

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month period ended 31 March 2013

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 2009) “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 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 2012. There have been changes in the structure of the subsidiaries during the period as discussed in Note 8 to the financial statements.

1.4 Application of new accounting standards during the period

During the current period, the Company and its subsidiaries adopted accounting standards and accounting treatment guidance, issued by the Federation of Accounting Professions, as listed below.

TFRS 8	Operating Segments
TAS 12	Income Taxes
Accounting Treatment Guidance for Transfers of Financial Assets	

TFRS 8 *Operating Segments* and Accounting Treatment Guidance for Transfers of Financial Assets do not have any significant impact on the financial statements.

TAS 12 *Income Taxes* requires an entity to identify temporary differences arising from differences between the carrying amount of an asset or liability in the statement of financial position and its tax base in order to recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiaries have changed this accounting policy in this current quarter and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 3 to the financial statements.

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 2012, except for the change in the accounting policies due to the adoption of TAS 12 *Income Taxes* as follow:

Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

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

Deferred tax

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

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

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

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

2. New accounting standards issued during the period and not yet effective

The Federation of Accounting Professions has issued notifications, which are published in the Royal Gazette during the current period, mandating the use of financial reporting standard, accounting standard interpretation and financial reporting standard interpretations as follows.

		<u>Effective date</u>
Financial Reporting Standard:		
TFRS 4	Insurance Contracts	1 January 2016
Accounting Standard Interpretation:		
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014

(Unaudited but reviewed)

		<u>Effective date</u>
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014

The management of the Company has assessed the effect of these standards and believes that TFRS 4, TSIC 29, TFRIC 4, TFRIC 5, TFRIC 7 and TFRIC 12 are not relevant to the business of the Company. Management is still evaluating the first-year impact to the financial statements of the adoption of TFRIC 1, TFRIC 10 and TFRIC 13 and has yet to reach a conclusion.

3. Cumulative effect of the change in accounting policies due to the adoption of new accounting standard

During the current period, the Company and its subsidiaries made the change described in Note 1.5 to the financial statements to its significant accounting policies, as a result of the adoption of TAS 12 *Income Taxes*. The cumulative effect of the change in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

	Consolidated financial statements			Separate financial statements		
	As at 31 March 2013	As at 31 December 2012	As at 1 January 2012	As at 31 March 2013	As at 31 December 2012	As at 1 January 2012
Statements of financial position						
Increase in deferred tax assets	372,547	366,941	384,706	81,885	79,897	66,133
Increase in deferred tax liabilities	1,618,877	1,593,927	1,716,438	297,682	275,567	442,029
Deferred tax liabilities - net	<u>1,246,330</u>	<u>1,226,986</u>	<u>1,331,732</u>	<u>215,797</u>	<u>195,670</u>	<u>375,896</u>
Decrease in other components of shareholders' equity	537,568	518,756	665,733	217,182	198,384	377,081
Increase in unappropriated retained earnings	70,889	76,572	138,395	1,385	2,714	1,185
Increase in non-controlling interests of the subsidiaries	2,331	2,072	1,813	-	-	-
Decrease in other non-current liabilities (Reclassification)	781,982	786,874	806,207	-	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended		For the three-month periods ended	
	31 March		31 March	
	2013	2012	2013	2012
Statements of comprehensive income				
Decrease (increase) in income tax	(1,743)	(34,322)	(1,328)	8,541
Increase (decrease) in other comprehensive income	(22,492)	274,269	(18,798)	274,284
Increase (decrease) in total comprehensive income attributable to equity holders of the Company	(24,495)	241,744	(20,126)	282,825
Increase (decrease) in total comprehensive income attributable to non-controlling interest of the subsidiaries	260	(1,797)	-	-
Basic earnings per share				
Increase (decrease) in profit attributable to equity holders of the Company	(2,064)	(32,525)	(1,328)	8,541
Increase (decrease) in basic earnings per share (Baht)	(0.001)	(0.021)	(0.001)	0.006

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2013	2012	2013	2012
Trade receivables - related parties	5,319	2,277	22,792	21,674
Trade receivables - unrelated parties -net	4,406,307	4,029,369	864,553	800,365
Other receivables - related parties	22,794	20,489	83,550	60,488
Other receivables - unrelated parties	258,900	234,929	93,380	79,578
Total trade and other receivables - net	4,693,320	4,287,064	1,064,275	962,105

(Unaudited but reviewed)

5. Trade receivables

As at 31 March 2013 and 31 December 2012, the aging analysis of the outstanding trade receivables is as follows:

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	31 March	31 December	31 March	31 December
	2013	2012	2013	2012
<u>Related parties</u>				
Less than 3 months	5,053	1,997	12,866	21,086
3 - 6 months	183	278	9,718	570
6 - 12 months	83	2	208	18
Total trade accounts receivable - related parties	5,319	2,277	22,792	21,674
<u>Unrelated parties</u>				
Less than 3 months	3,606,354	3,374,010	698,614	601,912
3 - 6 months	541,091	500,470	83,008	129,413
6 - 12 months	342,349	238,351	121,736	110,271
over 12 months	246,741	224,223	88,644	85,767
Total trade accounts receivable - unrelated parties	4,736,735	4,337,054	992,002	927,363
Less: Allowance for doubtful accounts	(330,228)	(307,685)	(127,449)	(126,998)
Total trade accounts receivable -				
unrelated parties – net	4,406,307	4,029,369	864,553	800,365
Total trade accounts receivable –net	4,411,626	4,031,646	887,345	822,039

6. Related party transactions

The Company and its subsidiaries had significant business transactions with individuals and 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>
Revenue from hospital operation and lab services	Based on the price charged to normal customers
Revenue and expenses from consulting and management	Rates as stipulated in agreements
Rental income and rental expenses	Rates as stipulated in agreements
Interest charge of inter-company loan	Interest rate close to that charged by commercial banks

The significant intercompany transactions are as follows:

	(Unit: Million Baht)			
	For the three-month periods ended 31 March			
	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<u>Associated companies</u>				
Revenue from hospital operations and lab services	5.1	2.0	3.5	1.2
Dividend income (Note 7)	-	-	44.1	6.3
Other income	8.8	0.4	-	0.1
Service cost	43.4	25.1	18.4	11.8
<u>Subsidiary companies</u>				
Revenue from hospital operations and lab services	-	-	14.6	13.8
Consulting and management fee income	-	-	117.1	67.5
Interest income	-	-	64.3	28.3
Dividend income (Note 8)	-	-	1,043.6	477.3
Other income	-	-	8.8	9.9
Service cost	-	-	130.1	112.4
Consulting and management fee expenses	-	-	56.3	51.8
Other expenses	-	-	36.3	36.6
Interest expenses	-	-	19.3	12.2

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month periods ended 31 March

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<u>Individuals or related companies</u>				
Revenue from hospital operations and lab services	1.0	0.5	0.3	0.2
Dividend income (Note 9)	10.1	-	10.1	-
Other income	3.2	0.1	-	0.1
Service cost	0.1	0.9	0.1	0.6
Other expenses	2.1	2.4	-	0.8

The outstanding balances of the above transactions as at 31 March 2013 and 31 December 2012 have been separately shown in the statements of financial position as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
<u>Trade accounts receivable - related parties</u>				
Associated companies	4,929	1,601	3,323	630
Subsidiary companies	-	-	19,239	20,905
Related companies	390	676	230	139
Total trade accounts receivable - related parties	5,319	2,277	22,792	21,674
<u>Dividend receivable - related parties</u>				
An associated company	-	3,471	-	-
Subsidiary companies	-	-	1,043,636	-
A related company	-	7,798	-	7,798
Total dividend receivable - related parties	-	11,269	1,043,636	7,798

(Unaudited but reviewed)

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
<u>Other accounts receivable - related parties</u>				
Consulting and management fee receivable				
Associated companies	32	-	-	-
Subsidiary companies	-	-	40,618	30,612
Total	32	-	40,618	30,612
<u>Others</u>				
Associated companies	19,045	17,451	-	5
Subsidiary companies	-	-	42,613	29,842
Related companies	3,717	3,038	319	29
Total	22,762	20,489	42,932	29,876
Total other accounts receivable - related parties	22,794	20,489	83,550	60,488
<u>Leasehold rights - related parties</u>				
(included in other non-current assets)				
Associated companies	261,523	274,062	-	-
Related parties	76,333	78,576	-	-
Total leasehold rights - related parties	337,856	352,638	-	-
<u>Deposits and long-term prepaid expense - related parties</u>				
(included in other non-current assets)				
Associated company	2,700	2,700	2,700	2,700
Subsidiary companies	-	-	5,672	6,029
Total deposits and long-term prepaid expense - related parties	2,700	2,700	8,372	8,729
<u>Trade accounts payable - related parties</u>				
Associated companies	79,394	75,356	51,842	53,220
Subsidiary companies	-	-	82,505	72,989
Related companies	34	27	-	-
Total trade accounts payable - related parties	79,428	75,383	134,347	126,209

(Unaudited but reviewed)

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
<u>Other accounts payable - related parties</u>				
Associated companies	1,866	7,059	-	4
Subsidiary companies	-	-	47,904	88,233
Related companies	3,982	3,611	-	1,008
Total other accounts payable - related parties	5,848	10,670	47,904	89,245
<u>Deposits - related parties</u>				
(included in other non-current liabilities)				
Associated company	15	-	15	-
Subsidiary companies	-	-	2,322	2,399
Related company	61	61	61	61
Total deposits - related parties	76	61	2,398	2,460

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

	(Unit: Thousand Baht)			
	Separate financial statements			
	31 December 2012	Increase	Decrease	31 March 2013
<u>Short-term loans to related parties</u>				
Subsidiary companies	207,099	337,503	(207,099)	337,503
Total short-term loans to related parties	207,099	337,503	(207,099)	337,503
<u>Long-term loans to related parties</u>				
Subsidiary companies	5,324,980	-	(159,824)	5,165,156
Total long-term loans to related parties	5,324,980	-	(159,824)	5,165,156
<u>Short-term loans from related parties</u>				
Subsidiary companies	2,796,625	3,163,967	(2,796,625)	3,163,967
Total short-term loans from related parties	2,796,625	3,163,967	(2,796,625)	3,163,967

Short-term and long-term loans to related parties

The Company has entered into short-term loan agreements and long-term loan agreements with terms of 3 - 8 years with its subsidiaries. The Company charged interest on loans to related parties at the Fixed Deposit Rate plus fixed rate per annum, LIBOR plus fixed rate per annum and MLR minus fixed rate per annum stipulated in the agreement payable on a monthly basis while principal is repayable on the basis stipulated in the agreements. As at 31 March 2013, the Company has outstanding short term and long term loans to subsidiaries totaling Baht 5,502.7 million (31 December 2012: Baht 5,532.1 million).

Management agreement

The Company

The Company provides hospital management services to its subsidiaries, for the remuneration rates are based on the net revenue from hospital operations.

The Subsidiaries

A subsidiary company has entered into a Hospital Management Agreement with another subsidiary company, expiring on 28 May 2022. The subsidiary company is to receive management income at a certain percentage of total operation result as stipulated in the agreement.

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 2013.

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 2014. That subsidiary company has to pay a monthly rental fee at the rate stipulated in the agreement.

Service and management 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 information technology management agreements with the Company and subsidiaries whereby 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 whereby have to pay monthly service fee to the subsidiary at the rates stipulated in the agreements.

A subsidiary company has entered into management agreements with another subsidiary company whereby it has to pay monthly service fees at the rate stipulated in the agreements

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.

(Unaudited but reviewed)

Guarantee obligations with related parties

The Company has guaranteed long-term loan amount of USD 2.9 million (31 December 2012: USD 3.1 million) and overdraft facility amounting to USD 0.5 million (31 December 2012: USD 0.8 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.

Directors and management's benefits

During the period, the Company and its subsidiaries had benefits for their directors and management as below.

	(Unit: Million Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	31 March	31 March	31 March	31 March
	2013	2012	2013	2012
Short-term employee benefits	20.6	15.7	20.6	15.7
Post-employment benefits	0.5	0.2	0.5	0.2
Total	21.1	15.9	21.1	15.9

(Unaudited but reviewed)

7. 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	
					31	31	31	31
					March	December	March	December
					2013	2012	2013	2012
<u>Associated companies held by the Company</u>								
The Medic Pharma Co., Ltd.	Pharmaceuticals	Baht 21.4 million	49.00	49.00	133,049	165,167	52,500	52,500
Cool & Joy Co., Ltd.	Production of television and radio program	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	2,082	2,093	101	101
Siem Reap Land Investment Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	1,760	1,764	101	101
Phnom Penh First Property Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	3,547	3,532	88	88
Bangkok Helicopter Services Co., Ltd.	Service	Baht 100 million	49.00	49.00	32,448	34,977	50,859	50,859
Ramkhamhaeng Hospital Public Co., Ltd.	Hospital	Baht 120 million	38.24	38.24	3,183,250	2,835,589	1,459,800	1,459,800
Thonburi Medical Center Public Co., Ltd. (Formerly known as "Krungdhon Hospital Public Co., Ltd.") (held by the Company at 20.01% and indirectly held by subsidiary at 25.01%)	Hospital	Baht 150 million	45.02	20.01	310,815	104,179	101,072	101,072
Udon Pattana (1994) Co., Ltd. (held by the Company at 15.26% and indirectly held by subsidiary at 9.83%)	Hospital	Baht 300 million	25.09	25.09	185,430	185,430	69,952	69,952
Bumrungrad Hospital Public Co., Ltd.	Hospital	Baht 730 million	23.88	23.88	9,697,339	9,523,489	7,452,961	7,452,961
Total investments in associated companies held by the Company (cost method)							9,188,934	9,188,934
Total investments in associated companies held by the Company and subsidiaries (equity method)					13,550,789	12,857,289		

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Natures of business	Paid-up Capital	% Shareholding		Consolidated financial statements	
					Equity Method	
			31	31	31	31
			March	December	March	December
2013	2012	2013	2012			
<u>Associated companies held by subsidiary companies</u>						
Sodexo Support Services (Thailand) Co., Ltd.	Management services	Baht 5 million	26.00	26.00	8,076	6,412
Al Ghaith Bangkok Dusit Management Services LLC.	Management services	UAE DIRHAM	30.00	30.00	393	393
		0.15 million				
Total					8,469	6,805
Less: Allowance for impairment of investment					(393)	-
Total investments in associated companies held by subsidiary companies					8,076	6,805
Total investments in associated companies in the consolidated financial statements					13,558,865	12,864,094

Bumrungrad Hospital Public Co., Ltd.

In the first quarter of 2012, the Company additionally purchased ordinary shares of Bumrungrad Hospital Public Co., Ltd. for total of 44.2 million shares, amount of Baht 2,234.9 million, representing 6.06 percent of shareholding. As a result, the Company holds totally 20.28 percentage of shareholding in that company and changes its status to become an associated company. The Company realised gain from the remeasurement of its previously held shareholding to fair value in the consolidated statement of income by Baht 1,795.0 million, under the caption “Gain on fair value adjustment of investment” and reversed gain on change in value of available-for-sale investments due to transfer of investment from other long-term investments to investments in associated companies amounting to Baht 1,372.3 million (Net after deferred tax was Baht 1,097.9 million) in the statements of comprehensive income.

In the second quarter of 2012, the Company additionally purchased ordinary shares of Bumrungrad Hospital Public Co., Ltd. for total of 26.3 million shares, amount of Baht 1,762.2 million. As a result, the Company's shareholding in that company increased to 23.88 percent.

Thonburi Medical Center Public Co., Ltd. (Formerly known as “Krungdhon Hospital Public Co., Ltd.”)

On 25 January 2013, the meeting of the Board of Directors of Royal Bangkok Healthcare Co., Ltd., a subsidiary company, approved the acquisition of shares in Krungdhon Hospital Public Company Limited. The subsidiary company has acquired 3,741,612 shares in such company, representing 24.94 percent of the total issued shares of such company from the existing shareholders at a price of Baht 55 per shares totaling Baht 205.79 million. As a result, the Company and the subsidiary company totally hold 44.96 percent of the total issued shares in Krungdhon Hospital Public Company Limited.

In addition, on 7 February 2013, Royal Bangkok Healthcare Co., Ltd. submitted a tender offer proposal to purchase shares of Krungdhon Hospital Public Company Limited at a price of Baht 55 per share. Tender offerors sold their securities of 9,247 shares. As a result, the Company and its subsidiary company hold 45.02 percent in this company.

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of income(loss) from investments in associated companies		Dividend income during the three-month periods ended	
	31 March	31 March	31 March	31 March
	2013	2012	2013	2012
<u>Associated companies held by the Company</u>				
The Medic Pharma Co., Ltd.	11,982	5,652	44,100	6,300
Cool & Joy Co., Ltd.	-	-	-	-
S.R. Property Investment Co., Ltd.	(80)	83	-	-
Siem Reap Land Investment Co., Ltd.	73	76	-	-
Phnom Penh First Property Co., Ltd.	168	175	-	-
Bangkok Helicopter Services Co., Ltd.	(2,529)	(1,695)	-	-
Ramkhamhaeng Hospital Public Co., Ltd.	124,900	64,112	-	-
Thonburi Medical Center Public Co., Ltd. (Formerly known as "Krungdhon Hospital Public Co., Ltd.")	(20)	1	-	-
Udon Pattana (1994) Co., Ltd.	-	5,329	-	-
Bumrungrad Hospital Public Co., Ltd.	175,764	-	-	-
<u>Associated companies held by subsidiary companies</u>				
Sodexo Support Services (Thailand) Co., Ltd.	1,663	1,856	-	-
Al Ghaith Bangkok Dusit Management Services LLC.	-	-	-	-
Total	311,921	75,589	44,100	6,300

Share of income from investments in three associated companies which are listed company on the Stock Exchange of Thailand for the three-month periods ended 31 March 2013 of Baht 300.6 million (31 March 2012: Two associated companies Baht 64.1 million) representing 96 percent (31 March 2012: 85 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)

8. Investments in subsidiary companies

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up Capital	Separate financial statements					
			% Shareholding		Investments - cost		Dividend income during the	
					method		three-month periods ended	
			31	31	31	31	31	31
			March	December	March	December	March	March
			2013	2012	2013	2012	2013	2012
Samitivej Public Co., Ltd.	Hospital	Baht 1,000 million	95.76	95.76	1,639,071	1,639,071	-	-
Bangkok Hospital Hatyai Co., Ltd.	Hospital	Baht 500 million	98.79	98.79	574,458	574,458	79,032	59,267
Bangkok Phuket Hospital Co., Ltd.	Hospital	Baht 500 million	99.68	99.68	610,153	610,153	199,369	124,606
BNH Medical Center Co., Ltd.	Hospital	Baht 586 million	91.48	91.48	602,655	602,655	26,810	53,619
Bangkok Phrapradaeng Hospital Co., Ltd.	Hospital	Baht 105 million	79.00	79.00	96,775	96,775	-	-
Bangkok Pattaya Hospital Co., Ltd.	Hospital	Baht 280 million	97.27	97.27	708,966	708,966	381,280	136,102
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	48,750	33,750
Bangkok Trat Hospital Co., Ltd.	Hospital	Baht 250 million	99.76	99.76	245,889	245,889	17,457	14,963
Wattanavej Co., Ltd.	Hospital	Baht 180 million	99.69	99.69	450,643	450,643	89,725	35,890
Bangkok Ratchasima Hospital Co., Ltd.	Hospital	Baht 300 million	90.78	90.36	928,311	923,936	-	-
National Healthcare Systems Co., Ltd.	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	12,350	7,600
Angkor Pisith Co., Ltd.	Hospital	USD 10 million	80.00	80.00	287,840	287,840	-	-
Phnom Penh Medical Services Co., Ltd.	Hospital	USD 10 million	100.00	100.00	338,323	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 method		Dividend income during the three-month periods ended	
			31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 March 2012
B.D.M.S. International Medical Services Co., Ltd.	Hospital	Riel 9,200 million	100.00	100.00	94,208	94,208	-	-
Asia International Healthcare Co., Ltd.	Investment	Baht 35 million	100.00	100.00	35,000	35,000	-	-
New Petchburi Medical Services Co., Ltd.	In process of liquidation	Baht 1 million	100.00	100.00	999	999	-	-
Bangkok Health Insurance Public Co., Ltd. (Formerly known as "Bangkok Health Insurance 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	98.34	98.32	9,238,241	9,236,292	-	-
Paolo Medic Co., Ltd.	Hospital	Baht 300 million	100.00	100.00	2,922,872	2,922,872	-	-
Paolo Samutprakarn Co., Ltd.	Hospital	Baht 42 million	93.35	93.30	1,733,967	1,733,240	-	7,453
Siam Medical Co., Ltd.	Hospital	Baht 100 million	85.72	85.69	939,710	939,589	-	4,036
Thai Medical Center Public Co., Ltd.	Hospital	Baht 201 million	99.76	99.76	887,131	887,135	-	-
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 250 million	100.00	100.00	250,000	250,000	-	-
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 600 million	100.00	-	600,000	-	-	-
Total investments in subsidiary companies					25,544,522	24,937,354	1,043,636	477,286
Less: Allowance for impairment of investment					(20,000)	(20,000)		
Total investments in subsidiary companies - net					<u>25,524,522</u>	<u>24,917,354</u>		

Investment in subsidiary company which the Company and its subsidiary companies previously held

Bangkok Ratchasima Hospital Co., Ltd.

In 2013, the Company purchased additional investment totaling Baht 4.4 million in Bangkok Ratchasima Hospital Co., Ltd. As a result, the Company's shareholding in that company increased to 90.78 percent.

Prasit Patana Public Co., Ltd.

In 2013, the Company purchased additional investment totaling Baht 1.9 million in Prasit Patana Public Co., Ltd. As a result, the Company's shareholding in that company increased to 98.34 percent.

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

In 2013, the subsidiary company purchased additional investment totaling Baht 45.1 million in Sriracha Nakorn General Hospital Public Co., Ltd. As a result, the subsidiary company's shareholding in that company increased to 68.46 percent.

Paolo Samutprakarn Co., Ltd.

In 2013, the Company purchased additional investment totaling Baht 0.7 million in Paolo Samutprakarn Co., Ltd. As a result, the Company's shareholding in that company increased to 93.35 percent.

Siam Medical Co., Ltd.

In 2013, the Company purchased additional investment totaling Baht 0.1 million in Siam Medical Co., Ltd. As a result, the Company's shareholding in that company increased to 85.72 percent.

Samitivej Public Co., Ltd. and Samitivej Sriracha Co., Ltd.

In 2013, the subsidiary company had purchased additional investment totaling Baht 0.4 million in Samitivej Sriracha Co., Ltd. As a result, the subsidiary company's shareholding in that company increased to 68.09 percent.

Investment in new subsidiary company

Bangkok Khon Kaen Hospital Co., Ltd.

On 23 January 2013, a meeting of the Board of Directors of the Company approved the establishment of a new subsidiary company, namely Bangkok Khon Kaen Hospital Company Limited, to operate a hospital business in Khon Kaen province. This company has Baht 600 million of registered capital and the Company holds 100 percent. The subsidiary company was incorporated in February 2013 and has Baht 600 million paid-up share capital.

(Unaudited but reviewed)

9. Other long-term investments

(Unit: Thousand Baht)

Consolidated and separate
financial statements

Dividend income during the
three-month periods ended

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend income during the three-month periods ended	
				31 March 2013	31 December 2012	31 March 2013	31 March 2012
<u>Investments held by the Company</u>							
<u>Available-for-sale investments</u>							
Investments in listed securities							
Thai Military Bank Public Co., Ltd.	Bank	41,372	-	1,770	1,770	-	-
Aikchol Hospital Public Co., Ltd.	Hospital	125	0.20	350	350	-	-
Bangkok Chain Hospital Public Co., Ltd.	Hospital	1,995	1.50	269,829	269,829	-	-
				271,949	271,949	-	-
Surplus on changes in value of available-for-sale investments				98,444	4,452	-	-
Investments in listed securities				370,393	276,401	-	-
<u>Investments in related companies</u>							
Bangkok Airways Co., Ltd.	Airline	1,250	3.93	39,466	36,000	10,123	-
X-Ray Computer Urupong Co., Ltd.	X-ray lab	100	4.09	4,520	4,520	-	-
Investments in related companies				43,986	40,520	10,123	-

(Unaudited but reviewed)

(Unit: Thousand Baht)
Consolidated and separate
financial statements

Dividend income during the
three-month periods ended

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend income during the three-month periods ended	
				31 March 2013	31 December 2012	31 March 2013	31 March 2012
<u>Investments in unrelated companies</u>							
Thai Longstay Management Co., Ltd.	Travel business	100	1.06	531	531	-	-
Superior Biotech Holding Co., Ltd.	Investment	44	9.09	5,000	5,000	-	-
Investments in unrelated companies				5,531	5,531	-	-
Total other long-term investments in the separate financial statements				419,910	322,452	10,123	-

Bangkok Airways Co., Ltd.

In 2013, the Company purchased additional investment totaling Baht 3.5 million in Bangkok Airways Co., Ltd. As a result, the Company's shareholding in that company increased to 3.93 percent.

(Unaudited but reviewed)

(Unit: Thousand Baht)
Consolidated and separate
financial statements

Dividend income during the
three-month periods ended

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend income during the three-month periods ended	
				31 March 2013	31 December 2012	31 March 2013	31 March 2012
<u>Investment held by the subsidiary companies</u>							
<u>Available-for-sale investments</u>							
Investments in investment unit				10,000	-	-	-
Surplus on changes in value of available-for-sale investments				618	-	-	-
Investments in investment unit				10,618	-	-	-
<u>Investments in unrelated companies</u>							
Thai Herbal Products Co., Ltd.	Sales of herbal products	80	0.60	290	290	-	-
Prasitthirat Co., Ltd.	Educational institution	150	33.33	107,192	107,192	-	-
Phuket International Hospital Co., Ltd.	Hospital	195	6.15	29,552	29,552	-	-
Asia Laboratories Center Limited	Central lab	5	8.00	400	400	-	-
Investments in unrelated companies				137,434	137,434	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Consolidated and separate financial statements					
				Investment (cost)		Dividend income during the three-month periods ended			
						31 March 2013	31 December 2012	31 March 2013	31 March 2012
<u>Investments in ordinary shares (ceased operations)</u>									
Subsidiary companies									
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	-	-		
Unrelated company									
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				603,851	495,775	10,123	-		

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 (ceased operations)-Subsidiary companies

A subsidiary company has investments in 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.

10. Property, premises and equipment

Movement of the property, premises and equipment during the three-month period 31 March 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2013	33,151,946	6,448,077
Acquisitions during the period - at cost	1,476,932	372,855
Disposals and write-off during the period - net book value as of disposal and write-off date	(3,327)	-
Transfer out during the period	(83,039)	(83,013)
Depreciation expenses for the period	(723,645)	(157,133)
Translation adjustment	(34,849)	-
Net book value as at 31 March 2013	33,784,018	6,580,786

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

Movements in bank overdrafts and short-term loans from financial institutions during three-month period ended 31 March 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2013	1,225,105	1,200,000
Additional borrowings	2,002,463	2,000,000
Less: Repayment during period	(3,208,668)	(3,200,000)
Translation adjustment	(1,080)	-
Balance as at 31 March 2013	17,820	-

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

12. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31	31	31	31
	March	December	March	December
	2013	2012	2013	2012
Trade payables - related parties	79,428	75,383	134,347	126,209
Trade payables - unrelated parties	1,952,384	2,149,653	359,971	315,400
Other payables - related parties	5,848	10,670	47,904	89,245
Other payables - unrelated parties	682,352	987,864	273,326	358,602
Accounts payable - construction and retention	427,414	390,536	82,249	71,748
Total trade and other payables	3,147,426	3,614,106	897,797	961,204

13. Long-term loans from financial institutions

Movements of long-term loans from financial institutions during the three-month period ended 31 March 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2013	9,447,906	9,075,180
Less: Repayment during period	(221,493)	(204,349)
Translation adjustment	(4,001)	-
Balance as at 31 March 2013	9,222,412	8,870,831
Less: Current portion of long-term loans from financial institutions	(899,141)	(830,434)
Long-term loans from financial institutions - net of current portion	<u>8,323,271</u>	<u>8,040,397</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 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 Company also entered into an interest rate swap contract for the above loan with a financial institution as discussed in Note 20.1 the outstanding balance of this loan as at 31 March 2013 was Baht 1,690.3 million (31 December 2012: Baht 1,776.3 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 31 March 2013, this loan has outstanding balance of Baht 2,494.0 million (31 December 2012: Baht 2,569.0 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 31 March 2013, this loan has outstanding balance of Baht 551.0 million (31 December 2012: Baht 558.5 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 principal is repayable on a quarterly basis according to a condition as stipulated in the agreement. As at 31 March 2013, this loan has outstanding balance of Baht 1,635.5 million (31 December 2012: Baht 1,671.4 million).
- e) In July 2012, the Company entered into a 5 - year loan agreement with a financial institution amounting to Baht 2,500 million. The loan has a period of 5 years and carries interest at the fixed rate per annum as stipulated in the agreement. The interest is repayable on a semi-annually basis and principal is repayable at the end of loan period. As at 31 March 2013, this loan has outstanding balance of Baht 2,500 million (31 December 2012: Baht 2,500 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 31 March 2013, this loan has outstanding balance of USD 2.9 million or equivalent to Baht 85.5 million. (31 December 2012: USD 3.1 million or equivalent to Baht 94.4 million).
- b) In 2008, Bangkok Ratchasima Hospital Co., Ltd., a subsidiary company, entered into a 7 - year loan agreement with a financial institution. The credit facilities were 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 31 March 2013, this loan has outstanding balance of Baht 8.1 million (31 December 2012: Baht 8.9 million).

(Unaudited but reviewed)

- 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 another financial institution to obtain loan of Baht 410 million. This loan consequently amended to bears 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. As at 31 March 2013, this loan has outstanding balance of Baht 258.0 million (31 December 2012: Baht 269.4 million).

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

14. Liabilities under finance lease agreements

As at 31 March 2013 and 31 December 2012, liabilities under finance lease agreements are as follows:

	Consolidated financial		Separate financial	
	statements		statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Liabilities under finance lease agreements	186,626	191,325	25,440	18,934
Less: Deferred interest expenses	(10,936)	(12,538)	(1,663)	(1,348)
Total	175,690	178,787	23,777	17,586
Less: Current portion of liabilities under finance lease agreements	(102,355)	(92,713)	(10,462)	(6,150)
Liabilities under finance lease agreements - net of current portion	<u>73,335</u>	<u>86,074</u>	<u>13,315</u>	<u>11,436</u>

(Unaudited but reviewed)

As at 31 March 2013, 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	110,237	76,389	186,626
Deferred interest expenses	(7,882)	(3,054)	(10,936)
Present value of future minimum finance lease payments	102,355	73,335	175,690

(Unit: Thousand Baht)			
Separate financial statements			
	Less than		
	1 year	1-5 years	Total
Future minimum finance lease payments	11,610	13,830	25,440
Deferred interest expenses	(1,148)	(515)	(1,663)
Present value of future minimum finance lease payments	10,462	13,315	23,777

The Company and its subsidiaries have various finance lease agreements to rent medical equipment, equipment, and vehicle for use in their operations. The installments are paid on a monthly basis over 36 - 60 periods and at the end of the agreements, the Company and its subsidiaries have the option to purchase such assets at prices specified in the agreements.

15. Debentures

Movements of debentures net from debenture expenses and amortisation of expenses during the three-month period ended 31 March 2013 are summarised below.

(Unit: Thousand Baht)	
	Consolidated /Separate financial statements
Balance as at 1 January 2013	9,063,854
Debentures issued during the period	4,000,000
Debentures expenses	(5,061)
Redemption of debenture during the period	(2,000,000)
Amortisation of debenture expenses	831
Balance as at 31 March 2013	11,059,624
Less: Current portion of debentures	(999,510)
Debentures - net of current portion	10,060,114

On 6 March 2008, the Company had issued unsecured, named registered and unsubordinated debentures without a debentureholders' 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 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. Up to 31 March 2013, the Company had repurchased such debentures for amount of 30,000 units, totaling Baht 30 million.

On 3 March 2011, the Company had issued unsecured, name registered and unsubordinated debentures without a debentureholders' representative debenture 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 debenture 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.

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

In March 2013, the Company had issued unsecured, name registered and unsubordinated debentures without a debentureholders' representative debenture 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.

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

16. Income tax

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

Income tax expenses for the three-month periods ended 31 March 2013 and 2012 are made up as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		(Restated)		(Restated)
Current income tax:				
Interim corporate income tax charge	407,806	423,316	60,687	57,900
Deferred tax:				
Relating to origination and reversal of temporary differences	1,743	34,322	1,328	(8,541)
Income tax expense reported in the statements of income	<u>409,549</u>	<u>457,638</u>	<u>62,015</u>	<u>49,359</u>

Corporate income tax rate

Corporate income tax for the three-month period ended 31 March 2013 was calculated at the rate of 20 percent (2012: 23 percent) on taxable net profit.

17. 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 car parking for a period of 7 years from 1 September 2005 to 31 August 2012. The agreement has been extended for a period of 1 year from 1 September 2012 to 31 August 2013 at the rate of Baht 66,348 per month which rental fee was fully prepaid.

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 three 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 2 years from 1 September 2011 to 27 September 2013. 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.

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 will thus be 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 the rental fee is paid on a monthly basis as stipulated in the agreement.

18. Commitments and contingent liabilities

As at 31 March 2013 commitments and contingent liabilities are as follows:

	Consolidated financial statements			(Unit: Million Baht) Separate financial statements		
	Less than 1 year	1 -5 years	Over 5 years	Less than 1 year	1 -5 years	Over 5 years
Contractual commitments						
- the land and building rental contracts	433	310	899	334	112	540
- the office equipment rental and other services	218	102	-	21	7	-
- the medical equipment provision and maintenance contracts	192	45	-	75	-	-
- the building construction and decoration contracts	994	215	-	157	-	-
- the sale and purchase contract for land	-	80	24	-	-	-
Total	<u>1,837</u>	<u>752</u>	<u>923</u>	<u>587</u>	<u>119</u>	<u>540</u>

Contingent liabilities

As at 31 March 2013, the Company and its subsidiaries had outstanding bank guarantees of approximately Baht 231 million (Separate financial statements: Baht 25 million) issued by the bank on behalf of the Company and its subsidiary in respect of certain performance bonds as required in the normal course of business, such as facility usage and contractual performance.

19. Segment information

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

The 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, 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.

20. Financial instruments

20.1 Interest rate swap contract

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

On 15 September 2008, the Company entered into a five-year interest rate swap contract with a financial institution by converting floating rate based on Fixed Deposit Rate plus fixed rate per annum to fixed interest rate per annum on the long-term loan balance.

(Unaudited but reviewed)

Net fair value

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Fair value of interest rate swap contract				
(liabilities)	(6.7)	(11.2)	(6.7)	(11.2)

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

20.2 Forward exchange contract

As at 31 March 2013, a subsidiary company has outstanding forward exchange contracts as follows:

Balance as at	Foreign currency	Amount bought	Contractual exchange rate for amount bought
			(Baht per foreign currency unit)
31 March 2013	US Dollar	252,259	29.46-30.94

21. Litigation

The Company has a contingent liability as a result of being sued for unfair dismissal with the disputed amount of Baht 415 Million, since the Company hired a retired high-level executive under a consultant contract with agreed period. The Company did not renew the contract upon expiration; therefore, the advisor sued the Company. Currently, the case is in legal process by the central labour court. The Company has not recorded the liability in the financial statements since the management believes that there is uncertainty regarding the legal case and the Company has lawfully complied with the contract. In addition, Legal counselor of the Company has the opinion that this case is not unfair dismissal since the consultant contract already expired and not was renewed. Therefore, the case is fully complied with the law.

22. Subsequent events after reporting date

Dividend payment

On 18 April 2013, the Annual General Meeting of the Company's shareholders approved a dividend payment of Baht 1.80 per share to the shareholders of the Company's 1,545,458,883 shares, or a total of Baht 2,782 million. The dividend payment will be paid in May 2013.

Additional investment in The Medic Pharma Co., Ltd

On 18 April 2013, the Annual General Meeting of the Company's shareholders approved an additional investment in The Medic Pharma Co., Ltd from the Company's present shareholding of 49%. This additional investment may lead to the purchase of up to 1,093,000 shares, representing 51% of the total issued and outstanding share in The Medic Pharma Co.,Ltd, at the purchase price of Baht 200 per share, totaling 218.6 million Baht. The Company is in the process of acquiring the additional investment.

23. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 14 May 2013.