

Bangkok Dusit Medical Services Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2018

Independent Auditor's Report

To the Shareholders of Bangkok Dusit Medical Services Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Bangkok Dusit Medical Services Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2018, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Bangkok Dusit Medical Services Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Dusit Medical Services Public Company Limited and its subsidiaries and of Bangkok Dusit Medical Services Public Company Limited as at 31 December 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Emphasis of Matters

I draw attention to Note 22 to the financial statements, the Company and its subsidiary had the medical care programs with a small amount of charges to members who 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, the Court of Appeal affirmed the judgment of the Civil Court on some of the cases of the Company to continue complying with the term of the program. As at 31 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 opinion is not qualified in respect of the above matter.

Key Audit Matters

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

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

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

Revenue recognition

Revenues from hospital operations are considered significant in the financial statements as the amounts are material, representing 95% of the consolidated total revenues and they directly affect the operating result of the Group. In addition, there are various components in revenues from hospital operations which include revenue from sales of medicines and medical supplies, revenue from medical services, revenue from patient rooms, including discounts for counterparties, whereas the agreements contain various conditions for each party. I therefore gave significant attention to the revenue recognition of the Group.

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

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

Goodwill

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

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

Litigation

As discussed in emphasis of matters and Note 22 to the financial statements, the Company and its subsidiary had contingent liabilities arising from many litigations relating to discontinuation of the lifelong membership programs. Since then, the Civil Court judged some cases and the Company and its subsidiary to continue the life long membership programs. In the fourth quarter of 2018, the Court of Appeal affirmed the judgment of the Civil Court on some of the cases of the Company. As at 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. However, the Company utilise its legal right to file an appeal and a petition against the ruling of the Civil Court, and currently the cases are not yet finalised. The management needs to exercise significant judgement and take into account related laws and regulations in assessing the effects of the litigation, in order to determine the corresponding liabilities. However, the actual outcomes of the litigation may differ from the estimates. There are therefore risks with respect to the recognition of provision or disclosure of contingent liabilities with respect to the litigation. Therefore, I gave significant attention to the audit of this litigation.

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

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

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

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Wichart Lokatekrawee
Certified Public Accountant (Thailand) No. 4451

EY Office Limited
Bangkok: 28 February 2019

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
Note					
Assets					
Current assets					
Cash and cash equivalents	6	5,033,517,730	5,091,153,164	2,295,456,151	2,618,963,957
Short-term investments	7	816,666,238	571,624,577	393,825	392,950
Trade and other receivables	9, 10	7,545,014,364	6,974,711,426	1,501,254,143	1,473,167,179
Short-term loans to subsidiaries	10	-	-	2,619,641,784	2,723,764,670
Inventories	11	1,785,910,780	1,735,272,042	111,613,577	113,241,565
Other current assets		16,950,549	21,084,678	-	-
Total current assets		15,198,059,661	14,393,845,887	6,528,359,480	6,929,530,321
Non-current assets					
Restricted financial institution deposits	8	9,562,544	7,947,612	-	-
Investments in associates	12	22,646,989,663	15,807,178,513	13,889,081,071	7,948,498,671
Investments in subsidiaries	13	-	-	53,529,888,908	52,435,450,014
Other long-term investments	14	526,648,269	645,799,727	223,243,837	323,320,929
Long-term loans to subsidiaries	10	-	-	4,063,053,777	4,790,396,350
Investment properties	15	316,725,611	307,777,419	688,859,200	675,359,200
Property, premises and equipment	16	74,496,217,376	71,559,483,132	13,134,964,168	12,316,569,147
Goodwill	17	17,538,868,508	17,538,868,508	-	-
Intangible assets	18	1,272,824,213	1,237,368,137	524,100,699	503,729,959
Deferred tax assets	32	96,100,847	68,013,620	-	-
Other non-current assets					
Leasehold rights	10, 19	901,007,064	664,715,064	319,347,846	334,256,038
Others	10	495,747,180	395,693,895	28,869,182	14,332,159
Total non-current assets		118,300,691,275	108,232,845,627	86,401,408,688	79,341,912,467
Total assets		133,498,750,936	122,626,691,514	92,929,768,168	86,271,442,788

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
	Note				
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	20	5,877,527,982	72,337,111	5,800,000,000	-
Trade and other payables	10, 21	5,191,771,446	4,749,670,467	1,020,980,975	979,557,002
Accrued expenses	10	5,957,292,302	5,223,013,766	1,510,956,216	1,366,207,386
Liabilities for discontinued life long medical care program	22	623,893,500	440,022,035	463,123,151	379,777,105
Current portion of long-term liabilities					
- Long-term loans from financial institutions	23	4,181,364,533	1,463,307,467	4,181,364,533	1,463,307,467
- Liabilities under finance lease agreements	24	14,046,994	22,039,204	1,034,848	4,743,561
- Convertible debentures - liability component	26	5,056,398,296	-	5,056,398,296	-
Short-term loans from non-related parties		67,000,000	67,000,000	-	-
Short-term loans from subsidiaries	10	-	-	10,770,758,930	9,952,013,760
Income tax payable		863,683,833	706,015,432	111,217,919	108,494,246
Current provision for employee benefits	27	158,000	2,441,500	158,000	2,441,500
Deferred income - membership due within one year		225,577,042	224,097,990	106,639,814	101,030,164
Other current liabilities		440,141,584	447,168,874	120,755,557	121,037,758
Total current liabilities		28,498,855,512	13,417,113,846	29,143,388,239	14,478,609,949
Non-current liabilities					
Long-term loans from financial institutions	23	5,145,466,667	9,335,332,000	5,145,466,667	9,335,332,000
Liabilities under finance lease agreements	24	19,511,055	16,492,526	-	136,723
Debentures	25	19,588,045,854	19,584,603,035	19,588,045,854	19,584,603,035
Convertible debentures - liability component	26	-	8,774,269,700	-	8,774,269,700
Non-current provision for employee benefits	27	2,581,912,181	2,005,835,724	773,969,646	571,860,982
Deferred income - membership		632,664,373	632,004,436	149,059,906	122,067,489
Deferred tax liabilities	32	3,447,624,294	2,847,116,595	292,263,741	385,767,821
Other non-current liabilities	10	146,598,681	142,809,384	38,942,500	44,560,022
Total non-current liabilities		31,561,823,105	43,338,463,400	25,987,748,314	38,818,597,772
Total liabilities		60,060,678,617	56,755,577,246	55,131,136,553	53,297,207,721

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
Note					
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital					
Registered					
	17,582,235,672 ordinary shares of Baht 0.1 each	28	1,758,223,567	1,758,223,567	1,758,223,567
Issued and fully paid-up					
	15,668,956,048 ordinary shares of Baht 0.1 each	26, 28	1,566,895,605	1,549,095,654	1,566,895,605
	(31 December 2017: 15,490,956,540 ordinary shares of Baht 0.1 each)				
	Premium on ordinary shares	26, 28	24,741,066,923	20,572,873,162	24,678,142,995
	Difference from shareholding restructure		305,000,325	305,000,325	-
	Surplus investment over book value of subsidiaries		(2,683,558,421)	(2,683,446,777)	-
Retained earnings					
	Appropriated - statutory reserve	30	175,822,357	175,822,357	175,822,357
	Unappropriated		37,657,403,888	34,314,505,000	8,881,694,312
	Other components of shareholders' equity		8,557,476,618	8,837,349,624	2,496,076,346
	Equity attributable to owners of the Company		70,320,107,295	63,071,199,345	37,798,631,615
	Non - controlling interests of the subsidiaries		3,117,965,024	2,799,914,923	-
	Total shareholders' equity		73,438,072,319	65,871,114,268	37,798,631,615
	Total liabilities and shareholders' equity		133,498,750,936	122,626,691,514	92,929,768,168

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

Directors

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Revenues					
Revenues from hospital operations	10	75,330,518,642	69,122,919,381	14,305,821,605	13,446,843,966
Revenue from sales of goods		3,086,758,322	2,809,580,753	-	-
Other income	10				
Interest income		58,047,913	51,761,502	280,053,452	385,534,167
Dividend income	2, 13, 14	16,299,501	15,587,971	5,583,667,879	3,573,869,116
Gain on disposal of investment in an associate	12	-	2,880,064,316	-	3,424,968,894
Others		915,305,884	839,556,638	1,225,547,838	1,092,701,699
Total other income		989,653,298	3,786,970,427	7,089,269,169	8,477,073,876
Total revenues		79,406,930,262	75,719,470,561	21,395,090,774	21,923,917,842
Expenses					
Cost of hospital operations and goods sold	10	51,546,078,684	47,975,225,531	8,926,322,325	8,399,959,145
Administrative expenses	10	15,998,176,993	14,487,862,750	4,230,366,452	3,909,268,797
Total expenses		67,544,255,677	62,463,088,281	13,156,688,777	12,309,227,942
Profit before share of income from investments in associates, finance cost and income tax expense		11,862,674,585	13,256,382,280	8,238,401,997	9,614,689,900
Share of income from investments in associates	12	1,689,692,873	1,417,310,474	-	-
Profit before finance cost and income tax expense		13,552,367,458	14,673,692,754	8,238,401,997	9,614,689,900
Finance cost	10	(1,165,472,481)	(1,535,450,432)	(1,264,909,188)	(1,619,250,923)
Profit before income tax expense		12,386,894,977	13,138,242,322	6,973,492,809	7,995,438,977
Income tax expense	32	(2,739,848,876)	(2,563,539,888)	(343,115,861)	(943,920,282)
Profit for the years		9,647,046,101	10,574,702,434	6,630,376,948	7,051,518,695
Profit attributable to:					
Equity holders of the Company		9,191,462,706	10,215,739,620	6,630,376,948	7,051,518,695
Non-controlling interests of the subsidiaries		455,583,395	358,962,814		
		9,647,046,101	10,574,702,434		
Basic earnings per share	33				
Profit attributable to equity holders of the Company		0.59	0.66	0.43	0.46
Weighted average number of ordinary shares (shares)		15,570,403,901	15,490,956,540	15,570,403,901	15,490,956,540

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2018

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profits for the years		<u>9,647,046,101</u>	<u>10,574,702,434</u>	<u>6,630,376,948</u>	<u>7,051,518,695</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	14	(96,941,627)	(152,148,999)	(80,061,674)	(83,265,587)
Exchange differences on translation of financial statements in foreign currencies		(15,344,610)	(65,573,426)	-	-
Share of other comprehensive income from associates	12	<u>(411,961,328)</u>	<u>115,905,066</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(524,247,565)</u>	<u>(101,817,359)</u>	<u>(80,061,674)</u>	<u>(83,265,587)</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Revaluation surplus on land - net of income tax	16	593,801,938	2,208,147,388	-	1,410,082,526
Actuarial loss - net of income tax		<u>(268,530,698)</u>	<u>-</u>	<u>(94,825,518)</u>	<u>-</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>325,271,240</u>	<u>2,208,147,388</u>	<u>(94,825,518)</u>	<u>1,410,082,526</u>
Other comprehensive income for the years		<u>(198,976,325)</u>	<u>2,106,330,029</u>	<u>(174,887,192)</u>	<u>1,326,816,939</u>
Total comprehensive income for the years		<u><u>9,448,069,776</u></u>	<u><u>12,681,032,463</u></u>	<u><u>6,455,489,756</u></u>	<u><u>8,378,335,634</u></u>
Total comprehensive income attributable to:					
Equity holders of the Company		8,887,134,112	12,317,425,710	<u>6,455,489,756</u>	<u>8,378,335,634</u>
Non-controlling interests of the subsidiaries		<u>560,935,664</u>	<u>363,606,753</u>		
		<u><u>9,448,069,776</u></u>	<u><u>12,681,032,463</u></u>		

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2018

(Unit: Baht)

Consolidated financial statements																
Equity attributable to owners of the Company																
Other components of shareholders' equity																
Other comprehensive income																
Surplus on changes in value of available-for-sale investments																
Exchange differences on translation of financial statements in foreign currency																
Share of other components of shareholders' equity from associates																
Convertible debentures - equity component																
Total other components of shareholders' equity																
Total equity attributable to owners of the Company																
Equity attributable to non-controlling interest of the subsidiaries																
Total shareholders' equity																
Note	Issued and paid-up share capital	Premium on ordinary shares	Difference from shareholding restructure	Surplus investment over book value of subsidiaries	Retained earnings	Appropriated-statutory reserve	Unappropriated	investments	land	foreign currency	equity from associates	- equity component	equity	the Company	subsidaries	equity
Balance as at 31 December 2016	1,549,095,654	20,481,530,880	305,000,325	(2,680,290,437)	170,000,477	29,069,149,164	370,576,940	5,136,305,510	30,734,353	700,931,600	585,527,449	6,824,075,852	55,718,561,915	2,586,292,484	58,304,854,399	
Profit for the year	-	-	-	-	-	10,215,739,620	-	-	-	-	-	-	10,215,739,620	358,962,814	10,574,702,434	
Other comprehensive income for the year	-	-	-	-	-	(9,868,977)	(152,150,464)	2,200,555,964	(62,624,476)	125,774,043	-	2,111,555,067	2,101,686,090	4,643,939	2,106,330,029	
Total comprehensive income for the year	-	-	-	-	-	10,205,870,643	(152,150,464)	2,200,555,964	(62,624,476)	125,774,043	-	2,111,555,067	12,317,425,710	363,606,753	12,681,032,463	
Redemption of convertible debentures	26	-	91,342,282	-	-	-	-	-	-	-	(91,342,282)	(91,342,282)	-	-	-	
Statutory reserve	30	-	-	-	5,821,880	(5,821,880)	-	-	-	-	-	-	-	-	-	
Dividend paid	29	-	-	-	-	(4,954,692,927)	-	-	-	-	-	-	(4,954,692,927)	-	(4,954,692,927)	
Share of Interest paid for convertible debentures treated as equity securities from an associate	-	-	-	-	-	-	-	-	-	(6,939,013)	-	(6,939,013)	(6,939,013)	-	(6,939,013)	
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
- Purchase of investments in subsidiaries	-	-	-	(3,156,340)	-	-	-	-	-	-	-	-	(3,156,340)	14,252,563	11,096,223	
- Dividend paid of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(164,236,877)	(164,236,877)	
Balance as at 31 December 2017	1,549,095,654	20,572,873,162	305,000,325	(2,683,446,777)	175,822,357	34,314,505,000	218,426,476	7,336,861,474	(31,890,123)	819,766,630	494,185,167	8,837,349,624	63,071,199,345	2,799,914,923	65,871,114,268	

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2018

(Unit: Baht)

Consolidated financial statements															
Equity attributable to owners of the Company															
Other components of shareholders' equity															
Other comprehensive income															
Surplus on changes in value of available-for-sale investments															
Exchange differences on translation of financial statements in foreign currency															
Share of other components of shareholders' equity from associates															
Convertible debentures - equity component															
Total other components of shareholders' equity															
Total equity attributable to owners of the Company															
Equity attributable to non-controlling interest of the subsidiaries															
Total shareholders' equity															
Note	Issued and paid-up share capital	Premium on ordinary shares	Difference from shareholding restructure	Surplus of investment over book value of subsidiaries	Appropriated-statutory reserve	Unappropriated	investments	land	foreign currency	associates	component	equity	the Company	subsidiaries	equity
Balance as at 31 December 2017	1,549,095,654	20,572,873,162	305,000,325	(2,683,446,777)	175,822,357	34,314,505,000	218,426,476	7,336,861,474	(31,890,123)	819,766,630	494,185,167	8,837,349,624	63,071,199,345	2,799,914,923	65,871,114,268
Profit for the year	-	-	-	-	-	9,191,462,706	-	-	-	-	-	-	9,191,462,706	455,583,395	9,647,046,101
Other comprehensive income for the year	-	-	-	-	-	(250,815,480)	(96,940,161)	482,773,066	(15,242,422)	(424,103,597)	-	(53,513,114)	(304,328,594)	105,352,269	(198,976,325)
Total comprehensive income for the year	-	-	-	-	-	8,940,647,226	(96,940,161)	482,773,066	(15,242,422)	(424,103,597)	-	(53,513,114)	8,887,134,112	560,935,664	9,448,069,776
Conversion debenture to ordinary shares	26	17,799,951	4,168,193,761	-	-	-	-	-	-	-	(219,338,582)	(219,338,582)	3,966,655,130	-	3,966,655,130
Dividend paid	29	-	-	-	-	(5,597,748,338)	-	-	-	-	-	-	(5,597,748,338)	-	(5,597,748,338)
Share of interest paid for convertible debentures treated as equity securities from an associate	-	-	-	-	-	-	-	-	-	(7,021,310)	-	(7,021,310)	(7,021,310)	-	(7,021,310)
Change in non-controlling interests of subsidiaries	-	-	-	(111,644)	-	-	-	-	-	-	-	-	(111,644)	(10,714,908)	(10,826,552)
- Purchase of investments in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(232,170,655)	(232,170,655)
- Dividend paid of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2018	1,566,895,605	24,741,066,923	305,000,325	(2,683,558,421)	175,822,357	37,657,403,888	121,486,315	7,819,634,540	(47,132,545)	388,641,723	274,846,585	8,557,476,618	70,320,107,295	3,117,965,024	73,438,072,319

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2018

(Unit: Baht)

Separate financial statements									
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		in value of available-for-sale investments	Revaluation surplus on land	Convertible debentures - equity component	Total other components of shareholders' equity	Total shareholders' equity
			Appropriated-statutory reserve	Unappropriated					
Note									
Balance as at 31 December 2016	1,549,095,654	20,418,606,952	170,000,477	5,852,887,332	300,613,114	673,861,382	585,527,449	1,560,001,945	29,550,592,360
Profit for the year	-	-	-	7,051,518,695	-	-	-	-	7,051,518,695
Other comprehensive income for the year	-	-	-	-	(83,265,587)	1,410,082,526	-	1,326,816,939	1,326,816,939
Total comprehensive income for the year	-	-	-	7,051,518,695	(83,265,587)	1,410,082,526	-	1,326,816,939	8,378,335,634
Redemption of convertible debentures	-	91,342,282	-	-	-	-	(91,342,282)	(91,342,282)	-
Statutory reserve	-	-	5,821,880	(5,821,880)	-	-	-	-	-
Dividend paid	-	-	-	(4,954,692,927)	-	-	-	-	(4,954,692,927)
Balance as at 31 December 2017	1,549,095,654	20,509,949,234	175,822,357	7,943,891,220	217,347,527	2,083,943,908	494,185,167	2,795,476,602	32,974,235,067
Balance as at 31 December 2017	1,549,095,654	20,509,949,234	175,822,357	7,943,891,220	217,347,527	2,083,943,908	494,185,167	2,795,476,602	32,974,235,067
Profit for the year	-	-	-	6,630,376,948	-	-	-	-	6,630,376,948
Other comprehensive income for the year	-	-	-	(94,825,518)	(80,061,674)	-	-	(80,061,674)	(174,887,192)
Total comprehensive income for the year	-	-	-	6,535,551,430	(80,061,674)	-	-	(80,061,674)	6,455,489,756
Conversion debenture to ordinary shares	17,799,951	4,168,193,761	-	-	-	-	(219,338,582)	(219,338,582)	3,966,655,130
Dividend paid	-	-	-	(5,597,748,338)	-	-	-	-	(5,597,748,338)
Balance as at 31 December 2018	1,566,895,605	24,678,142,995	175,822,357	8,881,694,312	137,285,853	2,083,943,908	274,846,585	2,496,076,346	37,798,631,615

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of cash flows

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit before income tax expense	12,386,894,977	13,138,242,322	6,973,492,809	7,995,438,977
Adjustments to reconcile profit before income tax expense to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	5,386,219,861	5,167,658,678	1,024,818,748	967,614,442
Write-off of assets	23,480,664	26,525,894	2,883,242	40,036
Loss on withholding tax diminution and written-off	8,631,232	20,906,492	824,895	1,184,664
Bad debts and doubtful debts	197,796,233	193,050,641	62,237,911	47,861,380
Allowance (reversal) for impairment of assets	(3,008,267)	2,895,566	(3,008,267)	7,764,819
Allowance (reversal) for reduce cost to net realisable value - inventory	14,820,432	14,612,038	(203,757)	89,695
Amortisation of deferred income - membership	(326,776,257)	(320,916,881)	(121,576,445)	(126,588,731)
Loss on impairment of an other long-term investment	17,975,000	-	-	-
Share of income from investments in associates	(1,689,692,873)	(1,417,310,474)	-	-
Amortisation of expense for debentures and convertible debentures	25,038,851	43,309,298	25,038,851	43,309,298
Gain on disposal of investment in an associate	-	(2,880,064,316)	-	(3,424,968,894)
Loss (gain) on disposal of property, premises and equipment	31,103,050	9,130,204	(5,740,342)	(2,038,738)
Loss (gain) on fair value adjustment of investment properties	(14,934,238)	580,829	(10,287,270)	29,869,749
Loss (gain) on foreign exchange	(8,928,837)	44,144,144	(23,142,337)	44,144,144
Provisions (reversal) for employee benefit expense	318,474,664	150,938,407	102,408,333	(943,862)
Annual leave (reversal) expense	11,688,532	(2,930,571)	3,479,914	(3,332,573)
Interest income	(58,047,913)	(41,764,284)	(280,053,452)	(385,534,167)
Dividend income	(16,299,501)	(15,587,971)	(5,583,667,879)	(3,573,869,116)
Finance cost	1,165,472,481	1,535,450,432	1,264,909,188	1,619,250,923
Profit from operating activities before changes in operating assets and liabilities	17,469,908,091	15,668,870,448	3,432,414,142	3,239,292,046

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities (continued)				
Decrease (increase) in operating assets				
Trade and other receivables	(768,984,955)	(830,684,282)	(90,787,944)	(463,211,200)
Inventories	(65,459,169)	(226,462,583)	1,831,744	(4,427,387)
Other current assets	4,134,129	19,702,665	-	16,861,190
Other non-current assets	(60,228,350)	(2,921,706)	213,940	1,084,025,357
Increase (decrease) in operating liabilities				
Trade and other payables	380,484,313	(397,378,503)	187,911,486	(412,088,283)
Accrued expenses	718,010,630	252,380,339	138,457,831	53,100,713
Deferred income - membership	328,915,246	313,514,378	154,178,511	123,579,215
Other current liabilities	(12,011,406)	40,884,990	(6,619,521)	22,574,291
Provisions for employee benefits	(80,345,080)	(416,189,811)	(35,547,567)	(297,274,870)
Other non-current liabilities	3,789,296	6,081,488	(5,617,523)	(160,548)
Net cash flow provided by operating activities	17,918,212,745	14,427,797,423	3,776,435,099	3,362,270,524
Cash received from interest income	55,451,989	42,441,528	280,516,525	385,099,476
Cash paid for finance cost	(936,707,722)	(970,864,368)	(1,035,694,712)	(1,055,865,232)
Cash received from tax refund	32,279,008	25,224,963	-	-
Cash paid for income tax expense	(2,264,958,081)	(2,591,250,828)	(387,554,089)	(806,421,446)
Net cash flow provided by operating activities	14,804,277,939	10,933,348,718	2,633,702,823	1,885,083,322

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from investing activities				
Increase in short-term investments	(241,559,952)	(23,561,425)	(874)	(5,923)
Decrease (increase) in restricted financial institution deposits	(1,614,933)	37,914,447	-	-
Dividend received	513,161,011	513,778,924	5,583,667,879	3,573,869,116
Cash paid for purchase of investments in subsidiaries and associates and other long-term investment	(5,963,660,400)	(1,343,540,528)	(6,044,826,294)	(12,004,406,002)
Cash received from disposal of an associate	-	4,505,059,791	-	4,505,059,791
Decrease (increase) in short-term loans to subsidiaries	-	-	103,479,446	(582,417,198)
Cash paid for long-term loans to subsidiaries	-	-	(1,010,000,000)	(5,101,574,828)
Cash received from long-term loans to related parties	-	-	760,475,217	5,342,130,615
Cash paid for purchase investment properties	(1,619,000)	(605,960)	(1,619,000)	(605,960)
Cash received from disposal of property, premises and equipment	43,292,532	45,317,368	9,000,691	5,600,353
Cash paid for purchase of property, premises and equipment	(7,119,047,648)	(15,303,721,720)	(1,782,382,026)	(1,289,607,894)
Cash paid for purchase leasehold rights	(270,292,450)	(8,026,495)	-	-
Cash paid for purchase of intangible assets	(309,478,197)	(292,260,311)	(134,164,815)	(120,368,597)
Net cash flow used in investing activities	(13,350,819,037)	(11,869,645,909)	(2,516,369,776)	(5,672,326,527)

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from financing activities				
Decrease in short-term loans from non-related parties	-	(22,000,000)	-	-
Increase in short-term loans from subsidiaries	-	-	818,745,170	1,608,655,752
Increase (decrease) in bank overdraft and short-term loans				
from financial institutions	5,805,348,839	(1,503,788,829)	5,800,000,000	(1,500,000,000)
Cash received from long-term loans from financial institutions	-	7,400,000,000	-	7,400,000,000
Repayment of long-term loans from financial institutions	(1,461,350,133)	(4,248,792,047)	(1,461,350,133)	(4,236,710,133)
Repayments of liabilities under finance lease agreements	(23,057,970)	(43,698,120)	(3,870,100)	(9,887,739)
Cash received from debentures issuance	-	6,992,451,150	-	6,992,451,150
Cash paid for convertible debentures redemption	-	(1,655,971,435)	-	(1,655,971,435)
Cash paid for purchase of investments in subsidiaries				
from non - controlling interests	(7,100,194)	(21,898,969)	-	-
Increase in non - controlling interests of subsidiaries				
from additional paid-up shares of subsidiaries	-	33,247,552	-	-
Dividend paid	(5,594,365,790)	(4,954,692,927)	(5,594,365,790)	(4,954,692,927)
Dividend paid by subsidiaries to non-controlling interests	(230,569,088)	(164,236,877)	-	-
Net cash flow provided by (used in) financing activities	(1,511,094,336)	1,810,619,498	(440,840,853)	3,643,844,668
Net increase (decrease) in cash and cash equivalents	(57,635,434)	874,322,307	(323,507,806)	(143,398,537)
Cash and cash equivalents at beginning of years	5,091,153,164	4,216,830,857	2,618,963,957	2,762,362,494
Cash and cash equivalents at end of years	5,033,517,730	5,091,153,164	2,295,456,151	2,618,963,957
Supplemental cash flows information:				
Non-cash items:				
Assets acquired under finance lease agreements	16,952,581	19,410,307	-	-
Increase (decrease) in accounts payable				
- property, premises and equipment	145,351,504	99,332,421	(22,283,987)	11,771,548
Increase (decrease) in payable to construction - retention	96,976,188	97,241,764	(40,857,480)	90,140,104
Increase in dividend payable	4,984,115	2,287,431	3,382,548	15,989,317

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2018

1. General information

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

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

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

Company's name	Nature of business	Percentage of shareholding (percent)	
		2018	2017
<u>Held by the Company</u>			
Samitivej Public Co., Ltd.	Hospital	95.76	95.76
Bangkok Hospital Hatyai Co., Ltd.	Hospital	98.82	98.82
Bangkok Phuket Hospital Co., Ltd.	Hospital	99.70	99.70
BNH Medical Center Co., Ltd.	Hospital	91.48	91.48
Paolo Phrapradaeng Hospital Co., Ltd. (formerly known as “Bangkok Phrapradaeng Hospital Co., Ltd.”)	Hospital	84.00	84.00
Bangkok Pattaya Hospital Co., Ltd.	Hospital	97.27	97.27
Bangkok Rayong Hospital Co., Ltd.	Hospital	100.00	100.00
Bangkok Samui Hospital Co., Ltd.	Hospital	100.00	100.00
Bangkok Trat Hospital Co., Ltd.	Hospital	99.76	99.76
Wattanavej Co., Ltd.	Hospital	99.72	99.69
Bangkok Ratchasima Hospital Co., Ltd.	Hospital	91.45	91.42
Angkor Pisith Co., Ltd.	Hospital	80.00	80.00
Phnom Penh Medical Services Co., Ltd.	Hospital	100.00	100.00
Paolo Medic Co., Ltd.	Hospital	100.00	100.00
Paolo Samutprakarn Co., Ltd.	Hospital	93.65	93.65
Siam Medical Co., Ltd.	Hospital	85.71	85.71
Thai Medical Center Public Co., Ltd.	Hospital	99.76	99.76
Bangkok Hospital Chiangmai Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Udon Co., Ltd.	Hospital	100.00	100.00
Bangkok Khon Kaen Hospital Co., Ltd.	Hospital	100.00	100.00
Thonburi Medical Center Public Co., Ltd. (held by the Company at 34.43% and indirectly held by a subsidiary at 29.02%)	Hospital	34.43	34.43
Samitivej Chonburi Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Phitsanulok Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Sanamchan Co., Ltd.	Hospital	100.00	100.00
Bangkok Phuket International Hospital Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Muangraj Co., Ltd.	Hospital	100.00	100.00
Royal Rattanak Medical Services Co., Ltd.	Ceased operation	70.00	70.00
Bangkok Hospital Khao Yai Co., Ltd.	Not yet operate	100.00	100.00
Bangkok Hospital Surat Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Chiangrai Co., Ltd.	Hospital	100.00	100.00

Company's name	Nature of business	Percentage of shareholding (percent)	
		<u>2018</u>	<u>2017</u>
<u>Held by the Company (continued)</u>			
National Healthcare Systems Co., Ltd. (held by the Company at 74.02% and indirectly held by subsidiaries at 24.66%)	Laboratory services	74.02	74.02
Bio Molecular Laboratories (Thailand) Co., Ltd.	Laboratory services	95.00	95.00
BDMS Wellness Clinic Co., Ltd.	Holistic Clinical Wellness (Preventative and Regenerative Medicine)	100.00	100.00
BDMS Wellness Resort Co., Ltd.	Hotel	100.00	-
BDMS Accounting Co., Ltd.	Accounting service	100.00	100.00
Bangkok Health Insurance Public Co., Ltd.	Health insurance	99.99	99.99
Royal Bangkok Healthcare Co., Ltd.	Investment	100.00	100.00
Greenline Synergy Co., Ltd.	Technology and information service	100.00	100.00
BDMS Training Co., Ltd.	Training business	100.00	100.00
Prasit Patana Public Co., Ltd.	Investment	98.59	98.59
Bangkok Premier Insurance Broker Co., Ltd. (formerly known as “Bangkok Premier Life Insurance Broker Co., Ltd.”)	Insurance broker	100.00	100.00
BDMS Property Management Co., Ltd.	Assets managements	100.00	100.00
The Medicpharma Co., Ltd.	Production and distribution of medicines	87.05	87.05
B.D.M.S. International Medical Services Co., Ltd.	Not yet operate	100.00	100.00
BDMS Inter Pte. Ltd.	Investment	100.00	100.00
N Health Asia Pte. Ltd.	Investment	100.00	100.00
Bangkok Save Drug Co., Ltd.	Investment	100.00	100.00
S.R. Property Investment Co., Ltd.	Real estate	49.00	49.00
Siem Reap Land Investment Co., Ltd.	Real estate	49.00	49.00
Phnom Penh First Property Co., Ltd.	Real estate	49.00	49.00
Bangkok Helicopter Services Co., Ltd. (held by the company at 87.25% and indirectly held by a subsidiary at 12.75%)	Air transportation services	87.25	87.25

Company's name	Nature of business	Percentage of shareholding (percent)	
		<u>2018</u>	<u>2017</u>
<u>Held by subsidiaries</u>			
Samitivej Sriracha Co., Ltd.	Hospital	70.14	70.14
Thonburi Medical Center Public Co., Ltd.	Hospital	29.02	29.02
Phyathai 1 Hospital Co., Ltd.	Hospital	100.00	100.00
Phyathai 2 Hospital Co., Ltd.	Hospital	99.18	99.18
Phyathai 3 Hospital Co., Ltd.	Hospital	98.23	98.23
Sriracha Nakorn General Hospital Public Co., Ltd.	Hospital	75.25	75.07
Tepakorn Hospital Co., Ltd.	Hospital	44.53	44.53
National Healthcare Systems Co., Ltd.	Laboratory services	25.97	25.97
Irving Sheridan SE Co., Ltd.	Assets management for healthcare business	99.98	99.98
First Health Food Co., Ltd.	Distributing health products, cosmetic products and facility management	100.00	100.00
SV Holding Co., Ltd.	Investment	100.00	100.00
A.N.B. Laboratories Co., Ltd.	Manufacturer and distributor of medicine and pharmaceutical products	100.00	100.00
N Health (Cambodia) Co., Ltd.	Laboratory services	100.00	100.00
Save Drug Center Co., Ltd.	Retailer of medicine and pharmaceutical products	100.00	100.00
N Health Pathology Co., Ltd.	Laboratory services	95.00	95.00
Samitivej International Co., Ltd.	Clinic	80.00	80.00
N Health Myanmar Co.. Ltd.	Laboratory services	60.00	60.00

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

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

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

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

3. New financial reporting standards

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

During the current year, the Group has adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2018) which are effective for fiscal years 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 management of the Group believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standards involve changes to key principles, as 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.

Regarding adoption of TRFS 15, the Group's management considered that there is no any significant impact to the financial statements when it is applied.

(c) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued the set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

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
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

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 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 this set of TFRSs 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 applied.

4. Significant accounting policies

4.1 Revenue recognition

Revenues from hospital operations

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

Revenue from sales of goods and foods

Sales of goods and foods are recognised when the significant risks and rewards of ownership of the goods have been passed to buyers. Revenue are recognised as per invoice amount net of related discounts and excluded value added tax.

Service income

Service income is recognised when services have been rendered.

Membership income

Membership income is which initially recorded as deferred income and gradually amortised to income according to services provided over membership period.

Space rental and related service income

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

Interest income

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

Dividend Income

Dividend Income is recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable and allowance for doubtful accounts

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

4.4 Inventories

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

4.5 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in income statement.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in income statement when the securities are sold.
- c) Investments in held-to-maturity securities, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method. The amortised/accreted amount is presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities, which the Group classifies as other investments, are stated at cost net of allowance for impairment (if any).
- e) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- f) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

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

On disposal of an investment, the difference between net proceeds and the carrying amount of the investment is recognised in income statement.

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

4.6 Investment properties

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

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

4.7 Property, premises and equipment/Depreciation

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

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

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

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

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

Land improvements	30 years or lease period
Premises, structures and premises improvements	3 - 50 years
Medical tools and equipment and machines	2 - 20 years
Helicopter	20 years
Helicopter spare parts and equipment	5 years
Structure equipment, furniture and office equipment	2 - 20 years
Vehicles	5, 8 years

Depreciation is recognised as expenses in income statement.

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

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

4.8 Borrowing costs

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

4.9 Intangible assets

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

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

The intangible asset with finite useful lives is as follow:

Computer software	5 - 10 years
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Intangible assets with indefinite useful lives are not amortised such as commercial rights, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

4.10 Goodwill / Business combination

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

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

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

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

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

4.11 Related party transactions

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

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

4.12 Long-term rental agreements

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

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

4.13 Impairment of assets

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

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

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

The reversal of an impairment loss of asset is recognised in the income statement except for the asset carried at a revalued amount, the reversal of impairment loss recognised in the income statement will not exceed the impairment loss previously recognised. The excess of carrying amount is treated as a revaluation increase (if any).

4.14 Leasehold rights

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

4.15 Foreign currencies

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

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

Gains and losses on exchange are included in income statement.

4.16 Convertible debentures

Convertible debentures are classified into liability and equity components and these are presented separately in the statements of financial position. In separately presenting such components, the Company determines the liability component by discounting the stream of future payments of principal and interest at the prevailing market rate. The carrying amount of the equity component was then determined by deducting the liability component from the total carrying value of the convertible debenture.

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

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

4.17 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long - term employee benefits

Defined contribution plans

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

Defined benefit plans and other long - term employee benefits

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and medical care after post-employment. The Group treats these severance payment and medical care obligations as defined benefit plans. In addition, the Group provides other long-term employee benefit plan, namely long service awards, which will be rewarded employees when the employees complete the milestones service years.

The obligations under the defined benefit plans and other long-term employee benefits are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income while arising from other long-term employee benefits are recognised in the income statement.

4.18 Provisions

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

4.19 Income tax

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

Current tax

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

Deferred tax

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

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

The Group does not recognise a deferred tax liability of all taxable temporary differences associated with investments in subsidiaries and associates as the Group is able to control the timing of reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future. The Group will recognise a deferred tax liability of all taxable temporary differences associated with investments in subsidiaries and associates immediately when it is probable that the Group will dispose the investments in subsidiaries and associates in the foreseeable future.

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

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

4.20 Financial assets / Financial liability

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

4.21 Fair value measurement

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

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

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

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

4.22 Interest rate swap contracts

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

5. Significant accounting judgments and estimates

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

Leases

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

Allowance for doubtful accounts

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

Property, premises and equipment/Depreciation

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

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

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

Impairment of equity investments

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

Investment properties

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

Goodwill and intangible assets

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

Deferred tax assets

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

Post-employment benefits under defined benefit plans and other long - term employee benefits

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

Litigation

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

6. Cash and cash equivalents

Cash and cash equivalents consist of the following:

			(Unit: Thousand Baht)	
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash and bank deposits at financial institutions	5,033,465	5,084,714	2,295,456	2,618,964
Fixed deposits	53	6,439	-	-
Total cash and cash equivalents	<u>5,033,518</u>	<u>5,091,153</u>	<u>2,295,456</u>	<u>2,618,964</u>

As at 31 December 2018, bank deposits in saving accounts and fixed deposits carried interest rates between 0.10 and 1.00 percent per annum (2017: between 0.10 and 1.00 percent per annum).

7. Short-term investments

Short-term investments consist of the following:

			(Unit: Thousand Baht)	
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Fixed deposits	100,992	61,274	10	10
Treasury bill	199,269	-	-	-
Mutual funds	516,405	510,351	384	383
Total short-term investments	<u>816,666</u>	<u>571,625</u>	<u>394</u>	<u>393</u>

As at 31 December 2018, fixed deposits and treasury bill carried interest rates between 0.50 and 1.54 percent per annum (2017: between 0.50 and 1.50 percent per annum).

8. Restricted financial institutions deposits

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

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Trade receivables - related parties-net	13,386	9,835	23,873	28,226
Trade receivables - unrelated parties-net	7,035,693	6,418,934	1,274,972	1,195,960
Other receivables - related parties	2,241	960	117,413	126,582
Other receivables - unrelated parties	238,183	268,941	23,568	51,016
Prepaid expenses	<u>255,511</u>	<u>276,041</u>	<u>61,428</u>	<u>71,383</u>
Total trade and other receivables - net	<u><u>7,545,014</u></u>	<u><u>6,974,711</u></u>	<u><u>1,501,254</u></u>	<u><u>1,473,167</u></u>

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Related parties</u>				
Not over than 3 months	13,007	9,015	23,494	20,698
3 - 6 months	227	623	180	6,109
6 - 12 months	55	133	190	1,396
over 12 months	<u>113</u>	<u>64</u>	<u>25</u>	<u>23</u>
Total trade accounts receivable - related parties	13,402	9,835	23,889	28,226
Less: Allowance for doubtful accounts	<u>(16)</u>	<u>-</u>	<u>(16)</u>	<u>-</u>
Total trade accounts receivable - related parties - net	<u>13,386</u>	<u>9,835</u>	<u>23,873</u>	<u>28,226</u>
<u>Unrelated parties</u>				
Not over than 3 months	6,403,814	5,788,194	1,202,575	1,097,000
3 - 6 months	464,614	459,405	81,782	105,964
6 - 12 months	307,214	290,907	54,496	36,863
over 12 months	<u>440,410</u>	<u>372,128</u>	<u>160,640</u>	<u>144,273</u>
Total trade accounts receivable - unrelated parties	7,616,052	6,910,634	1,499,493	1,384,100
Less: Allowance for doubtful accounts	<u>(580,359)</u>	<u>(491,700)</u>	<u>(224,521)</u>	<u>(188,140)</u>
Total trade accounts receivable - unrelated parties - net	<u>7,035,693</u>	<u>6,418,934</u>	<u>1,274,972</u>	<u>1,195,960</u>
Total trade accounts receivable - net	<u><u>7,049,079</u></u>	<u><u>6,428,769</u></u>	<u><u>1,298,845</u></u>	<u><u>1,224,186</u></u>

10. Related party transactions

The Group had significant business transactions with individuals or related parties, which have been concluded on commercial terms and bases agreed upon between the Company and those related parties. Below is a summary of those transactions.

<u>Transaction</u>	<u>Pricing and lending policy</u>
Revenues and costs from hospital operations and laboratory services	Based on the price charged to normal customers
Revenues and expenses from consulting and management service, accounting service, information technology service and maintenance service	Certain percentage of net revenue or rates as stipulated in agreements
Revenues and costs of sales and purchases of goods and services	Based on the price charged to normal customers
Rental income and rental expenses	Rates as stipulated in agreements
Interest charge of inter-company loans	Interest rates close to that charged by commercial banks Loans between subsidiaries in Cambodia, interest rate charged as stipulated in the agreements

The significant intercompany transactions are as follows:

	(Unit: Million Baht)			
	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Associates</u>				
Revenue from hospital operations and laboratory services	16.1	19.5	11.5	9.8
Dividend income (Note 12)	-	-	492.5	494.1
Other income	8.7	6.9	-	0.1
Service cost	8.8	12.4	1.3	-
Other expenses	0.6	0.1	0.6	-
<u>Subsidiaries</u>				
Revenue from hospital operations and laboratory services	-	-	177.6	129.5
Consulting and management fee income	-	-	911.3	838.7
Interest income	-	-	248.8	352.7
Dividend income (Note 13)	-	-	5,081.7	3,069.2
Other income	-	-	104.2	85.2
Service costs	-	-	803.3	803.4
Consulting and management fee expenses	-	-	250.3	244.5
Other expenses	-	-	43.1	36.6
Interest expense	-	-	105.5	91.0

(Unit: Million Baht)

For the years ended 31 December

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Individuals or related companies</u>				
Revenue from hospital operations and laboratory services	6.5	5.4	5.0	3.5
Dividend income (Note 14)	5.4	9.0	5.4	9.0
Other income	13.0	13.6	9.4	11.9
Service costs	173.9	139.6	135.6	106.1
Consulting and management fee expenses	3.1	3.1	-	-
Other expenses	116.9	125.0	79.5	94.3

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Trade receivables - related parties (Note 9)</u>				
Associates	11,821	6,927	1,178	2,220
Subsidiaries	-	-	22,086	24,755
Related companies	1,581	2,908	625	1,251
Total trade receivables - related parties	13,402	9,835	23,889	28,226
Less: Allowance for doubtful accounts	(16)	-	(16)	-
Total trade accounts receivable - related parties - net	<u>13,386</u>	<u>9,835</u>	<u>23,873</u>	<u>28,226</u>
<u>Other receivables - related parties (Note 9)</u>				
Consulting and management fee receivable				
Subsidiaries	-	-	83,189	77,904
Total	<u>-</u>	<u>-</u>	<u>83,189</u>	<u>77,904</u>
Accrued interest income and others				
Subsidiaries	-	-	33,554	47,826
Related companies	2,241	960	670	852
Total	<u>2,241</u>	<u>960</u>	<u>34,224</u>	<u>48,678</u>
Total other receivables - related parties	<u>2,241</u>	<u>960</u>	<u>117,413</u>	<u>126,582</u>

		(Unit: Thousand Baht)	
		Consolidated	Separate
		financial statements	financial statements
		<u>2018</u>	<u>2017</u>
		<u>2018</u>	<u>2017</u>
<u>Leasehold rights - a related party</u>			
(included in other non-current assets)			
A related party		28,431	34,523
Total leasehold rights - a related party		28,431	34,523
<u>Other non-current assets - related parties</u>			
Subsidiaries		-	-
Related companies		1,312	398
Total other non-current assets - related parties		1,312	398
<u>Trade payables - related parties (Note 21)</u>			
Associates		2,022	1,955
Subsidiaries		-	-
Related companies		17,201	17,021
Total trade payables - related parties		19,223	18,976
<u>Other payables - related parties (Note 21)</u>			
Associates		60	148
Subsidiaries		-	-
Related companies		10,198	8,966
Total other payables - related parties		10,258	9,114
<u>Accrued interest expense - related parties</u>			
(included in accrued expenses)			
Subsidiaries		-	-
Total accrued interest expense - related parties		-	-
<u>Other non-current liabilities - related parties</u>			
Associates		343	-
Subsidiaries		-	-
Related companies		729	729
Total other non-current liabilities - related parties		1,072	729

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

(Unit: Thousand Baht)

	Separate financial statements		
	31 December 2017	Increase Decrease	31 December 2018
<u>Short-term loans to subsidiaries</u>			
Subsidiaries	2,723,765	513,655 (617,778)	2,619,642
Total short-term loans to subsidiaries	2,723,765	513,655 (617,778)	2,619,642
<u>Long-term loans to subsidiaries</u>			
Subsidiaries	4,790,396	1,010,000 (1,737,342)	4,063,054
Total long-term loans to subsidiaries	4,790,396	1,010,000 (1,737,342)	4,063,054
<u>Short-term loans from subsidiaries</u>			
Subsidiaries	9,952,014	1,434,987 (616,242)	10,770,759
Total short-term loans from subsidiaries	9,952,014	1,434,987 (616,242)	10,770,759

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

The Company has entered into agreements to provide short-term loans and long-term loans with terms of 3 - 8 years with its subsidiaries and also obtained short-term loans from its subsidiaries. The loans to related parties bear interest at MLR minus fixed rate per annum and LIBOR plus fixed rate per annum as stipulated in the agreement. The loans from related parties bear interest at Fixed Deposit Rate. The interest is payable on a monthly basis while principal is repayable on the basis as stipulated in the agreements.

Guarantee obligations with subsidiaries

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

Directors and management's benefits

During the years ended 31 December 2018 and 2017, the Group had benefits for their directors and management as below.

	(Unit: Million Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	275.5	282.8	257.0	267.1
Post-employment benefits and other long-term benefits	0.5	2.1	0.5	2.1
Total	<u>276.0</u>	<u>284.9</u>	<u>257.5</u>	<u>269.2</u>

11. Inventories

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Medicines and medical supplies	1,754,476	1,713,266	111,382	113,536
Packaging and others	67,222	42,973	503	180
Total	<u>1,821,698</u>	<u>1,756,239</u>	<u>111,885</u>	<u>113,716</u>
Less: Allowance to reduce cost to net realisable value	<u>(35,787)</u>	<u>(20,967)</u>	<u>(271)</u>	<u>(474)</u>
Inventories - net	<u><u>1,785,911</u></u>	<u><u>1,735,272</u></u>	<u><u>111,614</u></u>	<u><u>113,242</u></u>

12. Investments in associates

(Unit: Thousand Baht)

					(Unit: Thousand Baht)			
Company's name	Natures of business	Paid-up capital	% Shareholding		Consolidated financial statements		Separate financial statements	
					Equity Method		Cost Method	
			2018	2017	2018	2017	2018	2017
<u>Associates held by the Company</u>								
Cool & Joy Co., Ltd.	Ceased operation	Baht 5 million	30.00	30.00	871	1,069	1,500	1,500
Ramkhamhaeng Hospital Public Co., Ltd.	Hospital	Baht 120 million	38.24	38.24	5,704,289	5,338,905	1,459,801	1,459,801
Udon Pattana (1994) Co., Ltd. (held by the Company at 15.26% and indirectly held by a subsidiary at 9.85%)	Hospital	Baht 300 million	25.11	25.11	181,250	187,895	69,952	69,952
Bumrungrad Hospital Public Co., Ltd.	Hospital	Baht 730 million	24.88	20.50	16,197,451	9,792,564	12,357,828	6,417,246
Total investments in associates held by the Company							13,889,081	7,948,499
Total investments in associates held by the Group					22,083,861	15,320,433		
<u>Associates held by the subsidiaries</u>								
Al Ghaith Bangkok Dusit Management Services LLC.	In process of liquidation	UAE DIRHAM 0.15 million	30.00	30.00	-	-		
General Hospital Products Public Co., Ltd.	Manufacturer and distributor of medical supplies	Baht 120 million	46.03	45.76	563,129	486,746		
Total investments in associates held by subsidiaries					563,129	486,746		
Total investments in associates in the consolidated financial statements					22,646,990	15,807,179		

12.1 Investments in associate by the Company

Bumrungrad Hospital Public Company Limited

On 31 October 2018, the meeting of the Company's Board of Directors had approved the Company to make additional investment in not exceeding 32 million shares of Bumrungrad Hospital Public Company Limited at the amount of not exceeding Baht 6,080 million. On 12 November 2018, the Company acquired 32 million shares of Bumrungrad Hospital Public Company Limited totaling Baht 5,940.6 million. As a result, the percentage of ownership increased from 20.50% to 24.88% of issued and paid-up capital of Bumrungrad Hospital Public Company Limited.

12.2 Investments in associate by subsidiaries

General Hospital Products Public Co., Ltd.

In the second quarter of 2018, Royal Bangkok Healthcare Co., Ltd., a subsidiary in which the Company has a 100% shareholding, purchased additional shares in General Hospital Products Public Co., Ltd. totaling of Baht 3.1 million. The total investments in General Hospital Products Public Company Limited, including the shareholding by another subsidiary, representing 46.03% of the paid up capital of such company.

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

Company's name	Consolidated financial statements				(Unit: Thousand Baht) Separate financial statements	
	Share of profit (loss) from investments in associates during the year		Share of other comprehensive income from investments in associates during the year		Dividend received during the year	
	2018	2017	2018	2017	2018	2017
<u>Associates held by the Company</u>						
Cool & Joy Co., Ltd.	(197)	-	-	-	-	-
Ramkhamhaeng Hospital Public Co., Ltd.	725,117	507,621	(408,621)	138,435	73,415	73,415
Udon Patana (1994) Co., Ltd.	(6,645)	(4,536)	-	-	-	-
Bumrungrad Hospital Public Co., Ltd.	893,716	843,183	(3,340)	(22,530)	419,050	420,678
<u>Associate held by the subsidiaries</u>						
General Hospital Products Public Co., Ltd.	77,702	71,042	-	-	-	-
Total	1,689,693	1,417,310	(411,961)	115,905	492,465	494,093

*Included deferred tax liabilities of share profit in investment in associate amounting to Baht 122.3 million (Note 32, 40.1).

Fair value of investments in listed associates

Fair values as at 31 December 2018 and 2017 of investments in associates that are listed on the Stock Exchange of Thailand which were based on the closing price as quoted on the Stock Exchange of Thailand are as follows:

Company's name	(Unit: Thousand Baht)	
	Fair values as at 31 December	
	<u>2018</u>	<u>2017</u>
Ramkhamhaeng Hospital Public Co., Ltd.	12,205,208	13,627,619
Bumrungrad Hospital Public Co., Ltd.	<u>34,061,382</u>	<u>28,285,873</u>
Total	<u>46,266,590</u>	<u>41,913,492</u>

12.4 Summary of financial information of associates

(Unit: Million Baht)

Company's name	As at 31 December										For the years ended 31 December					
	Paid-up capital		Current assets		Non-Current assets		Current liabilities		Non-Current liabilities		Total revenues		Profit (loss)		Total comprehensive income	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<u>Associates held by the Company</u>																
Cool & Joy Co., Ltd.	5	5	2.9	2.9	-	-	-	-	-	-	-	-	-	-	-	-
Ramkhamhaeng Hospital Public Co., Ltd.	120	120	2,181.4	1,725.7	13,049.9	14,751.8	1,820.1	4,298.5	337.9	499.7	5,599.1	4,173.0	2,276.4	1,322.1	1,567.0	1,684.1
Udon Patana (1994) Co., Ltd.	300	300	46.2	65.6	881.6	905.6	149.2	112.3	70.5	124.4	405.3	412.2	(26.5)	(18.1)	-	-
Bumrungrad Hospital Public Co., Ltd.	730	730	12,100.8	10,550.3	12,648.0	12,933.6	2,878.1	3,646.9	3,126.2	3,132.1	18,541.0	18,271.6	4,156.2	3,941.4	4,116.0	3,811.0
<u>Associated held by the subsidiaries</u>																
General Hospital Products Public Co., Ltd.	120	120	747.1	632.5	818.1	880.0	260.1	283.8	189.8	280.2	1,085.2	1,036.7	172.7	156.8	176.4	156.8

Share of income from investments in two associates which are listed companies on the Stock Exchange of Thailand for the year ended 31 December 2018 of Baht 1,618.8 million (2017: 2 associates Baht 1,350.8 million) representing 96 percent (2017: 95 percent) of total share of income from all associates were calculated based on audited financial statements of those companies.

13. Investments in subsidiaries

(Unit: Thousand Baht)								
Company's name	Nature of business	Paid-up capital	Separate financial statements					
			% Shareholding		Investments (Cost method)		Dividend received during the years	
			<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Samitivej Public Co., Ltd.	Hospital	Baht 1,000 million	95.76	95.76	1,639,071	1,639,071	1,292,809	1,053,400
Bangkok Hospital Hatyai Co., Ltd.	Hospital	Baht 500 million	98.82	98.82	574,697	574,697	98,821	49,405
Bangkok Phuket Hospital Co., Ltd.	Hospital	Baht 500 million	99.70	99.70	610,332	610,332	74,773	-
BNH Medical Center Co., Ltd.	Hospital	Baht 586 million	91.48	91.48	602,657	602,657	428,952	107,238
Paolo Phrapradaeng Hospital Co., Ltd. (formerly known as "Bangkok Phrapradaeng Hospital Co., Ltd.")	Hospital	Baht 105 million	84.00	84.00	101,868	101,868	-	-
Bangkok Pattaya Hospital Co., Ltd.	Hospital	Baht 280 million	97.27	97.27	708,993	708,993	653,635	-
Bangkok Rayong Hospital Co., Ltd.	Hospital	Baht 400 million	100.00	100.00	415,020	415,020	80,000	60,000
Bangkok Samui Hospital Co., Ltd.	Hospital	Baht 150 million	100.00	100.00	150,000	150,000	90,000	120,000
Bangkok Trat Hospital Co., Ltd.	Hospital	Baht 250 million	99.76	99.76	245,889	245,889	39,902	39,902
Wattanavej Co., Ltd.	Hospital	Baht 180 million	99.72	99.69	450,788	450,643	161,505	17,945
Bangkok Ratchasima Hospital Co., Ltd.	Hospital	Baht 300 million	91.45	91.42	935,355	935,005	41,138	41,139
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	42,750	38,000
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	813,220	-	-
Royal Rattanak Medical Services Co., Ltd.	Ceased operation	Riel 26,000 million	70.00	70.00	154,063	154,063	-	-
B.D.M.S. International Medical Services Co., Ltd.	Not yet operate	Riel 9,200 million	100.00	100.00	94,208	94,208	-	-

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up capital	% Shareholding	Separate financial statements				
				Investments		Dividend received		
				(Cost method)		during the year		
			<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
BDMS Accounting Co., Ltd.	Accounting service	Baht 30 million	100.00	100.00	30,000	30,000	-	-
Bangkok Health Insurance Public Co., Ltd.	Health insurance	Baht 250 million	99.99	99.99	192,027	192,027	-	-
Royal Bangkok Healthcare Co., Ltd.	Investment	Baht 1,086 million	100.00	100.00	1,086,000	1,086,000	190,050	-
Greenline Synergy Co., Ltd.	Technology and information service	Baht 200 million	100.00	100.00	200,000	200,000	-	-
Bangkok Hospital Khao Yai Co., Ltd.	Not yet operate	Baht 70 million	100.00	100.00	70,000	70,000	-	-
BDMS Training Co., Ltd.	Training business	Baht 1 million	100.00	100.00	1,000	1,000	-	-
Prasit Patana Public Co., Ltd.	Investment	Baht 1,108 million	98.59	98.59	9,263,950	9,263,580	1,311,109	983,054
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	1,737,667	137,661	137,661
Siam Medical Co., Ltd.	Hospital	Baht 100 million	85.71	85.71	939,775	939,775	102,857	85,714
Thai Medical Center Public Co., Ltd.	Hospital	Baht 201 million	99.76	99.76	887,131	887,131	100,025	100,024
Bangkok Premier Insurance Broker Co., Ltd. (formerly known as "Bangkok Premier Life 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	-	-
The Medicpharma Co., Ltd.	Production and distribution of medicines	Baht 42.86 million	87.05	87.05	551,318	551,318	7,462	7,462

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up capital	Separate financial statements					
			% Shareholding		Investments (Cost method)		Dividend received during the year	
			<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Thonburi Medical Center Public Co., Ltd. (held by the Company at 34.43% and indirectly held by subsidiary at 29.02%)	Hospital	Baht 193.8 million	34.43	34.43	442,252	442,252	-	-
Bangkok Hospital Surat Co., Ltd.	Hospital	Baht 600 million	100.00	100.00	600,000	600,000	-	-
BDMS Inter Pte. Ltd.	Investment	USD 0.2 million	100.00	100.00	6,721	3,381	-	-
N Health Asia Pte. Ltd.	Investment	USD 3.5 million	100.00	100.00	116,655	116,655	-	-
Samitivej Chonburi Co., Ltd.	Hospital	Baht 800 million	100.00	100.00	800,000	800,000	-	-
Bangkok Hospital Phitsanulok Co., Ltd.	Hospital	Baht 800 million	100.00	100.00	800,000	800,000	-	-
Bangkok Hospital Sanamchan Co., Ltd.	Hospital	Baht 3,655 million	100.00	100.00	3,655,000	3,655,000	109,650	109,650
Bangkok Phuket International Hospital Co., Ltd.	Hospital	Baht 3,610 million	100.00	100.00	3,610,000	3,610,000	-	-
Bangkok Save Drug Co., Ltd.	Investment	Baht 450 million	100.00	100.00	450,000	450,000	-	-
S.R. Property Investment Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	101	101	-	-
Siem Reap Land Investment Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	101	101	-	-
Phnom Penh First Property Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	88	88	-	-
Bangkok Helicopter Services Co., Ltd. (held by the Company at 87.25% and indirectly held by a subsidiary at 12.75%)	Air transportation services	Baht 400 million	87.25	87.25	350,858	350,858	-	-

(Unit: Thousand Baht)								
Company's name	Nature of business	Paid-up capital	Separate financial statements					
			% Shareholding		Investments (Cost method)		Dividend received during the years	
			<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
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	52,000	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	-	100,000	-	-	-
Total investments in subsidiaries					53,683,951	52,589,512	5,081,721	3,069,216
Less: Allowance for impairment of investments					(154,062)	(154,062)		
Total investments in subsidiaries - net					<u>53,529,889</u>	<u>52,435,450</u>		

13.1 Investments in subsidiaries by the Group

Phnom Penh Medical Services Co., Ltd.

On 18 October 2017 the Board of Directors of Phnom Penh Medical Services Co., Ltd. (“PPMS”) approved an increase in its share capital from USD 25 million to USD 55 million. In June 2018, the Company and PPMS had converted the long-term loan and its accrued interest which PPMS had borrowed from the Company amounting to USD 30 million to be the capital of PPMS.

BDMS Inter Pte. Ltd.

On 30 July 2018, the Board of Directors of BDMS Inter Pte. Ltd. approved to increase the share capital from USD 100,000 to USD 200,000. In the third quarter of 2018, the Company acquired all of the new ordinary shares.

13.2 Investments in a new subsidiary

BDMS Wellness Resort Co., Ltd.

On 28 November 2018, the Board of Directors of the Company approved the establishment of a new subsidiary, namely BDMS Wellness Resort Co., Ltd., with a registered share capital of Baht 100 million to operate hotel business. The Company holds 100% shareholding in that subsidiary. In December 2018, BDMS Wellness Resort Co., Ltd. completely registered its’ establishment. The Company already paid for the shares capital of Baht 100 million in the fourth quarter of 2018.

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

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

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

(Unit: Million Baht)

Company's name	As at 31 December										For the years ended 31 December					
	Paid-up capital		Current assets		Non-Current assets		Current liabilities		Non-Current liabilities		Total revenues		Profit (loss)		Total comprehensive income	
					2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Thonburi Medical Center Public Co., Ltd.	193.8	193.8	179.2	122.9	449.1	473.7	156.2	155.2	16.3	13.1	777.4	685.6	31.1	(22.2)	27.4	(22.2)
S.R. Property Investment Co., Ltd.	0.2	0.2	-	-	71.4	71.9	0.5	0.3	62.6	63.7	0.7	0.8	0.6	0.6	-	-
Siem Reap Land Investment Co., Ltd.	0.2	0.2	0.1	0.1	64.9	65.4	0.4	0.3	57.3	58.3	0.7	0.7	0.5	0.6	-	-
Phnom Penh First Property Co., Ltd.	0.2	0.2	0.1	0.1	149.3	150.3	2.5	0.6	132.7	135.1	1.5	1.6	(0.4)	1.3	-	-
Tepakorn Hospital Co., Ltd.	30.0	30.0	29.0	30.2	132.1	127.5	108.8	96.3	6.1	4.1	144.1	150.9	(8.4)	3.3	-	-

14. 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 received during the years	
				2018	2017	2018	2017
<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	5	5
Aikchol Hospital Public Co., Ltd.	Hospital	150	0.20	350	350	132	189
				2,120	2,120	137	194
Surplus on changes in value of available-for-sale investments				3,368	4,964	-	-
Investments in listed securities				5,488	7,084	137	194
Investments in a related company							
Bangkok Airways Public Co., Ltd.	Airline	2,100	0.85	39,466	39,466	5,372	8,953
Surplus on changes in value of available-for-sale investments				168,239	266,720	-	-
Investments in related companies				207,705	306,186	5,372	8,953

(Unit: Thousand Baht)							
Consolidated and separate financial statements							
Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend received during the years	
				2018	2017	2018	2017
Investments in unrelated companies							
Thai Longstay Management Co., Ltd.	VISA service	100	0.53	531	531	-	-
Superior Biotech Holding Co., Ltd.	Investment	113	3.55	5,000	5,000	3,360	800
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	3,973	1,413
Total other long-term investments in the separate financial statements				223,244	323,321	9,482	10,560

						(Unit: Thousand Baht)	
						Consolidated and separate	
						financial statements	
Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend received during the years	
				2018	2017	2018	2017
<u>Investment held by the subsidiaries</u>							
<u>Available-for-sale investments</u>							
Investments in investment unit				10,000	10,000	-	-
Surplus on changes in value of available-for-sale investments				1,604	1,487	-	-
Investments in investment unit				11,604	11,487	-	-
<u>Investment in listed securities</u>							
Mahachai Hospital Public Company Limited	Hospital	160	4.28	143,724	143,724	2,806	3,011
Loss on changes in value of available-for-sale investments				(21,217)	-	-	-
Investments in listed securities				122,507	143,724	2,806	3,011

						(Unit: Thousand Baht)	
						Consolidated and separate financial statements	
Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend received during the years	
				2018	2017	2018	2017
<u>Investments in unrelated companies</u>							
Thai Herbal Products Co., Ltd.	Manufacturer and distributor of herbal products	80	0.60	290	290	12	17
Prasitthirat Co., Ltd.	Educational institution known as “Rangsit university”	150	33.33	107,192	107,192	4,000	2,000
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	4,012	2,017
Less: Allowance for impairment of investments				(2,879)	(2,879)	-	-
Investments in unrelated companies - net				115,897	115,897	4,012	2,017

						(Unit: Thousand Baht)	
						Consolidated and separate financial statements	
Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend received during the years	
				2018	2017	2018	2017
<u>Investments in held-to-maturity securities</u>							
Debentures - listed companies				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)	(9,493)	-	-
Investments in ordinary shares (ceased operations) - net				33,396	51,371	-	-
Total other long-term investments - net in the consolidated financial statements				526,648	645,800	16,300	15,588

The Group recognised the decrease in fair value of available-for-sale investments in the consolidated financial statements of Baht 96.9 million (net of deferred tax liabilities of Baht 24.2 million) and that in the separate financial statements of Baht 80.1 million (net of deferred tax liabilities of Baht 20.0 million), presenting in the statements of comprehensive income under “Loss on change in value of available-for-sale investments”.

Prasitthirat Company Limited

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

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.

15. Investment properties

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
31 December 2016	306,744	704,499
Purchase	606	606
Transfer from land and premises	1,008	124
Loss on fair value adjustment	(581)	(29,870)
31 December 2017	307,777	675,359
Purchase	1,619	1,619
Transfer from (to) land and premises	(7,605)	1,594
Gain on fair value adjustment	14,935	10,287
31 December 2018	316,726	688,859

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

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

	Consolidated financial statements	Separate financial statements	Result to fair value where as an increase in assumption value
Vacancy rate (%)	100	100	Increase in fair value
Discount rate (%)	11.0 - 13.0	11.5 - 13.0	Decrease in fair value

16. Property, premises and equipment

(Unit: Thousand Baht)

Consolidated financial statements							
	Assets which are stated at cost or reappraised value	Assets which are stated at cost					
		Land and land improvement	Building and building improvement	Medical tools, machine, helicopter and equipment	Structure equipment, furniture, fixture and office equipment	Vehicles	Building under construction and medical tools and equipment under installation
							Total
Cost/reappraised value							
31 December 2016	20,370,354	38,842,096	20,660,659	11,891,920	905,740	2,804,916	95,475,685
Increase from acquisition	723,946	138,054	19,521	5,451	2,909	4,000	893,881
Increase from revaluation	2,740,890	-	-	-	-	-	2,740,890
Purchases	10,362,855	545,072	1,900,358	857,793	92,027	2,849,816	16,607,921
Transfer in / (Transfer out)	(10,653)	904,515	429,368	272,905	7,674	(1,616,911)	(13,102)
Disposals/Written-off	(539)	(193,940)	(438,152)	(383,318)	(36,549)	(20,366)	(1,072,864)
Translation adjustments	(27,835)	(85,038)	(35,283)	(56,547)	(1,436)	(1,589)	(207,728)
31 December 2017	34,159,018	40,150,759	22,536,471	12,588,204	970,365	4,019,866	114,424,683
Increase from revaluation	742,252	-	-	-	-	-	742,252
Purchases	162,980	971,737	1,852,717	1,043,769	65,990	3,294,462	7,391,655
Transfer in / (Transfer out)	43,075	1,836,040	157,309	501,906	16,537	(2,535,811)	19,056
Disposals/Written-off	(332)	(295,557)	(1,115,288)	(956,037)	(37,224)	(38,353)	(2,442,791)
Translation adjustments	(2,052)	(6,199)	(2,801)	(4,132)	(132)	(235)	(15,551)
31 December 2018	35,104,941	42,656,780	23,428,408	13,173,710	1,015,536	4,739,929	120,119,304
Accumulated depreciation							
31 December 2016	76,070	18,409,091	13,103,687	6,656,617	635,163	-	38,880,628
Depreciation for the year	11,169	1,770,868	2,002,229	1,044,166	75,355	-	4,903,787
Transfer in / (Transfer out)	(15,074)	13,589	(1,012)	(5,054)	(152)	-	(7,703)
Disposals/Written-off	(554)	(170,452)	(417,957)	(380,353)	(36,470)	-	(1,005,786)
Translation adjustments	(3)	(11,434)	(12,909)	(17,589)	(700)	-	(42,635)
31 December 2017	71,608	20,011,662	14,674,038	7,297,787	673,196	-	42,728,291
Depreciation for the year	8,959	1,780,537	2,165,136	1,076,452	67,394	-	5,098,478
Transfer in / (Transfer out)	-	(3,393)	(132)	3,507	-	-	(18)
Disposals/Written-off	(332)	(263,716)	(1,087,844)	(945,988)	(36,559)	-	(2,334,439)
Translation adjustment	-	(817)	(959)	(1,299)	(51)	-	(3,126)
31 December 2018	80,235	21,524,273	15,750,239	7,430,459	703,980	-	45,489,186

(Unit: Thousand Baht)

Consolidated financial statements (continued)

	Assets which are stated at cost						Total
	Land and land improvement	Building and building improvement	Medical tools, machine, helicopter and equipment	Structure equipment, furniture, fixture and office equipment	Vehicles	Building under construction and medical tools and equipment under installation	
Allowance for impairment of fixed assets							
31 December 2016	5,588	115,510	10,071	1,373	1,471	-	134,013
Impairment loss (reversal)	(112)	3,008	-	-	-	-	2,896
31 December 2017	5,476	118,518	10,071	1,373	1,471	-	136,909
Reversal of impairment loss	-	(3,008)	-	-	-	-	(3,008)
31 December 2018	5,476	115,510	10,071	1,373	1,471	-	133,901
Net book value							
31 December 2017	34,081,934	20,020,579	7,852,362	5,289,044	295,698	4,019,866	71,559,483
31 December 2018	35,019,230	21,016,997	7,668,098	5,741,878	310,085	4,739,929	74,496,217

(Unit: Million Baht)

Depreciation for the years

	2018	2017
Part of cost of hospital operations and services	4,124	3,919
Part of administrative expenses	974	985
Total	5,098	4,904

(Unit: Thousand Baht)

Separate financial statements							
Assets which are stated at cost or reappraised value	Assets which are stated at cost						
	Land and land improvement	Building and building improvement	Medical tools, machine and equipment	Structure equipment, furniture, fixture and office equipment	Vehicles	Building under construction and medical tools and equipment under installation	Total
Cost/reappraised value							
31 December 2016	3,735,593	6,036,319	3,929,555	1,693,752	208,979	1,089,514	16,693,712
Increase from revaluation	1,743,310	-	-	-	-	-	1,743,310
Purchases	2,017	94,989	298,656	114,452	5,963	880,743	1,396,820
Transfer in / (Transfer out)	-	15,474	42,250	24,728	-	(82,432)	20
Disposals/Written-off	-	(120)	(51,725)	(17,701)	(7,699)	(1,003)	(78,248)
31 December 2017	5,480,920	6,146,662	4,218,736	1,815,231	207,243	1,886,822	19,755,614
Purchases	7,140	192,686	284,637	230,965	11,224	992,589	1,719,241
Transfer in / (Transfer out)	6,133	682,693	50,378	109,729	280	(839,538)	9,675
Disposals/Written-off	-	(21,003)	(309,815)	(11,905)	(12,456)	-	(355,179)
31 December 2018	5,494,193	7,001,038	4,243,936	2,144,020	206,291	2,039,873	21,129,351
Accumulated depreciation							
31 December 2016	896	3,089,955	2,632,576	775,994	147,449	-	6,646,870
Depreciation for the year	362	279,475	369,584	192,210	16,722	-	858,353
Transfer in / (Transfer out)	-	(467)	(12)	463	-	-	(16)
Disposals/Written-off	-	(120)	(49,239)	(17,589)	(7,698)	-	(74,646)
31 December 2017	1,258	3,368,843	2,952,909	951,078	156,473	-	7,430,561
Depreciation for the year	491	290,905	402,010	200,691	13,487	-	907,584
Transfer in / (Transfer out)	-	(487)	(132)	600	-	-	(19)
Disposals/Written-off	-	(18,040)	(307,029)	(11,691)	(12,455)	-	(349,215)
31 December 2018	1,749	3,641,221	3,047,758	1,140,678	157,505	-	7,988,911
Allowance for impairment of fixed assets							
31 December 2016	719	-	-	-	-	-	719
Impairment loss	4,757	3,008	-	-	-	-	7,765
31 December 2017	5,476	3,008	-	-	-	-	8,484
Reversal of impairment loss	-	(3,008)	-	-	-	-	(3,008)
31 December 2018	5,476	-	-	-	-	-	5,476
Net book value							
31 December 2017	5,474,186	2,774,811	1,265,827	864,153	50,770	1,886,822	12,316,569
31 December 2018	5,486,968	3,359,817	1,196,178	1,003,342	48,786	2,039,873	13,134,964

(Unit: Million Baht)

Depreciation for the years	2018	2017
Part of cost of hospital operations and services	751	703
Part of administrative expenses	157	155
Total	908	858

In 2018, 5 subsidiaries have recorded an independent appraiser's result of land, using market approach. The fair values of the revalued land in consolidated financial statements of Baht 1,881.2 million increased from the book values of Baht 593.8 million (net of deferred tax liabilities of Baht 148.5 million). The subsidiaries recorded the increase amount as "Revaluation surplus on land" in the other components of shareholders' equity.

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

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

If the Group recorded land at cost, net book value as at 31 December 2018 and 2017 would have been as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value (at cost):		
As at 31 December 2018	23,321,005	3,068,527
As at 31 December 2017	23,174,443	3,068,527

As at 31 December 2018, the Group has medical tools, equipment and vehicles under finance lease agreements with net book values amounting to Baht 52.1 million and Baht 2.0 million in the separate financial statements (2017: Baht 56.6 million and Baht 6.6 million in the separate financial statements).

As at 31 December 2018, the Group has certain building improvement, medical tools, equipment and vehicles which have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 20,516.8 million and Baht 3,991.5 million in the separate financial statement (2017: Baht 16,707.8 million and Baht 3,359.9 million in the separate financial statements).

17. Goodwill

Movement in goodwill during the years ended 31 December 2018 and 2017 was summarised below.

	(Unit: Million Baht)	
	Consolidated financial statements	
	2018	2017
Balance as at beginning of years	17,539	16,932
Increase from acquisition	-	607
Balance as at end of years	17,539	17,539

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

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

	(Unit: Percent per annum)
Growth rate	3.0 - 16.3
Pre-tax discount rate	7.54

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

The management has considered that goodwill is not impaired.

18. Intangible assets

Intangible assets as at 31 December 2018 and 2017, which are computer software and commercial rights, are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Cost		
As at 31 December 2016	2,434,332	785,510
Acquisition	904	-
Purchases	292,260	120,369
Transfer out	(2,856)	(144)
Written-off	(23,281)	(5,300)
Translation adjustment	574	-
As at 31 December 2017	2,701,933	900,435
Purchases	309,478	134,165
Transfer out	(12,820)	(11,437)
Written-off	(105,808)	(30)
Translation adjustment	(9,806)	-
As at 31 December 2018	2,882,977	1,023,133
Accumulated amortisation		
As at 31 December 2016	1,246,030	303,339
Amortisation for the years	227,109	93,349
Transfer in	7,546	17
Written-off	(15,965)	-
Translation adjustment	(155)	-
As at 31 December 2017	1,464,565	396,705
Amortisation for the years	249,905	102,327
Written-off	(104,308)	-
Translation adjustment	(9)	-
As at 31 December 2018	1,610,153	499,032
Net book value		
As at 31 December 2017	1,237,368	503,730
As at 31 December 2018	1,272,824	524,101

19. Leasehold rights

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cost				
Beginning of years	1,000,141	997,865	449,051	449,051
Purchases	270,292	8,026	-	-
Translation adjustment	2,413	(5,750)	-	-
Ending of years	<u>1,272,846</u>	<u>1,000,141</u>	<u>449,051</u>	<u>449,051</u>
Accumulated amortisation				
Beginning of years	335,426	300,150	114,795	98,883
Amortisation for the years	37,838	36,763	14,908	15,912
Translation adjustment	(1,425)	(1,487)	-	-
Ending of years	<u>371,839</u>	<u>335,426</u>	<u>129,703</u>	<u>114,795</u>
Net book value	<u>901,007</u>	<u>664,715</u>	<u>319,348</u>	<u>334,256</u>

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

As at 31 December 2018, the Group had outstanding balances of bank overdrafts and short-term loans from financial institutions of Baht 5,878 million (2017: Baht 72 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.

21. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Trade payables - related parties	19,223	18,976	115,518	161,674
Trade payables - unrelated parties	3,290,617	3,286,789	410,715	403,445
Other payables - related parties	10,258	9,114	101,636	62,894
Other payables - unrelated parties	1,315,536	975,629	257,615	175,189
Accounts payable - construction and retention	<u>556,137</u>	<u>459,162</u>	<u>135,497</u>	<u>176,355</u>
Total trade and other payables	<u>5,191,771</u>	<u>4,749,670</u>	<u>1,020,981</u>	<u>979,557</u>

22. Liabilities for discontinued lifelong medical care programs and contingent liabilities from litigation

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

In 2017, some members (182 of the 334 members in the consolidated financial statements and 151 of the 282 members in the separate financial statements) accepted the offers but other members did not accept the offers as of yet. As at 31 December 2017, the liabilities from the discontinuation of the lifelong memberships for the medical care program, based on the total amounts payable to the former members and the compensation expected to be paid to the former members who have not accepted the offers in the consolidated and separate financial statements amounts to approximately Baht 440 million and Baht 380 million, respectively.

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

During the court's consideration of certain cases, the court issued orders for temporary injunctions prior to the release of a judgment to the former members who filed complaints against the Company. The essence of the temporary injunction was for the Company to provide medical services to the former members at a normal rate and without any discount and also to allow the other former members to utilise their rights under the programs until the court rules or orders otherwise. Furthermore, the court ordered for the former members who are under the temporary injunction to enter into contracts with the court which would provide that they agreed to be held liable for the aforementioned bills to the Company, should the court issue a final judgment that the Company is entitled to cease such program. The Company keeps record of the debt owed to the Company for medical services rendered and shall not collect amounts for such medical bills unless the court rules or orders otherwise.

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

In the fourth quarter of 2018, the Court of Appeal affirmed the judgment of the Civil Court on some of the cases of the Company. As at 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.

23. Long-term loans from financial institutions

	(Unit: Thousand Baht)
	Consolidated/ Separate financial statements
Balance as at 31 December 2017	10,798,639
Less: Repayment during the year	(1,461,350)
Gain on exchange rate	(10,457)
Balance as at 31 December 2018	9,326,832
Less: Current portion of long-term loans from financial institutions	(4,181,365)
Long-term loans from financial institutions	5,145,467

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

Period of loan agreements		Credit facilities	Principal repayment	Interest rate per annum (%)	Outstanding balance (in million USD.)		Outstanding balance (in million Baht)	
Start	End				2018	2017	2018	2017
Feb. 2008	Feb. 2018	Baht 3,438 million	Monthly	Floating rate + Spread	-	-	-	57.3
Nov. 2011	Jun. 2019	Baht 3,000 million	Quarterly	Floating rate + Spread	-	-	319.0	719.0
Jan. 2012	Jul. 2020	Baht 586 million	Monthly	Floating rate + Spread	-	-	99.5	188.5
Jun. 2012	Dec. 2019	Baht 1,766 million	Quarterly	Floating rate + Spread	-	-	269.6	539.2
May 2013	May 2021	Baht 2,000 million	Semi-annually	Floating rate + Spread	-	-	704.0	992.0
Feb. 2014*	Jul. 2021	USD 20 million	Semi-annually	Fixed rate	14.0	17.3	451.4	569.3
Apr. 2014	Jun. 2019	Baht 1,000 million	Monthly	Floating rate + Spread	-	-	83.3	333.3
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					<u>14.0</u>	<u>17.3</u>	<u>9,326.8</u>	<u>10,798.6</u>

*In January 2018, the Company entered into a cross currency swap contract with a financial institution by converting US 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 Group's long-term loan agreements contain certain covenants which the Group must comply such as financial ratios.

24. Liabilities under finance lease agreements

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Liabilities under finance lease agreements	35,334	40,245	1,037	4,908
Less: Deferred interest expense	(1,776)	(1,713)	(2)	(27)
Total	33,558	38,532	1,035	4,881
Less: Current portion of liabilities under finance lease agreements	(14,047)	(22,039)	(1,035)	(4,744)
Liabilities under finance lease agreements - net	<u>19,511</u>	<u>16,493</u>	<u>-</u>	<u>137</u>

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

	(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>

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

(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

(Unit: Thousand Baht)

As at 31 December 2017

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

The Group has finance lease agreements with various leasing companies to rent medical tools, equipment, and vehicles for use in their operations. Installments are due on a monthly basis over 36 - 60 months and at the end of the agreements.

25. Debentures

Movements of debentures net from debenture expenses and amortisation of expenses during the years ended 31 December 2018 and 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated /Separate financial statements	
	<u>2018</u>	<u>2017</u>
Balance as at beginning of years	19,584,603	12,588,900
Debentures issued during the years	-	7,000,000
Debenture expenses	-	(7,549)
Amortisation of debenture expenses	3,443	3,252
Balance as at ending of years	<u>19,588,046</u>	<u>19,584,603</u>

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

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

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

The fair value of such debentures as at 31 December 2018, is between Baht 983.89 per unit to Baht 1,073.91 per unit.

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

26. Convertible debentures

On 18 September 2014, the Company has issued the convertible debentures to the foreign investors (except the investors in the United States of America). On 19 September 2014, the convertible debentures were listed on The Singapore Exchange. 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 had redeemed totalling of Baht 1,560 million at principal amount of the convertible debentures. The Company has made the payment at the Early Redemption Price totally Baht 1,656 million (106.152 percent of the principal Baht 1,560 million).

In 2018, the convertible debentures holders of Baht 3,746 million exercised their conversion rights to convert into 178.0 million ordinary shares of the Company. As a result, as at 31 December 2018, the Company's paid up capital increased from Baht 1,549 million to Baht 1,567 million and premium on ordinary shares increased Baht 4,168 million. The outstanding principal amount of convertible debentures was Baht 4,694 million.

Movements of convertible debentures net from convertible debenture expenses during the year ended 31 December 2018 are summarised below.

	(Unit:Thousand Baht)			
	Consolidated/ Separate financial statements			
	Convertible debenture - liability component	Convertible debenture expenses	Total	Convertible debenture - equity component
Balance as at 1 January 2018	8,821,639	(47,369)	8,774,270	494,185
Transactions for present value of convertible debentures	227,187	-	227,187	-
Amortisation of debenture expenses	-	21,596	21,596	-
Conversion of debentures to ordinary shares	(3,981,437)	14,782	(3,966,655)	(219,338)
Balance as at 31 December 2018	5,067,389	(10,991)	5,056,398	274,847

The fair value of convertible debentures as of 31 December 2018, is equal to 118.0 percent per unit.

27. Provision for employee benefits

Provision for employee benefits were summarised as follows:

(Unit: Thousand Baht)

	Consolidated financial statements							
	Severance payments		Medical care after post-employment		Other long - term benefits		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Defined benefit obligation at beginning of years	1,823,102	1,672,248	185,175	573,791	-	-	2,008,277	2,246,039
Increase from acquisitions	-	27,490	-	-	-	-	-	27,490
Included in profit or loss:								
Current service cost	139,887	142,474	5,054	4,988	115,407	-	260,348	147,462
Interest cost	51,207	46,466	6,920	7,447	-	-	58,127	53,913
Adjust from condition changing of defined benefit plan	-	-	-	(50,437)	-	-	-	(50,437)
Included in other comprehensive income:								
Actuarial loss arising from								
Demographic assumptions changes	218,158	-	-	-	-	-	218,158	-
Financial assumptions changes	47,332	-	-	-	-	-	47,332	-
Experience adjustments	70,173	-	-	-	-	-	70,173	-
Benefits paid during the years	(67,098)	(65,576)	(13,247)	(350,614)	-	-	(80,345)	(416,190)
Defined benefit obligation at end of years	2,282,761	1,823,102	183,902	185,175	115,407	-	2,582,070	2,008,277
Less: Current provision for employee benefits	-	-	(158)	(2,442)	-	-	(158)	(2,442)
Non-current provision for employee benefits	2,282,761	1,823,102	183,744	182,733	115,407	-	2,581,912	2,005,835

(Unit: Thousand Baht)

Separate financial statements

	Severance payments		Medical care after post-employment		Other long - term benefits		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Defined benefit obligation at beginning of years	389,127	376,929	185,175	495,592	-	-	574,302	872,521
Included in profit or loss:								
Current service cost	27,557	28,384	5,054	4,988	53,882	-	86,493	33,372
Interest cost	8,995	8,674	6,920	7,447	-	-	15,915	16,121
Adjust from condition changing of defined benefit plan	-	-	-	(50,437)	-	-	-	(50,437)
Included in other comprehensive income:								
Actuarial loss arising from								
Demographic assumptions changes	66,191	-	-	-	-	-	66,191	-
Financial assumptions changes	8,154	-	-	-	-	-	8,154	-
Experience adjustments	44,187	-	-	-	-	-	44,187	-
Employee transfer	14,432	-	-	-	-	-	14,432	
Benefits paid during the years	(22,300)	(24,860)	(13,247)	(272,415)	-	-	(35,547)	(297,275)
Defined benefit obligation at end of years	536,343	389,127	183,902	185,175	53,882	-	774,127	574,302
Less: Current provision for employee benefits	-	-	(158)	(2,441)	-	-	(158)	(2,441)
Non-current provision for employee benefits	<u>536,343</u>	<u>389,127</u>	<u>183,744</u>	<u>182,734</u>	<u>53,882</u>	<u>-</u>	<u>773,969</u>	<u>571,861</u>

Expected maturity analysis of undiscounted severance payment obligation as at 31 December 2018:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Less than a year	Between 2-5 years	Over 5 years	Total
Expected benefit payments	205.0	770.4	10,191.6	11,167.0

(Unit: Thousand Baht)

	Separate financial statements			
	Less than a year	Between 2-5 years	Over 5 years	Total
Expected benefit payments	37.8	305.1	1,737.3	2,080.2

Significant actuarial assumptions were as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(% per annum)		(% per annum)	
Discount rate	1.76 - 4.38	3.0 - 3.2, 3.8	1.76 - 4.38	3.1, 3.8
Future salary increase rate	5.0	5.0	5.0	5.0
Turnover rate	0.0 - 20.0	0.0 - 20.0	0.0 - 16.0	0.0 - 14.0

The result of sensitivity analysis for significant assumptions that affect the present value of the severance payment obligation as at 31 December 2018 and 2017 are summarised below:

(Unit: Million Baht)

	As at 31 December 2018			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(223.2)	263.9	(44.1)	51.5
Salary increase rate	268.6	(232.7)	49.9	(43.6)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Turnover rate	(164.6)	192.0	(33.6)	38.5

(Unit: Million Baht)

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

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment and the Group have additional liabilities for long-term employee benefits of Baht 592.1 million (Separate financial statements: Baht 127.5 million). The Group will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective.

28. Share capital

Movements of ordinary share capital during the year ended 31 December 2018 and 2017 are summarised below.

	Registered capital		Issued and paid-up capital	
	Number of ordinary shares (shares)	Amount (Baht)	Number of ordinary shares (shares)	Amount (Baht)
Balance as at 1 January 2017	16,497,868,714	1,649,786,871	15,490,956,540	1,549,095,654
Decrease in registered capital	(464,728,696)	(46,472,869)	-	-
Increase in registered capital	1,549,095,654	154,909,565	-	-
Balance as at 31 December 2017	17,582,235,672	1,758,223,567	15,490,956,540	1,549,095,654
Conversion of debenture to ordinary shares (Note 26)	-	-	177,999,508	17,799,951
Balance as at 31 December 2018	17,582,235,672	1,758,223,567	15,668,956,048	1,566,895,605

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

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

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

In 2018, the convertible debentures holders exercised their conversion rights to convert into 178.0 million ordinary shares of the Company. As a result, as at 31 December 2018, the Company's paid up capital increased from Baht 1,549 million to Baht 1,567 million and premium on ordinary shares increased by Baht 4,168 million. (Note 26).

29. Dividend

2017 Dividend payment

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

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

2018 Dividend payment

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
Interim dividends for 2018	Board of Directors' meeting on 29 August 2018	2,037	0.13
Total dividend paid during the year ended 31 December 2018		5,598	0.36

The Company paid such final dividends and interim dividends in April 2018 and in September 2018, respectively.

30. Statutory reserve

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

In the second quarter of 2017, the Company has set aside statutory reserve of Baht 5.82 million.

31. Expenses by nature

Significant expenses by nature for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Employee expenses	18,766.9	17,232.1	3,493.5	3,220.8
Doctor fee	16,767.5	15,337.2	2,979.7	2,842.9
Drugs, supplies and other costs of				
hospital operations	15,311.5	14,595.1	3,230.8	3,021.1
Cost of goods sold	2,242.2	2,024.2	-	-
Depreciation and amortisation	5,386.2	5,167.7	1,024.8	967.6
Advertising and public relation expenses	882.9	781.3	412.7	318.3
Rental expense	843.1	771.9	121.4	117.3

32. Income tax

Income tax of the Group are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Corporate income tax for the years	2,255,013	2,512,704	306,465	843,397
Adjustments in respect of corporate income tax of previous years	91,802	20,576	86,434	13,653
Deferred tax:				
Relating to origination and reversal of temporary differences	393,034	30,260	(49,783)	86,870
Income tax expense reported in the income statements	<u>2,739,849</u>	<u>2,563,540</u>	<u>343,116</u>	<u>943,920</u>

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Loss on change in value of available- for-sale investments	24,236	38,037	20,015	20,816
Share of income from investments in an associate	(122,303)	-	-	-
Gain on revaluation of lands	(148,450)	(548,178)	-	(348,662)
Actuarial loss	67,133	-	23,706	-
Income tax revenue (expense) charged directly to other comprehensive income	<u>(179,384)</u>	<u>(510,141)</u>	<u>43,721</u>	<u>(327,846)</u>

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Accounting profit before corporate income tax	<u>12,386,895</u>	<u>13,138,242</u>	<u>6,973,493</u>	<u>7,995,439</u>
Corporate income tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	2,477,379	2,627,648	1,394,699	1,599,088
Adjustments in respect of corporate income tax expense of previous years	91,802	20,576	86,434	13,653
Recognition of previous year unrecognised deferred tax	393,024	-	-	-
Effects of:				
Promotional privileges	(126,704)	(95,800)	(46,420)	(46,463)
Dividend income subject to tax exempt	(3,260)	(1,559)	(1,116,734)	(706,964)
Tax losses of the current year for Unrecognized deferred income tax asset	144,889	214,492	-	-
Utilisation of previous years unrecognised tax losses	(10,315)	(7,613)	-	-
Share of income from investments in associates	(192,915)	(283,462)	-	-
Difference in gain on disposal an associate between equity and cost method	-	108,396	-	-
Non-deductible expenses and others	96,104	117,346	44,572	107,564
Additional expense deductions allowed	(130,155)	(136,484)	(19,435)	(22,958)
Total	<u>(222,356)</u>	<u>(84,684)</u>	<u>(1,138,017)</u>	<u>(668,821)</u>
Income tax reported in the income statements	<u>2,739,849</u>	<u>2,563,540</u>	<u>343,116</u>	<u>943,920</u>
Effective income tax rates	<u>22.12%</u>	<u>19.51%</u>	<u>4.92%</u>	<u>11.81%</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	31 December	31 December	31 December	31 December
	2018	2017	2018	2017
Deferred tax assets				
Allowance for doubtful accounts	116,072	98,340	44,904	37,628
Allowance to reduce cost to net realisable value - inventory	7,158	4,193	54	95
Allowance for asset impairment	37,045	33,450	30,896	30,896
Allowance for impairment for premises and equipment	2,059	5,015	951	1,553
Accrued expenses and other provisions	408,890	329,832	191,055	161,591
Provision for long-term employee benefits	516,414	401,655	154,826	114,861
Others	20,861	1,126	-	-
Total	1,108,499	873,611	422,686	346,624
Deferred tax liabilities				
Accumulated depreciation - premises and equipment	302,339	271,444	75,949	67,461
Amortisation of expense for debentures, convertible debentures	4,589	12,553	4,589	12,561
Gain on fair value adjustment of investment properties	23,150	19,177	79,105	77,047
Gain on change in value of available-for-sale investments	30,399	54,634	34,321	54,337
Share of income from investments in associates net of dividend	848,898	-	-	-
Revaluation surplus on land and premises	3,250,647	3,294,906	520,986	520,986
Total	4,460,022	3,652,714	714,950	732,392
Deferred tax assets (liabilities) - net	(3,351,523)	(2,779,103)	(292,264)	(385,768)

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

(Unit: Thousand Baht)				
Statements of financial position				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred tax assets	96,101	68,014	-	-
Deferred tax liabilities	(3,447,624)	(2,847,117)	(292,264)	(385,768)
Deferred tax assets (liabilities) - net	<u>(3,351,523)</u>	<u>(2,779,103)</u>	<u>(292,264)</u>	<u>(385,768)</u>

As at 31 December 2018, the subsidiaries have unused tax losses totaling Baht 3,677.2 million (2017: Baht 3,150.5 million), on which deferred tax assets have not been recognised by some subsidiaries as there are uncertain political and economic future which affect the utilisation of unused tax losses.

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

(Unit: Million Baht)		
	<u>2018</u>	<u>2017</u>
31 December 2018	-	197.7
31 December 2019	443.8	443.8
31 December 2020	515.2	515.2
31 December 2021	921.3	921.3
31 December 2022	1,072.5	1,072.5
31 December 2023	724.4	-
	<u>3,677.2</u>	<u>3,150.5</u>

33. Earnings per share

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

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit for the years (Baht)	9,191,462,706	10,215,739,620	6,630,376,948	7,051,518,695
Weighted average number of ordinary shares (shares)	15,570,403,901	15,490,956,540	15,570,403,901	15,490,956,540
Earnings per share (Baht/share)	0.59	0.66	0.43	0.46

Diluted earnings per share

No disclosure of diluted earnings per share is required for years of 2018 and 2017 after the issue of convertible debentures (as described in Note 26) since the calculated earnings per share assuming the conversion of all convertible debentures to ordinary shares is antidilutive.

34. Commitments and contingent liabilities

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

	(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

(Unit: Million Baht)

	As at 31 December 2017					
	Consolidated			Separate		
	financial statements			financial statements		
	Within 1 year	1 -5 years	Over 5 years	Within 1 year	1 -5 years	Over 5 years
Contractual commitments						
- the land and building rental contracts	255	434	794	22	57	91
- the office equipment rental and other services	469	273	10	290	-	-
- the medical equipment provision and maintenance contracts	177	106	-	122	-	-
- the building construction and decoration contracts	1,591	1	-	714	-	-
Total	2,492	814	804	1,148	57	91

The Company

The Company has entered into 4-year rental agreements which ended on 27 September 2020 with a company to operate medical clinic. The Company has to pay fee at the fixed rate and the rate stipulated in the agreement from monthly gross operating revenue before deducted any expenses or the minimum fee stipulated in agreement whichever is higher.

The Subsidiaries

A subsidiary has entered into a rental agreement with a company to operate medical clinic in a building for a period of 5 years from 28 May 2010. The contract period has been extended to 27 January 2024. A subsidiary has to pay fee at the rate stipulated in the agreement from monthly gross operating revenue before deducted any expenses or the minimum fee, as stipulated in agreement, whichever higher.

A subsidiary has entered into a rental agreement with a company to operate medical clinic in a building for a period of 5 years from 16 March 2017. A subsidiary has to pay fee at the rate stipulated in the agreement from monthly gross operating revenue before deducted any expense or the minimum fee, as stipulated in agreement, whichever higher.

Contingent liabilities

As at 31 December 2018, the Group had outstanding bank guarantees of approximately Baht 387 million (2017: Baht 388 million) and the Company's was Baht 40 million (2017: Baht 39 million) issued by the bank on behalf of the Group in respect of certain performance bonds as required in the normal course of business, such as facility usage and contractual performance.

35. Segment information

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

The Group has two reportable segments that are hospital operations and other businesses that support hospital business including 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 years 2018 and 2017, the Group has no major customer with revenue of 10 percent or more of its revenues.

36. Promotional privileges

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

Company	Types of promoted operation	Corporate income tax exemption period	Promotional privileges period (commencement and expiration year)
Bangkok Dusit Medical Services Public Company Limited	Hospital business, Type 7.7	8 years	2010 - 2018
A.N.B. Laboratories Co., Ltd	Production of large-volume of sterile solution (saline solution in soft package)	8 years	2018 - 2026
	Production of large-volume of sterile solution (saline solution)	8 years	2017 - 2025
	Production of injectable contraceptives	5 years	2015 - 2020
	Production of small-volume of sterile solution, type 6.5	5 years	2015 - 2020
The Medicpharma Co., Ltd.	Production of modern medicines for human and animal use, type 6.5	8 years	2016 - 2024
Bangkok Helicopter Services Co., Ltd.	Air transport, type 7.3.4	5 years	2017 - 2022
National Healthcare Systems Co., Ltd.	Service of scientific laboratories, type 7.21	8 years	2015 - 2023
N Health Pathology Co., Ltd.	Service of scientific laboratories, type 7.14	8 years	No revenue that entitled to the promotional privileges.

The Company and the subsidiaries receive privileges as follows:

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

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

Revenues of the Group for the years 2018 and 2017 can be separated between the promoted and non-promoted operation as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Promoted operation		Non-promoted operation		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenue from hospital operations	714,053	774,763	74,616,466	68,348,156	75,330,519	69,122,919
Revenue from sales of goods	2,146,775	1,487,601	939,983	1,321,980	3,086,758	2,809,581
Other income	45,678	38,017	943,975	3,748,954	989,653	3,786,971
Total revenues	<u>2,906,506</u>	<u>2,300,381</u>	<u>76,500,424</u>	<u>73,419,090</u>	<u>79,406,930</u>	<u>75,719,471</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operation		Non-promoted operation		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenue from hospital operations	677,453	734,836	13,628,369	12,712,008	14,305,822	13,446,844
Other income	-	-	7,089,269	8,477,074	7,089,269	8,477,074
Total revenues	<u>677,453</u>	<u>734,836</u>	<u>20,717,638</u>	<u>21,189,082</u>	<u>21,395,091</u>	<u>21,923,918</u>

37. Fair value hierarchy

As at 31 December 2018 and 2017, the Group had the assets and liabilities that were measured or disclosed at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	As at 31 December 2018			
	Consolidated Financial Statements			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets measured at fair value				
Mutual funds	-	516	-	516
Available-for-sale investments				
Equity instruments	347	-	-	347
Investment properties	-	38	279	317
Land	-	34,750	-	34,750
Assets for which fair value are disclosed				
Investments in associates	46,267	-	-	46,267
Liabilities for which fair value are disclosed				
Derivative				
Interest rate swap	-	46	-	46
Cross currency swap	-	4	-	4
Debentures	-	20,181	-	20,181
Convertible debentures	5,539	-	-	5,539

(Unit: Million Baht)

As at 31 December 2017

	Consolidated Financial Statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Mutual funds	-	510	-	510
Available-for-sale investments				
Equity instruments	468	-	-	468
Investment properties	-	35	273	308
Land	-	33,861	-	33,861
Assets for which fair value are disclosed				
Investments in associates	41,913	-	-	41,913
Liabilities for which fair value are disclosed				
Derivative				
Interest rate swap	-	75	-	75
Debentures	-	20,562	-	20,562
Convertible debentures	9,064	-	-	9,064

(Unit: Million Baht)

As at 31 December 2018

Separate Financial Statements

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Equity instruments	213	-	-	213
Investment properties	-	304	385	689
Land	-	5,464	-	5,464
Assets for which fair value are disclosed				
Investments in associates	46,267	-	-	46,267
Liabilities for which fair value are disclosed				
Derivatives				
Interest rate swap	-	46	-	46
Cross currency swap	-	4	-	4
Debentures	-	20,181	-	20,181
Convertible debentures	5,539	-	-	5,539

(Unit: Million Baht)

As at 31 December 2017

Separate Financial Statements

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Equity instruments	313	-	-	313
Investment properties	-	304	371	675
Land	-	5,469	-	5,469
Assets for which fair value are disclosed				
Investments in associates	41,913	-	-	41,913
Liabilities for which fair value are disclosed				
Derivatives				
Interest rate swap	-	75	-	75
Debentures	-	20,562	-	20,562
Convertible debentures	9,064	-	-	9,064

38. Financial instruments

38.1 Financial risk management

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

Credit risk

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

Interest rate risk

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

Interest rate swap contract

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

On 17 June 2015, the Company entered into a 10-year interest rate swap contract with a financial institution by converting the interest rate of fixed rate per annum to floating rate based on 3-month BIBOR plus the fixed rate per annum on the debentures balance as described in Note 25.

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Fair value of interest rate swap contract - asset	45.8	75.4	45.8	75.4

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

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

	(Unit: Million Baht)					
	As at 31 December 2018					
	Consolidated financial statements					
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within 1 year	1-5 years	Over 5 years			
Financial Assets						
- Cash and cash equivalent	-	-	-	4,994	40	5,034
- Short-term investments	817	-	-	-	-	817
- Trade and other accounts receivable	-	-	-	-	7,545	7,545
- Restricted financial institution deposit	-	10	-	-	-	10
- Investments	-	-	-	-	23,174	23,174
	817	10	-	4,994	30,759	36,580
Financial liabilities						
- Bank overdrafts and short-term loans from financial institutions	-	-	-	5,878	-	5,878
- Trade and other payables	-	-	-	-	5,192	5,192
- Long-term loans	1,000	451	1,000	6,876	-	9,327
- Liabilities under finance lease agreements	14	20	-	-	-	34
- Debentures	-	13,094	6,494	-	-	19,588
- Convertible debentures	5,056	-	-	-	-	5,056
	6,070	13,565	7,494	12,754	5,192	45,075

(Unit: Million Baht)

As at 31 December 2017

Consolidated financial statements

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within 1 year	1-5 years	Over 5 years			
Financial Assets						
- Cash and cash equivalent	6	-	-	5,044	41	5,091
- Short-term investments	572	-	-	-	-	572
- Trade and other accounts receivable	-	-	-	-	6,975	6,975
- Restricted financial institution deposit	-	8	-	-	-	8
- Investments	-	-	-	-	16,453	16,453
	578	8	-	5,044	23,469	29,099
Financial liabilities						
- Bank overdrafts and short-term loans from financial institutions	-	-	-	72	-	72
- Trade and other payables	-	-	-	-	4,750	4,750
- Short-term loans	67	-	-	-	-	67
- Long-term loans	-	1,000	1,000	8,799	-	10,799
- Liabilities under finance lease agreements	22	16	-	-	-	38
- Debentures	-	13,091	6,493	-	-	19,584
- Convertible debentures	-	8,774	-	-	-	8,774
	89	22,881	7,493	8,871	4,750	44,084

(Unit: Million Baht)

As at 31 December 2018

Separate financial statements

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within 1 year	1-5 years	Over 5 years			
Financial Assets						
- Cash and cash equivalent	-	-	-	2,290	5	2,295
- Trade and other receivables	-	-	-	-	1,501	1,501
- Short-term loans to subsidiaries	-	-	-	2,620	-	2,620
- Long-term loans to related parties	-	-	-	4,063	-	4,063
- Investments	-	-	-	-	67,642	67,642
	-	-	-	8,973	69,148	78,121
Financial liabilities						
- Bank overdrafts and short-term loans from financial institutions	-	-	-	5,800	-	5,800
- Trade and other payables	-	-	-	-	1,021	1,021
- Short-term loans from subsidiaries	-	-	-	10,771	-	10,771
- Long-term loans	1,000	451	1,000	6,876	-	9,327
- Liabilities under finance lease agreements	1	-	-	-	-	1
- Debentures	-	13,094	6,494	-	-	19,588
- Convertible debentures	5,056	-	-	-	-	5,056
	6,057	13,545	7,494	23,447	1,021	51,564

(Unit: Million Baht)

As at 31 December 2017						
Separate financial statements						
Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total
Financial Assets						
- Cash and cash equivalent	-	-	-	2,614	5	2,619
- Trade and other receivables	-	-	-	-	1,473	1,473
- Short-term loans to subsidiaries	-	-	-	2,724	-	2,724
- Long-term loans to related parties	-	-	-	4,790	-	4,790
- Investments	-	-	-	-	60,707	60,707
	-	-	-	10,128	62,185	72,313
Financial liabilities						
- Trade and other payables	-	-	-	-	980	980
- Short-term loans from subsidiaries	-	-	-	9,952	-	9,952
- Long-term loans	-	1,000	1,000	8,799	-	10,799
- Liabilities under finance lease agreements	5	-	-	-	-	5
- Debentures	-	13,091	6,493	-	-	19,584
- Convertible debentures	-	8,774	-	-	-	8,774
	5	22,865	7,493	18,751	980	50,094

Foreign currency risk

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

Cross currency swap contract

In order to mitigate the foreign currency risk exposure. As described in Note 23, the Company entered into cross currency swap contract with a financial institution in January 2018 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	
	2018	2017	2018	2017
Fair value of cross currency swap agreement - asset	3.7	-	3.7	-

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.

Forward exchange contract

As at 31 December 2018 and 2017, 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
31 December 2017	US Dollar	400,000	32.61 - 33.22

Net fair value

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

Selling forward exchange contract

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Fair value of selling forward exchange contract - assets	363.1	67.8	-	-

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

38.2 Fair values of financial instruments

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

39. Capital management

The primary objective of the Group capital management is to ensure that they have appropriate capital structure in order to support its business and maximise shareholders value. As at 31 December 2018, the Group's debt-to-equity ratio was 0.82:1.0 (2017: 0.86:1.0) and the Company's debt-to-equity ratio was 1.46:1.0 (2017: 1.62:1.0).

40. Subsequent events after reporting date

40.1 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.

Subsequently, in the first quarter of 2019, the Company already disposed this investment. Therefore, the Company recognised gain from selling these investments, net of income tax expense, in the consolidated and in the separate financial statements amounting to approximately Baht 6,096 million and approximately Baht 9,001 million, respectively.

40.2 On 28 February 2019, a meeting of the Company's Board of Directors passed a resolution to propose the dividend payment, in respect of 2018 profit and retained earnings, of Baht 0.32 per share, or a total of Baht 5,014 million. The Company already paid an interim dividend of Baht 0.13 per share, or a total of Baht 2,037 million in September 2018. The remaining dividend is Baht 0.19 per share, or a total of Baht 2,977 million.

The Company will later propose for approval the dividend payment in the Annual General Meeting of the Company's shareholders.

41. Approval of financial statements

These financial statements have been authorised for issue by the Company's Board of Directors on 28 February 2019.