

Bangkok Dusit Medical Services Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and six-month periods ended 30 June 2020

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 ("the Group") as at 30 June 2020, the related consolidated statements of income and comprehensive income for the three-month and six-month periods then ended, the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Bangkok Dusit Medical Services Public Company Limited for the same period (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Emphasis of matters

1. I draw attention to Note 1.2 to the interim consolidated financial statements. The COVID-19 Pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.
2. I draw attention to Note 1.5 to the interim consolidated financial statements. Due to the impact of the COVID-19 outbreak, in preparing interim financial information for the three-month and six-month periods ended 30 June 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions.

My conclusion is not modified in respect of the above two matters.

Wichart Lokatekrawee

Certified Public Accountant (Thailand) No. 4451

EY Office Limited

Bangkok: 13 August 2020

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2020

(Unit: Thousand Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|---------|-----------------------------------|--------------------|-------------------------------|-------------------|
| | | As at | As at | As at | As at |
| | | 30 June 2020 | 31 December 2019 | 30 June 2020 | 31 December 2019 |
| | | (Unaudited but reviewed) | (Audited) | (Unaudited but reviewed) | (Audited) |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | | 3,428,450 | 4,696,212 | 1,607,463 | 2,467,290 |
| Short-term investments | 2, 5 | - | 899,836 | - | 401 |
| Trade and other receivables | 2, 3, 4 | 6,879,468 | 8,850,028 | 1,572,161 | 2,075,116 |
| Short-term loans to subsidiaries | 4 | - | - | 3,513,260 | 2,909,780 |
| Inventories | | 1,892,035 | 1,843,365 | 111,160 | 124,149 |
| Other current financial assets | 2, 5 | 835,596 | - | 264 | - |
| Other current assets | 2 | 58,045 | 35,744 | - | - |
| Total current assets | | 13,093,594 | 16,325,185 | 6,804,308 | 7,576,736 |
| Non-current assets | | | | | |
| Restricted financial institution deposits | | 13,481 | 11,262 | - | - |
| Other non-current financial assets | 2, 8 | 633,745 | - | 322,654 | - |
| Investments in associates | 2, 6 | 17,333,659 | 17,538,288 | 12,544,910 | 12,544,910 |
| Investments in subsidiaries | 7 | - | - | 58,000,061 | 54,490,191 |
| Other long-term investments | 2, 8 | - | 465,829 | - | 156,501 |
| Long-term loans to subsidiaries | 4 | - | - | 920,805 | 3,936,390 |
| Investment properties | | 357,493 | 353,706 | 728,746 | 724,959 |
| Property, premises and equipment | 2, 9 | 78,430,569 | 78,439,826 | 13,795,255 | 13,913,948 |
| Right-of-use assets | 2, 10 | 3,476,982 | - | 940,609 | - |
| Goodwill | | 17,538,869 | 17,538,869 | - | - |
| Intangible assets | | 1,331,319 | 1,344,618 | 579,672 | 571,444 |
| Deferred tax assets | 2 | 100,441 | 125,204 | - | - |
| Other non-current assets | | | | | |
| Leasehold rights | 2 | - | 1,021,841 | - | 304,440 |
| Others | 4 | 541,626 | 497,109 | 67,834 | 31,053 |
| Total non-current assets | | 119,758,184 | 117,336,552 | 87,900,546 | 86,673,836 |
| Total assets | | 132,851,778 | 133,661,737 | 94,704,854 | 94,250,572 |

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2020

(Unit: Thousand Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|--|----------|-----------------------------------|-------------------|-------------------------------|-------------------|
| | | As at | As at | As at | As at |
| | | 30 June 2020 | 31 December 2019 | 30 June 2020 | 31 December 2019 |
| | | (Unaudited but reviewed) | (Audited) | (Unaudited but reviewed) | (Audited) |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Bank overdrafts and short-term loans from | | | | | |
| financial institutions | 11 | 3,200,998 | 23,803 | 3,200,000 | - |
| Trade and other payables | 4, 12 | 3,692,397 | 5,990,178 | 824,842 | 1,381,320 |
| Accrued expenses | 2, 4 | 3,319,722 | 6,178,376 | 714,978 | 1,533,358 |
| Current portion of long-term liabilities | | | | | |
| - Long-term loans from financial institutions | 14 | 214,933 | 193,440 | 214,933 | 193,440 |
| - Liabilities under lease agreements | 2, 4, 15 | 288,490 | - | 93,384 | - |
| - Liabilities under finance lease agreements | 2, 15 | - | 16,878 | - | 249 |
| - Debentures | 16 | - | 4,999,808 | - | 4,999,808 |
| Short-term loans from non-related parties | | 82,900 | 66,000 | - | - |
| Short-term loans from subsidiaries | 4 | - | - | 8,572,672 | 12,139,192 |
| Income tax payable | | 1,017,323 | 1,013,777 | - | 159,083 |
| Deferred income - membership due within one year | | 189,198 | 206,726 | 100,824 | 107,289 |
| Other current financial liabilities | 17 | 8,305 | - | 8,305 | - |
| Other current liabilities | | 479,989 | 574,164 | 115,257 | 156,314 |
| Total current liabilities | | 12,494,255 | 19,263,150 | 13,845,195 | 20,670,053 |
| Non-current liabilities | | | | | |
| Long-term loans from financial institutions | 14 | 9,400,000 | 4,507,467 | 9,400,000 | 4,507,467 |
| Liabilities under lease agreements | 2, 4, 15 | 3,273,444 | - | 672,497 | - |
| Liabilities under finance lease agreements | 2, 15 | - | 30,511 | - | 599 |
| Debentures | 16 | 14,592,760 | 14,591,681 | 14,592,760 | 14,591,681 |
| Provision for life long medical care programs | 13 | 1,067,441 | 723,959 | 904,538 | 589,340 |
| Provision for employee benefits | | 4,287,456 | 4,130,653 | 1,352,902 | 1,318,889 |
| Deferred income - membership | | 581,026 | 612,020 | 142,370 | 149,685 |
| Deferred tax liabilities | 2 | 2,686,304 | 2,550,291 | 195,363 | 153,572 |
| Other non-current liabilities | 4 | 59,966 | 70,382 | 31,969 | 31,638 |
| Total non-current liabilities | | 35,948,397 | 27,216,964 | 27,292,399 | 21,342,871 |
| Total liabilities | | 48,442,652 | 46,480,114 | 41,137,594 | 42,012,924 |

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2020

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|--|--|--|--|
| | As at 30 June 2020 (Unaudited but reviewed) | As at 31 December 2019 (Audited) | As at 30 June 2020 (Unaudited but reviewed) | As at 31 December 2019 (Audited) |
| Liabilities and shareholders' equity (continued) | | | | |
| Shareholders' equity | | | | |
| Share capital | | | | |
| Registered | | | | |
| 17,582,235,672 ordinary shares of Baht 0.1 each | 1,758,224 | 1,758,224 | 1,758,224 | 1,758,224 |
| Issued and fully paid-up | | | | |
| 15,892,001,895 ordinary shares of Baht 0.1 each | 1,589,200 | 1,589,200 | 1,589,200 | 1,589,200 |
| Premium on ordinary shares | 30,166,103 | 30,166,103 | 30,103,179 | 30,103,179 |
| Difference from shareholding restructure | 305,000 | 305,000 | - | - |
| Surplus investment over book value of subsidiaries | (2,700,477) | (2,693,617) | - | - |
| Retained earnings | | | | |
| Appropriated - statutory reserve | 175,822 | 175,822 | 175,822 | 175,822 |
| Unappropriated | 43,033,342 | 45,708,001 | 19,555,692 | 18,214,812 |
| Other components of shareholders' equity | 8,592,603 | 8,562,924 | 2,143,367 | 2,154,635 |
| Equity attributable to owners of the Company | 81,161,593 | 83,813,433 | 53,567,260 | 52,237,648 |
| Non - controlling interests of the subsidiaries | 3,247,533 | 3,368,190 | - | - |
| Total shareholders' equity | 84,409,126 | 87,181,623 | 53,567,260 | 52,237,648 |
| Total liabilities and shareholders' equity | 132,851,778 | 133,661,737 | 94,704,854 | 94,250,572 |
| | - | - | - | - |

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

Directors

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 30 June 2020**

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

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|-------------------|-------------------------------|------------------|
| | | 2020 | 2019 | 2020 | 2019 |
| Revenues | | | | | |
| Revenues from hospital operations | 4 | 13,079,657 | 18,691,896 | 2,042,105 | 3,517,060 |
| Revenue from sales of goods | 4 | 706,968 | 721,954 | - | - |
| Other income | | | | | |
| Dividend income | 7 | 4,791 | 9,304 | 1,626,099 | 2,391,725 |
| Gain on disposal of other long-term investments | | - | 1,655 | - | - |
| Others | | 190,182 | 222,791 | 220,330 | 312,080 |
| Total other income | | 194,973 | 233,750 | 1,846,429 | 2,703,805 |
| Total revenues | | 13,981,598 | 19,647,600 | 3,888,534 | 6,220,865 |
| Expenses | | | | | |
| Cost of hospital operations and goods sold | 4 | 9,853,296 | 13,014,670 | 1,480,539 | 2,205,267 |
| Administrative expenses | 4 | 3,131,074 | 4,137,583 | 726,348 | 1,073,154 |
| Total expenses | | 12,984,370 | 17,152,253 | 2,206,887 | 3,278,421 |
| Profit from operating activities | | 997,228 | 2,495,347 | 1,681,647 | 2,942,444 |
| Share of profit (loss) from investments in associates | 6.1 | (36,726) | 198,922 | - | - |
| Finance income | | 11,976 | 41,452 | 64,985 | 92,934 |
| Finance costs | | (217,914) | (261,647) | (198,436) | (289,232) |
| Profit before income tax expense | | 754,564 | 2,474,074 | 1,548,196 | 2,746,146 |
| Income tax expense | 19 | (226,092) | (502,878) | (4,406) | (76,853) |
| Profit for the periods | | 528,472 | 1,971,196 | 1,543,790 | 2,669,293 |
| Profit attributable to: | | | | | |
| Owners of the Company | | 457,821 | 1,865,336 | 1,543,790 | 2,669,293 |
| Non-controlling interests of the subsidiaries | | 70,651 | 105,860 | | |
| | | 528,472 | 1,971,196 | | |
| Basic earnings per share | | | | | |
| Profit attributable to owners of the Company | 20 | 0.03 | 0.12 | 0.10 | 0.17 |
| Weighted average number of ordinary shares (shares) | | 15,892,001,895 | 15,670,956,993 | 15,892,001,895 | 15,670,956,993 |

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

(Unaudited but reviewed)

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2020

(Unit: Thousand Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|------------------|--------------------------------------|------------------|
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Profits for the periods | <u>528,472</u> | <u>1,971,196</u> | <u>1,543,790</u> | <u>2,669,293</u> |
| Other comprehensive income: | | | | |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i> | | | | |
| Loss on change in value of available-for-sale investments - net of income tax | - | (346) | - | (3,159) |
| Exchange differences on translation of financial statements in foreign currencies | (91,672) | (54,294) | - | - |
| Share of other comprehensive income (loss) from associates | <u>(3,138)</u> | <u>(4,345)</u> | <u>-</u> | <u>-</u> |
| Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods - net of income tax | <u>(94,810)</u> | <u>(58,985)</u> | <u>-</u> | <u>(3,159)</u> |
| <i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods</i> | | | | |
| Gain on fair value adjustments of investments - net of income tax | <u>60,228</u> | <u>-</u> | <u>31,594</u> | <u>-</u> |
| Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods - net of income tax | <u>60,228</u> | <u>-</u> | <u>31,594</u> | <u>-</u> |
| Other comprehensive income (loss) for the periods | <u>(34,582)</u> | <u>(58,985)</u> | <u>31,594</u> | <u>(3,159)</u> |
| Total comprehensive income for the periods | <u>493,890</u> | <u>1,912,211</u> | <u>1,575,384</u> | <u>2,666,134</u> |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the Company | <u>424,753</u> | <u>1,807,620</u> | <u>1,575,384</u> | <u>2,666,134</u> |
| Non-controlling interests of the subsidiaries | <u>69,137</u> | <u>104,591</u> | | |
| | <u>493,890</u> | <u>1,912,211</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**Income statement****For the six-month period ended 30 June 2020**

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

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
| | | 2020 | 2019 | 2020 | 2019 |
| Revenues | | | | | |
| Revenues from hospital operations | 4 | 31,961,933 | 38,484,500 | 5,222,926 | 7,212,161 |
| Revenue from sales of goods | 4 | 1,564,972 | 1,474,253 | - | - |
| Other income | | | | | |
| Dividend income | 7 | 4,791 | 9,304 | 5,814,028 | 5,415,935 |
| Gain on disposal of investment in an associate and other long-term investments | | - | 7,618,994 | - | 11,250,318 |
| Others | | 453,271 | 448,165 | 525,683 | 634,740 |
| Total other income | | 458,062 | 8,076,463 | 6,339,711 | 17,300,993 |
| Total revenues | | 33,984,967 | 48,035,216 | 11,562,637 | 24,513,154 |
| Expenses | | | | | |
| Cost of hospital operations and goods sold | 4 | 22,801,729 | 26,504,970 | 3,543,153 | 4,505,715 |
| Administrative expenses | 4 | 6,989,795 | 8,432,181 | 1,563,221 | 2,215,568 |
| Total expenses | | 29,791,524 | 34,937,151 | 5,106,374 | 6,721,283 |
| Profit from operating activities | | 4,193,443 | 13,098,065 | 6,456,263 | 17,791,871 |
| Share of profit from investments in associates | 6.1 | 180,900 | 484,451 | - | - |
| Finance income | | 23,357 | 61,303 | 131,349 | 166,856 |
| Finance costs | | (446,115) | (549,981) | (423,710) | (608,679) |
| Profit before income tax expense | | 3,951,585 | 13,093,838 | 6,163,902 | 17,350,048 |
| Income tax expense | 19 | (731,792) | (2,570,142) | (22,366) | (2,399,122) |
| Profit for the periods | | 3,219,793 | 10,523,696 | 6,141,536 | 14,950,926 |
| Profit attributable to: | | | | | |
| Owners of the Company | | 3,025,869 | 10,304,307 | 6,141,536 | 14,950,926 |
| Non-controlling interests of the subsidiaries | | 193,924 | 219,389 | - | - |
| | | <u>3,219,793</u> | <u>10,523,696</u> | | |
| Basic earnings per share | | | | | |
| Profit attributable to owners of the Company | 20 | 0.19 | 0.66 | 0.39 | 0.95 |
| Weighted average number of ordinary shares (shares) | | <u>15,892,001,895</u> | <u>15,669,962,048</u> | <u>15,892,001,895</u> | <u>15,669,962,048</u> |

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

(Unaudited but reviewed)

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of comprehensive income

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|-------------------------|--------------------------------------|--------------------------|
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Profits for the periods | <u>3,219,793</u> | <u>10,523,696</u> | <u>6,141,536</u> | <u>14,950,926</u> |
| Other comprehensive income: | | | | |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i> | | | | |
| Gain (loss) on change in value of available-for-sale investments - net of income tax | - | 3,712 | - | (496) |
| Exchange differences on translation of financial statements in foreign currencies | 41,587 | (82,947) | - | - |
| Share of other comprehensive income (loss) from associates | <u>2,449</u> | <u>(494,878)</u> | <u>-</u> | <u>-</u> |
| Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods - net of income tax | <u>44,036</u> | <u>(574,113)</u> | <u>-</u> | <u>(496)</u> |
| <i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods</i> | | | | |
| Loss on fair value adjustments of investments - net of income tax | <u>(11,541)</u> | <u>-</u> | <u>(11,268)</u> | <u>-</u> |
| Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods - net of income tax | <u>(11,541)</u> | <u>-</u> | <u>(11,268)</u> | <u>-</u> |
| Other comprehensive income (loss) for the periods | <u>32,495</u> | <u>(574,113)</u> | <u>(11,268)</u> | <u>(496)</u> |
| Total comprehensive income for the periods | <u><u>3,252,288</u></u> | <u><u>9,949,583</u></u> | <u><u>6,130,268</u></u> | <u><u>14,950,430</u></u> |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the Company | <u>3,057,680</u> | <u>9,732,026</u> | <u><u>6,130,268</u></u> | <u><u>14,950,430</u></u> |
| Non-controlling interests of the subsidiaries | <u>194,608</u> | <u>217,557</u> | | |
| | <u><u>3,252,288</u></u> | <u><u>9,949,583</u></u> | | |

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

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | | | | | | | | | | |
|--|--|----------------------------|--|--|-------------------|-------------------|--|-----------------------------|---|---|---|---|--|----------------------------|---|
| | Equity attributable to owners of the Company | | | | | | | | | | | | | | |
| | Other components of shareholders' equity | | | | | | | | | | | 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 | Surplus investment over book value of subsidiaries | Retained earnings | | Accumulated fair value adjustment of investments | Revaluation surplus on land | Exchange differences on translation of financial statements in foreign currency | Share of other components of equity from associates | Convertible debentures - equity component | Total other components of shareholders' equity | Total equity attributable to owners of the Company | | Equity attributable to non-controlling interest of the subsidiaries |
| Appropriated-statutory reserve | | | | | Unappropriated | | | | | | | | | | |
| Balance as at 1 January 2019 | 1,566,896 | 24,741,067 | 305,000 | (2,683,558) | 175,822 | 37,657,404 | 121,486 | 7,819,634 | (47,133) | 388,642 | 274,847 | 8,557,476 | 70,320,107 | 3,117,965 | 73,438,072 |
| Conversion debenture to ordinary shares | 1,820 | 439,280 | - | - | - | - | - | - | - | - | (22,426) | (22,426) | 418,674 | - | 418,674 |
| Profit for the period | - | - | - | - | - | 10,304,307 | - | - | - | - | - | - | 10,304,307 | 219,389 | 10,523,696 |
| Other comprehensive income for the period | - | - | - | - | - | - | 3,730 | - | (81,133) | (494,878) | - | (572,281) | (572,281) | (1,832) | (574,113) |
| Total comprehensive income for the period | - | - | - | - | - | 10,304,307 | 3,730 | - | (81,133) | (494,878) | - | (572,281) | 9,732,026 | 217,557 | 9,949,583 |
| Dividend paid (Note 18) | - | - | - | - | - | (2,977,081) | - | - | - | - | - | - | (2,977,081) | - | (2,977,081) |
| Share of Interest paid for convertible debentures treated as equity securities from an associate | - | - | - | - | - | - | - | - | - | (4,010) | - | (4,010) | (4,010) | - | (4,010) |
| Change in non-controlling interests of subsidiaries | - | - | - | - | - | - | - | - | - | - | - | - | - | (744) | (744) |
| - Purchase of investments in subsidiaries | - | - | - | - | - | - | - | - | - | - | - | - | - | (744) | (744) |
| - Dividend paid of subsidiaries | - | - | - | - | - | - | - | - | - | - | - | - | - | (221,789) | (221,789) |
| Balance as at 30 June 2019 | 1,568,716 | 25,180,347 | 305,000 | (2,683,558) | 175,822 | 44,984,630 | 125,216 | 7,819,634 | (128,266) | (110,246) | 252,421 | 7,958,759 | 77,489,716 | 3,112,989 | 80,602,705 |

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the six-month period ended 30 June 2020

(Unaudited but reviewed)

(Unit: Thousand Baht)

| Consolidated financial statements | | | | | | | | | | | | | | |
|--|--|----------------------------|--|---|-------------------|-------------|--|-----------------------------|---|---|--|--|---|----------------------------|
| Equity attributable to owners of the Company | | | | | | | | | | | | | | |
| | Other components of shareholders' equity | | | | | | | | | | | | | |
| | Other comprehensive income | | | | | | | | | | | | | |
| | Issued and paid-up share capital | Premium on ordinary shares | Difference from shareholding restructure | Surplus of investment over book value of subsidiaries | Retained earnings | | Accumulated fair value adjustment of investments | Revaluation surplus on land | Exchange differences on translation of financial statements in foreign currency | Share of other components of equity from associates | Total other components of shareholders' equity | Total equity attributable to owners of the Company | Equity attributable to non-controlling interest of the subsidiaries | Total shareholders' equity |
| | | | | Appropriated- statutory reserve | Unappropriated | | | | | | | | | |
| Balance as at 1 January 2020 - as previously reported | 1,589,200 | 30,166,103 | 305,000 | (2,693,617) | 175,822 | 45,708,001 | 59,665 | 8,828,888 | (154,022) | (171,607) | 8,562,924 | 83,813,433 | 3,368,190 | 87,181,623 |
| Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards (Note 2) | - | - | - | - | - | (929,268) | (2,132) | - | - | - | (2,132) | (931,400) | (76,845) | (1,008,245) |
| Balance as at 1 January 2020 - as restated | 1,589,200 | 30,166,103 | 305,000 | (2,693,617) | 175,822 | 44,778,733 | 57,533 | 8,828,888 | (154,022) | (171,607) | 8,560,792 | 82,882,033 | 3,291,345 | 86,173,378 |
| Profit for the period | - | - | - | - | - | 3,025,869 | - | - | - | - | - | 3,025,869 | 193,924 | 3,219,793 |
| Other comprehensive income for the period | - | - | - | - | - | - | (11,541) | - | 40,903 | 2,449 | 31,811 | 31,811 | 684 | 32,495 |
| Total comprehensive income for the period | - | - | - | - | - | 3,025,869 | (11,541) | - | 40,903 | 2,449 | 31,811 | 3,057,680 | 194,608 | 3,252,288 |
| Dividend paid (Note 18) | - | - | - | - | - | (4,767,560) | - | - | - | - | - | (4,767,560) | - | (4,767,560) |
| Share of Interest paid for convertible debentures treated as equity securities from an associate | - | - | - | - | - | (3,700) | - | - | - | - | - | (3,700) | - | (3,700) |
| Change in non-controlling interests of subsidiaries | - | - | - | (6,860) | - | - | - | - | - | - | - | (6,860) | (3,065) | (9,925) |
| - Purchase of investments in subsidiary | - | - | - | - | - | - | - | - | - | - | - | - | (235,355) | (235,355) |
| - Dividend paid of subsidiaries | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at 30 June 2020 | 1,589,200 | 30,166,103 | 305,000 | (2,700,477) | 175,822 | 43,033,342 | 45,992 | 8,828,888 | (113,119) | (169,158) | 8,592,603 | 81,161,593 | 3,247,533 | 84,409,126 |

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the six-month period ended 30 June 2020

(Unaudited but reviewed)

(Unit: Thousand Baht)

| | Separate financial statements | | | | | | | | |
|--|----------------------------------|----------------------------|--------------------------------|-------------------|--|-----------------------------|---|----------------------------|--|
| | Issued and paid-up share capital | Premium on ordinary shares | Retained earnings | | Other components of shareholders' equity | | | Total shareholders' equity | |
| | | | Appropriated-statutory reserve | Unappropriated | Accumulated fair value adjustment of investments | Revaluation surplus on land | Convertible debentures - equity component | | Total other components of shareholders' equity |
| Balance as at 1 January 2019 | 1,566,896 | 24,678,143 | 175,822 | 8,881,694 | 137,286 | 2,083,944 | 274,847 | 2,496,077 | 37,798,632 |
| Conversion debenture to ordinary shares | 1,820 | 439,280 | - | - | - | - | (22,426) | (22,426) | 418,674 |
| Profit for the period | - | - | - | 14,950,926 | - | - | - | - | 14,950,926 |
| Other comprehensive income for the period | - | - | - | - | (496) | - | - | (496) | (496) |
| Total comprehensive income for the period | - | - | - | 14,950,926 | (496) | - | - | (496) | 14,950,430 |
| Dividend paid (Note 18) | - | - | - | (2,977,081) | - | - | - | - | (2,977,081) |
| Balance as at 30 June 2019 | 1,568,716 | 25,117,423 | 175,822 | 20,855,539 | 136,790 | 2,083,944 | 252,421 | 2,473,155 | 50,190,655 |
| Balance as at 1 January 2020 - as previously reported | 1,589,200 | 30,103,179 | 175,822 | 18,214,812 | 70,691 | 2,083,944 | - | 2,154,635 | 52,237,648 |
| Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards (Note 2) | - | - | - | (33,096) | - | - | - | - | (33,096) |
| Balance as at 1 January 2020 - as restated | 1,589,200 | 30,103,179 | 175,822 | 18,181,716 | 70,691 | 2,083,944 | - | 2,154,635 | 52,204,552 |
| Profit for the period | - | - | - | 6,141,536 | - | - | - | - | 6,141,536 |
| Other comprehensive income for the period | - | - | - | - | (11,268) | - | - | (11,268) | (11,268) |
| Total comprehensive income for the period | - | - | - | 6,141,536 | (11,268) | - | - | (11,268) | 6,130,268 |
| Dividend paid (Note 18) | - | - | - | (4,767,560) | - | - | - | - | (4,767,560) |
| Balance as at 30 June 2020 | 1,589,200 | 30,103,179 | 175,822 | 19,555,692 | 59,423 | 2,083,944 | - | 2,143,367 | 53,567,260 |

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 cash flows****For the six-month period ended 30 June 2020**

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|-------------|-------------------------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| Cash flows from operating activities | | | | |
| Profit before income tax expense | 3,951,585 | 13,093,838 | 6,163,902 | 17,350,048 |
| Adjustments to reconcile profit before income tax expense to net cash provided by (paid from) operating activities: | | | | |
| Depreciation and amortisation | 3,188,142 | 2,765,938 | 659,677 | 511,286 |
| Write-off of assets | 5,812 | 3,626 | 2,509 | 269 |
| Loss on withholding tax diminution and written-off | 2,040 | 2,537 | 21 | 779 |
| Bad debts and doubtful debts (reversal) | 22,519 | 70,120 | 9,442 | (1,805) |
| Allowance to reduce cost to net realisable value - inventory (reversal) | (2,302) | 6,647 | 274 | 325 |
| Amortisation of deferred income - membership | (138,463) | (147,849) | (63,453) | (64,774) |
| Gain on fair value adjustment of derivatives | (51,230) | - | (51,230) | - |
| Share of profit from investments in associates | (180,900) | (484,451) | - | - |
| Amortisation of expense for debentures and convertible debentures | 1,271 | 9,344 | 1,271 | 9,344 |
| Gain on disposal of investment in an associate and other long-term investments | - | (7,618,994) | - | (11,250,318) |
| (Gain) loss on disposal of property, premises and equipment | (4,666) | 5,120 | (3,085) | (781) |
| (Gain) loss on foreign exchange | (5,571) | 11,391 | (5,571) | 11,391 |
| Provision for life long medical care programs | 23,128 | 25,349 | 18,817 | 19,876 |
| Provision for employee benefit expenses | 200,723 | 757,697 | 53,317 | 169,949 |
| Annual leave expense | (85,904) | 28,246 | (38,762) | 6,925 |
| Finance income | (23,357) | (61,303) | (131,349) | (166,856) |
| Dividend income | (4,791) | (9,304) | (5,814,028) | (5,415,935) |
| Finance cost | 446,115 | 549,981 | 423,710 | 608,679 |
| Profit from operating activities before changes in operating assets and liabilities | 7,344,151 | 9,007,933 | 1,225,462 | 1,788,402 |

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 cash flows (continued)

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---|--|--------------------|--------------------------------------|------------------|
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Cash flows from operating activities (continued) | | | | |
| Decrease (increase) in operating assets | | | | |
| Trade and other receivables | 1,841,482 | (582,187) | 480,531 | (226,160) |
| Inventories | (38,789) | 75,503 | 12,715 | 12,263 |
| Other current assets | (21,307) | (10,894) | - | - |
| Other non-current assets | 46,268 | (15,265) | (141) | 144 |
| Increase (decrease) in operating liabilities | | | | |
| Trade and other payables | (1,458,986) | (340,423) | (206,913) | (112,186) |
| Accrued expenses | (2,673,335) | (275,279) | (727,074) | (103,367) |
| Deferred income - membership | 89,941 | 98,618 | 49,673 | 41,854 |
| Other current liabilities | (125,998) | 1,184 | (62,526) | (24,552) |
| Provision for life long medical care programs | 320,354 | - | 296,381 | - |
| Provision for employee benefits | (43,920) | (39,129) | (19,303) | (301) |
| Other non-current liabilities | <u>(10,416)</u> | <u>(3,272)</u> | <u>331</u> | <u>(8,314)</u> |
| Cash flow provided by operating activities | 5,269,445 | 7,916,789 | 1,049,136 | 1,367,783 |
| Cash received from finance income | 20,804 | 53,390 | 132,128 | 159,442 |
| Cash paid for finance cost | (420,398) | (473,689) | (463,937) | (534,813) |
| Cash received from tax refund | 27,030 | 5,311 | - | - |
| Cash paid for income tax expense | <u>(672,856)</u> | <u>(1,205,633)</u> | <u>(194,450)</u> | <u>(162,010)</u> |
| Net cash flow provided by operating activities | <u>4,224,025</u> | <u>6,296,168</u> | <u>522,877</u> | <u>830,402</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 cash flows (continued)

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---|--|------------------|--------------------------------------|-------------------|
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Cash flows from investing activities | | | | |
| Increase in short-term investments | - | (3,337) | - | (3) |
| Decrease in other current financial assets | 66,682 | - | 137 | - |
| Increase in restricted financial institution deposits | (2,219) | (1,214) | - | - |
| Cash received from dividend income | 387,294 | 341,822 | 5,813,893 | 5,415,935 |
| Cash paid for purchase of investments in subsidiaries | | | | |
| and other long-term investments | (5,000) | (33,104) | (3,509,870) | (400,232) |
| Cash received from disposal of investment in an associate | | | | |
| and other long-term investments | - | 12,721,772 | - | 12,710,118 |
| Increase in short-term loans to subsidiaries | - | - | (602,742) | (344,706) |
| Cash paid for long-term loans to subsidiaries | - | - | (160,000) | (390,000) |
| Cash received from long-term loans to subsidiaries | - | - | 3,180,417 | 414,832 |
| Cash paid for purchase of investment properties | (87) | (58) | (87) | (58) |
| Cash received from disposal of property, premises and equipment | 19,129 | 9,774 | 7,092 | 1,596 |
| Cash paid for purchase of property, premises and equipment | (3,669,427) | (3,754,886) | (759,159) | (713,995) |
| Cash paid for leasehold rights | - | (167,927) | - | - |
| Cash paid for purchase of intangible assets | (136,537) | (224,693) | (62,770) | (110,929) |
| Net cash flow provided by (used in) investing activities | (3,340,165) | 8,888,149 | 3,906,911 | 16,582,558 |

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 cash flows (continued)****For the six-month period ended 30 June 2020**

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|---------------------|-------------------------------|---------------------|
| | 2020 | 2019 | 2020 | 2019 |
| Cash flows from financing activities | | | | |
| Cash received from short-term loans from non-related parties | 37,500 | - | - | - |
| Cash paid for short-term loans from non-related parties | (20,600) | - | - | - |
| Decrease in short-term loans from subsidiaries | - | - | (3,566,520) | (1,845,789) |
| Increase (decrease) in bank overdraft and short-term loans | | | | |
| from financial institutions | 3,177,195 | (5,846,272) | 3,200,000 | (5,800,000) |
| Cash received from long-term loans from financial institutions | 5,000,000 | - | 5,000,000 | - |
| Repayment of long-term loans from financial institutions | (85,974) | (1,539,952) | (85,974) | (1,539,952) |
| Cash paid for debentures redemption | (5,000,000) | - | (5,000,000) | - |
| Repayments of liabilities under lease agreements | (270,620) | - | (82,725) | - |
| Repayments of liabilities under finance lease agreements | - | (9,396) | - | (906) |
| Cash paid for purchase of investment in subsidiaries | | | | |
| from non - controlling interests | (9,925) | (744) | - | - |
| Dividend paid | (4,754,396) | (2,977,632) | (4,754,396) | (2,977,632) |
| Dividend paid by subsidiaries to non-controlling interests | (224,802) | (215,313) | - | - |
| Net cash flow used in financing activities | (2,151,622) | (10,589,309) | (5,289,615) | (12,164,279) |
| Net increase (decrease) in cash and cash equivalents | (1,267,762) | 4,595,008 | (859,827) | 5,248,681 |
| Cash and cash equivalents at beginning of periods | 4,696,212 | 5,033,518 | 2,467,290 | 2,295,456 |
| Cash and cash equivalents at end of periods | 3,428,450 | 9,628,526 | 1,607,463 | 7,544,137 |
| | - | | - | |

Supplemental cash flows information:

Non-cash items:

| | | | | |
|--|-----------|-----------|-----------|--------|
| Assets acquired under finance lease agreements | - | 14,722 | - | 966 |
| Increase in right-of-use assets | 372,105 | - | 1,309 | - |
| Increase (decrease) in accounts payable | | | | |
| - property, premises and equipment | (713,370) | (115,096) | (378,647) | 13,599 |
| Increase (decrease) in payable to construction - retention | (117,120) | 115,290 | 37,387 | 76,946 |
| Increase in dividend receivable | 147 | - | 135 | - |
| Increase (decrease) in dividend payable | 23,518 | 5,886 | 13,164 | (551) |

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month and six-month periods ended 30 June 2020

1. General information

1.1 Corporate information

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

1.2 The COVID-19 Pandemic

The COVID-19 Pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation has effected to the Group’s revenue. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgment in respect of various issues as the situation has evolved.

1.3 Basis for the preparation of interim financial statements

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

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

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

1.4 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 2019. There have been changes in the structure of the subsidiaries during the period as discussed in Note 7 to the financial statements.

1.5 New financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

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

Financial reporting standards:

| | |
|--------|------------------------------------|
| TFRS 7 | Financial Instruments: Disclosures |
| TFRS 9 | Financial Instruments |

Accounting standard:

| | |
|--------|-------------------------------------|
| TAS 32 | Financial Instruments: Presentation |
|--------|-------------------------------------|

Financial Reporting Standard Interpretations:

| | |
|----------|---|
| TFRIC 16 | Hedges of a Net Investment in a Foreign Operation |
| TFRIC 19 | Extinguishing Financial Liabilities with Equity Instruments |

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company’s business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact of the adoption of these standards on the Group's financial statements is as follows.

- Classification and measurement of investments in unquoted equity securities

The Group is to measure the investments in unquoted equity securities, which previously classified as other investments, and to classify them as financial assets at fair value through profit or loss or through other comprehensive income.

- Recognition of credit losses

The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables or contract assets that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses.

- Recognition of derivatives

The Group is to initially recognise derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

The Group adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the changes is described in Note 2.

TFRS 16 Leases

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

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

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the changes is described in Note 2.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- To measure the fair value of investments in unquoted equity securities using the fair value as at 1 January 2020.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Asset.
- Not to use information relating to the COVID-19 situation in determining whether sufficient taxable profits will be available in future periods against which deferred tax assets can be utilised.
- Not to use information relating to the COVID-19 situation that may affect financial forecasts used in measuring the fair values of land and investment property.
- Not to use information relating to the COVID-19 situation that may affect the cash flow forecasts used in testing goodwill for impairment.

- Not to account for any reduction in lease payments by lessors as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognised in each period reversed in proportion to the reduction, with any differences then recognised in profit or loss.

1.6 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 2019 except the changes in accounting policies related to financial instruments and leases.

1.6.1 Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through profit or loss. In certain cases, the Group makes an election to measure them at fair value through other comprehensive income, with no subsequent recycling to profit or loss.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost and financial guarantee without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses.

1.6.2 Leases

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Group is reasonably certain that it will obtain ownership of the leased assets at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 1.5 to the financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

(Unaudited but reviewed)

The impacts on the beginning balance of retained earnings of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | | |
|---|-----------------------------------|---|--------------------|--------------------|
| | The impacts of | | | 1 January 2020 |
| | 31 December 2019 | Financial reporting standards related to financial instruments | TFRS 16 | |
| Statement of financial position | | | | |
| Assets | | | | |
| Short-term investments | 899,836 | (899,836) | - | - |
| Trade and other receivables | 8,850,028 | (79,779) | (27,037) | 8,743,212 |
| Other current financial assets | - | 899,836 | - | 899,836 |
| Other current assets | 35,744 | - | 994 | 36,738 |
| Other non-current financial assets | - | 604,679 | - | 604,679 |
| Investments in associates | 17,538,288 | (1,022) | (607) | 17,536,659 |
| Other long-term investments | 465,829 | (465,829) | - | - |
| Investment properties | 353,706 | - | 3,700 | 357,406 |
| Property, premises and equipment | 78,439,826 | - | (46,285) | 78,393,541 |
| Right-of-use assets | - | - | 3,366,710 | 3,366,710 |
| Deferred tax assets | 125,204 | 16,535 | - | 141,739 |
| Other non-current assets | | | | |
| Leasehold rights | 1,021,841 | - | (1,021,841) | - |
| Total assets | 107,730,302 | 74,584 | 2,275,634 | 110,080,520 |
| Liabilities | | | | |
| Accrued expenses | 6,178,376 | - | (60,342) | 6,118,034 |
| Liabilities under lease agreements | - | - | 3,422,898 | 3,422,898 |
| Liabilities under finance lease agreements | 47,389 | - | (47,389) | - |
| Deferred tax liabilities | 2,550,291 | 24,140 | (1,887) | 2,572,544 |
| Other non-current financial liabilities | - | 21,043 | - | 21,043 |
| Total liabilities | 8,776,056 | 45,183 | 3,313,280 | 12,134,519 |
| Shareholders' equity | | | | |
| Retained earnings - unappropriated | 45,708,001 | 39,533 | (968,801) | 44,778,733 |
| Other components of shareholders' equity | 8,562,924 | (2,132) | - | 8,560,792 |
| Non - controlling interests of the subsidiaries | 3,368,190 | (8,000) | (68,845) | 3,291,345 |
| Total shareholders' equity | 57,639,115 | 29,401 | (1,037,646) | 56,630,870 |

(Unaudited but reviewed)

(Unit: Thousand Baht)

| | Separate financial statements | | | 1 January 2020 |
|--|-------------------------------|---|----------------|-------------------|
| | 31 December 2019 | The impacts of Financial reporting standards related to financial instruments | TFRS 16 | |
| Statement of financial position | | | | |
| Assets | | | | |
| Short-term investments | 401 | (401) | - | - |
| Trade and other receivables | 2,075,116 | (6,512) | (5,824) | 2,062,780 |
| Other current financial assets | - | 401 | - | 401 |
| Other non-current financial assets | - | 298,247 | - | 298,247 |
| Other long-term investments | 156,501 | (156,501) | - | - |
| Investment properties | 724,959 | - | 3,700 | 728,659 |
| Property, premises and equipment | 13,913,948 | - | (836) | 13,913,112 |
| Right-of-use assets | - | - | 954,214 | 954,214 |
| Deferred tax assets | - | 1,302 | - | 1,302 |
| Other non-current assets | | | | |
| Leasehold rights | 304,440 | - | (304,440) | - |
| Total assets | 17,175,365 | 136,536 | 646,814 | 17,958,715 |
| Liabilities | | | | |
| Liabilities under lease agreements | - | - | 773,998 | 773,998 |
| Liabilities under finance lease agreements | 848 | - | (848) | - |
| Deferred tax liabilities | 153,572 | 24,140 | (1,887) | 175,825 |
| Other non-current financial liabilities | - | 21,043 | - | 21,043 |
| Total Liabilities | 154,420 | 45,183 | 771,263 | 970,866 |
| Shareholders' equity | | | | |
| Retained earnings - unappropriated | 18,214,812 | 91,353 | (124,449) | 18,181,716 |

2.1 Financial instruments

Details of the impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

| | (Unit: Thousand Baht) | |
|--|---|-------------------------------------|
| | Consolidated financial statements | Separate financial statements |
| Share of income from investments in an associate | | |
| adjustments for fair value change | (1,022) | - |
| Recognition of an allowance for expected credit losses on financial assets | (56,008) | (5,210) |
| Recognition of gain on fair value of derivatives through profit or loss | 96,563 | 96,563 |
| Impacts on retained earnings due to the adoption of financial reporting standards related to financial instruments | <u>39,533</u> | <u>91,353</u> |

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

| | (Unit: Thousand Baht) | | | |
|--|--|--|-------------------|-------------------|
| | Consolidated financial statements | | | |
| Carrying amounts under the former basis | Classification and measurement in accordance with TFRS 9 | | | |
| | Fair value | | | |
| | Fair value through profit or loss | through other comprehensive income | Amortised cost | Total |
| Financial assets as at 1 January 2020 | | | | |
| Cash and cash equivalents | 4,696,212 | - | - | 4,696,212 |
| Trade and other receivables | 8,546,596 | - | - | 8,466,817 |
| Other current financial assets | 899,836 | 626,844 | - | 899,836 |
| Restricted bank deposits | 11,262 | - | - | 11,262 |
| Other non-current financial assets | 465,829 | 141,746 | 432,950 | 29,983 |
| Total financial assets | <u>14,619,735</u> | <u>768,590</u> | <u>432,950</u> | <u>13,477,266</u> |
| | <u>14,619,735</u> | <u>768,590</u> | <u>432,950</u> | <u>13,477,266</u> |

(Unit: Thousand Baht)

| | Separate financial statements | | | | Total | |
|--|---|--|---|---|-------------------|----------------|
| | Carrying amounts under the former basis | Classification and measurement in accordance with TFRS 9 | | | | |
| | | Fair value through profit or loss | Fair value through other comprehensive income | | | Amortised cost |
| | | | Fair value through profit or loss | Fair value through other comprehensive income | | |
| Financial assets as at 1 January 2020 | | | | | | |
| Cash and cash equivalents | 2,467,290 | - | - | 2,467,290 | 2,467,290 | |
| Trade and other receivables | 2,000,161 | - | - | 1,993,649 | 1,993,649 | |
| Short-term loans to subsidiaries | 2,909,780 | - | - | 2,909,780 | 2,909,780 | |
| Other current financial assets | 401 | 391 | - | 10 | 401 | |
| Other non-current financial assets | 156,501 | 141,746 | 156,501 | - | 298,247 | |
| Long-term loans to subsidiaries | 3,936,390 | - | - | 3,936,390 | 3,936,390 | |
| Total financial assets | 11,470,523 | 142,137 | 156,501 | 11,307,119 | 11,605,757 | |

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss except derivative liabilities of which fair value in consolidated and separate financial statements are Baht 21 million.

2.2 Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

(Unaudited but reviewed)

(Unit: Thousand Baht)

| | Consolidated financial statements | Separate financial statements |
|---|---|-------------------------------------|
| Operating lease commitments as at 31 December 2019 | 5,083,664 | 1,176,986 |
| Less: Contracts reassessed as service agreements, short-term leases and leases of low-value assets | (3,226,250) | (547,626) |
| Add: Option to extend lease term | 3,497,691 | 436,085 |
| Less: Deferred interest expense | (1,979,596) | (292,295) |
| Increase in lease liabilities due to TFRS 16 adoption | 3,375,509 | 773,150 |
| Liabilities under finance lease agreements as at 31 December 2019 | 47,389 | 848 |
| Lease liabilities as at 1 January 2020 | <u>3,422,898</u> | <u>773,998</u> |
| Comprise of: | | |
| Current lease liabilities | 231,512 | 49,787 |
| Non-current lease liabilities | <u>3,191,386</u> | <u>724,211</u> |
| | <u>3,422,898</u> | <u>773,998</u> |

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

(Unit: Thousand Baht)

| | Consolidated financial statements | Separate financial statements |
|--|---|-------------------------------------|
| Land and land improvement | 2,123,867 | 397,812 |
| Buildings and building improvement | 940,773 | 269,245 |
| Medical tools, machines, helicopters and equipment | 45,170 | 271,010 |
| Furniture, fixtures and office equipment | 140,984 | 2,179 |
| Vehicles | 115,916 | 13,968 |
| Total right-of-use assets | <u>3,366,710</u> | <u>954,214</u> |

3. Trade and other receivables

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|--|----------------------|---------------------|----------------------|---------------------|
| | financial statements | | financial statements | |
| | 30 June 2020 | 31 December 2019 | 30 June 2020 | 31 December 2019 |
| Trade receivables - related parties - net | 6,638 | 16,517 | 11,529 | 26,476 |
| Trade receivables - unrelated parties - net | 6,400,252 | 8,282,868 | 1,378,755 | 1,827,226 |
| Other receivables - related parties | 1,139 | 948 | 90,379 | 110,252 |
| Other receivables - unrelated parties | 225,298 | 246,263 | 32,138 | 36,207 |
| Prepaid expenses | 246,141 | 303,432 | 59,360 | 74,955 |
| Total trade and other receivables - net | 6,879,468 | 8,850,028 | 1,572,161 | 2,075,116 |

As at 30 June 2020 and 31 December 2019, the aging analysis of the outstanding trade accounts receivable is as follows:

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|--|----------------------|---------------------|----------------------|---------------------|
| | financial statements | | financial statements | |
| | 30 June 2020 | 31 December 2019 | 30 June 2020 | 31 December 2019 |
| <u>Related parties</u> | | | | |
| Undue | 3,630 | 10,975 | 8,727 | 18,076 |
| Not over than 3 months | 2,669 | 5,327 | 2,694 | 8,100 |
| 3 - 6 months | 254 | 107 | 75 | 262 |
| 6 - 12 months | 60 | 45 | 30 | 24 |
| over 12 months | 37 | 63 | 3 | 14 |
| Total trade accounts receivable - related parties | 6,650 | 16,517 | 11,529 | 26,476 |
| Less: Allowance for doubtful accounts | (12) | - | - | - |
| Total trade accounts receivable - related parties - net | 6,638 | 16,517 | 11,529 | 26,476 |
| <u>Unrelated parties</u> | | | | |
| Undue | 3,130,429 | 4,243,480 | 364,988 | 788,167 |
| Not over than 3 months | 1,746,188 | 3,041,082 | 354,709 | 714,638 |
| 3 - 6 months | 981,332 | 709,988 | 442,573 | 295,023 |
| 6 - 12 months | 653,255 | 387,984 | 254,102 | 77,075 |
| Over 12 months | 535,503 | 445,010 | 143,281 | 117,267 |
| Total trade accounts receivable - unrelated parties | 7,046,707 | 8,827,544 | 1,559,653 | 1,992,170 |
| Less: Allowance for doubtful accounts | (646,455) | (544,676) | (180,898) | (164,944) |
| Total trade accounts receivable - unrelated parties - net | 6,400,252 | 8,282,868 | 1,378,755 | 1,827,226 |
| Total trade accounts receivable - net | 6,406,890 | 8,299,385 | 1,390,284 | 1,853,702 |

4. Related party transactions

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

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

The significant intercompany transactions are as follows:

| | (Unit: Million Baht) | | | |
|--|---|-------------|----------------------------------|-------------|
| | For the three-month periods ended 30 June | | | |
| | Consolidated financial statements | | Separate financial statements | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| <u>Associates</u> | | | | |
| Revenue from hospital operations and laboratory services | 1.3 | 3.6 | 1.2 | 2.8 |
| Dividend income (Note 6) | - | - | 374.2 | 327.0 |
| Revenues from sales and other income | 0.8 | 0.5 | - | - |
| Costs of goods and services | 5.4 | 1.8 | - | 0.2 |
| <u>Subsidiaries</u> | | | | |
| Revenue from hospital operations and laboratory services | - | - | 15.6 | 37.5 |
| Consulting and management fee income | - | - | 166.4 | 228.7 |
| Interest income | - | - | 57.8 | 61.4 |
| Dividend income (Note 7) | - | - | 1,249.3 | 2,061.8 |
| Other income | - | - | 26.1 | 25.4 |
| Costs of goods and services | - | - | 148.8 | 201.5 |
| Consulting and management fee expenses | - | - | 50.8 | 60.4 |
| Other expenses | - | - | 9.8 | 6.8 |
| Interest expense | - | - | 9.9 | 29.0 |
| <u>Individuals or related companies</u> | | | | |
| Revenue from hospital operations and laboratory services | 6.4 | 1.1 | 1.0 | 0.9 |
| Dividend income (Note 8) | 1.8 | 1.4 | 1.8 | 1.4 |
| Revenues from sales and other income | 2.4 | 3.0 | 1.6 | 2.5 |
| Costs of goods and services | 23.1 | 33.0 | 20.0 | 24.4 |
| Consulting and management fee expenses | 0.7 | 0.7 | - | - |
| Other expenses | 11.8 | 21.8 | 6.2 | 11.9 |

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June

| | Consolidated | | Separate | |
|--|----------------------|-------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| <u>Associates</u> | | | | |
| Revenue from hospital operations and laboratory services | 5.5 | 9.5 | 4.6 | 7.3 |
| Dividend income (Note 6) | - | - | 374.2 | 327.0 |
| Revenues from sales and other income | 3.9 | 5.8 | - | - |
| Costs of goods and services | 8.7 | 3.7 | 0.1 | 0.6 |
| <u>Subsidiaries</u> | | | | |
| Revenue from hospital operations and laboratory services | - | - | 56.8 | 74.6 |
| Consulting and management fee income | - | - | 403.4 | 471.4 |
| Interest income | - | - | 116.9 | 121.2 |
| Dividend income (Note 7) | - | - | 5,437.2 | 5,086.0 |
| Other income | - | - | 49.3 | 49.4 |
| Costs of goods and services | - | - | 346.6 | 411.9 |
| Consulting and management fee expenses | - | - | 109.7 | 124.2 |
| Other expenses | - | - | 19.7 | 19.2 |
| Interest expense | - | - | 38.1 | 61.8 |
| <u>Individuals or related companies</u> | | | | |
| Revenue from hospital operations and laboratory services | 16.8 | 2.8 | 3.0 | 2.4 |
| Dividend income (Note 8) | 1.8 | 1.4 | 1.8 | 1.4 |
| Revenues from sales and other income | 8.0 | 6.1 | 4.5 | 4.9 |
| Costs of goods and services | 76.6 | 85.4 | 62.1 | 65.4 |
| Consulting and management fee expenses | 1.5 | 1.5 | - | - |
| Other expenses | 35.6 | 46.8 | 19.7 | 27.8 |

(Unaudited but reviewed)

The outstanding balances of the above transactions as at 30 June 2020 and 31 December 2019 have been separately shown in the statement of financial position as follows:

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|--|----------------------|---------------------|----------------------|---------------------|
| | financial statements | | financial statements | |
| | 30 June 2020 | 31 December 2019 | 30 June 2020 | 31 December 2019 |
| <u>Trade receivables - related parties (Note 3)</u> | | | | |
| Associates | 2,362 | 7,244 | 1,219 | 5,317 |
| Subsidiaries | - | - | 9,729 | 20,343 |
| Related companies | 4,288 | 9,273 | 581 | 816 |
| Total trade receivables - related parties | 6,650 | 16,517 | 11,529 | 26,476 |
| Less: Allowance for doubtful accounts | (12) | - | - | - |
| Total trade receivables - related parties - net | 6,638 | 16,517 | 11,529 | 26,476 |
| | | | | |
| <u>Other receivables - related parties (Note 3)</u> | | | | |
| Consulting and management fee receivable | | | | |
| Subsidiaries | - | - | 67,447 | 87,286 |
| Total | - | - | 67,447 | 87,286 |
| | | | | |
| Accrued interest income and others | | | | |
| Subsidiaries | - | - | 22,194 | 22,143 |
| Related companies | 1,139 | 948 | 738 | 823 |
| Total | 1,139 | 948 | 22,932 | 22,966 |
| Total other receivables - related parties | 1,139 | 948 | 90,379 | 110,252 |
| | | | | |
| <u>Other non-current assets - related parties</u> | | | | |
| Subsidiaries | - | - | 17,757 | 17,795 |
| Related companies | 4,169 | 6,290 | - | - |
| Total other non-current assets - related parties | 4,169 | 6,290 | 17,757 | 17,795 |

(Unaudited but reviewed)

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|---------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 30 June | 31 December | 30 June | 31 December |
| | 2020 | 2019 | 2020 | 2019 |
| <u>Trade payables - related parties (Note 12)</u> | | | | |
| Associates | 3,841 | 2,138 | 37 | 84 |
| Subsidiaries | - | - | 91,471 | 112,594 |
| Related companies | 8,519 | 17,926 | 6,984 | 14,109 |
| Total trade payables - related parties | 12,360 | 20,064 | 98,492 | 126,787 |
| <u>Other payables - related parties (Note 12)</u> | | | | |
| Subsidiaries | - | - | 100,934 | 58,459 |
| Related companies | 2,493 | 5,504 | 2,156 | 2,081 |
| Total other payables - related parties | 2,493 | 5,504 | 103,090 | 60,540 |
| <u>Accrued interest expenses - related parties</u> | | | | |
| (included in accrued expenses) | | | | |
| Subsidiaries | - | - | 2,266 | 10,755 |
| Total accrued interest expenses - related parties | - | - | 2,266 | 10,755 |
| <u>Liabilities under lease agreements - related parties</u> | | | | |
| A subsidiary | - | - | 230,661 | - |
| A related company | 37,317 | - | - | - |
| Total liabilities under lease agreements - related parties | 37,317 | - | 230,661 | - |
| <u>Other non-current liabilities - related parties</u> | | | | |
| Subsidiaries | - | - | 13,294 | 12,757 |
| Related companies | 1,208 | 953 | 921 | 921 |
| Total other non-current liabilities - related parties | 1,208 | 953 | 14,215 | 13,678 |

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

(Unit: Thousand Baht)

| | Separate financial statements | | | 30 June 2020 |
|--|-------------------------------|----------------|--------------------|------------------|
| | 31 December 2019 | Increase | Decrease | |
| <u>Short-term loans to subsidiaries</u> | | | | |
| Subsidiaries | 2,909,780 | 877,090 | (273,610) | 3,513,260 |
| Total short-term loans to subsidiaries | 2,909,780 | 877,090 | (273,610) | 3,513,260 |
| <u>Long-term loans to subsidiaries</u> | | | | |
| Subsidiaries | 3,936,390 | 164,832 | (3,180,417) | 920,805 |
| Total long-term loans to subsidiaries | 3,936,390 | 164,832 | (3,180,417) | 920,805 |
| <u>Short-term loans from subsidiaries</u> | | | | |
| Subsidiaries | 12,139,192 | 361,181 | (3,927,701) | 8,572,672 |
| Total short-term loans from subsidiaries | 12,139,192 | 361,181 | (3,927,701) | 8,572,672 |

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

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

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

Guarantee obligations with subsidiaries

As at 30 June 2020, the Company has guaranteed overdraft facility amounting to USD 2 million (31 December 2019: USD 2 million) for overseas subsidiaries.

Directors and management's benefits

During the periods, directors and management's benefit of the Group are as below.

(Unit: Million Baht)

| | For the three-month periods ended 30 June | | | |
|------------------------------|---|--------------|----------------------|--------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Short-term employee benefits | 22.2 | 106.9 | 19.1 | 101.6 |
| Post-employment benefits | 1.0 | 1.0 | 1.0 | 1.0 |
| Total | 23.2 | 107.9 | 20.1 | 102.6 |

(Unit: Million Baht)

| | For the six-month periods ended 30 June | | | |
|------------------------------|---|--------------|----------------------|--------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Short-term employee benefits | 57.1 | 141.1 | 42.3 | 126.8 |
| Post-employment benefits | 2.0 | 5.6 | 2.0 | 5.6 |
| Total | 59.1 | 146.7 | 44.3 | 132.4 |

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

5. Other current financial assets

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|---|----------------------|----------------------|----------------------|----------------------|
| | financial statements | | financial statements | |
| | 30 June 2020 | 31 December 2019* | 30 June 2020 | 31 December 2019* |
| Investments in mutual funds measured at fair value through profit or loss | 529,149 | 626,844 | 254 | 391 |
| Fixed deposits and investment in corporate bond measured at fair value through amortised cost | 306,447 | 272,992 | 10 | 10 |
| Total other current financial assets | 835,596 | 899,836 | 264 | 401 |

*Balances as at 31 December 2019 previously presented as short-term investments and were reclassified to other current financial assets as mentioned in Note 2.

(Unaudited but reviewed)

6. Investments in associates

| Company's name | Natures of business | Paid-up Capital | % Shareholding | | Consolidated financial statements | | Separate financial statements | | | |
|--|--|----------------------------|----------------|-------|-----------------------------------|-------------|-------------------------------|-------------|------------|-------------|
| | | | | | Equity Method | | Cost Method | | | |
| | | | | | 30 June | 31 December | 30 June | 31 December | 30 June | 31 December |
| | | | | | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| <u>Associates held by the Company</u> | | | | | | | | | | |
| Cool & Joy Co., Ltd. | Ceased operation | Baht 5 million | 30.00 | 30.00 | 870 | 871 | 1,500 | 1,500 | | |
| Udon Pattana (1994) Co., Ltd. (held by the Company at 15.26% and indirectly held by a subsidiary at 9.85%) | Hospital | Baht 300 million | 25.11 | 25.11 | 186,380 | 181,480 | 69,952 | 69,952 | | |
| Bumrungrad Hospital Public Co., Ltd. | Hospital | Baht 796 million | 22.94 | 24.99 | 16,448,053 | 16,691,746 | 12,473,458 | 12,473,458 | | |
| Total investments in associates held by the Company | | | | | | | | 12,544,910 | 12,544,910 | |
| Total investments in associates held by the Group | | | | | | | 16,635,303 | 16,874,097 | | |
| <u>Associates held by the subsidiaries</u> | | | | | | | | | | |
| Al Ghaith Bangkok Dusit Management Services LLC. | In process of liquidation | UAE DIRHAM 0.15 million | 30.00 | 30.00 | - | - | | | | |
| General Hospital Products Public Co., Ltd. | Manufacturer and distributor of medical supplies | Baht 120 million | 47.17 | 47.17 | 698,356 | 664,191 | | | | |
| Total investments in associates held by subsidiaries | | | | | | | 698,356 | 664,191 | | |
| Total investments in associates in the consolidated financial statements | | | | | | | 17,333,659 | 17,538,288 | | |

Bumrungrad Hospital Public Co., Ltd.

During 2020, the convertible bond holders of Bumrungrad Hospital Public Co., Ltd. exercised their rights to convert the bonds to ordinary shares. As a result of this dilution, the Company's interest in Bumrungrad Hospital Public Co., Ltd. decreased to 22.94 percent. Therefore, the Company reduced its value of investment in Bumrungrad Hospital Public Co., Ltd by Baht 64.57 million, through recognizing the proportionate decrease of such diluted interest in the share of profit from investment in associate and share of other components of shareholders' equity from associate that had been recognized previously under the equity method.

6.1 Details of share of profit and dividend received from the associates

| Company's name | (Unit: Thousand Baht) | | | |
|--|--|----------------|---|----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | Share of profit (loss) from investments in associates received during the six-month periods ended | | Dividend received during the six-month periods ended | |
| | 30 June 2020 | 30 June 2019 | 30 June 2020 | 30 June 2019 |
| <u>Associates held by the Company</u> | | | | |
| Cool & Joy Co., Ltd. | (1) | (1) | - | - |
| Udon Patana (1994) Co., Ltd. | 4,900 | 230 | - | - |
| Bumrungrad Hospital Public Co., Ltd. | 133,338 | 449,429 | 374,152 | 326,989 |
| <u>Associate held by the subsidiaries</u> | | | | |
| Al Ghaith Bangkok Dusit Management Services LLC. | - | - | - | - |
| General Hospital Products Public Co., Ltd. | 42,663 | 34,793 | - | - |
| Total | <u>180,900</u> | <u>484,451</u> | <u>374,152</u> | <u>326,989</u> |

For the six-month period ended 30 June 2020, the Company recognised share of profit from investment in an associate which is a listed company in the Stock Exchange of Thailand of Baht 133.3 million, net from dilution portion (30 June 2019: Baht 449.4 million). The share of profit from this associate was calculated based on interim financial statements which were reviewed by the auditor of the associate.

(Unaudited but reviewed)

7. Investments in subsidiaries

(Unit: Thousand Baht)

| Company's name | Nature of business | Paid-up Capital | % Shareholding | | Separate financial statements | | | |
|---|---------------------|--------------------|----------------|--------|-------------------------------|------------------|--------------------|------------------|
| | | | | | Investments | | Dividend received | |
| | | | | | (Cost method) | | during the periods | |
| | | | | | 30 June 2020 | 31 December 2019 | 30 June 2020 | 31 December 2019 |
| Samitivej Public Co., Ltd. | Hospital | Baht 1,000 million | 95.76 | 95.76 | 1,639,071 | 1,639,071 | 957,636 | 861,873 |
| Bangkok Hospital Hatyai Co., Ltd. | Hospital | Baht 500 million | 98.82 | 98.82 | 574,697 | 574,697 | 197,642 | 148,231 |
| Bangkok Phuket Hospital Co., Ltd. | Hospital | Baht 500 million | 99.70 | 99.70 | 610,332 | 610,332 | 249,242 | 199,394 |
| BNH Medical Centre Co., Ltd. | Hospital | Baht 586 million | 91.48 | 91.48 | 602,657 | 602,657 | 455,761 | 455,761 |
| Paolo Phrapradaeng Hospital Co., Ltd. | Hospital | Baht 105 million | 84.00 | 84.00 | 101,868 | 101,868 | - | - |
| Bangkok Pattaya Hospital Co., Ltd. | Hospital | Baht 280 million | 97.27 | 97.27 | 708,993 | 708,993 | 599,166 | 599,166 |
| Bangkok Rayong Hospital Co., Ltd. | Hospital | Baht 400 million | 100.00 | 100.00 | 415,020 | 415,020 | 240,000 | 160,000 |
| Bangkok Samui Hospital Co., Ltd. | Hospital | Baht 150 million | 100.00 | 100.00 | 150,000 | 150,000 | 45,000 | 60,000 |
| Bangkok Trat Hospital Co., Ltd. | Hospital | Baht 250 million | 99.76 | 99.76 | 245,889 | 245,889 | 59,854 | 49,878 |
| Wattanavej Co., Ltd. | Hospital | Baht 180 million | 99.72 | 99.72 | 450,788 | 450,788 | 125,650 | 107,700 |
| Bangkok Ratchasima Hospital Co., Ltd. | Hospital | Baht 300 million | 91.45 | 91.45 | 935,355 | 935,355 | 68,589 | 68,589 |
| National Healthcare Systems Co., Ltd. (held by the Company at 74.02% and indirectly held by subsidiaries at 24.66%) | Laboratory services | Baht 75 million | 74.02 | 74.02 | 56,768 | 56,768 | 55,518 | 66,622 |
| Bio Molecular Laboratories (Thailand) Co., Ltd. | Laboratory services | Baht 10 million | 95.00 | 95.00 | 9,502 | 9,502 | 154,375 | 66,500 |
| Angkor Pisith Co., Ltd. | Hospital | USD 10 million | 80.00 | 80.00 | 287,840 | 287,840 | - | - |
| Phnom Penh Medical Services Co., Ltd. | Hospital | USD 55 million | 100.00 | 100.00 | 1,803,415 | 1,803,415 | - | - |

(Unaudited but reviewed)

(Unit: Thousand Baht)

| Company's name | Nature of business | Paid-up Capital | % Shareholding | | Separate financial statements | | | |
|---|------------------------------------|---------------------|----------------|--------|-------------------------------|------------------|--------------------|------------------|
| | | | | | Investments | | Dividend received | |
| | | | | | (Cost method) | | during the periods | |
| | | | | | 30 June 2020 | 31 December 2019 | 30 June 2020 | 31 December 2019 |
| Royal Rattanak Medical Services Co., Ltd. | Ceased operation | Riel 26,000 million | 70.00 | 70.00 | 154,063 | 154,063 | - | - |
| B.D.M.S. International Medical Services Co., Ltd. | Not yet operate | Riel 9,200 million | 100.00 | 100.00 | 94,208 | 94,208 | - | - |
| BDMS Accounting Co., Ltd. | Accounting service | Baht 30 million | 100.00 | 100.00 | 30,000 | 30,000 | - | 39,000 |
| Bangkok Health Insurance Public Co., Ltd. | Health insurance | Baht 250 million | 99.99 | 99.99 | 192,027 | 192,027 | - | - |
| Royal Bangkok Healthcare Co., Ltd. | Investment | Baht 1,086 million | 100.00 | 100.00 | 1,086,000 | 1,086,000 | 162,900 | 130,320 |
| Greenline Synergy Co., Ltd. | Information and Technology service | Baht 200 million | 100.00 | 100.00 | 200,000 | 200,000 | - | 140,000 |
| Bangkok Hospital Kao Yai Co., Ltd. | Not yet operate | Baht 70 million | 100.00 | 100.00 | 70,000 | 70,000 | - | - |
| BDMS Training Co., Ltd. | Training business | Baht 1 million | 100.00 | 100.00 | 1,000 | 1,000 | - | - |
| Prasit Patana Public Co., Ltd. | Investment | Baht 1,108 million | 98.60 | 98.60 | 9,264,432 | 9,264,252 | 1,311,196 | 1,311,157 |
| Paolo Medic Co., Ltd. | Hospital | Baht 1,000 million | 100.00 | 100.00 | 3,622,872 | 3,622,872 | 300,000 | - |
| Paolo Samutprakarn Co., Ltd. | Hospital | Baht 42 million | 93.65 | 93.65 | 1,737,706 | 1,737,706 | 78,666 | 137,666 |
| Siam Medical Co., Ltd. | Hospital | Baht 100 million | 85.71 | 85.71 | 939,775 | 939,775 | 60,000 | 102,857 |
| Thai Medical Center Public Co., Ltd. | Hospital | Baht 201 million | 99.76 | 99.76 | 887,131 | 887,131 | - | 100,025 |
| Bangkok Premier Insurance Broker Co., Ltd. | Insurance broker | Baht 20 million | 100.00 | 100.00 | 20,000 | 20,000 | - | - |
| Bangkok Hospital Chiangmai Co., Ltd. | Hospital | Baht 1,500 million | 100.00 | 100.00 | 1,500,000 | 1,500,000 | - | - |
| Bangkok Hospital Udon Co., Ltd. | Hospital | Baht 800 million | 100.00 | 100.00 | 799,930 | 799,930 | - | - |
| Bangkok Khon Kaen Hospital Co., Ltd. | Hospital | Baht 1,500 million | 100.00 | 100.00 | 1,500,000 | 1,500,000 | - | - |

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements

| Company's name | Nature of business | Paid-up Capital | % Shareholding | | Investments (Cost method) | | Dividend received during the periods | |
|--|---|--------------------|----------------|------------------|------------------------------|------------------|---|--------------|
| | | | 30 | 31 | 30 | 31 | 30 | 30 |
| | | | June 2020 | December 2019 | June 2020 | December 2019 | June 2020 | June 2019 |
| The Medicpharma Co., Ltd. | Production and distribution of medicines | Baht 42.86 million | 87.05 | 87.05 | 551,318 | 551,318 | 18,655 | 7,462 |
| Thonburi Medical Centre Public Co., Ltd. (held by the Company at 35.01% and indirectly held by a subsidiary at 29.02%) | Hospital | Baht 193.8 million | 35.01 | 34.43 | 451,942 | 442,252 | - | - |
| Bangkok Hospital Surat Co., Ltd. | Hospital | Baht 1,000 million | 100.00 | 100.00 | 1,000,000 | 1,000,000 | - | - |
| BDMS Inter Pte. Ltd. | Investment | USD 0.2 million | 100.00 | 100.00 | 6,721 | 6,721 | - | - |
| N Health Asia Pte. Ltd. | Investment | USD 3.5 million | 100.00 | 100.00 | 116,655 | 116,655 | - | - |
| Samitivej Chonburi Co., Ltd. | Hospital | Baht 800 million | 100.00 | 100.00 | 800,000 | 800,000 | - | - |
| Bangkok Hospital Phitsanulok Co., Ltd. | Hospital | Baht 800 million | 100.00 | 100.00 | 800,000 | 800,000 | - | - |
| Bangkok Hospital Sanamchan Co., Ltd. | Hospital | Baht 3,655 million | 100.00 | 100.00 | 3,655,000 | 3,655,000 | 219,300 | 182,750 |
| Bangkok Phuket International Hospital Co., Ltd. | Hospital | Baht 3,610 million | 100.00 | 100.00 | 3,610,000 | 3,610,000 | - | - |
| Bangkok Save Drug Co., Ltd. | Investment | Baht 1,010 million | 100.00 | 100.00 | 1,010,000 | 1,010,000 | - | - |
| S.R. Property Investment Co., Ltd. | Real estate | Riel 20 million | 49.00 | 49.00 | 101 | 101 | - | - |
| Siem Reap Land Investment Co., Ltd. | Real estate | Riel 20 million | 49.00 | 49.00 | 101 | 101 | - | - |
| Phnom Penh First Property Co., Ltd. | Real estate | Riel 20 million | 49.00 | 49.00 | 88 | 88 | - | - |
| Bangkok Helicopter Services Co., Ltd. (held by the company at 87.25% and indirectly held by a subsidiary at 12.75%) | Air transportation services | Baht 400 million | 87.25 | 87.25 | 350,858 | 350,858 | - | - |

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements

| Company's name | Nature of business | Paid-up Capital | % Shareholding | | Investments (Cost method) | | Dividend received during the periods | |
|--|---|---------------------|----------------|----------|------------------------------|-------------------|---|-----------|
| | | | 30 | 31 | 30 | 31 | 30 | 30 |
| | | | June | December | June | December | June | June |
| | | | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Bangkok Hospital Chiangrai Co., Ltd. | Hospital | Baht 600 million | 100.00 | 100.00 | 600,000 | 600,000 | - | - |
| Bangkok Hospital Muangraj Co., Ltd. | Hospital | Baht 1,300 million | 100.00 | 100.00 | 1,300,000 | 1,300,000 | 78,000 | 91,000 |
| BDMS Property Management Co., Ltd. | Assets managements | Baht 10 million | 100.00 | 100.00 | 10,000 | 10,000 | - | - |
| BDMS Wellness Clinic Co., Ltd. | Holistic Clinical Wellness (Preventative and Regenerative Medicine) | Baht 12,600 million | 100.00 | 100.00 | 12,600,000 | 9,600,000 | - | - |
| BDMS Wellness Resort Co., Ltd. | Hotel | Baht 600 million | 100.00 | 100.00 | 600,000 | 100,000 | - | - |
| Total investments in subsidiaries | | | | | 58,154,123 | 54,644,253 | 5,437,150 | 5,085,951 |
| Less: Allowance for impairment of investments | | | | | (154,062) | (154,062) | | |
| Total investments in subsidiaries - net | | | | | <u>58,000,061</u> | <u>54,490,191</u> | | |

Thonburi Medical Centre Public Co., Ltd.

In the first quarter of 2020, the Company purchased additional investment totaling Baht 9.7 million in Thonburi Medical Centre Public Co., Ltd. As a result, the Group's shareholding in that company increased to 64.03 percent.

BDMS Wellness Clinic Co., Ltd.

On 15 June 2020, the Extraordinary General Meeting No.1/2020 of shareholders of BDMS Wellness Clinic Co., Ltd., 100.00% subsidiary, approved to increase the share capital from Baht 9,600 million to Baht 12,600 million through the increase in capital of 300 million additional ordinary shares with a par value of Baht 10 each. In the second quarter of 2020, the Company already acquired all of the newly issued ordinary shares.

BDMS Wellness Resort Co., Ltd.

On 15 June 2020, the Extraordinary General Meeting No.1/2020 of shareholders of BDMS Wellness Resort Co., Ltd., 100.00% subsidiary, approved to increase the share capital from Baht 100 million to Baht 600 million through the increase in capital of 50 million additional ordinary shares with a par value of Baht 10 each. In the second quarter of 2020, the Company already acquired all of the newly issued ordinary shares.

8. Other non-current financial assets

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|----------------------|----------------------|----------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 30 June 2020 | 31 December 2019* | 30 June 2020 | 31 December 2019* |
| Investments in equity instruments measured at fair value through other comprehensive income | 418,523 | 435,829 | 142,416 | 156,501 |
| Investments in debt instruments measured at fair value through amortised cost | 34,984 | 30,000 | - | - |
| Derivatives assets - Interest rate swap contract (Note 16) | 180,238 | - | 180,238 | - |
| Total other non-current financial assets | 633,745 | 465,829 | 322,654 | 156,501 |

*Balances as at 31 December 2019 previously presented as other long-term investments and were reclassified to other non-current financial assets as mentioned in Note 2.

(Unaudited but reviewed)

8.1 Investments in equity instruments measured at fair value through other comprehensive income

(Unit: Thousand Baht)

Consolidated and separate
financial statements

| Company's name | Nature of business | Paid-up capital (Million Baht) | % share holding | Investments | | Dividend income during the periods | |
|--|-----------------------|-----------------------------------|--------------------|----------------|----------------|---------------------------------------|--------------|
| | | | | 30 June | 31 December | 30 June | 30 June |
| | | | | 2020 | 2019 | 2020 | 2019 |
| Investments held by the Company | | | | | | | |
| Investments in listed equity securities - unrelated companies | | | | | | | |
| Thai Military Bank Public Co., Ltd. | Bank | 91,541 | - | 1,770 | 1,770 | 1 | 6 |
| Aikchol Hospital Public Co., Ltd. | Hospital | 150 | 0.20 | 350 | 350 | 135 | 144 |
| | | | | 2,120 | 2,120 | 136 | 150 |
| Accumulated fair value adjustment of investments | | | | 1,835 | 3,386 | - | - |
| Total investments in listed equity securities - unrelated companies | | | | 3,955 | 5,506 | 136 | 150 |
| Investments in listed equity securities – a related company | | | | | | | |
| Bangkok Airways Public Co., Ltd. | Airline | 2,100 | 0.85 | 39,466 | 39,466 | 1,790 | 1,432 |
| Accumulated fair value adjustment of investments | | | | 72,444 | 84,978 | - | - |
| Total Investments in listed equity securities – a related company | | | | 111,910 | 124,444 | 1,790 | 1,432 |

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated and separate
financial statements

| Company's name | Nature of business | Paid-up capital (Million Baht) | % share holding | Investments | | Dividend income during the periods | |
|--|-----------------------|-----------------------------------|--------------------|----------------|----------------|---------------------------------------|--------------|
| | | | | 30 June | 31 December | 30 June | 30 June |
| | | | | 2020 | 2019 | 2020 | 2019 |
| Investments in unquoted equity securities | | | | | | | |
| Thai Longstay Management Co., Ltd. | VISA service | 100 | 0.53 | 531 | 531 | - | - |
| Superior Biotech Holding Co., Ltd. | Investment | 226 | 3.55 | 9,000 | 9,000 | 800 | 800 |
| X-Ray Computer Urupong Co., Ltd. | X-ray lab | 100 | 4.09 | 4,520 | 4,520 | - | 613 |
| InnoSpace (Thailand) Co., Ltd. | Venture capital | 129 | 9.71 | 12,500 | 12,500 | - | - |
| Total investments in unquoted equity securities | | | | 26,551 | 26,551 | 800 | 1,413 |
| Total equity securities measured at fair value through other comprehensive income | | | | 142,416 | 156,501 | 2,726 | 2,995 |

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated and separate
financial statements

| Company's name | Nature of business | Paid-up capital (Million Baht) | % share holding | Investments | | Dividend income during the periods | |
|--|--------------------|-----------------------------------|--------------------|-----------------|---------------------|---------------------------------------|-----------------|
| | | | | 30 June 2020 | 31 December 2019 | 30 June 2020 | 30 June 2019 |
| <u>Investment held by subsidiaries</u> | | | | | | | |
| Investments in listed equity securities | | | | | | | |
| Mahachai Hospital Public Company Limited | Hospital | 160 | 4.28 | 143,724 | 143,724 | 2,053 | 2,292 |
| Accumulated fair value adjustment of investments | | | | (14,030) | (13,689) | - | - |
| Total investments in listed equity securities | | | | 129,694 | 130,035 | 2,053 | 2,292 |

(Unaudited but reviewed)

| Company's name | Nature of business | Paid-up capital (Million Baht) | % share holding | Investments | | Dividend income during the periods | |
|---|--|-----------------------------------|--------------------|-----------------|---------------------|---------------------------------------|-----------------|
| | | | | 30 June 2020 | 31 December 2019 | 30 June 2020 | 30 June 2019 |
| | | | | | | | |
| Investments in unquoted equity securities | | | | | | | |
| Thai Herbal Products Co., Ltd. | Manufacturer and distributor of herbal products | 80 | 0.60 | 290 | 290 | 12 | 17 |
| Prasitthirat Co., Ltd. | Educational institution known as "Rangsit university" | 150 | 33.33 | 107,192 | 107,192 | - | 4,000 |
| Asia Laboratories Center Limited | Laboratory service | 5 | 8.00 | 400 | 400 | - | - |
| Kendall Gammatron Limited | Manufacturer and distributor of medical equipment | 157 | 5.10 | 8,000 | 8,000 | - | - |
| Pracharat Raksamakkee Khonkaen (Enterprise for social) Co., Ltd. | OTOP processing and travelling | 4 | 0.38 | 15 | 15 | - | - |
| Korat Medical Group Co., Ltd. | Hospital | 100 | 1.00 | 1,000 | 1,000 | - | - |
| UB (Thailand) Co., Ltd. | Manufacturer and distributor of medical equipment | 8 | 11.00 | 879 | 879 | - | - |
| U2 Bio (Thailand) Co., Ltd. | Laboratory service | 10 | 10.00 | 1,000 | 1,000 | - | - |
| | | | | <u>118,776</u> | <u>118,776</u> | <u>12</u> | <u>4,017</u> |
| | | | | <u>5,271</u> | <u>(2,879)</u> | <u>-</u> | <u>-</u> |
| | | | | <u>124,047</u> | <u>115,897</u> | <u>12</u> | <u>4,017</u> |
| Accumulated fair value adjustment of investments | | | | | | | |
| Total investments in unquoted equity securities | | | | | | | |

(Unaudited but reviewed)

| Company's name | Nature of business | Paid-up capital (Million Baht) | % share holding | Investments | | Dividend income during the periods | |
|---|---------------------------|-----------------------------------|--------------------|-----------------|---------------------|---------------------------------------|-----------------|
| | | | | 30 June 2020 | 31 December 2019 | 30 June 2020 | 30 June 2019 |
| Investments in ordinary shares (ceased operations) | | | | | | | |
| Phyathai Herbs Co., Ltd. | In process of liquidation | 220 | 63.64 | 42,889 | 42,889 | - | - |
| Accumulated fair value adjustment of investments | | | | (20,523) | (9,493) | - | - |
| Total investments in ordinary shares (ceased operations) | | | | 22,366 | 33,396 | - | - |
| Total Investments measured at fair value through other comprehensive income - net in the consolidated financial statements | | | | 418,523 | 435,829 | 4,791 | 9,304 |

The Group has chosen to measure fair value of investments in unquoted equity securities as at 30 June 2020 using the fair value as at 1 January 2020 in accordance with the temporary relief measures as mentioned in Note 1.5.

(Unaudited but reviewed)

Prasitthirat Company Limited

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

Phyathai Herbs Co., Ltd.

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

8.2 Investment in debt instruments measured at fair value through amortised cost

(Unit: Thousand Baht)

| | <u>Consolidated financial statements</u> | |
|--|--|---------------------|
| | 30 June 2020 | 31 December 2019 |
| Debentures - listed companies | 35,000 | 30,000 |
| Less: Allowance for expected credit losses | (16) | - |
| Debentures - listed companies - net | <u>34,984</u> | <u>30,000</u> |

9. Property, premises and equipment

Movement of the property, premises and equipment during the six-month period ended 30 June 2020 are summarised below.

(Unit: Thousand Baht)

| | <u>Consolidated financial statements</u> | <u>Separate financial statements</u> |
|--|--|--|
| Net book value as at 31 December 2019 | 78,439,826 | 13,913,948 |
| Reclassification to right-of-use assets | (46,285) | (836) |
| Net book value as at 1 January 2020 | 78,393,541 | 13,913,112 |
| Purchase | 2,838,937 | 417,899 |
| Disposals and write-off | (20,271) | (6,676) |
| Transfer in | 3,580 | 1,065 |
| Depreciation for the periods | (2,820,291) | (530,145) |
| Translation adjustment | 35,073 | - |
| Net book value as at 30 June 2020 | <u>78,430,569</u> | <u>13,795,255</u> |

10. Right-of-use assets

Movements of the assets under right-of-use assets account during the six-month period ended 30 June 2020 are summarised below.

| | (Unit: Thousand Baht) | |
|---|---|-------------------------------------|
| | Consolidated financial statements | Separate financial statements |
| | <u> </u> | <u> </u> |
| Net book value as at 31 December 2019 | - | - |
| The cumulative effect of changes in accounting policy (Note 2) | 2,298,584 | 648,938 |
| Reclassification from leasehold rights | 1,021,841 | 304,440 |
| Reclassification from property, premises and equipment | 46,285 | 836 |
| Net book value as at 1 January 2020 (Note 2) | 3,366,710 | 954,214 |
| Increase during the period | 372,199 | 64,265 |
| Disposals and write-off | (16,765) | (302) |
| Depreciation for the periods | (245,162) | (77,568) |
| Net book value as at 30 June 2020 | <u>3,476,982</u> | <u>940,609</u> |

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

As at 30 June 2020, the Group had outstanding balances of bank overdrafts and short-term loans from financial institutions of Baht 3,201 million (31 December 2019: Baht 24 million).

As at 30 June 2020, the Company had outstanding balances of short-term loans from financial institutions of Baht 3,200 million (31 December 2019: Nil).

The bank overdrafts carry interest rate at MLR for Baht currency facilities and LIBOR plus fixed rate for US currency facilities. The loans carry interest at fixed rate. The principal and interest is repayable on maturity according to a condition as stipulated in the agreement.

12. Trade and other payables

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|---|----------------------|---------------------|----------------------|---------------------|
| | financial statements | | financial statements | |
| | 30 June 2020 | 31 December 2019 | 30 June 2020 | 31 December 2019 |
| Trade payables - related parties | 12,360 | 20,064 | 98,492 | 126,787 |
| Trade payables - unrelated parties | 2,250,849 | 3,554,812 | 240,932 | 450,797 |
| Other payables - related parties | 2,493 | 5,504 | 103,090 | 60,540 |
| Other payables - unrelated parties | 728,795 | 1,594,779 | 140,686 | 538,941 |
| Accounts payable - construction and retention | 697,900 | 815,019 | 241,642 | 204,255 |
| Total trade and other payables | 3,692,397 | 5,990,178 | 824,842 | 1,381,320 |

13. Provision for lifelong medical care programs

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

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

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

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

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

During the year 2018 to 2020, the Court of Appeal rendered its judgments in some cases filed by former members against the Company and its subsidiary, where the said judgments affirmed the judgments of the Court of First Instance ordering that the Company and its subsidiary continue complying with the terms of the programs as well as dismiss a part of the claims where the members requested for compensation.

Nonetheless, the legal advisor of the Company and its subsidiary opined that, in consideration of all known facts and the provisions of the law, the programs in dispute are deemed contracts of insurance, rendering the cessation of such programs a lawful process. Therefore, the management, under the advisory of the Company and its subsidiary's legal advisor, proceeded to utilize its legal right to file an appeal and a petition against the ruling of the Civil Court, for the Court of Appeal's and the Supreme Court's consideration and ruling which shall serve as precedent of future legal processes.

In the first quarter of 2020, the Supreme Court rendered an order disallowing the Company to appeal certain cases filed by the former members against the Company, making such cases final as per the judgments of the Court of First Instance and the Court of Appeal, wherein it was ruled that the terms of the agreement and the programs did not possess the characteristics of an insurance, and ordered the Company to continue to comply with the terms of the programs. For these reasons, the Company thus delivered letters to notify the members that the Company intends to comply with the law and the final judgments of the courts, and will launch the programs for operation from 1 March 2020. In this regard, the members who has already agreed to terminate the programs can make a request to rejoin the programs as well. Such members who want to rejoin the programs must return the Company the whole membership fees together with the compensation received from the Company. The members are also be able to request a refund of the medical fees that the members had paid during the cessation of the programs. There are certain former members successfully rejoined the programs.

In March 2020, in order to comply with the judgments of the Court of First Instance and the Court of Appeal toward the Company, the subsidiary delivered letters to notify the members that the subsidiary will launch the programs for operation from 26 March 2020. In this regard, the members who has already agreed to terminate the programs can make a request to rejoin the programs as well. Such members who want to rejoin the programs must return the subsidiary the whole membership fees together with the compensation received from the subsidiary. The members are also be able to request a refund of the medical fees that the members had paid during the cessation of the programs. There are certain former members successfully rejoined the programs.

As per the judgment of the Civil Court, the Company and its subsidiary hereby records the provision for lifelong medical care programs as of 30 June 2020 in the consolidated and separate financial statements amounts to approximately Baht 1,067 million and Baht 905 million, respectively, net of the amounts will be refunded by the former members which has already obtained some of it in the period.

(Unaudited but reviewed)

14. Long-term loans from financial institutions

(Unit: Thousand Baht)

| | Consolidated/ Separate financial statements |
|--|---|
| Balance as at 31 December 2019 | 4,700,907 |
| Increase | 5,000,000 |
| Less: Repayment during the period | (85,974) |
| Balance as at 30 June 2020 | 9,614,933 |
| Less: Current portion of long-term loans from financial institutions | (214,933) |
| Long-term loans from financial institutions | <u>9,400,000</u> |

The outstanding balances of long-term loans from financial institutions of the Group as at 30 June 2020 and 31 December 2019 are as follows:

| Period of loan agreements | | Credit facilities | Principal repayment | Interest rate per annum (%) | Outstanding balance (in million USD) | | Outstanding balance (in million Baht) | |
|--|-----------|--------------------|---------------------|-----------------------------|--------------------------------------|------------------|---------------------------------------|------------------|
| Start | End | | | | 30 June 2020 | 31 December 2019 | 30 June 2020 | 31 December 2019 |
| Feb. 2014* | Jan. 2021 | USD 20 million | Semi-annually | Fixed rate | 6.7 | 9.3 | 214.9 | 300.9 |
| Apr. 2017 | Apr. 2024 | Baht 1,000 million | Bullet | Fixed rate | - | - | 1,000.0 | 1,000.0 |
| Sep. 2017 | Sep. 2021 | Baht 3,000 million | Bullet | Floating rate + Spread | - | - | 2,400.0 | 2,400.0 |
| Sep. 2017 | Sep. 2021 | Baht 3,000 million | Bullet | Floating rate + Spread | - | - | 1,000.0 | 1,000.0 |
| Jun. 2020 | Jun. 2022 | Baht 2,000 million | Bullet | Floating rate + Spread | - | - | 2,000.0 | - |
| Jun. 2020 | Jun. 2024 | Baht 3,000 million | Bullet | Floating rate + Spread | - | - | 3,000.0 | - |
| Total long-term loans from financial institutions | | | | | <u>6.7</u> | <u>9.3</u> | <u>9,614.9</u> | <u>4,700.9</u> |

*In January 2018, the Company entered into a cross currency swap contract with a financial institution by converting USD currency amounting to USD 16.0 million to Thai Baht currency amounting to Baht 515.8 million.

The Company's long-term loan agreements contain certain covenants which the Company must comply such as financial ratios.

(Unaudited but reviewed)

15. Liabilities under lease agreements

As at 30 June 2020 and 31 December 2019, liabilities under lease agreements are as follows:

| | (Unit: Thousand Baht) | | | |
|--|--------------------------------------|----------------------|----------------------------------|----------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 30 June 2020 | 31 December 2019* | 30 June 2020 | 31 December 2019* |
| Liabilities under lease agreements | 5,491,745 | 51,517 | 1,045,785 | 873 |
| Less: Deferred interest expense | (1,929,811) | (4,128) | (279,904) | (25) |
| Total | 3,561,934 | 47,389 | 765,881 | 848 |
| Less: Current portion of liabilities under lease agreements | (288,490) | (16,878) | (93,384) | (249) |
| Liabilities under finance lease agreements | 3,273,444 | 30,511 | 672,497 | 599 |

*Balances as at 31 December 2019 previously presented as liabilities under finance lease agreements and were reclassified to liabilities under lease agreements as mentioned in Note 2.

16. Debentures

Movements of debentures net from debenture expenses and amortization of expenses during the six-month period ended 30 June 2020 are summarised below.

| | (Unit: Thousand Baht) |
|--|--|
| | Consolidated/ Separate financial statements |
| Balance as at 1 January 2020 | 19,591,489 |
| Amortisation of debenture expenses during the period | 1,271 |
| Less: Redemption during the period | (5,000,000) |
| Balance as at 30 June 2020 | 14,592,760 |
| Less: Current portion of debentures | - |
| Debentures | 14,592,760 |

(Unaudited but reviewed)

The outstanding balances of debentures of the Company as at 30 June 2020 and 31 December 2019 as follows:

| No. | Debentures period | | Number of unit | Amount (million baht) | Coupon rate | Outstanding balance (million baht) | |
|-----------|-------------------|---------------|----------------|-----------------------|-------------|------------------------------------|------------------|
| | Issue Date | Maturity Date | | | | 30 June 2020 | 31 December 2019 |
| BDMS228A | 6 Aug. 2012 | 6 Aug. 2022 | 500,000 | 500 | 4.50% | 500 | 500 |
| BDMS228B | 8 Aug. 2012 | 8 Aug. 2022 | 100,000 | 100 | 4.50% | 100 | 100 |
| BDMS233A | 14 Mar. 2013 | 14 Mar. 2023 | 4,000,000 | 4,000 | 4.63% | 4,000 | 4,000 |
| BDMS205A | 10 May 2013 | 10 May 2020 | 2,000,000 | 2,000 | 4.19% | - | 2,000 |
| BDMS235A | 10 May 2013 | 10 May 2023 | 1,000,000 | 1,000 | 4.39% | 1,000 | 1,000 |
| BDMS256A* | 25 Jun. 2015 | 25 Jun. 2025 | 2,000,000 | 2,000 | 3.95% | 2,000 | 2,000 |
| BDMS266A | 24 Jun. 2016 | 24 Jun. 2026 | 3,000,000 | 3,000 | 2.99% | 3,000 | 3,000 |
| BDMS202A | 8 Feb. 2017 | 8 Feb. 2020 | 3,000,000 | 3,000 | 2.41% | - | 3,000 |
| BDMS222A | 8 Feb. 2017 | 8 Feb. 2022 | 2,500,000 | 2,500 | 2.97% | 2,500 | 2,500 |
| BDMS242A | 8 Feb. 2017 | 8 Feb. 2024 | 1,500,000 | 1,500 | 3.46% | 1,500 | 1,500 |

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

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

17. Other current financial liabilities

| | Consolidated | | (Unit: Thousand Baht) Separate | |
|---|----------------------|----------------------|-----------------------------------|----------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | 30 June 2020 | 31 December 2019 | 30 June 2020 | 31 December 2019 |
| Derivative liabilities - Cross currency swap contract (Note 14) | 8,305 | - | 8,305 | - |
| Total other current financial liabilities | 8,305 | - | 8,305 | - |

18. Dividend paid

| Dividends | Approved by | Total dividends (Million Baht) | Dividend per share (Baht) |
|--|---|-----------------------------------|---------------------------------|
| Final dividends for 2018 | Annual General Meeting of the shareholders on 12 April 2019 | 2,977 | 0.19 |
| Total dividend during the six-month period ended 30 June 2019 | | 2,977 | 0.19 |
| Interim dividends for 2019 | Board of Directors' meeting on 25 March 2020 | 4,768 | 0.30 |
| Total dividend during the six-month period ended 30 June 2020 | | 4,768 | 0.30 |

On 2 July 2020, the 2020 Annual General Meeting of the Company's shareholders has acknowledged the interim dividend payment for the 2019 performance of the Company at the total rate of Baht 0.55 per share, or a total of Baht 8,741 million. On 27 September 2019, the interim dividend payment was made at the rate of Baht 0.25 per share, or totaling of Baht 3,973 million. The additional interim dividend payment at the rate of Baht 0.30 per share, totaling of Baht 4,768 million was made on 24 April 2020.

19. Income tax

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

Income tax expense for the three-month and six-month periods ended 30 June 2020 and 2019 were made up as follows:

(Unit: Thousand Baht)

| | For the three-month periods ended 30 June | | | |
|---|---|----------------|----------------------|---------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Current income tax: | | | | |
| Interim corporate income tax charge | 196,784 | 613,382 | (1,432) | 107,608 |
| Deferred tax: | | | | |
| Relating to origination and reversal of temporary differences | 29,308 | (110,504) | 5,838 | (30,755) |
| Income tax reported in the income statements | <u>226,092</u> | <u>502,878</u> | <u>4,406</u> | <u>76,853</u> |

(Unit: Thousand Baht)

| | For the six-month periods ended 30 June | | | |
|---|---|------------------|----------------------|------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Current income tax: | | | | |
| Interim corporate income tax charge | 576,778 | 3,418,820 | (1,291) | 2,418,959 |
| Deferred tax: | | | | |
| Relating to origination and reversal of temporary differences | 155,014 | (848,678) | 23,657 | (19,837) |
| Income tax reported in the income statements | <u>731,792</u> | <u>2,570,142</u> | <u>22,366</u> | <u>2,399,122</u> |

20. Earnings per share

Basic earnings per share is determined by dividing profit for the period attributable to owner of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

21. Commitments and contingent liabilities

As at 30 June 2020, commitments and contingent liabilities are as follows:

(Unit: Million Baht)

| | As at 30 June 2020 | | | | | |
|--|----------------------|-----------------|------------------|----------------------|-----------------|---|
| | Consolidated | | | Separate | | |
| | financial statements | | | financial statements | | |
| Within 1 year | 1 - 5 years | Over 5 years | Within 1 year | 1 - 5 years | Over 5 years | |
| Contractual commitments | | | | | | |
| - the land and building rental contracts | 15 | - | - | - | - | - |
| - the office equipment rental and other services | 394 | 258 | 46 | 97 | 1 | - |
| - the medical equipment provision and maintenance contracts | 220 | 77 | - | - | - | - |
| - the building construction and decoration contracts | 1,524 | 1 | - | 383 | - | - |
| Total | 2,153 | 336 | 46 | 480 | 1 | - |

The Company

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

The Subsidiaries

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

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

Contingent liabilities

As at 30 June 2020, the Group had outstanding bank guarantees issued by the banks on behalf of the Group of approximately Baht 462 million and of the Company of Baht 141 million in respect of certain performance bonds as required in the normal course of business, such as facility usage and contractual performance.

22. Segment information

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

The Group has two reportable segments that are hospital operations and other businesses that support hospital business including medical laboratories, medicine production, saline production and pharmacies, assets management for healthcare business, distribution cosmetic goods, accounting services, technology and information service, training business and insurance broker. These two segments have similar economic characteristics. They both have common customer group, similar service provision methods and similar management.

In addition, the operations of the Group are carried on in the geographical areas of Thailand and overseas. As hospital operation is the main business segment and the segment information that has been considered based on a quantitative basis is over 90 percent of the total population both operational and geographical areas. For this reason, the management considers to aggregate operating segments into one operating segment of hospital operation. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical areas.

For the six-month period ended 30 June 2020 and 2019, the Group has no major customer with revenue of 10 percent or more of its revenues.

23. Financial instruments measured at fair value

The Group uses the market approach to measure their financial assets and financial liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Group endeavor to use relevant observable inputs as much as possible. TFRS 13 Fair Value Measurement establishes a fair value hierarchy categorising such inputs into three levels as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

As of 30 June 2020, the Group had financial assets that were measured at fair value using different level of input as follow.

| | (Unit: Million Baht) | | | |
|---|-----------------------------------|---------|---------|--------|
| | Consolidated financial statements | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets measured at fair value | | | | |
| Other current financial assets | | | | |
| - Investments in mutual funds measured at fair value through profit or loss | - | 529 | - | 529 |
| Other non-current financial assets | | | | |
| - Derivatives assets - Interest rate swap contract (Note 8) | - | 180 | - | 180 |
| - Investments in equity instruments measured at fair value through other comprehensive income | 246 | - | 173 | 419 |
| Investment properties | - | 38 | 319 | 357 |
| Land | - | 36,227 | - | 36,227 |
| Financial liabilities measured at fair value | | | | |
| Other current financial liabilities | | | | |
| - Derivatives liabilities - Cross currency swap contract (Note 17) | - | 8 | - | 8 |

(Unaudited but reviewed)

(Unit: Million Baht)

| | Separate financial statements | | | |
|---|-------------------------------|---------|---------|-------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets measured at fair value | | | | |
| Other non-current financial assets | | | | |
| - Derivatives assets - Interest rate swap contract (Note 8) | - | 180 | - | 180 |
| - Investments in equity instruments measured at fair value through other comprehensive income | 116 | - | 26 | 142 |
| Investment properties | - | 304 | 425 | 729 |
| Land | - | 5,464 | - | 5,464 |
| Financial liabilities measured at fair value | | | | |
| Other current financial liabilities | | | | |
| - Derivatives liabilities - Cross currency swap contract (Note 17) | - | 8 | - | 8 |

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

24. Approval of financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 13 August 2020.