



Serving the community

Annual Report 2011



Bumrungrad
International
HOSPITAL



Bumrungrad
International

HOSPITAL

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The past year provided many opportunities to serve communities in Thailand and around the world who look to Bumrungrad for their health and livelihood.

The floods that struck Thailand late last year were the most extraordinary example. Bumrungrad Hospital escaped the floodwater but the homes of many of our employees and patients did not. We were able to serve with health safety information, financial support for affected staff, and missions of medical help and supplies to stricken neighborhoods.

We continued our *Rak Jai Thai* program to raise funds and provide heart surgeries for needy Thai children. For years, some of our top doctors have donated their time and talents for this program. In 2011, they added their voices, singing for donations to this worthy cause.

Patients from world communities as diverse as Ethiopia, Myanmar and Mongolia rely on Bumrungrad for advanced medical treatment they cannot find at home. Our service to these communities has become an integral part of the world's healthcare infrastructure. As part of a patient survey Gallup conducts each year, 450 of our international patients are asked whether they agree with the statement "I can't imagine a world without Bumrungrad." That's a strong statement for a hospital thousands of kilometers from home, but over half the patients agree. Such is the role we play in their lives.

Bumrungrad serves the professional needs of some of Thailand's top doctors with continuing medical education and a work environment worthy of their skills. Over 4,000 staff, from administrators and nurses to porters and interpreters, also look to us for a satisfying and rewarding career.

The needs of each of these communities are growing. Our capacity to serve them depends on our ability to expand on our current campus and



other locations within Thailand. Serving our community of shareholders with reliable earnings performance as we have in the past, will also depend on well-planned expansions.

* * *

Corporate Social Responsibility is getting more attention these days. Citizens are asking more of the companies they work for and buy from. Do you merely want my toil and patronage, or do you care about the community we both live in?

Healthcare has always held a unique position of responsibility in this regard. It will never be just a business. As our name reminds us, we exist to serve the community and we will work hard to earn the trust of those communities we serve.

Mr. Chai Sophonpanich
Chairman

The Company continues to grow consistently despite a succession of challenging external events. The latest challenge was a flood of historic proportions that induced a 4th quarter dip in GDP and reduced domestic and international patient volumes for several weeks at hospitals across the Thai capital. Despite this, Bumrungrad increased operating revenue 12.4% to reach another record high. The hospital's resilience to these events is testament to a strong brand that attracts patients from across Thailand and all over the world.

This organic growth is both the beginning and the result of a virtuous cycle. Patient demand produces consistent revenue that affords innovative facilities and attracts great doctors who draw more patients. Our experience serving millions of patients from diverse cultures results in the comforting service that attracts more of these patients. Serving a large, diverse population allows our doctors to focus on their subspecialty interest thereby increasing the sophistication of the services provided at Bumrungrad International Hospital.

The Company's strong financial position allows it to pursue the big ideas that set it apart and make it resilient. The big idea now is a fundamental one: serve more patients, both Thai and international, with doctors and facilities *in Thailand*. Nowhere else can we leverage the core strengths of our physicians, staff and service expertise so well. Our continued success depends on how well we execute this new strategy.



In 2011, we increased capacity by recruiting new doctors, improving operational efficiency, and continuing expansion plans on our existing campus. We restructured the Company to align it better with the new strategy. And we invested in a highly capable mid-market player, the Kasemrad Hospital Group. In 2012 we will seek additional capacity both on and outside of our existing campus to serve patient communities at home and abroad.

Mr. Dennis Brown
Corporate CEO



Serving the community

The Thai word *bumrungrad* means “caring for the community.” Since Bumrungrad first opened over 30 years ago, this meaning has served as our guiding principle and a constant reminder of our responsibilities to those we live with and serve.

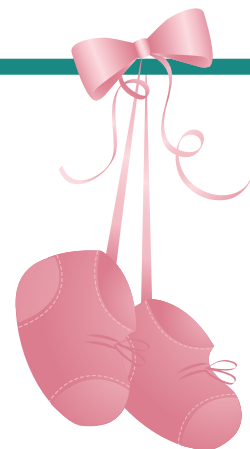
The pages that follow highlight some of the year’s important events and the many ways the Company and its employees care for the diverse communities we serve.



A comforting resource for new neighbors

Thailand's success at attracting international companies is evident in the large and vibrant community of expatriates who live and work here. In 2011, Bumrungrad served 120,000 expatriate patients. They represent 169 nationalities, from Swiss to Ethiopian; Bhutanese to Brazilian; Canadian to Indonesian. Meeting the health needs of this diverse community is like being a house doctor at the United Nations.

Pre-natal education for Japanese mothers-to-be is one example of how we serve expatriates. Sessions are taught by our Doctor Ayumi Shibano, an Ob/Gyn from Japan who herself gave birth to her first child at Bumrungrad two years ago. We also offer programs for Japanese moms and their newborns — an opportunity to meet other young mothers from their home country and take part in discussions on health topics with our Japanese doctors.

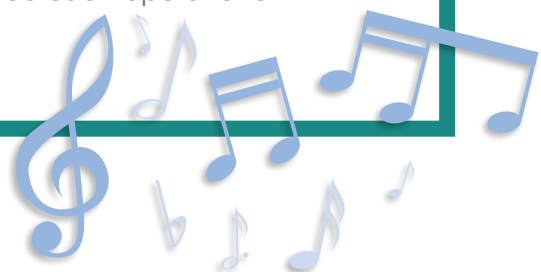




Music to soothe the soul . . . and heal hearts

Music can be a powerful force to help the neediest members of a community. In 2011, music helped heal young hearts through *Rak Jai Thai*, a charity program co-organized by the Bumrungrad Hospital Foundation that provides free heart surgeries for Thais who lack access to these much-needed treatments.

The all-volunteer group of Bumrungrad physicians and the foundation's chairman, Mr. Chai Sophonpanich, recorded a CD and organized a unique charity event. "When Doctors Sing to Help 500 Hearts" featured songs from a choir of 26 doctors, plus a special performance by some of the children who had received free heart surgeries. Since the program's inception, our specialists have donated their time to perform nearly 400 such operations.





Help in high water

Last year's epic flood affected millions of people across Thailand. While the area around Bumrungrad was spared, people and businesses throughout the region — including residential communities that are home to many Bumrungrad staff and their families — suffered for months.

The flood posed a significant health risk for many people. Supplies of critical medications were cut off and thousands in need of medical attention were left stranded.

Anticipating the flood's potential dangers, a mobile medical service went into action. Bumrungrad physicians and staff brought medical care, financial aid and supplies of food and medicine to remote communities inundated by the flood. The team of volunteers visited more than 20 areas around Bangkok and surrounding provinces. They provided medical care to over 1,200 people and distributed more than 1,500 flood survival supply packs.





Caring for a world of patients

Every year more people are crossing borders for healthcare. With over 345,000 patients from outside of Thailand, Bumrungrad is among the most popular destinations.

Traveling far from home for medical treatment requires courage and trust. One way we serve patients from abroad is with referral offices in other countries. Over a dozen such offices, in cities such as Addis Ababa, Muscat, Dhaka, Yangon, Ulan Bator and Melbourne, offer patients a local point of contact with a friendly face to answer their questions.

Together with the hospital's award-winning website, these referral offices highlight our facilities, help patients select and make appointments with appropriate specialists, estimate costs and plan their trip. Most importantly, they initiate the communication and coordination with doctors and staff at the hospital. Thus the care that is delivered at Bumrungrad begins with caring close to home.





Sharing expertise with the medical community

Bumrungrad physicians are actively engaged in the medical community. They take part in important medical research initiatives, medical symposia and conferences, both in Thailand and overseas. Many Bumrungrad doctors spend part of their time teaching their specialty at one of the country's top medical schools.

A recent example of the way we share our knowledge is the training program conducted by the hospital's Spine Institute. In cooperation with St. Anna Hospital in Germany, the Institute trains doctors from Thailand, Hong Kong, Malaysia, Korea and India in full-endoscopic spine surgery. Bumrungrad surgeons pioneered this advanced technique in Asia, and are sharing their expertise so that more patients can enjoy the benefits.



Financial Information

Financial Highlights

	2011	2010	2009	2008	2007
Financial Performance (Baht '000)					
Total current assets	2,704,287	1,854,947	1,331,835	1,141,576	1,410,552
Total assets	13,472,547	9,151,678	8,566,992	8,104,244	7,459,163
Total current liabilities	1,505,987	1,723,241	1,664,381	2,122,861	1,774,840
Total liabilities	6,738,674	3,082,241	3,094,381	3,238,883	3,110,141
Total shareholders' equity	6,733,873	6,069,436	5,472,611	4,865,361	4,349,023
Total revenues	11,306,221	10,055,841	9,337,856	8,881,829	8,558,735
Share of income from investments in joint venture and associated companies	82,684	(34,927)	47,244	43,248	854,388
Net profit excluding extraordinary Items	1,555,043	1,321,413	1,245,648	1,191,047	1,144,715
Net profit for the year	1,588,035	1,258,495	1,245,648	1,191,047	1,603,258
Basic earnings per share	2.18	1.73	1.71	1.64	2.20
Earnings per share – fully diluted	1.83	1.45	1.44	1.37	1.85
Book value per share	9.24	8.33	7.51	6.68	5.97
Book value per share – fully diluted	7.76	7.00	6.31	5.61	5.01
Dividend per share	1.10	0.90	0.85	0.80	0.80
Financial Ratios					
Gross profit margin (%)	40.1	39.6	38.8	38.3	38.5
EBITDA margin (%)	25.0	24.4	24.2	24.3	24.2
Net profit margin excluding extraordinary items (%)	13.7	13.1	13.3	13.3	13.3
Net profit margin (%)	13.9	12.5	13.3	13.3	17.0
Growth on revenues from hospital operations (%)	12.5	8.0	5.1	3.7	8.8
Growth on net profit excluding extraordinary Items (%)	17.7	6.1	4.6	4.0	4.5
Growth on net profit for the year (%)	26.2	1.0	4.6	-25.7	46.3
Return on equity (%)	24.8	21.8	24.1	25.9	40.2
Return on assets (%)	14.0	14.2	14.9	15.3	22.8
Liabilities to equity (x)	1.00	0.51	0.57	0.67	0.72
Debt to equity (x)	0.74	0.25	0.30	0.39	0.41
Net debt to equity (x)	0.55	0.15	0.23	0.31	0.28
Interest coverage ratio (x)	14.88	35.92	24.85	18.83	18.73
Liquidity ratio (x)	1.80	1.12	0.80	0.54	0.79
Average collection period (days)	37.18	33.48	26.67	25.65	26.05
Average inventory Period (days)	13.19	12.68	12.55	13.23	13.00
Average payable Period (days)	30.12	32.83	33.32	34.00	37.02

Management Discussion & Analysis

For 2011, the Company reported total revenues of Baht 11,306 million, a 12.4% increase from 2010 revenues of Baht 10,056 million. The Company's 2011 reported net profit was Baht 1,588 million, a 26.2% increase from Baht 1,258 million in 2010. The resulting Net profit margin was 13.9% in 2011, an increase from 12.5% in 2010. Excluding extraordinary items, the 2011 net profit was Baht 1,555 million, a 17.7% increase from Baht 1,321 million in 2010. Net profit margin excluding extraordinary items was 13.7% in 2011, an increase from 13.1% in 2010. Details of the management discussion and analysis are as follows:

1. PROFIT AND LOSS STATEMENT

For 2011, the Company reported Revenues from hospital operations of Baht 11,015 million, a 12.5% increase year over year from Baht 9,794 million in 2010. The revenue growth was driven by strong revenues from hospital operations during the first 9-months before the impact of the flood situation in 4Q11. Patient volume increased from 2010, primarily from the international segment and domestic outpatient visits. In 2011, inpatient revenues increased by 13.6% year over year, while outpatient revenues increased 11.7% year over year. The revenue contribution by inpatient was 49.7% and outpatient was 50.3% in 2011. In terms of revenues by nationality, revenue from international patients was 59.1% and from Thai patients was 40.9%.

Rental income was Baht 121 million in 2011, a decline from Baht 130 million in 2010. Other income was Baht 170 million in 2011, an increase from Baht 119 million in 2010 as the result of an increase in interest income and gain on exchange rate. Total revenues in 2011 were Baht 11,306 million, compared to Baht 10,056 million in 2010, a 12.4% increase year over year.

In 2011, the Company reported Cost of hospital operations of Baht 6,599 million, an 11.6% increase year over year from Baht 5,912 million in 2010, in line with the growth in Revenues from hospital operations. As a result, gross profit was Baht 4,416 million in 2011, a 13.8% increase year over year from Baht 3,882 million in 2010. Consequently, gross profit margin was 40.1% in 2011, higher than 39.6% in 2010.

2011 administrative expenses were Baht 1,859 million, a 10.7% increase year over year from Baht 1,679 million in 2010, slightly lower than the increase in Total revenues. EBITDA was Baht 2,819 million in 2011, a 15.1% increase year over year from Baht 2,450 million in 2010. Consequently, EBITDA margin increased to 25.0% in 2011 from 24.4% in 2010.

2011 depreciation and amortization was Baht 648 million, higher than Baht 596 million in 2010 due to ongoing capital spending for the campus master plan. The Company reported Share of income from investments in joint venture and associated companies of Baht 83 million in 2011, compared to share of loss of Baht 35 million in 2010. The results for both periods were impacted by extraordinary items, as further explained in the Extraordinary Items section of this document. The share of income from Kasemrad Hospital Group was Baht 129 million for 2011.

Finance cost increased to Baht 189 million in 2011 compared to Baht 68 million in 2010, primarily as a result of Baht 111 million in interest expense related to the debt financing for the purchase of common shares of Bangkok Chain Hospital PCL, doing business as Kasemrad Hospital Group on 18 March 2011.

Corporate income tax in 2011 was Baht 506 million, compared to Baht 507 million in 2010, or at the effective tax rate of 25.2% in 2011 and 28.2% in 2010. The lower effective tax rate in 2011 was a result of the sale of a partial interest in the investment in Bumrungrad Medical Center Ltd. in 4Q11, resulting in a tax loss of Baht 106 million. This was offset with income tax of Baht 25 million on a stock dividend from Bangkok Chain Hospital PCL, due to a holding period of less than 3 months prior to the declaration date.

For 2011, basic EPS was Baht 2.18, a 26.2% increase from Baht 1.73 in 2010. 2011 fully diluted EPS was Baht 1.83, also a 26.2% increase from Baht 1.45 in 2010.

Income statements	2011	2010	Y-o-Y
Unit: Baht million			Change
Revenues from Hospital Operations	11,015	9,794	12.5%
Total Revenues	11,306	10,056	12.4%
Gross Profit	4,416	3,882	13.8%
EBITDA	2,819	2,450	15.1%
Share of Income from Investments in Joint Venture and Associated Companies	83	-35	NA
Net Profit	1,588	1,258	26.2%
<i>Gross Profit Margin</i>	<i>40.1%</i>	<i>39.6%</i>	
<i>EBITDA Margin</i>	<i>25.0%</i>	<i>24.4%</i>	
<i>Net Profit Margin</i>	<i>13.9%</i>	<i>12.5%</i>	
EPS	2011	2010	Y-o-Y
Unit: Baht			Change
EPS – Basic	2.18	1.73	26.2%
EPS – Fully Diluted	1.83	1.45	26.2%

2. BALANCE SHEET

As at 31 December 2011, the Company reported Total current assets of Baht 2,704 million, an increase from Baht 1,855 million as at 31 December 2010, primarily due to an increase of Baht 633 million in Cash and cash equivalents. Trade accounts receivable was Baht 1,110 million as at 31 December 2011, an increase from Baht 946 million as at 31 December 2010, as a result of higher revenue from Middle East corporate accounts. The collection period was 37.2 days as at 31 December 2011 compared to 33.5 days as at 31 December 2010. Total non-current assets increased to Baht 10,768 million as at 31 December 2011 compared to Baht 7,297 million as at 31 December 2010 because of the increase in Investment in associated companies from the purchase of common shares of Kasemrad Hospital Group and capital expenditures associated with the campus expansion. As a result, Total assets increased to Baht 13,473 million as at 31 December 2011 from Baht 9,152 million as at 31 December 2010.

Total liabilities were Baht 6,739 million as at 31 December 2011, an increase from Baht 3,082 million as at 31 December 2010, primarily from an increase of Baht 3,570 million to finance the purchase of common shares of Kasemrad Hospital Group, and an increase in provision for long-term employee benefits of Baht 278 million due to a change in accounting policy. In December 2011, existing short-term and long-term loans were refinanced with the issuance of new debentures with 5, 7 and 10 year maturity dates, in amounts of Baht 1,500 million, Baht 1,000 million, and Baht 2,500 million, with interest rates of 4.13%, 4.59%, and 4.97%, respectively and a weighted average interest rate of 4.64%. TRIS Rating affirmed the Company rating of “A” with “Stable” outlook, and assigned the rating of “A” to these debentures. The proceeds from this debenture issue were directed to repayment of the aforementioned loans, and did not materially change the total outstanding debt balance of the Company. The increase of Baht 3,425 million compared to the interest-bearing debt of Baht 1,530 million as at 31 December 2010, was primarily due to the financing of the purchase of common shares of Kasemrad Hospital Group. With a higher debt position, net debt to equity increased to 0.6x as at 31 December 2011 from 0.2x as at 31 December 2010. The Company’s interest coverage ratio was 14.9x in 2011 compared to 35.9x in 2010. The decrease in interest coverage ratio was due to higher interest expense.

An Extraordinary General Meeting of Shareholders of the Company held on 8 December 2011 approved amendments to terms and conditions of the Convertible bonds including the cancellation of the condition that prohibited the Company from creating any liabilities and indebtedness without prior written consent of the holders of the Convertible bonds, the extension of the tenor of the Convertible bonds for an additional 5 years resulting in maturities on 23 August 2017, and the release of certain security interests of the holders of the Convertible bonds as of 23 August 2012.

Total shareholders’ equity increased to Baht 6,734 million as at 31 December 2011 from Baht 6,069 million as at 31 December 2010. This increase was primarily as a result of the Company’s 2011 net profit of Baht 1,588 million, netted off with Baht 276 million from the cumulative effect of a change in accounting policy for employee benefits and Baht 694 million from dividend payments. Average return on assets (ROA) in 2011 was 14.0% while average return on equity (ROE) was 24.8% in 2011.

Unit: Baht million	31-Dec-11	31-Dec-10	Change
Total Assets	13,473	9,152	47.2%
Total Liabilities	6,739	3,082	118.6%
Total Shareholders' Equity	6,734	6,069	10.9%
	2011	2010	
Average Collection Period (days)	37.2	33.5	
Average Inventory Period (days)	13.2	12.7	
Average Payables Period (days)	30.1	32.8	
Net Debt to Equity (x)	0.6	0.2	
Interest Coverage Ratio (x)*	14.9	35.9	
Average Return on Assets (%)	14.0%	14.2%	
Average Return on Equity (%)	24.8%	21.8%	

* Interest expense related to the purchase of common shares of Bangkok Chain Hospital PCL doing business as Kasemrad Hospital Group to calculate interest coverage ratio was Baht 111 million based on remaining days after the transaction settled. Assuming this interest expense was incurred for the full year, interest expense from this transaction would be Baht 140 million and interest coverage ratio would be 12.9x.

3. LIQUIDITY

The Company's cash flow from operating activities in 2011 was Baht 1,879 million, compared to Baht 1,648 million in 2010. Net cash used in investment activities was Baht 3,945 million in 2011, compared to Baht 665 million in 2010, including the impact of the purchase of common shares of Kasemrad Hospital Group, ongoing capital spending for the campus master plan and the receipt of proceeds of Baht 613 million from the capital reduction exercise by Bumrungrad International Limited. The Company reported net cash flow from financing activities of Baht 2,700 million in 2011, an increase from Baht 742 million from net cash flow used in financing activities in 2010, as the Company raised Baht 3,570 million short-term loans for the purchase of common shares of Kasemrad Hospital Group. As a result, Cash and cash equivalents was Baht 1,261 million as at 31 December 2011, an increase from Baht 627 million as at 31 December 2010.

The Company's liquidity ratio as at 31 December 2011 increased to 1.8x compared to 1.1x as at 31 December 2010, as a result of the refinanced loan. Similarly, the quick ratio increased to 1.6x as at 31 December 2011 compared to 1.0x as at 31 December 2010.

Unit: Baht million	2011	2010
Cash Flow from Operating Activities	1,878	1,648
Cash Flow from Investing Activities	(3,945)	(665)
Cash Flow from Financing Activities	2,700	(742)
Net Increase (Decrease) in cash and cash equivalents	633	241
Cash and cash Equivalents at end of year	1,261	627
	31 Dec 11	31 Dec 10
Liquidity Ratio (x)	1.8	1.1
Quick Ratio (x)	1.6	1.0

4. EXTRAORDINARY ITEMS

The Company and Bumrungrad International Limited (BIL) have pursued a realignment of corporate structure pursuant to the renewed strategic focus of the Company, which emphasizes growth opportunities within Thailand and a more selective review of international expansion initiatives. This realignment includes decisions by BIL to sell its interests in Asian Hospital, Inc., to not renew its contract for the management of Mafrag Hospital in Abu Dhabi, and to pursue a further capital reduction process as BIL becomes operationally inactive during 2012. Additionally as part of this realignment, the Company decided to sell a partial interest in its investment in Bumrungrad Medical Center Limited.

Bumrungrad International Limited

Extraordinary items occurred in 2Q10 in the amount of Baht 63 million and in 2Q11 in the amount of Baht 50 million. During 2010, Bumrungrad International Limited (BIL) completed the sale of its investment in Asia Renal Care Limited (ARC), a 100% indirectly owned subsidiary. This sale resulted in a share loss of Baht 59 million to the Company in 2Q10, which was due to Baht 63 million loss from translation adjustment. Also as a result of the sale of ARC, BIL's cash balances exceeded its cash requirements, resulting in a decision to reduce BIL capital. The decision reflects the exercise of prudent financial management and corporate governance.

Excess cash was held by BIL's 100% owned subsidiary, Bumrungrad International Holdings (Hong Kong) Limited (BIHL), which had previously held shares in ARC. As part of the strategy to complete the capital reduction by BIL, BIHL repurchased its own shares from BIL. The share repurchase transaction resulted in a share of loss to the Company from a translation adjustment that was partially offset by a foreign exchange gain on the repayment of an intercompany loan between BIL and BIHL. The resulting net share of loss from the share repurchase transaction alone was Baht 50 million, and was the primary cause for the Company's total share of loss from BIL of Baht 45 million for 2Q11.

The above transactions were completed in relation to the capital reduction strategy of BIL. On 14 March 2011, the share capital of BIL was reduced, by way of a reduction of the number of shares, from Baht 3,199,336,700 to Baht 1,176,000,000. After elimination of BIL's retained deficit, the resulting cash distributed by BIL to shareholders on 19 April 2011 was Baht 1,945 million. The cash distribution to the Company was Baht 613 million.

Extraordinary items occurred in 4Q11 in the amount of Baht 24 million, as BIL completed the sale of its investment in Asian Hospital Inc. (AHI), a 56.5% subsidiary in December 2011. The sale resulted in a share loss to the Company at the above amount due to a loss from translation adjustment of Baht 40 million. The sale of the interests in AHI provided BIL with excess cash, prompting the Board of BIL to pursue a further capital reduction process.

Bumrungrad Medical Center Limited

An extraordinary item of Baht 106 million in corporate income tax occurred in 4Q11, as the Company completed the sale of a partial interest in its investment in Bumrungrad Medical Center Limited (BMC) in December 2011, resulting in a loss on investment. BMC temporarily ceased operations in March 2010 after it had sold its final core asset to the Company.

Report of the Audit Committee

To the Shareholders of Bumrungrad Hospital Public Company Limited

The Board of Directors appointed the Audit Committee, consisting entirely of three independent directors of the Board. Miss Sophavadee Uttamobol was appointed as Chairperson with Mr. Boonpakorn Chokwathana and Mr. Soradis Vinyaratn as members, and Miss Pacchanya Chutimawong as a secretary of the Audit Committee. Its main duties and responsibilities are to review financial reports, internal audit and control systems, risk management systems, and the compliance with laws, and to consider potential conflict of interest transactions.

In the year 2011, the Audit Committee held totally 6 meetings, all of which were attended by all members, to perform its duties and responsibilities, including the following major issues:

1. Reviewed the Company and its subsidiaries' financial statements prior to submission to the Board of Directors. Based on due consideration, after discussions with the executives, a non-management meeting with the Company's independent auditor, and consideration of the auditor's recommendations in the Management Letter, the Audit Committee has the opinion that the above financial statements are prepared accurately, completely, and creditably.
2. Reviewed and assessed the internal control systems. The Audit Committee has the opinion that the Company has appropriate, effective, and adequate systems, sufficient to mitigate its risks to the acceptable level, and help the Company achieve its operation goals.
3. Reviewed the compliance with laws and regulations relating to the Company's business operations. The Audit Committee has the opinion that the Company has no legal violation that may significantly affect the Company's reputation and financial status.
4. Considered, selected, and nominated the Company's independent auditor, which is Ms. Sumalee Reewarabandith from Ernst and Young Office Limited, and proposed her remuneration to the Board.
5. Considered connected transactions or potential conflict of interest transactions. The Audit Committee has the opinion that all such transactions were the Company's normal business transactions.
6. Considered and approved the internal audit plan, which was determined to be suitable for the Company's nature of business, including its administrative policies, business plans, work processes, and business risks.
7. Considered and approved the Corporate Internal Audit Division's yearly expenditure budget and manpower requirements, which the Audit Committee approved of recruiting an additional employee, as IT auditor, to perform the audit of information technology system.
8. Promoted continuing education for all members of the Audit Committee by attending professional seminars including the courses for the International Financial Reporting Standards (IFRS), which was effective in the year 2011, in order to obtain sufficient knowledge to review the reliability of financial statements.
9. Considered and performed the Audit Committee's self-assessment to present to the Board of Directors. The Audit Committee has

the opinion that it has appropriately performed its duties in accordance with the Audit Committee's charter.

The Audit Committee has performed its duties and responsibilities as delegated by the Company's Board of Directors with care and at its fullest capability for the benefits of the Company, the shareholders, and all the stakeholders.



Miss Sophavadee Uttamobol
Chairperson of Audit Committee
20 February 2012

Report of the Accountability of the Board of Directors to the Company's Financial Reports

The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries and information as appears in the annual report. The financial statements have been prepared in accordance with the generally accepted accounting principles, using appropriate and consistent accounting policies. The financial statements have been prepared with caution and have been evaluated for appropriateness of the overall presentation of the financial statement. There was sufficient information disclosure in the notes to the financial statements.

The Board of Directors has set up an efficient and effective internal control system to ensure that all accounting transactions have been recorded correctly and comprehensively, and that there has been a record-keeping system of assets to protect the Company from any material fraud or damage.

The Board of Directors has the opinion that the overall internal control system of the Company was at a satisfactory level, which resulted in confidence in the reliability of the financial statements of the Company and its subsidiaries as at 31 December 2011.



Mr. Chai Sophonpanich
Chairperson



Mrs. Linda Lisahapanya
Managing Director

Bumrungrad Hospital Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2011 and 2010

Report of Independent Auditor

To the Shareholders of Bumrungrad Hospital Public Company Limited

I have audited the accompanying consolidated statements of financial position of Bumrungrad Hospital Public Company Limited and its subsidiaries as at 31 December 2011, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and have also audited the separate financial statements of Bumrungrad Hospital Public Company Limited for the same period. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit. I did not audit the financial statements of an associated company which were included in these consolidated financial statements. The carrying amount based on equity method of investment in the associated company constitutes 26.98% of the consolidated total assets as at 31 December 2011 and share of profit from investment in the associated company constitutes 8.11% of the consolidated profit for the year ended 31 December 2011. The financial statements of the associated company were audited by other auditor whose report has been furnished to me, and my opinion, in so far as it relates to the amounts included for the associated company in the consolidated financial statements, is based solely on that auditor's report. 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 by another auditor of our firm who expressed an unqualified opinion under her report dated 23 February 2011.

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

In my opinion, based on my audit and the report of other auditor, the financial statements referred to above present fairly, in all material respects, the financial position of Bumrungrad Hospital Public Company Limited and its subsidiaries and of Bumrungrad Hospital Public Company Limited as at 31 December 2011, and the results of their operations and cash flows for the year then ended, in accordance with generally accepted accounting principles.

Without qualifying my opinion on the aforementioned financial statements, I draw attention to Note 3 to the financial statements. During the current year, the Company adopted a number of revised and new accounting standards as issued by the Federation of Accounting Professions, and applied them in the preparation and presentation of its financial statements.



Sumalee Reewarabandith
Certified Public Accountant (Thailand)
No. 3970

Ernst & Young Office Limited
Bangkok: 27 February 2012

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2011 AND 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Assets					
Current assets					
Cash and cash equivalents	7	1,260,730,653	627,492,183	1,186,267,376	576,807,388
Trade and other receivables	8	1,126,061,134	958,368,025	1,125,459,913	956,292,210
Prepaid expenses		48,621,170	49,021,766	46,392,805	46,656,376
Short-term loan to and interest receivable					
from a related party	9	-	-	664,623	19,277,319
Inventories	10	265,739,534	217,701,976	258,702,724	208,799,234
Other current assets		3,134,079	2,362,600	3,979,135	1,224,906
Total current assets		<u>2,704,286,570</u>	<u>1,854,946,550</u>	<u>2,621,466,576</u>	<u>1,809,057,433</u>
Non-current assets					
Investments in subsidiaries	11	-	-	100,585,507	97,544,567
Investments in associated companies	13	4,251,254,988	1,209,892,803	3,939,040,872	1,013,453,313
Other long-term investments	14	1,900,000	2,247,213	1,700,000	2,047,213
Property, plant and equipment	15	6,241,553,191	5,784,672,458	6,273,421,626	5,793,826,042
Intangible assets	16	256,204,360	282,290,320	277,461,207	307,236,342
Other non-current assets		17,347,530	17,628,305	17,207,635	17,500,120
Total non-current assets		<u>10,768,260,069</u>	<u>7,296,731,099</u>	<u>10,609,416,847</u>	<u>7,231,607,597</u>
Total assets		<u>13,472,546,639</u>	<u>9,151,677,649</u>	<u>13,230,883,423</u>	<u>9,040,665,030</u>

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2011 AND 2010

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
Liabilities and shareholders' equity					
Current liabilities					
Short-term loan from financial institution	17	-	100,000,000	-	100,000,000
Trade and other payables	18	602,684,350	620,381,636	600,876,425	611,997,986
Accrued physicians' fees		452,054,931	405,443,662	448,591,363	395,065,305
Current portion of long-term loan					
from a related party	9	-	-	-	81,000,000
Current portion of long-term loans					
from financial institution	19	-	71,000,000	-	71,000,000
Income tax payable		124,932,284	252,379,023	122,954,657	246,705,981
Accrued expenses		269,107,115	217,697,043	267,667,696	216,123,238
Other current liabilities		57,208,049	56,339,844	50,242,326	47,724,195
Total current liabilities		1,505,986,729	1,723,241,208	1,490,332,467	1,769,616,705
Non-current liabilities					
Long-term loans from financial institution	19	-	1,359,000,000	-	1,359,000,000
Long-term debentures	20	4,954,926,250	-	4,954,926,250	-
Provision for long-term employee benefits	21	277,760,646	-	272,952,698	-
Total non-current liabilities		5,232,686,896	1,359,000,000	5,227,878,948	1,359,000,000
Total liabilities		6,738,673,625	3,082,241,208	6,718,211,415	3,128,616,705

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2011 AND 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Shareholders' equity					
Share capital	23				
Registered					
921,034,085 ordinary shares of Baht 1 each					
(2010: 920,987,785 ordinary shares of Baht 1 each)		921,034,085	920,987,785	921,034,085	920,987,785
1,668,600 preference shares of Baht 1 each					
(2010: 1,714,900 preference shares of Baht 1 each)		1,668,600	1,714,900	1,668,600	1,714,900
Issued and paid-up					
728,383,622 ordinary shares of Baht 1 each					
(2010: 728,337,322 ordinary shares of Baht 1 each)		728,383,622	728,337,322	728,383,622	728,337,322
1,668,600 preference shares of Baht 1 each					
(2010: 1,714,900 preference shares of Baht 1 each)		1,668,600	1,714,900	1,668,600	1,714,900
Premium on ordinary shares		285,568,300	285,568,300	285,568,300	285,568,300
Convertible bonds treated as equity securities	22	550,000,000	550,000,000	550,000,000	550,000,000
Retained earnings					
Appropriated - statutory reserve	24	92,275,000	92,275,000	92,275,000	92,275,000
Unappropriated		5,022,547,144	4,436,141,744	4,854,776,486	4,254,152,803
Other components of shareholders' equity		51,297,471	(24,600,825)	-	-
Equity attributable to owners of the Company		6,731,740,137	6,069,436,441	6,512,672,008	5,912,048,325
Non-controlling interests of the subsidiary		2,132,877	-	-	-
Total shareholders' equity		6,733,873,014	6,069,436,441	6,512,672,008	5,912,048,325
Total liabilities and shareholders' equity		13,472,546,639	9,151,677,649	13,230,883,423	9,040,665,030

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

INCOME STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
Revenues					
Revenues from hospital operations	9	11,014,830,038	9,793,745,377	10,870,351,440	9,649,681,687
Rental income	9	120,815,889	130,314,933	125,624,932	141,335,165
Interest income	9	29,836,266	1,944,484	30,063,965	1,830,611
Gain on sales of investment	12.1, 14	159,408	13,031,770	159,408	12,965,524
Exchange gains		45,199,314	26,199,487	44,821,826	26,875,801
Dividend income	9, 11, 13.2	-	-	87,451,240	204,771,013
Other income	9	95,259,342	90,604,865	87,937,180	82,626,674
Total revenues		11,306,100,257	10,055,840,916	11,246,409,991	10,120,086,475
Expenses					
Cost of hospital operations	9	6,598,754,310	5,912,202,989	6,531,024,735	5,842,452,621
Depreciation and amortisation	15, 16	647,807,808	595,843,564	646,168,781	581,229,524
Administrative expenses	9	1,858,734,954	1,678,833,566	1,791,397,408	1,618,757,863
Loss (gain) from share capital reduction of a subsidiary	11.1	-	-	(33,001,899)	212,000,000
Loss (gain) from sales of investment in a subsidiary	11.2	(120,974)	-	990,885	-
Loss from share capital reduction of an associate	13.1	-	-	24,703,747	-
Total expenses		9,105,176,098	8,186,880,119	8,961,283,657	8,254,440,008
Profit before share of income (loss)					
from investments in joint venture and associates, finance cost and corporate income tax		2,200,924,159	1,868,960,797	2,285,126,334	1,865,646,467
Share of loss from investment in joint venture	12.2	-	(14,045)	-	-
Share of income (loss) from investments in associated companies	13.2	82,683,706	(34,913,000)	-	-
Profit before finance cost and corporate income tax		2,283,607,865	1,834,033,752	2,285,126,334	1,865,646,467
Finance cost	9	(189,427,117)	(68,200,261)	(190,193,125)	(76,936,028)
Profit before corporate income tax		2,094,180,748	1,765,833,491	2,094,933,209	1,788,710,439
Corporate income tax	26	(506,146,055)	(507,338,809)	(503,486,736)	(488,509,050)
Profit for the year		1,588,034,693	1,258,494,682	1,591,446,473	1,300,201,389
Profit attributable to:					
Equity holders of the Company		1,588,031,706	1,258,494,682	1,591,446,473	1,300,201,389
Non-controlling interests of the subsidiary		2,987	-	-	-
		<u>1,588,034,693</u>	<u>1,258,494,682</u>		
Earnings per share					
Basic earnings per share	27				
Profit attributable to equity holders of the Company		<u>2.18</u>	<u>1.73</u>	<u>2.18</u>	<u>1.79</u>
Diluted earnings per share	27				
Profit attributable to equity holders of the Company		1.83	1.45	1.83	1.50

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Profit for the year	1,588,034,693	1,258,494,682	1,591,446,473	1,300,201,389
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currency	75,898,296	(8,660,540)	-	-
Other comprehensive income for the year	75,898,296	(8,660,540)	-	-
Total comprehensive income for the year	<u>1,663,932,989</u>	<u>1,249,834,142</u>	<u>1,591,446,473</u>	<u>1,300,201,389</u>
Total comprehensive income attributable to:				
Equity holders of the Company	1,663,930,002	1,249,834,142	1,591,446,473	1,300,201,389
Non-controlling interests of the subsidiary	2,987	-	-	-
	<u>1,663,932,989</u>	<u>1,249,834,142</u>	<u>1,591,446,473</u>	<u>1,300,201,389</u>

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CASH FLOW STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flows from operating activities				
Profit before tax	2,094,180,748	1,765,833,491	2,094,933,209	1,788,710,439
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	647,807,808	595,843,564	646,168,781	581,229,524
Bad debts and allowance for doubtful accounts	19,603,321	19,549,286	14,678,764	19,195,902
Loss on sales and write-off of equipment	6,542,626	2,160,072	6,572,466	2,159,005
Provision for long-term employee benefits	9,026,331	-	8,166,814	-
Loss (gain) from sales of investments	(280,382)	(13,031,770)	831,477	(12,965,524)
Loss (gain) from share capital reduction of a subsidiary	-	-	(33,001,899)	212,000,000
Loss from share capital reduction of an associate	-	-	24,703,747	-
Share of loss from investment in joint venture	-	14,045	-	-
Share of (income) loss from investments in associated companies	(82,683,706)	34,913,000	-	-
Dividend income	-	-	(87,451,240)	(204,771,013)
Interest income	(29,836,266)	(1,944,484)	(30,063,965)	(1,830,611)
Interest expense	189,427,117	68,200,261	190,193,125	76,936,028
Income from operating activities before changes in operating assets and liabilities	2,853,787,597	2,471,537,465	2,835,731,279	2,460,663,750
Operating assets (increase) decrease				
Trade and other receivables	(187,296,430)	(299,593,333)	(183,846,467)	(300,427,944)
Inventories	(48,037,559)	(18,823,304)	(49,903,490)	(19,089,688)
Other current assets	(370,882)	16,607,444	(2,490,658)	12,310,346
Operating liabilities increase (decrease)				
Trade and other payables	(15,211,546)	32,598,038	(8,635,822)	31,153,001
Accrued physicians' fees	46,611,269	75,876,847	53,526,058	70,798,490
Accrued expenses	44,167,695	(100,237,150)	44,302,080	(98,060,007)
Other current liabilities	868,205	3,156,984	2,518,131	(894,943)
Cash flows from operating activities	2,694,518,349	2,181,122,991	2,691,201,111	2,156,453,005
Cash paid for interest	(182,184,740)	(68,504,173)	(182,950,747)	(77,239,940)
Cash paid for corporate income tax	(633,592,794)	(464,818,993)	(627,238,060)	(450,237,301)
Net cash flows from operating activities	1,878,740,815	1,647,799,825	1,881,012,304	1,628,975,764

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CASH FLOW STATEMENTS (CONTINUED)

FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flows from investing activities				
Decrease (increase) in short-term loan to a related party	-	-	18,600,000	(19,200,000)
Acquisition of investments	(3,562,938,159)	(2,473,500)	(3,592,938,159)	(2,473,500)
Cash receipt from sales of investments	2,757,485	22,706,494	2,757,485	22,706,494
Cash receipt from share capital reductions of				
a subsidiary and an associate	612,646,855	-	669,366,063	904,570,171
Dividend income	57,148,300	-	87,451,240	204,771,013
Acquisition of property, plant and equipment and				
repayment of construction and medical equipment payables	(1,071,083,766)	(667,382,209)	(1,092,251,532)	(824,484,934)
Acquisition of computer software	(18,821,824)	(26,447,396)	(18,713,952)	(25,872,365)
Proceeds from sales of equipment	5,083,390	8,662,866	5,053,551	8,659,093
Decrease (increase) in other non-current assets	280,775	(1,663,610)	292,485	1,103,090
Interest income	29,836,266	1,944,484	30,076,661	1,753,292
Net cash flows from (used in) investing activities	<u>(3,945,090,678)</u>	<u>(664,652,871)</u>	<u>(3,890,306,158)</u>	<u>271,532,354</u>
Cash flows from financing activities				
Net repayment of short-term loan from financial institution	(100,000,000)	(90,000,000)	(100,000,000)	(90,000,000)
Repayment of long-term loan from a related party	-	-	(81,000,000)	(914,827,068)
Repayment of long-term loans from financial institution	(1,430,000,000)	-	(1,430,000,000)	-
Net cash receipt from debentures issuing	4,954,926,250	-	4,954,926,250	-
Dividend paid	(692,672,408)	(619,814,125)	(692,672,408)	(619,814,125)
Interest paid for convertible bonds treated as equity securities	(32,500,000)	(32,500,000)	(32,500,000)	(32,500,000)
Net cash flows from (used in) financing activities	<u>2,699,753,842</u>	<u>(742,314,125)</u>	<u>2,618,753,842</u>	<u>(1,657,141,193)</u>
Increase (decrease) in translation adjustment	<u>(165,509)</u>	<u>18,774</u>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	<u>633,238,470</u>	<u>240,851,603</u>	<u>609,459,988</u>	<u>243,366,925</u>
Cash and cash equivalents at beginning of year	<u>627,492,183</u>	<u>386,640,580</u>	<u>576,807,388</u>	<u>333,440,463</u>
Cash and cash equivalents at end of year	<u>1,260,730,653</u>	<u>627,492,183</u>	<u>1,186,267,376</u>	<u>576,807,388</u>

Supplemental cash flow information

Non-cash transactions

Acquisition of building from a subsidiary by issuing promissory				
note recorded in long-term loan from a related party	-	-	-	776,000,000
Reclassification of equipment to computer software	-	11,406,236	-	11,406,236
Adjustment of provision for long-term employee benefits				
with the beginning balance of retained earnings	275,589,400	-	264,785,884	-

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

FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

	Consolidated financial statements										
	Equity attributable to owners of the Company										
	Other components of shareholders' equity										
	Issued and paid-up share capital	Preference shares	Premium on ordinary shares	Convertible bonds treated as equity securities	Retained earnings	Exchange differences on translation of financial statements in foreign currency	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	
	Ordinary shares	Preference shares			Appropriated	Unappropriated				Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
Balance as at 31 December 2009	728,304,472	1,747,750	285,568,300	550,000,000	92,275,000	3,830,655,369	(75,451,261)	252,172,534	(15,940,285)	5,472,610,606	5,472,610,606
Preference shares converted to ordinary shares (Note 23)	32,850	(32,850)	-	-	-	-	-	-	-	-	-
Dividend paid (Note 30)	-	-	-	-	-	(620,508,307)	-	-	-	(620,508,307)	(620,508,307)
Interest paid for convertible bonds treated as equity securities (Note 22)	-	-	-	-	-	(32,500,000)	-	-	-	(32,500,000)	(32,500,000)
Total comprehensive income for the year	-	-	-	-	-	1,258,494,682	(8,660,540)	-	(8,660,540)	1,249,834,142	1,249,834,142
Balance as at 31 December 2010	728,337,322	1,714,900	285,568,300	550,000,000	92,275,000	4,436,141,744	(84,111,801)	252,172,534	(24,600,825)	6,069,436,441	6,069,436,441
Balance as at 31 December 2010	728,337,322	1,714,900	285,568,300	550,000,000	92,275,000	4,436,141,744	(84,111,801)	252,172,534	(24,600,825)	6,069,436,441	6,069,436,441
Cumulative effect of change in accounting policy for employee benefits (Note 3)	-	-	-	-	-	(275,589,400)	-	-	-	(275,589,400)	(275,589,400)
Preference shares converted to ordinary shares (Note 23)	46,300	(46,300)	-	-	-	-	-	-	-	-	-
Increase in non-controlling interests of the subsidiary due to reduction of the Company's shareholding in a subsidiary (Note 11.2)	-	-	-	-	-	-	-	-	-	2,129,890	2,129,890
Dividend paid (Note 30)	-	-	-	-	-	(693,536,906)	-	-	-	(693,536,906)	(693,536,906)
Interest paid for convertible bonds treated as equity securities (Note 22)	-	-	-	-	-	(32,500,000)	-	-	-	(32,500,000)	(32,500,000)
Total comprehensive income for the year	-	-	-	-	-	1,588,031,706	75,898,296	-	75,898,296	1,663,930,002	1,663,932,989
Balance as at 31 December 2011	728,383,622	1,668,600	285,568,300	550,000,000	92,275,000	5,022,547,144	(8,213,505)	252,172,534	51,297,471	6,731,740,137	6,733,873,014

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BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

(Unit: Baht)

	Separate financial statements					
	Issued and paid-up share capital		Premium on		Convertible bonds	
	Ordinary shares	Preference shares	ordinary shares	treated as equity securities	Retained earnings	Total shareholders' equity
Balance as at 31 December 2009	728,304,472	1,747,750	285,568,300	550,000,000	92,275,000	5,264,855,243
Preference shares converted to ordinary shares (Note 23)	32,850	(32,850)	-	-	-	-
Dividend paid (Note 30)	-	-	-	-	(620,508,307)	(620,508,307)
Interest paid for convertible bonds treated as equity securities (Note 22)	-	-	-	-	-	(32,500,000)
Total comprehensive income for the year	-	-	-	-	1,300,201,389	1,300,201,389
Balance as at 31 December 2010	728,337,322	1,714,900	285,568,300	550,000,000	4,254,152,803	5,912,048,325
Balance as at 31 December 2010	728,337,322	1,714,900	285,568,300	550,000,000	4,254,152,803	5,912,048,325
Cumulative effect of change in accounting policy for employee benefits (Note 3)	-	-	-	-	(264,785,884)	(264,785,884)
Preference shares converted to ordinary shares (Note 23)	46,300	(46,300)	-	-	-	-
Dividend paid (Note 30)	-	-	-	-	(693,536,906)	(693,536,906)
Interest paid for convertible bonds treated as equity securities (Note 22)	-	-	-	-	(32,500,000)	(32,500,000)
Total comprehensive income for the year	-	-	-	-	1,591,446,473	1,591,446,473
Balance as at 31 December 2011	728,383,622	1,668,600	285,568,300	550,000,000	4,854,776,486	6,512,672,008

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended 31 December 2011 and 2010

1. CORPORATE INFORMATION

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

2. BASIS OF FINANCIAL STATEMENTS PREPARATION

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2011	2010
			Percent	Percent
Bumrungrad Medical Center Ltd. (BMC)	Temporary cease its operation	Thailand	51	100
Vitalife Corporation Ltd. (VTL)	Health care center	Thailand	100	100
Asia Global Health Ltd. (AGH)	Investment in healthcare business	Hong Kong	100	100
Asia Global Research Ltd. (AGR)	Clinical research service	Thailand	100	100

b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

d) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.

e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements, which present investments in subsidiaries and associates under the cost method, have been prepared solely for the benefit of the public.

3. ADOPTION OF NEW ACCOUNTING STANDARDS DURING THE YEAR

During the current year, 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

Financial Reporting Standard Interpretations:

TFRIC 15	Agreements for the Construction of Real Estate
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Accounting Standard Interpretations:

SIC 31	Revenue-Barter Transactions Involving Advertising Services
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These accounting standards do not have any significant impact on the financial statements, except for the following accounting standards.

TAS 19 Employee Benefits

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

The Company and its subsidiaries have changed this accounting policy in the current year and recognised the liability in the transition period through an adjustment to the beginning balance of retained earnings in the current year. This change has effects to the income statements for year ended 31 December 2011 as below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Increase in employee expenses	35,634	34,774
Decrease in profit for the year	35,634	34,774
Decrease in basic earnings per share (Baht)	0.0489	0.0477
Decrease in diluted earnings per share (Baht)	0.0411	0.0401

The cumulative effect of the change in the accounting policy has been presented under the heading of “Cumulative effect of change in accounting policy for employee benefits” in the consolidated and separate statements of changes in shareholders’ equity.

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 Company and its subsidiaries elected to expense such borrowing costs when incurred. The Company and its subsidiaries apply 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.

4. NEW ACCOUNTING STANDARDS ISSUED DURING THE YEARS NOT YET EFFECTIVE

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

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

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

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

TAS 12 Income Taxes

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

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

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Revenue recognition

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

5.2 Cash and cash equivalents

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

5.3 Trade accounts receivable

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

5.4 Inventories

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

5.5 Investments

- Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).
- Investments in associated companies are accounted for in the consolidated financial statements using the equity method. Goodwill relating to an associate is included in the carrying amount of the investment. Such goodwill is not amortised.
- Investments in subsidiaries and associated companies are accounted for in the separate financial statements using the cost method net of allowance for loss on diminution in value (if any).

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

5.6 Property, plant and equipment/Depreciation

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

Land improvement	-	30 years
Buildings and construction	-	30 and 40 years
Facility systems	-	10 - 20 years
Medical accessory equipment	-	5 - 15 years
Hospital equipment	-	5 - 15 years
Equipment and furniture	-	5 - 15 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.7 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 the respective assets. 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.

5.8 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

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

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

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

5.9 Related party transactions

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

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

5.10 Long-term leases

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

5.11 Deferred debenture issuing costs

Debenture issuing costs are recorded as deferred financial fees and amortised to be interest expense using the effective interest rate method over the term of the debentures.

Deferred debenture issuing costs are presented as a deduction against the debenture amounts in the statement of financial position.

5.12 Foreign currencies

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

Gains and losses on exchange are included in determining income.

5.13 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no

longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

5.14 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan. In addition, the Company and its subsidiaries provide 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.

Actuarial gains and losses arising from post-employment benefits and other long-term benefits are recognised immediately in profit or loss.

For the first-time adoption of TAS 19 Employee Benefits, the Company and its subsidiaries 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 year.

5.15 Provisions

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

5.16 Income tax

Income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

6. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

Leases

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

Allowance for doubtful accounts

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

Property, plant and equipment/Depreciation

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

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

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

7. CASH AND CASH EQUIVALENTS

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash	8,864	14,106	8,779	13,872
Bank deposits	1,251,867	613,386	1,177,488	562,935
Total	1,260,731	627,492	1,186,267	576,807

As at 31 December 2011, bank deposits in savings accounts and fixed deposits carried interests between 0.10% and 3.55% per annum (2010: between 0.10% and 0.75% per annum).

8. TRADE AND OTHER RECEIVABLES

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	5,041	61	5,173	68
Past due				
1 - 30 days	-	728	103	745
31 - 60 days	50	3,359	59	3,359
61 - 90 days	173	219	183	221
91 - 180 days	-	1	-	1
181 - 365 days	-	2	-	6
More than 365 days	11	12	-	81
Total trade receivables - related parties	5,275	4,382	5,518	4,481
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	277,850	278,108	276,455	277,059
Past due				
1 - 30 days	207,480	148,895	205,543	146,870
31 - 60 days	148,918	97,306	148,230	96,543
61 - 90 days	115,873	60,429	113,638	59,578
91 - 180 days	228,969	192,985	227,780	190,591
181 - 365 days	130,948	114,420	129,411	112,714
More than 365 days	102,744	170,095	92,968	166,375
Total	1,212,782	1,062,238	1,194,025	1,049,730
Less: Allowance for doubtful debts	(102,678)	(115,837)	(93,180)	(111,263)
Total trade receivables - unrelated parties, net	1,110,104	946,401	1,100,845	938,467
Total trade receivables - net	1,115,379	950,783	1,106,363	942,948
<u>Other receivables</u>				
Advances and loans to employees	10,329	7,292	10,223	7,292
Accrued income - related parties	1353	293	8,874	6,052
Total other receivables	10,682	7,585	19,097	13,344
Trade and other receivables - net	1,126,061	958,368	1,125,460	956,292

9. RELATED PARTY TRANSACTIONS

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2011	2010	2011	2010	
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Medical service income	-	-	21	14	Market price
Rental income	-	-	5	11	As per contracts 9.1)
Interest income	-	-	1	-	MLR less 1.00% p.a.
Dividend income	-	-	27	205	As declared
Lab service expense	-	-	6	11	Market price
Pharmacy expense	-	-	13	12	Market price
Rental expense	-	-	-	22	As per contract 9.2)
Purchase of hospital building	-	-	-	938	As per contract 9.2)
Interest expense	-	-	1	9	3.36%, 2.55% and 2.19% p.a. (2010: 1.16% and 2.50% p.a.)
Professional service income	-	-	2	-	Actual paid
Transactions with associated companies					
Rental income	-	1	-	1	Actual paid
Consulting fee income	6	11	6	11	As per contract 9.3)
Dividend income	-	-	60	-	As declared
Consulting fee expense	5	3	5	3	Fixed rate per hour as stated in the agreements multiplied with actual hours worked
Transactions with related parties					
Medical service income	56	64	56	64	Market price
Other income	3	4	3	4	At cost
Donation expense	25	37	25	37	-
Insurance expense	28	27	28	26	As per insurance policies
Credit card commission fees	75	70	75	70	Market price
Interest expense on convertible bonds	33	33	33	33	10% p.a. and 1.00% p.a.
Financial consulting fee (record as asset)	52	-	52	-	Market price
Legal advisory fee	5	3	5	3	Market price
Long-term debentures offering	955	-	955	-	Same price as offer to other investors

9.1) 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. On 31 March 2010, the subsidiary entered into the memorandum of understanding to terminate the land lease agreement with the Company, the subsidiary had 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 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.

- 9.2) 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 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 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 had no obligation to pay such rental fee.
- 9.3) 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 as at 31 December 2011 and 2010 between the Company and those related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Trade and other receivables - related parties (Note 8)				
Subsidiaries	-	-	8,775	5,912
Associated companies	90	61	79	7
Related entities (related by common director)	5,538	4,614	5,538	4,614
Total	<u>5,628</u>	<u>4,675</u>	<u>14,392</u>	<u>10,533</u>
Trade and other payables - related parties (Note 18)				
Associated companies	<u>2,031</u>	<u>194</u>	<u>2,031</u>	<u>194</u>
Short-term loan to and interest receivable from a related party				
Subsidiary	<u>-</u>	<u>-</u>	<u>665</u>	<u>19,277</u>
Long-term loan from a related party				
Subsidiary	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,000</u>
Long-term debentures				
Related companies (Major shareholder and common director)	<u>955,000</u>	<u>-</u>	<u>955,000</u>	<u>-</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>

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

As at 31 December 2010, the long-term loan from Bumrungrad Medical Center Ltd. carried interest at the rate of 1.16% per annum.

During 2011, movements of loan to and loan from related parties were as follows:

(Unit: Thousand Baht)

	Balance as at 31 December 2010	During the year		Balance as at 31 December 2011
		Increase	Decrease	
Short-term loan to and interest receivable from a related party				
<i>Subsidiary</i>				
Asia Global Research Ltd.				
Principal	19,200	9,800	(28,400)	600
Interest receivable	77	997	(1,009)	65
	<u>19,277</u>	<u>10,797</u>	<u>(29,409)</u>	<u>665</u>
Long-term loan from a related party				
<i>Subsidiary</i>				
Bumrungrad Medical Center Ltd.				
Principal	81,000	-	(81,000)	-
Interest payable	-	771	(771)	-
	<u>81,000</u>	<u>771</u>	<u>(81,771)</u>	<u>-</u>

Directors and management's benefits

During the years ended 31 December 2011 and 2010, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Short-term employee benefits	117,713	127,193	99,648	103,795
Termination benefits	3,982	3,174	3,800	2,965
Total	121,695	130,367	103,448	106,760

10. INVENTORIES

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Medicine	136,542	122,445	129,560	115,574
Medical supplies	54,403	34,095	54,347	34,063
Other supplies	74,795	61,162	74,796	59,162
Total	265,740	217,702	258,703	208,799

11. 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 loss on diminution in value		Carrying amounts based on cost method - net		Dividend received during the year ended 31 December	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
			(%)	(%)								
Bumrungrad Medical Center Ltd.	3,750	60,000	51.00	100.00	3,374	105,859	-	75,526	3,374	30,333	27,186	204,771
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.	50,000	20,000	100.00	100.00	50,000	20,000	-	-	50,000	20,000	-	-
Total					100,586	173,071	-	75,526	100,586	97,545	27,186	204,771

11.1 Reduction of share capital of a subsidiary

During the year ended 31 December 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 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
3	7 January 2011	17 February 2011	60.0	45.0	15.0
4	19 July 2011	23 August 2011	15.0	11.2	3.8

Using the cost method, the share capital reductions of the subsidiary resulted in a loss of Baht 42.5 million, as the investment acquisition cost (Baht 14.11 per share) is higher than the amount per share returned to the shareholders (Baht 8.08 and Baht 8.02 per share for capital reduction No. 3 and 4, respectively). During the year 2011, the Company reversed the allowance for loss on diminution in value amounting to Baht 75.5 million, resulting in net gain incurred from the subsidiary's share capital reduction of Baht 33.0 million presented in the separate profit or loss for the year ended 31 December 2011.

During the year ended 31 December 2010, the subsidiary reduced its registered and paid-up share capital as detailed below.

(Unit: Million Baht)

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

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

11.2 Sales of investment in subsidiary

On 20 December 2011, the Company sold investment in a subsidiary (Bumrungrad Medical Center Ltd. (BMC)) to third party for 229,680 shares at price of Baht 9.80 per share or amounting to Baht 2.3 million, resulting in gain incurred from sales of investment in subsidiary of Baht 0.1 million presented in the consolidated profit or loss (separate profit or loss: loss of Baht 1.0 million) for the year ended 31 December 2011. As a result, the Company's shareholding in BMC decreased from 100% to 51% and BMC is still a subsidiary of the Company.

11.3 Increasing of share capital of a subsidiary

On 5 September 2011, the Extraordinary General Meeting of the subsidiary's shareholders (Asia Global Research Ltd.) approved the increase of the subsidiary's registered share capital from Baht 20.0 million (2.0 million ordinary shares of Baht 10.00 each) to Baht 50.0 million (5.0 million ordinary shares of Baht 10.00 each), through the issuance of 30.0 million additional ordinary shares with a par value of Baht 10.00 each, for offer to its existing shareholders at Baht 10.00 per share. The Company purchased all of the additional ordinary shares and paid for the share subscription on 13 September 2011. The subsidiary registered the increase of its capital with the Ministry of Commerce on 14 September 2011.

12. INVESTMENT IN JOINT VENTURE

12.1 Sales of investment in joint venture

On 24 February 2010, the Company's Board of Directors Meeting approved the Company to sell all of the shares of Asia Renal Care (Thailand) Co., Ltd. and subsequently on 15 May 2010, the Company signed an agreement to sell the shares to Nephrocare (Thailand) Co., Ltd. subject to the condition precedent. On 19 July 2010, the parties fulfilled the conditions precedent and the transaction was closed, resulting in gain on sales of investment of Baht 13.0 million presented in the consolidated and separate profit or loss for the year ended 31 December 2010.

12.2 Share of loss from investment in joint venture

During the year 2010, the Company recognised its share of loss from investment in the joint venture (Asia Renal Care (Thailand) Co., Ltd.) in the consolidated financial statements amounting to Baht 14 thousand.

13. INVESTMENTS IN ASSOCIATED COMPANIES

13.1 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	
			2011 (%)	2010 (%)	2011	2010	2011	2010
Bumrungrad International Ltd.	Holding company	Thailand	31.50	31.50	370,440	1,007,790	607,291	1,200,198
CDE Trading Ltd.	Temporary cease its operation	Thailand	30.00	30.00	21,663	21,663	9,407	9,695
Bangkok Chain Hospital Plc.	Private hospital operation	Thailand	24.99	-	3,562,938	-	3,634,557	-
Total					<u>3,955,041</u>	<u>1,029,453</u>	<u>4,251,255</u>	<u>1,209,893</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	
	2011 (%)	2010 (%)	2011	2010	2011	2010	2011	2010
Bumrungrad International Ltd.	31.50	31.50	370,440	1,007,790	-	-	370,440	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 Plc.	24.99	-	3,562,938	-	-	-	3,562,938	-
Total			<u>3,955,041</u>	<u>1,029,453</u>	<u>16,000</u>	<u>16,000</u>	<u>3,939,041</u>	<u>1,013,453</u>

Purchase of investment in an associate

On 18 March 2011, the Company acquired common shares of Bangkok Chain Hospital Plc. (KH) doing business as Kasemrad Hospital Group 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 recognises the share of income (loss) since the second quarter of 2011 onwards.

Details of the net assets and goodwill acquired are provided below.

(Unit: Thousand Baht)

Fair value of net assets acquired	965,668
Goodwill included in the carrying amount of investment in associate	<u>2,597,270</u>
Purchase consideration transferred (cash paid)	<u>3,562,938</u>

The purchase of investment in KH was made in accordance with a resolution of the Board of Directors' Meeting held on 18 March 2011.

Reduction of share capital of an associate

On 19 April 2011, an associate (Bumrungrad International Ltd.) registered with the Ministry of Commerce to reduce 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). 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% 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 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 24.7 million presented in the separate profit or loss for the year ended 31 December 2011, as the investment acquisition cost (Baht 100.00 per share) is higher than the amount per share returned to the shareholders (Baht 96.12 per share).

13.2 Share of income (loss) and dividend received

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

(Unit: Thousand Baht)

Company's name	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	Share of income (loss) from investments in associates		Dividend received	
	2011	2010	2011	2010
Bumrungrad International Ltd.	(49,468)	(42,353)	-	-
CDE Trading Ltd.	3,386	7,440	-	-
Bangkok Chain Hospital Plc.	128,766	-	60,265	-
Total	82,684	(34,913)	60,265	-

Dividend income from an associate

During the year 2011, the Company received cash dividend amounting to Baht 60.3 million from an associated company (Bangkok Chain Hospital Plc.) and share dividend value of Baht 83.1 million (83.1 million shares recalculate the average cost of investment in that associated company). The total value of the dividend is thus Baht 143.4 million.

Sales of investments in subsidiaries of an associate

On 4 November 2011, Bumrungrad International Ltd. (BIL), which is the Company's associate, entered into a Share Purchase Agreement in relation to the sales of all of the shares of investments in subsidiaries in Philippines (the group of subsidiary operates hospital in Philippines) to Metro Pacific Investment Corporation, a company incorporated in Philippines (the buyer). Subsequently, on 6 December 2011, the significant content of the sales transaction was completed including the transfer of control over the subsidiaries to the buyer. BIL recognised the sales transaction and realised a loss from the sales of the investments amounting to Baht 74.9 million in 2011. However, as proportionate interests held by the Company, the Company realised loss from such transaction amounting to Baht 23.6 million.

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

13.3 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 December 2011 amounting to Baht 3,416.4 million.

13.4 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 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the years ended 31 December		Profit (loss) for the years ended 31 December	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Bumrungrad International Ltd.	1,176.0	3,199.3	2,072.0	6,107.3	144.9	1,588.1	1,300.3	1,445.8	(156.6)	(116.7)
CDE Trading Ltd.	10.0	10.0	31.4	32.5	0.1	0.1	0.4	13.6	1.0	12.7
Bangkok Chain Hospital Plc.	1,995.0	-	5,556.4	-	1,955.3	-	3,991.4	-	781.8	-

14. OTHER LONG-TERM INVESTMENTS

(Unit: Thousand Baht)

Company's name	Shareholding percentage		Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010	2011	2010
	(%)	(%)				
Chantaburi Country Club Co., Ltd.	0.5	0.5	4,500	4,500	4,500	4,500
Global Care Solutions S.A.	-	14.0	-	347	-	347
Bumrungrad Dialysis Center Co., Ltd.	20.0	20.0	200	200	-	-
Total			4,700	5,047	4,500	4,847
Less: Allowance for loss on diminution in value			(2,800)	(2,800)	(2,800)	(2,800)
Other long-term investments - net			1,900	2,247	1,700	2,047

On 16 September 2011, the Company received cash from Global Care Solutions S.A. amounting to Baht 0.5 million from the liquidation of that company, resulting in gain of Baht 0.2 million presented in the consolidated and separate profit or loss for the year ended 31 December 2011.

15. PROPERTY, PLANT AND EQUIPMENT

(Unit: Thousand Baht)

	Land	Consolidated financial statements								Total
		Land leasehold right and land improvement	Buildings and construction	Facility systems	Medical accessory equipment	Hospital equipment	Equipment and furniture	Motor vehicles	Assets under construction and installation	
Cost										
31 December 2009	588,389	34,881	3,497,787	477,606	2,471,870	986,504	469,090	43,794	316,426	8,886,347
Additions	-	-	25,582	13,526	268,026	76,063	5,423	1,024	301,293	690,937
Disposals	-	-	-	(214)	(24,377)	(7,092)	(5,850)	(4,346)	-	(41,879)
Transfer in (out)	-	-	462,823	8,324	7,278	34,782	28,977	-	(542,184)	-
Reclassified to computer software	-	-	-	-	-	-	-	-	(11,406)	(11,406)
Write-off	-	-	-	-	-	-	-	-	(1,827)	(1,827)
31 December 2010	588,389	34,881	3,986,192	499,242	2,722,797	1,090,257	497,640	40,472	62,302	9,522,172
Additions	623,456	-	20,990	16,139	243,822	75,969	6,995	6,600	73,763	1,067,734
Disposals	-	-	-	(3,699)	(42,175)	(23,183)	(21,201)	(3,176)	-	(93,434)
Transfer in (out)	-	-	59,469	13,559	-	82	1,335	-	(74,445)	-
31 December 2011	1,211,845	34,881	4,066,651	525,241	2,924,444	1,143,125	484,769	43,896	61,620	10,496,472
Accumulated depreciation										
31 December 2009	-	15,982	903,456	94,030	1,350,834	568,312	246,550	40,241	-	3,219,405
Depreciation for the year	-	566	132,753	18,913	251,726	114,554	30,881	1,584	-	550,977
Depreciation on disposals	-	-	-	(73)	(20,690)	(4,095)	(3,678)	(4,346)	-	(32,882)
31 December 2010	-	16,548	1,036,209	112,870	1,581,870	678,771	273,753	37,479	-	3,737,500
Depreciation for the year	-	459	152,250	20,516	255,924	137,858	30,193	2,027	-	599,227
Depreciation on disposals	-	-	-	(2,682)	(37,805)	(23,062)	(15,083)	(3,176)	-	(81,808)
31 December 2011	-	17,007	1,188,459	130,704	1,799,989	793,567	288,863	36,330	-	4,254,919
Net book value										
31 December 2010	588,389	18,333	2,949,983	386,372	1,140,927	411,486	223,887	2,993	62,302	5,784,672
31 December 2011	1,211,845	17,874	2,878,192	394,537	1,124,455	349,558	195,906	7,566	61,620	6,241,553
Depreciation included in the income statements for the years										
2010										550,977
2011										599,227

As at 31 December 2011, the Company had mortgaged its land and hospital buildings with a total net book value of Baht 2,285.2 million (2010: Baht 2,328.2 million), as collaterals for its credit facilities granted by a local commercial bank. On 14 February 2012, the Company released the mortgage of land and hospital buildings since the Company early repaid all outstanding loans to the financial institution.

In addition, as at 31 December 2011 and 2010, the Company has mortgaged land with a book value of Baht 290.9 million (Baht 1,365.1 million appraisal fair value as of 28 September 2010) with another local commercial bank, acting as bondholders' trustee, as collateral for the convertible bonds treated as equity securities.

As at 31 December 2011, certain equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to Baht 453.1 million (Separate financial statements: Baht 425.9 million) (2010: Baht 321.4 million (Separate financial statements: Baht 313.5 million)).

16. INTANGIBLE ASSETS

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Computer software	Total	Computer software	Compensation for business combination	Total
Cost					
31 December 2009	922,784	922,784	959,256	192,928	1,152,184
Additions	26,447	26,447	25,872	-	25,872
Reclassified from equipment	11,406	11,406	11,406	-	11,406
31 December 2010	960,637	960,637	996,534	192,928	1,189,462
Additions	18,822	18,822	18,714	-	18,714
31 December 2011	979,459	979,459	1,015,248	192,928	1,208,176
Accumulated amortisation					
31 December 2009	266,921	266,921	274,262	65,917	340,179
Amortisation during the year	44,866	44,866	44,803	-	44,803
Realised gain on sales of software during the year	(3,673)	(3,673)	-	-	-
31 December 2010	308,114	308,114	319,065	65,917	384,982
Amortisation during the year	48,581	48,581	48,489	-	48,489
Realised gain on sales of software during the year	(3,673)	(3,673)	-	-	-
31 December 2011	353,022	353,022	367,554	65,917	433,471
Allowance for impairment loss					
31 December 2010	370,233	370,233	370,233	127,011	497,244
31 December 2011	370,233	370,233	370,233	127,011	497,244
Net book value					
31 December 2010	282,290	282,290	307,236	-	307,236
31 December 2011	256,204	256,204	277,461	-	277,461
Amortisation included in the income statements for the years					
2010	44,866	44,866	44,803	-	44,803
2011	48,581	48,581	48,489	-	48,489

17. SHORT-TERM LOAN FROM FINANCIAL INSTITUTION

Movements in short-term loan from financial institution account during the year 2011 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2011	100,000	100,000
Add: Received loan	3,570,000	3,570,000
Less: Repayment	(3,670,000)	(3,670,000)
Balance as at 31 December 2011	-	-

Short-term loan from financial institution as at 31 December 2010 amounting to Baht 100 million bearing interest at the rate of 2.40% per annum was secured by the same collaterals as the long-term loans from financial institution.

18. TRADE AND OTHER PAYABLES

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Trade payables - unrelated parties	548,609	556,000	544,584	548,169
Construction and medical equipment payables	47,695	51,045	47,695	51,045
Other payables - related parties	2,031	194	2,031	194
Other payables - unrelated parties	4,349	13,143	6,566	12,590
Total trade and other payables	602,684	620,382	600,876	611,998

19. LONG-TERM LOAN FROM FINANCIAL INSTITUTION

Movements in long-term loans from financial institution account during the year 2011 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2011	1,430,000	1,430,000
Less: Repayment	(1,430,000)	(1,430,000)
Balance as at 31 December 2011	-	-

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

	(Unit: Thousand Baht)		
Tranche	Interest rate (%)	Repayment schedule	Consolidated financial statements / Separate financial statements
A	MLR less fixed rate	20 quarterly installments, commencing 30 December 2011	1,420,000
B	MLR less fixed rate	20 quarterly installments, commencing 28 February 2012	10,000
Total			1,430,000
Less: Portion due within one year			(71,000)
Portion due more than one year			1,359,000

The outstanding long-term loans as at 31 December 2010 were 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 contained 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.

On 20 December 2011, the Company early repaid all outstanding loans to the financial institution, amounting to Baht 1,430 million. The Company released the collateral provided for the loans, which was completed on 14 February 2012.

20. LONG-TERM DEBENTURES

The Extraordinary General Meeting of the Company's shareholders held on 8 December 2011 approved the issuance and offering of unsecured, unsubordinated debentures in Baht currency with the principal amount not exceeding Baht 7,000 million and the tenor not more than 10 years.

As at 31 December 2011 detailed long-term debentures are as follows:

(Unit: Thousand Baht)

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

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

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

21. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

Provision for long-term employee benefits as at 31 December 2011, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Compensations on employees' retirement	Other long-term employee benefits	Paid annual leave	Total
Cumulative effect of change in accounting policy for employee benefits adjusted against beginning balance of retained earnings (Note 3)	209,909	34,030	24,795	268,734
Current service cost	18,083	2,927	4,734	25,744
Interest cost	8,579	1,311	-	9,890
Benefits paid during the year	(25,804)	-	(803)	(26,607)
Balance at end of year	210,767	38,268	28,726	277,761

(Unit: Thousand Baht)

	Separate financial statements			
	Compensations on employees' retirement	Other long-term employee benefits	Paid annual leave	Total
Cumulative effect of change in accounting policy for employee benefits adjusted against beginning balance of retained earnings (Note 3)	207,031	33,700	24,055	264,786
Current service cost	17,590	2,884	4,500	24,974
Interest cost	8,500	1,300	-	9,800
Benefits paid during the year	(25,804)	-	(803)	(26,607)
Balance at end of year	207,317	37,884	27,752	272,953

Long-term employee benefit expenses included in the consolidated profit or loss for the year ended 31 December 2011 amounted to Baht 35.6 million and separated profit or loss amounted to Baht 34.8 million.

Principal actuarial assumptions at the valuation date were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	4.5	4.5	4.5	4.5
Average future salary increase rate	6.0	6.0	6.0	6.0
Staff turnover rate	6.0 - 7.0	6.0 - 7.0	6.0 - 7.0	6.0 - 7.0

22. CONVERTIBLE BONDS TREATED AS EQUITY SECURITIES

Convertible bonds treated as equity securities as at 31 December 2011 and 2010 are as follows:

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

On 22 November 2000, the meeting of the bonds' holders and on 24 November 2000, an extraordinary meeting of the Company's shareholders passed approval of the amendment to the terms and conditions governing the rights and obligations of the issuer and the bondholders, which gives the Company the option to either redeem the convertible bonds or to convert the bonds into ordinary shares on the maturity date.

On 6 December 2011, the meeting of bonds' holders and on 8 December 2011, an extraordinary meeting of the Company's shareholders passed approval of the amendment to the terms and conditions governing the rights and obligations of the issuer and the bondholders, which to extend the tenure of the convertible bonds for additional 5 years maturing on 23 August 2017 and that the security of the convertible bonds be released in accordance with the same term on 23 August 2012.

According to the Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentation", because the Company has the option to either redeem the convertible bonds or to convert them into ordinary shares on the maturity date, and delivery of equity securities will not be changed by fair value of such equity securities (since the Company determined a certain conversion price), so the convertible bonds are not covered by the definition of financial liabilities and are to be treated as equity securities. In addition, the Company's management expresses their intention to convert these bonds into ordinary shares on the maturity date. Therefore, the whole amounts of the convertible bonds are presented as part of shareholders' equity and future interest on the bonds will be recorded as a deduction from shareholders' equity.

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

Interest expense for the year 2011 of the convertible bonds amounted to Baht 32.5 million (2010: Baht 32.5 million), being recorded as a reduction to unappropriated retained earnings.

23. SHARE CAPITAL

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

In the first quarter of 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.

24. STATUTORY RESERVE

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

As at 31 December 2011 and 2010, the statutory reserve reaches 10% of the Company's registered capital.

25. EXPENSES BY NATURE

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Salary and wages and other employee benefits	1,970,278	1,684,573	1,925,455	1,626,376
Physicians' fee	2,732,532	2,478,398	2,710,171	2,450,006
Loss (gain) from share capital reduction of a subsidiary	-	-	(33,002)	212,000
Loss from share capital reduction of an associate	-	-	24,704	-
Equipment rental expenses from operating lease agreements	22,163	21,743	20,994	20,625
Land and building rental expenses from operating lease agreements	48,632	42,229	48,632	64,429
Building and equipment maintenance expenses	200,736	159,337	200,678	159,188
Advertising and public relation expenses	161,176	148,704	156,126	142,943
Medicine, medical supply and other supply consumptions	161,176	148,704	156,126	142,943
	2,289,415	2,112,397	2,234,985	2,047,793

26. CORPORATE INCOME TAX

The Company's and subsidiaries' corporate income tax for the years 2011 and 2010 has been calculated at the rate of 30% of net taxable income.

27. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (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 year attributable to equity holders of the Company (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					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	2011	2010	2011	2010	2011	2010
	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the parent	1,588,032	1,258,495	728,375	728,331	2.18	1.73
Effect of dilutive potential ordinary shares						
Preference shares	-	-	1,677	1,721		
Convertible bonds	-	-	137,363	137,363		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>1,588,032</u>	<u>1,258,495</u>	<u>867,415</u>	<u>867,415</u>	1.83	1.45

	Separate financial statements					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	2011	2010	2011	2010	2011	2010
	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the parent	1,591,446	1,300,201	728,375	728,331	2.18	1.79
Effect of dilutive potential ordinary shares						
Preference shares	-	-	1,677	1,721		
Convertible bonds	-	-	137,363	137,363		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>1,591,446</u>	<u>1,300,201</u>	<u>867,415</u>	<u>867,415</u>	1.83	1.50

28. SEGMENT INFORMATION

The Company's and its subsidiaries' business operations involve a single industry segment, the hospital and healthcare 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.

29. PROVIDENT FUND

The Company, its subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees contributed to the fund monthly at the rate of 5% of their basic salaries and the Company or subsidiaries contributed 5% - 7% of basic salary. The fund, which is managed by Bualuang Securities Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2011, the Company and subsidiaries contributed Baht 46.6 million (2010: Baht 42.4 million) to the fund.

30. DIVIDENDS PAID

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends of the year 2010	Annual General Meeting of the shareholders on 27 April 2011	365,020	0.50
Interim dividends on operating results for the six-month period ended 30 June 2011	Board of Directors' meeting on 10 August 2011	328,517	0.45
Total dividends for 2011		693,537	0.95
Final dividends for 2011	Annual General Meeting of the shareholders on 28 April 2010	328,503	0.45
Interim dividends on operating results for the six-month period ended 30 June 2010	Board of Directors' meeting on 11 August 2010	292,005	0.40
Total dividends for 2010		620,508	0.85

31. COMMITMENTS AND CONTINGENT LIABILITIES

31.1 Capital commitments

As at 31 December 2011, the Company has capital commitments to pay a total of Baht 32.5 million (2010: Baht 3.4 million) in relation to the renovation agreement of building and Baht 125.7 million (2010: Baht 31.3 million) in respect of purchase of medical instruments and hospital equipment.

31.2 Operating lease and long-term service commitments

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

As at 31 December 2011, future minimum payments required under the above agreements were as follows.

(Unit: Million Baht)

Details of commitments	Payable within			Total
	Less than 1 year	1-5 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)	25	10	-	35
3) Lease of building for nursing dormitory and related services (shall be renewed automatically)	15	13	-	28
4) Maintenance service fee for medical instruments	74	25	-	99
5) Rental and maintenance service fee for cars	10	21	-	31

31.3 Commitments from other contracts

The Company has entered into three equipment utilisation contracts with three local companies. The contracts cover period of 5 - 7 years and under the conditions of the contracts, the Company is required to purchase medical supplies to use with the medical equipment at the prices specified in the contracts in total throughout the period of those contracts. As at 31 December 2011, there is a minimum amount of Baht 89.8 million (2010: Baht 215.4 million) which the Company requires to purchase according to the contracts.

31.4 Uncalled portion of investment in subsidiary

As at 31 December 2011 and 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.).

31.5 Bank guarantees

As at 31 December 2011 and 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.

32. FINANCIAL INSTRUMENTS

32.1 Financial risk management

The Company's and subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentation", principally comprise cash and cash equivalents, accounts receivable and payable and long-term debentures. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

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

Interest rate risk

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

Significant financial assets and liabilities as at 31 December 2011 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Million Baht)

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalent	600	-	-	652	9	1,261	0.10-3.55
Trade and other receivables	-	-	-	-	1,126	1,126	-
	<u>600</u>	<u>-</u>	<u>-</u>	<u>652</u>	<u>1,135</u>	<u>2,387</u>	
Financial liabilities							
Trade and other payables	-	-	-	-	603	603	-
Accrued physicians' fees	-	-	-	-	452	452	-
Long-term debentures	-	1,486	3,469	-	-	4,955	4.13-4.97
	<u>-</u>	<u>1,486</u>	<u>3,469</u>	<u>-</u>	<u>1,055</u>	<u>6,010</u>	

In addition, the Company's exposures to fixed interest rate risk relate to convertible bonds treated as equity securities amounting to Baht 550 million with maturity date in 2017 and carry interests at the rates 1% and 10% per annum, as described in Note 22.

Foreign currency risk

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

There was no balance of financial assets and liabilities denominated in foreign currencies as at 31 December 2011.

32.2 Fair values of financial instruments

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

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, trade and other receivables, trade and other payables and accrued physicians' fees, the carrying amounts at the statement of financial position approximate fair value.
- b) For long-term debentures, fair value is derived from quoted market prices of the Thai Bond Market Association at the close of the business on the reporting date.

The majorities of the Company and subsidiaries' financial instruments are short-term in nature or bear floating interest rates; their fair value is not expected to be materially different from the amounts presented in statement of financial position. The long-term debentures with fixed interest rates carrying amount as at 31 December 2011 amounting to Baht 4,954.9 million, their fair value is amounting to Baht 4,979.8 million.

33. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2011, the Group's debt-to-equity ratio was 1.00:1 (2010: 0.51:1) and the Company's was 1.03:1 (2010: 0.53:1).

34. EVENTS AFTER THE REPORTING PERIOD

On 27 February 2012, a meeting of the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of shareholders to be held in April 2012 to adopt a resolution to pay a dividend of Baht 1.10 per share, or a total of Baht 803.1 million, to the shareholders in respect of the 2011 profit. The Company already paid an interim dividend of Baht 0.45 per share, or a total of Baht 328.5 million on 9 September 2011. The remaining dividend of Baht 0.65 per share, or a total of Baht 474.6 million will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

35. RECLASSIFICATIONS

To comply with the Notification of the Department of Business Development relating to the financial statement presentation as described in Note 2.1 and as the result of the adoption of revised and new accounting standards as described in Note 3, certain amounts in the financial statements for the year ended 31 December 2010 have been reclassified to conform to the current year's classification, without any effect to the previously reported profit or shareholders' equity.

In addition, the Company reclassified certain amounts in the financial statements to comply with the internal cost structuring, as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reclassified	As reclassified	As previously reclassified
Revenues from hospital operations	9,793,745	9,805,682	9,649,682	9,649,682
Interest income	1,994	-	1,831	-
Other income	90,605	93,730	82,627	85,638
Cost of hospital operations	5,912,203	5,943,546	5,842,453	5,866,404
Administrative expenses	1,678,834	1,536,811	1,618,758	1,495,124
Management benefit expenses	-	123,797	-	100,863

36. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2012.

Other Information

1. GENERAL INFORMATION

1.1 Company Information

Name :	Bumrungrad Hospital Public Company Limited
Type of Business :	Private hospital
Head Office Address :	33 Sukhumvit Soi 3 (Nana Nua) Sukhumvit Road Klong Toey Nua, Wattana, Bangkok 10110
Registration No. :	0107536000994
Home page :	http://www.bumrungrad.com
E-mail address :	ir@bumrungrad.com
Telephone :	0 2667 1000
Fax :	0 2667 2525
Registered Capital :	Baht 922,702,685
	Divided into
	Ordinary shares of 921,034,085 shares, par value at Baht 1 per share
	Preferred shares of 1,668,600 shares, par value at Baht 1 per share
Issued and Paid up Capital :	Baht 730,052,222
	Divided into
	Ordinary shares of 728,383,622 shares, par value at Baht 1 per share
	Preferred shares of 1,668,600 shares, par value at Baht 1 per share

1.2 Entities in which the Company has more than 10% shareholding

Company	Type of Business	Issued and paid up ordinary shares	Shareholding (%)
1. Vitallife Corporation Limited 210 Sukhumvit Soi 1, Sukhumvit Road, Klong Toey Nua, Wattana, Bangkok 10110 Phone 0 2667 2340, Fax 0 2667 2341	Wellness Center	315,000 shares	100.0%
2. Asia Global Research Company Limited 33 Sukhumvit Soi 3 Sukhumvit Road, Klong Toey Nua, Wattana, Bangkok 10110 Phone 0 2667 1700, Fax 0 2667 1800	Clinical Research	5,000,000 shares	100.0%
3. Bumrungrad Medical Center Limited 33/3 Sukhumvit Soi 3 Sukhumvit Road, Klong Toey Nua, Wattana, Bangkok 10110 Phone 0 2667 1000, Fax 0 2667 2525	Dormant Company	468,750 shares	51.0%
4. Bumrungrad International Limited 33 Sukhumvit Soi 3 Sukhumvit Road, Klong Toey Nua, Wattana, Bangkok 10110 Phone 0 2667 1000, Fax 0 2667 2525	International Investment	11,760,000 shares	31.5%
5. CDE Trading Company Limited 33 Sukhumvit Soi 3 Sukhumvit Road, Klong Toey Nua, Wattana, Bangkok 10110 Phone 0 2667 1000, Fax 0 2667 2525	Temporarily Dormant Company	100,000 shares	30.0%
6. Bangkok Chain Hospital Public Company Limited	Operating Healthcare business under Kasemrad Hospital Group ("Kasemrad")	498,748,800 shares	24.99%

1.3 Reference Persons

1. Auditor	Ernst & Young Office Limited 33rd Floor, Lake Rajada Office Complex, 193/136-137 New Rajadapisek Road, Bangkok 10110 Phone 0 2264 0777, Fax 0 2264 0789-90
2. Legal Consultant	Thai Consultant Limited 63 Soi 8 (Soi Preeda), Sukhumvit Road, Bangkok 10110 Phone 0 2255 2552, Fax 0 2653 1133
3. Share Registrar	Thailand Securities Depository Company Limited 62 The Stock Exchange of Thailand Building, 4th and 6th-7th Floor, Rachadapisek Road, Klong Toey, Bangkok 10110 Phone 0 2229 2888, Fax 0 2359 1259
4. Convertible Bonds Registrar	Bumrungrad Hospital Public Company Limited 33 Sukhumvit Soi 3 (Nana Nua), Sukhumvit Road, Klong Toey Nua, Wattana, Bangkok 10110 Phone 0 2667 2025, Fax 0 2667 2031
5. Convertible Bondholders' Representative	Thai Military Bank Public Company Limited 3000 Paholyothin Road, Jatujak, Bangkok 10900 Phone 0 2299 1111, 0 2617 9111, Fax 0 2299 1784
6. Debentures Registrar	Siam Commercial Bank Public Company Limited 9 Rutchadapisek Road, Jatujak, Bangkok 10900 Phone 0 2544 4049, Fax 0 2937 7662

1.4 Financial institutions regularly contacted by the company

Bangkok Bank Public Company Limited
The Siam Commercial Bank Public Company Limited
Thai Military Bank Public Company Limited
Kasikornbank Public Company Limited
Standard Chartered Bank (Thailand) Public Company Limited
Citibank
Sumitomo Mitsui Banking Corporation
Industrial and Commercial Bank of China (Thailand) Public Company Limited
The Government Housing Bank

2. FINANCIAL HIGHLIGHTS

2.1 Financial Summary (Page 19)

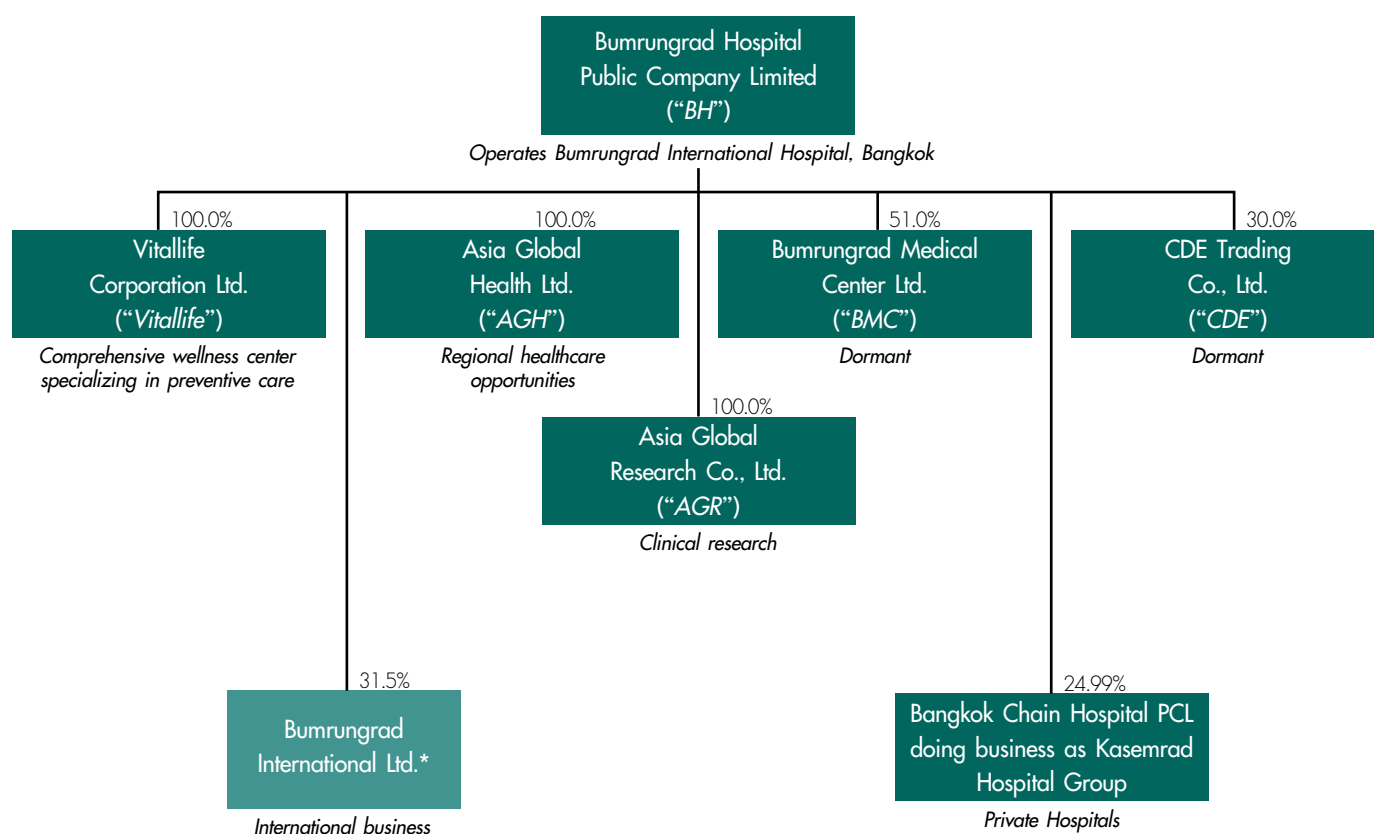
2.2 Financial Ratios (Page 19)

3. COMPANY PROFILE

3.1 Executive Summary

Bumrungrad Hospital Public Company Limited (the “Company”) operates a private hospital business in Bangkok with the current capacity of 484 beds and over 4,500 outpatients per day. The Company is one of the leading healthcare providers in Thailand and in the Southeast Asian region, providing complete healthcare services for both outpatients and inpatients. The Company has always emphasized the importance of quality healthcare and experienced physicians and staff. Bumrungrad International Hospital, Bangkok is the first hospital in Asia to receive the US standard accreditation from the Joint Commission International (JCI). The hospital has also received JCI's Clinical Care Program Certification (CCPC) for specialties programs including the Primary Stroke Program, Acute Myocardial Infarction, Diabetes Mellitus Type I and II and Chronic Kidney Disease Stage I to IV. Besides, the Company is the first hospital which was approved by Thai Hospital Accreditation (HA).

The Company has three 100%-owned subsidiaries, including Vitallife Corporation Limited, Asia Global Health Limited, Asia Global Research Company Limited and one 51%-owned subsidiary, Bumrungrad Medical Center Limited. The Company has three associated companies, including 31.5%-owned Bumrungrad International Limited and 30%-owned CDE Trading Company Limited, 24.99%-owned Bangkok Chain Hospital Public Company Limited.



* Strategic partners of Bumrungrad International Limited are:

- Istithmar	19.5%
- Temasek	19.5%
- Asia Financial Holding	19.5%
- Bangkok Bank	10.0%

Details of subsidiaries, affiliated companies and related companies are as follows:

Vitallife Corporation Limited ("Vitallife") is a pioneer in wellness and anti-aging which provides preventive care services targeted at health-conscious individuals. The Vitallife program brings together experienced medical professionals and world-class technologies to provide customers with customized exercise programs, nutrition plans, and food and vitamin supplements for healthy living. Vitallife is also the center in providing anti-aging services for other wellness clinics.

Asia Global Health Limited ("AGH") is a company that supports the strategy for regional investment in healthcare and related business.

Asia Global Research Company Limited ("AGR") is the provider of clinical research, both within Thailand and Southeast Asia. The services include (1) contract research organization ("CRO"), which performs multicenter clinical trials for international biotech, pharmaceutical and device companies, and (2) site management organization ("SMO"), which manages groups of investigational sites to provide quality research and quality data.

Bumrungrad Medical Center Limited ("BMC") is currently a dormant company.

Bumrungrad International Limited ("BIL") has served as the Company's international investment arm. BIL has focused on hospital ownership and management. During 2011, BIL divested its last core asset, a stake in Asian Hospital, Inc. in the Philippines. BIL's contract to operate Mafraq Hospital in Abu Dhabi expired on December 31, 2011, and BIL did not renew given the current focus of the Company on expanding primarily in Thailand.

CDE Trading Company Limited ("CDE Trading") (previously Global Care Solutions (Thailand) Company Limited) was a software development company for healthcare business. In December 2007, Global Care Solutions (Thailand) Company Limited completed the sale of its core assets, which was the hospital software, and other assets to the Microsoft Group and changed its name from Global Care Solutions (Thailand) Company Limited to CDE Trading Company Limited. CDE Trading is currently a temporarily dormant company.

Bangkok Chain Hospital Public Company Limited ("Kasemrad") owns and operates a network of hospitals under the name of Kasemrad Hospital Group providing a wide range of healthcare services to customers in Bangkok and other provinces. The shares of Kasemrad are publicly listed on the Stock Exchange of Thailand under the ticker symbol "KH".

3.2 Revenue Structure

Unit: Baht Million

Product line / Business Group	Operated by	% Shareholding by Company	2011		2010		2009	
			Revenue	%	Revenue	%	Revenue	%
Healthcare	Bumrungrad Hospital Pcl.		10,850	96.0	9,636	95.8	8,955	95.9
Healthcare	Vitalife Corporation Ltd.	100.0	165	1.5	158	1.6	114	1.2
Total Healthcare			11,015	97.5	9,794	97.4	9,069	97.1
Rental	Bumrungrad Hospital Pcl.		121	1.0	130	1.3	132	1.4
Total Rental			121	1.0	130	1.3	132	1.4
Others	Bumrungrad Hospital Pcl.		161	1.4	124	1.2	133	1.4
Others	Vitalife Corporation Ltd.	100.0	3	-	2	-	-	-
Others	Asia Global Research Ltd.	100.0	6	0.1	6	0.1	4	0.1
Total Others			170	1.5	132	1.3	137	1.5
Total			11,306	100	10,056	100	9,338	100

3.3 Business Characteristics and Competition

Bumrungrad Hospital Public Company Limited (the “Company”)

The Company is the operator of Bumrungrad International Hospital, Bangkok, which is the main revenue contributor. In 2011, the revenue from hospital operations of the Bangkok facility is 97.5% of total revenues.

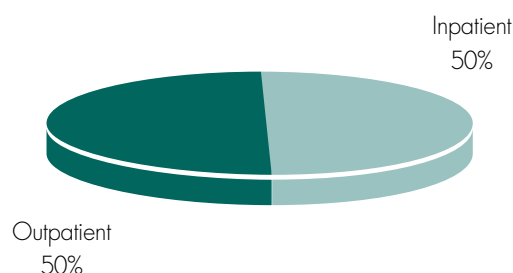
The Hospital's Services:

The services of Bumrungrad International Hospital, Bangkok can be detailed as follows:

1. Outpatient service has 35 clinics with 215 examination rooms, and capacity to serve over 4,500 outpatients per day.
2. Licensed capacity for inpatient service totals 538 beds, of which 28 are adult intensive care beds, 14 are cardiac care beds, 9 are pediatric intensive care beds and 5 are level III neonatal intensive care beds. As at 31 December 2011, the hospital has 484 beds in operation.

In 2011, the Company treated a total of over one million patients. The revenue contributions by inpatient and outpatient in 2011 are as follows:

Inpatient and outpatient (% of total revenue)

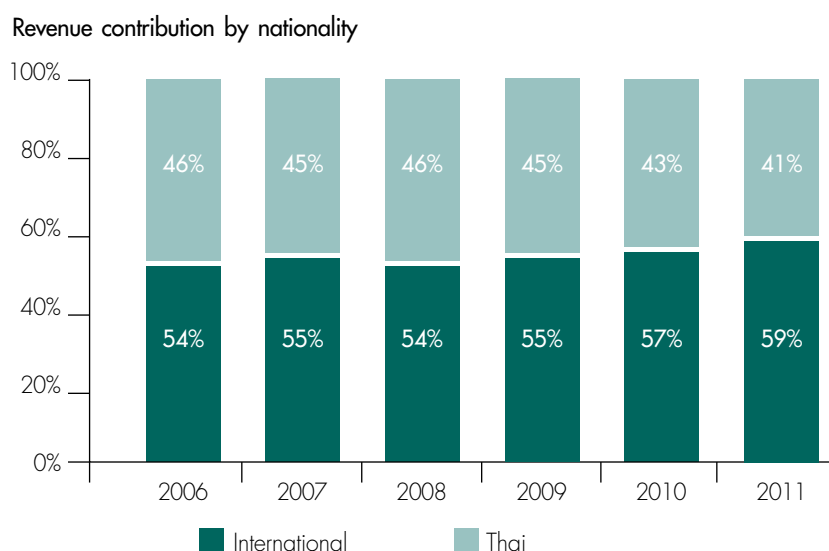


International Patient Services:

The Company has a strong and successful track record in increasing its presence in the international market. It has an International Patient Services Center to facilitate and accommodate international patients. The services offered include interpreters, international insurance coordination and international medical coordinators, referral center, email correspondence, visa extension counter, embassy assistance, airport reception and travel assistance. In addition, the Company operates two serviced apartments: BH Residence (BH Tower), with 47 fully serviced apartments connected to the hospital, and Bumrungrad Hospitality Suites, with 51 fully serviced apartments for patients and families. The Company also has 18 overseas referral offices in 16 countries.

In 2011, Bumrungrad International Hospital treated over 460,000 international patients from over 200 countries. The top three highest revenue contributors by country continue to be the United Arab Emirates, the United States and Myanmar. The following graph shows the historical revenue contribution of international patients over the past five years.

Thai vs. international patients (% of total revenue)



* Note: International patients are by nationality and include both expatriates and medical tourists.

The Bangkok Facility:

At present, the hospital's services are offered in three buildings:

1. **Bumrungrad International Clinic Building** is a 22-storey outpatient facility, with the first ten floors being used as parking spaces and the top 12 floors as outpatient clinics and ancillary services. The building offers outpatient services only. Currently, five clinic floors are open for service, including the health screening (check-up), heart, medical/surgical clinics, infectious disease, kidney, neurology, pulmonology, rheumatology, urology, and men's centers together with two non-clinic floors for patient services and restaurant. The Bumrungrad International Clinic Building has five floors of outpatient clinics remaining unopened. The Company plans to gradually occupy the five remaining floors of this building, operating four as outpatient clinic floors and one as a new conference and educational center floor.
2. **Bumrungrad International Hospital Building** offers a combination of inpatient and outpatient services. The licensed capacity for 538 inpatient beds resides within Bumrungrad International Hospital Building, while outpatient services offered in this building include services such as the cancer, dental, digestive disease, children's and women's centers. Major renovations in Bumrungrad International Hospital Building of both the outpatient clinics, including the Women's Center, the Digestive Disease Center, and inpatient rooms were completed on plan by mid-2010. The renovations have taken into consideration patient safety and the needs of patients, doctors and nurses.
3. **BH Tower**, reacquired in 2008, allows flexibility in the use of space on the Bangkok campus, permitting the shifting of office functions out of the hospital building and into BH Tower to allow expansion of clinical activities as needed. BH Tower houses the hospital's skin center, hospital support services, the Vitallife clinic, and offices. It also houses the BH Residence serviced apartments, retail shops and restaurants, and 7 floors of parking spaces.

Bumrungrad International Limited

Bumrungrad International Limited (BIL) has served as the Company's international investment arm. BIL has focused on hospital ownership and management. During 2011, BIL divested its last core asset, comprising direct and indirect interests in Asian Hospital, Inc. in the Philippines. BIL's contract to operate Mafraq Hospital in Abu Dhabi expired on December 31, 2011, and BIL did not renew given the current focus of the Company on expanding primarily in Thailand.

Industry and Competition

In general, the demand for healthcare correlates with the growth of GDP and the aging of the population. From time to time, issues such as domestic political unrest and global as well as domestic economic downturns can affect the growth in consumption of private healthcare. The Company believes that with the supply of private healthcare facilities in Thailand in excess of domestic demand, the competition for Thai patients remains intense.

While the global medical tourism industry is expected to see continued growth, the Company believes that most international demand will arise from patients living within an 8 hour flight of Bangkok. Thailand's regional competitors are hospitals in countries such as Singapore, Malaysia and India. Private hospitals in Thailand have a competitive advantage compared to many other countries, as Thailand has a unique combination of high quality healthcare, accessibility and

affordability, coupled with Thailand being a popular tourist destination with a good supporting infrastructure. Within Thailand itself, there are a limited number of private hospitals that have the broad range of specialties and subspecialties, technology and quality of patient care on a single campus, as offered by the Company.

The Company's strategy is to continue building on this advantage in clinical expertise, service capability and patient satisfaction which results in a differentiated product based on quality superiority. Pricing is targeted within the top tier of Thai hospitals, while remaining price competitive in the region, to offer a compelling value proposition.

In the past years, the Company has focused on marketing activities for the domestic market in order to expand its customer base. The activities include advertising on all media including television, radio, newspapers and magazines, in order to promote brand awareness. The Company has also sponsored television programs, newspaper and magazine columns on health-related topics. In addition, various activities are organized each quarter, such as health fairs, public seminars; expatriate orientations, and themed exhibition, as well as the sale of packaged services such as checkups and vaccinations, in order to attract new customers.

In appealing to international patients, the Company operates in conjunction with 18 overseas referral offices in its major markets and has an International Patient Center to accommodate the needs of international patients, including language and cultural support. The Company is also a tertiary referral center for both domestic and international hospitals.

4. RISK FACTORS

4.1 Political, macroeconomic and natural disaster-related factors

External factors impact the healthcare industry in Thailand and the Company, from time to time, including global and domestic economic downturns and contractions in activity caused by incidents such as political unrest, flu pandemics or natural weather-related events. In the past year, parts of Thailand and certain areas of metropolitan Bangkok have faced severe weather-related flooding. While the Company's facilities were not flooded, routine activities for many of the Company's employees and members of the patient community, including international travelers, were adversely affected. Although medical tourism is not as easily affected as the typical tourism industry as there is often an established relationship between patients and the hospital and physicians, these events could cause a postponement or a reduction in the number of patients traveling to Thailand, and could in turn affect the Company's revenues.

In order to minimize the risk, the Company maintains a balanced portfolio of international and Thai patients so that the Company does not rely excessively on revenue from international patients. The Company continues to focus on marketing activities related to the domestic market while continuing to work to attract international patients. Moreover, the Hospital is covered by insurance for property damage and business interruption in case of flood and natural disaster factors.

4.2 Intensified competition in the premium healthcare sector

As private hospitals in Thailand and the region continue to develop, competition in the private healthcare sector continues to intensify the risk of losing clients to competitors.

In order to maintain its leading position in Thailand and Asia and to mitigate risk, the Company has focused on continuing to recruit doctors of the highest caliber, invested in up-to-date equipment and information technology, upgraded and expanded both inpatient and outpatient facilities as well as continuously improved its quality of care. The Company's hospital was the first hospital in Asia to receive US standard accreditation from Joint Commission International Accreditation (JCIA). The hospital has also received JCI's Clinical Care Program Certification (CCPC) for specialty programs, including the Primary Stroke Program, Acute Myocardial Infarction, Diabetes Mellitus Type I and II, and Chronic Kidney Disease Stage I to IV. The hospital was also the first private hospital in Thailand to receive Thai Hospital Accreditation (HA) and awarded "Thailand Quality Class" from Thailand Productivity Institute. In addition, the Company has a strong client base of referral patients both from within Thailand and internationally.

4.3 Shortage of professional staff

The hospital business requires personnel including nurses, pharmacists and various technicians, with specific technical expertise and knowledge. A shortage of these professionals is partially due to the increasing demand from both the private and public sectors. Given the importance of its international client base, the Company also requires multi-lingual professionals.

In order to minimize the risk, the Company offers competitive compensation and benefits for its staff. The Company also provides education and training, recreation, staff engagement projects and staff welfare activities to all staff members. Through a decentralized management structure, the Company also offers excellent career paths to various categories of staff. In 2011, the Company received the "Best Practice Workplace Award on Labor Relations and Labor Welfare Award 2011" from the Ministry of Labor for the third consecutive year.

4.4 Legal disputes

The hospital business is subject to litigation risk related to the provision of healthcare services by hospital staff and physicians.

Therefore, in order to minimize the risk, the Company has implemented a healthcare risk management system to ensure that the risk of mistakes by the Company's personnel is minimized and corrected. In addition, the Company has various insurance policies in place against possible legal lawsuits.

5. SHAREHOLDING STRUCTURE AND MANAGEMENT

5.1 Major Shareholders

List of the Company's 10 major shareholders as at 30 December 2011 is as follows:

Shareholder	Number of shares*	Shareholding** (%)
1. Bangkok Insurance Pcl.	106,680,417	14.61
2. Bangkok Dusit Medical Services PCL.	103,827,600	14.22
3. Thai NVDR Co., Ltd.	63,902,334	8.75
4. Sinsuptawee Asset Management Co., Ltd.	63,258,514	8.66
5. UOB KAY HIAN (HONG KONG) LIMITED - Client Account	60,413,690	8.28
6. Wattanasophonpanich Co., Ltd.	25,121,875	3.44
7. BNP Paribas Securities Services Luxembourg	16,689,200	2.29
8. Social Security Office	15,098,500	2.07
9. Government of Singapore Investment Corporation C	14,779,200	2.02
10. Bangkok Life Assurance PCL	11,686,900	1.60
Total	481,458,230	65.95

* Number of shares includes preferred shares.

** The calculation of holding percentage includes preferred shares.

The Company has shareholders in the top ten major shareholders list who are foreign financial institutions or custodians acting as trust companies or nominee accounts. The Company has no knowledge of the ultimate shareholders of these companies as these shareholders have never nominated their representatives to serve on the Board of Directors nor taken part in the management of the Company.

5.2 Management

(1) Management Structure

The Company has five sets of committees, which are the Company's Board of Directors, the Audit Committee, the Nomination and Remuneration Committee, the Governing Board of Bumrungrad International Hospital, Bangkok and the Investment Committee. Details of each committee are as follows:

Board of Directors

The Company's Board of Directors as at 31 December 2011 consists of the following:

1.	Mr. Chai	Sophonpanich	Chairperson
2.	Dr. Charvit	Tanhiphat, MD	Vice Chairperson, Member of the Nomination and Remuneration Committee
3.	Mrs. Linda	Lisahapanya	Director, Managing Director
4.	Dr. Dhanit	Dheandhanoo, MD	Director, Chairperson of the Medical Board
5.	Mr. Chong	Toh	Director, Member of the Nomination and Remuneration Committee
6.	Dr. Sinn	Anuras, MD	Director, Group Medical Director
7.	Dr. Suvarn	Valaisathein	Director
8.	Ms. Sophavadee	Uttamobol	Independent Director, Chairperson of the Audit Committee
9.	Mr. Soradis	Vinyaratn	Independent Director, Member of the Audit Committee
10.	Mr. Boonpakorn	Chokwathana	Independent Director, Member of the Audit Committee
11.	Mrs. Aruni	Kettratad	Independent Director, Chairperson of the Nomination and Remuneration Committee

Mr. Banphot Kittikonglert, Company Secretary, is the secretary of the Board of Directors.

Legal Binding of the Company

Any two authorized directors, except Mr. Chong Toh, sign and affix the Company's seal.

Term of Directors

At annual general meeting of shareholders, one-third of the directors shall retire from office. If the number of directors is not a multiple of three, then the number nearest to one-third shall retire from office. Retiring directors shall be those who have served longest in office. Those who retire by rotation are eligible for re-election.

Duties and Responsibilities of the Board of Directors

The duties and responsibilities of the Board of Directors, which are described in the Board of Directors' Charter, are as follows:

- a) To perform duties in accordance with the laws, the Company's objectives and regulations, and resolutions of the shareholders' meeting, in good faith and with care for the best interest of the Company.
- b) To establish the Company's vision, directions and strategies, with the aim to maximize long-term shareholders' value.
- c) To endorse major strategies and policies, including objectives, business plans, financial targets, operating plans and capital expenditure budgets, as proposed by management; and to monitor and ensure the implementation and follow up on the outcome.
- d) To establish the Corporate Governance Manual and the Company's Code of Ethics, and to monitor and ensure communication and implementation of such policies and guidelines, to approve amendments as appropriate and to report in the annual report.
- e) To ensure proper systems for corporate accounting, financial reporting and financial auditing; to ensure that the Company has an effective internal control, internal audit and risk management system, which should be reviewed annually, and to assign the internal audit department to independently audit and report on the system.
- f) To approve quarterly and annual financial reports; to ensure that they are correct, accurate, credible, in compliance with generally accepted accounting standards and report to shareholders in the annual report.
- g) To monitor, supervise and approve, as the case may be, and to ensure transparency in the transactions which are connected transactions and may cause conflict of interest, and to set clear guidelines on the approval and disclosure process of transactions with conflict of interest.
- h) To set and appoint committees as appropriate to help pursue, study in detail, monitor and oversee matters of importance as assigned, and to approve their charters which include their duties and responsibilities and determine their remuneration.

Audit Committee

The Company's Audit Committee as at 31 December 2011 comprises the following:

- | | | | |
|----|----------------|-------------|------------------------------------|
| 1. | Ms. Sophavadee | Uttamobol | Chairperson of the Audit Committee |
| 2. | Mr. Soradis | Vinyaratn | Member of the Audit Committee |
| 3. | Mr. Boonpakorn | Chokwathana | Member of the Audit Committee |

Ms. Pacchanya Chutimawong - Manager of Corporate Internal Audit, is the secretary of the Audit Committee.

The Company's Audit Committee have the experience and knowledge of the Company's financial matters and Ms. Sophavadee Uttamobol is the Audit Committee member who has the knowledge and experience in reviewing the Company's financial statements

Term of the Audit Committee

The term of service of Audit Committee is 3 years. In case that an Audit Committee member vacates his position before the expiration of his term of service, the Board of Directors shall select a replacement as soon as possible. The replacement will serve only up to the remaining term of the Audit Committee.

The authorities of the Audit Committee:

1. To engage independent advisers as necessary to carry out its duties
2. To have unrestricted access to management, employees and relevant information
3. To conduct special investigations where required
4. To establish procedures in dealing with concerns of employees regarding accounting, internal controls or auditing matters
5. To establish procedures for receiving, keeping and managing complaints received by the Company regarding finance, internal controls or auditing matters
6. To have direct responsibilities on appointment, setting the compensation, engagement and supervision of the external auditor
7. To approve fees and terms and conditions of audit-related work and to review the provision of non-audit services by the external auditor (and, when required, the framework for pre-approval of such services).
8. To approve expenses incurred to fulfil Audit Committee's duties.

The duties and responsibilities of the Audit Committee:

1. To review the financial reports of the Company to ensure accuracy and sufficiency.
2. To review the Company internal control system, internal audit system and risk management system to ensure appropriateness and efficiency and to consider the independence of the internal audit function, including giving consent to the appointment, rotation or termination of the chief internal audit unit or another function responsible for internal auditing.

3. To review the Company's compliance with the laws governing securities and exchange, including rules and regulations prescribed by the Stock Exchange of Thailand and other laws related to the conduct of the Company's business.
4. To consider, select and propose the appointment of an independent party as the Company's external auditor, to propose the audit fees, and to meet with the external auditor without the presence of management at least once a year.
5. To consider related parties transactions or transactions which may have conflict of interest, to be in accordance with the Stock Exchange of Thailand's rules and regulations, to ensure that such transactions are reasonable and are for the best benefits of the Company.
6. To prepare the report of the Audit Committee to be disclosed in the Company's annual report. The report must be signed by the Chairperson of the Audit Committee and must contain at least the following details:
 - Opinion on the accuracy, sufficiency and credibility of the Company's financial statements.
 - Opinion on the sufficiency of the Company's internal control system.
 - Opinion on the Company's compliance with the laws governing securities and exchange and rules and regulations prescribed by the Stock Exchange of Thailand and other laws related to the conduct of the Company's business.
 - Opinion on the appropriateness of the external auditor.
 - Opinion on transactions which may have conflict of interest.
 - Number of Audit Committee Meetings and the attendance of each Committee member.
 - Opinion and observations that the Audit Committee received from performing its duties according to this charter.
 - Other transactions deemed appropriate to be disclosed to shareholders and investors and are within Audit Committee's authorities and responsibilities as assigned by the Board of Directors.
7. To investigate immediately in case that external auditor notifies the Committee of fraud cases in the Company, and to report the result of the preliminary investigation to the Securities and Exchange Commission and the external auditor within 30 days after receiving the written notice from the external auditor.
8. To have at least one Audit Committee member attend the Board of Directors' meeting every time that there is an agenda on approval of financial reports.
9. To meet with the Company's legal department regularly and may consult with external lawyers as necessary.
10. To perform other duties as assigned by the Board of Directors and with consent from the Audit Committee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee as at 31 December 2011 comprises the following:

- | | | |
|----|----------------------------|--|
| 1. | Mrs. Aruni Kettratad | Chairperson of the Nomination and Remuneration Committee |
| 2. | Dr. Chanvit Tanphiphat, MD | Member of the Nomination and Remuneration Committee |
| 3. | Mr. Chong Toh | Member of the Nomination and Remuneration Committee |
- Mr. Banphot Kittikonglert, Company Secretary, is the secretary of the Nomination and Remuneration Committee.

Term of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee has a term of three years. Members of the Nomination and Remuneration Committee may be re-elected upon expiration of the term.

Duties and Responsibilities of the Nomination and Remuneration Committee

The duties and responsibilities of the Nomination and Remuneration Committee, in accordance with Nomination and Remuneration Committee's Charter, are as follows:

- a) Nomination
 1. To consider the appropriate size, composition and term of the Board of Directors.
 2. To consider and recommend whether there should be a retirement age for directors, and to recommend to the Board of Directors the directors' retirement age.
 3. To formulate and review qualifications of directors and members of the Committees.
 4. To propose and review candidates for the director position in case of vacancies or for any other reasons, including collecting a list of candidates nominated by shareholders, to be approved by the Board of Directors and/or Shareholders' Meeting as the case may be.
 5. To consider and propose qualified directors to be a member of a Committee when there is a vacancy.
- b) Remuneration
 1. To determine the procedures and criteria for fair and reasonable compensation for directors and Committee members.
 2. To recommend remuneration for directors and Committee members, including remuneration of the Nomination and Remuneration Committee members, to the Board of Directors and/or Shareholders' Meeting, as the case may be.

3. To implement a process for assessing the performance of the Board of Directors and Committees, including proposing their Performance Evaluation Form.
- c) To perform other duties relevant to the Nomination and Remuneration Committee as may be assigned by the Board.

Governing Board of Bumrungrad International Hospital, Bangkok

The Governing Board of Bumrungrad International Hospital, Bangkok as at 31 December 2011, comprises the following:

- | | | | |
|-----|-------------------|--------------------|-------------|
| 1. | Dr. Visuit | Vivekaphirat, MD | Chairperson |
| 2. | Mr. James Matthew | Banner | Secretary |
| 3. | Dr. Num | Tanthuwaniit, MD | Member |
| 4. | Dr. Oradee | Chandavas, MD | Member |
| 5. | Dr. Rujapong | Sukhabote, MD | Member |
| 6. | Dr. Sira | Sooparb, MD | Member |
| 7. | Ms. Sophavadee | Uttamobol | Member |
| 8. | Dr. Roekchai | Tulyapronchote, MD | Member |
| 9. | Dr. Chanvit | Tanphiphat, MD | Member |
| 10. | Dr. Winyou | Ratanachai, MD | Member |
| 11. | Dr. Sinn | Anuras, MD | Ex officio |
| 12. | Mr. Kamonsak | Reungjarearnrun | Ex officio |
| 13. | Mrs. Lee Chan | Yow | Ex officio |
| 14. | Ms. Pawinee | Rujipatanagul | Ex officio |
| 15. | Ms. Varanya | Seupsuk | Ex officio |

Term of the Governing Board

The Governing Board has a term of two years. Members of the Governing Board may be re-elected upon expiration of the term.

Duties and Responsibilities of the Governing Board

The Governing Board has the objective to recommend and implement the Hospital Policy, promote patient safety and performance improvement, provide quality patient care and provide for organizational management and planning of the hospital. The Governing Board has the scope of duties and responsibilities in accordance with Governing Board Bylaws Rules and Regulations of Bumrungrad International Hospital, Bangkok as follows:

1. To organize physicians and other practitioners granted clinical privileges at the Hospital into a medical staff under Professional Staff Bylaws, Rules and Regulations approved by the Governing Board.
2. To appoint and reappoint Medical Staff members and assign clinical privileges in accordance with Professional Staff Bylaws, Rules and Regulations.
3. To establish and amend, together with the Medical Staff, and approve Professional Staff By-laws, Rules and Regulations which set forth its organization and governance.
4. To assign to the Medical Staff reasonable authority to ensure appropriate professional care to Hospital patients, including to direct that all reasonable and necessary steps be taken by the Medical Staff and Hospital administration for meeting JCI and HA accreditation standards and complying with applicable laws and regulations.

Investment Committee

The Company's Investment Committee as at 31 December 2011 comprises the following:

- | | | | |
|----|--------------------|--------------|-------------|
| 1. | Mr. Chai | Sophonpanich | Chairperson |
| 2. | Mrs. Linda | Lisahapanya | Member |
| 3. | Mr. Chong | Toh | Member |
| 4. | Dr. Suvarn | Valaisathien | Member |
| 5. | Mr. Dennis Michael | Brown | Member |

Term of the Investment Committee

The Investment Committee has a term of three years. Members of the Investment Committee may be re-elected upon expiration of the term.

Duties and Responsibilities of the Investment Committee

The duties and responsibilities of the Investment Committee, in accordance with Investment Committee's Charter, are as follows:

1. To consider investment opportunities, their appropriateness and feasibilities, and investment structure of each investment project. Investment projects include the Company's annual capital expenditure, expansion and renovation of the Bangkok hospital facilities, investment and/or joint venture, by the Company, subsidiary or affiliate, in new project, business or company both within Thailand or abroad.
2. To consider financial status of the Company in order to evaluate the Company's investment capacity.
3. To recommend investment projects which have been considered by the Investment Committee to the Board of Directors for approval.
4. To monitor result of an investment made by the Company in terms of its performance and to consider any action necessary to minimize the Company's risks from investment.
5. To perform other duties relevant to the Investment Committee as may be assigned by the Board of Directors.

Management

The Company's Management as at 31 December 2011 consists of the following:

- | | | |
|-----------------------|-----------------------|---|
| 1. Mrs. Linda | Lisahapanya | Managing Director |
| 2. Dr. Dhanit | Dheandhanoo, MD | Chairperson of the Medical Board |
| 3. Mr. Dennis Michael | Brown | Corporate Chief Executive Officer |
| 4. Dr. Sinn | Anuras, MD | Group Medical Director |
| 5. Dr. Chamaree | Chuapetcharasopon, MD | Medical Director, Bumrungrad International Hospital, Bangkok |
| 6. Mr. James Matthew | Banner | Chief Executive Officer, Bumrungrad International Hospital, Bangkok |
| 7. Mrs. Lee Chan | Yow | Chief Financial Officer, Bumrungrad International Hospital, Bangkok |
| 8. Mr. Kamonsak | Reungjarearnrung | Chief Administrative Officer*, Bumrungrad International Hospital, Bangkok |
| 9. Ms. Varanya | Seupsuk | Chief Administrative Officer*, Bumrungrad International Hospital, Bangkok |
| 10. Mrs. Phawinee | Rujpattanakul | Chief Nursing Officer*, Bumrungrad International Hospital, Bangkok |

* appointed on 15 August 2011

Management's authority to approve the capital expenditure

Managing Director is the highest-ranking corporate executive of the management authorized by the Board of Directors to approve for all budgeted capital expenditure or project up to Baht 40 million per capital expenditure or project.

Details of Management and Controlling Parties Directors

Name / Position	Age	Education	Shareholding* (%)	Family Relationship between Management	Work Experience
1. Mr. Chai Sophonpanich Chairperson of the Board of Directors	67	<ul style="list-style-type: none"> - Bachelor of Science, University of Colorado, USA - Advanced Management Program, The Wharton School, University of Pennsylvania, USA - The Joint State - Private Sectors Course, Class 6, The National Defense College of Thailand - Director Certification Program, Class 16/2002, Thai Institute of Directors - Chairman 2000, Class 10/2004, Thai Institute of Directors 	1.09	<ul style="list-style-type: none"> - Spouse of Mrs. Linda Lisahapanya's sister - Father of Mr. Chong Toi's spouse 	<ul style="list-style-type: none"> - 2010 – Present Chairman and Chief Executive Officer, Bangkok Insurance Pcl. - 1986 – Present Chairman, Charoong Thai Wire & Cable Pcl. - 1988 – Present Chairman, Furukawa Metal (Thailand) Pcl. - 1968 – Present Director, Bangkok Life Insurance Co., Ltd. - 1968 – Present Vice Chairman, Thai Reinsurance Pcl.
2. Dr. Chanvit Tanhiphat, MD Vice Chairperson of the Board of Directors Member of the Nomination and Remuneration Committee	67	<ul style="list-style-type: none"> - MB ChB (Bachelor of Medicine and Bachelor of Surgery), Leeds University, United Kingdom - FRCS (Fellowship of the Royal College of Surgeons of Edinburgh), United Kingdom 	0.07	-	<ul style="list-style-type: none"> - Professor Emeritus, Department of Surgery, Faculty of Medicine, Chulalongkorn University
3. Mrs. Linda Lisahapanya Director Managing Director	58	<ul style="list-style-type: none"> - Master of Finance, University of Illinois, USA - Director Certification Program, Class 78/2006, Thai Institute of Directors 	0.01	- Sister of Mr. Chai Sophonpanich's spouse	<ul style="list-style-type: none"> - Managing Director, Bumrungrad Hospital Pcl.
4. Dr. Dhanit Dheandhanoo, MD Director Chairperson of the Medical Board	74	<ul style="list-style-type: none"> - Doctor of Medicine, Mahidol University - Board Certification: Neurosurgery, United Kingdom 	0.003	-	<ul style="list-style-type: none"> - Clinical Professor Emeritus, Director, Neurosurgery Unit, Department of Surgery, Faculty of Medicine, Ramathibodi Hospital, Mahidol University
5. Dr. Sinn Anuras, MD Director Group Medical Director	69	<ul style="list-style-type: none"> - Doctor of Medicine, Chulalongkorn University - Board Certifications: - American Board of Internal Medicine - American Board of Gastroenterology 	0.004	-	<ul style="list-style-type: none"> - 1987 – 1994 Professor and Vice Chairperson of Medical Affairs, University Medical Center, Lubbock, Texas, USA

* Shareholding as at 30 December 2011, including both preference and ordinary shares, and shares held by spouse and minors.

Name / Position	Age	Education	Shareholding* (%)	Family Relationship between Management	Work Experience
6. Mr. Chong Toh Director Member of the Nomination and Remuneration Committee	42	<ul style="list-style-type: none"> - Master of Science in Management, Massachusetts Institute of Technology, USA - Bachelor of Arts in Philosophy, Politics and Economics, Oxford University, United Kingdom - Director Accreditation Program, Class 54/2006, Thai Institute of Directors 	0.05	- Spouse of Mr. Chai Sophonpanich's daughter	<ul style="list-style-type: none"> - 2005 – Present Executive Vice President, International Banking Group, Bangkok Bank Pcl. - 2005 – Present Executive Chairman, Bualuang Securities Pcl. - 2001 – Present Director, Bualuang Securities Pcl. - 2000 – Present Director, Asia Cement Pcl. - 2001 – 2005 President, Bualuang Securities Pcl. - 1999 – 2005 Director, Bualuang Finance Co., Ltd. - 2000 – 2001 President, Bualuang Finance Co., Ltd.
7. Dr. Suvarn Valaisathien Director	66	<ul style="list-style-type: none"> - Ph.D. in Law, George Washington University - LL.M, Howard University - Barrister, Thai Bar Association - First honored LL.B, Chulalongkorn University 	0.001	-	<ul style="list-style-type: none"> - 2004 – present Chairman of Saver Club - 2002 – present Legal consultant - 2000 – 2002 Deputy Minister, Ministry of Commerce - 1981 – 2000 Legal Consultant for various companies - 1979 Vice Governor, Petroleum Authority of Thailand - 1976 Legal Consultant, The World Bank, Washington, D.C. - 1974 Head of Taxes Division, S.G.V.-Na Thalang - 1971 lawyer, Hale and Dorr, Boston USA

* Shareholding as at 30 December 2011, including both preference and ordinary shares, and shares held by spouse and minors.

Name / Position	Age	Education	Shareholding* (%)	Family Relationship between Management	Work Experience
8. Ms. Sophavadee Utamobol Independent Director Chairperson of the Audit Committee	50	<ul style="list-style-type: none"> - Master of Business Administration, Chulalongkorn University - Director Accreditation Program, Class 5/2003, Thai Institute of Directors - Audit Committee Program, Class 2/2004, Thai Institute of Directors - Role of Chairman Program, Class 14/2006, Thai Institute of Directors 	-	-	<ul style="list-style-type: none"> - 2001 – Present Director, S&P Syndicate Pcl. - 1991 – Present legal Consultant, Dhamrongtham Law Office
9. Mr. Boonpakorn Chokwathana Independent Director Member of the Audit Committee	76	<ul style="list-style-type: none"> - Assumption Commercial College - Bachelor's Degree of Economics, University of Nottingham, United Kingdom - Director Certification Program, Class 68/2005, Thai Institute of Directors - Director Accreditation Program, Class 3/2003, Thai Institute of Directors - Role of Compensation Committee Program, Class 7/2008, Thai Institute of Directors 	0.04	-	<ul style="list-style-type: none"> - Chairperson, New City (Bangkok) Pcl. - Chairperson, Dr. Thiam Chokwatana Foundation - Vice Chairperson, Saha Pathanapibul Pcl. - Vice Chairperson, Saha Pathana Inter-Holding Pcl. - Director, IT City Pcl.
10. Mr. Soradis Vinyaratn Independent Director Member of the Audit Committee	71	<ul style="list-style-type: none"> - Bank Management, City of London College of Banking, London, United Kingdom - Director Accreditation Program, Class CP/2005, Thai Institute of Directors 	-	-	<ul style="list-style-type: none"> - 2010 – Present Independent Director, Dusit Thani Pcl. - 1982 – Present Vice Chairperson, Landmark Hotel Group - 1957 – 1990 Executive Vice President, Bangkok Bank Pcl.
11. Mrs. Aruni Keitratad Independent Director Chairperson of the Nomination and Remuneration Committee	63	<ul style="list-style-type: none"> - Master of Business Administration, University of Portland, Oregon, USA 	-	-	<ul style="list-style-type: none"> - 2009 – Present Managing Director, AA Talent Recruitment Co., Ltd. - 2006 – 2008 Freelance consultant in HR management services - 1987 – 2005 Partner-in-Charge, Recruitment & Human Resources Consulting Department, Ernst & Young, Thailand

* Shareholding as at 30 December 2011, including both preference and ordinary shares, and shares held by spouse and minors.

Management

Name / Position	Age	Education	Shareholding* (%)	Family Relationship between Management	Work Experience
1. Mrs. Linda Iisapanya Director Managing Director	58	- Master of Finance, University of Illinois, USA - Director Certification Program, Class 78/2006, Thai Institute of Directors	0.01	- Sister of Mr. Chai Sophonpanich's spouse	- Managing Director, Bumrungrad Hospital Pcl.
2. Dr. Dhanit Dheandhanoo, MD Director Chairperson of the Medical Board	74	- Doctor of Medicine, Mahidol University - Board Certification: Neurosurgery, United Kingdom	0.003	-	- Clinical Professor Emeritus, Director, Neurosurgery Unit, Department of Surgery, Faculty of Medicine, Ramathibodi Hospital, Mahidol University
3. Mr. Dennis Michael Brown Member of Investment Committee Corporate Chief Executive Officer	56	- Executive Program, Graduate School of Business, Stanford University - Bachelor's Degree of Chemistry, Valparaiso University, USA - Master of Business Administration in Health and Hospital Administration, University of Florida, USA	-	-	- 2006 - Present Chief Executive Officer, Bumrungrad International Limited - 2004 - 2006 Chief Operating Officer, Bumrungrad International Hospital, Bangkok - 1980 - 1984, 1985 - 2003 Senior Vice President, Operations Northern Region, Tenet Healthcare Corporation - Chief Executive Officer, Australian Medical Enterprises, Australia - Chief Executive Officer, Mount Elizabeth Hospital, Ltd.
4. Dr. Sinn Anuras, MD Director Group Medical Director	69	- Doctor of Medicine, Chulalongkorn University - Board Certifications: - American Board of Internal Medicine - American Board of Gastroenterology	0.004	-	- 1987 - 1994 Professor and Vice Chairperson of Medical Affairs, University Medical Center, Lubbock, Texas, USA
5. Dr. Chamaree Chuapetcharasopon, MD Medical Director, Bumrungrad International Hospital, Bangkok	56	- Doctor of Medicine, Faculty of Medicine, Ramathibodi Hospital, Mahidol University - Board Certification: General Radiology, Thailand - Fellowships: - Vascular and Interventional Radiology, USA - Body Imaging, USA	-	-	- 1998 - Present Executive Committee, Royal College of Radiologists of Thailand - 1998 - 2009 Consultant Radiologist, National Cancer Institute - 1986 - 1995 Instructor, Department of Radiology, Faculty of Medicine, Ramathibodi Hospital, Mahidol University

* Shareholding as at 30 December 2011, including both preference and ordinary shares, and shares held by spouse and minors.

Name / Position	Age	Education	Shareholding* (%)	Family Relationship between Management	Work Experience
6. Mr. James Matthew Banner Chief Executive Officer, Bumrungrad International Hospital, Bangkok	62	- Master's Degree in Health Services Administration, Medical College of Virginia, USA	-	-	- BUPA Health Care Asia (previously VISTA) - Director and Chief Executive Officer, Subang Jaya Medical Center, Kuala Lumpur, Malaysia
7. Mrs. Lee Chan Yow Chief Financial Officer, Bumrungrad International Hospital, Bangkok	56	- Bachelor's Degree, Victoria University of Wellington, New Zealand - Director Certification Program, Class 78/2006, Thai Institute of Directors	0.00	-	- 1994 – 1996 General Manager, Finance, Parkway Health Group - 1987 – 1994 Chief Financial Officer, Mount Elizabeth Hospital Ltd., Singapore - 1984 – 1986 Chief Accountant, Scotts Holding (S) Pte. Ltd.
8. Mr. Kamonsak Reungjarearnung Chief Administrative Officer Bumrungrad International Hospital, Bangkok	43	- MBA in Healthcare Management, European School of Management, Paris, France	-	-	- 1994 – present Chief Administrative Officer, Bumrungrad International Hospital, Bangkok - 1991 – 1992 Pharmacist, Thaboom Hospital, Surin Province
9. Mrs. Varanya Seupsuk Chief Administrative Officer Bumrungrad International Hospital, Bangkok	40	- Master of Human Resource Management, College of Notre Dame, California, USA - Bachelor of Marketing, Assumption University ABAC - Certification in Marketing Management, University of California, Berkeley, USA	-	-	- 1997 – present Chief Administrative Officer, Bumrungrad International Hospital, Bangkok
10. Mrs. Pawinee Rujipatanagul Chief Nursing Officer Bumrungrad International Hospital, Bangkok	52	- Master of Business Administration, The Trader of Science in Accounting, Chulalongkorn University - Certificate of Midwifery after the Bachelor's degree - Bachelor of Science in Nursing, Mahidol University	-	-	- 1982 – present Chief Nursing Officer, Bumrungrad International Hospital, Bangkok

* Shareholding as at 30 December 2011, including both preference and ordinary shares, and shares held by spouse and minors.

Details of Directorships in Subsidiaries and Related Companies

Directors	Companies	Subsidiaries		Associated Companies	
	Bumrungrad Medical Center Limited	Vitalife Corporation Limited	Asia Global Health Company Limited	Asia Global Research Company Limited	Bumrungrad International Limited
1. Mr. Chai Sophonpanich	X	X			
2. Dr. Chanvit Tanhiphat, MD	/				
3. Mrs. Linda Lisahapanya	//	/	X	/	/
4. Dr. Dhanit Dheandhanoo, MD	//				
5. Dr. Sinn Anuras, MD	//			X	
6. Mr. Chong Toh	/				/
7. Mr. Boonpakorn Chokwathana	/				
8. Mr. James Matthew Banner		/			
9. Mrs. Lee Chan Yow		/	/		
10. Mr. Suthipong Teeratana		/			
11. Mr. Sayed Shuja Ali					/
12. Dr. Jennifer Lee, MD					/
13. Mr. Bernard Charnwut Chan					/

Notes:

- / = Director X = Chairman // = Management
- CDE Trading Company Limited (formerly Global Care Solutions (Thailand) Company Limited) is not shown in the above table as no director/management of the Company holds the position of director, chairman or management in CDE Trading Company Limited.
- Mrs. Lee Chan Yow resigned from a director of Vitalife Corporation Limited effective from 1 January 2012.

(2) Election of Directors and Management

The Nomination and Remuneration Committee has the responsibility to select and nominate candidates to replace directors and members of committees whose terms have expired or for any other reasons, including to consider candidates proposed by shareholders, and to propose to the Board of Directors to approve or to recommend to shareholders' meetings of such appointment. The Nomination and Remuneration Committee is responsible for considering qualifications of candidates, taking into account their knowledge, abilities, experience which will be beneficial to the Company, their leadership skills, visions, ethical values, and their independence in making professional decisions and for ensuring that the candidates possess the qualifications as stipulated in the Board of Directors' Charter.

The process for electing directors in a shareholders' meeting is in accordance with the following rules and principles:

- Each shareholder has one vote for one share.
- The election of directors may be either by voting for each individual director, or by voting for a group of directors, whichever way the shareholders' meeting deems appropriate. For each resolution, each shareholder must exercise all of his/her votes for one individual director or for one group of directors. Votes by each shareholder may not be split between any directors or any groups of directors.
- The election passes with the majority of the votes. If the number of votes is equal, the chairperson of the meeting has the final vote.

The process for selection of independent directors is the same as that of directors and management. Qualifications of independent directors are as follows:

1. Holds shares not more than one percent of total shares with voting rights of the Company, the Company's parent company, subsidiary company, associate company, major shareholder or controlling person, inclusive of the shares held by related persons of such independent director.
2. Is not an executive director, employee, staff, advisor with salary, or controlling person of the Company, the Company's parent company, subsidiary company, associate company, subsidiary company of the same level, major shareholder or controlling person (at present and two years prior to the appointment).
3. Is not related, whether by blood or legal registration as father, mother, spouse, sibling and child, including spouse of children, with the management, major shareholder, controlling person or those who will be nominated as management or controlling person of the Company or subsidiary.
4. Does not have business relationship with the Company, the Company's parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither is a significant shareholder or controlling person of any person having a business relationship with the Company, the Company's parent company, subsidiary company, associate company, major shareholder or controlling person (at present and two years prior to the appointment), with details as per rules and regulations of the Securities and Exchange Commission, Thailand.
5. Is not an auditor of the Company, the Company's parent company, subsidiary company, associate company, major shareholder or controlling person, and is not a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, the Company's parent company, subsidiary company, associate company, major shareholder or controlling person (at present and two years prior to the appointment).
6. Is not a provider of any professional services including as legal advisor or financial advisor who receives service fees exceeding Baht two million per year from the Company, the Company's parent company, subsidiary company, associate company, major shareholder or controlling person, and is not a significant shareholder, controlling person or partner of the provider of professional services (at present and two years prior to the appointment).
7. Is not a director appointed as a representative of the Company's director, major shareholder, or shareholder who is related to major shareholder.
8. Does not undertake any business in the same nature and in competition to the business of the Company or the Company's subsidiary company, or is not a significant partner in a partnership nor an executive director, employee, staff, advisor with salary or holding shares exceeding one per cent of the total number of shares with voting rights of another company which undertakes business in the same nature and in competition to the business of the Company or its subsidiary company.
9. Does not possess any other characteristics that deter the ability to express independent opinions with regards to the Company's business operations.

In 2011, none of the Company's independent directors have business relationship or provide professional services to the Company of over Baht two million, which is in accordance with the regulations stipulated by the Capital Market Supervisory Board.

(3) Remuneration of Directors, Committees and Management

Directors' Remuneration and Committees' Remuneration

Remuneration of Directors, the Audit Committee and the Nomination and Remuneration Committee for the year ended 31 December 2011 for 11 directors are as follows:

Name	Board of Directors			Audit Committee		Nomination and Remuneration Committee		
	Number of Meetings	Annual Remuneration	Meeting Remuneration	Total	Number of Meetings	Meeting Remuneration	Number of Meetings	Meeting Remuneration
1. Mr. Chai Soponpanich	5/6	450,000	200,000	650,000				650,000
2. Dr. Chanvit Tanhiphat, MD	5/6	400,000	150,000	550,000			2/2	50,000
3. Mrs. Linda Lischapanya	6/6	350,000	150,000	500,000				500,000
4. Dr. Dhanit Dheandhanoo, MD	6/6	350,000	150,000	500,000				500,000
5. Mr. Chong Toh	5/6	350,000	125,000	475,000			2/2	50,000
6. Dr. Sinn Anuras, MD	6/6	350,000	150,000	500,000				500,000
7. Dr. Jennifer Lee, MD Dr. Suvarn Valaisathien*	0/2	116,667	0	116,667				116,667
	4/4	233,333	100,000	333,333				333,333
8. Ms. Sophavadee Uttamobol	6/6	350,000	150,000	500,000	6/6	240,000		740,000
9. Mr. Soradis Vinyaratn	6/6	350,000	150,000	500,000	6/6	150,000		650,000
10. Mr. Boonpakorn Chokwathana	6/6	350,000	150,000	500,000	6/6	150,000	2/2	80,000
11. Mrs. Aruni Kettratad	5/6	350,000	125,000	475,000				475,000
Total		4,000,000		5,600,000		540,000		180,000
								6,320,000

* Dr. Suvarn Valaisathien was appointed the director of the Company by the approval of AGM No.18/2554 (28 Apr 2011), effective date 1 May 2011.

In 2011, the Investment Committee held 3 meetings. Total remuneration of Baht 0.3 million was paid to the members of the Investment Committee.

In 2011, the Governing Board held 6 meetings. Total remuneration of Baht 0.6 million was paid to the members of the Governing Board.

Directors' remuneration represents the benefits paid to the Company's directors, exclusive of salaries and related benefits payable to the management. The above remunerations have been approved by the shareholders.

An independent director of the Company, Mr. Boonpakorn Chokwathana, is also a director of Bumrungrad Medical Center Limited, a subsidiary of the Company. In 2011, Mr. Boonpakorn Chokwathana did not receive any remuneration from Bumrungrad Medical Center Limited.

Remunerations of Management

In 2011, the total remuneration of the 14 executives of the Company and its subsidiaries amounted to Baht 121.695 million. The Company and its subsidiaries had employee benefit expense payable to their directors and management as follows:

Short-term employee benefits	Baht	117.713 million
Termination benefits	Baht	<u>3.982 million</u>
Total	Baht	<u>121.695 million</u>

(4) Corporate Governance (Page 88)

(5) Internal Control of Information

The Company has the policy regarding management using internal information for personal benefits as follows:

1. According to Company's rules and regulations, directors are required to inform the Company immediately in the event that they may have any interests in any agreements being entered into by the Company, or that there is an increase or decrease in their holding of shares or bonds of the Company or subsidiaries.
2. Directors and management must prepare and disclose securities holding report to the Securities and Exchange Commission and to the Company within the required time.

Penalties for violation include the following:

1. Verbal warning for corrective action
2. Report to shareholders' meeting for consideration
3. Compensation for any damages
4. Disclosure to Securities and Exchange Commission and the Stock Exchange of Thailand

(6) Internal Control

Bumrungrad Hospital Public Company Limited continuously values the internal control system and the internal audit system, and well realizes that the good internal control and audit systems can prevent potential losses, detect existing errors, mitigate business risk and operational risk to the acceptable level, generate accurate and reliable financial reports, and help the Company achieve its goals. As a result, the Board of Directors has governed and assigned the Audit Committee to review and comment on effectiveness of the Company's internal control system, which can be divided into 5 main parts as follows:

Part 1: Organizational Control and Environment

The Company set its vision, mission, and operating policy, with the emphasis on integrity and ethics, and clearly defined both short-term and long-term business goals. It has also rewarded employees based on their performance on achieving those goals. In addition, the Company has the organizational structure and work procedures that help tighten its operations and prevent unauthorized asset use. Furthermore, the Company's executives continuously develop and improve the quality of management; resulting in recognition by several third-party organizations, especially as Asia's first hospital accredited by the US-based Joint Commission International (JCI) in 2002 and re-accredited in 2005, 2008 and 2011, and as evidenced by the Best Practice Workplace Award for Labor Relations and Labor Welfare in 'the Large Enterprise without Federation of Labor Union' category received from Thailand's Ministry of Labor in 2009, 2010 and 2011. Based upon the aforementioned characteristics, it is deemed that the Company has a good organizational structure and environment, which is an essential foundation for an effective internal control system.

Part 2: Risk Management Measure

The Company regularly assesses business risk factors, taking into account economic, political, social and environmental circumstances, including the industry situation and competition, which are external factors. It also assesses internal factors, especially risk factors concerning medical services, which may have a significant impact to the Company. In addition, the Company has determined the risk management approach for the possible flooding by assigning the Management to prepare the Business Continuity Plan, and has established the Hospital Administrative Policy on Safety and Environment Risk Assessment. Consequently, it is deemed that the Company has the effective risk management process that can mitigate business risks to the acceptable level.

Part 3: Management Control Activities

The Company has established transaction approval authority and limits based on the nature and amount of transaction. In case of connected transactions or potential conflict of interest transactions, the Audit Committee has a duty to review the necessity and rationale of those transactions, which must be approved by the Management, the Board of Directors, or the Shareholders as the case may be. The person with conflict of interest is not allowed to vote in these transactions. Moreover, the Company regularly monitors subsidiaries' and affiliates' operations by delegating the Company's directors to take a position of chairperson, directors, or executive directors in those subsidiaries or affiliates. In 2011, the Company entered into all such transactions with related persons or parties in compliance with the principles, procedures, and conditions stipulated in laws and regulations, under the good corporate governance policy, on an arm's length basis, and for its own highest benefits.

Part 4: Information and Communication

The Company has performed financial reporting in accordance with the accounting policy as deemed appropriate for its nature of business, and with the Generally Accepted Accounting Principles (GAAP). In addition, the Company has implemented the International Financial Reporting Standards (IFRS), which was effective in the year 2011, by establishing working groups consisting of relevant persons from different departments and assigning them to prepare data and information systems to be ready for those standards. The Company has also engaged a consulting firm to give advice and provide training sessions for all relevant executives and employees. Moreover, the Company has provided necessary and sufficient information for the Board of Directors to make a decision.

Part 5: Monitoring

The Company set up the Corporate Internal Audit Division, which directly reports to the Audit Committee, to ensure its independence. Its duty is to audit the internal control system, the risk management process, and corporate governance. The audit objectives are to assure that:

- Operations in various processes are efficient and effective enough to achieve the Company's objectives;
- The financial reporting process has adequate and proper controls to make financial data reliable;
- The management control process is effective enough to govern adherence to laws and regulations, and the Company's policies and procedures appropriately;
- The internal controls over work processes pertaining to patients' safety are effective and adequate.

In addition, the Company delegated the internal auditors to conduct a business process review for its subsidiaries, and assigned responsible persons to determine ways to develop and improve work systems according to the internal auditors' recommendations, and the independent auditor's recommendations in the Management Letter.

As a result of the assessment of the adequacy and appropriateness of the internal controls based on the above five components, the Board of Directors has the opinion that the Company's internal control system is adequate and effective, and there were no significant deficiencies in the internal control system.

In addition, please see the Report of the Audit Committee (Page 24).

5.3 Dividend Policy

1. The Company's dividend policy is as follows:

1.1 When the Company has net profit which can be distributed to shareholders, the preferred shareholders will receive dividends before the ordinary shareholders. In any year that dividends distributed to the preferred shareholders reach 15% of the capital represented by the preferred shares, the balance of the profit shall be distributed to the ordinary shareholders at any amount as determined by the shareholders' meeting.

In any year that the Company is able to distribute dividends of more than 15% of its capital, the shareholders of both types shall receive the dividends equally.

- 1.2 For the payment of dividends, the Board of Directors is to follow the resolution of the shareholders' meeting.
- 1.3 For every dividend payment, the Company shall reserve at least 5% of the profit as appropriated statutory reserve, until the reserve accounts for 10% of the Company's capital.
- 1.4 Accrued dividends are not entitled to any interest payment.
2. Subsidiaries' dividend policy is as follows:
 - 2.1 When the company has profit which can be distributed to shareholders, the company is eligible to pay dividends to its shareholders at any amount in accordance with the resolution of the shareholders' meeting.
 - 2.2 Accrued dividends are not entitled to any interest payment.

On 27 February 2012, the Board of Directors approved, subject to shareholders' approval in shareholders' meeting to be held in April 2012, a dividend payment for the year 2011 to preferred and ordinary shareholders at the rate of Baht 1.10 per share, totaling Baht 803 million, which is a 50.6% pay-out ratio. The Company already paid an interim dividend of Baht 0.45 per share, totaling Baht 329 million, on 9 September 2011. The remaining dividend payment of Baht 0.65 per share, amounting to Baht 475 million will be paid on 24 May 2012, after the shareholders' approval.

For the year 2010, the Company paid dividend of Baht 0.90 per share, totaling Baht 657 million, or 52.2% pay-out ratio.

6. RELATED PARTIES TRANSACTIONS

1. Characteristics of Related Parties Transactions

The Company has transactions with its subsidiaries, affiliates and related companies as detailed in note to financial statement no. 9

For the period ending 31 December 2011 and 31 December 2010 the Company and subsidiaries entered into a number of transactions with related parties that may have conflict of interest with the Company and its subsidiaries. These connected transactions include normal course of business transactions and other transactions, and can be summarized as follows:

Related Company	Relationship	Description	Amount (Baht Million)		Pricing Policy	Reason for the Transaction
			For the year ended 31 Dec 2011	For the year ended 31 Dec 2010		
Bangkok Insurance PCL. (BKI)	Common director, and BKI was the major shareholder of the Company, with 14.61% shareholding as at 30 December 2011 (13.17% as at 30 December 2010)	<u>Revenues</u> - Revenues from hospital services received from BKI	10	7	It was the Company's normal course of business, charging at normal price and benefits as customers in general.	The Audit Committee has the opinion that the transaction was reasonable.
		<u>Expenses</u> - Insurance fees which the Company and subsidiaries paid to BKI	28	27	BKI was the insurance provider which the Company and subsidiaries have always used. In addition, the insurance premium that the Company and subsidiaries paid to BKI was at the rate which BKI offers to its customers in general.	The Audit Committee has the opinion that the transaction was reasonable.
		<u>Borrowing of Money</u> - The Company issued and offered 100,000 units of the Debentures of Bumrungrad Hospital Public Company Limited No.1/2011 Series 1 Due B.E. 2016 with the par value of Baht 1,000 each and interest rate of 4.13% and 100,000 units of the Debentures of Bumrungrad Hospital Public Company Limited No.1/2011 Series 2 Due B.E. 2018 with the par value of Baht 1,000 each and interest rate of 4.59% to BKI.	200	-	The price per unit including interest rate of debentures offered to BKI was the same price that the Company offers to other third-party subscribers.	The Audit Committee has the opinion that the transaction was reasonable and it was approved by the Board of Directors and the Shareholders.
Bangkok Life Assurance PCL. (BLA)	Common director	<u>Borrowing of Money</u> - The Company issued and offered 755,000 units of the Debentures of Bumrungrad Hospital Public Company Limited No.1/2011 Series 3 Due B.E. 2021 with the par value of Baht 1,000 each and interest rate of 4.97%.	755	-	The price per unit including interest rate of debentures offered to BKI was the same price that the Company offers to other third-party subscribers.	The Audit Committee has the opinion that the transaction was reasonable.

Related Company	Relationship	Description	Amount (Baht Million)		Pricing Policy	Reason for the Transaction
			For the year ended 31 Dec 2011	For the year ended 31 Dec 2010		
Bangkok Bank PCL (BBL)	Common director	<u>Revenues</u> - Revenues from hospital services received from BBL	20	20	It was the Company's normal course of business, charging at normal price and benefits as customers in general.	The Audit Committee has the opinion that the transaction was reasonable.
		<u>Expenses</u> - Bank credit cards commission fees paid to BBL	75	70	BBL was the credit card service provider which the Company has always used. The Company invested in various infrastructures to maximize the benefits from efficient use of credit card payment system. The fees paid to BBL are at the market rate.	The Audit Committee has the opinion that the transaction was reasonable.
		- Interest on convertible bonds paid to BBL	33	33	The Company paid interest on Baht 550 million principal of convertible bonds. Interest rates are in accordance with debt restructuring agreement.	Approved by the shareholders.
		- Underwriting fee for the Debentures of Bumrungrad Hospital Public Company Limited No.1/2011	2	-	Underwriting fee for the Debentures that the Company paid to BBL was the rate that BBL charged to its general customers.	The Audit Committee has the opinion that the transaction was reasonable.
Bualuang Securities PCL (BLS)	Common director and common major shareholder	<u>Expenses</u> - Consulting fees on finance paid to BLS	50	-	The expenses paid to BLS are at the rate which BLS offers to its customers in general.	The Audit Committee has the opinion that the transaction was reasonable.
Dr. Suvarn, Abhichart and Sorachai Law Office Common director	Common director	<u>Expenses</u> - Consulting fees on legal paid to Dr. Suvarn, Abhichart and Sorachai Law Office	2	3	The Company paid hourly fixed expenses to Dr. Suvarn, Abhichart and Sorachai Law Office. The expenses paid to Dr. Suvarn, Abhichart and Sorachai Law Office are at the rate which Dr. Suvarn, Abhichart and Sorachai Law Office offers to its customers in general.	The Audit Committee has the opinion that the transaction was reasonable.
Bumrungrad International Limited (BIL)	Associated company with 31.5% shareholding with common director	<u>Revenues</u> - Consulting fees on hospital management received from BIL	6	11	The Company charges the fees in relation to the actual cost of the resources used.	The Audit Committee has the opinion that the transaction was reasonable.
		<u>Expenses</u> - Consulting fees on hospital management paid to BIL	5	3	The Company paid hourly fixed expenses to BIL. The expenses paid to BIL are at the rate which BIL offers to its customers in general.	The Audit Committee has the opinion that the transaction was reasonable.

2. The Necessity and Rationale of the Related Parties Transactions

The Company has entered into related parties transactions to support the normal business of the Company. For example, having Bangkok Bank Public Company Limited as one of the Company's corporate contracts helps the Company to expand its client base, as Bangkok Bank's employees use the hospital services.

3. Policy on Related Parties Transactions in the Future

The Company may enter into related parties' transactions as part of its normal course of business, with normal trading terms and conditions, and within reasonable practice and process, using market price policy, as if doing arms-length transactions, in order to prevent conflict of interest between the Company and related persons.

In addition, the Company sees the importance of corporate governance and will strictly abide by the Company's policy, as well as the rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission. Moreover, the Company will emphasize the transparency of the related parties transactions, and will protect the highest benefit of the Company.

7. MANAGEMENT DISCUSSION AND ANALYSIS (PAGE 20)

8. FINANCIAL STATEMENTS

8.1 Financial Statements (Page 18-61)

8.2 Audit Fees

For the year 2011, the Company and subsidiaries have paid audit fees in the amount of Baht 2.72 million. The Company's 2011 audit fees have been approved by the shareholders' meeting.

Corporate Governance Report

The Company realizes the importance of good corporate governance, and is committed to follow the Principles of Good Governance Guidelines in order to manage its business with transparency, to build confidence for all stakeholders and to compete efficiently at the international level. The Company therefore would like to report the following:

1. THE RIGHTS OF SHAREHOLDERS

The Company acknowledges the importance of all shareholders' rights, including major and minority shareholders. Shareholders' rights include basic rights as investors and as owners of the Company, such as rights to buy, sell, transfer their shares; rights to receive dividends from the Company; rights in shareholders' meetings; rights to receive comprehensive, sufficient and timely news and information through easily accessible channels; rights to express their opinions; rights to participate in making decisions on important issues, such as election of directors, approval of important transactions that affect the direction of the business and operation of the Company, amendment of memorandum of association and articles of association of the Company.

In 2011, the Company has implemented the following to encourage and facilitate the exercise of shareholders' rights in the annual general meeting of shareholders:

1. The Company gives shareholders the right to propose important and appropriate issues for incorporation as an agenda in the Company's annual general meeting of shareholders and to nominate candidates with appropriate knowledge, abilities and qualifications to be considered for the position of the Company's director in advance before the annual general meeting of shareholders. Shareholders can find details of the criteria and guidelines on the Company's website.
2. The Company sends invitation letters to shareholders in advance to inform them of the meeting agendas which include opinion of the Board of Directors on each agenda item, together with supporting documents and information sufficient to facilitate shareholders in making their decisions. In addition, the invitation letter package includes details of required documents in order to protect shareholders' rights to attend the shareholders' meeting, together with their rights to vote. Moreover, the invitation letter to the shareholders' meeting is disclosed on the Company's website. For annual general meeting of shareholders, the invitation letter is posted on the website 30 days prior to the meeting date.
3. For those shareholders unable to attend the meeting, these shareholders have the right to authorize a person or an independent director as their proxy to attend the meeting and vote on their behalf, using one of the proxy forms sent with the invitation letter. Moreover, shareholders can download the proxy form from the Company's website.
4. The Company implements the barcode system for registration and the voting process, including the use of voting cards. This helps accelerate and ensure the accuracy of the registration and vote counting process. In addition, shareholders are able to register after the meeting has started to exercise their rights to vote on agendas that have not been voted. Upon completion of the meeting, shareholders are able to verify the details.
5. Before going into each agenda, the Chairman of the Board of Directors, who acts as chairman of the meeting, assigns the Company Secretary to inform the meeting of the voting process for each agenda. During the meeting, the chairman of the meeting gives all shareholders the opportunity to comment, ask questions or give opinions and suggestions on any agenda item. The Chairman and management see the importance of every question and give precise and clear answers.
6. The Company Secretary records minutes of the shareholders' meetings which are correct and complete, with details on voting results of each agenda. In addition, the minutes are sent to the Stock Exchange of Thailand and posted on the Company's website within 14 days after the meeting date, so that shareholders are promptly informed and are able to verify.

2. THE EQUITABLE TREATMENT OF SHAREHOLDERS

The Company is strongly committed to equitable treatment of every shareholder, whether they are major or minority shareholders, institutional investors or foreign shareholders, and has created various mechanisms, such as:

1. The Company provides a channel for minority shareholders to propose issues deemed important and appropriate to include in the agenda of the Company's annual general meeting of shareholders and to nominate candidates with appropriate knowledge, abilities and qualifications to be considered for the position of the Company's director. The announcement has been made through the Stock Exchange of Thailand and the Company's website. Independent directors will consider and propose the matter to the Board of Directors to be included in the meeting agenda as appropriate.
2. For shareholders who are unable to attend the shareholders' meeting, the Company provides proxy forms which allow shareholders to specify their vote on each agenda. The proxy forms, which are in accordance with the format provided by the Ministry of Commerce, are sent with the invitation letter. As an alternative for shareholders, the Company also proposes one independent director as the proxy.
3. The shareholders' meetings proceed according to the order of the agenda, without adding new and uninformed agenda, in order to give the opportunity to shareholders to study the information on the given agenda before making decision. Moreover, there are no changes to the important information in the shareholders' meeting.

4. The Company sees the importance of the consideration on transactions which may have conflict of interest or may be connected or related transactions, and abides by good corporate governance principles, including rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. For these transactions, directors, management and those who are related persons do not participate in the consideration to approve such transactions.
5. The Company provides oversight and control to prevent improper use of inside information. Details can be found in section “Internal Control of Information”. In addition, directors and management of the Company must report the purchase or sale of the Company’s securities to the Securities and Exchange Commission and the Company within three business days.

3. THE ROLE OF STAKEHOLDERS

The Company recognizes its responsibilities towards each stakeholder, for sustainable mutual benefits which will lead to stability of the business operations. The Company intends to interact with each party fairly. The important stakeholders of the Company are as follows:

Shareholders:

In addition to the basic rights, rights in accordance with the laws and the Company’s articles of association, such as rights to check number of shares, rights to receive share certificates, rights to attend and vote in shareholders’ meetings, rights to express opinions independently at shareholders’ meetings, and rights to receive fair returns, the Company also provides equal and timely information to all shareholders, and gives all shareholders the right to suggest and express their opinions independently on the Company’s business and operations in shareholders’ meetings, as the Company’s owners.

Customers / Patients:

The Company provides patient care in an ethical manner, and at the best possible quality, taking into consideration patient safety, patients’ satisfaction and efficiency in providing its services. The hospital’s Medical Ethics Committee protects patients’ rights. In addition, the Company has a department to take customer complaints and to monitor and continuously improve the quality of the care provided to all patients, taking into consideration patients’ needs and suggestions. In addition, the Company has engaged a third-party consultant to measure the hospital’s customer engagement level, in order to continuously improve the hospital’s services for patients and to maintain patients’ long-term relationships with the hospital.

Employees:

The Company believes that its employees are valuable resources and therefore gives all employees equal opportunity in their employment. The Company has the policy to provide employees with appropriate compensation and appoints a welfare committee to oversee the well-being and safety of its employees. The Company also provides an individual development plan (IDP) for each employee, as well as continuous education and regular training programs to develop and reinforce employees’ knowledge, abilities and skills in all areas including operations, management and technical expertise, in order for employees to fulfill their jobs more effectively.

Furthermore, the Company holds Town Hall Meetings to provide opportunities for employees to voice their opinions or complain directly to management, implements an Innovation Program where employees are able to propose suggestions to improve work process and services, and has an employee recognition program to increase employees’ morale. The Company believes that work efficiency is a result of employees’ loyalty to the Company, and is therefore committed to continuously build and assess the employees’ engagement with the Company, in order to improve its human resources management.

Suppliers / Contractors:

The Company has a purchasing policy that is fair to all parties concerned. In addition, the Company abides by the terms and conditions of agreements and contracts with all suppliers and contractors and ensures timely payment to all suppliers and contractors.

Creditors:

The Company is committed to giving information with accuracy and transparency to creditors, abides by loan agreements and loan covenants, and ensures timely payments. The Company believes that good relationships with creditors, including building credibility and trust, are a responsibility of the Company towards its creditors.

Competitors:

The Company competes with competitors within the rules and regulations, and treats competitors fairly and with integrity. The Company focuses on competition in the area of quality and efficiency of service for the best benefit of customers and patients.

Community:

The Company has established the Corporate Social Responsibility (CSR) Committee in 2011 to oversee and guide the Company’s activities undertaken to ensure the Company meets its social responsibilities in all its activities. The Company’s CSR emphasizes on 2 directions which are health promotion and health education.

The major corporate social responsibilities activities of the Company in the past year are as follows:

Health Promotion:

1. **Rak Jai Thai:** Project was initiated in 2003. The program provides free heart surgeries for needy Thai children and adults suffering from congenital heart defects and valvular heart disease who lack the financial means or access to much-needed surgical treatments. A typical surgery can cost around 500,000 baht per patient. The program has already performed no-cost surgeries for over 500 underprivileged Thais through 2011.
2. **Upcountry Mobile Clinic Mission:** A mobile medical team from Bumrungrad International joins with K. Chai and staff from Bangkok Insurance to provide free treatment once a year to some 1,000 villagers in Mukdahan and Sakon Nakorn provinces in northeast Thailand. A handicraft-training project in Nong Kong village, Mukdahan province, was also initiated to provide supplementary income to many underprivileged people.
3. **Thomson Mobile Clinic in Bangkok:** This project, sponsored by the Thomson Fund and supported by Bumrungrad Hospital Foundation and the Company since 2001, provides daily free healthcare to 36 underprivileged communities in Bangkok through its mobile units. In 2011, the Mobile Clinic Program treated 23,158 patients and donated over 6,000 bags of 5-kg rice.
4. **'ARSA Bumrungrad' Flood Relief Efforts:** Every week during the flood, Bumrungrad volunteers travel to over 20 flooded areas in Central Thailand to provide much-needed medical services to over 2,000 patients. Our Mobile Clinic destinations include flooded communities where hospital employees have homes and families. It's one part of our flood relief efforts, which also include education, supplies, and donations, also to provide medical services and health education during the recovery period.

Health Education:

The Company's CSR has consistently emphasized health education to communities with different programs and activities including public health seminars, public health events, nurse aide training program, school health education, and also health education materials: Better Health magazine, booklets, Health Blog, newspapers, etc.

4. DISCLOSURE AND TRANSPARENCY

The Company realizes the importance of disclosing information which is significant for shareholders and investors in making their decisions. The Company has a policy to disclose information which is transparent, complete, reliable and timely, through various channels which are easily accessible, in order for shareholders and investors to conveniently obtain the disclosures. The Company also ensures it abides by the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Information disclosed to the public includes both financial and non-financial information, such as financial statements, management discussions and analysis, the report of the accountability of the Board of Directors to the Company's financial reports, the report of the Audit Committee, connected transactions, structure, duties and responsibilities of the Board of Directors and committees, including statistics on meeting attendance, and corporate governance reports.

The Company has many channels to communicate with shareholders and investors. These include those stipulated by rules and regulations, such as the 56-1 filing form, annual reports, the website of the Stock Exchange of Thailand, and other communication channels, such as the Company's website in the Investor Relations section, which are consistently updated, in both Thai and English, quarterly analyst meetings (four times in 2011), roadshows and investor conferences, both in Thailand and overseas, including Singapore and Hong Kong (two times in 2011) and investor meetings and conference calls (49 times in 2011). In addition, the Company holds press conferences to update important events of the Company, in order to disseminate information to the public.

Furthermore, the Company has Company Secretary and Investor Relations Department to facilitate interested investors and shareholders. Information can be requested by phone at 02-667-1469, by e-mail at ir@bumrungrad.com, or through the Company's website, www.bumrungrad.com.

5. RESPONSIBILITIES OF THE BOARD OF DIRECTORS

Structure of the Board of Directors

The Board of Directors is comprised of qualified directors with extensive experience in various fields. Every director participates in setting the Company's vision, mission, strategies, goals, business plans and budgets. The Board of Directors also ensures that the plans are carried out efficiently and effectively by the management, to ensure the maximization of the Company's value and stability to shareholders. The Board of Directors meets quarterly to review the management's report on the Company's operations. Details of duties and responsibilities of the Board of Directors can be found in Section "Management Structure".

As at 31 December 2011, there are 11 directors, as follows:

1. **Non-executive directors:** Four non-executive directors, which are Mr. Chai Sophonpanich, Dr. Chanvit Tanphiphat, MD, Mr. Chong Toh, and Dr. Suvarn Valaisathien.
2. **Executive directors:** Three executive directors, including Mrs. Linda Lisahapanya, Dr. Dhanit Dheandhanoo, MD, and Dr. Sinn Anuras, MD.
3. **Independent directors:** Four independent directors who possess the qualifications as stipulated by the Securities and Exchange Commission, comprising Ms. Sophavadee Uttamobol, Mr. Soradis Vinyaratn, Mr. Boonpakorn Chokwathana and Mrs. Aruni Kettratad.

At present, the four independent directors account for 36% of total Board of Directors and more than one-third of the Board of Directors, and will be in accordance with the Securities and Exchange Act (No.4) B.E. 2551.

Segregation of Duties:

The Company clearly separates duties and responsibilities of the Board of Directors and management. The Board of Directors is responsible for endorsing strategies and supervising management's operations at the policy level, whereas management is responsible for managing the business as per such strategies. Therefore, the Chairman of the Board of Directors is not the same person as the Managing Director.

The Chairman of the Board is not an executive director and is not involved in managing the Company. Management is assigned the responsibility of implementing the business plan and strategies, and controlling expenses and investments as approved in the budget by the Board of Directors.

Directorship Positions in other Listed Companies:

The Company realizes the value of experience that directors receive from being directors in other companies. The Company therefore has the policy that directors may hold board positions in not more than eight companies listed on the Stock Exchange of Thailand, in order for the directors to be able to allocate sufficient time for each company. With regards to the management, other than board positions at the Company's subsidiaries and affiliated companies, the Managing Director, Corporate Chief Executive Officer, and the Company's management are allowed to hold director and/or independent director positions in not more than three other companies. In addition, such positions must be approved by the Board of Directors.

Company Secretary:

The Board of Directors appointed Mr. Banphot Kittikinglert as the Company Secretary to be responsible for administering the Board of Directors' meetings and shareholders' meetings, for preparing minutes of such meetings and annual reports, and for safekeeping documents as required by rules and regulations. In addition, the Company Secretary is responsible for advising the Board of Directors and management regarding rules and regulations related to listed companies and corporate governance policies.

Committees

The Board of Directors has set up committees to assist with specific tasks and to propose assigned issues to the Board of Directors for consideration or acknowledgement. Details of committee members and their duties and responsibilities are listed in Section "Management Structure". The Company has four committees as follows:

1. **Audit Committee** is responsible for reviewing the financial reports, internal control system, internal audit system, and risk management system, and for selecting and coordinating with the Company's auditor. The Audit Committee consists of three independent directors. In 2011, the Audit Committee held 6 meetings and reported their meeting results to the Board of Directors. Details of attendance of Audit Committee members are in Section "Remuneration of Directors, Committees and Management".
2. **Nomination and Remuneration Committee** is responsible for selecting and proposing candidates for the positions of director and committee member to Board of Directors for approval, and for setting appropriate compensation. The Nomination and Remuneration Committee consists of one independent director, who is the chairman of the Nomination and Remuneration Committee, and two non-executive directors. In 2011, the Nomination and Remuneration Committee held 2 meetings and reported their meeting results to the Board of Directors. Details of attendance of Nomination and Remuneration Committee members are in Section "Remuneration of Directors, Committees and Management".
3. **Governing Board of Bumrungrad International Hospital, Bangkok** is responsible for implementing the Hospital Policy, promoting patient safety and performance improvement, and providing quality patient care. The Governing Board consists of two directors, two management, and five physicians. In 2011, the Governing Board held 6 meetings.
4. **Investment Committee** is responsible for considering investment projects before proposing to the Board of Directors for approval. The Investment Committee consists of three non-executive directors and one executive director. In 2011, the Investment Committee held 3 meetings.

Roles, Duties and Responsibilities of the Board of Directors

The Board of Directors has responsibilities towards all shareholders, both major and minority shareholders, in ensuring that the Company conducts its business and implements corporate governance practices in accordance with its objectives and policies for the highest benefit of shareholders, with care and integrity, under business ethical values, taking into account the interests of all stakeholders and under laws and the articles of association of the Company. The duties and responsibilities of the Board of Directors are in Section “Management Structure”.

Internal control and internal audit systems:

The Company has given importance to internal control and internal audit systems by establishing an internal audit unit, with the primary objective to support and develop effective internal control of the organization, in order to minimize operational risks, and to ensure quality of the work process and operations. Emphasis is on effectiveness and efficiency, appropriateness of expenses and costs, and operations which are in accordance with the policy and/or requirements of the management.

To ensure the independence of the internal audit unit and the balance of power, the internal audit unit reports directly to the Audit Committee.

Conflicts of interest:

To prevent any problems related to conflicts of interest, the Board of Directors considers transactions which may have conflicts of interest or which may be related parties transactions with caution, fairness and transparency, and strictly follows the rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission, with pricing and other conditions on an arms-length basis. Details of the transactions, including amount, contracting party, and reasons for entering into the transactions are disclosed in financial statements, the annual reports, and the 56-1 filing.

Board of Directors’ Meetings

It is the duty of every director to attend Board of Directors’ meetings regularly, in order to acknowledge and make decisions relating to the operations of the Company. The Board of Directors holds four regular meetings every year (held quarterly), of which the schedule is set in advance for the entire year, and holds extraordinary meetings as necessary to consider matters which are important and urgent. In 2011, there were 6 Board of Directors’ meetings. Details of the meeting attendance of each director are in the table in Section “Remuneration of Directors, Committees and Management”.

For each meeting, agenda are clearly set in advance by the Chairman of the Board together with the Managing Director. Moreover, each director is given opportunities to propose issues as agendas. The Company Secretary prepares and distributes invitation letters, agendas, and other supporting documents to the Board of Directors at least seven days in advance in order to allow directors sufficient time to research and study the information prior to the meeting.

Normally, each meeting lasts two hours. For the consideration of each agenda, the Chairman of the meeting allocates sufficient time for management to present adequate details on the agenda and for directors to discuss the matter carefully, and gives directors the opportunity to express their opinions in the meeting independently. The majority vote is the passing resolution for each agenda, where one director has one vote. In case any director has a personal conflict of interest, such director will leave the meeting and/or does not vote on that particular matter. If the voting result is equal, the Chairman of the meeting casts the deciding vote. In addition, senior management are invited to attend Board of Directors’ meetings to provide useful and important information, and to directly obtain business strategies from the Board of Directors to be implemented in the Company’s operations.

Upon completion of each meeting, the Company Secretary is responsible for documenting and distributing minutes for adoption at the next Board of Directors’ meeting. Directors are able to comment, amend and make additions so that the minutes are as accurate as possible. The Company Secretary keeps the adopted minutes, which are signed by the Chairman of the Board of Directors, both in the form of hard copies and electronic files, along with supporting documents available for directors’ and relevant persons’ verification and reference.

Remuneration of the Board of Directors and Management

The Company provides appropriate remuneration for the Board of Directors and management. The remuneration of the Board of Directors in the form of annual remuneration and meeting remuneration has been approved by shareholders’ meetings. Consideration of directors’ remuneration takes into account that of other comparable listed companies in the same industry. Committee members only receive remuneration in the form of meeting remuneration.

Management’s remuneration is in the form of salaries and bonuses, taking into consideration the responsibilities and performance of each person and performance of the Company.

Details of 2011 remuneration of each individual director, which has been approved by the shareholders’ meeting, and the sum of management’s remuneration, are disclosed in Section “Remuneration of Directors, Committees and Management”.

Development Programs for Directors and Management

The Company has a director's manual which summarizes related laws, rules and regulations, so that directors are informed of their roles, responsibilities and guidelines for the position as a director. For newly appointed directors, the Company informs them of information which is important for fulfilling the duties of the Company's directors, which includes the Company's background information, business strategy and director's manual.

Moreover, the Company supports development programs for directors and management in various forms, such as training and seminars organized by the Thai Institute of Directors (IOD), the Stock Exchange of Thailand, and the Securities and Exchange Commission.

A majority of the Board of Directors, 8 directors, have passed IOD training courses, as follows:

	Chairman Program	Director Certification Program (DCP)	Director Accreditation Program (DAP)	Audit Committee Program (ACP)	Role of Compensation Committee (RCC)	Role of the Nomination and Governance Committee (RCN)
Mr. Chai Sophonpanich	●	●				
Mrs. Linda Lisahapanya		●				
Mr. Chong Toh			●			
Ms. Sophavadee Uttamobol	●		●	●		
Mr. Soradis Vinyaratn			●			
Mr. Boonpakorn Chokwathana		●	●		●	
Dr. Suvarn Valaisathien			●			
Mrs. Aruni Kettratad			●			●





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