

Bumrungrad Hospital Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2009 and 2008

Report of Independent Auditor

To the Shareholders of Bumrungrad Hospital Public Company Limited

I have audited the accompanying consolidated balance sheets of Bumrungrad Hospital Public Company Limited and its subsidiaries as at 31 December 2009 and 2008, the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended, and the separate financial statements of Bumrungrad Hospital Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits, provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bumrungrad Hospital Public Company Limited and its subsidiaries and of Bumrungrad Hospital Public Company Limited as at 31 December 2009 and 2008, and the results of their operations and cash flows for the years then ended, in accordance with generally accepted accounting principles.

Vissuta Jariyathanakorn

Certified Public Accountant (Thailand) No. 3853

Ernst & Young Office Limited

Bangkok: 24 February 2010

Bumrungrad Hospital Public Company Limited and its subsidiaries

Balance sheets

As at 31 December 2009 and 2008

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Assets					
Current assets					
Cash and cash equivalents		386,640,580	384,641,789	333,440,463	350,881,453
Trade accounts receivable - net	6	657,907,917	494,121,990	651,744,575	492,376,167
Amounts due from related parties	7	14,583,449	8,797,038	17,512,015	8,797,038
Advances to employees and directors		5,832,612	8,785,621	5,803,578	8,785,621
Inventories	8	198,878,672	187,974,998	189,709,546	184,131,025
Prepaid expenses		65,998,241	52,243,447	59,576,817	51,715,907
Other current assets		1,993,569	5,010,939	614,811	4,702,592
Total current assets		1,331,835,040	1,141,575,822	1,258,401,805	1,101,389,803
Non-current assets					
Restricted bank deposits	9	-	17,146,800	-	8,792,400
Investments in subsidiaries - net	10	-	-	1,214,114,738	1,172,512,972
Investment in joint venture	11	7,215,269	6,085,265	7,267,470	6,119,970
Investments in associated companies - net	12	1,257,158,363	1,234,931,024	1,013,453,313	1,013,453,313
Other long-term investments - net	13	2,247,213	2,247,213	2,047,213	2,047,213
Property, plant and equipment - net	14	5,666,942,245	5,373,730,959	4,728,437,298	4,412,801,934
Intangible assets - net	15	285,629,145	310,364,085	314,760,370	343,423,294
Other non-current assets		15,964,695	18,162,783	18,603,210	21,162,784
Total non-current assets		7,235,156,930	6,962,668,129	7,298,683,612	6,980,313,880
Total assets		8,566,991,970	8,104,243,951	8,557,085,417	8,081,703,683

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

Bumrungrad Hospital Public Company Limited and its subsidiaries

Balance sheets (continued)

As at 31 December 2009 and 2008

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	16	190,000,000	200,000,000	190,000,000	200,000,000
Trade accounts payable		522,672,469	504,341,232	514,421,007	502,592,696
Construction and medical equipment payables		27,490,212	77,127,082	27,490,212	77,127,082
Amounts due to related parties	7	-	2,015,049	1,725,809	3,683,026
Current portion of long-term loan					
from a related party	7	-	-	-	438,029,068
Current portion of long-term loans					
from financial institutions	17	-	569,279,069	-	131,250,000
Accrued physicians' fees		329,566,815	262,460,716	324,266,815	261,310,716
Interest payable		692,219	564,859	692,219	312,842
Interest payable - convertible bonds treated					
as equity securities		11,575,343	11,575,343	11,575,343	11,575,343
Corporate income tax payable		209,859,207	195,479,980	208,434,232	193,045,798
Accrued expenses		305,970,543	260,094,311	302,219,595	258,020,607
Accounts payable - others		13,371,696	16,098,005	12,958,736	15,773,332
Other current liabilities		53,182,860	23,825,155	48,619,138	23,420,748
Total current liabilities		1,664,381,364	2,122,860,801	1,642,403,106	2,116,141,258
Non-current liabilities					
Long-term loan from a related party	7	-	-	219,827,068	501,207,360
Long-term loans from financial institutions	17	1,430,000,000	1,116,021,802	1,430,000,000	787,500,000
Total non-current liabilities		1,430,000,000	1,116,021,802	1,649,827,068	1,288,707,360
Total liabilities		3,094,381,364	3,238,882,603	3,292,230,174	3,404,848,618

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

Bumrungrad Hospital Public Company Limited and its subsidiaries

Balance sheets (continued)

As at 31 December 2009 and 2008

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Shareholders' equity					
Share capital	19				
Registered					
920,954,935 ordinary shares of Baht 1 each (2008: 920,919,935 ordinary shares of Baht 1 each)		920,954,935	920,919,935	920,954,935	920,919,935
1,747,750 preference shares of Baht 1 each (2008: 1,782,750 preference shares of Baht 1 each)		1,747,750	1,782,750	1,747,750	1,782,750
Issued and paid-up					
728,304,472 ordinary shares of Baht 1 each (2008: 728,269,472 ordinary shares of Baht 1 each)		728,304,472	728,269,472	728,304,472	728,269,472
1,747,750 preference shares of Baht 1 each (2008: 1,782,750 preference shares of Baht 1 each)		1,747,750	1,782,750	1,747,750	1,782,750
Premium on ordinary shares		285,568,300	285,568,300	285,568,300	285,568,300
Other paid-in capital of an associated company		252,172,534	252,172,534	-	-
Translation adjustment		(75,451,261)	(53,479,292)	-	-
Convertible bonds treated as equity securities	18	550,000,000	550,000,000	550,000,000	550,000,000
Excess of investment over book value of a subsidiary		(192,661,558)	(192,661,558)	-	-
Retained earnings					
Appropriated - statutory reserve	20	92,275,000	92,275,000	92,275,000	92,275,000
Unappropriated		3,830,655,369	3,201,434,142	3,606,959,721	3,018,959,543
Total shareholders' equity		5,472,610,606	4,865,361,348	5,264,855,243	4,676,855,065
Total liabilities and shareholders' equity		8,566,991,970	8,104,243,951	8,557,085,417	8,081,703,683
		-	-	-	-

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

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Directors
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Bumrungrad Hospital Public Company Limited and its subsidiaries

Income statements

For the years ended 31 December 2009 and 2008

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Revenues					
Revenues from hospital operations	7	9,068,932,457	8,629,431,002	8,966,093,848	8,560,815,107
Rental income	7	131,771,746	127,882,990	160,123,562	154,407,401
Interest income		1,612,475	6,273,193	1,378,590	5,856,178
Exchange gains		38,679,713	31,544,727	38,793,644	31,544,307
Dividend income from an associated company	7, 12.2	-	-	-	437,927,000
Other income	7	96,859,389	86,696,905	93,013,744	86,496,906
Total revenues		9,337,855,780	8,881,828,817	9,259,403,388	9,277,046,899
Expenses					
Cost of hospital operations	7	5,553,191,439	5,324,432,431	5,510,961,955	5,303,081,983
Depreciation and amortisation	14, 15	539,265,272	459,363,374	482,616,962	403,559,695
Administrative expenses	7	1,415,612,025	1,310,742,108	1,448,722,697	1,378,700,153
Allowance for loss on impairment of assets (reversal)	14	(13,641,982)	-	(13,641,982)	143,010,644
Management benefit expenses		109,690,718	85,213,663	94,076,510	82,028,663
Total expenses		7,604,117,472	7,179,751,576	7,522,736,142	7,310,381,138
Income before finance cost and corporate income tax		1,733,738,308	1,702,077,241	1,736,667,246	1,966,665,761
Share of income from investments in joint venture and associated companies - net	11.2, 12.2	47,244,233	43,247,889	-	-
Finance cost	7	(90,934,499)	(114,427,819)	(96,355,541)	(123,830,878)
Income before corporate income tax		1,690,048,042	1,630,897,311	1,640,311,705	1,842,834,883
Corporate income tax	22	(444,399,602)	(439,850,701)	(435,884,314)	(428,063,144)
Net income for the year		1,245,648,440	1,191,046,610	1,204,427,391	1,414,771,739
Earnings per share					
Basic earnings per share					
Net income for the year	23	1.71	1.64	1.65	1.94
Weighted average number of ordinary shares (shares)		728,297,760	728,256,168	728,297,760	728,256,168
Diluted earnings per share					
Net income for the year	23	1.44	1.37	1.39	1.63
Weighted average number of ordinary shares (shares)		867,414,859	867,414,859	867,414,859	867,414,859

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

Bumrungrad Hospital Public Company Limited and its subsidiaries

Cash flow statements

For the years ended 31 December 2009 and 2008

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Cash flows from operating activities				
Income before corporate income tax	1,690,048,042	1,630,897,311	1,640,311,705	1,842,834,883
Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	539,265,272	459,363,374	482,616,962	403,559,695
Allowance for loss on impairment of assets (reversal)	(13,641,982)	-	(13,641,982)	143,010,644
Bad debts and allowance for doubtful accounts	16,352,765	48,062,153	14,716,494	46,844,991
Loss on sales of equipment	4,595,482	2,029,764	4,597,182	2,029,764
Dividend income from an associated company	-	-	-	(437,927,000)
Share of loss from investment in joint venture	17,494	34,706	-	-
Share of income from investments in associated companies	(47,261,727)	(43,282,595)	-	-
Interest expense	78,351,083	114,427,819	88,152,416	123,830,878
Income from operating activities before changes in operating assets and liabilities	2,267,726,429	2,211,532,532	2,216,752,777	2,124,183,855
Operating assets (increase) decrease				
Trade accounts receivable	(180,138,692)	48,122,548	(174,084,902)	48,865,057
Amounts due from related parties	(5,786,411)	(1,657,451)	(8,714,977)	(1,573,005)
Inventories	(10,903,674)	15,508,804	(5,578,521)	15,698,806
Other current assets	(10,737,424)	(8,967,296)	(3,773,129)	(9,410,878)
Operating liabilities increase (decrease)				
Trade accounts payable	18,331,237	2,992,027	11,828,311	3,270,932
Amounts due to related parties	(2,015,049)	-	(1,957,217)	1,667,977
Accrued physicians' fees	67,106,099	(30,089,537)	62,956,099	(30,415,444)
Accrued expenses	45,876,232	111,404,455	44,198,988	110,111,440
Accounts payable - others	(3,164,772)	(13,968,185)	(3,253,060)	(14,218,883)
Other current liabilities	29,357,705	(17,231,930)	25,198,390	(16,839,122)
Cash flows from operating activities	2,215,651,680	2,317,645,967	2,163,572,759	2,231,340,735
Cash paid for interest expense	(78,223,722)	(114,954,595)	(87,773,039)	(123,918,364)
Cash paid for corporate income tax	(430,020,375)	(440,287,079)	(420,495,880)	(431,342,863)
Net cash flows from operating activities	1,707,407,583	1,762,404,293	1,655,303,840	1,676,079,508

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

Bumrungrad Hospital Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the years ended 31 December 2009 and 2008

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Cash flows from investing activities				
Decrease (increase) in restricted bank deposits	17,146,800	(5,000,000)	8,792,400	(5,000,000)
Decrease in advances to employees and directors	2,953,009	1,552,351	2,982,043	1,544,251
Decrease in short-term loans and interest receivable				
- a related party	-	-	-	10,058,348
Acquisition of investments in subsidiaries	-	-	(41,601,766)	-
Acquisition of investment in joint venture	(1,147,500)	(6,119,970)	(1,147,500)	(6,119,970)
Acquisition of investments in associated companies	-	(141,750,000)	-	(141,750,000)
Dividend income from an associated company	-	437,927,000	-	437,927,000
Acquisition of property, plant and equipment and repayment of construction and medical equipment payables	(836,623,974)	(1,722,414,602)	(802,405,298)	(1,721,879,065)
Proceeds from sales of equipment	5,980,704	2,765,910	5,979,004	2,765,910
Acquisition of computer software	(14,015,473)	(6,290,048)	(13,755,178)	(6,290,048)
Increase in other non-current assets	2,198,088	(317,625)	2,559,574	(317,625)
Net cash flows used in investing activities	(823,508,346)	(1,439,646,984)	(838,596,721)	(1,429,061,199)
Cash flows from financing activities				
Cash receipt from short-term loans from financial institutions	800,000,000	200,000,000	800,000,000	200,000,000
Repayment of short-term loans from financial institutions	(810,000,000)	-	(810,000,000)	-
Repayment of long-term loan - a related party	-	-	(719,409,360)	(273,000,000)
Cash receipt from long-term loans from financial institutions	1,430,000,000	400,000,000	1,430,000,000	400,000,000
Repayment of long-term loans from financial institutions	(1,685,300,871)	(487,148,620)	(918,750,000)	(131,250,000)
Dividend paid	(583,488,749)	(583,330,754)	(583,488,749)	(583,330,754)
Interest paid for convertible bonds treated as equity securities	(32,500,000)	(17,500,000)	(32,500,000)	(17,500,000)
Net cash flows used in financing activities	(881,289,620)	(487,979,374)	(834,148,109)	(405,080,754)
Decrease in translation adjustment	(610,826)	-	-	-
Net increase (decrease) in cash and cash equivalents	1,998,791	(165,222,065)	(17,440,990)	(158,062,445)
Cash and cash equivalents at beginning of year	384,641,789	549,863,854	350,881,453	508,939,898
Cash and cash equivalents at end of year	386,640,580	384,641,789	333,440,463	350,877,453

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

Bumrungrad Hospital Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the years ended 31 December 2009 and 2008

(Unit: Baht)

Consolidated financial statements

	Note	Issued and paid-up share capital		Premium on ordinary shares	Other paid-in capital of an associated company	Translation adjustment	Convertible bonds treated as equity securities	Excess of investment over book value of a subsidiary	Retained earnings		Total
		Ordinary shares	Preference shares						Appropriated-statutory reserve	Unappropriated	
Balance as at 31 December 2007		728,202,772	1,849,450	285,568,300	256,548,996	9,985,279	550,000,000	(192,661,558)	92,275,000	2,617,254,336	4,349,022,575
Translation adjustment		-	-	-	-	(63,464,571)	-	-	-	-	(63,464,571)
Interest paid for convertible bonds treated as equity securities	18	-	-	-	-	-	-	-	-	(22,842,466)	(22,842,466)
Change in subsidiary's minority interest of an associated		-	-	-	(4,376,462)	-	-	-	-	-	(4,376,462)
Net expenses recognised directly in equity		-	-	-	(4,376,462)	(63,464,571)	-	-	-	(22,842,466)	(90,683,499)
Net income for the year		-	-	-	-	-	-	-	-	1,191,046,610	1,191,046,610
Total income and expense for the year		-	-	-	(4,376,462)	(63,464,571)	-	-	-	1,168,204,144	1,100,363,111
Dividend paid	26	-	-	-	-	-	-	-	-	(584,024,338)	(584,024,338)
Preference shares converted to ordinary shares	19	66,700	(66,700)	-	-	-	-	-	-	-	-
Balance as at 31 December 2008		728,269,472	1,782,750	285,568,300	252,172,534	(53,479,292)	550,000,000	(192,661,558)	92,275,000	3,201,434,142	4,865,361,348
Balance as at 31 December 2008		728,269,472	1,782,750	285,568,300	252,172,534	(53,479,292)	550,000,000	(192,661,558)	92,275,000	3,201,434,142	4,865,361,348
Translation adjustment		-	-	-	-	(21,971,969)	-	-	-	-	(21,971,969)
Interest paid for convertible bonds treated as equity securities	18	-	-	-	-	-	-	-	-	(32,500,000)	(32,500,000)
Net expenses recognised directly in equity		-	-	-	-	(21,971,969)	-	-	-	(32,500,000)	(54,471,969)
Net income for the year		-	-	-	-	-	-	-	-	1,245,648,440	1,245,648,440
Total income and expenses for the year		-	-	-	-	(21,971,969)	-	-	-	1,213,148,440	1,191,176,471
Dividend paid	26	-	-	-	-	-	-	-	-	(583,927,213)	(583,927,213)
Preference shares converted to ordinary shares	19	35,000	(35,000)	-	-	-	-	-	-	-	-
Balance as at 31 December 2009		728,304,472	1,747,750	285,568,300	252,172,534	(75,451,261)	550,000,000	(192,661,558)	92,275,000	3,830,655,369	5,472,610,606
		-	-	-	-	-	-	-	-	-	-

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

Bumrungrad Hospital Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the years ended 31 December 2009 and 2008

(Unit: Baht)

		Separate financial statements						
		Issued and paid-up share capital		Premium on	Convertible	Retained earnings		
Note	Ordinary shares	Preference shares	ordinary shares	bonds treated as	equity securities	Appropriated-	Unappropriated	Total
						statutory reserve		
Balance as at 31 December 2007	728,202,772	1,849,450	285,568,300	550,000,000	92,275,000	2,211,050,608	3,868,946,130	
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(22,842,466)	(22,842,466)	
Net expenses recognised directly in equity	-	-	-	-	-	(22,842,466)	(22,842,466)	
Net income for the year	-	-	-	-	-	1,414,775,739	1,414,775,739	
Total income for the year	-	-	-	-	-	1,391,933,273	1,391,933,273	
Dividend paid	26	-	-	-	-	(584,024,338)	(584,024,338)	
Preference shares converted to ordinary shares	19	66,700	(66,700)	-	-	-	-	-
Balance as at 31 December 2008	728,269,472	1,782,750	285,568,300	550,000,000	92,275,000	3,018,959,543	4,676,855,065	
Balance as at 31 December 2008	728,269,472	1,782,750	285,568,300	550,000,000	92,275,000	3,018,959,543	4,676,855,065	
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(32,500,000)	(32,500,000)	
Net expenses recognised directly in equity	-	-	-	-	-	(32,500,000)	(32,500,000)	
Net income for the year	-	-	-	-	-	1,204,427,391	1,204,427,391	
Total income for the year	-	-	-	-	-	1,171,927,391	1,171,927,391	
Dividend paid	26	-	-	-	-	(583,927,213)	(583,927,213)	
Preference shares converted to ordinary shares	19	35,000	(35,000)	-	-	-	-	-
Balance as at 31 December 2009	728,304,472	1,747,750	285,568,300	550,000,000	92,275,000	3,606,959,721	5,264,855,243	
	-	-	-	-	-	0	0	

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

Bumrungrad Hospital Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the years ended 31 December 2009 and 2008

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 and its registered address is 33 Soi 3 (Nana Nua) Sukhumvit Road, Klongtoey Nua Sub District, Wattana District, Bangkok.

2. Basis of financial statements preparation

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 30 January 2009, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Bumrungrad Hospital Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”).

Company's name	Nature of business	Country of incorporation	Percentage of shareholding		Assets as a percentage to the consolidated total assets as at 31 December		Revenues as a percentage to the consolidated total revenues for the year ended 31 December	
			2009	2008	2009	2008	2009	2008
			Percent	Percent	Percent	Percent	Percent	Percent
Bumrungrad Medical Center Ltd. (BMC)	Building lease	Thailand	100	100	11	12	-	-
Vitalife Corporation Ltd. (VTL)	Health care center	Thailand	100	100	1	1	1	1

Company's name	Nature of business	Country of incorporation	Percentage of shareholding		Assets as a percentage to the consolidated total assets as at 31 December		Revenues as a percentage to the consolidated total revenues for the year ended 31 December	
			2009	2008	2009	2008	2009	2008
			Percent	Percent	Percent	Percent	Percent	Percent
Asia Global Health Ltd. (AGH)	Investment in healthcare business	Hong Kong	100	-	-	-	-	-
Asia Global Research Ltd. (AGR)	Clinical research service	Thailand	100	-	-	-	-	-

- b) Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent significant accounting policies.
- d) The financial statements of an overseas subsidiary company is translated into Thai Baht at the closing exchange rate as to assets and liabilities, and at monthly average exchange rates as to revenues and expenses. The resultant differences are shown under the caption of "Translation adjustment" in shareholders' equity.
- e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- f) Minority interests represent the portion of net income or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.
- 2.3 The separate financial statements, which present investments in subsidiaries, joint venture and associates under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards

In June 2009, the Federation of Accounting Professions issued Notification No. 12/2552, assigning new numbers to Thai Accounting Standards that match the corresponding International Accounting Standards. The numbers of Thai Accounting Standards as referred to in these financial statements reflect such change.

The Federation of Accounting Professions has issued Notification No. 86/2551 and 16/2552, mandating the use of new accounting standards, financial reporting standard and accounting treatment guidance as follows.

3.1 Accounting standards, financial reporting standard and accounting treatment guidance which are effective for the current year

Framework for Preparation and Presentation of Financial Statements (revised 2007)

TAS 36 (revised 2007) Impairment of Assets

TFRS 5 (revised 2007) Non-current Assets Held for Sale and Discontinued
Operations

Accounting Treatment Guidance for Leasehold Right

Accounting Treatment Guidance for Business Combination under Common Control

These accounting standards, financial reporting standard and accounting treatment guidance became effective for the financial statements for fiscal years beginning on or after 1 January 2009. The management has assessed the effect of these standards and believes that TFRS 5 (revised 2007) and Accounting Treatment Guidance for Business Combination under Common Control are not relevant to the business of the Company, while Framework for Preparation and Presentation of Financial Statements (revised 2007), TAS 36 (revised 2007) and Accounting Treatment Guidance for Leasehold Right do not have any significant impact on the financial statements for the current year.

3.2 Accounting standards which are not effective for the current year

		<u>Effective date</u>
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2012
TAS 24 (revised 2007)	Related Party Disclosures	1 January 2011
TAS 40	Investment Property	1 January 2011

However, TAS 24 (revised 2007) and TAS 40 allow early adoption by the entity before the effective date.

The management of the Company has assessed the effect of these standards and believes that TAS 20 and TAS 40 are not relevant to the business of the Company, while TAS 24 (revised 2007) will not have any significant impact on the financial statements for the year in which it is initially applied.

4. Significant accounting policies

4.1 Revenue recognition

- a) Revenues from hospital operations, mainly consisting of medical fees, hospital room sales, and medicine sales, are recognised as income when services have been rendered or medicine delivered.
- b) Consulting and management fee income are recognised when services have been rendered taking into account the stated of completion.
- c) Rental income and related service income are recognised on an accrual basis in accordance with a period as stipulated in an agreement.
- d) Interest income is recognised on an accrual basis based on the effective interest rate.
- e) Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Inventories

Inventories are valued at the lower of cost (weighted average basis) and net realisable value.

4.5 Investments

- a) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).
- b) Investment in joint venture and associated companies are accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiaries, joint venture and associated companies are accounted for in the separate financial statements using the cost method.

4.6 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation of buildings and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Leasehold right	-	30 years as lease period
Land improvement	-	3 years and 30 years
Buildings and construction	-	8 - 30 and 40 years
Facility systems	-	5 - 20 years
Medical accessory equipment	-	5 - 15 years
Hospital equipment	-	3 - 15 years
Equipment and furniture	-	5 - 15 years
Motor vehicles	-	5 - 10 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction and installation.

4.7 Borrowing costs

Borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.8 Intangible assets

Intangible assets acquired in a business combination are recognised at fair value on the date of acquisition. Other acquired intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to the income statement.

A summary of the intangible assets with finite useful lives is as follows.

	<u>Useful lives</u>
Computer software	10 years
Compensation for business combination	10 years

4.9 Goodwill

Goodwill is initially measured at cost, which is the excess of the cost of the business combination over the Company's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

4.10 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.11 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the balance sheet date.

Gains and losses on exchange are included in determining income.

4.12 Impairment of assets

At each reporting date, the Company performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement.

4.13 Employee benefits

Salaries, wages, bonuses and contributions to the social security fund and provident fund are recognised as expenses when incurred.

4.14 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.15 Income tax

Income tax is provided for in the accounts based on the taxable profits determined in accordance with tax legislation.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgments and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and salvage values of the Company's plant and equipment and to review estimate useful lives and salvage values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and other intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

6. Trade accounts receivable

The balances of trade accounts receivable as at 31 December 2009 and 2008, aged on the basis of due dates, are summarised below.

(Unit: Baht)

<u>Age of receivables</u>	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
Not yet due	254,472,347	232,951,319	249,226,672	232,345,911
Past due				
1 - 30 days	139,825,430	107,490,260	139,528,373	107,132,572
31 - 60 days	60,798,223	36,698,495	60,243,454	36,571,907
61 - 90 days	37,312,305	23,018,434	36,765,779	22,992,972
91 - 180 days	79,912,852	46,065,696	79,720,846	45,491,876
181 - 365 days	80,420,853	39,191,180	79,776,623	38,579,960
More than 365 days	106,767,969	98,745,420	103,864,484	96,715,648
Total	759,509,979	584,160,804	749,126,231	579,830,846
Less: Allowance for doubtful debts	(101,602,062)	(90,038,814)	(97,381,656)	(87,454,679)
Trade accounts receivable - net	<u>657,907,917</u>	<u>494,121,990</u>	<u>651,744,575</u>	<u>492,376,167</u>

7. Related party transactions

During the years, 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		Transfer pricing policy
	financial statements		financial statements		
	2009	2008	2009	2008	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Medical service income	-	-	10.9	12.6	Market price
Rental income	-	-	28.2	26.7	As per contracts 7.1)
Lab service expense	-	-	7.3	7.8	Market price
Rental expense	-	-	88.8	88.8	As per contract 7.2)
Interest expense	-	-	33.9	67.4	MLR less 1.00% p.a. and 2.50% p.a. (2008: MLR less 1.00% p.a.)
<u>Transactions with associated companies</u>					
Rental income	0.7	0.7	0.7	0.7	Actual paid
Consulting fee income	12.8	16.2	12.8	16.2	As per contract 7.3)
Dividend income	-	437.9	-	437.9	As declared
<u>Transactions with related companies</u>					
Medical service income	34.4	16.7	34.4	16.7	Market price
Other income	2.4	1.4	2.4	1.4	At cost
Rental expense	-	4.4	-	4.4	As per contract 7.4)
Donation expense	22.0	15.5	22.0	15.5	-
Insurance expense	21.2	24.9	21.2	24.9	As per insurance policies
Financial advisory fee	-	0.7	-	0.7	As per contract
Purchase of land and building	-	470.0	-	470.0	As per contract 7.4)

7.1) A subsidiary (Bumrungrad Medical Center Ltd.) has leased a plot of land from the Company. The lease agreement covers a period of 30 years, commencing from the year 1996. The rental fee is Baht 22.3 million per annum.

Another subsidiary (Vitallife Corporation Ltd.) has leased building spaces from the Company for use in its operations. The lease agreement covers a period of 11 years, commencing from the year 2001. The subsidiary has to pay rental fee equal to 5% of gross revenue inclusive of value added tax, but not less than Baht 238,200 per month.

7.2) The Company has leased hospital building from a subsidiary (Bumrungrad Medical Center Ltd.) for use in its hospital business. The rental fee is Baht 88.8 million per annum. The agreement will be expired on July 2010.

- 7.3) On 2 June 2006, the Company entered into a Consulting Support Agreement with an associate (Bumrungrad International Ltd.). The associate has been obliged to pay such fee totaling Baht 1.2 million per month starting from April 2007. Subsequently, in the first quarter of 2009, the Company and the associate agreed to change the fee to totaling Baht 0.9 million per month starting from January 2009 onwards. The agreement will expire as per the agreement's conditions.
- 7.4) The Company had entered into an agreement to lease land and a building (BH Residence Tower) from Bangkok Bank Plc. for a period of 3 years, commencing from August 2000. The rental fee was calculated at the rate of 75% of net income (total revenues minus total expenses) from the sub-lease, with a minimum rental of Baht 8 million per annum. Subsequently, the bank approved renewal of agreement, commencing on 29 August 2005 to 28 February 2008. The rate of rental and other conditions were in accordance with the initial agreement.

On 18 February 2008, the Company entered into purchase agreement to acquire the land and building (BH Residence Tower) from Bangkok Bank Plc. at a price of Baht 470.0 million. The purchase price does not exceed the appraisal value of an independent valuer.

The balances of the accounts as at 31 December 2009 and 2008 between the Company and those related companies are as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
<u>Amounts due from related parties</u>				
<u>Subsidiary companies</u>				
Asia Global Health Ltd.	-	-	2,835,219	-
Asia Global Research Ltd.	-	-	105,147	-
<u>Joint venture</u>				
Asia Renal Care (Thailand) Ltd.	-	70,000	-	70,000
<u>Associated company</u>				
Bumrungrad International Ltd.	4,042,052	3,256,622	4,030,252	3,256,622
<u>Related party</u>				
The Bumrungrad Hospital Foundation	10,541,397	5,470,416	10,541,397	5,470,416
Total	<u>14,583,449</u>	<u>8,797,038</u>	<u>17,512,015</u>	<u>8,797,038</u>

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
<u>Amounts due to related parties</u>				
<u>Subsidiary company</u>				
Vitalife Corporation Ltd.	-	-	1,725,809	1,667,977
<u>Associated company</u>				
CDE Trading Ltd.	-	2,015,049	-	2,015,049
Total	-	2,015,049	1,725,809	3,683,026
<u>Long-term loan from a related party</u>				
<u>Subsidiary Company</u>				
Bumrungrad Medical Center Ltd.				
Long-term loan	-	-	219,827,068	939,236,428
Less: Current portion	-	-	-	(438,029,068)
Non-current portion	-	-	219,827,068	501,207,360

As at 31 December 2009, the long-term loan from Bumrungrad Medical Center Ltd. carries interest at the rate of 2.50% per annum (2008: MLR less 1% per annum).

During 2009, movements of loan from related party were as follows:

	Balance as at			During the year		Balance as at	
	31 December				31 December		
	2008		Increase	Decrease	2009		
<u>Long-term loan from a related party</u>							
<u>Subsidiary company</u>							
Bumrungrad Medical Center Ltd.							
Principal	939,236,428	-	(719,409,360)			219,827,068	
Interest payable	-	33,884,591	(33,884,591)			-	
	939,236,428	33,884,591	(753,293,951)			219,827,068	

8. Inventories

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
Medicine	112,987,606	106,579,268	106,152,726	102,735,295
Medical supplies	31,692,810	35,067,530	31,588,485	35,067,530
Other supplies	54,198,256	46,328,200	51,968,335	46,328,200
Total	<u>198,878,672</u>	<u>187,974,998</u>	<u>189,709,546</u>	<u>184,131,025</u>

9. Restricted bank deposits

As at 31 December 2008, these bank deposits had been pledged with banks to secure bank guarantees issued by banks on behalf of the Company and a subsidiary (Bumrungrad Medical Center Ltd.).

10. Investments in subsidiaries

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

(Unit: Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
	2009	2008	2009 (%)	2008 (%)	2009	2008	2009	2008	2009	2008
Bumrungrad Medical Center Ltd.	958,953,608	958,953,608	100.00	100.00	1,691,902,972	1,691,902,972	545,000,000	545,000,000	1,146,902,972	1,146,902,972
Vitalife Corporation Ltd.	31,500,000	31,500,000	100.00	100.00	25,610,000	25,610,000	-	-	25,610,000	25,610,000
Asia Global Health Ltd.	21,601,796	-	100.00	-	21,601,796	-	-	-	21,601,796	-
Asia Global Research Ltd.	19,999,970	-	100.00	-	19,999,970	-	-	-	19,999,970	-
Total					1,759,114,738	1,717,512,972	545,000,000	545,000,000	1,214,114,738	1,172,512,972

11. Investment in joint venture

11.1 Details of investment in joint venture

Investment in joint venture represents investment in entity which is jointly controlled by the Company and other company. Details of this investment are as follows:

(Unit: Baht)

Jointly controlled entity	Nature of business	Consolidated financial statements					
		Shareholding percentage		Cost		Carrying amount based on equity method	
		2009	2008	2009	2008	2009	2008
		(%)	(%)				
Asia Renal Care (Thailand) Ltd.	Investment in other companies	51.00	51.00	<u>7,267,470</u>	<u>6,119,970</u>	<u>7,215,269</u>	<u>6,085,265</u>

(Unit: Baht)

Jointly controlled entity	Nature of business	Separate financial statements			
		Shareholding percentage		Carrying amount based on cost method - net	
		2009	2008	2009	2008
		(%)	(%)		
Asia Renal Care (Thailand) Ltd.	Investment in other companies	51.00	51.00	<u>7,267,470</u>	<u>6,119,970</u>

The Company's management has deemed the investment in Asia Renal Care (Thailand) Ltd. (ARCT) to be an investment in a jointly controlled entity, held between the Company and Asia Renal Care (SEA) Pte Ltd. Although the Company has a 51% shareholding in ARCT, both joint venturers have entered into the Joint Venture Agreement dated 23 February 2009. The agreement stipulates joint control between the two parties through the board of directors of that jointly controlled entity, with each joint venturer having the same representation. In addition, neither joint venturer has control over the operations of the jointly controlled entity.

11.2 Share of loss

During the years, the Company recognised its share of loss from investment in the joint venture in the consolidated financial statements as follows:

Jointly controlled entity	(Unit: Baht)	
	Share of loss from investment in joint venture during the years	
	2009	2008
Asia Renal Care (Thailand) Ltd.	17,494	34,706

11.3 Summarised financial information of jointly controlled entity

Financial information of the jointly controlled entity is summarised below.

Jointly controlled entity	(Unit: Million Baht)									
	Paid-up capital as		Total assets as at		Total liabilities as at		Total revenues		Net loss	
	at 31 December		31 December		31 December		for the years ended		for the years ended	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Asia Renal Care (Thailand) Ltd.	14.3	12.0	19.1	12.0	5.0	0.1	-	-	-	0.1

12. Investments in associated companies

12.1 Details of investments in associated companies

Company's name	Nature of business	Country of incorporation	(Unit: Baht)					
			Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2009	2008	2009	2008	2009	2008
Bumrungrad International Ltd.	Holding company	Thailand	31.50	31.50	1,007,790,600	1,007,790,600	1,251,229,927	1,229,417,093
CDE Trading Ltd.	Temporary cease its operation	Thailand	30.00	30.00	21,662,713	21,662,713	(23,457,528)	(27,545,278)
Total					1,029,453,313	1,029,453,313	1,227,772,399	1,201,871,815
Add: Deferred gain on sales of computer software - net							29,385,964	33,059,209
Total							1,257,158,363	1,234,931,024

Deferred gain on sales of computer software is a gain from an associated company's sale of computer software to the Company in year 2007, which had been eliminated against investment in the associated company. In 2008, the Company transferred the deferred gain to deduct against the relevant intangible asset (Note 15 to financial statements). The deferred gain is amortised over 10 years, which is the period for which the software is expected to generate economic benefit.

(Unit: Baht)

Company's name	Separate financial statements							
	Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
	2009	2008	2009	2008	2009	2008	2009	2008
	(%)	(%)						
Bumrungrad International Ltd.	31.50	31.50	1,007,790,600	1,007,790,600	-	-	1,007,790,600	1,007,790,600
CDE Trading Ltd.	30.00	30.00	21,662,713	21,662,713	16,000,000	16,000,000	5,662,713	5,662,713
Total			<u>1,029,453,313</u>	<u>1,029,453,313</u>	<u>16,000,000</u>	<u>16,000,000</u>	<u>1,013,453,313</u>	<u>1,013,453,313</u>

12.2 Share of income/loss and dividend received

During the years, the Company recognised its share of net income/loss from investments in associate companies in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of income (loss) from investments in associates during the years		Dividend received during the years	
	2009	2008	2009	2008
Bumrungrad International Ltd.	43,173,977	64,909,613	-	-
CDE Trading Ltd.	4,087,750	(21,627,018)	-	437,927,000
Total	<u>47,261,727</u>	<u>43,282,595</u>	<u>-</u>	<u>437,927,000</u>

12.3 Summarised financial information of associated companies

Financial information of the associated companies is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital as		Total assets as at		Total liabilities as at		Total revenues		Net income (loss)	
	at 31 December		31 December		31 December		for the years ended		for the years ended	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Bumrungrad International Ltd.	3,199.3	3,199.3	6,994.8	7,066.3	2,280.6	2,459.5	4,139.0	4,146.0	85.3	188.5
CDE Trading Ltd.	10.0	10.0	19.9	19.0	0.1	0.6	0.2	12.0	(0.5)	(79.4)

13. Other long-term investments

(Unit: Baht)

Company's name	Shareholding		Consolidated		Separate	
	percentage		financial statements		financial statements	
	2009	2008	2009	2008	2009	2008
	(%)	(%)				
Chantaburi Country Club Co., Ltd.	0.5	0.5	4,500,000	4,500,000	4,500,000	4,500,000
Global Care Solutions S.A.	14.0	14.0	347,213	347,213	347,213	347,213
Bumrungrad Dialysis Center Co., Ltd.	20.0	20.0	200,000	200,000	-	-
Total			5,047,213	5,047,213	4,847,213	4,847,213
Less: Allowance for impairment of investments			(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)
Other long-term investments - net			2,247,213	2,247,213	2,047,213	2,047,213

14. Property, plant and equipment

(Unit: Baht)

Consolidated financial statements										
	Land	Leasehold right and land improvement	Buildings and construction	Facility systems	Medical accessory equipment	Hospital equipment	Equipment and furniture	Motor vehicles	Assets under construction and installation	Total
Cost										
31 December 2008	588,389,482	34,880,909	3,187,410,876	440,926,445	2,316,022,225	878,906,161	418,746,154	43,794,384	220,952,579	8,130,029,215
Additions	-	-	27,198,108	16,916,287	118,835,165	95,850,720	8,216,513	-	519,970,311	786,987,104
Disposals	-	-	(7,044,691)	(16,764)	(9,298,197)	(12,279,595)	(2,029,652)	-	-	(30,668,899)
Transfer	-	-	290,222,376	19,779,700	46,310,718	24,026,769	44,156,961	-	(424,496,524)	-
31 December 2009	588,389,482	34,880,909	3,497,786,669	477,605,668	2,471,869,911	986,504,055	469,089,976	43,794,384	316,426,366	8,886,347,420
Accumulated depreciation										
31 December 2008	-	14,878,892	796,584,546	76,814,412	1,092,649,593	504,109,786	220,888,729	36,730,316	-	2,742,656,274
Depreciation for the year	-	1,103,020	108,580,124	17,215,190	265,045,363	75,365,972	26,020,436	3,511,509	-	496,841,614
Depreciation on disposals	-	-	(1,709,396)	(139)	(6,860,332)	(11,163,305)	(359,541)	-	-	(20,092,713)
31 December 2009	-	15,981,912	903,455,274	94,029,463	1,350,834,624	568,312,453	246,549,624	40,241,825	-	3,219,405,175
Allowance for impairment loss										
31 December 2008	-	-	-	-	13,641,982	-	-	-	-	13,641,982
Reversal of allowance for impairment loss	-	-	-	-	(13,641,982)	-	-	-	-	(13,641,982)
31 December 2009	-	-	-	-	-	-	-	-	-	-
Net book value										
31 December 2008	588,389,482	20,002,017	2,390,826,330	364,112,033	1,209,730,650	374,796,375	197,857,425	7,064,068	220,952,579	5,373,730,959
31 December 2009	588,389,482	18,898,997	2,594,331,395	383,576,205	1,121,035,287	418,191,602	222,540,352	3,552,559	316,426,366	5,666,942,245
Depreciation included in the income statements for the years										
2008										420,077,536
2009										496,841,614

(Unit: Baht)

	Separate financial statements									
		Leasehold right and land improvement	Buildings and construction	Facility systems	Medical accessory equipment	Hospital equipment	Equipment and furniture	Motor vehicles	Assets under construction and installation	Total
	Land									
Cost										
31 December 2008	588,389,482	15,563,340	1,582,550,229	416,200,212	1,875,041,765	641,336,934	299,015,685	21,358,627	220,907,636	5,660,363,910
Additions	-	-	21,502,448	16,916,287	117,922,145	69,988,064	6,492,178	-	519,947,306	752,768,428
Disposals	-	-	(7,044,691)	(16,764)	(9,298,197)	(12,236,015)	(2,029,652)	-	-	(30,625,319)
Transfer	-	-	290,154,431	19,779,700	46,310,718	24,026,769	44,156,961	-	(424,428,579)	-
31 December 2009	588,389,482	15,563,340	1,887,162,417	452,879,435	2,029,976,431	723,115,752	347,635,172	21,358,627	316,426,363	6,382,507,019
Accumulated depreciation										
31 December 2008	-	8,230,543	134,872,216	44,731,005	631,746,413	275,871,687	124,173,563	14,294,567	-	1,233,919,994
Depreciation for the year	-	459,101	53,783,874	17,084,275	267,140,467	72,850,659	25,368,975	3,511,509	-	440,198,860
Depreciation on disposals	-	-	(1,709,396)	(139)	(6,860,332)	(11,119,725)	(359,541)	-	-	(20,049,133)
31 December 2009	-	8,689,644	186,946,694	61,815,141	892,026,548	337,602,621	149,182,997	17,806,076	-	1,654,069,721
Allowance for impairment loss										
31 December 2008	-	-	-	-	13,641,982	-	-	-	-	13,641,982
Reversal of allowance for impairment loss	-	-	-	-	(13,641,982)	-	-	-	-	(13,641,982)
31 December 2009	-	-	-	-	-	-	-	-	-	-
Net book value										
31 December 2008	588,389,482	7,332,797	1,447,678,013	371,469,207	1,229,653,370	365,465,247	174,842,122	7,064,060	220,907,636	4,412,801,934
31 December 2009	588,389,482	6,873,696	1,700,215,723	391,064,294	1,137,949,883	385,513,131	198,452,175	3,552,551	316,426,363	4,728,437,298
Depreciation included in the income statements for the years										
2008										364,273,856
2009										440,198,860

The Company has mortgaged land with a book value of Baht 290.9 million (Baht 567.7 million appraisal fair value as of 25 November 2008) with a commercial bank, acting as bondholders' trustee, as collateral for the convertible bonds treated as equity securities as described in Note 18 to the financial statements.

The Company and the subsidiary (Bumrungrad Medical Center Ltd.) have mortgaged their land and buildings and pledged medical instruments and hospital equipment, with a total net book value as at 31 December 2009 of Baht 1,983.2 million (Separate financial statements: Baht 1,076.6 million) (2008: Baht 1,751.4 million (Separate financial statements: Baht 791.5 million)), as collaterals for long-term loans granted by a local commercial bank as described in Note 17 to the financial statements.

As at 31 December 2009, certain equipment items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 332.3 million (Separate financial statements: Baht 330.0 million) (2008: Baht 200.1 million (Separate financial statements: Baht 197.8 million)).

15. Intangible assets

Details of intangible assets are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Computer software	Total	Computer software	Compensation for business combination	Total
Cost					
31 December 2008	908,768,128	908,768,128	945,500,582	192,927,561	1,138,428,143
Additions	14,015,473	14,015,473	13,755,178	-	13,755,178
31 December 2009	922,783,601	922,783,601	959,255,760	192,927,561	1,152,183,321
Accumulated amortisation					
31 December 2008	228,171,411	228,171,411	231,844,656	65,916,917	297,761,573
Amortisation during the year	42,423,658	42,423,658	42,418,102	-	42,418,102
Realised gain on sales of software during the year	(3,673,245)	(3,673,245)	-	-	-
31 December 2009	266,921,824	266,921,824	274,262,758	65,916,917	340,179,675
Allowance for impairment loss					
31 December 2008	370,232,632	370,232,632	370,232,632	127,010,644	497,243,276
31 December 2009	370,232,632	370,232,632	370,232,632	127,010,644	497,243,276

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Computer software	Total	Computer software	Compensation for business combination	Total
Net book value					
31 December 2008	310,364,085	310,364,085	343,423,294	-	343,423,294
31 December 2009	285,629,145	285,629,145	314,760,370	-	314,760,370
Amortisation included in the income statements for the years					
2008	39,285,838	39,285,838	39,285,838	-	39,285,838
2009	42,423,658	42,423,658	42,418,102	-	42,418,102

16. Short-term loans from financial institutions

As at 31 December 2009, short-term loans from financial institution of the Company amounting to Baht 190.0 million are promissory notes due within 1 month and bearing interest at the rate of 2.25% per annum. The short-term loans are drawn down from loan facility tranche C as discussed in Note 17.2 to the financial statements.

As at 31 December 2008, short-term loan from financial institution of the Company amounting to Baht 200.0 million is promissory note due within 1 month and bearing interest at the rate 4.00% per annum.

17. Long-term loans from financial institutions

17.1 Old loans

On 1 October 2009, the Company and a subsidiary early repaid all outstanding existing loans to the local commercial bank, amounting to Baht 1,258.3 million (Separate financial statements: Baht 820.3 million). The Company and the subsidiary paid early repayment fees amounting to Baht 12.6 million (Separate financial statements: Baht 8.2 million) and arranged for the release of the collaterals provided for the loans, which was completed on the same date.

17.2 New loans

On 25 September 2009, the Company entered into a credit facility agreement with a local commercial bank to obtain credit facilities of Baht 2,820 million, as detailed below.

Tranche	Interest rate (%)	Facility objective	Availability period	Repayment period	Credit facilities (Million Baht)
A	MLR less fixed rate as stipulated in the agreement, monthly payment	To refinance outstanding loans of the Company and a subsidiary	Until 30 November 2009	Repayment in quarterly installments over a period of 5 years (20 installments), in accordance with the proportionate amounts stipulated in the agreement, with a 27-month grace period	1,420
B	MLR less fixed rate as stipulated in the agreement, monthly payment	For renovation of buildings and/ or the purchase of medical instruments, hospital equipment and computer software	The first drawdown is to be made no later than 30 December 2009 and availability period runs to 30 December 2011	Repayment in quarterly installments over a period of 5 years (20 installments), in accordance with the proportionate amounts stipulated in the agreement, with a 27-month grace period	800
C	MMR	For working capital of the Company	Until 25 September 2010 and subject to renewal by the bank on an annual basis	Maturity date as stipulated in the promissory note	600

During the fourth quarter of the year 2009, the Company drew down Baht 1,620 million (including short-term loans from a financial institution amounting to Baht 190 million as discussed in Note 16 to the financial statements) from the new long-term loan facilities, to use for the purposes stipulated in the credit facility agreement. As security for the loans, the Company and the subsidiary mortgaged land, buildings and building improvements and assigned land leasehold rights of the subsidiary and beneficiary rights under the insurance policies for the mortgaged assets to the bank.

The loan agreement contains normal covenants pertaining to matters such as the maintenance of certain financial ratios, and restriction on financial indebtedness and the payment of dividends, among others.

As at 31 December 2009, the Company has credit facilities which has not yet been drawdown amounted to Baht 1,200 million.

The balances of long-term loans from financial institutions as at 31 December 2009 and 2008 are as follows:

Tranche	Interest rate (%)	Repayment schedule	(Unit: Baht)			
			Consolidated financial statements		Separate financial statements	
			2009	2008	2009	2008
Old loans						
A	Average MLR-1.25	24 quarterly installments, commencing 30 December 2004	-	766,550,871	-	-
B2	Average MLR-1.25	32 quarterly installments, commencing 31 March 2008	-	568,750,000	-	568,750,000
C	Average MLR-1.25	32 quarterly installments, commencing 31 March 2008	-	350,000,000	-	350,000,000
New loans						
A	MLR less fixed rate	20 quarterly installments, commencing January 2012	1,420,000,000	-	1,420,000,000	-
B	MLR less fixed rate	20 quarterly installments, commencing March 2010	10,000,000	-	10,000,000	-
Total			1,430,000,000	1,685,300,871	1,430,000,000	918,750,000
Less: Current portion			-	(569,279,069)	-	(131,250,000)
Non-current portion			1,430,000,000	1,116,021,802	1,430,000,000	787,500,000

Movements in long-term loans from financial institutions account during the year 2009 are summarised below.

	(Unit: Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2009	1,685,300,871	918,750,000
Less: Repayment	(1,685,300,871)	(918,750,000)
Add: Additional loan	1,430,000,000	1,430,000,000
Balance as at 31 December 2009	1,430,000,000	1,430,000,000

18. Convertible bonds treated as equity securities

Convertible bonds treated as equity securities as at 31 December 2009 and 2008 are as follows:

- a) Partly secured convertible bonds in an amount of Baht 300 million, with a maturity of 12 years, and a coupon rate of 2.5% for years 1 - 4, 5% for years 5 - 8, and 10% for years 9 - 12, payable semi-annually. The current conversion price is Baht 4.55 per one ordinary share. The bondholders have the option to convert the bonds into ordinary shares throughout the life of the bonds. The bonds are secured by the mortgage of the Company's land.
- b) Partly secured convertible bonds in an amount of Baht 250 million (after conversion by the bondholder of Baht 750 million in the year 2003); with a maturity of 12 years, and a coupon rate of 1% per annum, payable semi-annually. The current conversion price is Baht 3.50 per one ordinary share. The bondholders have the option to convert the bonds into ordinary shares throughout the life of the bonds. The bonds are secured by the mortgage of the Company's land.

On 24 November 2000, an extraordinary meeting of the Company's shareholders passed approval of the amendment to the terms and conditions governing the rights and obligations of the issuer and the bondholders, which gives the Company the option to either redeem the convertible bonds or to convert the bonds into ordinary shares on the maturity date.

According to the Thai Accounting Standard No. 32 "Financial Instruments: Disclosure and Presentation", because the Company has the option to either redeem the convertible bonds or to convert them into ordinary shares on the maturity date, and delivery of equity securities will not be changed by fair value of such equity securities (since the Company determined a certain conversion price), so the convertible bonds are not covered by the definition of financial liabilities and are to be treated as equity securities. In addition, the Company's management expresses their intention to convert these bonds into ordinary shares on the maturity date. Therefore, the whole amounts of the convertible bonds are presented as part of shareholders' equity and future interest on the bonds will be recorded as a deduction from shareholders' equity.

The Company has reserved 178,571,433 ordinary shares to accommodate the above convertible bonds.

Interest expense for the year 2009 of the convertible bonds amounted to Baht 32.5 million (2008: Baht 22.8 million), being recorded as a reduction to retained earnings.

19. Share capital

Preference shareholders have the same right as the ordinary shareholders except that they are entitled to receive an annual dividend at 15% of preference shares capital prior to the dividend paid to the ordinary shareholders. Preference shares can be converted into ordinary shares.

In the first quarter of 2009, 35,000 preference shares (2008: 66,700 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 12 March 2009.

20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

As at 31 December 2009 and 2008, the statutory reserve reaches 10% of the Company's registered capital.

21. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
Salary and wages and other employee benefits	1,476,974,397	1,361,170,035	1,443,136,542	1,344,066,133
Physicians' fee	2,327,851,332	2,178,574,817	2,306,945,338	2,167,439,355
Loss on (reversal) allowance for impairment of				
- equipment, medical accessory equipment	(13,641,982)	-	(13,641,982)	-
- compensation for business combination	-	-	-	127,010,644
- investment in an associate	-	-	-	16,000,000

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
Equipment rental expenses	38,906,197	41,216,112	38,522,571	41,216,112
Land and building rental expenses	41,183,821	44,431,162	129,983,821	133,231,163
Building and equipment maintenance expenses	154,528,433	137,129,748	154,444,647	136,865,609
Advertising and public relation expenses	136,019,561	133,267,307	132,579,076	131,728,809
Medicine, medical supply and other supply consumptions	1,993,852,561	1,971,297,317	1,969,071,124	1,956,953,822

22. Corporate income tax

The Company's and subsidiaries' corporate income tax for the years 2009 and 2008 has been calculated at the rate of 30% of net taxable income.

23. Earnings per share

Basic earnings per share is calculated by dividing the net income for the year by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing the net income for the year by the sum of the weighted average number of ordinary shares in issue during the year and 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 year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings per share.

	Consolidated financial statements					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	2009	2008	2009	2008	2009	2008
	(Baht)	(Baht)	(shares)	(shares)	(Baht)	(Baht)
Basic earnings per share						
Net income	1,245,648,440	1,191,046,610	728,297,760	728,256,168	1.71	1.64
Effect of dilutive potential ordinary shares						
Preference shares	-	-	1,754,462	1,796,054		
Convertible bonds	-	-	137,362,637	137,362,637		
Diluted earnings per share						
Net income of ordinary shareholders						
assuming the conversion of dilutive potential ordinary shares	<u>1,245,648,440</u>	<u>1,191,046,610</u>	<u>867,414,859</u>	<u>867,414,859</u>	1.44	1.37
	Separate financial statements					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	2009	2008	2009	2008	2009	2008
	(Baht)	(Baht)	(shares)	(Shares)	(Baht)	(Baht)
Basic earnings per share						
Net income	1,204,427,39	1,414,775,73				
	1	9	728,297,760	728,256,168	1.65	1.94
Effect of dilutive potential ordinary shares						
Preference shares	-	-	1,754,462	1,796,054		
Convertible bonds	-	-	137,362,637	137,362,637		
Diluted earnings per share						
Net income of ordinary shareholders						
assuming the conversion of dilutive potential ordinary shares	<u>1,204,427,39</u>	<u>1,414,775,73</u>	<u>867,414,859</u>	<u>867,414,859</u>	1.39	1.63
	<u>1</u>	<u>9</u>	<u>867,414,859</u>	<u>867,414,859</u>		

24. Segment information

The Company's and its subsidiaries' business operations involve a single industry segment, the hospital and health care center, and are carried on in the single geographic area in Thailand. As a result, all of the revenues, operating income and assets reflected in these financial statements pertain to the aforementioned industry segment and geographic area.

25. Provident fund

The Company, its subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees contributed to the fund monthly at the rate of 5% of their basic salaries and the Company or subsidiaries contributed 5% - 7% of basic salary. The fund, which is managed by Bualuang Securities Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2009, the Company and subsidiaries contributed Baht 38.5 million (2008: Baht 34.4 million) to the fund.

26. Dividend paid

Dividends	Approved by	(Unit: Baht)	
		Total dividends	Dividend per share
Final dividends of the year 2008	Annual General Meeting of the shareholders on 28 April 2009	291,962,389	0.40
Interim dividends on operating results for the six-month period ended 30 June 2009	Board of Directors' meeting on 5 August 2009	291,964,824	0.40
Total for the year 2009		<u>583,927,213</u>	<u>0.80</u>
Final dividends of the year 2007	Annual General Meeting of the shareholders on 23 April 2008	292,011,489	0.40
Interim dividends on operating results for the six-month period ended 30 June 2008	Board of Directors' meeting on 6 August 2008	292,012,849	0.40
Total for the year 2008		<u>584,024,338</u>	<u>0.80</u>

27. Commitments and contingent liabilities

27.1 Capital commitments

As at 31 December 2009, the Company has capital commitments to pay a total of Baht 197.1 million (2008: Baht 70.3 million) in relation to the renovation agreement of building and Baht 80.4 million (2008: Baht 66.6 million) in respect of purchase of medical instruments and hospital equipment.

27.2 Operating lease and long-term service commitments

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

As at 31 December 2009, future minimum payments required under these operating leases agreements and long-term service agreements were as follows.

(Unit: Million Baht)

Details of commitments	Payable within			Total
	Less than 1 year	1 to 5 years	More than 5 years	
1) Fee to a bank which is bondholders' representative	0.3	0.4	-	0.7
2) Nursing dormitory land rental expense (shall be extended for a further period of 30 years)	0.8	5.4	12.7	18.9
3) Lease of land and building for operating service apartment (shall be extended for a further period of 2 years)	27.1	62.7	-	89.8
4) Lease of building for nursing dormitory and related services (shall be renewed automatically)	10.3	4.8	-	15.1
5) Maintenance service fee for medical instruments	64.9	134.6	-	199.5
6) Rental and maintenance service fee for cars	10.5	7.9	-	18.4

In addition, on 1 April 2009, an overseas subsidiary entered into a 2-year consultancy contract with an overseas company. As at 31 December 2009, the subsidiary had outstanding commitment amounting to USD 600,000 under the contract, payable within 1 year.

27.3 Commitments from other contracts

The Company has entered into three equipment utilisation contracts with three local companies. The contracts cover period of 5 - 7 years and under the conditions of the contracts, the Company is required to purchase medical supplies to use with the medical equipment at the prices specified in the contracts in total throughout the period of those contracts. As at 31 December 2009, there was a minimum amount of Baht 331.8 million (2008: Baht 437.2 million) which the Company required to purchase according to the contracts.

27.4 Uncalled portion of investment in subsidiary

As at 31 December 2009, the Company has a commitment of HKD 4.8 million in respect of the uncalled portion of investment in subsidiary.

27.5 Bank guarantees

As at 31 December 2009, there were outstanding bank guarantees of Baht 25.7 million issued by a bank on behalf of the Company (2008: Baht 10.9 million issued on behalf of the Company and Baht 8.4 million on behalf of a subsidiary). All were required in the normal course of business e.g. payment of utility expenses and space rental.

28. Financial instruments

28.1 Financial risk management

The Company's and subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 32 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable and payable, construction and medical equipment payables, investments, short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable and other receivables. The Company and subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and subsidiaries have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivables and other receivables as stated in the balance sheet.

Interest rate risk

The Company's and its subsidiaries' exposures to interest rate risk relate primarily to their cash at banks and long-term borrowings. However, since most of the Company's and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the current market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2009 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

	Consolidated financial statements				Effective interest rate
	Fixed interest rates (Within 1 year)	Floating interest rate	Non-interest bearing	Total	
	(Million Baht)			(% p.a.)	
<u>Financial assets</u>					
Cash and cash equivalents	-	350	37	387	0.13-0.50
Trade accounts receivable - net	-	-	658	658	-
Amounts due from related parties	-	-	15	15	-
	-	350	710	1,060	
<u>Financial liabilities</u>					
Short-term loan from financial institution	190	-	-	190	2.25
Trade accounts payable	-	-	523	523	-
Construction and medical equipment payables	-	-	27	27	-
Long-term loans from financial institution	-	1,430	-	1,430	MLR-1.50
	190	1,430	550	2,170	

	Separate financial statements				Effective interest rate (% p.a.)
	Fixed interest rates (Within 1 year)	Floating interest rate	Non-interest bearing	Total	
	(Million Baht)				
<u>Financial assets</u>					
Cash and cash equivalents	-	296	37	333	0.13-0.50
Trade accounts receivable - net	-	-	652	652	-
Amounts due from related parties	-	-	18	18	-
	-	296	707	1,003	
<u>Financial liabilities</u>					
Short-term loan from financial institution	190	-	-	190	2.25
Trade accounts payable	-	-	514	514	-
Construction and medical equipment payables	-	-	27	27	-
Amounts due to a related party	-	-	2	2	-
Long-term loan from a related party	220	-	-	220	2.50
Long-term loans from financial institution	-	1,430	-	1,430	MLR-1.50
	410	1,430	543	2,383	

Foreign currency risk

The Company's and its subsidiaries' exposures to foreign currency risk arise mainly from purchase of medical accessory and medical equipment and payments for service fee that are denominated in foreign currencies.

There was no balance of financial assets and liabilities denominated in foreign currencies as at 31 December 2009.

28.2 Fair values of financial instruments

Since the majority of the Company's and its subsidiaries' financial instruments are short-term in nature and borrowings bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the balance sheets.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

29. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the balance sheet as at 31 December 2009, the Group's debt-to-equity ratio was 0.57:1 (2008: 0.67:1) and the Company's was 0.63:1 (2008: 0.73:1).

30. Subsequent event

On 24 February 2010, a meeting of the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of shareholders to be held in April 2010 to adopt a resolution to pay a dividend of Baht 0.85 per share, or a total of Baht 620.5 million, to the shareholders in respect of the 2009 income. The Company already paid an interim dividend of Baht 0.40 per share, or a total of Baht 292.0 million on 4 September 2009. The remaining dividend of Baht 0.45 per share, or a total of Baht 328.5 million will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2010.