

Bangkok Dusit Medical Services Public Company Limited
and its subsidiaries
Review report and consolidated interim financial statements
For the three-month and nine-month periods ended 30 September 2014

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Bangkok Dusit Medical Services Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Bangkok Dusit Medical Services Public Company Limited and its subsidiaries as at 30 September 2014, the related consolidated statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2014, the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2014, as well as the condensed notes to the consolidated financial statements, and have also reviewed the separate financial information of Bangkok Dusit Medical Services Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Accounting Standard No. 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Wichart Lokatekrawee

Certified Public Accountant (Thailand) No. 4451

EY Office Limited

(Formerly known as Ernst & Young Office Limited)

Bangkok: 13 November 2014

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 September 2014	31 December 2013	30 September 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		9,679,256	4,061,345	3,842,640	1,756,131
Short-term investments		194,176	120,376	13	13
Trade and other receivables	2, 3, 4	5,450,415	4,925,059	915,670	884,799
Short-term loans to related parties	4	-	-	1,098,915	912,718
Dividend receivable - a related party	4	-	5,979	-	-
Inventories		880,572	918,673	88,645	100,924
Other current assets		245,660	197,599	41,847	21,580
Total current assets		16,450,079	10,229,031	5,987,730	3,676,165
Non-current assets					
Long-term deposit at financial institutions		10,419	10,419	-	-
Restricted financial institution deposits		24,460	20,684	14,000	14,000
Investments in associated companies	5	13,928,394	13,092,169	9,079,738	9,035,363
Investments in subsidiary companies	6	-	-	36,406,473	27,529,789
Other long-term investments	7	799,689	500,696	441,566	282,378
Long-term loans to related parties	4	-	-	5,031,079	5,733,377
Investment properties		262,790	260,699	516,449	514,358
Property, premises and equipment	8	43,486,728	38,874,981	7,337,660	6,934,567
Land not used in operation		297,308	602,008	296,981	601,681
Goodwill		13,272,703	10,944,815	-	-
Intangible assets		656,523	654,920	283,365	291,523
Other non-current assets					
Leasehold rights	4	943,159	967,951	383,788	396,459
Others	4	241,938	240,642	21,197	22,975
Total non-current assets		73,924,111	66,169,984	59,812,296	51,356,470
Total assets		90,374,190	76,399,015	65,800,026	55,032,635

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)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 September 2014	31 December 2013	30 September 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	9	30,798	18,942	-	-
Trade and other payables	4, 10	4,171,041	4,020,697	937,529	986,903
Current portion of long-term loans from					
financial institutions	11	1,477,828	999,876	1,452,711	928,639
Current portion of liabilities under					
finance lease agreements	12	62,057	84,092	11,187	11,109
Current portion of debentures	13	2,499,609	2,969,455	2,499,609	2,969,455
Short-term loans		71,200	-	-	-
Short-term loans from related parties	4	-	-	4,484,955	2,926,437
Income tax payable		311,966	473,257	38,940	34,281
Accrued expenses		3,968,158	2,483,367	884,998	533,891
Other current liabilities	4	599,153	711,631	167,184	280,994
Total current liabilities		13,191,810	11,761,317	10,477,113	8,671,709
Non-current liabilities					
Long-term loans from financial institutions					
- net of current portion	11	9,566,301	7,563,648	9,526,741	7,326,343
Liabilities under finance lease agreements					
- net of current portion	12	75,873	75,332	16,711	18,368
Debentures - net of current portion	13	8,591,844	11,089,780	8,591,844	11,089,780
Convertible debentures - liability component	14	9,249,368	-	9,249,368	-
Provision for long-term employee benefits		1,329,239	1,202,044	254,178	238,375
Deferred income		73,865	96,802	31,843	48,572
Deferred tax liabilities		1,593,227	1,393,592	184,872	146,832
Other non-current liabilities	4	665,708	572,895	174,938	185,395
Total non-current liabilities		31,145,425	21,994,093	28,030,495	19,053,665
Total liabilities		44,337,235	33,755,410	38,507,608	27,725,374

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)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 September 2014	31 December 2013	30 September 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital	15				
Registered					
16,497,868,714 ordinary shares of Baht 0.1 each					
(31 December 2013: 1,700,004,771 ordinary shares					
of Baht 1 each)		1,649,787	1,700,005	1,649,787	1,700,005
Issued and fully paid-up					
15,490,956,540 ordinary shares of Baht 0.1 each					
(31 December 2013: 1,549,095,654 ordinary shares					
of Baht 1 each)		1,549,096	1,549,096	1,549,096	1,549,096
Share premium					
Premium on ordinary shares		20,481,531	20,481,531	20,418,607	20,418,607
Difference from shareholding restructure		305,000	305,000	-	-
Retained earnings					
Appropriated - statutory reserve		170,000	170,000	170,000	170,000
Unappropriated		21,172,903	18,686,664	3,799,493	4,449,793
Other components of shareholders' equity		237,055	(511,721)	1,355,222	719,765
Equity attributable to owners of the Company		43,915,585	40,680,570	27,292,418	27,307,261
Non - controlling interests of the subsidiaries		2,121,370	1,963,035	-	-
Total shareholders' equity		46,036,955	42,643,605	27,292,418	27,307,261
Total liabilities and shareholders' equity		90,374,190	76,399,015	65,800,026	55,032,635

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

Directors

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 30 September 2014**

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

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
Revenues					
Revenues from hospital operations	4	13,831,559	12,961,307	2,961,818	2,804,953
Other income	4				
Revenue from sales of goods and foods		424,456	404,802	12,003	13,397
Interest income		10,856	12,774	69,203	70,009
Dividend income	5, 6, 7	1,875	7,298	124,270	129,342
Others		224,971	118,455	278,356	206,182
Total other income		662,158	543,329	483,832	418,930
Total revenues		14,493,717	13,504,636	3,445,650	3,223,883
Expenses					
Cost of hospital operations and goods sold	4	9,194,589	8,432,865	1,834,773	1,753,982
Administrative expenses	4	2,983,847	3,077,292	954,465	952,862
Total expenses		12,178,436	11,510,157	2,789,238	2,706,844
Profit before share of income from investments in associated companies, finance expenses and income tax expenses		2,315,281	1,994,479	656,412	517,039
Share of income from investments in associated companies	5	352,629	239,824	-	-
Profit before finance expenses and income tax expenses		2,667,910	2,234,303	656,412	517,039
Finance expenses	4	(227,273)	(247,822)	(241,214)	(261,411)
Profit before income tax expenses		2,440,637	1,986,481	415,198	255,628
Income tax expenses	17	(457,788)	(358,820)	(63,925)	(25,998)
Profit for the period		1,982,849	1,627,661	351,273	229,630
Profit attributable to:					
Equity holders of the Company		1,927,900	1,549,082	351,273	229,630
Non-controlling interests of the subsidiaries		54,949	78,579		
		<u>1,982,849</u>	<u>1,627,661</u>		
Basic earnings per share					
Profit attributable to equity holders of the Company	18	0.12	0.10	0.02	0.01
Weighted average number of ordinary shares (shares)		<u>15,490,956,540</u>	<u>15,454,588,830</u>	<u>15,490,956,540</u>	<u>15,454,588,830</u>

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries**Statement of comprehensive income****For the three-month period ended 30 September 2014**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Profit for the period	<u>1,982,849</u>	<u>1,627,661</u>	<u>351,273</u>	<u>229,630</u>
Other comprehensive income:				
Gain (loss) on change in value				
of available-for-sale investments	54,883	(40,099)	58,123	(40,152)
Exchange differences on translation of				
financial statements in foreign currency	3,477	43,299	-	-
Reversal revaluation surplus on land	(77,173)	(30,498)	(77,173)	(38,940)
Transferred revaluation surplus on land to retained earnings				
due to disposal of land	77,173	-	77,173	13,671
Share of other comprehensive income from				
associated companies	<u>24,376</u>	<u>(61,270)</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>82,736</u>	<u>(88,568)</u>	<u>58,123</u>	<u>(65,421)</u>
Total comprehensive income for the period	<u><u>2,065,585</u></u>	<u><u>1,539,093</u></u>	<u><u>409,396</u></u>	<u><u>164,209</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	2,010,942	1,460,065	<u>409,396</u>	<u>164,209</u>
Non-controlling interests of the subsidiaries	<u>54,643</u>	<u>79,028</u>		
	<u><u>2,065,585</u></u>	<u><u>1,539,093</u></u>		

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries**Income statement****For the nine-month period ended 30 September 2014**

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

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
Revenues					
Revenues from hospital operations	4	39,909,872	36,516,223	8,602,037	8,177,195
Other income	4				
Revenue from sales of goods and foods		1,277,479	1,028,507	35,798	39,474
Interest income		44,867	39,270	228,611	202,790
Dividend income	5, 6, 7	9,427	31,964	1,679,275	1,882,541
Gain on fair value adjustment of investments		-	148,066	-	-
Others		497,435	396,179	613,155	523,716
Total other income		1,829,208	1,643,986	2,556,839	2,648,521
Total revenues		41,739,080	38,160,209	11,158,876	10,825,716
Expenses					
Cost of hospital operations and goods sold	4	26,595,160	24,264,522	5,336,519	5,144,276
Administrative expenses	4	8,346,664	7,897,639	2,574,342	2,501,933
Total expenses		34,941,824	32,162,161	7,910,861	7,646,209
Profit before share of income from investments in associated companies, finance expenses and income tax expenses					
		6,797,256	5,998,048	3,248,015	3,179,507
Share of income from investments in associated companies	5	839,478	788,168	-	-
Profit before finance expenses and income tax expenses		7,636,734	6,786,216	3,248,015	3,179,507
Finance expenses	4	(679,989)	(705,444)	(721,423)	(740,596)
Profit before income tax expenses		6,956,745	6,080,772	2,526,592	2,438,911
Income tax expenses	17	(1,234,520)	(1,024,761)	(155,917)	(98,451)
Profit for the period		5,722,225	5,056,011	2,370,675	2,340,460
Profit attributable to:					
Equity holders of the Company		5,504,029	4,844,409	2,370,675	2,340,460
Non-controlling interests of the subsidiaries		218,196	211,602		
		<u>5,722,225</u>	<u>5,056,011</u>		
Basic earnings per share					
Profit attributable to equity holders of the Company	18	0.36	0.31	0.15	0.15
Weighted average number of ordinary shares (shares)		<u>15,490,956,540</u>	<u>15,454,588,830</u>	<u>15,490,956,540</u>	<u>15,454,588,830</u>

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries**Statement of comprehensive income****For the nine-month period ended 30 September 2014**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Profit for the period	<u>5,722,225</u>	<u>5,056,011</u>	<u>2,370,675</u>	<u>2,340,460</u>
Other comprehensive income:				
Gain (loss) on change in value				
of available-for-sale investments	124,216	(19,470)	127,350	(19,627)
Actuarial gain	-	11,048	-	-
Exchange differences on translation of				
financial statements in foreign currency	(12,692)	24,215	-	-
Reversal revaluation surplus on land	(77,173)	(30,498)	(77,173)	(38,940)
Transferred revaluation surplus on land to retained earnings				
due to disposal of land	77,173	-	77,173	13,671
Share of other comprehensive income from				
associated companies	<u>175,788</u>	<u>(26,850)</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>287,312</u>	<u>(41,555)</u>	<u>127,350</u>	<u>(44,896)</u>
Total comprehensive income for the period	<u><u>6,009,537</u></u>	<u><u>5,014,456</u></u>	<u><u>2,498,025</u></u>	<u><u>2,295,564</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	5,792,307	4,805,628	<u>2,498,025</u>	<u>2,295,564</u>
Non-controlling interests of the subsidiaries	<u>217,230</u>	<u>208,828</u>		
	<u><u>6,009,537</u></u>	<u><u>5,014,456</u></u>		

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

(Unaudited but reviewed)

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2014

(Unit: Thousand Baht)

	Consolidated financial statements														
	Equity attributable to owners of the Company														
	Other components of shareholders' equity										Equity attributable to				
	Retained earnings					Surplus on changes in value of	Exchange differences on translation of financial statements in	Share of other components of equity from associated companies	Convertible debentures - equity component	Surplus investment over book value of subsidiary companies	Total other components of shareholders' equity	Total equity attributable to owners of the Company	non-controlling interest of the subsidiaries	Total shareholders' equity	
	Issued and paid-up share capital	Premium on ordinary shares	Difference from shareholding restructure	Appropriated-statutory reserve	Unappropriated	available-for-sale investments	Revaluation surplus on land	foreign currency							
Balance as at 31 December 2012	1,545,459	20,022,498	305,000	170,000	15,158,378	3,899	2,070,360	(144,466)	210,652	-	(2,488,452)	(348,007)	36,853,328	1,533,635	38,386,963
Profit for the period	-	-	-	-	4,844,409	-	-	-	-	-	-	-	4,844,409	211,602	5,056,011
Other comprehensive income for the period	-	-	-	-	14,776	(19,469)	(30,498)	23,260	(26,850)	-	(53,557)	(38,781)	(2,774)	(41,555)	
Total comprehensive income for the period	-	-	-	-	4,859,185	(19,469)	(30,498)	23,260	(26,850)	-	-	(53,557)	4,805,628	208,828	5,014,456
Dividend paid (Note 16)	-	-	-	-	(2,781,671)	-	-	-	-	-	-	-	(2,781,671)	-	(2,781,671)
Share of Interest paid for convertible bonds treated as equity securities from an associated company	-	-	-	-	-	-	-	-	(5,805)	-	-	(5,805)	(5,805)	-	(5,805)
Change in non-controlling interests of subsidiaries from purchase investments in subsidiaries	-	-	-	-	-	-	-	-	-	-	(76,438)	(76,438)	(76,438)	189,319	112,881
Decrease in non-controlling interests of subsidiaries from dividend of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(43,811)	(43,811)
Balance as at 30 September 2013	1,545,459	20,022,498	305,000	170,000	17,235,892	(15,570)	2,039,862	(121,206)	177,997	-	(2,564,890)	(483,807)	38,795,042	1,887,971	40,683,013

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

(Unaudited but reviewed)

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2014

(Unit: Thousand Baht)

Consolidated financial statements															
Equity attributable to owners of the Company															
Other components of shareholders' equity															
Retained earnings					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 associated companies	Convertible debentures - equity component	Surplus of investment over book value of subsidiary companies	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interest of the subsidiaries	Total shareholders' equity		
Issued and paid-up share capital	Premium on ordinary shares	Difference from shareholding restructure	Appropriated-statutory reserve	Unappropriated reserve	Revaluation surplus on land	financial statements in foreign currency	equity from associated companies	- equity component	book value of subsidiary companies	equity	the Company	subsidiaries	equity		
Balance as at 31 December 2013	1,549,096	20,481,531	305,000	170,000	18,686,664	(30,725)	2,039,861	(68,364)	113,932	-	(2,566,425)	(511,721)	40,680,570	1,963,035	42,643,605
Profit for the period	-	-	-	-	5,504,029	-	-	-	-	-	-	-	5,504,029	218,196	5,722,225
Other comprehensive income for the period	-	-	-	-	80,358	124,213	(77,173)	(11,723)	172,603	-	-	207,920	288,278	(966)	287,312
Total comprehensive income for the period	-	-	-	-	5,584,387	124,213	(77,173)	(11,723)	172,603	-	-	207,920	5,792,307	217,230	6,009,537
Issue convertible debentures - equity component (Note 14)	-	-	-	-	-	-	-	-	-	585,280	-	585,280	585,280	-	585,280
Dividend paid (Note 16)	-	-	-	-	(3,098,148)	-	-	-	-	-	-	(3,098,148)	-	-	(3,098,148)
Share of Interest paid for convertible bonds treated as equity securities from an associated company	-	-	-	-	-	-	-	-	(5,821)	-	-	(5,821)	(5,821)	-	(5,821)
Change in non-controlling interests of subsidiaries from purchase investments in subsidiaries	-	-	-	-	-	-	-	-	(6,009)	-	(32,594)	(38,603)	(38,603)	33,525	(5,078)
Decrease in non-controlling interests of subsidiaries from dividend of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(92,420)	(92,420)
Balance as at 30 September 2014	1,549,096	20,481,531	305,000	170,000	21,172,903	93,488	1,962,688	(80,087)	274,705	585,280	(2,599,019)	237,055	43,915,585	2,121,370	46,036,955

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

(Unaudited but reviewed)

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2014

(Unit: Thousand Baht)

Separate financial statements								
Other components of shareholders' equity								
Surplus								
on changes								
Retained earnings								
in value of								
available-for-								
sale								
Revaluation								
surplus on								
land								
Convertible								
debentures								
- equity								
Total other								
components of								
shareholders'								
equity								
Total								
shareholders'								
equity								
Issued and	Premium on	Appropriated-	Retained earnings	in value of	Revaluation	Convertible	Total other	Total
paid-up	ordinary shares	statutory	Unappropriated	available-for-	surplus on	debentures	components of	shareholders'
share capital	ordinary shares	reserve	Unappropriated	investments	land	component	equity	equity
1,545,459	19,959,574	170,000	3,436,164	3,562	789,974	-	793,536	25,904,733
-	-	-	2,340,460	-	-	-	-	2,340,460
-	-	-	13,671	(19,627)	(38,940)	-	(58,567)	(44,896)
-	-	-	2,354,131	(19,627)	(38,940)	-	(58,567)	2,295,564
-	-	-	(2,781,671)	-	-	-	-	(2,781,671)
1,545,459	19,959,574	170,000	3,008,624	(16,065)	751,034	-	734,969	25,418,626
1,549,096	20,418,607	170,000	4,449,793	(31,270)	751,035	-	719,765	27,307,261
-	-	-	2,370,675	-	-	-	-	2,370,675
-	-	-	77,173	127,350	(77,173)	-	50,177	127,350
-	-	-	2,447,848	127,350	(77,173)	-	50,177	2,498,025
-	-	-	-	-	-	585,280	585,280	585,280
-	-	-	(3,098,148)	-	-	-	-	(3,098,148)
1,549,096	20,418,607	170,000	3,799,493	96,080	673,862	585,280	1,355,222	27,292,418

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 nine-month period ended 30 September 2014**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash flows from operating activities				
Profit before income tax expenses	6,956,745	6,080,772	2,526,592	2,438,911
Adjustments to reconcile profit before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation and amortisation expenses	2,641,201	2,373,590	502,752	500,951
Write-off of assets	12,587	26,815	2,456	61
Bad debts and doubtful debts	51,780	207,134	25,947	110,596
Loss on impairment of investment	-	393	58,967	-
Loss on impairment of assets	91,069	-	14,018	-
Loss on deteriorated inventories (reversal)	(294)	(2,620)	(455)	95
Amortisation of deferred income	(22,937)	(26,506)	(16,729)	(20,298)
Share of income from investments in associated companies	(839,478)	(788,168)	-	-
Gain on fair value adjustment of investments	-	(148,066)	-	-
Amortisation of expense for debentures	2,218	2,758	2,218	2,758
Loss (gain) on disposal of property, premises and equipment and land not used in operation	(94,248)	32,400	(94,450)	(50,904)
Unrealised loss (gain) on foreign exchange	-	-	19,102	(11,812)
Long-term employee benefit expenses	127,577	120,967	22,402	21,754
Annual leave expenses	32,609	25,717	10,007	9,609
Interest income	(44,867)	(39,270)	(228,611)	(202,790)
Dividend income	(9,427)	(31,964)	(1,679,275)	(1,882,541)
Interest expense	679,989	705,444	721,423	740,596
Profit from operating activities before changes in operating assets and liabilities	9,584,524	8,539,396	1,886,364	1,656,986

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 nine-month period ended 30 September 2014**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash flows from operating activities (continued)				
Decrease (increase) in operating assets				
Trade and other receivables	(481,075)	(477,880)	(72,500)	(43,533)
Inventories	57,033	48,497	12,734	1,756
Other current assets	(46,950)	(15,505)	(20,267)	(8,838)
Other non-current assets	31,757	14,947	1,482	(2,427)
Increase (decrease) in operating liabilities				
Trade and other payables	321,977	(7,339)	32,212	8,695
Accrued expenses	1,467,572	1,078,173	359,902	224,160
Other current liabilities	(148,246)	(12,735)	(113,810)	59,713
Provision for long-term employee benefits	(23,192)	(15,877)	(6,598)	(436)
Other non-current liabilities	<u>92,811</u>	<u>14,599</u>	<u>(10,459)</u>	<u>(6,022)</u>
Net cash from operating activities	10,856,211	9,166,276	2,069,060	1,890,054
Cash received from interest incomes	51,198	37,389	244,292	207,422
Cash paid for interest expenses	(742,307)	(707,191)	(790,279)	(749,412)
Cash received from tax refund	11,664	5,825	-	-
Cash paid for income tax expenses	<u>(1,415,193)</u>	<u>(1,485,002)</u>	<u>(147,185)</u>	<u>(141,023)</u>
Net cash from operating activities	<u>8,761,573</u>	<u>7,017,297</u>	<u>1,375,888</u>	<u>1,207,041</u>

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries**Statement of cash flows (continued)****For the nine-month period ended 30 September 2014**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash flows from investing activities				
Decrease (increase) in short-term investments	(73,800)	285,034	-	(3)
Increase in restricted financial institution deposits	(3,776)	(247)	-	(14,000)
Increase in long-term financial institution deposits	-	(10,418)	-	-
Dividend received	377,328	444,128	1,679,275	1,890,339
Cash received from disposal of investment in a subsidiary company	-	4	-	4
Cash paid for purchase of investments in subsidiaries, associates and other company	(3,661,401)	(306,719)	(8,505,130)	(2,418,068)
Cash received from disposal of investment property	-	821	-	821
Cash paid for investment property	(27)	(6,677)	(27)	(6,677)
Cash received from disposal of property, premises and equipment	31,793	20,639	8,414	152,720
Cash received from disposal of land and buildings not used in operation	399,157	-	399,157	52,133
Cash paid for purchase of property, premises and equipment	(5,784,774)	(5,564,563)	(868,836)	(979,128)
Cash paid for leasehold rights	(20,000)	(365,540)	-	(311,871)
Increase in short-term loans to related parties	-	-	(186,196)	(14,761)
Increase in long-term loans to related parties	-	-	(500,570)	(706,436)
Cash received from long-term loans to related parties	-	-	694,852	472,919
Cash paid for purchase of intangible assets	<u>(131,894)</u>	<u>(159,321)</u>	<u>(45,947)</u>	<u>(101,522)</u>
Net cash used in investing activities	<u>(8,867,394)</u>	<u>(5,662,859)</u>	<u>(7,325,008)</u>	<u>(1,983,530)</u>

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries**Statement of cash flows (continued)****For the nine-month period ended 30 September 2014**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash flows from financing activities				
Increase (decrease) in short-term loans from related parties	(53,762)	-	1,558,518	707,925
Cash received from bank overdraft and short-term loans				
from financial institutions	5,314,424	4,600,001	5,300,000	4,600,000
Repayment of bank overdraft and short-term loans				
from financial institutions	(5,546,703)	(5,808,668)	(5,300,000)	(5,800,000)
Cash received from long-term loans from				
financial institutions	3,404,825	-	3,404,825	-
Repayment of long-term loans from				
financial institutions	(923,184)	(756,733)	(680,354)	(614,649)
Repayments of liabilities under				
finance lease agreements	(73,063)	(78,880)	(10,142)	(6,327)
Cash received from issue of debentures	-	6,991,622	-	6,991,622
Cash paid for redemption of debentures	(2,970,000)	(2,000,000)	(2,970,000)	(2,000,000)
Cash received from issue of convertible debentures	9,830,930	-	9,830,930	-
Cash paid for investment in subsidiary companies				
from non - controlling interests	(69,167)	(265,562)	-	-
Dividend paid	(3,098,148)	(2,781,671)	(3,098,148)	(2,781,671)
Dividend paid by subsidiaries to non-controlling interests	(92,420)	(43,811)	-	-
Net cash from (used in) financing activities	<u>5,723,732</u>	<u>(143,702)</u>	<u>8,035,629</u>	<u>1,096,900</u>
Net increase in cash and cash equivalents	5,617,911	1,210,736	2,086,509	320,411
Cash and cash equivalents at beginning of period	<u>4,061,345</u>	<u>3,589,576</u>	<u>1,756,131</u>	<u>1,567,094</u>
Cash and cash equivalents at end of period	<u>9,679,256</u>	<u>4,800,312</u>	<u>3,842,640</u>	<u>1,887,505</u>

Supplemental cash flows information:

Non-cash items:

Assets acquired under finance lease agreements	46,260	42,474	7,650	9,631
Decrease in accounts payable				
- property, premises and equipment	(119,629)	(193,275)	(4,452)	(63,329)
Decrease in accounts payable - investment property	-	(1,517)	-	(1,517)
Increase (decrease) in payable to construction - retention	(63,062)	44,263	(3,648)	9,003
Dividend receivable	-	2,000	-	-
Conversion of long-term loans to subsidiary to investment				
in a subsidiary company	-	-	474,897	-

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month and nine-month periods ended 30 September 2014

1. General information

1.1 Corporate information

Bangkok Dusit Medical Services Public Company Limited (“The Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in hospital business. The registered address is at 2, Soi Soonvijai 7, New Petchburi Road, Bang Kapi, Huaykwang, Bangkok.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard 34 (revised 2012) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income statement, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements and disclosure of condensed notes to interim financial statements.

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

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

1.3 Basis of consolidation

These interim consolidated financial statements include the financial statements of Bangkok Dusit Medical Services Public Company Limited and its subsidiaries (“the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2013. There have been changes in the structure of the subsidiaries during the period as described in Note 6 to the financial statements.

1.4 New accounting standards

(a) Accounting standards that became effective in the current accounting year

The Company and its subsidiaries disclosed the accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after 1 January 2014, in the notes to financial statements for the year ended 31 December 2013. In addition, during the current period, the Federation of Accounting Professions issued TAS 36 (revised 2012) Impairment of Assets that is also effective for fiscal years beginning on or after 1 January 2014.

The Company and its subsidiaries' management have assessed the effects of the above accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations, and believes that they are not relevant to the business of the Company and its subsidiaries or do not have a significant impact.

(b) Accounting standards that will become effective in the future

The Company and its subsidiaries have disclosed the financial reporting standard that will be effective in the future in the notes to financial statements for the year ended 31 December 2013.

The Company and its subsidiaries' management have assessed the effect of this financial reporting standard and believe that it is not relevant to the business of the Company and its subsidiaries.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2013.

2. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Trade receivables - related parties	16,729	6,527	13,060	15,766
Trade receivables - unrelated parties - net	5,113,462	4,673,669	799,398	766,301
Other receivables - related parties	20,843	25,062	86,251	75,514
Other receivables - unrelated parties	299,381	219,801	16,961	27,218
Total trade and other receivables - net	<u>5,450,415</u>	<u>4,925,059</u>	<u>915,670</u>	<u>884,799</u>

(Unaudited but reviewed)

3. Trade accounts receivable

As at 30 September 2014 and 31 December 2013, the aging analysis of the outstanding trade accounts receivable is as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2014	2013	2014	2013
<u>Related parties</u>				
Less than 3 months	6,066	4,765	13,060	15,213
3 - 6 months	2,686	1,356	-	506
6 - 12 months	1,903	382	-	36
over 12 months	6,074	24	-	11
Total trade accounts receivable - related parties	16,729	6,527	13,060	15,766
<u>Unrelated parties</u>				
Less than 3 months	4,288,380	3,870,470	708,337	692,662
3 - 6 months	522,027	572,966	69,970	58,371
6 - 12 months	317,841	285,228	40,565	50,828
over 12 months	423,326	376,132	212,155	174,409
Total trade accounts receivable - unrelated parties	5,551,574	5,104,796	1,031,027	976,270
Less: Allowance for doubtful accounts	(438,112)	(431,127)	(231,629)	(209,969)
Total trade accounts receivable - unrelated parties - net	5,113,462	4,673,669	799,398	766,301
Total trade accounts receivable - net	5,130,191	4,680,196	812,458	782,067

4. Related party transactions

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

<u>Transaction</u>	<u>Pricing and lending policy</u>
Revenues from hospital operations and lab services	Based on the price charged to normal customers
Revenues and expenses from consulting and management	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
Purchases and sales of assets	Prices are dependent on the condition of assets
Purchases of investments	The same prices as purchases from unrelated parties

(Unaudited but reviewed)

The significant intercompany transactions are as follows:

	(Unit: Million Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<u>Associated companies</u>				
Revenues from hospital operations and lab services	4.1	4.3	3.0	2.2
Consulting and management fee income	0.1	0.1	-	-
Dividend income (Note 5)	-	-	122.4	122.0
Other income	-	7.5	-	0.1
Costs of goods and services	13.6	18.9	13.6	17.8
<u>Subsidiary companies</u>				
Revenues from hospital operations and lab services	-	-	11.6	16.7
Consulting and management fee income	-	-	133.5	124.9
Interest income	-	-	55.9	62.2
Gain on sales of assets	-	-	-	49.3
Other income	-	-	26.7	7.7
Costs of goods and services	-	-	167.0	178.3
Consulting and management fee expenses	-	-	61.8	59.0
Other expenses	-	-	36.7	23.5
Interest expenses	-	-	18.3	19.9
<u>Individuals or related companies</u>				
Revenues from hospital operations and lab services	0.4	-	0.3	0.5
Interest income	4.5	-	4.5	-
Dividend income (Note 7)	-	3.9	-	3.9
Gain on sales of assets	94.5	-	94.5	-
Other income	2.1	8.7	2.0	-
Costs of goods and services	1.2	1.7	0.7	-
Other expenses	16.6	15.3	12.4	13.8

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<u>Associated companies</u>				
Revenues from hospital operations and lab services	14.6	13.7	8.0	8.3
Consulting and management fee income	0.3	0.3	-	-
Dividend income (Note 5)	-	-	359.7	402.9
Other income	37.2	24.7	0.1	0.1
Costs of goods and services	41.6	87.7	40.9	54.4
Other expenses	0.1	-	-	-
Dividend paid	1.9	-	1.9	-
<u>Subsidiary companies</u>				
Revenues from hospital operations and lab services	-	-	48.8	40.9
Consulting and management fee income	-	-	390.3	354.1
Interest income	-	-	184.2	184.4
Dividend income (Note 6)	-	-	1,313.6	1,451.6
Gain on sales of assets	-	-	0.3	49.3
Other income	-	-	48.4	25.0
Costs of goods and services	-	-	523.6	496.9
Consulting and management fee expenses	-	-	184.8	175.0
Other expenses	-	-	66.9	27.9
Interest expenses	-	-	54.0	53.6
<u>Individuals or related companies</u>				
Revenues from hospital operations and lab services	2.7	4.3	0.8	1.8
Interest income	14.3	-	14.3	-
Dividend income (Note 7)	0.6	23.9	0.6	23.9
Gain on sales of assets	94.5	-	94.5	-
Other income	9.1	9.3	4.8	-
Costs of goods and services	4.7	1.9	0.7	-
Other expenses	27.8	26.4	17.1	18.3
Dividend paid	201.8	193.0	201.8	187.8

(Unaudited but reviewed)

The outstanding balances of the above transactions as at 30 September 2014 and 31 December 2013 have been separately shown in the statement of financial position as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2014	2013	2014	2013
<u>Trade accounts receivable - related parties</u>				
Associated companies	15,329	4,886	1,899	2,162
Subsidiary companies	-	-	10,958	12,512
Related companies	1,400	1,641	203	1,092
Total trade accounts receivable - related parties	16,729	6,527	13,060	15,766
<u>Other receivables - related parties</u>				
Consulting and management fee receivables				
Subsidiary companies	-	-	34,629	42,381
Total	-	-	34,629	42,381
<u>Others</u>				
Associated companies	15,139	10,279	-	-
Subsidiary companies	-	-	51,129	27,561
Related companies	5,704	14,783	493	5,572
Total	20,843	25,062	51,622	33,133
Total other receivables - related parties	20,843	25,062	86,251	75,514
<u>Dividend receivables - a related party</u>				
Associated company	-	5,979	-	-
Total dividend receivables - a related party	-	5,979	-	-
<u>Leasehold rights - related parties</u>				
(included in other non-current assets)				
Associated companies	284,219	290,442	-	-
Related parties	54,323	72,861	-	-
Total leasehold rights - related parties	338,542	363,303	-	-

(Unaudited but reviewed)

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2014	2013	2014	2013
<u>Deposits and long-term prepaid expense - related parties</u>				
(included in other non-current assets)				
Subsidiary companies	-	-	3,405	4,599
Total deposits and long-term prepaid expense - related parties	-	-	3,405	4,599
<u>Trade accounts payable - related parties</u>				
Associated companies	46,656	38,021	23,672	27,056
Subsidiary companies	-	-	127,197	95,381
Related companies	1,303	56	-	-
Total trade accounts payable - related parties	47,959	38,077	150,869	122,437
<u>Other payables - related parties</u>				
Associated companies	1,869	8,539	-	5,600
Subsidiary companies	-	-	45,705	86,423
Related companies	12,613	2,661	10,350	-
Total other payables - related parties	14,482	11,200	56,055	92,023
<u>Deposits and deferred interest income - related party</u>				
(included in other current liabilities)				
Related company	-	99,218	-	99,218
Total deposits and deferred interest income - related party	-	99,218	-	99,218
<u>Deposits - related parties</u>				
(included in other non-current liabilities)				
Associated company	15	15	15	15
Subsidiary companies	-	-	2,457	2,457
Related companies	675	-	675	-
Total deposits - related parties	690	15	3,147	2,472

(Unaudited but reviewed)

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

	(Unit: Thousand Baht)			
	Separate financial statements			30 September 2014
	31 December 2013	Increase	Decrease	
<u>Short-term loans to related parties</u>				
Subsidiary companies	912,718	424,070	(237,873)	1,098,915
Total short-term loans to related parties	912,718	424,070	(237,873)	1,098,915
<u>Long-term loans to related parties</u>				
Subsidiary companies	5,733,377	500,570	(1,202,868)	5,031,079
Total long-term loans to related parties	5,733,377	500,570	(1,202,868)	5,031,079
<u>Short-term loans from related parties</u>				
Subsidiary companies	2,926,437	2,199,147	(640,629)	4,484,955
Total short-term loans from related parties	2,926,437	2,199,147	(640,629)	4,484,955

Short-term and long-term loans to related parties and short-term loans from related parties

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

In July 2014, the Company converted long-term loans to investment in subsidiary as described in Note 6.1.

Service and management agreement

The Company

The Company has entered into Management Service Agreements with subsidiary companies. The Company is to receive a monthly management income at a certain percentage of net revenue as stipulated in the agreements.

The Subsidiaries

A subsidiary company has entered into a Hospital Management Agreement with subsidiary companies. The subsidiary company is to receive management income at a certain percentage of total operation result as stipulated in the agreement.

A subsidiary company has entered into service and management agreements with the Company and subsidiaries which have to pay monthly service and management fees to the subsidiary at the rates stipulated in the agreements.

A subsidiary company has entered into accounting service agreements with the Company and subsidiaries which have to pay monthly service fees to the subsidiary at the rates stipulated in the agreements.

A subsidiary company has entered into information technology management agreements with the Company and subsidiaries which have to pay monthly service fees to the subsidiary at the rate stipulated in the agreements.

A subsidiary company has entered into food providing and maintenance service agreements with the Company and subsidiaries which have to pay monthly service fee to the subsidiary at the rates stipulated in the agreements.

Long term rental agreement

The Company

In May 2004, a subsidiary company entered into a three-year agreement to rent land from the Company for use in hospital operations whereby the subsidiary company has to pay a monthly rental fee at the rate stipulated in the agreement. Subsequently, the subsidiary extended the agreement to 30 April 2016.

The Subsidiaries

A subsidiary company entered into an agreement to rent land from another subsidiary company for construction of a building, expiring on 31 December 2015. The subsidiary company has to pay a monthly rental fee at the rate stipulated in the agreement. In addition, such another subsidiary company entered into an agreement to rent the building from a subsidiary company for its hospital operations, expiring on 30 April 2017. That subsidiary company has to pay a monthly rental fee at the rate stipulated in the agreement.

Air ambulance service agreement

Associated company

On 1 September 2007, an associated company entered into an air ambulance service agreement with the Company. The agreement is for a period of 3 years from the date the service commenced and is renewable. The agreement stipulates the monthly minimum service fee that the associated company is to earn from the Company. The Company has extended the agreement for 25 months ended on 30 September 2015.

Guarantee obligations with related parties

The Company has guaranteed long-term loan with financial institution amount of USD 2.1 million (31 December 2013: USD 2.4 million) and overdraft facility amounting to USD 1.0 million (31 December 2013: USD 1.0 million) for an overseas subsidiary company.

A subsidiary company has guaranteed credit facility with financial institution amount of Baht 3.9 million for an associated company.

Sales of land

In 2013, the Company has entered into agreement to sell land of Baht 399 million with a related party. The Company received interest on the requested postponement the scheduled purchase of the land. In the third quarter of 2014, the Company sold land and transferred the ownership to the such related party.

Directors and management's benefits

During the period, the Company and its subsidiaries had employee benefit expenses to their directors and management as below.

	(Unit: Million Baht)			
	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Short-term employee benefits	21.4	20.1	21.4	20.1
Post-employment benefits	0.6	0.5	0.6	0.5
Total	22.0	20.6	22.0	20.6

	(Unit: Million Baht)			
	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Short-term employee benefits	107.5	107.2	107.5	107.2
Post-employment benefits	1.7	1.6	1.7	1.6
Total	109.2	108.8	109.2	108.8

(Unaudited but reviewed)

5. Investments in associated companies

(Unit: Thousand Baht)

Company's name	Natures of business	Paid-up Capital	% Shareholding		Consolidated financial statements		Separate financial statements	
					Equity Method		Cost Method	
			30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013
<u>Associated companies held by the Company</u>								
Cool & Joy Co., Ltd.	Dormant company	Baht 5 million	30.00	30.00	1,069	1,069	1,500	1,500
S.R. Property Investment Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	2,821	2,472	101	101
Siem Reap Land Investment Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	2,418	2,132	101	101
Phnom Penh First Property Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	5,015	4,531	88	88
Bangkok Helicopter Services Co., Ltd.	Service	Baht 100 million	49.00	49.00	29,946	31,673	50,859	50,859
Ramkhamhaeng Hospital Public Co., Ltd.	Hospital	Baht 120 million	38.24	38.24	3,519,308	3,039,994	1,459,801	1,459,801
Udon Pattana (1994) Co., Ltd. (held by the Company at 15.26% and indirectly held by subsidiary at 9.85%)	Hospital	Baht 300 million	25.11	25.09	198,180	191,331	69,952	69,952
Bumrungrad Hospital Public Co., Ltd.	Hospital	Baht 730 million	23.95	23.88	10,005,715	9,812,320	7,497,336	7,452,961
Total investments in associated companies in the separate financial statements							9,079,738	9,035,363
Total investments in associated companies held by the Company and subsidiaries					13,764,472	13,085,522		
<u>Associated companies held by the subsidiary companies</u>								
Sodexo Support Services (Thailand) Co., Ltd.	Management services	Baht 5 million	26.00	26.00	13,326	6,647		
Al Ghaith Bangkok Dusit Management Services LLC.	Management services	UAE DIRHAM 0.15 million	30.00	30.00	393	393		
G. Wasupol Co.,Ltd	Hospital	Baht 54 million	25.83	-	150,596	-		
Total investments in associated companies held by the subsidiary companies					164,315	7,040		
Less: Allowance for impairment of investment					(393)	(393)		
Total investments in associated companies held by subsidiary companies - net					163,922	6,647		
Total investments in associated companies in the consolidated financial statements					13,928,394	13,092,169		

Bumrungrad Hospital Public Co., Ltd.

In the first quarter of 2014, the Company purchased additional investment totaling Baht 44.4 million in Bumrungrad Hospital Public Co., Ltd. As a result, the Company's shareholding in that company increased to 23.95 percent.

Details of share of income and dividend income from the associated companies are set out below.

Company's name	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	Share of income(loss) from investments in associated companies during the nine-month periods ended		Dividend income during the nine-month periods ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
<u>Associated companies held by the Company</u>				
The Medicpharma Co., Ltd.	-	1,820	-	44,100
Cool & Joy Co., Ltd.	-	-	-	-
S.R. Property Investment Co., Ltd.	259	202	-	-
Siem Reap Land Investment Co., Ltd.	235	216	-	-
Phnom Penh First Property Co., Ltd.	544	541	-	-
Bangkok Helicopter Services Co., Ltd.	(1,727)	(2,836)	-	-
Ramkhamhaeng Hospital Public Co., Ltd.	335,118	302,611	27,531	27,531
Thonburi Medical Center Public Co., Ltd.	-	(20)	-	-
Udon Pattana (1994) Co., Ltd.	6,849	-	-	-
Bumrungrad Hospital Public Co., Ltd.	489,005	481,771	332,215	331,265
<u>Associated companies held by subsidiary companies</u>				
Sodexo Support Services (Thailand) Co., Ltd.	6,679	3,863	-	-
Al Ghaith Bangkok Dusit Management Services LLC.	-	-	-	-
G. Wasupol Company Limited	2,516	-	-	-
Total	839,478	788,168	359,746	402,896

Share of income from investments in two associated companies which are listed companies on the Stock Exchange of Thailand for the nine-month periods ended 30 September 2014 of Baht 824.1 million (30 September 2013: Three associated companies Baht 784.4 million) representing 98 percent (30 September 2013: 99 percent) of total share of income from all associated companies were calculated based on the interim financial statements which were reviewed by the auditors of associated companies.

(Unaudited but reviewed)

6. Investments in subsidiary companies

(Unit: Thousand Baht)								
Company's name	Nature of business	Paid-up Capital	Separate financial statements					
			% Shareholding		Investments - cost method		Dividend income during the nine-month periods ended	
			30	31	30	31	30	30
			September 2014	December 2013	September 2014	December 2013	September 2014	September 2013
Samitivej Public Co., Ltd.	Hospital	Baht 1,000 million	95.76	95.76	1,639,071	1,639,071	526,700	215,468
Bangkok Hospital Hatyai Co., Ltd.	Hospital	Baht 500 million	98.80	98.79	574,535	574,458	98,800	79,032
Bangkok Phuket Hospital Co., Ltd.	Hospital	Baht 500 million	99.69	99.69	610,174	610,174	49,843	199,369
BNH Medical Center Co., Ltd.	Hospital	Baht 586 million	91.48	91.48	602,657	602,657	26,809	26,810
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	708,966	708,966	136,172	381,280
Bangkok Rayong Hospital Co., Ltd.	Hospital	Baht 400 million	100.00	100.00	415,020	415,020	-	150,000
Bangkok Samui Hospital Co., Ltd.	Hospital	Baht 150 million	100.00	100.00	150,000	150,000	67,500	48,750
Bangkok Trat Hospital Co., Ltd.	Hospital	Baht 250 million	99.76	99.76	245,889	245,889	17,457	17,457
Wattanavej Co., Ltd.	Hospital	Baht 180 million	99.69	99.69	450,643	450,643	107,670	89,725
Bangkok Ratchasima Hospital Co., Ltd.	Hospital	Baht 300 million	90.94	90.94	929,973	929,973	40,923	-
National Healthcare Systems Co., Ltd. (held by the Company at 74.02% and indirectly held by subsidiary at 24.66%)	Central Lab	Baht 75 million	74.02	74.02	56,768	56,768	-	38,863
Bio Molecular Laboratories (Thailand) Co., Ltd.	Central Lab	Baht 10 million	95.00	95.00	9,502	9,502	19,000	12,350
Angkor Pisith Co., Ltd.	Hospital	USD 10 million	80.00	80.00	287,840	287,840	-	-
Phnom Penh Medical Services Co., Ltd.	Hospital	USD 25 million	100.00	100.00	813,220	338,323	-	-
Royal Rattanak Medical Services Co., Ltd	Hospital	Riel 26,000 million	70.00	70.00	154,063	154,063	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up Capital	Separate financial statements					
			% Shareholding		Investments - cost		Dividend income during	
					method		the nine-month periods	
			30	31	30	31	30	30
			September	December	September	December	September	September
			2014	2013	2014	2013	2014	2013
B.D.M.S. International Medical Services Co., Ltd.	Hospital	Riel 9,200 million	100.00	100.00	94,208	94,208	-	-
BDMS Accounting Co., Ltd.	Accounting service	Baht 30 million	100.00	100.00	30,000	38,750	-	-
Bangkok Health Insurance Public Co., Ltd.	Health insurance	Baht 105 million	99.94	99.94	47,027	47,027	-	-
Royal Bangkok Healthcare Co., Ltd.	Management service	Baht 736 million	100.00	100.00	736,000	736,000	-	-
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.	Hospital	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	98.52	98.43	9,256,115	9,247,281	-	-
Paolo Medic Co., Ltd.	Hospital	Baht 300 million	100.00	100.00	2,922,872	2,922,872	60,000	180,000
Paolo Samutprakarn Co., Ltd.	Hospital	Baht 42 million	93.60	93.45	1,737,059	1,735,219	94,200	7,842
Siam Medical Co., Ltd.	Hospital	Baht 100 million	85.71	85.71	939,775	939,765	68,571	4,633
Thai Medical Center Public Co., Ltd.	Hospital	Baht 201 million	99.76	99.76	887,131	887,131	-	-
Bangkok Premier Life Insurance Broker Co., Ltd.	Life insurance broker	Baht 20 million	100.00	100.00	20,000	20,000	-	-
Bangkok Hospital Chiangmai Co., Ltd.	Hospital	Baht 1,000 million	100.00	100.00	1,000,000	1,000,000	-	-
Bangkok Hospital Udon Co., Ltd.	Hospital	Baht 500 million	100.00	100.00	499,930	499,930	-	-
Bangkok Khon Kaen Hospital Co., Ltd.	Hospital	Baht 800 million	100.00	100.00	800,000	600,000	-	-
The Medicpharma Co., Ltd.	Pharmaceuticals	Baht 21.4 million	86.89	86.89	214,900	214,900	-	-
Thonburi Medical Center Public Co., Ltd. (held by the Company at 29.01% and indirectly held by subsidiary at 29.02%)	Hospital	Baht 193.8 million	29.01	26.33	327,802	273,152	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up Capital	Separate financial statements					
			% Shareholding		Investments - cost		Dividend income during	
					method		the nine-month periods	
			30	31	30	31	30	30
			September	December	September	December	September	September
			2014	2013	2014	2013	2014	2013
Bangkok Hospital Surat Co., Ltd.	Hospital	Baht 90 million	100.00	100.00	90,000	90,000	-	-
BDMS Inter Pte. Ltd.	Investment	USD 40,000	100.00	100.00	1,217	1,217	-	-
N Health Asia Pte. Ltd.	Investment	USD 2 million	100.00	100.00	65,310	1,217	-	-
Samitivej Chonburi Co., Ltd.	Hospital	Baht 150 million	100.00	100.00	600,000	150,000	-	-
Bangkok Hospital Phitsanulok Co., Ltd.	Hospital	Baht 600 million	100.00	100.00	600,000	600,000	-	-
Bangkok Hospital Sanamchan Co., Ltd.	Hospital	Baht 3,655 million	100.00	-	3,655,000	-	-	-
Bangkok Phuket International Hospital Co., Ltd.	Hospital	Baht 3,610 million	100.00	-	3,610,000	-	-	-
Bangkok Save Drug Co., Ltd.	Investment	Baht 405 million	100.00	-	405,000	-	-	-
Total investments in subsidiary companies					36,560,535	27,644,884	1,313,645	1,451,579
Less: Allowance for impairment of investments					(154,062)	(115,095)		
Total investments in subsidiary companies – net					36,406,473	27,529,789		

6.1 Investments in subsidiary companies which the Company and its subsidiary companies previously held

Bangkok Health Insurance Public Co., Ltd.

On 27 January 2014, the Extraordinary General Meeting of shareholders No. 1/2014 of Bangkok Health Insurance Public Co., Ltd. passed the resolution to approve the increase of its registered capital from Baht 105 million to Baht 200 million through the increase in capital of 9,500,000 additional ordinary shares with a par value of Baht 10 each. The Company already invested in the additional shares totalling Baht 95 million in October 2014.

BDMS Accounting Co., Ltd.

The Board of Directors of BDMS Accounting Co., Ltd. approved to call up additional share capital of Baht 11.25 million (1,500,000 ordinary shares at Baht 7.50 each) and the Company already paid the call up additional share capital in the first quarter of 2014. As a result, the subsidiary had issued and paid up share capital of Baht 50 million.

On 28 April 2014, the Annual General Meeting of the subsidiary's shareholders approved to decrease its registered capital of Baht 20 million through the decrease in capital of 2,000,000 ordinary shares in order to offset deficits. As a result, the subsidiary has registered capital of Baht 30 million (3,000,000 ordinary shares with a par value of Baht 10 each).

Prasit Patana Public Co., Ltd.

In 2014, the Company purchased additional investment totaling Baht 8.8 million in Prasit Patana Public Co., Ltd. As a result, the Company's shareholding in that company increased to 98.52 percent.

Prasit Patana Public Co., Ltd. and Sriracha Nakorn General Hospital Public Co., Ltd.

In 2014, the subsidiary company purchased additional investment totaling Baht 3.7 million in Sriracha Nakorn General Hospital Public Co., Ltd. As a result, the subsidiary company's shareholding in that company increased to 74.22 percent.

Bangkok Khon Kaen Hospital Co., Ltd.

On 15 May 2014, the Extraordinary General Meeting of Bangkok Khon Kaen Hospital Co., Ltd.'s shareholders No. 1/2014 has approved to increase registered share capital from Baht 600 million to Baht 800 million. In the second quarter of 2014, the Company acquired all of the new shares in order to maintain its shareholding.

Thonburi Medical Center Public Co., Ltd.

In 2014, the Company purchased additional investment totaling Baht 54.7 million in Thonburi Medical Center Public Co., Ltd. As a result, the Company's shareholding in that company increased to 29.01 percent. The Company and its subsidiary company hold 58.03 percent in that company.

N Health Asia Pte. Ltd.

On 5 March 2014, the Board of Directors of N Health Asia Pte. Ltd. approved to increase the share capital from USD 40,000 to USD 2 million. In the first quarter of 2014, the Company acquired all of the new ordinary shares in order to maintain its shareholding.

N Health Cambodia Co., Ltd.

On 28 August 2013, a meeting of the Board of Directors of the Company approved the establishment of a new subsidiary, namely N Health Cambodia Co., Ltd., located in Kingdom of Cambodia with a registered share capital of USD 320,000 which is 100% held by N Health Asia Pte. Ltd., the Company's subsidiary in Singapore. N Health Cambodia Co., Ltd. has registered its establishment in second quarter 2014 and fully paid up share capital in the third quarter of 2014.

Samitivej Chonburi Co., Ltd.

In September 2014, Samitivej Chonburi Co., Ltd. call up additional share capital of Baht 450 million (60,000,000 ordinary shares at Baht 7.50 each). As a result, the subsidiary had issued and paid up share capital of Baht 600 million.

Phnom Penh Medical Services Co., Ltd.

On 19 December 2013 the Board of Directors of Phnom Penh Medical Services Co., Ltd. approved an increase in its share capital from USD 10 million to USD 25 million. In July 2014, the Company and Phnom Penh Medical Services Co., Ltd. agreed to repay the long-term loan to the Company by converting the increase of capital by the amount of USD 15 million to the capital of Phnom Penh Medical Services Co., Ltd.

Royal Rattanak Medical Services Co., Ltd.

On 27 October 2014 the Board of Directors of Royal Rattanak Medical Services Co., Ltd. considered to cease the operation of Royal Rattanak Medical Services Co. Ltd. The Company has set up full allowance for impairment of investment in the subsidiary company, with Baht 95 million set aside in the fourth quarter of 2013 and an additional Baht 59 million set aside in the third quarter of 2014.

6.2 Investments in new subsidiary companies

Bangkok Hospital Sanamchan Co., Ltd. and acquisition of entire business of Sanamchan Hospital Co., Ltd.

On 28 May 2014, the Board of Directors of the Company approved the establishment of a new subsidiary company namely Bangkok Hospital Sanamchan Co., Ltd. with a registered capital of Baht 3,655 million. The Company holds 100 percent in this company. The Board of Directors of the Company also approved Bangkok Hospital Sanamchan Co., Ltd. to acquire and receive the transfer of the entire business of Sanamchan Hospital Co., Ltd.

On 15 August 2014, Bangkok Hospital Sanamchan Company Limited has executed the acquisition of the entire business of Sanamchan Hospital Company Limited and paid cash consideration of Baht 3,655 million for the acquisition and acquired all assets and liabilities of Sanamchan Hospital Co., Ltd. which include all shares held by Sanamchan Hospital Company Limited in Tepakorn Hospital Company Limited and G. Wasupol Company Limited, representing equity interests of 44.5 percent and 25 percent respectively. In addition, the Company appointed directors and management to manage Tepakorn Hospital Company Limited. This made a control of such company therefore Tepakorn Hospital Company Limited become a subsidiary company. Operating results since September 2014 of this subsidiary company included in the consolidated financial statements.

(Unaudited but reviewed)

The fair values of assets and liabilities as at acquisition dates are as follows:

	(Unit: Thousand Baht)
Cash and cash equivalents	37,974
Trade and other receivables	102,393
Inventories	18,638
Other current assets	1,111
Property, premises and equipment	1,610,612
Intangible assets	5,786
Investment in associated company	150,255
Available-for-sale investments	143,724
Other non-current assets	1,454
Trade and other payables	(82,402)
Short-term loans from financial institutions	(242,134)
Short-term loans	(71,200)
Short-term loans from related parties	(53,762)
Income tax payable	(59)
Other current liabilities	(35,770)
Provision for long-term employee benefits	(22,811)
Deferred tax liabilities	(166,771)
Fair value of net assets	1,397,038
Non-controlling interest	(69,966)
Fair value of net assets acquired	1,327,072
Add : Goodwill	2,327,928
Consideration paid (Cash paid for investments)	3,655,000
Less : Cash and cash equivalents of subsidiary companies	(37,974)
Net cash paid for acquisitions of subsidiary companies	3,617,026

Bangkok Phuket International Hospital Co., Ltd. and acquisition of entire business of Phuket International Hospital Co., Ltd.

On 27 August 2014, the Board of Directors of the Company approved the establishment of a new subsidiary company namely Bangkok Phuket International Hospital Co., Ltd. with a registered capital of Baht 3,610 million. The Company holds 100 percent in this company. The Board of Directors of the Company also approved Bangkok Phuket International Hospital Co., Ltd to acquire and receive the transfer of the entire business of Phuket International Hospital Co., Ltd.

On 1 October 2014 Bangkok Phuket International Hospital Co., Ltd has completed its acquisition of Phuket International Hospital Co., Ltd. and made a full payment to Phuket International Hospital Co., Ltd., comprising cash consideration of Baht 3,559.3 million and an assumption of all liabilities in the amount not exceeding Baht 466 million.

Bangkok Save Drug Co., Ltd. and acquisition of shares in Save Drug Center Co., Ltd.

On 30 July 2014, the Board of Directors of the Company approved the establishment of a new subsidiary company namely Bangkok Save Drug Co., Ltd. with a registered capital of Baht 450 million. The Company holds 100 percent in this company. As of 30 September 2014 the subsidiary has Baht 405 million paid-up share capital.

On 20 August 2014, a subsidiary has entered into a Share Purchase Agreement in respect of the total issued shares in Save Drug Center Co., Ltd. for a total purchase price to be paid not exceeding Baht 380 million.

On 30 October 2014, Bangkok Save Drug Co., Ltd. has executed the acquisition of the total issued shares of Save Drug Center Co., Ltd. from their existing shareholders and full payment of Baht 221.8 million in consideration of such shares, subject to further price adjustment pursuant to the terms of the Share Sale and Purchase Agreement.

(Unaudited but reviewed)

7. Other long-term investments

(Unit: Thousand Baht)

Consolidated and separate
financial statementsDividend income during the
nine-month periods ended

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend income during the nine-month periods ended	
				30 September 2014	31 December 2013	30 September 2014	30 September 2013
<u>Investments held by the Company</u>							
<u>Available-for-sale investments</u>							
<u>Investments in listed securities</u>							
Thai Military Bank Public Co., Ltd.	Bank	41,495	-	1,770	1,770	4	2
Aikchol Hospital Public Co., Ltd.	Hospital	150	0.20	350	350	192	150
Bangkok Chain Hospital Public Co., Ltd.	Hospital	2,494	1.50	269,829	269,829	4,875	3,900
				271,949	271,949	5,071	4,052
Surplus (loss) on changes in value of available-for-sale investments				120,100	(39,088)	-	-
Investments in listed securities				392,049	232,861	5,071	4,052
<u>Investments in related companies</u>							
Bangkok Airways Public Co., Ltd.	Airline	1,580	1.13	39,466	39,466	-	23,486
X-Ray Computer Urupong Co., Ltd.	X-ray lab	100	4.09	4,520	4,520	613	408
Investments in related companies				43,986	43,986	613	23,894

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated and separate
financial statementsDividend income during the
nine-month periods ended

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)			
				30 September 2014	31 December 2013	30 September 2014	30 September 2013
<u>Investments in unrelated companies</u>							
Thai Longstay Management Co., Ltd.	Travel business	100	0.53	531	531	-	-
Superior Biotech Holding Co., Ltd.	Investment	53	7.58	5,000	5,000	200	120
Investments in unrelated companies				5,531	5,531	200	120
Total other long-term investments in the separate financial statements				441,566	282,378	5,884	28,066

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated and separate
financial statementsDividend income during the
nine-month periods ended

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)			
				30 September 2014	31 December 2013	30 September 2014	30 September 2013
<u>Investment held by the subsidiary companies</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				1,004	817	-	-
Investments in investment unit				11,004	10,817	-	-
<u>Investments in listed securities</u>							
Mahachai Hospital Public Company Limited	Hospital	160	4.28	143,724	-	-	-
Loss on changes in value of available-for-sale investments				(4,106)	-	-	-
				139,618	-	-	-
<u>Investment in Government Saving Bank bonds</u>							
				25,000	25,000	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated and
separate financial
statementsDividend income during
the nine-month periods
ended

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)			
				30 September 2014	31 December 2013	30 September 2014	30 September 2013
<u>Investments in unrelated companies</u>							
Thai Herbal Products Co., Ltd.	Sales of herbal products	80	0.60	290	290	143	57
Prasitthirat Co., Ltd.	Educational institution known as "Rangsit university"	150	33.33	107,192	107,192	1,900	2,000
Phuket International Hospital Co., Ltd.	Hospital	195	6.15	29,552	29,552	1,500	1,800
Asia Laboratories Center Limited	Central lab	5	8.00	400	400	-	40
Kendall Gammatron Limited	Trading of medical supplies	120	5.10	8,000	8,000	-	-
General Hospital Products Public Co., Ltd.	Manufacturer and distributor of medical supplies	60	0.44	1,178	1,178	-	-
Investments in unrelated companies				146,612	146,612	3,543	3,897
<u>Investments in ordinary shares (ceased operations)</u>							
Phyathai 4 Hospital (Petchaburi Road) Co., Ltd.	Adjudged bankrupt	328	89.79	-	-	-	-
Klass - V Co., Ltd.	Adjudged bankrupt	250	89.66	-	-	-	-
Phuket Paradise Co., Ltd.	Adjudged bankrupt	409	72.26	-	-	-	-
Phyathai Herbs Co., Ltd.	In process of liquidation	196	63.64	42,889	42,889	-	-
Phuket Hospital Public Co., Ltd.	Hospital	358	19.08	-	-	-	-
				42,889	42,889	-	-
Less : Allowance for impairment of investment				(7,000)	(7,000)	-	-
Investment in ordinary shares (ceased operations) - net				35,889	35,889	-	-
Total other long-term investments - net in the consolidated financial statements				799,689	500,696	9,427	31,964

Prasitthirat Co., Ltd.

A subsidiary company had 33.33 percentage of shareholding in Prasitthirat Co., Ltd. but has not classified it as investment in associated company because the subsidiary company has no power to participate in the financial and operating policy decisions of that company.

Investments in ordinary shares of the companies that ceased operations

A subsidiary company has more than 50 percentage of shareholding in the companies that have ceased their operations but has not classified them as investments in subsidiary companies because the subsidiary company has no power to control such companies.

8. Property, premises and equipment

Movement of the property, premises and equipment during the nine-month period ended 30 September 2014 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2014	38,874,981	6,934,567
Increased from acquisitions	1,610,612	-
Acquisitions during the period - at cost	5,648,343	868,386
Disposals and write-off during the period - net book value as of disposal and write-off date	(38,130)	(8,461)
Transfer out during the period	(383)	(670)
Depreciation expenses for the period	(2,501,548)	(456,162)
Allowance for impairment	(91,069)	-
Translation adjustment	(16,078)	-
Net book value as at 30 September 2014	<u>43,486,728</u>	<u>7,337,660</u>

(Unaudited but reviewed)

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

Movements in bank overdrafts and short-term loans from financial institutions during nine-month period ended 30 September 2014 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2014	18,942	-
Increased from acquisitions	242,134	-
Increase	5,314,424	5,300,000
Less: Repayment	(5,546,703)	(5,300,000)
Translation adjustment	2,001	-
Balance as at 30 September 2014	30,798	-

Bank overdrafts and short-term loans from financial institutions bearing interest at the rate as stipulated in the agreement and there is no collateral.

10. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2014	2013	2014	2013
Trade payables - related parties	47,959	38,077	150,869	122,437
Trade payables - unrelated parties	2,444,094	2,344,505	354,547	339,963
Other payables - related parties	14,482	11,200	56,055	92,023
Other payables - unrelated parties	1,177,270	1,076,616	284,549	337,323
Accounts payable - construction and retention	487,236	550,299	91,509	95,157
Total trade and other payables	4,171,041	4,020,697	937,529	986,903

11. Long-term loans from financial institutions

Movements of long-term loans from financial institutions during the nine-month period ended 30 September 2014 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2014	8,563,524	8,254,982
Increase	3,404,825	3,404,825
Less: Repayment during period	(923,184)	(680,355)
Translation adjustment	(1,036)	-
Balance as at 30 September 2014	11,044,129	10,979,452
Less: Current portion of long-term loans from financial institutions	(1,477,828)	(1,452,711)
Long-term loans from financial institutions - net of current portion	<u>9,566,301</u>	<u>9,526,741</u>

The Company

- a) In 2008, the Company entered into a 10-year loan agreement with a bank granting the credit facilities of Baht 3,438 million. The loan carries interest at the rate of six-month Fixed Deposit Rate plus fixed rate per annum as stipulated in the agreement with interest and principal payable on a monthly basis. This loan agreement includes a condition that the Company and its subsidiaries may not mortgage any assets and also certain covenants which the Company and its subsidiaries must comply. The outstanding balance of this loan as at 30 September 2014 was Baht 1,174.6 million (31 December 2013: Baht 1,432.5 million).
- b) In November 2011, the Company entered into a 7 years and 6 months loan agreement with a financial institution granting credit facilities of Baht 3,000 million carrying interest at the rate of six-month Fixed Deposit Rate plus fixed rates per annum as stipulated in the agreement. The interest is repayable on a monthly basis and the principal is repayable on a quarterly basis according to a condition as stipulated in the agreement. As at 30 September 2014, this loan has outstanding balance of Baht 2,019.0 million (31 December 2013: Baht 2,269.0 million).

- c) In January 2012, the Company entered into a 8 years and 6 months loan agreement with a financial institution granting credit facilities of Baht 586 million carrying interest at the rate of six-month Fixed Deposit Rate plus fixed rates per annum as stipulated in the agreement. The interest and principal are repayable on a monthly basis according to a condition as stipulated in the agreement. As at 30 September 2014, this loan has outstanding balance of Baht 488.0 million (31 December 2013: Baht 525.7 million).
- d) In June 2012, the Company entered into a 7 years and 6 months loan agreement with a financial institution granting credit facilities of Baht 1,766 million carrying interest at the rate of six-month Fixed Deposit Rate plus fixed rates per annum as stipulated in the agreement. The interest is repayable on a monthly basis and the principal is repayable on a quarterly basis according to a condition as stipulated in the agreement. As at 30 September 2014, this loan has outstanding balance of Baht 1,393.0 million (31 December 2013: Baht 1,527.8 million).
- e) In July 2012, the Company entered into a 5-year loan agreement with a financial institution amounting to Baht 2,500 million carrying interest at the fixed rate per annum as stipulated in the agreement. The interest is repayable on a semi-annually basis and the principal is repayable at the end of loan period. As at 30 September 2014, this loan has outstanding balance of Baht 2,500 million (31 December 2013: Baht 2,500 million).
- f) In February 2014, the Company entered into a 7-year loan agreement with a financial institution granting credit facilities of USD 20 million carrying interest at the rate of LIBOR plus fixed rates for the first year and at the fixed rates per annum as stipulated in the agreement. The interest is repayable on a quarterly basis and the principal is repayable on a semi-annually basis according to a condition as stipulated in the agreement. As at 30 September 2014, this loan has outstanding balance of USD 12.5 million or equivalent to Baht 404.8 million.
- g) In April 2014, the Company entered into a 5-year loan agreement with a financial institution granting credit facilities of Baht 1,000 million carrying interest at the rate of three-month BIBOR plus fixed rates per annum as stipulated in the agreement. The interest and principal are repayable on a monthly basis according to a condition as stipulated in the agreement. As at 30 September 2014, this loan has outstanding balance of Baht 1,000 million.

- h) In May 2013, the Company entered into a 7-year loan agreement with a financial institution granting credit facilities of Baht 2,000 million. In the second quarter of 2014, the Company drawn down the loan totaling Baht 2,000 million. The loan carries interest at the rate of six-month Fixed Deposit Rate plus fixed rates per annum as stipulated in the agreement. The interest is repayable on a monthly basis and principal is repayable on a semi-annually basis according to a condition as stipulated in the agreement. As at 30 September 2014, this loan has outstanding balance of Baht 2,000 million.

The subsidiaries

- a) In 2007 and 2008, Angkor Pisith Co., Ltd., a subsidiary company, entered into a 7 years and 10 months loan agreement with a foreign financial institution granting credit facilities of USD 4 million. The loan bears interest at the rate of LIBOR plus a fixed rate per annum. The interest is repayable on a monthly basis and the principal is repayable on a quarterly basis according to a condition as stipulated in the agreement. This loan is guaranteed by the Company. As at 30 September 2014, this loan has outstanding balance of USD 1.9 million or equivalent to Baht 61.6 million. (31 December 2013: USD 2.4 million or equivalent to Baht 79.1 million).
- b) In 2008, Bangkok Ratchasima Hospital Co., Ltd., a subsidiary company, entered into a 7-year loan agreement with a financial institution granting credit facilities of Baht 20 million. The loan bears interest at fixed rate per annum. The interest and principal are repayable on a monthly basis according to a condition as stipulated in the agreement. As at 30 September 2014, this loan has outstanding balance of Baht 3.1 million (31 December 2013: Baht 5.6 million).
- c) In 2009, Sriracha Nakorn General Hospital Public Company Limited, a subsidiary company of a subsidiary company, entered into a 9-year loan agreement with a financial institution to obtain loan of Baht 410 million. This loan consequently amended to bear interest at a six-month Fixed Deposit Rate plus fixed rate per annum, with the specified repayments of principal and interest as stipulated in the agreement. During the current period, the subsidiary company has fully paid the loan amount.

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

(Unaudited but reviewed)

12. Liabilities under finance lease agreements

As at 30 September 2014 and 31 December 2013, liabilities under finance lease agreements are as follows:

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2014	2013	2014	2013
Liabilities under finance lease agreements	146,482	168,623	29,340	31,275
Less: Deferred interest expenses	(8,552)	(9,199)	(1,442)	(1,798)
Total	137,930	159,424	27,898	29,477
Less: Current portion of liabilities under				
finance lease agreements	(62,057)	(84,092)	(11,187)	(11,109)
Liabilities under finance lease agreements -				
net of current portion	75,873	75,332	16,711	18,368

As at 30 September 2014, the Company and its subsidiaries have liabilities to make the minimum finance lease payment under finance lease agreements as follows:

(Unit: Thousand Baht)			
	Consolidated financial statements		
	Less than		
	1 year	1-5 years	Total
Future minimum finance lease payments	66,519	79,963	146,482
Deferred interest expenses	(4,462)	(4,090)	(8,552)
Present value of future minimum finance lease payments	62,057	75,873	137,930

(Unit: Thousand Baht)			
	Separate financial statements		
	Less than		
	1 year	1-5 years	Total
Future minimum finance lease payments	12,015	17,325	29,340
Deferred interest expenses	(828)	(614)	(1,442)
Present value of future minimum finance lease payments	11,187	16,711	27,898

The Company and its subsidiaries have 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. At the end of the agreements, the Company and its subsidiaries have the option to purchase such assets at prices specified in the lease agreements.

13. Debentures

Movements of debentures net from debenture expenses and amortisation of expenses during the nine-month period ended 30 September 2014 are summarised below.

	(Unit: Thousand Baht)
	Consolidated/ Separate financial statements
Balance as at 1 January 2014	14,059,235
Redemption of debentures during the period	(2,970,000)
Amortisation of debenture expenses	2,218
Balance as at 30 September 2014	11,091,453
Less: Current portion of debentures	(2,499,609)
Debentures - net of current portion	<u>8,591,844</u>

On 6 March 2008, the Company had issued unsecured, named registered and unsubordinated debentures without a debenture holders' representative for the total number of 5,000,000 units, at the price of Baht 1,000 per unit, totaling Baht 5,000 million. These debentures are divided into two tranches: the 3-year debentures for the amount of Baht 3,000 million at the coupon rate of 4.11% per annum and the 5-year debentures for the amount of Baht 2,000 million at the coupon rate of 4.84% per annum with interest payable every six-month. The Company had redeemed the 3-year debentures for the amount of Baht 3,000 million and the 5-year debentures for the amount of Baht 2,000 million in the first quarter of 2011 and the first quarter of 2013, respectively.

On 4 June 2009, the Company had issued unsecured, name registered and unsubordinated debentures for the total number of 3,000,000 units, at the price of Baht 1,000 per unit, totaling Baht 3,000 million. These debentures are divided into two tranches: the 5-year debentures for the amount of Baht 2,000 million at the coupon rate of 4.80% per annum and the 7-year debentures for the amount of Baht 1,000 million at the coupon rate of 5.35% per annum with interest payable every six-month. In 2009, the Company had repurchased 5-year debentures for amount of 30,000 units, totaling Baht 30 million and redeemed the remaining 5-year debentures for the amount of Baht 1,970 million in the second quarter of 2014.

On 3 March 2011, the Company had issued unsecured, name registered and unsubordinated debentures without a debentureholders' representative for the total number of 2,500,000 units, at the price of Baht 1,000 per unit, totaling Baht 2,500 million. These debentures are 4-year debentures at the coupon rate of 3.99% per annum with interest payable every six-month.

On 29 March 2011, the Company had issued unsecured, name registered and unsubordinated debentures without a debentureholders' representative for the total number of 1,000,000 units, at the price of Baht 1,000 per unit, totaling Baht 1,000 million. These debentures are 3-year debentures at the coupon rate of 3.78% per annum with interest payable every six-month. The Company had redeemed such debentures in the first quarter of 2014.

In August 2012, the Company had issued unsecured, name registered and unsubordinated debentures without a debentureholders' representative for the total number of 600,000 units, at the price of Baht 1,000 per unit, totaling Baht 600 million. These debentures are 10-year debentures at the coupon rate of 4.5% per annum with interest payable every six-month.

On 14 March 2013, the Company had issued unsecured, name registered and unsubordinated debentures without a debentureholders' representative for the total number of 4,000,000 units, at the price of Baht 1,000 per unit, totaling Baht 4,000 million. This debenture is 10-year debentures at the coupon rate of 4.63% per annum with interest payable every six-month. On 4 April 2014 and 15 October 2014, the Company entered into an interest rate swap contract for the above debentures totaling Baht 4,000 million with a financial institution as described in Note 22.1.

On 10 May 2013, the Company had issued unsecured, name registered and unsubordinated debentures without a debentureholders' representative for the total number of 3,000,000 units, at the price of Baht 1,000 per unit, totaling Baht 3,000 million. These debentures are divided into two tranches: the 7-year debentures for the number of 2,000,000 units at the coupon rate of 4.19% per annum and the 10-year debentures for the number of 1,000,000 units at the coupon rate of 4.39% per annum with interest payable every six-month.

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

14. Convertible debentures

On 5 August 2014, the Extraordinary General Meeting of Shareholders' No. 1/2014 of the Company has approved for the issue and offer of the convertible debentures in the amount not exceeding Baht 10,000 million or an equivalent in other currencies and the Meeting has approved to increase its registered capital to support the conversion of the convertible debentures as described in Note 15.

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

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

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

Thai Accounting Standard No. 107 “Financial Instruments: Disclosure and Presentation”, requires the issuer of convertible debentures to present the debentures’ liability and equity components separately in the statement of financial position. Therefore, upon issuing the convertible debentures, the Company separated these components, determining the liability component by discounting the stream of future payments of principal and interest at the prevailing market rate. The carrying amount of the equity component was then determined by deducting the liability component from the total carrying value of the convertible debenture.

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

15. Share capital

On 18 April 2014, the Annual General Meeting of the Company’s shareholders has approved the following resolutions;

1. Approved the change in the par value of the Company’s ordinary shares from Baht 1 per share to Baht 0.10 per share, resulting in the increase of the number of the Company’s ordinary shares from 1,700,004,771 shares to 17,000,047,710 shares. The proportionate shareholdings of existing shareholders will remain unchanged.
2. Approved the reduction of the Company’s registered capital in the amount of Baht 150,909,117 from the current registered capital of Baht 1,700,004,771 to the new registered capital of Baht 1,549,095,654 by cancelling its 1,509,091,170 unissued ordinary shares at par value of Baht 0.10 per share.
3. Approved the increase of the Company’s registered capital under the General Mandate in the amount of Baht 154,909,564 from the current registered capital of Baht 1,549,095,654 to the new registered capital of Baht 1,704,005,218, by issuing 1,549,095,640 new ordinary shares at par value of Baht 0.10 per share and approved the allocation of the newly issued ordinary shares.

The registration of the change in par value of the Company’s ordinary shares and the reduction and the increase of the Company’s registered capital was completed in April 2014. As a result, the number of the Company’s ordinary shares increased to 17,040,052,180 shares, at par value of Baht 0.10 per share, and the Company has registered capital of Baht 1,704,005,218.

On 5 August 2014, the Extraordinary General Meeting of the Company's shareholders No.1/2014 has approved the following resolutions;

1. Cancellation of the increase in the registered capital of the Company and the allocation of 1,549,095,640 ordinary shares, at a par value of Baht 0.10 per share, under the general mandate as previously approved by the 2014 Annual General Meeting of the Company's shareholders held on 18 April 2014. Reduction of the registered capital of the Company by the amount of Baht 154,909,564 from the existing registered capital of Baht 1,704,005,218 to Baht 1,549,095,654, by cancelling 1,549,095,640 authorised but unissued shares, at a par value of Baht 0.10 per share.
2. Approved the increase in the registered capital of the Company by the amount of Baht 100,691,217.40 from the existing registered capital of Baht 1,549,095,654 to Baht 1,649,786,871.40 by issuing 1,006,912,174 newly issued ordinary shares at a par value of Baht 0.10 per share, divided into (a) newly issued ordinary shares to support the conversion of the convertible debentures in the amount not exceeding 542,183,478 shares and (b) newly issued ordinary shares under the general mandate in the amount not exceeding 464,728,696 shares in which 1) up to 232,364,348 newly issued ordinary shares is to be offered on a public offering basis and 2) up to 232,364,348 newly issued ordinary shares is to be offered on a private placement basis. The allocation of the newly issued ordinary shares pursuant to item 1) or 2) or both shall not, in aggregate, exceed 1.5 percent of the Company's paid-up capital as the date on which the Board of Directors resolved the capital increase, or totaling not exceeding 232,264,348 shares.

The registration of the change in the Company's registered capital was completed in August 2014. As a result, the number of the Company's ordinary shares decreased to 16,497,868,714 shares, at par value of Baht 0.10 per share, and the Company has registered capital of Baht 1,649,786,871.40.

16. Dividend paid

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2012	Annual General Meeting of the shareholders on 18 April 2013	2,782	1.80
Total dividend during the nine-month period ended 30 September 2013		2,782	1.80

The Company paid such dividend in May 2013.

(Unaudited but reviewed)

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2013	Annual General Meeting of the shareholders on 18 April 2014	3,098	2.00
Total dividend during the nine-month period ended 30 September 2014		3,098	2.00

The Company paid such dividend in May 2014.

17. Income tax

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

Income tax expenses for the nine-month periods ended 30 September 2014 and 2013 were made up as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current income tax:				
Interim corporate income tax charge	1,222,029	1,051,613	149,714	122,511
Deferred tax:				
Deferred tax relating to origination and reversal of temporary differences	12,491	(26,852)	6,203	(24,060)
Income tax expense reported in the statements of income	<u>1,234,520</u>	<u>1,024,761</u>	<u>155,917</u>	<u>98,451</u>

Corporate income tax rate

Corporate income tax for the nine-month periods ended 30 September 2014 and 2013 were calculated at the rate of 20 percent on taxable net profit.

18. Basic earnings per share

Basic earnings per share is determined by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period. The number of ordinary shares is adjusted in proportion to the change in the number of shares as a result of the change in par value from Baht 1 per share to Baht 0.1 per share as described in Note 15 to the financial statements. The number of ordinary shares is adjusted as if the changes in number of shares and par value had occurred at the beginning of the earliest period reported.

	For the three-month periods ended 30 September			
	Consolidated financial		Separate	
	statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Profit for the period (Thousand Baht)	1,927,900	1,549,082	351,273	229,630
Number of ordinary shares after reflecting				
the resulting change in par value (shares)	15,490,956,540	15,454,588,830	15,490,956,540	15,454,588,830
Earnings per share (Baht/share)	0.12	0.10	0.02	0.01

	For the nine-month periods ended 30 September			
	Consolidated financial		Separate	
	statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Profit for the period (Thousand Baht)	5,504,029	4,844,409	2,370,675	2,340,460
Number of ordinary shares after reflecting				
the resulting change in par value (shares)	15,490,956,540	15,454,588,830	15,490,956,540	15,454,588,830
Earnings per share (Baht/share)	0.36	0.31	0.15	0.15

Diluted earnings per share

No disclosure of diluted earnings per share is required for third quarter of 2014 after the issue of convertible debentures (as described in Note 14) since the calculated earnings per share assuming the conversion of all convertible debentures to ordinary shares is antidilutive.

19. Long-term lease agreements

The Company

The Company has entered into a land rental agreement for a car parking building for a period of 20 years from 26 February 2004 to 25 February 2024. The rental fee for the first 17 months is Baht 200,000 per month and will be increased by the rate as agreed in the agreement. The rental for the last 3 years will be Baht 560,000 per month.

The Company has entered into a land rental agreement for construction of an OPD building for a period of 30 years from 28 September 2004 to 27 September 2034. The first payment date is 10 October 2005 at the rental fee of Baht 50,000 per month and this fee is to be increased every 3 years. The rate will be increased by 10% of the latest rental of every 3 years.

The Company had entered into a land rental agreement for a period of 1 year from 1 September 2012 to 31 August 2013. The Company is in the process of renewal the rental agreement for another 1 year.

The Company has entered into a land rental agreement for a period of 30 years from 1 January 2006 to 31 December 2035 and the rental is paid on a monthly basis. The first payment date is 5 January 2006 and rental to be paid at Baht 30,000 per month and from 1 January 2027 onward at Baht 100,000 per month.

The Company has entered into an agreement to construct a hospital building on land owned by a government authority. The condition of the agreement states that upon completion of the building construction, the Company has to transfer the ownership over such building to that authority. After the authority accepts such transfer, in 2006 the Company entered into another land and hospital building rental agreement with that government authority. The agreement will cover a period of 30 years after the signing date of the agreement and the Company is obliged to pay rental on a yearly basis. The rental fee for the first 5 years is Baht 492,676 per year and this fee is to be increased every 5 years. The rental for the last 5 years will thus be Baht 990,943 per year.

The Company has entered into a land rental agreement for a period of 30 years from 18 March 2011 to 17 March 2041 and the rental is paid on a monthly basis with no rental for the first 3 months. The first payment date is 18 July 2011 and rental to be paid at Baht 100,000 per month and this fee is to be increased every 3 years. The rate will be increased by 10% of the latest rental of every 3 years.

The Company has entered into a rental agreement and a medical services agreement with a company to operate medical clinic in a building for a period of 3 years from 28 September 2013 to 27 September 2016. The Company has to pay fee at the rate stipulated in the agreement, of monthly gross operating revenue before deducted any expenses or the minimum fee stipulated in agreement whichever is higher.

The Company has entered into a land and building agreement to operate hospital business and related services for a period of 30 years from 5 April 2013 to 4 April 2043. The Company has to pay rental fee on a yearly basis at fixed rate of Baht 16,449,525 per year and leasehold right of Baht 300 million on the first date of agreement. The leasehold right was fully paid.

Samitivej Public Company Limited

The subsidiary company has entered into a rental agreement for a parking building dated 10 September 2003, for 30 years, effective from 8 December 2004. The total rental fee is Baht 155.1 million. The subsidiary company is committed to pay Baht 38.8 million as prepaid rental as per the schedule. The remaining rental fee will be paid on a monthly basis. In addition, the subsidiary company has entered into a service agreement with the same company for providing of services in the parking building for 30 years totaling Baht 103.4 million.

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

BNH Medical Center Co., Ltd.

The subsidiary company entered into an agreement with an association which is a shareholder, to lease land for the construction of a hospital for a period of 30 years, commencing 1 September 1993, with options to renew.

Paolo Medic Co., Ltd.

The subsidiary company entered into a land and premises rental agreement which will be expired in January 2037, and the rental fee is paid on a monthly basis at the amount as stipulated in the agreement.

Phyathai 1 Hospital Co., Ltd.

The subsidiary company entered into a land rental agreement with a state enterprise for a period of 3 years expiring in the year 2013 and made an additional memorandum. The subsidiary company will pay rental fee as stipulated in the memorandum.

Sriracha Nakorn General Hospital Public Co., Ltd.

The subsidiary company entered into a land rental agreement with the Treasury Department and the rental fee is paid on monthly basis as stipulated in the agreement.

20. Commitments and contingent liabilities

As at 30 September 2014, commitments and contingent liabilities are as follows:

	Consolidated financial statements			Separate financial statements		
	Less			Less		
	than 1 year	1 -5 years	Over 5 years	than 1 year	1 -5 years	Over 5 years
Contractual commitments						
- the land and building rental contracts	136	294	1,156	42	134	521
- the office equipment rental and other service contracts	227	80	-	21	-	-
- the medical equipment provision and maintenance contracts	263	136	-	29	-	-
- the building construction and decoration contracts	1,414	-	-	295	-	-
Total	2,040	510	1,156	387	134	521

Contingent liabilities

As at 30 September 2014, the Company and its subsidiaries had outstanding bank guarantees of approximately Baht 238 million (Separate financial statements: Baht 34 million) issued by the bank on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business, such as facility usage and contractual performance.

21. 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 Company and its subsidiaries have two reportable segments that are hospital operations and other businesses that support hospital business including central lab, manufacturer and distributor of medicine and pharmaceutical products, assets management for healthcare business, restaurant and distribution of health food products and facility management, technology and information service, accounting service, training business, health insurance and life insurance broker. These two segments have similar economic characteristics. They both have common customer group, similar service provision methods and similar management.

In addition, the operations of the Company and its subsidiaries 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 area.

For the nine-month periods ended 30 September 2014 and 2013, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of its revenues.

22. Financial instruments

22.1 Interest rate swap contract

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

On 4 April 2014, the Company entered into a nine-year interest rate swap contract with a financial institution by converting the interest rate of fixed rate per annum to fixed rate for the first 4 years and floating rate based on Fixed Deposit Rate plus fixed rate per annum for the last 5 years on the debentures balance as described in Note 13. Then, on 15 October 2014, the Company agreed with the financial institution to change interest rate whereby they agreed to reduce the interest rate in the first year and to change the interest rate from floating rate in the fifth and the sixth year to a fixed rate, with the interest rate of other years maintained as same as specified in the contract.

Net fair value

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

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Fair value of interest rate swap contract (asset)	16.9	-	16.9	-

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

22.2 Forward exchange contracts

As at 30 September 2014, a subsidiary company has outstanding forward exchange contracts as follows:

Balance as at	Foreign currency	Amount sold	Contractual exchange rate for amount sold
			(Baht per foreign currency unit)
30 September 2014	US Dollar	892,573	32.12 - 32.84

Net fair value

The net fair value of forward exchange contracts at the statements of financial position date was:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Fair value of forward exchange contract (liabilities)	(169.9)	(1,345.7)	-	-

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

23. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 13 November 2014.