	1,287,224,420	1,341,961,213	1,341,961,213
Other Current Financial Assets	6,457,567,169	6,457,567,169	9,435,126,642	9,435,126,642
Total	742,819,732,382	742,819,732,382	683,382,276,290	683,382,276,290

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
 And for the Years Ended December 31, 2015 and 2014
 (In Full Rupiah, Unless Otherwise Stated)

	2015		2014	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	Rp	Rp	Rp	Rp
Financial Liabilities Measured at				
Amortized cost :				
Trade Payables-Third Parties	254,713,743,081	254,713,743,081	192,762,995,806	192,762,995,806
Accrued Expenses	249,661,341,149	249,661,341,149	145,004,370,941	145,004,370,941
Bank Loans	32,698,648,704	32,698,648,704	46,501,135,238	46,501,135,238
Other Current Financial Liabilities	64,186,469,225	64,186,469,225	68,658,339,115	68,658,339,115
Due to Related Parties Non-Trade	354,745,657,192	354,745,657,192	415,813,668,549	415,813,668,549
Total	956,005,859,351	956,005,859,351	868,740,509,649	868,740,509,649

As of December 31, 2015 and 2014, management estimated that the carrying value of the current assets and financial liabilities and those accounts with no determined maturity reflected their fair value.

33. Capital Management

Management conducts supervision over the management of capital through cash and cash equivalents balance of the liability and the results of operations of the Company as well as the ratio of adjusted net liabilities to equity. Capital management is to maintain the continuity of the Company's business and maximize the benefits for shareholders and other stakeholders. In managing the capital, the Company periodically evaluate the necessity and sufficiency of funds to support the Company's operation and performance evaluation of ongoing projects and new project development.

The following summaries quantitative data for capital management on December 31, 2015 and 2014:

	2015	2014
	Rp	Rp
Net Liabilities:		
Total Liabilities	1,246,318,520,242	1,186,382,983,342
Less: Cash and Cash Equivalent	(159,848,063,872)	(279,958,770,048)
Total Net Liabilities	1,086,470,456,370	906,424,213,294
Total Equity	1,739,951,627,864	1,659,830,534,564
<i>Addition:</i>		
Net Additional Paid-in Capital	23,058,434,679	23,058,434,679
Difference in Value from Non-controlling Interest Transaction	25,748,354,393	25,748,354,393
Other Comprehensive Income		
Remeasurment Defined Benefit Plan	16,187,627,611	(8,239,109,160)
Non-controlling Interest	4,064,970,291	4,907,970,905
Total	69,059,386,974	45,475,650,817
Total of Adjusted Equity	1,809,011,014,839	1,705,306,185,381
Net Liability Ratio to Adjusted Equity	0.6	0.5

34. Non-cash Transactions

The following are investing and financing activities that did not affect cash flows:

- In 2015, disposal of fixed assets through other receivables amounted Rp85,000,000.
- Addition of fixed assets Groups period December 31, 2015 and 2014 from reclassification of advances amounting to Rp27,416,500,706 and Rp26,847,346,117, respectively.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
And for the Years Ended December 31, 2015 and 2014
(In Full Rupiah, Unless Otherwise Stated)

- In 2015 and 2014, through the addition of interest expense through accrued expenses by Rp34,795,388,015 and Rp31,018,102,587, respectively.
- In 2014, the acquisition of a subsidiary through debt of acquisition amounted to Rp20,366,632,213.
- In 2014, additional goodwill through other payables amounted to Rp4,182,000,003.

35. Commitments and Significant Agreements

a. Rental Agreement

- On February 2005, DHI, a subsidiary entered into lease agreement of Siloam Cinere Hospital with PT Anadi Sarana Tatahusada. This agreement is valid for 13 years with total amount of lease Rp12,000,000,000.

Rental expenses for the years ended December 31, 2015 and 2014 amounted to Rp1,272,895,508, respectively.

- Based on the rental agreement of Allen & Gledhill Advocates & Solicitors dated November 8, 2010, EJM, which received novation from PT Lippo Karawaci Tbk, ultimate parent company, on October 10, 2011 entered into a lease agreement with GPS for 15 years. Based on the agreement, EJM shall pay rental fee which consist of base rent and variable rent. Base rent commences in the first year of the lease period and will be adjusted in the following year, while variable rent will commence in the second year of the lease period based on certain percentage of gross revenue. Rental expense will be paid quarterly. Any late payment will be subjected to 2% penalty plus interest rate based on the average lending rate of 3 banks in Singapore.

As this sale and leaseback transaction met the classification of operating lease and the transaction price was above its fair value, the difference was recognized as deferred gain (see Note 18).

Rental expenses for sale and lease-back transaction for the years ended December 31, 2015 and 2014, amounted to Rp19,421,265,762 dan Rp19,376,430,554, respectively.

- On January 7, 2012, the Company entered into a lease agreement for Siloam Hospitals Palembang (Siloam Sriwijaya) with PT Palembangparagon Mall (PM). This agreement is valid for 10 years from the grand opening of the hospital and included a rental free period (grace period) for 3 (three) months after the grand opening of the hospital.

Based on the agreement, Siloam Sriwijaya shall pay rental fee in the amount of Rp3 billion and will be increased by Rp500 million every three years period. The rental fee is payable in advance for each period not later than the 10th day of the first month of the rental period.

On October 5, 2012, PM entered into transfer of property ownership agreement with PT Bisma Pratama Karya, thus, Siloam Sriwijaya receive novation of lease ownership. This agreement did not change the terms of the original lease agreement.

On January 2, 2014, PT Siloam Hospital Sumsel entered the hospital building lease agreement Siloam Palembang (Siloam Sriwijaya) with PT Bisma Pratama Karya. This agreement is ended based on agreement dated December 2, 2014 related to transfer ownership of building. Then, on December 2, 2014, PT RS Siloam Hospital Sumsel entered to new lease agreement with PT Metropolis Propertindo Utama. This agreement valid for 15 years since issuance Siloam Hospital Palembang business licence which on November 6, 2013. Rental is paid quarterly.

Rental expenses for the year ended December 31, 2015 and 2014 amounted to Rp1,487,141,905 dan Rp2,024,955,226.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
 And for the Years Ended December 31, 2015 and 2014
 (In Full Rupiah, Unless Otherwise Stated)

- On May 28, 2014, PT Berlian Cahaya Indah, a subsidiary, entered into lease agreements Siloam Purwakarta's hospital building with PT Metropolis Propertindo Utama. This agreement is valid for 15 years from the date of issuance of the business license of Siloam Purwakarta. Siloam Purwakarta business license is dated May 14, 2014. Rent is paid quarterly.

Rental expenses for the year ended December 31, 2015 and 2014 amounted to Rp939,363,384 and nil, respectively.

b. Sub-Lease Agreement between the Company and PT Lippo Karawaci Tbk (LK)

On April 30, May 13, and July 1, 2013, the Company entered into a sub-lease agreement with LK, ultimate parent entity of the Company, covering property of Siloam Hospitals Lippo Village, Siloam Hospitals Kebon Jeruk, Siloam Hospitals Surabaya, Siloam Hospitals Semanggi MRCCC, Siloam Hospitals Manado, Siloam Hospitals Makassar, Siloam Hospitals Bali and Siloam Hospitals TB Simatupang.

For the year ended December 31, 2015 and 2014 rental expenses amounted to Rp67,606,041,058 and Rp34,834,048,969, respectively.

c. Master Agreement between the Company with PT Lippo Karawaci Tbk (LK)

On April 30, 2013, the Company entered into a preliminary agreements with LK, ultimate parent entity of the Company, which include:

- Property lease agreement of Rumah Sakit Umum Siloam and the properties to be used as Siloam Hospitals Kemang and Siloam Hospitals St. Moritz;
- The right to build properties that will be used as Siloam Hospitals Yogyakarta, Siloam Hospitals Bintaro and Siloam Hospitals Surabaya Manyar;
- The agreement to offer certain property to be operated as Siloam Hospitals Pontianak; and
- Co-operation agreement Siloam Hospitals Bandung.

d. Master Agreement between the Company with PT Metropolis Propertindo Utama (MPU)

On April 30, 2013, the Company entered into a preliminary agreements with MPU which include:

- Sale and purchase of shares of Siloam Hospitals Malang, Siloam Hospitals Salemba and Siloam Hospitals Surabaya Sea Master;
- Right to build properties that will be used as Siloam Hospitals Padang, Siloam Hospitals Bangka Belitung, Siloam Hospitals Semarang Sron dol, Siloam Hospitals Bogor Internusa, Siloam Hospitals Jember, Siloam Hospitals Bluemall Bekasi, Siloam Hospitals Bekasi Grand Mall, Siloam Hospitals MT Haryono and Siloam Hospitals Lampung;
- The right to operate and manage Siloam Hospitals Kupang;
- Property lease agreement of Siloam Hospitals Surabaya Sea Master, Siloam Hospitals Pluit and Siloam Hospitals Cempaka Putih; and
- The agreement to offer certain property to be operated as Siloam Hospitals Purwakarta, Siloam Hospitals Ambon, Siloam Hospitals Lubuk Linggau, Siloam Hospitals Manado Kairagi, Siloam Hospitals Serang and Siloam Hospitals Pekanbaru.

36. Operating Segments

	2015 (in Million Rupiah)											
	Siloam Hospital Lippo Village	Siloam Hospital Kebun Jeruk	Siloam Hospital Surabaya	MRCCC	Siloam Hospital Cikarang	Siloam Hospital Balikpapan	Siloam Hospital Makassar	Siloam Hospital Denpasar	Siloam Hospital Palembang	Others	Elimination	Consolidation
	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp
External Revenue												
In-Patient	425,310	296,402	186,469	251,636	91,807	107,027	160,074	126,664	107,551	831,635	--	2,584,575
Out-Patient	321,915	217,015	93,620	176,192	94,452	77,769	66,637	87,431	50,304	374,208	--	1,559,543
	747,225	513,417	280,089	427,828	186,259	184,796	226,711	214,095	157,855	1,205,843	--	4,144,118

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
 And for the Years Ended December 31, 2015 and 2014
 (In Full Rupiah, Unless Otherwise Stated)

2015 (in Million Rupiah)																																																																																																																																																																								
	Siloam Hospital Lippo Village	Siloam Hospital Kebun Jeruk	Siloam Hospital Surabaya	MRCCC	Siloam Hospital Cikarang	Siloam Hospital Balikpapan	Siloam Hospital Makassar	Siloam Hospital Denpasar	Siloam Hospital Palembang	Others	Elimination	Consolidation																																																																																																																																																												
	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp																																																																																																																																																												
Gross Profit													In-Patient	145,244	88,324	44,497	52,453	16,575	37,882	49,203	56,289	27,339	274,765	--	792,571	Out-Patient	91,495	47,065	39,937	44,790	28,843	15,752	13,912	23,403	10,112	68,666	--	383,975		236,739	135,389	84,434	97,243	45,418	53,634	63,115	79,692	37,451	343,431	--	1,176,546	Operating Expenses and Others	(97,222)	(80,990)	(51,067)	(104,463)	(59,034)	(42,802)	(46,786)	(38,996)	(31,471)	(465,650)	--	(1,018,481)	Finance Expense - Net	(3,314)	(3,297)	(740)	(1,867)	800	(2,846)	(456)	(1,093)	(247)	(39,259)	--	(52,319)	Tax Expenses	--	--	--	--	(473)	(350)	--	--	(1,174)	(42,044)	--	(44,041)	Profit (Loss) for the Year	136,203	51,102	32,627	(9,087)	(13,289)	7,636	15,873	39,603	4,559	(203,522)	--	61,705	Segment Assets	964,984	346,322	96,765	383,312	118,394	188,953	111,512	221,272	145,516	409,239	--	2,986,270	Segment Liabilities	319,183	82,731	(77,666)	498,562	139,263	175,573	108,972	190,597	133,104	(324,000)	--	1,246,319	Capital Expenditures	16,080	9,971	7,474	10,171	3,385	3,944	6,632	2,112	4,488	214,835	--	279,092	Depreciation	24,454	16,136	10,074	55,273	8,469	19,559	21,457	21,076	18,853	141,615	--	336,965	Non-Cash Expense exclude Depreciation	3,255	2,852	2,816	2,970	1,538	671	876	882	509	37,886	--	54,255
In-Patient	145,244	88,324	44,497	52,453	16,575	37,882	49,203	56,289	27,339	274,765	--	792,571	Out-Patient	91,495	47,065	39,937	44,790	28,843	15,752	13,912	23,403	10,112	68,666	--	383,975		236,739	135,389	84,434	97,243	45,418	53,634	63,115	79,692	37,451	343,431	--	1,176,546	Operating Expenses and Others	(97,222)	(80,990)	(51,067)	(104,463)	(59,034)	(42,802)	(46,786)	(38,996)	(31,471)	(465,650)	--	(1,018,481)	Finance Expense - Net	(3,314)	(3,297)	(740)	(1,867)	800	(2,846)	(456)	(1,093)	(247)	(39,259)	--	(52,319)	Tax Expenses	--	--	--	--	(473)	(350)	--	--	(1,174)	(42,044)	--	(44,041)	Profit (Loss) for the Year	136,203	51,102	32,627	(9,087)	(13,289)	7,636	15,873	39,603	4,559	(203,522)	--	61,705	Segment Assets	964,984	346,322	96,765	383,312	118,394	188,953	111,512	221,272	145,516	409,239	--	2,986,270	Segment Liabilities	319,183	82,731	(77,666)	498,562	139,263	175,573	108,972	190,597	133,104	(324,000)	--	1,246,319	Capital Expenditures	16,080	9,971	7,474	10,171	3,385	3,944	6,632	2,112	4,488	214,835	--	279,092	Depreciation	24,454	16,136	10,074	55,273	8,469	19,559	21,457	21,076	18,853	141,615	--	336,965	Non-Cash Expense exclude Depreciation	3,255	2,852	2,816	2,970	1,538	671	876	882	509	37,886	--	54,255													
Out-Patient	91,495	47,065	39,937	44,790	28,843	15,752	13,912	23,403	10,112	68,666	--	383,975		236,739	135,389	84,434	97,243	45,418	53,634	63,115	79,692	37,451	343,431	--	1,176,546	Operating Expenses and Others	(97,222)	(80,990)	(51,067)	(104,463)	(59,034)	(42,802)	(46,786)	(38,996)	(31,471)	(465,650)	--	(1,018,481)	Finance Expense - Net	(3,314)	(3,297)	(740)	(1,867)	800	(2,846)	(456)	(1,093)	(247)	(39,259)	--	(52,319)	Tax Expenses	--	--	--	--	(473)	(350)	--	--	(1,174)	(42,044)	--	(44,041)	Profit (Loss) for the Year	136,203	51,102	32,627	(9,087)	(13,289)	7,636	15,873	39,603	4,559	(203,522)	--	61,705	Segment Assets	964,984	346,322	96,765	383,312	118,394	188,953	111,512	221,272	145,516	409,239	--	2,986,270	Segment Liabilities	319,183	82,731	(77,666)	498,562	139,263	175,573	108,972	190,597	133,104	(324,000)	--	1,246,319	Capital Expenditures	16,080	9,971	7,474	10,171	3,385	3,944	6,632	2,112	4,488	214,835	--	279,092	Depreciation	24,454	16,136	10,074	55,273	8,469	19,559	21,457	21,076	18,853	141,615	--	336,965	Non-Cash Expense exclude Depreciation	3,255	2,852	2,816	2,970	1,538	671	876	882	509	37,886	--	54,255																										
	236,739	135,389	84,434	97,243	45,418	53,634	63,115	79,692	37,451	343,431	--	1,176,546	Operating Expenses and Others	(97,222)	(80,990)	(51,067)	(104,463)	(59,034)	(42,802)	(46,786)	(38,996)	(31,471)	(465,650)	--	(1,018,481)	Finance Expense - Net	(3,314)	(3,297)	(740)	(1,867)	800	(2,846)	(456)	(1,093)	(247)	(39,259)	--	(52,319)	Tax Expenses	--	--	--	--	(473)	(350)	--	--	(1,174)	(42,044)	--	(44,041)	Profit (Loss) for the Year	136,203	51,102	32,627	(9,087)	(13,289)	7,636	15,873	39,603	4,559	(203,522)	--	61,705	Segment Assets	964,984	346,322	96,765	383,312	118,394	188,953	111,512	221,272	145,516	409,239	--	2,986,270	Segment Liabilities	319,183	82,731	(77,666)	498,562	139,263	175,573	108,972	190,597	133,104	(324,000)	--	1,246,319	Capital Expenditures	16,080	9,971	7,474	10,171	3,385	3,944	6,632	2,112	4,488	214,835	--	279,092	Depreciation	24,454	16,136	10,074	55,273	8,469	19,559	21,457	21,076	18,853	141,615	--	336,965	Non-Cash Expense exclude Depreciation	3,255	2,852	2,816	2,970	1,538	671	876	882	509	37,886	--	54,255																																							
Operating Expenses and Others	(97,222)	(80,990)	(51,067)	(104,463)	(59,034)	(42,802)	(46,786)	(38,996)	(31,471)	(465,650)	--	(1,018,481)	Finance Expense - Net	(3,314)	(3,297)	(740)	(1,867)	800	(2,846)	(456)	(1,093)	(247)	(39,259)	--	(52,319)	Tax Expenses	--	--	--	--	(473)	(350)	--	--	(1,174)	(42,044)	--	(44,041)	Profit (Loss) for the Year	136,203	51,102	32,627	(9,087)	(13,289)	7,636	15,873	39,603	4,559	(203,522)	--	61,705	Segment Assets	964,984	346,322	96,765	383,312	118,394	188,953	111,512	221,272	145,516	409,239	--	2,986,270	Segment Liabilities	319,183	82,731	(77,666)	498,562	139,263	175,573	108,972	190,597	133,104	(324,000)	--	1,246,319	Capital Expenditures	16,080	9,971	7,474	10,171	3,385	3,944	6,632	2,112	4,488	214,835	--	279,092	Depreciation	24,454	16,136	10,074	55,273	8,469	19,559	21,457	21,076	18,853	141,615	--	336,965	Non-Cash Expense exclude Depreciation	3,255	2,852	2,816	2,970	1,538	671	876	882	509	37,886	--	54,255																																																				
Finance Expense - Net	(3,314)	(3,297)	(740)	(1,867)	800	(2,846)	(456)	(1,093)	(247)	(39,259)	--	(52,319)	Tax Expenses	--	--	--	--	(473)	(350)	--	--	(1,174)	(42,044)	--	(44,041)	Profit (Loss) for the Year	136,203	51,102	32,627	(9,087)	(13,289)	7,636	15,873	39,603	4,559	(203,522)	--	61,705	Segment Assets	964,984	346,322	96,765	383,312	118,394	188,953	111,512	221,272	145,516	409,239	--	2,986,270	Segment Liabilities	319,183	82,731	(77,666)	498,562	139,263	175,573	108,972	190,597	133,104	(324,000)	--	1,246,319	Capital Expenditures	16,080	9,971	7,474	10,171	3,385	3,944	6,632	2,112	4,488	214,835	--	279,092	Depreciation	24,454	16,136	10,074	55,273	8,469	19,559	21,457	21,076	18,853	141,615	--	336,965	Non-Cash Expense exclude Depreciation	3,255	2,852	2,816	2,970	1,538	671	876	882	509	37,886	--	54,255																																																																	
Tax Expenses	--	--	--	--	(473)	(350)	--	--	(1,174)	(42,044)	--	(44,041)	Profit (Loss) for the Year	136,203	51,102	32,627	(9,087)	(13,289)	7,636	15,873	39,603	4,559	(203,522)	--	61,705	Segment Assets	964,984	346,322	96,765	383,312	118,394	188,953	111,512	221,272	145,516	409,239	--	2,986,270	Segment Liabilities	319,183	82,731	(77,666)	498,562	139,263	175,573	108,972	190,597	133,104	(324,000)	--	1,246,319	Capital Expenditures	16,080	9,971	7,474	10,171	3,385	3,944	6,632	2,112	4,488	214,835	--	279,092	Depreciation	24,454	16,136	10,074	55,273	8,469	19,559	21,457	21,076	18,853	141,615	--	336,965	Non-Cash Expense exclude Depreciation	3,255	2,852	2,816	2,970	1,538	671	876	882	509	37,886	--	54,255																																																																														
Profit (Loss) for the Year	136,203	51,102	32,627	(9,087)	(13,289)	7,636	15,873	39,603	4,559	(203,522)	--	61,705	Segment Assets	964,984	346,322	96,765	383,312	118,394	188,953	111,512	221,272	145,516	409,239	--	2,986,270	Segment Liabilities	319,183	82,731	(77,666)	498,562	139,263	175,573	108,972	190,597	133,104	(324,000)	--	1,246,319	Capital Expenditures	16,080	9,971	7,474	10,171	3,385	3,944	6,632	2,112	4,488	214,835	--	279,092	Depreciation	24,454	16,136	10,074	55,273	8,469	19,559	21,457	21,076	18,853	141,615	--	336,965	Non-Cash Expense exclude Depreciation	3,255	2,852	2,816	2,970	1,538	671	876	882	509	37,886	--	54,255																																																																																											
Segment Assets	964,984	346,322	96,765	383,312	118,394	188,953	111,512	221,272	145,516	409,239	--	2,986,270	Segment Liabilities	319,183	82,731	(77,666)	498,562	139,263	175,573	108,972	190,597	133,104	(324,000)	--	1,246,319	Capital Expenditures	16,080	9,971	7,474	10,171	3,385	3,944	6,632	2,112	4,488	214,835	--	279,092	Depreciation	24,454	16,136	10,074	55,273	8,469	19,559	21,457	21,076	18,853	141,615	--	336,965	Non-Cash Expense exclude Depreciation	3,255	2,852	2,816	2,970	1,538	671	876	882	509	37,886	--	54,255																																																																																																								
Segment Liabilities	319,183	82,731	(77,666)	498,562	139,263	175,573	108,972	190,597	133,104	(324,000)	--	1,246,319	Capital Expenditures	16,080	9,971	7,474	10,171	3,385	3,944	6,632	2,112	4,488	214,835	--	279,092	Depreciation	24,454	16,136	10,074	55,273	8,469	19,559	21,457	21,076	18,853	141,615	--	336,965	Non-Cash Expense exclude Depreciation	3,255	2,852	2,816	2,970	1,538	671	876	882	509	37,886	--	54,255																																																																																																																					
Capital Expenditures	16,080	9,971	7,474	10,171	3,385	3,944	6,632	2,112	4,488	214,835	--	279,092	Depreciation	24,454	16,136	10,074	55,273	8,469	19,559	21,457	21,076	18,853	141,615	--	336,965	Non-Cash Expense exclude Depreciation	3,255	2,852	2,816	2,970	1,538	671	876	882	509	37,886	--	54,255																																																																																																																																		
Depreciation	24,454	16,136	10,074	55,273	8,469	19,559	21,457	21,076	18,853	141,615	--	336,965	Non-Cash Expense exclude Depreciation	3,255	2,852	2,816	2,970	1,538	671	876	882	509	37,886	--	54,255																																																																																																																																															
Non-Cash Expense exclude Depreciation	3,255	2,852	2,816	2,970	1,538	671	876	882	509	37,886	--	54,255																																																																																																																																																												

2014 (in Million Rupiah)																																																																																																																																																																																																																												
	Siloam Hospital Lippo Village	Siloam Hospital Kebun Jeruk	Siloam Hospital Surabaya	MRCCC	Siloam Hospital Cikarang	Siloam Hospital Balikpapan	Siloam Hospital Makassar	Siloam Hospital Denpasar	Siloam Hospital Palembang	Others	Elimination	Consolidation																																																																																																																																																																																																																
	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp																																																																																																																																																																																																																
External Revenue													In-Patient	422,617	270,561	178,496	204,494	82,498	90,824	111,212	76,024	94,490	529,108	--	2,060,324	Out-Patient	296,502	198,362	89,618	151,604	83,745	74,113	44,997	65,002	40,705	235,821	--	1,280,469		719,119	468,923	268,114	356,098	166,243	164,937	156,209	141,026	135,195	764,929	--	3,340,793	Gross Profit													In-Patient	144,438	78,214	38,558	47,125	16,397	28,970	27,254	24,354	23,139	196,492	--	624,942	Out-Patient	87,491	37,235	34,287	39,701	22,153	18,881	7,519	17,258	9,571	53,023	--	327,121		231,929	115,450	72,844	86,826	38,550	47,851	34,773	41,612	32,711	249,515	--	952,062	Operating Expenses and Others	(104,520)	(67,770)	(35,649)	(98,904)	(61,770)	(38,928)	(37,230)	(33,901)	(29,315)	(297,852)	--	(805,840)	Finance Expense - Net	(3,238)	(3,426)	(783)	(1,612)	1,301	(3,604)	(461)	(868)	(116)	(27,539)	--	(40,346)	Tax Expense	--	--	--	--	(716)	1,739	--	--	(1,678)	(36,237)	--	(36,892)	Profit (Loss) for the Year	124,171	44,254	36,412	(13,689)	(22,635)	7,058	(2,917)	6,843	1,601	(112,113)	--	68,985	Segment Assets	605,758	278,619	97,649	233,765	142,512	197,910	120,655	118,961	103,218	947,167	--	2,846,214	Segment Liabilities	120,281	69,674	(47,930)	336,999	154,239	191,908	135,409	128,615	92,650	4,537	--	1,186,383	Capital Expenditures	15,404	15,505	7,568	11,289	14,762	13,628	8,210	13,534	7,159	224,413	--	331,472	Depreciation	20,870	16,006	9,644	43,112	5,706	16,188	19,710	19,243	17,505	99,138	--	267,122	Non-Cash Expense exclude depreciation	4,510	4,062	2,624	13,601	1,226	745	1,036	806	816	15,105	--	44,532
In-Patient	422,617	270,561	178,496	204,494	82,498	90,824	111,212	76,024	94,490	529,108	--	2,060,324	Out-Patient	296,502	198,362	89,618	151,604	83,745	74,113	44,997	65,002	40,705	235,821	--	1,280,469		719,119	468,923	268,114	356,098	166,243	164,937	156,209	141,026	135,195	764,929	--	3,340,793	Gross Profit													In-Patient	144,438	78,214	38,558	47,125	16,397	28,970	27,254	24,354	23,139	196,492	--	624,942	Out-Patient	87,491	37,235	34,287	39,701	22,153	18,881	7,519	17,258	9,571	53,023	--	327,121		231,929	115,450	72,844	86,826	38,550	47,851	34,773	41,612	32,711	249,515	--	952,062	Operating Expenses and Others	(104,520)	(67,770)	(35,649)	(98,904)	(61,770)	(38,928)	(37,230)	(33,901)	(29,315)	(297,852)	--	(805,840)	Finance Expense - Net	(3,238)	(3,426)	(783)	(1,612)	1,301	(3,604)	(461)	(868)	(116)	(27,539)	--	(40,346)	Tax Expense	--	--	--	--	(716)	1,739	--	--	(1,678)	(36,237)	--	(36,892)	Profit (Loss) for the Year	124,171	44,254	36,412	(13,689)	(22,635)	7,058	(2,917)	6,843	1,601	(112,113)	--	68,985	Segment Assets	605,758	278,619	97,649	233,765	142,512	197,910	120,655	118,961	103,218	947,167	--	2,846,214	Segment Liabilities	120,281	69,674	(47,930)	336,999	154,239	191,908	135,409	128,615	92,650	4,537	--	1,186,383	Capital Expenditures	15,404	15,505	7,568	11,289	14,762	13,628	8,210	13,534	7,159	224,413	--	331,472	Depreciation	20,870	16,006	9,644	43,112	5,706	16,188	19,710	19,243	17,505	99,138	--	267,122	Non-Cash Expense exclude depreciation	4,510	4,062	2,624	13,601	1,226	745	1,036	806	816	15,105	--	44,532													
Out-Patient	296,502	198,362	89,618	151,604	83,745	74,113	44,997	65,002	40,705	235,821	--	1,280,469		719,119	468,923	268,114	356,098	166,243	164,937	156,209	141,026	135,195	764,929	--	3,340,793	Gross Profit													In-Patient	144,438	78,214	38,558	47,125	16,397	28,970	27,254	24,354	23,139	196,492	--	624,942	Out-Patient	87,491	37,235	34,287	39,701	22,153	18,881	7,519	17,258	9,571	53,023	--	327,121		231,929	115,450	72,844	86,826	38,550	47,851	34,773	41,612	32,711	249,515	--	952,062	Operating Expenses and Others	(104,520)	(67,770)	(35,649)	(98,904)	(61,770)	(38,928)	(37,230)	(33,901)	(29,315)	(297,852)	--	(805,840)	Finance Expense - Net	(3,238)	(3,426)	(783)	(1,612)	1,301	(3,604)	(461)	(868)	(116)	(27,539)	--	(40,346)	Tax Expense	--	--	--	--	(716)	1,739	--	--	(1,678)	(36,237)	--	(36,892)	Profit (Loss) for the Year	124,171	44,254	36,412	(13,689)	(22,635)	7,058	(2,917)	6,843	1,601	(112,113)	--	68,985	Segment Assets	605,758	278,619	97,649	233,765	142,512	197,910	120,655	118,961	103,218	947,167	--	2,846,214	Segment Liabilities	120,281	69,674	(47,930)	336,999	154,239	191,908	135,409	128,615	92,650	4,537	--	1,186,383	Capital Expenditures	15,404	15,505	7,568	11,289	14,762	13,628	8,210	13,534	7,159	224,413	--	331,472	Depreciation	20,870	16,006	9,644	43,112	5,706	16,188	19,710	19,243	17,505	99,138	--	267,122	Non-Cash Expense exclude depreciation	4,510	4,062	2,624	13,601	1,226	745	1,036	806	816	15,105	--	44,532																										
	719,119	468,923	268,114	356,098	166,243	164,937	156,209	141,026	135,195	764,929	--	3,340,793	Gross Profit													In-Patient	144,438	78,214	38,558	47,125	16,397	28,970	27,254	24,354	23,139	196,492	--	624,942	Out-Patient	87,491	37,235	34,287	39,701	22,153	18,881	7,519	17,258	9,571	53,023	--	327,121		231,929	115,450	72,844	86,826	38,550	47,851	34,773	41,612	32,711	249,515	--	952,062	Operating Expenses and Others	(104,520)	(67,770)	(35,649)	(98,904)	(61,770)	(38,928)	(37,230)	(33,901)	(29,315)	(297,852)	--	(805,840)	Finance Expense - Net	(3,238)	(3,426)	(783)	(1,612)	1,301	(3,604)	(461)	(868)	(116)	(27,539)	--	(40,346)	Tax Expense	--	--	--	--	(716)	1,739	--	--	(1,678)	(36,237)	--	(36,892)	Profit (Loss) for the Year	124,171	44,254	36,412	(13,689)	(22,635)	7,058	(2,917)	6,843	1,601	(112,113)	--	68,985	Segment Assets	605,758	278,619	97,649	233,765	142,512	197,910	120,655	118,961	103,218	947,167	--	2,846,214	Segment Liabilities	120,281	69,674	(47,930)	336,999	154,239	191,908	135,409	128,615	92,650	4,537	--	1,186,383	Capital Expenditures	15,404	15,505	7,568	11,289	14,762	13,628	8,210	13,534	7,159	224,413	--	331,472	Depreciation	20,870	16,006	9,644	43,112	5,706	16,188	19,710	19,243	17,505	99,138	--	267,122	Non-Cash Expense exclude depreciation	4,510	4,062	2,624	13,601	1,226	745	1,036	806	816	15,105	--	44,532																																							
Gross Profit													In-Patient	144,438	78,214	38,558	47,125	16,397	28,970	27,254	24,354	23,139	196,492	--	624,942	Out-Patient	87,491	37,235	34,287	39,701	22,153	18,881	7,519	17,258	9,571	53,023	--	327,121		231,929	115,450	72,844	86,826	38,550	47,851	34,773	41,612	32,711	249,515	--	952,062	Operating Expenses and Others	(104,520)	(67,770)	(35,649)	(98,904)	(61,770)	(38,928)	(37,230)	(33,901)	(29,315)	(297,852)	--	(805,840)	Finance Expense - Net	(3,238)	(3,426)	(783)	(1,612)	1,301	(3,604)	(461)	(868)	(116)	(27,539)	--	(40,346)	Tax Expense	--	--	--	--	(716)	1,739	--	--	(1,678)	(36,237)	--	(36,892)	Profit (Loss) for the Year	124,171	44,254	36,412	(13,689)	(22,635)	7,058	(2,917)	6,843	1,601	(112,113)	--	68,985	Segment Assets	605,758	278,619	97,649	233,765	142,512	197,910	120,655	118,961	103,218	947,167	--	2,846,214	Segment Liabilities	120,281	69,674	(47,930)	336,999	154,239	191,908	135,409	128,615	92,650	4,537	--	1,186,383	Capital Expenditures	15,404	15,505	7,568	11,289	14,762	13,628	8,210	13,534	7,159	224,413	--	331,472	Depreciation	20,870	16,006	9,644	43,112	5,706	16,188	19,710	19,243	17,505	99,138	--	267,122	Non-Cash Expense exclude depreciation	4,510	4,062	2,624	13,601	1,226	745	1,036	806	816	15,105	--	44,532																																																				
In-Patient	144,438	78,214	38,558	47,125	16,397	28,970	27,254	24,354	23,139	196,492	--	624,942	Out-Patient	87,491	37,235	34,287	39,701	22,153	18,881	7,519	17,258	9,571	53,023	--	327,121		231,929	115,450	72,844	86,826	38,550	47,851	34,773	41,612	32,711	249,515	--	952,062	Operating Expenses and Others	(104,520)	(67,770)	(35,649)	(98,904)	(61,770)	(38,928)	(37,230)	(33,901)	(29,315)	(297,852)	--	(805,840)	Finance Expense - Net	(3,238)	(3,426)	(783)	(1,612)	1,301	(3,604)	(461)	(868)	(116)	(27,539)	--	(40,346)	Tax Expense	--	--	--	--	(716)	1,739	--	--	(1,678)	(36,237)	--	(36,892)	Profit (Loss) for the Year	124,171	44,254	36,412	(13,689)	(22,635)	7,058	(2,917)	6,843	1,601	(112,113)	--	68,985	Segment Assets	605,758	278,619	97,649	233,765	142,512	197,910	120,655	118,961	103,218	947,167	--	2,846,214	Segment Liabilities	120,281	69,674	(47,930)	336,999	154,239	191,908	135,409	128,615	92,650	4,537	--	1,186,383	Capital Expenditures	15,404	15,505	7,568	11,289	14,762	13,628	8,210	13,534	7,159	224,413	--	331,472	Depreciation	20,870	16,006	9,644	43,112	5,706	16,188	19,710	19,243	17,505	99,138	--	267,122	Non-Cash Expense exclude depreciation	4,510	4,062	2,624	13,601	1,226	745	1,036	806	816	15,105	--	44,532																																																																	
Out-Patient	87,491	37,235	34,287	39,701	22,153	18,881	7,519	17,258	9,571	53,023	--	327,121		231,929	115,450	72,844	86,826	38,550	47,851	34,773	41,612	32,711	249,515	--	952,062	Operating Expenses and Others	(104,520)	(67,770)	(35,649)	(98,904)	(61,770)	(38,928)	(37,230)	(33,901)	(29,315)	(297,852)	--	(805,840)	Finance Expense - Net	(3,238)	(3,426)	(783)	(1,612)	1,301	(3,604)	(461)	(868)	(116)	(27,539)	--	(40,346)	Tax Expense	--	--	--	--	(716)	1,739	--	--	(1,678)	(36,237)	--	(36,892)	Profit (Loss) for the Year	124,171	44,254	36,412	(13,689)	(22,635)	7,058	(2,917)	6,843	1,601	(112,113)	--	68,985	Segment Assets	605,758	278,619	97,649	233,765	142,512	197,910	120,655	118,961	103,218	947,167	--	2,846,214	Segment Liabilities	120,281	69,674	(47,930)	336,999	154,239	191,908	135,409	128,615	92,650	4,537	--	1,186,383	Capital Expenditures	15,404	15,505	7,568	11,289	14,762	13,628	8,210	13,534	7,159	224,413	--	331,472	Depreciation	20,870	16,006	9,644	43,112	5,706	16,188	19,710	19,243	17,505	99,138	--	267,122	Non-Cash Expense exclude depreciation	4,510	4,062	2,624	13,601	1,226	745	1,036	806	816	15,105	--	44,532																																																																														
	231,929	115,450	72,844	86,826	38,550	47,851	34,773	41,612	32,711	249,515	--	952,062	Operating Expenses and Others	(104,520)	(67,770)	(35,649)	(98,904)	(61,770)	(38,928)	(37,230)	(33,901)	(29,315)	(297,852)	--	(805,840)	Finance Expense - Net	(3,238)	(3,426)	(783)	(1,612)	1,301	(3,604)	(461)	(868)	(116)	(27,539)	--	(40,346)	Tax Expense	--	--	--	--	(716)	1,739	--	--	(1,678)	(36,237)	--	(36,892)	Profit (Loss) for the Year	124,171	44,254	36,412	(13,689)	(22,635)	7,058	(2,917)	6,843	1,601	(112,113)	--	68,985	Segment Assets	605,758	278,619	97,649	233,765	142,512	197,910	120,655	118,961	103,218	947,167	--	2,846,214	Segment Liabilities	120,281	69,674	(47,930)	336,999	154,239	191,908	135,409	128,615	92,650	4,537	--	1,186,383	Capital Expenditures	15,404	15,505	7,568	11,289	14,762	13,628	8,210	13,534	7,159	224,413	--	331,472	Depreciation	20,870	16,006	9,644	43,112	5,706	16,188	19,710	19,243	17,505	99,138	--	267,122	Non-Cash Expense exclude depreciation	4,510	4,062	2,624	13,601	1,226	745	1,036	806	816	15,105	--	44,532																																																																																											
Operating Expenses and Others	(104,520)	(67,770)	(35,649)	(98,904)	(61,770)	(38,928)	(37,230)	(33,901)	(29,315)	(297,852)	--	(805,840)	Finance Expense - Net	(3,238)	(3,426)	(783)	(1,612)	1,301	(3,604)	(461)	(868)	(116)	(27,539)	--	(40,346)	Tax Expense	--	--	--	--	(716)	1,739	--	--	(1,678)	(36,237)	--	(36,892)	Profit (Loss) for the Year	124,171	44,254	36,412	(13,689)	(22,635)	7,058	(2,917)	6,843	1,601	(112,113)	--	68,985	Segment Assets	605,758	278,619	97,649	233,765	142,512	197,910	120,655	118,961	103,218	947,167	--	2,846,214	Segment Liabilities	120,281	69,674	(47,930)	336,999	154,239	191,908	135,409	128,615	92,650	4,537	--	1,186,383	Capital Expenditures	15,404	15,505	7,568	11,289	14,762	13,628	8,210	13,534	7,159	224,413	--	331,472	Depreciation	20,870	16,006	9,644	43,112	5,706	16,188	19,710	19,243	17,505	99,138	--	267,122	Non-Cash Expense exclude depreciation	4,510	4,062	2,624	13,601	1,226	745	1,036	806	816	15,105	--	44,532																																																																																																								
Finance Expense - Net	(3,238)	(3,426)	(783)	(1,612)	1,301	(3,604)	(461)	(868)	(116)	(27,539)	--	(40,346)	Tax Expense	--	--	--	--	(716)	1,739	--	--	(1,678)	(36,237)	--	(36,892)	Profit (Loss) for the Year	124,171	44,254	36,412	(13,689)	(22,635)	7,058	(2,917)	6,843	1,601	(112,113)	--	68,985	Segment Assets	605,758	278,619	97,649	233,765	142,512	197,910	120,655	118,961	103,218	947,167	--	2,846,214	Segment Liabilities	120,281	69,674	(47,930)	336,999	154,239	191,908	135,409	128,615	92,650	4,537	--	1,186,383	Capital Expenditures	15,404	15,505	7,568	11,289	14,762	13,628	8,210	13,534	7,159	224,413	--	331,472	Depreciation	20,870	16,006	9,644	43,112	5,706	16,188	19,710	19,243	17,505	99,138	--	267,122	Non-Cash Expense exclude depreciation	4,510	4,062	2,624	13,601	1,226	745	1,036	806	816	15,105	--	44,532																																																																																																																					
Tax Expense	--	--	--	--	(716)	1,739	--	--	(1,678)	(36,237)	--	(36,892)	Profit (Loss) for the Year	124,171	44,254	36,412	(13,689)	(22,635)	7,058	(2,917)	6,843	1,601	(112,113)	--	68,985	Segment Assets	605,758	278,619	97,649	233,765	142,512	197,910	120,655	118,961	103,218	947,167	--	2,846,214	Segment Liabilities	120,281	69,674	(47,930)	336,999	154,239	191,908	135,409	128,615	92,650	4,537	--	1,186,383	Capital Expenditures	15,404	15,505	7,568	11,289	14,762	13,628	8,210	13,534	7,159	224,413	--	331,472	Depreciation	20,870	16,006	9,644	43,112	5,706	16,188	19,710	19,243	17,505	99,138	--	267,122	Non-Cash Expense exclude depreciation	4,510	4,062	2,624	13,601	1,226	745	1,036	806	816	15,105	--	44,532																																																																																																																																		
Profit (Loss) for the Year	124,171	44,254	36,412	(13,689)	(22,635)	7,058	(2,917)	6,843	1,601	(112,113)	--	68,985	Segment Assets	605,758	278,619	97,649	233,765	142,512	197,910	120,655	118,961	103,218	947,167	--	2,846,214	Segment Liabilities	120,281	69,674	(47,930)	336,999	154,239	191,908	135,409	128,615	92,650	4,537	--	1,186,383	Capital Expenditures	15,404	15,505	7,568	11,289	14,762	13,628	8,210	13,534	7,159	224,413	--	331,472	Depreciation	20,870	16,006	9,644	43,112	5,706	16,188	19,710	19,243	17,505	99,138	--	267,122	Non-Cash Expense exclude depreciation	4,510	4,062	2,624	13,601	1,226	745	1,036	806	816	15,105	--	44,532																																																																																																																																															
Segment Assets	605,758	278,619	97,649	233,765	142,512	197,910	120,655	118,961	103,218	947,167	--	2,846,214	Segment Liabilities	120,281	69,674	(47,930)	336,999	154,239	191,908	135,409	128,615	92,650	4,537	--	1,186,383	Capital Expenditures	15,404	15,505	7,568	11,289	14,762	13,628	8,210	13,534	7,159	224,413	--	331,472	Depreciation	20,870	16,006	9,644	43,112	5,706	16,188	19,710	19,243	17,505	99,138	--	267,122	Non-Cash Expense exclude depreciation	4,510	4,062	2,624	13,601	1,226	745	1,036	806	816	15,105	--	44,532																																																																																																																																																												
Segment Liabilities	120,281	69,674	(47,930)	336,999	154,239	191,908	135,409	128,615	92,650	4,537	--	1,186,383	Capital Expenditures	15,404	15,505	7,568	11,289	14,762	13,628	8,210	13,534	7,159	224,413	--	331,472	Depreciation	20,870	16,006	9,644	43,112	5,706	16,188	19,710	19,243	17,505	99,138	--	267,122	Non-Cash Expense exclude depreciation	4,510	4,062	2,624	13,601	1,226	745	1,036	806	816	15,105	--	44,532																																																																																																																																																																									
Capital Expenditures	15,404	15,505	7,568	11,289	14,762	13,628	8,210	13,534	7,159	224,413	--	331,472	Depreciation	20,870	16,006	9,644	43,112	5,706	16,188	19,710	19,243	17,505	99,138	--	267,122	Non-Cash Expense exclude depreciation	4,510	4,062	2,624	13,601	1,226	745	1,036	806	816	15,105	--	44,532																																																																																																																																																																																						
Depreciation	20,870	16,006	9,644	43,112	5,706	16,188	19,710	19,243	17,505	99,138	--	267,122	Non-Cash Expense exclude depreciation	4,510	4,062	2,624	13,601	1,226	745	1,036	806	816	15,105	--	44,532																																																																																																																																																																																																			
Non-Cash Expense exclude depreciation	4,510	4,062	2,624	13,601	1,226	745	1,036	806	816	15,105	--	44,532																																																																																																																																																																																																																

37. Litigation Cases

- On March 27, 2009, dr Doro Soendoro, dr Liem Kian Hong and dr Hardi Susanto as the plaintiffs filed a lawsuit against the Company as defendant regarding the termination of the plaintiff's work contract. All claims were declined through the decision of the District Court Jakarta Barat No. 147/Pdt.G/2009/PN.JKT.BAR dated July 23, 2009 but was accepted by the verdict of the High Court of Jakarta No. 626/PDT/2009/PT.DKI dated June 29, 2010.

On 24 September 2010, the Plaintiff filed a cassation against the verdict of the Jakarta High Court to the Supreme Court. Then based on the notification of the verdict of Supreme Court No. 410.K/Pdt/2011 jo. No. 147/Pdt.G/2009/PN.Jkt.Bar dated August 20, 2013. Supreme Court overturned the verdict of Jakarta High Court and declare the Jakarta High Court is not authorized to prosecute and punish the Plaintiff to pay the court fee Rp. 500,000. The verdict of Supreme Court mentioned above has final and binding.

Following up the verdict, on 13 September 2015, the company filed a judicial review to the Supreme Court. Until the date of this report, the company has not received further notice from the Supreme Court.

- On July 9, 2009, Alfonsus Budi Susanto, S.E., M.A., filed a lawsuit against the company as first defendant and four other defendants in connection with malpractice suffered by plaintiff. All claims were rejected through verdict of North Jakarta District Court No. 237/Pdt.G/2009/PN.Jkt.Ut dated March 11, 2010 and corroborated by the verdict of Jakarta High Court No. 548/PDT/2010/PT.DKI dated May 18, 2011.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013

And for the Years Ended December 31, 2015 and 2014

(In Full Rupiah, Unless Otherwise Stated)

On February 23, 2012, Plaintiff filed a cassation to the Supreme Court which on July 11, 2013, the Supreme Court through Decision No. 2811 K / PDT / 2012 rejected the appeal filed Plaintiff and strengthen the North Jakarta District Court and Jakarta High Court earlier. Supreme Court's verdict was legally binding.

- On October 1, 2012, Wahyu Indrawan the plaintiff, filed a lawsuit No 71/Pdt.G/2012/PN.JBI against GFA, a subsidiary as first defendant and two other defendants in connection with malpractice suffered by plaintiff's wife.

All claims were rejected through verdict of Jambi District Court No. 71/Pdt.G/2012/PN.JBI dated July 23, 2013 and strengthen by verdict of Jambi High Court No. 63/PDT/2013/PT.JBI dated December 18, 2013.

On February 5, 2014, the plaintiff filed a cassation to the Supreme Court.

On November 28, 2014, the Supreme Court through Decision No. 1361 K / Pdt / 2014 rejected the appeal filed by the Plaintiff and strengthen the District Court and High Court Jambi Jambi earlier. The verdict of Supreme Court metioned above was legally binding.

- On August 8, 2014, Drs.H.Akhmad Harris, filed a lawsuit in the Distric Court of Tangerang 470/Pdt.G/2014/PN.TNG to the Company in connection with malpractice suffered by the plaintiff.

The value of a lawsuit filed by the plaintiffs include material loss of Rp906,231,000, which represent costs incurred by the claimant and non-material losses amounting Rp500,000,000,000.

All claims filed by the Plaintiff was rejected by verdict of the Tangerang District Court 470 / Pdt.G / 2014 / PN.TNG dated August 6, 2015.

On August 19, 2015, Plaintiffs filed an appeal against the verdict. Banten Supreme Court has noted the appeal, case by case register number 131 / PDT / 2015 / PT.BTN. As of the report date, the Company has not received further notice from the court.

- On December 16, 2014, dr. Arnold Bobby Soehartono (Plaintiff) filed a lawsuit to the Surabaya Commercial Court at Surabaya District Court in connection with the use of self-portrait of the plaintiff by the company ("Defendant"). The value of the lawsuit filed by plaintiff include material compensation in the amount of Rp375,229,125,- and non-material compensation in the amount of Rp8,000,000,000,-.

Lawsuit filed by Plaintiff was granted partly by Commercial Court at Surabaya District Court based on verdict No. 10/HKI.Hak Cipta/2014/PN.Niaga.Sby dated April 13, 2015 in which the Defendant was sentenced to pay compensation in the amount of Rp200,000,000,- and forced to pay money in the amount of Rp. 500.000,- per day delay since the verdict has legal binding until the implementation of the court verdict.

On April 27, 2015, the Defendant filed a cassation against the verdict. Until the date of completion of financial statements, the case is still in the process of examination in the Supreme Court.

Management believes that there is no material impact related to the legal cases above in the future.

38. Restatement of Financial Statements

Implementation of PSAK No. 24 (Revised 2013) "Employee Benefits"

In connection with the implementation of the new PSAK which became effective on January 1, 2015, the Company has restated its consolidated financial statements for the years ended December 31, 2014 and January 1, 2014 / December 31, 2013 when it adopted PSAK No. 24 (Revised 2013) retrospectively.

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
 And for the Years Ended December 31, 2015 and 2014
 (In Full Rupiah, Unless Otherwise Stated)

The consolidated financial statements as of December 31, 2014 and January 1, 2014/December 31, 2013 before and after restatement is as follows:

	December 31, 2014		January 1, 2014/ December 31, 2013	
	Before Restatement	After Restatement	Before Restatement	After Restatement
	Rp	Rp	Rp	Rp
Long-Term Employment Benefit Liabilities	118,858,564,915	110,642,588,110	93,036,906,549	80,672,651,522
Deferred Tax Assets	22,442,922,330	20,388,928,129	18,981,601,213	15,890,537,456
Non-Controlling Interest	5,464,927,320	4,907,970,905	27,608,728,827	27,050,032,420
Retained Earnings	268,677,463,712	275,396,402,731	206,108,534,831	215,940,422,508

The consolidated statements of profit or loss and other comprehensive income for the year ended December 31, 2014 before and after restatement is as follows:

	2014	
	Before Restatement	After Restatement
	Rp	Rp
Operating Expenses	783,947,104,458	771,576,725,991
Tax Expenses	(33,799,163,970)	(36,891,758,587)
Profit Attributable to		
Owners of the Parent Company	62,568,928,881	71,843,232,747
Non-Controlling Interest	(2,862,155,900)	(2,858,675,916)
Earning per Share	54.12	62.14

Addition of Goodwill

On 2015, PT Koridor Usaha Maju, a subsidiary, has recognized any payment and additional adjustment) related to acquisition cost on PT Medika Sarana Traliansia (MST which incurred of increasing purchase consideration amounted Rp5,708,712,083 which subsequent recognized in accordance with sales and purchase agreement of MST (Note 29). In accordance PSAK 22 (Revision 2010) "Business Combination", the Company recognized adjustment to the provision goodwill as if the account for business combination had been completed at the acquisition date. Accordingly, the Company retrospectively adjusted the relevant accounts in the comparative information presented in consolidation financial statement 2014 as follows:

	Rp
Provisional Goodwill	126,297,825,734
Measurement Period Adjustment of Purchase Consideration	5,708,712,083
The Final Calculation of Goodwill	132,006,537,817

The following are some of the accounts of the consolidated statement of financial position and cash flows in 2014 before and after restatement:

	2014	
	Before Restatement	After Restatement
	Rp	Rp
Financial Statement Position		
Goodwill	282,568,092,907	288,276,804,990
Advance	84,624,464,968	83,097,752,888
Other Short-term Liabilities	64,476,339,112	68,658,339,115
Cashflow Statement		
Cashflow from Operating Activities	283,680,074,153	285,206,786,233
Cashflow from Investing Activities	(510,571,999,068)	(512,098,711,148)

PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
And for the Years Ended December 31, 2015 and 2014
(In Full Rupiah, Unless Otherwise Stated)

39. New Accounting Standards not Yet Effective for Year 2015

Standard and improvements to standards effective for periods beginning on or after January 1, 2016, with early application permitted as are follows:

Standard

PSAK 110 (revised 2015): Accounting for Sukuk

Adjustment

- PSAK 5 "Operating Segments"
- PSAK 7 "Related Party Disclosures"
- PSAK 13 "Investments Property"
- PSAK 16 "Property, Plant and Equipment"
- PSAK 19 "Intangible Assets"
- PSAK 22 "Business Combination"
- PSAK 25 "Accounting Policies, Changes in Accounting Estimates and Errors"
- PSAK 53 "Share-based Payments"
- PSAK 68 "Fair Value Measureme"

Amendments to standards and interpretation which are effective for periods beginning on or after January 1, 2016, with retrospective application are as follows:

- PSAK 4 "Separate Financial Statements about Equity Method in Separate Financial Statements"
- PSAK 15 "Investment in Associates and Joint Venture about Investment Entities: Applying the Consolidation Exception"
- PSAK 24 "Employee Benefits about Defined Benefit Plans: Employee Contributions"
- PSAK 65 "Consolidation Financial Statements about Investment Entities: Applying the Consolidation Exception"
- PSAK 67 "Disclosures of Interest in Other Entities about Investment Entities: Applying the Consolidation Exception"
- ISAK 30 "Levies"

Amendments to standards and interpretation which are effective for periods beginning on or after January 1, 2016, with prospective application are as follows:

- PSAK 16 "Property, Plant and Equipment about Clarification of Acceptable Methods of Depreciation and Amortization"
- PSAK 19 "Intangible Asset about Clarification of Acceptable Methods of Depreciation and Amortization"
- PSAK 66 "Joint Arrangements about Accounting for Acquisitions of Interests in Joint Operation"

Amendments to standard and interpretation effective for periods beginning on or after January 1, 2017, with early application permitted are

- Amendments to PSAK 1: Presentation of Financial Statements about "Disclosure Initiative and ISAK 31, Scope Interpretation of PSAK 13: Investment Property"
- ISAK 31, Scope Interpretation of PSAK 13 "Investment Property."

Standard and amendment to standard effective for periods beginning on or after January 1, 2018, with early application permitted are

- PSAK 69: Agriculture
- Amendments PSAK 16: Property, Plant and Equipment about Agriculture: Bearer Plants.

Until the date of the consolidated financial statements is authorized, the Group is still evaluating the potential impact of the adoption of new standards, amendments to standards and interpretations of these standards.

These consolidated financial statements are originally issued in Indonesian language

**PT SILOAM INTERNATIONAL HOSPITALS Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

As of December 31, 2015 and 2014 and Januari 1, 2014/ December 31, 2013
And for the Years Ended December 31, 2015 and 2014
(In Full Rupiah, Unless Otherwise Stated)

40. Responsibility and Issuance of the Consolidated Financial Statements

The management of the Company is responsible for the preparation and presentation of the consolidated financial statements. The consolidated financial statements were authorized for issuance by Directors on February 25, 2016.

2015 Annual Report



Head Office:
PT Siloam International Hospitals Tbk.
Fakultas Kedokteran Universitas Pelita Harapan - Lantai 32
Jl. Boulevard Jend.Sudirman No. 15
Lippo Village
Tangerang 15810
Banten, Indonesia
Telepon : +6221 2566 8000
Faksimili : +6221 546 0075

www.siloamhospitals.com