

Bangkok Dusit Medical Services Public Company Limited
and its subsidiaries
Review report and consolidated interim financial statements
For the three-month period ended 31 March 2016

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Bangkok Dusit Medical Services Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Bangkok Dusit Medical Services Public Company Limited and its subsidiaries as at 31 March 2016, the related consolidated statements of income, comprehensive income and the statements of changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements, and have also reviewed the separate financial information of Bangkok Dusit Medical Services Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Accounting Standard No. 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Accounting Standard No. 34 Interim Financial Reporting.

Kamontip Lertwitworatep

Certified Public Accountant (Thailand) No. 4377

EY Office Limited

Bangkok: 13 May 2016

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2016

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	31 March 2016	31 December 2015	31 March 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		5,234,870	5,528,543	2,861,019	3,617,144
Short-term investments		45,872	28,281	18,603	1,353
Trade and other receivables	2, 3	6,609,967	6,484,343	1,378,467	1,470,058
Short-term loans to related parties	4	-	-	1,390,884	1,326,939
Dividend receivable - related parties	4	-	-	2,575,244	-
Inventories		1,204,887	1,285,769	88,421	99,358
Other current assets		230,086	255,432	61,517	30,945
Total current assets		13,325,682	13,582,368	8,374,155	6,545,797
Non-current assets					
Restricted financial institution deposits		55,935	60,708	14,000	14,000
Investments in associated companies	5	15,612,396	15,093,035	9,028,589	9,028,589
Investments in subsidiary companies	6	-	-	39,320,283	39,070,483
Other long-term investments	7	1,242,782	1,085,157	877,745	771,950
Long-term loans to related parties	4	-	-	5,734,465	5,786,371
Investment properties		289,320	284,768	530,926	530,238
Property, premises and equipment	8	53,645,498	52,949,906	8,483,842	8,070,215
Land not used in operation		297,308	297,308	296,981	296,981
Goodwill		16,932,250	16,932,250	-	-
Intangible assets		1,043,231	1,036,728	417,194	385,143
Other non-current assets					
Leasehold rights	4	674,367	670,177	358,332	362,422
Others	4	379,335	342,590	26,633	26,501
Total non-current assets		90,172,422	88,752,627	65,088,990	64,342,893
Total assets		103,498,104	102,334,995	73,463,145	70,888,690

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2016

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	31 March 2016	31 December 2015	31 March 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	9	78,355	75,860	-	-
Trade and other payables	4, 10	4,394,285	4,934,751	1,028,594	1,288,883
Current portion of long-term loans from					
financial institutions	11	1,747,185	1,708,224	1,706,827	1,672,206
Current portion of liabilities under					
finance lease agreements	12	54,024	57,206	11,334	10,230
Current portion of debentures	13	999,932	999,836	999,932	999,836
Short-term loans		76,000	97,700	-	-
Short-term loans from related parties	4	-	-	8,527,061	8,303,334
Dividend payable - a related party	4	860	-	-	-
Income tax payable		1,166,725	726,683	229,284	138,544
Accrued expenses		3,813,827	4,855,181	839,888	1,151,084
Current portion of deferred income - membership		231,562	362,351	103,160	105,204
Other current liabilities	4	417,140	355,450	48,885	80,187
Total current liabilities		12,979,895	14,173,242	13,494,965	13,749,508
Non-current liabilities					
Long-term loans from financial insitutions					
- net of current portion	11	7,341,961	7,737,989	7,312,729	7,697,532
Liabilities under finance lease agreements					
- net of current portion	12	37,837	46,945	6,124	6,528
Debentures - net of current portion	13	9,591,451	9,591,141	9,591,451	9,591,141
Convertible debentures - liability component	14	9,729,869	9,683,481	9,729,869	9,683,481
Provision for long-term employee benefits		1,566,780	1,529,573	354,001	348,779
Long-term portion of deferred income - membership		713,884	621,902	127,163	130,357
Deferred tax liabilities		2,513,963	2,485,688	213,229	201,577
Other non-current liabilities	4	321,809	290,007	227,335	197,496
Total non-current liabilities		31,817,554	31,986,726	27,561,901	27,856,891
Total liabilities		44,797,449	46,159,968	41,056,866	41,606,399

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2016

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	As at	As at	As at	As at
	<u>31 March 2016</u>	<u>31 December 2015</u>	<u>31 March 2016</u>	<u>31 December 2015</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital				
Registered				
16,497,868,714 ordinary shares of Baht 0.1 each	<u>1,649,787</u>	<u>1,649,787</u>	<u>1,649,787</u>	<u>1,649,787</u>
Issued and fully paid-up				
15,490,956,540 ordinary shares of Baht 0.1 each	1,549,096	1,549,096	1,549,096	1,549,096
Share premium				
Premium on ordinary shares	20,481,531	20,481,531	20,418,607	20,418,607
Difference from shareholding restructure	305,000	305,000	-	-
Retained earnings				
Appropriated - statutory reserve	170,000	170,000	170,000	170,000
Unappropriated	29,781,290	27,375,018	8,564,163	5,524,811
Other components of shareholders' equity	<u>3,999,200</u>	<u>3,795,303</u>	<u>1,704,413</u>	<u>1,619,777</u>
Equity attributable to owners of the Company	56,286,117	53,675,948	32,406,279	29,282,291
Non - controlling interests of the subsidiaries	<u>2,414,538</u>	<u>2,499,079</u>	-	-
Total shareholders' equity	<u>58,700,655</u>	<u>56,175,027</u>	<u>32,406,279</u>	<u>29,282,291</u>
Total liabilities and shareholders' equity	<u>103,498,104</u>	<u>102,334,995</u>	<u>73,463,145</u>	<u>70,888,690</u>

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

Directors

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 31 March 2016**

(Unit: Thousand Baht except earnings per share expressed in Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Revenues					
Revenues from hospital operations	4	16,406,195	14,845,111	3,467,596	3,291,531
Other income					
Revenue from sales of goods and foods	4	726,577	703,060	12,245	11,145
Interest income and gain on sale of short-term investments		9,569	18,311	79,893	88,305
Dividend income	5, 6, 7	-	-	2,575,244	1,228,646
Others		164,248	199,764	249,049	195,380
Total other income		900,394	921,135	2,916,431	1,523,476
Total revenues		17,306,589	15,766,246	6,384,027	4,815,007
Expenses					
Cost of hospital operations and goods sold	4	11,060,541	9,993,491	2,110,455	1,963,736
Administrative expenses	4	3,310,985	2,933,477	896,350	826,733
Total expenses		14,371,526	12,926,968	3,006,805	2,790,469
Profit before share of income from investments in associated companies, finance expenses and income tax expenses					
		2,935,063	2,839,278	3,377,222	2,024,538
Share of income from investments in associated companies	5	336,650	322,527	-	-
Profit before finance expenses and income tax expenses					
		3,271,713	3,161,805	3,377,222	2,024,538
Finance expenses	4	(213,499)	(270,266)	(237,872)	(288,730)
Profit before income tax expenses		3,058,214	2,891,539	3,139,350	1,735,808
Income tax expenses	15	(563,140)	(521,681)	(99,998)	(100,803)
Profit for the period		2,495,074	2,369,858	3,039,352	1,635,005
Profit attributable to:					
Equity holders of the Company		2,406,272	2,288,794	3,039,352	1,635,005
Non-controlling interests of the subsidiaries		88,802	81,064		
		2,495,074	2,369,858		
Basic earnings per share					
Profit attributable to equity holders of the Company	16	0.16	0.15	0.20	0.11
Weighted average number of ordinary shares (shares)		15,490,956,540	15,490,956,540	15,490,956,540	15,490,956,540

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries**Statement of comprehensive income****For the three-month period ended 31 March 2016**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Profit for the period	<u>2,495,074</u>	<u>2,369,858</u>	<u>3,039,352</u>	<u>1,635,005</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Gain on change in value				
of available-for-sale investments - net of income tax	126,100	7,657	84,636	13,091
Exchange differences on translation of financial statements in foreign currencies	(33,090)	(21,320)	-	-
Share of other comprehensive income from associated companies	<u>176,802</u>	<u>13,896</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	<u>269,812</u>	<u>233</u>	<u>84,636</u>	<u>13,091</u>
Total comprehensive income for the period	<u><u>2,764,886</u></u>	<u><u>2,370,091</u></u>	<u><u>3,123,988</u></u>	<u><u>1,648,096</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	2,677,099	2,289,363	<u><u>3,123,988</u></u>	<u><u>1,648,096</u></u>
Non-controlling interests of the subsidiaries	<u>87,787</u>	<u>80,728</u>		
	<u><u>2,764,886</u></u>	<u><u>2,370,091</u></u>		

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

(Unaudited but reviewed)

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2016

(Unit: Thousand Baht)

Consolidated financial statements															
Equity attributable to owners of the Company															
Other components of shareholders' equity															
Other comprehensive income															
Retained earnings					Surplus on changes in value of available-for-sale investments	Exchange differences on translation of financial statements in foreign currency	Share of other components of shareholders' equity from associated companies	Convertible debentures - equity component	Surplus investment over book value of subsidiary companies	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interest of the subsidiaries	Total shareholders' equity		
Issued and paid-up share capital	Premium on ordinary shares	Difference from shareholding restructure	Appropriated-statutory reserve	Unappropriated	land										
1,549,096	20,481,531	305,000	170,000	23,059,105	259,082	2,639,479	(50,383)	383,050	585,527	(2,601,332)	1,215,423	46,780,155	2,217,943	48,998,098	
Balance as at 31 December 2014															
Profit for the period	-	-	-	2,288,794	-	-	-	-	-	-	-	2,288,794	81,064	2,369,858	
Other comprehensive income for the period	-	-	-	-	7,653	-	(20,980)	13,896	-	-	569	569	(336)	233	
Total comprehensive income for the period	-	-	-	2,288,794	7,653	-	(20,980)	13,896	-	-	569	2,289,363	80,728	2,370,091	
Share of interest paid for convertible bonds treated as equity securities from an associated company	-	-	-	-	-	-	-	(1,918)	-	-	(1,918)	(1,918)	-	(1,918)	
Change in non-controlling interests of subsidiaries from purchase investments in subsidiaries	-	-	-	-	-	-	-	-	-	(835)	(835)	(835)	1,665	830	
Decrease in non-controlling interests of subsidiaries from dividend of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(80,291)	(80,291)	
Balance as at 31 March 2015	1,549,096	20,481,531	305,000	170,000	25,347,899	266,735	2,639,479	(71,363)	395,028	585,527	(2,602,167)	1,213,239	49,066,765	2,220,045	51,286,810

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2016

(Unit: Thousand Baht)

Consolidated financial statements															
Equity attributable to owners of the Company															
Other components of shareholders' equity															
Other comprehensive income															
Retained earnings					Surplus on changes in value of available-for-sale investments	Exchange differences on translation of financial statements in foreign currency	Share of other components of shareholders' equity from associated companies	Convertible debentures - equity component	Surplus of investment over book value of subsidiary companies	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interest of the subsidiaries	Total shareholders' equity		
Issued and paid-up share capital	Premium on ordinary shares	Difference from shareholding restructure	Appropriated-statutory reserve	Unappropriated											
1,549,096	20,481,531	305,000	170,000	27,375,018	337,256	5,110,102	37,429	328,121	585,527	(2,603,132)	3,795,303	53,675,948	2,499,079	56,175,027	
Profit for the period	-	-	-	2,406,272	-	-	-	-	-	-	-	2,406,272	88,802	2,495,074	
Other comprehensive income for the period	-	-	-	-	126,100	-	(32,075)	176,802	-	-	270,827	270,827	(1,015)	269,812	
Total comprehensive income for the period	-	-	-	2,406,272	126,100	-	(32,075)	176,802	-	-	270,827	2,677,099	87,787	2,764,886	
Share of interest paid for convertible bonds treated as equity securities from an associated company	-	-	-	-	-	-	-	(1,919)	-	-	(1,919)	(1,919)	-	(1,919)	
Change in non-controlling interests of subsidiaries from purchase investments in subsidiaries	-	-	-	-	-	-	-	-	-	(65,011)	(65,011)	(65,011)	(51,187)	(116,198)	
Decrease in non-controlling interests of subsidiaries from dividend of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(121,141)	(121,141)	
Balance as at 31 March 2016	1,549,096	20,481,531	305,000	170,000	29,781,290	463,356	5,110,102	5,354	503,004	585,527	(2,668,143)	3,999,200	56,286,117	2,414,538	58,700,655

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

(Unaudited but reviewed)

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2016

(Unit: Thousand Baht)

Separate financial statements								
Other components of shareholders' equity								
Other comprehensive income								
Surplus on changes								
Retained earnings								
Issued and paid-up share capital	Premium on ordinary shares	Appropriated-statutory reserve	Unappropriated	in value of available-for-sale investments	Revaluation surplus on land	Convertible debentures - equity component	Total other components of shareholders' equity	Total shareholders' equity
Balance as at 31 December 2014	1,549,096	20,418,607	170,000	4,698,257	274,225	673,862	585,527	1,533,614
Profit for the period	-	-	-	1,635,005	-	-	-	1,635,005
Other comprehensive income for the period	-	-	-	-	13,091	-	-	13,091
Total comprehensive income for the period	-	-	-	1,635,005	13,091	-	-	1,648,096
Balance as at 31 March 2015	1,549,096	20,418,607	170,000	6,333,262	287,316	673,862	585,527	1,546,705
Balance as at 31 December 2015	1,549,096	20,418,607	170,000	5,524,811	360,388	673,862	585,527	1,619,777
Profit for the period	-	-	-	3,039,352	-	-	-	3,039,352
Other comprehensive income for the period	-	-	-	-	84,636	-	-	84,636
Total comprehensive income for the period	-	-	-	3,039,352	84,636	-	-	3,123,988
Balance as at 31 March 2016	1,549,096	20,418,607	170,000	8,564,163	445,024	673,862	585,527	1,704,413

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries**Statement of cash flows****For the three-month period ended 31 March 2016**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash flows from operating activities				
Profit before income tax expenses	3,058,214	2,891,539	3,139,350	1,735,808
Adjustments to reconcile profit before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation and amortisation expenses	1,152,000	1,050,302	220,600	197,279
Write-off of assets	3,845	1,716	2,740	-
Bad debts and doubtful debts	19,023	18,214	17,107	16,820
Loss on impairment of investment	-	15,000	-	-
Reservel of loss on impairment of assets	(5,154)	-	(2,700)	-
Loss on (reversal of) deteriorated inventories	(176)	1,914	532	444
Amortisation of deferred income - membership	(68,599)	(120,732)	(35,635)	(35,187)
Share of income from investments in associated companies	(336,650)	(322,527)	-	-
Amortisation of expense for debentures and convertible debentures	7,779	7,568	7,779	7,568
Gain on disposal of property, premises and equipment	(6,501)	(5,889)	(4,674)	(1,701)
Unrealised loss (gain) on foreign exchange	4,975	(8,208)	4,975	372
Long-term employee benefit expenses	48,496	43,539	8,750	7,618
Annual leave expense	23,095	27,394	3,979	3,620
Interest income	(9,569)	(18,311)	(79,893)	(88,305)
Dividend income	-	-	(2,575,244)	(1,228,646)
Interest expense	<u>213,499</u>	<u>270,266</u>	<u>237,872</u>	<u>288,730</u>
Profit from operating activities before changes in operating assets and liabilities	4,104,277	3,851,785	945,538	904,420

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries**Statement of cash flows (continued)****For the three-month period ended 31 March 2016**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash flows from operating activities (continued)				
Decrease (increase) in operating assets				
Trade and other receivables	(139,140)	(750,686)	76,439	(342,071)
Inventories	81,058	120,210	10,405	9,106
Other current assets	25,346	12,272	(30,571)	6,658
Other non-current assets	(38,706)	(52,650)	873	(79,466)
Increase (decrease) in operating liabilities				
Trade and other payables	3,987	(223,113)	50,216	47,564
Accrued expenses	(1,065,048)	552,902	(315,449)	174,304
Deferred income - membership	29,793	142,697	30,397	24,189
Other current liabilities	(59,204)	(198,381)	(31,302)	(70,342)
Provision for long-term employee benefits	(11,288)	(16,694)	(3,527)	-
Other non-current liabilities	<u>31,801</u>	<u>(70,127)</u>	<u>29,841</u>	<u>(19,335)</u>
Net cash from operating activities	2,962,876	3,368,215	762,860	655,027
Cash received from interest incomes	4,061	16,885	77,938	88,450
Cash paid for interest expenses	(195,093)	(248,646)	(221,098)	(266,939)
Cash received from tax refund	8,306	2,961	-	-
Cash paid for income tax expenses	<u>(141,137)</u>	<u>(116,911)</u>	<u>(19,498)</u>	<u>(16,948)</u>
Net cash from operating activities	<u>2,639,013</u>	<u>3,022,504</u>	<u>600,202</u>	<u>459,590</u>

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries**Statement of cash flows (continued)****For the three-month period ended 31 March 2016**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash flows from investing activities				
Decrease (increase) in short-term investments	(17,592)	492,943	(17,250)	518,383
Decrease in restricted financial institution deposits	4,773	2,416	-	-
Cash paid for purchase of investments in subsidiaries and associated company	(7,828)	(107,007)	(249,800)	(106,847)
Cash paid for investment property	(688)	(99)	(688)	(99)
Cash received from disposal of property, premises and equipment	17,988	10,654	7,811	2,568
Cash paid for purchase of property, premises and equipment	(2,363,172)	(1,647,209)	(901,231)	(294,781)
Cash paid for leasehold rights	(13,178)	(7,687)	-	-
Increase in short-term loans to related parties	-	-	(63,945)	(148,594)
Increase in long-term loans to related parties	-	-	(160,000)	(65,410)
Cash received from long-term loans to related parties	-	-	190,002	254,902
Cash paid for purchase of intangible assets	(63,363)	(32,043)	(48,929)	(16,182)
Net cash from (used in) investing activities	(2,443,060)	(1,288,032)	(1,244,030)	143,940

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries**Statement of cash flows (continued)****For the three-month period ended 31 March 2016**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash flows from financing activities				
Decrease in short-term loans	(21,700)	-	-	-
Increase in short-term loans from related parties	-	-	223,727	1,221,191
Cash received from bank overdraft and short-term loans				
from financial institutions	6,528	41,265	-	-
Repayment of bank overdraft and short-term loans				
from financial institutions	(3,424)	(3,021)	-	-
Repayment of long-term loans from				
financial institutions	(339,245)	(284,618)	(333,254)	(270,753)
Repayments of liabilities under				
finance lease agreements	(16,983)	(22,267)	(2,770)	(2,850)
Cash paid for redemption of debentures	-	(2,500,000)	-	(2,500,000)
Cash paid for investment in subsidiary companies				
from non - controlling interests	(114,802)	830	-	-
Net cash used in financing activities	(489,626)	(2,767,811)	(112,297)	(1,552,412)
Net decrease in cash and cash equivalents	(293,673)	(1,033,339)	(756,125)	(948,882)
Cash and cash equivalents at beginning of period	5,528,543	3,608,367	3,617,144	1,862,515
Cash and cash equivalents at end of period	5,234,870	2,575,028	2,861,019	913,633
Supplemental cash flows information:				
Non-cash items:				
Assets acquired under finance lease agreements	3,606	10,584	3,328	70
Decrease in accounts payable				
- property, premises and equipment	(499,401)	(57,080)	(284,225)	(37,076)
Increase (decrease) in payable to construction - retention	(13,804)	(66,654)	(3,897)	47,046
Dividend receivable	-	9,100	2,575,244	1,228,646
Dividend payable	121,141	80,291	-	-

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries
Notes to consolidated interim financial statements
For the three-month period ended 31 March 2016

1. General information

1.1 Corporate information

Bangkok Dusit Medical Services Public Company Limited (“The Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in hospital business. The registered address is at 2, Soi Soonvijai 7, New Petchburi Road, Bang Kapi, Huaykwang, Bangkok.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard 34 (revised 2015) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income statement, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements and disclosure of condensed notes to interim financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.3 Basis of consolidation

These interim consolidated financial statements include the financial statements of Bangkok Dusit Medical Services Public Company Limited and its subsidiaries (“the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2015. There have been changes in the structure of the subsidiaries during the period as discussed in Note 6 to the financial statements.

1.4 New financial reporting standards

During the period, the Company and its subsidiaries have adopted the revised and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2015.

2. Trade and other receivables

	Consolidated financial		(Unit: Thousand Baht)	
	statements		Separate financial	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Trade receivables - related parties	13,433	12,072	23,093	23,662
Trade receivables - unrelated parties-net	6,300,438	6,182,436	1,219,729	1,335,013
Other receivables - related parties	766	218	99,667	92,413
Other receivables - unrelated parties	295,330	289,617	35,978	18,970
Total trade and other receivables - net	<u>6,609,967</u>	<u>6,484,343</u>	<u>1,378,467</u>	<u>1,470,058</u>

3. Trade accounts receivable

As at 31 March 2016 and 31 December 2015, the aging analysis of the outstanding trade accounts receivable is as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
<u>Related parties</u>				
Less than 3 months	12,765	11,730	19,929	22,356
3 - 6 months	552	316	2,828	1,254
6 - 12 months	102	9	336	52
over 12 months	14	17	-	-
Total trade accounts receivable - related parties	13,433	12,072	23,093	23,662
<u>Unrelated parties</u>				
Less than 3 months	5,396,973	5,219,929	998,332	1,090,299
3 - 6 months	543,518	601,096	151,641	164,679
6 - 12 months	301,220	335,000	73,016	104,749
over 12 months	537,651	487,687	263,987	225,426
Total trade accounts receivable - unrelated parties	6,779,362	6,643,712	1,486,976	1,585,153
Less: Allowance for doubtful accounts	(478,924)	(461,276)	(267,247)	(250,140)
Total trade accounts receivable - unrelated parties - net	6,300,438	6,182,436	1,219,729	1,335,013
Total trade accounts receivable -net	6,313,871	6,194,508	1,242,822	1,358,675

4. Related party transactions

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

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

The significant intercompany transactions are as follows:

(Unit: Million Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Associated companies</u>				
Revenue from hospital operations and lab services	9.3	7.0	2.8	3.0
Service cost	2.5	0.4	0.2	-
Other expenses	0.1	1.5	-	-
<u>Subsidiary companies</u>				
Revenue from hospital operations and lab services	-	-	27.6	22.4
Consulting and management fee income	-	-	193.1	155.8
Interest income	-	-	71.7	72.7
Dividend income (Note 6)	-	-	2,575.2	1,228.6
Other income	-	-	25.8	12.1
Service cost	-	-	184.9	168.3
Consulting and management fee expenses	-	-	58.4	59.7
Other expenses	-	-	4.9	38.5
Interest expenses	-	-	28.2	23.1
<u>Individuals or related companies</u>				
Revenue from hospital operations and lab services	1.2	0.8	0.5	0.3
Other income	2.0	1.6	1.8	1.6
Service cost	8.8	4.1	2.0	0.2
Consulting and management fee expenses	0.8	0.8	-	-
Other expenses	8.2	8.1	2.6	4.7

The outstanding balances of the above transactions as at 31 March 2016 and 31 December 2015 have been separately shown in the statement of financial position as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
<u>Trade receivables - related parties (Note 2)</u>				
Associated companies	12,285	10,723	2,834	2,225
Subsidiary companies	-	-	19,814	20,824
Related companies	1,148	1,349	445	613
Total trade receivables - related parties	13,433	12,072	23,093	23,662
<u>Dividend receivable - a related party</u>				
Subsidiary companies	-	-	2,575,244	-
Total dividend receivable - a related party	-	-	2,575,244	-
<u>Other receivables - related parties (Note2)</u>				
Consulting and management fee receivable				
Subsidiary companies	-	-	71,212	57,097
Total	-	-	71,212	57,097
<u>Others</u>				
Associated companies	14	36	-	36
Subsidiary companies	-	-	27,832	35,116
Related companies	752	182	623	164
Total	766	218	28,455	35,316
Total other receivables - related parties	766	218	99,667	92,413
<u>Leasehold rights - a related party</u>				
(included in other non-current assets)				
A related party	45,185	46,708	-	-
Total leasehold rights - a related party	45,185	46,708	-	-
<u>Deposits and long-term prepaid expense - a related party</u>				
(included in other non-current assets)				
Subsidiary company	-	-	2,041	2,298
Total deposits and long-term prepaid expense - related party	-	-	2,041	2,298

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
<u>Trade payables - related parties (Note 10)</u>				
Associated companies	4,334	3,070	95	429
Subsidiary companies	-	-	119,171	129,496
Related companies	5,720	2,550	2,157	336
Total trade payables - related parties	10,054	5,620	121,423	130,261
<u>Other payables - related parties (Note 10)</u>				
Associated companies	-	8	-	-
Subsidiary companies	-	-	109,394	82,528
Related companies	4,259	4,435	597	1,708
Total other payables - related parties	4,259	4,443	109,991	84,236
<u>Dividend payable - a related party</u>				
An associated company	860	-	-	-
Total dividend payable - a related party	860	-	-	-
<u>Deposits - related parties</u>				
(included in other non-current liabilities)				
Subsidiary company	-	-	2,875	2,866
Related companies	765	765	765	765
Total deposits - related parties	765	765	3,640	3,631

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

	(Unit: Thousand Baht)			
	Separate financial statements			
	31 December			31 March
	2015	Increase	Decrease	2016
<u>Short-term loans to related parties</u>				
Subsidiary companies	1,326,939	385,072	(321,127)	1,390,884
Total short-term loans to related parties	1,326,939	385,072	(321,127)	1,390,884
<u>Long-term loans to related parties</u>				
Subsidiary companies	5,786,371	160,000	(211,906)	5,734,465
Total long-term loans to related parties	5,786,371	160,000	(211,906)	5,734,465
<u>Short-term loans from related parties</u>				
Subsidiary companies	8,303,334	766,327	(542,600)	8,527,061
Total short-term loans from related parties	8,303,334	766,327	(542,600)	8,527,061

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

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

Service and management agreement

The Company

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

The Subsidiaries

A subsidiary company has entered into a hospital management agreement with three subsidiary companies. The subsidiary company is to receive monthly management income at a certain percentage of net revenue as stipulated in the agreement.

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

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

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

A related company has entered into a maintenance and management service agreement with a subsidiary company which has to pay monthly service fee to the related company at the rate stipulated in the agreement.

Long term rental agreement

The Company

In May 2004, a subsidiary company has entered into a three-year agreement to rent land from the Company for use in hospital operations whereby the subsidiary company has to pay a monthly rental fee at the rate stipulated in the agreement. Subsequently, the subsidiary extended the agreement to 30 April 2019.

The Subsidiaries

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

Air ambulance service agreement

Subsidiary company

On 1 September 2007, a subsidiary company entered into an air ambulance service agreement with the Company. The agreement is for a period of 3 years from the date the service commenced and is renewable. The agreement stipulates the monthly minimum service fee that the subsidiary company is to earn from the Company. The Company has extended the agreement for 3 years ended on 30 September 2018.

Guarantee obligations with related parties

The Company has guaranteed long-term loan with a financial institution amount of USD 0.9 million (31 December 2015: USD 1.1 million) and overdraft facility amounting to USD 1.0 million (31 December 2015: USD 1.0 million) for an overseas subsidiary company.

Directors and management's benefits

During the periods, the Company and its subsidiaries had benefits for their directors and management as below.

	(Unit: Million Baht)			
	For the three-month period ended 31 March			
	Consolidated financial		Separate financial	
	statements		statements	
	2016	2015	2016	2015
Short-term employee benefits	26.8	22.5	26.8	22.5
Post-employment benefits	0.3	0.6	0.3	0.6
Total	27.1	23.1	27.1	23.1

5. Investments in associated companies

Company's name	Natures of business	Paid-up Capital	% Shareholding		Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements			
					Equity Method		Cost Method			
					31 March	31 December	31 March	31 December	31 March	31 December
					2016	2015	2016	2015	2016	2015
<u>Associated companies held by the Company</u>										
Cool & Joy Co., Ltd.	Ceased operation	Baht 5 million	30.00	30.00	1,069	1,069	1,500	1,500		
Ramkhamhaeng Hospital Public Co., Ltd.	Hospital	Baht 120 million	38.24	38.24	4,209,822	3,930,146	1,459,801	1,459,801		
Udon Pattana (1994) Co., Ltd. (held by the Company at 15.26% and indirectly held by subsidiary at 9.85%)	Hospital	Baht 300 million	25.11	25.11	192,431	202,268	69,952	69,952		
Bumrungrad Hospital Public Co., Ltd.	Hospital	Baht 730 million	23.95	23.95	10,834,067	10,608,288	7,497,336	7,497,336		
Total investments in associated companies held by the Company							9,028,589	9,028,589		
Total investments in associated companies held by the Company and subsidiaries							15,237,389	14,741,771		
<u>Associated companies held by the subsidiary companies</u>										
Al Ghaith Bangkok Dusit Management Services LLC.	Management services	UAE DIRHAM 0.15 million	30.00	30.00	-	-				
G. Wasupol Co., Ltd.	In process of liquidation	Baht 54 million	25.83	25.83	17,175	17,175				
General Hospital Products Public Co., Ltd. (indirectly held by subsidiaries at 45.49%)	Manufacturer and distributor of medical supplies	Baht 120 million	45.49	44.67	357,832	334,089				
Total investments in associated companies held by subsidiary companies					375,007	351,264				
Total investments in associated companies in the consolidated financial statements					15,612,396	15,093,035				

In the first quarter of 2016, Royal Bangkok Healthcare Co., Ltd., a subsidiary company in which the Company has a 100% shareholding, purchased additional shares in General Hospital Products Public Company Limited totaling of Baht 7.8 million. The total investments in General Hospital Products Public Company Limited, including of the shareholding by another subsidiary, totally representing 45.49% of the paid up capital of such company which is indirectly held by the Group.

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

Company's name	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	Share of income from investments in associated companies		Dividend received during the three-month period ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<u>Associated companies held by the Company</u>				
Cool & Joy Co., Ltd.	-	-	-	-
Ramkhamhaeng Hospital Public Co., Ltd.	96,396	81,846	-	-
Udon Patana (1994) Co., Ltd.	(9,837)	-	-	-
Bumrungrad Hospital Public Co., Ltd.	234,176	233,446	-	-
<u>Associated companies held by the subsidiary companies</u>				
Sodexo Support Services (Thailand) Co., Ltd.	-	2,179	-	-
Al Ghaith Bangkok Dusit Management Services LLC.	-	-	-	-
G. Wasupol Co., Ltd.	-	4,141	-	-
General Hospital Products Public Co., Ltd.	15,915	915	-	-
Total	336,650	322,527	-	-

Share of income from investment in two associated companies which are listed company on the Stock Exchange of Thailand for the three-month period ended 31 March 2016 of Baht 330.6 million (31 March 2015: two associated companies of Baht 315.3 million) representing 98 percent (31 March 2015: 98 percent) of total share of income from all associated companies were calculated based on interim financial statements which were reviewed by the auditors of associated companies.

6. Investments in subsidiary companies

(Unit: Thousand Baht)								
Company's name	Nature of business	Paid-up Capital	Separate financial statements					
			% Shareholding		Investments - cost method		Dividend received during the period	
Samitivej Public Co., Ltd.	Hospital	Baht 1,000 million	95.76	95.76	1,639,071	1,639,071	-	-
Bangkok Hospital Hatyai Co., Ltd.	Hospital	Baht 500 million	98.81	98.81	574,612	574,612	123,513	123,500
Bangkok Phuket Hospital Co., Ltd.	Hospital	Baht 500 million	99.69	99.69	610,246	610,246	-	249,215
BNH Medical Center Co., Ltd.	Hospital	Baht 586 million	91.48	91.48	602,657	602,657	268,095	80,428
Bangkok Phrapradaeng Hospital Co., Ltd.	Hospital	Baht 105 million	84.00	84.00	101,868	101,868	-	-
Bangkok Pattaya Hospital Co., Ltd.	Hospital	Baht 280 million	97.27	97.27	708,993	708,993	626,401	-
Bangkok Rayong Hospital Co., Ltd.	Hospital	Baht 400 million	100.00	100.00	415,020	415,020	60,000	-
Bangkok Samui Hospital Co., Ltd.	Hospital	Baht 150 million	100.00	100.00	150,000	150,000	-	75,000
Bangkok Trat Hospital Co., Ltd.	Hospital	Baht 250 million	99.76	99.76	245,889	245,889	29,927	-
Wattanavej Co., Ltd.	Hospital	Baht 180 million	99.69	99.69	450,643	450,643	143,560	-
Bangkok Ratchasima Hospital Co., Ltd.	Hospital	Baht 300 million	91.39	91.36	934,698	934,348	41,125	54,814
National Healthcare Systems Co., Ltd. (held by the Company at 74.02% and indirectly held by subsidiaries at 24.66%.	Central Lab	Baht 75 million	74.02	74.02	56,768	56,768	66,621	66,621
Bio Molecular Laboratories (Thailand) Co., Ltd.	Central Lab	Baht 10 million	95.00	95.00	9,502	9,502	28,500	23,750
Angkor Pisith Co., Ltd.	Hospital	USD 10 million	80.00	80.00	287,840	287,840	-	-
Phnom Penh Medical Services Co., Ltd.	Hospital	USD 25 million	100.00	100.00	813,220	813,220	-	-
Royal Rattanak Medical Services Co., Ltd.	Ceased operation	Riel 26,000 million	70.00	70.00	154,063	154,063	-	-
B.D.M.S. International Medical Services Co., Ltd.	Not yet operate	Riel 9,200 million	100.00	100.00	94,208	94,208	-	-

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up Capital	Separate financial statements					
			% Shareholding		Investments - cost method		Dividend received during the period	
			31	31	31	31	31	31
			March 2016	December 2015	March 2016	December 2015	March 2016	March 2015
BDMS Accounting Co., Ltd.	Accounting service	Baht 30 million	100.00	100.00	30,000	30,000	-	-
Bangkok Health Insurance Public Co., Ltd.	Health insurance	Baht 200 million	99.97	99.97	142,027	142,027	-	-
Royal Bangkok Healthcare Co., Ltd.	Investment	Baht 1,086 million	100.00	100.00	1,086,000	1,086,000	-	-
Greenline Synergy Co., Ltd.	Information and Technology service	Baht 200 million	100.00	100.00	200,000	200,000	-	-
Bangkok Hospital Kao Yai Co., Ltd.	Not yet operate	Baht 70 million	100.00	100.00	70,000	70,000	-	-
BDMS Training Co., Ltd.	Training business	Baht 1 million	100.00	100.00	1,000	1,000	-	-
Prasit Patana Public Co., Ltd.	Investment	Baht 1,108 million	98.56	98.56	9,260,264	9,260,264	873,787	349,371
Paolo Medic Co., Ltd.	Hospital	Baht 600 million	100.00	100.00	3,222,872	3,222,872	-	-
Paolo Samutprakarn Co., Ltd.	Hospital	Baht 42 million	93.64	93.64	1,737,638	1,737,638	137,657	137,376
Siam Medical Co., Ltd.	Hospital	Baht 100 million	85.71	85.71	939,775	939,775	68,571	68,571
Thai Medical Center Public Co., Ltd.	Hospital	Baht 201 million	99.76	99.76	887,131	887,131	100,025	-
Bangkok Premier Life Insurance Broker Co., Ltd.	Life insurance broker	Baht 20 million	100.00	100.00	20,000	20,000	-	-
Bangkok Hospital Chiangmai Co., Ltd.	Hospital	Baht 1,000 million	100.00	100.00	1,000,000	1,000,000	-	-
Bangkok Hospital Udon Co., Ltd.	Hospital	Baht 500 million	100.00	100.00	499,930	499,930	-	-
Bangkok Khon Kaen Hospital Co., Ltd.	Hospital	Baht 800 million	100.00	100.00	800,000	800,000	-	-
The Medicpharma Co., Ltd.	Production and distribution of medicines	Baht 42.86 million	87.05	87.05	551,318	551,318	7,462	-
Thonburi Medical Center Public Co., Ltd. (held by the Company at 34.43% and indirectly held by subsidiary at 29.02%)	Hospital	Baht 193.8 million	34.43	29.01	442,252	327,802	-	-
Bangkok Hospital Surat Co., Ltd.	Not yet operate	Baht 300 million	100.00	100.00	300,000	165,000	-	-

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up Capital	Separate financial statements					
			% Shareholding		Investments - cost method		Dividend received during the period	
			31	31	31	31	31	31
			March	December	March	December	March	March
			2016	2015	2016	2015	2016	2015
BDMS Inter Pte. Ltd.	Investment	USD 100,000	100.00	100.00	3,381	3,381	-	-
N Health Asia Pte. Ltd.	Investment	USD 2 million	100.00	100.00	65,310	65,310	-	-
Samitivej Chonburi Co., Ltd.	Hospital	Baht 600 million	100.00	100.00	600,000	600,000	-	-
Bangkok Hospital Phitsanulok Co., Ltd.	Hospital	Baht 600 million	100.00	100.00	600,000	600,000	-	-
Bangkok Hospital Sanamchan Co., Ltd.	Hospital	Baht 3,655 million	100.00	100.00	3,655,000	3,655,000	-	-
Bangkok Phuket International Hospital Co., Ltd.	Hospital	Baht 3,610 million	100.00	100.00	3,610,000	3,610,000	-	-
Bangkok Save Drug Co., Ltd.	Investment	Baht 450 million	100.00	100.00	450,000	450,000	-	-
S.R. Property Investment Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	101	101	-	-
Siem Reap Land Investment Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	101	101	-	-
Phnom Penh First Property Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	88	88	-	-
Bangkok Helicopter Services Co., Ltd.	Air transportation services	Baht 100 million	49.00	49.00	50,859	50,859	-	-
Bangkok Hospital Chiangrai Co., Ltd.	Not yet operate	Baht 100 million	100.00	100.00	100,000	100,000	-	-
Bangkok Hospital Muangraj Co., Ltd.	Hospital	Baht 1,300 million	100.00	100.00	1,300,000	1,300,000	-	-
Total investments in subsidiary companies					39,474,345	39,224,545	2,575,244	1,228,646
Less: Allowance for impairment of investments					(154,062)	(154,062)		
Total investments in subsidiary companies - net					39,320,283	39,070,483		

Bangkok Ratchasima Hospital Co., Ltd.

In the first quarter of 2016, the Company purchased additional investment totaling Baht 0.3 million in Bangkok Ratchasima Hospital Co., Ltd. As a result, the Company's shareholding in that company increased to 91.39 percent.

Thonburi Medical Center Public Co., Ltd.

In the first quarter of 2016, the Company purchased additional investment totaling Baht 114.5 million in Thonburi Medical Center Public Co., Ltd. As a result, the Company and its subsidiary company's total shareholding in that company increased to 63.45 percent.

Bangkok Hospital Surat Co., Ltd.

In March 2016, the Company paid for the call-up additional share capital of Baht 135 million of Bangkok Hospital Surat Co., Ltd. As a result, the subsidiary had an issued and paid up share capital of Baht 300 million (30 million ordinary shares at Baht 10 each).

BDMS Property Management Co., Ltd.

Referring to Board of Directors of the Company's Meeting No. 2/2016 held on 29 February 2016, has resolution to establish a new subsidiary company, namely BDMS Property Management Co., Ltd. The objective is to manage the asset of the Group which is not directly relevant to hospital operation. The new company has registered capital of Baht 10 million and is wholly owned by the Company. The subsidiary has registered its establishment in April 2016.

(Unaudited but reviewed)

7. Other long-term investments

(Unit: Thousand Baht)							
						Consolidated and separate financial statements	
Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend income during the period	
				31 March 2016	31 December 2015	31 March 2016	31 March 2015
<u>Investments held by the Company</u>							
<u>Available-for-sale investments</u>							
<u>Investments in listed securities</u>							
Thai Military Bank Public Co., Ltd.	Bank	41,617	-	1,770	1,770	-	-
Aikchol Hospital Public Co., Ltd.	Hospital	150	0.20	350	350	-	-
Bangkok Chain Hospital Public Co., Ltd.	Hospital	2,494	1.50	269,829	269,829	-	-
				271,949	271,949	-	-
Surplus on changes in value of available-for-sale investments				148,105	78,121	-	-
Investments in listed securities				420,054	350,070	-	-
<u>Investments in related companies</u>							
Bangkok Airways Public Co., Ltd.	Airline	2,100	0.85	39,466	39,466	-	-
				39,466	39,466	-	-
Surplus on changes in value of available-for-sale investments				408,174	372,363	-	-
Investments in related companies				447,640	411,829	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated and separate
financial statements

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend income during the period	
				31 March	31 December	31 March	31 March
				2016	2015	2016	2015
<u>Investments in unrelated companies</u>							
Thai Longstay Management Co., Ltd.	Travel business	100	0.53	531	531	-	-
Superior Biotech Holding Co., Ltd.	Investment	113	3.55	5,000	5,000	-	-
X-Ray Computer Urupong Co., Ltd.	X-ray lab	100	4.09	4,520	4,520	-	-
Investments in unrelated companies				10,051	10,051	-	-
Total other long-term investments in the separate financial statements				877,745	771,950	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated and separate
financial statements

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend income during the period	
				31 March	31 December	31 March	31 March
				2016	2015	2016	2015
<u>Investment held by the subsidiary companies</u>							
<u>Available-for-sale investments</u>							
Investments in investment unit				10,000	10,000	-	-
Surplus on changes in value of available-for-sale investments				1,260	1,225	-	-
Investments in investment unit				11,260	11,225	-	-
<u>Investment in listed securities</u>							
Mahachai Hospital Public Company Limited	Hospital	160	4.28	143,724	143,724	-	-
Kiatnakin Bank Public Company Limited	Bank	8,468	0.02	6,450	6,450	-	-
				150,174	150,174	-	-
Surplus (loss) on changes in value of available-for-sale investments				21,798	(29,997)	-	-
Investments in listed securities				171,972	120,177	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)
Consolidated and separate
financial statements

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend income during the period	
				31 March	31 December	31 March	31 March
				2016	2015	2016	2015
<u>Investments in unrelated companies</u>							
Thai Herbal Products Co., Ltd.	Sales of herbal products	80	0.60	290	290	-	-
Prasitthirat Co., Ltd.	Educational institution known as “Rangsit university”	150	33.33	107,192	107,192	-	-
Asia Laboratories Center Limited	Central lab	5	8.00	400	400	-	-
Kendall Gammatron Limited	Trading of medical supplies	120	5.10	8,000	8,000	-	-
Black Brain Health, LLC.	Manufacturer and distributor of complementary medicine	USD 1.38 million	8.31	17,975	17,975	-	-
Investments in unrelated companies				133,857	133,857	-	-
<u>Investments in ordinary shares (ceased operations)</u>							
Phyathai 4 Hospital (Petchaburi Road) Co., Ltd.	Adjudged bankrupt	328	89.79	-	-	-	-
Klass - V Co., Ltd.	Adjudged bankrupt	250	89.66	-	-	-	-
Phuket Paradise Co., Ltd.	Adjudged bankrupt	409	72.26	-	-	-	-
Phyathai Herbs Co., Ltd.	In process of liquidation	196	63.64	42,889	42,889	-	-
Phuket Hospital Public Co., Ltd.	Hospital	358	19.08	-	-	-	-
Phuket International Hospital Co., Ltd.	In process of liquidation	195	6.15	29,552	29,552	-	-
				72,441	72,441	-	-
Less : Allowance for impairment of investment				(24,493)	(24,493)	-	-
Investments in ordinary shares (ceased operations) - net				47,948	47,948	-	-
Total other long-term investments - net in the consolidated financial statements				1,242,782	1,085,157	-	-

Prasitthirat Company Limited

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

Investments in ordinary shares (ceased operations)

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

8. Property, premises and equipment

Movement of the property, premises and equipment during the three-month period ended 31 March 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2015	52,949,906	8,070,215
Acquisitions during the period - at cost	1,853,573	616,438
Disposals and write-off during the period - net book value as of disposal and write-off date	(14,271)	(5,878)
Transfer in/(Transfer out) during the period	(1,114)	248
Depreciation expenses for the period	(1,098,526)	(199,881)
Reverse of loss on impairment	5,154	2,700
Translation adjustment	(49,224)	-
Net book value as at 31 March 2016	<u>53,645,498</u>	<u>8,483,842</u>

(Unaudited but reviewed)

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

Movements in bank overdrafts and short-term loans from financial institutions during three-month period ended 31 March 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2015	75,860	-
Addition	6,528	-
Less: Repayment	(3,424)	-
Translation adjustment	(609)	-
Balance as at 31 March 2016	<u>78,355</u>	<u>-</u>

Bank overdrafts and short-term loans from financial institutions bearing interest at the rate as stipulated in the agreements and there is no collateral.

10. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Trade payables - related parties	10,054	5,620	121,423	130,261
Trade payables - unrelated parties	2,895,862	2,971,644	400,600	383,176
Other payables - related parties	4,259	4,443	109,991	84,236
Other payables - unrelated parties	980,415	1,435,544	325,206	615,939
Accounts payable - construction and retention	<u>503,695</u>	<u>517,500</u>	<u>71,374</u>	<u>75,271</u>
Total trade and other payables	<u>4,394,285</u>	<u>4,934,751</u>	<u>1,028,594</u>	<u>1,288,883</u>

(Unaudited but reviewed)

11. Long-term loans from financial institutions

Movements of long-term loans from financial institutions during the three-month period ended 31 March 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2015	9,446,213	9,369,738
Less: Repayment during period	(339,245)	(333,254)
Unrealised gain on exchange rate	(16,928)	(16,928)
Translation adjustment	(894)	-
Balance as at 31 March 2016	9,089,146	9,019,556
Less: Current portion of long-term loans from financial institutions	(1,747,185)	(1,706,827)
Long-term loans from financial institutions - net of current portion	<u>7,341,961</u>	<u>7,312,729</u>

The Company

- a) In 2008, the Company entered into a 10-year loan agreement with a bank granting the credit facilities of Baht 3,438 million. The loan carries interest at the Fixed Deposit Rate plus fixed rate per annum as stipulated in the agreement with interest and principal payable on a monthly basis. This loan agreement includes a condition that the Company and its subsidiaries may not mortgage any assets and also certain covenants which the Company and its subsidiaries must comply. The outstanding balance of this loan as at 31 March 2016 was Baht 659.0 million (31 December 2015: Baht 744.9 million).
- b) In November 2011, the Company entered into a 7 years and 6 months loan agreement with a financial institution granting credit facilities of Baht 3,000 million carrying interest at the rate of six-month Fixed Deposit Rate plus fixed rates per annum as stipulated in the agreement. The interest is repayable on a monthly basis and the principal is repayable on a quarterly basis according to a condition as stipulated in the agreement. As at 31 March 2016, this loan has outstanding balance of Baht 1,419.0 million (31 December 2015: Baht 1,519.0 million).

(Unaudited but reviewed)

- c) In January 2012, the Company entered into a 8 years and 6 months loan agreement with a financial institution granting credit facilities of Baht 586 million carrying interest at the rate of six-month Fixed Deposit Rate plus fixed rates per annum as stipulated in the agreement. The interest and principal are repayable on a monthly basis according to a condition as stipulated in the agreement. As at 31 March 2016, this loan has outstanding balance of Baht 383.6 million (31 December 2015: Baht 401.0 million).
- d) In June 2012, the Company entered into a 7 years and 6 months loan agreement with a financial institution granting credit facilities of Baht 1,766 million carrying interest at the rate of six-month Fixed Deposit Rate plus fixed rates per annum as stipulated in the agreement. The interest is repayable on a monthly basis and principal is repayable on a quarterly basis according to a condition as stipulated in the agreement. As at 31 March 2016, this loan has outstanding balance of Baht 1,011.0 million (31 December 2015: Baht 1,078.4 million).
- e) In July 2012, the Company entered into a 5-year loan agreement with a financial institution amounting to Baht 2,500 million carrying interest at the fixed rate per annum as stipulated in the agreement. The interest is repayable on a semi-annually basis and principal is repayable at the end of loan period. As at 31 March 2016, this loan has outstanding balance of Baht 2,500.0 million (31 December 2015: Baht 2,500.0 million).
- f) In February 2014, the Company entered into a 7-year loan agreement with a financial institution granting credit facilities of USD 20 million carrying interest at the rate of LIBOR plus fixed rates for the first year and at the fixed rates per annum as stipulated in the agreement. The interest is repayable on a quarterly basis and the principal is repayable on a semi-annually basis according to a condition as stipulated in the agreement. As at 31 March 2016, this loan has outstanding balance of USD 20.0 million or equivalent to Baht 708.2 Million (31 December 2015: USD 20.0 million or equivalent to Baht 725.1 million).
- g) In April 2014, the Company entered into a 5-year loan agreement with a financial institution granting credit facilities of Baht 1,000 million carrying interest at the rate of three-month BIBOR plus fixed rates per annum as stipulated in the agreement. The interest and principal are repayable on a monthly basis according to a condition as stipulated in the agreement. As at 31 March 2016, this loan has outstanding balance of Baht 770.8 million (31 December 2015: Baht 833.3 million).
- h) In May 2013, the Company entered into a 7-year loan agreement with a financial institution granting credit facilities of Baht 2,000 million. In the second quarter of 2014, the Company drawn down the loan totaling Baht 2,000 million. The loan carries interest at the rate of six-month fixed deposit rate plus fixed rates per annum as stipulated in the agreement. The interest is repayable on a monthly basis and principal is repayable on a semi-annually basis according to a condition as stipulated in the agreement. As at 31 March 2016, this loan has outstanding balance of Baht 1,568.0 million (31 December 2015: Baht 1,568.0 million).

The subsidiaries

- a) In 2007 and 2008, Angkor Pisith Co., Ltd., a subsidiary company, entered into a 7 years and 10 months loan agreement with a foreign financial institution granting credit facilities of USD 4 million. The loan bears interest at the rate of LIBOR plus a fixed rate per annum. The interest is repayable on a monthly basis and the principal is repayable on a quarterly basis according to a condition as stipulated in the agreement. This loan is guaranteed by the Company. As at 31 March 2016, this loan has outstanding balance of USD 0.9 million or equivalent to Baht 31.1 million. (31 December 2015: USD 1.1 million or equivalent to Baht 38.0 million).
- b) In 2008, Bangkok Ratchasima Hospital Co., Ltd., a subsidiary company, entered into a 7 - year loan agreement with a financial institution. The credit facilities were Baht 20 million. The loan bears interest at fixed rate per annum. The interest and principal are repayable on a monthly basis according to a condition as stipulated in the agreement. As at 31 December 2014, the subsidiary company had outstanding balance of Baht 2.3 million and the loan was fully repaid in August 2015.
- c) In 2007, Bangkok Helicopter Services Co., Ltd., a subsidiary company entered into a 10-year long-term loan agreement with a financial institution granting credit facilities of Baht 200 million and revised the credit limit to Baht 190 million in 2010 which the interest and principal repayment is payable on a monthly basis carrying interest of MLR minus fixed rates as stipulated in the agreement. A subsidiary company has cancelled to transfer the claim in service expense on claims transfer agreement to the financial institution. As at 31 March 2016, the subsidiary company has outstanding balance of Baht 37.5 million (31 December 2015: Baht 37.5 million).
- d) In 2015, Thonburi Medical Centre Public Company Limited, a subsidiary company entered into a 8-year loan agreement with a bank granting the credit facilities of Baht 300 million. The loan carries interest at the rate of MLR minus fixed rates per annum as stipulated in the agreement with interest and principal payable on a monthly basis. As at 31 March 2016, the subsidiary company has outstanding balance of Baht 1.0 million (31 December 2015: Baht 1.0 million).

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

(Unaudited but reviewed)

12. Liabilities under finance lease agreements

As at 31 March 2016 and 31 December 2015, liabilities under finance lease agreements are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Liabilities under finance lease agreements	95,167	108,364	17,872	17,284
Less: Deferred interest expenses	(3,306)	(4,213)	(414)	(526)
Total	91,861	104,151	17,458	16,758
Less: Current portion of liabilities under finance lease agreements	(54,024)	(57,206)	(11,334)	(10,230)
Liabilities under finance lease agreements - net of current portion	37,837	46,945	6,124	6,528

As at 31 March 2016 and 31 December 2015, the Company and its subsidiaries have future minimum lease payments which required under the finance lease agreements as follows:

	(Unit: Thousand Baht)		
	As at 31 March 2016		
	Consolidated financial statements		
	Less than 1 year	1-5 years	Total
Future minimum finance lease payments	56,415	38,752	95,167
Deferred interest expenses	(2,391)	(915)	(3,306)
Present value of future minimum finance lease payments	54,024	37,837	91,861

	(Unit: Thousand Baht)		
	As at 31 December 2015		
	Consolidated financial statements		
	Less than 1 year	1-5 years	Total
Future minimum finance lease payments	60,138	48,226	108,364
Deferred interest expenses	(2,932)	(1,281)	(4,213)
Present value of future minimum finance lease payments	57,206	46,945	104,151

(Unaudited but reviewed)

(Unit: Thousand Baht)

As at 31 March 2016

	Separate financial statements		
	Less than 1		
	year	1-5 years	Total
Future minimum finance lease payments	11,664	6,208	17,872
Deferred interest expenses	(330)	(84)	(414)
Present value of future minimum finance lease payments	11,334	6,124	17,458

(Unit: Thousand Baht)

As at 31 December 2015

	Separate financial statements		
	Less than 1		
	year	1-5 years	Total
Future minimum finance lease payments	10,628	6,656	17,284
Deferred interest expenses	(398)	(128)	(526)
Present value of future minimum finance lease payments	10,230	6,528	16,758

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

13. Debentures

Movements of debentures net from debenture expenses and amortisation of expenses during the three-month period ended 31 March 2016 are summarised below.

(Unit: Thousand Baht)

	Consolidated/ Separate financial statements
Balance as at 1 January 2016	10,590,977
Amortisation of debenture expenses	406
Balance as at 31 March 2016	10,591,383
Less: Current portion of debentures	(999,932)
Debentures - net of current portion	9,591,451

On 4 June 2009, the Company had issued unsecured, name registered and unsubordinated debentures for the total number of 3,000,000 units, at the price of Baht 1,000 per unit, totalling Baht 3,000 million. These debentures are divided into two tranches: the 5-year debentures for the amount of Baht 2,000 million at the coupon rate of 4.80% per annum and the 7-year debentures for the amount of Baht 1,000 million at the coupon rate of 5.35% per annum with interest payable every six-month. In 2014, the Company repurchased and redeemed the 5-year debentures totally Baht 2,000 million.

On 3 March 2011, the Company had issued unsecured, name registered and unsubordinated debentures without a debentureholders' representative debenture for the total number of 2,500,000 units, at the price of Baht 1,000 per unit, totalling Baht 2,500 million. These debentures are 4-year debentures at the coupon rate of 3.99% per annum with interest payable every six-month. The Company redeemed such debentures in 2015.

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

On 14 March 2013, the Company had issued unsecured, name registered and unsubordinated debentures without a debentureholders' representative debenture for the total number of 4,000,000 units, at the price of Baht 1,000 per unit, totalling Baht 4,000 million. This debenture is 10-year debentures at the coupon rate of 4.63% per annum with interest payable every six-month. On 4 April 2014 and 15 October 2014, the Company entered into an interest rate swap contract for the above debentures totalling Baht 4,000 million with a financial institution as described in Note 21.1.

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

On 25 June 2015, the Company had issued unsecured, name registered and unsubordinated debentures without a debentureholders' representative debenture for the total number of 2,000,000 units, at the price of Baht 1,000 per unit, totalling Baht 2,000 million. This debenture is 10-year debentures at the coupon rate of 3.95% per annum with interest payable every six-month. The Company entered into an interest rate swap contract for the above debentures totalling Baht 2,000 million with a financial institution as described in Note 21.1.

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

14. Convertible debentures

On 5 August 2014, the Extraordinary General Meeting of Shareholders' No. 1/2014 of the Company has approved for the issue and offer of the convertible debentures in the amount not exceeding Baht 10,000 million or an equivalent in other currencies and the Meeting has approved to increase its registered capital to support the conversion of the convertible debentures.

On 18 September 2014, the Company has issued the convertible debentures to the foreign investors (except the investors in the United States of America). Key terms and conditions of the convertible debentures are as the following:

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

Convertible debentures agreement contains obligations and certain limitations which the Company must comply with, as specified in the offering circular of the bonds. On 19 September 2014, the convertible debentures were listed on the Singapore Exchange Securities Trading Limited.

(Unaudited but reviewed)

Thai Accounting Standard No. 107 “Financial Instruments: Disclosure and Presentation”, requires the issuer of convertible debentures to present the debentures’ liability and equity components separately in the statement of financial position. Therefore, upon issuing the convertible debentures, the Company separated these components, determining the liability component by discounting the stream of future payments of principal and interest at the prevailing market rate. The carrying amount of the equity component was then determined by deducting the liability component from the total carrying value of the convertible debenture.

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

15. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month periods ended 31 March 2016 and 2015 were made up as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current income tax:				
Interim corporate income tax charge	569,471	544,493	109,506	104,865
Deferred tax:				
Deferred tax relating to origination and reversal of temporary differences	(6,331)	(22,812)	(9,508)	(4,062)
Income tax expense reported in the statements of income	<u>563,140</u>	<u>521,681</u>	<u>99,998</u>	<u>100,803</u>

16. Earnings per share

Basic earnings per share is determined by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share

No disclosure of diluted earnings per share is required for the three-month period ended 31 March 2016 after the issue of convertible debentures (as mentioned in Note 14) since the calculated earnings per share assuming the conversion of all convertible debentures to ordinary shares is antidilutive.

17. Long-term lease agreements

The Company

The Company has entered into a land rental agreement for hospital building for a period of 20 years from 26 February 2004 to 25 February 2024. The rental fee for the first 17 months is Baht 200,000 per month and will be increased by the rate as agreed in the agreement. The rental for the last 3 years will be Baht 560,000 per month.

The Company has entered into a land rental agreement for car parking lot for a period of 6 years from 1 September 2012 to 31 August 2018. The rental fee for the first 3 years is Baht 205,000 per month and the last 3 years is Baht 235,000 per month.

The Company has entered into a land rental agreement for construction of an OPD building for a period of 30 years from 28 September 2004 to 27 September 2034. The first payment date is 10 October 2005 at the rental fee of Baht 50,000 per month and this fee is to be increased every 3 years. The rate will be increased by 10% of the latest rental of every 3 years.

The Company has entered into a land rental agreement for a period of 30 years from 1 January 2006 to 31 December 2035 and the rental is paid on a monthly basis. The first payment date is 5 January 2006 and rental to be paid at Baht 30,000 per month and from 1 January 2027 onward at Baht 100,000 per month.

The Company has entered into an agreement to construct a hospital building on land owned by a government authority. The condition of the agreement states that upon completion of the building construction, the Company has to transfer the ownership over such building to that authority. After the authority accepts such transfer, in 2006 the Company entered into another land and hospital building rental agreement with that government authority. The agreement will cover a period of 30 years after the signing date of the agreement and the Company is obliged to pay rental on a yearly basis. The rental fee for the first 5 years is Baht 492,676 per year and this fee is to be increased every 5 years. The rental for the last 5 years will thus be Baht 990,943 per year.

(Unaudited but reviewed)

The Company has entered into a land rental agreement for a period of 30 years from 18 March 2011 to 17 March 2041 and the rental is paid on a monthly basis with no rental for the first 3 months. The first payment date is 18 July 2011 and rental to be paid at Baht 100,000 per month and this fee is to be increased every 3 years. The rate will be increased by 10% of the latest rental of every 3 years.

The Company has entered into rental agreements with a company to operate medical clinic in a building for a period of 3 years from 28 September 2013 to 27 September 2016. The Company has to pay fee at the fixed rate and the rate stipulated in the agreement, of monthly gross operating revenue before deducted any expenses or the minimum fee stipulated in agreement whichever is higher.

The Company has entered into a land and building agreement to operate hospital business and related services for a period of 30 years from 5 April 2013 to 4 April 2043. The Company has to pay rental fee on a yearly basis at fixed rate of Baht 16,449,525 per year and leasehold right of Baht 300 million on the first date of agreement. The leasehold right was fully paid.

Samitivej Public Company Limited

The subsidiary company has entered into a rental agreement for a parking building dated 10 September 2003, for 30 years, effective from 8 December 2004. The total rental fee is Baht 155 million. The subsidiary company is committed to pay Baht 39 million as prepaid rental as per the schedule. The remaining rental fee will be paid on a monthly basis. In addition, the subsidiary company has entered into a service agreement with the same company for providing of services in the parking building for 30 years totalling Baht 103 million.

The subsidiary company has entered into a rental agreement with a company to operate medical clinic in a building for a period of 5 years from 28 May 2010. The contract period has been extended to 31 August 2016. The subsidiary company has to pay fee at the rate stipulated in the agreement, of monthly gross operating revenue before deducted any expenses or the minimum fee stipulated in agreement whichever is higher.

BNH Medical Center Co., Ltd.

The subsidiary company entered into an agreement with an association which is a shareholder, to lease land for the construction of a hospital for a period of 30 years, commencing 1 September 1993, with options to renew.

Paolo Medic Co., Ltd.

The subsidiary company entered into a land and premises rental agreement which will be expired in January 2037, and the rental fee is paid on a monthly basis at the amount as stipulated in the agreement.

(Unaudited but reviewed)

Phyathai 1 Hospital Co., Ltd.

The subsidiary company entered into a land rental agreement with a state enterprise for a period of 3 years expiring in the year 2013 and made an additional memorandum of renewal the land rental agreement for another 3 years expiring in the year 2016. The subsidiary company will pay rental fee as stipulated in the memorandum.

Sriracha Nakorn General Hospital Public Co., Ltd.

The subsidiary company entered into a land rental agreement with the Treasury Department and the rental fee is paid on monthly basis as stipulated in the agreement.

18. Commitments and contingent liabilities

As at 31 March 2016 and 31 December 2015, commitments and contingent liabilities are as follows:

(Unit: Million Baht)

	As at 31 March 2016					
	Consolidated financial statements			Separate financial statements		
	Within 1 year	1 -5 years	Over 5 years	Within 1 year	1 -5 years	Over 5 years
Contractual commitments						
- the land and building rental contracts (including long-term agreements in Note 17)	223	342	788	20	42	109
- the office equipment rental and other services	296	81	-	125	7	-
- the medical equipment provision and maintenance contracts	297	117	-	94	-	-
- the building construction and decoration contracts	697	1	-	207	-	-
Total	1,513	541	788	446	49	109

(Unit: Million Baht)

	As at 31 December 2015					
	Consolidated financial statements			Separate financial statements		
	Within 1 year	1 -5 years	Over 5 years	Within 1 year	1 -5 years	Over 5 years
Contractual commitments						
- the land and building rental contracts (including long-term agreements in Note 17)	220	322	781	22	44	111
- the office equipment rental and other services	317	69	-	173	8	-
- the medical equipment provision and maintenance contracts	200	187	-	118	-	-
- the building construction and decoration contracts	1,333	-	-	119	-	-
- the sale and purchase contract for land	124	-	-	-	-	-
Total	2,194	578	781	432	52	111

Contingent liabilities

As at 31 March 2016, the Company and its subsidiaries had outstanding bank guarantees of approximately Baht 293 million (31 December 2015: Baht 606 million) and the Company's was Baht 36 million (31 December 2015: Baht 335 million) issued by the bank on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business, such as facility usage and contractual performance.

A subsidiary company has guaranteed credit facility with a financial institution amounting to Baht 3.9 million for a former associated company. During the period, a subsidiary already cancelled this guarantee for credit facility.

19. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the executive committee.

The Company and its subsidiaries have two reportable segments that are hospital operations and other businesses that support hospital business including central lab, manufacturer and distributor of medicine and pharmaceutical products, assets management for healthcare business, restaurant and distribution of health food products and facility management, accounting services, technology and information service, training business, health insurance and life insurance broker. These two segments have similar economic characteristics. They both have common customer group, similar service provision methods and similar management.

In addition, the operations of the Company and its subsidiaries are carried on in the geographical areas of Thailand and overseas.

As hospital operation is the main business segment and the segment information that has been considered based on a quantitative basis is over 90 percent of the total population both operational and geographical areas. For this reason, the management considers to aggregate operating segments into one operating segment of hospital operation. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical areas.

For the periods ended 31 March 2016 and 2015, the Company and its subsidiaries has no major customer with revenue of 10 percent or more of its revenues.

20. Financial instruments measured at fair value

The Company and its subsidiaries use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company and its subsidiaries endeavor to use relevant observable inputs as much as possible. TFRS 13 *Fair Value Measurement* establishes a fair value hierarchy categorising such inputs into three levels as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

As of 31 March 2016, the Company and its subsidiaries had the following assets that were measured at fair value using different level of input as follow.

	(Unit: Thousand Baht)	
	Consolidated	
	financial	Separate
	statements	financial statements
	Level 1	Level 1
Financial assets measured at fair value		
Investment in available-for-sale	1,050,926	867,694

During the current period, there were no transfers within the fair value hierarchy.

21. Interest rate swap contract and forward exchange contract that are not measured at fair value

21.1 Interest rate swap contract

Interest rate swap contract is entered into to manage exposure to fluctuations in interest rate.

On 4 April 2014, the Company entered into a nine-year interest rate swap contract with a financial institution by converting the interest rate of fixed rate per annum to fixed rate for the first 4 years and floating rate based on Fixed Deposit Rate plus fixed rate per annum for the last 5 years on the debentures balance as described in Note 13. Then, on 15 October 2014, the Company agreed with the financial institution to change interest rate whereby they agreed to reduce the interest rate in the first year and to change the interest rate from floating rate in the fifth and the sixth year to a fixed rate, with the interest rate of other years maintained as same as specified in the contract.

On 17 June 2015, the Company entered into a ten-year interest rate swap contract with a financial institution by converting the interest rate of fixed rate per annum to floating rate based on 3-month BIBOR minus the fixed rate per annum on the debentures balance as described in Note 13.

Net fair value

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

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
			financial statements	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
Fair value of interest rate swap contract - asset	232.1	35.9	232.1	35.9

Fair value of interest rate swap contract has been calculated using rate quoted by the financial institution as if the contract was terminated at the statements of financial position date.

(Unaudited but reviewed)

21.2 Forward exchange contract

As at 31 March 2016 and 31 December 2015, a subsidiary company has the outstanding balance of selling forward exchange contracts as follows:

Balance as at	Foreign currency	Amount sold	Contractual exchange rate for amount sold
			(Baht per foreign currency unit)
31 March 2016	US Dollar	-	-
31 December 2015	US Dollar	756,315	35.76 - 36.22

As at 31 March 2016 and 31 December 2015, the Company has the outstanding balance of buying forward exchange contracts as follows:

Balance as at	Foreign currency	Amount bought	Contractual exchange rate for amount bought
			(Baht per foreign currency unit)
31 March 2016	US Dollar	979,167	35.30 - 36.08
31 December 2015	US Dollar	237,961	33.96 - 35.81

Net fair value

Selling forward exchange contract

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Fair value of selling forward exchange contract (liabilities)	-	(205.5)	-	-

Buying forward exchange contract

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Fair value of buying forward exchange contract – assets (liabilities)	(433.7)	230.3	(433.7)	230.3

Fair value of forward exchange contract has been calculated using rate quoted by the financial institution as if the contracts were terminated at the statements of financial position date.

22. Subsequent events after reporting date

Dividend payment

On 21 April 2016, the Annual General Meeting 2016 of the Company's shareholders has approved a dividend payment for ordinary shares of 15,490,956,540 shares (par value Baht 0.10 each) of Baht 0.26 per share, or a total of Baht 4,027,648,700. The dividend will be paid in May 2016.

Purchase of shares of Bangkok Helicopter Services Co., Ltd.

According to the Board of Directors of the Company's Meeting No. 4/2016 on 27 April 2016, has resolution to approve its subsidiaries to purchase shares of Bangkok Helicopter Services Co., Ltd. of 5.1 million shares at Baht 8.40 per share at the amount of Baht 42.84 million. As a result of this transaction, the Company and its subsidiaries will hold 10 million shares or 100% shareholding of Bangkok Helicopter Services Co., Ltd.

23. Approval of financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 13 May 2016.