

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 2019

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 2019, 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 Thai 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 Thai 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 Thai Accounting Standard No. 34 Interim Financial Reporting.

Emphasis of matter

I draw attention to Note 10 to the interim financial statements, the Company and its subsidiary had the medical care programs with a small amount of charges to members who have prepaid the membership fees for life. 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 the 334 members whose compensation was recorded in the consolidated financial statements and 151 of the 282 members in the separate financial statements have accepted the offers and already received the payment from the Company and its subsidiary.

As a result of discontinuing the lifelong membership programs, some former members of the program filed numerous complaints against the Company and its subsidiary with the courts and requested that the Company and its subsidiary continue the programs while some made claims for indemnity from the Company and its subsidiary.

During the court's consideration of certain cases, the court issued orders for temporary injunctions prior to the release of a judgment to the former members who 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 utilise their rights under the programs until the court rules or orders otherwise. Furthermore, the court ordered for the former members who are under the temporary injunction to enter into contracts with the court which would provide 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 amounts for such medical bills unless the court rules or orders otherwise.

Since then, the Civil Court ruled on some of the cases between the former members and the Company and its subsidiary (including all cases where the court has ordered for temporary injunctions prior to a judgment). The judgment of the Company's cases are rendered in three directions which are: 1) to order for the Company to continue complying with the terms of the programs; 2) to order for the Company to continue complying with the terms of the programs but also to make indemnity payment should the Company fail to comply with such terms of the programs at the amount specified in a judgment, the amount of which are usually close to amounts that the Company made in its counteroffer to some members prior to filing of complaints; and 3) to order the plaintiff to refund to the Company the membership fee together with the compensation accepted from the Company in relation to pre-litigation settlement agreements made prior to the filing of the complaints, and to order for the Company to continue complying with the terms of the programs. In all three directions of judgments, the court ordered that the Company must provide compensation for the medical expenses to the plaintiffs in certain from the date of the discontinuation of the programs up to the date on which the judgment was rendered. As for the complaints against the subsidiary, the judgment is also rendered in two directions which are: 1) to order for the subsidiary to make indemnity payment at the amount specified in a judgment, the amount of which are usually close to amounts that the subsidiary made in its counteroffer to some members prior to filing of complaints; and 2) to order for the subsidiary to continue complying with the terms of the programs and also for it to compensate the plaintiffs for any actual medical expenses resulted from the date of the discontinuance of the programs up to the date on which the judgment was rendered. In this regard, there are some pending cases under the consideration of the Civil Court.

In the fourth quarter of 2018 and the first quarter of 2019, the Court of Appeal affirmed the judgment of the Civil Court on some of the cases of the Company to continue complying with the term of the program. As at 31 March 2019 and 31 December 2018, the Company and its subsidiary recorded a provision for contingent liabilities from litigation in case the Company and its subsidiary have to comply with the judgment.

Nonetheless, the legal advisor of the Company and its subsidiary opined that, in consideration of 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. Therefore, the management, under the advisory of the Company and its subsidiary's legal advisor, proceeded to utilise its legal right to file an appeal and a petition against the ruling of the Civil Court, for the Court of Appeal's and the Supreme Court's consideration and ruling which shall serve as precedent of future legal processes. Currently, such cases are currently under the consideration of the Court of Appeal and the Supreme Court. The judgment of the cases is still uncertain. The Company and its subsidiary shall keep record of the amounts of debt owed to the Company and its subsidiary for medical services rendered which have not been collected in relation to for such medical bills unless the court rules otherwise.

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

Wichart Lokatekrawee

Certified Public Accountant (Thailand) No. 4451

EY Office Limited

Bangkok: 13 May 2019

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2019

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		9,224,070	5,033,518	6,363,892	2,295,456
Short-term investments		2,621,476	816,666	2,002,644	394
Trade and other receivables	2, 3	8,330,704	7,545,014	1,807,164	1,501,254
Short-term loans to subsidiaries	3	-	-	2,714,464	2,619,642
Dividend receivables - related parties	3	-	-	3,024,210	-
Inventories		1,704,011	1,785,911	99,970	111,613
Other current assets		100,960	91,951	-	-
Total current assets		21,981,221	15,273,060	16,012,344	6,528,359
Non-current assets					
Restricted financial institution deposits		10,294	9,562	-	-
Investments in associates	4	17,219,383	22,646,990	12,429,280	13,889,081
Investments in subsidiaries	5	-	-	53,529,889	53,529,889
Other long-term investments	6	541,723	526,648	226,572	223,244
Long-term loans to subsidiaries	3	-	-	4,078,172	4,063,054
Investment properties		316,784	316,726	688,917	688,859
Property, premises and equipment	7	75,136,000	74,496,217	13,393,115	13,134,964
Goodwill		17,538,869	17,538,869	-	-
Intangible assets		1,259,171	1,272,824	509,457	524,101
Deferred tax assets		83,524	96,101	-	-
Other non-current assets					
Leasehold rights		1,056,985	901,007	315,621	319,348
Others	3	424,082	420,747	28,319	28,869
Total non-current assets		113,586,815	118,225,691	85,199,342	86,401,409
Total assets		135,568,036	133,498,751	101,211,686	92,929,768

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 2019

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	8	77,277	5,877,528	-	5,800,000
Trade and other payables	3, 9	4,949,250	5,191,771	1,033,522	1,020,981
Accrued expenses	3	5,126,490	5,957,293	1,280,431	1,510,956
Liabilities for discontinued life long					
medical care program	10	636,568	623,894	473,061	463,123
Current portion of long-term liabilities					
- Long-term loans from financial institutions	11	3,171,947	4,181,364	3,171,947	4,181,364
- Liabilites under finance lease agreements	12	13,733	14,047	519	1,035
- Debentures	13	2,999,104	-	2,999,104	-
- Convertible debentures - liability component	14	5,100,992	5,056,398	5,100,992	5,056,398
Short-term loans from non-related parties		67,000	67,000	-	-
Short-term loans from subsidiaries	3	-	-	11,850,348	10,770,759
Income tax payable		3,497,904	863,684	2,397,878	111,218
Current provision for employee benefits		158	158	158	158
Deferred income - membership due within one year		213,655	225,577	104,958	106,640
Other current liabilities		643,575	515,142	107,612	120,756
Total current liabilities		26,497,653	28,573,856	28,520,530	29,143,388
Non-current liabilities					
Long-term loans from financial insitutions	11	4,614,933	5,145,467	4,614,933	5,145,467
Liabilities under finance lease agreements	12	21,798	19,511	-	-
Debentures	13	16,589,791	19,588,046	16,589,791	19,588,046
Non-current provision for employee benefits	15	3,237,626	2,581,912	922,785	773,969
Deferred income - membership		626,075	632,664	146,457	149,060
Deferred tax liabilities		2,575,504	3,447,624	303,848	292,264
Other non-current liabilities	3	66,921	71,599	30,414	38,942
Total non-current liabilities		27,732,648	31,486,823	22,608,228	25,987,748
Total liabilities		54,230,301	60,060,679	51,128,758	55,131,136

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 2019

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	(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	1,758,224	1,758,224	1,758,224	1,758,224
Issued and fully paid-up				
15,668,956,048 ordinary shares of Baht 0.1 each	1,566,896	1,566,896	1,566,896	1,566,896
Premium on ordinary shares	24,741,067	24,741,067	24,678,143	24,678,143
Difference from shareholding restructure	305,000	305,000	-	-
Surplus investment over book value of subsidiaries	(2,683,557)	(2,683,558)	-	-
Retained earnings				
Appropriated - statutory reserve	175,822	175,822	175,822	175,822
Unappropriated	46,096,375	37,657,404	21,163,327	8,881,694
Other components of shareholders' equity	8,040,917	8,557,476	2,498,740	2,496,077
Equity attributable to owners of the Company	78,242,520	70,320,107	50,082,928	37,798,632
Non - controlling interests of the subsidiaries	3,095,215	3,117,965	-	-
Total shareholders' equity	81,337,735	73,438,072	50,082,928	37,798,632
Total liabilities and shareholders' equity	135,568,036	133,498,751	101,211,686	92,929,768
	-	-	-	-

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 2019**

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

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Revenues					
Revenues from hospital operations	3	19,792,604	18,817,003	3,695,101	3,619,133
Revenue from sales of goods	3	752,299	783,361	-	-
Other income					
Interest income and gain on sale of short-term investments		19,851	11,093	73,922	74,718
Dividend income	5, 6	-	3,200	3,024,210	3,018,847
Gain on disposal of investment in an associate	4.1	7,617,339	-	11,250,318	-
Others		225,374	188,207	322,660	297,778
Total other income		7,862,564	202,500	14,671,110	3,391,343
Total revenues		28,407,467	19,802,864	18,366,211	7,010,476
Expenses					
Cost of hospital operations and goods sold	3	13,490,300	12,390,582	2,300,448	2,142,470
Administrative expenses	3	4,294,598	3,767,103	1,142,414	994,940
Total expenses		17,784,898	16,157,685	3,442,862	3,137,410
Profit before share of income from investments in associates, finance cost and income tax expense					
		10,622,569	3,645,179	14,923,349	3,873,066
Share of income from investments in associates	4.2	285,529	367,754	-	-
Profit before finance cost and income tax expense					
		10,908,098	4,012,933	14,923,349	3,873,066
Finance cost	3	(288,334)	(317,150)	(319,447)	(342,908)
Profit before income tax expense		10,619,764	3,695,783	14,603,902	3,530,158
Income tax expense	16	(2,067,264)	(648,057)	(2,322,269)	(258,594)
Profit for the periods		8,552,500	3,047,726	12,281,633	3,271,564
Profit attributable to:					
Owners of the Company		8,438,971	2,919,361	12,281,633	3,271,564
Non-controlling interests of the subsidiaries		113,529	128,365		
		8,552,500	3,047,726		
Basic earnings per share					
Profit attributable to owners of the Company	17	0.54	0.19	0.78	0.21
Weighted average number of ordinary shares (shares)		15,668,956,048	15,490,956,540	15,668,956,048	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 2019**

(Unit: Thousand Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Profits for the periods		<u>8,552,500</u>	<u>3,047,726</u>	<u>12,281,633</u>	<u>3,271,564</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Gain (loss) on change in value of available-for-sale investments - net of income tax		4,058	(47,257)	2,663	(39,066)
Exchange differences on translation of financial statements in foreign currencies		(28,653)	(68,261)	-	-
Share of other comprehensive income from associates	4.1	<u>(490,533)</u>	<u>(69,457)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(515,128)</u>	<u>(184,975)</u>	<u>2,663</u>	<u>(39,066)</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		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the periods		<u>(515,128)</u>	<u>(184,975)</u>	<u>2,663</u>	<u>(39,066)</u>
Total comprehensive income for the periods		<u><u>8,037,372</u></u>	<u><u>2,862,751</u></u>	<u><u>12,284,296</u></u>	<u><u>3,232,498</u></u>
Total comprehensive income attributable to:					
Equity holders of the Company		7,924,406	2,735,591	<u>12,284,296</u>	<u>3,232,498</u>
Non-controlling interests of the subsidiaries		<u>112,966</u>	<u>127,160</u>		
		<u><u>8,037,372</u></u>	<u><u>2,862,751</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 2019

(Unit: Thousand Baht)

	Consolidated financial statements														
	Equity attributable to owners of the Company														
	Other components of shareholders' equity														
	Other comprehensive income														
	Surplus (deficit)					Exchange					Equity				
	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	on changes in value of available-for-sale investments	Revaluation surplus on land	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
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															
- Purchase of investments in subsidiaries	-	-	-	(25)	-	-	-	-	-	-	-	-	(25)	(879)	(904)
- Dividend paid 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 2019

(Unit: Thousand Baht)

Consolidated financial statements															
Equity attributable to owners of the Company															
	Other components of shareholders' equity														
	Other comprehensive income														
	Issued and paid-up share capital	Premium on ordinary shares	Difference from shareholding restructure	Surplus of investment over book value of subsidiaries	Retained earnings		Surplus (deficit) on changes in value of available-for-sale investments	Revaluation surplus on land	Exchange differences on translation of financial statements in foreign currency	Share of other components of shareholders' equity from 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
					Appropriated-statutory reserve	Unappropriated									
Balance as at 31 December 2018	1,566,896	24,741,067	305,000	(2,683,558)	175,822	37,657,404	121,486	7,819,634	(47,133)	388,642	274,847	8,557,476	70,320,107	3,117,965	73,438,072
Profit for the period	-	-	-	-	-	8,438,971	-	-	-	-	-	-	8,438,971	113,529	8,552,500
Other comprehensive income for the period	-	-	-	-	-	-	4,058	-	(28,091)	(490,532)	-	(514,565)	(514,565)	(563)	(515,128)
Total comprehensive income for the period	-	-	-	-	-	8,438,971	4,058	-	(28,091)	(490,532)	-	(514,565)	7,924,406	112,966	8,037,372
Share of Interest paid for convertible debentures treated as equity securities from an associate	-	-	-	-	-	-	-	-	-	(1,994)	-	(1,994)	(1,994)	-	(1,994)
Change in non-controlling interests of subsidiaries															
- Purchase of investments in subsidiaries	-	-	-	1	-	-	-	-	-	-	-	-	1	(51)	(50)
- Dividend paid of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(135,665)	(135,665)
Balance as at 31 March 2019	<u>1,566,896</u>	<u>24,741,067</u>	<u>305,000</u>	<u>(2,683,557)</u>	<u>175,822</u>	<u>46,096,375</u>	<u>125,544</u>	<u>7,819,634</u>	<u>(75,224)</u>	<u>(103,884)</u>	<u>274,847</u>	<u>8,040,917</u>	<u>78,242,520</u>	<u>3,095,215</u>	<u>81,337,735</u>

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

(Unaudited but reviewed)

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2019

(Unit: Thousand Baht)

Separate financial statements								
Other components of shareholders' equity								
Other comprehensive income								
Surplus (deficit)								
on changes								
in value of								
available-for-sale								
Revaluation surplus on land								
Convertible debentures - equity component								
Total other components of shareholders' equity								
Total shareholders' equity								
Issued and paid-up share capital	Premium on ordinary shares	Retained earnings Appropriated-statutory reserve	Unappropriated	in value of available-for-sale investments	Revaluation surplus on land	Convertible debentures - equity component	Total other components of shareholders' equity	Total shareholders' equity
Balance as at 31 December 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	2,756,411	36,206,733
Balance as at 31 December 2018	1,566,896	24,678,143	175,822	8,881,694	137,286	2,083,944	274,847	37,798,632
Profit for the period	-	-	-	12,281,633	-	-	-	12,281,633
Other comprehensive income for the period	-	-	-	2,663	-	-	2,663	2,663
Total comprehensive income for the period	-	-	-	12,281,633	2,663	-	2,663	12,284,296
Balance as at 31 March 2019	1,566,896	24,678,143	175,822	21,163,327	139,949	2,083,944	274,847	50,082,928

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 2019**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before income tax expense	10,619,764	3,695,783	14,603,902	3,530,158
Adjustments to reconcile profit before income tax expense to net cash provided by (used in) operating activities:				
Depreciation and amortisation expenses	1,358,498	1,302,190	253,593	238,456
Write-off of assets	1,646	13,701	23	2,240
Loss on withholding tax diminution and written-off	2	3,425	-	-
Bad debts and doubtful debts	21,241	70,706	2,774	41,280
Reversal for impairment of assets	-	(3,008)	-	(3,008)
Allowance to reduce cost to net realisable value - inventory	2,871	4,438	205	235
Amortisation of deferred income - membership	(132,893)	(130,470)	(32,380)	(29,723)
Loss on impairment of an other long-term investment	-	17,975	-	-
Share of income from investments in associates	(285,529)	(367,754)	-	-
Amortisation of expense for debentures and convertible debentures	4,698	7,529	4,698	7,529
Gain on disposal of investment in an associate	(7,617,339)	-	(11,250,318)	-
(Gain) loss on disposal of property, premises and equipment	2,234	1,176	(546)	(157)
(Gain) loss on foreign exchange	4,259	(2,386)	4,259	41,333
Liabilities for discontinued life long medical care program	12,674	-	9,938	-
Provision for employee benefit expenses	672,927	49,525	148,973	9,537
Annual leave expense	14,829	16,290	4,604	3,869
Interest income	(19,851)	(10,324)	(73,922)	(74,719)
Dividend income	-	(3,200)	(3,024,210)	(3,018,847)
Finance cost	288,334	317,150	319,447	342,909
Profit from operating activities before changes in operating assets and liabilities	4,948,365	4,982,746	971,040	1,091,092

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 2019**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash flows from operating activities (continued)				
Decrease (increase) in operating assets				
Trade and other receivables	(794,462)	(509,522)	(297,659)	(126,420)
Inventories	79,029	138,418	11,438	13,045
Other current assets	(8,971)	946	-	-
Other non-current assets	16,259	34,343	221	35,056
Increase (decrease) in operating liabilities				
Trade and other payables	(302,325)	(145,279)	(102,425)	39,251
Accrued expenses	(775,760)	(538,217)	(198,716)	(234,033)
Deferred income - membership	114,382	130,300	28,095	35,268
Other current liabilities	259	(72,833)	(12,802)	(22,647)
Provisions for employee benefits	(24,487)	(22,993)	(158)	(2,089)
Other non-current liabilities	(4,678)	(5,627)	(8,528)	(7,174)
Net cash flow provided by operating activities	3,247,611	3,992,282	390,506	821,349
Cash received from interest income	7,382	3,493	62,897	68,623
Cash paid for finance cost	(285,766)	(285,498)	(315,831)	(311,389)
Cash received from tax refund	4,991	211	-	-
Cash paid for income tax expense	(225,387)	(216,030)	(23,643)	(24,023)
Net cash flow provided by operating activities	2,748,831	3,494,458	113,929	554,560

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 2019**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities				
Increase in short-term investments	(1,804,810)	(1,638)	(2,002,250)	-
Increase in restricted financial institution deposits	(732)	(479)	-	-
Cash received from dividend income	5,489	3,200	-	3,200
Cash paid for purchase of long-term investment	(10,000)	-	-	-
Cash received from disposal of an associate	12,710,118	-	12,710,118	-
Decrease (increase) in short-term loans to subsidiaries	-	-	(96,614)	167,560
Cash paid for long-term loans to subsidiaries	-	-	(230,000)	(164,000)
Cash received from long-term loans to subsidiaries	-	-	212,416	195,428
Cash paid for investment property	(58)	-	(58)	-
Cash received from disposal of property, premises and equipment	5,917	2,850	851	318
Cash paid for purchase of property, premises and equipment	(1,892,895)	(1,579,861)	(368,945)	(428,591)
Cash paid for leasehold rights	(167,053)	(5,000)	-	-
Cash paid for purchase of intangible assets	(57,777)	(66,072)	(9,790)	(27,806)
Net cash flow provided by (used in) investing activities	8,788,199	(1,647,000)	10,215,728	(253,891)

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 2019**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from financing activities				
Increase in short-term loans from related parties	-	-	1,079,589	986,703
Decrease in bank overdraft and short-term loans				
from financial institutions	(5,800,115)	(6,906)	(5,800,000)	-
Repayment of long-term loans from				
financial institutions	(1,539,952)	(359,238)	(1,539,952)	(359,238)
Repayments of liabilities under				
finance lease agreements	(5,182)	(9,314)	(517)	(1,364)
Cash paid for purchase of investment in subsidiaries				
from non - controlling interests	(50)	(490)	-	-
Dividend paid	(341)	(6)	(341)	(6)
Dividend paid by subsidiaries to non-controlling interests	(838)	-	-	-
Net cash flow provided by (used in) financing activities	(7,346,478)	(375,954)	(6,261,221)	626,095
Net increase in cash and cash equivalents	4,190,552	1,471,504	4,068,436	926,764
Cash and cash equivalents at beginning of periods	5,033,518	5,091,153	2,295,456	2,618,964
Cash and cash equivalents at end of periods	9,224,070	6,562,657	6,363,892	3,545,728
	-		-	

Supplemental cash flows information:

Non-cash items:

Assets acquired under finance lease agreements	6,839	5,629	-	-
Decrease in accounts payable				
- property, premises and equipment	(101,834)	(48,717)	(27,964)	(23,140)
Increase (decrease) in payable to construction - retention	161,638	68,746	142,930	(29,821)
Increase in dividend receivable	39	4,339	3,024,210	3,015,647
Increase (decrease) in dividend payable	135,449	160,134	(341)	-

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 2019

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 pharmacies. 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 2018. There have been changes in the structure of the subsidiaries during the period as discussed in Note 5 to the financial statements.

1.4 New financial reporting standards

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

During the period, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact to the financial statements of the Group. However, the new standard involves changes to key principles, which are summarised below:

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

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.

The Group has appropriately adopted the above TFRS and there is no any significant impact to the financial statements of the Group.

(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
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TFRS 9	Financial Instruments
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Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
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TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
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These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Group is currently evaluating the impact of this standard on 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 2018.

2. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Trade receivables - related parties - net	17,530	13,386	23,501	23,873
Trade receivables - unrelated parties - net	7,705,386	7,035,693	1,548,299	1,274,972
Other receivables - related parties	7,499	2,241	124,816	117,413
Other receivables - unrelated parties	308,735	238,183	47,950	23,568
Prepaid expenses	291,554	255,511	62,598	61,428
Total trade and other receivables - net	<u>8,330,704</u>	<u>7,545,014</u>	<u>1,807,164</u>	<u>1,501,254</u>

As at 31 March 2019 and 31 December 2018, the aging analysis of the outstanding trade accounts receivable is as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
<u>Related parties</u>				
Undue	4,960	3,387	13,070	14,363
Not over than 3 months	6,674	9,620	10,313	9,131
3 - 6 months	5,709	227	80	180
6 - 12 months	93	55	28	190
over 12 months	94	113	10	25
Total trade accounts receivable - related parties	17,530	13,402	23,501	23,889
Less: Allowance for doubtful accounts	-	(16)	-	(16)
Total trade accounts receivable - related parties - net	17,530	13,386	23,501	23,873
<u>Unrelated parties</u>				
Undue	3,990,635	3,595,596	780,341	677,246
Not over than 3 months	2,901,300	2,808,218	614,262	525,329
3 - 6 months	556,262	464,614	131,500	81,782
6 - 12 months	369,871	307,214	70,614	54,496
over 12 months	482,822	440,410	178,892	160,640
Total trade accounts receivable - unrelated parties	8,300,890	7,616,052	1,775,609	1,499,493
Less: Allowance for doubtful accounts	(595,504)	(580,359)	(227,310)	(224,521)
Total trade accounts receivable - unrelated parties - net	7,705,386	7,035,693	1,548,299	1,274,972
Total trade accounts receivable - net	7,722,916	7,049,079	1,571,800	1,298,845

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 and costs from hospital operations and laboratory 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 Interests of loans between subsidiaries in Cambodia charged at the rates as stipulated in the agreements

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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Associates</u>				
Revenue from hospital operations and laboratory services	5.9	4.5	4.5	3.1
Other income	5.3	2.1	-	-
Service costs	1.9	2.0	0.4	0.2
<u>Subsidiaries</u>				
Revenue from hospital operations and laboratory services	-	-	37.1	52.2
Consulting and management fee income	-	-	242.7	230.1
Interest income	-	-	59.8	66.8
Dividend income (Note 5)	-	-	3,024.2	3,015.6
Other income	-	-	24.0	22.3
Service costs	-	-	210.4	217.2
Consulting and management fee expenses	-	-	63.8	63.5
Other expenses	-	-	12.4	4.3
Interest expense	-	-	32.8	27.2
<u>Individuals or related companies</u>				
Revenue from hospital operations and laboratory services	1.7	1.2	1.5	1.0
Other income	3.1	3.0	2.4	2.6
Service costs	52.4	44.0	41.0	33.3
Consulting and management fee expenses	0.8	0.8	-	-
Other expenses	25.0	22.2	15.9	14.1

The outstanding balances of the above transactions as at 31 March 2019 and 31 December 2018 have been separately shown in the statement of financial position as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
<u>Trade receivables - related parties (Note 2)</u>				
Associates	16,553	11,821	2,536	1,178
Subsidiaries	-	-	20,630	22,086
Related companies	977	1,581	335	625
Total trade receivables - related parties	17,530	13,402	23,501	23,889
Less: Allowance for doubtful accounts	-	(16)	-	(16)
Total trade receivables - related parties	17,530	13,386	23,501	23,873
<u>Other receivables - related parties (Note2)</u>				
Consulting and management fee receivable				
Subsidiaries	-	-	86,427	83,189
Total	-	-	86,427	83,189
Accrued interest income and others				
Associate	5,484	-	-	-
Subsidiaries	-	-	37,631	33,554
Related companies	2,015	2,241	758	670
Total	7,499	2,241	38,389	34,224
Total other receivables - related parties	7,499	2,241	124,816	117,413
<u>Dividend receivables - related parties</u>				
Subsidiaries	-	-	3,024,210	-
Total dividend receivables - related parties	-	-	3,024,210	-

(Unaudited but reviewed)

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
<u>Other non-current assets - related parties</u>				
Subsidiaries	-	-	14,931	14,950
Related companies	1,312	1,312	-	-
Total other non-current assets - related parties	1,312	1,312	14,931	14,950
<u>Trade payables - related parties (Note 9)</u>				
Associates	1,658	2,022	116	91
Subsidiaries	-	-	113,123	104,278
Related companies	16,609	17,201	10,351	11,149
Total trade payables - related parties	18,267	19,223	123,590	115,518
<u>Other payables - related parties (Note 9)</u>				
Associate	-	60	-	-
Subsidiaries	-	-	107,988	93,246
Related companies	8,535	10,198	5,978	8,390
Total other payables - related parties	8,535	10,258	113,966	101,636
<u>Accrued interest expense - related parties</u>				
(included in accrued expenses)				
Subsidiaries	-	-	11,929	10,591
Total accrued interest expense - related parties	-	-	11,929	10,591
<u>Other non-current liabilities - related parties</u>				
Associates	-	343	-	343
Subsidiaries	-	-	12,539	12,189
Related companies	821	729	821	729
Total other non-current liabilities - related parties	821	1,072	13,360	13,261

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

(Unit: Thousand Baht)				
	Separate financial statements			31 March 2019
	31 December 2018	Increase	Decrease	
<u>Short-term loans to subsidiaries</u>				
Subsidiaries	2,619,642	367,743	(272,921)	2,714,464
Total short-term loans to subsidiaries	<u>2,619,642</u>	<u>367,743</u>	<u>(272,921)</u>	<u>2,714,464</u>
<u>Long-term loans to subsidiaries</u>				
Subsidiaries	4,063,054	230,000	(214,882)	4,078,172
Total long-term loans to subsidiaries	<u>4,063,054</u>	<u>230,000</u>	<u>(214,882)</u>	<u>4,078,172</u>
<u>Short-term loans from subsidiaries</u>				
Subsidiaries	10,770,759	1,309,610	(230,021)	11,850,348
Total short-term loans from subsidiaries	<u>10,770,759</u>	<u>1,309,610</u>	<u>(230,021)</u>	<u>11,850,348</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 to subsidiaries. The loans bear interest at MLR minus fixed rate per annum and LIBOR plus fixed rate per as stipulated in the agreement. The interest is payable on a monthly basis while principal is repayable on the basis as stipulated in the agreements.

The Company has entered into short-term loans agreements from its subsidiaries. The loans bear interest at fixed deposit rate. The interest is payable on a monthly basis while principal is repayable on the basis as stipulated in the agreements.

Guarantee obligations with subsidiaries

As at 31 March 2019, the Company has guaranteed overdraft facility amounting to USD 2 million (31 December 2018: USD 2 million) for 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	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	34.2	34.7	25.2	31.3
Post-employment benefits	4.6	0.1	4.6	0.1
Total	38.8	34.8	29.8	31.4

Apart from short-term employee benefits, Executive Management also receives medical benefits according to the Company policy, the same with employees of the Company. External Directors, referring to directors who are not an employee or management according to the employment agreement, receive a medical fee budget of Baht 3 million per person per year to be used only for medical fees at Bangkok Hospital and hospitals within the Group.

(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	
			31 March 2019	31December 2018	Equity Method		Cost Method	
					31 March 2019	31 December 2018	31 March 2019	31 December 2018
<u>Associates held by the Company</u>								
Cool & Joy Co., Ltd.	Ceased operation	Baht 5 million	30.00	30.00	870	871	1,500	1,500
Ramkhamhaeng Hospital Public Co., Ltd.	Hospital	Baht 120 million	-	38.24	-	5,704,289	-	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	181,481	181,250	69,952	69,952
Bumrungrad Hospital Public Co., Ltd.	Hospital	Baht 730 million	24.88	24.88	16,463,184	16,197,451	12,357,828	12,357,828
Total investments in associates held by the Company							12,429,280	13,889,081
Total investments in associates held by the Group					16,645,535	22,083,861		
<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	46.03	46.03	573,848	563,129		
Total investments in associates held by subsidiaries					573,848	563,129		
Total investments in associates in the consolidated financial statements					17,219,383	22,646,990		

4.1 Disposal of investment in an associate

On 11 January 2019, the extraordinary meeting of the Company's Board of Directors No. 1/2019 had approved the Company to dispose all equity investment in Ramkhamhaeng Hospital Public Company Limited totaling 4,588,424 shares, or 38.24% of issued and paid-up shares of Ramkhamhaeng Hospital Public Company Limited, at the price of Baht 2,800 per share, totaling of approximately Baht 12,847.59 million.

From this disposal approval, in the fourth quarter of 2018 the Company recognised deferred tax liabilities (in accordance with Thai Accounting Standard No.12 Income Tax) in the consolidated financial statements totaling of Baht 849 million, in which amount of Baht 727 million recognised in the income statement and amount of Baht 122 million recognised in the statement of comprehensive income. The deferred tax liability was calculated from profit sharing using equity method from this associate that have been recognised totaling Baht 4,244 million.

In the first quarter of 2019, the Company already disposed this investment. Therefore, the Company recognised gain from selling this investment (net of income tax expense) in the consolidated and in the separate income statements amounting to Baht 6,094 million and Baht 9,000 million, respectively. The gain in consolidated income statements included the reversal of share of other comprehensive income from associate in comprehensive income statement by Baht 491 million (net of income tax expense).

4.2 Details of share of income and dividend received from the associates

Company's name	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Share of income (loss) from investments in associates received during the three-month periods ended		Dividend received during the three-month periods ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<u>Associates held by the Company</u>				
Cool & Joy Co., Ltd.	(1)	(198)	-	-
Ramkhamhaeng Hospital Public Co., Ltd.	-	134,819	-	-
Udon Patana (1994) Co., Ltd.	230	(6,645)	-	-
Bumrungrad Hospital Public Co., Ltd.	269,052	221,201	-	-
<u>Associate held by the subsidiaries</u>				
General Hospital Products Public Co., Ltd.	16,248	18,577	-	-
Total	285,529	367,754	-	-

In the first quarter of 2019, the Company recognised share of income from investment in an associate which is a listed company in the Stock Exchange of Thailand of Baht 269.1 million representing 94 percent of total share of income from all associates. The share of income from this associate was calculated based on interim financial statements which were reviewed by the auditor of the associate.

In the first quarter of 2018, the Company recognised share of income from investments in two associates which are listed companies in the Stock Exchange of Thailand of Baht 356.0 million representing 97 percent of total share of income from all associates. Share of income from an associate was calculated based on interim financial statements which were reviewed by the auditor of the associate and share of income from 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 (Cost method)		Dividend received during the periods	
			31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 March 2018
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	-	-
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	455,761	428,952
Paolo 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	599,166	653,635
Bangkok Rayong Hospital Co., Ltd.	Hospital	Baht 400 million	100.00	100.00	415,020	415,020	160,000	80,000
Bangkok Samui Hospital Co., Ltd.	Hospital	Baht 150 million	100.00	100.00	150,000	150,000	-	-
Bangkok Trat Hospital Co., Ltd.	Hospital	Baht 250 million	99.76	99.76	245,889	245,889	49,878	39,902
Wattanavej Co., Ltd.	Hospital	Baht 180 million	99.72	99.72	450,788	450,788	107,700	161,506
Bangkok Ratchasima Hospital Co., Ltd.	Hospital	Baht 300 million	91.45	91.45	935,355	935,355	-	-
National Healthcare Systems Co., Ltd. (held by the Company at 74.02% and indirectly held by subsidiaries at 24.66%.	Laboratory services	Baht 75 million	74.02	74.02	56,768	56,768	-	-
Bio Molecular Laboratories (Thailand) Co., Ltd.	Laboratory services	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 55 million	100.00	100.00	1,803,415	1,803,415	-	-

(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 2019	December 2018	March 2019	December 2018	March 2019	March 2018
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	9,263,950	9,263,950	1,311,157	1,311,109
Paolo Medic Co., Ltd.	Hospital	Baht 1,000 million	100.00	100.00	3,622,872	3,622,872	-	-
Paolo Samutprakarn Co., Ltd.	Hospital	Baht 42 million	93.65	93.65	1,737,706	1,737,706	137,666	137,661
Siam Medical Co., Ltd.	Hospital	Baht 100 million	85.71	85.71	939,775	939,775	102,857	102,857
Thai Medical Center Public Co., Ltd.	Hospital	Baht 201 million	99.76	99.76	887,131	887,131	100,025	100,025
Bangkok Premier Insurance Broker Co., Ltd.	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)

Separate financial statements

Company's name	Nature of business	Paid-up Capital	% Shareholding		Investments (Cost method)		Dividend received during the periods	
			31	31	31	31	31	31
			March	December	March	December	March	March
			2019	2018	2019	2018	2019	2018
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 a 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 0.2 million	100.00	100.00	6,721	6,721	-	-
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 a subsidiary at 12.75%)	Air transportation services	Baht 400 million	87.25	87.25	350,858	350,858	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up Capital	Separate financial statements					
			% Shareholding		Investments (Cost method)		Dividend received during the periods	
			31	31	31	31	31	31
			March 2019	December 2018	March 2019	December 2018	March 2019	March 2018
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	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	-	-
BDMS Wellness Resort Co., Ltd.	Hotel	Baht 100 million	100.00	100.00	100,000	100,000	-	-
Total investments in subsidiaries					53,683,951	53,683,951	3,024,210	3,015,647
Less: Allowance for impairment of investments					(154,062)	(154,062)		
Total investments in subsidiaries - net					<u>53,529,889</u>	<u>53,529,889</u>		

(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 2019	31 December 2018	31 March 2019	31 March 2018
<u>Investments held by the Company</u>							
<u>Available-for-sale investments</u>							
Investments in listed securities							
Thai Military Bank Public Co., Ltd.	Bank	41,659	-	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				3,115	3,368	-	-
Investments in listed securities				5,235	5,488	-	-
Investments in related company							
Bangkok Airways Public Co., Ltd.	Airline	2,100	0.85	39,466	39,466	-	-
Surplus on changes in value of available-for-sale investments				171,820	168,239	-	-
Investments in related company				211,286	207,705	-	-

(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
				2019	2018	2019	2018
<u>Investments in unrelated companies</u>							
Thai Longstay Management Co., Ltd.	VISA service	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				226,572	223,244	-	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	31 December	31 March	31 March
				2019	2018	2019	2018
<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				1,604	1,604	-	-
Investments in investment unit				11,604	11,604	-	-
<u>Investment in listed securities</u>							
Mahachai Hospital Public Company Limited	Hospital	160	4.28	143,724	143,724	-	-
Loss on changes in value of available-for-sale investments				(19,506)	(21,217)	-	-
Investments in listed securities				124,218	122,507	-	-

(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
				2019	2018	2019	2018
<u>Investments in unrelated companies</u>							
Thai Herbal Products Co., Ltd.	Manufacturer and distributor 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	Manufacturer and distributor of medical equipment	157	5.10	8,000	8,000	-	-
Pracharat Raksamakkee Khonkaen (Enterprise for social) Co., Ltd.	OTOP processing and travelling	4	0.38	15	15	-	-
Korat Medical Group Co., Ltd.	Hospital	92	1.08	1,000	1,000	-	-
UB (Thailand) Co., Ltd.	Manufacturer and distributor of medical equipment	8	11.00	879	879	-	-
U2 Bio (Thailand) Co., Ltd.	Laboratory service	10	10.00	1,000	1,000	-	-
				118,776	118,776	-	-
Less: Allowance for impairment of investments				(2,879)	(2,879)	-	-
Investments in unrelated companies				115,897	115,897	-	-

(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
				2019	2018	2019	2018
<u>Investments in held-to-maturity securities</u>							
Debentures - listed companies				30,000	20,000	-	-
<u>Investments in ordinary shares (ceased operations)</u>							
Phyathai Herbs Co., Ltd.	In process of liquidation	220	63.64	42,889	42,889	-	-
Black Brain Health, LLC.	In process of liquidation	USD 1.38 million	4.81	17,975	17,975	-	-
Less: Allowance for impairment of investment				(27,468)	(27,468)	-	-
Investments in ordinary shares (ceased operations) - net				33,396	33,396	-	-
Total other long-term investments - net in the consolidated financial statements				541,723	526,648	-	3,200

Prasitthirat Company Limited

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

Phyathai Herbs Co., Ltd.

A subsidiary has investment in Phyathai Herbs Co., Ltd. that have ceased its operation but has not classified it as investment in subsidiary because the subsidiary has no power to control such company.

7. Property, premises and equipment

Movement of the property, premises and equipment during the three-month period ended 31 March 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2018	74,496,217	13,134,964
Purchase	1,963,321	483,911
Disposals and write-off	(13,555)	(328)
Transfer in	6,051	-
Depreciation for the periods	(1,285,037)	(225,432)
Translation adjustment	(30,997)	-
Net book value as at 31 March 2019	<u>75,136,000</u>	<u>13,393,115</u>

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

As at 31 March 2019, the Group had outstanding balances of bank overdrafts and short-term loans from financial institutions of Baht 77 million (31 December 2018: Baht 5,878 million). The bank overdrafts carry interest rate at MLR for Baht currency facilities and LIBOR plus fixed rate for US currency facilities. The loans carry interest at fixed rate. 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 2019	31 December 2018	31 March 2019	31 December 2018
Trade payables - related parties	18,267	19,223	123,590	115,518
Trade payables - unrelated parties	3,241,834	3,290,617	478,244	410,715
Other payables - related parties	8,535	10,258	113,966	101,636
Other payables - unrelated parties	962,839	1,315,536	39,295	257,615
Accounts payable - construction and retention	717,775	556,137	278,427	135,497
Total trade and other payables	<u>4,949,250</u>	<u>5,191,771</u>	<u>1,033,522</u>	<u>1,020,981</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 membership programs providing lifelong medical services with small amount of charges to their members who have prepaid the membership fees for life. The reason of this discontinuation 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 would be illegal for the Company and its subsidiary to continue providing medical services under these membership programs as they do not have the necessary permission from the relevant authorities to operate an 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 their membership fees together with compensation. They also offered members benefit in the form of a 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 in order to comply with Thai Accounting Standard No. 10 Events after the reporting period. As at 31 December 2016, the liabilities for discontinued lifelong medical care program in consolidated and separate financial statements were amounted to Baht 964 million and Baht 820 million, respectively.

In 2017, some members (182 of the 334 members in the consolidated financial statements and 151 of the 282 members in the separate financial statements) accepted the offers but other members did not accept the offers as of yet. As at 31 December 2017, the liabilities from the discontinuation of the lifelong memberships for the 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 amounts to approximately Baht 440 million and Baht 380 million, respectively.

As a result of discontinuing the lifelong membership programs, some former members of the program filed numerous complaints against the Company and its subsidiary with the courts and requested that the Company and its subsidiary continue the program while some made claims for indemnity from the Company and its subsidiary.

During the court's consideration of certain cases, the court issued orders for temporary injunctions prior to the release of a judgment to the former members who 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 utilise their rights under the programs until the court rules or orders otherwise. Furthermore, the court ordered for the former members who are under the temporary injunction to enter into contracts with the court which would provide 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 amounts for such medical bills unless the court rules or orders otherwise.

Since then, the Civil Court ruled on some of the cases between the former members and the Company and its subsidiary (including all cases where the court has ordered for temporary injunctions prior to a judgment). The judgment of the Company's cases are rendered in three directions which are: 1) to order for the Company to continue complying with the terms of the programs; 2) to order for the Company to continue complying with the terms of the programs but also to make indemnity payment should the Company fail to comply with such terms of the programs at the amount specified in a judgment, the amount of which are usually close to amounts that the Company made in its counteroffer to some members prior to filing of complaints; and 3) to order the plaintiff to refund to the Company the membership fee together with the compensation accepted from the Company in relation to pre-litigation settlement agreements made prior to the filing of the complaints, and to order for the Company to continue complying with the terms of the programs. In all three directions of judgments, the court ordered that the Company must provide compensation for the medical expenses to the plaintiffs in certain from the date of the discontinuation of the programs up to the date on which the judgment was rendered. As for the complaints against the subsidiary, the judgment are also rendered in two directions which are: 1) to order for the subsidiary to make indemnity payment at the amount specified in a judgment, the amount of which are usually close to amounts that the subsidiary made in its counteroffer to some members prior

to filing of complaints; and 2) to order for the subsidiary to continue complying with the terms of the programs and also for it to compensate the plaintiffs for any actual medical expenses resulted from the date of the discontinuance of the programs up to the date on which the judgment was rendered. In this regard, there are some pending cases under the consideration of the Civil Court.

In the fourth quarter of 2018 and the first quarter of 2019, the Court of Appeal affirmed the judgment of the Civil Court on some of the cases of the Company. As at 31 March 2019 and 31 December 2018, the Company and its subsidiary recorded a provision for contingent liabilities from litigation in case the Company and its subsidiary have to comply with the judgment.

Nonetheless, the legal advisor of the Company and its subsidiary opined that, in consideration of 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. Therefore, the management, under the advisory of the Company and its subsidiary's legal advisor, proceeded to utilize its legal right to file an appeal and a petition against the ruling of the Civil Court, for the Court of Appeal's and the Supreme Court's consideration and ruling which shall serve as precedent of future legal processes. Currently, such cases are currently under the consideration of the Court of Appeal and the Supreme Court. The Company and its subsidiary shall keep record of the amounts of debt owed to the Company and its subsidiary for medical services rendered which have not been collected in relation to for such medical bills unless the court rules otherwise.

11. Long-term loans from financial institutions

	(Unit: Thousand Baht)
	Consolidated/ Separate financial statements
Balance as at 31 December 2018	9,326,832
Less: Repayment during period	(1,539,952)
Balance as at 31 March 2019	7,786,880
Less: Current portion of long-term loans from financial institutions	(3,171,947)
Long-term loans from financial institutions	4,614,933

The outstanding balances of long-term loans from financial institutions of the Group as at 31 March 2019 and 31 December 2018 are 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
					2019	2018	2019	2018
Nov. 2011	Jun. 2019	Baht 3,000 million	Quarterly	Floating rate + Spread	-	-	-	319.0
Jan. 2012	Jul. 2020	Baht 586 million	Monthly	Floating rate + Spread	-	-	-	99.5
Jun. 2012	Dec. 2019	Baht 1,766 million	Quarterly	Floating rate + Spread	-	-	-	269.6
May 2013	May 2021	Baht 2,000 million	Semi-annually	Floating rate + Spread	-	-	-	704.0
Feb. 2014*	Jul. 2021	USD 20 million	Semi-annually	Fixed rate	12.0	14.0	386.9	451.4
Apr. 2014	Jun. 2019	Baht 1,000 million	Monthly	Floating rate + Spread	-	-	-	83.3
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					12.0	14.0	7,786.9	9,326.8

*In January 2018, the Company 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 long-term loan agreements contain certain covenants which the Company must comply such as financial ratios.

12. Liabilities under finance lease agreements

As at 31 March 2019 and 31 December 2018, liabilities under finance lease agreements are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
Liabilities under finance lease agreements	37,548	35,334	520	1,037
Less: Deferred interest expense	(2,017)	(1,776)	(1)	(2)
Total	35,531	33,558	519	1,035
Less: Current portion of liabilities under finance lease agreements	(13,733)	(14,047)	(519)	(1,035)
Liabilities under finance lease agreements	<u>21,798</u>	<u>19,511</u>	<u>-</u>	<u>-</u>

As at 31 March 2019 and 31 December 2018, the Group has future minimum lease payments which required under the finance lease agreements as follows:

	(Unit: Thousand Baht)		
	As at 31 March 2019		
	Consolidated financial statements		
	Less than 1 year	1 - 5 years	Total
Future minimum finance lease payments	14,796	22,752	37,548
Deferred interest expense	(1,063)	(954)	(2,017)
Present value of future minimum finance lease payments	<u>13,733</u>	<u>21,798</u>	<u>35,531</u>

	(Unit: Thousand Baht)		
	As at 31 December 2018		
	Consolidated financial statements		
	Less than 1 year	1 - 5 years	Total
Future minimum finance lease payments	14,995	20,339	35,334
Deferred interest expense	(948)	(828)	(1,776)
Present value of future minimum finance lease payments	<u>14,047</u>	<u>19,511</u>	<u>33,558</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

As at 31 March 2019

	Separate financial statements		
	Less than		
	1 year	1 - 5 years	Total
Future minimum finance lease payments	520	-	520
Deferred interest expense	(1)	-	(1)
Present value of future minimum finance lease payments	519	-	519

(Unit: Thousand Baht)

As at 31 December 2018

	Separate financial statements		
	Less than		
	1 year	1 - 5 years	Total
Future minimum finance lease payments	1,037	-	1,037
Deferred interest expense	(2)	-	(2)
Present value of future minimum finance lease payments	1,035	-	1,035

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 36 - 60 months and at the end of the agreements.

13. Debentures

Movements of debentures net from debenture expenses and amortization of expenses during the three-month period ended 31 March 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated/ Separate financial statements
Balance as at 1 January 2019	19,588,046
Amortisation of debenture expenses during the period	849
Balance as at 31 March 2019	19,588,895
Less: Current portion of debentures	(2,999,104)
Debentures	16,589,791

(Unaudited but reviewed)

The outstanding balances of debentures of the Company as at 31 March 2019 and 31 December 2018 as follows:

No.	Debentures period		Number of unit	Amount (million baht)	Coupon rate	Outstanding balance (million baht)	
	Issue Date	Maturity Date				31 March 2019	31 December 2018
BDMS228A	6 Aug. 2012	6 Aug. 2022	500,000	500.0	4.50%	500	500
BDMS228B	8 Aug. 2012	8 Aug. 2022	100,000	100.0	4.50%	100	100
BDMS233A	14 Mar. 2013	14 Mar. 2023	4,000,000	4,000.0	4.63%	4,000	4,000
BDMS205A	10 May 2013	10 May 2020	2,000,000	2,000.0	4.19%	2,000	2,000
BDMS235A	10 May 2013	10 May 2023	1,000,000	1,000.0	4.39%	1,000	1,000
BDMS256A*	25 Jun. 2015	25 Jun. 2025	2,000,000	2,000.0	3.95%	2,000	2,000
BDMS266A	24 Jun. 2016	24 Jun. 2026	3,000,000	3,000.0	2.99%	3,000	3,000
BDMS202A	8 Feb. 2017	8 Feb. 2020	3,000,000	3,000.0	2.41%	3,000	3,000
BDMS222A	8 Feb. 2017	8 Feb. 2022	2,500,000	2,500.0	2.97%	2,500	2,500
BDMS242A	8 Feb. 2017	8 Feb. 2024	1,500,000	1,500.0	3.46%	1,500	1,500

*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	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.

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 totaling 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)

In 2018, the convertible debentures holders of Baht 3,746 million exercised their conversion rights to convert into 178.0 million ordinary shares of the Company. As a result, as at 31 March 2019 and 31 December 2018 the outstanding principal amount of convertible debentures was Baht 4,694 million.

Movements of convertible debentures, net from convertible debenture expenses, during the three-month period ended 31 March 2019 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 2019	5,067,389	(10,991)	5,056,398	274,847
Transactions for present value of convertible debentures	40,744	-	40,744	-
Amortisation of debenture expenses	-	3,850	3,850	-
Balance as at 31 March 2019	5,108,133	(7,141)	5,100,992	274,847

15. Non-current provision for employee benefits

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional non-current provision for employee benefit of Baht 616.3 million (The Company only: Baht 130.6 million) as a result. The Group has already reflected the effect of the change by recognising past service costs as expenses in the income statement of the first quarter of 2019. This is in accordance with the resolution of the Board of Director Meeting No. 4/2019 of the Company dated 24 April 2019 to change policy regarding severance pay rates for employees who have worked for an uninterrupted period of twenty years or more to receive not less than 400 days compensation at the latest wage rate, effective from 31 March 2019.

16. Income tax

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

Income tax expense for the three-month period ended 31 March 2019 and 2018 were made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current income tax:				
Interim corporate income tax charge	2,805,438	633,087	2,311,351	142,264
Deferred tax:				
Relating to origination and reversal of temporary differences	(738,174)	14,970	10,918	116,330
Income tax reported in the income statements	<u>2,067,264</u>	<u>648,057</u>	<u>2,322,269</u>	<u>258,594</u>

17. Earnings per share

Basic earnings per share is determined by dividing profit for the period attributable to owner 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 2019 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.

18. Commitments and contingent liabilities

As at 31 March 2019 and 31 December 2018, commitments and contingent liabilities are as follows:

(Unit: Million Baht)

	As at 31 March 2019					
	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	319	503	1,543	40	118	389
- the office equipment rental and other services	365	197	12	243	12	-
- the medical equipment provision and maintenance contracts	239	160	-	-	-	-
- the building construction and decoration contracts	2,741	1	-	544	-	-
Total	3,664	861	1,555	827	130	389

(Unit: Million Baht)

	As at 31 December 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	431	554	1,570	40	121	396
- the office equipment rental and other services	388	169	13	315	5	-
- the medical equipment provision and maintenance contracts	240	180	-	-	-	-
- the building construction and decoration contracts	2,341	1	-	653	-	-
Total	3,400	904	1,583	1,008	126	396

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 from 28 May 2010. The contract period has been extended to 27 January 2024. A subsidiary has to pay fee at the rate stipulated in the agreement from 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 from 16 March 2017. A subsidiary has to pay fee at the rate stipulated in the agreement from monthly gross operating revenue before deducted any expense or the minimum fee, as stipulated in agreement, whichever higher.

Contingent liabilities

As at 31 March 2019, the Group had outstanding bank guarantees issued by the banks on behalf of the Group of approximately Baht 468 million (31 December 2018: Baht 387 million) and of the Company of Baht 150 million (31 December 2018: Baht 40 million) in respect of certain performance bonds as required in the normal course of business, such as facility usage and contractual performance.

19. Segment information

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

The Group has two reportable segments that are hospital operations and other businesses that support hospital business including medical laboratories, medicine production, saline production and pharmacies, assets management for healthcare business, distribution cosmetic goods, accounting services, technology and information service, training business and 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 three-month period ended 31 March 2019 and 2018, the Group has no major customer with revenue of 10 percent or more of its revenues.

20. 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

(Unaudited but reviewed)

As of 31 March 2019, the Group had financial assets that were measured at fair value using different level of input as follow.

(Unit: Million Baht)

	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment in mutual funds	-	519	-	519
Available-for-sale investments	352	-	-	352
Investment properties	-	38	279	317
Land	-	34,744	-	34,744

(Unit: Million Baht)

	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments	217	-	-	217
Investment properties	-	304	385	689
Land	-	5,464	-	5,464

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

21. 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.

21.1 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 fixed rate per annum on the debenture balances 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:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Fair value of interest rate swap contract - assets	74.0	45.8	74.0	45.8

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.

21.2 Cross currency swap contract

In order to mitigate the foreign currency risk exposure. As described in Note 11 in January 2018, the Company entered into cross currency swap contract with a financial institution by converting USD loan to Thai Baht loan.

Net fair value

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Fair value of cross currency swap agreement - asset	-	3.7	-	3.7
Fair value of cross currency swap agreement - liability	6.0	-	6.0	-

(Unaudited but reviewed)

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.

21.3 Forward exchange contract

As at 31 December 2018 (31 March 2019: Nil), 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 2018	US Dollar	693,121	32.65 - 33.05

As at 31 March 2019 (31 December 2018: Nil), the Company has the outstanding balance of buying forward exchange contracts as follows:

Balance as at	Foreign currency	Amount bought	Contractual exchange rate for amount bought
			(Baht per foreign currency unit)
31 March 2019	US Dollar	750,000	30.89 - 31.06
	Euro	400,000	36.03

Net fair value

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
Fair value of selling forward exchange contract - asset	-	363.1	-	-
Fair value of buying forward exchange contract - asset	469.8	-	469.8	-

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.

22. Reclassification

The Group reclassified the following items in income statement for the three-month period ended 31 March 2018 to conform with the current period's classification as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	As	As previously	As	As previously
	reclassified	reported	reclassified	reported
Income statement				
For the three-month period ended 31 March 2018				
Revenue from hospital operations	18,817,003	19,057,282	3,619,133	3,704,563
Cost of hospital operations	12,390,582	12,630,861	2,142,470	2,227,900

The reclassification had no effect to previously reported net profit or shareholders' equity.

23. Subsequent event after reporting dateDividend payment

On 12 April 2019, the 2019 Annual General Meeting of the Company's shareholders has approved a dividend payment for ordinary shares at Baht 0.32 per share, totaling of Baht 5,013.6 million. The interim dividend was paid at Baht 0.13 per share, totaling of Baht 2,036.5 million in September 2018. Moreover, on 26 April 2019 the additional dividend payment was paid at Baht 0.19 per share, totaling of Baht 2,977.1 million.

24. Approval of financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 13 May 2019.