

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

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of 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 September 2014, the related consolidated statements of income and comprehensive income for the three-month and nine-month periods then ended, and the related consolidated statements of changes in shareholders' equity, and cash flows for the nine-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: 7 November 2014

Bumrungrad Hospital Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2014	31 December 2013	30 September 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		5,837,118	5,857,211	5,608,699	5,712,060
Trade and other receivables	2	1,452,888	1,306,953	1,451,799	1,302,241
Inventories		311,937	304,538	283,750	294,038
Prepaid expenses		70,889	49,940	66,927	46,228
Other current assets		11,163	33,194	9,296	31,331
Total current assets		7,683,995	7,551,836	7,420,471	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	235,139	234,586	7,110	7,110
Other long-term investments		1,700	1,700	1,700	1,700
Property, plant and equipment	6	9,895,064	9,095,693	8,265,750	8,082,024
Intangible assets	7	151,680	189,298	161,845	202,980
Other non-current assets		25,316	27,459	25,288	27,431
Deferred tax assets		170,736	150,957	167,090	150,726
Goodwill	4.2	108,778	-	-	-
Total non-current assets		10,588,413	9,699,693	10,168,499	9,576,076
Total assets		18,272,408	17,251,529	17,588,970	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 September 2014 (Unaudited but reviewed)	31 December 2013 (Audited)	30 September 2014 (Unaudited but reviewed)	31 December 2013 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	8	767,010	858,882	769,506	850,389
Accrued physicians' fees		499,716	488,246	493,714	483,325
Accrued expenses		556,770	384,507	550,756	380,366
Income tax payable		195,263	329,139	183,515	324,152
Other current liabilities		84,122	64,324	73,351	56,567
Total current liabilities		2,102,881	2,125,098	2,070,842	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	4,970,471	4,966,090	4,970,471	4,966,090
Provision for long-term employee benefits		431,651	386,976	425,774	386,011
Total non-current liabilities		5,578,522	5,529,466	5,572,645	5,528,501
Total liabilities		7,681,403	7,654,564	7,643,487	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 September 2014 (Unaudited but reviewed)	31 December 2013 (Audited)	30 September 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						
			8,325,648	7,695,107	8,287,588	7,680,779
Other components of shareholders' equity			235,833	243,963	-	-
Equity attributable to owners of the Company			<u>10,219,376</u>	<u>9,596,965</u>	<u>9,945,483</u>	<u>9,338,674</u>
Non-controlling interests of the subsidiaries			371,629	-	-	-
Total shareholders' equity			<u>10,591,005</u>	<u>9,596,965</u>	<u>9,945,483</u>	<u>9,338,674</u>
Total liabilities and shareholders' equity			<u>18,272,408</u>	<u>17,251,529</u>	<u>17,588,970</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 September 2014**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Revenues					
Revenues from hospital operations	3	4,054,337	3,658,546	3,942,408	3,594,811
Rental income	3	15,246	19,007	16,593	20,145
Interest income		31,120	36,848	30,000	36,186
Exchange gains		7,968	21,943	8,381	21,810
Other income	3	17,740	22,138	4,764	18,328
Total revenues		4,126,411	3,758,482	4,002,146	3,691,280
Expenses					
Cost of hospital operations	3	2,437,064	2,235,774	2,372,581	2,204,745
Administrative expenses	3	680,692	594,198	652,115	572,347
Total expenses		3,117,756	2,829,972	3,024,696	2,777,092
Profit before share of profit from investments					
in associates, finance cost and income tax expenses		1,008,655	928,510	977,450	914,188
Share of profit from investments in associates	5.2	720	1,825	-	-
Profit before finance cost and income tax expenses		1,009,375	930,335	977,450	914,188
Finance cost	3	(46,674)	(62,288)	(46,682)	(61,977)
Profit before income tax expenses		962,701	868,047	930,768	852,211
Income tax expenses	11	(190,231)	(165,542)	(184,128)	(163,235)
Profit for the period		772,470	702,505	746,640	688,976
Profit attributable to:					
Equity holders of the Company		767,539	702,505	746,640	688,976
Non-controlling interests of the subsidiaries		4,931	-	-	-
		772,470	702,505		
Earnings per share					
	12				(Unit: Baht)
Basic earnings per share					
Profit attributable to equity holders of the Company		1.05	0.96	1.02	0.95
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.88	0.81	0.86	0.79

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 September 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit for the period	<u>772,470</u>	<u>702,505</u>	<u>746,640</u>	<u>688,976</u>
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currencies	<u>(7,039)</u>	<u>(15)</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>(7,039)</u>	<u>(15)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>765,431</u></u>	<u><u>702,490</u></u>	<u><u>746,640</u></u>	<u><u>688,976</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>762,669</u>	<u>702,490</u>	<u><u>746,640</u></u>	<u><u>688,976</u></u>
Non-controlling interests of the subsidiaries	<u>2,762</u>	<u>-</u>		
	<u><u>765,431</u></u>	<u><u>702,490</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 nine-month period ended 30 September 2014**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Revenues					
Revenues from hospital operations	3	11,405,411	10,609,905	11,123,488	10,439,833
Rental income	3	44,215	71,685	48,153	73,658
Interest income	3	102,261	114,613	102,730	112,830
Exchange gains		31,762	44,940	34,546	44,801
Other income	3	76,288	74,266	68,176	57,649
Total revenues		11,659,937	10,915,409	11,377,093	10,728,771
Expenses					
Cost of hospital operations	3	6,921,458	6,582,741	6,765,169	6,498,195
Administrative expenses	3	2,048,989	1,795,554	1,970,325	1,735,509
Total expenses		8,970,447	8,378,295	8,735,494	8,233,704
Profit before share of profit (loss) from investments					
in associates, finance cost and income tax expenses		2,689,490	2,537,114	2,641,599	2,495,067
Share of profit (loss) from investments in associates	5.2	(3,943)	3,857	-	-
Profit before finance cost and income tax expenses		2,685,547	2,540,971	2,641,599	2,495,067
Finance cost	3	(139,179)	(182,529)	(138,372)	(182,529)
Profit before income tax expenses		2,546,368	2,358,442	2,503,227	2,312,538
Income tax expenses	11	(500,552)	(464,083)	(485,219)	(456,741)
Profit for the period		2,045,816	1,894,359	2,018,008	1,855,797
Profit attributable to:					
Equity holders of the Company		2,041,740	1,894,359	2,018,008	1,855,797
Non-controlling interests of the subsidiaries		4,076	-	-	-
		2,045,816	1,894,359		
Earnings per share					
	12				(Unit: Baht)
Basic earnings per share					
Profit attributable to equity holders of the Company		2.80	2.60	2.77	2.55
Diluted earnings per share					
Profit attributable to equity holders of the Company		2.35	2.18	2.33	2.14

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 nine-month period ended 30 September 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit for the period	<u>2,045,816</u>	<u>1,894,359</u>	<u>2,018,008</u>	<u>1,855,797</u>
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currencies	<u>(13,184)</u>	<u>(134)</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>(13,184)</u>	<u>(134)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>2,032,632</u></u>	<u><u>1,894,225</u></u>	<u><u>2,018,008</u></u>	<u><u>1,855,797</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>2,033,610</u>	<u>1,894,225</u>	<u><u>2,018,008</u></u>	<u><u>1,855,797</u></u>
Non-controlling interests of the subsidiaries	<u>(978)</u>	<u>-</u>		
	<u><u>2,032,632</u></u>	<u><u>1,894,225</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 flows

For the nine-month period ended 30 September 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before tax	2,546,368	2,358,442	2,503,227	2,312,538
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	747,018	582,546	728,423	579,957
Bad debts and allowance for doubtful accounts	31,462	5,567	30,098	9,862
Loss (gain) on sales of equipment	(987)	1,790	(1,287)	1,790
Long-term employee benefits expenses	60,900	56,700	60,288	53,708
Share of loss (profit) from investments in associates	3,943	(3,857)	-	-
Interest income	(102,261)	(114,613)	(102,730)	(112,830)
Amortisation of debenture issuing costs to interest expenses	4,381	4,182	4,381	4,182
Interest expenses	134,798	178,347	133,991	178,347
Profit from operating activities before changes in operating assets and liabilities	3,425,622	3,069,104	3,356,391	3,027,554
Operating assets (increase) decrease				
Trade and other receivables	(173,038)	91,885	(179,656)	83,206
Inventories	10,868	(23,234)	10,288	(20,920)
Prepaid expenses	(20,949)	(9,939)	(20,699)	(7,631)
Other current assets	22,093	(1,825)	22,035	(1,627)
Other non-current assets	2,143	6,372	2,143	6,382
Operating liabilities increase (decrease)				
Trade and other payables	(9,748)	(45,579)	2,506	(57,576)
Accrued physicians' fees	11,158	(17,853)	10,389	(18,429)
Accrued expenses	119,693	116,715	118,628	115,620
Other current liabilities	15,372	(3,518)	16,784	(1,298)
Provision for long-term employee benefits	(16,225)	(9,323)	(20,525)	(5,374)
Cash flows from operating activities	3,386,989	3,172,805	3,318,284	3,119,907
Cash paid for corporate income tax	(653,331)	(685,695)	(642,220)	(677,210)
Net cash flows from operating activities	2,733,658	2,487,110	2,676,064	2,442,697

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 flows (continued)****For the nine-month period ended 30 September 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	(927,296)	(937,297)	(918,207)	(936,281)
Acquisition of computer software	(7,048)	(21,143)	(6,172)	(20,789)
Proceeds from sales of equipment	10,996	6,667	10,957	4,260
Interest income	102,261	114,613	102,730	112,830
Net cash flows used in investing activities	(1,204,241)	(837,160)	(1,246,303)	(839,980)
Cash flows from financing activities				
Cash receipt from long-term loan from a related party	-	176,400	-	176,400
Interest paid for long-term loan from a related party	-	(1,664)	-	(1,664)
Interest paid for long-term debentures	(115,735)	(118,492)	(115,735)	(118,492)
Dividend paid	(1,384,888)	(1,385,103)	(1,384,888)	(1,385,103)
Interest paid for convertible bonds treated as equity securities	(32,499)	(32,499)	(32,499)	(32,499)
Net cash flows used in financing activities	(1,533,122)	(1,361,358)	(1,533,122)	(1,361,358)
Decrease in translation adjustment	(16,388)	(181)	-	-
Net increase (decrease) in cash and cash equivalents	(20,093)	288,411	(103,361)	241,359
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	5,837,118	6,322,555	5,608,699	6,181,955
	-		-	
Supplemental cash flow information				
Non-cash transactions				
Interest cost recorded as cost of assets	41,697	-	41,697	-

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 nine-month period ended 30 September 2014

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
							Other components of shareholders' equity					
							Other comprehensive income					
							Exchange differences					
Issued and paid-up share capital		Convertible bonds treated as equity securities			Retained earnings		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
Ordinary shares	Preference shares	Premium on ordinary shares			Appropriated	Unappropriated						
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)	-	-	-	-	-	(1,387,086)	-	-	-	(1,387,086)	-	(1,387,086)
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(24,308)	-	-	-	(24,308)	-	(24,308)
Total comprehensive income for the period	-	-	-	-	-	1,894,359	(134)	-	(134)	1,894,225	-	1,894,225
Balance as at 30 September 2013	728,560	1,492	285,568	550,000	92,275	7,091,252	(8,001)	252,173	244,172	8,993,319	-	8,993,319
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)	-	-	-	-	-	(1,386,891)	-	-	-	(1,386,891)	-	(1,386,891)
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	-	-	-	-	-	(24,308)	-	-	-	(24,308)	-	(24,308)
Total comprehensive income for the period	-	-	-	-	-	2,041,740	(8,130)	-	(8,130)	2,033,610	(978)	2,032,632
Balance as at 30 September 2014	728,600	1,452	285,568	550,000	92,275	8,325,648	(16,340)	252,173	235,833	10,219,376	371,629	10,591,005
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-

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 nine-month period ended 30 September 2014

(Unit: Thousand Baht)

	Separate financial statements						
	Issued and paid-up share capital		Premium on ordinary shares	Convertible	Retained earnings		Total shareholders' equity
	Ordinary shares	Preference shares		bonds treated as equity securities	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)	-	-	-	-	-	(1,387,086)	(1,387,086)
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(24,308)	(24,308)
Total comprehensive income for the period	-	-	-	-	-	1,855,797	1,855,797
Balance as at 30 September 2013	<u>728,560</u>	<u>1,492</u>	<u>285,568</u>	<u>550,000</u>	<u>92,275</u>	<u>7,083,703</u>	<u>8,741,598</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)	-	-	-	-	-	(1,386,891)	(1,386,891)
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(24,308)	(24,308)
Total comprehensive income for the period	-	-	-	-	-	2,018,008	2,018,008
Balance as at 30 September 2014	<u>728,600</u>	<u>1,452</u>	<u>285,568</u>	<u>550,000</u>	<u>92,275</u>	<u>8,287,588</u>	<u>9,945,483</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 nine-month periods ended 30 September 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 September 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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	1,134	1,928	1,246	2,102
Past due				
1 - 30 days	-	-	32	64
Total trade receivables - related parties	1,134	1,928	1,278	2,166
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	487,185	434,460	482,025	431,797
Past due				
1 - 30 days	377,645	266,599	373,956	263,475
31 - 60 days	4,983	117,666	4,456	116,664
61 - 90 days	141,465	103,461	141,096	101,176
91 - 180 days	200,486	133,397	200,007	132,491
181 - 365 days	183,636	183,085	182,264	182,391
More than 365 days	152,898	149,495	152,162	148,926
Total	1,548,298	1,388,163	1,535,966	1,376,920
Less: Allowance for doubtful accounts	(103,794)	(103,707)	(102,623)	(103,760)
Total trade receivables - unrelated parties, net	1,444,504	1,284,456	1,433,343	1,273,160
Total trade receivables - net	1,445,638	1,286,384	1,434,621	1,275,326

(Unaudited but reviewed)

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
<u>Other receivables</u>				
Advances and loans to employees	6,894	19,980	6,908	19,965
Accrued income - related parties	356	589	10,270	6,950
Total other receivables	7,250	20,569	17,178	26,915
Trade and other receivables - net	1,452,888	1,306,953	1,451,799	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: Thousand Baht)				Transfer pricing policy
	For the three-month periods ended 30				
	September				
	Consolidated		Separate		
financial statements		financial statements			
	2014	2013	2014	2013	
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Medical service income	-	-	6,181	5,556	Market price
Rental income	-	-	1,350	1,142	As per contracts 3.1)
Professional service income	-	-	367	307	Actual paid
Lab service expense	-	-	42	22	Market price
Pharmacy expense	-	-	2,071	2,211	Market price
Training expense	-	-	20,875	-	Cost plus margin
Transactions with associates					
Consulting income	29	62	29	62	As per contract 3.2)
Interest expense on long-term loans	667	1,000	667	1,000	1.50% - 2.00% p.a. (2013: 2.25% p.a.)
Transactions with related parties					
Medical service income	24,413	20,513	24,413	20,513	Market price
Rental income	545	419	545	419	Market price
Other income	181	199	181	199	At cost
Lab service expense	856	951	856	951	Market price
Purchase of medicine and medical supplies	3,059	2,428	3,059	2,428	Market price

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month periods ended				30	Transfer pricing policy
	September					
	Consolidated		Separate			
	financial statements		financial statements			
	2014	2013	2014	2013		
Donation expense	6,000	6,000	6,000	6,000	-	
Insurance expense	8,325	7,896	8,256	7,834	As per insurance policies	
Credit card commission fees	29,482	27,194	28,871	26,353	Market price	
Interest expense on long-term debentures	11,656	11,656	11,656	11,656	4.13% - 4.97% p.a.	
Interest expense on convertible bonds	8,192	8,192	8,192	8,192	10.00% p.a. and 1.00% p.a.	
Legal advisory fee	881	3,782	822	3,782	Market price	
Construction consulting fee	-	347	-	347	Baht 0.1 million per month as stated in the agreement	
Service fee	254	257	254	257	Market price	

(Unit: Thousand Baht)

	For the nine-month periods ended				30	Transfer pricing policy
	September					
	Consolidated		Separate			
	financial statements		financial statements			
	2014	2013	2014	2013		
Transactions with subsidiaries						
(eliminated from the consolidated financial statements)						
Medical service income	-	-	17,055	16,174	Market price	
Rental income	-	-	4,365	3,425	As per contracts 3.1)	
Professional service income	-	-	1,081	921	Actual paid	
Lab service expense	-	-	103	155	Market price	
Pharmacy expense	-	-	5,546	7,799	Market price	
Training expense	-	-	51,117	-	Cost plus margin	
Interest income on long-term loans	-	-	3,346	-	3.25% p.a.	
Transactions with associates						
Consulting income	163	426	163	426	As per contract 3.2)	
Interest expense on long-term loans	2,088	1,990	2,088	1,990	1.50% - 2.00% p.a. (2013: 2.25% p.a.)	
Transactions with related parties						
Medical service income	69,281	50,302	69,281	50,302	Market price	
Rental income	1,636	1,258	1,636	1,258	Market price	
Other income	561	1,901	561	1,901	At cost	
Lab service expense	2,034	1,788	2,030	1,788	Market price	
Purchase of medicine and medical supplies	9,349	9,605	9,349	9,605	Market price	

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended				30	Transfer pricing policy
	September					
	Consolidated		Separate			
	financial statements		financial statements			
	2014	2013	2014	2013		
Donation expense	18,000	18,000	18,000	18,000	-	
Insurance expense	24,850	24,012	24,651	23,825	As per insurance policies	
Credit card commission fees	85,650	79,589	83,134	76,867	Market price	
Interest expense on long-term debentures	34,588	34,588	34,588	34,588	4.13% - 4.97% p.a.	
Interest expense on convertible bonds	24,308	24,308	24,308	24,308	10.00% p.a. and 1.00% p.a.	
Legal advisory fee	4,493	5,804	3,660	5,804	Market price	
Construction consulting fee	578	693	578	693	Baht 0.1 million per month as stated in the agreement	
Service fee	1,045	307	1,045	307	Market price	
Interest expense	807	-	-	-	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
		(Thousand Baht)
Vitalife Corporation Ltd.	Building spaces	350
Asia Global Research Co., Ltd.	Building spaces and office equipment	71
Bumrungrad Personnel Development Center Co., Ltd.	Building spaces	100 - 204*

*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 September 2014	31 December 2013	30 September 2014	31 December 2013
Trade and other receivables - related parties (Note 2)				
Subsidiaries	-	-	10,058	6,599
Associates	49	185	49	185
Related parties (common director)	1,441	2,332	1,441	2,332
Total	<u>1,490</u>	<u>2,517</u>	<u>11,548</u>	<u>9,116</u>
Trade and other payables - related parties (Note 8)				
Subsidiaries	-	-	10,593	145
Associates	-	247	-	247
Total	<u>-</u>	<u>247</u>	<u>10,593</u>	<u>392</u>
Long-term loan to related party				
Subsidiary	<u>-</u>	<u>-</u>	<u>1,855</u>	<u>1,855</u>
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 September 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 nine-month period ended 30 September 2014, movements of long-term loans to subsidiaries were as follows.

(Unit: Thousand Baht)

	Separate financial statements			Balance as at 30 September 2014
	Balance as at 1 January 2014	During the period		
		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 nine-month period ended 30 September 2014, movements of long-term loan from related company were as follows.

(Unit: Thousand Baht)

	Consolidated financial statements			Balance as at 30 September 2014
	Balance as at 1 January 2014	During the period		
		Increase	Decrease	
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 September			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Short-term employee benefits	31,407	34,801	30,544	32,946
Other long-term benefits	2	7	2	5
Termination benefits	1,563	3,004	1,548	704
Total	32,972	37,812	32,094	33,655

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Short-term employee benefits	99,908	98,312	96,907	92,027
Other long-term benefits	7	19	7	17
Termination benefits	6,296	6,084	6,251	3,474
Total	106,211	104,415	103,165	95,518

(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 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 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 nine-month periods ended 30 September 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)

	Payment for common shares			
	Shareholding (%)	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 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013
			(%)	(%)				
Bumrungrad International Ltd.	Holding company	Thailand	31.50	31.50	1,447	1,447	231,856	231,069
CDE Trading Ltd.	Temporary cease its operation	Thailand	30.00	30.00	21,663	21,663	3,283	3,517
Total					23,110	23,110	235,139	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 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 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 September		For the nine-month periods ended 30 September	
	2014	2013	2014	2013
	Bumrungrad International Ltd.	181	947	(6,464)
CDE Trading Ltd.	539	878	2,521	2,657
Total	720	1,825	(3,943)	3,857

During the three-month and nine-month periods ended 30 September 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.

Company's name	Paid-up capital as		Total assets as at		Total liabilities as at		Total revenues for the		Profit (loss) for the	
	at		30 September		30 September		nine-month periods		nine-month periods	
	30 September	30 September	30 September	30 September	30 September	30 September	ended 30 September	ended 30 September	ended 30 September	ended 30 September
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Bumrungrad International Ltd.	5.0	5.0	752.6	760.7	16.6	30.5	12.8	8.6	(20.5)	3.2
CDE Trading Ltd.	2.5	10.0	11.0	29.7	-	-	-	0.1	(0.8)	(0.6)

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.

6. Property, plant and equipment

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate 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	841,904	832,815
Capitalisation of interest cost	41,697	41,697
Disposals during period - net book value		
at disposal date	(10,009)	(9,670)
Depreciation for the period	(699,578)	(681,116)
Translation adjustment	(6,292)	-
Net book value as at 30 September 2014	9,895,064	8,265,750

As at 30 September 2014, the Company had an outstanding balance of work under construction of building and building improvement of Baht 1,151.5 million, which have been financed by long-term debentures and borrowing costs totaling Baht 41.7 million were capitalised during the nine-month period ended 30 September 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 financial statements	Separate 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	7,048	6,172
Amortisation for the period	(47,440)	(47,307)
Realised gain on sales of software in the past	2,755	-
Net book value as at 30 September 2014	151,680	161,845

8. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Trade payables - unrelated parties	686,102	692,190	676,599	684,962
Construction and medical equipment payables	60,236	145,628	60,236	145,628
Other payables - related parties (Note 3)	-	247	10,593	392
Other payables - unrelated parties	20,672	20,817	22,078	19,407
Total	767,010	858,882	769,506	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)	
						30 September 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
Less: Deferred debenture issuing costs						(29,529)	(33,910)
Long-term debentures - net						4,970,471	4,966,090

(Unaudited but reviewed)

The long-term debentures are unsecured and unsubordinated debentures in Baht currency with fixed interest rates. Their fair value as at 30 September 2014 amounted to Baht 5,147.6 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 nine-month periods ended 30 September 2014 and 2013 are made up as follows.

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Current income tax:				
Interim corporate income tax charge	201,284	174,246	192,002	172,238
Deferred tax:				
Relating to origination and reversal of temporary differences	(11,053)	(8,704)	(7,874)	(9,003)
Income tax expenses reported in the income statements	<u>190,231</u>	<u>165,542</u>	<u>184,128</u>	<u>163,235</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Current income tax:				
Interim corporate income tax charge	517,177	480,364	501,583	473,066
Deferred tax:				
Relating to origination and reversal of temporary differences	(16,625)	(16,281)	(16,364)	(16,325)
Income tax expenses reported in the income statements	<u>500,552</u>	<u>464,083</u>	<u>485,219</u>	<u>456,741</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 September						
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						
767,539	702,505	728,600	728,561	1.05	0.96	
Effect of dilutive potential ordinary shares						
Preference shares						
-	-	1,452	1,491			
Convertible bonds						
-	-	137,363	137,363			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares						
767,539	702,505	867,415	867,415	0.88	0.81	
Separate financial statements						
For the three-month periods ended 30 September						
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						
746,640	688,976	728,600	728,561	1.02	0.95	
Effect of dilutive potential ordinary shares						
Preference shares						
-	-	1,452	1,491			
Convertible bonds						
-	-	137,363	137,363			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares						
746,640	688,976	867,415	867,415	0.86	0.79	

(Unaudited but reviewed)

Consolidated financial statements						
For the nine-month periods ended 30 September						
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						
2,041,740	1,894,359	728,591	728,520	2.80	2.60	
Effect of dilutive potential ordinary shares						
Preference shares						
-	-	1,461	1,532			
Convertible bonds						
-	-	137,363	137,363			
Diluted earnings per share						
Profit of ordinary shareholders						
assuming the conversion of dilutive						
potential ordinary shares						
<u>2,041,740</u>	<u>1,894,359</u>	<u>867,415</u>	<u>867,415</u>	2.35	2.18	
Separate financial statements						
For the nine-month periods ended 30 September						
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						
2,018,008	1,855,797	728,591	728,520	2.77	2.55	
Effect of dilutive potential ordinary shares						
Preference shares						
-	-	1,461	1,532			
Convertible bonds						
-	-	137,363	137,363			
Diluted earnings per share						
Profit of ordinary shareholders						
assuming the conversion of dilutive						
potential ordinary shares						
<u>2,018,008</u>	<u>1,855,797</u>	<u>867,415</u>	<u>867,415</u>	2.33	2.14	

13. Dividend paid

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

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2013	Annual General Meeting of the shareholders on 29 April 2014	875,859	1.20
Interim dividends on operating results for the six-month period ended 30 June 2014	Board of Directors' meeting on 8 August 2014	511,032	0.70
Total dividend for 2014		<u>1,386,891</u>	
Final dividends for 2012	Annual General Meeting of the shareholders on 30 April 2013	876,054	1.20
Interim dividends on operating results for the six-month period ended 30 June 2013	Board of Directors' meeting on 6 August 2013	511,032	0.70
Total dividend for 2013		<u>1,387,086</u>	

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 September 2014, the Company has capital commitments to pay a total of Baht 187.2 million (31 December 2013: Baht 184.6 million) in relation to the renovation agreements of buildings and Baht 138.1 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
	September	December	September	December	September	December	September	December
	2014	2013	2014	2013	2014	2013	2014	2013
1) Nursing dormitory land rental expense (shall be extended for a further period of 30 years)	2	1	6	7	5	6	13	14
2) Lease of office space	20	28	56	68	-	-	76	96
3) Lease of building for nursing dormitory and related services (shall be renewed automatically)	2	7	-	-	-	-	2	7
4) Maintenance service fee for medical instruments	120	57	125	38	-	-	245	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
7) Service fee for medical treatment information database	21	-	189	-	50	-	260	-

15.3 Commitments from other contract

The Company entered into the medical equipment utilisation contract with a local company. The contract covers period of 7 years (expire in 2021) and under the conditions of the contract, the Company is required to purchase medical supplies and services to use with the medical equipment at the prices specified in the contract in total throughout the period of the contract. As at 30 September 2014, the outstanding amount of medical supplies and services that the Company is required to purchase in accordance with the contract is Baht 340.4 million.

15.4 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 September 2014	31 December 2013
Asia Global Health Ltd.	Hong Kong	HKD 2.34 million	HKD 2.34 million
Life and Longevity Ltd.	Hong Kong	USD 0.10 million	USD 0.10 million

15.5 Bank guarantees

As at 30 September 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. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 7 November 2014.