

Bangkok Dusit Medical Services Public Company Limited
and its subsidiaries
Review report and consolidated interim financial statements
For the three-month and nine-month periods ended
30 September 2018

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Bangkok Dusit Medical Services Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Bangkok Dusit Medical Services Public Company Limited and its subsidiaries as at 30 September 2018, the related consolidated statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2018, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2018, as well as the condensed notes to the consolidated financial statements, and have also reviewed the separate financial information of Bangkok Dusit Medical Services Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Emphasis of matter

I draw attention to Note 10 to the financial statements, the Company and its subsidiary had the medical care programs with a small amount of charges to members who paid membership fees in advance for a lifelong membership. The Company and its subsidiary discontinued the programs due to legal reasons on 20 January 2017 and 2 February 2017, respectively. The Company and its subsidiary have recorded the liabilities in the financial statements as at 31 December 2016, based on the total amounts payable to the members and the compensation expected to be paid to the members in 2017 due to the discontinuation of the program, amounting to approximately Baht 964 million (approximately Baht 820 million in the separate financial statements). During 2017, 182 of 334 members whose compensation was recorded in the consolidated financial statements and 151 of 282 members in the separate financial statements have accepted the offers and already received the payment from the Company and its subsidiary. As at 30 September 2018, the liabilities from discontinuation of the lifelong membership for medical care program, based on the total amounts payable to the members and the compensation expected to be paid to the former members who have not accepted the offers, in the consolidated financial statements amounted to approximately Baht 438 million (approximately Baht 380 million in separate financial statements).

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 requesting that the Company and its subsidiary continue the program while some made claims for indemnity from the Company and its subsidiary.

During the consideration of the court of some cases, the court has issued orders for temporary injunctions prior to the release of a judgment to the former members who have filed complaints against the Company in some cases. 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 of the programs until the court rules or orders otherwise. Furthermore, the court has ordered for the former members who are under the temporary injunction to enter a contract with the court 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 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; and 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's in relation to pre-litigation settlement agreements made prior to filing of 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 compensate for the medical expenses to the plaintiffs of some cases from the date of the discontinuance of the programs up to the date of the judgment. As for the complaints against the subsidiary, the judgment are also rendered in two directions which are: 1) to order for the subsidiary to make indemnity payment at the amount specified in a judgment, the amount of which are usually close to amounts that the subsidiary made in its counteroffer to some members prior to filing of complaints; and 2) to order for the subsidiary to continue complying with the terms of the programs and also for it to compensate the plaintiffs for any actual medical expenses resulted from the date of the discontinuance of the programs up to the date of the judgment. Regardless, there are some cases which are still under the consideration of the Civil Court. Nonetheless, the legal advisor of the Company and its subsidiary opined that due to 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. The legal advisor further viewed that the appeal has a good chance of winning the case. Therefore, the management, under the advisory of the Company and its subsidiary's legal advisor, proceed to utilize its legal right to file an appeal against the ruling of the Civil Court, for the Court of Appeal's consideration and ruling which shall serve as precedent of future legal processes. Since such cases are currently under the consideration of the Court of Appeal, the Company and its subsidiary could not yet assess on the impacts of the ruling which is not yet definite nor final. The Company and its subsidiary keep record of the debt owed to the Company and its subsidiary for medical services rendered and shall not collect for such medical bills unless the court rules otherwise.

My conclusion is not qualified in respect of the above matter.

Wichart Lokatekrawee
Certified Public Accountant (Thailand) No. 4451

EY Office Limited
Bangkok: 14 November 2018

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 30 September 2018 (Unaudited but reviewed)	As at 31 December 2017 (Audited)	As at 30 September 2018 (Unaudited but reviewed)	As at 31 December 2017 (Audited)
Assets					
Current assets					
Cash and cash equivalents		5,856,434	5,091,153	2,841,562	2,618,964
Short-term investments		568,031	571,624	393	393
Trade and other receivables	2, 3	7,510,033	6,974,711	1,316,205	1,473,167
Short-term loans to subsidiaries	3	-	-	2,407,629	2,723,765
Inventories		1,696,694	1,735,272	104,830	113,242
Other current assets		13,452	21,085	-	-
Total current assets		15,644,644	14,393,845	6,670,619	6,929,531
Non-current assets					
Restricted financial institution deposits		8,994	7,948	-	-
Investments in associates	4	16,428,778	15,807,179	7,948,499	7,948,499
Investments in subsidiaries	5	-	-	53,429,871	52,435,450
Other long-term investments	6	549,113	645,800	256,502	323,321
Long-term loans to subsidiaries	3	-	-	3,907,283	4,790,396
Investment properties		310,990	307,777	678,572	675,359
Property, premises and equipment	7	72,619,804	71,559,483	12,756,867	12,316,569
Goodwill		17,538,869	17,538,869	-	-
Intangible assets		1,232,936	1,237,368	498,873	503,730
Deferred tax assets		78,475	68,013	-	-
Other non-current assets					
Leasehold rights	3	911,593	664,715	323,075	334,256
Others	3	480,808	395,694	14,188	14,332
Total non-current assets		110,160,360	108,232,846	79,813,730	79,341,912
Total assets		125,805,004	122,626,691	86,484,349	86,271,443

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 September 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	8	1,577,047	72,337	1,500,000	-
Trade and other payables	3, 9	4,753,335	4,749,670	828,315	979,557
Accrued expenses		5,327,580	5,223,014	1,199,354	1,366,207
Liabilities for discontinued life long medical care program	10	438,468	440,022	379,777	379,777
Current portion of long-term liabilities					
- Long-term loans from financial institutions	11	3,343,268	1,463,307	3,343,268	1,463,307
- Liabilities under finance lease agreements	12	15,556	22,039	1,593	4,744
- Convertible debentures - liability component	14	5,085,538	-	5,085,538	-
Short-term loans from non-related parties		67,000	67,000	-	-
Short-term loans from subsidiaries	3	-	-	9,218,355	9,952,014
Income tax payable		540,889	706,016	66,488	108,494
Current provision for employee benefits		77	2,442	77	2,442
Deferred income - membership due within one year		227,243	224,098	103,379	101,030
Other current liabilities	3	824,377	447,169	490,300	121,038
Total current liabilities		22,200,378	13,417,114	22,216,444	14,478,610
Non-current liabilities					
Long-term loans from financial institutions	11	6,374,867	9,335,332	6,374,867	9,335,332
Liabilities under finance lease agreements	12	17,484	16,493	-	137
Debentures	13	19,587,178	19,584,603	19,587,178	19,584,603
Convertible debentures - liability component	14	-	8,774,270	-	8,774,270
Non-current provision for employee benefits		2,128,306	2,005,836	600,736	571,861
Deferred income - membership		611,024	632,004	119,451	122,067
Deferred tax liabilities		2,711,853	2,847,116	453,863	385,768
Other non-current liabilities	3	144,690	142,809	35,327	44,560
Total non-current liabilities		31,575,402	43,338,463	27,171,422	38,818,598
Total liabilities		53,775,780	56,755,577	49,387,866	53,297,208

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 September 2018

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	As at	As at	As at	As at
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(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				
15,665,629,843 ordinary shares of Baht 0.1 each	1,566,563	1,549,096	1,566,563	1,549,096
(31 December 2017: 15,490,956,540 ordinary shares of Baht 0.1 each)				
Premium on ordinary shares	24,662,125	20,572,873	24,599,201	20,509,949
Difference from shareholding restructure	305,000	305,000	-	-
Surplus investment over book value of subsidiaries	(2,683,584)	(2,683,447)	-	-
Retained earnings				
Appropriated - statutory reserve	175,822	175,822	175,822	175,822
Unappropriated	36,558,140	34,314,505	8,228,115	7,943,891
Other components of shareholders' equity	8,484,823	8,837,350	2,526,782	2,795,477
Equity attributable to owners of the Company	69,068,889	63,071,199	37,096,483	32,974,235
Non - controlling interests of the subsidiaries	2,960,335	2,799,915	-	-
Total shareholders' equity	72,029,224	65,871,114	37,096,483	32,974,235
Total liabilities and shareholders' equity	125,805,004	122,626,691	86,484,349	86,271,443
	-	-	-	-

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

Directors

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 30 September 2018**

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

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Revenues					
Revenues from hospital operations	3	19,621,115	18,576,656	3,611,877	3,471,150
Revenue from sales of goods	3	773,787	709,075	-	-
Other income					
Interest income		13,003	11,421	67,231	118,445
Dividend income	4, 5, 6	-	-	164,627	149,661
Others		218,727	212,696	325,090	303,472
Total other income		231,730	224,117	556,948	571,578
Total revenues		20,626,632	19,509,848	4,168,825	4,042,728
Expenses					
Cost of hospital operations and goods sold	3	13,260,411	12,584,176	2,260,777	2,180,300
Administrative expenses	3	3,894,795	3,800,146	1,019,284	960,343
Total expenses		17,155,206	16,384,322	3,280,061	3,140,643
Profit before share of income from investments in associates, finance cost and income tax expense					
		3,471,426	3,125,526	888,764	902,085
Share of income from investments in associates	4	421,069	416,183	-	-
Profit before finance cost and income tax expense					
		3,892,495	3,541,709	888,764	902,085
Finance cost	3	(261,389)	(433,380)	(284,742)	(453,908)
Profit before income tax expense		3,631,106	3,108,329	604,022	448,177
Income tax expense	16	(617,037)	(563,866)	(76,177)	(65,738)
Profit for the periods		3,014,069	2,544,463	527,845	382,439
Profit attributable to:					
Owners of the Company		2,879,454	2,416,502	527,845	382,439
Non-controlling interests of the subsidiaries		134,615	127,961	-	-
		<u>3,014,069</u>	<u>2,544,463</u>		
Basic earnings per share					
	17				
Profit attributable to owners of the Company		0.18	0.16	0.03	0.02
Weighted average number of ordinary shares (shares)		<u>15,609,857,023</u>	<u>15,490,956,540</u>	<u>15,609,857,023</u>	<u>15,490,956,540</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 three-month period ended 30 September 2018

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profits for the periods	<u>3,014,069</u>	<u>2,544,463</u>	<u>527,845</u>	<u>382,439</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	20,782	(1,815)	28,697	1,439
Exchange differences on translation of financial statements in foreign currencies	(42,692)	(10,427)	-	-
Share of other comprehensive income from associates	<u>167,576</u>	<u>16,895</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	<u>145,666</u>	<u>4,653</u>	<u>28,697</u>	<u>1,439</u>
Other comprehensive income for the periods	<u>145,666</u>	<u>4,653</u>	<u>28,697</u>	<u>1,439</u>
Total comprehensive income for the periods	<u><u>3,159,735</u></u>	<u><u>2,549,116</u></u>	<u><u>556,542</u></u>	<u><u>383,878</u></u>
Total comprehensive income attributable to:				
Owners of the Company	3,025,765	2,423,346	<u>556,542</u>	<u>383,878</u>
Non-controlling interests of the subsidiaries	<u>133,970</u>	<u>125,770</u>		
	<u><u>3,159,735</u></u>	<u><u>2,549,116</u></u>		

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries**Income statement****For the nine-month period ended 30 September 2018**

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

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Revenues					
Revenues from hospital operations	3	56,477,241	51,328,356	10,716,747	9,947,938
Revenue from sales of goods	3	2,280,489	2,074,877	-	-
Other income					
Interest income and gain on sale of short-term investments		46,573	37,741	218,256	302,635
Dividend income	4, 5, 6	16,300	15,588	4,972,379	3,058,344
Gain on disposal of investment in an associate		-	2,880,064	-	3,424,969
Others		613,371	634,504	908,962	834,679
Total other income		676,244	3,567,897	6,099,597	7,620,627
Total revenues		59,433,974	56,971,130	16,816,344	17,568,565
Expenses					
Cost of hospital operations and goods sold	3	38,370,388	35,518,513	6,638,457	6,204,245
Administrative expenses	3	11,393,151	10,785,428	2,950,549	2,844,514
Total expenses		49,763,539	46,303,941	9,589,006	9,048,759
Profit before share of income from investments in associates, finance cost and income tax expense					
Share of income from investments in associates	4	1,136,902	1,108,533	-	-
Profit before finance cost and income tax expense		10,807,337	11,775,722	7,227,338	8,519,806
Finance cost	3	(872,165)	(1,205,179)	(943,177)	(1,264,905)
Profit before income tax expense		9,935,172	10,570,543	6,284,161	7,254,901
Income tax expense	16	(1,724,247)	(2,116,424)	(402,189)	(886,486)
Profit for the periods		8,210,925	8,454,119	5,881,972	6,368,415
Profit attributable to:					
Owners of the Company		7,841,383	8,180,738	5,881,972	6,368,415
Non-controlling interests of the subsidiaries		369,542	273,381	-	-
		8,210,925	8,454,119	5,881,972	6,368,415
Basic earnings per share					
Profit attributable to owners of the Company	17	0.50	0.53	0.38	0.41
Weighted average number of ordinary shares (shares)		15,538,166,901	15,490,956,540	15,538,166,901	15,490,956,540

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 nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profits for the periods	<u>8,210,925</u>	<u>8,454,119</u>	<u>5,881,972</u>	<u>6,368,415</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	(62,970)	(127,374)	(53,455)	(61,223)
Exchange differences on translation of financial statements in foreign currencies	(16,241)	(49,118)	-	-
Share of other comprehensive income from associates	<u>(53,243)</u>	<u>99,993</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	<u>(132,454)</u>	<u>(76,499)</u>	<u>(53,455)</u>	<u>(61,223)</u>
Other comprehensive income for the periods	<u>(132,454)</u>	<u>(76,499)</u>	<u>(53,455)</u>	<u>(61,223)</u>
Total comprehensive income for the periods	<u>8,078,471</u>	<u>8,377,620</u>	<u>5,828,517</u>	<u>6,307,192</u>
Total comprehensive income attributable to:				
Owners of the Company	7,709,079	8,106,566	<u>5,828,517</u>	<u>6,307,192</u>
Non-controlling interests of the subsidiaries	<u>369,392</u>	<u>271,054</u>		
	<u>8,078,471</u>	<u>8,377,620</u>		

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

(Unaudited but reviewed)

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2018

(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 investment over book value of subsidiaries	Retained earnings		Surplus (deficit) on changes in value of available-for-sale investments	Exchange differences on translation of financial statements in foreign currency	Share of other components of shareholders' equity from associates	Convertible debentures - equity component	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interest of the subsidiaries	Total shareholders' equity	
Appropriated-statutory reserve					Unappropriated	Revaluation surplus on land									
Note	share capital	ordinary shares	restructure	subsidiaries	reserve	Unappropriated	investments	land	foreign currency	associates	equity component	equity	the Company	subsidiaries	equity
Balance as at 31 December 2016	1,549,096	20,481,531	305,000	(2,680,290)	170,000	29,069,149	370,577	5,136,306	30,734	700,932	585,527	6,824,076	55,718,562	2,586,292	58,304,854
Profit for the period	-	-	-	-	-	8,180,738	-	-	-	-	-	-	8,180,738	273,381	8,454,119
Other comprehensive income for the period	-	-	-	-	-	(1,040)	(127,375)	-	(46,790)	101,033	-	(73,132)	(74,172)	(2,327)	(76,499)
Total comprehensive income for the period	-	-	-	-	-	8,179,698	(127,375)	-	(46,790)	101,033	-	(73,132)	8,106,566	271,054	8,377,620
Redemption of convertible debentures	14	-	91,342	-	-	-	-	-	-	-	(91,342)	(91,342)	-	-	-
Statutory reserve	-	-	-	-	5,822	(5,822)	-	-	-	-	-	-	-	-	-
Dividend paid	15	-	-	-	-	(4,954,693)	-	-	-	-	-	-	(4,954,693)	-	(4,954,693)
Share of Interest paid for convertible debentures treated as equity securities from an associate	-	-	-	-	-	-	-	-	-	(5,260)	-	(5,260)	(5,260)	-	(5,260)
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Decrease in purchase of investments in subsidiaries	-	-	-	(3,141)	-	-	-	-	-	-	-	-	(3,141)	(18,136)	(21,277)
- Decrease in dividend paid of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(138,502)	(138,502)
Balance as at 30 September 2017	1,549,096	20,572,873	305,000	(2,683,431)	175,822	32,288,332	243,202	5,136,306	(16,056)	796,705	494,185	6,654,342	58,862,034	2,700,708	61,562,742

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

(Unaudited but reviewed)

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2018

(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		Surplus (deficit) on changes in value of available-for-sale investments	Exchange differences on translation of financial statements in foreign currency	Share of other components of shareholders' equity from associates	Convertible debentures - equity component	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interest of the subsidiaries	Total shareholders' equity	
Appropriated-statutory reserve					Unappropriated	Revaluation surplus on land									
Note	share capital	ordinary shares	restructure	subsidiaries	reserve	Unappropriated	investments	land	foreign currency	associates	component	equity	the Company	subsidiaries	equity
Balance as at 31 December 2017	1,549,096	20,572,873	305,000	(2,683,447)	175,822	34,314,505	218,427	7,336,861	(31,890)	819,767	494,185	8,837,350	63,071,199	2,799,915	65,871,114
Profit for the period	-	-	-	-	-	7,841,383	-	-	-	-	-	-	7,841,383	369,542	8,210,925
Other comprehensive income for the period	-	-	-	-	-	-	(62,970)	-	(16,091)	(53,243)	-	(132,304)	(132,304)	(150)	(132,454)
Total comprehensive income for the period	-	-	-	-	-	7,841,383	(62,970)	-	(16,091)	(53,243)	-	(132,304)	7,709,079	369,392	8,078,471
Conversion debenture to ordinary shares	14	17,467	4,089,252	-	-	-	-	-	-	-	(215,240)	(215,240)	3,891,479	-	3,891,479
Dividend paid	15	-	-	-	-	(5,597,748)	-	-	-	-	-	-	(5,597,748)	-	(5,597,748)
Share of Interest paid for convertible debentures treated as equity securities from an associate	-	-	-	-	-	-	-	-	-	(4,983)	-	(4,983)	(4,983)	-	(4,983)
Change in non-controlling interests	-	-	-	(137)	-	-	-	-	-	-	-	-	(137)	(6,771)	(6,908)
- Decrease in purchase of investments in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(202,201)	(202,201)
- Decrease in dividend paid of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2018	1,566,563	24,662,125	305,000	(2,683,584)	175,822	36,558,140	155,457	7,336,861	(47,981)	761,541	278,945	8,484,823	69,068,889	2,960,335	72,029,224

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

(Unaudited but reviewed)

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

		Separate financial statements							
		Other components of shareholders' equity							Total shareholders' equity
		Retained earnings			in value of		Convertible	Total other	
		Appropriated-			available-for-	Revaluation	debentures	components of	Total shareholders' equity
		statutory	Unappropriated	sale	surplus on	- equity	shareholders'		
Note	Issued and paid-up share capital	Premium on ordinary shares	reserve		investments	land	component	equity	
	1,549,096	20,418,607	170,000	5,852,887	300,613	673,862	585,527	1,560,002	29,550,592
	-	-	-	6,368,415	-	-	-	-	6,368,415
	-	-	-	-	(61,223)	-	-	(61,223)	(61,223)
	-	-	-	6,368,415	(61,223)	-	-	(61,223)	6,307,192
14	-	91,342	-	-	-	-	(91,342)	(91,342)	-
	-	-	5,822	(5,822)	-	-	-	-	-
15	-	-	-	(4,954,693)	-	-	-	-	(4,954,693)
	1,549,096	20,509,949	175,822	7,260,787	239,390	673,862	494,185	1,407,437	30,903,091
	1,549,096	20,509,949	175,822	7,943,891	217,348	2,083,944	494,185	2,795,477	32,974,235
	-	-	-	5,881,972	-	-	-	-	5,881,972
	-	-	-	-	(53,455)	-	-	(53,455)	(53,455)
	-	-	-	5,881,972	(53,455)	-	-	(53,455)	5,828,517
14	17,467	4,089,252	-	-	-	-	(215,240)	(215,240)	3,891,479
15	-	-	-	(5,597,748)	-	-	-	-	(5,597,748)
	1,566,563	24,599,201	175,822	8,228,115	163,893	2,083,944	278,945	2,526,782	37,096,483

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 nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from operating activities				
Profit before income tax expense	9,935,172	10,570,543	6,284,161	7,254,901
Adjustments to reconcile profit before income tax expense to net cash provided by (used in) operating activities:				
Depreciation and amortisation	4,004,902	3,844,907	761,358	720,378
Write-off of assets	19,475	20,920	2,323	40
Loss on withholding tax diminution and written-off	5,705	10,322	825	1,185
Bad debts and doubtful debts	117,533	97,798	38,227	11,700
Reversal for impairment of assets	(3,008)	-	(3,008)	-
Allowance to reduce cost to net realisable value - inventory	6,096	7,460	114	1,319
Amortisation of deferred income - membership	(260,868)	(257,394)	(90,179)	(96,748)
Loss on impairment of an other long-term investment	17,975	-	-	-
Share of income from investments in associates	(1,136,902)	(1,108,533)	-	-
Amortisation of expense for debentures and convertible debentures	20,197	35,613	20,197	35,613
Gain on disposal of investment in an associate	-	(2,880,064)	-	(3,424,969)
(Gain) loss on disposal of property, premises and equipment	281	(2,975)	(1,486)	(1,983)
(Gain) loss on foreign exchange	(8,607)	31,502	(22,820)	31,502
Provisions (reversal) for employee benefit expenses	149,376	96,765	29,092	(18,768)
Annual leave expense	39,359	30,907	9,389	1,038
Interest income	(46,573)	(37,741)	(218,256)	(302,635)
Dividend income	(16,300)	(15,588)	(4,972,379)	(3,058,344)
Interest expense	872,165	1,205,179	943,177	1,264,905
Profit from operating activities before changes in operating assets and liabilities	13,715,978	11,649,621	2,780,735	2,419,134

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 nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from operating activities (continued)				
Decrease (increase) in operating assets				
Trade and other receivables	(646,332)	(581,637)	124,269	(244,586)
Inventories	32,481	3,894	8,298	6,795
Other current assets	7,633	(17,886)	-	(5,679)
Other non-current assets	(54,505)	(6,902)	395	1,081,593
Increase (decrease) in operating liabilities				
Trade and other payables	52,551	(443,163)	(103,021)	(446,504)
Accrued expenses	100,328	112,502	(137,601)	(90,048)
Deferred income - membership	243,033	265,351	89,911	103,216
Other current liabilities	158,419	173,229	151,163	160,755
Provisions for employee benefits	(29,269)	(359,171)	(2,582)	(264,248)
Other non-current liabilities	1,881	8,536	(9,233)	(371)
Net cash flow provided by operating activities	13,582,198	10,804,374	2,902,334	2,720,057
Cash received from interest income	38,233	32,476	212,722	285,550
Cash paid for interest expense	(724,705)	(758,582)	(797,463)	(820,508)
Cash received from tax refund	18,704	11,896	-	-
Cash paid for income tax expense	(2,076,228)	(2,417,003)	(363,019)	(784,133)
Net cash flow provided by operating activities	10,838,202	7,673,161	1,954,574	1,400,966

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 nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from investing activities				
Decrease (increase) in short-term investments	5,411	(1,645)	-	(4)
Decrease (increase) in restricted financial institution deposits	(1,046)	18,498	-	-
Cash received from dividend income	476,454	477,072	4,972,379	3,058,344
Cash paid for purchase of investments in subsidiaries and associates	(3,078)	(1,343,541)	(4,226)	(7,104,036)
Cash received from disposal of investment in an associate	-	4,505,060	-	4,505,060
Decrease (increase) in short-term loans to subsidiaries	-	-	315,357	(685,549)
Cash paid for long-term loans to subsidiaries	-	-	(647,000)	(4,849,575)
Cash received from long-term loans to subsidiaries	-	-	553,060	555,540
Cash paid for investment properties	(1,619)	(1,490)	(1,619)	(606)
Cash received from disposal of property, premises and equipment	16,534	20,240	2,008	3,489
Cash paid for purchase of property, premises and equipment	(4,927,996)	(13,619,364)	(1,154,892)	(837,075)
Cash paid for leasehold rights	(270,292)	(8,026)	-	-
Cash paid for purchase of intangible assets	(198,580)	(176,505)	(80,376)	(71,452)
Net cash flow provided by (used in) investing activities	<u>(4,904,212)</u>	<u>(10,129,701)</u>	<u>3,954,691</u>	<u>(5,425,864)</u>

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries**Statement of cash flows (continued)****For the nine-month period ended 30 September 2018**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from financing activities				
Decrease in short-term loans from non-related parties	-	(13,400)	-	-
Increase (decrease) in short-term loans from related parties	-	-	(733,659)	386,548
Increase in bank overdraft and short-term loans				
from financial institutions	1,504,897	1,394,768	1,500,000	1,400,000
Cash received from long-term loans from				
financial institutions	-	5,400,000	-	5,400,000
Cash paid for long-term loans from				
financial institutions	(1,070,047)	(3,760,075)	(1,070,047)	(3,747,876)
Cash paid for liabilities under				
finance lease agreements	(19,066)	(35,061)	(3,310)	(8,318)
Cash received from issue of debentures	-	6,992,451	-	6,992,451
Cash paid for redemption of convertible debentures		(1,655,971)		(1,655,971)
Cash paid for purchase of investments in subsidiaries				
from non - controlling interests	(3,333)	(21,203)	-	-
Dividend paid	(5,379,651)	(4,943,355)	(5,379,651)	(4,943,355)
Dividend paid by subsidiaries to				
non-controlling interests	(201,509)	(151,327)	-	-
Net cash flow provided by (used in) financing activities	(5,168,709)	3,206,827	(5,686,667)	3,823,479
Net increase (decrease) in cash and cash equivalents	765,281	750,287	222,598	(201,419)
Cash and cash equivalents at beginning of periods	5,091,153	4,216,831	2,618,964	2,762,362
Cash and cash equivalents at end of periods	5,856,434	4,967,118	2,841,562	2,560,943
	-		-	
Supplemental cash flows information:				
Non-cash items:				
Assets acquired under finance lease agreements	12,646	11,792	-	-
Increase (decrease) in accounts payable				
- property, premises and equipment	(57,192)	122,686	(45,230)	84,704
Increase (decrease) in payable to construction - retention	3,588	65,278	(2,990)	9,090
Increase (decrease) in dividend payable	218,791	(1,488)	218,098	11,338

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month and nine-month periods ended 30 September 2018

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, medicine production, saline production and pharmacies. The registered office of the Company is at 2, Soi Soonvijai 7, New Petchburi Road, Bang Kapi, Huaykwang, Bangkok.

1.2 Basis for the preparation of interim financial statements

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

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

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

1.3 Basis of consolidation

These interim consolidated financial statements include the financial statements of Bangkok Dusit Medical Services Public Company Limited and its subsidiaries (“the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2017. There have been changes in the structure of the subsidiaries during the period as discussed in Note 5 to the financial statements.

1.4 New financial reporting standards

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

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

(b) Financial reporting standard that will become effective in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019 and a set of 5 standards related to financial instruments, which are effective for fiscal years beginning on or after 1 January 2020. Key principles of these standards are summarized below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Group is currently evaluating the impact of this standard to the financial statements in the year when it is adopted.

Thai Financial Reporting Standards related to financial instruments

The set of TFRSs related to financial instruments consists of 5 accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 9	Financial Instruments
TFRS 7	Financial Instruments: Disclosures

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and entity's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2017.

2. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Trade receivables - related parties	5,599	9,835	21,715	28,226
Trade receivables - unrelated parties-net	6,864,442	6,418,934	1,041,967	1,195,960
Other receivables - related parties	4,840	960	120,608	126,582
Other receivables - unrelated parties	281,443	268,941	38,701	51,016
Prepaid expenses	353,709	276,041	93,214	71,383
Total trade and other receivables - net	7,510,033	6,974,711	1,316,205	1,473,167

As at 30 September 2018 and 31 December 2017, the aging analysis of the outstanding trade accounts receivable is as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
<u>Related parties</u>				
Not over than 3 months	4,537	9,015	20,111	20,698
3 - 6 months	941	623	1,499	6,109
6 - 12 months	24	133	95	1,396
over 12 months	97	64	10	23
Total trade accounts receivable - related parties	5,599	9,835	21,715	28,226
<u>Unrelated parties</u>				
Not over than 3 months	6,236,943	5,788,194	965,217	1,097,000
3 - 6 months	408,412	459,405	67,923	105,964
6 - 12 months	322,986	290,907	66,609	36,863
over 12 months	447,137	372,128	166,679	144,273
Total trade accounts receivable - unrelated parties	7,415,478	6,910,634	1,266,428	1,384,100
Less: Allowance for doubtful accounts	(551,036)	(491,700)	(224,461)	(188,140)
Total trade accounts receivable - unrelated parties - net	6,864,442	6,418,934	1,041,967	1,195,960
Total trade accounts receivable - net	6,870,041	6,428,769	1,063,682	1,224,186

3. Related party transactions

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

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

The significant intercompany transactions are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Associates</u>				
Revenue from hospital operations and laboratory services	5.2	5.0	3.2	3.0
Dividend income (Note 4)	-	-	164.7	149.7
Other income	1.9	2.6	-	0.7
Costs of goods and services	2.5	3.4	0.4	0.4
<u>Subsidiaries</u>				
Revenue from hospital operations and laboratory services	-	-	41.6	38.2
Consulting and management fee income	-	-	237.7	227.1
Interest income	-	-	56.8	111.4
Other income	-	-	28.1	19.6
Costs of goods and services	-	-	203.2	227.5
Consulting and management fee expenses	-	-	62.3	61.9
Other expenses	-	-	7.9	15.5
Interest expense	-	-	24.9	22.4
<u>Individuals or related companies</u>				
Revenue from hospital operations and laboratory services	1.2	1.6	1.0	0.7
Other income	3.1	3.5	2.4	2.9
Costs of goods and services	43.9	42.9	32.5	30.0
Consulting and management fee expenses	0.8	0.7	-	-
Other expenses	26.8	26.6	17.3	17.4

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Associates</u>				
Revenue from hospital operations and laboratory services	12.4	14.5	9.0	6.3
Dividend income (Note 4)	-	-	455.8	457.4
Other income	5.6	5.8	-	0.8
Costs of goods and services	6.3	9.5	0.7	0.6
Other expenses	-	0.1	-	-
<u>Subsidiaries</u>				
Revenue from hospital operations and laboratory services	-	-	138.3	91.8
Consulting and management fee income	-	-	681.9	622.9
Interest income	-	-	190.7	278.2
Dividend income (Note 5)	-	-	4,507.1	2,590.4
Other income	-	-	78.0	58.9
Costs of goods and services	-	-	605.0	601.5
Consulting and management fee expenses	-	-	187.2	182.9
Other expenses	-	-	19.2	32.7
Interest expense	-	-	75.5	65.5
<u>Individuals or related companies</u>				
Revenue from hospital operations and laboratory services	4.2	4.2	3.0	2.9
Dividend income (Note 6)	5.4	9.0	5.4	9.0
Other income	8.5	8.5	7.0	7.6
Costs of goods and services	125.8	104.5	97.2	76.8
Consulting and management fee expenses	2.3	2.3	-	-
Other expenses	85.8	95.2	58.3	71.6

(Unaudited but reviewed)

The outstanding balances of the above transactions as at 30 September 2018 and 31 December 2017 have been separately shown in the statement of financial position as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
<u>Trade receivables - related parties (Note 2)</u>				
Associates	4,301	6,927	63	2,220
Subsidiaries	-	-	21,326	24,755
Related companies	1,298	2,908	326	1,251
Total trade receivables - related parties	5,599	9,835	21,715	28,226
<u>Other receivables - related parties (Note2)</u>				
Consulting and management fee receivable				
Subsidiaries	-	-	83,186	77,904
Total	-	-	83,186	77,904
<u>Accrued interest income and others</u>				
Associate	3,965	-	3,965	-
Subsidiaries	-	-	32,618	47,826
Related companies	875	960	839	852
Total	4,840	960	37,422	48,678
Total other receivables - related parties	4,840	960	120,607	126,582
<u>Leasehold rights - a related party</u>				
(included in other non-current assets)				
A related party	29,954	34,523	-	-
Total leasehold rights - a related party	29,954	34,523	-	-

(Unaudited but reviewed)

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
<u>Deposits and long-term prepaid expense - related parties</u>				
(included in other non-current assets)				
Subsidiaries	-	-	1,947	597
Related companies	1,633	398	-	-
Total deposits and long-term prepaid expense - related parties	1,633	398	1,947	597
<u>Trade payables - related parties (Note 9)</u>				
Associates	1,944	1,955	103	96
Subsidiaries	-	-	103,177	150,201
Related companies	17,987	17,021	11,075	11,377
Total trade payables - related parties	19,931	18,976	114,355	161,674
<u>Other payables - related parties (Note 9)</u>				
Associates	-	148	-	-
Subsidiaries	-	-	45,331	60,438
Related companies	13,599	8,966	9,747	2,456
Total other payables - related parties	13,599	9,114	55,078	62,894
<u>Accrued interest expense - related parties</u>				
(included in accrued expenses)				
Subsidiaries	-	-	8,290	9,045
Total accrued interest expense - related parties	-	-	8,290	9,045
<u>Deposits - related parties</u>				
(included in other non-current liabilities)				
Subsidiaries	-	-	9,570	9,547
Related companies	729	729	729	729
Total deposits - related parties	729	729	10,299	10,276

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

(Unit: Thousand Baht)

	Separate financial statements			30 September 2018
	31 December 2017	Increase	Decrease	
<u>Short-term loans to subsidiaries</u>				
Subsidiaries	2,723,765	290,110	(606,246)	2,407,629
Total short-term loans to subsidiaries	2,723,765	290,110	(606,246)	2,407,629
<u>Long-term loans to subsidiaries</u>				
Subsidiaries	4,790,396	660,141	(1,543,254)	3,907,283
Total long-term loans to subsidiaries	4,790,396	660,141	(1,543,254)	3,907,283
<u>Short-term loans from subsidiaries</u>				
Subsidiaries	9,952,014	555,611	(1,289,270)	9,218,355
Total short-term loans from subsidiaries	9,952,014	555,611	(1,289,270)	9,218,355

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

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

Air ambulance service agreement

A subsidiary entered into an air ambulance service agreement with the Company. The agreement stipulates the monthly minimum service fee and for a period of 3 years from the date the service commenced and is renewable. The latest agreement was expired on 30 September 2018 and it is under renewal process.

Guarantee obligations with subsidiaries

As at 30 September 2018, the Company has guaranteed overdraft facility amounting to USD 2 million (31 December 2017: USD 2 million) for overseas subsidiaries.

Directors and management's benefits

During the periods, the Group had benefits for their directors and management as below.

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	35.1	36.2	34.1	35.3
Post-employment benefits	0.1	0.5	0.1	0.5
Total	35.2	36.7	34.2	35.8

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	191.7	193.7	174.4	179.1
Post-employment benefits	0.3	1.5	0.3	1.5
Total	192.0	195.2	174.7	180.6

(Unaudited but reviewed)

4. Investments in associates

Company's name	Natures of business	Paid-up Capital	% Shareholding		Consolidated financial		(Unit: Thousand Baht)	
					statements		Separate financial	
					Equity Method		statements	
					Cost Method			
30	31	30	31	30	31	30	31	
September	December	September	December	September	December	September	December	
2018	2017	2018	2017	2018	2017	2018	2017	
<u>Associates held by the Company</u>								
Cool & Joy Co., Ltd.	Ceased operation	Baht 5 million	30.00	30.00	871	1,069	1,500	1,500
Ramkhamhaeng Hospital Public Co., Ltd.	Hospital	Baht 120 million	38.24	38.24	5,689,483	5,338,905	1,459,801	1,459,801
Udon Pattana (1994) Co., Ltd. (held by the Company at 15.26% and indirectly held by a subsidiary at 9.85%)	Hospital	Baht 300 million	25.11	25.11	181,250	187,895	69,952	69,952
Bumrungrad Hospital Public Co., Ltd.	Hospital	Baht 730 million	20.50	20.50	10,009,039	9,792,564	6,417,246	6,417,246
Total investments in associates held by the Company							7,948,499	7,948,499
<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 medicine	Baht 120 million	46.03	45.76	548,135	486,746		
Total investments in associates in the consolidated financial statements					16,428,778	15,807,179		

4.1 Investments in an associate which subsidiaries previously held

General Hospital Products Public Co., Ltd.

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

4.2 Details of share of income from the associates are set out below.

Company's name	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	Share of income (loss) from investments in associates received during the nine-month periods ended		Dividend received during the nine-month periods ended	
	30 September 2018	30 September 2017	30 September 2018	30 September 2017
<u>Associates held by the Company</u>				
Cool & Joy Co., Ltd.	(197)	-	-	-
Ramkhamhaeng Hospital Public Co., Ltd.	429,189	410,829	36,707	36,707
Udon Patana (1994) Co., Ltd.	(6,645)	(4,536)	-	-
Bumrungrad Hospital Public Co., Ltd.	651,847	653,952	419,050	420,679
<u>Associates held by the subsidiaries</u>				
Al Ghaith Bangkok Dusit Management Services LLC.	-	-	-	-
General Hospital Products Public Co., Ltd.	62,708	48,288	-	-
Total	<u>1,136,902</u>	<u>1,108,533</u>	<u>455,757</u>	<u>457,386</u>

Share of income from investments in two associates which are listed companies in the Stock Exchange of Thailand for the nine-month period ended 30 September 2018 of Baht 1,081.0 million (30 September 2017: two associates of Baht 1,064.8 million) represents 95 percent (30 September 2017: 96 percent) of total share of income. Profit sharing from an associate was calculated based on interim financial statements which were reviewed by the auditor of the associate and profit sharing of another associate was calculated based on interim financial statements which were prepared by management.

(Unaudited but reviewed)

5. Investments in subsidiaries

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up Capital	% Shareholding		Separate financial statements			
					Investments -		Dividend received	
					cost method		during the periods	
					30 September 2018	31 December 2017	30 September 2018	31 December 2017
Samitivej Public Co., Ltd.	Hospital	Baht 1,000 million	95.76	95.76	1,639,071	1,639,071	718,227	574,582
Bangkok Hospital Hatyai Co., Ltd.	Hospital	Baht 500 million	98.82	98.82	574,697	574,697	98,821	49,405
Bangkok Phuket Hospital Co., Ltd.	Hospital	Baht 500 million	99.70	99.70	610,332	610,332	74,773	-
BNH Medical Center Co., Ltd.	Hospital	Baht 586 million	91.48	91.48	602,657	602,657	428,952	107,238
Paolo Phrapradaeng Hospital Co., Ltd. (Formerly known as "Bangkok Phrapradaeng Hospital Co., Ltd.")	Hospital	Baht 105 million	84.00	84.00	101,868	101,868	-	-
Bangkok Pattaya Hospital Co., Ltd.	Hospital	Baht 280 million	97.27	97.27	708,993	708,993	653,635	-
Bangkok Rayong Hospital Co., Ltd.	Hospital	Baht 400 million	100.00	100.00	415,020	415,020	80,000	60,000
Bangkok Samui Hospital Co., Ltd.	Hospital	Baht 150 million	100.00	100.00	150,000	150,000	90,000	120,000
Bangkok Trat Hospital Co., Ltd.	Hospital	Baht 250 million	99.76	99.76	245,889	245,889	39,902	39,902
Wattanavej Co., Ltd.	Hospital	Baht 180 million	99.72	99.69	450,788	450,643	161,505	17,945
Bangkok Ratchasima Hospital Co., Ltd.	Hospital	Baht 300 million	91.45	91.42	935,354	935,005	41,138	41,139
National Healthcare Systems Co., Ltd. (held by the Company at 74.02% and indirectly held by subsidiaries at 24.66%.	Central Lab	Baht 75 million	74.02	74.02	56,768	56,768	66,622	66,622
Bio Molecular Laboratories (Thailand) Co., Ltd.	Central Lab	Baht 10 million	95.00	95.00	9,502	9,502	42,750	38,000
Angkor Pisith Co., Ltd.	Hospital	USD 10 million	80.00	80.00	287,840	287,840	-	-
Phnom Penh Medical Services Co., Ltd.	Hospital	USD 55 million	100.00	100.00	1,803,415	813,220	-	-

(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
			September 2018	December 2017	September 2018	December 2017	September 2018	September 2017
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	-	-
Bangkok Health Insurance Public Co., Ltd.	Health insurance	Baht 250 million	99.99	99.99	192,027	192,027	-	-
Royal Bangkok Healthcare Co., Ltd.	Investment	Baht 1,086 million	100.00	100.00	1,086,000	1,086,000	190,050	-
Greenline Synergy Co., Ltd.	Information and Technology service	Baht 200 million	100.00	100.00	200,000	200,000	-	-
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	98.59	98.59	9,263,932	9,263,580	1,311,109	983,054
Paolo Medic Co., Ltd.	Hospital	Baht 1,000 million	100.00	100.00	3,622,872	3,622,872	-	-
Paolo Samutprakarn Co., Ltd.	Hospital	Baht 42 million	93.65	93.65	1,737,707	1,737,667	137,661	137,661
Siam Medical Co., Ltd.	Hospital	Baht 100 million	85.71	85.71	939,775	939,775	102,857	85,714
Thai Medical Center Public Co., Ltd.	Hospital	Baht 201 million	99.76	99.76	887,131	887,131	100,025	100,024
Bangkok Premier Life Insurance Broker Co., Ltd.	Life insurance broker	Baht 20 million	100.00	100.00	20,000	20,000	-	-
Bangkok Hospital Chiangmai Co., Ltd.	Hospital	Baht 1,500 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
			September 2018	December 2017	September 2018	December 2017	September 2018	September 2017
The Medicpharma Co., Ltd.	Production and distribution of medicines	Baht 42.86 million	87.05	87.05	551,318	551,318	7,462	7,462
Thonburi Medical Center Public Co., Ltd. (held by the Company at 34.43% and indirectly held by a subsidiary at 29.02%)	Hospital	Baht 193.8 million	34.43	34.43	442,252	442,252	-	-
Bangkok Hospital Surat Co., Ltd.	Hospital	Baht 600 million	100.00	100.00	600,000	600,000	-	-
BDMS Inter Pte. Ltd.	Investment	USD 0.2 million	100.00	100.00	6,721	3,381	-	-
N Health Asia Pte. Ltd.	Investment	USD 3.5 million	100.00	100.00	116,655	116,655	-	-
Samitivej Chonburi Co., Ltd.	Hospital	Baht 800 million	100.00	100.00	800,000	800,000	-	-
Bangkok Hospital Phitsanulok Co., Ltd.	Hospital	Baht 800 million	100.00	100.00	800,000	800,000	-	-
Bangkok Hospital Sanamchan Co., Ltd.	Hospital	Baht 3,655 million	100.00	100.00	3,655,000	3,655,000	109,650	109,650
Bangkok Phuket International Hospital Co., Ltd.	Hospital	Baht 3,610 million	100.00	100.00	3,610,000	3,610,000	-	-
Bangkok Save Drug Co., Ltd.	Investment	Baht 450 million	100.00	100.00	450,000	450,000	-	-
S.R. Property Investment Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	101	101	-	-
Siem Reap Land Investment Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	101	101	-	-
Phnom Penh First Property Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	88	88	-	-
Bangkok Helicopter Services Co., Ltd. (held by the company at 87.25% and indirectly held by a subsidiary at 12.75%)	Air transportation services	Baht 400 million	87.25	87.25	350,858	350,858	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up Capital	Separate financial statements							
			% Shareholding				Investments - cost method		Dividend received during the periods	
			30	31	30	31	30	30	30	30
			September 2018	December 2017	September 2018	December 2017	September 2018	September 2017	September 2018	September 2017
Bangkok Hospital Chiangrai Co., Ltd.	Not yet operate	Baht 600 million	100.00	100.00	600,000	600,000	-	-		
Bangkok Hospital Muangraj Co., Ltd.	Hospital	Baht 1,300 million	100.00	100.00	1,300,000	1,300,000	52,000	52,000		
BDMS Property Management Co., Ltd.	Assets managements not related to hospital	Baht 10 million	100.00	100.00	10,000	10,000	-	-		
BDMS Wellness Clinic Co., Ltd.	Holistic Clinical Wellness (Preventative and Regenerative Medicine)	Baht 9,600 million	100.00	100.00	9,600,000	9,600,000	-	-		
Total investments in subsidiaries					<u>53,583,933</u>	<u>52,589,512</u>	<u>4,507,139</u>	<u>2,590,398</u>		
Less: Allowance for impairment of investments					<u>(154,062)</u>	<u>(154,062)</u>				
Total investments in subsidiaries - net					<u>53,429,871</u>	<u>52,435,450</u>				

Phnom Penh Medical Services Co., Ltd.

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

BDMS Inter Pte. Ltd.

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

(Unaudited but reviewed)

6. Other long-term investments

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend income during the periods	
				30 September	31 December	30 September	30 September
				2018	2017	2018	2017
<u>Investments held by the Company</u>							
<u>Available-for-sale investments</u>							
<u>Investments in listed securities</u>							
Thai Military Bank Public Co., Ltd.	Bank	41,659	-	1,770	1,770	5	5
Aikchol Hospital Public Co., Ltd.	Hospital	150	0.20	350	350	132	189
				2,120	2,120	137	194
Surplus on changes in value of available-for-sale investments				4,396	4,964	-	-
Investments in listed securities				6,516	7,084	137	194
<u>Investments in related company</u>							
Bangkok Airways Public Co., Ltd.	Airline	2,100	0.85	39,466	39,466	5,372	8,953
Surplus on changes in value of available-for-sale investments				200,469	266,720	-	-
Investments in related company				239,935	306,186	5,372	8,953

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated and separate
financial statements

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend income during the periods	
				30 September 2018	31 December 2017	30 September 2018	30 September 2017
<u>Investments in unrelated companies</u>							
Thai Longstay Management Co., Ltd.	Travel business	100	0.53	531	531	-	-
Superior Biotech Holding Co., Ltd.	Investment	113	3.55	5,000	5,000	3,360	800
X-Ray Computer Urupong Co., Ltd.	X-ray lab	100	4.09	4,520	4,520	613	613
Investments in unrelated companies				10,051	10,051	3,973	1,413
Total other long-term investments in the separate financial statements				256,502	323,321	9,482	10,560

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated and separate
financial statements

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend income during the periods		
				30 September 2018	31 December 2017	30 September 2018	30 September 2017	
<u>Investment held by the subsidiaries</u>								
<u>Available-for-sale investments</u>								
Investments in investment unit				10,000	10,000	-	-	
Surplus on changes in value of available-for-sale investments				1,571	1,487	-	-	
Investments in investment unit				11,571	11,487	-	-	
<u>Investment in listed securities</u>								
Mahachai Hospital Public Company Limited		Hospital	160	4.28	143,724	143,724	2,806	3,011
Deficit on changes in value of available-for-sale investments				(11,977)	-	-	-	
Investments in listed securities				131,747	143,724	2,806	3,011	

(Unaudited but reviewed)

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend income during the periods	
				30 September 2018	31 December 2017	30 September 2018	30 September 2017
<u>Investments in unrelated companies</u>							
Thai Herbal Products Co., Ltd.	Sales of herbal products	80	0.60	290	290	12	17
Prasitthirat Co., Ltd.	Educational institution known as "Rangsit university"	150	33.33	107,192	107,192	4,000	2,000
Asia Laboratories Center Limited	Laboratory service	5	8.00	400	400	-	-
Kendall Gammatron Limited	Trading of medical supplies	120	5.10	8,000	8,000	-	-
Black Brain Health, LLC.	Manufacturer and distributor of dietary supplements	USD 1.38 million	8.31	17,975	17,975	-	-
Pracharat Raksamakkee Khonkaen (Enterprise for social) Co., Ltd.	Development of economic foundations	4	0.38	15	15	-	-
Korat Medical Group Co., Ltd.	Hospital	75	1.33	1,000	1,000	-	-
UB (Thailand) Co., Ltd.	Hospital system development consulting	0.88	11.00	879	879	-	-
U2 Bio (Thailand) Co., Ltd.	Laboratory service	1	10.00	1,000	1,000	-	-
				136,751	136,751	4,012	2,017
Less: Allowance for impairment of investments				(20,854)	(2,879)	-	-
Investments in unrelated companies				115,897	133,872	4,012	2,017

(Unaudited but reviewed)

(Unit: Thousand Baht)
Consolidated and separate
financial statements

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		Dividend income during the periods	
				30 September 2018	31 December 2017	30 September 2018	30 September 2017
<u>Investments in ordinary shares (ceased operations)</u>							
Phyathai Herbs Co., Ltd.	In process of liquidation	196	63.64	42,889	42,889	-	-
Less : Allowance for impairment of investment				(9,493)	(9,493)	-	-
Investments in ordinary shares (ceased operations) - net				33,396	33,396	-	-
Total other long-term investments - net in the consolidated financial statements				549,113	645,800	16,300	15,588

Prasitthirat Company Limited

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

Phyathai Herbs Co., Ltd.

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

7. Property, premises and equipment

Movement of the property, premises and equipment during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2017	71,559,483	12,316,569
Purchase - at cost	4,900,365	1,106,672
Disposals and write-off	(48,218)	(2,822)
Transfer in	12,982	9,537
Depreciation for the periods	(3,792,922)	(676,097)
Reversal of loss on impairment	3,008	3,008
Translation adjustment	(14,894)	-
Net book value as at 30 September 2018	<u>72,619,804</u>	<u>12,756,867</u>

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

As at 30 September 2018, the Group had outstanding balances of bank overdrafts and short-term loans from financial institutions of Baht 1,577 million (31 December 2017: Baht 72.3 million). The bank overdrafts carry interest rate at MOR for Baht currency facilities and LIBOR plus fixed rate for US currency facilities. The loans carry interest at fixed rate. The principal and interest is repayable on maturity according to a condition as stipulated in the agreement.

9. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
Trade payables - related parties	19,931	18,976	114,355	161,674
Trade payables - unrelated parties	3,274,774	3,286,789	421,552	403,445
Other payables - related parties	13,599	9,114	55,078	62,894
Other payables - unrelated parties	982,281	975,629	63,965	175,189
Accounts payable - construction and retention	462,750	459,162	173,365	176,355
Total trade and other payables	<u>4,753,335</u>	<u>4,749,670</u>	<u>828,315</u>	<u>979,557</u>

10. Liabilities for discontinued lifelong medical care program and contingent liabilities from litigation

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

In 2017, some members (182 of 334 members in the consolidated financial statements and 151 of 282 members in the separate financial statements) have accepted the offers but other members have not accepted the offers just yet. As at 30 September 2018, the liabilities from discontinuation of the lifelong membership for 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 amounting to approximately Baht 438 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 requesting that the Company and its subsidiary continue the program while some made claims for indemnity from the Company and its subsidiary.

During the consideration of the court of some cases, the court has issued orders for temporary injunctions prior to the release of a judgment to the former members who have filed complaints against the Company in some cases. 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 of the programs until the court rules or orders otherwise. Furthermore, the court has ordered for the former members who are under the temporary injunction to enter a contract with the court 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 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; and 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's in relation to pre-litigation settlement agreements made prior to filing of 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 compensate for the medical expenses to the plaintiffs of some cases from the date of the discontinuance of the programs up to the date of the judgment. As for the complaints against the subsidiary, the judgment are also rendered in two directions which are: 1) to order for the subsidiary to make indemnity payment at the amount specified in a judgment, the amount of which are usually close to amounts that the subsidiary made in its counteroffer to some members prior to filing of complaints; and 2) to order for the subsidiary to continue complying with the

(Unaudited but reviewed)

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 of the judgment. Regardless, there are some cases which are still under the consideration of the Civil Court.

Nonetheless, the legal advisor of the Company and its subsidiary opined that due to 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. The legal advisor further viewed that the appeal has a good chance of winning the case. Therefore, the management, under the advisory of the Company and its subsidiary's legal advisor, proceed to utilize its legal right to file an appeal against the ruling of the Civil Court, for the Court of Appeal's consideration and ruling which shall serve as precedent of future legal processes. Since such cases are currently under the consideration of the Court of Appeal, the Company and its subsidiary could not yet assess on the impacts of the ruling which is not yet definite nor final. The Company and its subsidiary keep record of the debt owed to the Company and its subsidiary for medical services rendered and shall not collect for such medical bills unless the court rules otherwise.

11. Long-term loans from financial institutions

Movements of long-term loans from financial institutions during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)
	Consolidated/ Separate financial statements
Balance as at 31 December 2017	10,798,639
Less: Repayment during period	(1,070,047)
Gain on exchange rate	(10,457)
Balance as at 30 September 2018	9,718,135
Less: Current portion of long-term loans from financial institutions	(3,343,268)
Long-term loans from financial institutions	<u>6,374,867</u>

(Unaudited but reviewed)

The outstanding balances of long-term loans from financial institutions of the Company as at 30 September 2018 and 31 December 2017 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 September 2018	31 December 2017	30 September 2018	31 December 2017
Feb. 2008	Feb. 2018	Baht 3,438 million	Monthly	Floating rate + Spread	-	-	-	57.3
Nov. 2011	Jun. 2019	Baht 3,000 million	Quarterly	Floating rate + Spread	-	-	419.0	719.0
Jan. 2012	Jul. 2020	Baht 586 million	Monthly	Floating rate + Spread	-	-	116.9	188.5
Jun. 2012	Dec. 2019	Baht 1,766 million	Quarterly	Floating rate + Spread	-	-	337.0	539.2
May. 2013	May. 2021	Baht 2,000 million	Semi-annually	Floating rate + Spread	-	-	848.0	992.0
Feb. 2014*	Jul. 2021	USD 20 million	Semi-annually	Fixed rate	14.0	17.3	451.4	569.3
Apr. 2014	Jun. 2019	Baht 1,000 million	Monthly	Floating rate + Spread	-	-	145.8	333.3
Apr. 2017	Apr. 2024	Baht 1,000 million	Bullet	Fixed rate	-	-	1,000.0	1,000.0
Sep. 2017	Sep. 2019	Baht 2,000 million	Bullet	Floating rate + Spread	-	-	1,000.0	1,000.0
Sep. 2017	Sep. 2019	Baht 2,000 million	Bullet	Fixed rate	-	-	1,000.0	1,000.0
Sep. 2017	Sep. 2021	Baht 3,000 million	Bullet	Floating rate + Spread	-	-	2,400.0	2,400.0
Sep. 2017	Sep. 2021	Baht 3,000 million	Bullet	Floating rate + Spread	-	-	2,000.0	2,000.0
Total long-term loans from financial institutions in consolidated and separate financial statements					14.0	17.3	9,718.1	10,798.6

*In January 2018, the Company entered into a cross currency swap contract with a financial institution by converting USD currency amounting to USD 16.0 million to Thai Baht currency amounting to Baht 515.8 million. As a result, fixed interest rate per annum in the mentioned contract is lower than the original contract.

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

(Unaudited but reviewed)

12. Liabilities under finance lease agreements

As at 30 September 2018 and 31 December 2017, liabilities under finance lease agreements are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Liabilities under finance lease agreements	34,640	40,245	1,597	4,908
Less: Deferred interest expense	(1,600)	(1,713)	(4)	(27)
Total	33,040	38,532	1,593	4,881
Less: Current portion of liabilities under finance lease agreements	(15,556)	(22,039)	(1,593)	(4,744)
Liabilities under finance lease agreements	<u>17,484</u>	<u>16,493</u>	<u>-</u>	<u>137</u>

As at 30 September 2018 and 31 December 2017, the Group has future minimum lease payments which required under the finance lease agreements as follows:

	(Unit: Thousand Baht)		
	As at 30 September 2018		
	Consolidated financial statements		
	Less than 1 year	1-5 years	Total
Future minimum finance lease payments	16,395	18,245	34,640
Deferred interest expense	(839)	(761)	(1,600)
Present value of future minimum finance lease payments	<u>15,556</u>	<u>17,484</u>	<u>33,040</u>

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

(Unaudited but reviewed)

(Unit: Thousand Baht)

As at 30 September 2018

	Separate financial statements		
	Less than 1 year	1-5 years	Total
Future minimum finance lease payments	1,597	-	1,597
Deferred interest expense	(4)	-	(4)
Present value of future minimum finance lease payments	<u>1,593</u>	<u>-</u>	<u>1,593</u>

(Unit: Thousand Baht)

As at 31 December 2017

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

The Group has finance lease agreements with various leasing companies to rent medical tools, equipment, and vehicles for use in their operations. Installments are due on a monthly basis over 32 - 60 months and at the end of the agreements.

13. Debentures

Movements of debentures net from debenture expenses and amortisation during the nine-month period ended 30 September 2018 are summarised below.

(Unit: Thousand Baht)

	Consolidated/ Separate financial statements
Balance as at 1 January 2018	19,584,603
Amortisation of debenture expenses during the period	<u>2,575</u>
Balance as at 30 September 2018	<u>19,587,178</u>

(Unaudited but reviewed)

The outstanding balances of debentures of the Company as at 30 September 2018 and 31 December 2017 as follows:

No.	Debentures period		Number of unit	Amount (million baht)	Coupon rate	Outstanding balance (million baht)	
	Issue Date	Maturity Date				30 September 2018	31 December 2017
BDMS228A	6 Aug. 2012	6 Aug. 2022	500,000	500.0	4.50%	500.0	500.0
BDMS228B	8 Aug. 2012	8 Aug. 2022	100,000	100.0	4.50%	100.0	100.0
BDMS233A	14 Mar. 2013	14 Mar. 2023	4,000,000	4,000.0	4.63%	4,000.0	4,000.0
BDMS205A	10 May 2013	10 May 2020	2,000,000	2,000.0	4.19%	2,000.0	2,000.0
BDMS235A	10 May 2013	10 May 2023	1,000,000	1,000.0	4.39%	1,000.0	1,000.0
BDMS256A*	25 Jun. 2015	25 Jun. 2025	2,000,000	2,000.0	3.95%	2,000.0	2,000.0
BDMS266A	24 Jun. 2016	24 Jun. 2026	3,000,000	3,000.0	2.99%	3,000.0	3,000.0
BDMS202A	8 Feb. 2017	8 Feb. 2020	3,000,000	3,000.0	2.41%	3,000.0	3,000.0
BDMS222A	8 Feb. 2017	8 Feb. 2022	2,500,000	2,500.0	2.97%	2,500.0	2,500.0
BDMS242A	8 Feb. 2017	8 Feb. 2024	1,500,000	1,500.0	3.46%	1,500.0	1,500.0

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

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

14. Convertible debentures

On 18 September 2014, the Company issued the convertible debentures to the foreign investors (except the investors in the United States of America). The convertible debentures were listed on the Singapore Exchange Securities Trading Limited on 19 September 2014, Key terms and conditions of the convertible debentures are as the following:

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

Convertible debentures agreement contains obligations and certain limitations which the Company must comply with, as specified in the offering circular of the bonds.

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

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

On 18 September 2017, the convertible debentures holders redeemed totalling of Baht 1,560 million at principal amount of the convertible debentures. The Company made the payment at the Early Redemption Price totally Baht 1,656 million (106.152 percent of the principal Baht 1,560 million).

(Unaudited but reviewed)

In 2018, the convertible debentures holders of Baht 3,676 million exercised their conversion rights to convert into 174.7 million ordinary shares of the Company. As a result, as at 30 September 2018, the Company's paid up capital increased from Baht 1,549 million to Baht 1,567 million and the outstanding principal amount of convertible debentures was Baht 4,764 million.

Movements of convertible debentures, net from convertible debenture expenses, during the nine-month period ended 30 September 2018 are summarised below.

(Unit: Thousand Baht)

	Consolidated/ Separate financial statements			
	Convertible debenture - liability component	Convertible debenture expenses	Total	Convertible debenture - equity component
Balance as at 1 January 2018	8,821,639	(47,369)	8,774,270	494,185
Transactions for present value of convertible debentures	185,126	-	185,126	-
Amortisation of debenture expenses	-	17,622	17,622	-
Conversion of debentures to ordinary shares	(3,906,078)	14,598	(3,891,480)	(215,240)
Balance as at 30 September 2018	<u>5,100,687</u>	<u>(15,149)</u>	<u>5,085,538</u>	<u>278,945</u>

15. Dividend paid

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2016	Annual General Meeting of the shareholders on 12 April 2017	2,942	0.19
Interim dividends for 2017	Board of Directors' meeting on 30 August 2017	2,013	0.13
Total dividend during the nine-month period ended 30 September 2017		<u>4,955</u>	<u>0.32</u>

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

(Unaudited but reviewed)

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend</u> <u>per share</u> (Baht)
Final dividends for 2017	Annual General Meeting of the shareholders on 11 April 2018	3,561	0.23
Interim dividends for 2018	Board of Directors' meeting on 29 August 2018	<u>2,037</u>	<u>0.13</u>
Total dividend during the nine-month period ended 30 September 2018		<u><u>5,598</u></u>	<u><u>0.36</u></u>

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

16. Income tax

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

Income tax expense for the three-month and nine-month periods ended 30 September 2018 and 2017 were made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Interim corporate income tax charge	662,080	586,325	88,190	5,929
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(45,043)</u>	<u>(22,459)</u>	<u>(12,013)</u>	<u>59,809</u>
Income tax reported in the income statements	<u><u>617,037</u></u>	<u><u>563,866</u></u>	<u><u>76,177</u></u>	<u><u>65,738</u></u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Interim corporate income tax charge	1,854,048	2,092,976	320,730	781,715
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(129,801)</u>	<u>23,448</u>	<u>81,459</u>	<u>104,771</u>
Income tax reported in the income statements	<u>1,724,247</u>	<u>2,116,424</u>	<u>402,189</u>	<u>886,486</u>

17. Earnings per share

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

Diluted earnings per share

No disclosure of diluted earnings per share is required for the three-month and nine-month periods ended 30 September 2018 after the issue of convertible debentures (as mentioned in Note 14) since the calculated earnings per share assuming the conversion of all convertible debentures to ordinary shares is antidilutive.

18. Commitments and contingent liabilities

As at 30 September 2018 and 31 December 2017, commitments and contingent liabilities are as follows:

	(Unit: Million Baht)					
	As at 30 September 2018					
	Consolidated			Separate		
	financial statements			financial statements		
	Within 1 year	1 -5 years	Over 5 years	Within 1 year	1 -5 years	Over 5 years
Contractual commitments						
- the land and building rental contracts	265	456	1,085	23	47	68
- the office equipment rental and other services	333	179	15	53	3	-
- the medical equipment provision and maintenance contracts	258	229	-	-	-	-
- the building construction and decoration contracts	<u>2,404</u>	<u>1</u>	<u>-</u>	<u>1,052</u>	<u>-</u>	<u>-</u>
Total	<u>3,260</u>	<u>865</u>	<u>1,100</u>	<u>1,128</u>	<u>50</u>	<u>68</u>

(Unaudited but reviewed)

(Unit: Million Baht)

As at 31 December 2017

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

The Company

The Company has entered into 4-year rental agreements which ended on 27 September 2020 with a company to operate medical clinic. The Company has to pay fee at the fixed rate 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 ended 27 January 2019. The subsidiary has to pay fee at the rate stipulated in the agreement, of 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 ended of 15 March 2022. The subsidiary has to pay fee at the rate stipulated in the agreement, of monthly gross operating revenue before deducted any expense or the minimum fee, as stipulated in agreement, whichever higher.

Contingent liabilities

As at 30 September 2018, the Group had outstanding bank guarantees of approximately Baht 358 million (31 December 2017: Baht 388 million) and the Company's was Baht 30 million (31 December 2017: Baht 39 million) issued by the banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business, such as facility usage and contractual performance.

19. Segment information

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

The 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 and providing service for health and cosmetic goods, accounting services, technology and information service, training business, health insurance and life insurance broker. These two segments have similar economic characteristics. They both have common customer group, similar service provision methods and similar management.

In addition, the operations of the 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 three-month and nine-month periods ended 30 September 2018 and 2017, the Group has no major customer with revenue of 10 percent or more of its revenues.

20. 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.

(Unaudited but reviewed)

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 September 2018, the Group had the following financial assets that were measured at fair value using different level of input as follow.

(Unit: Million Baht)

	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment in mutual funds	-	506	-	506
Available-for-sale investments	390	-	-	390
Investment properties	-	-	311	311
Lands	-	33,973	-	33,973

(Unit: Million Baht)

	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment in mutual funds	-	1	-	1
Available-for-sale investments	246	-	-	246
Investment properties	-	-	679	679
Lands	-	5,464	-	5,464

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

21. Interest rate swap contract, cross currency swap contract and forward exchange contract that are not measured at fair value

Interest rate swap contract, cross currency swap contract and forward exchange contract are entered into to manage exposure to fluctuations in interest rate and exchange rate.

21.1 Interest rate swap contract

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

On 17 June 2015, the Company entered into a ten-year interest rate swap contract with a financial institution by converting the interest rate of fixed rate per annum to floating rate based on 3-month BIBOR plus the fixed rate per annum on the debenture balances as described in Note 13.

Net fair value

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
Fair value of interest rate swap contract - assets	22.7	75.4	22.7	75.4

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

21.2 Cross currency swap contract

In order to mitigate the foreign currency risk exposure. As described in Note 11, the Company entered into cross currency swap contract with a financial institution in January 2018 by converting USD loan to Thai Baht loan.

Net fair value

The net fair value of cross currency swap contract at the statements of financial position date was:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Fair value of cross currency swap agreement - liability	1.1	-	1.1	-

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

21.3 Forward exchange contract

As at 30 September 2018 and 31 December 2017, a subsidiary has the outstanding balance of selling forward exchange contracts as follows:

Balance as at	Foreign currency	Amount sold	Contractual exchange rate for amount sold
			(Baht per foreign currency unit)
30 September 2018	US Dollar	1,423,131	31.80 - 33.05
31 December 2017	US Dollar	400,000	32.61 - 33.22

As at 30 September 2018 and 31 December 2017, the Company has the outstanding balance of buying forward exchange contracts as follows:

Balance as at	Foreign currency	Amount bought	Contractual exchange rate for amount bought
			(Baht per foreign currency unit)
30 September 2018	Euro	200,000	38.20
31 December 2017	Euro	-	-

Net fair value

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
Fair value of selling forward exchange contract - liabilities	238.2	67.8	-	-
Fair value of buying forward exchange contract - liabilities	61.1	-	61.1	-

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

22. Subsequent event after reporting date**Investment in associate**

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

23. Approval of financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 14 November 2018.