

Bangkok Dusit Medical Services Public Company Limited
and its subsidiaries
Review report and consolidated interim financial statements
For the three-month period ended 31 March 2018

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Bangkok Dusit Medical Services Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Bangkok Dusit Medical Services Public Company Limited and its subsidiaries as at 31 March 2018, the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements, and have also reviewed the separate financial information of Bangkok Dusit Medical Services Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Accounting Standard No. 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Emphasis of matter

I draw attention to Note 10 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 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 March 2018, 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 438 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 and between January 2018 and April 2018, the Civil Court ruled on some of the cases between the former members and the Company and its subsidiary that the Company and its subsidiary are to continue complying with the terms of the programs. Between February and April 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 and its subsidiary opined that due to all known facts and the provisions of the law, the programs in dispute are 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 and its subsidiary's appeal. Therefore, the management, under the opinion of the Company and its subsidiary's legal advisor, proceed to utilise its legal right to file an appeal against the ruling of the Civil Court for all cases, 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 and its subsidiary could not yet assess the impacts of the ruling which is not yet definite nor final. The Company and its subsidiary keep record of the debt owed to the Company and its subsidiary for medical services rendered and shall not collect for such medical bills unless the court rules.

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

Wichart Lokatekrawee
Certified Public Accountant (Thailand) No. 4451

EY Office Limited
Bangkok: 14 May 2018

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2018

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	<u>Note</u>	<u>31 March 2018</u>	<u>31 December 2017</u>	<u>31 March 2018</u>	<u>31 December 2017</u>
		(Unaudited	(Audited)	(Unaudited	(Audited)
		but reviewed)		but reviewed)	
Assets					
Current assets					
Cash and cash equivalents		6,562,657	5,091,153	3,545,728	2,618,964
Short-term investments		573,263	571,624	393	393
Trade and other receivables	2, 3	7,385,582	6,939,934	1,529,624	1,438,390
Short-term loans to subsidiaries	3	-	-	2,552,124	2,723,765
Dividend receivable - related parties	3	4,339	-	3,015,647	-
Inventories		1,592,416	1,735,272	99,962	113,242
Other current assets		20,139	21,085	-	-
Total current assets		16,138,396	14,359,068	10,743,478	6,894,754
Non-current assets					
Restricted financial institution deposits		8,427	7,948	-	-
Investments in associates	4	16,099,493	15,807,179	7,948,499	7,948,499
Investments in subsidiaries	5	-	-	52,435,450	52,435,450
Other long-term investments	6	568,756	645,800	274,489	323,321
Long-term loans to subsidiaries	3	-	-	4,711,257	4,790,396
Investment properties		308,118	307,777	675,700	675,359
Property, premises and equipment	7	71,853,293	71,559,483	12,480,881	12,316,569
Goodwill		17,538,869	17,538,869	-	-
Intangible assets		1,230,301	1,237,368	508,391	503,730
Deferred tax assets		61,232	68,013	-	-
Other non-current assets					
Leasehold rights	3	661,047	664,715	330,529	334,256
Others	3	416,693	430,471	15,070	49,109
Total non-current assets		108,746,229	108,267,623	79,380,266	79,376,689
Total assets		124,884,625	122,626,691	90,123,744	86,271,443

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2018

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	31 March 2018	31 December 2017	31 March 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	8	64,441	72,337	-	-
Trade and other payables	3, 9	4,625,968	4,749,670	965,843	979,557
Accrued expenses		4,608,873	5,223,014	1,086,725	1,366,207
Liabilities for discontinued life long medical care program	10	438,468	440,022	379,777	379,777
Current portion of long-term liabilities					
- Long-term loans from financial institutions	11	1,413,897	1,463,307	1,413,897	1,463,307
- Liabilites under finance lease agreements	12	19,068	22,039	3,011	4,744
Short-term loans from non-related parties		67,000	67,000	-	-
Short-term loans from subsidiaries	3	-	-	10,938,717	9,952,014
Income tax payable		1,201,404	706,016	237,873	108,494
Current provision for employee benefits		77	2,442	77	2,442
Deferred income - membership due within one year		227,667	224,098	102,793	101,030
Other current liabilities	3	534,470	447,169	98,389	121,038
Total current liabilities		13,201,333	13,417,114	15,227,102	14,478,610
Non-current liabilities					
Long-term loans from financial insitutions	11	9,015,047	9,335,332	9,015,047	9,335,332
Liabilities under finance lease agreements	12	16,584	16,493	518	137
Debentures	13	19,585,452	19,584,603	19,585,452	19,584,603
Convertible debentures - liability component	14	8,851,655	8,774,270	8,851,655	8,774,270
Non-current provision for employee benefits		2,034,732	2,005,836	581,674	571,861
Deferred income - membership		628,265	632,004	125,849	122,067
Deferred tax liabilities		2,843,195	2,847,116	492,331	385,768
Other non-current liabilities	3	137,178	142,809	37,383	44,560
Total non-current liabilities		43,112,108	43,338,463	38,689,909	38,818,598
Total liabilities		56,313,441	56,755,577	53,917,011	53,297,208

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital				
Registered				
17,582,235,672 ordinary shares of Baht 0.1 each	<u>1,758,224</u>	<u>1,758,224</u>	<u>1,758,224</u>	<u>1,758,224</u>
Issued and fully paid-up				
15,490,956,540 ordinary shares of Baht 0.1 each	1,549,096	1,549,096	1,549,096	1,549,096
Premium on ordinary shares	20,572,873	20,572,873	20,509,949	20,509,949
Difference from shareholding restructure	305,000	305,000	-	-
Surplus investment over book value of subsidiaries	(2,683,472)	(2,683,447)	-	-
Retained earnings				
Appropriated - statutory reserve	175,822	175,822	175,822	175,822
Unappropriated	37,233,866	34,314,505	11,215,455	7,943,891
Other components of shareholders' equity	<u>8,651,937</u>	<u>8,837,350</u>	<u>2,756,411</u>	<u>2,795,477</u>
Equity attributable to owners of the Company	65,805,122	63,071,199	36,206,733	32,974,235
Non - controlling interests of the subsidiaries	<u>2,766,062</u>	<u>2,799,915</u>	-	-
Total shareholders' equity	<u>68,571,184</u>	<u>65,871,114</u>	<u>36,206,733</u>	<u>32,974,235</u>
Total liabilities and shareholders' equity	<u>124,884,625</u>	<u>122,626,691</u>	<u>90,123,744</u>	<u>86,271,443</u>
	-	-	-	-

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

Directors

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Income statement

For the three-month period ended 31 March 2018

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

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Revenues					
Revenues from hospital operations	3	19,057,282	16,535,395	3,704,563	3,312,927
Revenue from sales of goods	3	783,361	654,567	-	-
Other income					
Interest income and gain on sale of short-term investments		11,093	6,710	74,718	80,232
Dividend income	5, 6	3,200	-	3,018,847	1,700,941
Others		188,207	205,025	297,778	267,130
Total other income		202,500	211,735	3,391,343	2,048,303
Total revenues		20,043,143	17,401,697	7,095,906	5,361,230
Expenses					
Cost of hospital operations and goods sold	3	12,630,861	11,431,228	2,227,900	2,009,006
Administrative expenses	3	3,767,103	3,425,802	994,940	908,412
Total expenses		16,397,964	14,857,030	3,222,840	2,917,418
Profit before share of income from investments in associates, finance cost and income tax expense					
Share of income from investments in associates	4	367,754	324,225	-	-
Profit before finance cost and income tax expense					
Finance cost	3	(317,150)	(363,052)	(342,908)	(383,279)
Profit before income tax expense		3,695,783	2,505,840	3,530,158	2,060,533
Income tax expense	15	(648,057)	(461,787)	(258,594)	(85,602)
Profit for the periods		3,047,726	2,044,053	3,271,564	1,974,931
Profit attributable to:					
Owners of the Company		2,919,361	1,973,628	3,271,564	1,974,931
Non-controlling interests of the subsidiaries		128,365	70,425		
		3,047,726	2,044,053		
Basic earnings per share					
Profit attributable to owners of the Company	16	0.19	0.13	0.21	0.13
Weighted average number of ordinary shares (shares)		15,490,956,540	15,490,956,540	15,490,956,540	15,490,956,540

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 31 March 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profits for the periods	<u>3,047,726</u>	<u>2,044,053</u>	<u>3,271,564</u>	<u>1,974,931</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to</i>				
<i>profit or loss in subsequent periods</i>				
Loss on change in value of available-for-sale				
investments - net of income tax	(47,257)	(70,638)	(39,066)	(34,537)
Exchange differences on translation of				
financial statements in foreign currencies	(68,261)	(30,229)	-	-
Share of other comprehensive income from associates	<u>(69,457)</u>	<u>105,874</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to				
profit or loss in subsequent periods - net of income tax	<u>(184,975)</u>	<u>5,007</u>	<u>(39,066)</u>	<u>(34,537)</u>
Other comprehensive income for the periods	<u>(184,975)</u>	<u>5,007</u>	<u>(39,066)</u>	<u>(34,537)</u>
Total comprehensive income for the periods	<u><u>2,862,751</u></u>	<u><u>2,049,060</u></u>	<u><u>3,232,498</u></u>	<u><u>1,940,394</u></u>
Total comprehensive income attributable to:				
Owners of the Company	2,735,591	1,979,706	<u>3,232,498</u>	<u>1,940,394</u>
Non-controlling interests of the subsidiaries	<u>127,160</u>	<u>69,354</u>		
	<u><u>2,862,751</u></u>	<u><u>2,049,060</u></u>		

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

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2018

(Unit: Thousand Baht)

Consolidated financial statements														
Equity attributable to owners of the Company														
	Other components of shareholders' equity													
	Other comprehensive income													
	Surplus (deficit) on changes in value of		Exchange differences on translation of		Share of other components of		Convertible debentures - equity		Total other components of		Total equity attributable to owners of		Equity attributable to non-controlling interest of the	
	Issued and paid-up share capital	Premium on ordinary shares	Difference from shareholding restructure	Surplus investment over book value of subsidiaries	Retained earnings Appropriated-statutory reserve	Unappropriated	available-for-sale investments	Revaluation surplus on land	financial statements in foreign currency	equity from associates	equity	the Company	subsidiaries	Total shareholders' equity
Balance as at 31 December 2016	1,549,096	20,481,531	305,000	(2,680,290)	170,000	29,069,149	370,577	5,136,306	30,734	700,932	585,527	6,824,076	55,718,562	58,304,854
Profit for the period	-	-	-	-	-	1,973,628	-	-	-	-	-	-	1,973,628	2,044,053
Other comprehensive income for the period	-	-	-	-	-	(1,309)	(70,638)	-	(29,158)	107,183	-	7,387	6,078	5,007
Total comprehensive income for the period	-	-	-	-	-	1,972,319	(70,638)	-	(29,158)	107,183	-	7,387	1,979,706	2,049,060
Share of Interest paid for convertible debentures treated as equity securities from an associate	-	-	-	-	-	-	-	-	-	(1,919)	-	(1,919)	(1,919)	(1,919)
Change in non-controlling interests of subsidiaries from purchase investments in subsidiaries	-	-	-	(266)	-	-	-	-	-	-	-	(266)	(1,827)	(2,093)
Decrease in non-controlling interests of subsidiaries from dividend of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(103,455)	(103,455)
Balance as at 31 March 2017	1,549,096	20,481,531	305,000	(2,680,556)	170,000	31,041,468	299,939	5,136,306	1,576	806,196	585,527	6,829,544	57,696,083	60,246,447

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

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2018

(Unit: Thousand Baht)

Consolidated financial statements																
Equity attributable to owners of the Company																
Other components of shareholders' equity																
Other comprehensive income																
Surplus (deficit) 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																
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	financial statements in	equity from associates	- equity component	shareholders' equity	the Company	subsidaries	equity
Balance as at 31 December 2017	1,549,096	20,572,873	305,000	(2,683,447)	175,822	34,314,505	218,427	7,336,861	(31,890)	819,767	494,185	8,837,350	63,071,199	2,799,915	65,871,114	
Profit for the period	-	-	-	-	-	2,919,361	-	-	-	-	-	-	2,919,361	128,365	3,047,726	
Other comprehensive income for the period	-	-	-	-	-	-	(47,258)	-	(67,055)	(69,457)	-	(183,770)	(183,770)	(1,205)	(184,975)	
Total comprehensive income for the period	-	-	-	-	-	2,919,361	(47,258)	-	(67,055)	(69,457)	-	(183,770)	2,735,591	127,160	2,862,751	
Share of Interest paid for convertible debentures treated as equity securities from an associate	-	-	-	-	-	-	-	-	-	(1,643)	-	(1,643)	(1,643)	-	(1,643)	
Change in non-controlling interests of subsidiaries from purchase and sale investments in subsidiaries	-	-	-	(25)	-	-	-	-	-	-	-	-	(25)	(879)	(904)	
Decrease in non-controlling interests of subsidiaries from dividend of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(160,134)	(160,134)	
Balance as at 31 March 2018	1,549,096	20,572,873	305,000	(2,683,472)	175,822	37,233,866	171,169	7,336,861	(98,945)	748,667	494,185	8,651,937	65,805,122	2,766,062	68,571,184	

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

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2018

(Unit: Thousand Baht)

Separate financial statements								
				Other components of shareholders' equity				
				Other comprehensive income				
				Surplus (deficit)				
				on changes				
				in value of				
				Retained earnings				
				Appropriated- statutory reserve				
				Unappropriated				
				available-for-sale				
				Revaluation surplus on				
				Convertible debentures - equity				
				Total other components of shareholders' equity				
				Total shareholders' equity				
Issued and paid-up share capital	Premium on ordinary shares	reserve	Unappropriated	investments	land	component	equity	equity
Balance as at 31 December 2016	1,549,096	20,418,607	170,000	5,852,887	300,613	673,862	585,527	29,550,592
Profit for the period	-	-	-	1,974,931	-	-	-	1,974,931
Other comprehensive income for the period	-	-	-	(34,537)	-	-	(34,537)	(34,537)
Total comprehensive income for the period	-	-	-	1,974,931	(34,537)	-	(34,537)	1,940,394
Balance as at 31 March 2017	1,549,096	20,418,607	170,000	7,827,818	266,076	673,862	585,527	31,490,986
Balance as at 31 December 2017	1,549,096	20,509,949	175,822	7,943,891	217,348	2,083,944	494,185	32,974,235
Profit for the period	-	-	-	3,271,564	-	-	-	3,271,564
Other comprehensive income for the period	-	-	-	(39,066)	-	-	(39,066)	(39,066)
Total comprehensive income for the period	-	-	-	3,271,564	(39,066)	-	(39,066)	3,232,498
Balance as at 31 March 2018	1,549,096	20,509,949	175,822	11,215,455	178,282	2,083,944	494,185	36,206,733

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries**Statement of cash flows****For the three-month period ended 31 March 2018**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit before income tax expense	3,695,783	2,505,840	3,530,158	2,060,533
Adjustments to reconcile profit before income tax expense to net cash provided by (used in) operating activities:				
Depreciation and amortisation expenses	1,302,190	1,252,298	238,456	235,068
Write-off of assets	13,701	6,771	2,240	-
Loss on withholding tax diminution and written-off	3,425	1,332	-	1,332
Bad debts and doubtful debts	70,706	42,194	41,280	3,349
Reversal for impairment of assets	(3,008)	-	(3,008)	-
Allowance to reduce cost to net realisable value - inventory	4,438	2,578	235	1,055
Amortisation of deferred income - membership	(130,470)	(128,943)	(29,723)	(31,892)
Loss on impairment of an other long-term investment	17,975	-	-	-
Share of income from investments in associates	(367,754)	(324,225)	-	-
Amortisation of expense for debentures and convertible debentures	7,529	8,297	7,529	8,297
(Gain) loss on disposal of property, premises and equipment	1,176	362	(157)	(390)
(Gain) loss on foreign exchange	(2,386)	15,376	41,333	15,376
Provisions for employee benefit expenses	49,525	1,933	9,537	(38,269)
Annual leave expense	16,290	28,579	3,869	3,916
Interest income	(10,324)	(6,710)	(74,719)	(80,232)
Dividend income	(3,200)	-	(3,018,847)	(1,700,941)
Interest expense	317,150	363,052	342,909	383,279
Profit from operating activities before changes in operating assets and liabilities	4,982,746	3,768,734	1,091,092	860,481

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the three-month period ended 31 March 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities (continued)				
Decrease (increase) in operating assets				
Trade and other receivables	(509,522)	(63,074)	(126,420)	(165,573)
Inventories	138,418	84,914	13,045	11,642
Other current assets	946	24,783	-	-
Other non-current assets	34,343	(16,129)	35,056	1,080,191
Increase (decrease) in operating liabilities				
Trade and other payables	(145,285)	(827,734)	39,245	(457,689)
Accrued expenses	(538,217)	(1,077,468)	(234,033)	(336,524)
Deferred income - membership	130,300	143,339	35,268	54,075
Other current liabilities	(72,833)	(84,618)	(22,647)	(37,590)
Provisions for employee benefits	(22,993)	(357,496)	(2,089)	(264,051)
Other non-current liabilities	(5,627)	1,281	(7,174)	20
Net cash flow provided by operating activities	3,992,276	1,596,532	821,343	744,982
Cash received from interest income	3,493	3,737	68,623	75,401
Cash paid for interest expense	(285,498)	(216,517)	(311,389)	(238,321)
Cash received from tax refund	211	-	-	-
Cash paid for income tax expense	(216,030)	(149,351)	(24,023)	(21,421)
Net cash flow provided by operating activities	3,494,452	1,234,401	554,554	560,641

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries**Statement of cash flows (continued)****For the three-month period ended 31 March 2018**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from investing activities				
Increase in short-term investments	(1,638)	(628)	-	-
Decrease (increase) in restricted financial institution deposits	(479)	1,090	-	-
Cash received from dividend income	3,200	-	3,200	-
Cash paid for purchase of investments in subsidiaries	-	(1,340,463)	-	(3,650,089)
Decrease (increase) in short-term loans to subsidiaries	-	-	167,560	(801,103)
Cash paid for long-term loans to subsidiaries	-	-	(164,000)	(158,223)
Cash received from long-term loans to subsidiaries	-	-	195,428	197,431
Cash paid for investment property	-	(1,133)	-	(249)
Cash received from disposal of property, premises and equipment	2,850	10,858	318	1,867
Cash paid for purchase of property, premises and equipment	(1,579,861)	(3,250,176)	(428,591)	(249,396)
Cash paid for leasehold rights	(5,000)	(3,000)	-	-
Cash paid for purchase of intangible assets	(66,072)	(66,116)	(27,806)	(12,311)
Net cash flow used in investing activities	(1,647,000)	(4,649,568)	(253,891)	(4,672,073)

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the three-month period ended 31 March 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from financing activities				
Decrease in short-term loans from non-related parties	-	(13,400)	-	-
Increase in short-term loans from related parties	-	-	986,703	69,535
Decrease in bank overdraft and short-term loans				
from financial institutions	(6,906)	(1,498,762)	-	(1,500,000)
Repayment of long-term loans from				
financial institutions	(359,238)	(374,885)	(359,238)	(368,634)
Repayments of liabilities under				
finance lease agreements	(9,314)	(14,279)	(1,364)	(3,673)
Cash received from issued of debentures	-	6,992,451	-	6,992,451
Cash paid for purchase of investment in subsidiaries				
from non - controlling interests	(490)	(2,359)	-	-
Net cash flow provided by (used in) financing activities	(375,948)	5,088,766	626,101	5,189,679
Net increase in cash and cash equivalents	1,471,504	1,673,599	926,764	1,078,247
Cash and cash equivalents at beginning of periods	5,091,153	4,216,831	2,618,964	2,762,362
Cash and cash equivalents at end of periods	6,562,657	5,890,430	3,545,728	3,840,609
	-		-	
Supplemental cash flows information:				
Non-cash items:				
Assets acquired under finance lease agreements	5,629	195	-	-
Increase (decrease) in accounts payable				
- property, premises and equipment	(48,717)	7,798,884	(23,140)	(4,381)
Increase (decrease) in payable to construction - retention	68,746	43,673	(29,821)	81,213
Dividend receivable	4,339	4,068	3,015,647	1,700,941
Dividend payable	160,134	103,455	-	-

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month period ended 31 March 2018

1. General information

1.1 Corporate information

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

1.2 Basis for the preparation of interim financial statements

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

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

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

1.3 Basis of consolidation

These interim consolidated financial statements include the financial statements of Bangkok Dusit Medical Services Public Company Limited and its subsidiaries (“the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2017.

1.4 New financial reporting standards

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

During the period, the Group has adopted the 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 adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

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

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019. Key principles of this standard are summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts, TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

At present, the management of the Group is evaluating the impact of this standard to the financial statements in the year when it is adopted.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2017.

2. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Trade receivables - related parties	3,730	9,835	30,779	28,226
Trade receivables - unrelated parties-net	6,798,241	6,418,934	1,200,002	1,195,960
Other receivables - related parties	5,125	960	155,048	126,582
Other receivables - unrelated parties	287,130	268,941	64,013	51,016
Prepaid expenses	291,356	241,264	79,782	36,606
Total trade and other receivables - net	<u>7,385,582</u>	<u>6,939,934</u>	<u>1,529,624</u>	<u>1,438,390</u>

As at 31 March 2018 and 31 December 2017, the aging analysis of the outstanding trade accounts receivable is as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
<u>Related parties</u>				
Not over than 3 months	3,454	9,015	27,921	20,698
3 - 6 months	112	623	-	6,109
6 - 12 months	72	133	2,840	1,396
over 12 months	92	64	18	23
Total trade accounts receivable - related parties	<u>3,730</u>	<u>9,835</u>	<u>30,779</u>	<u>28,226</u>
<u>Unrelated parties</u>				
Not over than 3 months	6,175,766	5,788,194	1,122,690	1,097,000
3 - 6 months	508,075	459,405	119,762	105,964
6 - 12 months	271,017	290,907	38,545	36,863
over 12 months	410,356	372,128	156,280	144,273
Total trade accounts receivable - unrelated parties	<u>7,365,214</u>	<u>6,910,634</u>	<u>1,437,277</u>	<u>1,384,100</u>
Less: Allowance for doubtful accounts	<u>(566,973)</u>	<u>(491,700)</u>	<u>(237,275)</u>	<u>(188,140)</u>
Total trade accounts receivable - unrelated parties - net	<u>6,798,241</u>	<u>6,418,934</u>	<u>1,200,002</u>	<u>1,195,960</u>
Total trade accounts receivable - net	<u>6,801,971</u>	<u>6,428,769</u>	<u>1,230,781</u>	<u>1,224,186</u>

3. 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	Mutually agreed prices which are dependent on the condition of assets

The significant intercompany transactions are as follows:

(Unit: Million Baht)				
For the three-month periods ended 31 March				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Associates</u>				
Revenue from hospital operations and laboratory				
services	4.5	5.8	3.1	1.8
Other income	2.1	2.6	-	-
Service costs	2.0	4.0	0.2	0.1
Other expenses	-	0.1	-	-
<u>Subsidiaries</u>				
Revenue from hospital operations and laboratory				
services	-	-	52.2	27.7
Consulting and management fee income	-	-	230.1	198.5
Interest income	-	-	66.8	75.8
Dividend income (Note 5)	-	-	3,015.6	1,700.9
Other income	-	-	22.3	17.4
Service costs	-	-	217.2	183.4
Consulting and management fee expenses	-	-	63.5	61.1
Other expenses	-	-	4.3	6.5
Interest expense	-	-	27.2	22.3
<u>Individuals or related companies</u>				
Revenue from hospital operations and laboratory				
services	1.2	2.1	1.0	1.9
Other income	3.0	2.6	2.6	2.4
Service costs	44.0	18.5	33.3	11.7
Consulting and management fee expenses	0.8	0.8	-	-
Other expenses	22.2	35.3	14.1	28.4

The outstanding balances of the above transactions as at 31 March 2018 and 31 December 2017 have been separately shown in the statement of financial position as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
<u>Trade receivables - related parties (Note 2)</u>				
Associates	3,026	6,927	10	2,220
Subsidiaries	-	-	30,550	24,755
Related companies	704	2,908	219	1,251
Total trade receivables - related parties	3,730	9,835	30,779	28,226
<u>Dividend receivable - related parties</u>				
Associate	4,339	-	-	-
Subsidiaries	-	-	3,015,647	-
Total dividend receivable - related parties	4,339	-	3,015,647	-
<u>Other receivables - related parties (Note2)</u>				
Consulting and management fee receivable				
Subsidiaries	-	-	82,282	77,904
Total	-	-	82,282	77,904
Accrued interest income and others				
Associate	3,410	-	3,410	-
Subsidiaries	-	-	67,668	47,826
Related companies	1,715	960	1,688	852
Total	5,125	960	72,766	48,678
Total other receivables - related parties	5,125	960	155,048	126,582
<u>Leasehold rights - a related party</u>				
(included in other non-current assets)				
A related party	33,000	34,523	-	-
Total leasehold rights - a related party	33,000	34,523	-	-

(Unaudited but reviewed)

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
<u>Deposits and long-term prepaid expense - related parties</u>				
(included in other non-current assets)				
Subsidiaries	-	-	578	597
Related companies	1,312	398	-	-
Total deposits and long-term prepaid expense – related parties	1,312	398	578	597
<u>Trade payables - related parties (Note 9)</u>				
Associates	1,880	1,955	125	96
Subsidiaries	-	-	134,402	150,201
Related companies	17,676	17,021	13,797	11,377
Total trade payables - related parties	19,556	18,976	148,324	161,674
<u>Other payables - related parties (Note 9)</u>				
Associates	-	148	-	-
Subsidiaries	-	-	89,056	60,438
Related companies	6,731	8,966	2,125	2,456
Total other payables - related parties	6,731	9,114	91,181	62,894
<u>Accrued interest expense - related parties</u>				
(included in accrued expenses)				
Subsidiaries	-	-	9,667	9,045
Total accrued interest expense - related parties	-	-	9,667	9,045
<u>Deposits - related parties</u>				
(included in other non-current liabilities)				
Subsidiaries	-	-	9,476	9,547
Related companies	729	729	729	729
Total deposits - related parties	729	729	10,205	10,276

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

(Unit: Thousand Baht)				
	Separate financial statements			31 March 2018
	31 December 2017	Increase	Decrease	
<u>Short-term loans to subsidiaries</u>				
Subsidiaries	2,723,765	107,081	(278,722)	2,552,124
Total short-term loans to subsidiaries	<u>2,723,765</u>	<u>107,081</u>	<u>(278,722)</u>	<u>2,552,124</u>
<u>Long-term loans to subsidiaries</u>				
Subsidiaries	4,790,396	164,000	(243,139)	4,711,257
Total long-term loans to subsidiaries	<u>4,790,396</u>	<u>164,000</u>	<u>(243,139)</u>	<u>4,711,257</u>
<u>Short-term loans from subsidiaries</u>				
Subsidiaries	9,952,014	1,273,994	(287,291)	10,938,717
Total short-term loans from subsidiaries	<u>9,952,014</u>	<u>1,273,994</u>	<u>(287,291)</u>	<u>10,938,717</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 subsidiaries 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 is to earn from the Company. The Company has extended the agreement for 3 years ended on 30 September 2018.

Guarantee obligations with subsidiaries

As at 31 March 2018, the Company has guaranteed overdraft facility amounting to USD 2 million (31 December 2017: USD 2 million) for an overseas subsidiaries.

Directors and management's benefits

During the periods, the Group had benefits for their directors and management as below.

(Unit: Million Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Short-term employee benefits	34.7	41.1	31.3	37.8
Post-employment benefits	0.1	0.5	0.1	0.5
Total	<u>34.8</u>	<u>41.6</u>	<u>31.4</u>	<u>38.3</u>

(Unaudited but reviewed)

4. Investments in associates

								(Unit: Thousand Baht)	
Company's name	Natures of business	Paid-up Capital	% Shareholding		Consolidated financial		Separate financial		
					statements		statements		
					Equity Method		Cost Method		
			31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	
<u>Associates held by the Company</u>									
Cool & Joy Co., Ltd.	Ceased operation	Baht 5 million	30.00	30.00	871	1,069	1,500	1,500	
Ramkhamhaeng Hospital Public Co., Ltd.	Hospital	Baht 120 million	38.24	38.24	5,407,174	5,338,905	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	181,250	187,895	69,952	69,952	
Bumrungrad Hospital Public Co., Ltd.	Hospital	Baht 730 million	20.50	20.50	10,009,214	9,792,564	6,417,246	6,417,246	
Total investments in associates held by the Company							7,948,499	7,948,499	
Total investments in associates held by the Group					15,598,509	15,320,433			
<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 medicine	Baht 120 million	45.76	45.76	500,984	486,746			
Total investments in associates held by subsidiaries					500,984	486,746			
Total investments in associates in the consolidated financial statements					16,099,493	15,807,179			

Details of share of income from the associates are set out below.

Company's name	(Unit: Thousand Baht)	
	Consolidated financial statements	
	Share of profit (loss) from investments	
	in associates during the three-month periods ended	
	31 March 2018	31 March 2017
<u>Associates held by the Company</u>		
Cool & Joy Co., Ltd.	(198)	-
Ramkhamhaeng Hospital Public Co., Ltd.	134,819	76,055
Udon Patana (1994) Co., Ltd.	(6,645)	(4,536)
Bumrungrad Hospital Public Co., Ltd.	221,201	240,770
<u>Associate held by the subsidiary</u>		
Al Ghaith Bangkok Dusit Management Services LLC	-	-
General Hospital Products Public Co., Ltd.	18,577	11,936
Total	<u>367,754</u>	<u>324,225</u>

Share of income from investments in two associates which are listed companies in the Stock Exchange of Thailand for the three-month period ended 31 March 2018 of Baht 356.0 million (31 March 2017: two associates of Baht 316.8 million) represents 97 percent (31 March 2017: 98 percent) of total share of income. Profit sharing from an associate was calculated based on interim financial statements which were reviewed by the auditor of the associate and profit sharing of another associate was calculated based on interim financial statements which were prepared by management.

(Unaudited but reviewed)

5. 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 periods	
			31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 March 2017
Samitivej Public Co., Ltd.	Hospital	Baht 1,000 million	95.76	95.76	1,639,071	1,639,071	-	-
Bangkok Hospital Hatyai Co., Ltd.	Hospital	Baht 500 million	98.82	98.82	574,697	574,697	-	49,405
Bangkok Phuket Hospital Co., Ltd.	Hospital	Baht 500 million	99.70	99.70	610,332	610,332	-	-
BNH Medical Center Co., Ltd.	Hospital	Baht 586 million	91.48	91.48	602,657	602,657	428,952	107,238
Paolo Phrapradaeng Hospital Co., Ltd. (Formerly known as “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	653,635	-
Bangkok Rayong Hospital Co., Ltd.	Hospital	Baht 400 million	100.00	100.00	415,020	415,020	80,000	60,000
Bangkok Samui Hospital Co., Ltd.	Hospital	Baht 150 million	100.00	100.00	150,000	150,000	-	120,000
Bangkok Trat Hospital Co., Ltd.	Hospital	Baht 250 million	99.76	99.76	245,889	245,889	39,902	39,903
Wattanavej Co., Ltd.	Hospital	Baht 180 million	99.69	99.69	450,643	450,643	161,506	17,945
Bangkok Ratchasima Hospital Co., Ltd.	Hospital	Baht 300 million	91.42	91.42	935,005	935,005	-	-
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	-	-
Bio Molecular Laboratories (Thailand) Co., Ltd.	Central Lab	Baht 10 million	95.00	95.00	9,502	9,502	-	-
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	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up Capital	Separate financial statements					
			% Shareholding		Investments - cost method		Dividend received during the periods	
			31	31	31	31	31	31
			March 2018	December 2017	March 2018	December 2017	March 2018	March 2017
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	-	-
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	99.99	192,027	192,027	-	-
Royal Bangkok Healthcare Co., Ltd.	Investment	Baht 1,086 million	100.00	100.00	1,086,000	1,086,000	-	-
Greenline Synergy Co., Ltd.	Information and Technology service	Baht 200 million	100.00	100.00	200,000	200,000	-	-
Bangkok Hospital Kao Yai Co., Ltd.	Not yet operate	Baht 70 million	100.00	100.00	70,000	70,000	-	-
BDMS Training Co., Ltd.	Training business	Baht 1 million	100.00	100.00	1,000	1,000	-	-
Prasit Patana Public Co., Ltd.	Investment	Baht 1,108 million	98.59	98.59	9,263,580	9,263,580	1,311,109	983,054
Paolo Medic Co., Ltd.	Hospital	Baht 600 million	100.00	100.00	3,622,872	3,622,872	-	-
Paolo Samutprakarn Co., Ltd.	Hospital	Baht 42 million	93.65	93.65	1,737,667	1,737,667	137,661	137,657
Siam Medical Co., Ltd.	Hospital	Baht 100 million	85.71	85.71	939,775	939,775	102,857	85,714
Thai Medical Center Public Co., Ltd.	Hospital	Baht 201 million	99.76	99.76	887,131	887,131	100,025	100,025
Bangkok Premier Life Insurance Broker Co., Ltd.	Life insurance broker	Baht 20 million	100.00	100.00	20,000	20,000	-	-
Bangkok Hospital Chiangmai Co., Ltd.	Hospital	Baht 1,500 million	100.00	100.00	1,500,000	1,500,000	-	-
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	1,500,000	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up Capital	Separate financial statements					
			% Shareholding		Investments - cost method		Dividend received during the periods	
			31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 March 2017
The Medicpharma Co., Ltd.	Production and distribution of medicines	Baht 42.86 million	87.05	87.05	551,318	551,318	-	-
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	600,000	-	-
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	116,655	-	-
Samitivej Chonburi Co., Ltd.	Hospital	Baht 800 million	100.00	100.00	800,000	800,000	-	-
Bangkok Hospital Phitsanulok Co., Ltd.	Hospital	Baht 800 million	100.00	100.00	800,000	800,000	-	-
Bangkok Hospital Sanamchan Co., Ltd.	Hospital	Baht 3,655 million	100.00	100.00	3,655,000	3,655,000	-	-
Bangkok Phuket International Hospital Co., Ltd.	Hospital	Baht 3,610 million	100.00	100.00	3,610,000	3,610,000	-	-
Bangkok Save Drug Co., Ltd.	Investment	Baht 450 million	100.00	100.00	450,000	450,000	-	-
S.R. Property Investment Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	101	101	-	-
Siem Reap Land Investment Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	101	101	-	-
Phnom Penh First Property Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	88	88	-	-
Bangkok Helicopter Services Co., Ltd. (held by the company at 87.25% and indirectly held by subsidiary at 12.75%)	Air transportation services	Baht 400 million	87.25	87.25	350,858	350,858	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up Capital	% Shareholding		Separate financial statements			
					Investments - cost method		Dividend received during the periods	
					31 March 2018	31 December 2017	31 March 2018	31 December 2017
Bangkok Hospital Chiangrai Co., Ltd.	Not yet operate	Baht 600 million	100.00	100.00	600,000	600,000	-	-
Bangkok Hospital Muangraj Co., Ltd.	Hospital	Baht 1,300 million	100.00	100.00	1,300,000	1,300,000	-	-
BDMS Property Management Co., Ltd.	Assets managements not related to hospital	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	100.00	9,600,000	9,600,000	-	-
Total investments in subsidiaries					52,589,512	52,589,512	3,015,647	1,700,941
Less: Allowance for impairment of investments					(154,062)	(154,062)		
Total investments in subsidiaries – net					52,435,450	52,435,450		

(Unaudited but reviewed)

6. Other long-term investments

(Unit: Thousand Baht)							
Consolidated and separate financial statements							
Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend income during the periods	
				31 March 2018	31 December 2017	31 March 2018	31 March 2017
<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	-	-
Aikchol Hospital Public Co., Ltd.	Hospital	150	0.20	350	350	-	-
				2,120	2,120	-	-
Surplus on changes in value of available-for-sale investments				4,477	4,964	-	-
Investments in listed securities				6,597	7,084	-	-
<u>Investments in related companies</u>							
Bangkok Airways Public Co., Ltd.	Airline	2,100	0.85	39,466	39,466	-	-
Surplus on changes in value of available-for-sale investments				218,375	266,720	-	-
Investments in related companies				257,841	306,186	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

						Consolidated and separate	
						financial statements	
Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend income during the periods	
				31 March 2018	31 December 2017	31 March 2018	31 March 2017
<u>Investments in unrelated companies</u>							
Thai Longstay Management Co., Ltd.	Travel business	100	0.53	531	531	-	-
Superior Biotech Holding Co., Ltd.	Investment	113	3.55	5,000	5,000	3,200	-
X-Ray Computer Urupong Co., Ltd.	X-ray lab	100	4.09	4,520	4,520	-	-
Investments in unrelated companies				10,051	10,051	3,200	-
Total other long-term investments in the separate financial statements				274,489	323,321	3,200	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated and separate
financial statements

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend income during the periods		
				31 March 2018	31 December 2017	31 March 2018	31 March 2017	
<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				1,516	1,487	-	-	
Investments in investment unit				11,516	11,487	-	-	
<u>Investment in listed securities</u>								
Mahachai Hospital Public Company Limited		Hospital	160	4.28	143,724	143,724	-	-
Deficit on changes in value of available-for-sale investments				(10,266)	-	-	-	
Investments in listed securities				133,458	143,724	-	-	

(Unaudited but reviewed)

						(Unit: Thousand Baht)	
						Consolidated and separate financial statements	
Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend income during the periods	
				31 March	31 December	31 March	31 March
				2018	2017	2018	2017
<u>Investments in unrelated companies</u>							
Thai Herbal Products Co., Ltd.	Sales of herbal products	80	0.60	290	290	-	-
Prasitthirat Co., Ltd.	Educational institution known as “Rangsit university”	150	33.33	107,192	107,192	-	-
Asia Laboratories Center Limited	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	-	-
Less: Allowance for impairment of investment				(20,854)	(2,879)	-	-
Investments in unrelated companies				115,897	133,872	-	-

(Unaudited but reviewed)

				(Unit: Thousand Baht) Consolidated and separate financial statements			
Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend income during the periods	
				31 March 2018	31 December 2017	31 March 2018	31 March 2017
<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				568,756	645,800	3,200	-

Prasitthirat Company Limited

A subsidiary has 33.33 percentage of shareholding in Prasitthirat Company Limited but has not classified it as investment in associated company 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.

Investments in ordinary shares (ceased operations)

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

7. Property, premises and equipment

Movement of the property, premises and equipment during the three-month period ended 31 March 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2017	71,559,483	12,316,569
Purchase - at cost	1,606,999	375,629
Disposals and write-off	(17,865)	(2,401)
Transfer in/(Transfer out)	4,688	(340)
Depreciation for the periods	(1,228,262)	(211,584)
Reversal of loss on impairment	3,008	3,008
Translation adjustment	(74,758)	-
Net book value as at 31 March 2018	<u>71,853,293</u>	<u>12,480,881</u>

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

As at 31 March 2018, the Group had outstanding balance of bank overdrafts and short-term loans from financial institutions of Baht 64.4 million (31 December 2017: Baht 72.3 million). The bank overdrafts carry interest rate at MOR for Baht currency facilities and LIBOR plus fixed rate for US currency facilities. The principal and interest is repayable on maturity according to a condition as stipulated in the agreement.

9. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Trade payables - related parties	19,556	18,976	148,324	161,674
Trade payables - unrelated parties	3,214,055	3,286,789	487,104	403,445
Other payables - related parties	6,731	9,114	91,181	62,894
Other payables - unrelated parties	857,719	975,629	92,700	175,189
Accounts payable - construction and retention	527,907	459,162	146,534	176,355
Total trade and other payables	<u>4,625,968</u>	<u>4,749,670</u>	<u>965,843</u>	<u>979,557</u>

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

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

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 March 2018, 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 438 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 and between January and April 2018, the Civil Court ruled on some of the cases between the former members and the Company and its subsidiary that the Company and its subsidiary are to continue complying with the terms of the programs. Between February and April 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 and its subsidiary 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, under the advisory of the Company and its subsidiary's legal advisor, proceed to utilize its legal right to file an appeal against the ruling of the Civil Court for all cases, 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 and its subsidiary could not yet assess on the impacts of the ruling which is not yet definite nor final. The Company and its subsidiary keep record of the debt owed to the Company and its subsidiary for medical services rendered and shall not collect for such medical bills unless the court rules.

11. Long-term loans from financial institutions

Movements of long-term loans from financial institutions during the three-month period ended 31 March 2018 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements
Balance as at 31 December 2017	10,798,639
Less: Repayment during period	(359,238)
Gain on exchange rate	(10,457)
Balance as at 31 March 2018	10,428,944
Less: Current portion of long-term loans from financial institutions	(1,413,897)
Long-term loans from financial institutions	<u>9,015,047</u>

The outstanding balances of long-term loans from financial institutions of the Company as at 31 March 2018 and 31 December 2017 as follows:

Period of loan agreements		Credit facilities	Principal repayment	Interest rate per annum (%)	Outstanding balance (in million USD.)		Outstanding balance (in million Baht)	
Start	End				31 March	31 December	31 March	31 December
					2018	2017	2018	2017
Feb. 2008	Feb. 2018	Baht 3,438 million	Monthly	Floating rate + Spread	-	-	-	57.3
Nov. 2011	Jun. 2019	Baht 3,000 million	Quarterly	Floating rate + Spread	-	-	619.0	719.0
Jan. 2012	Jul. 2020	Baht 586 million	Monthly	Floating rate + Spread	-	-	159.5	188.5
Jun. 2012	Dec. 2019	Baht 1,766 million	Quarterly	Floating rate + Spread	-	-	471.8	539.2
Feb. 2014*	Jul. 2021	USD 20 million	Semi-annually	Fixed rate	16.0	17.3	515.8	569.3
Apr. 2014	Jun. 2019	Baht 1,000 million	Monthly	Floating rate + Spread	-	-	270.8	333.3
May. 2013	May. 2021	Baht 2,000 million	Semi-annually	Floating rate + Spread	-	-	992.0	992.0
Apr. 2017	Apr. 2024	Baht 1,000 million	Bullet	Fixed rate	-	-	1,000.0	1,000.0
Sep. 2017	Sep. 2019	Baht 2,000 million	Bullet	Floating rate + Spread	-	-	1,000.0	1,000.0
Sep. 2017	Sep. 2019	Baht 2,000 million	Bullet	Fixed rate	-	-	1,000.0	1,000.0
Sep. 2017	Sep. 2021	Baht 3,000 million	Bullet	Floating rate + Spread	-	-	2,400.0	2,400.0
Sep. 2017	Sep. 2021	Baht 3,000 million	Bullet	Floating rate + Spread	-	-	2,000.0	2,000.0
Total long-term loans from financial institutions in consolidated and separate financial statements					16.0	17.3	10,428.9	10,798.6

*In January 2018, the Company has entered into a cross currency swap contract with a financial institution by converting USD currency amounting to USD 16.0 million to Thai Baht currency amounting to Baht 515.8 million. As a result, fixed interest rate per annum in the mentioned contract is lower than the original contract.

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

12. Liabilities under finance lease agreements

As at 31 March 2018 and 31 December 2017, liabilities under finance lease agreements are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Liabilities under finance lease agreements	37,295	40,245	3,543	4,908
Less: Deferred interest expenses	(1,643)	(1,713)	(14)	(27)
Total	35,652	38,532	3,529	4,881
Less: Current portion of liabilities under finance lease agreements	(19,068)	(22,039)	(3,011)	(4,744)
Liabilities under finance lease agreements - net	16,584	16,493	518	137

As at 31 March 2018 and 31 December 2017, the Group has future minimum lease payments which required under the finance lease agreements as follows:

	(Unit: Thousand Baht)		
	As at 31 March 2018		
	Consolidated financial statements		
	Less than 1 year	1-5 years	Total
Future minimum finance lease payments	19,952	17,343	37,295
Deferred interest expense	(884)	(759)	(1,643)
Present value of future minimum finance lease payments	19,068	16,584	35,652

	(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

(Unaudited but reviewed)

(Unit: Thousand Baht)

As at 31 March 2018

	Separate financial statements		
	Less than 1		
	year	1-5 years	Total
Future minimum finance lease payments	3,024	519	3,543
Deferred interest expense	(13)	(1)	(14)
Present value of future minimum finance lease payments	3,011	518	3,529

(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

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.

13. Debentures

Movements of debentures net from debenture expenses and amortisation during the three-month period ended 31 March 2018 are summarised below.

(Unit: Thousand Baht)

	Consolidated/ Separate financial statements
Balance as at 1 January 2018	19,584,603
Amortisation of debenture expenses during the period	849
Balance as at 31 March 2018	19,585,452

(Unaudited but reviewed)

The outstanding balances of Debentures of the Company as at 31 March 2018 and 31 December 2017 as follows:

Debentures period						Outstanding balance (million baht)	
No.	Issue Date	Maturity Date	Number of unit	Amount (million baht)	Coupon rate	31 March 2018	31 December 2017
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	3,000.0
BDMS222A	8 Feb. 2017	8 Feb. 2022	2,500,000	2,500.0	2.97%	2,500.0	2,500.0
BDMS242A	8 Feb. 2017	8 Feb. 2024	1,500,000	1,500.0	3.46%	1,500.0	1,500.0

*The Company has entered into an 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.

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

14. Convertible debentures

On 18 September 2014, the Company issued the convertible debentures to the foreign investors (except the investors in the United States of America). The convertible debentures were listed on the Singapore Exchange Securities Trading Limited on 19 September 2014, 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 (early redemption)	At 18 September 2017 equal to 106.152% of the principal amount
Call Option (early redemption)	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.

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

(Unaudited but reviewed)

Movements of convertible debentures, net from convertible debenture expenses, during the three-month period ended 31 March 2018 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 2018	8,821,639	(47,369)	8,774,270	494,185
Transactions for present value of convertible debentures	70,705	-	70,705	-
Amortisation of debenture expenses	-	6,680	6,680	-
Balance as at 31 March 2018	8,892,344	(40,689)	8,851,655	494,185

15. Income tax

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

Income tax expense for the three-month periods ended 31 March 2018 and 2017 were made up as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Interim corporate income tax charge	633,087	353,313	142,264	20,939
Deferred tax:				
Relating to origination and reversal of temporary differences	14,970	108,474	116,330	64,663
Income tax reported in the income statements	<u>648,057</u>	<u>461,787</u>	<u>258,594</u>	<u>85,602</u>

16. Earnings per share

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

Diluted earnings per share

No disclosure of diluted earnings per share is required for the three-month period ended 31 March 2018 after the issue of convertible debentures (as mentioned in Note 14) since the calculated earnings per share assuming the conversion of all convertible debentures to ordinary shares is antidilutive.

17. Commitments and contingent liabilities

As at 31 March 2018 and 31 December 2017, commitments and contingent liabilities are as follows:

(Unit: Million Baht)						
As at 31 March 2018						
	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	260	413	776	21	58	88
- the office equipment rental and other services	355	180	9	237	-	-
- the medical equipment provision and maintenance contracts	290	334	-	-	-	-
- the building construction and decoration contracts	2,185	1	-	1,126	-	-
Total	3,090	928	785	1,384	58	88

(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

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 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 ended 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 March 2018, the Group had outstanding bank guarantees of approximately Baht 338 million (31 December 2017: Baht 388 million) and the Company's was Baht 37 million (31 December 2017: Baht 39 million) issued by the banks 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.

18. 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 periods ended 31 March 2018 and 2017, the Group has no major customer with revenue of 10 percent or more of its revenues.

19. Financial instruments measured at fair value

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

Fair value hierarchy

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

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

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

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

As of 31 March 2018, the Group had the following financial assets that were measured at fair value using different level of input as follow.

(Unaudited but reviewed)

	(Unit: Million Baht)			
	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Mutual funds	-	512	-	512
Investment in available-for-sale	409	-	-	409
Investment properties	-	-	308	308
Land	-	33,867	-	33,867

	(Unit: Million Baht)			
	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment in available-for-sale	264	-	-	264
Investment properties	-	-	676	676
Land	-	5,469	-	5,469

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

20. Interest rate swap contract, cross currency swap contract and forward exchange contract that are not measured at fair value

Interest rate swap contract, cross currency swap contract and forward exchange contract are entered into to manage exposure to fluctuations in interest rate and exchange rate.

20.1 Interest rate swap contract

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

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

Net fair value

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

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
Fair value of interest rate swap contract - asset	58.7	75.4	58.7	75.4

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.

20.2 Cross currency swap contract

In order to mitigate the foreign currency risk exposure, the Company entered into a three-year cross currency swap contract with a financial institution on 10 January 2018 by converting USD loan to Thai Baht loan. As a result, the interest rate of the Thai Baht loan is lower than that of the USD loan as described in Note 11.

Net fair value

The net fair value of cross currency swap contract at the statements of financial position date was:

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
Fair value of cross currency swap agreement - liabilities	20.4	-	20.4	-

Fair value of cross currency 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.

20.3 Forward exchange contract

As at 31 March 2018 and 31 December 2017, a subsidiary company has the outstanding balance of selling forward exchange contracts as follows:

Balance as at	Foreign currency	Amount sold	Contractual exchange rate for amount sold (Baht per foreign currency unit)
31 March 2018	US Dollar	105,731	32.65 – 33.22
31 December 2017	US Dollar	400,000	32.61 – 33.22

Net fair value

Selling forward exchange contract

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Fair value of selling forward exchange contract (liabilities)	158.3	67.8	-	-

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.

21. Subsequent event after reporting date

Dividend payment

On 11 April 2018, the 2018 Annual General Meeting of the Company's shareholders has approved a dividend payment for ordinary shares of 15,490,956,540 shares of Baht 0.36 per share, totaling of Baht 5,576.7 million. The interim dividend was paid at Baht 0.13 per share, totaling of Baht 2,013.8 million In September 2017. Moreover on 26 April 2018 the additional dividend payment was paid at Baht 0.23 per share, totaling of Baht 3,562.9 million.

22. Approval of financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 14 May 2018.