

Bumrungrad Hospital Public Company Limited
and its subsidiaries
Review report and
interim consolidated financial statements
For the three-month period ended 31 March 2017

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 2017, 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: 26 April 2017

Bumrungrad Hospital Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	31 March 2017	31 December 2016	31 March 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		4,343,636	5,154,161	4,103,468	4,938,523
Short-term investments		3,815,300	1,523,300	3,761,000	1,509,000
Trade and other receivables	3	1,422,383	1,695,473	1,429,216	1,692,245
Inventories		272,403	310,014	242,584	279,917
Prepaid expenses		127,507	107,059	110,608	87,476
Other current assets		22,055	12,631	15,163	9,889
Total current assets		10,003,284	8,802,638	9,662,039	8,517,050
Non-current assets					
Investments in subsidiaries	4	-	-	1,638,773	1,638,773
Investments in associates	5	238,816	236,280	1,447	1,447
Other long-term investment		1,700	1,700	1,700	1,700
Property, plant and equipment	6	11,478,446	11,579,033	9,908,218	9,981,453
Intangible assets		332,742	315,047	326,858	309,409
Goodwill	7	117,019	121,709	-	-
Deferred tax assets		261,018	249,607	255,435	244,718
Other non-current assets		24,168	23,849	23,356	23,714
Total non-current assets		12,453,909	12,527,225	12,155,787	12,201,214
Total assets		22,457,193	21,329,863	21,817,826	20,718,264

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 2017 (Unaudited but reviewed)	31 December 2016 (Audited)	31 March 2017 (Unaudited but reviewed)	31 December 2016 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	8	833,866	875,614	821,732	869,510
Accrued physicians' fees		576,327	596,925	569,548	590,093
Accrued expenses		406,234	447,321	395,664	435,433
Income tax payable		585,544	364,574	565,605	352,574
Other current liabilities		91,727	73,662	69,891	51,291
Total current liabilities		2,493,698	2,358,096	2,422,440	2,298,901
Non-current liabilities					
Long-term loan from and interest payable to a related party	2	185,892	185,294	185,892	185,294
Long-term loan from and interest payable to an unrelated party		18,946	19,649	-	-
Long-term debentures	9	3,485,437	3,484,541	3,485,437	3,484,541
Deferred tax liability		1,906	1,820	-	-
Provision for long-term employee benefits	10	509,958	492,516	503,535	485,802
Total non-current liabilities		4,202,139	4,183,820	4,174,864	4,155,637
Total liabilities		6,695,837	6,541,916	6,597,304	6,454,538

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 2017 (Unaudited but reviewed)	31 December 2016 (Audited)	31 March 2017 (Unaudited but reviewed)	31 December 2016 (Audited)
Shareholders' equity					
Share capital	11				
Registered					
921,339,320 ordinary shares of Baht 1 each (31 December 2016: 921,296,022 ordinary shares of Baht 1 each)		921,339	921,296	921,339	921,296
1,363,365 preference shares of Baht 1 each (31 December 2016: 1,406,663 preference shares of Baht 1 each)		1,364	1,407	1,364	1,407
		<u>922,703</u>	<u>922,703</u>	<u>922,703</u>	<u>922,703</u>
Issued and paid-up					
728,688,857 ordinary shares of Baht 1 each (31 December 2016: 728,645,559 ordinary shares of Baht 1 each)		728,688	728,645	728,688	728,645
1,363,365 preference shares of Baht 1 each (31 December 2016: 1,406,663 preference shares of Baht 1 each)		1,364	1,407	1,364	1,407
		<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		13,655,261	12,657,987	13,562,627	12,605,831
Other components of shareholders' equity		141,486	157,972	-	-
Equity attributable to owners of the Company		<u>15,454,642</u>	<u>14,473,854</u>	<u>15,220,522</u>	<u>14,263,726</u>
Non-controlling interests of the subsidiaries		306,714	314,093	-	-
Total shareholders' equity		<u>15,761,356</u>	<u>14,787,947</u>	<u>15,220,522</u>	<u>14,263,726</u>
Total liabilities and shareholders' equity		<u>22,457,193</u>	<u>21,329,863</u>	<u>21,817,826</u>	<u>20,718,264</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 31 March 2017**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Revenues					
Revenues from hospital operations		4,435,983	4,618,428	4,306,006	4,499,631
Rental income		16,417	15,648	18,922	18,030
Interest income		20,836	29,285	19,746	28,739
Exchange gains		1,269	5,570	4,410	6,010
Other income		20,718	24,834	23,359	24,746
Total revenues		4,495,223	4,693,765	4,372,443	4,577,156
Expenses					
Cost of hospital operations		2,495,182	2,667,268	2,421,207	2,595,658
Administrative expenses		739,283	773,056	734,423	748,110
Total expenses		3,234,465	3,440,324	3,155,630	3,343,768
Profit before share of profit from investment in an associate, finance cost and income tax expenses					
Share of profit from investment in an associate	5	866	23	-	-
Profit before finance cost and income tax expenses		1,261,624	1,253,464	1,216,813	1,233,388
Finance cost		(39,620)	(46,271)	(39,554)	(46,271)
Profit before income tax expenses		1,222,004	1,207,193	1,177,259	1,187,117
Income tax expenses	12	(219,902)	(234,646)	(212,449)	(230,631)
Profit for the period		1,002,102	972,547	964,810	956,486
Profit attributable to:					
Equity holders of the Company		1,005,288	977,753	964,810	956,486
Non-controlling interests of the subsidiaries		(3,186)	(5,206)		
		<u>1,002,102</u>	<u>972,547</u>		
Earnings per share					
13 (Unit: Baht)					
Basic earnings per share					
Profit attributable to equity holders of the Company		1.38	1.34	1.32	1.31
Diluted earnings per share					
Profit attributable to equity holders of the Company		1.16	1.13	1.11	1.10

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 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Profit for the period	<u>1,002,102</u>	<u>972,547</u>	<u>964,810</u>	<u>956,486</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>(20,679)</u>	<u>(34,360)</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>(20,679)</u>	<u>(34,360)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>981,423</u></u>	<u><u>938,187</u></u>	<u><u>964,810</u></u>	<u><u>956,486</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>988,802</u>	<u>950,708</u>	<u>964,810</u>	<u>956,486</u>
Non-controlling interests of the subsidiaries	<u>(7,379)</u>	<u>(12,521)</u>	<u>-</u>	<u>-</u>
	<u><u>981,423</u></u>	<u><u>938,187</u></u>	<u><u>964,810</u></u>	<u><u>956,486</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 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit before tax	1,222,004	1,207,193	1,177,259	1,187,117
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	295,520	276,435	281,865	265,075
Bad debts and allowance for doubtful accounts	11,112	26,416	11,071	26,334
Reduction of cost of inventories to net realisable value	30	15	-	-
(Gain) loss on sales and write-off of equipment	666	43	1,147	(110)
Long-term employee benefits expenses	22,265	22,478	21,731	21,881
Share of profit from investment in an associate	(866)	(23)	-	-
Interest income	(20,836)	(29,285)	(19,746)	(28,739)
Amortisation of debenture issuing costs to interest expenses	896	1,585	896	1,585
Interest expenses	38,724	44,686	38,658	44,686
Profit from operating activities before changes in operating assets and liabilities	1,569,515	1,549,543	1,512,881	1,517,829
Operating assets (increase) decrease				
Trade and other receivables	261,978	23,816	251,958	28,815
Inventories	37,581	7,578	37,333	8,447
Prepaid expenses	(20,448)	(38,715)	(23,132)	(40,329)
Other current assets	(9,424)	7,282	(5,274)	6,388
Other non-current assets	(319)	(2,804)	358	265
Operating liabilities increase (decrease)				
Trade and other payables	(53,982)	9,401	(60,012)	299
Accrued physicians' fees	(20,598)	6,643	(20,545)	7,524
Accrued expenses	(74,671)	(111,537)	(73,353)	(106,173)
Other current liabilities	18,065	8,279	18,600	10,377
Provision for long-term employee benefits	(4,823)	(1,387)	(3,998)	(1,387)
Cash flows from operating activities	1,702,874	1,458,099	1,634,816	1,432,055
Cash paid for corporate income tax	(10,257)	(8,852)	(10,135)	(8,865)
Net cash flows from operating activities	1,692,617	1,449,247	1,624,681	1,423,190

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 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities				
(Increase) decrease in short-term investments	(2,292,000)	1,877,000	(2,252,000)	1,902,000
Decrease in long-term loan to a related party	-	-	-	9,000
Acquisition of investment in a subsidiary	-	-	-	(115,000)
Acquisition of investment in an associate	(1,670)	-	-	-
Acquisition of equipment and payment of construction and medical equipment payables	(173,692)	(200,140)	(170,253)	(186,107)
Acquisition of computer software	(41,818)	(16,418)	(41,229)	(16,355)
Proceeds from sales of equipment	388	151	498	151
Interest income	20,836	29,285	19,746	28,756
Net cash flows from (used in) investing activities	(2,487,956)	1,689,878	(2,443,238)	1,622,445
Cash flows from financing activities				
Dividend paid	(114)	(19)	(114)	(19)
Interest paid for convertible bonds treated as equity securities	(16,384)	(16,384)	(16,384)	(16,384)
Net cash flows used in financing activities	(16,498)	(16,403)	(16,498)	(16,403)
Increase in translation adjustment	1,312	479	-	-
Net increase (decrease) in cash and cash equivalents	(810,525)	3,123,201	(835,055)	3,029,232
Cash and cash equivalents at beginning of period	5,154,161	5,054,160	4,938,523	4,818,341
Cash and cash equivalents at end of period	4,343,636	8,177,361	4,103,468	7,847,573
	-		-	
Supplemental cash flow information				
Non-cash transactions				
Interest capitalised as cost of assets	3,894	13,783	3,894	13,783
Increase in construction and medical equipment payables	12,348	106,868	12,348	106,868

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 2017**

(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	of financial statements in foreign currencies	Other surplus of an associated company				
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
Balance as at 1 January 2017	728,645	1,407	285,568	550,000	92,275	12,657,987	(94,201)	252,173	157,972	14,473,854	314,093	14,787,947
Profit for the period	-	-	-	-	-	1,005,288	-	-	-	1,005,288	(3,186)	1,002,102
Other comprehensive income for the period	-	-	-	-	-	-	(16,486)	-	(16,486)	(16,486)	(4,193)	(20,679)
Total comprehensive income for the period	-	-	-	-	-	1,005,288	(16,486)	-	(16,486)	988,802	(7,379)	981,423
Preference shares converted to ordinary shares (Note 11)	43	(43)	-	-	-	-	-	-	-	-	-	-
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(8,014)	-	-	-	(8,014)	-	(8,014)
Balance as at 31 March 2017	728,688	1,364	285,568	550,000	92,275	13,655,261	(110,687)	252,173	141,486	15,454,642	306,714	15,761,356
	-	-	-	-	-	-	-	-	-	-	-	-

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 2017

(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 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
Other comprehensive income for the period	-	-	-	-	-	-	-
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	<u>728,645</u>	<u>1,407</u>	<u>285,568</u>	<u>550,000</u>	<u>92,275</u>	<u>11,652,369</u>	<u>13,310,264</u>
Balance as at 1 January 2017	728,645	1,407	285,568	550,000	92,275	12,605,831	14,263,726
Profit for the period	-	-	-	-	-	964,810	964,810
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	964,810	964,810
Preference shares converted to ordinary shares (Note 11)	43	(43)	-	-	-	-	-
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(8,014)	(8,014)
Balance as at 31 March 2017	<u>728,688</u>	<u>1,364</u>	<u>285,568</u>	<u>550,000</u>	<u>92,275</u>	<u>13,562,627</u>	<u>15,220,522</u>
	-	-	-	-	-	-	-

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 2017

1. General information

1.1 Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2016) 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.

1.2 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 2016.

1.3 New financial reporting standards

During the period, the Group has adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. 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.

1.4 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 2016.

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		
	2017	2016	2017	2016	
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Medical service income	-	-	9.6	7.7	Market price
Professional service income	-	-	4.6	1.5	Actual paid and cost plus margin
Rental income	-	-	2.7	2.4	As per contracts
Sales of medicine and medical supplies	-	-	2.0	2.0	Cost plus margin
Sales of equipment	-	-	0.1	-	Market price
Lab service expenses	-	-	0.6	0.1	Market price
Pharmacy expenses	-	-	5.9	2.3	Market price
Training expenses	-	-	39.0	33.3	Cost plus margin
Service fees	-	-	2.8	1.5	Cost plus margin
Transactions with an associate					
Consulting income	0.1	-	0.1	-	As per contracts
Interest expenses on long-term loan	0.6	0.6	0.6	0.6	1.38% p.a.
Transactions with related parties					
Medical service income	16.6	31.1	16.6	31.1	Market price
Rental income	0.7	0.6	0.7	0.6	Market price
Interest income on short-term investments	3.8	0.1	3.8	0.1	1.45% to 1.70% p.a. (2016: 1.80% p.a.)
Other income	0.3	0.2	0.3	0.2	At cost
Lab service expenses	1.4	2.6	1.4	2.6	Market price
Purchases of medicine and medical supplies	2.8	3.5	2.8	3.5	Market price
Donation expenses	8.0	6.8	8.0	6.8	-
Insurance expenses	7.1	8.0	7.1	7.9	As per insurance policies

(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		
	2017	2016	2017	2016	
Credit card commission fees	33.6	32.8	32.1	31.6	Market price
Legal advisory fees	0.5	0.3	0.5	0.3	Market price
Service fees	-	0.2	-	0.2	Market price
Interest expenses on long-term debentures	10.4	11.5	10.4	11.5	4.59% to 4.97% p.a. (2016: 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
	2017	2016	2017	2016
Short-term investments - fixed deposits with a local commercial bank				
Related company (common director)	<u>3,806,000</u>	<u>1,509,000</u>	<u>3,761,000</u>	<u>1,509,000</u>
Trade and other receivables - related parties (Note 3)				
Subsidiaries	-	-	19,566	15,942
Associate	24	12	25	12
Related parties (common director)	<u>1,878</u>	<u>6,526</u>	<u>1,878</u>	<u>6,526</u>
Total	<u>1,902</u>	<u>6,538</u>	<u>21,469</u>	<u>22,480</u>
Trade and other payables - related parties (Note 8)				
Subsidiaries	<u>-</u>	<u>-</u>	<u>11,056</u>	<u>19,986</u>
Long-term loan from and interest payable to a related party				
Associate	<u>185,892</u>	<u>185,294</u>	<u>185,892</u>	<u>185,294</u>
Long-term debentures (Note 9)				
Related companies (Major shareholder and common director)	<u>855,000</u>	<u>855,000</u>	<u>855,000</u>	<u>855,000</u>
Convertible bonds treated as equity securities				
Related company (common executive)	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>

(Unaudited but reviewed)

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

During the three-month period ended 31 March 2017, 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	During the period		Balance as at
	1 January			31 March
	2017	Increase	Decrease	2017
Bumrungrad International Ltd.				
Principal	176,400	-	-	176,400
Interest payable	8,894	598	-	9,492
Total	185,294	598	-	185,892

Directors and management's benefits

During the three-month periods ended 31 March 2017 and 2016, 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		For the three-month	
	periods ended 31 March		periods ended 31 March	
	2017	2016	2017	2016
Short-term employee benefits	22,419	27,975	20,014	24,733
Post employment benefits	1,158	2,081	1,070	2,024
Other long-term benefits	2	1	1	1
Total	23,579	30,057	21,085	26,758

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	1,636	6,219	2,147	7,244
Total trade receivables - related parties	1,636	6,219	2,147	7,244
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	823,244	885,636	815,347	879,216
Past due				
1 - 30 days	10,711	6,007	8,083	3,882
31 - 60 days	336,995	159,420	336,367	157,076
61 - 90 days	83,494	109,129	82,927	101,314
91 - 180 days	79,491	233,074	78,484	232,919
181 - 365 days	99,899	283,765	99,899	283,765
More than 365 days	225,263	239,030	225,263	239,030
Total	1,659,097	1,916,061	1,646,370	1,897,202
Less: Allowance for doubtful accounts	(242,407)	(234,269)	(242,407)	(234,269)
Total trade receivables - unrelated parties, net	1,416,690	1,681,792	1,403,963	1,662,933
Total trade receivables - net	1,418,326	1,688,011	1,406,110	1,670,177
<u>Other receivables</u>				
Other receivables - related parties	266	319	19,322	15,236
Other receivables - unrelated parties	3,791	7,143	3,784	6,832
Total other receivables	4,057	7,462	23,106	22,068
Total trade and other receivables - net	1,422,383	1,695,473	1,429,216	1,692,245

(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
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
			(%)	(%)						
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 120 million	100	100	120,000	120,000	-	-	120,000	120,000
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 82,000	USD 82,000	100	100	2,860	2,860	-	-	2,860	2,860
Health Horizons Enterprises Pte. Ltd.	USD 16.8 million	USD 16.8 million	80	80	436,211	436,211	-	-	436,211	436,211
Bumrungrad Services Co., Ltd.	Baht 2 million	Baht 2 million	100	100	2,000	2,000	-	-	2,000	2,000
Total					<u>1,718,273</u>	<u>1,718,273</u>	<u>(79,500)</u>	<u>(79,500)</u>	<u>1,638,773</u>	<u>1,638,773</u>

(Unaudited but reviewed)

During the three-month periods ended 31 March 2017 and 2016, the Company had no dividend received from the subsidiaries.

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 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016
			(%)	(%)				
<u>An associate held by the Company</u>								
Bumrungrad International Ltd.	Holding company	Thailand	31.5	31.5	1,447	1,447	237,146	236,280
<u>An associate held by the subsidiary</u>								
Inovital International AG (held by LLL)	Manufacture and sale of vitamin supplement products	Swiss Confederation	49.0	-	1,670	-	1,670	-
Total					3,117	1,447	238,816	236,280

(Unit: Thousand Baht)

Company	Separate financial statements			
	Shareholding percentage		Carrying amounts based on cost method	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
	(%)	(%)		
Bumrungrad International Ltd.	31.5	31.5	1,447	1,447
Total			1,447	1,447

5.2 Share of profit and dividend received

During the periods, the Company recognised its share of profit and dividend received from investment in an associate as follows.

(Unit: Thousand Baht)

Company	Consolidated financial statements		Separate financial statements	
	Share of profit from investment in an associate		Dividend received	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2017	2016	2017	2016
Bumrungrad International Ltd.	866	23	-	-
Total	866	23	-	-

Acquisition of a new associate

On 20 January 2017, Life and Longevity Ltd. (LLL), the Company's wholly-owned subsidiary which is registered in Hong Kong Special Administrative Region of the People's Republic of China, acquired 49% of the common shares of Inovital International AG which is incorporated in Swiss Confederation, for CHF 49,000 (490 ordinary shares with a par value of CHF 100 each). That company is principally engaged in manufacture and sale of vitamin supplement products and after sales services.

6. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2017	11,579,033	9,981,453
Acquisitions during period - at cost	186,040	182,601
Capitalisation of interest cost	3,894	3,894
Disposals and write-off during the period -		
net book value at disposal and write-off date	(1,054)	(1,645)
Depreciation for the period	(271,502)	(258,085)
Translation adjustments	(17,965)	-
Net book value as at 31 March 2017	11,478,446	9,908,218

As at 31 March 2017, the Company had an outstanding balance of land, work under construction of building and building improvement of Baht 1,460 million (31 December 2016: Baht 1,414 million), which have been financed by long-term debentures and borrowing costs totaling Baht 4 million were capitalised during the three-month period ended 31 March 2017 (2016: Baht 14 million). The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation was 4.97% p.a. (2016: 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.

(Unaudited but reviewed)

8. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Trade payables - unrelated parties	685,157	735,780	664,695	715,629
Construction and medical equipment payables	114,217	101,869	114,217	101,869
Other payables - related parties	-	-	11,056	19,986
Other payables - unrelated parties	34,492	37,965	31,764	32,026
Total trade and other payables	<u>833,866</u>	<u>875,614</u>	<u>821,732</u>	<u>869,510</u>

9. Long-term debentures

As at 31 March 2017 and 31 December 2016, long-term debentures are as below.

(Unit: Thousand Baht)

	Consolidated/ Separate	
	financial statements	
	31 March 2017	31 December 2016
Long-term debentures	3,500,000	3,500,000
Less: Deferred debenture issuing costs	(14,563)	(15,459)
Long-term debentures - net	<u>3,485,437</u>	<u>3,484,541</u>

The long-term debentures are unsecured and unsubordinated debentures in Baht currency with fixed interest rates. Their fair value as at 31 March 2017 amounted to Baht 3,776 million (31 December 2016: Baht 3,781 million). The fair value hierarchy is level 2 and there are no transfers within the fair value hierarchy during the period.

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 2017	492,516	485,802
Increase during the period	22,265	21,731
Utilised	(4,823)	(3,998)
As at 31 March 2017	<u>509,958</u>	<u>503,535</u>

11. Share capital

In the current quarter, 43,298 preference shares (2016: 20,000 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 7 March 2017.

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 2017 and 2016 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	
	2017	2016	2017	2016
Current income tax:				
Interim corporate income tax charge	231,227	249,924	223,166	245,400
Deferred tax:				
Relating to origination and reversal of temporary differences	(11,325)	(15,278)	(10,717)	(14,769)
Income tax expenses reported in the income statements	<u>219,902</u>	<u>234,646</u>	<u>212,449</u>	<u>230,631</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		
2017	2016	2017	2016	2017	2016	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
1,005,288	977,753	728,658	728,631	1.38	1.34	
Effect of dilutive potential ordinary shares						
Preference shares		-	-	1,394	1,421	
Convertible bonds		-	-	137,363	137,363	
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares						
1,005,288	977,753	867,415	867,415	1.16	1.13	
Separate financial statements						
For the three-month periods ended 31 March						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2017	2016	2017	2016	2017	2016	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
964,810	956,486	728,658	728,631	1.32	1.31	
Effect of dilutive potential ordinary shares						
Preference shares		-	-	1,394	1,421	
Convertible bonds		-	-	137,363	137,363	
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares						
964,810	956,486	867,415	867,415	1.11	1.10	

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 2017 and 31 December 2016, the Group has capital commitments as below.

Details of Commitments	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
1) Design and renovation agreements of buildings	630	691	629	689
2) Purchase of medical instruments and hospital equipment	12	95	9	91
3) Purchase of computer software agreements	342	368	342	368

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 2017 and 31 December 2016, 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 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016
1) Nursing dormitory land rental expense (shall be extended for a further period of 30 years)	1	1	4	4	-	1
2) Lease of office space	16	24	1	1	-	-
3) Maintenance service fee for medical instruments	147	167	188	214	4	4
4) Rental and maintenance service fee for cars	13	13	23	25	-	-
5) Service fee for medical treatment information database	50	42	202	230	-	-
6) Maintenance service fee for computer system	15	7	46	61	-	-

(Unit: Million Baht)

Details of commitments	Separate financial statements					
	Payable within					
	1 year		1 to 5 years		More than 5 years	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016
1) Nursing dormitory land rental expense (shall be extended for a further period of 30 years)	1	1	4	4	-	1
2) Lease of office space	16	24	-	-	-	-
3) Maintenance service fee for medical instruments	139	157	182	204	4	4
4) Rental and maintenance service fee for cars	12	12	22	22	-	-
5) Service fee for medical treatment information database	50	42	202	230	-	-
6) Maintenance service fee for computer system	15	6	44	59	-	-

In addition, the Company has lease commitment for building space with a company for a period of 4 years ending 27 September 2020. Under the terms of the agreement, the Company agrees a rental fee at a rate based on the revenues and other information. In this regard, the minimum payment for rental fee within 2017 amounted to Baht 10 million.

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 2017, the outstanding amount of medical supplies and services that the Company is required to purchase in accordance with the contract is Baht 137 million (31 December 2016: Baht 159 million).

15.4 Uncalled portion of an investment in a subsidiary

As at 31 March 2017, 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 2016: HKD 2.34 million).

15.5 Guarantees

As at 31 March 2017, there were outstanding bank guarantees of Baht 30 million (31 December 2016: Baht 30 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. Reclassifications

The Company reclassified certain amounts in the income statements for the three-month period ended 31 March 2016 to conform to the current periods' classification, as following.

(Unit: Thousand Baht)

	Consolidated financial statements		Consolidated financial statements	
	For the three-month period ended 31 March 2016		For the three-month period ended 31 March 2016	
	As reclassified	As previously reported	As reclassified	As previously reported
Cost of hospital operations	2,667,268	2,625,434	2,595,658	2,555,589
Administrative expenses	773,056	814,890	748,110	788,179

The reclassifications had no effect to previously reported profit or shareholders' equity.

17. Event after the reporting period

On 26 April 2017, the Annual General Meeting of shareholders of the Company passed a resolution to pay a dividend of Baht 2.50 per share, or a total of Baht 1,825 million, to the shareholders in respect of the 2016 profit. The Company already paid an interim dividend of Baht 0.95 per share, or a total of Baht 694 million on 26 August 2016. The remaining dividend of Baht 1.55 per share, or a total of Baht 1,132 million will be paid on 15 May 2017.

18. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 26 April 2017.