

Bangkok Dusit Medical Services Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2017

Independent Auditor's Report

To the Shareholders of Bangkok Dusit Medical Services Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Bangkok Dusit Medical Services Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2017, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Bangkok Dusit Medical Services Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Dusit Medical Services Public Company Limited and its subsidiaries and of Bangkok Dusit Medical Services Public Company Limited as at 31 December 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matters

I draw attention to Note 22 to the 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 Company and its subsidiary discontinued the programs due to legal reasons 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 year ended 31 December 2017, 182 of 334 members whose compensation was recorded in the consolidated financial statements and 151 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 December 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 financial statements amounted to approximately Baht 440 million (approximately Baht 380 million in separate financial statements).

During 2017, some former members of the program filed complaints against the Company and its subsidiary with the courts and requesting that the Company and its subsidiary continue the programs while some of the other former members made claims for indemnity from the Company and its subsidiary.

Later in June to December 2017, the court issued orders for a temporary injunction to some of the former members who have filed complaints against the Company. The temporary injunction was for the Company to provide medical services to the former members at a normal rate and without any discount and also to allow the other former members to utilize their rights of the program until the court rules or orders otherwise. Furthermore, the court has ordered the former members who are under the temporary injunction to enter a contract with the court that they agreed to be held liable for the aforementioned bills to the Company, should the court issue a final judgment that the Company is entitled to cease such program. The Company keeps record of the debt owed to the Company for medical services rendered and shall not collect for such medical bills unless the court rules or orders otherwise.

In December 2017, January 2018 and February 2018, the Civil Court ruled on some of the cases between the former members and the Company that the Company is to continue complying with the terms of the program. In February 2018, the Civil Court then ruled on some of the other cases between the former members and the Company that the Company is to continue complying with the terms of the program and also for the Company to make indemnity payment should the Company could not comply with the terms of the program. Some of the other cases are still under the consideration of the Civil Court. Nonetheless, the legal advisor of the Company opined that due to all known facts and the provisions of the law, the program in dispute is deemed insurance contract, rendering the cessation of such program a lawful process. The legal advisor further viewed that there is a good chance of winning the case for the Company's appeal. Therefore, the management of the Company, under the opinion of the Company's legal advisor, proceeded to utilize its legal right to file an appeal against the ruling of the Civil Court for some of the cases on 20 February 2018, for the Court of Appeal's consideration and ruling which shall serve as precedent of future legal processes. Since such cases are currently under the consideration of the Court of Appeal, the Company could not yet assess the impacts of the ruling which is not yet definite nor final. The Company keeps record of the debt owed to the Company for medical services rendered and shall not collect for such medical bills unless the court rules.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

Revenues from hospital operations are considered significant in the financial statements as the amounts are material, representing 91% of the consolidated total revenues and they directly affect the operating result of the Group. In addition, there are various components in revenues from hospital operations which include revenue from sales of medicines and medical supplies, revenue from medical services, revenue from patient rooms, including discounts for counterparties, whereas the agreements contain various conditions for each party. I therefore gave significant attention to the revenue recognition of the Group.

I examined the revenue recognition of the Group by assessing and testing the Group's internal controls with respect to the revenue cycle by making enquiries of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. In addition, I applied a sampling method to select revenues from hospital operations transactions occurring during the year to examine the supporting documents.

I requested a balance confirmation from accounts receivable and tested revenue cut-off. I also performed analytical procedures of disaggregated data and significant financial ratios with the past information and industry to detect possible irregularities in revenues from hospital operations transactions throughout the period, particularly for accounting entries made through journal vouchers.

Goodwill

I have focused my audit on the consideration of the impairment of goodwill, as discussed in Note 17 to the financial statements, because the assessment of impairment of goodwill is a significant accounting estimate requiring management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill. I therefore gave significant attention to the amount of goodwill of the Group.

I assessed the identification of cash generating units and the financial models selected by management by gaining an understanding of management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the moving average finance costs of the Company and its subsidiaries and of the industry, tested the calculation of the realisable values of the assets using the selected financial model. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill.

Business combination

As discussed in Note 13 to the financial statements, in January 2017 a subsidiary invested in Mayo Polyclinic Co., Ltd, which is engaged in hospital business. As at the date of acquisition, the subsidiary recognised and measured the assets acquired and liabilities assumed at their fair value using the purchase price allocation (PPA) method and recognised goodwill from the business combination. I have focused on this business acquisition since it is material to the financial statements as a whole, and management was required to exercise substantial judgement when appraising the fair value of the assets acquired and liabilities assumed. Therefore, there is a risk with respect to the recognition and measurement of the assets acquired and liabilities assumed.

I reviewed the terms and conditions of the agreement and inquired with management as to the nature and objectives of the acquisition in order to determine whether the acquisition meets the definition of a business combination under Thai Financial Reporting Standard 3 (Revised 2016) Business Combinations. In addition, I checked the value of the acquisition to supporting documents and related payments to ensure that it corresponds to the fair value of the consideration transferred and does not include costs of the acquisition, and I tested the calculation of the fair value of assets acquired and liabilities assumed using the purchase price allocation method. I also reviewed the appropriateness of the significant methods and assumptions used by an independent valuation specialist in calculating fair value and checked the expertise, ability and integrity of the independent valuation specialist. I tested the calculation and reviewed the reasonableness of the goodwill recorded by the Company, and reviewed the completeness and accuracy of the disclosures related to the business combination in the notes to financial statements.

Litigation

As discussed in emphasis of matters and Note 22 to the financial statements, the Company and its subsidiary had contingent liabilities arising from many litigations relating to discontinuation of the lifelong membership programs. During December 2017 to February 2018, the Civil Court judged some cases and the Company lost the cases. However, the Company appealed to the High Court in February 2018, and currently the cases are not yet finalized. The management needs to exercise significant judgement and take into account related laws and regulations in assessing the effects of the litigation, in order to determine the corresponding liabilities. However, the actual outcomes of the litigation may differ from the estimates. There are therefore risks with respect to the recognition of provision or disclosure of contingent liabilities with respect to the litigation. Therefore, I gave significant attention to the audit of this litigation.

I inquired with the Company's management and legal department regarding the procedures followed to collate and monitor lawsuits filed and pending as at the date of the financial statements, reviewed legal consultation fees to check the completeness of the litigation notified by the Company, inquired about the details and progress of cases and the methods applied by the management in estimating liabilities from litigation, and assessed the judgement exercised by the management in estimating these liabilities. To carry out these procedures, I performed the following:

- Reviewed relevant conditions and provisions of agreements, together with the claims and objections submitted by the Company and counterparties to the court for the purpose of providing background of the litigation.
- Reviewed correspondences between the Company and the legal consultants involved in the litigation, including the Civil Court's verdicts, the Company's appeals and relevant supporting documentation used by management and prepared by external experts, and sent confirmation letters to the legal consultants whose services were used by the Company requesting written reports on case details and status, and legal opinions on the possible effects of the litigation on the Company. I also assessed the legal consultants' competence, experiences, independence and objectivity in accordance with relevant auditing standards, and I considered whether the legal principles and regulations and leading cases referred to by the legal consultants were relevant to the Company's litigation.

- I requested the opinion from my legal consultant and I also assessed the legal consultant's competence, experiences, independence and objectivity in accordance with relevant auditing standards, and I considered whether the legal principles and regulations and leading cases referred to by my legal consultant were relevant to the Company's litigation.

In addition, I reviewed the disclosure of information relating to litigation in the notes to the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Kamontip Lertwitworatep

Certified Public Accountant (Thailand) No. 4377

EY Office Limited

Bangkok: 28 February 2018

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Assets					
Current assets					
Cash and cash equivalents	6	5,091,153,164	4,216,830,857	2,618,963,957	2,762,362,494
Short-term investments	7	571,624,577	548,063,152	392,950	387,027
Trade and other receivables	9, 10	6,939,933,954	6,257,413,072	1,438,389,707	1,039,466,387
Short-term loans to subsidiaries	10	-	-	2,723,764,670	2,143,392,592
Inventories	11	1,735,272,042	1,515,747,918	113,241,565	108,903,873
Other current assets		21,084,678	57,280,276	-	-
Total current assets		14,359,068,415	12,595,335,275	6,894,752,849	6,054,512,373
Non-current assets					
Restricted financial institution deposits	8	7,947,612	45,862,059	-	-
Investments in associates	12	15,807,178,513	16,401,010,414	7,948,498,671	9,028,589,568
Investments in subsidiaries	13	-	-	52,435,450,014	40,431,044,012
Other long-term investments	14	645,799,727	835,985,142	323,320,929	427,402,912
Long-term loans to subsidiaries	10	-	-	4,790,396,350	5,130,374,694
Investment properties	15	307,777,419	306,743,951	675,359,200	704,498,529
Property, premises and equipment	16	71,559,483,132	56,461,043,896	12,316,569,147	10,046,123,520
Goodwill	17	17,538,868,508	16,932,250,590	-	-
Intangible assets	18	1,237,368,137	1,188,302,453	503,729,959	482,171,342
Deferred tax assets	32	68,013,620	75,106,976	-	28,948,184
Other non-current assets					
Leasehold rights	10, 19	664,715,064	697,715,441	334,256,038	350,167,562
Deposits in land and premises	16.1	-	1,080,000,000	-	1,080,000,000
Others	10	430,471,367	395,162,199	49,109,631	56,367,578
Total non-current assets		108,267,623,099	94,419,183,121	79,376,689,939	67,765,687,901
Total assets		122,626,691,514	107,014,518,396	86,271,442,788	73,820,200,274

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 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	20	72,337,111	1,578,643,930	-	1,500,000,000
Trade and other payables	10, 21	4,749,670,467	4,399,931,003	979,557,002	849,199,011
Accrued expenses		5,223,013,766	4,912,129,391	1,366,207,386	1,269,826,020
Liabilities for discontinued life long medical care program	22	440,022,035	963,797,750	379,777,105	820,311,726
Current portion of long-term liabilities					
- Long-term loans from financial institutions	23	1,463,307,467	4,252,097,511	1,463,307,467	4,239,341,800
- Liabilities under finance lease agreements	24	22,039,204	43,860,890	4,743,561	11,213,542
Short-term loans from non-related parties		67,000,000	89,000,000	-	-
Short-term loans from subsidiaries	10	-	-	9,952,013,760	8,343,358,008
Income tax payable		706,015,432	699,777,573	108,494,246	75,348,313
Current provision for employee benefits	27	2,441,500	317,891,300	2,441,500	239,691,300
Deferred income - membership due within one year		224,097,990	216,445,069	101,030,164	105,400,778
Other current liabilities		447,168,874	403,865,319	121,037,758	98,463,467
Total current liabilities		13,417,113,846	17,877,439,736	14,478,609,949	17,552,153,965
Non-current liabilities					
Long-term loans from financial institutions	23	9,335,332,000	3,453,331,333	9,335,332,000	3,453,331,333
Liabilities under finance lease agreements	24	16,492,526	17,656,934	136,723	3,398,968
Debentures	25	19,584,603,035	12,588,899,605	19,584,603,035	12,588,899,605
Convertible debentures - liability component	26	8,774,269,700	9,873,567,164	8,774,269,700	9,873,567,164
Non-current provision for employee benefits	27	2,005,835,724	1,928,147,614	571,860,982	632,829,915
Deferred income - membership		632,004,436	647,059,860	122,067,489	120,706,391
Deferred tax liabilities	32	2,847,116,595	2,186,865,315	385,767,821	-
Other non-current liabilities	10	142,809,384	136,696,436	44,560,022	44,720,573
Total non-current liabilities		43,338,463,400	30,832,224,261	38,818,597,772	26,717,453,949
Total liabilities		56,755,577,246	48,709,663,997	53,297,207,721	44,269,607,914

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 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
Note		31 December 2017	31 December 2016	31 December 2017	31 December 2016
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital					
Registered					
17,582,235,672 ordinary shares of Baht 0.1 each					
(31 December 2016: 16,497,868,714 ordinary shares					
of Baht 0.1 each)					
28		<u>1,758,223,567</u>	<u>1,649,786,871</u>	<u>1,758,223,567</u>	<u>1,649,786,871</u>
Issued and fully paid-up					
15,490,956,540 ordinary shares of Baht 0.1 each					
28		1,549,095,654	1,549,095,654	1,549,095,654	1,549,095,654
Premium on ordinary shares					
		20,572,873,162	20,481,530,880	20,509,949,234	20,418,606,952
Difference from shareholding restructure					
		305,000,325	305,000,325	-	-
Surplus investment over book value of subsidiaries					
		(2,683,446,777)	(2,680,290,437)	-	-
Retained earnings					
Appropriated - statutory reserve					
30		175,822,357	170,000,477	175,822,357	170,000,477
Unappropriated					
		34,314,505,000	29,069,149,164	7,943,891,220	5,852,887,332
Other components of shareholders' equity					
		<u>8,837,349,624</u>	<u>6,824,075,852</u>	<u>2,795,476,602</u>	<u>1,560,001,945</u>
Equity attributable to owners of the Company					
		63,071,199,345	55,718,561,915	32,974,235,067	29,550,592,360
Non - controlling interests of the subsidiaries					
		<u>2,799,914,923</u>	<u>2,586,292,484</u>	-	-
Total shareholders' equity					
		<u>65,871,114,268</u>	<u>58,304,854,399</u>	<u>32,974,235,067</u>	<u>29,550,592,360</u>
Total liabilities and shareholders' equity					
		<u>122,626,691,514</u>	<u>107,014,518,396</u>	<u>86,271,442,788</u>	<u>73,820,200,274</u>
		-	-	-	-

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

Directors

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Revenues					
Revenues from hospital operations	10	69,122,919,381	65,236,523,139	13,446,843,966	13,330,145,501
Revenue from sales of goods		2,809,580,753	2,666,979,380	-	-
Other income	10				
Interest income		51,761,502	52,215,191	385,534,167	316,866,070
Dividend income	12, 13, 14	15,587,971	21,375,943	3,573,869,116	5,418,965,241
Gain on disposal of investment in an associate					
and other long-term investments	12, 14	2,880,064,316	208,663,809	3,424,968,894	205,463,809
Others		839,556,638	940,456,219	1,092,701,699	1,224,834,446
Total other income		3,786,970,427	1,222,711,162	8,477,073,876	7,166,129,566
Total revenues		75,719,470,561	69,126,213,681	21,923,917,842	20,496,275,067
Expenses					
Cost of hospital operations and goods sold	10	47,975,225,531	45,276,809,525	8,399,959,145	8,404,606,693
Administrative expenses	10	14,487,862,750	13,644,189,407	3,909,268,797	3,834,010,994
Total expenses		62,463,088,281	58,920,998,932	12,309,227,942	12,238,617,687
Profit before share of income from investments in associates, finance cost and income tax expense					
		13,256,382,280	10,205,214,749	9,614,689,900	8,257,657,380
Share of income from investments in associates	12	1,417,310,474	1,369,958,152	-	-
Profit before finance cost and income tax expense					
		14,673,692,754	11,575,172,901	9,614,689,900	8,257,657,380
Finance cost	10	(1,535,450,432)	(881,008,035)	(1,619,250,923)	(963,475,555)
Profit before income tax expense		13,138,242,322	10,694,164,866	7,995,438,977	7,294,181,825
Income tax expense	32	(2,563,539,888)	(1,922,300,568)	(943,920,282)	(358,744,037)
Profit for the years		10,574,702,434	8,771,864,298	7,051,518,695	6,935,437,788
Profit attributable to:					
Equity holders of the Company		10,215,739,620	8,386,477,660	7,051,518,695	6,935,437,788
Non-controlling interests of the subsidiaries		358,962,814	385,386,638		
		10,574,702,434	8,771,864,298		
Basic earnings per share					
Profit attributable to equity holders of the Company	33	0.66	0.54	0.46	0.45
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 year ended 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profits for the years		<u>10,574,702,434</u>	<u>8,771,864,298</u>	<u>7,051,518,695</u>	<u>6,935,437,788</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Gain (loss, reversal of surplus) on change in value of available-for-sale investments - net of income tax	14	(152,148,999)	33,315,720	(83,265,587)	(59,774,927)
Exchange differences on translation of financial statements in foreign currencies		(65,573,426)	(6,844,480)	-	-
Share of other comprehensive income from associates	12	<u>115,905,066</u>	<u>440,392,219</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(101,817,359)</u>	<u>466,863,459</u>	<u>(83,265,587)</u>	<u>(59,774,927)</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Gain on revaluation of land - net of income tax	16	<u>2,208,147,388</u>	<u>39,232,196</u>	<u>1,410,082,526</u>	<u>-</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>2,208,147,388</u>	<u>39,232,196</u>	<u>1,410,082,526</u>	<u>-</u>
Other comprehensive income for the years		<u>2,106,330,029</u>	<u>506,095,655</u>	<u>1,326,816,939</u>	<u>(59,774,927)</u>
Total comprehensive income for the years		<u><u>12,681,032,463</u></u>	<u><u>9,277,959,953</u></u>	<u><u>8,378,335,634</u></u>	<u><u>6,875,662,861</u></u>
Total comprehensive income attributable to:					
Equity holders of the Company		<u>12,317,425,710</u>	<u>8,879,699,385</u>	<u><u>8,378,335,634</u></u>	<u><u>6,875,662,861</u></u>
Non-controlling interests of the subsidiaries		<u>363,606,753</u>	<u>398,260,568</u>		
		<u><u>12,681,032,463</u></u>	<u><u>9,277,959,953</u></u>		

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2017

(Unit: Baht)

Consolidated financial statements															
Equity attributable to owners of the Company															
Other components of shareholders' equity															
Other comprehensive income															
Surplus on changes in value of available-for-sale investments															
Exchange differences on translation of financial statements in foreign currency															
Share of other components of shareholders' equity from associates															
Convertible debentures - equity component															
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															
Note	Issued and paid-up share capital	Premium on ordinary shares	Difference from shareholding restructure	Surplus investment over book value of subsidiaries	Appropriated-statutory reserve	Unappropriated	Revaluation surplus on land	Share of other components of shareholders' equity from associates	Convertible debentures - equity component	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	1,549,095,654	20,481,530,880	305,000,325	(2,603,132,547)	170,000,477	26,197,987,900	337,255,759	5,110,102,326	37,429,212	328,121,305	585,527,449	6,398,436,051	52,498,918,740	2,498,142,000	54,997,060,740
Profit for the year	-	-	-	-	-	8,386,477,660	-	-	-	-	-	-	8,386,477,660	385,386,638	8,771,864,298
Other comprehensive income for the year	-	-	-	-	-	59,798,054	33,321,181	26,203,184	(6,694,859)	380,594,165	-	433,423,671	493,221,725	12,873,930	506,095,655
Total comprehensive income for the year	-	-	-	-	-	8,446,275,714	33,321,181	26,203,184	(6,694,859)	380,594,165	-	433,423,671	8,879,699,385	398,260,568	9,277,959,953
Dividend paid	29	-	-	-	-	(5,575,114,450)	-	-	-	-	-	-	(5,575,114,450)	-	(5,575,114,450)
Share of Interest paid for convertible debentures treated as equity securities from an associate	-	-	-	-	-	-	-	-	-	(7,783,870)	-	(7,783,870)	(7,783,870)	-	(7,783,870)
Change in non-controlling interests of subsidiaries from purchase investments in subsidiaries	-	-	-	(77,157,890)	-	-	-	-	-	-	-	-	(77,157,890)	(92,656,048)	(169,813,938)
Decrease in non-controlling interests of subsidiaries from dividend of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(217,454,036)	(217,454,036)
Balance as at 31 December 2016	1,549,095,654	20,481,530,880	305,000,325	(2,680,290,437)	170,000,477	29,069,149,164	370,576,940	5,136,305,510	30,734,353	700,931,600	585,527,449	6,824,075,852	55,718,561,915	2,586,292,484	58,304,854,399

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2017

(Unit: Baht)

Consolidated financial statements															
Equity attributable to owners of the Company															
Other components of shareholders' equity															
Other comprehensive income															
Surplus on changes in value of available-for-sale investments															
Exchange differences on translation of financial statements in foreign currency															
Share of other components of equity from associates															
Convertible debentures - equity component															
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															
Note	Issued and paid-up share capital	Premium on ordinary shares	Difference from shareholding restructure	Surplus of investment over book value of subsidiaries	Appropriated-statutory reserve	Unappropriated	investments	land	foreign currency	associates	component	equity	the Company	subsidiaries	equity
Balance as at 31 December 2016	1,549,095,654	20,481,530,880	305,000,325	(2,680,290,437)	170,000,477	29,069,149,164	370,576,940	5,136,305,510	30,734,353	700,931,600	585,527,449	6,824,075,852	55,718,561,915	2,586,292,484	58,304,854,399
Profit for the year	-	-	-	-	-	10,215,739,620	-	-	-	-	-	-	10,215,739,620	358,962,814	10,574,702,434
Other comprehensive income for the year	-	-	-	-	-	(9,868,977)	(152,150,464)	2,200,555,964	(62,624,476)	125,774,043	-	2,111,555,067	2,101,686,090	4,643,939	2,106,330,029
Total comprehensive income for the year	-	-	-	-	-	10,205,870,643	(152,150,464)	2,200,555,964	(62,624,476)	125,774,043	-	2,111,555,067	12,317,425,710	363,606,753	12,681,032,463
Redemption of convertible debentures	-	91,342,282	-	-	-	-	-	-	-	-	(91,342,282)	(91,342,282)	-	-	-
Statutory reserve	30	-	-	-	5,821,880	(5,821,880)	-	-	-	-	-	-	-	-	-
Dividend paid	29	-	-	-	-	(4,954,692,927)	-	-	-	-	-	-	(4,954,692,927)	-	(4,954,692,927)
Share of Interest paid for convertible debentures treated as equity securities from an associate	-	-	-	-	-	-	-	-	-	(6,939,013)	-	(6,939,013)	(6,939,013)	-	(6,939,013)
Change in non-controlling interests of subsidiaries from purchase and sale investments in subsidiaries	-	-	-	(3,156,340)	-	-	-	-	-	-	-	-	(3,156,340)	14,252,563	11,096,223
Decrease in non-controlling interests of subsidiaries from dividend of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(164,236,877)	(164,236,877)
Balance as at 31 December 2017	1,549,095,654	20,572,873,162	305,000,325	(2,683,446,777)	175,822,357	34,314,505,000	218,426,476	7,336,861,474	(31,890,123)	819,766,630	494,185,167	8,837,349,624	63,071,199,345	2,799,914,923	65,871,114,268

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2017

(Unit: Baht)

Separate financial statements									
Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of shareholders' equity				
			Appropriated-statutory reserve	Unappropriated	Other comprehensive income				
					Surplus on changes				
					in value of available-for-sale investments	Revaluation surplus on land	Convertible debentures - equity component	Total other components of shareholders' equity	Total shareholders' equity
	1,549,095,654	20,418,606,952	170,000,477	4,492,563,994	360,388,041	673,861,382	585,527,449	1,619,776,872	28,250,043,949
Profit for the year	-	-	-	6,935,437,788	-	-	-	-	6,935,437,788
Other comprehensive income for the year	-	-	-	-	(59,774,927)	-	-	(59,774,927)	(59,774,927)
Total comprehensive income for the year	-	-	-	6,935,437,788	(59,774,927)	-	-	(59,774,927)	6,875,662,861
Dividend paid	-	-	-	(5,575,114,450)	-	-	-	-	(5,575,114,450)
29	1,549,095,654	20,418,606,952	170,000,477	5,852,887,332	300,613,114	673,861,382	585,527,449	1,560,001,945	29,550,592,360
Balance as at 31 December 2016	1,549,095,654	20,418,606,952	170,000,477	5,852,887,332	300,613,114	673,861,382	585,527,449	1,560,001,945	29,550,592,360
Profit for the year	-	-	-	7,051,518,695	-	-	-	-	7,051,518,695
Other comprehensive income for the year	-	-	-	-	(83,265,587)	1,410,082,526	-	1,326,816,939	1,326,816,939
Total comprehensive income for the year	-	-	-	7,051,518,695	(83,265,587)	1,410,082,526	-	1,326,816,939	8,378,335,634
Redemption of convertible debentures	-	91,342,282	-	-	-	-	(91,342,282)	(91,342,282)	-
Statutory reserve	-	-	5,821,880	(5,821,880)	-	-	-	-	-
30	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	(4,954,692,927)	-	-	-	-	(4,954,692,927)
29	1,549,095,654	20,509,949,234	175,822,357	7,943,891,220	217,347,527	2,083,943,908	494,185,167	2,795,476,602	32,974,235,067
Balance as at 31 December 2017	1,549,095,654	20,509,949,234	175,822,357	7,943,891,220	217,347,527	2,083,943,908	494,185,167	2,795,476,602	32,974,235,067

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 year ended 31 December 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit before income tax expense	13,138,242,322	10,694,164,866	7,995,438,977	7,294,181,825
Adjustments to reconcile profit before income tax expense to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	5,167,658,678	4,803,222,771	967,614,442	937,633,690
Write-off of assets	26,525,894	12,370,741	40,036	2,823,720
Allowance for diminution of withholding tax	20,906,492	4,754,948	1,184,664	2,291,744
Bad debts and doubtful debts	193,050,641	109,215,203	47,861,380	44,127,797
Allowance (reversal) for impairment of assets	2,895,566	(5,439,998)	7,764,819	(2,700,000)
Allowance to reduce cost to net realisable value - inventory	14,612,038	2,872,967	89,695	227,596
Amortisation of deferred income - membership	(320,916,881)	(319,383,476)	(126,588,731)	(128,346,841)
Share of income from investments in associates	(1,417,310,474)	(1,369,958,152)	-	-
Amortisation of expense for debentures and convertible debentures	43,309,298	31,814,821	43,309,298	31,814,821
Gain on disposal of investment in an associate and other long-term investments	(2,880,064,316)	(208,663,809)	(3,424,968,894)	(205,463,809)
Loss (gain) on disposal of property, premises and equipment	9,130,204	(14,334,607)	(2,038,738)	(5,518,045)
Loss on liquidation of an associate and other long-term investment	-	388,735	-	-
Loss (gain) on fair value adjustment of investment properties	580,829	(65,323,848)	29,869,749	(128,771,713)
Unrealised loss (gain) on foreign exchange	44,144,144	(612,906)	44,144,144	(612,906)
Provisions (reversal) for employee benefit expense	142,938,407	196,969,047	(8,943,862)	48,745,546
Annual leave expense	(2,930,571)	12,741,483	(3,332,573)	3,118,226
Interest income	(41,764,284)	(49,231,931)	(385,534,167)	(316,866,070)
Dividend income	(15,587,971)	(21,375,943)	(3,573,869,116)	(5,418,965,241)
Interest expense	1,535,450,432	881,008,035	1,619,250,923	963,475,555
Profit from operating activities before changes in operating assets and liabilities	15,660,870,448	14,695,198,947	3,231,292,046	3,121,195,895

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 year ended 31 December 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities (continued)				
Decrease (increase) in operating assets				
Trade and other receivables	(830,684,282)	341,939,990	(463,211,200)	438,681,128
Inventories	(226,462,583)	(232,851,541)	(4,427,387)	(9,773,684)
Other current assets	19,702,665	(26,550,018)	16,861,190	(22,522,538)
Other non-current assets	(2,921,706)	18,154,803	1,084,025,357	(34,073,166)
Increase (decrease) in operating liabilities				
Trade and other payables	(397,378,503)	388,307,235	(412,088,283)	40,480,522
Accrued expenses	252,380,339	(105,997,850)	53,100,713	(39,454,980)
Deferred income - membership	313,514,378	242,902,348	123,579,215	131,529,823
Other current liabilities	40,884,990	48,414,714	22,574,291	18,276,731
Provisions for employee benefits	(408,189,811)	(204,496,536)	(289,274,870)	(170,796,873)
Other non-current liabilities	6,081,488	6,689,236	(160,548)	7,224,305
Net cash flow provided by operating activities	14,427,797,423	15,171,711,328	3,362,270,524	3,480,767,163
Cash received from interest income	42,441,528	49,708,324	385,099,476	318,115,892
Cash paid for interest expense	(970,864,368)	(720,066,293)	(1,055,865,232)	(806,525,261)
Cash received from tax refund	25,224,963	22,088,724	-	-
Cash paid for income tax expense	(2,591,250,828)	(2,076,803,618)	(806,421,446)	(374,390,254)
Net cash flow provided by operating activities	10,933,348,718	12,446,638,465	1,885,083,322	2,617,967,540

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 year ended 31 December 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities				
Decrease (increase) in short-term investments	(23,561,425)	(519,782,493)	(5,923)	966,006
Decrease in restricted financial institution deposits	37,914,447	14,845,594	-	14,000,000
Dividend received	513,778,924	506,620,243	3,573,869,116	5,418,965,241
Cash paid for purchase of investments in subsidiaries and associates	(1,343,540,528)	(7,843,320)	(12,004,406,002)	(1,360,561,054)
Cash received from liquidation of an associate and an other long-term investment	-	31,339,237	-	-
Cash received from disposal of an associate and other long-term investments	4,505,059,791	484,942,700	4,505,059,791	475,292,700
Increase in short-term loans to subsidiaries	-	-	(582,417,198)	(816,453,662)
Cash paid for long-term loans to subsidiaries	-	-	(5,101,574,828)	(457,458,490)
Cash received from long-term loans to related parties	-	-	5,342,130,615	1,108,609,785
Cash paid for purchase investment properties	(605,960)	(2,305,687)	(605,960)	(2,305,687)
Cash received from disposal of property, premises and equipment	45,317,368	58,228,169	5,600,353	9,789,805
Cash paid for purchase of property, premises and equipment	(15,303,721,720)	(8,506,442,347)	(1,289,607,894)	(2,881,608,544)
Cash paid for deposits in land and premises	-	(1,080,000,000)	-	(1,080,000,000)
Cash paid for purchase leasehold rights	(8,026,495)	(82,134,134)	-	(4,169,918)
Cash paid for purchase of intangible assets	(292,260,311)	(389,696,325)	(120,368,597)	(175,139,083)
Net cash flow provided by (used in) investing activities	(11,869,645,909)	(9,492,228,363)	(5,672,326,527)	249,927,099

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 year ended 31 December 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from financing activities				
Cash paid for purchase of investments in subsidiaries				
from non - controlling interests	(21,898,969)	(168,945,080)	-	-
Increase (decrease) in bank overdraft and short-term loans				
from financial institutions	(1,503,788,829)	1,502,969,016	(1,500,000,000)	1,500,000,000
Cash received from long-term loans from financial institutions	7,400,000,000	-	7,400,000,000	-
Repayment of long-term loans from financial institutions	(4,248,792,047)	(1,734,683,265)	(4,236,710,133)	(1,671,607,000)
Repayments of liabilities under finance lease agreements	(43,698,120)	(60,512,667)	(9,887,739)	(12,297,501)
Decrease in short-term loans from non-related parties	(22,000,000)	(8,700,000)	-	-
Increase in short-term loans from subsidiaries	-	-	1,608,655,752	40,024,351
Cash received from debentures issuance	6,992,451,150	2,996,318,126	6,992,451,150	2,996,318,126
Cash paid for debentures redemption	-	(1,000,000,000)	-	(1,000,000,000)
Cash paid for convertible debentures redemption	(1,655,971,435)	-	(1,655,971,435)	-
Increase in non - controlling interests of subsidiaries				
from additional paid-up shares of subsidiaries	33,247,552	-	-	-
Dividend paid	(4,954,692,927)	(5,575,114,450)	(4,954,692,927)	(5,575,114,450)
Dividend paid by subsidiaries to non-controlling interests	(164,236,877)	(217,454,036)	-	-
Net cash flow provided by (used in) financing activities	1,810,619,498	(4,266,122,356)	3,643,844,668	(3,722,676,474)
Net increase (decrease) in cash and cash equivalents	874,322,307	(1,311,712,254)	(143,398,537)	(854,781,835)
Cash and cash equivalents at beginning of years	4,216,830,857	5,528,543,111	2,762,362,494	3,617,144,329
Cash and cash equivalents at end of years	5,091,153,164	4,216,830,857	2,618,963,957	2,762,362,494
	-	-	-	-
Supplemental cash flows information:				
Non-cash items:				
Assets acquired under finance lease agreements	19,410,307	14,861,948	-	9,721,216
Increase (decrease) in accounts payable				
- property, premises and equipment	99,332,421	(609,976,373)	11,771,548	(332,668,621)
Increase (decrease) in payable to construction - retention	97,241,764	(155,579,840)	90,140,104	10,943,939

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2017

1. General 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.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Bangkok Dusit Medical Services Public Company Limited and the following subsidiaries ("the Group") as follows:

Company's name	Nature of business	Percentage of shareholding (percent)	
		<u>2017</u>	<u>2016</u>
<u>Held by the Company</u>			
Samitivej Public Co., Ltd.	Hospital	95.76	95.76
Bangkok Hospital Hatyai Co., Ltd.	Hospital	98.82	98.81
Bangkok Phuket Hospital Co., Ltd.	Hospital	99.70	99.69
BNH Medical Center Co., Ltd.	Hospital	91.48	91.48
Bangkok Phrapradaeng Hospital Co., Ltd.	Hospital	84.00	84.00
Bangkok Pattaya Hospital Co., Ltd.	Hospital	97.27	97.27
Bangkok Rayong Hospital Co., Ltd.	Hospital	100.00	100.00

Company's name	Nature of business	Percentage of shareholding (percent)	
		<u>2017</u>	<u>2016</u>
<u>Held by the Company (continued)</u>			
Bangkok Samui Hospital Co., Ltd.	Hospital	100.00	100.00
Bangkok Trat Hospital Co., Ltd.	Hospital	99.76	99.76
Wattanavej Co., Ltd.	Hospital	99.69	99.69
Bangkok Ratchasima Hospital Co., Ltd.	Hospital	91.42	91.42
Angkor Pisith Co., Ltd.	Hospital	80.00	80.00
Phnom Penh Medical Services Co., Ltd.	Hospital	100.00	100.00
Paolo Medic Co., Ltd.	Hospital	100.00	100.00
Paolo Samutprakarn Co., Ltd.	Hospital	93.65	93.64
Siam Medical Co., Ltd.	Hospital	85.71	85.71
Thai Medical Center Public Co., Ltd.	Hospital	99.76	99.76
Bangkok Hospital Chiangmai Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Udon Co., Ltd.	Hospital	100.00	100.00
Bangkok Khon Kaen Hospital Co., Ltd.	Hospital	100.00	100.00
Thonburi Medical Center Public Co., Ltd.	Hospital	34.43	34.43
(held by the Company at 34.43% and indirectly held by a subsidiary at 29.02%)			
Samitivej Chonburi Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Phitsanulok Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Sanamchan Co., Ltd.	Hospital	100.00	100.00
Bangkok Phuket International Hospital Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Muangraj Co., Ltd.	Hospital	100.00	100.00
Royal Rattanak Medical Services Co., Ltd.	Ceased operation	70.00	70.00
Bangkok Hospital Kao Yai Co., Ltd.	Not yet operate	100.00	100.00
Bangkok Hospital Surat Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Chiangrai Co., Ltd.	Not yet operate	100.00	100.00
National Healthcare Systems Co., Ltd.	Central lab	74.02	74.02
(held by the Company at 74.02% and indirectly held by subsidiaries at 24.66%)			
Bio Molecular Laboratories (Thailand) Co., Ltd.	Central lab	95.00	95.00
B.D.M.S. International Medical Services Co., Ltd.	Not yet operate	100.00	100.00
BDMS Accounting Co., Ltd.	Accounting service	100.00	100.00
Bangkok Health Insurance Public Co., Ltd.	Health insurance	99.99	99.97
Royal Bangkok Healthcare Co., Ltd.	Investment	100.00	100.00

Company's name	Nature of business	Percentage of shareholding (percent)	
		<u>2017</u>	<u>2016</u>
<u>Held by the Company (continued)</u>			
Greenline Synergy Co., Ltd.	Technology and information service	100.00	100.00
BDMS Training Co., Ltd.	Training business	100.00	100.00
Prasit Patana Public Co., Ltd.	Investment	98.59	98.56
Bangkok Premier Life Insurance Broker Co., Ltd.	Life insurance broker	100.00	100.00
The Medicpharma Co., Ltd.	Production and distribution of medicines	87.05	87.05
BDMS Inter Pte. Ltd.	Investment	100.00	100.00
N Health Asia Pte. Ltd.	Investment	100.00	100.00
Bangkok Save Drug Co., Ltd.	Investment	100.00	100.00
S.R. Property Investment Co., Ltd.	Real estate	49.00	49.00
Siem Reap Land Investment Co., Ltd.	Real estate	49.00	49.00
Phnom Penh First Property Co., Ltd.	Real estate	49.00	49.00
Bangkok Helicopter Services Co., Ltd. (held by the company at 87.25% and indirectly held by a subsidiary at 12.75%)	Air transportation services	87.25	87.25
BDMS Property Management Co., Ltd.	Assets managements	100.00	100.00
BDMS Wellness Clinic Co., Ltd.	Holistic Clinical Wellness (Preventative and Regenerative Medicine)	100.00	-
<u>Held by subsidiaries</u>			
Samitivej Sriracha Co., Ltd.	Hospital	70.14	69.75
Thonburi Medical Center Public Co., Ltd.	Hospital	29.02	29.02
Phyathai 1 Hospital Co., Ltd.	Hospital	100.00	100.00
Phyathai 2 Hospital Co., Ltd.	Hospital	99.18	99.18
Phyathai 3 Hospital Co., Ltd.	Hospital	98.23	98.23
Sriracha Nakorn General Hospital Public Co., Ltd.	Hospital	75.07	74.80
Tepakorn Hospital Co., Ltd.	Hospital	44.53	44.53
National Healthcare Systems Co., Ltd.	Central lab	25.97	25.97
Irving Sheridan SE Co., Ltd.	Assets management for healthcare business	99.98	99.98

Company's name	Nature of business	Percentage of shareholding (percent)	
		<u>2017</u>	<u>2016</u>
<u>Held by subsidiaries (continued)</u>			
First Health Food Co., Ltd.	Distribution and service for health and cosmetic goods	100.00	100.00
SV Holding Co., Ltd.	Investment	100.00	100.00
A.N.B. Laboratories Co., Ltd.	Manufacturer and distributor of medicine and pharmaceutical products	100.00	100.00
N Health (Cambodia) Co., Ltd.	Laboratory services	100.00	100.00
Save Drug Center Co., Ltd.	Retailer of medicine and pharmaceutical products	100.00	100.00
N Health Pathology Co., Ltd.	Laboratory services	95.00	95.00
Samitivej International Co., Ltd.	Clinic	80.00	80.00
N Health Myanmar Co., Ltd.	Laboratory services	60.00	60.00

All subsidiaries incorporated in Thailand except B.D.M.S. International Medical Services Co., Ltd., Angkor Pisith Co., Ltd., Phnom Penh Medical Services Co., Ltd., Royal Rattanak Medical Services Co., Ltd., N Health (Cambodia) Co., Ltd., S.R. Property Investment Co., Ltd., Siem Reap Land Investment Co., Ltd. and Phnom Penh First Property Co., Ltd. which were registered in Cambodia and BDMS Inter Pte. Ltd. and N Health Asia Pte. Ltd. registered in Singapore and Samitivej International Co., Ltd. and N Health Myanmar Co., Ltd. registered in Republic of the Union of Myanmar.

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

- e) The assets and liabilities in the financial statements of overseas subsidiaries are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
- f) Material balances and transactions of the Group has been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within shareholders’ equity in the consolidated statement of financial position.
- h) In recording the acquisition of additional shares of subsidiaries (repurchase of shares from minority shareholders) when the fair value of the net assets acquired is lower than the cost of the investment the difference has been presented in shareholders’ equity in the statement of financial position under the caption of “Surplus of investment over book value of subsidiaries”. When the fair value of the net assets acquired is higher than the cost of the investment the difference has been presented in shareholders’ equity in the statement of financial position under the caption of “Deficits of investment lower book value of subsidiaries”.

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

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Group has 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 Group’s financial statements. However, one standard involves changes to key principles, which is 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 Group's financial statements because the management has decided to continue accounting for such investments under the cost method in the separate financial statements.

(b) Financial reporting standards that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Group believes that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Revenues from hospital operations

Revenues from hospital operations, mainly consisting of medical fees, hospital room sales and medicine sales, are recognised as income when services have been rendered or delivered.

Revenue from sales of goods and foods

Sales of goods and foods are recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are the invoiced value after deducting discounts excluding value added tax.

Service income

Service income is recognised when services have been rendered.

Membership income

Membership income is cash receipt from sales of membership cards which initially recorded as deferred income and gradually amortised to income within membership period.

Space rental and related service income

The Group recognizes space rental and related service income proportionately over the term of the lease and service agreements.

Interest income

Interest income is recognised on an accrual basis based on the effective rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and cash at financial institutions and highly liquid investment with an original maturity of 3 months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable and allowance for doubtful accounts

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

4.4 Inventories

Inventories are valued at lower of cost (weighted average basis) or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

4.5 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in statement of income.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in income statement when the securities are sold.

- c) Hold to maturities debt security, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities, which the Group classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).
- e) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- f) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

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

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of unit trusts is determined from their net asset value of the last working day of the year.

4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gains or losses arising from changes in the value of investment properties are recognised in income statement when incurred.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in income statement in the period when the asset is derecognised.

4.7 Property, premises and equipment/Depreciation

Land is stated at revalued amount. Premises and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to its fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Group assets, the increase is credited directly to other comprehensive income under the heading of "Revaluation surplus on land". However, a revaluation increase will be recognised as income to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Group's assets, the decrease is recognised in income statement. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus on land" in respect of the same assets.

Depreciation of premises and equipment is calculated by reference to their cost on a straight-line basis over the following estimated useful lives:

Land improvements	30 years or lease period
Premises, structures and premises improvements	5 - 50 years
Medical tools and equipment and machines	2 - 20 years
Helicopter	20 years
Helicopter spare parts and equipment	5 years
Structure equipment, furniture and office equipment	2 - 15 years
Vehicles	5 - 8 years

Depreciation is recognised in the income statement.

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

An item of property, premises and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in income statement when the asset is derecognised.

4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.9 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to income statement.

The intangible asset with finite useful lives is as follow:

Computer software	5 - 10 years
-------------------	--------------

Intangible assets with indefinite useful lives are not amortised such as commercial rights, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

4.10 Goodwill / Business combination

Business combinations are accounted for using the acquisition method with the cost of the acquisition being the fair value at the acquisition date of consideration transferred, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest, if any, in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and the services are received.

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in income statement.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

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

4.11 Related party transactions

Related parties comprise enterprises and individuals that control or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.12 Long-term rental agreements

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to income statement over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in income statement on a straight line basis over the lease term.

4.13 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, premises and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in income statement. However in cases where land was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Such reversal is recognised in income statement unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.14 Leasehold rights

Leasehold rights are amortised on the straight-line basis over the lease period.

4.15 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in income statement.

4.16 Convertible debentures

Convertible debentures are classified into liability and equity components and these are presented separately in the statements of financial position. In separately presenting such components, the Company determines 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.

Expenses for issuance debentures separately recorded between liability and equity component and based on the proportion. The expenses related to liability component deducted from convertible debenture - liability component and amortising over the life of the convertible debentures and expenses related to equity component deducted from equity component and was not amortised.

4.17 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred. The Group set up provisions for vacation which is calculated in accordance with the Group's policy and formula, taking into consideration the employee's salary, the number of years of service and the unused vacation days.

Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The Group contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and medical care after post-employment. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.18 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.19 Income tax

Income tax expense represents the sum of current income tax and deferred tax.

Current tax

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

Deferred tax

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

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.20 Financial instruments

Financial assets carried on the statement of financial position included cash and cash equivalents, short-term investments, trade and other receivables, short-term loans and long-term loans to related parties, restricted financial institution deposits, and investments. Financial liabilities carried on the statement of financial position included bank overdrafts and short-term loans from financial institutions, trade and other payables, short-term loans from related parties, long-term loans, liabilities under finance leases, debentures and convertible debentures.

The Group has no policy to hold any derivative financial instruments for speculative or trading purpose.

4.21 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

4.22 Interest rate swap contracts

The net amount of interest to be received from or paid to the counterparty under an interest rate swap contract is recognised as income or expenses on an accrual basis.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgments and estimates are as follows:

Leases

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

Allowance for doubtful accounts

In determining allowances for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, debt collection experience, the aging profile of outstanding debts and the prevailing economic conditions.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Property, premises and equipment/Depreciation

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

The Group measures land at revalued amounts. Fair value from revaluation is determined by independent valuer using market approach. Such valuation is based on certain assumptions and estimates.

In addition, the management is required to review property, premises and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Impairment of equity investments

The Group treats available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement of the management.

Investment properties

The Group presents investment properties at the fair value estimated by an independent appraiser, and recognise changes in the fair value in income statement. The valuation involves certain assumptions and estimates.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and other intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating unit and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

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

Litigation

The Group has contingent liabilities arising from litigation. The Group's management has used judgment to assess the outcome of the litigation. In cases of loss, the Group will record provision for contingent liabilities in their books of account. In cases where it has assessed that no damage will arise from the litigation, the Group will not record provision for contingent liabilities at the end of the reporting period.

6. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash and deposits at financial institutions	5,084,714	4,210,453	2,618,964	2,762,362
Fixed deposits	6,439	6,378	-	-
Total cash and cash equivalents	<u>5,091,153</u>	<u>4,216,831</u>	<u>2,618,964</u>	<u>2,762,362</u>

As at 31 December 2017, bank deposits in saving accounts and fixed deposits carried interest rates between 0.10 and 1.00 percent per annum (2016: between 0.13 and 1.05 percent per annum).

7. Short-term investments

Short-term investments consist of the following:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Fixed deposits	61,274	42,818	393	14
Mutual funds	510,351	505,245	-	373
Total short-term investments	<u>571,625</u>	<u>548,063</u>	<u>393</u>	<u>387</u>

As at 31 December 2017, bank deposits in fixed deposits carried interest rates between 0.50 and 1.50 percent per annum (2016: between 0.50 and 1.55 percent per annum).

8. Restricted financial institutions deposits

These represent bank deposits that subsidiaries have placed with banks to secure letters of guarantees issued by the banks on behalf of the subsidiaries. These also represent bank deposits have placed with government agencies, state enterprises and private entities to guarantee contractual performance.

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Trade receivables - related parties	9,835	25,016	28,226	23,875
Trade receivables - unrelated parties-net	6,418,934	5,728,644	1,195,960	820,638
Other receivables - related parties	960	445	126,582	96,299
Other receivables - unrelated parties	268,941	278,606	51,016	45,187
Prepaid expenses	241,264	224,702	36,606	53,467
Total trade and other receivables - net	<u>6,939,934</u>	<u>6,257,413</u>	<u>1,438,390</u>	<u>1,039,466</u>

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Related parties</u>				
Not over than 3 months	9,015	18,792	20,698	22,051
3 - 6 months	623	5,350	6,109	1,796
6 - 12 months	133	865	1,396	28
over 12 months	64	9	23	-
Total trade accounts receivable - related parties	<u>9,835</u>	<u>25,016</u>	<u>28,226</u>	<u>23,875</u>
<u>Unrelated parties</u>				
Not over than 3 months	5,788,194	5,055,039	1,097,000	765,548
3 - 6 months	459,405	431,061	105,964	29,588
6 - 12 months	290,907	291,439	36,863	51,247
over 12 months	372,128	332,595	144,273	128,271
Total trade accounts receivable - unrelated parties	<u>6,910,634</u>	<u>6,110,134</u>	<u>1,384,100</u>	<u>974,654</u>
Less: Allowance for doubtful accounts	<u>(491,700)</u>	<u>(381,490)</u>	<u>(188,140)</u>	<u>(154,016)</u>
Total trade accounts receivable - unrelated parties - net	<u>6,418,934</u>	<u>5,728,644</u>	<u>1,195,960</u>	<u>820,638</u>
Total trade accounts receivable - net	<u>6,428,769</u>	<u>5,753,660</u>	<u>1,224,186</u>	<u>844,513</u>

10. Related party transactions

The Group 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 service, accounting service, information technology service and maintenance service	Certain percentage of net revenue or 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 subsidiaries 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.

The significant intercompany transactions are as follows:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Associates</u>				
Revenue from hospital operations and lab services	19.5	22.3	9.8	11.2
Dividend income (Note 12)	-	-	494.1	483.9
Other income	6.9	12.0	0.1	-
Service cost	12.4	18.6	-	0.7
Other expenses	0.1	0.5	-	-
<u>Subsidiaries</u>				
Revenue from hospital operations and laboratory services	-	-	129.5	106.4
Consulting and management fee income	-	-	838.7	777.2
Interest income	-	-	352.7	279.9
Dividend income (Note 13)	-	-	3,069.2	4,919.0
Other income	-	-	85.2	78.3
Service costs	-	-	803.4	748.6
Consulting and management fee expenses	-	-	244.5	230.1
Other expenses	-	-	36.6	46.7
Interest expense	-	-	91.0	94.3
<u>Individuals or related companies</u>				
Revenue from hospital operations and laboratory services	5.4	6.3	3.5	4.7
Dividend income (Note 14)	9.0	12.5	9.0	12.5
Other income	13.6	10.2	11.9	8.1
Service costs	139.6	57.2	106.1	32.1
Consulting and management fee expenses	3.1	3.1	-	-
Other expenses	125.0	105.9	94.3	75.4
Purchases of investments	-	42.8	-	-

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Trade receivables - related parties (Note 9)</u>				
Associates	6,927	19,964	2,220	2,966
Subsidiaries	-	-	24,755	17,691
Related companies	2,908	5,052	1,251	3,218
Total trade receivables - related parties	9,835	25,016	28,226	23,875
<u>Other receivables - related parties (Note 9)</u>				
Consulting and management fee receivable				
Subsidiaries	-	-	77,904	72,500
Total	-	-	77,904	72,500
<u>Accrued interest income and others</u>				
Associate	-	53	-	-
Subsidiaries	-	-	47,826	23,569
Related companies	960	392	852	230
Total	960	445	48,678	23,799
Total other receivables - related parties	960	445	126,582	96,299
<u>Leasehold rights - a related party</u>				
(included in other non-current assets)				
A related party	34,523	40,615	-	-
Total leasehold rights - a related party	34,523	40,615	-	-
<u>Deposits and long-term prepaid expense - related parties</u>				
(included in other non-current assets)				
Subsidiaries	-	-	597	1,103
Related companies	398	12,926	-	12,840
Total deposits and long-term prepaid expense - related parties	398	12,926	597	13,943

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Trade payables - related parties (Note 21)</u>				
Associates	1,955	4,499	96	202
Subsidiaries	-	-	150,201	115,667
Related companies	17,021	26,878	11,377	22,614
Total trade payables - related parties	<u>18,976</u>	<u>31,377</u>	<u>161,674</u>	<u>138,483</u>
<u>Other payables - related parties (Note 21)</u>				
Associates	148	-	-	-
Subsidiaries	-	-	60,438	69,703
Related companies	8,966	13,319	2,456	8,973
Total other payables - related parties	<u>9,114</u>	<u>13,319</u>	<u>62,894</u>	<u>78,676</u>
<u>Accrued interest expense - related parties</u> (included in accrued expenses)				
Subsidiaries	-	-	9,045	9,080
Total Accrued interest expense - related parties	<u>-</u>	<u>-</u>	<u>9,045</u>	<u>9,080</u>
<u>Deposits - related parties</u> (included in other non-current liabilities)				
Subsidiaries	-	-	9,547	8,626
Related companies	729	775	729	775
Total deposits - related parties	<u>729</u>	<u>775</u>	<u>10,276</u>	<u>9,401</u>

Movement of loans to and loans from subsidiaries during the year are summarised as follows:

	(Unit: Thousand Baht)			
	Separate financial statements			
	31 December 2016	Increase	Decrease	31 December 2017
<u>Short-term loans to subsidiaries</u>				
Subsidiaries	2,143,393	1,098,877	(518,505)	2,723,765
Total short-term loans to subsidiaries	<u>2,143,393</u>	<u>1,098,877</u>	<u>(518,505)</u>	<u>2,723,765</u>
<u>Long-term loans to subsidiaries</u>				
Subsidiaries	5,130,375	5,101,574	(5,441,553)	4,790,396
Total long-term loans to subsidiaries	<u>5,130,375</u>	<u>5,101,574</u>	<u>(5,441,553)</u>	<u>4,790,396</u>
<u>Short-term loans from subsidiaries</u>				
Subsidiaries	8,343,358	2,303,293	(694,637)	9,952,014
Total short-term loans from subsidiaries	<u>8,343,358</u>	<u>2,303,293</u>	<u>(694,637)</u>	<u>9,952,014</u>

Short-term and long-term loans to subsidiaries and short-term loans from subsidiaries

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.

Air ambulance service agreement

On 1 September 2007, a subsidiary 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

As at 31 December 2016, The Company has guaranteed long-term loan with a financial institution amount of USD 2 million (2017: nil) and overdraft facility amounting to USD 2 million (2016: USD 2 million) for overseas subsidiaries.

Directors and management's benefits

During the years ended 31 December 2017 and 2016, the Group had benefits for their directors and management as below.

	Consolidated financial statements		(Unit: Million Baht) Separate financial statements	
	2017	2016	2017	2016
Short-term employee benefits	218.1	205.9	218.1	205.9
Post-employment benefits	1.8	1.7	1.8	1.7
Total	219.9	207.6	219.9	207.6

11. Inventories

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2017	2016	2017	2016
Medicines and medical supplies	1,713,266	1,477,476	113,536	108,712
Supplies and others	42,973	44,627	180	804
Total	1,756,239	1,522,103	113,716	109,516
Less: Allowance to reduce cost to net realisable value	(20,967)	(6,355)	(474)	(612)
Inventories - net	1,735,272	1,515,748	113,242	108,904

12. Investments in associates

(Unit: Thousand Baht)

(Unit: Thousand Baht)								
Company's name	Natures of business	Paid-up Capital	% Shareholding		Consolidated financial statements		Separate financial statements	
					Equity Method		Cost Method	
					2017	2016	2017	2016
<u>Associates 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	5,338,905	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 a 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	20.50	23.95	9,792,564	11,024,522	6,417,246	7,497,337
Total investments in associates held by the Company							7,948,499	9,028,590
Total investments in associates held by the Group					15,320,433	15,984,286		
<u>Associates held by the subsidiaries</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	45.76	45.49	486,746	416,724		
Total investments in associates held by subsidiaries					486,746	416,724		
Total investments in associates in the consolidated financial statements					15,807,179	16,401,010		

12.1 Partial Disposition of Investment in an associate

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 4,509 million. Bumrungrad Hospital Public Company Limited would still remain as the Company's associate 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 recognised gain from selling these investments under equity method in the consolidated financial statements amounting to Baht 2,195 million (net of income tax expense) and under cost method in the separate financial statements amounting to Baht 2,740 million (net of income tax expense) in the second quarter of 2017.

12.2 Investments in an associate which subsidiaries previously held

General Hospital Products Public Co., Ltd.

In the second quarter of 2017, Royal Bangkok Healthcare Co., Ltd., a subsidiary in which the Company has a 100% shareholding, purchased additional shares in General Hospital Products Public Co., Ltd. totaling of Baht 3.1 million. The total investments in General Hospital Products Public Company Limited, including of the shareholding by another subsidiary, totally representing 45.76% of the paid up capital of such company which is indirectly held by the Group.

12.3 Details of share of profit, comprehensive income and dividend received from the associates

(Unit: Thousand Baht)						
Company's name	Consolidated financial statements				Separate financial statements	
	Share of profit from investments in associates during the year		Share of other comprehensive income from investments in associates during the year		Dividend received during the year	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Associates held by the Company</u>						
Cool & Joy Co., Ltd.	-	-	-	-	-	-
Ramkhamhaeng Hospital Public Co., Ltd.	507,621	435,141	138,435	465,214	73,415	64,238
Udon Patana (1994) Co., Ltd.	(4,536)	(9,837)	-	-	-	-
Bumrungrad Hospital Public Co., Ltd.	843,183	868,482	(22,530)	(24,822)	420,678	419,641
<u>Associate held by the subsidiary</u>						
General Hospital Products Public Co., Ltd.	71,042	76,172	-	-	-	-
Total	<u>1,417,310</u>	<u>1,369,958</u>	<u>115,905</u>	<u>440,392</u>	<u>494,093</u>	<u>483,879</u>

Fair value of investments in listed associates

Fair values as at 31 December 2017 and 2016 of investments in associates that are listed on the Stock Exchange of Thailand which were based on the closing price as quoted on the Stock Exchange of Thailand are as follows:

(Unit: Thousand Baht)		
Company's name	Fair values as at 31 December	
	<u>2017</u>	<u>2016</u>
Ramkhamhaeng Hospital Public Co., Ltd.	13,627,619	16,059,484
Bumrungrad Hospital Public Co., Ltd.	28,285,873	31,647,886
Total	<u>41,913,492</u>	<u>47,707,370</u>

12.4 Below is a summary of financial information of associates

(Unit: Million Baht)

Company's name	As at 31 December						For the years ended 31 December			
	Paid-up capital		Total assets		Total liabilities		Total revenues		Net income (loss)	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Associates held by the Company</u>										
Cool & Joy Co., Ltd.	5	5	2.9	2.9	-	-	-	-	-	-
Ramkhamhaeng Hospital Public Co., Ltd.	120	120	16,477.6	14,531.5	4,798.1	4,427.9	4,173.0	4,116.2	1,322.1	1,126.5
Udon Patana (1994) Co., Ltd.	300	300	971.2	1,050.4	236.8	297.9	412.2	427.1	(18.1)	(39.2)
Bumrungrad Hospital Public Co., Ltd.	730	730	23,484.0	21,329.9	6,779.0	6,541.9	18,526.6	18,125.8	3,941.4	3,604.0
<u>Associated held by the subsidiary</u>										
General Hospital Products Public Co., Ltd.	120	120	1,512.5	1,551.2	563.9	750.4	1,036.7	1,031.7	156.8	154.0

Share of income from investment in two associates which are listed company on the Stock Exchange of Thailand for the year ended 31 December 2017 of Baht 1,350.8 million (2016: 2 associates Baht 1,303.6 million) representing 95 percent (2016: 95 percent) of total share of income from all associates were calculated based on audited financial statements of those companies.

13. Investments in subsidiaries

(Unit: Thousand Baht)								
Company's name	Nature of business	Paid-up Capital	Separate financial statements					
			% Shareholding		Investments -		Dividend received	
					cost method		during the years	
			<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Samitivej Public Co., Ltd.	Hospital	Baht 1,000 million	95.76	95.76	1,639,071	1,639,071	1,053,400	957,636
Bangkok Hospital Hatyai Co., Ltd.	Hospital	Baht 500 million	99.82	98.81	574,697	574,612	49,405	247,024
Bangkok Phuket Hospital Co., Ltd.	Hospital	Baht 500 million	99.70	99.69	610,332	610,246	-	149,537
BNH Medical Center Co., Ltd.	Hospital	Baht 586 million	91.48	91.48	602,657	602,657	107,238	536,190
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	-	1,252,801
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	75,000
Bangkok Trat Hospital Co., Ltd.	Hospital	Baht 250 million	99.76	99.76	245,889	245,889	39,902	29,927
Wattanavej Co., Ltd.	Hospital	Baht 180 million	99.69	99.69	450,643	450,643	17,945	287,121
Bangkok Ratchasima Hospital Co., Ltd.	Hospital	Baht 300 million	91.42	91.42	935,005	935,005	41,139	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	66,622	66,622
Bio Molecular Laboratories (Thailand) Co., Ltd.	Central Lab	Baht 10 million	95.00	95.00	9,502	9,502	38,000	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	-	-
B.D.M.S. International Medical Services Co., Ltd.	Not yet operate	Riel 9,200 million	100.00	100.00	94,208	94,208	-	-

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up Capital	% Shareholding	Separate financial statements				
				Investments -		Dividend received		
				cost method		during the year		
			<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
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 250 million	99.99	99.97	192,027	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.	Technology and information 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	98.59	98.56	9,263,580	9,260,719	983,054	873,787
Paolo Medic Co., Ltd.	Hospital	Baht 600 million	100.00	100.00	3,622,872	3,222,872	-	-
Paolo Samutprakarn Co., Ltd.	Hospital	Baht 42 million	93.65	93.64	1,737,667	1,737,638	137,661	137,658
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	100,024	100,024
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 1,500 million	100.00	100.00	1,500,000	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 1,500 million	100.00	100.00	1,500,000	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	7,462

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up Capital	Separate financial statements					
			% Shareholding		Investments -		Dividend received	
					cost method		during the year	
			<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
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.	Hospital	Baht 600 million	100.00	100.00	600,000	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 3.5 million	100.00	100.00	116,655	65,310	-	-
Samitivej Chonburi Co., Ltd.	Hospital	Baht 800 million	100.00	100.00	800,000	600,000	-	-
Bangkok Hospital Phitsanulok Co., Ltd.	Hospital	Baht 800 million	100.00	100.00	800,000	600,000	-	-
Bangkok Hospital Sanamchan Co., Ltd.	Hospital	Baht 3,655 million	100.00	100.00	3,655,000	3,655,000	109,650	-
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 a subsidiary at 12.75%)	Air transportation services	Baht 400 million	87.25	87.25	350,858	350,858	-	-

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up Capital	Separate financial statements					
			% Shareholding		Investments -		Dividend received	
					cost method		during the years	
			<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
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	52,000	-
BDMS Property Management Co., Ltd.	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 9,600 million	100.00	-	9,600,000	-	-	-
Total investments in subsidiaries					52,589,512	40,585,106	3,069,216	4,918,985
Less: Allowance for impairment of investments					(154,062)	(154,062)		
Total investments in subsidiaries - net					52,435,450	40,431,044		

13.1 Investments in subsidiaries which the Group previously held

Additional capital					Registered share capital		Investments		
Approved by	No.	Date	Investors	Investees	Formerly	New	Date	Amounts	Percentage of new shareholding (percent)
Board of Directors of N Health Asia Pte. Ltd.	-	12 Jun. 2017	Bangkok Dusit Medical Services Public Company Limited	N Health Asia Pte. Ltd.	USD 2.0 million	USD 3.5 million	Jun. 2017	USD 1.5 million	100.00
The 2017 Annual General Meeting of N Health Myanmar Co., Ltd.	-	10 Mar. 2017	N Health Asia Pte. Ltd.	N Health Myanmar Co., Ltd.	Kyat 500 million	Kyat 3,770 million	Mar. 2017	Kyat 1,962 million	60.00
The Extraordinary General Meeting of Bangkok Health Insurance Public Co., Ltd.	1/2017	11 Jul. 2017	Bangkok Dusit Medical Services Public Company Limited	Bangkok Health Insurance Public Co., Ltd.	Baht 200 million	Baht 250 million	Jul. 2017	Baht 50 million	99.99
The Extraordinary General Meeting of Samitivej Chonburi Co., Ltd.	1/2017	25 Sep. 2017	Bangkok Dusit Medical Services Public Company Limited	Samitivej Chonburi Co., Ltd.	Baht 600 million	Baht 800 million	Sep. 2017	Baht 200 million	100.00
The Extraordinary General Meeting of Bangkok Hospital Surat Co., Ltd.	1/2017	20 Sep. 2017	Bangkok Dusit Medical Services Public Company Limited	Bangkok Hospital Surat Co., Ltd.	Baht 300 million	Baht 600 million	Sep. 2017	Baht 300 million	100.00
The Extraordinary General Meeting of Bangkok Hospital Khonkaen Co., Ltd.	1/2017	11 Oct. 2017	Bangkok Dusit Medical Services Public Company Limited	Bangkok Hospital Khonkaen Co., Ltd.	Baht 800 million	Baht 1,500 million	Oct. 2017	Baht 700 million	100.00

Additional capital					Registered share capital		Investments		
Approved by	No.	Date	Investors	Investees	Formerly	New	Date	Amounts	Percentage of shareholding (percent)
The Extraordinary General Meeting of Bangkok Hospital Phitsanulok Co., Ltd.	1/2017	11 Oct. 2017	Bangkok Dusit Medical Services Public Company Limited	Bangkok Hospital Phitsanulok Co., Ltd.	Baht 600 million	Baht 800 million	Oct. 2017	Baht 200 million	100.00
The Extraordinary General Meeting of Bangkok Hospital Chiangmai Co., Ltd.	1/2017	11 Oct. 2017	Bangkok Dusit Medical Services Public Company Limited	Bangkok Hospital Chiangmai Co., Ltd.	Baht 1,000 million	Baht 1,500 million	Oct. 2017	Baht 500 million	100.00

Prasit Patana Public Co., Ltd.

In 2017, the Company purchased additional investment totaling Baht 2.9 million in Prasit Patana Public Co., Ltd. As a result, the Company's shareholding in that company is 98.59 percent.

13.2 Investments in new subsidiaries

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, 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 that subsidiary. 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 and Baht 3,150 million in the first quarter of 2017 and second quarter of 2017 respectively.

On 27 September 2017, the Extraordinary General Meeting No.2/2017 of shareholders of BDMS Wellness Clinic Co., Ltd. approved to increase the share capital from Baht 6,400 million to Baht 9,600 million through the increase in capital of 320 million additional ordinary shares with a par value of Baht 10 each. In the fourth quarter of 2017, the Company acquired all of the new ordinary shares.

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, 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.

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)
Non-current provision for employee benefits	(27,490)
Deferred tax liabilities	(127,725)
Other non-current liabilities	(31)
Fair value of net assets	783,697
Add: Goodwill	606,618
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

13.3 Summarised financial information that based on amounts before inter-company elimination of subsidiaries that have material non-controlling interest.

Regarding the preparation of consolidated financial statements of the Group, there are 5 subsidiaries having material non-controlling interest since the Company has 40 to 70 percentage of ownership over these subsidiaries.

The summary of financial information before elimination transactions of the subsidiaries having material non-controlling interest, based on the Company's percentage of ownership in the subsidiaries, is on the followings:

	(Unit: Million Baht)									
	As at 31 December						For the years ended 31 December			
Company's name	Paid-up capital		Total assets		Total liabilities		Total revenues		Net profit (loss)	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Thonburi Medical Center Public Co., Ltd.	193.8	193.8	596.7	630.2	168.3	179.7	685.6	626.5	(22.2)	(24.5)
S.R. Property Investment Co., Ltd.	0.2	0.2	71.9	78.8	64.0	70.8	0.8	0.8	0.6	0.6
Siem Reap Land Investment Co., Ltd.	0.2	0.2	65.5	71.8	58.6	64.9	0.7	0.7	0.6	0.6
Phnom Penh First Property Co., Ltd.	0.2	0.2	150.4	164.9	135.8	150.2	1.6	1.6	1.3	1.3
Tepakorn Hospital Co., Ltd.	30.0	30.0	157.8	159.2	100.4	103.6	150.9	136.6	3.3	(0.7)

14. Other long-term investments

(Unit: Thousand Baht)

Consolidated and separate
financial statements

Dividend income during
the years

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend income during the years	
				2017	2016	2017	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	41,648	-	1,770	1,770	5	5
Aikchol Hospital Public Co., Ltd.	Hospital	150	0.20	350	350	189	165
Bangkok Chain Hospital Public Co., Ltd.	Hospital	2,494	1.50	-	-	-	2,625
				2,120	2,120	194	2,795
Surplus on changes in value of available-for-sale investments				4,964	8,775	-	-
Investments in listed securities				7,084	10,895	194	2,795
<u>Investments in related companies</u>							
Bangkok Airways Public Co., Ltd.	Airline	2,100	0.85	39,466	39,466	8,953	12,533
Surplus on changes in value of available-for-sale investments				266,720	366,991	-	-
Investments in related companies				306,186	406,457	8,953	12,533

(Unit: Thousand Baht)							
Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Consolidated and separate financial statements			
				Investment (cost)		Dividend income during the years	
				2017	2016	2017	2016
Investments in unrelated companies							
Thai Longstay Management Co., Ltd.	Travel business	100	0.53	531	531	-	-
Superior Biotech Holding Co., Ltd.	Investment	53	7.58	5,000	5,000	800	160
X-Ray Computer Urupong Co., Ltd.	X-ray lab	100	4.09	4,520	4,520	613	613
Investments in unrelated companies				10,051	10,051	1,413	773
Total other long-term investments in the separate financial statements				323,321	427,403	10,560	16,101

						(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 years	
				2017	2016	2017	2016
<u>Investment held by the subsidiaries</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				1,487	1,356	-	-
Investments in investment unit				11,487	11,356	-	-
<u>Investment in listed securities</u>							
Mahachai Hospital Public Company Limited	Hospital	160	4.28	143,724	143,724	3,011	2,875
Kiatnakin Bank Public Company Limited	Bank	8,468	0.02	-	-	-	400
				143,724	143,724	3,011	3,275
Surplus on changes in value of available-for-sale investments				-	86,234	-	-
Investments in listed securities				143,724	229,958	3,011	3,275

						(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 years	
				2017	2016	2017	2016
<u>Investments in unrelated companies</u>							
Thai Herbal Products Co., Ltd.	Sales of herbal products	80	0.60	290	290	17	-
Prasitthirat Co., Ltd.	Educational institution known as “Rangsit university”	150	33.33	107,192	107,192	2,000	2,000
Asia Laboratories Center Limited	Laboratory service	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 dietary supplements	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	-	-
Korat Medical Group Co., Ltd.	Hospital	75	1.33	1,000	1,000	-	-
UB (Thailand) Co., Ltd.	Hospital system development consulting	0.88	11.00	879	879	-	-
U2 Bio (Thailand) Co., Ltd.	Laboratory service	1	10.00	1,000	1,000	-	-
				136,751	136,751	2,017	2,000
Less: Allowance for impairment of investment				(2,879)	(2,879)	-	-
Investments in unrelated companies				133,872	133,872	2,017	2,000

				(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 years	
				2017	2016	2017	2016
<u>Investments in ordinary shares (ceased operations)</u>							
Phyathai Herbs Co., Ltd.	In process of liquidation	196	63.64	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				645,800	835,985	15,588	21,376

The Group recorded the decrease in fair value of available-for-sale investments in the consolidated financial statements of Baht 152 million (net of deferred tax liabilities of Baht 38 million) and decrease in the separate financial statements of Baht 83 million (net of deferred tax liabilities of Baht 21 million) and presented in the statements of comprehensive income under “Gain (loss, reversal of surplus) on change in value of available-for-sale investments”.

Prasitthirat Company Limited

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

Bangkok Chain Hospital Public Co., Ltd.

In 2016, the Company sold investment totaling 37.5 million shares in Bangkok Chain Hospital Public Co., Ltd. at the amount of Baht 445.3 million. The Company had recognised gain from selling these investments amounting to Baht 205.5 million in its income statement for the year.

15. Investment properties

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
31 December 2015	284,768	530,238
Reclassification	(55,310)	(60,834)
Purchase	2,305	2,305
Transfer from land and premises	9,657	104,018
Gain on fair value adjustment	65,324	128,772
31 December 2016	306,744	704,499
Purchase	606	606
Transfer from land and premises	1,008	124
Loss on fair value adjustment	(581)	(29,870)
31 December 2017	307,777	675,359

The investment properties of the Group consist of land and building for rent. The fair value of land has been determined based on valuations performed by an accredited independent valuer, using the Market approach. The fair value of building for rent has been determined based on income approach.

Key assumptions used in the valuation of building for rent are summarised below:

	Consolidated financial statements	Separate financial statements	Result to fair value where as an increase in assumption value
Vacancy rate (%)	100	100	Increase in fair value
Discount rate (%)	11.0-13.0	11.0-13.0	Decrease in fair value

16. Property, premises and equipment

(Unit: Thousand Baht)

Consolidated financial statements							
	Assets which are stated at cost or reappraised value	Assets which are stated at cost					Total
		Land and land improvement	Building and improvement	Medical tools, machine, helicopter and equipment	Structure equipment, furniture, fixture and office equipment	Vehicles	Building under construction and medical tools and equipment under installation
<u>Cost/reappraised value</u>							
31 December 2015	19,156,899	36,146,989	19,107,242	10,684,650	855,665	2,663,459	88,614,904
Increase from revaluation	49,040	-	-	-	-	-	49,040
Purchases	1,151,574	974,289	1,878,432	1,049,149	93,791	2,608,516	7,755,751
Transfer in / (Transfer out)	15,111	1,772,711	306,377	401,041	7,929	(2,463,489)	39,680
Disposals/Written-off	-	(46,254)	(631,046)	(238,511)	(51,614)	(3,020)	(970,445)
Translation adjustments	(2,270)	(5,639)	(346)	(4,409)	(31)	(550)	(13,245)
31 December 2016	20,370,354	38,842,096	20,660,659	11,891,920	905,740	2,804,916	95,475,685
Increase from acquisition	723,946	138,054	19,521	5,451	2,909	4,000	893,881
Increase from revaluation	2,740,890	-	-	-	-	-	2,740,890
Purchases	10,362,855	545,072	1,900,358	857,793	92,027	2,849,816	16,607,921
Transfer in / (Transfer out)	(10,653)	904,515	429,368	272,905	7,674	(1,616,911)	(13,102)
Disposals/Written-off	(539)	(193,940)	(438,152)	(383,318)	(36,549)	(20,366)	(1,072,864)
Translation adjustments	(27,835)	(85,038)	(35,283)	(56,547)	(1,436)	(1,589)	(207,728)
31 December 2017	34,159,018	40,150,759	22,536,471	12,588,204	970,365	4,019,866	114,424,683
<u>Accumulated depreciation</u>							
31 December 2015	57,120	16,869,315	11,836,255	5,857,408	608,139	-	35,228,237
Depreciation for the year	10,082	1,692,170	1,817,292	975,763	77,362	-	4,572,669
Transfer in / (Transfer out)	8,868	(111,031)	47,551	54,092	1	-	(519)
Disposals/Written-off	-	(41,162)	(597,466)	(230,530)	(50,315)	-	(919,473)
Translation adjustments	-	(201)	55	(116)	(24)	-	(286)
31 December 2016	76,070	18,409,091	13,103,687	6,656,617	635,163	-	38,880,628
Depreciation for the year	11,169	1,770,868	2,002,229	1,044,166	75,355	-	4,903,787
Transfer in / (Transfer out)	(15,074)	13,589	(1,012)	(5,054)	(152)	-	(7,703)
Disposals/Written-off	(554)	(170,452)	(417,957)	(380,353)	(36,470)	-	(1,005,786)
Translation adjustment	(3)	(11,434)	(12,909)	(17,589)	(700)	-	(42,635)
31 December 2017	71,608	20,011,662	14,674,038	7,297,787	673,196	-	42,728,291

(Unit: Thousand Baht)

Consolidated financial statements (continued)

	Assets which are stated at cost or reappraised value	Assets which are stated at cost					
	Land and land improvement	Building and building improvement	Medical tools, machine, helicopter and equipment	Structure equipment, furniture, fixture and office equipment	Vehicles	Building under construction and medical tools and equipment under installation	Total
<u>Allowance for impairment of fixed assets</u>							
31 December 2015	5,588	118,210	12,811	1,373	1,471	-	139,453
Reversal of impairment loss	-	(2,700)	(2,740)	-	-	-	(5,440)
31 December 2016	5,588	115,510	10,071	1,373	1,471	-	134,013
Impairment loss (reversal)	(112)	3,008	-	-	-	-	2,896
31 December 2017	5,476	118,518	10,071	1,373	1,471	-	136,909
<u>Net book value</u>							
31 December 2016	20,288,696	20,317,495	7,546,901	5,233,930	269,106	2,804,916	56,461,044
31 December 2017	34,081,934	20,020,579	7,852,362	5,289,044	295,698	4,019,866	71,559,483
(Unit: Million Baht)							
<u>Depreciation for the years</u>						<u>2017</u>	<u>2016</u>
Part of cost of hospital operations and services						3,919	3,632
Part of administrative expenses						985	941
Total						4,904	4,573

(Unit: Thousand Baht)

	Separate financial statements						
	Assets which are stated at cost or reappraised value	Assets which are stated at cost					
	Land and land improvement	Building and building improvement	Medical tools, machine and equipment	Structure equipment, furniture, fixture and office equipment	Vehicles	Building under construction and medical tools and equipment under installation	Total
<u>Cost/reappraised value</u>							
31 December 2015	2,878,301	5,803,005	3,672,371	1,476,210	217,184	290,447	14,337,518
Purchases	903,478	98,613	312,102	196,730	9,533	1,049,149	2,569,605
Transfer in / (Transfer out)	(46,186)	137,685	80,056	33,869	220	(250,082)	(44,438)
Disposals/Written-off	-	(2,984)	(134,974)	(13,057)	(17,958)	-	(168,973)
31 December 2016	3,735,593	6,036,319	3,929,555	1,693,752	208,979	1,089,514	16,693,712
Increase from revaluation	1,743,310	-	-	-	-	-	1,743,310
Purchases	2,017	94,989	298,656	114,452	5,963	880,743	1,396,820
Transfer in / (Transfer out)	-	15,474	42,250	24,728	-	(82,432)	20
Disposals/Written-off	-	(120)	(51,725)	(17,701)	(7,699)	(1,003)	(78,248)
31 December 2017	5,480,920	6,146,662	4,218,736	1,815,231	207,243	1,886,822	19,755,614
<u>Accumulated depreciation</u>							
31 December 2015	586	2,798,267	2,416,597	606,148	145,305	-	5,966,903
Depreciation for the year	310	294,767	347,127	181,208	20,101	-	843,513
Transfer in / (Transfer out)	-	(1,262)	(415)	68	-	-	(1,609)
Disposals/Written-off	-	(1,817)	(130,733)	(11,430)	(17,957)	-	(161,937)
31 December 2016	896	3,089,955	2,632,576	775,994	147,449	-	6,646,870
Depreciation for the year	362	279,475	369,584	192,210	16,722	-	858,353
Transfer in / (Transfer out)	-	(467)	(12)	463	-	-	(16)
Disposals/Written-off	-	(120)	(49,239)	(17,589)	(7,698)	-	(74,646)
31 December 2017	1,258	3,368,843	2,952,909	951,078	156,473	-	7,430,561
<u>Allowance for impairment of fixed assets</u>							
31 December 2015	719	2,700	-	-	-	-	3,419
Reversal of impairment loss	-	(2,700)	-	-	-	-	(2,700)
31 December 2016	719	-	-	-	-	-	719
Impairment loss	4,757	3,008	-	-	-	-	7,765
31 December 2017	5,476	3,008	-	-	-	-	8,484
<u>Net book value</u>							
31 December 2016	3,733,978	2,946,364	1,296,979	917,758	61,530	1,089,514	10,046,123
31 December 2017	5,474,186	2,774,811	1,265,827	864,153	50,770	1,886,822	12,316,569

(Unit: Million Baht)

<u>Depreciation for the years</u>	<u>2017</u>	<u>2016</u>
Part of cost of hospital operations and services	703	689
Part of administrative expenses	155	155
Total	858	844

In 2017, the Company and eight subsidiaries engaged an independent appraiser to appraise all of their land using the market approach. The Company and the subsidiaries have recorded the fair values of the revalued land in consolidated financial statements totaling amount of Baht 8,173.8 million which increased from the book values of Baht 2,192.7 million (net of deferred tax liabilities of Baht 548.2 million) and the fair value of the revalued land in separate financial statements amount of Baht 4,890.5 million which increased of Baht 1,394.6 million (net of deferred tax liabilities of Baht 348.7 million). The Company and the subsidiaries recorded the increase amount as “Revaluation surplus on land” in the other components of shareholders' equity.

In 2016, a subsidiary has recorded appraisal result which engaged an independent appraiser to appraise all of its land using the market approach. The fair values of the revalued land in consolidated financial statements amount of Baht 285.6 million which increased from the book values of Baht 39.2 million (net of deferred tax liabilities of Baht 9.8 million). The subsidiary recorded the increase amount as “Revaluation surplus on land” in the other components of shareholders' equity.

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

If the Group recorded land at cost, net book value as at 31 December 2017 and 2016 would have been as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value (at cost):		
As of 31 December 2017	23,174,443	3,068,527
As of 31 December 2016	12,111,467	3,068,459

As at 31 December 2017, the Group has medical tools, equipment and vehicles under finance lease agreements with net book values amounting to Baht 56.6 million and Baht 6.6 million in the separate financial statements (2016: Baht 74.2 million and Baht 14.9 million in the separate financial statements).

As at 31 December 2017, the Group has certain building improvement, medical tools, equipment and vehicles which have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 16,707.8 million and Baht 3,359.9 million in the separate financial statement (2016: Baht 14,440.8 million and Baht 3,007.7 million in the separate financial statements).

16.1 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 buildings 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 paid the sellers on 27 May 2017.

17. Goodwill

Movement in goodwill during the years ended 31 December 2017 and 2016 was summarised below.

	(Unit: Million Baht)	
	Consolidated financial statements	
	2017	2016
Balance as at beginning of years	16,932	16,932
Increase from acquisition	607	-
Balance as at end of years	17,539	16,932

The Group determined the recoverable amounts of the cash generating units (CGUs) based on value in use, using cash flow projections covering a 10-year period as hospital business requires approximately at least 5-year period for business expansion to benefit from synergy. These cash flow projections were prepared with reference to financial budgets approved by the management.

Key assumptions used in the value-in-use calculations are as follows:

	(Unit: Percent per annum)
Growth rate	5.0 - 25.2
Pre-tax discount rate	7.32

The management determined the growth rate based on historical operating results, the expected market growth rate, the rate of gross domestic product growth and the discount rate which is a pre-tax rate that reflects the specific risk of the particular business unit.

The management has considered that goodwill is not impaired.

18. Intangible assets

Intangible assets, as at 31 December 2017 and 2016, which are computer software and commercial rights, are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Cost		
As at 31 December 2015	2,096,863	610,746
Purchases	389,696	175,139
Transfer out	(16,272)	(248)
Disposals/written-off	(1,006)	(127)
Translation adjustment	(34,949)	-
As at 31 December 2016	2,434,332	785,510
Acquisitions	904	-
Purchases	292,260	120,369
Transfer out	(2,856)	(144)
Disposals/written-off	(23,281)	(5,300)
Translation adjustment	574	-
As at 31 December 2017	2,701,933	900,435
Accumulated amortisation		
As at 31 December 2015	1,060,135	225,603
Amortisation for the years	194,608	77,697
Transfer in/(Transfer out)	(7,904)	90
Disposals/written-off	(816)	(51)
Translation adjustment	7	-
As at 31 December 2016	1,246,030	303,339
Amortisation for the years	227,109	93,349
Transfer in	7,546	17
Disposals/written-off	(15,965)	-
Translation adjustment	(155)	-
As at 31 December 2017	1,464,565	396,705
Net book value		
As at 31 December 2016	1,188,302	482,171
As at 31 December 2017	1,237,368	503,730

19. Leasehold rights

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cost	1,000,141	997,865	449,051	449,051
Less: Accumulated amortisation	(335,426)	(300,150)	(114,795)	(98,883)
Book value - net	<u>664,715</u>	<u>697,715</u>	<u>334,256</u>	<u>350,168</u>
Amortisation for the years	<u>36,763</u>	<u>36,774</u>	<u>15,912</u>	<u>16,424</u>

A reconciliation of the net book value of leasehold rights for the years 2017 and 2016 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Net book value at beginning of years	697,715	670,177	350,168	362,422
Purchases	8,026	82,134	-	4,170
Less: amortisation	(36,763)	(36,774)	(15,912)	(16,424)
Translation adjustment	(4,263)	(17,822)	-	-
Net book value at ending of years	<u>664,715</u>	<u>697,715</u>	<u>334,256</u>	<u>350,168</u>

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

As at 31 December 2016, the Company had outstanding balance of short-term loans from financial institutions of Baht 1,500 million (2017: nil). The loans carry interest at fixed rate per annum as stipulated in the agreement. The principal and interest is repayable on maturity according to a condition as stipulated in the agreement.

As at 31 December 2017, the Group has overdraft facilities with banks in consolidated financial statements totaling of Baht 2,500 million and USD 2 million (2016: Baht 1,030 million and USD 2 million) and in separate financial statements of Baht 2,350 million (2016: Baht 860 million). The facilities carry interest rate at MOR for Baht currency facilities and LIBOR plus fixed rate for US currency facilities.

21. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2017	2016	2017	2016
Trade payables - related parties	18,976	31,377	161,674	138,483
Trade payables - unrelated parties	3,286,789	3,091,909	403,445	408,940
Other payables - related parties	9,114	13,319	62,894	78,676
Other payables - unrelated parties	975,629	901,406	175,189	136,885
Accounts payable - construction and retention	459,162	361,920	176,355	86,215
Total trade and other payables	4,749,670	4,399,931	979,557	849,199

22. 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 programs 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 for the year 2016 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.

In 2017, some members (182 of 334 members in the consolidated financial statements and 151 of 282 members in the separate financial statements) have accepted the offers but other members have not accepted the offers just yet. As at 31 December 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 440 million and Baht 380 million, respectively.

As a result of discontinued the lifelong membership programs, in 2017, some former members of the program filed complaints against the Company and its subsidiary with the courts and requesting that the Company and its subsidiary continue the program while some of the other former members made claims for indemnity.

Between June and December 2017, the court issued orders for a temporary injunction to some of the former members who have filed complaints against the Company. The essence of the temporary injunction was for the Company to provide medical services to the former members at a normal rate and without any discount and also to allow the other former members to utilize their rights of the programs until the court rules or orders otherwise. Furthermore, the court has ordered for the former members who are under the temporary injunction to enter a contract with the court that they agreed to be held liable for the aforementioned bills to the Company, should the court issue a final judgment that the Company is entitled to cease such program. The Company keeps record of the debt owed to the Company for medical services rendered and shall not collect for such medical bills unless the court rules or orders otherwise.

In December 2017, January 2018 and February 2018, the Civil Court ruled on some of the cases between the former members and the Company that the Company is to continue complying with the terms of the programs. In February 2018, the Civil Court then ruled on some of the other cases between the former members and the Company that, the Company is to continue complying with the terms of the programs and also for the Company to make indemnity payment should the Company could not comply with the terms of the programs. Some of the other cases are still under the consideration of the Civil Court. Nonetheless, the legal advisor of the Company opined that due to all known facts and the provisions of the law, the programs in dispute are deemed contracts of insurance, rendering the cessation of such programs a lawful process. The legal advisor further viewed that the appeal has a good chance of winning the case. Therefore, the management of the Company, under the advisory of the Company's legal advisor, proceeded to utilize its legal right to file an appeal against the ruling of the Civil Court for some of the cases on 20 February 2018, for the Court of Appeal's consideration and ruling which shall serve as precedent of future legal processes. Since such cases are currently under the consideration of the Court of Appeal, the Company could not yet assess on the impacts of the ruling which is not yet definite nor final. The Company keeps record of the debt owed to the Company for medical services rendered and shall not collect for such medical bills unless the court rules.

23. Long-term loans from financial institutions

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2016	7,705,429	7,692,673
Increase	7,400,000	7,400,000
Less: Repayment during the year	(4,248,792)	(4,236,710)
Unrealised gain on foreign exchange	(57,324)	(57,324)
Translation adjustment	(674)	-
Balance as at 31 December 2017	10,798,639	10,798,639
Less: Current portion of long-term loans from financial institutions	(1,463,307)	(1,463,307)
Long-term loans from financial institutions	9,335,332	9,335,332

The outstanding balances of long-term loans from financial institutions of the Group as at 31 December 2017 and 2016 as follows:

The Company

Period of loan agreements		Credit facilities	Principal repayment	Interest rate per annum (%)	Outstanding balance (in million USD.)		Outstanding balance (in million Baht)	
Start	End				2017	2016	2017	2016
Feb. 2008	Feb. 2018	Baht 3,438 million	Monthly	Floating rate + Spread	-	-	57.3	401.1
Nov. 2011	Jun. 2019	Baht 3,000 million	Quarterly	Floating rate + Spread	-	-	719.0	1,119.0
Jan. 2012	Jul. 2020	Baht 586 million	Monthly	Floating rate + Spread	-	-	188.5	304.4
Jun. 2012	Dec. 2019	Baht 1,766 million	Quarterly	Floating rate + Spread	-	-	539.2	808.8
Jul. 2012	Jul. 2017	Baht 2,500 million	Bullet	Fixed rate	-	-	-	2,500.0
Feb. 2014	Jul. 2021	USD 20 million	Semi-annually	Fixed rate	17.3	19.3	569.3	696.0
Apr. 2014	Jun. 2019	Baht 1,000 million	Monthly	Floating rate + Spread	-	-	333.3	583.3
May. 2013	May. 2021	Baht 2,000 million	Semi-annually	Floating rate + Spread	-	-	992.0	1,280.0
Apr. 2017	Apr. 2024	Baht 1,000 million	Bullet	Fixed rate	-	-	1,000.0	-
Sep. 2017	Sep. 2019	Baht 2,000 million	Bullet	Floating rate + Spread	-	-	1,000.0	-
Sep. 2017	Sep. 2019	Baht 2,000 million	Bullet	Fixed rate	-	-	1,000.0	-
Sep. 2017	Sep. 2021	Baht 3,000 million	Bullet	Floating rate + Spread	-	-	2,400.0	-
Sep. 2017	Sep. 2021	Baht 3,000 million	Bullet	Floating rate + Spread	-	-	2,000.0	-
Total long-term loans from financial institutions in separate financial statements					<u>17.3</u>	<u>19.3</u>	<u>10,798.6</u>	<u>7,692.6</u>

The Subsidiary

Period of loan agreements		Credit facilities	Principal and interest repayment	Interest rate per annum (%)	Amount (in million USD.)		Amount (in million Baht)	
Start	End				2017	2016	2017	2016
2007-2008	Apr. 2017	USD 4 million	Quarterly	Floating rate + Spread	-	0.4	-	12.8
Total long-term loans from financial institutions in consolidated financial statements					<u>17.3</u>	<u>19.7</u>	<u>10,798.6</u>	<u>7,705.4</u>

The Group's loan agreements contain certain covenants which the Group must comply such as financial ratios.

24. Liabilities under finance lease agreements

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Liabilities under finance lease agreements	40,245	63,055	4,908	14,795
Less: Deferred interest expense	(1,713)	(1,537)	(27)	(182)
Total	38,532	61,518	4,881	14,613
Less: Current portion of liabilities under finance lease agreements	(22,039)	(43,861)	(4,744)	(11,214)
Liabilities under finance lease agreements - net	16,493	17,657	137	3,399

As at 31 December 2017 and 2016, the Group has future minimum lease payments which required under the finance lease agreements as follows:

	(Unit: Thousand Baht)		
	As at 31 December 2017		
	Consolidated financial statements		
	Less than 1 year	1-5 years	Total
Future minimum finance lease payments	22,969	17,276	40,245
Deferred interest expense	(930)	(783)	(1,713)
Present value of future minimum finance lease payments	22,039	16,493	38,532

	(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 expense	(1,046)	(491)	(1,537)
Present value of future minimum finance lease payments	43,861	17,657	61,518

	(Unit: Thousand Baht)		
	As at 31 December 2017		
	Separate financial statements		
	Less than		
	1 year	1-5 years	Total
Future minimum finance lease payments	4,769	139	4,908
Deferred interest expense	(25)	(2)	(27)
Present value of future minimum finance lease payments	4,744	137	4,881

	(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 expense	(17)	(165)	(182)
Present value of future minimum finance lease payments	11,214	3,399	14,613

The Group has 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.

25. Debentures

Movements of debentures net from debenture expenses and amortisation of expenses during the years ended 31 December 2017 and 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated /Separate financial statements	
	2017	2016
Balance as at beginning of years	12,588,900	10,590,977
Debentures issued during the years	7,000,000	3,000,000
Redemption of debentures during the years	-	(1,000,000)
Debenture expenses	(7,549)	(3,682)
Amortisation of debenture expenses	3,252	1,605
Balance as at ending of years	19,584,603	12,588,900
Less: Current portions	-	-
Debentures	19,584,603	12,588,900

The outstanding balances of Debentures of the Company as at 31 December 2017 and 2016 as follows:

No.	Debentures period		Number of unit	Amount (million baht)	Coupon rate	Outstanding balance (million baht)	
	Issue Date	Maturity Date				2017	2016
BDMS228A	6 Aug. 2012	6 Aug. 2022	500,000	500.0	4.50%	500.0	500.0
BDMS228B	8 Aug. 2012	8 Aug. 2022	100,000	100.0	4.50%	100.0	100.0
BDMS233A	14 Mar. 2013	14 Mar. 2023	4,000,000	4,000.0	4.63%	4,000.0	4,000.0
BDMS205A	10 May 2013	10 May 2020	2,000,000	2,000.0	4.19%	2,000.0	2,000.0
BDMS235A	10 May 2013	10 May 2023	1,000,000	1,000.0	4.39%	1,000.0	1,000.0
BDMS256A*	25 Jun. 2015	25 Jun. 2025	2,000,000	2,000.0	3.95%	2,000.0	2,000.0
BDMS266A	24 Jun. 2016	24 Jun. 2026	3,000,000	3,000.0	2.99%	3,000.0	3,000.0
BDMS202A	8 Feb. 2017	8 Feb. 2020	3,000,000	3,000.0	2.41%	3,000.0	-
BDMS222A	8 Feb. 2017	8 Feb. 2022	2,500,000	2,500.0	2.97%	2,500.0	-
BDMS242A	8 Feb. 2017	8 Feb. 2024	1,500,000	1,500.0	3.46%	1,500.0	-

*The Company has entered into the Interest Rate Swap contract with a financial institution for BDMS256A by converting the fixed coupon rate per annum to the floating interest rate plus spread per annum.

The fair value of such debentures as at December 31, 2017, is between Baht 988.30 per unit to Baht 1,107.57 per unit.

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

26. Convertible debentures

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

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

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

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

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.

On 18 September 2017, the convertible debentures holders had redeemed totalling of Baht 1,560 million at principal amount of the convertible debentures. The Company has made the payment at the Early Redemption Price totally Baht 1,656 million (106.152 percent of the principal Baht 1,560 million).

Movements of convertible debentures net from convertible debenture expenses during the year ended 31 December 2017 are summarised below.

(Unit:Thousand Baht)

	Consolidated/ Separate financial statements			
	Convertible debenture - liability component	Convertible debenture expenses	Total	Convertible debenture - equity component
Balance as at 1 January 2017	9,960,993	(87,426)	9,873,567	585,527
Redemption of convertible debenture	(1,655,971)	10,196	(1,645,775)	(91,342)
Transactions for present value of convertible debentures	516,617	-	516,617	-
Amortisation of debenture expenses	-	29,861	29,861	-
Balance as at 31 December 2017	8,821,639	(47,369)	8,774,270	494,185

The fair value of convertible debentures as of 31 December 2017, is equal to 107.4 percent per unit.

27. Non-current provision for employee benefits

Non-current provision for employee benefits, which is compensations on employees' retirement and medical care after post-employment, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Retirement benefits		Medical care after post-employment		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Defined benefit obligation at beginning of years	1,672,248	1,529,573	573,791	723,993	2,246,039	2,253,566
Increase from acquisitions	27,490	-	-	-	27,490	-
Current service cost	142,474	140,688	4,988	4,714	147,462	145,402
Interest cost	38,466	42,535	7,447	9,032	45,913	51,567
Adjust from condition changing of defined benefit plan	-	-	(50,437)	-	(50,437)	-
Benefits paid during the years	(57,576)	(40,548)	(350,614)	(163,948)	(408,190)	(204,496)
Defined benefit obligation at end of years	1,823,102	1,672,248	185,175	573,791	2,008,277	2,246,039
Less: Current provision for employee benefits	-	-	(2,442)	(317,891)	(2,442)	(317,891)
Non-current provision for employee benefits	<u>1,823,102</u>	<u>1,672,248</u>	<u>182,733</u>	<u>255,900</u>	<u>2,005,835</u>	<u>1,928,148</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Retirement benefits		Medical care after post-employment		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Defined benefit obligation at beginning of years	376,929	348,779	495,592	645,794	872,521	994,573
Current service cost	28,384	27,281	4,988	4,714	33,372	31,995
Interest cost	674	7,719	7,447	9,032	8,121	16,751
Adjust from condition changing of defined benefit plan	-	-	(50,437)	-	(50,437)	-
Benefits paid during the years	(16,860)	(6,850)	(272,415)	(163,948)	(289,275)	(170,798)
Defined benefit obligation at end of years	389,127	376,929	185,175	495,592	574,302	872,521
Less: Current provision for employee benefits	-	-	(2,442)	(239,691)	(2,442)	(239,691)
Non-current provision for long-term employee benefits	<u>389,127</u>	<u>376,929</u>	<u>182,733</u>	<u>255,901</u>	<u>571,860</u>	<u>632,830</u>

Long-term employee benefit expenses included in income statement were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current service cost	147,462	145,402	33,372	31,995
Interest cost	45,913	51,567	8,121	16,751
Total expense recognised in income statement	193,375	196,969	41,493	48,746
Line items under which such expenses are included in income statement				
Cost of hospital operations, sales and services	109,596	104,711	17,978	24,490
Administrative expenses	83,779	92,258	23,515	24,256

Expected maturity analysis of undiscounted defined benefit obligations as at 31 December 2017:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	Less than a year	Between 2-5 years	Over 5 years	Total
Defined benefit obligations	69,064	398,629	8,517,910	8,985,603

	(Unit: Thousand Baht)			
	Separate financial statements			
	Less than a year	Between 2-5 years	Over 5 years	Total
Defined benefit obligations	27,425	97,543	1,611,540	1,736,508

Significant actuarial assumptions were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	(% per annum)		(% per annum)	
Discount rate	3.0 - 3.2, 3.8	3.1 - 3.2, 3.8	3.1, 3.8	3.1, 3.8
Future salary increase rate (depending on age of employee)	5.0	5.0	5.0	5.0
Turnover rate	0.0 - 20.0	0.0 - 20.0	0.0 - 14.0	0.0 - 14.0

The result of sensitivity analysis for significant assumptions that affect the present value of the non-current employee benefit obligation as at 31 December 2017 and 2016 are summarised below:

(Unit: Million Baht)

	As at 31 December 2017			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(194.9)	238.2	(53.3)	69.4
Salary increase rate	257.4	(219.0)	45.0	(38.4)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Turnover rate	(198.0)	241.1	(44.3)	53.3

(Unit: Million Baht)

	As at 31 December 2016			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(179.5)	219.9	(48.9)	64.1
Salary increase rate	212.1	(181.6)	34.5	(29.7)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Turnover rate	(158.7)	191.2	(34.6)	41.2

28. Share 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.

29. Dividend

2016 Dividend payment

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2015	Annual General Meeting of the shareholders on 21 April 2016	4,027	0.26
Interim dividends for 2016	Board of Directors' meeting on 31 August 2016	1,548	0.10
Total dividend during the year ended 31 December 2016		5,575	0.36

The Company paid such final dividends and interim dividends in May 2016 and in September 2016, respectively.

2017 Dividend payment

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2016	Annual General Meeting of the shareholders on 12 April 2017	2,942	0.19
Interim dividends for 2017	Board of Directors' meeting on 30 August 2017	2,013	0.13
Total dividend during the year ended 31 December 2017		4,955	0.32

The Company paid such final dividends and interim dividends in April 2017 and in September 2017, respectively.

30. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. In the second quarter of 2017, the Company has set aside statutory reserve of Baht 5.82 million.

31. Expenses by nature

Significant expenses by nature for the years ended 31 December 2017 and 2016 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Employee expenses	17,319.2	16,342.9	3,220.8	3,251.5
Doctor fee	15,634.5	14,675.0	2,842.9	2,809.8
Cost of drugs and supplies	9,509.6	9,200.4	1,778.8	1,839.5
Depreciation and amortisation	5,167.7	4,803.8	967.6	937.6
Advertising and public relation expenses	799.9	745.7	318.3	294.1
Rental expense	875.4	847.2	117.3	121.2

32. Income tax

Income tax of the Group are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended		For the years ended	
	31 December		31 December	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Corporate income tax for the years	2,512,704	2,007,632	843,397	306,892
Adjustments in respect of corporate income tax of previous years	20,576	4,669	13,653	6,213
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>30,260</u>	<u>(90,000)</u>	<u>86,870</u>	<u>45,639</u>
Income tax expense reported in the income statements	<u><u>2,563,540</u></u>	<u><u>1,922,301</u></u>	<u><u>943,920</u></u>	<u><u>358,744</u></u>

The amounts of income tax relating to each component of other comprehensive income (loss) are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended		For the years ended	
	31 December		31 December	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax relating to gain (loss) on change in value of available-for-sale investments	38,037	(8,328)	20,816	14,943
Deferred tax relating to gain on revaluation of land	<u>(548,178)</u>	<u>(9,808)</u>	<u>(348,662)</u>	<u>-</u>
Income tax revenue (expense) charged directly to other comprehensive income	<u><u>(510,141)</u></u>	<u><u>(18,136)</u></u>	<u><u>(327,846)</u></u>	<u><u>14,943</u></u>

Reconciliation between income tax and the product of accounting profit multiplied by the applicable tax rate is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended		For the years ended	
	31 December		31 December	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Accounting profit before tax	<u>13,138,242</u>	<u>10,694,165</u>	<u>7,995,439</u>	<u>7,294,182</u>
Corporate income tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	2,627,648	2,138,833	1,599,088	1,458,836
Adjustments in respect of corporate income tax expense of previous years	20,576	4,669	13,653	6,213
Effects of:				
Promotional privileges	(95,800)	(81,211)	(46,463)	(51,164)
Dividend income not subject to tax	(1,559)	(2,138)	(706,964)	(1,083,251)
Tax losses of the current year for which no deferred income tax asset was recognised	214,492	184,252	-	-
Utilisation of previously unrecognised tax losses	(7,613)	(1,145)	-	-
Share of income from investments in associates	(283,462)	(273,991)	-	-
Difference in gain on disposal an associate between equity and cost method	108,396	-	-	-
Non-deductible expenses and others	117,346	48,019	107,564	41,039
Additional expense deductions allowed	(136,484)	(94,987)	(22,958)	(12,929)
Total	<u>(84,684)</u>	<u>(221,201)</u>	<u>(668,821)</u>	<u>(1,106,305)</u>
Income tax reported in the income statements	<u>2,563,540</u>	<u>1,922,301</u>	<u>943,920</u>	<u>358,744</u>
Effective income tax rates	<u>19.51%</u>	<u>17.98%</u>	<u>11.81%</u>	<u>4.92%</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	As at 31 December 2017	As at 31 December 2016	As at 31 December 2017	As at 31 December 2016
Deferred tax assets				
Allowance for doubtful accounts	98,340	76,298	37,628	30,803
Allowance to reduce cost to net realisable value	4,193	1,271	95	122
Allowance for asset impairment	33,450	3,153	30,896	30,897
Allowance for impairment for premises and equipment	5,015	4,351	1,553	-
Accrued expenses and other provisions	329,832	435,204	161,591	250,513
Provision for long-term employee benefits	401,655	384,871	114,861	125,807
Others	1,126	3,658	-	-
Total	873,611	908,806	346,624	438,142
Deferred tax liabilities				
Accumulated depreciation - premises and equipment	271,444	241,847	67,461	58,991
Amortisation of expense for debentures, convertible debentures	12,553	19,705	12,561	19,705
Gain on fair value adjustment of investment properties	19,177	19,381	77,047	83,021
Gain on change in value of available-for-sale investments	54,634	92,671	54,337	75,153
Revaluation surplus on land and premises	3,294,906	2,646,960	520,986	172,324
Total	3,652,714	3,020,564	732,392	409,194
Deferred tax assets (liabilities) - net	(2,779,103)	(2,111,758)	(385,768)	28,948

Deferred tax assets and liabilities in statement of financial position were as follows:

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax assets	68,014	75,107	-	28,948
Deferred tax liabilities	(2,847,117)	(2,186,865)	(385,768)	-
Deferred tax assets (liabilities) - net	(2,779,103)	(2,111,758)	(385,768)	28,948

As at 31 December 2017, the subsidiaries have unused tax losses totaling Baht 3,150.5 million (2016: Baht 2,152.8 million), on which deferred tax assets have not been recognised as there are uncertain political and economic future which affect the utilisation of unused tax losses.

Details of expiry date of unused tax losses of subsidiaries are summarised as below:

	(Unit: Million Baht)	
	<u>2017</u>	<u>2016</u>
31 December 2017	-	74.8
31 December 2018	197.7	197.7
31 December 2019	443.8	443.8
31 December 2020	515.2	515.2
31 December 2021	921.3	921.3
31 December 2022	1,072.5	-
	<u>3,150.5</u>	<u>2,152.8</u>

33. Earnings per share

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

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit for the years (Baht)	10,215,739,620	8,386,477,660	7,051,518,695	6,935,437,788
Number of ordinary shares (shares)	15,490,956,540	15,490,956,540	15,490,956,540	15,490,956,540
Earnings per share (Baht/share)	0.66	0.54	0.46	0.45

Diluted earnings per share

No disclosure of diluted earnings per share is required for years of 2017 and 2016 after the issue of convertible debentures (as described in Note 26) since the calculated earnings per share assuming the conversion of all convertible debentures to ordinary shares is antidilutive.

34. Commitments and contingent liabilities

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

(Unit: Million Baht)

	As at 31 December 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	255	434	794	22	57	91
- the office equipment rental and other services	469	273	10	290	-	-
- the medical equipment provision and maintenance contracts	177	106	-	122	-	-
- the building construction and decoration contracts	1,591	1	-	714	-	-
Total	2,492	814	804	1,148	57	91

(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	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	2,302	586	848	1,107	45	101

The Company

The Company has entered into 4-year rental agreements which ended on 27 September 2020 with a company to operate medical clinic. 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 Subsidiaries

A subsidiary has entered into a rental agreement with a company to operate medical clinic in a building for a period of 5 years enter 27 January 2019. The subsidiary has to pay fee at the rate stipulated in the agreement, of monthly gross operating revenue before deducted any expenses or the minimum fee, as stipulated in agreement, whichever higher.

A subsidiary has entered into a rental agreement with a company to operate medical clinic in a building for a period of 5 years ended of 15 March 2022. The subsidiary has to pay fee at the rate stipulated in the agreement, of monthly gross operating revenue before deducted any expense or the minimum fee, as stipulated in agreement, whichever higher.

Contingent liabilities

As at 31 December 2017, the Group had outstanding bank guarantees of approximately Baht 388 million (2016: Baht 336 million) and the Company's was Baht 39 million (2016: Baht 35 million) issued by the bank on behalf of the Group in respect of certain performance bonds as required in the normal course of business, such as facility usage and contractual performance.

35. 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 Group has 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, distribution and providing service for health and cosmetic goods, 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 Group 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 years 2017 and 2016, the Group has no major customer with revenue of 10 percent or more of its revenues.

36. Promotional privileges

The Company and some subsidiaries in the Group have been granted promotional privileges under The Investment Promotion Act B.E. 2520 for operation as follows:

Company	Types of promoted operation	Corporate income tax exemption period	Promotional privileges period (commencement and expiration year)
Bangkok Dusit Medical Services Public Company Limited	Hospital business Type 7.7	8 years	2010 - 2018
A.N.B. Laboratories Co., Ltd.	Production of large-volume of sterile solution (saline solution)	8 years	2017 - 2025
	Production of injectable contraceptives	5 years	2015 - 2020
	Production of small-volume of sterile solution, type 6.5	5 years	2015 - 2020
The Medicpharma Co., Ltd.	Production of modern medicines for human and animal use, type 6.5	8 years	2016 - 2024
Bangkok Helicopter Services Co., Ltd.	Air transport, type 7.3.4	5 years	2017 - 2022
National Healthcare Systems Co., Ltd.	Service of scientific laboratories, type 7.21	8 years	2015 - 2023
N Health Pathology Co., Ltd.	Service of scientific laboratories, type 7.14	8 years	No revenue that entitled to the promotional privileges.

The Company and the subsidiaries receive privileges as follows:

1. Exemption of import duty on machinery as approved by the board.
2. Exemption from corporate income tax derived from the promoted operation, with the limited rate of 100 percent of the investment excluding land and working capital for periods as described in the above table.
3. In case of losses being incurred during the corporate income tax exemption period, the Group are allowed to utilise the loss as a deduction against net profits for a period of 5 years after exemption period.
4. Exemption from income tax on dividend paid from the profit of the promoted operation throughout the tax exemption period.
5. Revenues that must be included in calculation of net profit is revenue from sales of by products such as scrap or waste from production process (only The Medicpharma Co., Ltd. and A.N.B. Laboratories Co., Ltd.).

The Group must comply with the conditions stipulated in the investment promotional privileges.

Revenues of the Group for the years 2017 and 2016 can be separated between the promoted and non-promoted operation as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Promoted operation		Non-promoted operation		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenue from hospital operations	774,763	783,744	68,348,156	64,452,779	69,122,919	65,236,523
Revenue from sales of goods	1,487,601	672,448	1,321,980	1,994,531	2,809,581	2,666,979
Other income	38,017	-	3,748,954	1,222,712	3,786,971	1,222,712
Total revenues	<u>2,300,381</u>	<u>1,456,192</u>	<u>73,419,090</u>	<u>67,670,022</u>	<u>75,719,471</u>	<u>69,126,214</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operation		Non-promoted operation		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenue from hospital operations	734,836	741,957	12,712,008	12,588,188	13,446,844	13,330,145
Other income	-	-	8,477,074	7,166,130	8,477,074	7,166,130
Total revenues	<u>734,836</u>	<u>741,957</u>	<u>21,189,082</u>	<u>19,754,318</u>	<u>21,923,918</u>	<u>20,496,275</u>

37. Fair value hierarchy

As at 31 December 2017 and 2016, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	As at 31 December 2017			
	Consolidated Financial Statements			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets measured at fair value				
Mutual funds	-	510	-	510
Available-for-sale investments				
Equity instruments	468	-	-	468
Investment properties	-	-	308	308
Land	-	33,861	-	33,861
Financial assets measured at fair value				
Investments in associates	41,913	-	-	41,913
Derivative				
Selling forward exchange contracts	-	0.1	-	0.1
Liabilities for which fair value are disclosed				
Derivative				
Interest rate swap	-	75	-	75
Debentures	-	20,562	-	20,562
Convertible debentures	9,064	-	-	9,064

(Unit: Million Baht)

As at 31 December 2016

	Consolidated Financial Statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Mutual funds	-	505	-	505
Available-for-sale investments				
Equity instruments	659	-	-	659
Investment properties	-	-	307	307
Land	-	20,084	-	20,084
Financial assets measured at fair value				
Investments in associates	47,707	-	-	47,707
Derivative				
Selling forward exchange contracts	-	0.1	-	0.1
Liabilities for which fair value are disclosed				
Derivative				
Interest rate swap	-	13	-	13
Debentures	-	12,094	-	12,094
Convertible debentures	11,274	-	-	11,274

(Unit: Million Baht)

As at 31 December 2017

	Separate Financial Statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Mutual funds	-	0.4	-	0.4
Available-for-sale investments				
Equity instruments	313	-	-	313
Investment properties	-	-	675	675
Land	-	5,469	-	5,469
Financial assets measured at fair value				
Investments in associates	41,913	-	-	41,913
Liabilities for which fair value are disclosed				
Derivatives				
Interest rate swap	-	75	-	75
Debentures	-	20,562	-	20,562
Convertible debentures	9,064	-	-	9,064

(Unit: Million Baht)

As at 31 December 2016

	Separate Financial Statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Mutual funds	-	0.4	-	0.4
Available-for-sale investments				
Equity instruments	417	-	-	417
Investment properties	-	-	704	704
Land	-	3,726	-	3,726
Financial assets measured at fair value				
Investments in associates	47,707	-	-	47,707
Liabilities for which fair value are disclosed				
Derivatives				
Interest rate swap	-	13	-	13
Debentures	-	12,094	-	12,094
Convertible debentures	11,274	-	-	11,274

38. Financial instruments

38.1 Financial risk management

The Group's financial instruments, which are defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentation", principally comprise the financial assets and liabilities mentioned in Note 4.20 to financial statements. The Group has the financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade, loans and other receivables. The Group manages the risk by adopting appropriate credit control policies and procedures, therefore does not expect to incur material financial losses. The Group does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade, loans and other receivables as stated in the statement of financial position.

Interest rate risk

The Group is exposed to interest rate risk relates primarily to its cash at banks, bank overdrafts, short-term loans, long-term loans, and debentures. However, most of financial assets and liabilities bear floating interest rates or fixed interest rates which are closed to the market rate and the Company enters into interest rate swap contract to manage this risk as appropriate.

Interest rate swap contract

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

On 4 April 2014, the Company entered into a nine-year interest rate swap contract with a financial institution by converting the interest rate of fixed rate per annum to fixed rate for the first 4 years and floating rate based on Fixed Deposit Rate plus fixed rate per annum for the last 5 years on the debentures balance as described in Note 25. 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. The interest rate swap contract was terminated on 30 June 2016.

On 17 June 2015, the Company entered into a 10-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 25.

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

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2017	2016	2017	2016
Fair value of interest rate swap contract - asset	75.4	13.2	75.4	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.

Significant financial assets and liabilities classified by type of interest rate are as follows:

	(Unit: Million Baht)					
	As at 31 December 2017					
	Consolidated financial statements					
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within 1 year	1-5 years	Over 5 years			
Financial Assets						
- Cash and cash equivalent	6	-	-	5,044	41	5,091
- Short-term investments	572	-	-	-	-	572
- Trade and other accounts receivable	-	-	-	-	6,940	6,940
- Restricted financial institution deposit	8	-	-	-	-	8
- Investments	-	-	-	-	16,453	16,453
	586	-	-	5,044	23,434	29,064
Financial liabilities						
- Bank overdrafts and short-term loans from financial institutions	-	-	-	72	-	72
- Trade and other payables	-	-	-	-	4,750	4,750
- Short-term loans	67	-	-	-	-	67
- Long-term loans	-	1,000	1,000	8,799	-	10,799
- Liabilities under finance lease agreements	22	16	-	-	-	38
- Debentures	-	13,091	6,493	-	-	19,584
- Convertible debentures	-	8,774	-	-	-	8,774
	89	22,881	7,493	8,871	4,750	44,084

(Unit: Million Baht)

As at 31 December 2016

Consolidated financial statements

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within 1 year	1-5 years	Over 5 years			
Financial Assets						
- Cash and cash equivalent	6	-	-	4,182	29	4,217
- Short-term investments	548	-	-	-	-	548
- Trade and other accounts receivable	-	-	-	-	6,257	6,257
- Restricted financial institution deposit	44	-	-	2	-	46
- Investments	-	-	-	-	17,237	17,237
	598	-	-	4,184	23,523	28,305
Financial liabilities						
- Bank overdrafts and short-term loans from financial institution	-	-	-	1,579	-	1,579
- Trade and other payables	-	-	-	-	4,400	4,400
- Short-term loans	89	-	-	-	-	89
- Long-term loans	-	2,500	-	5,205	-	7,705
- Liabilities under finance lease agreements	44	18	-	-	-	62
- Debentures	-	2,599	9,990	-	-	12,589
- Convertible debentures	-	9,874	-	-	-	9,874
	133	14,991	9,990	6,784	4,400	36,298

(Unit: Million Baht)

As at 31 December 2017

Separate financial statements

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within 1 year	1-5 years	Over 5 years			
Financial Assets						
- Cash and cash equivalent	-	-	-	2,614	5	2,619
- Trade and other receivables	-	-	-	-	1,438	1,438
- Short-term loans to subsidiaries	-	-	-	2,724	-	2,724
- Long-term loans to related parties	-	-	-	4,790	-	4,790
- Investments	-	-	-	-	60,707	60,707
	-	-	-	10,128	62,150	72,278
Financial liabilities						
- Trade and other payables	-	-	-	-	980	980
- Short-term loans from subsidiaries	-	-	-	9,952	-	9,952
- Long-term loans	-	1,000	1,000	8,799	-	10,799
- Liabilities under finance lease agreements	5	-	-	-	-	5
- Debentures	-	13,091	6,493	-	-	19,584
- Convertible debentures	-	8,774	-	-	-	8,774
	5	22,865	7,493	18,751	980	50,094

(Unit: Million Baht)

As at 31 December 2016						
Separate financial statements						
Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total
Financial Assets						
- Cash and cash equivalent	-	-	-	2,756	7	2,763
- Trade and other receivables	-	-	-	-	1,039	1,039
- Short-term loans to related parties	-	-	-	2,143	-	2,143
- Long-term loans to related parties	-	-	-	5,130	-	5,130
- Investments	-	-	-	-	49,887	49,887
	-	-	-	10,029	50,933	60,962
Financial liabilities						
- Bank overdrafts and short-term loans from financial institution	-	-	-	1,500	-	1,500
- Trade and other payables	-	-	-	-	849	849
- Short-term loans from subsidiaries	-	-	-	8,343	-	8,343
- Long-term loans	-	2,500	-	5,193	-	7,693
- Liabilities under finance lease agreements	11	3	-	-	-	14
- Debentures	-	2,599	9,990	-	-	12,589
- Convertible debentures	-	9,874	-	-	-	9,874
	11	14,976	9,990	15,036	849	40,862

Foreign currency risk

The Group are exposed to foreign currency risk mainly in respect of purchase of medical tools and equipment, sales of goods and services transactions which are denominated in foreign currencies. A subsidiary seeks to manage this risk by entering into forward exchange contracts. Generally, the forward contracts mature within one year.

Forward exchange contract

As at 31 December 2017 and 2016, a subsidiary 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 December 2017	US Dollar	400,000	32.61 - 33.22
31 December 2016	US Dollar	358,595	35.12 - 35.93

Net fair value

Net fair value of forward exchange contracts at the statements of financial position date as follows:

Selling forward exchange contract

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Fair value of selling forward exchange contract (liabilities)	67.8	(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.

38.2 Fair values of financial instruments

Since the majority of the Group financial instruments bear floating interest rates or fixed interest rates which are close to market rate, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

39. Capital management

The primary objective of the Group capital management is to ensure that they have appropriate capital structure in order to support its business and maximise shareholders value. As at 31 December 2017, the Group's debt-to-equity ratio was 0.86:1.0 (2016: 0.84:1.0) and the Company's debt-to-equity ratio was 1.62:1.0 (2016: 1.50:1.0).

40. Approval of financial statements

These financial statements have been authorised for issue by the Company's Board of Directors on 28 February 2018.