

Bumrungrad Hospital Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month periods ended
31 March 2012 and 2011

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Bumrungrad Hospital Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Bumrungrad Hospital Public Company Limited and its subsidiaries as at 31 March 2012, the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the three-month periods ended 31 March 2012 and 2011, as well as the condensed notes to the consolidated financial statements, and have also reviewed the separate financial information of Bumrungrad Hospital Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my reviews.

Scope of review

I conducted my reviews in accordance with Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Accounting Standard 34 *Interim Financial Reporting*.

Statements of financial position as at 31 December 2011 for comparative purposes

I have previously audited 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 2011 in accordance with auditing standards, and expressed an unqualified opinion on those statements under my report dated 27 February 2012. The consolidated and separate statements of financial position as at 31 December 2011, as presented herein for comparative purposes, formed an integral part of those financial statements. I have not performed any other audit procedures subsequent to the date of the above report.

Sumalee Reewarabandith
Certified Public Accountant (Thailand) No. 3970

Ernst & Young Office Limited
Bangkok: 9 May 2012

Bumrungrad Hospital Public Company Limited and its subsidiaries

Statements of financial position

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	31 March 2012	31 December 2011	31 March 2012	31 December 2011
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		2,231,223	1,260,731	2,151,086	1,186,267
Trade and other receivables	3	1,164,867	1,126,061	1,165,858	1,125,460
Prepaid expenses		71,123	48,621	68,443	46,393
Short-term loan to and interest receivable from a related party	4	-	-	674	665
Inventories		242,548	265,740	235,349	258,702
Other current assets		7,095	3,134	4,682	3,979
Total current assets		3,716,856	2,704,287	3,626,092	2,621,466
Non-current assets					
Investments in subsidiaries	5	-	-	98,111	100,586
Investments in associated companies	6	4,036,660	4,251,255	3,661,211	3,939,041
Other long-term investments		1,900	1,900	1,700	1,700
Property, plant and equipment	7	6,277,514	6,241,553	6,309,371	6,273,422
Intangible assets	8	266,344	256,204	286,691	277,461
Other non-current assets		29,152	17,348	29,116	17,207
Total non-current assets		10,611,570	10,768,260	10,386,200	10,609,417
Total assets		14,328,426	13,472,547	14,012,292	13,230,883

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)

	Consolidated financial statements		Separate financial statements		
	Note	31 March 2012 (Unaudited but reviewed)	31 December 2011 (Audited)	31 March 2012 (Unaudited but reviewed)	31 December 2011 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	9	637,716	602,684	632,244	600,876
Accrued physicians' fees		458,154	452,055	453,485	448,591
Accrued expenses		376,610	269,107	373,440	267,668
Income tax payable		278,219	124,932	274,724	122,955
Other current liabilities		34,104	57,209	27,639	50,242
Total current liabilities		1,784,803	1,505,987	1,761,532	1,490,332
Non-current liabilities					
Long-term debentures	10	4,956,399	4,954,926	4,956,399	4,954,926
Provision for long-term employee benefits		280,838	277,761	276,392	272,953
Total non-current liabilities		5,237,237	5,232,687	5,232,791	5,227,879
Total liabilities		7,022,040	6,738,674	6,994,323	6,718,211

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)

	Consolidated financial statements		Separate financial statements		
	Note	31 March 2012	31 December 2011	31 March 2012	31 December 2011
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital	11				
Registered					
921,043,709 ordinary shares of Baht 1 each (31 December 2011: 921,034,085 ordinary shares of Baht 1 each)		921,044	921,034	921,044	921,034
1,658,976 preference shares of Baht 1 each (31 December 2011: 1,668,600 preference shares of Baht 1 each)		1,659	1,669	1,659	1,669
Issued and paid-up					
728,393,246 ordinary shares of Baht 1 each (31 December 2011: 728,383,622 ordinary shares of Baht 1 each)		728,393	728,383	728,393	728,383
1,658,976 preference shares of Baht 1 each (31 December 2011: 1,668,600 preference shares of Baht 1 each)		1,659	1,669	1,659	1,669
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
Retained earnings					
Appropriated - statutory reserve		92,275	92,275	92,275	92,275
Unappropriated		5,597,179	5,022,547	5,360,074	4,854,777
Other components of shareholders' equity		50,530	51,298	-	-
Equity attributable to owners of the Company		7,305,604	6,731,740	7,017,969	6,512,672
Non-controlling interests of the subsidiary		782	2,133	-	-
Total shareholders' equity		7,306,386	6,733,873	7,017,969	6,512,672
Total liabilities and shareholders' equity		14,328,426	13,472,547	14,012,292	13,230,883
		-	-	-	-

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

Directors

(Unaudited but reviewed)

Bumrungrad Hospital Public Company Limited and its subsidiaries**Income statements****For the three-month periods ended 31 March 2012 and 2011**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Revenues					
Revenues from hospital operations	4	3,155,186	2,734,654	3,119,073	2,693,189
Rental income	4	32,633	29,873	33,782	31,236
Interest income	4	8,300	1,637	7,896	1,917
Exchange gains		8,839	10,856	9,057	10,773
Other income	4	31,236	22,401	30,281	21,429
Total revenues		3,236,194	2,799,421	3,200,089	2,758,544
Expenses					
Cost of hospital operations	4	1,834,347	1,586,412	1,815,572	1,572,573
Depreciation and amortisation		173,493	158,567	173,151	157,510
Administrative expenses	4	484,844	442,674	472,648	423,375
Loss (gain) from share capital reduction of a subsidiary	5	-	-	1,072	(41,570)
Loss from share capital reduction of an associate	6	-	-	7,255	-
Total expenses		2,492,684	2,187,653	2,469,698	2,111,888
Profit before share of profit from investments in associates, finance cost and corporate income tax					
Share of profit from investments in associated companies	6	57,757	10,538	-	-
Profit before finance cost and corporate income tax		801,267	622,306	730,391	646,656
Finance cost	4	(59,424)	(21,333)	(59,424)	(21,664)
Profit before corporate income tax		741,843	600,973	670,967	624,992
Corporate income tax	12	(159,201)	(185,148)	(157,656)	(182,731)
Profit for the period		582,642	415,825	513,311	442,261
Profit attributable to:					
Equity holders of the Company		582,646	415,825	513,311	442,261
Non-controlling interests of the subsidiary		-4	-		
		582,642	415,825		
Earnings per share					
13					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.80	0.57	0.70	0.61
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.67	0.48	0.59	0.51

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 2012 and 2011

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Profit for the period	<u>582,642</u>	<u>415,825</u>	<u>513,311</u>	<u>442,261</u>
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currency	<u>(768)</u>	<u>4,512</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>(768)</u>	<u>4,512</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>581,874</u></u>	<u><u>420,337</u></u>	<u><u>513,311</u></u>	<u><u>442,261</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>581,878</u>	<u>420,337</u>	<u>-</u>	<u>-</u>
Non-controlling interests of the subsidiary	<u>(4)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>581,874</u></u>	<u><u>420,337</u></u>	<u><u>-</u></u>	<u><u>-</u></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 cash flows

For the three-month periods ended 31 March 2012 and 2011

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from operating activities				
Profit before tax	741,843	600,973	670,967	624,992
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	173,493	158,567	173,151	157,510
Bad debts and allowance for doubtful accounts	2,319	(87)	1,731	(693)
Loss on sales of equipment	336	2,011	476	2,011
Provision for long-term employee benefits	3,077	12,224	3,439	12,069
Loss (gain) from share capital reduction of a subsidiary	-	-	1,072	(41,570)
Loss from share capital reduction of an associate	-	-	7,255	-
Share of profit from investments in associated companies	(57,757)	(10,538)	-	-
Interest income	(8,300)	(1,637)	(7,896)	(1,917)
Amortisation of debenture issuing costs to interest expense	1,473	-	1,473	-
Interest expense	57,951	21,333	57,951	21,664
Profit from operating activities before changes in operating assets and liabilities	914,435	782,846	909,619	774,066
Operating assets (increase) decrease				
Trade and other receivables	(41,125)	43,196	(42,129)	44,356
Prepaid expenses	(22,502)	(26,736)	(22,050)	(25,955)
Inventories	23,192	11,353	23,353	10,462
Other current assets	(3,961)	(2,372)	(703)	(1,249)
Other non-current assets	(11,803)	282	(11,909)	325
Operating liabilities increase (decrease)				
Trade and other payables	33,532	21,381	29,868	49,170
Accrued physicians' fees	6,099	266	4,894	7,536
Accrued expenses	58,643	111,522	56,912	106,827
Other current liabilities	(23,105)	(21,920)	(22,603)	(18,753)
Cash flows from operating activities	933,405	919,818	925,252	946,785
Cash paid for corporate income tax	(5,914)	(4,121)	(5,887)	(5,535)
Net cash flows from operating activities	927,491	915,697	919,365	941,250

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

(Unaudited but reviewed)

Bumrungrad Hospital Public Company Limited and its subsidiaries**Statements of cash flows (continued)****For the three-month periods ended 31 March 2012 and 2011**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Cash flows from investing activities				
Increase in short-term loan to and interest receivable from a related party	-	-	-	(5,200)
Acquisition of investments	-	(3,562,938)	-	(3,562,938)
Cash receipt from share capital reductions of a subsidiary and an associate	270,575	-	271,978	45,439
Acquisition of equipment and repayment of construction and medical equipment payables	(190,042)	(92,174)	(189,712)	(119,085)
Acquisition of computer software	(28,007)	(14,872)	(27,992)	(14,817)
Proceeds from sales of equipment	630	941	491	941
Interest income	8,300	1,637	7,887	1,626
Net cash flows from (used in) investing activities	<u>61,456</u>	<u>(3,667,406)</u>	<u>62,652</u>	<u>(3,654,034)</u>
Cash flows from financing activities				
Repayment of short-term loan from financial institution	-	(100,000)	-	(100,000)
Cash receipt from short-term loan from financial institution	-	3,570,000	-	3,570,000
Repayment of long-term loan from a related party	-	-	-	(46,000)
Cash paid for interest expense	(721)	(18,263)	(721)	(18,529)
Dividend paid	(93)	(56)	(93)	(56)
Interest paid for convertible bonds treated as equity securities	(16,384)	(16,384)	(16,384)	(16,384)
Net cash flows from (used in) financing activities	<u>(17,198)</u>	<u>3,435,297</u>	<u>(17,198)</u>	<u>3,389,031</u>
Increase (decrease) in translation adjustment	90	(16)	-	-
Decrease in non-controlling interests of the subsidiary due to reduction of the subsidiary's share capital	(1,347)	-	-	-
Net increase in cash and cash equivalents	<u>970,492</u>	<u>683,572</u>	<u>964,819</u>	<u>676,247</u>
Cash and cash equivalents at beginning of period	<u>1,260,731</u>	<u>627,492</u>	<u>1,186,267</u>	<u>576,807</u>
Cash and cash equivalents at end of period	<u><u>2,231,223</u></u>	<u><u>1,311,064</u></u>	<u><u>2,151,086</u></u>	<u><u>1,253,054</u></u>
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Acquisition of medical equipment from a subsidiary by recording in amounts due to related parties	-	-	-	29,072
Adjustment of provision 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 2012 and 2011

(Unit: Thousand Baht)

	Consolidated financial statements													
	Equity attributable to owners of the Company							Other components of shareholders' equity						
	Issued and paid-up share capital		Premium on ordinary shares	Convertible bonds treated as equity securities	Retained earnings		Exchange differences on translation of financial statements in foreign currency	Other comprehensive income	Excess of investment over book value of a subsidiary	Other paid-in capital of an associated company	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
	Ordinary shares	Preference shares			Appropriated	Unappropriated								
Balance as at 1 January 2011	728,337	1,715	285,568	550,000	92,275	4,160,552	(84,112)	(192,662)	252,173	(24,601)	5,793,846	-	5,793,846	
Preference shares converted to ordinary shares (Note 11)	46	(46)	-	-	-	-	-	-	-	-	-	-	-	
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(8,014)	-	-	-	-	(8,014)	-	(8,014)	
Total comprehensive income for the period	-	-	-	-	-	415,825	4,512	-	-	4,512	420,337	-	420,337	
Balance as at 31 March 2011	728,383	1,669	285,568	550,000	92,275	4,568,363	(79,600)	(192,662)	252,173	(20,089)	6,206,169	-	6,206,169	
Balance as at 1 January 2012	728,383	1,669	285,568	550,000	92,275	5,022,547	(8,213)	(192,662)	252,173	51,298	6,731,740	2,133	6,733,873	
Preference shares converted to ordinary shares (Note 11)	10	(10)	-	-	-	-	-	-	-	-	-	-	-	
Decrease in non-controlling interests of the subsidiary due to reduction of the subsidiary's share capital	-	-	-	-	-	-	-	-	-	-	-	(1,347)	(1,347)	
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(8,014)	-	-	-	-	(8,014)	-	(8,014)	
Total comprehensive income for the period	-	-	-	-	-	582,646	(768)	-	-	(768)	581,878	(4)	581,874	
Balance as at 31 March 2012	728,393	1,659	285,568	550,000	92,275	5,597,179	(8,981)	(192,662)	252,173	50,530	7,305,604	782	7,306,386	
	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	-	

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 2012 and 2011

(Unit: Thousand Baht)

	Separate financial statements						
	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	
Balance as at 1 January 2011	728,337	1,715	285,568	550,000	92,275	3,989,368	5,647,263
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
Balance as at 31 March 2011	<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>
Balance as at 1 January 2012	728,383	1,669	285,568	550,000	92,275	4,854,777	6,512,672
Preference shares converted to ordinary shares (Note 11)	10	(10)	-	-	-	-	-
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(8,014)	(8,014)
Total comprehensive income for the period	-	-	-	-	-	513,311	513,311
Balance as at 31 March 2012	<u>728,393</u>	<u>1,659</u>	<u>285,568</u>	<u>550,000</u>	<u>92,275</u>	<u>5,360,074</u>	<u>7,017,969</u>
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

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

Bumrungrad Hospital Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month periods ended 31 March 2012 and 2011

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 2011. There have been no changes in the composition of the Group during the current period.

2. New accounting standards not yet effective

During the period, the Federation of Accounting Professions issued the financial reporting standard No. 8 Operating Segments that is effective for fiscal years beginning on or after 1 January 2013.

The Company's management believes that the above accounting standard will not have any significant impact on the financial statements for the year when it is initially applied.

3. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	35	5,041	163	5,173
Past due				
1 - 30 days	1,168	-	1,244	103
31 - 60 days	107	50	108	59
61 - 90 days	-	173	-	183
91 - 180 days	-	-	19	-
More than 365 days	-	11	-	-
Total trade receivables - related parties	1,310	5,275	1,534	5,518
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	397,037	277,850	394,146	276,455
Past due				
1 - 30 days	254,998	207,480	251,936	205,543
31 - 60 days	169,657	148,918	168,803	148,230
61 - 90 days	10,947	115,873	10,906	113,638
91 - 180 days	149,441	228,969	148,603	227,780
181 - 365 days	145,213	130,948	143,424	129,411
More than 365 days	97,776	102,744	87,509	92,968
Total	1,225,069	1,212,782	1,205,327	1,194,025
Less: Allowance for doubtful debts	(78,833)	(102,678)	(68,747)	(93,180)
Total trade receivables - unrelated parties, net	1,146,236	1,110,104	1,136,580	1,100,845
Total trade receivables - net	1,147,546	1,115,379	1,138,114	1,106,363

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
<u>Other receivables</u>				
Advances and loans to employees	16,001	10,329	15,983	10,223
Accrued income - related parties	1,320	353	11,761	8,874
Total other receivables	17,321	10,682	27,744	19,097
Trade and other receivables - net	1,164,867	1,126,061	1,165,858	1,125,460

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.

(Unit: Million Baht)

	For the three-month periods ended 31 March				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2012	2011	2012	2011	
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Medical service income	-	-	6	5	Market price
Rental income	-	-	1	1	As per contracts 4.1)
Lab service expense	-	-	-	6	Market price
Pharmacy expense	-	-	1	4	Market price
Transactions with associated companies					
Consulting fee income	1	2	1	2	As per contract 4.2)
Consulting fee expense	6	1	6	1	Fixed rate per hours as stated in the agreements multiplied with actual hours worked
Transactions with related companies					
Medical service income	13	13	13	13	Market price
Other income	-	1	-	1	At cost
Donation expense	6	7	6	7	-
Insurance expense	8	7	8	7	As per insurance policies
Credit card commission fees	23	18	23	18	Market price
Interest expense on long-term debentures	11	-	11	-	4.13% - 4.97% p.a.
Interest expense on convertible bonds	8	8	8	8	10.00% p.a. and 1.00% p.a.
Legal advisory fee	1	1	1	1	Market price

- 4.1) A subsidiary (Vitallife Corporation Ltd.) has leased building spaces from the Company for use in its operations. The lease agreement covers a period of 11 years, commencing from the year 2001. The subsidiary has to pay rental fee of Baht 350,000 per month.

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. On 1 April 2011, the Company and the subsidiary agreed to revise the rental fee to be Baht 35,350 per month, starting from 1 April 2011 onwards. This was because the rental spaces were reduced.

- 4.2) In June 2006, the Company 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, on 1 February 2011, the parties amended the agreement by revising the fixed consulting fee to be Baht 4.8 million per annum (previously was 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:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	31	31	31	31
	March	December	March	December
	2012	2011	2012	2011
Trade and other receivables - related parties (Note 3)				
Subsidiaries	-	-	10,679	8,775
Associated companies	1,014	90	1,000	79
Related parties (related by common director)	1,616	5,538	1,616	5,538
Total	<u>2,630</u>	<u>5,628</u>	<u>13,295</u>	<u>14,392</u>
Trade and other payables - related parties (Note 9)				
Associated companies	<u>358</u>	<u>2,031</u>	<u>358</u>	<u>2,031</u>
Short-term loan to and interest receivable from a related party				
Subsidiary	<u>-</u>	<u>-</u>	<u>674</u>	<u>665</u>
Long-term debentures				
Related companies (Major shareholder and common director)	<u>955,000</u>	<u>955,000</u>	<u>955,000</u>	<u>955,000</u>
Convertible bonds treated as equity securities				
Related company (common director)	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>

(Unaudited but reviewed)

As at 31 March 2012 and 31 December 2011, the short-term loan to Asia Global Research Ltd. carries interest at the rate of MLR less 1.00% per annum.

During the period, movements of loan to related party were as follows:

	(Unit: Thousand Baht)			
	Balance as at	During the period		Balance as at
	31 December	Increase	Decrease	31 March
	2011			2012
Short-term loan to and interest receivable from a related party				
<u>Subsidiary</u>				
Asia Global Research Ltd.				
Principal	600	-	-	600
Interest receivable	65	9	-	74
	<u>665</u>	<u>9</u>	<u>-</u>	<u>674</u>

Directors and management's benefits

During the three-month period ended 31 March 2012 and 2011, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
Short-term employee benefits	22,476	26,167	20,364	20,102
Termination benefits	961	1,125	924	1,069
Total	<u>23,437</u>	<u>27,292</u>	<u>21,288</u>	<u>21,171</u>

5. Investments in subsidiaries

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

Company's name	(Unit: Thousand Baht)					
	Paid-up capital		Shareholding percentage		Cost	
	31	31	31	31	31	31
	March	December	March	December	March	December
	2012	2011	2012	2011	2012	2011
			(%)	(%)		
Bumrungrad Medical Center Ltd.	1,000	3,750	51.00	51.00	899	3,374
Vitalife Corporation Ltd.	31,500	31,500	100.00	100.00	25,610	25,610
Asia Global Health Ltd.	21,602	21,602	100.00	100.00	21,602	21,602
Asia Global Research Ltd.	50,000	50,000	100.00	100.00	50,000	50,000
Total					<u>98,111</u>	<u>100,586</u>

Reduction of share capital of a subsidiary

During the three-month period ended 31 March 2012, 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 its shareholders	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
5	25 January 2012	5 March 2012	3.8	2.8	1.0

Using the cost method, the share capital reductions of the subsidiary resulted in a loss of Baht 1.1 million presented in the separate profit or loss for the three-month period ended 31 March 2012, as the investment acquisition cost (Baht 14.11 per share) is higher than the amount per share returned to the shareholders (Baht 8.00 per share).

During the three-month period ended 31 March 2011, the 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 reversed the allowance for diminution in value of investment, resulting in net gain incurred from the subsidiary's share capital reduction of Baht 41.6 million presented in the separate profit or loss 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	31	31	31	31	31
			March	December	March	December	March	December
			2012	2011	2012	2011	2012	2011
			(%)	(%)				
Bumrungrad International Ltd.	Holding company	Thailand	31.50	31.50	92,610	370,440	337,457	607,291
CDE Trading Ltd.	Temporary cease its operation	Thailand	30.00	30.00	21,663	21,663	9,244	9,407
Bangkok Chain Hospital Plc.	Private hospital operation	Thailand	24.99	24.99	3,562,938	3,562,938	3,689,959	3,634,557
Total					<u>3,677,211</u>	<u>3,955,041</u>	<u>4,036,660</u>	<u>4,251,255</u>

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Shareholding percentage		Cost		Allowance for loss on diminution in value		Carrying amounts based on cost method - net	
	31	31	31	31	31	31	31	31
	March	December	March	December	March	December	March	December
			2012	2011	2012	2011	2012	2011
			(%)	(%)				
Bumrungrad International Ltd.	31.50	31.50	92,610	370,440	-	-	92,610	370,440
CDE Trading Ltd.	30.00	30.00	21,663	21,663	16,000	16,000	5,663	5,663
Bangkok Chain Hospital Plc.	24.99	24.99	3,562,938	3,562,938	-	-	3,562,938	3,562,938
Total			<u>3,677,211</u>	<u>3,955,041</u>	<u>16,000</u>	<u>16,000</u>	<u>3,661,211</u>	<u>3,939,041</u>

Reduction of share capital of an associate

On 15 March 2012, an associate (Bumrungrad International Ltd.) registered with the Ministry of Commerce to reduce its registered and paid-up share capital from Baht 1,176.0 million (11,760,000 ordinary shares at par value of Baht 100 each) to Baht 294.0 million (2,940,000 ordinary shares at par value of Baht 100 each). The associate's share capital reduction was made in accordance with a resolution of the Extraordinary General Meeting of its shareholders held on 31 January 2012. The Company received a return of share capital in proportion to its 31.50% shareholding in the associate on 16 March 2012, amounting to Baht 270.6 million (2,778,300 shares at a value of Baht 97.39 each). As a result, Bumrungrad International Ltd. is still an associate of the Company.

Using the cost method, the share capital reduction of the associate resulted in a loss of Baht 7.3 million presented in the separate profit or loss for the three-month period ended 31 March 2012, as the investment acquisition cost (Baht 100 per share) is higher than the amount per share returned to the shareholders (Baht 97.39 per share).

6.2 Share of profit

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

Company's name	(Unit: Thousand Baht)	
	For the three-month periods	
	ended 31 March	
	2012	2011
Bumrungrad International Ltd.	1,599	9,715
CDE Trading Ltd.	755	823
Bangkok Chain Hospital Plc.	55,403	-
Total	57,757	10,538

6.3 Fair value of investment in listed associate

Investment in an associated company which is listed company on the Stock Exchange of Thailand (Bangkok Chain Hospital Plc.) had fair value as at 31 March 2012 amounting to Baht 3,790.5 million (31 December 2011: Baht 3,416.4 million).

6.4 Summarised financial information of associated companies

Financial information of the associated companies is summarised below.

Company's name	(Unit: Million Baht)									
	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues		Profit for the three-	
	31 March		31 March		31 March		for the three-month		month periods	
	2012	2011	2012	2011	2012	2011	periods ended		ended 31 March	
						2012	2011	2012	2011	
Bumrungrad International Ltd.	294.0	3,199.3	1,127.7	6,082.7	56.4	1,516.6	16.8	398.5	5.1	31.3
CDE Trading Ltd.	10.0	10.0	30.9	32.1	0.1	0.1	-	-	0.5	0.3
Bangkok Chain Hospital Plc.	1,995.0	1,662.5	6,329.5	5,436.0	2,465.9	2,065.0	1,083.0	990.4	230.2	143.1

7. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2012	6,241,553	6,273,422
Acquisitions during period - at cost	191,635	191,305
Disposals during period - net book value at disposal date	(966)	(967)
Depreciation for the period	(154,708)	(154,389)
Net book value as at 31 March 2012	<u>6,277,514</u>	<u>6,309,371</u>

As at 31 March 2012 and 31 December 2011, the Company has mortgaged land with a book value of Baht 290.9 million with a 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
Net book value as at 1 January 2012	256,204	277,461
Acquisition during period - at cost	28,007	27,992
Amortisation for the period	(18,785)	(18,762)
Realised gain on sales of software for period	918	-
Net book value as at 31 March 2012	<u>266,344</u>	<u>286,691</u>

9. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Trade payables - unrelated parties	580,771	548,609	575,561	544,584
Construction and medical equipment payables	49,288	47,695	49,288	47,695
Other payables - related parties	358	2,031	358	2,031
Other payables - unrelated parties	7,299	4,349	7,037	6,566
Total	637,716	602,684	632,244	600,876

10. Long-term debentures

(Unit: Thousand Baht)

Series	Maturity date	No. of units (Thousand units)	Par value (Baht)	Interest rate (% p.a.)	Term of interest payment	Carrying amount	
						31 March 2012	31 December 2011
1	Entirely redeemed on 20 December 2016 (5 years)	1,500	1,000	4.13	Semi- annual	1,500,000	1,500,000
2	Entirely redeemed on 20 December 2018 (7 years)	1,000	1,000	4.59	Semi- annual	1,000,000	1,000,000
3	Entirely redeemed on 20 December 2021 (10 years)	2,500	1,000	4.97	Semi- annual	2,500,000	2,500,000
Total						5,000,000	5,000,000
Less: Deferred debenture issuing costs						(43,601)	(45,074)
Long-term debentures - net						4,956,399	4,954,926

The long-term debentures are unsecured and unsubordinated debentures in Baht currency with fixed interest rates. Their fair value as at 31 March 2012 amounted to Baht 4,923.0 million (31 December 2011: Baht 4,979.8 million).

Under the terms and conditions of the debentures, the Company has to comply with certain restrictions and maintain certain financial ratios which include:

- a) maintenance of a net debt to equity ratio not exceeding 1.75:1
- b) maintenance of a net debt to EBITDA ratio not exceeding 3.25:1

11. Share capital

In the first quarter of 2012, 9,624 preference shares (2011: 46,300 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 14 March 2012.

12. Corporate income tax

Corporate income tax for the periods of the Company and subsidiaries have been calculated by multiplying profit 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 attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

The following 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	
	2012	2011	2012	2011	2012	2011
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company	582,646	415,825	728,385	728,348	0.80	0.57
Effect of dilutive potential ordinary shares						
Preference shares	-	-	1,667	1,704		
Convertible bonds	-	-	137,363	137,363		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	582,646	415,825	867,415	867,415	0.67	0.48

	Separate financial statements					
	For the three-month periods ended 31 March					
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2012	2011	2012	2011	2012	2011
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company	513,311	442,261	728,385	728,348	0.70	0.61
Effect of dilutive potential ordinary shares						
Preference shares	-	-	1,667	1,704		
Convertible bonds	-	-	137,363	137,363		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>513,311</u>	<u>442,261</u>	<u>867,415</u>	<u>867,415</u>	0.59	0.51

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 2012, the Company has capital commitments to pay a total of Baht 30.1 million (31 December 2011: Baht 32.5 million) in relation to the renovation agreement of building and Baht 94.5 million (31 December 2011: Baht 125.7 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 2012, 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) Nursing dormitory land rental expense (shall be extended for a further period of 30 years)	1	7	9	17
2) Lease of land and building for operating service apartment (shall be extended for a further period of 2 years)	32	14	-	46
3) Lease of building for nursing dormitory and related services (shall be renewed automatically)	15	10	-	25
4) Maintenance service fee for medical instruments	92	18	-	110
5) Rental and maintenance service fee for cars	10	19	-	29

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 2012, there was a minimum amount of Baht 62.7 million (31 December 2011: Baht 89.8 million) which the Company required to purchase according to the contracts.

15.4 Uncalled portion of investment in subsidiary

As at 31 March 2012 and 31 December 2011, 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 2012 and 31 December 2011, 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. Events after the reporting period

- 16.1 On 10 April 2012, the 2012 Annual General Meeting of an associate's shareholders (Bumrungrad International Ltd.) approved the reduction of the associate's registered and paid-up share capital from Baht 294.0 million (2,940,000 ordinary shares at par value of Baht 100 each) to Baht 73.5 million (735,000 ordinary shares at par value of Baht 100 each). The associate will reduce its registered and paid-up share capital and return share capital to its shareholders within May 2012.
- 16.2 On 25 April 2012, the 2012 Annual General Meeting of the Company's shareholders approved a dividend payment of Baht 1.10 per share, or a total of Baht 803.1 million, to the Company's preference and ordinary shareholders in respect of the 2011 profit. The Company paid an interim dividend of Baht 0.45 per share, or a total of Baht 328.5 million, on 9 September 2011, leaving a dividend of Baht 0.65 per share, or a total of Baht 474.6 million, which is to be paid on 24 May 2012.
- 16.3 On 26 April 2012, the 2012 Annual General Meeting of an associate's shareholders (Bangkok Chain Hospital Plc.) approved a dividend payment of Baht 0.20 per share in respect of the 2011 profit. The associate paid an interim dividend of Baht 0.10 in September 2011, leaving a dividend of Baht 0.10 per share which is to be paid on 25 May 2012. The dividend payable to the Company is thus Baht 49.9 million.
- 16.4 On 26 April 2012, the 2012 Annual General Meeting of an associate's shareholders (Bangkok Chain Hospital Plc.) approved the issuance and offering for sale of debentures Baht 2,000 million more, including the limit of debentures, Baht 3,000 million approved by the 2011 Annual General Meeting of the associate's shareholders. Therefore, the total limit of debentures amount is not more than Baht 5,000 million.

17. Reclassifications

To comply with the internal cost structuring, certain amounts in the financial statements for the three-month period ended 31 March 2011 have been reclassified to conform to the current period's classification, without any effect to the previously reported profit or shareholders' equity.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Revenues from hospital operations	2,734,654	2,738,279	-	-
Cost of hospital operations	1,586,412	1,587,353	1,572,573	1,572,337
Administrative expenses	442,674	445,358	423,375	423,611

18. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 9 May 2012.