1. General information

Bangkok Dusit Medical Services Public Company Limited ("the Company") is a public company under Thai laws and domiciled in Thailand. The Company is principally engaged in the hospital business. The registered office of the Company is at 2, Soi Soonvijai 7, New Petchburi Road, Bang Kapi, Huaykwang, Bangkok.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession 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 of Bangkok Dusit Medical Services Public Company Limited (“the Company”) and the following subsidiaries (“the subsidiaries”) as follows:

Company's name	Nature of business	Registered capital		Percentage of shareholding by the Company (percent)	
		2011	2010	2011	2010
Held by the Company					
Samitivej Public Co., Ltd.	Hospital	Baht 1,000 million	Baht 1,000 million	95.76	95.76
Bangkok Hospital Hatyai Co., Ltd.	Hospital	Baht 500 million	Baht 500 million	98.78	98.78
Bangkok Phuket Hospital Co., Ltd.	Hospital	Baht 500 million	Baht 500 million	99.68	99.67
BNH Medical Center Co., Ltd.	Hospital	Baht 586 million	Baht 586 million	91.48	91.42
Bangkok Phrapradaeng Hospital Co., Ltd.	Hospital	Baht 105 million	Baht 105 million	79.00	79.00
Bangkok Pattaya Hospital Co., Ltd.	Hospital	Baht 280 million	Baht 280 million	97.22	97.22
Bangkok Rayong Hospital Co., Ltd.	Hospital	Baht 400 million	Baht 400 million	100.00	100.00
Bangkok Samui Hospital Co., Ltd.	Hospital	Baht 150 million	Baht 150 million	100.00	100.00
Bangkok Trat Hospital Co., Ltd.	Hospital	Baht 250 million	Baht 250 million	99.76	99.76
Wattanavej Co., Ltd.	Hospital	Baht 180 million	Baht 180 million	99.69	99.67
Bangkok Ratchasima Hospital Co., Ltd.	Hospital	Baht 300 million	Baht 300 million	89.73	89.53
National Healthcare Systems Co., Ltd.	Central lab	Baht 75 million	Baht 75 million	74.02	74.02
Bio Molecular Laboratories (Thailand) Co., Ltd.	Central lab	Baht 10 million	Baht 10 million	95.00	95.00
Angkor Pisith Co., Ltd.	Hospital	USD 10 million	USD 10 million	80.00	80.00
Phnom Penh Medical Services Co., Ltd.	Hospital	USD 10 million	USD 10 million	100.00	100.00
Royal Rattanak Medical Services Co., Ltd.	Hospital	Riel 26,000 million	Riel 26,000 million	70.00	70.00
B.D.M.S. International Medical Services Co., Ltd.	Hospital	Riel 9,200 million	Riel 9,200 million	100.00	100.00
Asia International Healthcare Co., Ltd.	Investment	Baht 35 million	Baht 35 million	100.00	100.00
Bangkok Hospital Hua Hin Co., Ltd.	Liquidated	Baht 260 million	Baht 260 million	-	100.00
New Petchburi Medical Services Co., Ltd.	Hospital	Baht 1 million	Baht 1 million	100.00	100.00
Bangkok Health Insurance Limited	Health insurance	Baht 105 million	Baht 105 million	99.94	99.94
Royal Bangkok Healthcare Co., Ltd.	Management service	Baht 736 million	Baht 736 million	100.00	100.00

Company's name	Nature of business	Registered capital		Percentage of shareholding by the Company (percent)	
		2011	2010	2011	2010
Held by the Company (continued)					
Greenline Synergy Co., Ltd.	Technology and information service	Baht 200 million	Baht 200 million	100.00	100.00
Bangkok Hospital Kao Yai Co., Ltd.	Hospital	Baht 70 million	Baht 70 million	100.00	100.00
BDMS Training Co., Ltd.	Training business	Baht 1 million	Baht 1 million	100.00	100.00
Prasit Patana Public Co., Ltd.	Investment	Baht 2,341 million	Baht 2,341 million	97.14	-
Paolo Medic Co., Ltd.	Hospital	Baht 300 million	Baht 300 million	100.00	-
Paolo Samutprakarn Co., Ltd.	Hospital	Baht 42 million	Baht 42 million	88.73	-
Siam Medical Co., Ltd.	Hospital	Baht 100 million	Baht 100 million	80.72	-
Thai Medical Center Public Co., Ltd.	Hospital	Baht 201 million	Baht 201 million	99.76	-
Bangkok Premier Life Insurance Broker Co., Ltd.	Life insurance broker	Baht 4 million	-	100.00	-
Held by the subsidiaries					
Samitivej Sriracha Co., Ltd. (held by a subsidiary at 68%)	Hospital	Baht 188 million	Baht 188 million	-	-
Irving Sheridan SE Co., Ltd. (held by a subsidiary at 95%)	Asset management for healthcare business	Baht 0.1 million	Baht 0.1 million	-	-
First Health Food Co., Ltd. (held by a subsidiary at 100%)	Restaurant and distribution of health food products and facility management	Baht 14 million	Baht 14 million	-	-
Sodexo Healthcare Support Services (Thailand) Co., Ltd. (held by a subsidiary at 74%)	Restaurant and distribution of health food products	Baht 15 million	Baht 15 million	-	-
Phuket Health And Travel Co., Ltd. (held by a subsidiary at 100%)	Healthcare travel service	Baht 5 million	Baht 5 million	-	-
A.N.B. Laboratories Co., Ltd. (held by a subsidiary at 100%)	Manufacturer and distributor of medicine and pharmaceutical products	Baht 499 million	Baht 499 million	-	-

All subsidiaries incorporated in Thailand except B.D.M.S. International Medical Services Co., Ltd., Angkor Pisith Co., Ltd., Phnom Penh Medical Services Co., Ltd. and Royal Rattanak Medical Services Co., Ltd. which were incorporated in Cambodia.

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 subsidiaries 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 current year, the Company and its subsidiaries 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

Accounting Standard Interpretations:

SIC 31	Revenue-Barter Transactions Involving Advertising Services

These accounting standards do not have any significant impact on the financial statements, except TAS 19 Employee Benefits and TAS 40 (revised 2009) Investmetn Property, as described in Note 5.

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 standards.

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 recognize 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. Cumulative effect of changes in accounting policies from adoption of new accounting standards

During the current year, the Company and its subsidiaries made the changes to its significant accounting policies described in Note 3 to the financial statements, as a result of the adoption of revised and new accounting standards. The cumulative effect of the changes in the accounting policies has been separately presented in the statements of changes in shareholders' equity as summarised below.

5.1 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 using actuarial techniques and provisions for vacation. The Company and its subsidiaries 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 recognise the liability in the transition period through an adjustment to the beginning balance of retained earnings in the current year. The changes has the effect of decreasing the beginning balance of retained earnings of the Company and its subsidiaries by Baht 497.2 million (Separate financial statements: Baht 158.1 million) and decreasing the profit for the year ended 31 December 2011 by Baht 102.5 million (Baht 0.07 per share) (Separate financial statement: decreasing profit for the year ended 31 December 2011 by Baht 22.7 million or Baht 0.02 per share).

In addition, an associated company has changed this accounting policy in the current year and recognise the liability in the transition period through an adjustment to the beginning balance of retained earnings in the current year. The change has the effect of decreasing the beginning balance of investment in such associated company under equity method in consolidated financial statements and consolidated retained earnings by Baht 20.0 million.

5.2 TAS 40 (revised 2009) Investment Property

This accounting standard requires entities to choose to recognise investment property either under the cost model (with disclosure of fair value in the notes to financial statements) or the fair value model, whereby changes in fair value are to be recognised in profit or loss. Investment property was previously recognised under the caption of Property, Plant and Equipment, which is measured using the cost model. In adopting the new accounting policy, the Company and its subsidiaries separately present investment property and measure it using the fair value model, commencing in the current year. The Company and its subsidiaries have recognised the effect of the change in accounting policy as an adjustment to the opening balance of retained earnings for the year. The change has the effect of increasing the beginning balance of retained earnings of the Company by Baht 215.2 million and not effect to the retained earnings of consolidated financial statements. The change has the effect of increasing profit of the Company and its subsidiaries for the year 2011 by Baht 1 million (Separate financial statements: increasing profit by Baht 18 million or 0.01 Baht per share).

5.3 TFRS 3 (revised 2009) Business combinations

Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and the services are received.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

6. Significant accounting policies

6.1 Revenue recognition

Hospital operations

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.

Revenue from sales of goods and foods

Sales of goods and foods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods and food supplied after deducting discounts.

Service income

Service income is recognised when services have been rendered.

Membership income

Membership income is cash receipt from sales of membership cards which initially recorded as deferred income and gradually amortised to income over membership period. For cash received in advance from the Life Privilege membership program is amortised to income over a period of 10 years.

Interest income

Interest income is recognised on an accrual basis based on the effective rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

6.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and cash at financial institutions and highly liquid investment with an original maturity of 3 months or less and not subject to withdrawal restrictions.

6.3 Trade accounts receivable and allowance for doubtful accounts

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 experiences and analysis of debt aging.

6.4 Inventories

Inventories are valued at lower of cost (weighted average basis) or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

6.5 Investments

a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.

b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded as a separate item in shareholders' equity, and will be recorded in profit or loss when the securities are sold.

c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/ accreted amount presented as an adjustment to the interest income.

d) 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).

e) Investments in associates are accounted for in the consolidated financial statements using the equity method.

f) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year.

6.6 Property, premises and equipment/Depreciation

Land is stated at revalued amount. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to its fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Company and its subsidiaries' assets, the increase is credited directly to equity under the heading of "Revaluation surplus on land". However, a revaluation increase will be recognised as income to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company and its subsidiaries' assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus on land" in respect of the same asset.

Depreciation of premises and equipment is calculated by reference to their cost on a straight-line basis over the following estimated useful lives:

Land improvements	5 - 20	years
Building, structures and building improvements	5 - 40	years
Medical tools and equipment and machine	3 - 10	years
Structure equipment, furniture and office equipment	3 - 15	years
Vehicles	5 - 8	years

Depreciation attributed to the original cost portion is included in determining income.

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

An item of property, premises 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.

6.7 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (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 follow:

Computer software	5 - 10 years

6.8 Goodwill / Business combination

Business combinations are accounted for using the acquisition method with the cost of the acquisition being the fair value at the acquisition date of consideration transferred, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest, if any, in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and the services are received.

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

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

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

6.9 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.

6.10 Long-term rental agreements

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

6.11 Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership is retained by the lessor are classified as operating leases. Payments made under operating leases are recognised as expenses in profit or loss on a straight line basis over the period of the lease.

6.12 Impairment of assets

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

An impairment loss is recognised in profit or loss. However in cases where property was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

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

6.13 Leasehold rights

Leasehold rights are amortised on the straight-line basis over the lease period.

6.14 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.

6.15 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Company and 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's and its subsidiaries contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treats these severance payment obligations as a defined benefit plan.

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 are recognised immediately in other comprehensive income.

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.

Provisions for vacation

The Company and its subsidiaries have set up provisions for vacation which is calculated in accordance with the Company's and its subsidiaries' policy and formula, taking into consideration the employee's salary, the number of years of service and the unused vacation day. This provision has been adjusted annually.

6.16 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gains or losses arising from changes in the value of investment properties are recognised in profit or loss when incurred.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

6.17 Financial instruments

Financial assets carried on the statement of financial position included cash and cash equivalents, short-term investments, trade and other receivables, short-term loan and long-term loan to related parties, restricted financial institution deposit, and investments. Financial liabilities carried on the statement of financial position included bank overdrafts and short-term loans from financial institution, trade and other payables, short-term loans from related parties, long-term loans, liabilities under finance leases, convertible debentures and debentures.

The Company and its subsidiaries have no policy to hold any off-statement of financial position derivative financial instruments for speculative or trading purpose.

6.18 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.

6.19 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production 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.

6.20 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.

6.21 Interest rate swap contracts

The net amount of interest to be received from or paid to the counterparty under an interest rate swap contract is recognised as income or expenses on an accrual basis.

7. 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:

Allowance for doubtful accounts

In determining allowances for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, debt collection experience, the aging profile of outstanding debts and the prevailing economic conditions.

Property, premises and equipment/Depreciation

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

The Company and its subsidiaries measure land at revalued amounts. Fair value from revaluation is determined by independent valuer using market approach. Such valuation is based on certain assumptions and estimates.

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

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 risks and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

Impairment of equity investments

The Company and its subsidiaries treats available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

Investment property

The Company and its subsidiaries present investment property at the fair value estimated by an independent appraiser, and recognises changes in the fair value in profit or loss. The valuation involves certain assumptions and estimates.

Goodwill and intangible assets

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

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan 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.

Litigation

The Company and its subsidiaries have contingent liabilities arising from litigation. The Company's management has used judgment to assess the outcome of the litigation. In cases of loss, the Company and its subsidiaries will record provision for contingent liabilities in their books of account. In cases where it has assessed that no damage will arise from the litigation, the Company and its subsidiaries will not record provision for contingent liabilities at the end of the reporting period.

8. Cash and cash equivalents

Cash and cash equivalents consist of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash and deposits at banks	3,346,104	2,492,491	1,520,307	1,082,259
Fixed deposits, notes, and mutual funds	1,018,681	1,798,177	10	1,739,543
	4,364,785	4,290,668	1,520,317	2,821,802
Less: Fixed deposits, notes, and mutual funds with maturities of more than 3 months (short-term investments)	(464,366)	(1,739,554)	(10)	(1,739,543)
Restricted bank deposits	(24,686)	(61,659)	-	-
Total cash and cash equivalents	3,875,733	2,489,455	1,520,307	1,082,259

9. Restricted financial institutions deposits

These represent bank deposits that the Company and its subsidiaries have placed with banks to secure letters of guarantees issued by the banks on behalf of the Company and its subsidiaries. These also represent bank deposits that the Company and its subsidiaries have placed with government agencies, state enterprise and private entities to guarantee contractual performance, among others and as escrow account.

10. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Trade receivables - related parties	2,913	2,233	7,724	9,283
Trade receivables - unrelated parties-net	3,192,485	1,890,624	746,315	505,789
Other receivables - related parties	13,791	18,927	33,694	37,538
Other receivables - unrelated parties	167,923	43,040	41,557	19,967
Total trade and other receivables - net	3,377,112	1,954,824	829,290	572,577

11. Trade accounts receivable

As at 31 December 2011 and 2010, the aging analysis of the outstanding trade accounts receivable is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Related parties				
Less than 3 months	2,400	2,233	7,538	9,283
3 - 6 months	144	-	180	-
6 - 12 months	369	-	6	-
Total trade accounts receivable - related parties	2,913	2,233	7,724	9,283
Unrelated parties				
Less than 3 months	2,613,130	1,579,726	526,491	409,029
3 - 6 months	400,660	232,699	121,141	66,303
6 - 12 months	245,702	109,659	131,735	42,951
over 12 months	233,893	162,109	101,585	82,249
Total trade accounts receivable - unrelated parties	3,493,385	2,084,193	880,952	600,532
Less: Allowance for doubtful accounts	(300,900)	(193,569)	(134,637)	(94,743)
Total trade accounts receivable - unrelated parties - net	3,192,485	1,890,624	746,315	505,789
Total trade accounts receivable -net	3,195,398	1,892,857	754,039	515,072

12. Related party transactions

The Company and its subsidiaries had significant business transactions with individuals or related parties, which have been concluded on commercial terms and bases agreed upon between the Company and those related parties. Below is a summary of those transactions.

Transaction	Pricing and lending policy
Revenue from hospital operation and lab services	Based on the price charged to normal customers
Revenue and expenses from consulting and management	Rates as stipulated in agreements
Rental income and rental expenses	Rates as stipulated in agreements
Interest charge of inter-company loan	Interest rate close to that charged by commercial banks
Purchases and sales of fixed assets	Prices are dependent on the condition of fixed assets
Purchases of investments	The same prices as purchases from unrelated parties

The significant intercompany transactions are as follows:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Subsidiary companies				
Revenue from hospital operations and lab services	-	-	40.2	36.9
Consulting and management fee income	-	-	236.8	210.6
Interest income	-	-	55.2	111.0
Dividend income (Note 14)	-	-	1,818.2	728.3
Other income	-	-	37.3	23.7
Service cost	-	-	367.9	328.5
Consulting and management fee expenses	-	-	206.2	167.2
Other expenses	-	-	153.1	60.4
Interest expenses	-	-	36.6	8.1
Sales of medical equipment and vehicle	-	-	1.2	2.1
Associated companies				
Revenue from hospital operations and lab services	3.2	2.4	1.1	0.4
Dividend income (Note 15)	-	-	61.8	60.3
Other income	26.2	16.5	0.2	-
Service cost	99.2	108.7	36.7	68.5
Other expenses	1.8	-	-	-
Dividend payment	-	7.3	-	7.3
Individuals or related companies				
Revenue from hospital operations and lab services	4.7	11.0	1.9	10.9
Dividend income	10.8	2.5	10.8	2.5
Other income	10.5	6.9	-	-
Service cost	14.9	13.5	13.6	10.4
Other expenses	5.8	7.7	0.1	2.5
Dividend payment	-	170.9	-	170.9

The outstanding balances of the above transactions as at 31 December 2011 and 2010 have been separately shown in the statement of financial position as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Trade accounts receivable - related parties				
Subsidiary companies	-	-	6,617	7,804
Associated companies	894	117	-	-
Related companies	2,019	2,116	1,107	1,479
Total trade accounts receivable - related parties	2,913	2,233	7,724	9,283
Short-term loans to related parties				
Subsidiary companies	-	-	307,097	103,132
Total short-term loans to related parties	-	-	307,097	103,132
Other accounts receivable - related parties				
Consulting and management fee receivable				
Subsidiary companies	-	-	22,491	25,118
Total	-	-	22,491	25,118
Others				
Subsidiary companies	-	-	11,203	12,420
Associated companies	8,484	13,394	-	-
Related companies	5,307	5,533	-	-
Total	13,791	18,927	11,203	12,420
Total other accounts receivable - related parties	13,791	18,927	33,694	37,538
Long-term loans to related parties				
Subsidiary companies	-	-	1,665,538	1,321,014
Total long-term loans to related parties	-	-	1,665,538	1,321,014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Leasehold rights - related parties				
(included in other non-current assets)				
Associated companies	272,672	262,103	-	-
Related parties	85,708	91,632	-	-
Total leasehold rights - related parties	358,380	353,735	-	-
Deposits - related parties				
(included in other non-current assets)				
Subsidiary companies	-	-	122	122
Associated company	2,700	2,700	2,700	2,700
Total deposits - related parties	2,700	2,700	2,822	2,822
Short-term loans from related parties				
Subsidiary companies	-	-	1,627,946	639,601
Total short-term loans from related parties	-	-	1,627,946	639,601
Trade accounts payable - related parties				
Subsidiary companies	-	-	54,499	45,691
Associated companies	89,466	76,723	73,782	65,020
Related companies	715	290	530	285
Total trade accounts payable - related parties	90,181	77,013	128,811	110,996
Other accounts payable - related parties				
Subsidiary companies	-	-	46,676	24,690
Associated companies	13,126	1,967	-	113
Related companies	5,769	3,131	195	65
Total other accounts payable - related parties	18,895	5,098	46,871	24,868
Deposits - related parties				
(included in other non-current liabilities)				
Subsidiary companies	-	-	2,399	2,045
Associated company	-	113	-	113
Total deposits - related parties	-	113	2,399	2,158

Movement of loans to and loans from related parties during the year are summarised as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	31 December 2010	Increase	Decrease	31 December 2011
Short-term loans to related parties				
Subsidiary companies	103,132	307,097	(103,132)	307,097
Total short-term loans to related parties	103,132	307,097	(103,132)	307,097
Long-term loans to related parties				
Subsidiary companies	1,321,014	1,023,869	(679,345)	1,665,538
Total long-term loans to related parties	1,321,014	1,023,869	(679,345)	1,665,538
Short-term loans from related parties				
Subsidiary companies	639,601	1,627,946	(639,601)	1,627,946
Total short-term loans from related parties	639,601	1,627,946	(639,601)	1,627,946

Short-term and long-term loans to related parties

The Company has entered into short-term loan agreements and long-term loan agreements with terms of 3 - 8 years with its subsidiaries. The Company charged interest on loans to related parties at the Fixed Deposit Rate plus fixed rate per annum, LIBOR plus fixed rate per annum and a fixed interest rate stipulated in the agreement payable on a monthly basis while principal is repayable on the basis stipulated in the agreements. As at 31 December 2011, the Company has outstanding short term and long term loans to subsidiaries totaling Baht 1,972.6 million (2010: Baht 1,424.2 million).

Management agreement

The Company

The Company provides hospital management services to its subsidiaries, for the remuneration rates are based on the net revenue from hospital operations.

A Subsidiary

A subsidiary company has entered into a Hospital Management Agreement with another subsidiary company, expiring on 28 May 2022. The subsidiary company is to receive management income at a certain percentage of total operation result as stipulated in the agreement.

A subsidiary company has entered into a Hospital Management Agreement with its 4 subsidiary companies and other 4 subsidiary companies. The agreement is for 1 – 2.5 years and is entitled to renew. The subsidiary company shall receive managing income at the rates stipulated in the agreement. The payment must be made on a monthly basis.

Long term rental agreement

The Company

In May 2004, a subsidiary company entered into a three-year agreement to rent land from the Company for use in hospital operations whereby the subsidiary company has to pay a monthly rental fee at the rate stipulated in the agreement. Subsequently, the subsidiary extended the agreement to 30 April 2013.

The subsidiaries

A subsidiary company entered into an agreement to rent land from another subsidiary company for construction of a building, expiring on 31 December 2012. The subsidiary company has to pay a monthly rental fee at the rate stipulated in the agreement. In addition, such another subsidiary company entered into an agreement to rent the building from a subsidiary company for its hospital operations, expiring on 30 April 2014. That subsidiary company has to pay a monthly rental fee at the rate stipulated in the agreement.

Service and management agreement

A subsidiary company has entered into service and management agreements with the Company and other related parties which have to pay monthly service and management fees to the subsidiary at the rates stipulated in the agreements.

The Company and other related parties have entered into information technology management agreements with a subsidiary company whereby have to pay monthly service fees to the subsidiary at the rate stipulated in the agreements.

A subsidiary company has entered into food providing and maintenance service agreements with the Company and related parties whereby the Company and related parties have to pay monthly service fee to subsidiary at the rates stipulated in the agreements.

Air ambulance service agreement

Associated company

On 1 September 2007, an associated company entered into an air ambulance service agreement with the Company. The agreement is for a period of 3 years from the date the service commenced and is renewable. The agreement stipulates the monthly minimum service fee that the associated company is to earn from the Company. The Company has extended the agreement for 25 months ended on 30 September 2012.

Guarantee obligations with related party

The Company has guaranteed long-term loan on credit amount of USD 3.6 million and overdraft facility amounting to USD 1 million for an overseas subsidiary company.

The Company has guaranteed long-term loan on credit amount of Baht 2,876 million for local subsidiary companies.

Directors and management's benefits

During the year ended 31 December 2011 and 2010, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Short-term employee benefits	56.0	50.4	56.0	50.4
Post-employment benefits	1.5	-	1.5	-
Total	57.5	50.4	57.5	50.4

13. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Medicines and medical supplies	904,876	339,251	231,928	58,096
Reagent	84,825	27,776	-	-
Supplies and others	49,584	31,923	-	-
	1,039,285	398,950	231,928	58,096
Less: Provision for deteriorated inventories	(1,558)	(645)	(1,001)	(263)
Total	1,037,727	398,305	230,927	57,833

14. Investments in subsidiary companies

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up Capital	% Shareholding		Separate financial statements			
					Investments - cost method		Dividend received during the year	
			2011	2010	2011	2010	2011	2010
Samitivej Public Co., Ltd.	Hospital	Baht 1,000 million	95.76	95.76	1,639,071	1,639,071	384,970	191,527
Bangkok Hospital Hatyai Co., Ltd.	Hospital	Baht 500 million	98.78	98.78	574,373	574,373	34,573	59,249
Bangkok Phuket Hospital Co., Ltd.	Hospital	Baht 500 million	99.68	99.67	610,153	609,995	79,739	-
BNH Medical Center Co., Ltd.	Hospital	Baht 586 million	91.48	91.42	602,655	602,235	147,447	66,980
Bangkok Phrapradaeng Hospital Co., Ltd.	Hospital	Baht 105 million	79.00	79.00	96,775	96,775	-	-
Bangkok Pattaya Hospital Co., Ltd.	Hospital	Baht 280 million	97.22	97.22	708,196	708,196	244,982	217,760
Bangkok Rayong Hospital Co., Ltd.	Hospital	Baht 400 million	100.00	100.00	415,020	415,020	180,000	40,000
Bangkok Samui Hospital Co., Ltd.	Hospital	Baht 150 million	100.00	100.00	150,000	150,000	45,000	60,000
Bangkok Trat Hospital Co., Ltd.	Hospital	Baht 250 million	99.76	99.76	245,889	245,889	19,951	-
Wattanavej Co., Ltd.	Hospital	Baht 180 million	99.69	99.67	450,643	450,534	179,450	53,824
Bangkok Ratchasima Hospital Co., Ltd.	Hospital	Baht 300 million	89.73	89.53	917,286	915,246	-	-
National Healthcare Systems Co., Ltd.	Central Lab	Baht 75 million	74.02	74.02	56,768	56,768	66,622	33,311
Bio Molecular Laboratories (Thailand) Co., Ltd.	Central Lab	Baht 10 million	95.00	95.00	9,502	9,502	4,750	5,700
Angkor Pisith Co., Ltd.	Hospital	USD 10 million	80.00	80.00	287,840	287,840	-	-
Phnom Penh Medical Services Co., Ltd.	Hospital	USD 10 million	100.00	100.00	338,323	338,323	-	-
Royal Rattanak Medical Services Co., Ltd	Hospital	Riel 26,000 million	70.00	70.00	154,063	154,063	-	-

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up Capital	% Shareholding		Separate financial statements			
					Investments - cost method		Dividend received during the year	
			2011	2010	2011	2010	2011	2010
B.D.M.S. International Medical Services Co., Ltd.	Hospital	Riel 9,200 million	100.00	100.00	94,208	94,208	-	-
Asia International Healthcare Co., Ltd.	Investment	Baht 35 million	100.00	100.00	35,000	35,000	-	-
Bangkok Hospital Hua Hin Co., Ltd.	Liquidated	Baht 260 million	-	100.00	-	260,000	-	-
New Petchburi Medical Services Co., Ltd.	Hospital	Baht 1 million	100.00	100.00	999	999	-	-
Bangkok Health Insurance Limited	Health insurance	Baht 105 million	99.94	99.94	47,027	47,027	-	-
Royal Bangkok Healthcare Co., Ltd.	Management service	Baht 736 million	100.00	100.00	736,000	736,000	18,400	-
Greenline Synergy Co., Ltd.	Technology and information service	Baht 200 million	100.00	100.00	200,000	200,000	-	-
Bangkok Hospital Kao Yai Co., Ltd.	Hospital	Baht 70 million	100.00	100.00	70,000	70,000	-	-
BDMS Training Co., Ltd.	Training business	Baht 1 million	100.00	100.00	1,000	1,000	-	-
Prasit Patana Public Co., Ltd.	Investment	Baht 2,341 million	97.14	-	9,109,950	-	-	-
Paolo Medic Co., Ltd.	Hospital	Baht 300 million	100.00	-	2,922,872	-	399,900	-
Paolo Samutprakarn Co., Ltd.	Hospital	Baht 42 million	88.73	-	1,675,754	-	7,453	-
Siam Medical Co., Ltd.	Hospital	Baht 100 million	80.72	-	904,818	-	4,931	-
Thai Medical Center Public Co., Ltd.	Hospital	Baht 201 million	99.76	-	887,135	-	-	-
Bangkok Premier Life Insurance Broker Co., Ltd.	Life insurance broker	Baht 4 million	100.00	-	4,000	-	-	-
Total investments in subsidiary companies					23,945,320	8,698,064	1,818,168	728,351
Less: Allowance for impairment of investment					(20,000)	(20,000)		
Total investments in subsidiary companies - net					23,925,320	8,678,064		

14.1 Merger with Health Network Public Company Limited

On 24 February 2011, the Extraordinary General Meeting of the Company approved for the Company to enter into the merger with Health Network Public Company Limited and the Company has completed the entire business transfer on 1 April 2011 by paying the total consideration of Baht 11,484 million (See consideration paid summary in a).

After merger, the Company has additional investment in subsidiary companies as follows:

	Company	% of shares held
1)	Prasit Patana Public Company Limited and its subsidiaries	68.64%*
2)	Paolo Medic Company Limited	100.00%
3)	Paolo Samutprakarn Company Limited	88.73%
4)	Siam Medical Company Limited	80.72%
5)	Thai Medical Centre Public Company Limited	99.76%

* Including the Company's existing 19.47% shareholding in Prasit Patana Public Company Limited and resulted in a change in the status of this company to a subsidiary company. The Company realised gain from the remeasurement of its previously held shareholding to fair value in the consolidated statement of income by Baht 440 million, under the caption "gain on fair value adjustment of investments".

The Company and Health Network Public Company Limited must comply with the conditions stipulated in the entire business transfer agreement.

Goodwill from merger

a) Consideration paid for goodwill calculation is as follows:

(Unit: Thousand Baht)

The Company issued 230,870,405 ordinary shares (calculation from fair value at acquisition date)	10,424,687
Cash	680,000
Novation of loan	379,416
Total consideration	11,484,103
Add : Fair value of the Company's existing 19.47% shareholding in Prasit Patana Public Company Limited	1,512,559
Total consideration paid for calculating goodwill	12,996,662

b) The fair value of assets and liabilities at acquisition date are as follows:

(Unit: Thousand Baht)

Cash and cash equivalents	1,986,099
Short-term investments	264,357
Trade accounts receivable - net	818,977
Short-term loan to a related company	360,000
Inventories	158,317
Other current assets	110,889
Long-term deposit at financial institution	50,000
Restricted financial institution deposits	24,094
Other long-term investments - net	244,233
Investment property	34,400
Property, premises and equipment - net	9,342,016
Intangible assets - net	188,269
Other non-current assets	62,315
Trade accounts payable	(463,867)
Income tax payable	(311,239)
Other current liabilities	(833,921)
Long-term loans from financial institutions	(5,565,664)
Liabilities under finance lease agreement	(205,270)
Provision for long-term employee benefits	(304,132)
Other non-current liabilities	(937,341)
Fair value of net assets	5,022,532
Less : Non-controlling interest	(1,336,070)
Net asset acquired	3,686,462
Consideration paid	12,996,662
Goodwill	9,310,200

The cost of merger and tender offer totaling Baht 189.5 million has been separately recorded as expense in income statements for amount of Baht 43.4 million and the cost of Baht 146.1 million which was related to share capital increase has been offset with share premium under shareholders' equity in statements of financial position.

14.2 Tender offer to purchase securities of Prasit Patana Public Company Limited

On 7 April 2011, the Company submitted a tender offer proposal to purchase securities of Prasit Patana Public Company Limited, offering the two following options of payment to shareholders:

1. Cash payment of Baht 3.71 per share
2. The Company's newly issued ordinary shares at the ratio of 10.1706 shares in Prasit Patana Public Company Limited to 1 share in the Company, equaling Baht 37.75 per share.

After Tender offer completion on 23 May, 2011, the Company has additional investment in ordinary shares of Prasit Patana Public Company Limited of 666.34 million shares, totaling Baht 2,939.9 million by cash payment of Baht 43.34 million and issuing 64.4 million ordinary shares of the Company, totaling Baht 2,896.56 million (calculation from fair value at acquisition date). As a result, the Company's shareholding in that company increased to 97.10 percent.

In addition, in the third quarter of 2011, the Company purchased additional investment of 1.09 million shares, totaling Baht 4.04 million in Prasit Patana Public Company Limited from the former shareholders. As a result, the Company's shareholding in that company increased to 97.14 percent.

14.3 Investment in subsidiary companies which the Company previously held

Bangkok Phuket Hospital Co., Ltd.

In 2011, the Company purchased additional investment of 11,000 shares, totaling Baht 0.2 million in Bangkok Phuket Hospital Co., Ltd. As a result, the Company's shareholding in that company increased to 99.68 percent.

BNH Medical Center Co., Ltd.

In 2011, the Company purchased additional investment of 34,960 shares, totaling Baht 0.4 million in BNH Medical Center Co., Ltd. As a result, the Company's shareholding in that company increased to 91.48 percent.

Wattanavej Co., Ltd.

In 2011, the Company purchased additional investment of 3,750 shares, totaling Baht 0.1 million in Wattanavej Co., Ltd. As a result, the Company's shareholding in that company increased to 99.69 percent.

Bangkok Ratchasima Hospital Co., Ltd.

In 2011, the Company purchased additional investment of 60,000 shares, totaling Baht 2.0 million in Bangkok Ratchasima Hospital Co., Ltd. As a result, the Company's shareholding in that company increased to 89.73 percent.

Bangkok Hospital Hua Hin Co., Ltd.

In 2010, the Board of Directors of the Company's meeting passed a resolution of the Company's restructuring by transferring entirely business of the Company's wholly owned subsidiary, Bangkok Hospital Hua Hin Co., Ltd., to the Company. Bangkok Hospital Hua Hin Co., Ltd will transfer all of its assets, liabilities, authorities and liabilities as of transferring date to the Company. The book value of Bangkok Hospital Hua Hin Co., Ltd., was used as the basis for price the transfer. The Company has already transferred the business in the fourth quarter of 2010. The subsidiary company has already liquidated on 9 November 2011 and the Company has received capital refund amounting Baht 259.0 million and recorded loss on liquidation of a subsidiary company amounting Baht 1.0 million in profit or loss.

Samitivej Public Co., Ltd. and Samitivej Sriracha Co., Ltd.

In 2011, the subsidiary company purchased additional investment of 100,000 shares, totaling Baht 3.5 million in Samitivej Sriracha Co., Ltd. As a result, the subsidiary company increased the percentage of shareholding in that company to 68.06 percent.

Prasit Patana Public Co., Ltd. and Sriracha Nakorn General Hospital Public Co., Ltd.

From the second to fourth quarter of 2011, the subsidiary company purchased additional investment of 1,090,100 shares, totaling Baht 58.9 million in Sriracha Nakorn General Hospital Public Co., Ltd. As a result, the subsidiary company increased the percentage of shareholding in that company to 64.64 percent.

Prasit Patana Public Co., Ltd. and Phyathai 2 Hospital Co., Ltd.

From the second to fourth quarter of 2011, the subsidiary company purchased additional investment of 108,676 shares, totaling Baht 5.4 million in Phyathai 2 Hospital Co.,Ltd. As a result, the subsidiary company increased the percentage of shareholding in that company to 99.09 percent.

Prasit Patana Public Co., Ltd. and Phyathai 3 Hospital Co., Ltd.

From the second to fourth quarter of 2011, the subsidiary company purchased additional investment of 135,568 shares, totaling Baht 13.6 million in Phyathai 3 Hospital Co., Ltd. As a result, the subsidiary company increased the percentage of shareholding in that company to 97.76 percent.

14.4 Investment in a new subsidiary company during the year

Bangkok Premier Life Insurance Broker Co., Ltd.

In the third quarter of 2011, the Company invested in Bangkok Premier Life Insurance Broker Company Limited which operates in life insurance broker business. The Company invested Baht 4 million in that company for a 100% shareholding.

15. Investments in associated companies

(Unit: Thousand Baht)

Company's name	Natures of business	Paid-up Capital	% Shareholding		Consolidated financial statements		Separate financial statements	
					Equity Method		Cost Method	
			2011	2010	2011	2010	2011	2010
Associated companies held by the Company								
The Medic Pharma Co., Ltd.	Pharmaceuticals	Baht 21.4 million	49.00	49.00	144,140	126,578	52,500	52,500
Cool & Joy Co., Ltd.	Production of television and radio program	Baht 5 million	30.00	30.00	1,069	1,069	1,500	1,500
S.R. Property Investment Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	1,837	1,419	101	101
Siem Reap Land Investment Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	1,529	1,156	101	101
Phnom Penh First Property Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	2,947	2,135	88	88
Bangkok Helicopter Services Co., Ltd.	Service	Baht 100 million	49.00	49.00	38,134	40,962	50,859	50,859
Ramkhamhaeng Hospital Public Co., Ltd.	Hospital	Baht 120 million	38.24	38.24	2,329,480	1,989,406	1,459,800	1,459,800
Krungdhon Hospital Public Co., Ltd.	Hospital	Baht 150 million	20.01	20.01	107,865	102,360	101,072	101,072
Udon Pattana (1994) Co., Ltd. (held by the Company at 15.26% and indirectly held by subsidiary at 9.71%)	Hospital	Baht 300 million	24.97	-	180,101	-	69,952	-
Total investments in associated companies held by the Company					2,807,102	2,265,085	1,735,973	1,666,021
Associated companies held by the subsidiary companies								
Sodexo Support Services (Thailand) Co., Ltd.	Management services	Baht 5 million	26.00	26.00	8,118	5,910		
Al Ghaith Bangkok Dusit Management Services LLC.	Management services	UAE DIRHAM 0.15 million	30.00	30.00	393	393		
Total investments in associated company held by the subsidiary companies					8,511	6,303		
Total investments in associated companies in the consolidated financial statements					2,815,613	2,271,388		

15.1 Udon Pattana (1994) Co., Ltd.

As a result of purchasing of investment as stated in Note 14.1 and 14.2, Prasit Patana Public Company Limited, the new subsidiary company, has 10 percentage of shareholding in Udon Pattana (1994) Co., Ltd. or 9.71 indirect percentage of shareholding by the Company. Subsequently, in the second and third quarters of 2011, the Company purchased additional investment of 1,577,000 shares, totaling Baht 38.30 million or 5.26 percentage of shareholding in Udon Pattana (1994) Co., Ltd. from the former shareholders. As a result, the Company holds totally 24.97 percentage of shareholding in that company and changes its status to become an associated company. The Company realised gain from the remeasurement of its previously held shareholding to fair value in the consolidated statement of income by Baht 39 million, under the caption "gain on fair value adjustment of investments". The Company has also reversed allowance for impairment of such investments of Baht 12.3 million.

15.2 Details of share of income and dividend received from the associated companies are set out below.

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of income/(loss) from investments in associated companies		Dividend received during the year	
	2011	2010	2011	2010
Associated companies held by the Company				
The Medic Pharma Co., Ltd.	22,811	20,932	5,250	5,250
Cool & Joy Co., Ltd.	-	-	-	-
S.R. Property Investment Co., Ltd.	339	328	-	-
Siem Reap Land Investment Co., Ltd.	309	298	-	-
Phnom Penh First Property Co., Ltd.	693	686	-	-
Bangkok Helicopter Services Co., Ltd.	(2,827)	1,060	-	-
Ramkhamhaeng Hospital Public Co., Ltd.	349,806	273,721	55,061	55,061
Krungdhon Hospital Public Co., Ltd.	7,006	1,289	1,501	-
Udon Patana (1994) Co., Ltd.	-	-	-	-
Associated companies held by the subsidiary companies				
Sodexo Support Services (Thailand) Co., Ltd.	3,508	1,433	-	-
Al Ghaith Bangkok Dusit Management Services LLC.	-	-	-	-
Total	381,645	299,747	61,812	60,311

Below are fair values of investments in associated companies that are listed companies on the Stock Exchange of Thailand

(Unit: Thousand Baht)

Company's name	Fair values as at 31 December	
	2011	2010
Ramkhamhaeng Hospital Public Co., Ltd.	3,588,148	2,844,823
Krungdhon Hospital Public Co., Ltd.	97,566	112,576
Total	3,685,714	2,957,399

15.3 Below is a summary of financial information of associated companies

(Unit: Million Baht)

Company's name	As at 31 December						For the years ended 31 December			
	Paid-up capital		Total assets		Total liabilities		Total revenues		Net income (loss)	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Associated companies held by the Company										
The Medic Pharma Co., Ltd.	Baht 21 million	Baht 21 million	394.9	330.4	101.2	81.9	371.3	324.8	55.9	40.7
Cool & Joy Co., Ltd.	Baht 5 million	Baht 5 million	2.9	2.9	-	-	-	-	-	-
S.R. Property Investment Co., Ltd.	Riel 20 million	Riel 20 million	69.8	66.4	66.0	63.5	0.7	0.7	0.7	0.7
Siem Reap Land Investment Co., Ltd.	Riel 20 million	Riel 20 million	63.5	60.5	60.4	58.1	0.6	0.6	0.6	0.6
Phnom Penh First Property Co., Ltd.	Riel 20 million	Riel 20 million	145.9	138.8	139.9	134.5	1.5	1.4	1.4	1.4
Bangkok Helicopter Services Co., Ltd.	Baht 100 million	Baht 100 million	261.6	270.1	183.3	186.3	70.0	64.1	(5.9)	2.3
Ramkhamhaeng Hospital Public Co., Ltd.	Baht 120 million	Baht 120 million	5,415.0	4,643.3	2,110.2	2,072.1	3,044.1	2,759.4	909.0	708.9
Krungdhon Hospital Public Co., Ltd.	Baht 150 million	Baht 150 million	312.9	294.9	37.5	47.0	295.9	330.9	35.0	(4.8)
Udon Patana (1994) Co., Ltd.	Baht 300 million	-	1,071.1	-	359.1	-	393.5	-	22.9	-
Associated companies held by the subsidiary companies										
Sodexo Support Services (Thailand) Co., Ltd	Baht 5 million	Baht 5 million	105.7	100.1	74.5	77.3	319.3	304.5	13.5	5.5
Al Ghaith Bangkok Dusit Management Services LLC.	UAE DIRHAM 0.15 million	UAE DIRHAM 0.15 million	-	-	-	-	-	-	-	-

Share of income from investment in two associated companies which are listed company on the Stock Exchange of Thailand for the year ended 31 December 2011 of Baht 357 million (2010: Baht 275 million) representing 94 percent (2010: 92 percent) of total share of income from all associated companies were calculated based on audited financial statements of those companies.

16. Other long-term investments

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)	
				2011	2010
Investments held by the Company					
Available-for-sale investments					
Investments in listed securities					
Thai Military Bank Public Co., Ltd.	Bank	415,367	-	1,770	1,770
Aikchol Hospital Public Co., Ltd.	Hospital	125	0.20	350	350
Bumrungrad Hospital Public Co., Ltd.	Hospital	730	14.22	3,455,835	-
				3,457,955	2,120
Surplus (deficit) on changes in value of available-for-sale investments				1,372,094	(179)
Investments in listed securities - net				4,830,049	1,941
Investments in related companies					
Bangkok Airways Co., Ltd.	Airline	1,200	1.20	36,000	36,000
X-Ray Computer Urupong Co., Ltd.	X-ray lab	100	4.09	4,520	4,520
Investments in related companies				40,520	40,520
Investments in other companies					
Udon Pattana (1994) Co., Ltd.	Hospital	300	10.00	-	31,650
Computer Center Co., Ltd.*		-	-	-	25
Phyathai X-ray Co., Ltd.*	Rental of medical instrument	130	-	-	3
Winstore Co., Ltd.*	Retail and wholesale	142	0.36	-	226
Thai Longstay Management Co., Ltd.	Travel business	100	1.06	531	531
Prasit Pattana Public Co., Ltd.	Investment in medical services	2,341	19.47	-	1,072,480
Superior Biotech Holding Co., Ltd.	Investment	44	9.09	5,000	5,000
				5,531	1,109,915
Less: Allowance for impairment of investments				-	(12,587)
Investments in unrelated companies-net				5,531	1,097,328

* Write-off during the period

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost) 2011	Investment (cost) 2010
Investment in debt security					
Bill of Exchange				-	500,000
Investment in debt security				-	500,000
Total other long-term investments - net in the separate financial statements				4,876,100	1,639,789
Investment held by the subsidiary companies					
Investments in unrelated companies					
Thai Herbal Products Co., Ltd.	Sales of herbal products	80	0.60	290	290
Prasitthirat Co., Ltd.**	Educational institution	150	33.33	107,192	-
Phuket International Hospital Co., Ltd.**	Hospital	195	6.15	29,552	-
Asia Laboratories Center Limited **	Central lab	5	8.00	400	-
Investments in unrelated companies				137,434	290
Investments in ordinary shares (ceased operations)**					
Phyathai 4 Hospital (Petchaburi Road) Co., Ltd.	Adjudged bankrupt	328	89.79	-	-
Klass - V Co., Ltd.	Adjudged bankrupt	250	89.66	-	-
Phuket Paradise Co., Ltd.	Adjudged bankrupt	409	72.26	-	-
Phyathai Herbs Co., Ltd.	In process of liquidation	196	63.64	42,889	-
Unrelated company					
Phuket Hospital Public Co., Ltd.	Hospital	358	19.08	-	-
				42,889	-
Less : Allowance for impairment of investment				(7,000)	-
Investment in ordinary shares (ceased operations) - net				35,889	-
Total other long-term investments - net in the consolidated financial statements				5,049,423	1,640,079

**Acquired from Entire Business Transfer as stated in Note 14.

Bumrungrad Hospital Public Company Limited

In 2011, the Company purchased ordinary shares of Bumrungrad Hospital Public Company Limited for total of 103.83 million shares, amount of Baht 3,455.84 million, representing 14.22 percent of the issued and paid-up capital of that company.

Prasitthirat Company Limited

A subsidiary company had 33.33 percentage of shareholding in Prasitthirat Company Limited but has not classified it as investment in associated company because the subsidiary company has no power to participate in the financial and operating policy decisions of that company.

Investments in ordinary shares (ceased operations)-Subsidiary companies

A subsidiary company has investments in companies that have ceased their operations but has not classified them as investments in subsidiary companies because the subsidiary company has no power to control such companies.

17. Investment properties

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2011			2010		
	Land	Building	Total	Land	Building	Total
Balance at beginning of year	-	-	-	252,966	-	252,966
Increase from acquisition	34,400	-	34,400	-	-	-
Purchase	-	135,177	135,177	-	135,177	135,177
Transfer from property, premises and equipment	-	19,604	19,604	-	19,604	19,604
Gain on revalue of assets	1,045	-	1,045	18,069	-	18,069
Balance at ending of year	35,445	154,781	190,226	271,035	154,781	425,816

The investment properties consist of land and building for rent. The fair value of land has been determined based on valuations performed by an accredited independent valuer, using the Market approach. The fair value of building for rent has been determined based on cost due to incomplete construction.

18. Property, premises and equipment

(Unit: Thousand Baht)

	Consolidate financial statements						
	Assets which are stated at cost or reappraised value	Assets which are stated at cost					
	Land and land improvement	Building and building improvement	Medical tools, machine and equipment	Structure equipment, furniture, fixture and office equipment	Vehicles	Building under construction and medical tools and equipment under installation	Total
Cost/reappraised value							
31 December 2009	4,913,456	15,924,442	7,150,031	3,908,024	387,723	645,953	32,929,629
Increase from acquisition	410,292	95,182	64,457	139,814	59,282	1,742	770,769
Purchases	22,216	110,725	634,090	242,675	36,164	383,442	1,429,312
Transfer in / (Transfer out)	-	43,639	(54,624)	144,547	6,322	(158,396)	(18,512)
Disposals/Written-off	-	(7,079)	(144,471)	(151,836)	(26,553)	(1,879)	(331,818)
Translation adjustment	-	(36,713)	(15,700)	(892)	(499)	(47,923)	(101,727)
31 December 2010	5,345,964	16,130,196	7,633,783	4,282,332	462,439	822,939	34,677,653
Increase from acquisition	2,860,267	7,079,417	2,969,286	1,006,114	121,255	279,925	14,316,264
Increase from revaluation	8,985	-	-	-	-	-	8,985
Purchases	330,145	629,089	1,354,679	518,730	67,475	964,574	3,864,692
Transfer in / (Transfer out)	49	370,332	66,232	101,924	1,177	(595,984)	(56,270)
Disposals/Written-off	-	(35,925)	(196,395)	(106,133)	(33,312)	(288)	(372,053)
Translation adjustment	-	17,571	3,493	4,514	240	25,264	51,082
31 December 2011	8,545,410	24,190,680	11,831,078	5,807,481	619,274	1,496,430	52,490,353
Accumulated depreciation							
31 December 2009	17,016	6,238,159	4,204,701	3,021,038	315,733	-	13,796,647
Increase from acquisition	-	35,980	51,438	121,697	35,947	-	245,062
Depreciation for the year	466	896,230	766,679	380,780	40,206	-	2,084,361
Transfer in / (Transfer out)	-	(1,321)	(43,606)	45,259	-	-	332
Disposals/Written-off	-	(2,581)	(130,230)	(139,690)	(24,319)	-	(296,820)
Translation adjustment	-	(4,482)	(5,480)	(3,490)	(278)	-	(13,730)
31 December 2010	17,482	7,161,985	4,843,502	3,425,594	367,289	-	15,815,852
Increase from acquisition	7,011	2,468,573	1,717,567	711,822	69,275	-	4,974,248
Depreciation for the year	330	1,089,527	1,036,963	422,604	56,119	-	2,605,543
Transfer in / (Transfer out)	16	4,775	53,134	(58,215)	(744)	-	(1,034)
Disposals/Written-off	-	(25,304)	(193,226)	(96,028)	(31,952)	-	(346,510)
Translation adjustment	-	2,696	2,686	3,643	203	-	9,228
31 December 2011	24,839	10,702,252	7,460,626	4,409,420	460,190	-	23,057,327

(Unit: Thousand Baht)

	Consolidate financial statements (continued)						
	Assets which are stated at cost or reappraised value	Assets which are stated at cost					
	Land and land improvement	Building and building improvement	Medical tools, machine and equipment	Structure equipment, furniture, fixture and office equipment	Vehicles	Building under construction and medical tools and equipment under installation	Total
Impairment of fixed assets							
31 December 2010	2,955	750	-	-	-	-	3,705
Reversal of impairment loss	-	(750)	-	-	-	-	(750)
31 December 2011	2,955	-	-	-	-	-	2,955
Net book value							
31 December 2010	5,325,527	8,967,461	2,790,281	856,738	95,150	822,939	18,858,096
31 December 2011	8,517,616	13,488,428	4,370,452	1,398,061	159,084	1,496,430	29,430,071
Depreciation charged included in income statement for the year							
2010 (Baht 1,688 million included in cost of hospital operations, sales and services, and the balance in administrative expenses)							2,084,361
2011 (Baht 2,114 million included in cost of hospital operations, sales and services, and the balance in administrative expenses)							2,605,543

(Unit: Thousand Baht)

	Separate financial statements						
	Assets which are stated at cost or reappraised value	Assets which are stated at cost					
	Land and land improvement	Building and building improvement	Medical tools, machine and equipment	Structure equipment, furniture, fixture and office equipment	Vehicles	Building under construction and medical tools and equipment under installation	Total
Cost/reappraised value							
31 December 2009	836,787	4,288,020	2,330,483	1,206,040	140,416	40,977	8,842,723
Purchases	181,544	66,856	272,086	31,685	16,539	249,849	818,559
Transfer in / (Transfer out)	-	(2,134)	21,955	14,543	264	(41,316)	(6,688)
Disposals/Written-off	-	(60)	(18,429)	(3,547)	(13,830)	-	(35,866)
31 December 2010	1,018,331	4,352,682	2,606,095	1,248,721	143,389	249,510	9,618,728
Cumulative effect of change in accounting policy	(252,966)	-	-	-	-	-	(252,966)
Purchases	24,532	104,529	400,663	112,964	19,452	124,050	786,190
Transfer in / (Transfer out)	-	130,548	425	94,705	-	(246,520)	(20,842)
Disposals/Written-off	-	-	(4,943)	(7,633)	(14,978)	(10)	(27,564)
31 December 2011	789,897	4,587,759	3,002,240	1,448,757	147,863	127,030	10,103,546
Accumulated depreciation							
31 December 2009	-	1,337,949	1,329,356	999,856	128,633	-	3,795,794
Depreciation for the year	-	291,411	298,959	102,324	8,270	-	700,964
Transfer in / (Transfer out)	-	(1,321)	(1,061)	2,382	-	-	-
Disposals/Written-off	-	(60)	(14,317)	(3,469)	(12,299)	-	(30,145)
31 December 2010	-	1,627,979	1,612,937	1,101,093	124,604	-	4,466,613
Depreciation for the year	-	273,402	326,642	77,309	6,638	-	683,991
Transfer in / (Transfer out)	-	(2,051)	-	946	-	-	(1,105)
Disposals/Written-off	-	-	(4,623)	(5,510)	(13,923)	-	(24,056)
31 December 2011	-	1,899,330	1,934,956	1,173,838	117,319	-	5,125,443
Net book value							
31 December 2010	1,018,331	2,724,703	993,158	147,628	18,785	249,510	5,152,115
31 December 2011	789,897	2,688,429	1,067,284	274,919	30,544	127,030	4,978,103

Depreciation charged included in income statement for the year

2010 (Baht 587 million included in cost of hospital operations, sales and services, and the balance in administrative expenses)	700,964
2011 (Baht 594 million included in cost of hospital operations, sales and services, and the balance in administrative expenses)	683,991

In 2011, a subsidiary has recorded appraisal result of its subsidiary company which engaged an independent appraiser to appraise all of its land using the market approach. The fair values of the revalued land amounted to Baht 203 million which increased from the previous revaluation of Baht 9 million. The subsidiary therefore recorded "Gain on revaluation of land" in the consolidated statements of comprehensive income.

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

If the Company and its subsidiaries recorded the land at cost, their net book value as at 31 December 2011 and 2010 would have been as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value (at cost):		
As of 31 December 2011	5,715,550	458,130
As of 31 December 2010	2,552,079	433,598

As at 31 December 2011, the Company and its subsidiaries have medical tools, equipment and vehicles under finance lease agreements with net book values amounting to Baht 420.3 million and Baht 11.2 million in the separate financial statements (2010: Baht 278.9 million and Baht 1.2 million in the separate financial statements).

As at 31 December 2011, the Company and its subsidiaries have certain building improvement, medical tools, equipment and vehicles which have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 9,752.8 million and Baht 2,130.1 million in the separate financial statement (2010: Baht 6,071.2 million and Baht 2,046.5 million in the separate financial statements).

19. Land and buildings not used in operations

Land and buildings not used in operations as at 31 December 2011 and 2010 consisted of:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Land and buildings at historical cost	368,174	368,174	367,847	367,847
Revaluation surplus	143,748	143,748	143,748	143,748
Allowance for impairment	(719)	(719)	(719)	(719)
Total	511,203	511,203	510,876	510,876

The cumulative capitalised interest on loans recorded as a portion of cost of land not used in operations amounted to approximately Baht 29 million (2010: Baht 29 million).

20. Intangible assets

Intangible assets, as at 31 December 2011 and 2010, which are computer software are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Cost		
As at 1 January 2010	393,737	141,560
Purchase	60,039	96
Transfer in	18,512	6,688
Disposals/written-off	(350)	-
Translation adjustment	(212)	-
As at 31 December 2010	471,726	148,344
Increase from acquisition	349,676	-
Purchase	140,325	9,473
Transfer in	35,122	133
Disposals/written-off	(384)	-
Translation adjustment	102	-
As at 31 December 2011	996,567	157,950

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Accumulated amortisation		
As at 1 January 2010	222,575	61,837
Amortisation for the year	47,990	11,410
Disposals/written-off	(212)	-
Translation adjustment	(47)	-
As at 31 December 2010	270,306	73,247
Increase from acquisition	161,407	-
Amortisation for the year	82,904	11,715
Transfer out	(83)	-
Disposals/written-off	(141)	-
Translation adjustment	35	-
As at 31 December 2011	514,428	84,962
Net book value		
As at 31 December 2010	201,420	75,097
As at 31 December 2011	482,139	72,988

21. Leasehold rights

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cost	716,587	648,371	133,010	80,050
Less: Accumulated amortisation	(159,450)	(139,307)	(26,949)	(21,047)
Book value - net	557,137	509,064	106,061	59,003
Amortisation for the year	19,041	17,357	5,902	4,215

22. Bank overdrafts and short-term loans from financial institutions

As at 31 December 2011, the Company and its subsidiaries have bank overdraft facilities with banks of Baht 450 million and USD 1 million (2010: Baht 390 million and USD 1 million) and in separate financial statements of Baht 150 million (2010: Baht 150 million). The facilities carry interest rate at MOR for Baht currency facilities and LIBOR plus fixed rate for US currency facilities.

23. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Trade payables - related parties	90,181	77,013	128,811	110,996
Trade payables - unrelated parties	2,266,225	1,237,152	454,895	301,684
Other payables - related parties	18,895	5,098	46,871	24,868
Other payables - unrelated parties	731,504	535,926	257,719	227,992
Accounts payable - construction and retention	284,386	95,168	54,456	68,178
Total trade and other payables	3,391,191	1,950,357	942,752	733,718

24. Long-term loans

(Unit: Thousand Baht)

	As at 31 December			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Long-term loans	7,764,387	2,595,912	3,141,710	2,463,900
Less: Current portion due within one year	(813,215)	(355,265)	(436,300)	(343,800)
Long-term loans - net of current portion	6,951,172	2,240,647	2,705,410	2,120,100

The Company

a) In 2008, the Company entered into a 10-year loan agreement with a bank granting the credit facilities of Baht 3,438 million. The loan carries interest at the Fixed Deposit Rate plus fixed rate per annum as stipulated in the agreement with interest and principal payable on a monthly basis. This loan agreement includes a condition that the Company and its subsidiaries may not mortgage any assets and also certain covenants which the Company and its subsidiaries must comply. The Company also entered into an interest rate swap contract for the above loan with a financial institution as discussed in Note 39.2 the outstanding balance of this loan as at 31 December 2011 was Baht 2,120.1 million (2010: Baht 2,463.9 million).

b) In October 2011, the Company entered into a credit support agreement with a financial institution granting credit facilities of Baht 1,000 million with condition for issuing note and withdrawing loan. The interest rate and repayment term of note credit are as stipulated on the note. The interest rate for loan is six-month Fixed Deposit Rate plus fixed rates per annum as stipulated in the agreement. The interest is repayable on a monthly basis and the principal is repayable on quarterly basis according to a condition as stipulated in the agreement. The drawdown period is within 1 year from the agreement date. As at 31 December 2011, the Company had not yet withdrawn such credit.

c) In November 2011, the Company entered into a loan agreement with a financial institution granting credit facilities of Baht 1,000 million carrying interest at six-month Fixed Deposit Rate plus fixed rates per annum as stipulated in the agreement. The interest is repayable on a monthly basis and the principal is repayable on every six-month according to a condition as stipulated in the agreement. The drawdown period is within 1 year from the agreement date. As at 31 December 2011, the Company had not yet withdrawn such loan.

d) In November 2011, the Company entered into a loan agreement with a financial institution granting credit facilities of Baht 3,000 million carrying interest at the rate of six-month Fixed Deposit Rate plus fixed rates per annum as stipulated in the agreement. The interest is repayable on a monthly basis and the principal is repayable on a quarterly basis according to a condition as stipulated in the agreement. As at 31 December 2011, this loan has outstanding balance of Baht 1,021.6 million.

<u>The subsidiaries</u>

a) In 2007 and 2008, Angkor Pisith Co., Ltd., a subsidiary company, entered into a long-term loan agreement with a foreign financial institution granting credit facilities were of USD 4 million. The loan bears interest at the rate of LIBOR plus a fixed rate per annum. The interest and principal are repayable on a monthly basis according to a condition as stipulated in the agreement. This loan is guaranteed by the Company. As at 31 December 2011, this loan has outstanding balance of USD 3.6 million or equivalent to Baht 113.8 million. (2010: USD 3.9 million or equivalent to Baht 116.4 million).

b) In 2008, Bangkok Ratchasima Hospital Co., Ltd., a subsidiary company, entered into a loan agreement with a financial institution. The credit facilities were Baht 20 million. The loan bears interest at fixed rate per annum. The interest and principal are repayable on a monthly basis according to a condition as stipulated in the agreement. As at 31 December 2011, this loan has outstanding balance of Baht 12.2 million (2010: Baht 15.6 million).

c) In April 2011, Prasit Patana Public Company Limited, a subsidiary company, entered into the loan agreements with 2 financial institutions obtaining loans of Baht 3,594.8 million. These loans bear interest at a six-month Fixed Deposit Rate plus fixed rate per annum, with the specified repayments of principal and interest as stipulated in the agreement. These loan facilities are guaranteed by the Company. As at 31 December 2011, this loan has outstanding balance of Baht 3,594.8 million.

d) In 2008, Sriracha Nakorn General Hospital Public Company Limited, a subsidiary company, entered into long-term loan agreement with a financial institution to obtain loan of Baht 11.9 million. This loan bears interest at the fixed rate per annum, with the specified repayments of principal and interest as stipulated in the agreement. In 2009, the subsidiary entered into long-term loan agreement with another financial institution to obtain loan of Baht 410 million. This loan consequently amended to bears interest at a six-month Fixed Deposit Rate plus fixed rate per annum, with the specified repayments of principal and interest as stipulated in the agreement. As at 31 December 2011, these loans from 2 financial institutions have outstanding balance of Baht 315.8 million

The Company's and its subsidiaries' loan agreements contain certain covenants which the Company and its subsidiaries must comply.

25. Liabilities under finance lease agreements

As at 31 December 2011 and 2010, liabilities under finance lease agreements are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Liabilities under finance lease agreements	364,871	165,129	10,816	753
Less: Deferred interest expenses	(29,843)	(13,982)	(837)	(40)
Total	335,028	151,147	9,979	713
Less: Current portion of liabilities under finance lease agreements	(149,723)	(76,619)	(3,051)	(631)
Liabilities under finance lease agreements - net of current portion	185,305	74,528	6,928	82

As at 31 December 2011, the Company and its subsidiaries have future minimum lease payments which required under the finance lease agreements are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	Less than 1 year	1-5 years	Total
Future minimum finance lease payments	169,207	195,664	364,871
Deferred interest expenses	(19,484)	(10,359)	(29,843)
Present value of future minimum finance lease payments	149,723	185,305	335,028

(Unit: Thousand Baht)

	Separate financial statements		
	Less than 1 year	1-5 years	Total
Future minimum finance lease payments	3,525	7,291	10,816
Deferred interest expenses	(474)	(363)	(837)
Present value of future minimum finance lease payments	3,051	6,928	9,979

The Company and its subsidiaries have finance lease agreements with various leasing companies to rent medical tools, equipment, and vehicles for use in their operations. Installments are due on a monthly basis over 32-60 months and at the end of the agreements.

26. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2011, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Cumulative effect of change in accounting policy for employee benefits adjusted against beginning balance of retained earnings	471,633	132,629
Increase from acquisition	304,133	-
Current service cost	76,439	16,568
Interest cost	30,742	5,674
Benefits paid during the year	(23,122)	(6,355)
Actuarial loss	3,147	-
Balance at end of year	862,972	148,516

Long-term employee benefit expenses included in the profit or loss for the year ended 31 December 2011 amounted to Baht 107.2 million (Separate financial statement: Baht 22.2 million).

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements	Separate financial statements
	(% per annum)	(% per annum)
Discount rate	3.7 – 5.0	4.7
Future salary increase rate (depending on age of employee)	3.0 – 7.5	6.0

27. Share capital

On 24 February 2011, the Extraordinary General Meeting of the Company's shareholders No.1/2011 approved the reduction of the Company's registered capital of Baht 1,312,264,222, consisting of 1,312,264,222 ordinary shares with par value of Baht 1 each to be the new registered capital of Baht 1,246,194,338, consisting of 1,246,194,338 ordinary shares with par value of Baht 1 each and approved the increase in the Company's registered capital of Baht 307,197,070, consisting of 307,197,070 ordinary shares with par value of Baht 1 each to be the new registered capital of Baht 1,553,391,408, consisting of 1,553,391,408 ordinary shares with par value of Baht 1 each. The Company has already registered the change in share registered in the first quarter of 2011.

Consequently, in the second quarter of 2011, the Company issued 295.2 million newly issued ordinary shares for Entire Business Transfer and Tender offer as stated in Note 14.1 and 14.2 respectively. In addition, the Company private placement sold 4.1 million newly issued ordinary shares with a par value of Baht 1 each, at the price of Baht 37.75 per share, totaling Baht 156 million to major shareholders of Health Network Public Company Limited. As a result of share issuance and converted the remaining convertible bonds as mentioned in Note 36, the Company's paid up share capital as of 31 December 2011 was Baht 1,545,458,833 (1,545,458,883 ordinary shares of Baht 1 each).

28. Dividends

Dividends	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
Final dividends for 2009	Annual General Meeting of the shareholders on 1 April 2010	850	0.70
Interim dividends for 2010 *	Board of Directors' meeting on 14 December 2010	990	0.80
Total dividend for 2010		1,840	1.50

* The Thailand Securities Depository Co., Ltd notified the Company that certain shareholders were not entitled to receive dividend amounting to approximately Baht 6.9 million, and the Company therefore recorded dividend payable of Baht 990 million in the financial statement as at 31 December 2010. The Company paid such dividend in January 2011.

29. 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 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

30. Expenses by nature

Significant expenses by nature for the years ended 31 December 2011 and 2010 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Employee expenses	8,587.7	5,499.7	1,786.0	1,529.6
Doctor fee	7,053.2	4,423.8	1,325.4	1,199.3
Cost of drugs and supplies	5,164.7	3,083.1	953.3	814.9
Depreciation and amortisation expenses	2,707.5	2,149.7	701.6	716.6
Advertising and public relation expenses	473.1	367.3	198.0	154.2
Rental expenses	376.8	251.8	40.1	28.4

31. Provident fund

The Company, its subsidiaries and their employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. The funds are contributed to by employees and the Company and its subsidiaries at the agreed percentage rates based on the employees' basic salaries and are managed by various financial institutions. The funds will be paid to the employees upon termination in accordance with the fund rules.

During the year, the Company and its subsidiaries contributed Baht 122.9 million (2010: Baht 86.7 million) to the fund, with contributions per the separate financial statement contributed Baht 27.3 million (2010: Baht 24.1 million) to the fund.

32. Earnings per share

Basic earnings per share is determined 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.

No disclosure of diluted earnings per share is required for 2010 after the issue of convertible debentures (as discussed in Note 36) since the calculated earnings per share assuming the conversion of all convertible debentures to ordinary shares is antidilutive.

33. Long-term lease agreements

The Company

The Company has entered into a land rental agreement for a car parking building for a period of 20 years from 26 February 2004 to 25 February 2024. The rental fee for the first 17 months is Baht 200,000 per month and will be increased by the rate as agreed in the agreement. The rental for the last 3 years will be Baht 560,000 per month.

The Company has entered into a land rental agreement for construction of an OPD building for a period of 30 years from 28 September 2004 to 27 September 2034. The first payment date is 10 October 2005 at the rental fee of Baht 50,000 per month. The rate will be increased by 10% of the latest rental of every three years.

The Company has entered into a land rental agreement for a car parking for a period of 7 years from 1 September 2005 to 31 August 2012 and the rental is paid on a monthly basis. The first payment date is 1 September 2005 at the rate of Baht 131,000 per month. The rental rate will be Baht 175,000 per month starting from 1 September 2006 onward.

The Company has entered into a land rental agreement for a period of 30 years from 1 January 2006 to 31 December 2035 and the rental is paid on a monthly basis. The first payment date is 5 January 2006 and rental to be paid at Baht 30,000 per month and from 1 January 2027 onward at Baht 100,000 per month.

The Company has entered into an agreement to construct a hospital building on land owned by a government authority. The condition of the agreement states that upon completion of the building construction, the Company has to transfer the ownership over such building to that authority. After the authority accepts such transfer, in 2006 the Company entered into another land and hospital building rental agreement with that government authority. The agreement will cover a period of 30 years after the signing date of the agreement and the Company is obliged to pay rental on a yearly basis. The rental fee for the first 5 years is Baht 492,676 per year and this fee is to be increased every 5 years. The rental for the last 5 years will thus be Baht 990,943 per year.

The Company has entered into a land rental agreement for a period of 30 years from 18 March 2011 to 17 March 2041 and the rental is paid on a monthly basis with no rental for the first three months. The first payment date is 18 July 2011 and rental to be paid at Baht 100,000 per month. The rate will be increased by 10% of the latest rental of every three years.

The Company has entered into a rental agreement and a medical services agreement with a company to operate medical clinic in a building for a period of 2 years from 1 September 2011 to 27 September 2013. The Company has to pay fee at the rate stipulated in the agreement, of monthly gross operating revenue before deducted any expenses or the minimum fee stipulated in agreement whichever is higher.

Samitivej Public Company Limited

The subsidiary company has entered into a rental agreement for a parking building dated 10 September 2003, for 30 years, effective from 8 December 2004. The total rental fee over the lease will thus be Baht 155.1 million. The subsidiary company is committed to pay Baht 38.8 million as prepaid rental as per the schedule. The remaining rental fee will be paid on a monthly basis. In addition, the subsidiary company has entered into a service agreement with the same company for providing of services in the parking building for 30 years totaling Baht 103.4 million.

The subsidiary company has entered into a medical services agreement with a company to operate medical clinic in a building for a period of 5 years from 28 May 2010. The subsidiary company has to pay fee at the rate stipulated in the agreement, of monthly gross operating revenue before deducted any expenses or the minimum fee stipulated in agreement whichever is higher.

BNH Medical Center Co., Ltd.

The subsidiary company entered into an agreement with an association which is a shareholder, to lease land for the construction of a hospital for a period of 30 years, commencing 1 September 1993, with options to renew.

Paolo Medic Co., Ltd.

The subsidiary company entered into a land and premises rental agreement which will be expired in January 2037, and the rental fee is paid on a monthly basis at the amount as stipulated in the agreement.

Phyathai 1 Hospital Co., Ltd.

The subsidiary company entered into a land rental agreement with a state enterprise for a period of 3 years expiring in the year 2013 and the rental fee is paid on a monthly basis as stipulated in the agreement.

34. Commitments and contingent liabilities

As at 31 December 2011 commitments and contingent liabilities are as follows:

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements		
	Less than 1 year	1 -5 years	Over 5 years	Less than 1 year	1 -5 years	Over 5 years
Contractual commitments						
- the land and building rental contracts (including long-term agreements in Note 33)	101	183	471	18	39	137
- the office equipment rental and other services	249	97	-	50	3	-
- the medical equipment provision and maintenance contracts	367	116	-	90	-	-
- the building construction and decoration contracts	562	-	-	50	-	-
- the sale and purchase contract for land	-	60	44	-	-	-
Total	1,279	456	515	208	42	137

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
Contingent liabilities		
- For letters of guarantee issued by banks to guarantee contractual performance	94	7
- For letters of guarantee issued by banks for electricity use and others	95	18
Total	189	25

35. Segment information

The Company and its subsidiaries operate mainly in the hospital business and hospital related businesses in Thailand. As a result, most of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned industry segment and geographic area.

36. Convertible Bonds

These represent the unsecured and name-registered convertible bonds, due 2011, issued to foreign investors outside the United States of America in 2006. A total of 124,000 units of the bonds, which carry interest at a rate of 3.75%, had been issued at a price of USD 1,000 each. Holders of the bonds have the right to convert the bonds into the Company's ordinary shares at an initial conversion price of Baht 36.30 per share, which was subsequently adjusted to Baht 32.67 per share. The Company has the right to redeem the bonds at a redemption price to be calculated in accordance with the formula as stated in the Offering Circular.The Company is required to observe covenants as provided in the Offering Circular. As at 31 December 2010, the Company has remaining convertible bonds of 50 units or equivalent to Baht 2.14 million. In the second quarter of 2011, the convertible bonds holders exercised the right to convert all such convertible bonds to common shares.

37. Debentures

On 6 March 2008, the Company had issued unsecured, named registered and unsubordinated debentures without a debentureholders' representative for the total number of 5,000,000 units, at the price of Baht 1,000 per unit, totaling Baht 5,000 million. These debentures are divided into two tranches: the 3-year debentures for the amount of Baht 3,000 million at the coupon rate of 4.11% per annum and the 5-year debentures for the amount of Baht 2,000 million at the coupon rate of 4.84% per annum with interest payable every six-month. The Company had redeemed the 3-year debentures for the amount of Baht 3,000 million in the first quarter of 2011.

On 4 June 2009, the Company had issued unsecured, name registered and unsubordinated debentures for the total number of 3,000,000 units, at the price of Baht 1,000 per unit, totaling Baht 3,000 million. These debentures are divided into two tranches: the 5-year debentures for the amount of Baht 2,000 million at the coupon rate of 4.80% per annum and the 7-year debentures for the amount of Baht 1,000 million at the coupon rate of 5.35% per annum with interest payable every six-month. Up to 31 December 2011, the Company had repurchased such debentures for amount of 30,000 units, totaling Baht 30 million.

On 3 March 2011, the Company had issued unsecured, name registered and unsubordinated debentures without a debentureholders' representative debenture for the total number of 2,500,000 units, at the price of Baht 1,000 per unit, totaling Baht 2,500 million. These debentures are 4-year debentures at the coupon rate of 3.99% per annum with interest payable every six-month.

On 29 March 2011, the Company had issued unsecured, name registered and unsubordinated debentures without a debentureholders' representative debenture for the total number of 1,000,000 units, at the price of Baht 1,000 per unit, totaling Baht 1,000 million. These debentures are 3-year debentures at the coupon rate of 3.78% per annum with interest payable every six-month.

Debenture agreement contains certain covenants which the Company must comply with such as financial ratios, payment of dividend and assets dispositions, etc.

38. Promotional privileges

The Company has been granted promotional privileges under The Investment Promotion Act B.E. 2520, according to the promotional certificate No. 2302(2)/2553, dated 26 November 2010, for hospital business Type 7.7. Significant privileges are as follows:

- Exemption of import duty on machinery as approved by the board.
- Exemption from corporate income tax derived from the promoted operation, with the limited rate of 100 percent of the investment excluding land and working capital for a period of 8 years commencing from the date that revenues are first derived from the promoted operation.

  In case of losses being incurred during the corporate income tax exemption period, the Company is allowed to utilise the loss as a deduction against net profits for a period of 5 years after exemption period, whether from any one year or from several years.

- Exemption from income tax on dividend paid from the profit of the promoted operations throughout the tax exemption period.

Wattanavej Co., Ltd.

Wattanavej Co., Ltd. has been granted promotional privileges under The Investment Promotion Act B.E. 2520, according to the promotional certificate No. 1686(2)/2547, dated 25 August 2004, for hospital business Type 7.11. Significant privileges are as follows:

- Exemption of import duty on machinery as approved by the board.
- Exemption from corporate income tax derived from the promoted operation, with the limited rate of 100 percent of the investment excluding land and working capital for a period of 8 years commencing from the date that revenues are first derived from the promoted operation.

  In case of losses being incurred during the corporate income tax exemption period, the Company is allowed to utilise the loss as a deduction against net profits for a period of 5 years after exemption period, whether from any one year or from several years.
- Exemption from income tax on divided paid from the profit of the promoted operation throughout the tax exemption period.

Bangkok Samui Hospital Co., Ltd.

Bangkok Samui Hospital Co., Ltd. has been granted promotional privileges under The Investment Promotion Act B.E. 2520, according to the promotional certificate No. 1719(2)/2547, dated 1 September 2004, for hospital business Type 7.11. Significant privileges are as follows:

- Exemption of import duty on machinery as approved by the board.
- Exemption from corporate income tax derived from the promoted operation, with the limited rate of 100 percent of the investment excluding land and working capital for a period of 8 years commencing from the date that revenues are first derived from the promoted operation.

  In case of losses being incurred during the corporate income tax exemption period, the Company is allowed to utilise the loss as a deduction against net profits for a period of 5 years after exemption period, whether from any one year or from several years.
- Exemption from income tax on dividend paid from the profit of the promoted operation throughout the tax exemption period.

A.N.B. Laboratories Co., Ltd.

A.N.B. Laboratories Co., Ltd. has been granted promotional privileges under The Investment Promotion Act B.E. 2520, according to the promotional certificate No. 1913(2)/2554, dated 4 August 2011, for production of medicines and/or active ingredients in medicines. Type 6.5. Significant privileges are as follows:

- Exemption of import duty on machinery as approved by the board.
- Exemption from corporate income tax derived from the promoted operation, with the limited rate of 100 percent of the investment excluding land and working capital for a period of 5 years commencing from the date that revenues are first derived from the promoted operation.

  In case of losses being incurred during the corporate income tax exemption period, the Company is allowed to utilise the loss as a deduction against net profits for a period of 5 years after exemption period, whether from any one year or from several years.
- Exemption from income tax on dividend paid from the profit of the promoted operation throughout the tax exemption period.

The Company and subsidiary companies must comply with the conditions stipulated in the investment promotional privileges.

Revenues of the Company and subsidiary companies for the years 2011 and 2010 can be separated between the promoted and non-promoted operation as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Promoted operation		Non-promoted operation		Total	
	2011	2010	2011	2010	2011	2010
Revenue from hospital operations	951,872	724,544	34,272,594	22,788,085	35,224,466	23,512,629
Other income	-	-	2,146,872	538,586	2,146,872	538,586
Total revenues	951,872	724,544	36,419,466	23,326,671	37,371,338	24,051,215

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operation		Non-promoted operation		Total	
	2011	2010	2011	2010	2011	2010
Revenue from hospital operations	190,257	5,932	8,068,582	7,213,783	8,258,839	7,219,715
Other income	-	-	2,501,067	1,300,783	2,501,067	1,300,783
Total revenues	190,257	5,932	10,569,649	8,514,566	10,759,906	8,520,498

39. Financial instruments

The Company and its subsidiaries' financial instruments, which are defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentation", principally comprise the financial assets and liabilities mentioned in Note 6.17 to financial statements. The financial risks associated with these financial instruments and how they are managed is described below.

39.1 Financial risk management

The Company and its subsidiaries are exposed to risk arising from changes in market interest rates and foreign currency exchange rates, and from nonperformance of contractual obligation by counterparties in the future. The subsidiaries do not use derivative instruments, while the Company uses derivative instruments as and when they consider appropriate, to manage such risks. Neither the Company nor subsidiaries hold or issue derivative financial instruments for speculative or trading purposes.

39.2 Interest rate risk

The Company and its subsidiaries are exposed to interest rate risk relates primarily to its cash at banks, bank overdrafts, short-term loans, long-term loans, convertible debentures and debentures. However, most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate and the Company enters into interest rate swap contract to reduce this risk as appropriate.

The long-term loans, convertible debentures and debentures were presented in notes 24, 36, and 37 respectively.

Interest rate swap contract

Interest rate swap are used to manage exposure to fluctuations in interest rate.

On 15 September 2008, the Company entered into a five-year interest rate swap contract with a financial institution which converts a floating interest rate based on the Fixed Deposit Rate plus fixed rate per annum to a fixed interest rate per annum on the long-term loan balance.

The net fair value of the interest rate swap contract at the statement of financial position date was as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Fair value of interest rate swap contract (liabilities)	(20.5)	(75.4)	(20.5)	(75.4)

Fair value of interest rate swap contracts has been calculated using the rate quoted by a financial institution as if the contract was terminated at the statement of financial position date.

Significant financial assets and liabilities as at 31 December 2011 classified by type of interest rate are as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	Fixed interest rates					
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total
Financial Assets						
- Cash and cash equivalent	510	-	-	3,204	162	3,876
- Short-term investments	418	-	-	-	46	464
- Trade and other accounts receivable	-	-	-	-	3,377	3,377
- Long-term deposit at financial institution	-	50	-	-	-	50
- Restricted financial institution deposit	12	-	-	13	-	25
- Investments	-	-	-	-	7,865	7,865
	940	50	-	3,217	11,450	15,657
Financial liabilities						
- Bank overdrafts and short-term loans from financial institution	-	-	-	231	-	231
- Trade and other payables	-	-	-	-	3,391	3,391
- Long-term loans	4	9	-	7,751	-	7,764
- Liabilities under finance lease agreements	150	185	-	-	-	335
- Debentures	-	8,461	-	-	-	8,461
	154	8,655	-	7,982	3,391	20,182

(Unit: Million Baht)

	Separate financial statements					
	Fixed interest rates					
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total
Financial Assets						
- Cash and cash equivalent	-	-	-	1,517	3	1,520
- Trade and other receivables	-	-	-	-	829	829
- Short-term loans to related parties	170	-	-	137	-	307
- Long-term loans to related parties	60	-	-	1,606	-	1,666
- Investments	-	-	-	-	30,537	30,537
	230	-	-	3,260	31,369	34,859
Financial liabilities						
- Short-term loans from related parties	-	-	-	1,628	-	1,628
- Trade and other payables	-	-	-	-	943	943
- Long-term loans	-	-	-	3,142	-	3,142
- Liabilities under finance lease agreements	3	7	-	-	-	10
- Debentures	-	8,461	-	-	-	8,461
	3	8,468	-	4,770	943	14,184

39.3 Foreign currency risk

The Company and its subsidiaries are exposed to foreign currency risk mainly in respect of purchase of medical tools and equipment transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

Forward exchange contract

As at 31 December 2011 and 2010, the outstanding balance of forward exchange contracts was as follows:

Balance as at	Foreign currency	Amount bought	Contractual exchange rate for amount bought
			(Baht per foreign currency unit)
31 December 2011	US Dollar	482,588	30.75 - 31.63
	Euro	3,465	41.52
31 December 2010	-	-	-

39.4 Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable, loans, bill of exchange and other receivable. The Company and its 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 its subsidiaries do not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans and other receivables as stated in the statement of financial position.

39.5 Fair values of financial instruments

Since the majority of the Company's and its subsidiaries' financial instruments bear floating interest rates or fixed interest rates which are close to market rate, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

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

40. Capital management

The primary objective of the Company's and its subsidiaries' capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholders value. As at 31 December 2011, the Group's debt-to-equity ratio was 0.8:1.0 (2010: 1.0:1.0) and the Company's was 0.6:1.0 (2010: 1.5:1.0).

41. Litigation

In the second quarter of 2011, 5 shareholders of the Company, who held a total of 25,067 shares, or 0.0017 percentage of total issued and paid-up share capital as of 8 April 2011, filed a petition with the Court requesting cancellation of the resolutions passed by the Annual General Meeting of 2011 on the grounds that the meeting was illegal and contrary to the Company's articles of association because of a change in the voting method. Legal counselor of the Company gathered information, including the procedures for arranging meetings, and concluded that the Company had complied with the Company's articles of association and the regulations of the Stock Exchange of Thailand generally practiced by listed companies, and that the meeting was legally conducted in all respects and had taken into account the legal rights of every shareholder. The case is in legal process, but the management expects that this case will not result in changes to such resolutions.

42. Reclassification

To comply with the Notification of the Department of Business Development relating to the financial statement presentation as described in Note 2 and as the result of the adoption of revised and new accounting standards as described in Note 3 and Note 5, 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 other reclassifications with had no effect to previously reported profit or shareholders' equity are as follows:

(Unit: Thousand Baht)

	Income statements (only reclassification items) for the year ended 31 December 2010			
	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Cost of hospital operations and goods sold	15,350,058	13,661,968	4,760,074	4,173,208
Administrative expenses	5,256,969	4,744,953	2,106,195	1,926,074
Depreciation and amortisation expenses	-	2,149,708	-	716,589
Management benefit expenses	-	50,398	-	50,398

43. Subsequent event

Tender offer to purchase securities of Prasit Patana Public Company Limited

On 6 February 2012, the Company submitted a tender offer proposal to purchase securities of Prasit Patana Public Company Limited, a subsidiary company, for delisting of its securities from the Stock Exchange of Thailand according to the Meeting of Company's Board of Directors on 30 November 2011.

44. Approval of financial statements

These financial statements have been authorised for issue by the Company's Board of Directors on 29 February 2012.