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www.siloamhospitals.com
SILOAM HOSPITALS FOR INDONESIA
CARE AND COMPASSION FOR THE NATION

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• 1,900 Doctors
• 1,500 Specialist Doctors
• 7,200 Nurses, Allied Health Technicians, and Support Staff
• Committed to Deliver National Healthcare Transformation in Indonesia

Pioneer of JCI Accreditation in Indonesia.
American Gold Standard for Clinical Excellence

Australian Council on Healthcare Standards International
For 24 Hour Ambulance Services, contact: 1- 500 - 911
For Appointment and General Information, contact: 1- 500 – 181
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- More than 250 Successful Brain Disorders Treatments in Two Years
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Driving MOMENTUM OF GROWTH

The theme of 2014 Annual Report reflects the Company’s physical growth with 4 new hospitals added to the network and also encompasses the Company’s drive to expand competencies and deliver quality health care options. Despite the challenges in the competitive environment and in the Indonesian economic environment, Siloam Hospitals solid brand position as a leader in health care provision is continuing to draw interest from unserved markets.

New efforts to integrate the Government’s “BPJS Kesehatan” insurance plan have further expanded the Company’s reach in providing the choice of Siloam Hospitals quality to millions of, previously, medically underserved people. The momentum of 2014 reflects the movement forward in creating larger dynamic medical teams, in delivering new technologies to new areas, and ultimately is the momentum towards meeting the expectations of all our stakeholders in Indonesia.
IN BRIEF

PT Siloam International Hospitals Tbk. (the "Company") operates the largest private network of 20 state-of-the-art hospitals across Indonesia. The Company began business in 1996 as PT Sentralindo Wirasta. Starting with four hospitals in 2010, the Company now manages and operates 20 hospitals, 7 hospitals in Jadebotabek and 13 hospitals distributed in Java, Sumatra, Kalimantan, Sulawesi and Bali. In 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, the Company is currently rapidly increasing the numbers of hospitals and broadening the services it offers, aiming of more than 50 hospitals in more than 30 cities. Committed to deliver a world class healthcare services, Siloam Hospitals invest in latest medical equipment and provides 12 Cath Labs, 14 MRI, 22 CT-Scan, 1 Gamma Knife, 2 Linear Accelerators, and 1 Cyclotron within its integrated network. Investment in technology and medical staff supports a strategic goal to be able 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 was successfully accredited by the Joint Commission International (JCI) for the third time and BIMC Nusa Dua was accredited by the Australian Council on Healthcare Standards (ACHS) for the first time.

By December 2014, Siloam Hospitals has a capacity of 4,800 beds, supported by about 1,900 doctors, of which about 1,500 are specialist doctors and more than 7,200 nurses, serving almost 2 million patients. The Company's dedication in healthcare industry is acknowledged locally and internationally. During 2014, the Company received several awards, for instance 2014 Indonesia Best Practices Awards: Indonesia Healthcare Services Provider of the Year from Frost & Sullivan and European Award For Best Practices 2014 from the European Society for Quality Research (ESQR).

For 2015, the Company will focus on increasing patients' satisfaction and growing the business. Growth will be driven by increasing contribution from new hospital openings and ramp-up of the operations of those hospitals opened in the past 3-4 years as they grow into the category of mature hospitals.
With 18 years of experience in managing hospitals and in giving care, Siloam Hospitals grounds its success on the Company’s values – values that span all Company aspects, medical and non-medical. It was also necessary to signal those values that will fulfill the vision of international quality health care available across Indonesia provided with Godly Compassion.

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

The company’s newest hospital in Kupang, recently inaugurated by the President of Republic of Indonesia Ir. H. Joko Widodo, reflects the company’s vision for the nation: making a difference to the poor and near poor population. This hospital will serve all segments of the community and is expected to act as a gateway for people residing in East Indonesia.

Patients and staffs’ safety was the foundation of Siloam Hospitals’ growth plan. Three healthcare institutions both national and international, namely Joint Commission International (JCI), Komite Akreditasi Rumah Sakit (KARS) and Australian Council of Healthcare Standards (ACHS) recognized Siloam Hospitals’ outstanding performance in providing quality healthcare services in Indonesia. Siloam Hospitals Lippo Village was re-accredited for third time by JCI, a quality gold standard for hospitals across the globe. Siloam Hospitals Kebon Jeruk was accredited by KARS. BIMC Nusa Dua, Bali is also the pioneer and was granted a four year accreditation status by ACHS in achieving safe and high quality healthcare delivery. In addition, the Company was awarded the “Asian Patient Safety Award”.

Moreover, the Company was awarded the “European Awards for Best Practice 2014” by European Society for Quality Research (ESQR), “Indonesia’s Most Reputable Private Hospitals 2014” by SWA Magazine Indonesia and “The Best in Building and Managing Corporate Image Awards 2014” by TEMPO Media Group. All these recognitions are truly representative of the Company’s commitment and goals set out for 2014.
1. Siloam Hospitals received the European Award For Best Practices 2014 from the European Society for Quality Research.

2. Siloam Hospitals received the Indonesia Healthcare Most Reputable Brand 2014, based on Healthcare Survey in 7 cities in Indonesia, category Private Hospital from SWA.

3. BIMC received the Indonesia Healthcare Most Reputable Brand 2014 based on Healthcare Survey in 7 cities in Indonesia, category Private Hospital from SWA.

4. Siloam Hospitals received the Indonesia Healthcare Most Reputable Brand 2014 based on Healthcare Survey in Jabodetabek, category Private Hospital from SWA.

5. BIMC received the Indonesia Healthcare Most Reputable Brand 2014 based on Healthcare Survey in Denpasar, category Private Hospital from SWA.

6. Siloam Hospitals Makassar received the Indonesia Healthcare Most Reputable Brand 2014 based on Healthcare Survey in Makassar, category Private Hospital from SWA.

7. Siloam Hospitals received the Corporate Image Award 2014: The Best in Building and Managing Corporate Image - Category Hospital, from Tempo and Frontier.

8. Siloam Hospitals received Indonesia Best New Issuer 2014 from Warta Ekonomi.

9. Siloam Hospitals received the 2014 Indonesia Best Practices Awards: Indonesia Healthcare Services Provider of the Year from Frost & Sullivan.

10. Siloam Hospitals Kebon Jeruk received the Asian Patient Safety Award 2014: Innovation In Safe Communication from the Asian Patient Safety Award 2014.

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
MILESTONES


Opening of Siloam Gleneagles Hospital located at Lippo Village, as a joint venture with Gleneagles Development Pte, Ltd.

ISO Approval of Siloam Gleneagles Hospital.

Opening of Siloam Gleneagles Hospitals Lippo Cikarang.

Acquisition of Graha Medika Hospital and Budi Mulia Hospital.

Rebranding of Graha Medika Hospital to Siloam Hospitals Kebon Jeruk.

Rebranding of Budi Mulia Hospital to Siloam Hospitals Surabaya.

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

2010

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.

NOVEMBER
Opening of Siloam Heart Institute at Siloam Hospitals Kebon Jeruk.

2011

APRIL
Acquisition of Cardiovascular Clinic in Cinere, Depok

MAY
Opening Siloam General Hospital (RSUS), the first private general hospital 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 Hospitals TB, in South Jakarta

2012

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

Soft Opening of Siloam Hospitals Medan.

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.

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
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 Lippo Village by JCI.

JULY
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
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**Events HIGHLIGHTS**

**APRIL**
First AGMS held on 23 April 2014 at Aryaduta Hotel, Lippo Village

**MAY**
Opening of Siloam Hospitals Purwakarta

Re-accreditation of Siloam Hospitals Lippo Village by JCI

**JULY**
BIMC Nusa Dua, Indonesia’s first hospital to be accredited by ACHS Australia

**AUGUST**
Acquisition of Siloam Hospitals ASRI

**DECEMBER**
Opening and Inauguration of Siloam Hospitals Kupang by President of Republic of Indonesia, Ir. H. Joko Widodo.

Soft Opening of Siloam Hospitals Medan.
Starting from Lippo Village, Tangerang, the Company declared its presence in the field of health services and then followed by Siloam Hospitals Kebon Jeruk in Jakarta.

The Company’s presence in both areas became the starting point of its expansion.
## Financial HIGHLIGHTS

<table>
<thead>
<tr>
<th>Financial Highlights</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PROFIT AND LOSS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>3,341</td>
<td>2,504</td>
<td>1,788</td>
<td>1,259</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>952</td>
<td>659</td>
<td>445</td>
<td>334</td>
</tr>
<tr>
<td>EBITDA</td>
<td>467</td>
<td>298</td>
<td>221</td>
<td>155</td>
</tr>
<tr>
<td>Profit from Operation</td>
<td>134</td>
<td>79</td>
<td>91</td>
<td>71</td>
</tr>
<tr>
<td>Total Comprehensive Income of the Year</td>
<td>60</td>
<td>50</td>
<td>52</td>
<td>38</td>
</tr>
<tr>
<td>Earnings per Share (Rupiah)</td>
<td>54</td>
<td>48</td>
<td>50</td>
<td>44</td>
</tr>
<tr>
<td>Number of Shares outstanding (Shares)</td>
<td>1,156,100,000</td>
<td>1,156,100,000</td>
<td>1,000,000,000</td>
<td>1,000,000,000</td>
</tr>
<tr>
<td><strong>BALANCE SHEET</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Working Capital</td>
<td>363</td>
<td>612</td>
<td>189</td>
<td>151</td>
</tr>
<tr>
<td>Total Assets</td>
<td>2,844</td>
<td>2,601</td>
<td>1,586</td>
<td>1,112</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>1,190</td>
<td>962</td>
<td>1,342</td>
<td>933</td>
</tr>
<tr>
<td>Stockholders’ Equity</td>
<td>1,654</td>
<td>1,639</td>
<td>245</td>
<td>179</td>
</tr>
<tr>
<td><strong>FINANCIAL RATIOS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return on Assets (%)</td>
<td>2.1</td>
<td>1.9</td>
<td>3.3</td>
<td>3.4</td>
</tr>
<tr>
<td>Return on Equity (%)</td>
<td>3.6</td>
<td>3.1</td>
<td>21.2</td>
<td>21.2</td>
</tr>
<tr>
<td>Debt to Assets</td>
<td>41.9</td>
<td>37.0</td>
<td>84.6</td>
<td>83.9</td>
</tr>
<tr>
<td>Debt to Equity</td>
<td>72.0</td>
<td>58.7</td>
<td>548.4</td>
<td>521.6</td>
</tr>
<tr>
<td>Gross Profit Margin (%)</td>
<td>28.5</td>
<td>26.3</td>
<td>24.9</td>
<td>26.5</td>
</tr>
<tr>
<td>EBITDA Margin (%)</td>
<td>14.0</td>
<td>11.9</td>
<td>12.4</td>
<td>12.3</td>
</tr>
<tr>
<td>Operating Profit Margin (%)</td>
<td>4.0</td>
<td>3.1</td>
<td>5.1</td>
<td>5.7</td>
</tr>
<tr>
<td>Net Profit Margin (%)</td>
<td>1.8</td>
<td>2.0</td>
<td>2.9</td>
<td>3.0</td>
</tr>
</tbody>
</table>
Shareholders Structure

<table>
<thead>
<tr>
<th>No</th>
<th>Shareholders</th>
<th>Number of Shares</th>
<th>Percentage of Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>PT Megapratama Karya Pensada</td>
<td>699,000,000</td>
<td>60.46%</td>
</tr>
<tr>
<td>2</td>
<td>PT Kalimaya Pundi Bumi</td>
<td>17,500,000</td>
<td>1.51%</td>
</tr>
<tr>
<td>3</td>
<td>PT Safira Prima Utama</td>
<td>100,000,000</td>
<td>8.65%</td>
</tr>
<tr>
<td>4</td>
<td>PT Gloria Mulia</td>
<td>50,000,000</td>
<td>4.33%</td>
</tr>
<tr>
<td>5</td>
<td>PT Nilam Biru Bensinar</td>
<td>44,100,000</td>
<td>3.81%</td>
</tr>
<tr>
<td>6</td>
<td>PT Maharama Sakti</td>
<td>1,000,000</td>
<td>0.09%</td>
</tr>
<tr>
<td>7</td>
<td>Public (each less than 5%)</td>
<td>244,500,000</td>
<td>21.15%</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>1,156,100,000</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

Capital History

<table>
<thead>
<tr>
<th>Description</th>
<th>Date</th>
<th>Number of Shares</th>
<th>Total Issued Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Public Expose</td>
<td>12 September 2013</td>
<td>156,100,000</td>
<td>1,156,100,000</td>
</tr>
</tbody>
</table>

2014 Share Price Movement
Supporting Professionals
AND INSTITUTIONS

Public Accountants:
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Fax. +6221-726 5090

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Fax. +6221-527 7967
Siloam Hospitals is rising to the challenge of building an integrated medical hospitals network across Indonesia.
Honored Shareholders,

It is a pleasure to report on the outstanding year that Siloam Hospitals had during 2014. Many years ago, providing the highest in quality health care in Indonesia had been a distant dream, and then with sufficient energy and resources, Siloam Hospitals is now doing its part to ensure access to the best treatment and services right across the country.

While the world remained buffeted in 2014 by economic uncertainty in developed countries, Indonesia experienced a number of milder economic issues. The economy performed well overall, outpacing much of the world with a GDP growth of 5.2%, though export declines again put pressure on the government to re-establish a better picture in the current account. This was accomplished in part by reducing the fuel subsidy in two stages, causing higher than expected inflation as a result, reaching 6.4% year on year.
Further pressure was felt during the national elections campaign, as many strategic decisions by both business and government were understandably put on hold, waiting until the final outcomes of a vibrant and orderly election was announced. The largest part of Indonesia’s economy rests securely on domestic production and consumption; however, the tremendous volatility in global financial markets resulted in strong currency swings, with the Rupiah heading downward by nearly 20% year on year.

The Board of Commissioners would like to congratulate the Board of Directors in meeting these issues, head on when necessary, and by following the Company’s strategic plan throughout this challenging year. As well, the efforts to develop and strengthen internal systems to be in line with new responsibilities as a listed company and in a period of strong expansion, indicate that this management team is fully able to achieve strong results. In particular, the introduction of Key Performance Indicators will give confidence to management and staff in achieving performance excellence in line with the Company’s vision and mission.

The Company’s strong growth is shown with gross operating revenues increasing 33% from 2013 and EBITDA increase by 56% from 2013. This growth reflects the effective management of medical, and non-medical resources, including marketing activities.

In clinical aspect, we were gratified with re-accreditation of SHLV by Joint Commission International (JCI), 2014 recognitions and awards including the European Award For Best Practices from the European Society for Quality Research (ESQR); Indonesia Healthcare Services Provider of the Year, from Frost & Sullivan; and Medication Safety from the Asian Patient Safety Award.

Siloam Hospitals is rising to the challenge of building an integrated medical hospitals network across Indonesia. Care is foremost in Company values not only as regards of patient treatments, but also in regards to its relationships with all stakeholders. Siloam Hospitals is proud of the medical and non-medical personnel joined together so far, and has developed long-term plans to ensure that diligent skilled doctors have world class facilities in which to practice, and that Siloam Hospitals growth plans include sufficient and qualified staff.

Siloam Hospitals has also been attentive in reaching out to provide for the fundamental health needs of the communities surrounding Siloam Hospitals, in partnership with the government. Siloam Hospitals has focused its Corporate Social Responsibility programs toward health related matters, in an effort to deliver the best benefits we can to the wider public.
Good Corporate Governance and shareholder relations are a priority for the Board of Commissioners. In the first full year as a listed company, the Board of Commissioners was pleased with the efforts of competent people on the Audit Committee and in other internal control departments to build or strengthen effective business systems and to do so with the Company’s growth projections in mind. There were no changes to the Board of Commissioners in 2014.

Looking forward, Siloam Hospitals will continue with its strategy of expansion of the hospital network and build a health care value proposition both for Indonesians who now do not need to go abroad to seek treatment and for foreigners, some of whom have been coming to our hospitals for years. In building this hospital network across the country and in investing profits and talent to provide customers choice in quality specialized care, Siloam Hospitals is fulfilling its vision.

In closing, let me thank on behalf of the Board of Commissioners, all the wonderful staff who have worked so hard to give the gifts they can. We also wish to commit to our customers that we will continue to build hospitals that uphold our values and to thank them for their good wishes. We finally wish to thank to the shareholders for investing in the Company so that Siloam Hospitals may continue to expand in health care services across Indonesia.

Ketut Budi Wijaya
President Commissioner
BOARD OF COMMISSIONERS

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
The Company has consistently remained profitable despite the heavy investment needed to open and acquire hospitals and develop new specialties.
HONORED SHAREHOLDERS,

I am very glad to report on a successful year of business and professional growth at Siloam Hospitals. Our commitment to carry through with expansion plans was tested, but the opening of 3 hospitals and acquisition of 1 hospital helped expand our reach and deliver quality health care to more people.

Siloam Hospitals has maintained its commitment as a public company to deliver strong revenue growth and EBITDA performance in line with Indonesia’s sustained, broad-based economic growth. This is ultimately a reflection of meeting the expanding demand for quality and compassionate health care services nationwide as well as moving towards the Company’s vision.

Moreover in 2014 we have moved to the next level with our strategic goal of extending our reach by incorporating a multi-platform design into all new and most mature hospitals. By offering the necessary cost-wise infrastructure, free of the non-essential extras, Siloam Hospitals can sustainably offer the previously disadvantaged full quality medical services under the Government’s “BPJS Kesehatan” insurance plan.

The experience gained in operating the Rumah Sakit Umum Siloam (RSUS) was a key element in designing this multi-platform approach. And through this new system, Siloam Hospitals has finally found a way to deliver low-cost high quality care to all segments of society, do so nationwide, and do so sustainably by remaining financially prudent.

While in 2014 construction on some hospitals was delayed due to the excitement and caution surrounding the national elections, our overall expectations of having over 50 hospitals in more than 30 cities and regions, with over 10,000 beds and serving 15 million people by 2017 remains firmly on target.

The steady decline of the Rupiah, especially in the last half of the year, had numerous impacts, both positive and negative. At a time when our hospitals have an aggressive expansion and timetable for upgrades, increased costs for imported technology will have a negative effect. On the positive side, the decrease in the value of the Rupiah has encouraged Indonesians to re-evaluate the quality treatments available in Indonesia and specifically at Siloam Hospitals’ national network. On this subject, Siloam Hospitals is committed to offering world class healthcare services and are accordingly making necessary investments toward this end. Siloam Hospitals is uplifted by the growing reputation of Siloam Hospitals across the Indonesian archipelago.
Yearly Performance Review
On the basis of consistent earnings in mature hospitals and ramp up of those opened in the last three years, Gross Operating Revenue increased by 33% from 2013, with Outpatient Services growing 34% and Inpatient Services growing 33%. This positive end to the year was in line with expectations and symbolizes the hard work put into getting these new hospitals up and running.

Despite the heavy investment needed to open and acquire hospitals and develop new specialties over the years, the Company has consistently remained profitable. In 2014, past investments paid off with EBITDA increasing 56% from 2013, with our multiples currently at highs that not only confirm by market participants our optimism about future growth prospects but also clearly signal the need to have mature hospitals running effectively and the need to bring new hospitals into full steady state functioning.

Strategy Implementation
Integration of the Siloam Hospitals Purwakarta, Siloam Hospitals ASRI, Siloam Hospitals Kupang and Siloam Hospitals Medan is on-going within our expanded Hub and Spoke network. This network, allowing each hospital real-time access to expertise from within the Siloam Hospitals family, strategically extends each Siloam Hospital’s center of excellence as a resource all across the country. Through continued support for the Siloam Doctor Partnership Development Program, we are demonstrating commitment to superb health treatment and building a long term strategic resource. We are also pressing ahead to gain certification by the Joint Commission International on more hospitals.

Other aspects to Siloam Hospital’s Four Pillar strategy include investing in those technologies which can best assist our patients in resolving health issues. Behind this objective, as well as for the introduction of the 1-500-911 Emergency Phone service, is a long-standing policy of listening to patients to determine the best course of action. Siloam Hospital’s focus on creating a center of excellence in Emergency Services is a recognition that Indonesians wish to benefit from better and broader access to health care services.

Given the size that Siloam Hospitals has reached over the past 18 years, the need for a sustainable strategic vision for long term success became of growing importance. Unique within private hospital groups, a Triple Crown of excellence has been instituted between affiliated organizations bringing together research, education and clinical practice. The Mochtar Riady Institute for Nanotechnology has been conducting research for more than nine years in Nanoscience focusing on breast cancer and Hepatocellular Carcinoma and Universitas Pelita Harapan, in more than three decades of growth, produces 250 doctors annually and having 350 student nurses for school year 2014-2015. Siloam Hospitals’ scholar program is poised to increase its support of nursing graduates to 600 nursing candidates per year going forward. In all, this long term strategic vision uniting these three areas will create a dynamic environment for professional growth, supply of skilled staff and provide access to the latest medical research and technologies from local sources.

Cooperation with Lippo Insurance resulted in the launch in 2014 of the Mediplus insurance plan. With a tag line “Total Family Protection”, this plan establishes a nationally accessible avenue for families to gain affordable health care. We are optimistic that this plan will provide long term benefits to Indonesian families and to Siloam Hospitals’ ability to serve more patients.

Corporate Governance
Part of sustainability rests also in ensuring that corporate governance principles are implemented well, are adjusted when needed, and are responsive to the needs of a growing Company. The Board of Directors was actively involved in insuring that Internal Audit was operating effectively with new responsibilities and with the newly formed Audit Committee.

The Company has long experience in understanding and adhering to regulations within the health care industry. Close attention to regulatory and medical governance issues remains a critical component of ensuring that our hospitals are smoothly running and in full compliance to all regulation, to ensure patients and staff safety.
Changes to the Board of Directors include my own appointment as President Director, having previously been on the Board for three terms. Also we would like to welcome Dr. Andry to the Board of Directors as Chief Enterprise and Operational Officer and Mr Kailas Nath Raina as Chief Finance Officer. We bid farewell to Dr. Gershu Paul, who as President Director led the foundation towards the recent growth.

As Siloam Hospitals grow in size and capability, so does our need to recognize our commitment to the community at large. We have been active in allocating resources to manage Rumah Sakit Umum Siloam (RSUS) in Lippo Village, and in launching numerous health check-up and information drives in communities across Indonesia. These health related corporate social responsibility activities will continue to be expanded in line with the interests and needs of communities and with the ability of Siloam Hospitals to make sustained and valuable contributions. We are gratified that Siloam Hospitals are now actively participate in the “BPJS Kesehatan” national universal health insurance system, and look to expand participation on an accelerated timetable.

We were also gratified in 2014 by recognitions and awards including the European Award For Best Practices from the European Society for Quality Research (ESQR); the Indonesia Healthcare Most Reputable Brand 2014, based on Healthcare Survey in 7 Cities in Indonesia, from SWA Magazine; Corporate Image Award from Tempo and Frontier; Indonesia Best New Issuer 2014, from Warta Ekonomi; Indonesia Healthcare Services Provider of the Year, from Frost & Sullivan; and Medication Safety from the Asian Patient Safety Award.

Looking Forward
While attending to global and domestic economic movements and their effects on Indonesians, we are confident that there remains latent demand for the type of health care that Siloam Hospitals has experience in delivering. This latent demand will provide a strong financial basis to effectively and efficiently deliver on the talent, technology, telemedicine and emergency services that large numbers of Indonesians are requesting. Our current pipeline of 46 hospitals in 30 dynamic areas across Indonesia is a challenging but attainable goal, with the benefits accruing into the long term.

In addition, the Company is planning on rolling out a new format medical center, namely Siloam Express. In a push forward with our experience and expertise in emergency medical, these outlets Siloam Express will be strategically placed in high traffic areas, such as shopping malls. Offering a limited variety of surgery options and key equipment with a GP approach, this targeted format should prove effective with a new level of convenience for those smaller medical situations and emergencies, by the opportunity for prompt treatment and immediate referral through our ambulance fleet, and with the trust and quality that people expect from Siloam Hospitals.

Siloam Hospitals has gained much experience in the operation now of 20 hospitals and remain confident about delivering a world class medical services across Indonesia. The demographic trends of a growing middle class, a growing desire for greater medical services, and the ability to excite talented people to join the cause of delivering these services, all point to continued business growth into the future.

Appreciation
I wish to firstly thank our shareholders for joining in this venture and for trusting in our ability to deliver value. We also recognize and appreciate the diligence and care of our medical and non-medical staff in keeping patient care first and foremost. We also recognize the support of our patients who have given us the momentum to expand the scope of our services. We would also like to thank all our business partners who have helped build our hospitals, and have ensured that every hospital gets what they need in order for us to deliver the best we can.

Romeo Fernandez Lledo
President Director/Independent Director
BOARD OF DIRECTORS

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
Management
DISCUSSION & ANALYSIS

During 2014, Siloam Hospitals continued to pursue a steady course in both new and mature hospital management while rapidly expanding the hospital network. By responding to community health needs through targeted application of medical and communication technology, the Company's national brand awareness increased significantly as seen by the growth in-patient and out-patient admittance numbers on a hospital by hospital basis. Sustainable and increasingly positive financial results followed as well from the recently opened hospitals and the achievement of expanding access to Siloam Hospitals for whole segments of Indonesians with middle class and below purchasing power.
The Company maintains governance and medical governance standards at the highest levels, with Siloam Hospitals Lippo Village being the first Indonesian hospital to be recognized internationally through accreditation by the Joint Commission International in 2007.

**INDONESIAN HEALTHCARE INDUSTRY**

Indonesia is currently served by a number of private and government medical services providers, providing basic care and some specialist services, with inconsistent quality standards. Increased medical awareness, disposable income and desire by Indonesians for better health care are creating a surge in interest for access to consistent, more advanced and more widely available health care options.

Based on recent data from Frost and Sullivan, Indonesia has a low rate in per capita expenditure for health services at USD 108 compared to an average of USD 410 for Malaysia, USD 2,426 for Singapore and USD 215 for Thailand. However, total spending on health care expenditures in Indonesia is expected to increase from approximately USD 30 billion in 2013 to USD 61 billion by 2018, with private sector spending on health care to increase from USD 18 billion in 2013 to USD 35 billion in 2018.

In addition, low to middle income countries have a health expenditure to GDP ratio of 3.5-5.5% while the ratio for high-income countries...
is above 7%. With Indonesia’s ratio of 3%, there remains room for immediate growth, especially in light of the recent introduction of government sponsored universal health insurance.

The rapid growth of the Indonesian economy, changes in especially urban lifestyles and easy access to global medical information is creating opportunity for new methods and procedures to be introduced into Indonesia’s healthcare system. However, Frost and Sullivan data also indicates that Indonesia has only 1.13 beds per 1,000 people versus the average ratio of beds per 1,000 people of Singapore, Thailand and Malaysia at 2.2. Equally the rate of 0.37 doctors per 1,000 people remains low, behind Malaysia at 1.63, Singapore at 2.16 and Thailand at 2.01. Demand for quality healthcare is currently outstripping supply.

A number of other factors, including the onset of “sedentary urban lifestyle” non-communicable diseases, and the current trend of outward medical tourism from Indonesia, are placing both strains on the current system and opportunities to provide high quality medical care facilities within Indonesia. Given this situation, university medical faculties have been expanding to meet the demand for doctors, with a heightened awareness of the possibilities and requirements of having the most up-to-date global medicine outlook.

**Review of Company Business**

Siloam Hospitals currently manages a network of 20 hospitals as of end of 2014, situated strategically in cities across Indonesia. This network is the largest private network of hospitals in Indonesia and by offering high quality, internationally accredited services, the brand image of Siloam Hospitals is 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 diagnostic, and emergency services, Siloam Hospitals has been able to successfully promote its brand of care and establish a strong market position.

In order to expand its presence in more cities, Siloam Hospitals has been expanding its network in areas of high potential. As at December 31, 2014, the Company had a bed capacity of about 4,800 (2013 : 3,700), with about 1,900 doctors (2013 : 1,500) of which about 1,500 are specialist doctors (2013 : 1,200) and about 3,200 nurses (2013 : 2,700). The hospital’s support staff numbered more than 4,000 (2013 : 2,300).

**Advantages of Siloam Hospitals**

Siloam Hospitals early on followed a patient-oriented approach, leading to effective treatments and choices for facilities. Further advantages arise from an integrated approach between clinical and non-clinical services. 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.

Siloam Hospitals Lippo Village was the first Indonesian hospital to be recognized internationally through accreditation by the Joint Commission International in 2007 and the hospital has subsequently been re-accredited twice. The Company maintains governance and medical governance standards at the highest levels. The Company and individual hospitals are recipients of numerous awards each year.

In 2014, the Company added four hospitals, three greenfield projects and one acquisition. One is located in South Jakarta, one in Purwakarta, a city in West Java, one in Kupang, a major city in the East Indonesia and one in Medan, a major city in the West Indonesia. By building scale and capacity on a wide geographic basis, the Company is meeting strategic targets, and building on brand quality identification as a national healthcare provider. The target of having more than 50 hospitals by 2017 is on-track, with investment plans for physical construction, personnel training, and systems expansions well practiced and ready to roll out.

Plans for 2015 include introducing a new concept health service centre, ideally located in high traffic areas such as shopping malls or easily accessible commercial zones. By downsizing from a full service hospital, these new Siloam Express offer the quality assurance of a full Siloam Hospitals while limiting its service offering to primary, secondary and emergency services. By rounding out the Company’s strategic direction in this way, we are expanding reach not only across the country, and across all strata of society, but also across the city.

**Research and Academic Support**

Siloam Hospitals has established minimum guidelines for yearly training for medical staff. However, the Company encourages training in order to expand medical competencies and to ensure that medical facilities are operated to the highest standards, by regularly collaborating with international healthcare providers and with Indonesian medical professional educators and research.

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. The strategic cooperation arising between clinical practice, education and research provide a strategic advantage in opening up avenues along a comprehensive medical agenda.
Low-Intensity Extracorporeal Shockwave Therapy (LI-ESWT)

Rapid, Non-evasive, and Curative therapy for ED

- Our LI-ESWT equipment have been operated by Urology experts since August 2013.
- Able to assist in full recovery of Erectile Dysfunction (ED) cases with non-invasive procedure.
- LI-ESWT were aimed to induce shear stress so as to boost new blood veins formation.
- Painless extraneous therapy which reduce the needs of medicine intake.
- Can serve as a complementary therapy for patients with high-intensity ED.
- Evidence Based Health Care Approach to the health care industry.
**Centres of Excellence**

The Centres of Excellence approach aims to focus the Company’s hospitals on their areas of expertise, in addition to meeting general needs for the community. The Company has developed Centres of Excellence in several fields such as cancer, cardiac, neurological, fertility, urology and orthopedics.

### Centers of Excellence

<table>
<thead>
<tr>
<th>Hospital</th>
<th>Specialization</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHLV</td>
<td>Cardiology, Neuroscience, Orthopaedics and Emergency</td>
</tr>
<tr>
<td>SHKJ</td>
<td>Urology, Orthopaedics, Cardiology, and Emergency</td>
</tr>
<tr>
<td>SHSB</td>
<td>Fertility Treatments, Cardiology, and Emergency</td>
</tr>
<tr>
<td>SHLC</td>
<td>Occupational Health and Emergency</td>
</tr>
<tr>
<td>SHIB</td>
<td>Emergency</td>
</tr>
<tr>
<td>SHBP</td>
<td>Orthopaedics and Emergency</td>
</tr>
<tr>
<td>MRCC</td>
<td>Cancer, Liver and Emergency</td>
</tr>
<tr>
<td>RSUS</td>
<td>Emergency</td>
</tr>
<tr>
<td>SHMN</td>
<td>Emergency</td>
</tr>
<tr>
<td>SHMK</td>
<td>Cardiology, Endocrinology and Emergency</td>
</tr>
<tr>
<td>SHPL</td>
<td>Gastroenterology and Emergency</td>
</tr>
<tr>
<td>SHCN</td>
<td>Cardiology</td>
</tr>
<tr>
<td>SHBP</td>
<td>Treatment for tourists, Orthopaedics, Cardiology and Emergency</td>
</tr>
<tr>
<td>SHTB</td>
<td>Cardiology, Oncology, Neuroscience and Emergency</td>
</tr>
<tr>
<td>BIMC Kuta</td>
<td>Treatment for tourists and Emergency</td>
</tr>
<tr>
<td>BIMC Nusa Dua</td>
<td>Emergency, Cosmetic Surgery</td>
</tr>
<tr>
<td>SHPW</td>
<td>Emergency</td>
</tr>
<tr>
<td>ASRI</td>
<td>Urology</td>
</tr>
<tr>
<td>SHKP</td>
<td>Emergency</td>
</tr>
<tr>
<td>SHMD</td>
<td>Emergency</td>
</tr>
</tbody>
</table>

**Company Hospitals and Subsidiaries**

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

<table>
<thead>
<tr>
<th>Hospital</th>
<th>SHLV</th>
<th>SHKJ</th>
<th>SHSB</th>
<th>SHLC</th>
<th>SHIB</th>
<th>SHBP</th>
<th>MRCC</th>
<th>RSUS</th>
<th>SHMN</th>
<th>SHMK</th>
<th>SHPL</th>
<th>SHCN</th>
<th>SHBP</th>
<th>SHTB</th>
<th>BIMC Kuta</th>
<th>BIMC Nusa Dua</th>
<th>SHPW</th>
<th>ASRI</th>
<th>SHKP</th>
<th>SHMD</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year of Acquisition</td>
<td>-</td>
<td>2002</td>
<td>2002</td>
<td>-</td>
<td>2011</td>
<td>2011</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2012</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2013</td>
<td>2013</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bed Capacity</td>
<td>308</td>
<td>283</td>
<td>162</td>
<td>109</td>
<td>100</td>
<td>232</td>
<td>334</td>
<td>640</td>
<td>230</td>
<td>360</td>
<td>357</td>
<td>40</td>
<td>283</td>
<td>269</td>
<td>21</td>
<td>20</td>
<td>210</td>
<td>40</td>
<td>405</td>
<td>388</td>
<td>4,791</td>
</tr>
<tr>
<td>Operational Beds</td>
<td>260</td>
<td>205</td>
<td>160</td>
<td>108</td>
<td>92</td>
<td>165</td>
<td>122</td>
<td>220</td>
<td>139</td>
<td>180</td>
<td>135</td>
<td>37</td>
<td>127</td>
<td>80</td>
<td>18</td>
<td>20</td>
<td>169</td>
<td>40</td>
<td>80</td>
<td>2,397</td>
<td></td>
</tr>
</tbody>
</table>

| Medical Staff | General Practitioners | 36 | 32 | 19 | 26 | 17 | 18 | 31 | 25 | 24 | 18 | 18 | 2 | 23 | 12 | 27 | 24 | 11 | 14 | 4 | 4 | 385 |
| Specialist Doctors | 194 | 171 | 126 | 65 | 52 | 85 | 145 | 0 | 73 | 83 | 110 | 14 | 86 | 106 | 24 | 33 | 28 | 76 | 32 | 36 | 1539 |
| Nurses | 442 | 333 | 256 | 156 | 123 | 141 | 212 | 244 | 143 | 220 | 184 | 57 | 149 | 123 | 61 | 69 | 148 | 92 | 29 | 62 | 3,244 |

**Patient Points of Entry**

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

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

The Company had a bed capacity of **4,800** (2013: 3,700), with **1,900** doctors (2013: 1,500), of which **1,500** are specialist doctors (2013: 1,200), and **3,200** nurses (2013: over 2,700). The hospitals’ support staff numbered more than **4,000**, (2013: over 2,300).
Performance Summary

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of hospitals</td>
<td>20</td>
<td>16</td>
<td>12</td>
</tr>
<tr>
<td>Number of beds in operation</td>
<td>2,397</td>
<td>1,985</td>
<td>1,533</td>
</tr>
<tr>
<td>Inpatient admission</td>
<td>115,067</td>
<td>85,909</td>
<td>61,259</td>
</tr>
<tr>
<td>ALOS (Average length of stay, days)</td>
<td>4.1</td>
<td>4.3</td>
<td>4.2</td>
</tr>
<tr>
<td>Occupancy rate</td>
<td>53.4%</td>
<td>51.30%</td>
<td>45.40%</td>
</tr>
</tbody>
</table>

The Company’s revenues are generally driven by the cost of consultancy, medical care and administration, complemented with sale of medicines, usage of medical devices, and other diagnostic tests such as lab tests, general diagnostics, radiology and other charges for various services. Admissions to inpatient services of the Company are largely driven 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 emergency services nationwide.

Additionally, all of the Company’s hospitals have been equipped with modern ambulances to stabilize the patient during transport to the Company’s hospitals. All of the Company’s clinical staff are 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.

Patients cared for by Siloam Hospitals Emergency Units

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>171,105</td>
<td>131,706</td>
<td>99,139</td>
</tr>
</tbody>
</table>

2. Outpatient Services
The Company’s outpatient service is the largest entry point encompassing about 78% of the all patients in 2014. 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

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,254,442</td>
<td>1,014,564</td>
<td>804,395</td>
</tr>
</tbody>
</table>

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 the 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

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>74,288</td>
<td>64,978</td>
<td>68,778</td>
</tr>
</tbody>
</table>
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 and emergency services patients who need to receive further care. In 2014, the Company’s inpatient services provided the largest portion of the revenue contribution at about 62% (2013: 62%).

The number of inpatients is a factor of 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 and professional doctors’ 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 2014, the average length of stay (ALOS) in the Company hospitals was about 4.1 days, (2013: about 4.3 days).

### Revenues from Inpatient Service for the years ended December 31, 2014

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rp</td>
<td>%</td>
<td>Rp</td>
</tr>
<tr>
<td>Medical Support and Expert Services</td>
<td>745.1</td>
<td>22.31</td>
<td>557.5</td>
</tr>
<tr>
<td>Medicines and Medical Equipment</td>
<td>734.3</td>
<td>21.99</td>
<td>584.7</td>
</tr>
<tr>
<td>Inpatient Room</td>
<td>286.7</td>
<td>8.58</td>
<td>199.9</td>
</tr>
<tr>
<td>Administration Revenues</td>
<td>73.8</td>
<td>2.21</td>
<td>60.9</td>
</tr>
<tr>
<td>Operation Room</td>
<td>80.6</td>
<td>2.41</td>
<td>38.2</td>
</tr>
<tr>
<td>Others</td>
<td>139.8</td>
<td>4.19</td>
<td>99.8</td>
</tr>
<tr>
<td>Total</td>
<td>2,060.3</td>
<td>61.68</td>
<td>1,541.0</td>
</tr>
</tbody>
</table>

### Revenues from Outpatient Service for the years ended December 31, 2014

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rp</td>
<td>%</td>
<td>Rp</td>
</tr>
<tr>
<td>Medical Support and Expert Services</td>
<td>777.2</td>
<td>23.27</td>
<td>590.1</td>
</tr>
<tr>
<td>Medicines and Medical Equipment</td>
<td>390.7</td>
<td>11.70</td>
<td>298.5</td>
</tr>
<tr>
<td>Administration Revenues</td>
<td>33.7</td>
<td>1.01</td>
<td>29.7</td>
</tr>
<tr>
<td>Others</td>
<td>78.7</td>
<td>2.36</td>
<td>44.3</td>
</tr>
<tr>
<td>Total</td>
<td>1,280.3</td>
<td>38.32</td>
<td>962.6</td>
</tr>
</tbody>
</table>

### Revenue Source Summary (in thousand Rupiah)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ave Inpatient Revenues per Patient</td>
<td>17,905</td>
<td>17,937</td>
<td>17,580</td>
</tr>
<tr>
<td>Ave. Inpatient Revenues per Patient-Day</td>
<td>4,413</td>
<td>4,144</td>
<td>4,229</td>
</tr>
<tr>
<td>Ave. Outpatient Revenues per Patient</td>
<td>844</td>
<td>793</td>
<td>731</td>
</tr>
</tbody>
</table>
CENTRE OF EXCELLENCE IN NEUROSURGERY
A Professional Team of 18 Neurosurgery Specialists
Across 14 Cities in Indonesia

- Neurovascular & Endovascular Procedures
- Spine Surgery
- Brain Tumor Surgery
- Hydrocephalus
- Meningo-Encephalocele & Meningo-Myelocele
- Interventional Pain Management
- Radiation Stereotactic Surgery (Gamma Knife)
- Functional Neurosurgery (Pain Syndrome, Stiffness/Spasticity, Movement Disorder, Epilepsy)
- Peripheral Nerve Surgery (Entrapment Neuropathy, Traumatic
Peripheral Nerve Injury, Peripheral Nerve Tumors)

For 24 Hour Ambulance Services, contact: 1-500-911
For Appointment and General Information, contact: 1-500-181
2014 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 attainable 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 develop the position of Siloam Hospitals as a leader in Indonesian healthcare, specific efforts were taken in 2014 within the 4 Pillars of: 1) Excellence in Emergency Services, with the 2013 introduction of the 1-500-911 phone number providing increased activity; 2) State-of-the-Art Medical Equipment and Systems, adding to Siloam Hospitals’ ability to provide a broader range of treatments; 3) Digital Telemedicine “Hub and Spoke”, providing all areas of Indonesia with an established communication channel and confirmed access to Siloam Hospitals’ medical specializations, extending access to high quality care from large cities to even remote areas; and, 4) Siloam Doctor Partnership and Development Program, is an industry recognized pathway for attracting highly motivated young doctors and ensuring that all Siloam Hospitals doctors have strong career development and support, further encouraging doctors to remain in Siloam Hospitals.

With a priority on implementing the highest standards and strict clinical rules, the Company’s strategy has been viewed in terms of specific and measurable goals in the following areas to:

1. Systematically and effectively increase the number of beds 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, by 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 all treatment options (primary, secondary or tertiary to quaternary).
5. Encouraging efficiency with advanced technology, which 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 centre;
   - 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 65%.

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 15% to revenue.

3. Private Insurance Companies Payment
This segment represents approximately 15%, with a list of insurance providers including Prudential, Manulife, AIA Financial, Bupa International, Allianz, AXA Financial, and Lippo General Insurance, especially through the new Mediplus family medical insurance plan.

4. Accepted Government Health Insurance Payment
Currently health insurance from the government contributes 5% toward the Company’s revenues. However, 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 7 hospital have completed the administrative set-up procedure and can provide sustainable service, we fully expect most Siloam Hospitals to be participants.

<table>
<thead>
<tr>
<th>No</th>
<th>Units</th>
<th>Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>SHLV</td>
<td>January 2014</td>
</tr>
<tr>
<td>2</td>
<td>RSUS</td>
<td>January 2014</td>
</tr>
<tr>
<td>3</td>
<td>SHPW</td>
<td>May 2014</td>
</tr>
<tr>
<td>4</td>
<td>SHMN</td>
<td>October 2014</td>
</tr>
<tr>
<td>5</td>
<td>SHBP</td>
<td>November 2014</td>
</tr>
<tr>
<td>6</td>
<td>SHDP</td>
<td>November 2014</td>
</tr>
<tr>
<td>7</td>
<td>SHUB</td>
<td>December 2014</td>
</tr>
</tbody>
</table>

5. Referrals
Up to now, only a few patients are referred by doctors from other hospitals. The Company expects this segment to grow over time in line with the Company’s increasing ability to offer sophisticated treatment options.
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**Marketing**

The Company implements a series of marketing strategies to advertise services for new patients and address the needs of existing patient groups. Targeted campaigns identify different groups and provide useful and attractive 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.

Newspaper and other publications, radio and television talk shows regularly promote the national call centre 1-500-181 as a convenient way to contact Siloam Hospitals to gain information, or just set the time for patient examinations. Public service announcements, such as the effective “Cervical Cancer Kills,” highlight the Company’s role as partner in promoting awareness and in providing healthcare.

The Company partners with various institutions to offer promotions and discounts to credit card owner patients. Patients can enjoy the instalment 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. A major new cooperation in 2014 was with affiliated Lippo Insurance to offer family insurance under the banner MediPlus.

To retain an informed customer base, the Company provides articles and health content for free through its website and other social media networks Facebook and Twitter. The “My Siloam Card” offers benefits to patients, such as discounts for hospital services, as well as promotions with affiliated companies for hotel rooms and restaurants.

**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 negotiated an individual hospital ordering mechanism, providing both supplier and hospital with effective inventory management ability.

**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 Ash 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 changing the healthcare services and access to one of consistent international quality for Indonesian society in general within the next 5 years.

By attaining the goal of more than 50 hospitals across Indonesia, the Company wants to be known 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 seems ready to deliver on a world class integrated healthcare network spanning across all of Indonesia.
Revenue increase was primarily due to the patient throughput growth for the 4 mature hospitals, ramp-up of the developing and new hospitals opened in 2012 and 2013, and also the hospitals acquired in 2013 and 2014.

**SILOAM HOSPITALS 2014**

The year 2014 was one of solid and strong growth for the Company’s Gross Operating Revenue (GOR) and EBITDA performance.

The major successes that have been made by the Company include:

- Continuous developing hospital network by opening 3 new hospitals and acquiring 1 hospital, whilst expanding and improving existing facilities.
- Extending Siloam services to “BPJS Kesehatan” patients with 7 hospitals and the remaining hospitals are in the process of entering into agreement with BPJS.
- Developing a hub and spoke model that allows specialist doctors to serve remote areas in real time, without additional costs to patients or the Company.
- Implementing an innovative, as well as comprehensive and integrated clinical service model by using state-of-the-art-technology, reliable emergency service, and continuous quality improvements.
- Establishing Centres of Excellence in several hospitals, to become referral centres for specific areas of treatment.
- Awarded “European Awards for Best Practice 2014” by European Society for Quality Research for its consistent maintenance and delivery of quality, system, efficiency, productivity and global standard of care.
Results of Operation

Gross Operating Revenue of the Company grew by 33% from 2013, with a CAGR of 34% from 2010 to 2014. The growth of CAGR reflects the effective management of medical, and non-medical resources, including marketing expenses.

EBITDA showed significant growth with a CAGR of 35% in the same period from 2010 to 2014. Notably for 2014, EBITDA increased by 56% from 2013.

The largest revenue contribution comes from the 4 mature hospitals. The GOR growth from these hospitals is still achieving 6%-16% per year. In comparison, the developing hospitals (SHUB, SHBP) grew 22% and 28%, respectively. Hospitals opened in 2013 (SHDP, SHTB) are ramping up better than expectations. Hospitals that were opened in 2012 (SHMK, SHPL) grew approximately 50% as they are ramping up their operations to capacity.

On the cost side, Service Cost increased by 32% and material cost increased by 27%, resulting in gross margin to GOR to slightly increase from 41% in 2013 to 43% in 2014.

Newly opened Siloam Hospitals Purwakarta, which is a hybrid model of fully equipped hospital with general hospital, has achieved 39% EBITDA in a short 7-months period, while Siloam Hospitals ASRI that was acquired in August 2014 produced 13% EBITDA on a YTD basis.

Average Revenue Per Patient

For In-patient Department (IPD), 4 mature hospitals average revenue per patient was at Rp 21 million, while MRCCC was giving the highest average revenue per patient at Rp 36 million. The new hospitals opened in 2012 and 2013, while ramping up their operation, were hitting average revenue per patient ranging from Rp 13 million to Rp 24 million. While acquired hospital in Cinere, average revenue per patient was at Rp 41 million due to high number of complex cardiac cases. Acquired BIMC hospitals average revenue per patient was at Rp 45 million due to its 3-tier pricing policy. The acquired hospitals in 2014, Siloam Hospitals ASRI, was achieving average revenue per patient at Rp 14 million as planned, while SHPW and RSUS was achieving average revenue per patient at Rp 7 million, consistent with our existing general hospital.

For Outpatient Department (OPD), 4 mature hospitals shows the average revenue of Rp 1 million per patient, MRCCC at Rp 2 million per patient and the new hospitals opened in 2012 and 2013 were hitting average revenue per patient ranging from Rp 0.5 million to Rp 1 million. Acquired BIMC hospitals average revenue per patient was at Rp 2 million due to its 3-tier pricing policy. The acquired hospitals in 2014, Siloam Hospitals ASRI, was achieving average revenue per patient at Rp 1 million as planned, while SHPW and RSUS was achieving average revenue per patient at Rp 0.3 million, consistent with our existing RSUS.

Growth of Patient Visits & Admissions

IPD admissions of the 4 mature hospitals contributed 39% of total IPD admissions, while developing hospitals and MRCCC grew by 18% as compared to last year. RSUS grew by 66% 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 SHPL grew by 59% and 36%, respectively, and new hospitals opened in 2013, SHDP and SHTB grew by 88% and 460%, respectively. Newly acquired general hospital in 2014, SHPW has contributed about 8 thousand IPD admissions in a short 7-months period. In total, IPD admissions grew by 34%.

OPD visits of the 4 mature hospitals contributed 53% of total IPD admissions, while developing hospitals and MRCCC grew by 11% and 15% as compared to last year. RSUS visits grew by 176%. New hospitals opened in 2012, especially SHMK and SHPL grew by 82% and 51%, respectively, and new hospitals opened in 2013, SHDP and SHTB grew by 74% and 361%, respectively, as these hospitals are ramping-up their throughput. Newly acquired general hospital in 2014, SHPW has contributed about 34 thousand OPD visits in a short 7-months period. In total, OPD visits grew by 24%.

Overall Emergency Department (ED) visits grew by 30% as compared to last year. MRCCC grew by 64%, while RSUS visits grew by 78%. The new hospitals opened in 2013 grew by a significant 141% while the 4 new hospitals opened in 2012 grew by 29%. SHPW, the newly acquired hospital in 2014 contributed about 8 thousand ED visits.

Growth of Total Hospitals

The number of hospitals has grown rapidly over the last 4 years. Starting with four hospitals in 2010, the Company now has 20 hospitals at the end of 2014. This growth shows a favourable CAGR of 50% during that period.

Gross Operating Revenue (GOR)

The Company’s GOR comprises of In-patient revenue and outpatient revenue. During 2014, the Company’s revenue increased by 33% to Rp 3,341 billion in 2014 from Rp 2,504 billion in 2013.

The increase was primarily due to the patient throughput growth for the 4 mature hospitals, ramp-up of the developing and new hospitals opened in 2012 and 2013, and also hospitals acquired in 2013 and 2014. The new hospitals opened in 2012 and 2013 recorded a tremendous GOR growth of 47% and above 100%, respectively, exceeded expectations 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 29% in 2014 to Rp 2,389 billion from Rp 1,845 billion in 2013.

This increase was primarily due to increases in in-patient and out-patient costs of sales relating to salaries and employees’ benefits, drugs and medical supplies, and in-patient costs of sales relating to depreciation charges and others.

In-patient cost of sales relating to salaries and employees’ benefits increased by 28% to Rp 653 billion in 2014 from Rp 511 billion in 2013. Cost of sales relating to drugs and medical supplies increased by 24% to Rp 460 billion in 2014 from Rp 372 billion in 2013. Cost of sales relating to depreciation charges increased by 22% to Rp 118 billion in 2014 from Rp 97 billion in 2013. Cost of sales relating to food and beverage increased by 18% to Rp 53 billion in 2014 from Rp 45 billion in 2013. Other cost of sales increased by 59% to Rp 60 billion in 2014 from Rp 38 billion in 2013.


The above increases were mainly due to the ramp-up of new hospitals and hospitals acquired in 2014, SHPW and Siloam Hospitals ASRI.

Gross Profit
The Company’s gross profit increased 44% from Rp 659 billion in 2013 to Rp 952 billion in 2014. The gross profit margin at 28%, an improvement from 26% in 2013 and reflects greater efficiencies as the hospitals fill up the capacity.

Operating Expenses
The Company’s operating expenses for 2014 were Rp 784 billion, increased 35% from the Rp 583 billion in 2013. The increase was mainly due to the following:

- General and Administrative Expenses increased by 36% from Rp 557 billion in 2013 to Rp 757 billion, primarily due to the increases in salaries and employees' benefits, water and electricity expenses, other office expenses, rental and depreciation charges. Salaries and employees' benefits increased by 35% to Rp 272 billion in 2014 from Rp 202 billion in 2013. Water and electricity expenses increased by 19% to Rp 89 billion in 2014 from Rp 75 billion in 2013. Other office expenses increased by 65% to Rp 122 billion in 2014 from Rp 74 billion in 2013. Rental increased by 61% to Rp 66 billion in 2014 from Rp 41 billion in 2013. Depreciation charges increased by 57% to Rp 81 billion in 2014 from Rp 52 billion in 2013. The above increases were primarily resulted from inflation adjustments and also the additional hospitals opened and acquired in 2014.
**Financial Charges**  
Financial charges increased by 195% to Rp 56 billion in 2014 from Rp 19 billion in 2013, 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 increased 31% to Rp 94 billion, increased significantly from Rp 72 billion in 2013 for the reasons specified above.

**Tax Expenses**  
Tax expense increased by 55% to Rp 34 billion in 2014 from Rp 22 billion in 2013 primarily due to increase in taxable income as a result of increase in profit before tax.

**Net Profit**  
The Company’s net profit increased 19% to Rp 60 billion from Rp 50 billion in 2013. The increase was mainly due to the reasons specified above.

**Assets**  
The Company’s Total Assets increased by 9% to Rp 2,844 billion in 2014 from Rp 2,601 billion in 2013. As at 31 December 2014, Property and Equipment increased by 13% to Rp 1,589 billion from Rp 1,402 billion in 2013 as a result of the opening of 3 new hospitals in Purwakarta, Kupang and Medan, and also the acquired hospitals during 2014.

**Liabilities**  
Total liabilities as at 31 December 2013 was Rp 1,190 billion or a 24% increase from Rp 962 billion in the previous year. The increase in total liabilities was due to the increased in loan payable to parent company and accrued expenses.

Total current liabilities as at 31 December 2014 was Rp 478 billion, an increase of 62% compared to the previous year of Rp 296 billion. The increase in current liabilities was primarily due to increase in rental accruals by Rp 35 billion and interest accruals by Rp 31 billion.

Total long-term liabilities as at 31 December 2014 was Rp 712 billion, a 7% increase compared to Rp 666 billion in the previous year. This is due to the increased in loan payable to parent company.

**Equity**  
Total Equity of the Company increased to Rp 1,654 billion in 2014 from Rp 1,639 billion in 2013.

**Dividend Policy**  
The Company will declare 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 net income after tax 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 order 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.

**Liquidity And Capital Resources**  
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 capital requirements primarily through funds generated from its operations, loan from parent company, financing from banks and from the IPO proceeds. The primary capital requirements have been to finance the purchase of medical equipment, acquisition of hospitals and to fund general working capital requirements.

The Company believes that it has sufficient capital resources from its operations, 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.

**Solvency**  
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 ratio is as follows:

<table>
<thead>
<tr>
<th>Solvability</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Liabilities to Total Assets</td>
<td>42%</td>
<td>37%</td>
</tr>
<tr>
<td>Total Liabilities to Total Equity</td>
<td>72%</td>
<td>59%</td>
</tr>
</tbody>
</table>

**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 ratio is as follows:

<table>
<thead>
<tr>
<th>Profitability</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit margin</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>ROA</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>ROE</td>
<td>4%</td>
<td>3%</td>
</tr>
</tbody>
</table>
HUMAN RESOURCES

A holistic approach to Competency Development and Employee Welfare is key motivating all staffs with focus on patient care, employees’ wellbeing and the Company’s solidity.

To fulfil its missions as a health service provider, Siloam Hospitals requires staff who are able to demonstrate the highest levels of professionalism and competence. Our long track record of success in attracting and retaining our dedicated staff is the result of effective systems of recruitment, retention, and training, as well as providing a positive and challenging work environment.

Recruitment
In line with the growth of Siloam Hospitals is the need to secure adequate numbers of qualified medical staff, both specialist and general practitioners. Both national and international recruitment are options to fill a variety of positions at the existing and planned hospitals for doctors, nurses, medical technicians, and other care givers. This recruitment is handled centrally out of head office, with an eye to securing local talent whenever possible.

Close contact with a network of Faculties of Medicine throughout Indonesia has provided viable pathways for talented students to pursue their professional development goals. In addition, Siloam Hospital’s commitment to extend the range of treatment
options through acquisition of advanced technology for more complex operations is an attractive feature to offer doctors, technicians and indeed all medical staff. Nevertheless, competition for the talented output of medical graduates remains keen.

A long term cooperative arrangement with the affiliated UPH Medical and Nursing Faculties provides the hospital network with a base of committed graduates. Through a scholarship program as well, these investments made early on in these careers has provided widespread benefits in extending availability of high quality medical care to more locations across Indonesia.

**Employee Composition**

As at year end December 31, 2014, the Company and its Subsidiaries employed 7,810 employees (2013: 6,174), consisting of 6,547 permanent employees (2013: 4,905) and 1,263 contracted employees (2013: 1,269). The following table shows the staff composition details based on level, work status, education background, age group and gender.

**Composition of Management & Employees by Work Status**

<table>
<thead>
<tr>
<th>Description</th>
<th>31 December 2014</th>
<th>31 December 2013</th>
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</thead>
<tbody>
<tr>
<td>Permanent Employees</td>
<td>6,541</td>
<td>4,905</td>
</tr>
<tr>
<td>Contract Employees</td>
<td>1,263</td>
<td>1,269</td>
</tr>
<tr>
<td>Total</td>
<td>7,810</td>
<td>6,174</td>
</tr>
</tbody>
</table>

**Composition of Management & Employees by Level**

<table>
<thead>
<tr>
<th>Description</th>
<th>31 December 2014</th>
<th>2013 31 December</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Executive</td>
<td>111</td>
<td>56</td>
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<tr>
<td>Manager</td>
<td>256</td>
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<tr>
<td>Supervisor</td>
<td>761</td>
<td>509</td>
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<tr>
<td>Staff</td>
<td>6,679</td>
<td>5,475</td>
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<tr>
<td>Total</td>
<td>7,810</td>
<td>6,174</td>
</tr>
</tbody>
</table>
Human Resources

Composition of Management & Employees by Education

<table>
<thead>
<tr>
<th>Description</th>
<th>31 December 2014</th>
<th>31 December 2013</th>
</tr>
</thead>
<tbody>
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<td>Post Graduate</td>
<td>1,007</td>
<td>322</td>
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<tr>
<td>Graduate</td>
<td>851</td>
<td>750</td>
</tr>
<tr>
<td>Diploma</td>
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<td>3,434</td>
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<tr>
<td>Senior High School, Junior High School, &amp; Others</td>
<td>1,927</td>
<td>1,668</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,810</strong></td>
<td><strong>6,174</strong></td>
</tr>
</tbody>
</table>

Composition of Management & Employees by Ages

<table>
<thead>
<tr>
<th>Description</th>
<th>31 December 2014</th>
<th>31 December 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>up to 30 years old</td>
<td>4,993</td>
<td>3,963</td>
</tr>
<tr>
<td>31 - 45 years old</td>
<td>2,262</td>
<td>1,797</td>
</tr>
<tr>
<td>46 - 55 years old</td>
<td>446</td>
<td>351</td>
</tr>
<tr>
<td>more than 55 years old</td>
<td>109</td>
<td>63</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,810</strong></td>
<td><strong>6,174</strong></td>
</tr>
</tbody>
</table>

Composition of Management & Employees by Gender

<table>
<thead>
<tr>
<th>Description</th>
<th>31 December 2014</th>
<th>31 December 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>2,355</td>
<td>1,784</td>
</tr>
<tr>
<td>Female</td>
<td>5,455</td>
<td>4,390</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,810</strong></td>
<td><strong>6,174</strong></td>
</tr>
</tbody>
</table>

Employees by Function

<table>
<thead>
<tr>
<th>Description</th>
<th>31 December 2014</th>
<th>31 December 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Practitioner/ RMO</td>
<td>389</td>
<td>310</td>
</tr>
<tr>
<td>Nurses</td>
<td>3,256</td>
<td>2,778</td>
</tr>
<tr>
<td>Allied Health Staff</td>
<td>1,554</td>
<td>1,218</td>
</tr>
<tr>
<td>Support &amp; Management</td>
<td>2,611</td>
<td>1,868</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,810</strong></td>
<td><strong>6,174</strong></td>
</tr>
</tbody>
</table>

Retention and Training

A holistic approach to Competency Development and Employee Welfare is key to motivating all staff. A cooperative approach has resulted in agreements that focus on patient care, employees’ well-being and the Company’s solidity.

To develop and retain needed competencies, the Company provides an integrated package of remuneration and training. Specific components that are collectively competitive include:

a. Remuneration System, with a performance bonus linked to both employee and Company performance.

b. Salary Adjustment System, annual review considers government minimum wage, inflation, and industry competition.

c. Perks and Benefits, include religious holidays allowance, health insurance for immediate family members, Jamostek coverage, pension fund, compassionate leave, and emergency aid assistance.

d. Recognitions, long service achievement awards for those working for more than 10 years and Certificate of Achievements for outstanding service.

e. Training Program.

Integrated training programs not only improve employee skills, knowledge and competencies but also provide Siloam Hospitals with the extra talent it needs. Training is provided to all staff, separated into two categories: Medical Training and General Training, provided either internally or by external sources depending on requirements.

The Siloam Doctors Partnership Development Program ensures that all Specialist Doctors within the Siloam Hospitals network have resources available to maintain or extend skills in line with world-wide advances in their areas. To ensure adequate succession planning, especially in this time of accelerated growth, the Management Associate Program opens the door for high potential graduates to begin on the path to become the Company’s future leaders.

Work Culture and Performance Management

To support the Company in achieving its objectives, HR Division has establish a performance management system, that enable the interaction between leaders and their subordinates in performing their job better. This interactions are geared toward discussions to ensure that employees have clear understanding of their respective work priorities for the year and how to perform them, set up their priorities in the form of Key Performance Indicators and discussed and agreed by the employees and the superiors at the beginning of the year.
Result of the performance evaluation will serve as the basis for rewarding the employees (Pay for Performance). Higher achievement allows greater opportunity for the employee to earn better and more competitive reward (than the peers). The evaluation process also allows the Company to map out employees’ performance and competencies to serve as the basis for their development.

The result of this performance management system was proven to be effective that not only we were able to monitor the distribution of work and their performance better, but also it cultivates the culture of productivity in Siloam, lead by the Vision to grow in stewardship and transforming life. In this instance, to continue the establishment of this culture, the company are and will continue do the following:
- Enforcing the work culture that is ethical and in accordance with integrity value as characterized by transparency in the organizational processes, malpractice management and control as well as encouraging positive and responsible social conduct (impacting live),
- Increasing employees engagement by creating a more favorable working environment,
- Granting employees equal opportunity for self-development and career advancement for those who constantly demonstrate excellent capability and growth potential.

Human Resources Information System (HRIS)
As the Company grows bigger, the demand for more effective human resources management process handling is greater. As a result, information technology has become a critical element in the implementation of HR strategies. For this aspect, the Company has regulated the use of a single HRIS platform in each business unit to support its growth and complexity. It includes all information systems and processes to facilitate the achievement of HR best practiced system. It encompasses functions of recruitment, performance and competency management, employee development and help desk service. The system has the function for Employee Self Service and Management Self Service, allowing the employees/manager to work more effectively following the workflow in the system. The HRIS system also enable employees and management to perform the HR related duties online. This include online leave application and approvals and other administrative functions.
Information & Communication Technology

ICT Division focus remained on expanding standardized and strategic application availability, with the assistance of prominent ICT consultants across all hospital units.

Information Communication and Technology (ICT) is strategic for the Company in supporting the provision of the quality in the growth of health care services to the diverse and rural communities. Siloam Hospitals network is linked together via ICT for professional interaction, accounting and other record keeping, logistical control, research and development (R&D), thus the investments made will have a lasting effect on the Company’s expansion plans. Overall, the Company evaluates ICT system and its tremendous and dynamics recent growth against planning and development objectives and for delivering excellent results.

ICT is managed through ICT Division, with the support of qualified and certified IT Professionals nationwide and has delivered 3 new deployments in Kupang, Medan and the recently acquired Siloam Hospitals ASRI, and several new hospital ICT developments which supposed to be delivered in 2015. ICT Division focus remained on expanding standardized and strategic application availability, with the assistance of prominent ICT consultants across all hospital units.
Standardization
The implementation of the Hub and Spoke Network allows uniformity access by health professionals to access every expertise nationwide. This communication protocol was made possible through the investments in standardized and best in class hardware and application installed at various hospitals and at the main ICT center in Tangerang.

ICT management standards are now serving effectively and efficiently as a guide for all users and decision-makers to assess ICT performance and to perform requests. ICT Division has a centralized helpdesk for addressing issues and concerns, and monitoring best practice SLA to ensure satisfaction for ICT services. The company has also implemented Disaster Recovery Plan, providing reasonable protection should disaster events occur.

Human Resources
The Company recruits qualified and certified ICT professionals in various competency and certification and assign them to various hospitals to ensure quality delivery. The longer term outlook remains to strengthen ICT Division in order to ensure that scalability and flexibility will occur with the expanding hospital network. Internal capability and capacity development has been also maintained through on-going training with the support of prominent partners such as Microsoft, Cisco, IBM and other partners. The cooperation with University of Pelita Harapan for the Internship Program is continuing, with graduates hired continuously.

Investment
The Company, with leadership from the Board of Directors, is completing a recent upgrade and expansion of either hardware, business processes or software sectors. As the overall direction has been given, an open and transparent procurement processes for every ICT components follows the established bidding method and in line with the strategic standardization guideline. ICT Division serves in a critical capacity as a conduit of ideas and requests for various ICT installations. In this, ICT Division is fulfilling its role to support the various clinical and non-clinical functions within the Company as a whole.

Looking Ahead
Each ICT Professionals are prepared to continue assisting in the expanding of the Company’s ability to integrate all aspects within the Company needs. With future investments in human resources, hardware, business processes and software planned continuously, we expect a challenging years.
Good Corporate GOVERNANCE

Because the Company operates within the medical industry, there exist both national and international guidelines on best clinical practice and governance, and standards of quality and care. The Company has consistently referred to these in formulating standard procedures and have integrated these into its clinical and management approaches.
Good Corporate Governance
GOOD CORPORATE GOVERNANCE ("GCG")

New responsibilities and requirements have arisen from the Company’s changed status to a publicly-listed company in 2013; steps have been taken and will continue to be taken to ensure that all commitments to all stakeholders are met.

I. FUNDAMENTALS OF GCG IMPLEMENTATION

The Company is fully committed to implementing GCG standards based on best practices and the Company’s Vision, Mission and Values. Consistent GCG implementation at all organizational levels and nested within all systems will assist the Company in achieving long-term business objectives and provide added value for all stakeholders.

New responsibilities and requirements have arisen from the change in the Company’s status as publicly-listed company in 2013; steps have been taken and will continue to be taken to ensure that all of the Company’s commitments to all stakeholders are met. This includes adopting any new systems required and reporting on the progress on the state GCG enhancements.

Taking guidance from the Indonesia National Committee on Governance, the Company is seeking to apply these following basic GCG principles in the interests of the Company:

1. Transparency, namely openness in disclosing material information regarding the Company and transparency in decision-making processes. In this regard, the Company periodically provides information to the public and shareholders in the form of Financial Statements and Annual Reports (in Indonesian and English languages) through print and electronic media.
Good Corporate Governance

2. Accountability, namely the Company is accountable in conducting its management, in a measurable manner, with due regard for the interests of all stakeholders. Accountability is executed through the submission of reports by the Board of Directors to the Board of Commissioners, regarding the annual budget plan, joint evaluation of financial performance by the Board of Directors and Board of Commissioners, delivery of the financial statements and Annual Report by the Board of Directors to the General Meeting of Shareholders, and the appointment of the external auditor.

3. Responsibility, namely that the management of the Company is in compliance with the applicable regulations and laws, and carries out responsibilities to society and the environment. The Company realizes this by implementing Corporate Social Responsibility (CSR) programs and complies with regulation on the environment and in all areas.

4. Independence, namely the Company is managed professionally, independently, without conflict of interest and influence from any party which is not in accordance with legislation, and is without domination and intervention from any party. One way of implementing independence in the Company is through the presence of independent and unaffiliated members in the Company’s Board of Commissioners, Board of Directors and Audit Committee.

5. Fairness, namely equality in fulfilling the rights of all shareholders and all stakeholders through existing treaties and laws in force and regulations. In connection with this, the Company has applied fair and equitable treatment to the public, authorities and all stakeholders, as well as treating all of its employees in a fair and appropriate manner.

II. ADDITIONAL GOVERNANCE CONSIDERATIONS AND REQUIREMENTS

Because the Company operates within the medical industry, there exist both national and international guidelines on best clinical practice and governance, and standards of quality and care. The Company has consistently referred to these in formulating standard procedures and integrated these into its clinical and management approaches.

III. CLINICAL GOVERNANCE AND STANDARD QUALITY

The Company’s approach to clinical governance contains four main elements: (1) Mandate of Human Resources, (2) Overview of Clinical Practice, (3) Clinical Risk Management and (4) Commitment to Continuous Clinical Education.

1. Mandate of Human Resources

To ensure that all Company doctors have the proper qualifications and the highest standards, all doctor candidates must go through the mandate process prior to working with the Company and all doctors who are currently employed with the Company must go through the re-mandate process every three years.

The Company has also developed an independently certified emergency medical treatment training program modeled on that of Johns Hopkins Hospital to provide additional training for nurses, paramedics and doctors in addition to the standard training program already taken by the respective medical staffs. In addition, the Company collaborates with University of Hasanuddin to offer doctors a PhD program.

2. Clinical Practice Review

The Company has established an organizational structure in each hospital that involves all levels of clinical staffs at the hospital, including the medical and care committees, which review the morning reports, case reports and any comments that are received every day.

The Company continues to monitor and review each hospital’s clinical standards to ensure continuous improvement, effective program functioning and hospital medical staffs meeting for establishing hospital standards.

Review of the Company’s clinical standards practice includes clinical audits of medical records and disease cases, the establishment of strict procedures to manage surgery, infection control and safety awareness. Currently, there are 23 clinical guidelines and 370 standard operating procedures to manage and support clinical performance.

All of these documents are stored in Q-Pulse application as an e-document and can also be used to support the clinical audit and Corrective Action and Preventive Action processes. In order to provide the best service for patients, the Company focuses on the International Patient Safety Goals.

3. Clinical Risk Management

Aside from internal monitoring and assessment, the Company also invites external assessments and critiques of clinical practice through the use of external consultants in areas such as infection control, clinical protocols, clinical guidelines and clinical governance. Through external assessment and criticism, clinical and managerial staffs gain an objective perspective on specific areas that function well and areas that need improvement. Other forms of external recognition include accreditation, nationally by the Hospitals Accreditation Committee and internationally by JCI, ACHSI and ISO. Furthermore, the Company also directly receives inputs from its patients.

4. Commitment for Continuous Clinical Education

Continuous Clinical Education is required as the Company’s medical staffs need to maintain contemporary knowledge and skills, in order for them to enforce clinical practice protocols and implement innovative solutions to address clinical issues.
The Company provides training for clinical staffs through a combination of on-the-job, internal and external programs and workshops. The Company’s policy states that its medical staffs must complete 40 hours of training, while its non-medical staff should complete 20 hours of training per year. The Company believes that understanding of new innovations and the importance of certain protocols facilitates the acceptance and use of those protocols, which ultimately uphold patients’ safety.

The Company subscribes to an online database, www.uptodate.com, which provides its clinical staffs’ access to more than 300,000 medical journals. In addition, SDPDP provides visiting medical specialists with benefits and privileges to support the Company’s doctors’ professional growth. Participating in the program also allows doctors to gain access to the Continuous Medical Education program, where they can attend seminars and conferences in Indonesia and abroad.

Furthermore, the Company has signed a memorandum of understanding with Singapore Health Services Pte Ltd. (SingHealth) to provide training for its medical staffs and will thereafter refer its patients with specific care requirements to SingHealth.

IV. ELEMENTS OF GCG

To ensure the implementation of effective and sustainable corporate governance, the Company continues to work on improving GCG infrastructure in accordance with prevailing laws and regulations and best practices.

1. Corporate Rules
   The Company has a set of Corporate Rules 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
   The Company believes that by implementing GCG principles in all its activities, the Company’s performance will improve in the long run. The Company’s values and leadership characteristics will remain the cornerstone principles of the Company’s corporate policies.

3. Corporate Procedures
   All of the Company’s hospitals’ working activities are conducted in adherence with the Company’s corporate procedures, as established based on GCG principles. The Company’s corporate procedures are then disseminated to related parties to ensure correct application in all activity stages. The Company’s corporate procedures are periodically reviewed and improved whenever needed.

4. Evaluation of GCG Implementation
   In an effort to continuously improve the quality of GCG implementation, assessment for the Company must be conducted by an independent party. The criteria and methodology used in conducting the independent assessment of GCG implementation includes 7 main aspects, id est:
   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.
V. GCG STRUCTURE

The Company has three main decision-making organs, namely:
1. The General Meeting of Shareholders (the “GMS”), the highest decision-making forum.
2. The Board of Commissioners, the oversight body in support of shareholders’ interests.
3. The Board of Directors, the management of the Company.

In short, the management of the Company is conducted by the Board of Directors, 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 the Internal Audit. 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.

The GMS consists of the Annual GMS (the “AGMS”) and the Extraordinary GMS (the “EGMS”).

On April 23rd, 2014, the Company held its first AGMS at Aryaduta Hotel, Lippo Village.

2. Board of Commissioners

a. Duties and Authorities

The Board of Commissioners is responsible to the GMS.

The tasks of the Board of Commissioners include:
(i) Conducting oversight on the management of the Company by the Board of Directors and providing consent on the Company’s annual working plan.
(ii) Conducting special assignment given to it in accordance with the Articles of Association, prevailing laws and regulations and/or the GMS’ resolutions.
(iii) Conducting tasks, authorities and responsibilities in accordance with the Articles of Association and the GMS’ resolutions.
(iv) Analyzing and reviewing annual report prepared by the Board of Directors as well as signing such annual report.
(v) Complying with the Articles of Association and prevailing laws and regulations as well as implementing principles of professionalism, efficiency, transparency, independency, accountability, responsibility and properness.

Therefore the Board of Commissioners is obliged to:
(i) Overseeing the implementation of the Company’s annual working plan.
(ii) Following the development of the Company’s business activities and, in case of 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) Conducting other oversighting 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:
(i) At any time within the Company’s office hours, entering building and courtyard or other premises used or possessed by the Company and checking all books, letters and other documents, inventories, checking and verifying the cash (for verification purpose) and other securities.
(ii) Being aware of all actions taken by the Board of Directors and, in such case, the Board of Directors and each member thereof are obliged to give enlightments on any queries asked by the Board of Commissioners or its hired experts.
(iii) Requesting assistance from experts and/or committees for short periods and at the Company’s costs.
(iv) Dismiss temporarily one or more Director(s) from their offices should they be deemed acting contrary to the Articles of Association and prevailing laws and regulations or neglecting his/her obligations or should there be urgent reasons for the Company.

b. Appointment, Dismissal and Term of Office

The members of the Board of 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 closing of the third AGMS without disregarding the GMS’s right to dismiss them at any time. A member of the Board of Commissioners whose term of office expires may be re-elected by the GMS.

The post of Commissioner will expire if (i) Commissioner passes away, (ii) term of office of Commissioner expires, (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.
c. Independent Commissioners

An Independent Commissioner is a member of the Board of Commissioners from outside of the Company who has not have any share in the Company directly or indirectly, any affiliated relationship with the Company, other members of the Board of Commissioners, members of the Board of Directors and/or controlling shareholders, and 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. 1 dated May 2nd, 2014, 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-06412.40.22.2014 dated May 5th, 2014, is as follow:

Composition of the Board of Commissioners

<table>
<thead>
<tr>
<th>No</th>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ketut Budi Wijaya</td>
<td>President Commissioner</td>
</tr>
<tr>
<td>2</td>
<td>Theo L. Sambuaga</td>
<td>Commissioner</td>
</tr>
<tr>
<td>3</td>
<td>Rachmawaty</td>
<td>Commissioner</td>
</tr>
<tr>
<td>4</td>
<td>Lambock V. Nahattands</td>
<td>Commissioner</td>
</tr>
<tr>
<td>5</td>
<td>Farid Harianto</td>
<td>Independent Commissioner</td>
</tr>
<tr>
<td>6</td>
<td>Prof Dr. H. Muladi S.H</td>
<td>Independent Commissioner</td>
</tr>
<tr>
<td>7</td>
<td>Ir. Jonathan L. Parapak</td>
<td>Independent Commissioner</td>
</tr>
</tbody>
</table>

Whilst the membership composition of the Board of Commissioners before May 5th, 2014 (especially from January 1st, 2014) was as follows:

Composition of the Board of Commissioners

<table>
<thead>
<tr>
<th>No</th>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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</tr>
<tr>
<td>2</td>
<td>Theo L. Sambuaga</td>
<td>Commissioner</td>
</tr>
<tr>
<td>3</td>
<td>Agus Benjamin</td>
<td>Commissioner</td>
</tr>
<tr>
<td>4</td>
<td>Farid Harianto</td>
<td>Independent Commissioner</td>
</tr>
<tr>
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</tr>
<tr>
<td>6</td>
<td>Ir. Jonathan L. Parapak</td>
<td>Independent Commissioner</td>
</tr>
</tbody>
</table>

e. Division of Tasks

The division of tasks amongst members of the Board of Commissioners has been independently determined by themselves.

f. Meetings

Meeting of the Board of Commissioners can be held at least once a year unless it is 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 entire issued shares with lawful voting rights. During 2014, the Board of Commissioners held its meeting every quarterly.

Below is table of percentage of attendance of members of the Board of Commissioners in their meetings:
Meetings of the Board of Commissioners

<table>
<thead>
<tr>
<th>No</th>
<th>Date</th>
<th>Agenda</th>
<th>Name of Commissioner</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>06 March 2014</td>
<td>(1) Approval on Consolidated Financial Reports for Period Ended on 31 December 2013 (Audited); (2) Miscellaneous.</td>
<td>Ketut Budi Wijaya</td>
<td>1 1 0 0 1 1 1 1 100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(1) Confirmation on Minutes of 6 March 2014 Meeting; (2) Approval on Consolidated Financial Reports for Period Ended on 31 March 2014 (Unaudited); (3) Miscellaneous.</td>
<td>Wijaya</td>
<td>1 0 1 0 0 0 1 0 43%</td>
</tr>
<tr>
<td>3</td>
<td>17 June 2014</td>
<td>(1) Confirmation on Minutes of 24 April 2014 Meeting; (2) Financial Highlights as per 31 March 2014; (3) Pipeline updates; (4) Equipments utilization; (5) Clinical governance.</td>
<td>Lambock V. Nahattands</td>
<td>1 0 1 0 0 1 1 0 57%</td>
</tr>
<tr>
<td>4</td>
<td>22 July 2014</td>
<td>(1) Confirmation on Minutes of 17 June 2014 Meeting; (2) Approval on Consolidated Financial Reports for Period Ended on 30 June 2014 (Unaudited); (3) Miscellaneous.</td>
<td>Nahattands</td>
<td>1 1 1 1 0 1 0 1 1 86%</td>
</tr>
<tr>
<td>5</td>
<td>25 August 2014</td>
<td>(1) Confirmation on Minutes of 22 July 2014 Meeting; (2) Financial and Operational Metrics; (3) Clinical Governance Dashboard.</td>
<td>Agus Benjamin</td>
<td>1 1 1 0 0 1 1 1 86%</td>
</tr>
<tr>
<td>6</td>
<td>26 September 2014</td>
<td>(1) Confirmation on Minutes of 25 August 2014 Meeting; (2) Impact of Eagle Project (Opex); (3) SHG's August 2014 Performance.</td>
<td>Benjamin</td>
<td>1 1 1 1 0 1 1 1 100%</td>
</tr>
<tr>
<td>7</td>
<td>27 October 2014</td>
<td>(1) Confirmation on Minutes of 26 September 2014; (2) Approval on Consolidated Financial Reports for Period Ended on 30 September 2014 (Unaudited); (3) 2015 Budget 1st draft; (4) AR status &amp; MC updates.</td>
<td>Benjamin</td>
<td>1 1 1 0 0 0 1 1 71%</td>
</tr>
<tr>
<td>8</td>
<td>25 November 2014</td>
<td>(1) Confirmation on Minutes of 27 October 2014 Meeting; (2) 2014 Forecast; (3) Pipeline updates.</td>
<td>Benjamin</td>
<td>1 1 1 1 0 1 0 1 1 86%</td>
</tr>
</tbody>
</table>

Note:
* Rahmawaty has been holding the post of Commissioner since 23 April 2014.
** Lambock V. Nahattands has been holding the post of Commissioner since 23 April 2014.
*** Agus Benjamin was honorably discharged from the post of Commissioner on 23 April 2014.

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**Remuneration**

In accordance with the Articles of Association, the members of the Boards of Commissioners are given salaries or honorariums and allowances in amounts determined by the Remuneration Committee (if any) or by themselves based on the authority delegated by the GMS.

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**3. Board of Directors**

**a. Duties and Authorities**

The main duties of the Board of Directors are to:

(i) Guide, manage and control the Company in accordance with the Company’s goals and constantly undertake to improve the Company’s efficiency and effectivity,

(ii) Possess, maintain and manage the Company’s assets, and

(iii) Prepare annual working 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.

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

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

The following actions of the Board of Directors:
(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;

must be approved by the Board of Commissioners and in line with prevailing capital market laws and regulations prior to being executed.

 Whilst for executing the following actions:
(i) Transferring or releasing any entitlement that amounts more than ½ (half) of the Company’s netto assets or represents the Company’s whole assets in 1 (one) transaction or more 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 ½ (half) of the Company’s netto assets or represents the Company’s whole assets in 1 (one) transaction or more whether they are independent or related to each other;

The Board of Directors must obtain a prior approval of the GMS which is attended by shareholders or their proxies holding at least ¾ (three fourth) of the entire lawful voting rights counted in the GMS.

In particular for executing action such as transaction having conflict of personal business interest of members of 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 a prior approval of the GMS which is attended by independent shareholders or their proxies holding at least ½ (half) of the Company’s entire issued shares with lawful voting rights and whose resolution is valid if approved by the attending shareholders or their proxies holding more than ½ (half) of the lawful voting rights counted in the GMS.

b. Appointment, Dismissal and Term of Office
The members of the Board of Director 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 closing of the third AGMS without disregarding the GMS’s right to dismiss them at any time. A member of the Board of Directors whose term of office expires may be re-elected by the GMS.

The post of Director will expire if (i) Director passes away, (ii) term of office of Director expires, (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. 1 dated May 2nd, 2014, made before Nurlani Yusup, S.H., M.Kn., Notary in District of Tangerang, and notified to the Ministry of Law and Human Rights based on the Receipt of Amendment of the Company’s Data No. AHU-06412.40.22.2014 dated May 5th, 2014, is as follows:

<table>
<thead>
<tr>
<th>No</th>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Romeo Fernandez Lledo</td>
<td>President Director/Independent Director</td>
</tr>
<tr>
<td>2</td>
<td>Prof. George Mathew</td>
<td>Director</td>
</tr>
<tr>
<td>3</td>
<td>Kailas Nath Raina</td>
<td>Director</td>
</tr>
<tr>
<td>4</td>
<td>dr. Grace Freitka Indradjaja, M.M.</td>
<td>Director</td>
</tr>
<tr>
<td>5</td>
<td>dr. Anang Prayudi</td>
<td>Director</td>
</tr>
<tr>
<td>6</td>
<td>Dr. dr. Andry, M.M., M.H.Kes.</td>
<td>Director</td>
</tr>
</tbody>
</table>

Whilst the membership composition of the Board of Directors before May 5th, 2014 (especially from January 1st, 2014) was as follows:

<table>
<thead>
<tr>
<th>No</th>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>dr. Gershu Chandy Paul</td>
<td>President Director</td>
</tr>
<tr>
<td>2</td>
<td>Romeo Fernandez Lledo</td>
<td>Director</td>
</tr>
<tr>
<td>3</td>
<td>Prof. George Mathew</td>
<td>Director</td>
</tr>
<tr>
<td>4</td>
<td>dr. Grace Freitka Indradjaja, M.M.</td>
<td>Director</td>
</tr>
<tr>
<td>5</td>
<td>Sugianganto Budisuharto</td>
<td>Director</td>
</tr>
<tr>
<td>6</td>
<td>dr. Anang Prayudi</td>
<td>Independent Director</td>
</tr>
</tbody>
</table>
### CENTRE OF EXCELLENCE IN HEART

**SCREENING • DIAGNOSIS • TREATMENT • REHABILITATION**

<table>
<thead>
<tr>
<th>Non-Invasive Diagnostic Procedures</th>
<th>Invasive Diagnostic Procedures and Non-Surgical Intervention</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Cardiovascular Magnetic Resonance Imaging</td>
<td>• Aquapheresis</td>
</tr>
<tr>
<td>• Dobutamine Stress Echocardiography (DSE)</td>
<td>• Biopsi Myocardial</td>
</tr>
<tr>
<td>• Echocardiography (Heart USG)</td>
<td>• Coronary Angiography</td>
</tr>
<tr>
<td>• Electrocardiography (ECG)</td>
<td>• Coronary Physiologic Measurement (FFR)</td>
</tr>
<tr>
<td>• Holter and Blood Pressure Monitoring</td>
<td>• Electrophysiology Study</td>
</tr>
<tr>
<td>• Multi Slice CT-Scan</td>
<td>• Heart Ablation</td>
</tr>
<tr>
<td>• Nuclear Medicine</td>
<td>• Heart and Vascular Catheterization</td>
</tr>
<tr>
<td>• Trans Esophageal Echocardiography (TEE)</td>
<td>• Mitral, Aortic and Pulmonary Valveoplasty</td>
</tr>
<tr>
<td>• Treadmill Test</td>
<td>• PDA and Septal Occluder</td>
</tr>
<tr>
<td>• Vascular Doppler</td>
<td>• Percutaneous Coronary Intervention (PCI)</td>
</tr>
</tbody>
</table>

**Heart Surgery**
- Aneurysm Repair/Replacement Surgery
- Aortic Surgery
- AV Shunt
- Cardiac Ahythmia Surgery (MAZE Procedure)
- Carotid Endarterectomy
- Coronary Artery Bypass Grafting (CABG) Surgery
- Heart Surgery (LVAD)
- Hybrid Surgery (Vascular and Coronary, TEVAR, EVAR)
- Off- pump/Beating Heart Surgery
- Paediatric Cardiac Surgery
- Valvular Heart Surgery (Valve Repair of Replacement)

**Cardiac Rehabilitation**
Primary and Secondary (After Care) Prevention, including consultation with Cardiologist, Psychiatrist/Psychologist, Nutritionist and Rehabilitation Specialist.

For 24 Hour Ambulance Services, contact: 1-500-911

For Appointment and General Information, contact: 1-500-181
d. Division of Tasks
The division of tasks and authorities of every member of the Board of Directors resides with the GMS who may delegate it to the Board of Commissioners. In case of neither the GMS nor the Board of Commissioners stipulates such division, then the Board of Directors may determine the division of tasks and authorities amongst themselves.

The duties of each member 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 to be practiced in all Siloam Hospitals as well as 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 finance and accounting affairs of the Company and its subsidiaries and efficiency and effectivity of financial functions applied to the Company and its subsidiaries. Also responsible for legal and corporate secretary affairs of 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 the professional dispute arising out of a relationship between physicians and the management of Siloam Hospitals.

(v) dr. Anang Prayudi, Director Responsible for the development of business activities of the Company through the construction of new Siloam Hospitals as well as 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 as well as clinics and other health facilities managed by the Company. Also responsible for the 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).

e. Meetings
Meeting of the Board of Directors may be held at any time if it is deemed necessary upon request of one or more Directors or upon a written request of 1 (one) or more members of the Board of Commissioners or upon a written request of one or more shareholders representing at least 1/10 (one tenth) of the Company’s entire issued shares with lawfull voting rights. During 2014, the Board of Directors held a meeting every week which was attended not only by members of the Board of Directors but also by key personnel of the Company.

Below is table of percentage of attendance of members of the Board of Directors in their meetings:

<table>
<thead>
<tr>
<th>No</th>
<th>Date</th>
<th>Agenda</th>
<th>Name of Director</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>26-Feb-14</td>
<td>(1) Presentation on BPJS; (2) Presentation on Corporate and Insurance; (3) Presentation on general salary increase and bonus.</td>
<td>dr. Gershu C. Paul* Romeo F. Lledo** Kailas N. Raina*** Prof. George Mathew dr. Grace Frelita Indradjaja S. Budisuharto # dr. Anang Prayudi dr. Andry #</td>
<td>1 1 0 0 1 1 0 0 67%</td>
</tr>
<tr>
<td>2</td>
<td>19-Mar-14</td>
<td>(1) Follow up on Minutes of 12 March 2014 Meeting; (2) Report on Meeting of BoC of PT Balipapan Damai Husada (operator of SHBP); (3) Daily reports; (4) SHARP Program; (5) Material costs; (6) HIS; (7) Network Development updates; (8) Consultant’s review proposal on hemodialysis unit.</td>
<td></td>
<td>0 1 1 0 0 0 1 1 67%</td>
</tr>
</tbody>
</table>
Meetings of the Board of Directors

<table>
<thead>
<tr>
<th>No</th>
<th>Date</th>
<th>Agenda</th>
<th>Name of Director</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>26-Mar-14</td>
<td>(1) Follow up on Minutes of 19 March 2014 Meeting;</td>
<td>dr. Gershu C.</td>
<td>0 0 1 0 1 0 1 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2) Siloam Medibank “Doctor on Call”;</td>
<td>Romeo F.</td>
<td>67%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(3) Siloam Call Center;</td>
<td>Romeo F.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(4) Network Development updates;</td>
<td>Kailas N.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(5) SHARP Program</td>
<td>Raina***</td>
<td></td>
</tr>
<tr>
<td></td>
<td>02-Apr-14</td>
<td>(1) Follow up on Minutes of 26 March 2014 Meeting;</td>
<td>Prof. George</td>
<td>0 1 1 0 1 1 1 83%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2) Network Development updates;</td>
<td>Mathew</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(3) Project Capitalization updates;</td>
<td>Indradjaja S.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(4) HIS updates;</td>
<td>Budisuharto #</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>(5) Report on GF’s business trip to SHBP and SHBL;</td>
<td>dr. Anang</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(6) Hospital Accreditation Commission.</td>
<td>Prapak #</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(7) Corporate and Insurance updates.</td>
<td>dr. Andry #</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>16-Apr-14</td>
<td>(1) Follow up on Minutes of 2 April 2014 Meeting;</td>
<td>dr. Gershu C.</td>
<td>0 1 1 1 0 0 1 0 67%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2) RSJD Cinere;</td>
<td>Romeo F.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(3) Baby Protection System updates;</td>
<td>Kailas N.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(4) Siloam Medibank “Doctor on Call” updates;</td>
<td>Raina***</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(5) Network Development updates;</td>
<td>Prof. George</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(6) Assets Management updates;</td>
<td>Mathew</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(7) Corporate and Insurance updates.</td>
<td>Indradjaja S.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>07-May-14</td>
<td>(1) Follow up on Minutes of 16 April 2014 Meeting;</td>
<td>dr. Gershu C.</td>
<td>0 1 1 1 1 0 1 1 100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2) Network Development updates;</td>
<td>Romeo F.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(3) Financial updates;</td>
<td>Kailas N.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(4) HO’s 2014 Opex and Budget;</td>
<td>Raina***</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(5) Product Evaluation Committee;</td>
<td>Prof. George</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(6) NRD’s presentation;</td>
<td>Mathew</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(7) DCRP;</td>
<td>Indradjaja S.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(8) Network Development updates.</td>
<td>Budisuharto #</td>
<td></td>
</tr>
</tbody>
</table>
Meetings of the Board of Directors

<table>
<thead>
<tr>
<th>No</th>
<th>Date</th>
<th>Agenda</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>14-May-14</td>
<td><em>(1) Follow up on Minutes of 7 May 2014; (2) Presentation on emergency throughputs, Corporate and Insurance and Torch Package; (3) DCRP; (4) Network Development updates; (5) Eagle Project; (6) HD’s 2014 Opex and Budget; (7) JV discussion; (8) Report on finalization of MoU with Singhealth; (9) Report on the obtainment of license to operate SHPW; (10) Update on Emergency Program (Emergency Throughput Monitoring).</em></td>
<td>83%</td>
</tr>
<tr>
<td>8</td>
<td>21-May-14</td>
<td><em>(1) NRD’s presentation; (2) Network Development updates; (3) Eagle Project; (4) Baby Protection System updates; (5) Mobile application; (6) Corporate and Insurance gathering (end of June 2014); (7) DCRP; (8) Siloam screening program; (9) SH Ambon groundbreaking; (10) Alpha Project; (11) MERS updates; (12) SHPW inauguration (10 June 2014); (13) Eagle Project updates; (14) &quot;500911&quot; Call Center.</em></td>
<td>33%</td>
</tr>
<tr>
<td>9</td>
<td>11-Jun-14</td>
<td><em>(1) Follow up on Minutes of 21 May 2014 Meeting; (2) Key Performance Indicators; (3) Eagle Project updates; (4) Network Development updates; (5) SHPW updates.</em></td>
<td>33%</td>
</tr>
<tr>
<td>10</td>
<td>18-Jun-14</td>
<td><em>(1) Follow up on Minutes of 11 June 2014 Meeting; (2) Key Performance Indicators; (3) Network Development updates; (4) Marketing productivity program; (5) Siloam Call Center; (6) Financial updates; (7) RS Avi.</em></td>
<td>83%</td>
</tr>
<tr>
<td>11</td>
<td>25-Jun-14</td>
<td><em>(1) Network Development updates; (2) Legal documentation; (3) Update on Philips equipment utilization study; (4) Update on SHG’s special project; (5) Update on Eagle Project; (6) Marketing structure and portfolio; (7) Update on Clinical Improvement; (8) Financial updates.</em></td>
<td>83%</td>
</tr>
<tr>
<td>12</td>
<td>16-Jul-14</td>
<td><em>(1) Network Development updates; (2) Legal documentation; (3) Update on Philips equipment utilization study; (4) Update on SHG’s special project; (5) Update on Eagle Project; (6) Marketing structure and portfolio; (7) Q2 2014 financial updates; (8) Presentation on the referral doctors; (9) MedicOS updates.</em></td>
<td>67%</td>
</tr>
</tbody>
</table>
Meetings of the Board of Directors

<table>
<thead>
<tr>
<th>No</th>
<th>Date</th>
<th>Agenda</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>23-Jul-14</td>
<td>(1) HR - Scholarship Program; (2) Approval of Q2 2014 Financial Report; (3) THR; (4) Network Development updates; (5) Update on Philips equipment utilization study; (6) Update on Eagle Project; (7) Presentation on the referral doctors; (8) Medicos updates; (9) JCI Practicum; (10) RS Asri; (11) SHBL Visit (4 July 2014).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Name of Director</td>
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<tr>
<td></td>
<td></td>
<td>Percentage (%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 1 1 0 1 0 1 1 83%</td>
</tr>
<tr>
<td>14</td>
<td>13-Aug-14</td>
<td>(1) Mark Plus's presentation; (2) Update on Technology Development; (3) “500181” Call Center; (4) GQD updates; (5) Report on 3rd Frost &amp; Sullivan Award achievement; (6) Update on KPPU examination.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Name of Director</td>
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<tr>
<td></td>
<td></td>
<td>Percentage (%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0 1 1 0 1 0 1 1 83%</td>
</tr>
<tr>
<td>15</td>
<td>27-Aug-14</td>
<td>(1) Mr. Ding (Lippo Group MDP)’s presentation; (2) Standard organization structure; (3) Pipeline updates; (4) HO movement plan; (5) Report on trip to 4 hospitals; (6) IT updates; (7) Mediplus &amp; BIMC clinics; (8) DCRP updates.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Name of Director</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage (%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0 1 1 0 1 0 1 1 83%</td>
</tr>
<tr>
<td>16</td>
<td>17-Sep-14</td>
<td>(1) Mr. Ding (Lippo Group MDP)’s presentation; (2) Standard organization structure; (3) Pipeline updates; (4) HO relocation plan.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Name of Director</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage (%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0 1 1 1 1 0 1 1 100%</td>
</tr>
<tr>
<td>17</td>
<td>24-Sep-14</td>
<td>(1) NDTV; (2) New HO layout; (3) Update on agreement with Philips and Infusion Pumps; (4) Update on CARG/RSPAC; (5) EICU; (6) DCRP updates.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Name of Director</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage (%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0 1 0 0 1 0 1 0 50%</td>
</tr>
<tr>
<td>18</td>
<td>01-Oct-14</td>
<td>(1) Financial updates; (2) Review on agreement with Philips; (3) Report on circulation of Global Health and Travel magazine in airlines business and first class; (4) Report on establishment of Fire Team; (5) DCRP updates; (6) CSR Eid al-Adha; (7) Organization chart; (8) AMIA Screening Camp; (9) SHMD updates; (10) BPJS launching and Q4 2014 revenue projections; (11) Mediplus; (12) RS Asri &amp; Siloam 24.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Name of Director</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage (%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0 1 0 0 1 0 1 1 67%</td>
</tr>
<tr>
<td>19</td>
<td>22-Oct-14</td>
<td>(1) Presentation on RUSU Fulltime Specialists Program; (2) Presentation on Marketing Plan; (3) Fire procedures; (4) HR updates.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Name of Director</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage (%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0 1 1 1 0 0 1 1 83%</td>
</tr>
</tbody>
</table>
CENTRE OF EXCELLENCE IN EMERGENCY

URGENT LIFE-SAVING CARE

- 24 Hour on-call Specialists
- Specialized Emergency Services, including Acute Cardiovascular Treatment, Comprehensive Acute Stroke Management, Neurosurgery, Orthopedic Surgery, Pediatric Emergency Services and Trauma Care
- Fully equipped ambulance service with a qualified team
- Triage Observation for evaluation and treatment of patients in a critical condition
- Diagnostic Imaging Services (X-ray, CT Scan, MRI) adjacent to the Emergency Department
- Integrated Patient Monitoring System
- Staff with extensive training in International Emergency Medicine
- Medical Air Evacuation Services - Domestic and International

For 24 Hour Ambulance Services, contact: 1-500-911
For Appointment and General Information, contact: 1-500-181
CENTRE OF EXCELLENCE IN MATERNITY

PRENATAL CARE • INTRANATAL CARE • POSTNATAL CARE

- 125 Obgyn Specialist
- 62 Labor & Delivery Suites
- 214 Maternity Wards
- 70 NICU
- 7000 Successful Deliveries in 2014
- **Prenatal Care:** Antenatal Care / Physical Examination and Consultation with Obstetrician and Gynecologist, Pregnancy Class, and Child Birth Preparation Workshop
- **Intranatal Care:** Normal Delivery and C-Section Delivery Process
- **Postnatal care:** Perinatology/40-days Care and Mom and Child Health Education

For 24 Hour Ambulance Services, contact: 1-500–911
For Appointment and General Information, contact: 1-500–181
### Meetings of the Board of Directors

<table>
<thead>
<tr>
<th>No</th>
<th>Date</th>
<th>Agenda</th>
<th>Name of Director</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>05-Nov-14</td>
<td>(1) BPJS updates; (2) Siloam 24 launching; (3) Update on RS Asri; (4) Duty Manager Role; (5) Visitation of Prof. Yang of Memory &amp; Ageing Center; (6) CHC updates &amp; LINAC; (7) SHMD updates; (8) SHKF updates; (9) Review on agreement with Philips; (10) Samsung-proposed visit &amp; TBS; (11) Presentation on draft of KPI benchmark; (12) NRD updates; (13) HR updates; (14) Training &amp; Education Committee; (15) Financial updates; (16) MA 2014; (17) ExComm Meeting 26 - 28 November 2014; (18) Update on launching of Siloam Express.</td>
<td>dr. Gershu C. Paul* Romeo F. Lledo** Kailas N. Raina*** Prof. George Mathew dr. Grace Frelita Indradjaja S. Budisuharto dr. Anang Prayudh dr. Andry #</td>
<td>0 1 0 0 1 0 0 1 50%</td>
</tr>
<tr>
<td>21</td>
<td>12-Nov-14</td>
<td>(1) Review on BPJS implementation and TVC; (2) Update on 1Health; (3) Update on SHBL; (4) Update on SHMN; (5) Information Call Centre; (6) SHMD’s mass media strategic plan; (7) Financial updates (October).</td>
<td>dr. Gershu C. Paul* Romeo F. Lledo** Kailas N. Raina*** Prof. George Mathew dr. Grace Frelita Indradjaja S. Budisuharto dr. Anang Prayudh dr. Andry #</td>
<td>0 1 0 0 1 0 0 1 50%</td>
</tr>
<tr>
<td>22</td>
<td>03-Dec-14</td>
<td>(1) Update on RS Asri; (2) Duty Manager Role; (3) SHMD updates; (4) SHKF updates; (5) Review on agreement with Philips; (6) NRD updates; (7) HR update; (8) Financial updates; (9) EMBA; (10) MA; (11) Update on SHMN; (12) Siloam Express; (13) SHMD’s mass media strategic plan; (14) Medical Advisory Board; (15) Financial updates (November); (16) Mediplus.</td>
<td>dr. Gershu C. Paul* Romeo F. Lledo** Kailas N. Raina*** Prof. George Mathew dr. Grace Frelita Indradjaja S. Budisuharto dr. Anang Prayudh dr. Andry #</td>
<td>0 1 1 0 0 0 1 0 50%</td>
</tr>
<tr>
<td>23</td>
<td>10-Dec-14</td>
<td>(1) Duty Manager Role; (2) SHMD updates; (3) SHKF updates; (4) IT &amp; MedicOS; (5) RS Asri; (6) RSJD Cinere; (7) Siloam Express; (8) HR updates; (9) Trend Care; (10) Financial updates.</td>
<td>dr. Gershu C. Paul* Romeo F. Lledo** Kailas N. Raina*** Prof. George Mathew dr. Grace Frelita Indradjaja S. Budisuharto dr. Anang Prayudh dr. Andry #</td>
<td>0 1 1 0 1 1 1 83%</td>
</tr>
</tbody>
</table>

Note:
* dr. Gershu C. Paul was honorably discharged from the post of President Director on 23 April 2014.
** Romeo F. Lledo was honorably discharged from the post of Director on 23 April 2014 and has been holding the post of President Director/Independent Director since then.
*** Kailas N. Raina has been holding the post of Director since 23 April 2014.
# S. Budisuharto was honorably discharged from the post of Director on 23 April 2014.
## dr. Andry has been holding the post of Director since 23 April 2014.

**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 GMS. The GMS may delegate such determination to the Board of Commissioners or Remuneration Committee (if any).
VI. AUDIT COMMITTEE

The Audit Committee was established by the Decision of the Board of Commissioners dated October 1st, 2013, for assisting 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 skill,
2. Having accounting or finance educational background,
3. Having sufficient competence in reading and understanding financial statements,
4. Having sufficient knowledge on capital market and other related laws and regulations,
5. Not an insider of public accountants office, legal consultants office or other parties rendering non-audit or other consultancy services to the Company within the last 6 (six) months prior to being appointed by the Board of Commissioners,
6. Not authorized or responsible for planning, guiding and controlling the Company’s business activities within the last 6 (six) months prior to being appointed by the Board of Commissioners (except for the Independent Commissioner),
7. Not having any share in the Company directly or indirectly,
8. Not having any family relationship because of marriage and by descent up to 2nd degree horizontally nor vertically with the Board of Commissioners, the Board of Directors or the controlling shareholder, and
9. Not having business that relates to the Company’s business activities directly or indirectly.

The Audit Committee is composed of 1 (one) Independent Commissioner and 2 (two) members who are independent of the Company. The Audit Committee is headed by an Independent Commissioner.

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

The roles and responsibilities of the Audit Committee are:
1. Rendering opinions to the Board of Commissioners on reports or information submitted by the Board of Directors to the Board of Commissioners.
2. Identifying matters that need attention of the Board of Commissioners.
3. Conducting review on financial informations that will be issued by the Company.
4. Conducting review on the Company’s compliance with the capital market and its business activities-related laws and regulations.
5. Conducting review on the implementation of audit by the Internal Audit.
6. Reporting to the Board of Commissioners the variety of risks facing the Company dan the implementation of risks management by the Board of Directors.
7. Conducting review on and reporting to the Board of Commissioners complaints submitted to the Company.
8. Keeping all of the Company’s documents, data dan 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.

Below is table of percentage of attendance of members of the Audit Committee in their meetings:

<table>
<thead>
<tr>
<th>No</th>
<th>Date</th>
<th>Agenda</th>
<th>Name of Member</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Farid Harianto</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Lie Kwang Tak</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Siswanto Pramono</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>06-Mar-14</td>
<td>(1) Discussion with external auditors on Consolidated Financial Reports for Period Ended on 30 September 2013 (Audited); (2) 2014 Working Plan of Internal Audit Department; (3) Miscellaneous.</td>
<td>1 1 1</td>
<td>100%</td>
</tr>
<tr>
<td>2</td>
<td>24-Apr-14</td>
<td>(1) Discussion with internal auditors on Consolidated Financial Reports for Period Ended on 31 March 2014 (Unaudited); (2) Miscellaneous.</td>
<td>0 1 1</td>
<td>67%</td>
</tr>
<tr>
<td>3</td>
<td>22-Jul-14</td>
<td>(1) Q2 2014 Report of Internal Audit Department; (2) Discussion with internal auditors on Consolidated Financial Reports for Period Ended on 30 June 2014 (Unaudited); (3) Miscellaneous.</td>
<td>1 1 1</td>
<td>100%</td>
</tr>
<tr>
<td>4</td>
<td>27-Oct-14</td>
<td>(1) Discussion with internal auditors on Consolidated Financial Reports for Period Ended on 30 September 2014 (Unaudited); (2) Q3 2014 Report of Internal Audit Department; (3) Miscellaneous.</td>
<td>0 1 1</td>
<td>67%</td>
</tr>
</tbody>
</table>
VII. INTERNAL AUDIT

The Internal Audit was established on June 5, 2013, with the objective to ensure an effective and integrated internal control system among the Company and its subsidiaries.

The Internal Audit serves 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. The Internal Audit establishes an annual audit plan, approved and authorized by the Board of Directors.

The Internal Audit conducts the inspection and assessment of the efficiency and effectiveness of finance, accounting, operations, human resources, information technology and other activities.

After inspections, the Internal Audit reports are submitted to the President Director and the Board of Commissioners with a copy to the Audit Committee. Furthermore, the Internal Audit monitors to ensure that recommendations for improvement and/or prevention have been implemented.

As a reference for the Internal Audit in implementing all internal audit activities, the Company formulated the Internal Audit Charter in accordance with Bapepam-LK (currently OJK)'s Regulation No. IX.1.7 regarding the Establishment and Guidelines for Drafting the Charter of the Internal Audit Unit.

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.

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.

VIII. CORPORATE SECRETARY

The Corporate Secretary is appointed and dismissed by the Board of Director. 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. 017/Corsec-SIH/IV/2013 dated March 25th, 2013, regarding the Appointment of the Corporate Secretary, the Board of Directors appointed S. Budisuharto as the Corporate Secretary of the Company.

The functions and responsibilities of the Corporate Secretary as stipulated in OJK's Regulation No. 35/POJK.4/2014 regarding the Corporate Secretary of Emitting and 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 inputs 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 the corporate governance which consists 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. The convention and documentation of the GMS;
   d. The convention and documentation of meetings of the Board of Directors and the Board of Commissioners;
4. As a liaison person between the Company, the shareholders, OJK and other stakeholders.

IX. 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.

Below is Corporate Secretary’s list of correspondence with the capital market regulators during 2014:

<table>
<thead>
<tr>
<th>No</th>
<th>Tanggal</th>
<th>No. Surat</th>
<th>Kepada</th>
<th>Perihal</th>
<th>Peraturan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>6-Jan-14</td>
<td>001/Corsec-SIH/IV/2014</td>
<td>Indonesian Stock Exchange</td>
<td>Cover Letter of Final Prospectus</td>
<td>Bapepam Chairman Regulation No. IX.A.12 Attachment to the Decree -05/PM/2004 dated February 9, 2004 Regarding General Offering by Shareholders</td>
</tr>
</tbody>
</table>
## Corporate Secretary List of Correspondence with the Capital Market Authorities in 2014

<table>
<thead>
<tr>
<th>No</th>
<th>Tanggal</th>
<th>No. Surat</th>
<th>Kepada</th>
<th>Perihal</th>
<th>Peraturan</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>24-Feb-14</td>
<td>008/Consec-</td>
<td>PT Bursa Efek Indonesia到了</td>
<td>Early Prospectus 合作方</td>
<td>Bapepam Chairman Regulation No.I-X.A.12 Attachment Kep-05/PWM/2004 dated Februari 9, 2004 Regarding General Offering by Shareholders</td>
</tr>
</tbody>
</table>
CENTRE OF EXCELLENCE IN ONCOLOGY

EDUCATION • SCREENING • EARLY DETECTION & DIAGNOSIS
PALLIATIVE CARE TREATMENT

Our Specialties
• Oncology Surgery
• Haemat-Oncology
• Paediatrics Oncology
• ENT Oncology
• Pulmonary Oncology
• Digestive Surgery
• Urology
• Nuclear Medicine
• Radiation Oncology

Our Facilities
• PET-CT (Positron Emission Tomography - Computed Tomography) Scan
• SPECT (Single Photon Emission Computed Tomography)
• Molecular Diagnostic Center
• One Day Care (for Chemotherapy)
• ICIR (Immuno-Compromise Isolation Room)
• RIR (Radiation Isolation Room)
• Internal Radiotherapy - Brachytherapy
• External Radiotherapy - LINAC (Linear Accelerator with Rapid Arc Technology)
• FISH (Fluorescence In Situ Hybridization)

For 24 Hour Ambulance Services, contact: 1-500-911
For Oncology Centre Appointment and General Information, contact 0815-1314-7538
### Corporate Secretary List of Correspondence with the Capital Market Authorities in 2014

<table>
<thead>
<tr>
<th>No</th>
<th>Tangal</th>
<th>No. Surat</th>
<th>Kepada</th>
<th>Perihal</th>
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<td>No</td>
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</tbody>
</table>
X. INVESTOR RELATIONS

To ensure that good relations with investors are maintained and improved, the Investor Relations is dedicated to maintaining transparency and provides 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 are the road show schedules during 2014:

2014 Roadshow Schedules

<table>
<thead>
<tr>
<th>No</th>
<th>Date</th>
<th>Activity</th>
<th>Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>12-16 January</td>
<td>32nd Annual JP Morgan Global Healthcare Conference</td>
<td>San Francisco, USA</td>
</tr>
<tr>
<td>2</td>
<td>03-04 March</td>
<td>CIMB 2nd Annual Asia Pacific Leaders’ Conference</td>
<td>New York, USA</td>
</tr>
<tr>
<td>3</td>
<td>05-07 March</td>
<td>Bank of America Merrill Lynch ASEAN Stars Conference 2014</td>
<td>Singapore</td>
</tr>
<tr>
<td>4</td>
<td>24-28 March</td>
<td>17th Annual Credit Suisse Asian Investment Conference</td>
<td>Hong Kong</td>
</tr>
<tr>
<td>5</td>
<td>11 April</td>
<td>Deutsche Bank Indonesia Conference</td>
<td>Tokyo, Japan</td>
</tr>
<tr>
<td>6</td>
<td>19-21 May</td>
<td>UBS 2014 Global Healthcare Conference</td>
<td>New York, USA</td>
</tr>
<tr>
<td>7</td>
<td>2-3 June</td>
<td>Standard Chartered Bank Double in 3 / Triple in 5 Asia Pacific Emerging Corporate Day</td>
<td>London, UK</td>
</tr>
<tr>
<td>8</td>
<td>9-12 June</td>
<td>Goldman Sachs 35th Annual Global Healthcare Conference</td>
<td>California, USA</td>
</tr>
<tr>
<td>9</td>
<td>19-20 June</td>
<td>Non Deal Roadshow with Maybank Kim Eng</td>
<td>Taipei</td>
</tr>
<tr>
<td>10</td>
<td>3-4 July</td>
<td>BNP Paribas Regional Consumer Corporate Day</td>
<td>Hong Kong</td>
</tr>
<tr>
<td>11</td>
<td>20-21 August</td>
<td>Investor Summit and Capital Market Expo 2014</td>
<td>Surabaya, Indonesia</td>
</tr>
<tr>
<td>12</td>
<td>21-22 August</td>
<td>CIMB 8th Annual Indonesia Conference</td>
<td>Bali, Indonesia</td>
</tr>
<tr>
<td>13</td>
<td>26-28 August</td>
<td>Macquarie ASEAN Conference 2014</td>
<td>Singapore</td>
</tr>
<tr>
<td>14</td>
<td>03-04 September</td>
<td>18th Annual J.P. Morgan Asia Pacific Equity Conference</td>
<td>Boston, USA</td>
</tr>
<tr>
<td>15</td>
<td>08-09 September</td>
<td>4th Annual J.P. Morgan ASEAN London Forum</td>
<td>London, UK</td>
</tr>
<tr>
<td>16</td>
<td>08-09 October</td>
<td>UOB Kay Hian Asian Gems Conference</td>
<td>Singapore</td>
</tr>
<tr>
<td>17</td>
<td>13-17 October</td>
<td>Non Deal Roadshow with Credit Suisse</td>
<td>Hong Kong, Singapore, Kuala Lumpur, Jakarta</td>
</tr>
<tr>
<td>18</td>
<td>20 October</td>
<td>CIMB Asean Healthcare Day 2014</td>
<td>Kuala Lumpur, Malaysia</td>
</tr>
<tr>
<td>19</td>
<td>07 November</td>
<td>Standard Chartered Bank Double in 3 / Triple in 5 Asia Pacific Emerging Conference 2014</td>
<td>Singapore</td>
</tr>
<tr>
<td>20</td>
<td>18 November</td>
<td>7th Annual dbAccess Indonesia Conference 2014</td>
<td>Jakarta, Indonesia</td>
</tr>
</tbody>
</table>
XI. BUSINESS RISKS

The Company like all others faces a set of business risks. As a private company providing a healthcare service to the public, the Company faces an additional specific set of risks. In total, 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

The risk involves any one of numerous 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 the diversifications 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 in the 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 caused slowdown. Without such a slowdown, the Board of Directors is confident that sufficient opportunities exist to complete the current growth targets. 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. Investments in new personnel, personnel upgrades, and new technology, in line with close financial management, have demonstrated 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 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 is 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

Tangerang, April 2015

To:
The Board Of Commissioners
PT Siloam International Hospitals Tbk.
Siloam Hospitals 5th Fl.
Jl . Siloam No. 6, Lippo Village
Tangerang 15811

With regards,
Re: Audit Committee Report 2014

To meet the requirements as stipulated in the Decree of the Chairman of Bapepam No. KEP-29/PW/2004 on the Establishment and Implementation Guidance of the Audit Committee and the Decision of the Board of Directors of PT Bursa Efek Jakarta. No. Kep- 305/BEJ/07/2004 dated July 19, 2004 on the Listing of Shares and Equity-Type Securities other than Shares issued by the Listed Company, we as the Audit Committee of PT Siloam International Hospitals Tbk. (the “Company”) is pleased to announce the Audit Committee Report on the activities organized during 2014:

Main activities of the Audit Committee throughout 2014 as follows:

1. Reviewing the independence and objectivity of the External Auditor to audit the Consolidated Financial Statements of the Company and its subsidiaries for the year ended December 31, 2014, which has been appointed by the Board of Directors pursuant to the authority delegated by Shareholders in the Annual General Meeting of Shareholders held on April 23, 2014, namely Public Accountant Firm – KAP Aryanto Amir Jusuf Mawar & Saptoto.
2. Reviewing the qualitative aspects and integrity of accounting, auditing and reporting implementation.
3. Reviewing the business and risk management process, and compliance to the prevailing laws and regulations.
4. Conducting discussions with the Internal Auditor on the work plan and target focus of Internal Auditor, implementation and results of the internal control system for the year of 2014 and also the audit results of the Internal Auditor in 2014.
5. Conducting discussions with the Company’s management among other things:
   - quarterly financial statements.
   - business strategy and work plan and budget for 2014.
   - internal control systems.
   - compliance to the prevailing laws and regulations.
   - the risk management process.
6. Conducting discussions with the External Auditor on the findings and results of the audit.
7. Submitting the report of the Audit Committee meeting to the Board of Commissioners.

In order to fulfill the obligation to disclose the results of the review of the Audit Committee in the Company’s
Annual Report 2014, here we convey that to our knowledge the Company’s Financial Statements have been prepared and presented well and meet generally accepted accounting principles in Indonesia.

This Audit Committee Report is made truthfully.

Farid Harianto
Chairman

Indonesian citizen, 63 years. Obtained his Bachelor of Engineering, Electrical Department from Bandung Institute of Technology in 1975. He 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’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, CIS University of Toronto as Visiting Professor (1993-1995), PT Indonesian Securities Rating Agency with his last position as President Director (1995-1998), PT Indonesia Cleaning Guarantee Corporation (KPEI) with his last position as Commissioner (1998-2006), Vice Chairman of the National Bank Restructuring Agency (IBRA) 1998-2000, PT Unggul Indah Cahaya Tbk with his last position as Independent Commissioner (2004-present), PT Lippo Karawaci Tbk, with his last position as Independent Commissioner (2005 - now), Special Staff for the Vice President of the Republic of Indonesia (2006-present), Advisor for Governor of Bank Indonesia (2008-2013), PT Kertas Basuki Rahmat Indonesia Tbk with his last position as Independent Commissioner (2010-present ?), PT Toba Bara Sejati Tbk with his last position as Independent Commissioner (2011-present), PT Sepatu Bata Tbk as Independent Commissioner (2011-present), PT Siloam International Hospitals Tbk with his last position as Independent Commissioner (2011-present).

Lim Kwang Tak
Member

Indonesian citizen, 57 years. Graduated with a Bachelor of Economics Universitas Indonesia-Salemba, Jakarta in 1980.


Siswanto Pramono
Member

Indonesian citizen, 58 years. Graduated with a BSc in Commerce, major in Economic from University of Santo Tomas, Manila, Philippines in 1983.

Report of INTERNAL AUDIT

Tangerang, April 2015

To:
Audit Committee of PT Siloam International Hospitals Tbk.
attn Mr. Farid Harianto – Chairman
cc:
Board of Directors of PT Siloam International Hospitals Tbk.
attn Mr. Romeo F. Lledo, President Director/Independent Director

With regards,

We have completed internal audit at PT Siloam International Hospitals Tbk. (the Company) for the year ended December 31, 2014. The purpose of the audit is to review, assess and test the implementation of management control over the Company’s business activities.

Internal audit was conducted in accordance with Internal Audit Unit Charter to implement a risk based inspection through internal control review, testing of evidences, interviews and follow-up of irregularities that have been discovered.

Throughout 2014, 41 audit assignments has been performed in 18 Siloam Hospitals with a total of 840 audit findings.

The findings of the internal audit have been discussed with management of related units and up to December 31, 2014, a total of 728 findings were followed up and resolved in the current period, and as many as 112 findings (13%) still in the process of planned improvements that can be completed in the next period.

As of results for 2014, there are several things that need attention of management as follows:

1. Increasing supervision of implementation of the Company’s SOP as well as the imposition of definite sanctions in every violation.
2. Increasing corporate compliance on the licenses required of each business unit, and
3. Increasing oversight of the physical and maintenance of the Company assets.
Internal audit also including a review of the Company’s quarterly and annual consolidated financial statements ended December 31, 2014. Upon review of the financial statements, there are no material findings that need to be submitted.

Thus we convey internal audit results for the year ended December 31, 2014.

PT Siloam International Hospitals Tbk.

[Signature]

Gunawan Hadi Rajitno
Head of Internal Audit
Corporate Social RESPONSIBILITY

Siloam Hospitals recognizes its role in the community as a provider of health care and has accordingly committed itself to returning benefit to the whole community in the area of health care, the area it knows best.
Siloam Hospitals has the care of people, the patients, as its prime business model. This care also applies to employees, suppliers, the surrounding community, and their environment. The Company must also comply with government regulations on a number of issues in dealing with the management of hospitals, and as a company in Indonesia. Our success in fulfilling these missions is witnessed in our growth and in our good relationships with all stakeholders. With the growth of the business and with our new commitment as a listed company, we need to extend our competency to include reporting about our corporate social responsibility in the areas of employees, patients, the surrounding communities and health, safety and the environment.

Community Social Development
Siloam Hospitals recognizes its role in the community as a provider of health care and has accordingly committed itself to returning benefit to the whole community in the area of health care, the area it knows best. In line with its responsibility to be involved in community social activities under the 2012 Government Regulation Number 47 and in line with the Company’s value of care, wider outreach programs have been conducted in provision of the healthcare services accessible to all levels of society.

These programs can be described as long term, or institutional, or as short term, Focused Programs.

Institutional programs are on-going programs designed to meet long term objectives within the community. Utilizing the organizational skills of staff members, these programs are designed and measured for their sustainable impacts. The setting up and management of the RSUS in Lippo Village, Tangerang, meets the conditions for the successful running of a community access teaching hospital, in conjunction with the UPH Faculty of Medicine. Other long term projects include:

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.

To celebrate its 23rd Anniversary beginning on August 24, 2014, Siloam Hospitals Kebon Jeruk held a free heart disease screening for 500 people, a large part of the 1,000 free heart screenings given in 2014.

From September 6 to October 26, 2014, Siloam Hospitals TB and Rumah Sakit Jantung Diagram Cinere offered cardiovascular health checks involving 5,800 people.

In order to enliven the 68th Anniversary of the Tangerang City Police, as part of organized social activities, RSUS provided free health services in June 2014, serving up to 700 people.

In the month of November 2014, in commemoration of the 59th anniversary of the Tigaraksa Tangerang Traffic Police, Siloam International Hospitals provided free medical checkups to 370 police and family members.
Disaster Relief Assistance
Siloam Hospitals assistance to refugees eruption of Mount Sinabung Starting January 11, 2014, Siloam Hospitals operated several ambulances with a team of doctors and paramedics to provide health care and treatment to more than 2,000 people who became ill with acute respiratory infections (ARI) and eye diseases due to dust erupted from Mount Sinabung in North Sumatra.

Siloam Hospitals assistance to refugees flooding in Manado From 17 to 22 January 2014, Siloam Hospitals set up emergency shelters to provide free health and ambulance services for flood victims in Manado, North Sulawesi.

The total outlay for non-hospital CSR community programs in 2014 was Rp 430,000,000,-.

Patient Protection
The Company regards having good health education among the general public as its main consumer responsibility. With good information, potential customers take better care of themselves as in the saying “prevention is better than cure.” When treatment does become necessary, the products and services are fully described in brochures and in doctor consultations. The Company takes pride in announcing the availability of new treatments in newspaper advertisements, beginning the process of educating the public on the health issues involved.

Perhaps more than in other industries, consumer complaint handling is of great concern to Siloam Hospitals. In this trust based service, the main approach is to ensure that doctors and all staff are fully apprised of the need to follow best practice and government regulation.

To address Company liability and to promote the Company’s values of care and professionalism, complaint handling is conducted in a comprehensive manner, beginning at the unit concerned and arriving at Siloam Hospitals headquarters’ management, should serious issues occur. Consumers can send comments and suggestions via e-mail or through the website to infodesk@siloamhospitals.com or through the website www.siloamhospitals.com. The goal is to achieve customer satisfaction and increase consumer confidence index.

In 2014, Siloam Hospitals received the Asian Patient Safety Award 2014: Medication Safety from the Asian Patient Safety Awards 2014. In addition, Siloam’s drive for excellence in the healthcare services industry in Indonesia has been recognized with the award as the Healthcare Service Provider of the Year from Frost & Sullivan for 2013. Another initiative saw us achieve the European Award for Best Practices from European Society for Quality Research in Brussels 2014.
Several studies with various methods and approaches concluded that hospitals have a high risk of casualties in the event of a fire. Other than obvious damages to the building, there would also be interruption to the operational activity of providing healthcare services, social impacts to the occupants and the public on the hospital environment, as well as creating negative image on the hospital itself.

Reflecting on the above situation, Siloam Hospitals strive to continuously refine the scope of health, safety, and disaster preparedness. In addition to providing occupational health and safety efforts, it is necessary to improve disaster preparedness in general and increased vigilance against fire disasters. One of the efforts is to provide the facilities and infrastructures for emergency response and the establishment of an integrated disaster management response team that involves all elements or work units within the vicinity of Siloam Hospitals.

Fire safety preparation in a typical Indonesian building shows high dependency on the fire department by the owner or manager of the building. However, fire spreads very fast and dynamically and therefore extinguishing the fire must be executed precisely and quickly while the fire is still small. This condition is more appropriately handled by the owner/manager/user of the building rather than waiting for the fire department to arrive. Hence, Siloam Hospitals regularly perform a variety of activity to raise awareness, increase the ability and skills, as well as increase the responsiveness of all workers within the facility. Siloam Hospitals also strives to anticipate the delay in the handling of fire through cross-sector cooperation. Joint efforts are being made with the local fire department to deploy fire truck units within the vicinity of Siloam Hospitals to improve the responsiveness and to further improve the safety and comfort for all occupants of the hospital should a fire disaster occur. This has already been realized for MRCCC and SHTB, this will take effect in SHKJ in very near future.

The various facets and approaches above are intended to stimulate and develop the awareness of all employees regarding fire safety. Low fire safety comprehension level results in unsafe condition/behavior, e.g. improper use of extension cord in the work environment, negligence and ignorance microwave or oven usage, leaving the computer switched on after work and during external assignments, and the ignorance of other potential hazards that can start fires. In response, Siloam Hospitals provide lessons and implant awareness on fire safety immediately after the worker joined Siloam Hospitals through Orientation Program, and continue to be reminded through yearly refresher programs. The yearly program includes activities in classroom theory, fire extinguishing practices in the field, and evacuation simulations. Participation of all employees including the management in this program is compulsory as to jointly continue to prevent and, when necessary, knows how to suppress fire.

Structured efforts to prevent fire and increase fire safety were declared to be a priority program in Siloam Hospitals in 2014. Previously, these activities were only started and organized after the hospital was operational, but it is brought forward way before the hospital started its operation. Various additional fire safety programs have also been conducted on top of the socialization and training course in all units. They include the identification of fire potential areas through the annual Hazard Vulnerability Analysis, facility tours performed by the K3 core team together...
with the management to find a wide range of issues related to safety, security, team inspections to ensure that the safety protection system is active and in ready to use condition, standardization and improvement of the existing safety signs, preventive maintenance scheduling of the building’s fire protection equipment, inviting independent agencies to provide general K3 expertise certification to K3 team leader throughout the unit, inviting independent fire safety experts to conduct a thorough audit, analysis, evaluation, and recommendations for follow up.

Generally, these various programs and efforts have been implemented well although some of Siloam Hospitals Units have not reached full accomplishment; especially those have only recently became operational. This sort of activity has become a part of the Siloam Hospitals culture to continue encourage spirit and actively seeking coordination. To ensure that all activities under the program can be implemented optimally in accordance with the determined targets further steps are taken like continuous socialization, monitoring of disaster preparedness by the team coordinator and supervision by the internal audit team. They will also ensure that the program is working well by inspecting maintenance documentations, comparing reports of activities carried out with the program schedule for the year. Finally validation is performed through direct interview to workers in all of the Hospital Units.

Health, safety, and disaster preparedness in Siloam Hospitals Unit is, generally speaking, in a good state, and this also reflects the readiness of the personnel in preventing and combating fire hazards which may occur anytime within the vicinity of hospital. Going forward, we will continue to perform consistently and sustainably, both system development and human resources efforts, with the aim of Siloam Hospitals as a health service provider that also provide sense of security and comfort for its patients, their families and other visitors.

Siloam Hospitals strives to continuously able to demonstrate the readiness and competitiveness in the field of healthcare, through advanced and superior medical facilities that comply to international standards, as well as in the field of fire safety. The desired objective is for Indonesian to progressively believe that the safety of patients and their families, as well as other visitors as a matter of priority. The group aim achieve this objective before the opening up of free market in 2020, and to make Siloam Hospitals one of the top healthcare providers in the region with excellence in all areas of health, safety, and disaster preparedness.
Corporate DATA
Ketut Budi Wijaya
President Commissioner

Indonesian citizen, 60 years old. Graduated from the Academy of Accounting Indonesia in 1980 and Sekolah Tinggi Ekonomi Indonesia majoring in Accounting in 1982.

Ketut Budi Wijaya started his career in PT Bridgestone Tire Indonesia, as a 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 Lippobank (1987-1990), as Director of PT Multipolar Corporation Tbk. (1990-2005) and PT Wal-Mart Indonesia with his last position as CFO (1995-1998). Other leading positions held including: 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. last position as President Director (2006-present), PT Lippo Cikarang Tbk. with his last position as President Commissioner (2009-present), PT Multifiling Mitra Indonesia Tbk. with his last position as Commissioner (2010-present), PT Gowa Makassar Tourism Development Tbk. as President Commissioner (2010-present), and PT Siloam International Hospitals Tbk. as President Commissioner (2013-present).
Theo L. Sambuaga
Commissioner

Indonesian citizen, 66 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.

He started his career at PT Lippo Karawaci Tbk., with his last position as President Commissioner (2004-present), PT First Media Tbk., with his last position as President Commissioner (2013-present), the Lippo Group, with his last position as President (2010-present), Berita Satu Media Holding with last position as President (2011-present), PT Multipolar Tbk. with his last position as President Commissioner (2011-present), PT Siloam International Hospitals Tbk. with his last position as Commissioner (2011-present), PT Matahari Putra Prima Tbk. with last position as President Commissioner (2013-present).

Rahmawaty
Commissioner

Indonesian citizen, 51 years. Graduated from the Faculty of Economics, Trisakti University in 1988.

She began her career as an auditor at Prasetio, Utomo & Co. in 1987 to 1996. Appointed as Vice President Director of Bank Lippo 2002, having previously served as Director since 1999. From 1996 to 1999 served as Director of PT Lippo Land Development Tbk. and from 1997 to 1999 served as Commissioner of PT Lippo Cikarang Tbk. and Director of PT Lippo Karawaci Tbk.
Indonesian citizen, 65 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.

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 Mahapatra 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 President Commissioner at PT (PERSERO) Danareksa 2012 to present. He has been Commissioner at PT Siloam International Hospitals Tbk. since 2014.

Lambock V. Nahattands
Commissioner

Indonesian citizen, 63 years. Obtained his Bachelor of Engineering, Electrical Department from Bandung Institute of Technology in 1975. He 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.


PT Unggul Indah Cahaya Tbk. with last position as Independent Commissioner (2004-present), PT Lippo Karawaci Tbk., with his last position as Independent Commissioner (2005 - now), Special Staff for the Vice President of the Republic of Indonesia (2009-present), Advisor for Governor of Bank Indonesia (2008-2013), PT Kertas Basuki Rahmat Indonesia Tbk. with his last position as Independent Commissioner (2010-present), PT Toba Bara Sejahtera Tbk. with his last position as Independent Commissioner (2012-present), PT Sepatu Bata Tbk. as Independent Commissioner (2011-present), PT Siloam International Hospitals Tbk. with his last position as Independent Commissioner (2011-present).

Farid Harianto
Independent Commissioner
Indonesian citizen, 73 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).


Prof. Dr. H. Muladi, S.H.

Independent Commissioner

Indonesian citizen, 72 years. Prof. Dr. Muladi SH, is a graduate of the Faculty of Law, University of Diponegoro (UNDIP), Semarang, and a 1968 graduate of the International Institute of Human Rights, France in 1979. He earned his Doctorate degree (Cum Laude) from UNPAD Legal Studies, Bandung in 1984.


Ir. Jonathan L. Parapak

Independent Commissioner

Indonesian citizen, 73 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).

Romeo Fernandez Lledo
President Director


Romeo Fernandez Lledo started his career at SGV & Co. (Member of Ernst & Young) with his last position as Audit Manager (1977-1988), Nowoven Fabric Philippines, Inc. with his last position of Director and Chief Operating Officer (1988-1992), Salim Group with position most recently 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 with his last position as Chief Operating Officer and Director (1995-2006), PT Datakom Asia with his last position as Director (1997-2006), PT Mitra Kreasidharma with his last position as President Director (2008-2010), PT Inti Everspring Indonesia with his last position as President Director (2008-2010), PT Indonox Mitra Pratama with his last position as President Commissioner (2008-2010), PT Unggul Indah Cahaya Tbk. with positions as President Commissioner (2008-2010). He has held the position of the Company's Director since 2010.
Indian Citizen, 64 years. Prof. George graduated with a Medical degree -MBBS- from Christian Medical College Vellore, Madras University, India, in 1975. Graduated as Master of Surgery (MS Gen Surg) from Christian Medical College Vellore in 1984. Attained his Doctor of Medicine (Surgery) from Adelaide University, Australia in 1997.

Prof. George started his career at the Christian Medical College, Department of Surgery (1984-1997) India, with his last position as Reader, University of Adelaide, Australia with last position as Research Scholar, Department of Surgery (1994-1997), Christian Medical College, India with his last position as Professor & Head, General Surgery Unit III (General Surgery & Oesophago Gastro Duodenal Surgery) (2003-sekarang), Mocthar Riady Institute for Nanotechnology with last position as President (2011-present), Universitas Pelita Harapan with last position as President Medical Group (2011-present). He has held the position of the Company’s Director since 2011.

Prof. George Mathew
Director

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Indian Citizen, 44 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.

He began his career at S. B. Billimoria and Co, Chartered Accountants, (member firm of Deloitte Touche Tohmatsu) New Delhi, India from 1991 to 1997, first as an Article trainee and then as an audit assistant.

- From July 1997-Aug 1998 he worked at the New Delhi Hilton, as Deputy Manager Finance and Accounts.
- From 1998-2004 he worked at CitiFinancial India (erstwhile Associates India), in various positions managing credit administration and core backend consumer finance operations.
- From 2004-2007, he worked at Citibank Indonesia NA as Vice President and Head of Operations and Technology for the CitiFinancial Business and was a member of the core leadership team to launch the CitiFinancial Business in Indonesia.
- From 2007-2010, he moved to Manila, The Philippines and worked as Vice President and Head of Credit Operation and Transaction Services at Citibank Business Process Solutions Pte, Ltd. (CBPS), Philippines.
- From 2010-2013 he moved back to Citibank NA Jakarta Indonesia as Senior Vice President and Head of Cards & Investment Operations.
- From 2013 till present he is working with PT Siloam International Hospitals Tbk., first as Financial Controller at MRCCC and then from April 2014 awards as the Director & Chief Financial Officer.

Kailas Nath Raina
Director
Profile of Board of Directors

**dr. Grace Frelita Indradjaja, M.M.**

*Director*

Indonesian Citizen, 58 years. Dr. Grace Frelita graduated with a Medical Degree from Universitas Katolik Atmajaya, Jakarta in 1982. Graduated as Master in Management from Universitas Indonusa Esa Unggul, Jakarta, 1997.


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**dr. Anang Prayudi**

*Director*


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). He has held the position of the Company’s Director since 2011.
Dr. dr. Andry, M.M., M.H.Kes.

Director

Indonesian citizen, 52 years. Graduated with MD from the Yarsi Faculty for Doctors, Jakarta, in 1989; Master of Management (concentration Hospitals), Indonusa Esa Unggul University, Jakarta, in 1998; Master of Health Law, Faculty of Law Catholic University of Semarang Soegiopranoto in 2008; and Doctor of Law, University of Pelita Harapan, Tangerang, in 2011.

He 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. From 2007 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.
Statement of Responsibility of the Board of Commissioners and the Board of Directors for the 2014 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 2014 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, April 2015

Ketut Budi Wijaya
President Commissioner

Prof. Dr. H. Muladi, S.H.
Independent Commissioner

Farid Harianto
Independent Commissioner

Ir. Jonathan L. Parapak
Independent Commissioner

Theo L. Sambuaga
Commissioner

Rahmawaty
Commissioner

Lambock V. Nahattands
Commissioner

Romeo Fernandez Lledo
President Director/Independent Director

Prof. George Mathew
Director

Kailas Nath Raina
Director

dr. Grace Frelita Indradjaja, M.M.
Director
dr. Anang Prayudi
Director
Dr. dr. Andry, M.M., M.H.Kes.
Director
Financial STATEMENT

PT SILOAM INTERNATIONAL HOSPITALS Tbk.
AND SUBSIDIARIES

Consolidated Financial Statements
For the Years Ended December 31, 2014 and 2013
DIRECTOR'S STATEMENT
ON
THE RESPONSIBILITY FOR PT SILOAM INTERNATIONAL HOSPITALS Tbk
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2014 (UNAUDITED) AND DECEMBER 31, 2013 (AUDITED) AND
FOR THE 9 (NINE) MONTHS PERIOD ENDED SEPTEMBER 30, 2014 (UNAUDITED) AND 2013 (AUDITED)

We, the undersigned:

1. Name: Romeo Fernandez Lledo
   Address: Siloam Hospitals, 5th floor
   Residential Address: Jl. Siloam No. 06 Lippo Village, Tangerang 15811
   (as in identify card): Taman Mediterranean Golf Lippo Village, Tangerang
   Telephone: (021) 2566 8000
   Title: President Director

2. Name: Kailas Nath Raina
   Address: Siloam Hospitals, 5th floor
   Residential Address: Jl. Siloam No. 06 Lippo Village, Tangerang 15811
   (as in identify card): Jl. Gelong Baru Timur No. 11A
   Telephone: (021) 2566 8000
   Title: Director

State that:
1. We are responsible for the preparation and presentation of Interim consolidated financial statements of PT Siloam International Hospitals Tbk ("the Company");
2. The Company's Interim consolidated financial statements have been prepared and presented in accordance with Indonesian financial accounting standards;
3. a. All information contained in the Company's Interim consolidated financial statements is complete and correct;
   b. The Company's Interim consolidated financial statements do not contain misleading material information or facts and do not omit 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 Karawaci, February 23, 2015
PT Siloam International Hospitals Tbk

[Signature]
President Director

[Signature]
Director
Independent Auditors' Report

The Stockholders, 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, 2014 and the consolidated statement of comprehensive income, statement of changes in equity, and statement of cash flow 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 statement 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.
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, 2014, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Aryanto, Amir Jusuf, Mawar & Saptoto

[Signature]

Didik Wahyudiyanto
Public Accountant License Number: AP.0502

Jakarta, February 23, 2015