

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 2017

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 2017, the related consolidated statements of income, comprehensive income, 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.

Emphasis of matter

I draw attention to Note 11 to the interim financial statements, the Company and its subsidiary had the medical care programs with a small amount of charges to members who paid membership fees in advance for a lifelong membership. The programs were discontinued due to legal reasons by the Company and its subsidiary on 20 January 2017 and 2 February 2017, respectively. The Company and its subsidiary have recorded the liabilities in the financial statements as at 31 December 2016, based on the total amounts payable to the members and the compensation expected to be paid to the members in 2017 due to the discontinuation of the program amounting to approximately Baht 964 million (approximately Baht 820 million in the separate financial statements). During the three-month period ended 31 March 2017, 172 of 334 members whose compensation was recorded in the consolidated financial statements and 143 of 282 members in the separate financial statements have accepted the offers and already received the payment from the Company and its subsidiary (as at 31 March 2017, the liabilities from discontinuation of the lifelong membership for medical care program, based on the total amounts payable to the members and the compensation expected to be paid to the former members who have not accepted the offers in the consolidated and separate financial statements amounting to approximately Baht 486 million and Baht 407 million, respectively). However, some members have not accepted the offers and have filed lawsuits with the courts to force the Company to continue the program, while others have made claims for indemnity from the Company. The cases are currently being litigated and the legal consequences cannot be concluded at this time.

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

Kamontip Lertwitworatep

Certified Public Accountant (Thailand) No. 4377

EY Office Limited

Bangkok: 15 May 2017

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2017

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	31 March 2017	31 December 2016	31 March 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		5,890,430	4,216,831	3,840,609	2,762,362
Short-term investments		548,690	548,063	387	387
Trade and other receivables	2, 3	6,104,640	6,032,711	1,160,794	985,999
Short-term loans to related parties	4	-	-	2,944,496	2,143,393
Dividend receivable - related parties	4	4,068	-	1,700,941	-
Inventories		1,435,928	1,515,748	96,207	108,904
Other current assets		238,195	281,982	45,728	53,467
Total current assets		14,221,951	12,595,335	9,789,162	6,054,512
Non-current assets					
Restricted financial institution deposits		44,772	45,862	-	-
Investments in associated companies	5	16,825,122	16,401,010	9,028,589	9,028,589
Investments in subsidiary companies	6	-	-	44,081,133	40,431,044
Other long-term investments	7	747,679	835,985	384,232	427,403
Long-term loans to related parties	4	-	-	5,049,678	5,130,375
Investment properties		307,877	306,744	704,747	704,499
Property, premises and equipment	8	67,959,512	56,163,736	9,870,246	9,749,142
Land not used in operation		297,308	297,308	296,981	296,981
Goodwill	6	17,545,160	16,932,250	-	-
Intangible assets		1,201,686	1,188,303	467,219	482,171
Deferred tax assets		-	-	-	28,948
Other non-current assets					
Leasehold rights	4	694,500	697,715	346,011	350,168
Deposits in land and premises	8.1	-	1,080,000	-	1,080,000
Others	4	417,694	395,163	55,228	56,368
Total non-current assets		106,041,310	94,344,076	70,284,064	67,765,688
Total assets		120,263,261	106,939,411	80,073,226	73,820,200

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 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 March 2017	31 December 2016	31 March 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	9	78,779	1,578,644	-	1,500,000
Trade and other payables	4, 10	12,079,208	4,546,003	1,049,245	1,004,282
Liabilities for discontinued lifelong medical care program	11	485,862	963,798	406,959	820,312
Current portion of long-term loans from					
financial institutions	12	4,237,124	4,252,098	4,230,992	4,239,342
Current portion of liabilities under					
finance lease agreements	13	35,378	43,861	9,491	11,214
Short-term loans		75,600	89,000	-	-
Short-term loans from related parties	4	-	-	8,412,893	8,343,358
Income tax payable		921,881	699,777	74,179	75,348
Accrued expenses		3,732,304	4,766,058	783,206	1,114,743
Current portion of provision for long-term employee benefits		3,795	317,891	3,795	239,691
Current portion of deferred income - membership		211,795	216,445	101,887	105,401
Other current liabilities	4	425,124	403,865	60,874	98,463
Total current liabilities		22,286,850	17,877,440	15,133,521	17,552,154
Non-current liabilities					
Long-term loans from financial institutions					
- net of current portion	12	3,066,934	3,453,331	3,066,934	3,453,331
Liabilities under finance lease agreements					
- net of current portion	13	12,487	17,657	1,515	3,399
Debentures - net of current portion	14	19,582,009	12,588,900	19,582,009	12,588,900
Convertible debentures - liability component	15	10,013,632	9,873,567	10,013,632	9,873,567
Provision for long-term employee benefits		1,920,462	1,928,148	566,406	632,830
Long-term portion of deferred income - membership		666,105	647,060	146,403	120,706
Deferred tax liabilities		2,330,332	2,111,758	27,081	-
Other non-current liabilities	4	138,003	136,696	44,739	44,721
Total non-current liabilities		37,729,964	30,757,117	33,448,719	26,717,454
Total liabilities		60,016,814	48,634,557	48,582,240	44,269,608

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 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
	(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	1,649,787	1,649,787	1,649,787	1,649,787
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	31,041,468	29,069,149	7,827,818	5,852,887
Other components of shareholders' equity	4,148,988	4,143,786	1,525,465	1,560,002
Equity attributable to owners of the Company	57,696,083	55,718,562	31,490,986	29,550,592
Non - controlling interests of the subsidiaries	2,550,364	2,586,292	-	-
Total shareholders' equity	60,246,447	58,304,854	31,490,986	29,550,592
Total liabilities and shareholders' equity	120,263,261	106,939,411	80,073,226	73,820,200

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 2017**

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

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues					
Revenues from hospital operations	4	16,535,395	16,406,195	3,312,927	3,467,596
Other income					
Revenue from sales of goods and foods	4	671,719	726,577	12,315	12,245
Interest income and gain on sale of short-term investments		6,710	9,569	80,232	79,893
Dividend income	5, 6, 7	-	-	1,700,941	2,575,244
Others		187,873	164,248	254,815	249,049
Total other income		866,302	900,394	2,048,303	2,916,431
Total revenues		17,401,697	17,306,589	5,361,230	6,384,027
Expenses					
Cost of hospital operations and goods sold	4	11,431,228	11,100,599	2,009,006	2,125,422
Administrative expenses	4	3,425,802	3,270,927	908,412	881,383
Total expenses		14,857,030	14,371,526	2,917,418	3,006,805
Profit before share of income from investments in associated companies, finance expenses and income tax expenses					
		2,544,667	2,935,063	2,443,812	3,377,222
Share of income from investments in associated companies	5	324,225	336,650	-	-
Profit before finance expenses and income tax expenses					
		2,868,892	3,271,713	2,443,812	3,377,222
Finance expenses	4	(363,052)	(213,499)	(383,279)	(237,872)
Profit before income tax expenses		2,505,840	3,058,214	2,060,533	3,139,350
Income tax expenses	16	(461,787)	(563,140)	(85,602)	(99,998)
Profit for the period		2,044,053	2,495,074	1,974,931	3,039,352
Profit attributable to:					
Equity holders of the Company		1,973,628	2,406,272	1,974,931	3,039,352
Non-controlling interests of the subsidiaries		70,425	88,802		
		2,044,053	2,495,074		
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht)	17	0.13	0.16	0.13	0.20
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 2017**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit for the period	<u>2,044,053</u>	<u>2,495,074</u>	<u>1,974,931</u>	<u>3,039,352</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Gain (loss) on change in value				
of available-for-sale investments - net of income tax	(70,638)	126,100	(34,537)	84,636
Exchange differences on translation of				
financial statements in foreign currencies	(30,229)	(33,090)	-	-
Share of other comprehensive income from				
associated companies	<u>105,874</u>	<u>176,802</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to				
profit or loss in subsequent periods - net of income tax	<u>5,007</u>	<u>269,812</u>	<u>(34,537)</u>	<u>84,636</u>
Total comprehensive income for the period	<u><u>2,049,060</u></u>	<u><u>2,764,886</u></u>	<u><u>1,940,394</u></u>	<u><u>3,123,988</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	1,979,706	2,677,099	<u>1,940,394</u>	<u>3,123,988</u>
Non-controlling interests of the subsidiaries	<u>69,354</u>	<u>87,787</u>		
	<u><u>2,049,060</u></u>	<u><u>2,764,886</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 2017

(Unit: Thousand Baht)

Consolidated financial statements															
Equity attributable to owners of the Company															
Note	Other components of shareholders' equity														
	Other comprehensive income														
	Issued and paid-up share capital	Premium on ordinary shares	Difference from shareholding restructure	Appropriated-statutory reserve	Retained earnings Unappropriated	Surplus on changes in value of available-for-sale investments	Revaluation surplus on land	Exchange differences on translation of financial statements in foreign currency	Share of other components of shareholders' equity from 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
Balance as at 31 December 2015															
- As previously reported	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
Cumulative effects of restatement the financial statements related to liabilities for discontinued lifelong medical care program	1.5	-	-	-	(725,835)	-	-	-	-	-	-	-	(725,835)	(937)	(726,772)
Cumulative effects of adjustment of prior years's financial statements related to provision for other post-employment benefits	1.5	-	-	-	(451,195)	-	-	-	-	-	-	-	(451,195)	-	(451,195)
Balance as at 31 December 2015															
- As restated	1,549,096	20,481,531	305,000	170,000	26,197,988	337,256	5,110,102	37,429	328,121	585,527	(2,603,132)	3,795,303	52,498,918	2,498,142	54,997,060
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 - As restated	<u>1,549,096</u>	<u>20,481,531</u>	<u>305,000</u>	<u>170,000</u>	<u>28,604,260</u>	<u>463,356</u>	<u>5,110,102</u>	<u>5,354</u>	<u>503,004</u>	<u>585,527</u>	<u>(2,668,143)</u>	<u>3,999,200</u>	<u>55,109,087</u>	<u>2,413,601</u>	<u>57,522,688</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 (continued)

For the three-month period ended 31 March 2017

(Unit: Thousand Baht)

Consolidated financial statements															
Equity attributable to owners of the Company															
Other components of shareholders' equity															
Other comprehensive income															
Retained earnings					Surplus	Exchange		Share of other	Surplus of			Total other	Total equity	Equity	Total
Issued and	Premium on	Difference from	Appropriated-		on changes	differences on		components of	Convertible	investment over		components of	attributable to	attributable to	shareholders'
paid-up	ordinary shares	shareholding	statutory	Unappropriated	in value of	translation of		shareholders'	debentures	book value of		shareholders'	owners of	non-controlling	interest
share capital		restructure	reserve		available-for-	financial	foreign currency	equity from	- equity	subsidary	companies	equity	the Company	subsidiaries	of the
					sale	statements in		associated	component	companies					shareholders'
					investments	land		companies							equity
Balance as at 31 December 2016	1,549,096	20,481,531	305,000	170,000	29,069,149	370,577	5,136,306	30,734	700,932	585,527	(2,680,290)	4,143,786	55,718,562	2,586,292	58,304,854
Profit for the period	-	-	-	-	1,973,628	-	-	-	-	-	-	-	1,973,628	70,425	2,044,053
Other comprehensive income for the period	-	-	-	-	(1,309)	(70,638)	-	(29,158)	107,183	-	-	7,387	6,078	(1,071)	5,007
Total comprehensive income for the period	-	-	-	-	1,972,319	(70,638)	-	(29,158)	107,183	-	-	7,387	1,979,706	69,354	2,049,060
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	-	-	-	-	-	-	-	-	-	-	(266)	(266)	(266)	(1,827)	(2,093)
Decrease in non-controlling interests of subsidiaries from dividend of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(103,455)	(103,455)
Balance as at 31 March 2017	1,549,096	20,481,531	305,000	170,000	31,041,468	299,939	5,136,306	1,576	806,196	585,527	(2,680,556)	4,148,988	57,696,083	2,550,364	60,246,447

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 2017

(Unit: Thousand Baht)

Separate financial statements									
Note	Other components of shareholders' equity								
	Other comprehensive income								
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		in value of available-for-sale investments	Revaluation surplus on land	Convertible debentures - equity component	Total other components of shareholders' equity	Total shareholders' equity
			Appropriated-statutory reserve	Unappropriated					
Balance as at 31 December 2015 - As previously reported	1,549,096	20,418,607	170,000	5,524,811	360,388	673,862	585,527	1,619,777	29,282,291
Cumulative effects of restatement the financial statements related to liabilities for discontinued lifelong medical care program	1.5	-	-	-	(643,612)	-	-	-	(643,612)
Cumulative effects of adjustment of prior years' financial statements related to provision for other post-employment benefits	1.5	-	-	-	(388,635)	-	-	-	(388,635)
Balance as at 31 December 2015 - As restated	1,549,096	20,418,607	170,000	4,492,564	360,388	673,862	585,527	1,619,777	28,250,044
Profit for the period	-	-	-	3,039,352	-	-	-	-	3,039,352
Other comprehensive income for the period	-	-	-	-	84,636	-	-	84,636	84,636
Total comprehensive income for the period	-	-	-	3,039,352	84,636	-	-	84,636	3,123,988
Balance as at 31 March 2016 - As restated	1,549,096	20,418,607	170,000	7,531,916	445,024	673,862	585,527	1,704,413	31,374,032
Balance as at 31 December 2016	1,549,096	20,418,607	170,000	5,852,887	300,613	673,862	585,527	1,560,002	29,550,592
Profit for the period	-	-	-	1,974,931	-	-	-	-	1,974,931
Other comprehensive income for the period	-	-	-	-	(34,537)	-	-	(34,537)	(34,537)
Total comprehensive income for the period	-	-	-	1,974,931	(34,537)	-	-	(34,537)	1,940,394
Balance as at 31 March 2017	1,549,096	20,418,607	170,000	7,827,818	266,076	673,862	585,527	1,525,465	31,490,986

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 2017**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from operating activities				
Profit before income tax expenses	2,505,840	3,058,214	2,060,533	3,139,350
Adjustments to reconcile profit before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation and amortisation expenses	1,252,298	1,152,000	235,068	220,600
Write-off of assets	8,103	3,845	1,332	2,740
Bad debts and doubtful debts	42,194	19,023	3,349	17,107
Reserval of loss on impairment of assets	-	(5,154)	-	(2,700)
Loss on (reversal of) deteriorated inventories	2,578	(176)	1,055	532
Amortisation of deferred income - membership	(128,943)	(68,599)	(31,892)	(35,635)
Share of income from investments in associated companies	(324,225)	(336,650)	-	-
Amortisation of expense for debentures and convertible debentures	8,297	7,779	8,297	7,779
Loss (gain) on disposal of property, premises and equipment	362	(6,501)	(390)	(4,674)
Unrealised loss on foreign exchange	15,376	4,975	15,376	4,975
Long-term employee benefit expenses	1,933	48,496	(38,269)	8,750
Annual leave expense	28,579	23,095	3,916	3,979
Interest income	(6,710)	(9,569)	(80,232)	(79,893)
Dividend income	-	-	(1,700,941)	(2,575,244)
Interest expense	363,052	213,499	383,279	237,872
Profit from operating activities before changes in operating assets and liabilities	3,768,734	4,104,277	860,481	945,538

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 2017**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from operating activities (continued)				
Decrease (increase) in operating assets				
Trade and other receivables	(82,146)	(139,140)	(173,312)	76,439
Inventories	84,914	81,058	11,642	10,405
Other current assets	43,855	25,346	7,739	(30,571)
Other non-current assets	(16,129)	(38,706)	1,080,191	873
Increase (decrease) in operating liabilities				
Trade and other payables	(827,734)	3,987	(457,689)	50,216
Accrued expenses	(1,077,468)	(1,065,048)	(336,524)	(315,449)
Deferred income - membership	143,339	29,793	54,075	30,397
Other current liabilities	(84,618)	(59,204)	(37,590)	(31,302)
Provision for long-term employee benefits	(357,496)	(11,288)	(264,051)	(3,527)
Other non-current liabilities	<u>1,281</u>	<u>31,801</u>	<u>20</u>	<u>29,841</u>
Net cash from operating activities	1,596,532	2,962,876	744,982	762,860
Cash received from interest incomes	3,737	4,061	75,401	77,938
Cash paid for interest expenses	(216,517)	(195,093)	(238,321)	(221,098)
Cash received from tax refund	-	8,306	-	-
Cash paid for income tax expenses	<u>(149,351)</u>	<u>(141,137)</u>	<u>(21,421)</u>	<u>(19,498)</u>
Net cash from operating activities	<u>1,234,401</u>	<u>2,639,013</u>	<u>560,641</u>	<u>600,202</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 2017**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from investing activities				
Increase in short-term investments	(628)	(17,592)	-	(17,250)
Decrease in restricted financial institution deposits	1,090	4,773	-	-
Cash paid for purchase of investments in subsidiaries and associated company	(1,340,463)	(7,828)	(3,650,089)	(249,800)
Cash paid for investment property	(1,133)	(688)	(249)	(688)
Cash received from disposal of property, premises and equipment	10,858	17,988	1,867	7,811
Cash paid for purchase of property, premises and equipment	(3,250,176)	(2,363,172)	(249,396)	(901,231)
Cash paid for leasehold rights	(3,000)	(13,178)	-	-
Increase in short-term loans to related parties	-	-	(801,103)	(63,945)
Increase in long-term loans to related parties	-	-	(158,223)	(160,000)
Cash received from long-term loans to related parties	-	-	197,431	190,002
Cash paid for purchase of intangible assets	(66,116)	(63,363)	(12,311)	(48,929)
Net cash used in investing activities	(4,649,568)	(2,443,060)	(4,672,073)	(1,244,030)

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 2017**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from financing activities				
Decrease in short-term loans	(13,400)	(21,700)	-	-
Increase in short-term loans from related parties	-	-	69,535	223,727
Cash received from bank overdraft and short-term loans				
from financial institutions	2,809,684	6,528	2,800,000	-
Repayment of bank overdraft and short-term loans				
from financial institutions	(4,308,446)	(3,424)	(4,300,000)	-
Repayment of long-term loans from				
financial institutions	(374,885)	(339,245)	(368,634)	(333,254)
Repayments of liabilities under				
finance lease agreements	(14,279)	(16,983)	(3,673)	(2,770)
Cash received from issued of debentures	6,992,451	-	6,992,451	-
Cash paid for investment in subsidiary companies				
from non - controlling interests	(2,359)	(114,802)	-	-
Net cash from (used in) financing activities	5,088,766	(489,626)	5,189,679	(112,297)
Net increase (decrease) in cash and cash equivalents	1,673,599	(293,673)	1,078,247	(756,125)
Cash and cash equivalents at beginning of period	4,216,831	5,528,543	2,762,362	3,617,144
Cash and cash equivalents at end of period	5,890,430	5,234,870	3,840,609	2,861,019

Supplemental cash flows information:

Non-cash items:

Assets acquired under finance lease agreements	195	3,606	-	3,328
Increase (decrease) in accounts payable				
- property, premises and equipment	7,798,884	(499,401)	(4,381)	(284,225)
Increase (decrease) in payable to construction - retention	43,673	(13,804)	81,213	(3,897)
Dividend receivable	4,068	-	1,700,941	2,575,244
Dividend payable	103,455	121,141	-	-

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 2017

1. General information

1.1 Corporate information

Bangkok Dusit Medical Services Public Company Limited ("the Company") is a public company under Thai laws and domiciled in Thailand. The Company is principally engaged in the hospital business. The Company operates under 6 hospital groups, namely, Bangkok Hospital Group, Samitivej Hospital Group, BNH Hospital, Phyathai Hospital Group, Paolo Hospital Group and Royal Hospital Group. In addition, the Company's network also covers businesses that support medical care such as medical laboratories, pharmaceutical production and saline production and drug and pharmaceutical stores. The registered office of the Company is at 2, Soi Soonvijai 7, New Petchburi Road, Bang Kapi, Huaykwang, Bangkok.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard 34 (revised 2016) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income, 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 2016. 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 financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

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

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

1.5 Restatement the financial statements related to liabilities for discontinued lifelong medical care program in order to be complied with Thai Financial Reporting Standard No. 4 and adjustment of prior years' financial statements relating to provision for other post-employment benefits (These events were incurred in 2016)

Restatement the financial statements related to liabilities for discontinued lifelong medical care program in order to be complied with Thai Financial Reporting Standard No. 4

The Company and its subsidiary have established the medical care programs providing lifelong medical services with small amount of charges to their members who prepaid the membership fees for life. The Company and its subsidiary discontinued these aforementioned programs on 20 January 2017 and 2 February 2017, respectively, due to the legal reasons as described in Note 11 to the financial statements.

The Company and its subsidiary have retroactively adjusted the consolidated and separate financial statements in the past related to debts arising out of contracts providing aforementioned lifelong medical care programs in order to be complied with Thai Financial Reporting Standard No. 4 issued by the Federation of Accounting Professions which became effective for fiscal years beginning on or after 1 January 2016, as these contracts issued under the aforementioned programs are deemed to be insurance contracts. The adjustments to the financial statements have been made based on the total amounts payable to the members and the compensation expected to be paid to the members in 2017 due to the discontinuation of the program by considering that they were past events that caused the present commitment and they were subsequent events that should be adjusted as complied with Thai Accounting Standard No. 10 Events after reporting period. The cumulative effect of the aforementioned adjustment has been separately presented in the statements of changes in shareholders' equity.

Adjustment of prior years' financial statements relating to provision for other post-employment benefits

During the year 2016, the management considered the provision for the other long-term employee benefits for medical care after post-employment and found that the Company and a subsidiary under recorded these expenses in prior years. As a result, the Company and a subsidiary restated the consolidated and separate financial statements in the past. The cumulative effect of the change has been separately presented in the statements of changes in shareholders' equity.

The Company and its subsidiary did not adjust these two effects to statement of income, comprehensive income and cashflows for the three-month period ended 31 March 2016 as presented herein for comparative information because there have been no significant impact on these financial statements of the Company and its subsidiary.

1.6 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 2016.

(Unaudited but reviewed)

2. Trade and other receivables

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	31 March 2017	31 December 2016
Trade receivables - related parties	12,424	25,016
Trade receivables - unrelated parties-net	5,760,227	5,728,644
Other receivables - related parties	2,345	445
Other receivables - unrelated parties	329,644	278,606
Total trade and other receivables – net	6,104,640	6,032,711

3. Trade accounts receivable

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

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	31 March 2017	31 December 2016
<u>Related parties</u>		
Less than 3 months	10,776	18,792
3 - 6 months	670	5,350
6 - 12 months	919	865
over 12 months	59	9
Total trade accounts receivable - related parties	12,424	25,016
<u>Unrelated parties</u>		
Less than 3 months	5,220,046	5,055,039
3 - 6 months	306,447	431,061
6 - 12 months	294,973	291,439
over 12 months	362,990	332,595
Total trade accounts receivable - unrelated parties	6,184,456	6,110,134
Less: Allowance for doubtful accounts	(424,229)	(381,490)
Total trade accounts receivable - unrelated parties – net	5,760,227	5,728,644
Total trade accounts receivable –net	5,772,651	5,753,660

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 Loans between subsidiary companies in Cambodia, interest rate charged as stipulated in the agreements
Purchases and sales of assets	Prices are dependent on the condition of assets
Purchases of investments	Prices that calculated from adjusted book value.

(Unaudited but reviewed)

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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Associated companies</u>				
Revenue from hospital operations and lab services	8.4	9.3	1.8	2.8
Service cost	4.0	2.5	0.1	0.2
Other expenses	0.1	0.1	-	-
<u>Subsidiary companies</u>				
Revenue from hospital operations and lab services	-	-	27.7	27.6
Consulting and management fee income	-	-	198.5	193.1
Interest income	-	-	75.8	71.7
Dividend income (Note 6)	-	-	1,700.9	2,575.2
Other income	-	-	17.4	25.8
Service cost	-	-	183.4	184.9
Consulting and management fee expenses	-	-	61.1	58.4
Other expenses	-	-	6.5	4.9
Interest expenses	-	-	22.3	28.2
<u>Individuals or related companies</u>				
Revenue from hospital operations and lab services	2.1	1.2	1.9	0.5
Other income	2.6	2.0	2.4	1.8
Service cost	18.5	8.8	11.7	2.0
Consulting and management fee expenses	0.8	0.8	-	-
Other expenses	35.3	8.2	28.4	2.6

(Unaudited but reviewed)

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
<u>Trade receivables - related parties (Note 2)</u>				
Associated companies	11,312	19,964	1,240	2,966
Subsidiary companies	-	-	15,799	17,691
Related companies	1,112	5,052	818	3,218
Total trade receivables - related parties	12,424	25,016	17,857	23,875
<u>Dividend receivable - related parties</u>				
Associated company	4,068	-	-	-
Subsidiary companies	-	-	1,700,941	-
Total dividend receivable - related parties	4,068	-	1,700,941	-
<u>Other receivables - related parties (Note2)</u>				
Consulting and management fee receivable				
Subsidiary companies	-	-	71,533	72,500
Total	-	-	71,533	72,500
<u>Others</u>				
Associated companies	1,221	53	1,221	-
Subsidiary companies	-	-	22,623	23,569
Related companies	1,124	392	964	230
Total	2,345	445	24,808	23,799
Total other receivables - related parties	2,345	445	96,341	96,299
<u>Leasehold rights - a related party</u>				
(included in other non-current assets)				
A related party	39,092	40,615	-	-
Total leasehold rights - a related party	39,092	40,615	-	-
<u>Deposits and long-term prepaid expense - a related party</u>				
(included in other non-current assets)				
Subsidiary company	-	-	911	1,103
Related companies	214	12,926	-	12,840
Total deposits and long-term prepaid expense	214	12,926	911	13,943

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
<u>Trade payables - related parties (Note 10)</u>				
Associated companies	4,292	4,499	116	202
Subsidiary companies	-	-	94,942	115,667
Related companies	12,721	26,878	10,008	22,614
Total trade payables - related parties	17,013	31,377	105,066	138,483
<u>Other payables - related parties (Note 10)</u>				
Associated companies	40	-	-	-
Subsidiary companies	-	-	91,487	78,783
Related companies	17,084	13,319	13,515	8,973
Total other payables - related parties	17,124	13,319	105,002	87,756
<u>Deposits - related parties</u>				
(included in other non-current liabilities)				
Subsidiary company	-	-	9,332	8,626
Related companies	715	775	715	775
Total deposits - related parties	715	775	10,047	9,401

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

(Unit: Thousand Baht)

	Separate financial statements			
	31 December 2016	Increase	Decrease	31 March 2017
<u>Short-term loans to related parties</u>				
Subsidiary companies	2,143,393	948,326	(147,223)	2,944,496
Total short-term loans to related parties	2,143,393	948,326	(147,223)	2,944,496
<u>Long-term loans to related parties</u>				
Subsidiary companies	5,130,375	158,223	(238,920)	5,049,678
Total long-term loans to related parties	5,130,375	158,223	(238,920)	5,049,678
<u>Short-term loans from related parties</u>				
Subsidiary companies	8,343,358	603,059	(533,524)	8,412,893
Total short-term loans from related parties	8,343,358	603,059	(533,524)	8,412,893

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 subsidiary company has entered into the service and information technology management agreements with another subsidiary company. The subsidiary company has to pay a monthly fee 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

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 0.2 million (31 December 2016: USD 0.4 million) and overdraft facility amounting to USD 2.0 million (31 December 2016: USD 2.0 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		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Short-term employee benefits	29.1	26.8	29.1	26.8
Post-employment benefits	0.3	0.3	0.3	0.3
Total	29.4	27.1	29.4	27.1

(Unaudited but reviewed)

5. Investments in associated companies

(Unit: Thousand Baht)								
Company's name	Natures of business	Paid-up Capital	% Shareholding		Consolidated financial		Separate financial	
					statements		statements	
					Equity Method		Cost Method	
					31 March 2017	31 December 2016	31 March 2017	31 December 2016
<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	4,952,142	4,766,264	1,459,801	1,459,801
Udon Pattana (1994) Co., Ltd. (held by the Company at 15.26% and indirectly held by subsidiary at 9.85%)	Hospital	Baht 300 million	25.11	25.11	187,895	192,431	69,952	69,952
Bumrungrad Hospital Public Co., Ltd.	Hospital	Baht 730 million	23.95	23.95	11,259,425	11,024,522	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					16,400,531	15,984,286		
<u>Associated companies held by the subsidiary companies</u>								
Al Ghaith Bangkok Dusit Management Services LLC.	In process of liquidation	UAE DIRHAM 0.15 million	30.00	30.00	-	-		
General Hospital Products Public Co., Ltd.	Manufacturer and distributor of medical supplies	Baht 120 million	45.49	45.49	424,591	416,724		
Total investments in associated companies held by subsidiary companies					424,591	416,724		
Total investments in associated companies in the consolidated financial statements					16,825,122	16,401,010		

(Unaudited but reviewed)

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 received during the three-month period ended		Dividend received during the three-month period ended	
	31 March	31 March	31 March	31 March
	2017	2016	2017	2016
<u>Associated companies held by the Company</u>				
Cool & Joy Co., Ltd.	-	-	-	-
Ramkhamhaeng Hospital Public Co., Ltd.	76,055	96,396		
Udon Patana (1994) Co., Ltd.	(4,536)	(9,837)	-	-
Bumrungrad Hospital Public Co., Ltd.	240,770	234,176	-	-
<u>Associated companies held by the subsidiary companies</u>				
Al Ghaith Bangkok Dusit Management Services LLC.	-	-	-	-
General Hospital Products Public Co., Ltd.	11,936	15,915	-	-
Total	324,225	336,650	-	-

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 2017 of Baht 316.8 million (31 March 2016: two associated companies of Baht 330.6 million) representing 98 percent (31 March 2016: 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.

(Unaudited but reviewed)

6. Investments in subsidiary companies

(Unit: Thousand Baht)								
Company's name	Nature of business	Paid-up Capital	Separate financial statements					
			% Shareholding		Investments -		Dividend received	
					cost method		during the period	
			31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 March 2016
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	49,405	123,513
Bangkok Phuket Hospital Co., Ltd.	Hospital	Baht 500 million	99.69	99.69	610,246	610,246	-	-
BNH Medical Center Co., Ltd.	Hospital	Baht 586 million	91.48	91.48	602,657	602,657	107,238	268,095
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	60,000
Bangkok Samui Hospital Co., Ltd.	Hospital	Baht 150 million	100.00	100.00	150,000	150,000	120,000	-
Bangkok Trat Hospital Co., Ltd.	Hospital	Baht 250 million	99.76	99.76	245,889	245,889	39,903	29,927
Wattanavej Co., Ltd.	Hospital	Baht 180 million	99.69	99.69	450,643	450,643	17,945	143,560
Bangkok Ratchasima Hospital Co., Ltd.	Hospital	Baht 300 million	91.42	91.42	935,005	935,005	-	41,125
National Healthcare Systems Co., Ltd. (held by the Company at 74.02% and indirectly held by subsidiaries at 24.66%.	Central Lab	Baht 75 million	74.02	74.02	56,768	56,768	-	66,621
Bio Molecular Laboratories (Thailand) Co., Ltd.	Central Lab	Baht 10 million	95.00	95.00	9,502	9,502	-	28,500
Angkor Pisith Co., Ltd.	Hospital	USD 10 million	80.00	80.00	287,840	287,840	-	-
Phnom Penh Medical Services Co., Ltd.	Hospital	USD 25 million	100.00	100.00	813,220	813,220	-	-
Royal Rattanak Medical Services Co., Ltd.	Ceased operation	Riel 26,000 million	70.00	70.00	154,063	154,063	-	-

(Unaudited but reviewed)

(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 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 March 2016
B.D.M.S. International Medical Services Co., Ltd.	Not yet operate	Riel 9,200 million	100.00	100.00	94,208	94,208	-	-
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	9,260,778	9,260,719	983,054	873,787
Paolo Medic Co., Ltd.	Hospital	Baht 1,000 million	100.00	100.00	3,622,872	3,222,872	-	-
Paolo Samutprakarn Co., Ltd.	Hospital	Baht 42 million	93.64	93.64	1,737,668	1,737,638	137,657	137,657
Siam Medical Co., Ltd.	Hospital	Baht 100 million	85.71	85.71	939,775	939,775	85,714	68,571
Thai Medical Center Public Co., Ltd.	Hospital	Baht 201 million	99.76	99.76	887,131	887,131	100,025	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 800 million	100.00	100.00	799,930	799,930	-	-
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

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up Capital	Separate financial statements					
			% Shareholding		Investments -		Dividend received	
					cost method		during the period	
			31	31	31	31	31	31
			March	December	March	December	March	March
			2017	2016	2017	2016	2017	2016
Thonburi Medical Center Public Co., Ltd. (held by the Company at 34.43% and indirectly held by subsidiary at 29.02%)	Hospital	Baht 193.8 million	34.43	34.43	442,252	442,252	-	-
Bangkok Hospital Surat Co., Ltd.	Not yet operate	Baht 300 million	100.00	100.00	300,000	300,000	-	-
BDMS Inter Pte. Ltd.	Investment	USD 100,000	100.00	100.00	3,381	3,381	-	-
N Health Asia Pte. Ltd.	Investment	USD 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. (held by the company at 87.25% and indirectly held by subsidiary at 12.75%)	Air transportation services	Baht 400 million	87.25	87.25	350,858	350,858	-	-

(Unaudited but reviewed)

(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
			2017	2016	2017	2016	2017	2016
Bangkok Hospital Chiangrai Co., Ltd.	Not yet operate	Baht 600 million	100.00	100.00	600,000	600,000	-	-
Bangkok Hospital Muangraj Co., Ltd.	Hospital	Baht 1,300 million	100.00	100.00	1,300,000	1,300,000	-	-
BDMS Property Management Co., Ltd.	Non-hospital assets managements	Baht 10 million	100.00	100.00	10,000	10,000	-	-
BDMS Wellness Clinic Co., Ltd.	Holistic Clinical Wellness (Preventative and Regenerative Medicine)	Baht 3,250 million	100.00	-	3,250,000	-	-	-
Total investments in subsidiary companies					44,235,195	40,585,106	1,700,941	2,575,244
Less: Allowance for impairment of investments					(154,062)	(154,062)		
Total investments in subsidiary companies – net					44,081,133	40,431,044		

Investments in new subsidiary companies

BDMS Wellness Clinic Co., Ltd.

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

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

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

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

(Unaudited but reviewed)

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

	(Unit: Thousand Baht)
Cash and cash equivalents	49,852
Trade and other receivables	29,002
Inventories	7,674
Other current assets	69
Property, premises and equipment	893,881
Intangible assets	904
Other non-current assets	147
Trade and other payables	(26,768)
Accrued expenses	(13,400)
Other current liabilities	(2,418)
Provision for long-term employee benefits	(33,782)
Deferred tax liabilities	(127,725)
Other non-current liabilities	(31)
Fair value of net assets	777,405
Add: Goodwill	612,910
Consideration paid	1,390,315
Less: Cash and cash equivalents of the business acquired	(49,852)
Net cash paid for acquisition of the business	1,340,463

Goodwill

Movement in goodwill during the three-month period ended 31 March 2017 was summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2017	16,932,250
Increase from acquisition	612,910
Balance as at 31 March 2017	17,545,160

(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 2017	31 December 2016	31 March 2017	31 March 2016
<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	-	-
				2,120	2,120	-	-
Surplus on changes in value of available-for-sale investments				8,577	8,775	-	-
Investments in listed securities				10,697	10,895	-	-
<u>Investments in related companies</u>							
Bangkok Airways Public Co., Ltd.	Airline	2,100	0.85	39,466	39,466	-	-
Surplus on changes in value of available-for-sale investments				324,018	366,991	-	-
Investments in related companies				363,484	406,457	-	-

(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
				2017	2016	2017	2016
<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				384,232	427,403	-	-

(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	
				2017	2016	2017	2016	
<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				1,391	1,356	-	-	
Investments in investment unit				11,391	11,356	-	-	
<u>Investment in listed securities</u>								
Mahachai Hospital Public Company Limited		Hospital	160	4.28	143,724	143,724	-	-
Surplus on changes in value of available-for-sale investments				41,064	86,234	-	-	
Investments in listed securities				184,788	229,958	-	-	

(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
				2017	2016	2017	2016
<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	-	-
Pracharat Raksamakkee Khonkaen (Enterprise for social) Co., Ltd.	Development of economic foundations	4	0.38	15	15	-	-
Investments in unrelated companies				133,872	133,872	-	-
<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	-	-	-	-
				42,889	42,889	-	-
Less : Allowance for impairment of investment				(9,493)	(9,493)	-	-
Investments in ordinary shares (ceased operations) - net				33,396	33,396	-	-
Total other long-term investments - net in the consolidated financial statements				747,679	835,985	-	-

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 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2016	56,163,736	9,749,142
Receive the transfer of assets from acquisition of business		
- net book value as of acquisition date	893,881	-
Purchase during the period - at cost	12,186,726	331,528
Disposals and write-off during the period - net book value as of disposal and write-off date	(17,770)	(1,477)
Transfer in/(Transfer out) during the period	(5,087)	8
Depreciation expenses for the period	(1,189,283)	(208,955)
Translation adjustment	(72,691)	-
Net book value as at 31 March 2017	67,959,512	9,870,246

8.1 Deposits in land and premises

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

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 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2016	1,578,644	1,500,000
Addition	2,809,684	2,800,000
Less: Repayment	(4,308,446)	(4,300,000)
Translation adjustment	(1,103)	-
Balance as at 31 March 2017	<u>78,779</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.

(Unaudited but reviewed)

10. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Trade payables - related parties	17,013	31,377	105,066	138,483
Trade payables - unrelated parties	2,820,579	3,091,909	374,007	408,940
Other payables - related parties	17,124	13,319	105,002	87,756
Other payables - unrelated parties	8,818,899	1,047,478	297,742	282,888
Accounts payable - construction and retention	405,593	361,920	167,428	86,215
Total trade and other payables	12,079,208	4,546,003	1,049,245	1,004,282

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

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

As at 31 March 2017, some members (172 of 334 members in the consolidated financial statements and 143 of 282 members in the separate financial statements) have accepted the offers while some of them have not accepted the offers yet. As at 31 March 2017, the liabilities from discontinuation of the lifelong membership for medical care program, based on the total amounts payable to the former members and the compensation expected to be paid to the former members who have not accepted the offers in the consolidated and separate financial statements amounting to approximately Baht 486 million and Baht 407 million, respectively.

(Unaudited but reviewed)

As a result of discontinued the lifelong membership programs, subsequently, during the first quarter of 2017, some former members of the Company's program sued the Company through the courts to force the Company to continue the program and some former members made claims for indemnity. The cases are currently under consideration by the courts and the Company is not able to determine their outcomes at this time.

12. Long-term loans from financial institutions

Movements of long-term loans from financial institutions during the three-month period ended 31 March 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2016	7,705,429	7,692,673
Less: Repayment during period	(374,885)	(368,634)
Unrealised gain on exchange rate	(26,113)	(26,113)
Translation adjustment	(373)	-
Balance as at 31 March 2017	7,304,058	7,297,926
Less: Current portion of long-term loans from financial institutions	(4,237,124)	(4,230,992)
Long-term loans from financial institutions - net of current portion	<u>3,066,934</u>	<u>3,066,934</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 2017 was Baht 315.2 million (31 December 2016: Baht 401.1 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 2017, this loan has outstanding balance of Baht 1,019.0 million (31 December 2016: Baht 1,119.0 million).
- 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 2017, this loan has outstanding balance of Baht 275.4 million (31 December 2016: Baht 304.4 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 2017, this loan has outstanding balance of Baht 741.4 million (31 December 2016: Baht 808.8 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 2017, this loan has outstanding balance of Baht 2,500.0 million (31 December 2016: 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 2017, this loan has outstanding balance of USD 18.7 million or equivalent to Baht 646.1 million (31 December 2016: USD 19.3 million or equivalent to Baht 696.0 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 2017, this loan has outstanding balance of Baht 520.8 million (31 December 2016: Baht 583.3 million).

(Unaudited but reviewed)

- 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 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 semi-annually basis according to a condition as stipulated in the agreement. As at 31 March 2017, this loan has outstanding balance of Baht 1,280.0 million (31 December 2016: Baht 1,280.0 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 2017, this loan has outstanding balance of USD 0.2 million or equivalent to Baht 6.1 million. (31 December 2016: USD 0.4 million or equivalent to Baht 12.8 million).
- b) 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 carrying interest of MLR minus fixed rates as stipulated in the agreement. The interest and principal are repayable on a monthly basis according to a condition as stipulated in the agreement. During the year 2016, a subsidiary company has cancelled to transfer the claim in service expense on claims transfer agreement to the financial institution. The loan was fully repaid in November 2016.
- c) 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. The loan was fully repaid in May 2016.

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)

13. Liabilities under finance lease agreements

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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Liabilities under finance lease agreements	48,975	63,055	11,122	14,795
Less: Deferred interest expenses	(1,110)	(1,537)	(116)	(182)
Total	47,865	61,518	11,006	14,613
Less: Current portion of liabilities under finance lease agreements	(35,378)	(43,861)	(9,491)	(11,214)
Liabilities under finance lease agreements - net of current portion	<u>12,487</u>	<u>17,657</u>	<u>1,515</u>	<u>3,399</u>

As at 31 March 2017 and 31 December 2016, 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 2017		
	Consolidated financial statements		
	Less than 1 year	1-5 years	Total
Future minimum finance lease payments	36,158	12,817	48,975
Deferred interest expenses	(780)	(330)	(1,110)
Present value of future minimum finance lease payments	<u>35,378</u>	<u>12,487</u>	<u>47,865</u>

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

(Unaudited but reviewed)

Unit: Thousand Baht

As at 31 March 2017

	Separate financial statements		
	Less than 1		
	year	1-5 years	Total
Future minimum finance lease payments	9,499	1,623	11,122
Deferred interest expenses	(8)	(108)	(116)
Present value of future minimum finance lease payments	9,491	1,515	11,006

(Unit: Thousand Baht)

As at 31 December 2016

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

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.

14. Debentures

Movements of debentures net from debenture expenses and amortisation of expenses during the three-month period ended 31 March 2017 are summarised below.

(Unit: Thousand Baht)

	Consolidated/ Separate financial statements
Balance as at 1 January 2017	12,588,900
Debentures issued during the year	6,992,451
Amortisation of debenture expenses	658
Balance as at 31 March 2017	19,582,009
Less: Current portion of debentures	-
Debentures - net of current portion	19,582,009

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, totaling 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. In June 2016, the Company redeemed the 7-year debentures totally Baht 1,000 million.

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 and 24 June 2016, 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 22.1.

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 22.1.

On 24 June 2016, the Company had issued unsecured, name registered and unsubordinated debentures without a debenture holders' 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. This debenture is 10-year debentures at the coupon rate of 2.99% per annum with interest payable every six-month.

(Unaudited but reviewed)

On 8 February 2017, the Company had issued unsecured, name registered and unsubordinated debentures without a debentureholders' representative debenture for the total number of 7,000,000 units, at the price of Baht 1,000 per unit, totalling Baht 7,000 million. These debentures are divided into three tranches: Series 1 the 3-year debentures for the number of 3,000,000 units at the coupon rate of 2.41% per annum, Series 2 the 5-year debentures for the number of 2,500,000 units at the coupon rate of 2.97% per annum, and Series 3 the 7-year debentures for the number of 1,500,000 units at the coupon rate of 3.46% per annum with interest payable every six-month.

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

15. 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

(Unaudited but reviewed)

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

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

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

16. 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 2017 and 2016 were made up as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Interim corporate income tax charge	353,313	569,471	20,939	109,506
Deferred tax:				
Deferred tax relating to origination and reversal of temporary differences	108,474	(6,331)	64,663	(9,508)
Income tax expense reported in the statements of income	<u>461,787</u>	<u>563,140</u>	<u>85,602</u>	<u>99,998</u>

17. 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 2017 after the issue of convertible debentures (as mentioned in Note 15) since the calculated earnings per share assuming the conversion of all convertible debentures to ordinary shares is antidilutive.

18. 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 since 28 September 2013. The contract period has been extended for a period of 4 years from 28 September 2016 to 27 September 2020. 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 27 January 2019. 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 and made an additional memorandum of renewal the land rental agreement for another 3 years expiring in the year 2016. The renewal of the land rental agreement will be continued. 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.

19. Commitments and contingent liabilities

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

(Unit: Million Baht)						
As at 31 March 2017						
	Consolidated			Separate		
	financial statements			financial statements		
	Within 1 year	1 -5 years	Over 5 years	Within 1 year	1 -5 years	Over 5 years
Contractual commitments						
- the land and building rental contracts (including long-term agreements in Note 17)	226	385	835	24	43	98
- the office equipment rental and other services	356	130	-	189	3	-
- the medical equipment provision and maintenance contracts	271	115	-	119	6	-
- the building construction and decoration contracts	1,384	7	-	611	-	-
Total	<u>2,237</u>	<u>637</u>	<u>835</u>	<u>943</u>	<u>52</u>	<u>98</u>

(Unit: Million Baht)						
As at 31 December 2016						
	Consolidated			Separate		
	financial statements			financial statements		
	Within 1 year	1 -5 years	Over 5 years	Within 1 year	1 -5 years	Over 5 years
Contractual commitments						
- the land and building rental contracts (including long-term agreements in Note 17)	234	373	848	24	44	101
- the office equipment rental and other services	322	91	-	194	1	-
- the medical equipment provision and maintenance contracts	248	122	-	112	-	-
- the building construction and decoration contracts	1,498	-	-	777	-	-
Total	<u>2,302</u>	<u>586</u>	<u>848</u>	<u>1,107</u>	<u>45</u>	<u>101</u>

Contingent liabilities

As at 31 March 2016, the Company and its subsidiaries had outstanding bank guarantees of approximately Baht 296 million (31 December 2016: Baht 336 million) and the Company's was Baht 36 million (31 December 2016: Baht 35 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.

20. 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 2017 and 2016, the Company and its subsidiaries has no major customer with revenue of 10 percent or more of its revenues.

21. Financial instruments measured at fair value

The Company and its subsidiaries use the market approach to measure their financial assets and financial 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 2017, the Company and its subsidiaries had the following financial assets that were measured at fair value using different level of input as follow.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	Level 1	Level 1
Financial assets measured at fair value		
Mutual funds	504,827	375
Investment in available-for-sale	570,360	374,181

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

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

22.1 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 as described in Note 14. Then, on 15 October 2014, the Company agreed with the financial institution to change interest rate whereby they agreed to reduce the interest rate in the first year and to change the interest rate from floating rate in the fifth and the sixth year to a fixed rate, with the interest rate of other years maintained as same as specified in the contract. On 24 June 2016, the Company agreed with the financial institution to restructure interest rate. As a result, the interest rate swap contract was terminated on 30 June 2016.

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 14.

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	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
Fair value of interest rate swap contract - asset	27.3	13.2	27.3	13.2

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

(Unaudited but reviewed)

22.2 Forward exchange contract

As at 31 March 2017 and 31 December 2016, 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 2017	US Dollar	-	-
31 December 2016	US Dollar	358,595	35.12 - 35.93

Net fair value

Selling forward exchange contract

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Fair value of selling forward exchange contract (liabilities)	-	(147.0)	-	-

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

23. Subsequent events after reporting date

Dividend payment

On 12 April 2017, the 2017 Annual General Meeting 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 0.29 per share, or a total of Baht 4,492,377,396.60. The interim dividend was paid at Baht 0.10 per share, or totaling of Baht 1,549,095,654 in September 2016. Moreover, the additional dividend payment was paid at Baht 0.19 per share, or totaling of Baht 2,943,281,743 on 26 April 2017. Such additional dividend will be recorded in the second quarter of 2017.

The reduction and the increase of the Company's registered capital

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

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

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

Partial Disposition of Investment in Associated Company

On 28 April 2017, the extraordinary meeting of the Company's Board of Directors No. 2/2017 had approved the Company to dispose the equity investment in Bumrungrad Hospital Public Company Limited totaling 25,189,494 shares, or 3.45% of issued and paid-up shares of Bumrungrad Hospital Public Company Limited, to an institutional investor who is not related to the Company, at the price of Baht 179 per share, totaling amount of approximately Baht 4,508.92 million.

Bumrungrad Hospital Public Company Limited will remain the Company's associated company after this transaction on 28 April 2017. After the transaction, the percentage of ownership was deducted from 23.95% to 20.50% of issued and paid-up shares of Bumrungrad Hospital Public Company Limited. The Company will recognise gain from selling these investments under equity method in the consolidated financial statements amounting to approximately Baht 2,198 million (net of income tax expenses) and under cost method in the separate financial statements amounting to approximately Baht 2,740 million (net of income tax expenses) in the second quarter of 2017.

24. Approval of financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 15 May 2017.