

Bumrungrad Hospital Public Company Limited  
and its subsidiaries  
Review report and interim financial statements  
For the three-month periods ended  
31 March 2011 and 2010

## **Review report of Independent Auditor**

To the Shareholders of Bumrungrad Hospital Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Bumrungrad Hospital Public Company Limited and its subsidiaries as at 31 March 2011, the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2011, and have also review the separate financial statements of Bumrungrad Hospital Public Company Limited for the same period. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my review.

Except for the matter as discussed in the third paragraph, I conducted my reviews in accordance with the auditing standards applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

As discussed in Note 6 to the financial statements, the Company's consolidated financial statements included investment in an associated company under the equity method as at 31 March 2011 amounting to Baht 1,207.6 million and shares of income of the associated company for the three-month period ended 31 March 2011 amounting to Baht 9.7 million. The consolidated financial statements of that associated company mostly comprise figures derived from the financial statements of its overseas subsidiaries, which were prepared by the subsidiaries' management and have not been reviewed by their auditors.

Based on my review, except for the effects of any adjustments to the financial statements for the three-month period ended 31 March 2011 which may be required as a result of the scope limitation imposed by circumstance discussed in the third paragraph, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The consolidated financial statements of Bumrungrad Hospital Public Company Limited and its subsidiaries, and the separate financial statements of Bumrungrad Hospital Public Company Limited for the year ended 31 December 2010 were audited in accordance with generally accepted auditing standards by another auditor of our firm who expressed an unqualified opinion on those statements, under her report dated 23 February 2011. The consolidated and separate statement of financial position as at 31 December 2010, as presented herein for comparative purposes, formed an integral part of the financial statements which that auditor audited and reported on.

The consolidated statements of income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2010 of Bumrungrad Public Company Limited and its subsidiaries and the separate financial statements of Bumrungrad Public Company Limited, for the same period, as presented herein for comparative purposes, formed an integral part of the interim financial statements which were reviewed by the aforementioned auditor who reported, under her report dated 12 May 2010, that nothing had come to her attention that caused her to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles except for the effects of any adjustments to the Company's consolidated financial statements which included investment in an associated company under the equity method as at 31 March 2010 amounting to Baht 1,237.6 million and shares of income of the associated company for the three-month period ended 31 March 2010 amounting to Baht 9.2 million. The consolidated financial statements of that associated company mostly comprise figures derived from the financial statements of its overseas subsidiaries, which were prepared by the subsidiaries' management and have not been reviewed by their auditors.

As described in Note 1.4 to the financial statements, during the current period, the Company adopted the revised and new accounting standards issued by the Federation of Accounting Professions, and applied them in its preparation and presentation of the interim financial statements.

Sumalee Reewarabandith  
Certified Public Accountant (Thailand) No. 3970

Ernst & Young Office Limited  
Bangkok: 11 May 2011

**Bumrungrad Hospital Public Company Limited and its subsidiaries**

**Statements of financial position**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		
	Note	31 March 2011 (Unaudited but reviewed)	31 December 2010 (Audited)	31 March 2011 (Unaudited but reviewed)	31 December 2010 (Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		1,311,064	627,492	1,253,054	576,807
Trade accounts receivable - net	3	902,440	946,401	894,282	938,467
Amounts due from related parties	4	5,527	4,675	11,055	10,533
Advances to employees and directors		7,898	7,292	7,898	7,292
Short-term loan to and interest receivable from a related party	4	-	-	24,768	19,277
Inventories		206,349	217,702	198,337	208,799
Prepaid expenses		75,758	49,022	72,611	46,656
Other current assets		4,735	2,363	2,475	1,226
<b>Total current assets</b>		<b>2,513,771</b>	<b>1,854,947</b>	<b>2,464,480</b>	<b>1,809,057</b>
<b>Non-current assets</b>					
Investments in subsidiaries - net	5	-	-	93,676	97,545
Investments in associated companies - net	6	4,780,124	1,209,893	4,576,391	1,013,453
Other long-term investments - net		2,247	2,247	2,047	2,047
Property, plant and equipment - net	7	5,700,472	5,784,672	5,737,572	5,793,826
Intangible assets - net	8	286,067	282,290	310,062	307,236
Other non-current assets		17,346	17,628	17,176	17,501
<b>Total non-current assets</b>		<b>10,786,256</b>	<b>7,296,730</b>	<b>10,736,924</b>	<b>7,231,608</b>
<b>Total assets</b>		<b>13,300,027</b>	<b>9,151,677</b>	<b>13,201,404</b>	<b>9,040,665</b>

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

**Bumrungrad Hospital Public Company Limited and its subsidiaries**

**Statements of financial position (continued)**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		
	Note	31 March 2011 (Unaudited but reviewed)	31 December 2010 (Audited)	31 March 2011 (Unaudited but reviewed)	31 December 2010 (Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loan from financial institution	9	3,570,000	100,000	3,570,000	100,000
Trade accounts payable		577,571	555,762	569,907	548,169
Construction and medical equipment payables		24,177	51,045	24,177	51,045
Amounts due to related parties	4	-	194	28,222	194
Short-term loan from and interest payable to a related party	4	-	-	35,065	81,000
Current portion of long-term loans from financial institution	10	142,500	-	142,500	-
Accrued physicians' fees		405,710	405,444	402,601	395,065
Interest payable		3,458	388	3,458	388
Interest payable - convertible bonds treated as equity securities		3,205	11,575	3,205	11,575
Corporate income tax payable		433,406	252,379	423,902	246,706
Accrued expenses		317,255	205,733	310,987	204,160
Accounts payable - others		13,697	13,381	12,544	12,590
Other current liabilities		34,420	56,340	28,972	47,725
<b>Total current liabilities</b>		<b>5,525,399</b>	<b>1,652,241</b>	<b>5,555,540</b>	<b>1,698,617</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institution	10	1,287,500	1,430,000	1,287,500	1,430,000
Provision for long-term employee benefits		280,959	-	276,854	-
<b>Total non-current liabilities</b>		<b>1,568,459</b>	<b>1,430,000</b>	<b>1,564,354</b>	<b>1,430,000</b>
<b>Total liabilities</b>		<b>7,093,858</b>	<b>3,082,241</b>	<b>7,119,894</b>	<b>3,128,617</b>

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

**Bumrungrad Hospital Public Company Limited and its subsidiaries**

**Statements of financial position (continued)**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		
	Note	31 March 2011 (Unaudited but reviewed)	31 December 2010 (Audited)	31 March 2011 (Unaudited but reviewed)	31 December 2010 (Audited)
<b>Shareholders' equity</b>					
Share capital	11				
Registered					
921,034,085 ordinary shares of Baht 1 each (31 December 2010: 920,987,785 ordinary shares of Baht 1 each)		921,034	920,988	921,034	920,988
1,668,600 preference shares of Baht 1 each (31 December 2010: 1,714,900 ordinary shares of Baht 1 each)		1,669	1,715	1,669	1,715
Issued and paid-up					
728,383,622 ordinary shares of Baht 1 each (31 December 2010: 728,337,322 ordinary shares of Baht 1 each)		728,383	728,337	728,383	728,337
1,668,600 preference shares of Baht 1 each (31 December 2010: 1,714,900 ordinary shares of Baht 1 each)		1,669	1,715	1,669	1,715
Premium on ordinary shares		285,568	285,568	285,568	285,568
Convertible bonds treated as equity securities		550,000	550,000	550,000	550,000
Excess of investment over book value of a subsidiary		(192,662)	(192,662)	-	-
Other paid-in capital of an associated company		252,173	252,173	-	-
Retained earnings					
Appropriated - statutory reserve		92,275	92,275	92,275	92,275
Unappropriated		4,568,363	4,436,142	4,423,615	4,254,153
Other components of shareholders' equity		(79,600)	(84,112)	-	-
<b>Total shareholders' equity</b>		<b>6,206,169</b>	<b>6,069,436</b>	<b>6,081,510</b>	<b>5,912,048</b>
<b>Total liabilities and shareholders' equity</b>		<b>13,300,027</b>	<b>9,151,677</b>	<b>13,201,404</b>	<b>9,040,665</b>
		-	-	-	-

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

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Directors  
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(Unaudited but reviewed)

**Bumrungrad Hospital Public Company Limited and its subsidiaries****Income statements**

For the three-month periods ended 31 March 2011 and 2010

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
<b>Revenues</b>					
Revenues from hospital operations	4	2,738,279	2,554,403	2,693,189	2,515,637
Rental income	4	29,873	36,917	31,236	43,525
Interest income	4	1,637	375	1,917	344
Exchange gains		10,856	9,670	10,773	9,725
Dividend income from a subsidiary	4	-	-	-	204,771
Other income	4	22,401	27,061	21,429	22,950
<b>Total revenues</b>		<b>2,803,046</b>	<b>2,628,426</b>	<b>2,758,544</b>	<b>2,796,952</b>
<b>Expenses</b>					
Cost of hospital operations	4	1,587,353	1,511,406	1,572,337	1,493,773
Depreciation and amortisation		158,567	140,838	157,510	130,305
Administrative expenses	4	445,358	437,672	423,611	434,261
Allowance for loss on impairment of investment in subsidiary (reversal)	5	-	-	(41,570)	212,000
<b>Total expenses</b>		<b>2,191,278</b>	<b>2,089,916</b>	<b>2,111,888</b>	<b>2,270,339</b>
<b>Profit before share of income from investments in joint venture and associate, finance cost and corporate income tax</b>					
		611,768	538,510	646,656	526,613
Share of loss from investment in joint venture		-	(1)	-	-
Share of income from investments in associated companies	6	10,538	10,045	-	-
<b>Profit before finance cost and corporate income tax</b>		<b>622,306</b>	<b>548,554</b>	<b>646,656</b>	<b>526,613</b>
Finance cost	4	(21,333)	(15,703)	(21,664)	(17,058)
<b>Income before corporate income tax</b>		<b>600,973</b>	<b>532,851</b>	<b>624,992</b>	<b>509,555</b>
Corporate income tax	12	(185,148)	(163,616)	(182,731)	(150,878)
<b>Profit for the period</b>		<b>415,825</b>	<b>369,235</b>	<b>442,261</b>	<b>358,677</b>
					(Unit: Baht)
<b>Earnings per share</b>					
13					
Basic earnings per share					
Profit for the period		0.57	0.51	0.61	0.49
Diluted earnings per share					
Profit for the period		0.48	0.43	0.51	0.41

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

(Unaudited but reviewed)

**Bumrungrad Hospital Public Company Limited and its subsidiaries**

**Statements of comprehensive income**

**For the three-month periods ended 31 March 2011 and 2010**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<b>Profit for the period</b>	<u>415,825</u>	<u>369,235</u>	<u>442,261</u>	<u>358,677</u>
<b>Other comprehensive income:</b>				
Exchange differences on translation of financial statements in foreign currency	<u>4,512</u>	<u>(22,851)</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income for the period</b>	<u>4,512</u>	<u>(22,851)</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u><u>420,337</u></u>	<u><u>346,384</u></u>	<u><u>442,261</u></u>	<u><u>358,677</u></u>

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



(Unaudited but reviewed)

**Bumrungrad Hospital Public Company Limited and its subsidiaries****Cash flow statements****For the three-month periods ended 31 March 2011 and 2010**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<b>Cash flows from operating activities</b>				
Profit before tax	600,973	532,851	624,992	509,555
Adjustments to reconcile income before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	158,567	140,838	157,510	130,305
Allowance for loss on impairment of investment in subsidiary (reversal)	-	-	(41,570)	212,000
Bad debts and allowance for doubtful accounts	(87)	12,316	(693)	13,049
Loss on sales of equipment	2,011	192	2,011	192
Provision for long-term employee benefits	12,224	-	12,069	-
Dividend income from a subsidiary	-	-	-	(204,771)
Share of loss from investment in joint venture	-	1	-	-
Share of income from investments in associated companies	(10,538)	(10,045)	-	-
Interest expense	21,333	15,703	21,664	17,058
Profit from operating activities before changes in operating assets and liabilities	784,483	691,856	775,983	677,388
Operating assets (increase) decrease				
Trade accounts receivable	44,048	(179,406)	44,878	(178,354)
Amounts due from related parties	(852)	(5,945)	(522)	(17,654)
Inventories	11,353	(10,329)	10,462	(8,648)
Other current assets	(29,108)	(599)	(27,204)	(3,010)
Operating liabilities increase (decrease)				
Trade accounts payable	21,809	56,809	21,738	59,524
Amounts due to related parties	(194)	-	28,028	24
Accrued physicians' fees	266	27,426	7,536	27,426
Accrued expenses	111,522	11,733	106,827	12,223
Accounts payable - others	372	1,483	10	1,293
Other current liabilities	(21,920)	(15,175)	(18,753)	(14,534)
Cash flows from operating activities	921,779	577,853	948,983	555,678
Cash paid for interest expense	(18,263)	(16,225)	(18,529)	(17,580)
Cash paid for corporate income tax	(4,121)	(15,087)	(5,535)	(5,122)
<b>Net cash flows from operating activities</b>	<b>899,395</b>	<b>546,541</b>	<b>924,919</b>	<b>532,976</b>

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

(Unaudited but reviewed)

**Bumrungrad Hospital Public Company Limited and its subsidiaries****Cash flow statements (continued)****For the three-month periods ended 31 March 2011 and 2010**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<b>Cash flows from investing activities</b>				
Increase in advances to employees and directors	(606)	(1,975)	(606)	(1,997)
Increase in short-term loan to and interest receivable from a subsidiary	-	-	(5,491)	-
Dividend received from a subsidiary	-	-	-	204,771
Acquisition of plant and equipment and repayment of construction and medical equipment payables	(92,174)	(193,536)	(119,085)	(354,719)
Proceeds from sales of equipment	941	5,605	941	5,605
Acquisition of computer software	(14,872)	(13,333)	(14,817)	(13,296)
Cash receipt from a subsidiary's share capital reduction	-	-	45,439	-
Acquisition of investment in an associated company	(3,562,938)	-	(3,562,938)	-
Decrease (increase) in other non-current assets	282	(858)	325	2,160
<b>Net cash flows used in investing activities</b>	<b>(3,669,367)</b>	<b>(204,097)</b>	<b>(3,656,232)</b>	<b>(157,476)</b>
<b>Cash flows from financing activities</b>				
Repayment of short-term loan from financial institution	(100,000)	(190,000)	(100,000)	(190,000)
Cash receipt from short-term loan from financial institution	3,570,000	-	3,570,000	-
Cash receipt from long-term loan from a related party	-	-	-	5,000
Repayment of long-term loan from a related party	-	-	(46,000)	(14,827)
Dividend paid	(56)	(20)	(56)	(20)
Interest paid for convertible bonds treated as equity securities	(16,384)	(16,384)	(16,384)	(16,384)
<b>Net cash flows from (used in) financing activities</b>	<b>3,453,560</b>	<b>(206,404)</b>	<b>3,407,560</b>	<b>(216,231)</b>
<b>Decrease in translation adjustment</b>	<b>(16)</b>	<b>(19)</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>683,572</b>	<b>136,021</b>	<b>676,247</b>	<b>159,269</b>
Cash and cash equivalents at beginning of period	627,492	386,641	576,807	333,440
<b>Cash and cash equivalents at end of period</b>	<b>1,311,064</b>	<b>522,662</b>	<b>1,253,054</b>	<b>492,709</b>
	-	-	-	-
<b>Supplement cash flow information</b>				
Non-cash transaction				
Acquisition of building by issuing, promissory note	-	-	-	776,000
Acquisition of medical equipment from a subsidiary by recording in amounts due to related parties	-	-	29,072	-
Adjustment of reserve for long-term employee benefits with the beginning balance of retained earnings	275,590	-	264,785	-

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

(Unaudited but reviewed)

**Bumrungrad Hospital Public Company Limited and its subsidiaries****Statements of changes in shareholders' equity****For the three-month periods ended 31 March 2011 and 2010**

(Unit: Thousand Baht)

**Consolidated financial statements**

	Issued and paid-up share capital		Premium on ordinary shares	Convertible bonds treated as equity securities	Excess of investment over book value of a subsidiary	Other paid-in capital of an associated company	Retained earnings		Exchange differences on translation of financial statements in foreign currency	Total shareholders' equity
	Ordinary shares	Preference shares					Appropriated	Unappropriated		
<b>Balance as at 31 December 2009</b>	728,304	1,748	285,568	550,000	(192,662)	252,173	92,275	3,830,655	(75,451)	5,472,610
Preference shares converted to ordinary shares (Note 11)	33	(33)	-	-	-	-	-	-	-	-
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	-	-	(8,014)	-	(8,014)
Total comprehensive income for the period	-	-	-	-	-	-	-	369,235	(22,851)	346,384
<b>Balance as at 31 March 2010</b>	<u>728,337</u>	<u>1,715</u>	<u>285,568</u>	<u>550,000</u>	<u>(192,662)</u>	<u>252,173</u>	<u>92,275</u>	<u>4,191,876</u>	<u>(98,302)</u>	<u>5,810,980</u>
<b>Balance as at 31 December 2010</b>	728,337	1,715	285,568	550,000	(192,662)	252,173	92,275	4,436,142	(84,112)	6,069,436
Cumulative effect of change in accounting policy for employee benefits (Note 1.4)	-	-	-	-	-	-	-	(275,590)	-	(275,590)
Preference shares converted to ordinary shares (Note 11)	46	(46)	-	-	-	-	-	-	-	-
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	-	-	(8,014)	-	(8,014)
Total comprehensive income for the period	-	-	-	-	-	-	-	415,825	4,512	420,337
<b>Balance as at 31 March 2011</b>	<u>728,383</u>	<u>1,669</u>	<u>285,568</u>	<u>550,000</u>	<u>(192,662)</u>	<u>252,173</u>	<u>92,275</u>	<u>4,568,363</u>	<u>(79,600)</u>	<u>6,206,169</u>
	-	-	-	-	-	-	-	-	-	-

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

(Unaudited but reviewed)

**Bumrungrad Hospital Public Company Limited and its subsidiaries****Statements of changes in shareholders' equity (Continued)****For the three-month periods ended 31 March 2011 and 2010**

(Unit: Thousand Baht)

	<b>Separate financial statements</b>						
	Issued and paid-up share capital		Premium on ordinary shares	Convertible bonds treated as equity securities	Retained earnings		Total shareholders' equity
	Ordinary shares	Preference shares			Appropriated	Unappropriated	
<b>Balance as at 31 December 2009</b>	728,304	1,748	285,568	550,000	92,275	3,606,960	5,264,855
Preference shares converted to ordinary shares (Note 11)	33	(33)	-	-	-	-	-
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(8,014)	(8,014)
Total comprehensive income for the period	-	-	-	-	-	358,677	358,677
<b>Balance as at 31 March 2010</b>	<u>728,337</u>	<u>1,715</u>	<u>285,568</u>	<u>550,000</u>	<u>92,275</u>	<u>3,957,623</u>	<u>5,615,518</u>
<b>Balance as at 31 December 2010</b>	728,337	1,715	285,568	550,000	92,275	4,254,153	5,912,048
Cumulative effect of change in accounting policy for employee benefits (Note 1.4)	-	-	-	-	-	(264,785)	(264,785)
Preference shares converted to ordinary shares (Note 11)	46	(46)	-	-	-	-	-
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(8,014)	(8,014)
Total comprehensive income for the period	-	-	-	-	-	442,261	442,261
<b>Balance as at 31 March 2011</b>	<u>728,383</u>	<u>1,669</u>	<u>285,568</u>	<u>550,000</u>	<u>92,275</u>	<u>4,423,615</u>	<u>6,081,510</u>
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

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

**Bumrungrad Hospital Public Company Limited and its subsidiaries**

**Notes to interim financial statements**

**For the three-month periods ended 31 March 2011 and 2010**

**1. General information**

**1.1 Corporate information**

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

**1.2 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2009) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income statement, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

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

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

**1.3 Basis of consolidation**

These interim consolidated financial statements include the financial statements of Bumrungrad Hospital Public Company Limited and its subsidiaries (collectively “the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2010. There have been no changes in the composition of the Group during the current period.

#### 1.4 Application of new accounting standards during the period

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

##### Accounting standards:

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

##### Financial reporting standards:

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



## **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. Previously, the Group elected to expense such borrowing costs when incurred. The Group applies the new accounting policy to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2011.

### **1.5 Significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2010, except for the changes in the following accounting policies due to the adoption of revised and new accounting standards.

#### ***Employee benefits***

##### *Post-employment benefits (Defined contribution plans)*

The Group have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

##### *Post-employment benefits (Defined benefit plans) and other long-term employee benefits*

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rates.

For the first-time adoption of TAS 19 Employee Benefits, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in the current period.



**Borrowing costs**

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. All other 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.

**2. New accounting standards issued during the period not yet effective**

During the current period, the Federation of Accounting Professions issued the below listed new accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting Standard Interpretations:

SIC 10 Government Assistance - No Specific Relation to Operating Activities

SIC 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets

SIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

**3. Trade accounts receivable**

The balances of trade accounts receivable, aged on the basis of due dates, are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
<b>Age of receivables</b>				
Not yet due	368,304	278,108	365,967	277,059
Past due				
1 - 30 days	201,994	148,895	200,068	146,870
31 - 60 days	106,556	97,306	106,038	96,543
61 - 90 days	44,634	60,429	44,301	59,578
91 - 180 days	35,485	192,985	33,517	190,591
181 - 365 days	82,978	114,420	81,108	112,715
More than 365 days	177,517	170,095	173,131	166,374
Total	1,017,468	1,062,238	1,004,130	1,049,730
Less: Allowance for doubtful debts	(115,028)	(115,837)	(109,848)	(111,263)
Trade accounts receivable - net	902,440	946,401	894,282	938,467

#### 4. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and based agreed upon between the Company and those related parties.

	For the three-month periods ended 31 March				(Unit: Million Baht)
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2011	2010	2011	2010	
<b>Transactions with subsidiaries</b>					
(eliminated from the consolidated financial statements)					
Medical service income	-	-	5.3	3.6	Market price
Rental income	-	-	1.4	6.9	As per contracts 4.1)
Interest income	-	-	0.3	-	MLR less 1.00% p.a.
Dividend income	-	-	-	204.8	As declared
Lab service expense	-	-	5.6	2.5	Market price
Rental expense	-	-	-	22.2	As per contract 4.2)
Purchase of hospital building	-	-	-	938.0	As per contract 4.2)
Interest expense	-	-	0.3	1.4	2.19% p.a. (2010: 2.50% p.a.)
<b>Transactions with associated companies</b>					
Rental income	0.1	0.2	0.1	0.2	Actual paid
Consulting fee income	2.0	2.6	2.0	2.6	As per contract 4.3)
Consulting fee expense	1.1	-	1.1	-	Fixed rate per hours as stated in the agreements multiplied with actual hours worked
<b>Transactions with related companies</b>					
Medical service income	12.7	10.3	12.7	10.3	Market price
Other income	0.5	1.1	0.5	1.1	At cost
Donation expense	6.6	12.0	6.6	12.0	-
Insurance expense	6.8	8.9	6.7	8.9	As per insurance policies
Credit card commission fees	18.2	17.9	18.2	17.9	Market price
Interest on convertible bonds paid	8.0	8.0	8.0	8.0	10.00% p.a. and 1.00% p.a.

4.1) 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.

- 4.2) 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.
- 4.3) In June 2006, the Company has entered into a Consulting Support Agreement with an associated company (Bumrungrad International Ltd.). The associated company is obliged to pay such fee at a fixed rate per annum, as stipulated in the agreement. Subsequently, the parties had amended the agreement by revising the fixed consulting fee to be Baht 10.0 million per annum and additional fee for consulting service provided by employees of the Company to the associated company at the rates per agreement multiplied with actual hours worked, starting from 1 January 2009 onwards. The agreement will expire according to the agreement's conditions.

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
<b>Amounts due from related parties</b>				
<u>Subsidiaries</u>				
Bumrungrad Medical Center Ltd.	-	-	12	13
Vitallife Corporation Ltd.	-	-	-	767
Asia Global Health Ltd.	-	-	4,869	4,869

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Asia Global Research Ltd.	-	-	659	263
<u>Associated company</u>				
Bumrungrad International Ltd.	2,184	61	2,172	7
<u>Related party</u>				
The Bumrungrad Hospital Foundation	3,343	4,614	3,343	4,614
Total	<u>5,527</u>	<u>4,675</u>	<u>11,055</u>	<u>10,533</u>
<b>Amounts due to a related party</b>				
<u>Subsidiary</u>				
Vitalife Corporation Ltd.	-	-	28,222	-
<u>Associated company</u>				
Bumrungrad International Ltd.	-	194	-	194
Total	<u>-</u>	<u>194</u>	<u>28,222</u>	<u>194</u>
<b>Short-term loan to and interest receivable from a related party</b>				
<u>Subsidiary</u>				
Asia Global Research Ltd.	<u>-</u>	<u>-</u>	<u>24,768</u>	<u>19,277</u>
<b>Short-term loan from and interest payable to a related party</b>				
<u>Subsidiary</u>				
Bumrungrad Medical Center Ltd.	<u>-</u>	<u>-</u>	<u>35,065</u>	<u>81,000</u>

As at 31 March 2011, the short-term loan to Asia Global Research Ltd. carries interest at the rate of MLR less 1.00% per annum (31 December 2010: 1.00% per annum).

As at 31 March 2011, the short-term loan from Bumrungrad Medical Center Ltd. carries interest at the rate of 2.19% per annum (31 December 2010: 1.16% per annum).

During the period, movements of loan to and loan from related parties were as follows:

(Unit: Thousand Baht)

	Balance as at	During the period		Balance as at
	31 December	Increase	Decrease	31 March
	2010			2011
<b>Short-term loan to and interest receivable from a related party</b>				
<u>Subsidiary</u>				
Asia Global Research Ltd.				
Principal	19,200	5,200	-	24,400
Interest receivable	77	291	-	368
Total	<u>19,277</u>	<u>5,491</u>	<u>-</u>	<u>24,768</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Balance as at 31 December 2010	During the period		Balance as at 31 March 2011
		Increase	Decrease	
<b>Short-term loan from and interest payable to a related party</b>				
<u>Subsidiary</u>				
Bumrungrad Medical Center Ltd.				
Principal	81,000	-	(46,000)	35,000
Interest payable	-	65	-	65
	<u>81,000</u>	<u>65</u>	<u>(46,000)</u>	<u>35,065</u>

### Directors and management's benefits

During the three-month period ended 31 March 2011, the Company and its subsidiaries had salaries, bonuses, meeting allowances and gratuities of their directors and management recognised as expenses totaling Baht 23.4 million (Separate financial statements: Baht 17.3 million) (2010: Baht 29.8 million, Separate financial statements: Baht 24.8 million).

## 5. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
	31 March 2011	31 December 2010	31 March 2011 (%)	31 December 2010 (%)	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Bumrungrad Medical Center Ltd.	15,000	60,000	100.00	100.00	26,464	105,859	-	75,526	26,464	30,333
Vitalife Corporation Ltd.	31,500	31,500	100.00	100.00	25,610	25,610	-	-	25,610	25,610
Asia Global Health Ltd.	21,602	21,602	100.00	100.00	21,602	21,602	-	-	21,602	21,602
Asia Global Research Ltd.	20,000	20,000	100.00	100.00	20,000	20,000	-	-	20,000	20,000
<b>Total</b>					<b>93,676</b>	<b>173,071</b>	<b>-</b>	<b>75,526</b>	<b>93,676</b>	<b>97,545</b>

## Reduction of share capital of a subsidiary

During the three-month period ended 31 March 2011, 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
3	7 January 2011	17 February 2011	60.0	45.0	15.0

Using the cost method, the share capital reductions of the subsidiary resulted in a loss of Baht 34.0 million, as the investment acquisition cost (Baht 14.11 per share) is higher than the amount per share returned to the shareholders (Baht 8.08 per share). During the period, the Company reverse the allowance for impairment of investment, resulting in net gain incurred from the subsidiary's share capital reduction of Baht 41.6 million presented in the separate income statement for the three-month period ended 31 March 2011.

## 6. Investments in associated companies

### 6.1 Details of investments in associated companies

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010
			(%)	(%)				
Bumrungrad International Ltd.	Holding company	Thailand	31.50	31.50	1,007,790	1,007,790	1,207,586	1,200,198
CDE Trading Ltd.	Temporary cease its operation	Thailand	30.00	30.00	21,663	21,663	(15,195)	(16,018)
Bangkok Chain Hospital Public Company Limited	Private hospital operation	Thailand	24.99	-	3,562,938	-	3,562,938	-
Total					<u>4,592,391</u>	<u>1,029,453</u>	<u>4,755,329</u>	<u>1,184,180</u>
Add: Deferred gain on sales of computer software - net							24,795	25,713
Total							<u>4,780,124</u>	<u>1,209,893</u>

(Unit: Thousand Baht)

Company's name	Separate financial statements									
	Shareholding		Cost				Allowance for impairment of investments		Carrying amounts based on cost method - net	
	percentage									
	31	31	31	31	31	31	31	31	31	
March	December	March	December	March	December	March	December	March	December	
2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	
(%)	(%)									
Bumrungrad International Ltd.	31.50	31.50	1,007,790	1,007,790	-	-	1,007,790	1,007,790		
CDE Trading Ltd.	30.00	30.00	21,663	21,663	16,000	16,000	5,663	5,663		
Bangkok Chain Hospital Public Company Limited	24.99	-	3,562,938	-	-	-	3,562,938	-		
<b>Total</b>			<b>4,592,391</b>	<b>1,029,453</b>	<b>16,000</b>	<b>16,000</b>	<b>4,576,391</b>	<b>1,013,453</b>		

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 8 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.

On 18 March 2011, the Company acquired common shares of Bangkok Chain Hospital Public Company Limited doing business as Kasemrad Hospital Group ("Kasemrad") in an amount of 415,624,000 shares or equivalent to 24.99% of total issued and paid-up shares at acquisition price of Baht 8.50 per share. The transaction value is Baht 3,562.9 million (included investment acquisition expenses). That company is an associated company of the Company since 18 March 2011, regarding to this, the Company's management considered to not recognise the share of income (loss) from investment in this associated company based on equity method in the consolidated financial statements in the first quarter of 2011 and will start to recognise the share of income (loss) in the second quarter of 2011 onward.

## 6.2 Share of income

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



(Unaudited but reviewed)

(Unit: Thousand Baht)

Share of income from investments  
in associates during the three-  
month periods ended 31 March

Company's name	Share of income from investments in associates during the three- month periods ended 31 March	
	2011	2010
Bumrungrad International Ltd.	9,715	9,201
CDE Trading Ltd.	823	844
Total	10,538	10,045

The investment in an associated company (Bumrungrad International Ltd.) which carrying amount under the equity method as at 31 March 2011 and 2010 amounting to Baht 1,207.6 million and Baht 1,237.6 million, respectively, and shares of income of the associated company for the three-month period ended 31 March 2011 and 2010 amounting to Baht 9.7 million and Baht 9.2 million, respectively, were calculated from the consolidated financial statements of that associated company which mostly comprise figures derived from the financial statements of its overseas subsidiaries and were prepared by the subsidiaries' management and have not been reviewed by their auditors.

### 6.3 Fair value investments in listed associates

In respect of investments in associated companies that are listed companies on the Stock Exchange of Thailand, their fair values are as follows:

(Unit: Thousand Baht)

Company's name	Fair values as at	
	31 March 2011	31 December 2010
Bangkok Chain Hospital Public Company Limited	2,930,149	-

### 6.4 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 three-month periods ended		Net profit for the three-month periods ended	
	31 March		31 March		31 March		31 March		31 March	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Bumrungrad International Ltd.	3,199.3	3,199.3	6,082.7	7,157.3	1,516.6	2,500.2	398.5	1,028.7	31.3	47.0
CDE Trading Ltd.	10.0	10.0	32.1	19.7	0.1	0.1	-	-	0.3	0.1
Bangkok Chain Hospital Public Company Limited	1,662.5	-	5,436.0	-	2,065.0	-	990.4	-	143.1	-

**7. Property, plant and equipment**

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2011</b>	5,784,672	5,793,826
Acquisitions during period - at cost	65,306	92,217
Disposals during period - net book value at disposal date	(2,952)	(2,952)
Depreciation for the period	(146,554)	(145,519)
<b>Net book value as at 31 March 2011</b>	<u>5,700,472</u>	<u>5,737,572</u>

As at 31 March 2011, the Company has mortgaged its land and hospital buildings with a total net book value of Baht 2,353.3 million (31 December 2010: 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 (31 December 2010: 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.

**8. Intangible assets**

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2011</b>	282,290	307,236
Acquisition during period - at cost	14,872	14,817
Amortisation for the period	(12,013)	(11,991)
Realised gain on sales of software for period	918	-
<b>Net book value as at 31 March 2011</b>	<u>286,067</u>	<u>310,062</u>

**9. Short-term loan from financial institution**

Tranche	Interest rate	Due date	(Unit: Thousand Baht)			
			Consolidated financial statements		Separate financial statements	
			31 March 2011	31 December 2010	31 March 2011	31 December 2010
C (Promissory note)	2.40% p.a.	28 January 2011	-	100,000	-	100,000
Baht 5,000 million	3.70% p.a.	23 September 2011	3,570,000	-	3,570,000	-
<b>Total</b>			<u>3,570,000</u>	<u>100,000</u>	<u>3,570,000</u>	<u>100,000</u>

Short-term loan from financial institution as at 31 December 2010 amounting to Baht 100.0 million is secured by the same collaterals as the long-term loans from financial institution.

On 18 March 2011, the Company entered into a credit facility agreement with a local commercial bank to obtain credit facility, as detailed below.

Credit facilities	Interest rate	Facility objective	Availability period	Repayment period
(Million Baht)	(%)			
5,000.0	3.70% p.a.	For investment	six-month	Within one year from the first utilisation date

As at 31 March 2011, the Company has credit facility which have not been drawdown amounting to Baht 1,430.0 million.

## 10. Long-term loans from financial institution

Tranche	Interest rate (%)	Repayment schedule	Consolidated		(Unit: Thousand Baht) Separate	
			financial statements		financial statements	
			31 March 2011	31 December 2010	31 March 2011	31 December 2010
A	MLR less fixed rate	20 quarterly installments, commencing January 2012	1,420,000	1,420,000	1,420,000	1,420,000
B	MLR less fixed rate	20 quarterly installments, commencing March 2012	10,000	10,000	10,000	10,000
Total			1,430,000	1,430,000	1,430,000	1,430,000
Less: Portion due within one year			(142,500)	-	(142,500)	-
Portion due more than one year			1,287,500	1,430,000	1,287,500	1,430,000

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 March 2011, the Company has credit facilities which have not been drawdown amounting to Baht 1,390.0 million (31 December 2010: Baht 1,290.0 million).

**11. Share capital**

In the first quarter of 2011, 46,300 preference shares (2010: 32,850 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 10 March 2011.

**12. Corporate income tax**

Corporate income tax for the periods of the Company and subsidiaries have been calculated by multiplying income before income tax for the period by the estimated effective tax rate for the year.

**13. Earnings per share**

Basic earnings per share is calculated by dividing profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the 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					
	For the three-month periods ended 31 March					
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2011	2010	2011	2010	2011	2010
(Thousand Baht)	(Thousand Baht)	(Shares)	(Shares)	(Baht)	(Baht)	
<b>Basic earnings per share</b>						
Profit for the period	415,825	369,235	728,348,125	728,312,137	0.57	0.51
<b>Effect of dilutive potential ordinary shares</b>						
Preference shares	-	-	1,704,097	1,740,085		
Convertible bonds	-	-	137,362,637	137,362,637		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>415,825</u>	<u>369,235</u>	<u>867,414,859</u>	<u>867,414,859</u>	0.48	0.43

	Separate financial statements					
	For the three-month periods ended 31 March					
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2011	2010	2011	2010	2011	2010
(Thousand Baht)	(Thousand Baht)	(Shares)	(Shares)	(Baht)	(Baht)	
<b>Basic earnings per share</b>						
Profit for the period	442,261	358,677	728,348,125	728,312,137	0.61	0.49
<b>Effect of dilutive potential ordinary shares</b>						
Preference shares	-	-	1,704,097	1,740,085		
Convertible bonds	-	-	137,362,637	137,362,637		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>442,261</u>	<u>358,677</u>	<u>867,414,859</u>	<u>867,414,859</u>	0.51	0.41

#### 14. 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.

#### 15. Commitments and contingent liabilities

##### 15.1 Capital commitments

As at 31 March 2011, the Company has capital commitments to pay a total of Baht 2.4 million (31 December 2010: Baht 3.4 million) in relation to the renovation agreement of building and Baht 39.8 million (31 December 2010: Baht 31.3 million) in respect of purchase of medical instruments and hospital equipment.

##### 15.2 Operating lease and long-term service commitments

The Company has entered into 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 March 2011, 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	0.2	0.1	-	0.3
2) Nursing dormitory land rental expense (shall be extended for a further period of 30 years)	0.8	6.5	10.6	17.9
3) Lease of land and building for operating service apartment (shall be extended for a further period of 2 years)	24.3	34.5	-	58.8
4) Lease of building for nursing dormitory and related services (shall be renewed automatically)	10.8	9.6	-	20.4
5) Maintenance service fee for medical instruments	80.2	74.0	-	154.2
6) Rental and maintenance service fee for cars	8.1	19.3	-	27.4

### 15.3 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 March 2011, there was a minimum amount of Baht 186.8 million (31 December 2010: Baht 215.4 million) which the Company required to purchase according to the contracts.

### 15.4 Uncalled portion of investment in subsidiary

As at 31 March 2011 and 31 December 2010, 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.).

## **15.5 Bank guarantees**

As at 31 March 2011 and 31 December 2010, 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.

## **16. Subsequent events**

16.1 On 19 April 2011, an associate (Bumrungrad International Limited) registered the reduction of its registered and paid-up share capital from Baht 3,199.3 million (31,993,367 ordinary shares at par value of Baht 100.00 each) to Baht 1,176.0 million (11,760,000 ordinary shares at par value of Baht 100.00 each), with the Ministry of Commerce. The associate's share capital reduction was made in accordance with a resolution of the Extraordinary General Meeting of its shareholders held on 14 March 2011. The Company received a return of share capital in proportion to its 31.5 percent shareholding in the associate on 19 April 2011, amounting to Baht 612.6 million (6,373,506 shares at a value of Baht 96.12 each). As a result, Bumrungrad International Limited is still is an associate of the Company.

16.2 On 26 April 2011, the 2011 Annual General Meeting of Shareholders of an associate (Bangkok Chain Hospital Public Company Limited) approved a dividend payment from the associate's retained earnings as at 31 December 2010, in the form of a share dividend with a value of Baht 0.20 per share and a cash dividend of Baht 0.125 per share. The associated company paid interim dividend of Baht 0.100 in September 2010, thus there is a cash dividend remaining of Baht 0.025. The total value of the dividend to be paid to the Company is thus Baht 93.5 million. The dividend is to be paid on 18 May 2011.

16.3 On 27 April 2011, the Company's Annual General Meeting of Shareholders for 2011 approved the payment of a final dividend of Baht 0.50 per share from the Company's net income for the year ended 31 December 2010 to the Company's preference and ordinary shareholders. This constitutes a total dividend of Baht 365.0 million which is to be paid on 24 May 2011. The meeting also acknowledged payment of interim dividend of Baht 0.40 per share.

## **17. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 May 2011.