

Bangkok Dusit Medical Services Public Company Limited
and its subsidiaries
Review report and consolidated interim financial statements
For the three-month and six-month periods ended 30 June 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 30 June 2019, the related consolidated statements of income and comprehensive income for the three-month and six-month periods then ended, the related consolidated statements of changes in shareholders' equity and cash flows for the six-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 during 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 30 June 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 August 2019

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2019

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	<u>Note</u>	30 June 2019	31 December 2018	30 June 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		9,628,526	5,033,518	7,544,137	2,295,456
Short-term investments		820,003	816,666	397	394
Trade and other receivables	2, 3	8,064,994	7,545,014	1,736,634	1,501,254
Short-term loans to subsidiaries	3	-	-	2,959,555	2,619,642
Inventories		1,703,760	1,785,911	99,025	111,613
Other current assets		102,844	91,951	-	-
Total current assets		20,320,127	15,273,060	12,339,748	6,528,359
Non-current assets					
Restricted financial institution deposits		10,776	9,562	-	-
Investments in associates	4	17,098,059	22,646,990	12,429,280	13,889,081
Investments in subsidiaries	5	-	-	53,930,121	53,529,889
Other long-term investments	6	541,268	526,648	222,624	223,244
Long-term loans to subsidiaries	3	-	-	4,031,625	4,063,054
Investment properties		316,784	316,726	688,917	688,859
Property, premises and equipment	7	75,609,995	74,546,958	13,490,274	13,134,964
Goodwill		17,538,869	17,538,869	-	-
Intangible assets		1,363,656	1,272,824	580,310	524,101
Deferred tax assets		99,630	96,101	-	-
Other non-current assets					
Leasehold rights		1,045,857	901,007	311,894	319,348
Others	3	409,122	370,006	28,388	28,869
Total non-current assets		114,034,016	118,225,691	85,713,433	86,401,409
Total assets		134,354,143	133,498,751	98,053,181	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 30 June 2019

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	<u>Note</u>	30 June 2019	31 December 2018	30 June 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	30,890	5,877,528	-	5,800,000
Trade and other payables	3, 9	4,851,543	5,191,771	999,341	1,020,981
Accrued expenses	3	5,726,739	5,957,293	1,406,761	1,510,956
Liabilities for discontinued life long					
medical care program	10	649,242	623,894	482,999	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	14,884	14,047	378	1,035
- Debentures	13	4,999,162	-	4,999,162	-
- Convertible debentures - liability component	14	4,726,195	5,056,398	4,726,195	5,056,398
Short-term loans from non-related parties		67,000	67,000	-	-
Short-term loans from subsidiaries	3	-	-	8,924,970	10,770,759
Income tax payable		3,102,997	863,684	2,369,387	111,218
Current provision for employee benefits		158	158	158	158
Deferred income - membership due within one year		200,049	225,577	103,442	106,640
Other current liabilities		514,935	515,142	95,652	120,756
Total current liabilities		28,055,741	28,573,856	27,280,392	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	24,643	19,511	724	-
Debentures	13	14,590,591	19,588,046	14,590,591	19,588,046
Non-current provision for employee benefits	15	3,307,754	2,581,912	943,618	773,969
Deferred income - membership		608,960	632,664	129,338	149,060
Deferred tax liabilities		2,480,489	3,447,624	272,302	292,264
Other non-current liabilities	3	68,327	71,599	30,628	38,942
Total non-current liabilities		25,695,697	31,486,823	20,582,134	25,987,748
Total liabilities		53,751,438	60,060,679	47,862,526	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 30 June 2019

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at 30 June 2019 (Unaudited but reviewed)	As at 31 December 2018 (Audited)	As at 30 June 2019 (Unaudited but reviewed)	As at 31 December 2018 (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				
15,687,155,144 ordinary shares of Baht 0.1 each (31 December 2018: 15,668,956,048 ordinary shares of Baht 0.1 each)	1,568,716	1,566,896	1,568,716	1,566,896
Premium on ordinary shares	25,180,347	24,741,067	25,117,423	24,678,143
Difference from shareholding restructure	305,000	305,000	-	-
Surplus investment over book value of subsidiaries	(2,683,558)	(2,683,558)	-	-
Retained earnings				
Appropriated - statutory reserve	175,822	175,822	175,822	175,822
Unappropriated	44,984,630	37,657,404	20,855,539	8,881,694
Other components of shareholders' equity	7,958,759	8,557,476	2,473,155	2,496,077
Equity attributable to owners of the Company	77,489,716	70,320,107	50,190,655	37,798,632
Non - controlling interests of the subsidiaries	3,112,989	3,117,965	-	-
Total shareholders' equity	80,602,705	73,438,072	50,190,655	37,798,632
Total liabilities and shareholders' equity	134,354,143	133,498,751	98,053,181	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 30 June 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	18,691,896	17,526,812	3,517,060	3,298,843
Revenue from sales of goods	3	721,954	723,341	-	-
Other income					
Interest income and gain on sale of short-term investments		41,452	22,477	92,934	76,307
Dividend income	4, 5, 6	9,304	13,100	2,391,725	1,788,905
Gain on disposal of other long-term investment		1,655	-	-	-
Others		222,791	206,437	312,080	286,094
Total other income		275,202	242,014	2,796,739	2,151,306
Total revenues		19,689,052	18,492,167	6,313,799	5,450,149
Expenses					
Cost of hospital operations and goods sold	3	13,014,670	12,156,684	2,205,267	2,048,316
Administrative expenses	3	4,137,583	3,781,653	1,073,154	936,325
Total expenses		17,152,253	15,938,337	3,278,421	2,984,641
Profit before share of income from investments in associates, finance cost and income tax expense					
		2,536,799	2,553,830	3,035,378	2,465,508
Share of income from investments in associates	4.2	198,922	348,079	-	-
Profit before finance cost and income tax expense		2,735,721	2,901,909	3,035,378	2,465,508
Finance cost	3	(261,647)	(293,626)	(289,232)	(315,527)
Profit before income tax expense		2,474,074	2,608,283	2,746,146	2,149,981
Income tax expense	17	(502,878)	(459,153)	(76,853)	(67,418)
Profit for the periods		1,971,196	2,149,130	2,669,293	2,082,563
Profit attributable to:					
Owners of the Company		1,865,336	2,042,568	2,669,293	2,082,563
Non-controlling interests of the subsidiaries		105,860	106,562		
		<u>1,971,196</u>	<u>2,149,130</u>		
Basic earnings per share					
	18				
Profit attributable to owners of the Company		<u>0.12</u>	<u>0.13</u>	<u>0.17</u>	<u>0.13</u>
Weighted average number of ordinary shares (shares)		<u>15,670,956,993</u>	<u>15,512,380,541</u>	<u>15,670,956,993</u>	<u>15,512,380,541</u>

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 30 June 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profits for the periods		<u>1,971,196</u>	<u>2,149,130</u>	<u>2,669,293</u>	<u>2,082,563</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Loss on change in value of available-for-sale investments - net of income tax		(346)	(36,495)	(3,159)	(43,086)
Exchange differences on translation of financial statements in foreign currencies		(54,294)	94,712	-	-
Share of other comprehensive income from associates	4.1	<u>(4,345)</u>	<u>(151,362)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(58,985)</u>	<u>(93,145)</u>	<u>(3,159)</u>	<u>(43,086)</u>
Other comprehensive income for the periods		<u>(58,985)</u>	<u>(93,145)</u>	<u>(3,159)</u>	<u>(43,086)</u>
Total comprehensive income for the periods		<u><u>1,912,211</u></u>	<u><u>2,055,985</u></u>	<u><u>2,666,134</u></u>	<u><u>2,039,477</u></u>
Total comprehensive income attributable to:					
Equity holders of the Company		1,807,620	1,947,723	<u>2,666,134</u>	<u>2,039,477</u>
Non-controlling interests of the subsidiaries		<u>104,591</u>	<u>108,262</u>		
		<u><u>1,912,211</u></u>	<u><u>2,055,985</u></u>		

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries**Income statement****For the six-month period ended 30 June 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	38,484,500	36,343,815	7,212,161	6,917,977
Revenue from sales of goods	3	1,474,253	1,506,702	-	-
Other income					
Interest income and gain on sale of short-term investments		61,303	33,570	166,856	151,025
Dividend income	4, 5, 6	9,304	16,300	5,415,935	4,807,752
Gain on disposal of investment in an associate					
and other long-term investment	4.1	7,618,994	-	11,250,318	-
Others		448,165	394,644	634,740	583,872
Total other income		8,137,766	444,514	17,467,849	5,542,649
Total revenues		48,096,519	38,295,031	24,680,010	12,460,626
Expenses					
Cost of hospital operations and goods sold	3	26,504,970	24,597,666	4,505,715	4,190,787
Administrative expenses	3	8,432,181	7,498,356	2,215,568	1,931,265
Total expenses		34,937,151	32,096,022	6,721,283	6,122,052
Profit before share of income from investments in associates, finance cost and income tax expense					
		13,159,368	6,199,009	17,958,727	6,338,574
Share of income from investments in associates	4.2	484,451	715,833	-	-
Profit before finance cost and income tax expense					
		13,643,819	6,914,842	17,958,727	6,338,574
Finance cost	3	(549,981)	(610,776)	(608,679)	(658,435)
Profit before income tax expense		13,093,838	6,304,066	17,350,048	5,680,139
Income tax expense	17	(2,570,142)	(1,107,210)	(2,399,122)	(326,012)
Profit for the periods		10,523,696	5,196,856	14,950,926	5,354,127
Profit attributable to:					
Owners of the Company		10,304,307	4,961,929	14,950,926	5,354,127
Non-controlling interests of the subsidiaries		219,389	234,927		
		<u>10,523,696</u>	<u>5,196,856</u>		
Basic earnings per share					
Profit attributable to owners of the Company	18	0.66	0.32	0.95	0.35
Weighted average number of ordinary shares (shares)		<u>15,669,962,048</u>	<u>15,501,727,723</u>	<u>15,669,962,048</u>	<u>15,501,727,723</u>

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

(Unaudited but reviewed)

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of comprehensive income

For the six-month period ended 30 June 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profits for the periods		<u>10,523,696</u>	<u>5,196,856</u>	<u>14,950,926</u>	<u>5,354,127</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					
		3,712	(83,752)	(496)	(82,152)
Exchange differences on translation of financial statements in foreign currencies					
		(82,947)	26,451	-	-
Share of other comprehensive income from associates	4.1	<u>(494,878)</u>	<u>(220,819)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax					
		<u>(574,113)</u>	<u>(278,120)</u>	<u>(496)</u>	<u>(82,152)</u>
Other comprehensive income for the periods		<u>(574,113)</u>	<u>(278,120)</u>	<u>(496)</u>	<u>(82,152)</u>
Total comprehensive income for the periods		<u><u>9,949,583</u></u>	<u><u>4,918,736</u></u>	<u><u>14,950,430</u></u>	<u><u>5,271,975</u></u>
Total comprehensive income attributable to:					
Equity holders of the Company		9,732,026	4,683,314	<u>14,950,430</u>	<u>5,271,975</u>
Non-controlling interests of the subsidiaries		<u>217,557</u>	<u>235,422</u>		
		<u><u>9,949,583</u></u>	<u><u>4,918,736</u></u>		

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

Statement of changes in shareholders' equity

For the six-month period ended 30 June 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																
Share of other components of shareholders' equity																
Convertible debentures - equity component																
Total other components of shareholders' equity																
Total equity attributable to owners of the Company																
Equity attributable to non-controlling interest of the subsidiaries																
Total shareholders' equity																
Note	Issued and paid-up share capital	Premium on ordinary shares	Difference from shareholding restructure	Surplus investment over book value of subsidiaries	Appropriated-statutory reserve	Unappropriated	on changes in value of available-for-sale investments	Revaluation surplus on land	financial statements in foreign currency	associates	equity from	equity component	equity	the Company	subsidiaries	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	
Conversion debenture to ordinary shares	14	7,351	1,713,381	-	-	-	-	-	-	-	(90,581)	(90,581)	1,630,151	-	1,630,151	
Profit for the period		-	-	-	-	4,961,929	-	-	-	-	-	-	4,961,929	234,927	5,196,856	
Other comprehensive income for the period		-	-	-	-	-	(83,752)	-	25,956	(220,819)	-	(278,615)	(278,615)	495	(278,120)	
Total comprehensive income for the period		-	-	-	-	4,961,929	(83,752)	-	25,956	(220,819)	-	(278,615)	4,683,314	235,422	4,918,736	
Dividend paid	16	-	-	-	-	(3,561,235)	-	-	-	-	-	-	(3,561,235)	-	(3,561,235)	
Share of Interest paid for convertible debentures treated as equity securities from an associate		-	-	-	-	-	-	-	-	(3,304)	-	(3,304)	(3,304)	-	(3,304)	
Change in non-controlling interests of subsidiaries		-	-	-	(40)	-	-	-	-	-	-	-	(40)	(5,565)	(5,605)	
- Purchase of investments in subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	(202,201)	(202,201)	
- Dividend paid of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balance as at 30 June 2018		1,556,447	22,286,254	305,000	(2,683,487)	175,822	35,715,199	134,675	7,336,861	(5,934)	595,644	403,604	8,464,850	65,820,085	2,827,571	68,647,656

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 six-month period ended 30 June 2019

(Unit: Thousand Baht)

Consolidated financial statements															
Equity attributable to owners of the Company															
Note	Other components of shareholders' equity														
	Other comprehensive income														
	Issued and paid-up share capital	Premium on ordinary shares	Difference from shareholding restructure	Surplus of investment over book value of subsidiaries	Retained earnings	Appropriated-statutory reserve	Unappropriated	Surplus (deficit) on changes in value of available-for-sale investments	Exchange differences on translation of financial statements in foreign currency	Share of other components of shareholders' equity from associates	Convertible debentures - equity component	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interest of the subsidiaries	Total shareholders' equity
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
Conversion debenture to ordinary shares	14	1,820	439,280	-	-	-	-	-	-	-	(22,426)	(22,426)	418,674	-	418,674
Profit for the period		-	-	-	-	10,304,307	-	-	-	-	-	-	10,304,307	219,389	10,523,696
Other comprehensive income for the period		-	-	-	-	-	3,730	-	(81,133)	(494,878)	-	(572,281)	(572,281)	(1,832)	(574,113)
Total comprehensive income for the period		-	-	-	-	10,304,307	3,730	-	(81,133)	(494,878)	-	(572,281)	9,732,026	217,557	9,949,583
Dividend paid	16	-	-	-	-	(2,977,081)	-	-	-	-	-	-	(2,977,081)	-	(2,977,081)
Share of Interest paid for convertible debentures treated as equity securities from an associate		-	-	-	-	-	-	-	-	(4,010)	-	(4,010)	(4,010)	-	(4,010)
Change in non-controlling interests of subsidiaries															
- Purchase of investments in subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	(744)	(744)
- Dividend paid of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	(221,789)	(221,789)
Balance as at 30 June 2019	1,568,716	25,180,347	305,000	(2,683,558)	175,822	44,984,630	125,216	7,819,634	(128,266)	(110,246)	252,421	7,958,759	77,489,716	3,112,989	80,602,705

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the six-month period ended 30 June 2019

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements									
Other components of shareholders' equity									
Other comprehensive income									
Surplus (deficit) on changes in value of available-for-sale investments									
Revaluation surplus on land									
Convertible debentures - equity component									
Total other components of shareholders' equity									
Total shareholders' equity									
Note	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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries**Statement of cash flows****For the six-month period ended 30 June 2019**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before income tax expense	13,093,838	6,304,066	17,350,048	5,680,139
Adjustments to reconcile profit before income tax expense to net cash provided by (used in) operating activities:				
Depreciation and amortisation expenses	2,765,938	2,643,796	511,286	501,172
Write-off of assets	3,626	13,892	269	3,088
Loss on withholding tax diminution and written-off	2,537	4,220	779	-
Bad debts and doubtful debts (Reversal)	70,120	89,362	(1,805)	39,146
Reversal for impairment of assets	-	(3,008)	-	(3,008)
Allowance to reduce cost to net realisable value - inventory	6,647	4,388	325	295
Amortisation of deferred income - membership	(147,849)	(144,414)	(64,774)	(59,739)
Loss on impairment of an other long-term investment	-	17,975	-	-
Share of income from investments in associates	(484,451)	(715,833)	-	-
Amortisation of expense for debentures and convertible debentures	9,344	14,567	9,344	14,568
Gain on disposal of investment in an associate and other long-term investment	(7,618,994)	-	(11,250,318)	-
(Gain) loss on disposal of property, premises and equipment	5,120	(1,614)	(781)	(543)
(Gain) loss on foreign exchange	11,391	(13,732)	11,391	(27,945)
Liabilities for discontinued life long medical care program	25,349	-	19,876	-
Provision for employee benefit expenses	757,697	100,850	169,949	19,741
Annual leave expense	28,246	21,238	6,925	5,574
Interest income	(61,303)	(33,570)	(166,856)	(151,026)
Dividend income	(9,304)	(16,300)	(5,415,935)	(4,807,752)
Finance cost	549,981	610,776	608,679	658,435
Profit from operating activities before changes in operating assets and liabilities	9,007,933	8,896,659	1,788,402	1,872,145

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 six-month period ended 30 June 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	(582,187)	(250,321)	(226,160)	(130,243)
Inventories	75,503	109,507	12,263	14,144
Other current assets	(10,894)	3,413	-	-
Other non-current assets	(15,265)	(40,788)	144	493
Increase (decrease) in operating liabilities				
Trade and other payables	(340,423)	(233,969)	(112,186)	1,990
Accrued expenses	(275,279)	(261,248)	(103,367)	(216,135)
Deferred income - membership	98,618	132,211	41,854	54,865
Other current liabilities	1,184	(36,348)	(24,552)	(29,623)
Provisions for employee benefits	(39,129)	(24,033)	(301)	(2,607)
Other non-current liabilities	<u>(3,272)</u>	<u>4,561</u>	<u>(8,314)</u>	<u>(7,110)</u>
Net cash flow provided by operating activities	7,916,789	8,299,644	1,367,783	1,557,919
Cash received from interest income	53,390	32,297	159,442	152,579
Cash paid for finance cost	(473,689)	(479,169)	(534,813)	(529,387)
Cash received from tax refund	5,311	11,058	-	-
Cash paid for income tax expense	<u>(1,205,633)</u>	<u>(1,122,971)</u>	<u>(162,010)</u>	<u>(241,033)</u>
Net cash flow provided by operating activities	<u>6,296,168</u>	<u>6,740,859</u>	<u>830,402</u>	<u>940,078</u>

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries**Statement of cash flows (continued)****For the six-month period ended 30 June 2019**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities				
Increase in short-term investments	(3,337)	(1,239)	(3)	(2)
Increase in restricted financial institution deposits	(1,214)	(479)	-	-
Cash received from dividend income	341,822	311,827	5,415,935	4,807,752
Cash paid for purchase of investments in subsidiaries associates and other long-term investment	(33,104)	(3,078)	(400,232)	(435)
Cash received from disposal of an associate and other long-term investment	12,721,772	-	12,710,118	-
Decrease (increase) in short-term loans to subsidiaries	-	-	(344,706)	198,933
Cash paid for long-term loans to subsidiaries	-	-	(390,000)	(385,000)
Cash received from long-term loans to subsidiaries	-	-	414,832	349,645
Cash paid for investment property	(58)	(1,747)	(58)	(1,747)
Cash received from disposal of property, premises and equipment	9,774	9,413	1,596	857
Cash paid for purchase of property, premises and equipment	(3,754,886)	(3,180,700)	(713,995)	(752,910)
Cash paid for leasehold rights	(167,927)	(5,000)	-	-
Cash paid for purchase of intangible assets	(224,693)	(115,270)	(110,929)	(41,165)
Net cash flow provided by (used in) investing activities	8,888,149	(2,986,273)	16,582,558	4,175,928

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 (continued)****For the six-month period ended 30 June 2019**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from financing activities				
Decrease in short-term loans from related parties	-	-	(1,845,789)	(1,672,469)
Increase (decrease) in bank overdraft and short-term loans				
from financial institutions	(5,846,272)	900,276	(5,800,000)	900,000
Repayment of long-term loans from				
financial institutions	(1,539,952)	(758,262)	(1,539,952)	(758,262)
Repayments of liabilities under				
finance lease agreements	(9,396)	(12,412)	(906)	(2,580)
Cash paid for purchase of investment in subsidiaries				
from non - controlling interests	(744)	(2,031)	-	-
Dividend paid	(2,977,632)	(3,561,357)	(2,977,632)	(3,561,357)
Dividend paid by subsidiaries to non-controlling interests	(215,313)	(200,869)	-	-
Net cash flow used in financing activities	(10,589,309)	(3,634,655)	(12,164,279)	(5,094,668)
Net increase in cash and cash equivalents	4,595,008	119,931	5,248,681	21,338
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	9,628,526	5,211,084	7,544,137	2,640,302
	-	-	-	-

Supplemental cash flows information:

Non-cash items:

Assets acquired under finance lease agreements	14,722	11,781	966	-
Increase (decrease) in accounts payable				
- property, premises and equipment	(115,096)	15,481	13,599	(23,576)
Increase (decrease) in payable to construction - retention	115,290	12,363	76,946	(1,374)
Increase (decrease) in dividend payable	5,886	1,210	(551)	(122)

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 and six-month periods ended 30 June 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

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Trade receivables - related parties - net	15,110	13,386	21,168	23,873
Trade receivables - unrelated parties - net	7,481,285	7,035,693	1,481,174	1,274,972
Other receivables - related parties	1,732	2,241	117,966	117,413
Other receivables - unrelated parties	260,016	238,183	34,803	23,568
Prepaid expenses	306,851	255,511	81,523	61,428
Total trade and other receivables - net	<u>8,064,994</u>	<u>7,545,014</u>	<u>1,736,634</u>	<u>1,501,254</u>

As at 30 June 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	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
<u>Related parties</u>				
Undue	3,888	3,387	15,450	14,363
Not over than 3 months	4,318	9,620	5,388	9,131
3 - 6 months	1,131	227	198	180
6 - 12 months	5,746	55	103	190
over 12 months	32	113	29	25
Total trade accounts receivable - related parties	15,115	13,402	21,168	23,889
Less: Allowance for doubtful accounts	(5)	(16)	-	(16)
Total trade accounts receivable - related parties - net	15,110	13,386	21,168	23,873
<u>Unrelated parties</u>				
Undue	3,996,087	3,595,596	718,204	677,246
Not over than 3 months	2,615,088	2,808,218	651,472	525,329
3 - 6 months	550,231	464,614	121,800	81,782
6 - 12 months	451,799	307,214	46,079	54,496
over 12 months	517,136	440,410	177,681	160,640
Total trade accounts receivable - unrelated parties	8,130,341	7,616,052	1,715,236	1,499,493
Less: Allowance for doubtful accounts	(649,056)	(580,359)	(234,062)	(224,521)
Total trade accounts receivable - unrelated parties - net	7,481,285	7,035,693	1,481,174	1,274,972
Total trade accounts receivable - net	7,496,395	7,049,079	1,502,342	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 other 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 other 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 30 June			
	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	3.6	2.7	2.8	2.7
Dividend income (Note 4)	-	-	327.0	291.1
Revenues from sales and other income	0.5	1.6	-	-
Costs of goods and services	1.8	1.8	0.2	0.1
<u>Subsidiaries</u>				
Revenue from hospital operations and laboratory services	-	-	37.5	44.5
Consulting and management fee income	-	-	228.7	214.1
Interest income	-	-	61.4	67.1
Dividend income (Note 5)	-	-	2,061.8	1,491.5
Other income	-	-	25.4	27.6
Costs of goods and services	-	-	201.5	184.6
Consulting and management fee expenses	-	-	60.4	61.4
Other expenses	-	-	6.8	7.0
Interest expense	-	-	29.0	23.4
<u>Individuals or related companies</u>				
Revenue from hospital operations and laboratory services	1.1	1.8	0.9	1.0
Dividend income (Note 6)	1.4	5.4	1.4	5.4
Revenues from sales and other income	3.0	2.4	2.5	2.0
Costs of goods and services	33.0	37.9	24.4	31.4
Consulting and management fee expenses	0.7	0.7	-	-
Other expenses	21.8	36.8	11.9	26.9

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	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	9.5	7.2	7.3	5.8
Dividend income (Note 4)	-	-	327.0	291.1
Revenues from sales and other income	5.8	3.7	-	-
Costs of goods and services	3.7	3.8	0.6	0.3
<u>Subsidiaries</u>				
Revenue from hospital operations and laboratory services	-	-	74.6	96.7
Consulting and management fee income	-	-	471.4	444.2
Interest income	-	-	121.2	133.9
Dividend income (Note 5)	-	-	5,086.0	4,507.1
Other income	-	-	49.4	49.9
Costs of goods and services	-	-	411.9	401.8
Consulting and management fee expenses	-	-	124.2	124.9
Other expenses	-	-	19.2	11.3
Interest expense	-	-	61.8	50.6
<u>Individuals or related companies</u>				
Revenue from hospital operations and laboratory services	2.8	3.0	2.4	2.0
Dividend income (Note 6)	1.4	5.4	1.4	5.4
Revenues from sales and other income	6.1	5.4	4.9	4.6
Costs of goods and services	85.4	81.9	65.4	64.7
Consulting and management fee expenses	1.5	1.5	-	-
Other expenses	46.8	59.0	27.8	41.0

The outstanding balances of the above transactions as at 30 June 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	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
<u>Trade receivables - related parties (Note 2)</u>				
Associates	14,252	11,821	3,567	1,178
Subsidiaries	-	-	17,240	22,086
Related companies	863	1,581	361	625
Total trade receivables - related parties	15,115	13,402	21,168	23,889
Less: Allowance for doubtful accounts	(5)	(16)	-	(16)
Total trade receivables - related parties	15,110	13,386	21,168	23,873
<u>Other receivables - related parties (Note2)</u>				
Consulting and management fee receivable				
Subsidiaries	-	-	85,816	83,189
Total	-	-	85,816	83,189
<u>Accrued interest income and others</u>				
Subsidiaries	-	-	30,899	33,554
Related companies	1,732	2,241	1,251	670
Total	1,732	2,241	32,150	34,224
Total other receivables - related parties	1,732	2,241	117,966	117,413

(Unaudited but reviewed)

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
<u>Other non-current assets - related parties</u>				
Subsidiaries	-	-	17,403	14,950
Related companies	2,190	1,312	-	-
Total other non-current assets - related parties	2,190	1,312	17,403	14,950
<u>Trade payables - related parties (Note 9)</u>				
Associates	1,597	2,022	74	91
Subsidiaries	-	-	104,249	104,278
Related companies	19,804	17,201	14,637	11,149
Total trade payables - related parties	21,401	19,223	118,960	115,518
<u>Other payables - related parties (Note 9)</u>				
Associate	213	60	-	-
Subsidiaries	-	-	149,609	93,246
Related companies	5,644	10,198	3,683	8,390
Total other payables - related parties	5,857	10,258	153,292	101,636
<u>Accrued interest expense - related parties</u>				
(included in accrued expenses)				
Subsidiaries	-	-	8,814	10,591
Total accrued interest expense - related parties	-	-	8,814	10,591
<u>Other non-current liabilities - related parties</u>				
Associates	-	343	-	343
Subsidiaries	-	-	12,533	12,189
Related companies	821	729	821	729
Total other non-current liabilities - related parties	821	1,072	13,354	13,261

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

(Unit: Thousand Baht)

	Separate financial statements		
	31 December 2018	Increase Decrease	30 June 2019
<u>Short-term loans to subsidiaries</u>			
Subsidiaries	2,619,642	789,664 (449,751)	2,959,555
Total short-term loans to subsidiaries	<u>2,619,642</u>	<u>789,664</u> <u>(449,751)</u>	<u>2,959,555</u>
<u>Long-term loans to subsidiaries</u>			
Subsidiaries	4,063,054	390,000 (421,429)	4,031,625
Total long-term loans to subsidiaries	<u>4,063,054</u>	<u>390,000</u> <u>(421,429)</u>	<u>4,031,625</u>
<u>Short-term loans from subsidiaries</u>			
Subsidiaries	10,770,759	391,103 (2,236,892)	8,924,970
Total short-term loans from subsidiaries	<u>10,770,759</u>	<u>391,103</u> <u>(2,236,892)</u>	<u>8,924,970</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 30 June 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, directors and management's benefit of the Group are as below.

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	107.2	121.9	101.6	109.0
Post-employment benefits	4.6	0.1	4.6	0.1
Total	<u>111.8</u>	<u>122.0</u>	<u>106.2</u>	<u>109.1</u>

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	144.1	156.6	126.8	140.3
Post-employment benefits	9.1	0.2	9.1	0.2
Total	<u>153.2</u>	<u>156.8</u>	<u>135.9</u>	<u>140.5</u>

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

Company's name	Natures of business	Paid-up Capital	% Shareholding		Consolidated financial		(Unit: Thousand Baht)	
					statements		Separate financial	
					Equity Method		statements	
					30 June 2019	31 December 2018	30 June 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	181,480	181,250	69,952	69,952
Bumrungrad Hospital Public Co., Ltd.	Hospital	Baht 730 million	24.88	24.88	16,310,211	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					16,492,561	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	46.87	46.03	605,498	563,129		
Total investments in associates held by subsidiaries					605,498	563,129		
Total investments in associates in the consolidated financial statements					17,098,059	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 six-month periods ended		Dividend received during the six-month periods ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
<u>Associates held by the Company</u>				
Cool & Joy Co., Ltd.	(1)	(197)	-	-
Ramkhamhaeng Hospital Public Co., Ltd.	-	262,201	-	36,707
Udon Patana (1994) Co., Ltd.	230	(6,645)	-	-
Bumrungrad Hospital Public Co., Ltd.	449,429	420,384	326,989	254,423
<u>Associate held by the subsidiaries</u>				
Al Ghaith Bangkok Dusit Management Services LLC.	-	-	-	-
General Hospital Products Public Co., Ltd.	34,793	40,090	-	-
Total	484,451	715,833	326,989	291,130

In the second 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 449.4 million representing 93 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 second 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 682.6 million representing 95 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	
			30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	30 June 2018
Samitivej Public Co., Ltd.	Hospital	Baht 1,000 million	95.76	95.76	1,639,071	1,639,071	861,873	718,227
Bangkok Hospital Hatyai Co., Ltd.	Hospital	Baht 500 million	98.82	98.82	574,697	574,697	148,231	98,821
Bangkok Phuket Hospital Co., Ltd.	Hospital	Baht 500 million	99.70	99.70	610,332	610,332	199,394	74,773
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	60,000	90,000
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	68,589	41,138
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	66,622	66,622
Bio Molecular Laboratories (Thailand) Co., Ltd.	Laboratory services	Baht 10 million	95.00	95.00	9,502	9,502	66,500	42,750
Angkor Pisith Co., Ltd.	Hospital	USD 10 million	80.00	80.00	287,840	287,840	-	-
Phnom Penh Medical Services Co., Ltd.	Hospital	USD 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	
			30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	30 June 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	39,000	-
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	130,320	190,050
Greenline Synergy Co., Ltd.	Information and Technology service	Baht 200 million	100.00	100.00	200,000	200,000	140,000	-
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	98.60	98.59	9,264,182	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	
			30	31	30		30	30
			June	December	June	31 December	June	June
			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	7,462	7,462
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 1,000 million	100.00	100.00	1,000,000	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	182,750	109,650
Bangkok Phuket International Hospital Co., Ltd.	Hospital	Baht 3,610 million	100.00	100.00	3,610,000	3,610,000	-	-
Bangkok Save Drug Co., Ltd.	Investment	Baht 450 million	100.00	100.00	450,000	450,000	-	-
S.R. Property Investment Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	101	101	-	-
Siem Reap Land Investment Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	101	101	-	-
Phnom Penh First Property Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	88	88	-	-
Bangkok Helicopter Services Co., Ltd. (held by the company at 87.25% and indirectly held by a subsidiary at 12.75%)	Air transportation services	Baht 400 million	87.25	87.25	350,858	350,858	-	-

(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	
			30	31	30	31	30	30
			June 2019	December 2018	June 2019	December 2018	June 2019	June 2018
Bangkok Hospital Chiangrai Co., Ltd.	Hospital	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	91,000	52,000
BDMS Property Management Co., Ltd.	Assets managements	Baht 10 million	100.00	100.00	10,000	10,000	-	-
BDMS Wellness Clinic Co., Ltd.	Holistic Clinical Wellness (Preventative and Regenerative Medicine)	Baht 9,600 million	100.00	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					54,084,183	53,683,951	<u>5,085,951</u>	<u>4,507,140</u>
Less: Allowance for impairment of investments					<u>(154,062)</u>	<u>(154,062)</u>		
Total investments in subsidiaries - net					<u>53,930,121</u>	<u>53,529,889</u>		

Bangkok Hospital Surat Co., Ltd.

On 19 March 2019, the Board of Directors of Bangkok Hospital Surat Co., Ltd. 100.00% subsidiary, approved to increase the share capital from Baht 600 million to Baht 1,000 million through the increase in capital of 40 million additional ordinary shares with a par value of Baht 10 each. In the second quarter of 2019, the Company already acquired all of the newly issued ordinary shares.

(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	
				30 June 2019	31 December 2018	30 June 2019	30 June 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	6	5
Aikchol Hospital Public Co., Ltd.	Hospital	150	0.20	350	350	144	132
				2,120	2,120	150	137
Surplus on changes in value of available-for-sale investments				2,748	3,368	-	-
Investments in listed securities				4,868	5,488	150	137
Investments in a related company							
Bangkok Airways Public Co., Ltd.	Airline	2,100	0.85	39,466	39,466	1,432	5,372
Surplus on changes in value of available-for-sale investments				168,239	168,239	-	-
Investments in a related company				207,705	207,705	1,432	5,372

(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	
				30 June	31 December	30 June	30 June
				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	800	3,360
X-Ray Computer Urupong Co., Ltd.	X-ray lab	100	4.09	4,520	4,520	613	613
Investments in unrelated companies				10,051	10,051	1,413	3,973
Total other long-term investments in the separate financial statements				222,624	223,244	2,995	9,482

(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	
				30 June 2019	31 December 2018	30 June 2019	30 June 2018
<u>Investment held by the subsidiaries</u>							
<u>Available-for-sale investments</u>							
Investments in investment unit				-	10,000	-	-
Surplus on changes in value of available-for-sale investments				-	1,604	-	-
Investments in investment unit				-	11,604	-	-
<u>Investment in listed securities</u>							
Mahachai Hospital Public Company Limited	Hospital	160	4.28	143,724	143,724	2,292	2,806
Loss on changes in value of available-for-sale investments				(14,373)	(21,217)	-	-
Investments in listed securities				129,351	122,507	2,292	2,806

(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	
				30 June	31 December	30 June	30 June
				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	17	12
Prasitthirat Co., Ltd.	Educational institution known as “Rangsit university”	150	33.33	107,192	107,192	4,000	4,000
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	4,017	4,012
Less: Allowance for impairment of investments				(2,879)	(2,879)	-	-
Investments in unrelated companies				115,897	115,897	4,017	4,012

(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	
				30 June	31 December	30 June	30 June
				2019	2018	2019	2018
<u>Investments in held-to-maturity securities</u>							
Debentures - listed companies				40,000	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				541,268	526,648	9,304	16,300

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 six-month period ended 30 June 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2018	74,546,958	13,134,964
Purchase	3,773,830	805,507
Disposals and write-off	(22,303)	(1,084)
Transfer in	9,427	4,994
Depreciation for the periods	(2,616,483)	(454,107)
Translation adjustment	(81,434)	-
Net book value as at 30 June 2019	<u>75,609,995</u>	<u>13,490,274</u>

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

As at 30 June 2019, the Group had outstanding balances of bank overdrafts and short-term loans from financial institutions of Baht 31 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	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Trade payables - related parties	21,401	19,223	118,960	115,518
Trade payables - unrelated parties	3,091,447	3,290,617	370,398	410,715
Other payables - related parties	5,857	10,258	153,292	101,636
Other payables - unrelated parties	1,061,410	1,315,536	144,247	257,615
Accounts payable - construction and retention	671,428	556,137	212,444	135,497
Total trade and other payables	<u>4,851,543</u>	<u>5,191,771</u>	<u>999,341</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 in 2016 have been made based on the total amounts payable to the members and the compensation expected to be paid to the members in 2017 due to the discontinuation of the program by considering that they were past events that caused the present commitment and they were subsequent events that should be adjusted 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 during 2019, the Court of Appeal affirmed the judgment of the Civil Court on some of the cases of the Company. As at 30 June 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 30 June 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 30 June 2019 and 31 December 2018 are as follows:

Period of loan agreements					Outstanding balance		Outstanding balance	
					(in million USD)		(in million Baht)	
			Principal	Interest rate	30 June	31 December	30 June	31 December
Start	End	Credit facilities	repayment	per annum (%)	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 30 June 2019 and 31 December 2018, liabilities under finance lease agreements are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Liabilities under finance lease agreements	41,720	35,334	1,136	1,037
Less: Deferred interest expense	(2,193)	(1,776)	(34)	(2)
Total	39,527	33,558	1,102	1,035
Less: Current portion of liabilities under finance lease agreements	(14,884)	(14,047)	(378)	(1,035)
Liabilities under finance lease agreements	<u>24,643</u>	<u>19,511</u>	<u>724</u>	<u>-</u>

As at 30 June 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 30 June 2019		
	Consolidated financial statements		
	Less than 1 year	1 - 5 years	Total
Future minimum finance lease payments	16,043	25,677	41,720
Deferred interest expense	(1,159)	(1,034)	(2,193)
Present value of future minimum finance lease payments	<u>14,884</u>	<u>24,643</u>	<u>39,527</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 30 June 2019

	Separate financial statements		
	Less than		
	1 year	1 - 5 years	Total
Future minimum finance lease payments	393	743	1,136
Deferred interest expense	(15)	(19)	(34)
Present value of future minimum finance lease payments	378	724	1,102

(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 six-month period ended 30 June 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	1,707
Balance as at 30 June 2019	19,589,753
Less: Current portion of debentures	(4,999,162)
Debentures	14,590,591

(Unaudited but reviewed)

The outstanding balances of debentures of the Company as at 30 June 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				30 June 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. In the second quarter of 2019, the convertible debentures holders of Baht 383 million exercised their conversion rights to convert into 18.2 million ordinary shares of the Company. As a result, as at 30 June 2019, the outstanding principal amount of convertible debentures was Baht 4,311 million. (31 December 2018: 4,694 million)

Movements of convertible debentures, net from convertible debenture expenses, during the six-month period ended 30 June 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	80,834	-	80,834	-
Amortisation of debenture expenses	-	7,637	7,637	-
Conversion of debentures to ordinary shares	(419,044)	370	(418,674)	(22,426)
Balance as at 30 June 2019	4,729,179	(2,984)	4,726,195	252,421

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. Dividend paid

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2017	Annual General Meeting of the shareholders on 11 April 2018	3,561	0.23
Total dividend during the six-month period ended 30 June 2018		3,561	0.23

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2018	Annual General Meeting of the shareholders on 12 April 2019	2,977	0.19
Total dividend during the six-month period ended 30 June 2019		2,977	0.19

On 12 April 2019, the 2019 Annual General Meeting of the Company's shareholders has approved a dividend payment for ordinary shares of Baht 0.32 per share, or a total of Baht 5,014 million. In September 2018, the interim dividend was paid at Baht 0.13 per share, or totaling of Baht 2,037 million. The additional dividend payment at Baht 0.19 per share, totaling of Baht 2,977 million was paid on 26 April 2019.

17. 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 and six-month periods ended 30 June 2019 and 2018 were made up as follows:

(Unit: Thousand Baht)				
For the three-month periods ended 30 June				
	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	613,382	558,881	107,608	90,276
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(110,504)</u>	<u>(99,728)</u>	<u>(30,755)</u>	<u>(22,858)</u>
Income tax reported in the income statements	<u>502,878</u>	<u>459,153</u>	<u>76,853</u>	<u>67,418</u>

(Unit: Thousand Baht)				
For the six-month periods ended 30 June				
	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	3,418,820	1,191,968	2,418,959	232,540
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(848,678)</u>	<u>(84,758)</u>	<u>(19,837)</u>	<u>93,472</u>
Income tax reported in the income statements	<u>2,570,142</u>	<u>1,107,210</u>	<u>2,399,122</u>	<u>326,012</u>

18. 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 six-month period ended 30 June 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.

19. Commitments and contingent liabilities

As at 30 June 2019 and 31 December 2018, commitments and contingent liabilities are as follows:

(Unit: Million Baht)						
As at 30 June 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	318	491	1,527	40	112	384
- the office equipment rental and other services	358	173	11	164	13	-
- the medical equipment provision and maintenance contracts	247	138	-	-	-	-
- the building construction and decoration contracts	2,087	1	-	441	-	-
Total	3,010	803	1,538	645	125	384

(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 30 June 2019, the Group had outstanding bank guarantees issued by the banks on behalf of the Group of approximately Baht 485 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.

20. Segment information

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

The 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 six-month period ended 30 June 2019 and 2018, the Group has no major customer with revenue of 10 percent or more of its revenues.

21. 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 30 June 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	-	521	-	521
Available-for-sale investments	342	-	-	342
Investment properties	-	38	279	317
Land	-	34,735	-	34,735

(Unit: Million Baht)				
Separate financial statements				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments	213	-	-	213
Investment properties	-	304	385	689
Land	-	5,464	-	5,464

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

22. 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.

22.1 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	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Fair value of interest rate swap contract - assets	111.7	45.8	111.7	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.

22.2 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	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Fair value of cross currency swap agreement - asset	-	3.7	-	3.7
Fair value of cross currency swap agreement - liability	(17.9)	-	(17.9)	-

(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.

22.3 Forward exchange contract

As at 31 December 2018 (30 June 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 30 June 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)
30 June 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	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
Fair value of selling forward exchange contract - asset	-	363.1	-	-
Fair value of buying forward exchange contract - liabilities	(640.9)	-	(640.9)	-

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

23. Reclassification

The Group reclassified the following items in income statement for the three-month and six-month periods ended 30 June 2018 to conform with the current period's classification as follows:

(Unit: Thousand Baht)				
For the three-month period ended 30 June 2018				
Consolidated		Separate		
financial statements		financial statements		
As	As previously	As	As previously	
reclassified	reported	reclassified	reported	
Income statement				
For the three-month period ended 30 June 2018				
Revenue from hospital operations	17,526,812	17,798,844	3,298,843	3,400,307
Cost of hospital operations	12,156,684	12,428,716	2,048,316	2,149,780

(Unit: Thousand Baht)				
For the six-month period ended 30 June 2018				
Consolidated		Separate		
financial statements		financial statements		
As	As previously	As	As previously	
reclassified	reported	reclassified	reported	
Income statement				
For the six-month period ended 30 June 2018				
Revenue from hospital operations	36,343,815	36,856,126	6,917,977	7,104,870
Cost of hospital operations	24,597,666	25,109,977	4,190,787	4,377,680

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

24. Approval of financial statements

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