

Bumrungrad Hospital Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2010 and 2009

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 2010 and 2009, 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 2010 and 2009, 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: 23 February 2011

Bumrungrad Hospital Public Company Limited and its subsidiaries

Balance sheets

As at 31 December 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Assets					
Current assets					
Cash and cash equivalents	6	627,492,183	386,640,580	576,807,388	333,440,463
Trade accounts receivable - net	7	946,401,265	657,907,917	938,466,900	651,744,575
Amounts due from related parties	8	4,674,789	14,583,449	10,533,339	17,512,015
Advances to employees and directors		7,291,971	5,832,612	7,291,971	5,803,578
Short-term loan to and interest receivable					
from a related party	8	-	-	19,277,319	-
Inventories	9	217,701,976	198,878,672	208,799,234	189,709,546
Prepaid expenses		49,021,766	65,998,241	46,656,376	59,576,817
Other current assets		2,362,600	1,993,569	1,224,906	614,811
Total current assets		1,854,946,550	1,331,835,040	1,809,057,433	1,258,401,805
Non-current assets					
Investments in subsidiaries - net	10	-	-	97,544,567	1,214,114,738
Investment in joint venture	11	-	7,215,269	-	7,267,470
Investments in associated companies - net	12	1,209,892,803	1,257,158,363	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	5,784,672,458	5,666,942,245	5,793,826,042	4,728,437,298
Intangible assets - net	15	282,290,320	285,629,145	307,236,342	314,760,370
Other non-current assets		17,628,305	15,964,695	17,500,120	18,603,210
Total non-current assets		7,296,731,099	7,235,156,930	7,231,607,597	7,298,683,612
Total assets		9,151,677,649	8,566,991,970	9,040,665,030	8,557,085,417

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 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Liabilities and shareholders' equity					
Current liabilities					
Short-term loan from financial institution	16	100,000,000	190,000,000	100,000,000	190,000,000
Trade accounts payable		555,761,819	522,672,469	548,169,438	514,421,007
Construction and medical equipment payables		51,045,251	27,490,212	51,045,251	27,490,212
Amounts due to related parties	8	193,569	-	193,569	1,725,809
Current portion of long-term loan					
from a related party	8	-	-	81,000,000	-
Accrued physicians' fees		405,443,662	329,566,815	395,065,305	324,266,815
Interest payable		388,307	692,219	388,307	692,219
Interest payable - convertible bonds treated					
as equity securities		11,575,343	11,575,343	11,575,343	11,575,343
Corporate income tax payable		252,379,023	209,859,207	246,705,981	208,434,232
Accrued expenses		205,733,393	305,970,543	204,159,588	302,219,595
Accounts payable - others		13,380,997	13,371,696	12,589,728	12,958,736
Other current liabilities		56,339,844	53,182,860	47,724,195	48,619,138
Total current liabilities		1,652,241,208	1,664,381,364	1,698,616,705	1,642,403,106
Non-current liabilities					
Long-term loan from a related party	8	-	-	-	219,827,068
Long-term loans from financial institution	17	1,430,000,000	1,430,000,000	1,430,000,000	1,430,000,000
Total non-current liabilities		1,430,000,000	1,430,000,000	1,430,000,000	1,649,827,068
Total liabilities		3,082,241,208	3,094,381,364	3,128,616,705	3,292,230,174

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 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Shareholders' equity					
Share capital	19				
Registered					
920,987,785 ordinary shares of Baht 1 each					
(2009: 920,954,935 ordinary shares of Baht 1 each)		920,987,785	920,954,935	920,987,785	920,954,935
1,714,900 preference shares of Baht 1 each					
(2009: 1,747,750 preference shares of Baht 1 each)		1,714,900	1,747,750	1,714,900	1,747,750
Issued and paid-up					
728,337,322 ordinary shares of Baht 1 each					
(2009: 728,304,472 ordinary shares of Baht 1 each)		728,337,322	728,304,472	728,337,322	728,304,472
1,714,900 preference shares of Baht 1 each					
(2009: 1,747,750 preference shares of Baht 1 each)		1,714,900	1,747,750	1,714,900	1,747,750
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		(84,111,801)	(75,451,261)	-	-
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		4,436,141,744	3,830,655,369	4,254,152,803	3,606,959,721
Total shareholders' equity		6,069,436,441	5,472,610,606	5,912,048,325	5,264,855,243
Total liabilities and shareholders' equity		9,151,677,649	8,566,991,970	9,040,665,030	8,557,085,417
		-	-	-	-

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

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 Directors

Bumrungrad Hospital Public Company Limited and its subsidiaries

Income statements

For the years ended 31 December 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Revenues					
Revenues from hospital operations	8	9,805,682,009	9,068,932,457	9,649,681,687	8,966,093,848
Rental income	8	130,314,933	131,771,746	141,335,165	160,123,562
Gain on sales of investment in joint venture	11.1	13,031,770	-	12,965,524	-
Exchange gains		26,199,487	38,679,713	26,875,801	38,793,644
Dividend income from a subsidiary	8, 10	-	-	204,771,013	-
Other income	8	93,730,492	98,471,864	85,638,428	94,392,334
Total revenues		10,068,958,691	9,337,855,780	10,121,267,618	9,259,403,388
Expenses					
Cost of hospital operations	8	5,943,546,315	5,553,191,439	5,866,404,002	5,510,961,955
Depreciation and amortisation	14, 15	595,843,564	539,265,272	581,229,524	482,616,962
Administrative expenses	8	1,536,810,632	1,415,612,025	1,495,124,265	1,448,722,697
Loss from share capital reduction of a subsidiary	10	-	-	212,000,000	-
Reversal of allowance for loss on impairment of assets		-	(13,641,982)	-	(13,641,982)
Management benefit expenses		123,797,383	109,690,718	100,863,360	94,076,510
Total expenses		8,199,997,894	7,604,117,472	8,255,621,151	7,522,736,142
Income before share of income (loss) from investment in joint venture and associates, finance cost and corporate income tax					
		1,868,960,797	1,733,738,308	1,865,646,467	1,736,667,246
Share of income (loss) from investments in joint venture and associated companies	11.2, 12.2	(34,927,045)	47,244,233	-	-
Income before finance cost and corporate income tax		1,834,033,752	1,780,982,541	1,865,646,467	1,736,667,246
Finance cost	8	(68,200,261)	(90,934,499)	(76,936,028)	(96,355,541)
Income before corporate income tax		1,765,833,491	1,690,048,042	1,788,710,439	1,640,311,705
Corporate income tax	22	(507,338,809)	(444,399,602)	(488,509,050)	(435,884,314)
Net income for the year		1,258,494,682	1,245,648,440	1,300,201,389	1,204,427,391
Earnings per share					
Basic earnings per share					
Net income for the year	23	1.73	1.71	1.79	1.65
Diluted earnings per share					
Net income for the year	23	1.45	1.44	1.50	1.39

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 2010 and 2009

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash flows from operating activities				
Income before corporate income tax	1,765,833,491	1,690,048,042	1,788,710,439	1,640,311,705
Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	595,843,564	539,265,272	581,229,524	482,616,962
Reversal of allowance for loss on impairment of assets	-	(13,641,982)	-	(13,641,982)
Bad debts and allowance for doubtful accounts	19,549,286	16,352,765	19,195,902	14,716,494
Loss from share capital reduction of a subsidiary	-	-	212,000,000	-
Loss on sales and write-off of equipment	2,160,072	4,595,482	2,159,005	4,597,182
Gain on sale of investment in jointly controlled entity	(13,031,770)	-	(12,965,524)	-
Dividend income from a subsidiary	-	-	(204,771,013)	-
Share of (income) loss from investment in joint venture and associated companies	34,927,045	(47,244,233)	-	-
Interest income	(1,944,484)	(1,612,475)	(1,830,611)	(1,378,590)
Interest expense	68,200,261	78,351,083	76,936,028	88,152,416
Income from operating activities before changes in operating assets and liabilities	2,471,537,465	2,266,113,954	2,460,663,750	2,215,374,187
Operating assets (increase) decrease				
Trade accounts receivable	(308,042,634)	(180,138,692)	(305,918,227)	(174,084,902)
Amounts due from related parties	9,908,660	(5,786,411)	6,978,676	(8,714,977)
Inventories	(18,823,304)	(10,903,674)	(19,089,688)	(5,578,521)
Other current assets	16,607,444	(10,737,424)	12,310,346	(3,773,129)
Operating liabilities increase (decrease)				
Trade accounts payable	33,089,350	18,331,237	33,748,431	11,828,311
Amounts due to related parties	193,569	(2,015,049)	(1,532,240)	(1,957,217)
Accrued physicians' fees	75,876,847	67,106,099	70,798,490	62,956,099
Accrued expenses	(100,237,150)	45,876,232	(98,060,007)	44,198,988
Accounts payable - others	(684,881)	(3,164,772)	(1,063,190)	(3,253,060)
Other current liabilities	3,156,984	29,357,705	(894,943)	25,198,390
Cash flows from operating activities	2,182,582,350	2,214,039,205	2,157,941,398	2,162,194,169
Cash paid for interest expense	(68,504,173)	(78,223,722)	(77,239,940)	(87,773,039)
Cash paid for corporate income tax	(464,818,993)	(430,020,375)	(450,237,301)	(420,495,880)
Net cash flows from operating activities	1,649,259,184	1,705,795,108	1,630,464,157	1,653,925,250

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 2010 and 2009

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash flows from investing activities				
Decrease in restricted bank deposits	-	17,146,800	-	8,792,400
Decrease (increase) in advances to employees and directors	(1,459,359)	2,953,009	(1,488,393)	2,982,043
Increase in short-term loan to a related party	-	-	(19,200,000)	-
Acquisition of investments in subsidiaries	-	-	-	(41,601,766)
Acquisition of investment in joint venture	(2,473,500)	(1,147,500)	(2,473,500)	(1,147,500)
Cash receipt from sales of investment in joint venture	22,706,494	-	22,706,494	-
Cash receipt from a subsidiary's share capital reduction	-	-	904,570,171	-
Dividend income from a subsidiary	-	-	204,771,013	-
Acquisition of property, plant and equipment and repayment of construction and medical equipment payables	(667,382,209)	(836,623,974)	(824,484,934)	(802,405,298)
Proceeds from sales of equipment	8,662,866	5,980,704	8,659,093	5,979,004
Acquisition of computer software	(26,447,396)	(14,015,473)	(25,872,365)	(13,755,178)
Decrease (increase) in other non-current assets	(1,663,610)	2,198,088	1,103,090	2,559,574
Interest income	1,944,484	1,612,475	1,753,292	1,378,590
Net cash flows from (used in) investing activities	(666,112,230)	(821,895,871)	270,043,961	(837,218,131)
Cash flows from financing activities				
Net cash payment for short-term loan from financial institution	(90,000,000)	(10,000,000)	(90,000,000)	(10,000,000)
Cash receipt from long-term loan from a related party	-	-	5,000,000	-
Repayment of long-term loan from a related party	-	-	(919,827,068)	(719,409,360)
Cash receipt from long-term loans from financial institution	-	1,430,000,000	-	1,430,000,000
Repayment of long-term loans from financial institution	-	(1,685,300,871)	-	(918,750,000)
Dividend paid	(619,814,125)	(583,488,749)	(619,814,125)	(583,488,749)
Interest paid for convertible bonds treated as equity securities	(32,500,000)	(32,500,000)	(32,500,000)	(32,500,000)
Net cash flows used in financing activities	(742,314,125)	(881,289,620)	(1,657,141,193)	(834,148,109)
Increase (decrease) in translation adjustment	18,774	(610,826)	-	-
Net increase (decrease) in cash and cash equivalents	240,851,603	1,998,791	243,366,925	(17,440,990)
Cash and cash equivalents at beginning of year	386,640,580	384,641,789	333,440,463	350,881,453
Cash and cash equivalents at end of year	627,492,183	386,640,580	576,807,388	333,440,463
	-	-	-	-
Supplemental cash flow information				
Non-cash transaction				
Acquisition of building by issuing promissory note	-	-	776,000,000	-
Reclassification of equipment to computer software	11,406,236	-	11,406,236	-

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 2010 and 2009

(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 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 2009		-	-	-	-	-	-	-	-	1,245,648,440	1,245,648,440
Total income and expense 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
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
Translation adjustment		-	-	-	-	(8,660,540)	-	-	-	-	(8,660,540)
Interest paid for convertible bonds treated as equity securities	18	-	-	-	-	-	-	-	-	(32,500,000)	(32,500,000)
Net expenses recognised directly in equity		-	-	-	-	(8,660,540)	-	-	-	(32,500,000)	(41,160,540)
Net income for the year 2010		-	-	-	-	-	-	-	-	1,258,494,682	1,258,494,682
Total income and expenses for the year		-	-	-	-	(8,660,540)	-	-	-	1,225,994,682	1,217,334,142
Dividend paid	26	-	-	-	-	-	-	-	-	(620,508,307)	(620,508,307)
Preference shares converted to ordinary shares	19	32,850	(32,850)	-	-	-	-	-	-	-	-
Balance as at 31 December 2010		728,337,322	1,714,900	285,568,300	252,172,534	(84,111,801)	550,000,000	(192,661,558)	92,275,000	4,436,141,744	6,069,436,441
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-

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 2010 and 2009

(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	Appropriated-	Unappropriated	Total	
			equity securities	statutory reserve				
	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	18	-	-	-	-	(32,500,000)	(32,500,000)
	Net expenses recognised directly in equity	-	-	-	-	-	(32,500,000)	(32,500,000)
	Net income for the year 2009	-	-	-	-	-	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	<u>728,304,472</u>	<u>1,747,750</u>	<u>285,568,300</u>	<u>550,000,000</u>	<u>92,275,000</u>	<u>3,606,959,721</u>	<u>5,264,855,243</u>
	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
	Interest paid for convertible bonds treated as equity securities	18	-	-	-	-	(32,500,000)	(32,500,000)
	Net expenses recognised directly in equity	-	-	-	-	-	(32,500,000)	(32,500,000)
	Net income for the year 2010	-	-	-	-	-	1,300,201,389	1,300,201,389
	Total income for the year	-	-	-	-	-	1,267,701,389	1,267,701,389
	Dividend paid	26	-	-	-	-	(620,508,307)	(620,508,307)
	Preference shares converted to ordinary shares	19	32,850	(32,850)	-	-	-	-
	Balance as at 31 December 2010	<u>728,337,322</u>	<u>1,714,900</u>	<u>285,568,300</u>	<u>550,000,000</u>	<u>92,275,000</u>	<u>4,254,152,803</u>	<u>5,912,048,325</u>
		-	-	-	-	-	0	0
		-	-	-	-	-	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 2010 and 2009

1. Corporate information

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

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 years ended 31 December	
			2010	2009	2010	2009	2010	2009
			Percent	Percent	Percent	Percent	Percent	Percent
Bumrungrad Medical Center Ltd. (BMC)	Temporary cease its operation	Thailand	100	100	1	11	1	-
Vitalife Corporation Ltd. (VTL)	Health care center	Thailand	100	100	1	1	2	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 years ended 31 December	
			2010	2009	2010	2009	2010	2009
			Percent	Percent	Percent	Percent	Percent	Percent
Asia Global Health Ltd. (AGH)	Investment in healthcare business	Hong Kong	100	100	-	-	-	-
Asia Global Research Ltd. (AGR)	Clinical research service	Thailand	100	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 using the same significant accounting policies as the Company.
- d) The assets and liabilities in the financial statements of overseas subsidiary company are translated to Baht using the exchange rate prevailing on the balance sheet date, and revenues and expenses translated using monthly average exchange rates. The resulting 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.
- 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

During the current year, the Federation of Accounting Professions issued a number of revised and new accounting standards as listed below.

- a) Accounting standards that are effective for fiscal years beginning on or after 1 January 2011 (except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective):

Framework for the Preparation and Presentation of Financial Statements
(revised 2009)

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate

b) Accounting standards that are effective for fiscal years beginning on or after 1 January 2013:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standards which management expects the impact on the financial statements in the year when they are adopted.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits or liabilities arising from other defined benefit plans using actuarial techniques. Currently, the Company accounts for such employee benefits when they are incurred.

The adoption of this TAS in 2011 will have the effect of decreasing the beginning balance of retained earnings in the consolidated financial statements by approximately Baht 265.6 million (Separate financial statements: Baht 261.9 million).

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognise deferred tax assets and liabilities under the stipulated guidelines.

At present, the management is evaluating the impact on the financial statements in the year when this standard is adopted.

TAS 23 (revised 2009) Borrowing Costs

This accounting standard requires entities to capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Currently, the Company elected to expense such borrowing costs when incurred. The change in this accounting policy will be applied for borrowing costs incurred on or after 1 January 2011.

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.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised as income or expenses in the income statement.

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:

Land leasehold right	-	30 years as lease period
Land improvement	-	30 years
Buildings and construction	-	5 - 30 and 40 years
Facility systems	-	12.5 - 20 years
Medical accessory equipment	-	5 - 15 years
Hospital equipment	-	5 - 15 years
Equipment and furniture	-	5 - 15 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

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 through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the 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 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.

4.10 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to the income statements over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

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 and its subsidiaries perform 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. 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 and its subsidiaries 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.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

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 in the accounts at the amount expected to be paid to the taxation authorities, based on 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 from these estimates. 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 and its subsidiaries' 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.

6. Cash and cash equivalents

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash	14,105,598	11,589,036	13,872,695	11,524,036
Bank deposits	613,386,585	375,051,544	562,934,693	321,916,427
Total	<u>627,492,183</u>	<u>386,640,580</u>	<u>576,807,388</u>	<u>333,440,463</u>

As at 31 December 2010, bank deposits in savings accounts and fixed deposits carried interests between 0.10% and 0.75% per annum (2009: between 0.125% and 0.500% per annum).

7. Trade accounts receivable

The balances of trade accounts receivable as at 31 December 2010 and 2009, aged on the basis of due dates, are summarised below.

(Unit: Baht)

Age of receivables	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Not yet due	278,107,923	254,472,347	277,058,965	249,226,672
Past due				
1 - 30 days	148,894,878	139,825,430	146,870,468	139,528,373
31 - 60 days	97,305,833	60,798,223	96,543,165	60,243,454
61 - 90 days	60,429,250	37,312,305	59,577,900	36,765,779
91 - 180 days	192,984,764	79,912,852	190,590,756	79,720,846
181 - 365 days	114,420,554	80,420,853	112,714,611	79,776,623
More than 365 days	170,095,423	106,767,969	166,374,605	103,864,484
Total	1,062,238,625	759,509,979	1,049,730,470	749,126,231
Less: Allowance for doubtful debts	(115,837,360)	(101,602,062)	(111,263,570)	(97,381,656)
Trade accounts receivable - net	<u>946,401,265</u>	<u>657,907,917</u>	<u>938,466,900</u>	<u>651,744,575</u>

8. 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 financial statements		Separate financial statements		Transfer pricing policy
	2010	2009	2010	2009	
Transactions with subsidiary companies					
(eliminated from the consolidated financial statements)					
Medical service income	-	-	13.5	10.9	Market price
Rental income	-	-	11.0	28.2	As per contracts 8.1)
Interest income	-	-	0.3	-	MLR less 1.00% p.a.
Dividend income	-	-	204.8	-	As declared
Lab service expense	-	-	11.4	7.3	Market price
Rental expense	-	-	22.2	88.8	As per contract 8.2)
Purchase of hospital building	-	-	938.0	-	As per contract 8.2)
Interest expense	-	-	9.1	33.9	1.16% and 2.50% p.a. (2009: MLR less 1.00% p.a. and 2.50% p.a.)

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2010	2009	2010	2009	
Transactions with associated companies					
Rental income	0.5	0.7	0.5	0.7	Actual paid
Consulting fee income	11.1	12.8	11.1	12.8	As per contract 8.3)
Consulting fee expense	2.5	-	2.5	-	Fixed rate per hour as stated in the agreements
Transactions with related parties					
Medical service income	63.9	73.2	63.9	73.2	Market price
Other income	3.5	2.4	3.5	2.4	At cost
Donation expense	37.0	22.0	37.0	22.0	-
Insurance expense	26.5	21.3	26.3	21.2	As per insurance policies
Credit card commission fees	69.5	68.9	69.5	68.9	Market price
Interest on convertible bonds paid	32.5	32.5	32.5	32.5	10% p.a. and 1.00% p.a.

8.1) A subsidiary (Bumrungrad Medical Center Ltd.) had leased a plot of land from the Company. The lease agreement covered a period of 30 years, commencing from the year 1996. The rental fee was Baht 22.3 million per annum. Subsequently, on 31 March 2010, the subsidiary entered into the memorandum of understanding to terminate the land lease agreement with the Company, the subsidiary has no obligation to pay such rental fee.

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 had to pay rental fee equal to 5% of gross revenue inclusive of value added tax, but not less than Baht 238,200 per month. Subsequently, on 1 January 2010, the Company and the subsidiary agreed to change the rental fee to Baht 350,000 per month starting from 1 January 2010 onwards.

Another subsidiary (Asia Global Research Ltd.) has leased building spaces from the Company for use in its operations. The lease agreement covers a period of 3 years, commencing from the year 2009. The subsidiary has to pay rental fee amounting to Baht 106,050 per month.

8.2) The Company had leased hospital building from a subsidiary (Bumrungrad Medical Center Ltd.) for use in its hospital business. The rental fee was Baht 88.8 million per annum. The agreement would be expired in July 2010. Subsequently, on 26 March 2010, the Company entered into the purchase agreement to acquire the hospital building (building B) from the subsidiary at a price of Baht 938.0 million. In addition, on 31 March 2010, the Company entered into the memorandum of understanding to

terminate the building lease agreement with the subsidiary, the Company has no obligation to pay such rental fee.

- 8.3) 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 0.9 million per month starting from January 2009 onwards. The agreement will expire as per the agreement's conditions.

The balances of the accounts as at 31 December 2010 and 2009 between the Company and those related parties are as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Amounts due from related parties				
<u>Subsidiaries</u>				
Bumrungrad Medical Center Ltd.	-	-	13,399	-
Vitalife Corporation Ltd.	-	-	767,287	-
Asia Global Health Ltd.	-	-	4,868,586	2,835,219
Asia Global Research Ltd.	-	-	263,166	105,147
<u>Associated company</u>				
Bumrungrad International Ltd.	60,596	4,042,052	6,708	4,030,252
<u>Related party</u>				
The Bumrungrad Hospital Foundation	4,614,193	10,541,397	4,614,193	10,541,397
Total	4,674,789	14,583,449	10,533,339	17,512,015
Amounts due to related parties				
<u>Subsidiary</u>				
Vitalife Corporation Ltd.	-	-	-	1,725,809
<u>Associated company</u>				
Bumrungrad International Ltd.	193,569	-	193,569	-
Total	193,569	-	193,569	1,725,809
Short-term loan to and interest receivable from a related party				
<u>Subsidiary</u>				
Asia Global Research Ltd.	-	-	19,277,319	-
Long-term loan from a related party				
<u>Subsidiary</u>				
Bumrungrad Medical Center Ltd.				
Long-term loan	-	-	81,000,000	219,827,068
Less: Current portion	-	-	(81,000,000)	-
Non-current portion	-	-	-	219,827,068

As at 31 December 2010, the short-term loan to Asia Global Research Ltd. carries interest at the rate of MLR less 1.00% per annum.

As at 31 December 2010, the long-term loan from Bumrungrad Medical Center Ltd. carries interest at the rate of 1.16% per annum (2009: MLR less 1.00% per annum).

During 2010, movements of loans to and loan from related parties were as follows:

(Unit: Baht)

	Balance as at		During the year		Balance as at
	31 December			31 December	
	2009	Increase	Decrease	2010	
Short-term loan to and interest receivable from a related party					
<u>Subsidiary</u>					
Asia Global Research Ltd.					
Principal	-	19,200,000	-	-	19,200,000
Interest receivable	-	349,698	(272,379)	-	77,319
	-	19,549,698	(272,379)	-	19,277,319
Long-term loan from a related party					
<u>Subsidiary</u>					
Bumrungrad Medical Center Ltd.					
Principal	219,827,068	781,000,000	(919,827,068)	-	81,000,000
Interest payable	-	9,085,681	(9,085,681)	-	-
	219,827,068	790,085,681	(928,912,749)	-	81,000,000

9. Inventories

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Medicine	122,444,846	112,987,606	115,574,071	106,152,726
Medical supplies	34,095,215	31,692,810	34,063,115	31,588,485
Other supplies	61,161,915	54,198,256	59,162,048	51,968,335
Total	217,701,976	198,878,672	208,799,234	189,709,546

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	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
			(%)	(%)						
Bumrungrad Medical Center Ltd.	60,000,000	958,953,608	100.00	100.00	105,858,647	1,691,902,972	75,525,846	545,000,000	30,332,801	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	21,601,796	100.00	100.00	21,601,796	21,601,796	-	-	21,601,796	21,601,796
Asia Global Research Ltd.	19,999,970	19,999,970	100.00	100.00	19,999,970	19,999,970	-	-	19,999,970	19,999,970
Total					<u>173,070,413</u>	<u>1,759,114,738</u>	<u>75,525,846</u>	<u>545,000,000</u>	<u>97,544,567</u>	<u>1,214,114,738</u>

Dividend received from a subsidiary

On 29 March 2010, the Company received dividend income amounting to Baht 204.8 million from a subsidiary (Bumrungrad Medical Center Ltd.). The subsidiary's dividend payment was made in accordance with a resolution of the 2010 Annual General Meeting of its shareholder, held on 26 March 2010 which approved the payment of a dividend of Baht 1.71 per share from its retained earnings, or a total of Baht 204.8 million.

Reduction of share capital of a subsidiary

During the year ended 31 December 2010, a subsidiary (Bumrungrad Medical Center Ltd.) reduced its registered and paid-up share capital as detailed below.

(Unit: Million Baht)

Share capital reduction No.	Date of approval by the Extraordinary General Meeting of subsidiary	Date of registration of share capital reduction at the Ministry of Commerce	Paid-up share capital (par value at Baht 8 per share)		
			Old	Reduction	New
1	26 August 2010	1 October 2010	958.9	718.9	240.0
2	21 October 2010	29 November 2010	240.0	180.0	60.0

Using the cost method, the share capital reductions of the subsidiary resulted in a loss of Baht 681.5 million, as the investment acquisition cost (Baht 14.11 per share) is higher than the amount per share returned to the shareholders (Baht 8.05 per share). However, the Company reverse the allowance for impairment of investment of Baht 469.5 million, resulting in net loss incurred from the subsidiary's share capital reduction of Baht 212.0 million presented in the separate income statement for the year ended 31 December 2010.

11. Investment in joint venture

11.1 Details of investment in joint venture

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

(Unit: Baht)

Jointly controlled entity	Nature of business	Shareholding percentage		Consolidated financial statements		Separate financial statements	
		2010	2009	Carrying amount based on equity method		Carrying amount based on cost method	
		2010	2009	2010	2009	2010	2009
		(%)	(%)				
Asia Renal Care (Thailand) Co., Ltd.	Investment in other companies	-	51.00	-	7,215,269	-	7,267,470

On 24 February 2010, the Company's Board of Directors Meeting approved the Company to sell all of the shares of Asia Renal Care (Thailand) Co., Ltd. and subsequently on 15 May 2010, the Company signed an agreement to sell the shares to Nephrocare (Thailand) Co., Ltd. subject to the condition precedent. On 19 July 2010, the parties fulfilled the conditions precedent and the transaction was closed, resulting in gain on sales of investment of approximately Baht 13.0 million recognised in the consolidated and separate income statements for the year 2010.

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	
	2010	2009
Asia Renal Care (Thailand) Ltd.	14,045	17,494

11.3 Summarised financial information of jointly controlled entity

Financial information of the jointly controlled entity was summarised below.

Jointly controlled entity	(Unit: Million Baht)				
	As at 31 December 2009			For the year ended 31 December 2009	
	Paid-up capital	Total assets	Total liabilities	Total revenues	Net loss
Asia Renal Care (Thailand) Co., Ltd.	14.3	19.1	5.0	-	-

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	
			2010	2009	2010	2009	2010	2009
Bumrungrad International Ltd.	Holding company	Thailand	31.50	31.50	1,007,790,600	1,007,790,600	1,200,197,675	1,251,229,927
CDE Trading Ltd.	Temporary cease its operation	Thailand	30.00	30.00	21,662,713	21,662,713	(16,017,590)	(23,457,528)
Total					1,029,453,313	1,029,453,313	1,184,180,085	1,227,772,399
Add: Deferred gain on sales of computer software - net							25,712,718	29,385,964

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	
	2010	2009	2010	2009	2010	2009	2010	2009
	(%)	(%)						
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			1,029,453,313	1,029,453,313	16,000,000	16,000,000	1,013,453,313	1,013,453,313

12.2 Share of income (loss)

During the years, the Company recognised its share of net income (loss) from investments in associate companies in the consolidated financial statements as follows:

(Unit: Baht)

Company's name	Share of income (loss) from investments in associates during the years	
	2010	2009
	Bumrungrad International Ltd.	(42,352,937)
CDE Trading Ltd.	7,439,937	4,087,750
Total	(34,913,000)	47,261,727

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 at		Total assets as at		Total liabilities as at		Total revenues for the years ended		Net income (loss) for the years ended	
	31 December		31 December		31 December		31 December		31 December	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Bumrungrad International Ltd.	3,199.3	3,199.3	6,107.3	6,994.8	1,588.1	2,280.6	1,445.8	4,139.0	(116.7)	85.3
CDE Trading Ltd.	10.0	10.0	32.5	19.9	0.1	0.1	13.6	0.2	12.7	(0.5)

On 15 May 2010, Bumrungrad International Holdings (Hong Kong) Ltd (BIHL), which is a wholly owned subsidiary of Bumrungrad International Ltd. (BIL), entered into a Share Purchase Agreement in relation to the sale of all of the shares of Asia Renal Care Limited (ARC) to Fresenius Medical Care Beteiligungsgesellschaft mbH, a company incorporated in Germany. At that time, ARC was a 100% indirectly owned subsidiary of BIL. Subsequently, on 19 July 2010, the sales transaction was completed with BIHL realising a loss from the sale of the investment approximately Baht 227 million. However, as proportionate interests held by the Company, the Company realised loss from such transaction approximately Baht 72 million.

13. Other long-term investments

Company's name	Shareholding		Consolidated		(Unit: Baht) Separate	
	percentage		financial statements		financial statements	
	2010	2009	2010	2009	2010	2009
	(%)	(%)				
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	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 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
Additions	-	-	25,582,421	13,526,489	268,025,548	76,063,314	5,423,106	1,023,990	301,292,380	690,937,248
Disposals	-	-	-	(213,827)	(24,376,710)	(7,091,895)	(5,849,618)	(4,346,385)	-	(41,878,435)
Transfer in (out)	-	-	462,822,746	8,323,780	7,278,149	34,781,999	28,976,609	-	(542,183,283)	-
Reclassified to computer software	-	-	-	-	-	-	-	-	(11,406,236)	(11,406,236)
Write-off	-	-	-	-	-	-	-	-	(1,826,946)	(1,826,946)
31 December 2010	588,389,482	34,880,909	3,986,191,836	499,242,110	2,722,796,898	1,090,257,473	497,640,073	40,471,989	62,302,281	9,522,173,051
Accumulated depreciation										
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
Depreciation for the year	-	566,421	132,753,065	18,913,447	251,725,928	114,554,250	30,880,811	1,583,939	-	550,977,861
Depreciation on disposals	-	-	-	(72,684)	(20,690,126)	(4,095,344)	(3,677,906)	(4,346,383)	-	(32,882,443)
31 December 2010	-	16,548,333	1,036,208,339	112,870,226	1,581,870,426	678,771,359	273,752,529	37,479,381	-	3,737,500,593
Net book value										
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
31 December 2010	588,389,482	18,332,576	2,949,983,497	386,371,884	1,140,926,472	411,486,114	223,887,544	2,992,608	62,302,281	5,784,672,458
Depreciation included in the income statements for the years										
2009										496,841,614
2010										550,977,861

(Unit: Baht)

	Separate financial statements									
	Land	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 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
Additions	-	-	963,504,745	13,482,320	263,767,638	75,551,621	5,417,279	1,023,990	301,292,380	1,624,039,973
Disposals	-	-	-	(213,827)	(24,376,710)	(7,086,951)	(5,842,502)	(4,346,385)	-	(41,866,375)
Transfer in (out)	-	-	462,822,746	8,323,780	7,278,149	34,781,999	28,976,609	-	(542,183,283)	-
Reclassified to computer software	-	-	-	-	-	-	-	-	(11,406,236)	(11,406,236)
Adjust	-	-	-	-	-	-	-	-	(1,826,946)	(1,826,946)
31 December 2010	<u>588,389,482</u>	<u>15,563,340</u>	<u>3,313,489,908</u>	<u>474,471,708</u>	<u>2,276,645,508</u>	<u>826,362,421</u>	<u>376,186,558</u>	<u>18,036,232</u>	<u>62,302,278</u>	<u>7,951,447,435</u>
Accumulated depreciation										
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
Depreciation for the year	-	459,101	122,540,267	18,781,429	253,860,347	109,216,575	29,985,237	1,583,939	-	536,426,895
Depreciation on disposals	-	-	-	(72,684)	(20,690,126)	(4,094,173)	(3,671,857)	(4,346,383)	-	(32,875,223)
31 December 2010	-	<u>9,148,745</u>	<u>309,486,961</u>	<u>80,523,886</u>	<u>1,125,196,769</u>	<u>442,725,023</u>	<u>175,496,377</u>	<u>15,043,632</u>	-	<u>2,157,621,393</u>
Net book value										
31 December 2009	<u>588,389,482</u>	<u>6,873,696</u>	<u>1,700,215,723</u>	<u>391,064,294</u>	<u>1,137,949,883</u>	<u>385,513,131</u>	<u>198,452,175</u>	<u>3,552,551</u>	<u>316,426,363</u>	<u>4,728,437,298</u>
31 December 2010	<u>588,389,482</u>	<u>6,414,595</u>	<u>3,004,002,947</u>	<u>393,947,822</u>	<u>1,151,448,739</u>	<u>383,637,398</u>	<u>200,690,181</u>	<u>2,992,600</u>	<u>62,302,278</u>	<u>5,793,826,042</u>
Depreciation included in the income statements for the years										
2009										<u>440,198,860</u>
2010										<u>536,426,895</u>

As at 31 December 2010, the Company has mortgaged its land and hospital buildings with a total net book value of Baht 2,328.2 million, as collaterals for its credit facilities granted by a local commercial bank. In addition, the Company has mortgaged land with a book value of Baht 290.9 million (Baht 1,365.1 million appraisal fair value as of 28 September 2010) with another local commercial bank, acting as bondholders' trustee, as collateral for the convertible bonds treated as equity securities.

As at 31 December 2009, the Company and the subsidiary (Bumrungrad Medical Center Ltd.) had mortgaged their land and buildings, with a total net book value of Baht 1,973.6 million (Separate financial statements: Baht 1,067.0 million), as collaterals for credit facilities granted by a local commercial bank. In addition, the Company had mortgaged land with a book value of Baht 290.9 million (Baht 567.7 million appraisal fair value as of 25 November 2008) with another local commercial bank, acting as bondholders' trustee, as collateral for the convertible bonds treated as equity securities.

As at 31 December 2010, certain equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to Baht 321.4 million (Separate financial statements: Baht 313.5 million) (2009: Baht 332.3 million (Separate financial statements: Baht 330.0 million)).

15. Intangible assets

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Computer software	Total	Computer software	Compensation	Total
				for business combination	
Cost					
31 December 2009	922,783,601	922,783,601	959,255,760	192,927,561	1,152,183,321
Additions	26,447,396	26,447,396	25,872,365	-	25,872,365
Reclassified from equipment	11,406,236	11,406,236	11,406,236	-	11,406,236
31 December 2010	960,637,233	960,637,233	996,534,361	192,927,561	1,189,461,922

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Computer software	Total	Computer software	Compensation for business combination	Total
Accumulated amortisation					
31 December 2009	266,921,824	266,921,824	274,262,758	65,916,917	340,179,675
Amortisation during the year	44,865,703	44,865,703	44,802,629	-	44,802,629
Realised gain on sales of software during the year	(3,673,246)	(3,673,246)	-	-	-
31 December 2010	308,114,281	308,114,281	319,065,387	65,916,917	384,982,304
Allowance for impairment loss					
31 December 2009	370,232,632	370,232,632	370,232,632	127,010,644	497,243,276
31 December 2010	370,232,632	370,232,632	370,232,632	127,010,644	497,243,276
Net book value					
31 December 2009	285,629,145	285,629,145	314,760,370	-	314,760,370
31 December 2010	282,290,320	282,290,320	307,236,342	-	307,236,342
Amortisation included in the income statements for the years					
2009	42,423,658	42,423,658	42,418,102	-	42,418,102
2010	44,865,703	44,865,703	44,802,629	-	44,802,629

16. Short-term loan from financial institution

(Unit: Baht)

Tranche	Interest rate	Due date	Consolidated financial statements		Separate financial statements	
			2010	2009	2010	2009
C (Promissory note)	2.40% p.a.	28 January 2011	100,000,000	190,000,000	100,000,000	190,000,000

As at 31 December 2010 and 2009, short-term loan from financial institution is secured by the same collaterals as the long-term loans from financial institution.

17. Long-term loans from financial institution

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

The balances of long-term loans from financial institution as at 31 December 2010 and 2009 are as follows:

(Unit: Baht)

Tranche	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
A	1,420,000,000	1,420,000,000	1,420,000,000	1,420,000,000
B	10,000,000	10,000,000	10,000,000	10,000,000
Total	<u>1,430,000,000</u>	<u>1,430,000,000</u>	<u>1,430,000,000</u>	<u>1,430,000,000</u>

The loans are secured by mortgaged land, buildings and building improvements of the Company and the assignment of the 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 2010, the Company has credit facilities which have not been drawdown amounting to Baht 1,290.0 million (2009: Baht 1,200.0 million).

18. Convertible bonds treated as equity securities

Convertible bonds treated as equity securities as at 31 December 2010 and 2009 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. 107 “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 2010 of the convertible bonds amounted to Baht 32.5 million (2009: Baht 32.5 million), being recorded as a reduction to unappropriated 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 2010, 32,850 preference shares (2009: 35,000 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 11 March 2010.

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 2010 and 2009, 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	
	2010	2009	2010	2009
Salary and wages and other employee benefits	1,684,572,871	1,476,974,397	1,626,375,695	1,443,136,542
Physicians' fee	2,478,397,713	2,327,851,332	2,450,005,517	2,306,945,338
Loss from share capital reduction of a subsidiary	-	-	212,000,000	-
Reversal of allowance for loss on impairment of assets	-	(13,641,982)	-	(13,641,982)
Equipment rental expenses from operating lease agreements	21,743,358	38,906,197	20,625,284	38,522,571
Land and building rental expenses from operating lease agreements	42,229,114	41,183,821	64,429,114	129,983,821
Building and equipment maintenance expenses	159,336,824	154,528,433	159,187,821	154,444,647
Advertising and public relation expenses	148,704,486	136,019,561	142,942,913	132,579,076
Medicine, medical supply and other supply consumptions	2,112,397,172	1,993,852,561	2,047,793,407	1,969,071,124

22. Corporate income tax

The Company's and subsidiaries' corporate income tax for the years 2010 and 2009 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		
2010	2009	2010	2009	2010	2009	
(Baht)	(Baht)	(shares)	(shares)	(Baht)	(Baht)	
Basic earnings per share						
Net income	1,258,494,682	1,245,648,440	728,331,112	728,297,760	1.73	1.71
Effect of dilutive potential ordinary shares						
Preference shares	-	-	1,721,110	1,754,462		
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>1,258,494,682</u>	<u>1,245,648,440</u>	<u>867,414,859</u>	<u>867,414,859</u>	1.45	1.44
Separate financial statements						
Net income		Weighted average number of ordinary shares		Earnings per share		
2010	2009	2010	2009	2010	2009	
(Baht)	(Baht)	(shares)	(Shares)	(Baht)	(Baht)	
Basic earnings per share						
Net income	1,300,201,389	1,204,427,391	728,331,112	728,297,760	1.79	1.65
Effect of dilutive potential ordinary shares						
Preference shares	-	-	1,721,110	1,754,462		
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>1,300,201,389</u>	<u>1,204,427,391</u>	<u>867,414,859</u>	<u>867,414,859</u>	1.50	1.39

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 2010, the Company and subsidiaries contributed Baht 42.4 million (2009: Baht 38.5 million) to the fund.

26. Dividends paid

Dividends	Approved by	(Unit: Baht)	
		Total dividends	Dividend per share
Final dividends for 2009	Annual General Meeting of the shareholders on 28 April 2010	382,503,598	0.45
Interim dividends on operating results for the six-month period ended 30 June 2010	Board of Directors' meeting on 11 August 2010	292,004,709	0.40
Total for 2010		<u>620,508,307</u>	<u>0.85</u>
Final dividends for 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 2009		<u>583,927,213</u>	<u>0.80</u>

27. Commitments

27.1 Capital commitments

As at 31 December 2010, the Company has capital commitments to pay a total of Baht 3.4 million (2009: Baht 197.1 million) in relation to the renovation agreement of building and Baht 31.3 million (2009: Baht 80.4 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 2010, future minimum payments required under these operating lease 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	0.1	-	0.4
2) Nursing dormitory land rental expense (shall be extended for a further period of 30 years)	0.8	6.2	11.1	18.1
3) Lease of land and building for operating service apartment (shall be extended for a further period of 2 years)	31.3	42.3	-	73.6
4) Lease of building for nursing dormitory and related services (shall be renewed automatically)	12.1	11.7	-	23.8
5) Maintenance service fee for medical instruments	76.0	86.6	-	162.6
6) Rental and maintenance service fee for cars	8.0	16.0	-	24.0

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 2010, there is a minimum amount of Baht 215.4 million (2009: Baht 331.8 million) which the Company requires to purchase according to the contracts.

27.4 Uncalled portion of investment in subsidiary

As at 31 December 2010 and 2009, the Company has a commitment of HKD 4.8 million in respect of the uncalled portion of investment in an overseas subsidiary (Asia Global Health Ltd.).

27.5 Bank guarantees

As at 31 December 2010 and 2009, there were outstanding bank guarantees of Baht 25.7 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.

28. Financial instruments

28.1 Financial risk management

The Company's and subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentation", principally comprise cash and cash equivalents, trade accounts receivable and payable, construction and medical equipment payables, investments 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 loan from financial institution. 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 2010 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 (% p.a.)
	Floating interest rate	Non-interest bearing (Baht)	Total	
<u>Financial assets</u>				
Cash and cash equivalents	613,386,585	14,105,598	627,492,183	0.10 - 0.75
Trade accounts receivable - net	-	946,401,265	946,401,265	-
Amounts due from related parties	-	4,674,789	4,674,789	-
	<u>613,386,585</u>	<u>965,181,652</u>	<u>1,578,568,237</u>	
<u>Financial liabilities</u>				
Short-term loan from financial institution	100,000,000	-	100,000,000	MMR
Trade accounts payable	-	555,761,819	555,761,819	-
Construction and medical equipment payables	-	51,045,251	51,045,251	-
Amounts due to related parties	-	193,569	193,569	-
Long-term loans from financial institution	<u>1,430,000,000</u>	<u>-</u>	<u>1,430,000,000</u>	MLR less fixed rate
	<u>1,530,000,000</u>	<u>607,000,639</u>	<u>2,137,000,639</u>	
<u>Separate financial statements</u>				
	Floating interest rate	Non-interest bearing (Baht)	Total	Effective interest rate (% p.a.)
<u>Financial assets</u>				
Cash and cash equivalents	562,934,693	13,872,695	576,807,388	0.10 - 0.75
Trade accounts receivable - net	-	938,466,900	938,466,900	-
Amounts due from related parties	-	10,533,339	10,533,339	-
Short-term loan to and interest receivable from a related party	<u>19,277,319</u>	<u>-</u>	<u>19,277,319</u>	MLR less 1.00
	<u>582,212,012</u>	<u>962,872,934</u>	<u>1,545,084,946</u>	
<u>Financial liabilities</u>				
Short-term loan from financial institution	100,000,000	-	100,000,000	MMR
Trade accounts payable	-	548,169,438	548,169,438	-
Construction and medical equipment payables	-	51,045,251	51,045,251	-
Amounts due to related parties	-	193,569	193,569	-
Long-term loan from a related party	<u>81,000,000</u>	<u>-</u>	<u>81,000,000</u>	1.16
Long-term loans from financial institution	<u>1,430,000,000</u>	<u>-</u>	<u>1,430,000,000</u>	MLR less fixed rate
	<u>1,611,000,000</u>	<u>599,408,258</u>	<u>2,210,408,258</u>	

Foreign currency risk

The Company's exposure to foreign currency risk arises from investment in subsidiary that is denominated in foreign currency. The Company has no forward contracts to reduce the exposure since the Company expects the risk to be minimal. The Company and its subsidiaries do not use foreign currency forward contracts or purchased currency options for trading purposes.

There was no balance of financial assets and liabilities denominated in foreign currencies as at 31 December 2010.

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.

The Company manages its capital position with reference to its debt-to-equity ratio in order to comply with a condition in a long-term loan agreement with a financial institution, which requires the Company to maintain a consolidated debt-to-equity ratio of not more than 2:1.

No changes were made in the objectives, policies or processes during the years end 31 December 2010 and 2009.

30. Subsequent events

- 30.1 On 23 February 2011, the Company received the return of share capital amounting to Baht 45.4 million from a subsidiary (Bumrungrad Medical Center Ltd.) as a result of the further reduction of this subsidiary's registered and paid-up share capital by 5.6 million shares at value of Baht 8.08 each. The subsidiary's share capital reduction was made in accordance with a resolution of the Extraordinary General Meeting of its shareholders, held on 7 January 2011, which approved the reduction of the subsidiary's registered and paid-up share capital from Baht 60.0 million (7.5 million ordinary shares at par value of Baht 8.0 each) to Baht 15.0 million (1.9 million ordinary shares at par value of Baht 8.0 each). The subsidiary registered the decrease in its share capital with the Ministry of Commerce on 17 February 2011.
- 30.2 On 23 February 2011, 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 2011 to adopt a resolution to pay a dividend of Baht 0.90 per share, or a total of Baht 657.0 million, to the shareholders in respect of the 2010 income. The Company already paid an interim dividend of Baht 0.40 per share, or a total of Baht 292.0 million on 9 September 2010. The remaining dividend of Baht 0.50 per share, or a total of Baht 365.0 million will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

31. Reclassifications

Certain amounts in the financial statements for the year ended 31 December 2009 have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications are as follows:

(Unit: Baht)

	Consolidated financial statements			Separate financial statements		
	Previously reported	Increase (Decrease)	As reclassified	Previously reported	Increase (Decrease)	As reclassified
Interest income	1,612,475	(1,612,475)	-	1,378,590	(1,378,590)	-
Other income	96,859,389	1,612,475	98,471,864	93,013,744	1,378,590	94,392,334

32. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2011.