

Bumrungrad Hospital Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month period ended 31 March 2016

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 31 March 2016, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the three-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 period. 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*.

Termphong Opanaphan

Certified Public Accountant (Thailand) No. 4501

EY Office Limited

Bangkok: 4 May 2016

Bumrungrad Hospital Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	31 March 2016	31 December 2015	31 March 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		8,177,361	5,054,160	7,847,573	4,818,341
Short-term investments	2	428,800	2,305,800	400,000	2,302,000
Trade and other receivables	3	2,268,190	2,318,422	2,273,234	2,328,383
Inventories		301,481	309,074	269,125	277,572
Prepaid expenses		113,762	75,047	90,457	50,128
Other current assets		18,493	25,775	18,102	24,490
Total current assets		11,308,087	10,088,278	10,898,491	9,800,914
Non-current assets					
Long-term loan to and interest receivable from a related party	2	-	-	-	9,017
Investments in subsidiaries	4	-	-	1,632,456	1,517,456
Investment in an associate	5	234,090	234,067	1,447	1,447
Other long-term investment		1,700	1,700	1,700	1,700
Property, plant and equipment	6	10,500,998	10,472,112	8,850,149	8,791,954
Intangible assets		163,127	163,386	160,438	160,636
Goodwill	7	119,699	122,585	-	-
Deferred tax assets		208,283	193,005	204,590	189,821
Other non-current assets		25,189	22,385	22,102	22,367
Total non-current assets		11,253,086	11,209,240	10,872,882	10,694,398
Total assets		22,561,173	21,297,518	21,771,373	20,495,312

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	
		31 March 2016 (Unaudited but reviewed)	31 December 2015 (Audited)	31 March 2016 (Unaudited but reviewed)	31 December 2015 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	8	946,294	830,044	927,645	820,497
Accrued physicians' fees		719,898	713,255	715,187	707,663
Current portion of long-term debentures	9	1,497,868	1,497,145	1,497,868	1,497,145
Accrued expenses		515,214	577,255	504,801	561,478
Income tax payable		613,627	372,555	598,028	361,493
Other current liabilities		74,480	66,201	62,753	52,376
Total current liabilities		4,367,381	4,056,455	4,306,282	4,000,652
Non-current liabilities					
Long-term loan from and interest payable to a related party	2	183,472	182,869	183,472	182,869
Long-term debentures	9	3,481,872	3,481,010	3,481,872	3,481,010
Provision for long-term employee benefits	10	497,785	476,694	489,483	468,989
Total non-current liabilities		4,163,129	4,140,573	4,154,827	4,132,868
Total liabilities		8,530,510	8,197,028	8,461,109	8,133,520

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	
		31 March 2016 (Unaudited but reviewed)	31 December 2015 (Audited)	31 March 2016 (Unaudited but reviewed)	31 December 2015 (Audited)
Shareholders' equity					
Share capital	11				
Registered					
921,296,022 ordinary shares of Baht 1 each (31 December 2015: 921,276,022 ordinary shares of Baht 1 each)		921,296	921,276	921,296	921,276
1,406,663 preference shares of Baht 1 each (31 December 2015: 1,426,663 preference shares of Baht 1 each)		1,407	1,427	1,407	1,427
		<u>922,703</u>	<u>922,703</u>	<u>922,703</u>	<u>922,703</u>
Issued and paid-up					
728,645,559 ordinary shares of Baht 1 each (31 December 2015: 728,625,559 ordinary shares of Baht 1 each)		728,645	728,625	728,645	728,625
1,406,663 preference shares of Baht 1 each (31 December 2015: 1,426,663 preference shares of Baht 1 each)		1,407	1,427	1,407	1,427
		<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	2	550,000	550,000	550,000	550,000
Retained earnings					
Appropriated - statutory reserve		92,275	92,275	92,275	92,275
Unappropriated		11,768,823	10,799,084	11,652,369	10,703,897
Other components of shareholders' equity		251,662	278,707	-	-
Equity attributable to owners of the Company		<u>13,678,380</u>	<u>12,735,686</u>	<u>13,310,264</u>	<u>12,361,792</u>
Non-controlling interests of the subsidiaries		352,283	364,804	-	-
Total shareholders' equity		<u>14,030,663</u>	<u>13,100,490</u>	<u>13,310,264</u>	<u>12,361,792</u>
Total liabilities and shareholders' equity		<u>22,561,173</u>	<u>21,297,518</u>	<u>21,771,373</u>	<u>20,495,312</u>
		-	-	-	-

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

Directors

(Unaudited but reviewed)

Bumrungrad Hospital Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 31 March 2016**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Revenues					
Revenues from hospital operations		4,618,428	4,366,060	4,499,631	4,247,477
Rental income		15,648	14,331	18,030	15,682
Interest income		29,285	38,230	28,739	37,157
Exchange gains		5,570	12,422	6,010	11,607
Other income		24,834	24,985	24,746	22,914
Total revenues		4,693,765	4,456,028	4,577,156	4,334,837
Expenses					
Cost of hospital operations		2,625,434	2,512,511	2,555,589	2,444,359
Administrative expenses		814,890	699,479	788,179	674,805
Loss on impairment of investment in a subsidiary	4	-	-	-	29,500
Total expenses		3,440,324	3,211,990	3,343,768	3,148,664
Profit before share of profit from investments in associates, finance cost and income tax expenses					
		1,253,441	1,244,038	1,233,388	1,186,173
Share of profit from investments in associates	5	23	1,827	-	-
Profit before finance cost and income tax expenses		1,253,464	1,245,865	1,233,388	1,186,173
Finance cost		(46,271)	(45,421)	(46,271)	(45,421)
Profit before income tax expenses		1,207,193	1,200,444	1,187,117	1,140,752
Income tax expenses	12	(234,646)	(228,030)	(230,631)	(223,913)
Profit for the period		972,547	972,414	956,486	916,839
Profit attributable to:					
Equity holders of the Company		977,753	974,709	956,486	916,839
Non-controlling interests of the subsidiaries		(5,206)	(2,295)		
		972,547	972,414		
Earnings per share					
	13				(Unit: Baht)
Basic earnings per share					
Profit attributable to equity holders of the Company		1.34	1.34	1.31	1.26
Diluted earnings per share					
Profit attributable to equity holders of the Company		1.13	1.12	1.10	1.06

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 31 March 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Profit for the period	<u>972,547</u>	<u>972,414</u>	<u>956,486</u>	<u>916,839</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to income statement in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currencies	<u>(34,360)</u>	<u>(41,414)</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>(34,360)</u>	<u>(41,414)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>938,187</u></u>	<u><u>931,000</u></u>	<u><u>956,486</u></u>	<u><u>916,839</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	950,708	961,182	956,486	916,839
Non-controlling interests of the subsidiaries	<u>(12,521)</u>	<u>(30,182)</u>	<u>-</u>	<u>-</u>
	<u><u>938,187</u></u>	<u><u>931,000</u></u>	<u><u>956,486</u></u>	<u><u>916,839</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 three-month period ended 31 March 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit before tax	1,207,193	1,200,444	1,187,117	1,140,752
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	276,435	245,941	265,075	236,294
Bad debts and allowance for doubtful accounts	26,416	7,336	26,334	8,218
Reduction of cost of inventories to net realisable value	15	-	-	-
(Gain) loss on sales and write-off of equipment	43	675	(110)	675
Long-term employee benefits expenses	22,478	18,436	21,881	18,156
Loss on impairment of investment in a subsidiary	-	-	-	29,500
Share of profit from investments in associates	(23)	(1,827)	-	-
Interest income	(29,285)	(38,230)	(28,739)	(37,157)
Amortisation of debenture issuing costs to interest expenses	1,585	1,495	1,585	1,495
Interest expenses	44,686	43,926	44,686	43,926
Profit from operating activities before changes in operating assets and liabilities	1,549,543	1,478,196	1,517,829	1,441,859
Operating assets (increase) decrease				
Trade and other receivables	23,816	(303,568)	28,815	(305,474)
Inventories	7,578	17,985	8,447	16,548
Prepaid expenses	(38,715)	(54,675)	(40,329)	(47,732)
Other current assets	7,282	(21,753)	6,388	(20,456)
Other non-current assets	(2,804)	2,871	265	2,871
Operating liabilities increase (decrease)				
Trade and other payables	9,401	(6,965)	299	(13,845)
Accrued physicians' fees	6,643	54,339	7,524	55,361
Accrued expenses	(111,537)	(7,745)	(106,173)	(13,051)
Other current liabilities	8,279	10,886	10,377	4,365
Provision for long-term employee benefits	(1,387)	(25,483)	(1,387)	(25,707)
Cash flows from operating activities	1,458,099	1,144,088	1,432,055	1,094,739
Cash paid for corporate income tax	(8,852)	(7,845)	(8,865)	(8,157)
Net cash flows from operating activities	1,449,247	1,136,243	1,423,190	1,086,582

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 three-month period ended 31 March 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Decrease in short-term investments	1,877,000	20,000	1,902,000	-
Decrease in long-term loan to a related party	-	-	9,000	-
Acquisition of investment in a subsidiary	-	-	(115,000)	-
Acquisition of equipment and payment of construction and medical equipment payables	(200,140)	(217,997)	(186,107)	(198,017)
Acquisition of computer software	(16,418)	(1,340)	(16,355)	(761)
Proceeds from sales of equipment	151	62	151	62
Interest income	29,285	38,230	28,756	37,157
Net cash flows from (used in) investing activities	1,689,878	(161,045)	1,622,445	(161,559)
Cash flows from financing activities				
Dividend paid	(19)	(333)	(19)	(333)
Interest paid for convertible bonds treated as equity securities	(16,384)	(16,384)	(16,384)	(16,384)
Net cash flows used in financing activities	(16,403)	(16,717)	(16,403)	(16,717)
Increase (decrease) in translation adjustment	479	(1,758)	-	-
Net increase in cash and cash equivalents	3,123,201	956,723	3,029,232	908,306
Cash and cash equivalents at beginning of period	5,054,160	4,675,713	4,818,341	4,540,099
Cash and cash equivalents at end of period	8,177,361	5,632,436	7,847,573	5,448,405
	-	-	-	-
Supplemental cash flow information				
Non-cash transactions				
Interest capitalised as cost of assets	13,783	13,957	13,783	13,957
Increase (decrease) in construction and medical equipment payables	106,868	(37,069)	106,868	(28,505)

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 three-month period ended 31 March 2016**

(Unit: Thousand Baht)

	Consolidated financial statements											
	Equity attributable to owners of the Company											
	Issued and paid-up share capital		Premium on ordinary shares	Convertible bonds treated as equity securities	Retained earnings		Other components of shareholders' equity		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			Appropriated	Unappropriated	Exchange differences on translation of financial statements in foreign currencies	Other surplus of an associated company				
Balance as at 1 January 2015	728,600	1,452	285,568	550,000	92,275	8,992,129	(18,969)	252,173	233,204	10,883,228	376,735	11,259,963
Profit for the period	-	-	-	-	-	974,709	-	-	-	974,709	(2,295)	972,414
Other comprehensive income for the period	-	-	-	-	-	-	(13,527)	-	(13,527)	(13,527)	(27,887)	(41,414)
Total comprehensive income for the period	-	-	-	-	-	974,709	(13,527)	-	(13,527)	961,182	(30,182)	931,000
Preference shares converted to ordinary shares (Note 11)	25	(25)	-	-	-	-	-	-	-	-	-	-
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(8,014)	-	-	-	(8,014)	-	(8,014)
Balance as at 31 March 2015	728,625	1,427	285,568	550,000	92,275	9,958,824	(32,496)	252,173	219,677	11,836,396	346,553	12,182,949
Balance as at 1 January 2016	728,625	1,427	285,568	550,000	92,275	10,799,084	26,534	252,173	278,707	12,735,686	364,804	13,100,490
Profit for the period	-	-	-	-	-	977,753	-	-	-	977,753	(5,206)	972,547
Other comprehensive income for the period	-	-	-	-	-	-	(27,045)	-	(27,045)	(27,045)	(7,315)	(34,360)
Total comprehensive income for the period	-	-	-	-	-	977,753	(27,045)	-	(27,045)	950,708	(12,521)	938,187
Preference shares converted to ordinary shares (Note 11)	20	(20)	-	-	-	-	-	-	-	-	-	-
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(8,014)	-	-	-	(8,014)	-	(8,014)
Balance as at 31 March 2016	728,645	1,407	285,568	550,000	92,275	11,768,823	(511)	252,173	251,662	13,678,380	352,283	14,030,663
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-

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 three-month period ended 31 March 2016

(Unit: Thousand Baht)

	Separate financial statements						Total shareholders' equity
	Issued and paid-up share capital		Premium on ordinary shares	Convertible bonds treated as equity securities	Retained earnings		
	Ordinary shares	Preference shares			Appropriated	Unappropriated	
Balance as at 1 January 2015	728,600	1,452	285,568	550,000	92,275	8,919,885	10,577,780
Profit for the period	-	-	-	-	-	916,839	916,839
Total comprehensive income for the period	-	-	-	-	-	916,839	916,839
Preference shares converted to ordinary shares (Note 11)	25	(25)	-	-	-	-	-
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(8,014)	(8,014)
Balance as at 31 March 2015	728,625	1,427	285,568	550,000	92,275	9,828,710	11,486,605
Balance as at 1 January 2016	728,625	1,427	285,568	550,000	92,275	10,703,897	12,361,792
Profit for the period	-	-	-	-	-	956,486	956,486
Total comprehensive income for the period	-	-	-	-	-	956,486	956,486
Preference shares converted to ordinary shares (Note 11)	20	(20)	-	-	-	-	-
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(8,014)	(8,014)
Balance as at 31 March 2016	728,645	1,407	285,568	550,000	92,275	11,652,369	13,310,264
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

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

Bumrungrad Hospital Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month period ended 31 March 2016

1. General information

1.1 The Company's general 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 of preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2015) Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

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

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

1.3 Basis of consolidation

These interim consolidated financial statements include the financial statements of Bumrungrad Hospital Public Company Limited and its 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 2015. There have been no changes in the composition of the Group during the current period.

1.4 New financial reporting standards

During the period, the Group has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2015.

2. 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)
	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	For the three-month periods ended 31 March		For the three-month periods ended 31 March		
	2016	2015	2016	2015	
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Medical service income	-	-	7.7	7.4	Market price
Professional service income	-	-	1.5	1.9	Actual paid
Rental income	-	-	2.4	1.4	As per contracts
Sales of medicine and medical supplies	-	-	2.0	-	Cost plus margin
Lab service expenses	-	-	0.1	0.1	Market price
Pharmacy expenses	-	-	2.3	1.9	Market price
Training expenses	-	-	33.3	17.8	Cost plus margin
Service fees	-	-	1.5	-	Cost plus margin
Transactions with an associate					
Interest expenses on long-term loan	0.6	0.7	0.6	0.7	1.38% p.a. (2015: 1.50% p.a.)

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	For the three-month		For the three-month		
	periods ended 31 March		periods ended 31 March		
	2016	2015	2016	2015	
Transactions with related parties					
Medical service income	31.1	19.5	31.1	19.5	Market price
Rental income	0.6	0.6	0.6	0.6	Market price
Interest income on short-term investments	0.1	13.7	0.1	13.0	1.80% p.a. (2015: 1.88% to 3.00% p.a.)
Other income	0.2	0.2	0.2	0.2	At cost
Lab service expenses	2.6	1.5	2.6	1.5	Market price
Purchases of medicine and medical supplies	3.5	3.2	3.5	3.2	Market price
Donation expenses	6.8	6.0	6.8	6.0	-
Insurance expenses	8.0	8.8	7.9	8.8	As per insurance policies
Credit card commission fees	32.8	31.7	31.6	30.6	Market price
Legal advisory fees	0.3	0.5	0.3	0.5	Market price
Service fees	0.2	1.2	0.2	1.2	Market price
Interest expenses on long-term debentures	11.5	11.4	11.5	11.4	4.13% to 4.97% p.a.
Interest expenses on convertible bonds	8.0	8.0	8.0	8.0	10.00% and 1.00% p.a.

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
Short-term investments - Fixed deposits with a local commercial bank				
Related company (common director)	425,000	2,302,000	400,000	2,302,000
Trade and other receivables - related parties (Note 3)				
Subsidiaries	-	-	15,666	20,278
Associate	4	3	4	3
Related parties (common director)	4,387	3,191	4,388	3,191
Total	4,391	3,194	20,058	23,472
Trade and other payables - related parties (Note 8)				
Subsidiaries	-	-	14,549	16,581
Long-term loan to and interest receivable from a related party				
Subsidiary	-	-	-	9,017

(Unaudited but reviewed)

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
31 March	31 December	31 March	31 December	
2016	2015	2016	2015	
Long-term loan from and interest payable to a related party				
Associate	<u>183,472</u>	<u>182,869</u>	<u>183,472</u>	<u>182,869</u>
Long-term debentures (Note 9)				
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 and interest receivable from a related party

During the three-month period ended 31 March 2016, movements of long-term loan to and interest receivable from a subsidiary were as follows.

	(Unit: Thousand Baht)			
	Separate financial statements			Balance as at 31 March 2016
	Balance as at 31 December 2015	During the period		
	Increase	Decrease		
Bumrungrad Health Network Co., Ltd.				
Principal	9,000	-	(9,000)	-
Interest receivable	17	28	(45)	-
Total	<u>9,017</u>	<u>28</u>	<u>(9,045)</u>	<u>-</u>

Long-term loan from and interest payable to a related party

During the three-month period ended 31 March 2016, movements of long-term loan from and interest payable to an associate were as follows.

	(Unit: Thousand Baht)			
	Consolidated/ Separate financial statements			Balance as at 31 March 2016
	Balance as at 31 December 2015	During the period		
	Increase	Decrease		
Bumrungrad International Ltd.				
Principal	176,400	-	-	176,400
Interest payable	6,469	603	-	7,072
Total	<u>182,869</u>	<u>603</u>	<u>-</u>	<u>183,472</u>

Directors and management's benefits

During the three-month periods ended 31 March 2016 and 2015, the Group had employee benefit expenses payable to their directors and management as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2016	2015	2016	2015
Short-term employee benefits	27,975	25,601	24,733	23,551
Post employment benefits	2,081	1,363	2,024	1,292
Other long-term benefits	1	1	1	1
Total	30,057	26,965	26,758	24,844

3. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	4,080	2,851	4,832	5,857
Total trade receivables - related parties	4,080	2,851	4,832	5,857
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	953,389	989,973	952,107	984,354
Past due				
1 - 30 days	9,708	5,866	3,577	4,061
31 - 60 days	386,306	260,881	384,089	260,461
61 - 90 days	2,422	220,749	1,822	219,771
91 - 180 days	278,051	312,333	277,801	310,947
181 - 365 days	363,950	397,789	363,784	397,643
More than 365 days	403,043	240,556	402,628	240,207
Total	2,396,869	2,428,147	2,385,808	2,417,444
Less: Allowance for doubtful accounts	(137,898)	(119,182)	(137,423)	(118,781)
Total trade receivables - unrelated parties, net	2,258,971	2,308,965	2,248,385	2,298,663
Total trade receivables - net	2,263,051	2,311,816	2,253,217	2,304,520

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
<u>Other receivables</u>				
Advances and loans to employees	4,828	6,263	4,791	6,248
Accrued income - related parties	311	343	15,226	17,615
Total other receivables	5,139	6,606	20,017	23,863
Total trade and other receivables - net	2,268,190	2,318,422	2,273,234	2,328,383

(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	Paid-up capital		Shareholding percentage		Cost		Allowance for loss on impairment		Carrying amounts based on cost method - net	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
			(%)	(%)						
Vitalife Corporation Ltd.	Baht 31.5 million	Baht 31.5 million	100	100	25,610	25,610	-	-	25,610	25,610
Asia Global Research Co., Ltd.	Baht 50 million	Baht 50 million	100	100	50,000	50,000	50,000	50,000	-	-
Ruenmongkol Co., Ltd.	Baht 340 million	Baht 340 million	100	100	1,045,034	1,045,034	-	-	1,045,034	1,045,034
Bumrungrad Health Network Co., Ltd.	Baht 120 million	Baht 5 million	100	100	120,000	5,000	-	-	120,000	5,000
Bumrungrad Personnel Development and Training Center Co., Ltd.	Baht 5 million	Baht 5 million	100	100	5,000	5,000	-	-	5,000	5,000
Asia Global Health Ltd.	HKD 7.1 million	HKD 7.1 million	100	100	31,558	31,558	29,500	29,500	2,058	2,058
Life and Longevity Ltd.	USD 62,000	USD 62,000	100	100	2,143	2,143	-	-	2,143	2,143
Health Horizons Enterprises Pte. Ltd.	USD 16.6 million	USD 16.6 million	80	80	430,611	430,611	-	-	430,611	430,611
Bumrungrad Services Co., Ltd.	Baht 2 million	Baht 2 million	100	100	2,000	2,000	-	-	2,000	2,000
Total					<u>1,711,956</u>	<u>1,596,956</u>	<u>79,500</u>	<u>79,500</u>	<u>1,632,456</u>	<u>1,517,456</u>

During the three-month periods ended 31 March 2016 and 2015, the Company had no dividend received from the subsidiaries.

Capital increase of a subsidiary

On 11 March 2016, the Annual General Meeting of the shareholders of a subsidiary (Bumrungrad Health Network Co., Ltd) passed a resolution to increase the registered share capital from Baht 5 million (0.5 million ordinary shares with a par value of Baht 10 each) to Baht 120 million (12 million ordinary shares with a par value of Baht 10 each), by issuing additional 11.5 million ordinary shares with a par value of Baht 10 each to the subsidiary's existing shareholders. The Company acquired all of the additional shares and paid in the additional share capital on 14 March 2016. The subsidiary registered the increase of its share capital with the Ministry of Commerce on 15 March 2016.

5. Investments in associates

5.1 Details of investments in associates

(Unit: Thousand Baht)

Company	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015
			(%)	(%)				
Bumrungrad International Ltd.	Holding company	Thailand	31.5	31.5	1,447	1,447	234,090	234,067

(Unit: Thousand Baht)

Company	Separate financial statements							
	Shareholding percentage		Cost		Allowance for loss on impairment		Carrying amounts based on cost method - net	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	(%)	(%)						
Bumrungrad International Ltd.	31.5	31.5	1,447	1,447	-	-	1,447	1,447

5.2 Share of comprehensive income and dividend received

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

Associates	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	Share of profit from investments in associates		Dividend received	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2016	2015	2016	2015
Bumrungrad International Ltd.	23	990	-	-
CDE Trading Ltd. (dissolved on 17 November 2015)	-	837	-	-
Total	23	1,827	-	-

5.3 Summarised financial information of associates

Financial information of the associates is summarised below.

Company	(Unit: Million Baht)									
	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for the three-month periods ended		Profit (loss) for the three-month periods ended	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March		31 March	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Bumrungrad International Ltd.	4.6	4.6	756.8	754.2	13.7	11.2	2.8	3.3	0.1	3.1
CDE Trading Ltd. (dissolved on 17 November 2015)	-	-	-	-	-	-	-	-	-	(0.3)

6. Property, plant and equipment

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2016	10,472,112	8,791,954
Acquisitions during period - at cost	307,008	292,975
Capitalisation of interest cost	13,737	13,737
Disposals and write-off during the period - net book value at disposal and write-off date	(194)	(41)
Depreciation for the period	(259,730)	(248,476)
Translation adjustments	(31,935)	-
Net book value as at 31 March 2016	10,500,998	8,850,149

As at 31 March 2016, the Company had an outstanding balance of land, work under construction of building and building improvement of Baht 1,134 million (31 December 2015: Baht 1,129 million), which have been financed by long-term debentures and borrowing costs totaling Baht 14 million were capitalised during the three-month period ended 31 March 2016 (2015: Baht 14 million). The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation was 4.87% p.a. (2015: 4.87% p.a.).

7. Goodwill

The change in the goodwill account is due to the impact of exchange differences on translation of the foreign operation's financial statements.

8. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Trade payables - unrelated parties	754,577	754,355	733,491	732,435
Construction and medical equipment payables	159,539	52,671	159,539	52,671
Other payables - related parties	-	-	14,549	16,581
Other payables - unrelated parties	32,178	23,018	20,066	18,810
Total trade and other payables	<u>946,294</u>	<u>830,044</u>	<u>927,645</u>	<u>820,497</u>

9. Long-term debentures

As at 31 March 2016 and 31 December 2015, long-term debentures are as below.

(Unit: Thousand Baht)

	Consolidated/ Separate financial statements	
	31 March 2016	31 December 2015
Long-term debentures	5,000,000	5,000,000
Less: Deferred debenture issuing costs	(20,260)	(21,845)
Long-term debentures - net	4,979,740	4,978,155
Less: Current portion	(1,497,868)	(1,497,145)
Long-term debentures, net of current portion	<u>3,481,872</u>	<u>3,481,010</u>

The long-term debentures are unsecured and unsubordinated debentures in Baht currency with fixed interest rates. Their fair value as at 31 March 2016 amounted to Baht 5,426 million (31 December 2015: Baht 5,323 million). The fair value hierarchy is level 2 and there are no transfers within the fair value hierarchy during the periods.

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. Provision for long-term employee benefits

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
As at 1 January 2016	476,694	468,989
Increase during the period	22,478	21,881
Utilised	(1,387)	(1,387)
As at 31 March 2016	<u>497,785</u>	<u>489,483</u>

11. Share capital

In the first quarter of 2016, 20,000 preference shares (2015: 25,000 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 8 March 2016.

12. Income tax

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

Income tax expenses for the three-month periods ended 31 March 2016 and 2015 are made up as follows.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2016	2015	2016	2015
Current income tax:				
Interim corporate income tax charge	249,924	232,501	245,400	227,558
Deferred tax:				
Relating to origination and reversal of temporary differences	(15,278)	(4,471)	(14,769)	(3,645)
Income tax expenses reported in the income statements	<u>234,646</u>	<u>228,030</u>	<u>230,631</u>	<u>223,913</u>

13. 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 31 March						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2016	2015	2016	2015	2016	2015	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
977,753	974,709	728,631	728,608	1.34	1.34	
Effect of dilutive potential ordinary shares						
Preference shares						
-	-	1,421	1,444			
Convertible bonds						
-	-	137,363	137,363			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares						
<u>977,753</u>	<u>974,709</u>	<u>867,415</u>	<u>867,415</u>	1.13	1.12	
Separate financial statements						
For the three-month periods ended 31 March						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2016	2015	2016	2015	2016	2015	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
956,486	916,839	728,631	728,608	1.31	1.26	
Effect of dilutive potential ordinary shares						
Preference shares						
-	-	1,421	1,444			
Convertible bonds						
-	-	137,363	137,363			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares						
<u>956,486</u>	<u>916,839</u>	<u>867,415</u>	<u>867,415</u>	1.10	1.06	

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 Group has only one main reportable operating segment, which is the hospital and health care center business, and the major geographical area of its operations is Thailand, with its overseas operations not being material. 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 31 March 2016 and 31 December 2015, the Group has capital commitments as below.

Details of Commitments	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
1) Design and renovation agreements of buildings	195	146	194	144
2) Purchase of medical instruments and hospital equipment	184	177	136	176

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 1 and 30 years.

As at 31 March 2016 and 31 December 2015, future minimum payments required under the above agreements were as follows.

(Unit: Million Baht)

Details of commitments	Consolidated financial statements					
	Payable within					
	1 year		1 to 5 years		More than 5 years	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015
1) Nursing dormitory land rental expense (shall be extended for a further period of 30 years)	2	2	7	7	2	2
2) Lease of office space	36	32	33	33	-	-
3) Maintenance service fee for medical instruments	130	136	90	100	-	-
4) Rental and maintenance service fee for cars	11	11	23	16	-	-
5) Service fee for medical treatment information database	27	41	225	218	-	-

(Unit: Million Baht)

Details of commitments	Separate financial statements					
	Payable within					
	1 year		1 to 5 years		More than 5 years	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015
1) Nursing dormitory land rental expense (shall be extended for a further period of 30 years)	2	2	7	7	2	2
2) Lease of office space	36	32	33	33	-	-
3) Maintenance service fee for medical instruments	122	128	57	64	-	-
4) Rental and maintenance service fee for cars	11	10	21	15	-	-
5) Service fee for medical treatment information database	25	39	221	213	-	-

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 31 March 2016, the outstanding amount of medical supplies and services that the Company is required to purchase in accordance with the contract is Baht 219 million (31 December 2015: Baht 239 million).

15.4 Uncalled portion of an investment in a subsidiary

As at 31 March 2016, the Company has commitment in respect of the uncalled portion of investment in an overseas subsidiary (Asia Global Health Ltd.) of HKD 2.34 million (31 December 2015: HKD 2.34 million).

15.5 Guarantees

As at 31 March 2016, there were outstanding bank guarantees of Baht 28 million (31 December 2015: Baht 28 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.

15.6 Contingent liabilities arising from agreement to acquire investments in subsidiaries

Health Horizons Enterprises Pte. Ltd. ("HHE"), an overseas subsidiary that is 80% owned by the Company, has contingent liabilities under the Share Sales and Purchase Agreement, dated 5 March 2014, whereby it acquired common shares of Bumrungrad Mongolia LLC ("BML") and Seoul Seniors Tower LLC ("SST"). The seller is entitled to receive an additional contingent consideration in the form of earn-out payments, provided certain cumulative net profit targets are achieved through 31 December 2016, at a maximum amount of MNT 10,966 million, or equivalent to approximately Baht 188 million.

The Group has reviewed and reassessed the likelihood that the Group will have to pay this additional amount, taking into consideration the economic situation, operating performance and the forecast operating results of SST for the years 2014 to 2016. As at 31 March 2016 and 31 December 2015, the Group estimated that it has no obligation to pay an additional consideration.

16. Event after the reporting period

On 27 April 2016, the Annual General Meeting of shareholders of the Company passed a resolution to pay a dividend of Baht 2.35 per share, or a total of Baht 1,716 million, to the shareholders in respect of the 2015 profit. The Company already paid an interim dividend of Baht 0.90 per share, or a total of Baht 657 million on 9 September 2015. The remaining dividend of Baht 1.45 per share, or a total of Baht 1,059 million will be paid on 17 May 2016.

17. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 4 May 2016.