

Bumrungrad Hospital Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month and six-month periods ended
30 June 2014

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Bumrungrad Hospital Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Bumrungrad Hospital Public Company Limited and its subsidiaries as at 30 June 2014, the related consolidated statements of income and comprehensive income for the three-month and six-month periods then ended, and the related consolidated statements of changes in shareholders' equity, and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Bumrungrad Hospital 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 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 34 *Interim Financial Reporting*.

Sumalee Reewarabandith

Certified Public Accountant (Thailand) No. 3970

EY Office Limited

Bangkok: 8 August 2014

Bumrungrad Hospital Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2014	31 December 2013	30 June 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		5,707,202	5,857,211	5,498,668	5,712,060
Trade and other receivables	2	1,302,585	1,306,953	1,309,535	1,302,241
Inventories		298,133	304,538	268,129	294,038
Prepaid expenses		75,807	49,940	69,721	46,228
Other current assets		13,288	33,194	10,923	31,331
Total current assets		7,397,015	7,551,836	7,156,976	7,385,898
Non-current assets					
Long-term loan to related party	3	-	-	1,855	1,855
Investments in subsidiaries	4	-	-	1,537,861	1,102,250
Investments in associates	5	235,337	234,586	7,110	7,110
Other long-term investments		1,700	1,700	1,700	1,700
Property, plant and equipment	6	9,885,720	9,095,693	8,246,188	8,082,024
Intangible assets	7	165,206	189,298	175,776	202,980
Other non-current assets		25,673	27,459	25,963	27,431
Deferred tax assets		159,600	150,957	159,216	150,726
Goodwill	4.2	110,086	-	-	-
Total non-current assets		10,583,322	9,699,693	10,155,669	9,576,076
Total assets		17,980,337	17,251,529	17,312,645	16,961,974

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

Bumrungrad Hospital Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2014 (Unaudited but reviewed)	31 December 2013 (Audited)	30 June 2014 (Unaudited but reviewed)	31 December 2013 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	8	759,548	858,882	760,357	850,389
Accrued physicians' fees		467,568	488,246	462,401	483,325
Accrued expenses		464,487	384,507	457,038	380,366
Income tax payable		308,146	329,139	294,155	324,152
Other current liabilities		78,321	64,324	68,478	56,567
Total current liabilities		2,078,070	2,125,098	2,042,429	2,094,799
Non-current liabilities					
Long-term loan from related party	3	176,400	176,400	176,400	176,400
Long-term debentures	3, 9	4,968,978	4,966,090	4,968,978	4,966,090
Provision for long-term employee benefits		412,092	386,976	406,772	386,011
Total non-current liabilities		5,557,470	5,529,466	5,552,150	5,528,501
Total liabilities		7,635,540	7,654,564	7,594,579	7,623,300

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

Bumrungrad Hospital Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2014 (Unaudited but reviewed)	31 December 2013 (Audited)	30 June 2014 (Unaudited but reviewed)	31 December 2013 (Audited)
Shareholders' equity					
Share capital	10				
Registered					
921,251,022 ordinary shares of Baht 1 each (31 December 2013: 921,211,022 ordinary shares of Baht 1 each)		921,251	921,211	921,251	921,211
1,451,663 preference shares of Baht 1 each (31 December 2013: 1,491,663 preference shares of Baht 1 each)		1,452	1,492	1,452	1,492
		<u>922,703</u>	<u>922,703</u>	<u>922,703</u>	<u>922,703</u>
Issued and paid-up					
728,600,559 ordinary shares of Baht 1 each (31 December 2013: 728,560,559 ordinary shares of Baht 1 each)		728,600	728,560	728,600	728,560
1,451,663 preference shares of Baht 1 each (31 December 2013: 1,491,663 preference shares of Baht 1 each)		1,452	1,492	1,452	1,492
		<u>730,052</u>	<u>730,052</u>	<u>730,052</u>	<u>730,052</u>
Premium on ordinary shares		285,568	285,568	285,568	285,568
Convertible bonds treated as equity securities	3	550,000	550,000	550,000	550,000
Retained earnings					
Appropriated - statutory reserve		92,275	92,275	92,275	92,275
Unappropriated		8,077,332	7,695,107	8,060,171	7,680,779
Other components of shareholders' equity		240,703	243,963	-	-
Equity attributable to owners of the Company		<u>9,975,930</u>	<u>9,596,965</u>	<u>9,718,066</u>	<u>9,338,674</u>
Non-controlling interests of the subsidiaries		368,867	-	-	-
Total shareholders' equity		<u>10,344,797</u>	<u>9,596,965</u>	<u>9,718,066</u>	<u>9,338,674</u>
Total liabilities and shareholders' equity		<u>17,980,337</u>	<u>17,251,529</u>	<u>17,312,645</u>	<u>16,961,974</u>
		-	-	-	-

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

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Directors
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(Unaudited but reviewed)

Bumrungrad Hospital Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 30 June 2014**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Revenues					
Revenues from hospital operations	3	3,761,648	3,494,261	3,635,463	3,443,340
Rental income	3	14,399	19,063	15,944	19,900
Interest income	3	33,800	39,835	35,743	39,100
Exchange gains		14,893	11,022	17,274	10,500
Other income	3	29,404	27,060	37,074	20,809
Total revenues		3,854,144	3,591,241	3,741,498	3,533,649
Expenses					
Cost of hospital operations	3	2,315,112	2,203,973	2,244,449	2,179,744
Administrative expenses	3	687,409	605,253	647,025	585,873
Total expenses		3,002,521	2,809,226	2,891,474	2,765,617
Profit before share of profit (loss) from investments					
in associates, finance cost and income tax expenses		851,623	782,015	850,024	768,032
Share of profit (loss) from investments in associates	5	(5,726)	1,276	-	-
Profit before finance cost and income tax expenses		845,897	783,291	850,024	768,032
Finance cost	3	(47,213)	(61,135)	(46,011)	(61,446)
Profit before income tax expenses		798,684	722,156	804,013	706,586
Income tax expenses	11	(164,011)	(143,322)	(157,684)	(140,689)
Profit for the period		634,673	578,834	646,329	565,897
Profit attributable to:					
Equity holders of the Company		635,431	578,834	646,329	565,897
Non-controlling interests of the subsidiaries		(758)	-		
		634,673	578,834		
Earnings per share					
	12				(Unit: Baht)
Basic earnings per share					
Profit attributable to equity holders of the Company		0.87	0.79	0.89	0.78
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.73	0.67	0.75	0.65

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

(Unaudited but reviewed)

Bumrungrad Hospital Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit for the period	<u>634,673</u>	<u>578,834</u>	<u>646,329</u>	<u>565,897</u>
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currencies	<u>(8,766)</u>	<u>(460)</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>(8,766)</u>	<u>(460)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>625,907</u></u>	<u><u>578,374</u></u>	<u><u>646,329</u></u>	<u><u>565,897</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>629,550</u>	<u>578,374</u>	<u><u>646,329</u></u>	<u><u>565,897</u></u>
Non-controlling interests of the subsidiaries	<u>(3,643)</u>	<u>-</u>		
	<u><u>625,907</u></u>	<u><u>578,374</u></u>		

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

(Unaudited but reviewed)

Bumrungrad Hospital Public Company Limited and its subsidiaries**Income statement****For the six-month period ended 30 June 2014**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Revenues					
Revenues from hospital operations	3	7,351,074	6,951,359	7,181,080	6,845,022
Rental income	3	28,969	52,678	31,560	53,513
Interest income	3	71,141	77,765	72,730	76,644
Exchange gains		23,794	22,997	26,165	22,991
Other income	3	58,548	52,128	63,412	39,321
Total revenues		7,533,526	7,156,927	7,374,947	7,037,491
Expenses					
Cost of hospital operations	3	4,484,394	4,346,967	4,392,588	4,293,450
Administrative expenses	3	1,368,297	1,201,356	1,318,210	1,163,162
Total expenses		5,852,691	5,548,323	5,710,798	5,456,612
Profit before share of profit (loss) from investments					
in associates, finance cost and income tax expenses		1,680,835	1,608,604	1,664,149	1,580,879
Share of profit (loss) from investments in associates	5	(4,663)	2,032	-	-
Profit before finance cost and income tax expenses		1,676,172	1,610,636	1,664,149	1,580,879
Finance cost	3	(92,505)	(120,241)	(91,690)	(120,552)
Profit before income tax expenses		1,583,667	1,490,395	1,572,459	1,460,327
Income tax expenses	11	(310,321)	(298,541)	(301,091)	(293,506)
Profit for the period		1,273,346	1,191,854	1,271,368	1,166,821
Profit attributable to:					
Equity holders of the Company		1,274,201	1,191,854	1,271,368	1,166,821
Non-controlling interests of the subsidiaries		(855)	-	-	-
		1,273,346	1,191,854		
Earnings per share					
	12				(Unit: Baht)
Basic earnings per share					
Profit attributable to equity holders of the Company		1.75	1.64	1.74	1.60
Diluted earnings per share					
Profit attributable to equity holders of the Company		1.47	1.37	1.47	1.35

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

(Unaudited but reviewed)

Bumrungrad Hospital Public Company Limited and its subsidiaries

Statement of comprehensive income

For the six-month period ended 30 June 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit for the period	<u>1,273,346</u>	<u>1,191,854</u>	<u>1,271,368</u>	<u>1,166,821</u>
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currencies	<u>(6,145)</u>	<u>(119)</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>(6,145)</u>	<u>(119)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>1,267,201</u></u>	<u><u>1,191,735</u></u>	<u><u>1,271,368</u></u>	<u><u>1,166,821</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>1,270,941</u>	<u>1,191,735</u>	<u><u>1,271,368</u></u>	<u><u>1,166,821</u></u>
Non-controlling interests of the subsidiaries	<u>(3,740)</u>	<u>-</u>		
	<u><u>1,267,201</u></u>	<u><u>1,191,735</u></u>		

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

(Unaudited but reviewed)

Bumrungrad Hospital Public Company Limited and its subsidiaries**Statement of cash flow****For the six-month period ended 30 June 2014**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before tax	1,583,667	1,490,395	1,572,459	1,460,327
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	493,337	379,610	483,602	377,880
Bad debts and allowance for doubtful accounts	14,636	6,671	13,074	9,048
Loss (gain) on sales of equipment	(1,385)	3,560	(1,687)	3,560
Long-term employee benefits expenses	37,542	40,845	37,178	40,094
Share of loss (profit) from investments in associates	4,663	(2,032)	-	-
Interest income	(71,141)	(77,765)	(72,730)	(76,644)
Amortisation of debenture issuing costs to interest expenses	2,888	2,756	2,888	2,756
Interest expenses	89,617	117,485	88,803	117,796
Profit from operating activities before changes in operating assets and liabilities	2,153,824	1,961,525	2,123,587	1,934,817
Operating assets (increase) decrease				
Trade and other receivables	(5,909)	(119,163)	(20,368)	(127,031)
Inventories	24,672	(12,035)	25,909	(10,734)
Prepaid expenses	(25,867)	(22,660)	(23,493)	(21,358)
Other current assets	19,968	3,608	20,408	4,081
Other non-current assets	1,786	(3,594)	1,468	(3,488)
Operating liabilities increase (decrease)				
Trade and other payables	(14,335)	20	(3,768)	(4,553)
Accrued physicians' fees	(20,990)	33,709	(20,924)	33,287
Accrued expenses	78,648	66,580	76,154	68,144
Other current liabilities	5,682	(14,230)	11,911	(11,789)
Provision for long-term employee benefits	(12,426)	(3,457)	(16,417)	(3,457)
Cash flows from operating activities	2,205,053	1,890,303	2,174,467	1,857,919
Cash paid for corporate income tax	(339,081)	(384,329)	(339,578)	(380,576)
Net cash flows from operating activities	1,865,972	1,505,974	1,834,889	1,477,343

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

(Unaudited but reviewed)

Bumrungrad Hospital Public Company Limited and its subsidiaries**Statement of cash flow (continued)**

For the six-month period ended 30 June 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from investing activities				
Acquisition of investments in subsidiaries	(308,668)	-	(435,611)	-
Repayment debt of acquired subsidiary as at acquisition date	(85,705)	-	-	-
Cash receipt of capital increasing from non-controlling interest of the subsidiary	7,933	-	-	-
Cash increased from acquisitions of subsidiaries	3,286	-	-	-
Acquisition of equipment and repayment of construction and medical equipment payables	(692,781)	(667,936)	(684,626)	(667,687)
Acquisition of computer software	(5,963)	(1,617)	(4,629)	(1,297)
Proceeds from sales of equipment	10,759	4,448	10,759	2,045
Interest income	71,141	77,765	72,730	76,644
Net cash flows used in investing activities	(999,998)	(587,340)	(1,041,377)	(590,295)
Cash flows from financing activities				
Cash receipt from long-term loan from a related party	-	176,400	-	176,400
Interest paid for long-term debentures	(115,735)	(117,443)	(115,735)	(117,443)
Dividend paid	(874,785)	(874,853)	(874,785)	(874,853)
Interest paid for convertible bonds treated as equity securities	(16,384)	(16,384)	(16,384)	(16,384)
Net cash flows used in financing activities	(1,006,904)	(832,280)	(1,006,904)	(832,280)
Decrease in translation adjustment	(9,079)	(119)	-	-
Net increase (decrease) in cash and cash equivalents	(150,009)	86,235	(213,392)	54,768
Cash and cash equivalents at beginning of period	5,857,211	6,034,144	5,712,060	5,940,596
Cash and cash equivalents at end of period	5,707,202	6,120,379	5,498,668	5,995,364
	-		-	
Supplemental cash flow information				
Non-cash transactions				
Interest cost recorded as cost of assets	27,717	-	27,717	-

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

(Unaudited but reviewed)

Bumrungrad Hospital Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2014

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
	Issued and paid-up share capital				Convertible bonds treated as equity securities		Retained earnings		Other components of shareholders' equity			
									Other comprehensive income	Exchange differences	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries
	Ordinary shares	Preference shares	Premium on ordinary shares	equity securities	Appropriated	Unappropriated	on translation of financial statements in foreign currencies	Other paid-in capital of an associated company	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Balance as at 1 January 2013	728,393	1,659	285,568	550,000	92,275	6,608,287	(7,867)	252,173	244,306	8,510,488	-	8,510,488
Preference shares converted to ordinary shares (Note 10)	167	(167)	-	-	-	-	-	-	-	-	-	-
Dividend paid (Note 13)	-	-	-	-	-	(876,054)	-	-	-	(876,054)	-	(876,054)
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(16,117)	-	-	-	(16,117)	-	(16,117)
Total comprehensive income for the period	-	-	-	-	-	1,191,854	(119)	-	(119)	1,191,735	-	1,191,735
Balance as at 30 June 2013	728,560	1,492	285,568	550,000	92,275	6,907,970	(7,986)	252,173	244,187	8,810,052	-	8,810,052
Balance as at 1 January 2014	728,560	1,492	285,568	550,000	92,275	7,695,107	(8,210)	252,173	243,963	9,596,965	-	9,596,965
Preference shares converted to ordinary shares (Note 10)	40	(40)	-	-	-	-	-	-	-	-	-	-
Dividend paid (Note 13)	-	-	-	-	-	(875,859)	-	-	-	(875,859)	-	(875,859)
Cash receipt of capital increasing from non-controlling interest of the subsidiary (Note 4.1)	-	-	-	-	-	-	-	-	-	-	107,653	107,653
Increase in non-controlling interests of the subsidiaries due to purchase of investments in subsidiaries (Note 4.2)	-	-	-	-	-	-	-	-	-	-	264,954	264,954
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(16,117)	-	-	-	(16,117)	-	(16,117)
Total comprehensive income for the period	-	-	-	-	-	1,274,201	(3,260)	-	(3,260)	1,270,941	(3,740)	1,267,201
Balance as at 30 June 2014	728,600	1,452	285,568	550,000	92,275	8,077,332	(11,470)	252,173	240,703	9,975,930	368,867	10,344,797
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-

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

(Unaudited but reviewed)

Bumrungrad Hospital Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2014

(Unit: Thousand Baht)

	Separate financial statements						
	Issued and paid-up share capital		Premium on ordinary shares	Convertible bonds treated as equity securities	Retained earnings		Total shareholders' equity
	Ordinary shares	Preference shares			Appropriated	Unappropriated	
Balance as at 1 January 2013	728,393	1,659	285,568	550,000	92,275	6,639,300	8,297,195
Preference shares converted to ordinary shares (Note 10)	167	(167)	-	-	-	-	-
Dividend paid (Note 13)	-	-	-	-	-	(876,054)	(876,054)
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(16,117)	(16,117)
Total comprehensive income for the period	-	-	-	-	-	1,166,821	1,166,821
Balance as at 30 June 2013	<u>728,560</u>	<u>1,492</u>	<u>285,568</u>	<u>550,000</u>	<u>92,275</u>	<u>6,913,950</u>	<u>8,571,845</u>
Balance as at 1 January 2014	728,560	1,492	285,568	550,000	92,275	7,680,779	9,338,674
Preference shares converted to ordinary shares (Note 10)	40	(40)	-	-	-	-	-
Dividend paid (Note 13)	-	-	-	-	-	(875,859)	(875,859)
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(16,117)	(16,117)
Total comprehensive income for the period	-	-	-	-	-	1,271,368	1,271,368
Balance as at 30 June 2014	<u>728,600</u>	<u>1,452</u>	<u>285,568</u>	<u>550,000</u>	<u>92,275</u>	<u>8,060,171</u>	<u>9,718,066</u>
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

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

Bumrungrad Hospital Public Company Limited and its subsidiaries
Notes to consolidated interim financial statements
For the three-month and six-month periods ended 30 June 2014

1. General information

1.1 Corporate information

Bumrungrad Hospital Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in hospital business, investment in other companies and rental of properties service. The registered office of the Company is at 33 Soi 3 (Nana Nua) Sukhumvit Road, Klongtoey Nua Sub District, Wattana District, Bangkok.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2012) Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income statement, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

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 financial statements.

1.3 Basis of consolidation

These interim consolidated financial statements include the financial statements of Bumrungrad Hospital Public Company Limited and the following subsidiaries (collectively “the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2013, except for the changes in the composition of the Group from the additional investments in subsidiaries as discussed in Note 4 to the financial statements.

(Unaudited but reviewed)

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			30 June 2014	31 December 2013
			%	%
<u>Subsidiaries held by the Company</u>				
Vitalife Corporation Ltd. ("VTL")	Health care center	Thailand	100	100
Asia Global Research Co., Ltd. ("AGR")	Clinical research service and sales of vaccine	Thailand	100	100
Ruenmongkol Co., Ltd. ("RM")	A holding and renting real estate assets company	Thailand	100	100
Bumrungrad Personnel Development Center Co., Ltd. ("PDC")	Personnel development and training center for healthcare service business	Thailand	100	-
Asia Global Health Ltd. ("AGH")	Investment in healthcare business	Hong Kong	100	100
Life and Longevity Ltd. ("LLL")	Overseas investment	Hong Kong	100	100
Health Horizons Enterprises Pte. Ltd. ("HHE")	Overseas investment	Singapore	80	-
<u>Subsidiaries held by subsidiaries</u>				
Vitalife International AG ("VTL AG") (Investment through LLL)	Overseas investment	Switzerland	51	-
Bumrungrad Mongolia LLC ("BML") (Investment through HHE)	Overseas investment	Mongolia	80	-
Seoul Seniors Tower LLC ("SST") (Investment through BML)	Owner and operates hospital	Mongolia	41	-

Although the Group holds only 41% of the share of SST, SST's financial statements have been included in the consolidated financial statements since the Group has control over its management.

1.4 New accounting standards

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

The Company disclosed the accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after 1 January 2014, in the notes to financial statements for the year ended 31 December 2013, and TAS 36 (revised 2012) Impairment of Assets which became effective in the current accounting year.

The Company's management has assessed the effects of the above accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, and believes that they do not have a significant impact.

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

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

The Company's management has assessed the effect of this financial reporting standard and believes that it is not relevant to the business of the Company.

1.5 Significant accounting policies

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

2. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	1,809	1,928	1,997	2,102
Past due				
1 - 30 days	-	-	34	64
Total trade receivables - related parties	1,809	1,928	2,031	2,166
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	438,692	434,460	430,534	431,797
Past due				
1 - 30 days	394,155	266,599	391,709	263,475
31 - 60 days	16,940	117,666	16,624	116,664
61 - 90 days	126,500	103,461	125,586	101,176
91 - 180 days	157,783	133,397	157,304	132,491
181 - 365 days	113,845	183,085	112,547	182,391
More than 365 days	140,161	149,495	139,438	148,926
Total	1,388,076	1,388,163	1,373,742	1,376,920
Less: Allowance for doubtful accounts	(96,212)	(103,707)	(94,840)	(103,760)
Total trade receivables - unrelated parties, net	1,291,864	1,284,456	1,278,902	1,273,160
Total trade receivables - net	1,293,673	1,286,384	1,280,933	1,275,326

Other receivables

(Unaudited but reviewed)

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Advances and loans to employees	8,300	19,980	8,219	19,965
Accrued income - related parties	612	589	20,383	6,950
Total other receivables	8,912	20,569	28,602	26,915
Trade and other receivables - net	1,302,585	1,306,953	1,309,535	1,302,241

3. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

	(Unit: Million Baht)				Transfer pricing policy
	For the three-month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		
	2014	2013	2014	2013	
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Medical service income	-	-	5.7	5.5	Market price
Rental income	-	-	1.5	1.2	As per contracts 3.1)
Professional service income	-	-	0.4	0.3	Actual paid
Lab service expense	-	-	0.1	-	Market price
Pharmacy expense	-	-	1.8	2.6	Market price
Training expense	-	-	18.6	-	Cost plus margin
Interest income on long-term loans	-	-	2.8	-	3.25% p.a.
Transactions with associates					
Consulting income	-	0.1	-	0.1	As per contract 3.2)
Interest expense on long-term loans	0.6	1.0	0.6	1.0	1.50% - 2.00% p.a. (2013: 2.25% p.a.)
Transactions with related parties					
Medical service income	24.1	16.7	24.1	16.7	Market price
Rental income	0.6	0.4	0.6	0.4	Market price
Other income	0.2	0.8	0.2	0.8	At cost
Lab service expense	0.5	0.6	0.5	0.6	Market price
Purchase of medicine and medical supplies	3.7	5.1	3.7	5.1	Market price
Donation expense	6.0	6.0	6.0	6.0	-
Insurance expense	8.3	8.0	8.3	7.9	As per insurance policies
Credit card commission fees	28.7	25.9	27.5	25.1	Market price

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2014	2013	2014	2013	
Interest expense on long-term debentures	11.5	11.5	11.5	11.5	4.13% - 4.97% p.a.
Interest expense on convertible bonds	8.1	8.1	8.1	8.1	10.00% p.a. and 1.00% p.a.
Legal advisory fee	1.5	1.1	0.9	1.1	Market price
Construction consulting fee	0.3	0.3	0.3	0.3	Baht 0.1 million per month as stated in the agreement
Service fee	0.6	0.1	0.6	0.1	Market price
Interest expense	0.7	-	-	-	3.25% p.a.

(Unit: Million Baht)

	For the six-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2014	2013	2014	2013	
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Medical service income	-	-	10.9	10.6	Market price
Rental income	-	-	3.0	2.3	As per contracts 3.1)
Professional service income	-	-	0.7	0.6	Actual paid
Lab service expense	-	-	0.1	0.1	Market price
Pharmacy expense	-	-	3.5	5.6	Market price
Training expense	-	-	30.2	-	Cost plus margin
Interest income on long-term loans	-	-	3.3	-	3.25% p.a.
Transactions with associates					
Consulting income	0.1	0.3	0.1	0.3	As per contract 3.2)
Interest expense on long-term loans	1.4	1.0	1.4	1.0	1.50% - 2.00% p.a. (2013: 2.25% p.a.)
Transactions with related parties					
Medical service income	44.9	29.8	44.9	29.8	Market price
Rental income	1.1	0.8	1.1	0.8	Market price
Other income	0.4	1.7	0.4	1.7	At cost
Lab service expense	1.2	0.8	1.2	0.8	Market price
Purchase of medicine and medical supplies	6.3	7.2	6.3	7.2	Market price
Donation expense	12.0	12.0	12.0	12.0	-
Insurance expense	16.5	16.1	16.4	16.0	As per insurance policies
Credit card commission fees	56.2	52.4	54.3	50.5	Market price
Interest expense on long-term debentures	22.9	22.9	22.9	22.9	4.13% - 4.97% p.a.
Interest expense on convertible bonds	16.1	16.1	16.1	16.1	10.00% p.a. and 1.00%

(Unaudited but reviewed)

	For the six-month periods ended 30 June				(Unit: Million Baht)
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2014	2013	2014	2013	
Legal advisory fee	3.6	2.0	2.8	2.0	p.a. Market price
Construction consulting fee	0.6	0.3	0.6	0.3	Baht 0.1 million per month as stated in the agreement
Service fee	0.8	0.1	0.8	0.1	Market price
Interest expense	0.8	-	-	-	3.25% p.a.

3.1) Subsidiaries have leased building spaces and office equipment from the Company for use in their operations, as detailed below.

Company's name	Rent assets	Rental fee per month (Million Baht)
Vitalife Corporation Ltd.	Building spaces	0.4
Asia Global Research Co., Ltd.	Building spaces and office equipment	0.1
Bumrungrad Personnel Development Center Co., Ltd.	Building spaces	0.1 - 0.2*

*The rental agreement starts February 2014.

3.2) The Company entered into a Consulting Support Agreement with an associate (Bumrungrad International Ltd.). The associate is obliged to pay a fee at a fixed rate amounting to Baht 0.2 million per annum, as stipulated in the agreement, and additional fee for consulting service provided by employees of the Company to the associate at the rates per agreement multiplied with actual hours worked. The agreement will expire in accordance with the conditions in the agreement.

(Unaudited but reviewed)

The balances of the accounts between the Company and those related parties are as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
Trade and other receivables - related parties (Note 2)				
Subsidiaries	-	-	19,993	6,599
Associates	328	185	328	185
Related parties (common director)	2,093	2,332	2,093	2,332
Total	<u>2,421</u>	<u>2,517</u>	<u>22,414</u>	<u>9,116</u>
Trade and other payables - related parties (Note 3)				
Subsidiaries	-	-	17,846	145
Associates	4,919	247	1,028	247
Total	<u>4,919</u>	<u>247</u>	<u>18,874</u>	<u>392</u>
Long-term loan to related party				
Subsidiary	-	-	1,855	1,855
Long-term loan from related party				
Associate	<u>176,400</u>	<u>176,400</u>	<u>176,400</u>	<u>176,400</u>
Long-term debentures				
Related companies (Major shareholder and common director)	<u>955,000</u>	<u>955,000</u>	<u>955,000</u>	<u>955,000</u>
Convertible bonds treated as equity securities				
Related company (common director)	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>

Long-term loan to related party

As at 30 June 2014 and 31 December 2013, long-term loan to a subsidiary (Life and Longevity Ltd.) is in the form of promissory notes in Swiss franc, amounting to CHF 51,000, bearing no interest and is due at call. The Company provides this loan to the subsidiary for its overseas investment; therefore, the loan is classified as long-term loan.

During the six-month period ended 30 June 2014, movements of long-term loans to subsidiaries were as follows.

	(Unit: Thousand Baht)			
	Separate financial statements			
	Balance as at 1 January 2014	During the period		Balance as at 30 June 2014
	Increase	Decrease		
Life and Longevity Ltd.				
Principal	1,855	-	-	1,855
Health Horizons Enterprises Pte. Ltd.				
Principal	-	394,373	(394,373)	-
Translation adjustment	-	1,163	(1,163)	-
Interest receivable	-	3,346	(3,346)	-
Total	-	398,882	(398,882)	-
Total	1,855	398,882	(398,882)	1,855

On 18 March 2014, Health Horizons Enterprises Pte. Ltd. (“HHE”), which is the Company’s overseas subsidiary (80% shareholding), issued promissory note to the Company to loan USD 12.24 million. The loan carries interest at the rate of 3.25% per annum, and is due at call. Subsequently, on 20 June 2014, the entire loan and interest payable totaling USD 12.34 million are converted to the new issued common shares of HHE as discussed in Note 4 to the financial statements.

Long-term loans from related parties

Associate

On 1 April 2013, the Company and two other shareholders of Bumrungrad International Ltd. entered into a loan agreement with Bumrungrad International Ltd., which is the Company’s associate, granting them loans totaling Baht 394.8 million, of which the Company’s portion is Baht 176.4 million and due at call. The loan carries interest at the 1-year fixed deposit rate of a local commercial bank. Interest is due annually. The Company’s management believes that the associate neither plans nor is likely to call for settlement in the foreseeable future; hence the loan is classified as long-term loan.

Related company

On 18 March 2014, Health Horizons Enterprises Pte. Ltd. (“HHE”), which is the Company’s overseas subsidiary, issued promissory note to AFH Health Care Investment Limited (“AFH”) which is another HHE’s shareholder (20% shareholding) to loan USD 3.06 million. The loan carries interest at the rate of 3.25% per annum, and is due at call. Subsequently, on 20 June 2014, the entire loan and interest payable totaling USD 3.09 million are converted to the new issued common shares of HHE as discussed in Note 4 to the financial statements.

(Unaudited but reviewed)

During the six-month period ended 30 June 2014, movements of long-term loan from related company were as follows.

(Unit: Thousand Baht)

	Consolidated financial statements			Balance as at 30 June 2014
	Balance as at	During the period		
	1 January	Increase	Decrease	
	2014			
Principal	-	99,276	(99,276)	-
Translation adjustment	-	(398)	398	-
Interest payable	-	842	(842)	-
Total	-	99,720	99,720	-

Directors and management's benefits

The Company and its subsidiaries had employee benefit expenses to their directors and management as follows.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Short-term employee benefits	33,944	31,714	32,873	29,462
Other long-term benefits	2	6	2	6
Termination benefits	2,367	1,540	2,352	1,385
Total	36,313	33,260	35,227	30,853

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Short-term employee benefits	68,501	63,511	66,364	59,081
Other long-term benefits	4	12	4	12
Termination benefits	4,733	3,080	4,703	2,770
Total	73,238	66,603	71,071	61,863

(Unaudited but reviewed)

4. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows.

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for loss on diminution in value		Carrying amounts based on cost method - net	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013
			(%)	(%)						
Vitalife Corporation Ltd.	Baht 31.5 million	Baht 31.5 million	100.00	100.00	25,610	25,610	-	-	25,610	25,610
Asia Global Research Co., Ltd.	Baht 50.0 million	Baht 50.0 million	100.00	100.00	50,000	50,000	50,000	50,000	-	-
Ruenmongkol Co., Ltd.	Baht 340.0 million	Baht 340.0 million	100.00	100.00	1,045,034	1,045,034	-	-	1,045,034	1,045,034
Bumrungrad Personnel Development Center Co., Ltd.	Baht 5.0 million	-	100.00	-	5,000	-	-	-	5,000	-
Asia Global Health Ltd.	HKD 7.1 million	HKD 7.1 million	100.00	100.00	31,558	31,558	-	-	31,558	31,558
Life and Longevity Ltd.	USD 1	USD 1	100.00	100.00	48	48	-	-	48	48
Health Horizons Enterprises Pte. Ltd.	USD 16.6 million	-	80.00	-	430,611	-	-	-	430,611	-
Total					<u>1,587,861</u>	<u>1,152,250</u>	<u>50,000</u>	<u>50,000</u>	<u>1,537,861</u>	<u>1,102,250</u>

During the three-month and six-month periods ended 30 June 2014 and 2013, the Company had no dividend received from the subsidiaries.

4.1 Establishment of new subsidiaries

Bumrungrad Personnel Development Center Co., Ltd.

On 6 January 2014, the Company set up and registered a new subsidiary, Bumrungrad Personnel Development Center Co., Ltd., incorporated in Thailand with a registered share capital of Baht 5.0 million, comprising of 500,000 common shares with par value of Baht 10 each. The Company paid for a common share of the subsidiary at 25% of par value of Baht 10, totaling Baht 1.3 million, representing 100% of total issued and paid-up share capital. Subsequently, on 10 February 2014, the Company fully paid for the unpaid amount of common shares of the subsidiary totaling Baht 3.7 million.

The investment was made in accordance with a resolution of the Investment Committee Meeting held on 19 December 2013, which approved the Company's establishment of a new subsidiary to be the Company's personnel development and training center for healthcare service business.

Vitalife International AG

On 16 January 2014, the Company set up and registered a new subsidiary, Vitalife International AG, incorporated in Switzerland with a registered share capital of CHF 100,000, comprising of 100,000 common shares with par value of CHF 1 each. The Company invested in the new subsidiary with 51% shareholding through a wholly owned subsidiary, Life and Longevity Ltd.

The investment was made in accordance with a resolution of the Investment Committee Meeting held on 20 September 2013, which approved the Company's establishment of a new subsidiary to be the Company's holding company for overseas investments.

Health Horizons Enterprises Pte. Ltd.

On 4 March 2014, the Company set up and registered a new subsidiary, Health Horizons Enterprises Pte. Ltd. ("HHE"), incorporated in Singapore with a registered share capital of USD 20,000, comprising of 20,000 common shares with par value of USD 1 each. As at registered date, HHE had 1 paid-up share capital with par value of USD 1 each. The Company's shareholding percentage represents 80% of total issued and paid-up share capital.

(Unaudited but reviewed)

Subsequently, on 20 June 2014, HHE issued new 16,629,422 common shares with a par value of USD 1 each. The Company and AFH Health Care Investment Limited ("AFH"), which is another shareholder of HHE, invested in newly issued common shares in proportion to their existing shareholdings and also paid for the existing registered capital, by converting loans to and interest receivable from HHE to equity and paying additional amounts in cash, as follows.

(Unit: USD)

	Shareholding (%)	Payment for common shares		
		Loan and interest receivable conversion	Cash	Total
The Company	80.00	12,343,537	976,000	13,319,537
AFH	20.00	3,085,885	243,999	3,329,884
Total	100.00	15,429,422	1,219,999	16,649,421

The investment was made in accordance with a resolution of the Board of Directors' Meeting held on 19 December 2013, which approved the Company's establishment of a new subsidiary to be the Company's holding company for overseas investments.

4.2 Acquisitions of new subsidiaries

On 28 March 2014, Health Horizons Enterprises Pte. Ltd. ("HHE"), an overseas subsidiary, 80% owned by the Company, acquired 100% of the common shares of Bumrungrad Mongolia LLC ("BML"), which holds 51% of the common shares of Seoul Seniors Tower LLC ("SST"), for approximately USD 12.0 million in cash. Additionally, HHE provided a loan of USD 3.3 million to SST, which owns and operates Ulaanbaatar Songdo Hospital in Mongolia.

The seller of shares of SST is entitled to receive additional contingent consideration in the form of earn-out payments, provided certain cumulative net profit targets are achieved through 31 December 2016, at the maximum of MNT 10,965.9 million, which has not yet been recorded.

HHE's consolidated assets and liabilities, which include SST and BML as of the acquisition date, are included in the Company's consolidated financial statements as from the first quarter of 2014. HHE has recorded the net tangible assets of SST and BML acquired at their fair values as of the acquisition date. The remaining excess of the purchase price over the net value of the tangible assets acquired was allocated as goodwill. The preliminary amount of goodwill, which excludes any impact from additional contingent consideration, is approximately USD 3.5 million.

5. Investments in associates

5.1 Details of investments in associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013
			(%)	(%)				
Bumrungrad International Ltd.	Holding company	Thailand	31.50	31.50	1,447	1,447	231,675	231,069
CDE Trading Ltd.	Temporary cease its operation	Thailand	30.00	30.00	21,663	21,663	3,662	3,517
Total					23,110	23,110	235,337	234,586

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Shareholding percentage		Cost		Allowance for loss on diminution in value		Carrying amounts based on cost method - net	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013
	(%)	(%)						
Bumrungrad International Ltd.	31.50	31.50	1,447	1,447	-	-	1,447	1,447
CDE Trading Ltd.	30.00	30.00	21,663	21,663	16,000	16,000	5,663	5,663
Total			23,110	23,110	16,000	16,000	7,110	7,110

5.2 Share of profit (loss) and dividend received

During the periods, the Company recognised its share of profit (loss) from investments in associates in the consolidated financial statements as follows.

(Unit: Thousand Baht)

Company's name	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2014	2013	2014	2013
	Bumrungrad International Ltd.	(6,716)	430	(6,645)
CDE Trading Ltd.	990	846	1,982	1,779
Total	(5,726)	1,276	(4,663)	2,032

During the three-month and six-month periods ended 30 June 2014 and 2013, the Company had no dividend received from the associates.

5.3 Summarised financial information of associates

Financial information of the associates is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital as		Total assets as at		Total liabilities as at		Total revenues		Profit (loss) for the	
	at		30 June		30 June		for the six-month		six-month periods	
	30 June	30 June	2014	2013	2014	2013	periods ended 30		ended 30 June	
	2014	2013	2014	2013	2014	2013	June		2014	2013
Bumrungrad International Ltd.	5.0	5.0	751.7	758.1	16.2	30.1	9.5	5.1	(21.1)	1.8
CDE Trading Ltd.	10.0	10.0	11.3	29.8	0.1	0.1	0.1	0.1	(0.5)	(0.5)

6. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial
		statements
Net book value as at 1 January 2014	9,095,693	8,082,024
Increase from acquisitions of subsidiaries	631,649	-
Acquisitions during period - at cost	605,443	597,288
Capitalisation of interest cost	27,717	27,717
Disposals during period - net book value		
at disposal date	(9,374)	(9,072)
Depreciation for the period	(461,426)	(451,769)
Translation adjustment	(3,982)	-
Net book value as at 30 June 2014	9,885,720	8,246,188

As at 30 June 2014, the Company had an outstanding balance of work under construction of building and building improvement of Baht 1,139.1 million, which have been financed by long-term debentures and borrowing costs totaling Baht 27.7 million were capitalised during the six-month period ended 30 June 2014. The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation was 4.87% p.a.

7. Intangible assets

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2014	189,298	202,980
Increase from acquisitions of subsidiaries	19	-
Acquisition during period - at cost	5,963	4,629
Amortisation for the period	(31,911)	(31,833)
Realised gain on sales of software in the past	1,837	-
Net book value as at 30 June 2014	165,206	175,776

8. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
Trade payables - unrelated parties	672,067	692,190	658,194	684,962
Construction and medical equipment payables	58,290	145,628	58,290	145,628
Other payables - related parties (Note 3)	4,919	247	18,874	392
Other payables - unrelated parties	24,272	20,817	24,999	19,407
Total	759,548	858,882	760,357	850,389

9. Long-term debentures

Series	Maturity date	No. of units (Thousand units)	Par value (Baht)	Interest rate (% p.a.)	Term of interest payment	(Unit: Thousand Baht)	
						Carrying amount	Carrying amount
						30 June 2014	31 December 2013
1	Entirely redeemed on 20 December 2016 (5 years)	1,500	1,000	4.13	Semi-annual	1,500,000	1,500,000
2	Entirely redeemed on 20 December 2018 (7 years)	1,000	1,000	4.59	Semi-annual	1,000,000	1,000,000
3	Entirely redeemed on 20 December 2021 (10 years)	2,500	1,000	4.97	Semi-annual	2,500,000	2,500,000
Total						5,000,000	5,000,000
						(31,022)	(33,910)
						4,968,978	4,966,090

The long-term debentures are unsecured and unsubordinated debentures in Baht currency with fixed interest rates. Their fair value as at 30 June 2014 amounted to Baht 5,077.4 million (31 December 2013: Baht 4,994.2 million).

Under the terms and conditions of the debentures, the Company has to comply with certain restrictions and maintain certain financial ratios which include:

- a) maintenance of a net debt to equity ratio not exceeding 1.75:1
- b) maintenance of a net debt to EBITDA ratio not exceeding 3.25:1

10. Share capital

In the first quarter of 2014, 40,000 preference shares (2013: 167,313 shares) were converted into ordinary shares at ratio of one preference share to one ordinary share. The Company registered this conversion with the Ministry of Commerce on 6 March 2014.

11. Income tax

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

Income tax expenses for the three-month and six-month periods ended 30 June 2014 and 2013 are made up as follows.

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2014	2013	2014	2013
Current income tax:				
Interim corporate income tax charge	166,199	146,977	162,857	144,139
Deferred tax:				
Relating to origination and reversal of temporary differences	(2,188)	(3,655)	(5,173)	(3,450)
Income tax expenses reported in the income statements	164,011	143,322	157,684	140,689

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Current income tax:				
Interim corporate income tax charge	315,893	306,118	309,581	300,828
Deferred tax:				
Relating to origination and reversal of temporary differences	(5,572)	(7,577)	(8,490)	(7,322)
Income tax expenses reported in the income statements	<u>310,321</u>	<u>298,541</u>	<u>301,091</u>	<u>293,506</u>

12. Earnings per share

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

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

The following tables set forth the computation of basic and diluted earnings per share.

Consolidated financial statements						
For the three-month periods ended 30 June						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2014	2013	2014	2013	2014	2013	
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
635,431	578,834	728,601	728,560	0.87	0.79	
Effect of dilutive potential ordinary shares						
Preference shares						
-	-	1,451	1,492			
Convertible bonds						
-	-	137,363	137,363			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares						
<u>635,431</u>	<u>578,834</u>	<u>867,415</u>	<u>867,415</u>	0.73	0.67	
Separate financial statements						
For the three-month periods ended 30 June						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2014	2013	2014	2013	2014	2013	
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
646,329	565,897	728,601	728,560	0.89	0.78	
Effect of dilutive potential ordinary shares						
Preference shares						
-	-	1,451	1,492			
Convertible bonds						
-	-	137,363	137,363			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares						
<u>646,329</u>	<u>565,897</u>	<u>867,415</u>	<u>867,415</u>	0.75	0.65	

(Unaudited but reviewed)

Consolidated financial statements						
For the six-month periods ended 30 June						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2014	2013	2014	2013	2014	2013	
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
1,274,201	1,191,854	728,586	728,499	1.75	1.64	
Effect of dilutive potential ordinary shares						
Preference shares		1,466	1,553			
Convertible bonds		137,363	137,363			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares						
<u>1,274,201</u>	<u>1,191,854</u>	<u>867,415</u>	<u>867,415</u>	1.47	1.37	
Separate financial statements						
For the six-month periods ended 30 June						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2014	2013	2014	2013	2014	2013	
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
1,271,368	1,166,821	728,586	728,499	1.74	1.60	
Effect of dilutive potential ordinary shares						
Preference shares		1,466	1,553			
Convertible bonds		137,363	137,363			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares						
<u>1,271,368</u>	<u>1,166,821</u>	<u>867,415</u>	<u>867,415</u>	1.47	1.35	

13. Dividend paid

The Company declared dividend during the six-month periods ended 30 June 2014 and 2013 as follows.

Dividend	Approved by	Dividend paid (Thousand Baht)	Dividend per share (Baht)
Final dividend for 2013	Annual General Meeting of the shareholders on 29 April 2014	875,859	1.20
Final dividend for 2012	Annual General Meeting of the shareholders on 30 April 2013	876,054	1.20

14. 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 one main reportable operating segment of the Group is hospital and health care center and the geographical areas of their operations are Thailand and Mongolia. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment.

15. Commitments and contingent liabilities**15.1 Capital commitments**

As at 30 June 2014, the Company has capital commitments to pay a total of Baht 248.5 million (31 December 2013: Baht 184.6 million) in relation to the renovation agreements of buildings and Baht 176.5 million (31 December 2013: Baht 271.2 million) in respect of purchase of medical instruments and hospital equipment.

15.2 Operating lease and long-term service commitments

The Company has entered into operating lease agreements in respect of the lease of lands, buildings, office space, vehicles and equipment and long-term service agreements. The terms of the agreements are generally between 2 and 30 years.

Future minimum payments required under the above agreements were as follows.

(Unit: Million Baht)

Details of commitments	Payable within						Total		
	1 year		1 to 5 years		More than 5 years				
	30	31	30	31	30	31	30	31	
	June	December	June	December	June	December	June	December	
2014		2013		2014		2013			
1) Nursing dormitory land rental expense (shall be extended for a further period of 30 years)	2	1	7	7	5	6	14	14	
2) Lease of office space	22	28	60	68	-	-	82	96	
3) Lease of building for nursing dormitory and related services (shall be renewed automatically)	6	7	-	-	-	-	6	7	
4) Maintenance service fee for medical instruments	66	57	40	38	-	-	106	95	
5) Rental and maintenance service fee for cars	10	8	16	11	-	-	26	19	
6) Fee to a bank which is bondholders' representative	-	-	1	1	-	-	1	1	

15.3 Uncalled portion of investments in subsidiaries

The Company has commitments in respect of the uncalled portion of investments in overseas subsidiaries as below.

Company's name	Country of incorporation	Uncalled portion of investments	
		30 June 2014	31 December 2013
		Asia Global Health Ltd.	Hong Kong
Life and Longevity Ltd.	Hong Kong	USD 0.10 million	USD 0.10 million

15.4 Bank guarantees

As at 30 June 2014 and 31 December 2013, there were outstanding bank guarantees of Baht 29.1 million issued by a bank on behalf of the Company. All were required in the normal course of business e.g. payment of utility expenses and space rental.

16. Events after the reporting period

16.1 On 1 July 2014, an associate (CDE Trading Ltd.) registered with the Ministry of Commerce to reduce its registered and paid-up share capital from Baht 10.0 million (100,000 ordinary shares at par value of Baht 100.00 each) to Baht 2.5 million (25,000 ordinary shares at par value of Baht 100.00 each). The associate's share capital reduction was made in accordance with a resolution of the Extraordinary General Meeting of its shareholders held on 29 May 2014.

16.2 On 8 August 2014, the Company's Board of Directors Meeting approved the payment of an interim dividend of Baht 0.70 per share to the Company's preference and ordinary shareholders from the Company's operations from 1 January 2014 to 30 June 2014. This constitutes a total dividend of Baht 511.0 million which will be paid on 5 September 2014.

17. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 8 August 2014.