



36 ปี เพื่อคนไทย
"สบายดี"

ANNUAL REPORT 2008

BANGKOK DUSIT MEDICAL SERVICES Plc.

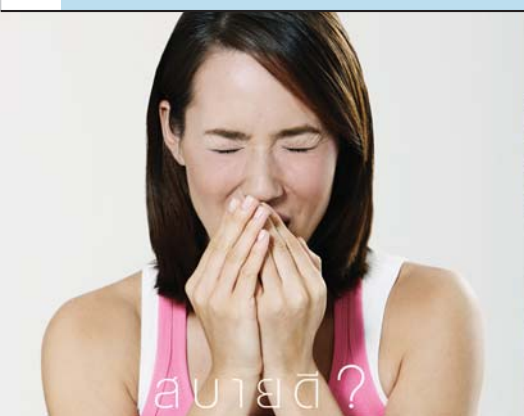
BDMS
Bangkok Dusit Medical Services



As we believe medical advancement must correspond with quality of life
We hence constantly and promisingly provide medical knowledge and care as
token of appreciation in return of our 36th Anniversary celebration
For the good health and good life of Thai people.....as always.



GOOD HEALTH FOR GOOD LIFE

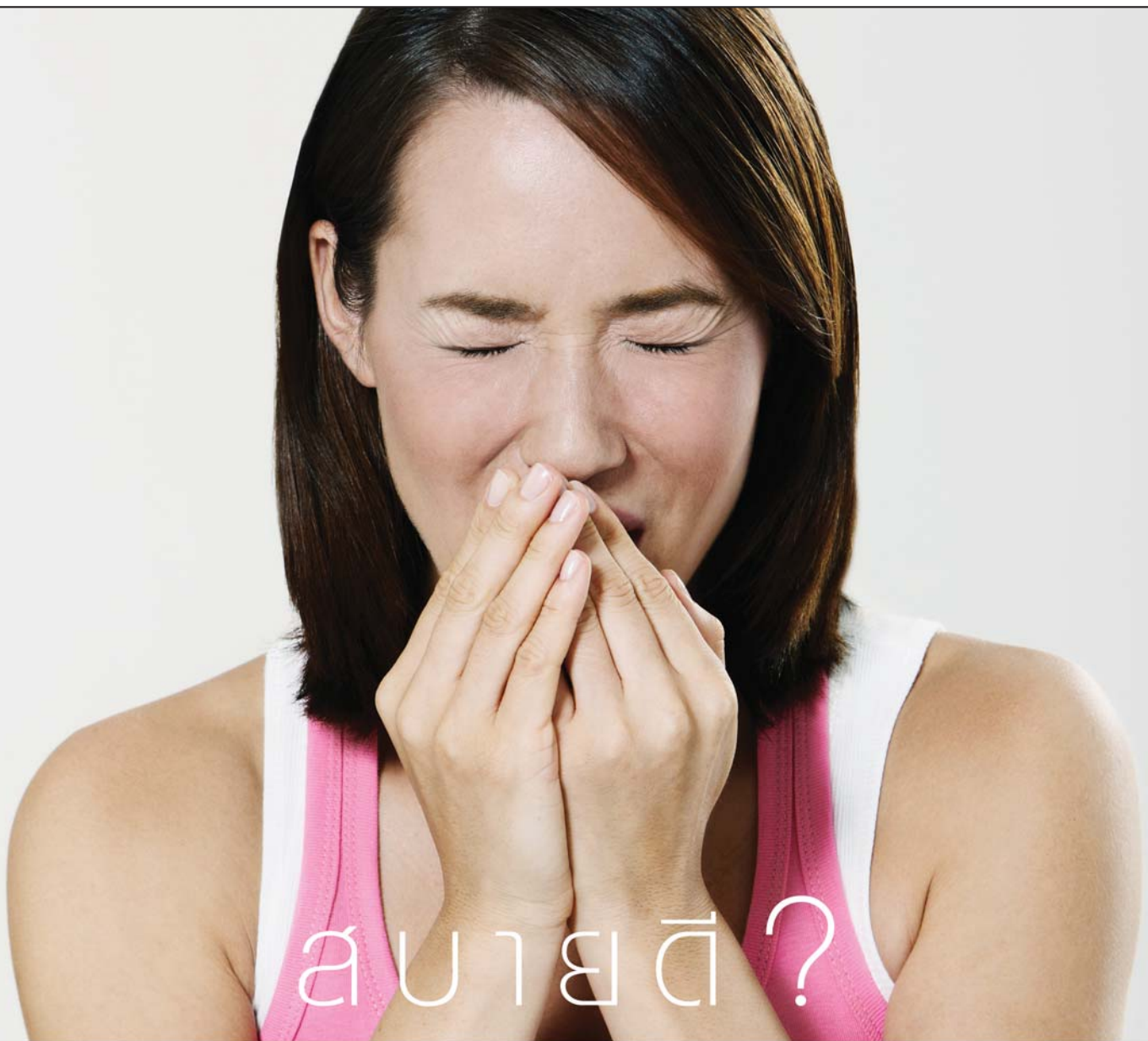


Everything that we do has epitomized our deepest care and concern
And we shall deliver our best to create the best quality of people life as always

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วิตามินซี จากผลไม้สด
ช่วยต้านการติดเชื้อ ป้องกันโรคหวัด
และชะลอความแก่ก่อนวัย

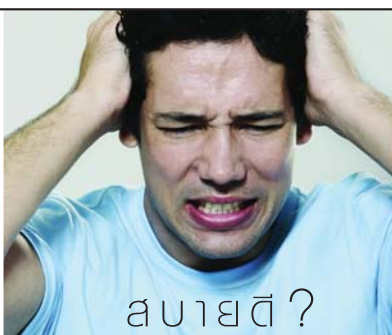
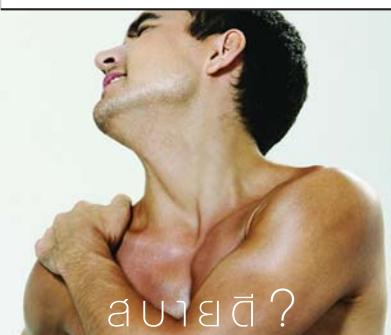
อีกหนึ่งมุมมองในการดูแลสุขภาพตัวเองอย่างง่าย ๆ แล้วคุณจะได้ “สบายดี”



36 ปีแห่งความวางใจ ห่วงใยคุณมาตลอด



CORPORATE ADVERTISING





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ดื่ม กิน ที่อร่อยแบบนี้...
ก็ควรดีกับนานาน



บพสท์โมชั่น



...อุ่น



"สบาย...ทุกข้อ"

PET/CT

เครื่องตรวจค้นหามะเร็งได้อย่างสมบูรณ์แบบ เครื่องแรกในประเทศไทย



 โรงพยาบาลวัฒโนสถ
WATTANOSOTH HOSPITAL

WATTANOSOTH HOSPITAL

มะเร็งแรกเกิดเราจับภาพได้



มะเร็งระยะแรกเกิดรักษาได้ง่ายกว่า



เป้าหมายในการทำลายเซลล์มะเร็ง
คือเซลล์ปกติเสียหายน้อยที่สุด



ตรวจเช็คสม่ำเสมอในการรักษามะเร็ง



นวัตกรรมล่าสุดในการตรวจหัวใจและหลอดเลือด



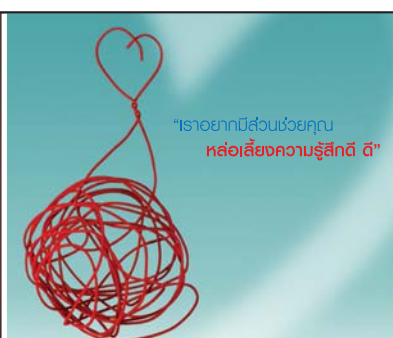
256-slice multi-detector CT scan

 โรงพยาบาลหัวใจกรุงเทพ
BANGKOK HEART HOSPITAL

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"เราอยากมีส่วนช่วยคุณ
หล่อเลี้ยงความรู้สึกดี ดี"



เจ็บหน้าอก... รับพบหมอด่วน!



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ด้วยมาตรฐานโลก



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Beyond Medicine



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เอกสิทธิ์แห่งชีวิต



HELICOPTER SERVICE

บริการเหนือระดับกับ **SKY ICU** และ **FLYING LIMOUSINE** ปลอดภัย และมั่นใจในทุกน่านฟ้า

- **SKY ICU** ให้บริการช่วยชีวิต และเคลื่อนย้ายผู้ป่วยทางเฮลิคอปเตอร์ทางการแพทย์ฉุกเฉิน **Helicopter Emergency Medical Services** พร้อมด้วยอุปกรณ์การแพทย์มาตรฐานสากล ภายใต้การดูแลของทีมแพทย์ และพยาบาลเวชศาสตร์การบิน ตลอด 24 ชม. ปลอดภัยทุกทิศทั่วไทย และประเทศใกล้เคียง
- **FLYING LIMOUSINE** ให้บริการเฮลิคอปเตอร์เช่าเหมาลำ ส่วนบุคคล ให้เอกสิทธิ์คุณบินข้ามฟ้าทั่วไทย และประเทศใกล้เคียง โดยนักบินชำนาญการกิจ พร้อมสิ่งอำนวยความสะดวกครบครันเหนือระดับ ตลอดเส้นทางการบิน

Statement of the Board of Directors

The Board of Directors is pleased to present the shareholders with the operational results of Bangkok Dusit Medical Services PCL. for the year 2008.

After witnessing the effects of the 2007 sub-prime crisis on the world economy, including Thailand, the Company's aim in 2008 was to create a balance between growth through careful management and responsibility to stakeholders, especially the equal interests of the shareholders. Furthermore, we have continued to improve medical services to reciprocate the trust that our customers have given to the Bangkok Hospital Group and our network hospitals.

In improving quality of service, apart from the academic conferences the Company organizes annually to further the knowledge of medical staff, the Company also encouraged medical research. As a result of the research, the Company received Disease or Condition-Specific Care Certification for 4 diseases from the Joint Commission International (JCI), an internationally recognized organization for certification of medical standards from the United States of America. This certification was in addition to those received by Bangkok Hospital in 2007, which signifies that the Company is on its way to becoming an Excellence Center with internationally accepted standard in disease-specific patient care. Furthermore, the Company has signed an academic memorandum of understanding with Srinakharinwirot University with the aim to develop the capabilities of the two organizations' medical staff.

The Company recognizes that the current economic slowdown may impact healthcare support for the general public, therefore, we have organized activities for the community in conjunction with Vejdusit Foundation by donating medical equipment to hospitals, foundations, municipalities, tambon administration organizations (OrBorTor) and public health centers in Phuket, Phang Nga and Krabi provinces. A total of 54 hospitals received the medical equipment in 2008, which shows our dedication to improving the quality of life of Thais who are in need of medical care.

In managing operations, the Company aims to manage assets and resources of Bangkok Hospital and network hospitals to their full potential with the highest efficiency. We emphasized management through networks and recognized that amidst the current economic crisis, efficient investment management is key to the Company's operations. Therefore, the Company centralized money management centers in order to gain financial bargaining power and to maintain low cost of capital.

From the aforementioned factors, as well as the cooperation of all related departments, BDMS experienced 15% revenue growth and 34% increase in profits in 2008. This is another proud year for the Company as we have been able to create favorable returns for the shareholders amidst global and domestic economic downturn.

In conclusion, the Company would like to express our sincere appreciation to all who have put their trust in the services of our network hospitals throughout the 36 years that we have been operating. Moreover, one of the main factors contributing to our success and sustainable growth is the confidence that the shareholders have placed in the Board's management policies, as well as the dedication of the doctors, management and staff of Bangkok Hospital and our network hospitals in overcoming the various operational obstacles. The year 2009 is another year of adjustments and requires the cooperation of doctors, staff and our network hospitals in order so that the Company may grow and transfer the confidence in the quality of our services to every one of our customers. This is the most important resolution that the Company has abided by over the past 36 years of service.



(Professor Arun Pausawasdi, M.D.)

Chairman of the Board



(Mr. Wallop Adhikomprapa)

President

Report of the Audit Committee

The Audit Committee was appointed by the Board of Directors of Bangkok Dusit Medical Services PCL. at the meeting 4/2008 held on 30th April 2008. The Committee is comprised of three independent Directors with Professor Santasiri Sornmani, M.D. as Chairman and Mr. Sripop Sarasas and Mr. Somchai Sujjapongse, Ph.D. as members of the Committee.

The Audit Committee was entrusted by the Board of Directors to ensure that the Company follows good corporate governance as well as engages in risk management and internal control. The Committee, through the Internal Audit Department, assessed the risks of each department within the Company and audited in sequence of the importance of those risks, determined changes in compliance with the applicable rules and regulations, prevented conflicts of interest and nominated the Auditors of the Company.

In 2008, the Audit Committee held meetings with the auditors and/or related management personnel 9 times in order to assess the risks that may occur, plan the annual internal audit, and evaluate the internal control measures with regards to the remuneration system for doctors, functions of the doctors unit and functions of the nurses unit.

Moreover, during the past year, the Committee assessed the financial reports with executives in charge of accounting and finance and the auditors. The auditors were of the opinion that the Company's financial statements are correct, in compliance with the generally accepted accounting standards, and have appropriate disclosure, which includes transparency and fairness of transactions with associated companies.

The Audit Committee has considered and nominated the auditors to the Board of Directors for selection of auditors for the year 2009.



(Professor Santasiri Sornmani, M.D.)
Chairman of the Audit Committee

General Information on the Company

General Information

Type of Business	Health Care Business
Location	2 Soi Soonwijai 7, New Petchaburi Road, Bangkapi, Huay Kwang, Bangkok 10320 Telephone 1719, 02-310-3000 Fax 02-310-3252, 02-310-3327
Company Registration Number	BorMorJor. 0107537000025
Web site	www.bangkokhospital.com
Registered Capital	Baht 1,312.26 million with Baht 1,214.50 million in paid-up capital, divided into 1,214.50 million common shares with par value of Baht 1 each

Reference Information

Registrar	Thailand Securities Depository Co., Ltd. 4th Floor, The Stock Exchange of Thailand 62 Ratchadaphisek Road, Klongtoey, Bangkok 10110 Telephone 02-229-2800, 02-654-5599 Fax 0-2359-1259
Auditors	Ernst & Young Office Co., Ltd. 33rd Floor, Lake Rajada Building 193/136-137 Ratchadaphisek Road Klongtoey, Bangkok 10110 Telephone 02-661-9190, 02-264-0777 Fax 02-661-9192, 02-264-0789-90

Board of Director



1. Professor Arun Pausawasdi, M.D.

2. Mr. Prasert Prasarttong-Osoth, M.D.

3. Mr. Wallop Adhikomprapa

4. Mr. Pongsak Viddayakorn, M.D.

5. Professor Snoe Indrasuksri, M.D.

6. Mr. Chirothana Suchato, M.D.

7. Mr. Chuladej Yossundharakul, M.D.

Chairman of the Board of Directors

Vice Chairman/ Group CEO of BDMS

President/ Vice Chairman of CEO Committee

Director/ Executive Advisor/ Vice Chairman of CEO Committee

Independent Director/ Chairman of Remuneration and
Compensation Committee

Director/ Member of CEO Committee

Director/ Member of CEO Committee



8. Mr. Chatree Duangnet, M.D.

Director/ Member of CEO Committee

9. Mr. Kitipan Visudharom, M.D., Ph.D.

Director/ Member of CEO Committee

10. Mr. Pradit Theekakul

Director

11. Mr. Thavatvong Thanasumitra

Director

12. Professor Santasiri Sornmani, M.D.

Chairman of Audit Committee/ Member of Remuneration and Compensation Committee/ Independent Director

13. Mr. Sripop Sarasas

Independent Director/ Member of Audit Committee/ Member of Remuneration and Compensation Committee

14. Mr. Somchai Sujjapongse, Ph.D.

Independent Director/ Member of Audit Committee

Board of Director and Management Profile

Bangkok Dusit Medical Services Public Company Limited



1. Professor Arun Pausawasdi, M.D.

Chairman of the Board of Directors Age 71 years

Education

- Directors Accreditation Program Class 45, Thai Institute of Directors Association
- Facharzt fur Chirurgie, The Medical Council of Hamburg, German
- Certificate of Medical Clinic, Mahidol University
- Medical Doctor, Faculty of Medicine Siriraj Hospital, Mahidol University

Experience

- Assistant to Ministry of Public Health
- Secretary General, Royal College of Surgeons of Thailand
- Chairman of Scientific Session Medical, The Medical Association of Thailand
- Dean, Faculty of Medicine Siriraj Hospital, Mahidol University
- Director of the Medical Association

Other Position

- Chairman, Centre for Continuing Medical Education of Thailand
- President, Royal College of Surgeons of Thailand
- Vice President, The Prince Mahidol Award Foundation
- Member of the Thai medical registration license committee
- Vice President, Siriraj Foundation

Percentage of shareholding

- 0.03

Relationship among other management

- None



2. Mr. Prasert Prasarttong-Osoth, M.D.

Vice Chairman/ Group CEO of BDMS Age 75 years

Education

- Directors Accreditation Program Class 45, Thai Institute of Directors Association
- Certificated from National Defense College
- Medical Doctor, Faculty of Medicine Siriraj Hospital, Mahidol University

Experience

- Member of National Legislative Council (Senator)
- Member of National Legislative Council
- Surgeon in Department of Surgery, Faculty of Medicine Siriraj Hospital

Other Position

- CEO, Bangkok Airways Co., Ltd.

Percentage of shareholding

- 13.71

Relationship among other management

- None



3. Professor Snoe Indrasukhsri, M.D.

Independent Director/ Chairman of Remuneration and Compensation Committee Age 88 years

Education

- Directors Accreditation Program Class 45, Thai Institute of Directors Association
- Certificate in Pediatric Surgery
- Medical Doctor (Honour), Faculty of Medicine Siriraj Hospital, Mahidol University

Experience

- Head, Department of Surgery, Faculty of Medicine Siriraj Hospital, Mahidol University
- Secretary General, Department of Medicine, Siriraj Hospital

- School Director, School of Therapist Rehabilitation
- President, Medical Society of Private Practitioner
- Chairman, Pediatric Association

Other Position

- None

Percentage of shareholding

- 0.40

Relationship among other management

- None



4. Mr. Pongsak Viddayakorn, M.D.

Director/ Executive Advisor/ Vice Chairman of CEO Committee Age 75 years

Education

- Directors Accreditation Program Class 45, Thai Institute of Directors Association
- Honorary Doctorate in Business Management, Christian University
- Certificate from National Defences College
- DTM&H Diploma, Faculty of Tropical Medicine and Hygiene, Mahidol University
- Post Graduate Study, University of Pennsylvania, USA
- Medical Doctor, Faculty of Medicine Siriraj Hospital, Mahidol University

Experience

- Director of The Medical Health Care Centre of The Teacher Council of Thailand
- Member of consultation committee of the Bangkok Metropolitan Administration Governor (Healthcare)
- Chairman, Private Hospital Association
- Director of Medical Association

Other Position

- Vice Chairman, Samitivej PLC.
- Chairman, Bangkok Phuket Hospital Co., Ltd.
- Chairman, Bangkok Ratchasima Hospital Co., Ltd.

- Vice Chairman, Angkor Pisith Co., Ltd.
- Chairman, B.D.M.S International Medical Services Co., Ltd.
- Chairman, S.R. Property Investment Co., Ltd.
- Chairman, Seam Reap Land Investment Co., Ltd.
- Chairman, Phnom Penh Medical Services Co., Ltd.
- Chairman, Phnom Penh First Property Co., Ltd.
- Chairman, Bangkok Health Insurance Co., Ltd.
- Chairman, Asia International Healthcare Co., Ltd.
- Chairman, Global Medical Network Co., Ltd.
- Chairman, Royal Bangkok Healthcare Co., Ltd.
- Director, Greenline Synergy Co., Ltd.
- Director, Rattanak Medical Services Co., Ltd.
- Director, Bio Molecular Laboratory (Thailand) Co., Ltd.

Percentage of shareholding

- 5.29

Relationship among other management

- None



5. Mr. Wallop Adhikomprapa

President/ Vice Chairman of CEO Committee Age 65 years

Education

- Graduate Diploma in Public Law and Management Class 6 King Prajadhipok's Institute
- Graduate Diploma in Management of Public Economy Class 4 King Prajadhipok's Institute
- The Role of the Chairman, Class 9, Thai Institute of Directors Association
- Directors Certification Program Class 20, Thai Institute of Directors Association
- Senior Executive Program, Sasin Graduate Institute of Business Administration
- MS-Accounting, Roosevelt University, USA

Experience

- Chief Financial Officer, Bangkok Dusit Medical Services PLC.
- Managing Director, Thai Wah Resorts Development Co., Ltd.
- Managing Director, Thai Wah Plaza Co., Ltd.
- Financial Controller, Holiday Inn Crown Plaza
- Assistant Director-Accounting and Finance, Hostmark Hospitality Group USA

Other Position

- Vice Chairman, Samitivej PLC.
- Director, Bangkok Helicopter Services Co., Ltd.
- Director, Sodexo Healthcare Services (Th) Co., Ltd.

- Director, Bangkok Health Insurance Co., Ltd.
- Director, B.D.M.S. International Medical Services Co., Ltd.
- Director, S.R. Property Investment, Ltd.
- Director, Angkor Pisith Co., Ltd.
- Director, Seam Reap Land Investment Co., Ltd.
- Director, Phnom Penh Medical Services Co., Ltd.
- Director, Phnom Penh First Property Co., Ltd.
- Director, Asia International Healthcare Co., Ltd.
- Director, Global Medical Network Co., Ltd.
- Director, Rattanak Medical Services Co., Ltd.
- Director, Royal Bangkok Healthcare Co., Ltd.
- Chairman, Greenline Synergy Co., Ltd.

Percentage of shareholding

- 1.44

Relationship among other management

- None

Board of Director and Management Profile

Bangkok Dusit Medical Services Public Company Limited



6. Mr. Chuladej Yossundharakul, M.D.

Director/ Member of CEO Committee Age 76 years

Education

- Directors Accreditation Program Class 45, Thai Institute of Directors Association
- Diplomate of American Board of Surgery
- Medical Doctor, Faculty of Medicine Siriraj Hospital, Mahidol University

Experience

- Head, Surgical Unit, National Cancer Institute
- Hospital Director, Karuna Pitak Hospital
- Hospital Director, Bangkok Hospital

Other Position

- Chairman, Bangkok Prapadaeng Hospital Co., Ltd.
- Director, Bangkok Pattaya Hospital, Co., Ltd.
- Director, Bangkok Health Insurance Co., Ltd.
- Director, Global Medical Network Co., Ltd.
- Director, Royal Bangkok Healthcare Co., Ltd.

Percentage of shareholding

- 2.27

Relationship among other management

- None



7. Mr. Chiroatchana Suchato, M.D.

Director/ Member of CEO Committee Age 73 years

Education

- Directors Accreditation Program Class 45, Thai Institute of Directors Association
- Diplomate of American Board of Radiology, Downstate University of New York
- Graduated Course Radiobiology at M.D. Anderson Hospital, Houston, Texas
- Medical Doctor, Faculty of Medicine Siriraj Hospital, Mahidol University

Experience

- School Director, School of X-Ray Technician
- Professor of Radiology division, Faculty of Medicine, Ramathibodi Hospital
- Consultant to Radiology, Clinic of The Teacher Council of Thailand

Other Position

- Chairman, Bangkok Pattaya Hospital Co., Ltd.
- Director, Bangkok Phuket Hospital Co., Ltd.
- Director, Bangkok Health Insurance Co., Ltd.
- Director, Asia International Healthcare Co., Ltd.
- Director, Global Medical Network Co., Ltd.
- Director, Royal Bangkok Healthcare Co., Ltd.

Percentage of shareholding

- 3.23

Relationship among other management

- None



8. Professor Santasiri Sornmani, M.D.

Chairman of Audit Committee/ Member of Remuneration and Compensation Committee/ Independent Director Age 74 years

Education

- Directors Accreditation Program Class 43, Thai Institute of Directors Association
- Ph.D. (Tropical Medicine), Liverpool University
- Medical Doctor, Faculty of Medicine Siriraj Hospital, Mahidol University

Experience

- Vice President for Administration, Mahidol University
- Dean, Faculty of Tropical Medicine, Mahidol University
- Member, Expert Committee on Food Borne Parasitic Diseases, WHO

Other Position

- Chairman, The Medic Pharma Co., Ltd.
- Vice Chairman, Chureevej Co., Ltd. (Chureevej Hospital)

Percentage of shareholding

- 0.14

Relationship among other management

- None



9. Mr. Kitipan Visudharom, M.D., Ph.D.

Director/ Member of CEO Committee Hospital Director of Bangkok Heart Hospital Age 70 years

Education

- Directors Accreditation Program Class 54, Thai Institute of Directors Association
- Diplomat American Board of Surgery
- Diplomat American Board of Thoracic Surgery
- Ph.D. (Surgery) University of Minnesota, Graduate School, Minneapolis, Minnesota, USA
- Fellowship in Research and Experimental Surgery (Ph.D. Program), University of Minnesota Graduate School of Medicine (Dr. Aldo Castaneda Advisor)
- Fellowship in Cardiac Pathology (Dr. Jesse Edwards Advisor), University of Minnesota, St. Paul, Minnesota, USA
- Fellowship in Cardiology/ Pediatric Cardiology (Dr. James Mohler Advisor) University of Minnesota, USA
- Residency Training (General and Thoracic Surgery), University of Minnesota, School of Medicine, USA
- Internship (Surgery), University of Kentucky Medical Center, USA
- Medical Doctor, Faculty of Medicine Siriraj Hospital, Mahidol University

Experience

- Cardiothoracic Surgeon, University of Minnesota Hospital, USA
- Cardiothoracic Surgeon, University of Texas Health Sciences Center, San Antonio, Texas, USA

- Chair of Cardiothoracic Surgeon, Minneapolis Heart Institute-Abbot Northwestern Hospital, Minnesota, USA
- Chief Cardiothoracic Surgeon, John Nasseff Heart Hospital, St.Paul, Minnesota, USA
- Director Bangkok Heart Institute, Bangkok Hospital, Bangkok, Thailand.
- Chief Cardiothoracic Surgeons Bangkok Heart Institute, Bangkok Hospital, Bangkok, Thailand
- President, The Society of Thoracic Surgeons of Thailand

Other Position

- Chief, Cardiothoracic Surgeon and Director-Heart Institute, Samitivej Hospital, Bangkok, Thailand
- Advisory Board, The Society of Thoracic Surgeons of Thailand
- Board of Director, Queen Sirikit Northeast Heart Center, University of Khonkaen, Thailand

Percentage of shareholding

- 0.37

Relationship among other management

- None



10. Mr. Thavattvong Thanasumitra

Director Age 61 years

Education

- Directors Certification Program Class 27, Thai Institute of Directors Association
- Bachelor of Law, Thammasart University

Experience

- Managing Director, Air Lanka Catering Service Co., Ltd.

Other Position

- Director, Bangkok Helicopter Services Co., Ltd.
- Managing Director, Thai Petroleum Service Co., Ltd.

- Director, Senior Executive Vice President of Finance, Bangkok Airways Co., Ltd.
- Vice President, Catering-Bangkok Airways
- Chairman-Bangkok Air Catering, WFS-PG Cargo, Worldwide Flight Services Bangkok Air Ground Handling

Percentage of shareholding

- 0.30

Relationship among other management

- None



11. Mr. Pradit Theekakul

Director Age 50 years

Education

- Bachelor Degree of Law Chulalongkorn University, Thailand
- The Thai Barrister
- Bachelor Degree or Arts (Political Science) Ramkamhaeng University, Thailand

Experience

- Managing Director, Air Lanka Catering Service Co., Ltd.

Other Position

- Executive Vice President-Administration Bangkok Airways Co., Ltd.
- Director, Samitivej PCL.

Percentage of shareholding

- 0.26

Relationship among other management

- None

Board of Director and Management Profile

Bangkok Dusit Medical Services Public Company Limited



12. Mr. Chatree Duangnet, M.D.

Director/ Member of CEO Committee/
CEO of Bangkok Hospital Medical Center Age 64 years

Education

- Directors Accreditation Program Class 54, Thai Institute of Directors Association
- Certified of National Defense College
- Fellow, American College of Medical Quality
- Certified, American Board of Quality Assurance & Utilization Review Physicians
- Fellow, American Academy of Pediatrics
- Certified, American Board of Pediatrics
- Faculty of Medicine, Chulalongkorn University

Experience

- Group Chief Medical Officer, Bumrungrad Hospital, Bangkok
- Chief Executive Administrator, Bangkok Hospital,
- Clinical Assistant Professor of Pediatrics, College of Medicine, Pennsylvania State University, Pennsylvania, USA
- Chairman of the Board, Jameson Physician Hospital Organization, New Castle, Pennsylvania, USA
- President, Lawrence Independent Physician Association, Lawrence County, Pennsylvania, USA
- Physician Executive, Jameson Health System, New Castle, Pennsylvania, USA
- Training courses in QA/UR/RM. American Board of Quality Assurance & Utilization Review Physicians, USA

Other Position

- Director, Bangkok Ratchasima Hospital Co., Ltd.
- Director, B.D.M.S International Medical Services Co., Ltd.
- Director, Angkor Pisith Co., Ltd.
- Director, Rattanak Medical Services Co., Ltd.
- Director, National Healthcare Systems Co., Ltd.
- Director, Bio Molecular Laboratory (Thailand) Co., Ltd.
- Director, Bangkok Health Insurance Co., Ltd.
- Director, Bangkok Helicopter Services Co., Ltd.
- Director, Asia International Healthcare Co., Ltd.
- Director, Phnom Penh Medical Services Co., Ltd.
- Director, Global Medical Network Co., Ltd.
- Director, Greenline Synergy Co., Ltd.
- Director, Royal Bangkok Healthcare Co., Ltd.

Percentage of shareholding

- 0.01

Relationship among other management

- None



13. Mr. Somchai Sujjapongse, Ph.D.

Independent Director/ Member of Audit Committee Age 46 years

Education

- B.A. (Economics) (Hons.) 1984/ Chulalongkorn University/ Bangkok, Thailand
- M.A. (Economics) 1985 The Ohio State University/ Columbus, Ohio, USA
- Ph.D. (Economics) 1990 The Ohio State University/ Columbus, Ohio, USA

Experience

- Fiscal Policy Advisor Fiscal Policy Office Ministry of Finance
- Deputy Director-General Fiscal Policy Office/ Ministry of Finance
- Director, Bureau of Fiscal Policy Office/ Ministry of Finance
- Director, Fiscal Risk Management Group Fiscal Policy Office/ Ministry of Finance
- Director, Fiscal Policy and Planning Division Fiscal Policy Office/ Ministry of Finance
- Director, Savings and Investment Policy Division Fiscal Policy Office/ Ministry of Finance
- Director, Economic Rehabilitation Planning and Policy Division

Other Position

- Director-General Fiscal Policy Office/ Ministry of Finance
- Spokesman of Ministry of Finance
- Director of Bangkok Commercial Asset Management Co., Ltd.
- Director of Metropolitan Electric Authority committee
- Director of Investment and management subcommittee
- Director of Government Pension Fund
- Director of Finance institution Policy committee (BOT)
- Director of Thai Asset Management Corporation Co., Ltd.
- Chairman of EGCOT of Thai Asset Management Corporation Co., Ltd.

Percentage of shareholding

- None

Relationship among other management

- None



14. Mr. Sripop Sarasas

Independent Director/ Member of Audit Committee/
Member of Remuneration and Compensation Committee Age 51 years

Education

- Master Degree in Business Administration (Finance)
University of Southern California, USA
- Diploma Thai Institute of Directors
Certificate, Director Certification Program 22/2002
- Thai Institute of Directors
Certificate, Audit Committee Program-ACP 1/2004
- Thai Institute of Directors

Experience

- President & CEO
Krung Thai Asset Management PCL.
- Chief Executive Officer
General Environmental Conservation PCL.

Other Position

- Director/ Chairman of Audit Committee
Samitivej PCL.
- Director/ Member of Audit Committee
The Royal Ceramic Industry PCL.
- Director/ Member of Audit Committee
Advanced Information Technology PCL.
- Director/ Member of Audit Committee
Living Land Capital PCL.
- Director/ Member of Audit Committee
Kiattana Transport PCL.

Percentage of shareholding

- None

Relationship among other management

- None



15. Mr. Lee Khoe Soa

Member of CEO Committee/ Executive Vice President Age 65 years

Education

- Directors Certification Program Class 23,
Thai Institute of Directors Association
- Fellow, Delta Omega Public Health Honour Society, 1979
- Post Graduate Studies in Health Administration,
Loma Linda University, CA, USA
- MPH (International Health), Loma Linda University, CA, USA
- BA, MA (Philosophy & Counseling),
Philippine Adventist University, The Philippines

Experience

- Chairman & CEO, NanoLife Sciences International Pte Ltd.
(Incorporated in Singapore)
- Director, Bangkok Dusit Medical Services PLC.
- Director/ Chairman of CEO Committee, Samitivej PCL.

- Director, BNH Medical Centre Co., Ltd.
- CEO, Gleneagles Intan Medical Center,
Kuala Lumpur
- Company Director, Gleneagles Oncology
Center, Kuala Lumpur
- General Manager Corporate Support Services,
Parkway Group Healthcare Pte Ltd

Other Position

- None

Percentage of shareholding

- 0.03

Relationship among other management

- None



16. Mrs. Narumol Noi-am

Member of CEO Committee/ Chief Financial Officer Age 51 years

Education

- Director Certification Program, Class 107/
Thai Institute of Directors Association
- MBA Banking and Finance, from North Texas State University, USA
- Bachelor of Econ (second class honors) Faculty of Economics
from Chulalongkorn University, Thailand.

Experience

- Senior Vice President, Head of Investment Banking
TMB Bank Public Company Limited
- Senior Vice President, Finance Department
Industrial Finance Corporation of Thailand

Other Position

- Director, Bangkok Pattaya Hospital Co., Ltd.
- Director, Bangkok Rayong Hospital Co., Ltd.
- Director, National Healthcare System Co., Ltd.
- Director, Greenline Synergy Co., Ltd.

Percentage of shareholding

- None

Relationship among other management

- None

Board of Director and Management Profile

Bangkok Dusit Medical Services Public Company Limited



17. Mr. Chong Chin Wah

Member of CEO Committee Age 45 years

Education

- Bachelor of Business, Curtin University of Technology, Australia
- Tertiary Entrance Examination (A levels), Canning College, Australia

Experience

- Chief Executive Officer of Hospital Pantai Indah, Malaysia

Other Position

- Managing Director & CEO/ Samitivej Public Company Limited
- Chairman, National Healthcare System Co., Ltd.
- Director and Member of Executive committee/ Samitivej Siracha Co., Ltd.
- Director, First Health Food Co., Ltd.
- Director, Sodexo Support Services (Th) Co., Ltd.
- Chairman, Sodexo Healthcare Services (Th) Co., Ltd.

- Chairman, Bangkok Hospital Rayong Company Limited
- Chairman, Bangkok Hospital Samui Company Limited
- Chairman, Bio Molecular Laboratory (Thailand) Co., Ltd.
- Director, Irving Seridian Se Co., Ltd.
- Director, Royal Bangkok Healthcare Co., Ltd.
- Director, Greenline Synergy Co., Ltd.

Percentage of shareholding

- None

Relationship among other management

- None



18. Mr. Krittavith Lertsahakul, M.D.

Member of CEO Committee Age 51 years

Education

- Director Certification Program Class 22, Thai Institute of Directors Association
- Dermatologist, Medical School, Chulalongkorn University
- Medical Doctor, Faculty of Medicine, Chulalongkorn University

Experience

- Hospital Director, Samitivej Hospital
- Hospital Director, BNH Hospital
- CEO of BNH, BPD, BHH, BPK
- Chairman of Executive committee, BNH Medical Centre Co., Ltd.
- Chairman of Executive committee, Bangkok Prapadang Hospital Co., Ltd.
- Chairman of Executive committee, Bangkok Had-yai Hospital Co., Ltd.
- Chairman of Executive committee, Bangkok Phuket Hospital Co., Ltd.

Other Position

- CEO of Bangkok Eastern Group
- Chairman of Executive committee, Bangkok Pattaya Hospital Co., Ltd.
- Chairman of Executive committee, Wattanavej Co., Ltd.
- Chairman of Executive committee, Bangkok Trat Hospital Co., Ltd.
- Director of Executive committee, Bangkok Rayong Hospital Co., Ltd.
- Director, National Healthcare System Co., Ltd.
- Director, BIO Molecular Laboratory Co., Ltd.

Percentage of shareholding

- 0.04

Relationship among other management

- None



19. Associate Professor Ajjima Srethaputr

Assistant Group CEO/ Member of CEO Committee Age 59 years

Education

- Stanford Executive Program, Stanford Graduate School of Business (USA)
- MBA, Lehigh University, Pennsylvania, USA
- Bachelor of Economics, West Virginia University, USA
- Bachelor of Business Administration (Honour), Thammasat University

Experience

- Vice President, Bangkok Dusit Medical Services PLC.
- Deputy Hospital Director, Business Development, Bangkok Hospital
- Associate Professor, Faculty of Commerce and Accountancy, Thammasat University

Other Position

- Honorary Committee Member, Faculty of Commerce and Accountancy, Thammasat University
- Committee and Secretary Member, Vejdusit Foundation Under the Royal Patronage of HRH Princess Galyanivadhana Kromluangnaradhiwasrajanagarindra

- Managing Director, Cool & Joy Co., Ltd.
- Director, The Medicpharma Co., Ltd.
- Director, Bangkok Health Insurance Co., Ltd.
- Director, Institute for Small and Medium Enterprise Development

Percentage of shareholding

- None

Relationship among other management

- None



20. Mrs. Somsiri Sakolsatayatorn, M.D.

Member of CEO Committee Age 61 years

Education

- Medical Doctor, Faculty of Medicine Siriraj Hospital, Mahidol University
- Diplomate Board of Pediatric, Medicine Siriraj Hospital, Mahidol University

Experience

- Head of Pediatric, Samitivej Hospital
- Deputy of Hospital Director, Samitivej Hospital

Other Position

- Director/ Hospital Director, Samitivej Hospital

Percentage of shareholding

- None

Relationship among other management

- None

Board of Director and Management Profile

Bangkok Dusit Medical Services Public Company Limited



21. Mr. Somchai Chansawang, M.D.

Member of CEO Committee/ Hospital Director of Bangkok hospital Age 54 years

Education

- Doctor of Medicine (First Class Honor), Prince of Songkla University
- Diplomate Board of Surgery, (Siriraj Hospital, Medical Council of Thailand)
- Advanced Management Program (AMP167), Harvard Business School
- Minimally Invasive Surgery (Phoenix, Arizona)

Experience

- Deputy of Hospital Director, Bangkok Heart
- Managing Director, Bangkok Hatyai Hospital
- Hospital Director, Bangkok Hatyai Hospital

Other Position

- Director, Bangkok Hatyai Hospital Co., Ltd.

Percentage of shareholding

- None

Relationship among other management

- None



22. Mr. Pichit Kangwolkij, M.D.

Member of CEO Committee Age 47 years

Education

- Certificate in Advanced Management, Harvard Business School
- Diplomate Board of Clinical Preventive Medicine
- Doctor of Medicine, Mahidol University-Ramathibodi Faculty of Medicine

Experience

- Managing Director, Wattanvej, Co., Ltd.
- Managing Director, Bangkok Rayong Hospital Co., Ltd.
- Managing Director, Bangkok Trat Hospital Co., Ltd.
- Hospital Director, Bangkok Pattaya Hospital Co., Ltd.
- Hospital Director, Bangkok Hospital
- Hospital Director, BNH Hospital

Other Position

- Hospital Director, Bangkok Pattaya Hospital Co., Ltd.

Percentage of shareholding

- 0.08

Relationship among other management

- None



23. Mr. Soontorn Sritha, M.D.

Member of CEO Committee Age 55 years

Education

- Advanced Management Program, Harvard Business School, Boston, USA
- MINI MBA in marketing, Thai Chamber of Commerce University
- B.Pol. (International Relation) Sukhothai Thamathirat Open University
- B.Econ. Sukhothai Thamathirat Open University
- Diplomat Board of Preventive Medicine, Thai Medical Council
- Doctor of Medicine, Mahidol University

Experience

- Hospital Director, Bangkok Rayong Hospital Co., Ltd.
- Hospital Director, Bangkok Samui Hospital Co., Ltd.
- Managing Director, Bangkok Rayong Hospital Co., Ltd.
- Managing Director, Bangkok Samui Hospital Co., Ltd.

Other Position

- Managing Director, Angkor Pisith Co., Ltd.
- Managing Director, Rattanak Medical Medical Services Co., Ltd.
- Managing Director, Bangkok Ratchasima Hospital Co., Ltd.

Percentage of shareholding

- None

Relationship among other management

- None



24. Miss Linda Kraivit, M.D.

Member of CEO Committee Age 37 years

Education

- MD Chulalongkorn University
- MBA University of Southern California, USA
- Bachelor of Law Ramkumhang University

Experience

- Managing Director, Apex Health Insurance Co., Ltd.
- Deputy Hospital Director, Samitivej Sukumvit Hospital
- Deputy Hospital Director, Bangkok Hospital
- Managing Director & Hospital Director, Bangkok Phrapradaeng Hospital
- Assistant CEO, Bangkok Hospital Medical Center

Other Position

- Hospital Director, BNH Hospital
- Director, BNH Medical Centre Co., Ltd.

Percentage of shareholding

- None

Relationship among other management

- None

* หมายเหตุ สัดส่วนการถือหุ้น ณ วันที่ 31 ธันวาคม 2551 รวมคู่สมรสและบุตรที่ยังไม่บรรลุนิติภาวะ (ถ้ามี)

Juristic persons in which the company holds 10% of shares or greater

Name	Date of Registration	Location	Type of Business	Number of issued and paid-up capital	Number of shares held by the Company	% of share-holding
Bangkok Samui Hospital Co., Ltd.	14 August 2003	57 Moo 3, Koh Samui, Suratthani	Private hospital	15,000,000 (Par value: 10 Baht/share)	14,999,993	100.0
Bangkok Rayong Hospital Co., Ltd.	13 August 2002	8 Moo 2, Soi saengchanneramit Amphur Muang, Rayong	Private hospital	40,000,000 (Par value: 10 Baht/share)	39,999,998	100.0
Bangkok Trad Hospital Co. Ltd.	25 January 1994	276 Sukhumvit Rd. Amphur Muang, Trad	Private hospital	50,000,000 (Par value: 5 Baht/share)	49,877,970	99.8
Royal Bangkok Healthcare Co., Ltd.	11 Feb 2008	No 2 Soi Soonwijai 7 New Petchaburi Rd. Huay Kwang, Bangkok	Management Company	100,000 (Par value: 10 Baht/share)	99,993	100.0
Global Medical Network Co., Ltd.	17 July 2003	100/25 Moo 6 Sukhapiban 1 Rd. Buengkum, Bangkok	Private hospital in Hua Hin (not yet operational)	16,000,000 (Par value: 10 Baht/share)	15,999,994	100.0
Asia International Healthcare Co., Ltd. (AIH)	17 July 2003	No 2 Soi Soonwijai 7 New Petchaburi Rd. Huay Kwang, Bangkok	Holding Company	3,500,000 (Par value: 10 Baht/share)	3,499,994	100.0
New Petchaburi Medical Services Co., Ltd.	20 December 2002	No 2 Soi Soonwijai 7 New Petchaburi Rd. Huay Kwang, Bangkok	Dormant Company	10,000 (Par value: 100 Baht/share)	9,993	100.0
Bangkok Health Insurance Co., Ltd.	2 January 1981	No 2 Soi Soonwijai 7 New Petchaburi Rd. Huay Kwang, Bangkok	Health insurance	10,500,000 (Par value: 10 Baht/share)	10,494,000	99.9
Bio Molecular Laboratories (Thailand) Co., Ltd.	7 November 2001	No 2 Soi Soonwijai 7 New Petchaburi Rd. Huay Kwang, Bangkok	Molecular laboratories	1,000,000 (Par value: 10 Baht/share)	949,993	95.0
Samitivej PCL.	28 December 1976	133 Sukhumvit 49 Klongtan, Wattana, Bangkok	Private hospitals (Samitivej Sukhumvit and Samitivej Srinakarin)	100,000,000 (Par value: 10 Baht/share)	94,316,834	94.3
BNH Medical Center Co., Ltd.	27 August 1991	9/1 Convent Rd, Silom, Bangrak, Bangkok	Private hospital	58,611,935 (Par value: 10 Baht/share)	51,965,935	88.7
Bangkok Ratchasima Hospital Co., Ltd.	24 November 1992	1308/9 Mitrapap Rd. Amphur Muang, Nakornratchasima	Private hospital	30,000,000 (Par value: 10 Baht/share)	26,358,268	87.9
Bangkok Prapradaeng Hospital Co., Ltd.	7 September 1992	288 Suksawat Rd. Amphur Muang, Samutprakarn	Private hospital	10,500,000 (Par value: 10 Baht/share)	8,295,000	79.0
Angkor Pisith Co., Ltd.	20 December 2005	National Road No. 6 Kruos Village, Scay Dangkom Commune, Seam Reap, Cambodian	Private hospital in Cambodia	10,000 (Par value: USD1,000 /share)	8,000	80.0
Phnom Penh Medical Services Co., Ltd.	27 November 2006	Toeuk Thla Village, Russian Federation Blvd., Sangkat Toeuk Thla, Khan Russey Keo, Phnom Penh Cambodia	Private hospital in Cambodia (not yet operational)	10,000 (Par value: KHR 4,039,550/ share)	10,000	100.0

Juristic persons in which the company holds 10% of shares or greater

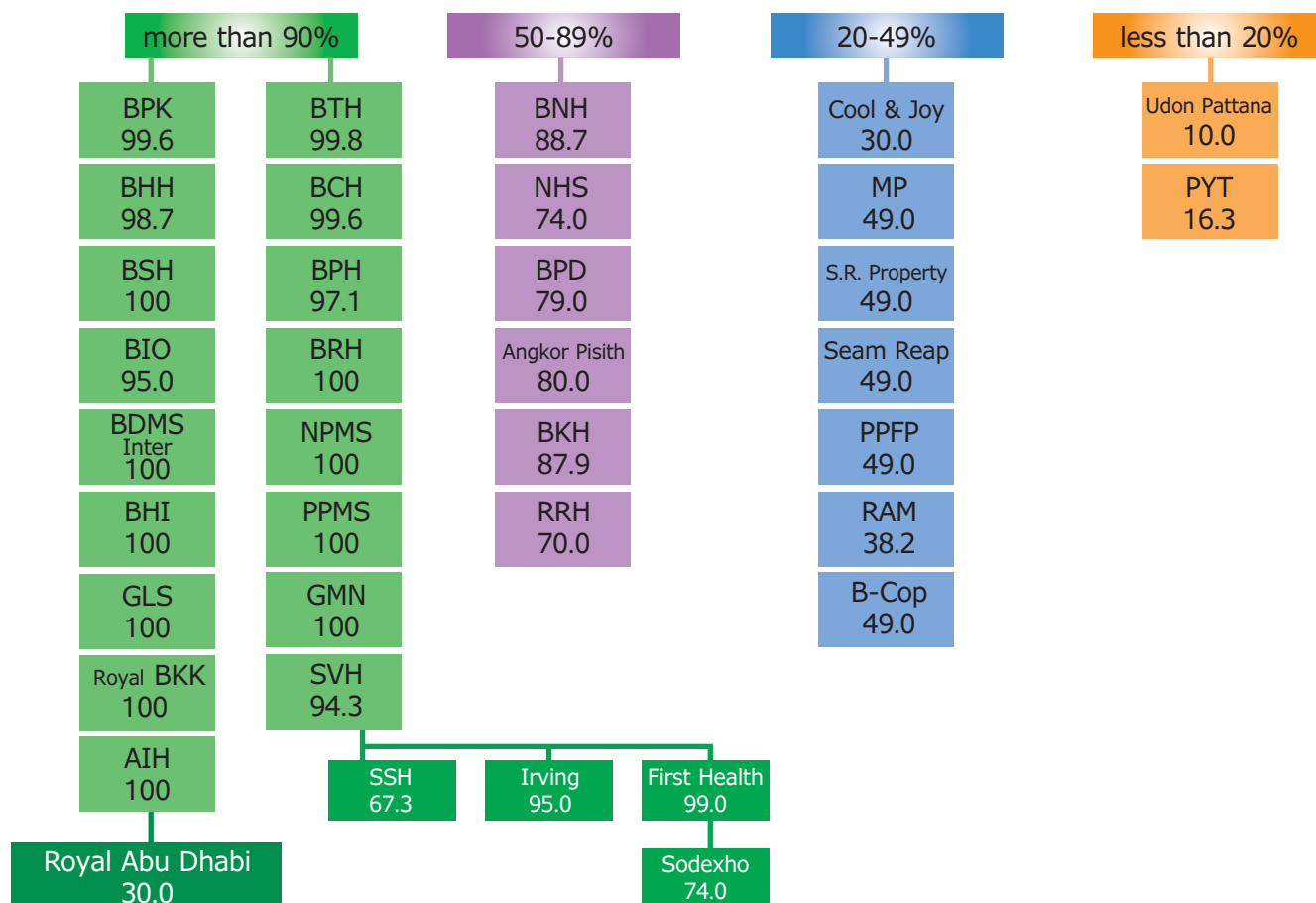
Name	Date of Registration	Location	Type of Business	Number of issued and paid-up capital	Number of shares held by the Company	% of share-holding
B.D.M.S. International Medical Services Co., Ltd.	20 December 2005	61A Street 214, Sangkat Beong Rang, Phnom Penh, Cambodia	Private hospital in Cambodia	1,000 (Par value: KHR 9,200,000/ share)	1,000	100.0
National Healthcare Systems Co., Ltd.	25 July 2001	No 2 Soi Soonwijai 7 New Petchaburi Rd. Huay Kwang, Bangkok	Share Services Company	7,500,000 (Par value: 10 Baht/share)	5,551,793	74.0
Rattanak Medical Services Co., Ltd.	June 2006	No. 11 Street 592, Songkat Boeung Kak 2, Khan Toul Kok, Phnom Penh, Cambodia	Private hospital in Cambodia	6,500 (Par value: USD 1,000 /share)	4,550	70.0
Samitivej Sriracha Co., Ltd.	9 April 2001	No. 8 Soi Laemket, Jermjormpol Rd., Sriracha, Chonburi	Private hospital	18,751,000 (Par value: 10 Baht/share)	12,613,250 (held by Samitivej Plc.)	67.27
Erving Sheridan SE Co., Ltd.	14 November 2002	488 Srinakarin Rd. Suan Luang, Bangkok	Manage and operate assets related to medical services	100,000 (Par Baht: 10 per share)	9,500 (Held by Samitivej Plc.)	95
Bangkok Helicopter Services Co., Ltd.	29 June 1995	1111 Ploenchit Rd., Lumpini, Patumwan, Bangkok	Air medical transport	10,000,000 (Par value: 10 Baht/share)	4,899,996	49.0
S.R. Property Investment Co., Ltd.	20 December 2005	517 Road No.6, Phum Salakanseng, Seam Reap, Cambodia	Land Holding Company	1,000 (Par value: KHR 20,000/share)	490	49.0
Seam Reap Land Investment Co., Ltd.	10 February 2006	517 Road No.6, Phum Salakanseng, Seam Reap, Cambodia	Land Holding Company	1,000 (Par value: KHR 20,000/share)	490	49.0
Phnom Penh First Property Co., Ltd.	27 November 2005	No. 61 Street 214, Sangkat Beong Rang, Khan Don Peh, Phnom Penh, Cambodia	Land Holding Company	1,000 (Par value: KHR 20,000/share)	490	49.0
Cool & Joy Co., Ltd.	20 May 2003	No 2 Soi Soonwijai 7 New Petchaburi Rd. Huay Kwang, Bangkok	Public relations and marketing support	5,000,000 (Par value: 10 Baht/share)	1,500,000	30.0
Royal Bangkok Hospital L.L.C, Abu Dhabi (formerly AL Ghaith Bangkok Medical Center L.L.C.)	June 2006	14 th Fl., Al Gaiith Tower, 1401 Abu Dhabi, UAE.	Private hospital in UAE (not yet operational)	10,000 (Par value: AED 1,000 share)	3,000 (held by AIH, a subsidiary)	30.0
Ramkhamhaeng Hospital PCL. ***	25 August 1986	2138 Ramkhamhaeng Rd. Bangkapi, Bangkok	Private hospital	12,000,000 (Par value: 10 Baht/share)	3,588,424	38.2
Prasit Pattana PCL. ***	24 January 1974	943 Paholyothin Rd. Samsen nai, Phayathai, Bangkok	Invest in Phyathai Hospitals 1, 2 and 3	1,732,047,520 (Par value: 1 Baht/share)	282,548,048	16.3
Udon Pattana Co., Ltd. ***	9 June 1994	555/5 Phosri Rd., Amphur Muang, Udonthani	Private hospital	30,000,000 (Par value: 10 Baht/share)	3,000,000	10.0

Note ***The Company is only a shareholder and is not involved in management.

(as of 31st of December 2008)

Juristic persons in which the company holds 10% of shares or greater

Summary of percentage of shareholding (as at December 31,2008)



Company Name		Company Name	
AIH	Asia International Healthcare Co., Ltd.	First Health	First Health Food Co. Ltd.
Angkor Pisith	Angkor Pisith Co., Ltd.	GMN	Global Medical Network Co., Ltd.
B-Cop	Bangkok Helicopter Services Co., Ltd.	MP	Medical Pharma Co., Ltd.
BCH	Wattanavej Co., Ltd.	NHS	National Healthcare Systems Co., Ltd.
BDMS Inter	BDMS International Medical Services Co., Ltd.	NPMS	New Petchaburi Medical Services Co., Ltd.
BHH	Bangkok Hadyai Hospital Co., Ltd.	PPFP	Phnom Penh First Property Co., Ltd.
BHI	Bangkok Health Insurance Co., Ltd.	PPMS	Phnom Penh Medical Services Public Co.,Ltd
BIO	Bio Molecular Laboratories (Thailand) Co., Ltd.	PYT	Prasit Pattana PCL.
BKH	Bangkok Ratchasima Hospital Co., Ltd.	RAM	Ramkhamhaeng Hospital PCL.
BNH	BNH Medical Center Co., Ltd.	Royal Abu Dhabi	Royal Bangkok Hospital L.L.C, Abu Dhabi
BPD	Bangkok Prapadaeng Hospital Co., Ltd.	S.R. Property	S.R. Property Co., Ltd.
BPH	Bangkok Pattaya Hospital Co., Ltd.	Seam Reap	Seam Reap Investment Co., Ltd.
BPK	Bangkok Phuket Hospital Co., Ltd.	Sodexo	Sodexo Healthcare Support Service (Thailand) Co., Ltd.
BRH	Bangkok Rayong Hospital Co., Ltd.	SSH	Samitivej Sriracha Co., Ltd.
BSH	Bangkok Samui Hospital Co., Ltd.	SVH	Samitivej PCL.
BTH	Bangkok Trad Hospital Co. Ltd.	Udon Pattana	Udon Pattana Co., Ltd.
Cool & Joy	Cool & Joy Co., Ltd.	GLS	Greenline Synergy Co., Ltd.
Irving	Erving Sheridan SE Co., Ltd.	RRH	Rattanak Medical Services Co., Ltd.

Financial Highlights

	2008	2007	2006
Balance Sheets (in million Baht)			
Total Assets	27,931	26,232	24,934
Total Liabilities	14,943	14,522	14,949
Total Shareholders' Equity	12,988	11,710	9,984
Income Statements (in million Baht)			
Revenue from Hospital Operations	21,188	18,423	15,578
Total Revenues	21,831	18,885	15,981
Net profit	1,662	1,244	1,323
Information about Common Shares			
Share Capital Issue and Fully Paid-up	1,214.5	1,214.1	1,181.0
Book Value Per Share (Baht)	10.7	9.6	8.5
Basic Earnings Per Share (Baht)	1.4	1.0	1.1
Dividend Per Share (Baht) ^{1/}	0.6 ^{1/}	0.5	0.5
Financial Ratios			
Growth Ratios (%)			
Growth on Revenue from Hospital Operations	15.0	18.3	51.9
Net Profit Growth	33.6	(5.9)	59.0
Profitability Ratios(%)			
Gross Profit Margin	43.9	44.7	44.4
EBITDA Margin	23.1	23.4	23.1
EBITDA Margin (Excluding non-recurring items) ^{2/}	22.9	22.9	23.1
Net Profit Margin	7.6	6.6	8.3
Returns (%)			
Return on Average Assets	6.1	4.9	6.2
Return on Average Equity	14.1	12.1	15.2
Assets & Liabilities Management			
Liquidity Ratio (x)	0.8	0.6	0.7
Average Collection (Days)	24.9	23.7	19.0
Average Inventory Period* (days)	6.7	7.4	7.6
Average Payable Period* (days)	28.4	29.5	30.2
Leverage and Coverage ratios(x)			
Total Debt to Equity	0.9	1.0	1.2
Net Debt to Equity	0.8	0.9	1.1
Net Debt to EBITDA	2.0	2.4	3.0
Interest Coverage	7.7	6.4	6.7

^{1/} Board-approved rate as of February 25, 2009 and to be proposed for shareholders' approval at the AGM of April 2, 2009.

^{2/} Non-recurring items consisted of Gain from BNH Hospital early repayment of loan and Gain on repurchase of convertible debentures



Nature of Business

1. History

Bangkok Dusit Medical Services PCL. was registered on 30th October 1969 under the name "Bangkok Dusit Medical Services Company Limited" with an initial registered capital of Baht 10 million. On 26th February 1972, Bangkok Hospital commenced operations in providing medical services. Through business expansion, the Company was listed on the Stock Exchange of Thailand on 2nd October 1991 and registered its conversion to public company limited in 1994. Presently, the Company has a registered capital of Baht 1,312.26 million, with paid-up capital of Baht 1214.50 million.

Major developments in the Company over the past five years are as follows:

2004

The Company established a new subsidiary in the name of "Bangkok Samui Hospital Co., Ltd.", a private hospital with 50 beds on Samui Island, Surat Thani Province. The Company holds 100% of the shares outstanding.

The Company bought shares of Ramkhamhaneg Hospital PCL., equal to 19% of issued and paid-up capital.

The Company made a bid offer for all shares of Samitivej PCL. or "SVH". This increased the Company's holdings from 36.8% to 92.2%. Currently, the Company holds 94.3% of this subsidiary.

Furthermore, the Company made a bid offer for all shares of Bangkok Had Yai Hospital Co., Ltd. or "BHH"



and Bangkok Phuket Hospital Co., Ltd. or "BPK". This increased the Company's holdings in the two companies from 67.8% and 51.2% to 98.5% and 99.5%, respectively. Presently, the Company's holdings in BHH and BPK have increased to 98.7% and 99.6%, respectively.

2005

The Company bought additional shares of BNH Medical Center Co., Ltd. from existing shareholders. This increased the Company's holdings from 48.5% to 61.5% in April 2005. Currently, the Company holds 88.7% of this subsidiary.

Her Majesty Queen Sirikit presided over the grand opening ceremony of Bangkok Heart Hospital on Friday, 26th August 2005.

At the end of 2005, the Company unofficially opened "Wattanosoth Cancer Hospital" to care for patients suffering from cancer.

2006

The Company made a bid offer for Bangkok Pattaya Hospital Company Limited, Bangkok Rayong Hospital Company Limited, Wattanavej Co., Ltd. Co., Ltd. (Bangkok Hospital Chanthaburi) and Bangkok Trat Hospital Company Limited. This increased the Company's holdings in the 4 companies from 49.0%, 81.0%, 62.0% and 63.4% to 97.1%, 100.0%, 99.5% and 99.6% of the paid-up capital, respectively.

In February 2006, the Company commenced operations of "Bangkok International Hospital" to provide multilingual, one-stop medical services to foreigners, both in-patients and out-patients, with interpreters for 26 languages.

The Company bought 79.7% of the shares of Bangkok Ratchasima Hospital Co., Ltd., a private hospital with 300 beds in Amphoe Muang, Nakhon Ratchasima Province. Presently, the Company holds 87.9% of this subsidiary.

In September 2006, the Company bought 100% of "Asia International Healthcare Co., Ltd." with the objective to invest in private hospitals overseas. The subsidiary, holding 30%, in conjunction with its local investment partner in the United Arab Emirates, set up the Royal Bangkok Hospital L.L.C, Abu Dhabi, to establish a 30-bed private hospital in Abu Dhabi, United Arab Emirates.

2007

The Company, holding 100%, established a new subsidiary under Global Medical Network Co., Ltd. to establish a private hospital in Hua Hin, Prachuapkhirikhan Province, which is expected to open in 2010.

Royal Angkor International Hospital, a 21-bed hospital in Seam Riap, Cambodia under the management of Angkor Pisith Co., Ltd., a subsidiary in which the Company holds 80%, opened for business on 15th January 2007, with the grand opening held on 19th November 2007.



Royal Rattanak Hospital, a 30-bed hospital in Phnom Penh, Cambodia, under management of Royal Rattanak Medical Services Co., Ltd., in which the Company holds 70 percent, opened for business on 1st September 2007.

The Company bought additional shares of Ramkhamhaeng Hospital PCL. or "RAM", increasing holdings from 19% to 26.2%. The Extraordinary Meeting of the Shareholders 1/2007 on 26th December 2007 passed a resolution allowing the Company to make a bid offer for the remaining shares of RAM from 4th January 2008 through 7th February 2008 at the price of Baht 480 per share. After the bid, the Company held 38.2% of RAM shares outstanding.



2008

In February 2008, the Company restructured the finances from long-term debt with collateral to uncollateralized unsubordinated debenture, denominated in Thai Baht with capital of Baht 5,000 million and long-term debt of Baht 3,400 million. The subordinated debenture was rated "A" by TRIS Rating Company Limited. In addition, the Company implemented the Group Liquidity Management system (Cash Pooling) to improve liquidity and lower costs of capital.

The Company established Greenline Synergy Co., Ltd. to act as the center for information technology. The aim of this new company is to standardize information technology within the Group for the best interests of the end users and to lower costs associated with information technology developments.

In fourth quarter, the Company bought the 256-slice multi-detector CT scan, the newest innovation in high-speed, computerized x-ray to detect and diagnose acute coronary syndrome at Bangkok Heart Hospital.



Awards

- "The Best Deal" award from "The Assets Country Awards 2008" by The Assets magazine from issuance of unsecured unsubordinated debenture and the restructuring of the Group's finances in the amount of Baht 8,400 million.

- Asian Corporate Social Responsibility Award 2008, the winner in the category of Concern for Health at the Asian Forum on Corporate Social Responsibility (AFCSR) held by Asian Institute of Management and Intel on 21st November 2008 in Singapore for BMC Sky ICU project, a collaboration between the Medical Center, Bangkok Hospital and the Royal Thai Police entitled "7 days of danger during the Songkran Festival". A total of 170 projects were nominated for this award from 130 companies in 15 countries.

- EURAMI Accreditation: The EURAMI (European Aero-Medial Institute) International Accreditation & Standardization is an organization accrediting standards in air medical transport that is widely recognized in Europe and the United States. In October 2008, EURAMI has certified that in transporting patients by air in the fixed and rotary wing category, the air medical transport unit at Bangkok Hospital has met the highest standards in terms of structure and safety, as well as process and results.



- Global Leadership Team Award 2008 held by Health Leaders Media, in the United States. This was the first time that the award has been given to a hospital outside the US. In order to be awarded, the team must show teamwork of management and determination in achieving the goals to better improve the quality of medical services.

- Disease or Condition-Specific Care Certification by the Joint Commission International (JCI), United States of America. In 2007, the Bangkok Hospital Medical Center received certification from JCI, which showcases the readiness and potential in providing healthcare to both Thai and foreign patients equal to international hospital standards. In October 2008, the Bangkok Hospital Medical Center has evolved into an Excellence Center and received Disease or Condition-Specific Care Certification as follows:

1. Primary Stroke Center
2. Acute Coronary Syndrome
3. Heart Failure
4. Breast Cancer Conserving Therapy

- "Thai-Canadian Chamber of Commerce Business Excellence Award for Best Professional Services-Health Services Award 2007"

- Winner of the Asian Hospital Management Awards in 2002, 2006 and 2007.

- On Forbes "Best Under a Billion", a list of two hundred best companies in Asia Pacific with revenue of no more than US\$ 1 billion, for three consecutive years from 2005 through 2007.

"Best Under a Billion" by Forbes Asia is based on continuous growth rate and revenue streams, as well as the management team and efficient business operations, which generate increasing revenue both domestically and internationally.

- "Fastest Growing Company" from Forbes Asia in Singapore on 28th November 2007.

- On S&P Global Challengers Index-Class of 2006, one of three hundred mid cap companies that S&P selected for high growth rate and potential to become a blue chip company in the near future.

- "Best Thailand Deal of the Year 2006" from Finance Asia and "Country Deals of 2006" from Asia Money for the Company's convertible bond.

- Prime Minister's Export Award from Department of Export Promotion, Ministry of Commerce in 2001 and 2006.

- ISO 14001 Certification for environmental management, Mor Or Gor. 18001/ OHSAS18001 certification for occupational hygiene and safety management from Japan Audit and Certification Organization (JACO) in 2004.

Socially Responsible Activities

1. Donation of medical equipment (1st donation) to hospitals in Phuket, Phang Nga and Krabi provinces

- 19 hospitals received donations of medical equipment
- donated on Wednesday, 19th March 2008
- total expense Baht 5,658,800

2. Donation of medical equipment (2nd donation) to hospitals in hospitals, foundations, municipalities, tambon administration organizations (OrBorTor) and public health centers in Phuket, Phang Nga and Krabi provinces

- 35 hospitals received donations of medical equipment
- donated on Monday, 10th November 2008
- total expense Baht 4,770,500

3. Business Operations

1. Hospital business: under Bangkok Hospital Medical Center : BMC, which includes "Bangkok Hospital", "Bangkok Heart Hospital", "Wattanosoth Hospital" and "Bangkok International Hospital".

2. Investments: the Company invested in private hospitals and medical care related businesses through various subsidiaries as follows:



Investments in Medical Care Businesses

Area of Service	Entity	# of Beds	Shareholding Percentage
1. Downtown Bangkok, providing service in Sukhumvit, Asoke, Silom and Sathorn areas	1. Samitivej PCL. : Samitivej Sukhumvith Hospital	334	94.32
	2. BNH Medical Center Co., Ltd.: BNH Hospital	144	88.66
2. Outer Bangkok and Samut Prakarn Province	3. Samitivej PCL. : Samitivej Srinakarin	350	94.32
	4. Bangkok Prapradaeng Hospital Co., Ltd.	64	79.00
	5. Ramkhamhaeng Hospital PCL. (Not involved in management)	300	38.24
	6. Prasit Pattana PCL. : Phayathai Hospital I, Phayathai Hospital II and Phayathai Hospital III (Not involved in management)	790	16.31
3. Eastern Region, covering Chonburi, Rayong, Chantaburi and Trad Province	7. Bangkok Pattaya Hospital Co., Ltd	348	97.09
	8. Bangkok Rayong Hospital Co., Ltd	170	100
	9. Wattanavej Co., Ltd. : Bangkok Chantaburi Hospital	171	99.62
	10. Bangkok Trat Hospital Co., Ltd	112	99.76
	11. Samitivej Sriracha Co., Ltd. : Samitivej Sriracha Hospital (Shares held by Samitivej Plc., a subsidiary)	148	67.27
4. North Eastern Region, covering Nakhon Ratchasima and Udon Thani Province	12. Bangkok Ratchasima Hospital Co., Ltd	300	87.86
	13. Udon Pattana Co., Ltd. : Ake Udon Hospital (Not involved in management)	350	10.00
5. Southern Region, covering Prachuapkhirikhan, Surat Thani, Phuket and Songkhla Province	14. Bangkok Phuket Hospital Co., Ltd	229	99.63
	15. Bangkok Had-Yai Hospital Co., Ltd	165	98.69
	16. Bangkok Samui Hospital Co., Ltd	50	100.00
	17. Global Medical Network Co., Ltd. (To engage in private hospital business in Hua Hin/ not yet operational)	50	100.00
6. Cambodia	18. Angkor Pisith Co., Ltd.: Royal Angkor International Hospital	21	80.00
	19. Rattanak Medical Services Co., Ltd. : Royal Rattanak Hospital	30	70.00
	20. Phnom Penh Medical Services Co., Ltd. (Not yet operational)	100	100.00



Investments in Medical Care Related Businesses

Type of Buisness	Entity	Shareholding Percentage
1. Manufacture and Distribution of medicine	Medical Pharma Co., Ltd.	49.0
2. Share Service	National Healthcare Systems Co., Ltd.	74.0
3. Bio Molecullar Lab	Bio Molecullar Laboratories (Thailand) Co., Ltd.	95.0
4. Public Relations and Marketing Support for network hospitals	Cool & Joy Co., Ltd.	30.0
6. Medcial Evacuation	Bangkok Helicopter Services Co., Ltd.	49.0
7. Property (land) lease for hospital business in Cambodia	S.R. Property Investment Co., Ltd.	49.0
	Seam Reap Land Investment Co., Ltd.	49.0
	Phnom Penh First Property Co., Ltd	49.0
8. Holding Company	Asia International Healthcare Co., Ltd. (AIH)	100.0
9. Information Technology	Greenline Synergy Co., Ltd. (GLS)	100.0



4. Income Structure of the Company and its Subsidiaries

Comparison of income structure of the Company and its subsidiaries during 2006 - 2008

Unit : Million Baht

			2008		2007		2006	
Type of Income	Entity	% of Shares	Income	%	Income	%	Income	%
Healthcare services	Bangkok Dusit Medical Services PCL	100.00	6,948.0	32.8	6,304.1	34.2	5,582.3	35.9
	Samitivej PCL	94.32	5,438.2	25.7	4,632.3	25.1	3,664.0	23.3
	BNH Medical Center Co., Ltd.	88.60	1,427.4	6.7	1,307.2	7.1	1,126.5	7.2
	Bangkok Prapradaeng Hospital Co., Ltd.	79.00	159.0	0.8	126.9	0.7	131.7	0.8
	Bangkok Pattaya Hospital Co., Ltd.	97.09	2,205.0	10.4	1,957.2	10.6	1,697.2	10.9
	Bangkok Rayong Hospital Co., Ltd.	100.00	933.0	4.4	729.8	4.0	625.5	4.0
	Bangkok Trat Hospital Co., Ltd.	99.76	219.4	1.0	198.0	1.1	167.7	1.1
	Wattanavej Co., Ltd.	99.62	539.2	2.5	481.4	2.6	466.7	3.0
	Bangkok Had-Yai Hospital Co., Ltd.	98.69	689.2	3.3	592.1	3.2	555.1	3.6
	Bangkok Samui Hospital Co., Ltd.	100.00	343.5	1.6	258.2	1.4	214.0	1.4
	Bangkok Phuket Hospital Co., Ltd.	99.63	1,553.7	7.3	1,336.8	7.3	1,047.0	6.7
	Bangkok Ratchasima Hospital Co., Ltd.	87.86	548.3	2.6	417.6	2.3	292.8	1.9
	Angkor Pisith Co., Ltd.	80.00	79.2	0.4	53.6	0.3		
	Rattanak Medical Services Co., Ltd.	70.00	75.2	0.4	3.0	0.0		
	Total		21,158.3	99.9	18,398.2	99.9	15,570.5	99.8
	Bangkok Ratchasima Hospital Co., Ltd.	74.00	4.5	0.00	6.0	0.0	0.9	0.0
Other income	Bio Molecular Laboratories (Thailand) Co., Ltd.	95.00	24.8	0.1	19.3	0.1	35.5	0.2
	Total		29.3	0.1	25.3	0.1	36.4	0.2
Total income from operations			21,187.6	100	18,423.5	100	15,606.9	100



Research and Development

Continuous Medical Education

The Company has continuously organized academic conferences for doctors at Bangkok Hospital and doctors from other institutions in order to develop capabilities in all fields of medicine. Presently, Bangkok Hospital has been certified as the main institution for continuous medical education by the Medical Council of Thailand. Doctors, nurses and medicine practitioners who have attended academic conferences held by Bangkok Hospital will receive Continuous Medical Education: CREDIT, which can be used towards certification in the medical profession. Throughout 2008, Bangkok Hospital Medical Center organized weekly academic conferences covering all the important medical subjects, totaling 81 subjects. Moreover, the Company held the annual Bangkok Hospital Medical Center academic conference during 24th-26th March 2008 entitled "The 8th BMC Annual Academic Congress: Advanced Medicine in The Changing World" at Chalmers Prabarami 50 Years Building, the Medical Association of Thailand.

Academic Conferences among Network and Non-Network Hospitals

The "Quality Improvement and Patient Safety Network 2008" conference organized by Bangkok Hospital Medical Center and held during 11th-12th December 2008 at Bajrakitiyabha Room, Chalmers Prabarami 50 Years Building, the Medical Association of Thailand. The delegates were from various hospitals, both public and private. The objectives of the conference were the continuous quality improvement and patient safety in hospitals, and the exchange and sharing of patient

safety experience in order to create networks and develop teams for continuous quality improvement and patient safety.

Quality Improvement

Participation in International Conferences on Quality Standards

1. "Asia Pacific International Practicum on Quality Improvement and Accreditation 2008" co-hosted by the Bangkok Hospital Medical Center and organized by the Joint Commission International, a US hospital accreditation institute, at Centara Grand at Central World, Bangkok during 9th-13th June 2008. Participants came from 13 countries with Bangkok Hospital Medical Center as one of the two Thai hospitals chosen to co-host the event and be the guest speaker on the following topics:

- Leadership Interview
- Lessons Learned from Local Healthcare Organization



2. **Hospital Management of Asia** during 24th-26th September 2008 in Manila, the Philippines organized by the Asian Institute Management in conjunction with John Hopkins and the Joint Commission International with delegates from 14 countries. The Bangkok Hospital Medical Center was Guest Speaker on "BMC Journey to JCI Accreditation and Disease Condition Specific Care Certification".

3. **"6th Asian Network for Quality Congress"** organized by Asia Network For Quality and the Standard and Quality Association of Thailand (SQAT) at Swissotel Le Concorde, Bangkok during 28th-30th October 2008. This conference aims to educate and share experiences in Total Quality Management by executives and staff working in quality from every ASEAN industry organization. Bangkok Hospital Medical Center was selected as the Technical Site Visit for participants of the conference.

4. **International Conference on Health Promotion and Quality in Health Services: "Global Sharing: People and Integration as Key to Success"** organized by the Ministry of Public Health, the National Health Security Office, the Institute of Hospital Quality Improvement and Accreditation, and the Medical Association of Thailand at Centara Grand at Central World, Bangkok during 19th-21st November 2008. This is the first time that Thailand has hosted an international conference on healthcare and hospital quality standards. Bangkok Hospital Medical Center was the main sponsor of the event and invited participants of the conference to visit the hospital in order to exchange knowledge on quality and patient safety in the hospital. In addition, the hospital was selected to present on the following topics:

- "Avoiding the Gaps and Closing the Loop : A Systematic Approach to Patient safety and Environment Rounds"
- The Tracer Methodology : Tips for Tracers
- JCI Experience in Thailand

Scholarship Programs in Support of Medical, Nursing and Public Health Research in 2008

In 2008, there were a total of 5 scholarships awarded totaling Baht 921,000 as follows:

1. "Research project on incidents/levels of heart vessel calcium deposits in Thai patients also receiving (dialysis or blood thinning medication) and treatment for Sodium Thiosulfate" by Assistant Prof. Dr. Sinee Ditbanjong, MD, Nephrology Unit, Faculty of Medicine, Ramathibodi



Hospital, Mahidol University in the amount of Baht 100,000.

2. "Biomarker research project on locating cancer cells in the blood stream of Osteosarcoma bone cancer patients" by Associate Prof. Dr. Suradej Hongeng, M.D., Associate Prof. Samart Pakakasama, M.D., Mr. Thapakorn Iamwijit and Mr. Chokdee Wongborisut Faculty of Medicine, Ramathibodi Hospital, Mahidol University in the amount of Baht 400,000.

3. "Development of a strip test for the detection of rabies virus" by Dr. Songsri Kasemphimanporn, Miss Wachiraporn Saengrisom, Miss Sunanta Pehmpoonpanit, Miss Supatsorn Boonchang and Mr. Samreung Huatsakul Research and Development Department Thai Red Cross Society in the amount of Baht 195,000.

4. "Development of Thalassemia diagnosis by Melt Curve" by Dr. M.L. Saovaros Svasti, Ph.D. and Ms. Thongperm Munkongdee Institute of Science and Technology for Research and Development, Mahidol University in the amount of Baht 100,000.



5. "School Violence Problem among adolescents in Bangkok Metropolitan" by Prof. Dr. Ruja Phuphaibool and Mrs. Cheela On-Sawai Department of Nursing, Faculty of Medicine, Ramathibodi Hospital, Mahidol University in the amount of Baht 126,100.

Academic Cooperation between Bangkok Hospital Medical Center and Srinakharinwirot University

Srinakharinwirot University signed a memorandum of understanding with our company with the aim to better improve the capabilities of medical personnel as follows:

- 1.1 Scholarship for trip to Karmanos Cancer Center in the US
- 1.2 Cooperation in sharing medical database (e-Journal) between the Faculty of Medicine library and the Bangkok Hospital Medical Center library
- 1.3 Cooperation with regards to Cardiology
- 1.4 Cooperation in research by appointing a Joint Research Committee to exchange information on current research projects as well as to study the potential for joint research between the two organizations. Currently, we are jointly researching "Comorbidity of Obstructive Sleep Apnea in Thai people" to study the cause of Obstructive Sleep Apnea, which is expected to be completed in 2009.
- 1.5 Cooperation in nursing, Wattanosoth Hospital, Bangkok Hospital Medical Center organized a seminar specifically for nurses caring for cancer patients entitled "Nursing Cancer Patients" with the cooperation of the Faculty of Nursing, Srinakharinwirot University and the National Cancer Institute. Courses and practice were also held at Bangkok Hospital Medical Center and has officially commenced.

In the past three years, the Company has provided financial support for research and development as follows:

2006 Baht 48.30 million
 2007 Baht 32.61 million
 2008 Baht 32.82 million



Future Projects

The Company has two current or future investment projects as follows:

1. 100-bed private hospital in Phnom Penh, Cambodia to be operated by Phnom Penh Medical Services Co., Ltd., a subsidiary in which the Company holds 100% of shares registered in Cambodia. Presently, the Company has begun construction and is expected to be completed in 2009 and will start operating 50-beds in the first phase.

2. 50-bed private hospital in Hua Hin, Prachuapkhiriikan Province to be operated by Global Medical Network Company Limited, a subsidiary in which the Company holds 100%. Currently, the Company has purchased the land and plans to start construction in 2008 with expected completion in 2010.

Expected Benefits

1. To expand specialized medical services and accommodate the increasing number of patients.
2. To expand customer base and become the center for patients from Southeast Asia and the Middle East.

Projects invested in 2007 and have since commenced operations

30-bed private hospital in Phnom Penh, Cambodia to be operated by Rattanak Medical Services Co., Ltd., a subsidiary in which the Company holds 70%, has commenced operations since March 2008.





Industry and Competition

1. Competition

In 2008, the private hospital industry continued to grow, though less than in previous years. The recent global economic downturn affected the number of patients, both domestic and foreign, considerably. Domestic patients, who generally visit private hospitals, chose to use the services of public hospitals instead as the fees charged are lower and the medical staff are competent. In addition, the public hospitals have expanded their business hours after regular working hours, which is more convenient for domestic patients. At the same time, foreign patients have lessened considerably in the last quarter of 2008 due to the political instability in Thailand. Large private hospitals, where the majority of revenue is from foreign patients, must increase their competitive edge in order to increase the number of domestic patients to make up for the lost revenue from foreign patients. However, when comparing Thai private hospitals with others in the region such as Singapore and Hong Kong, in terms of quality of medical care and service, and lower service fees, foreign patients continue to favor and trust in the service of Thai private hospitals and are therefore waiting to see the outcome of the political situation and the more defined government policies.

Domestic and Foreign Patient Market in 2008

1. Foreign Patients in Thailand

At the beginning of 2008, the proportion of foreign patients increased. Increasing numbers of foreigners visited Thai private hospitals for medical care; this was in part due to the government's policy for Thailand to become the "Medical Hub of Asia", as well as the slowdown in the global economy as a result of the

fluctuation in the oil price and the state of the US economy. These are the significant factors that have encouraged foreigners to come to Thailand for medical care. Thailand's strengths are the lower medical fees and the high standard of medical care, which has received accreditation from international organizations. The increase in foreign patients has in turn increased the level of competition among private hospitals in Thailand.

In 2009, private hospitals must be prepared for the many risk factors arising from the political uncertainty and the global economy crisis in the last quarter of 2008, which result in decreasing number of foreign patients. However, it is expected that foreigners will continue to visit Thai private hospitals for medical care as existing foreign patients will need continuous treatment and others have existing health insurance policies. Due to the slowdown in the global economy, many health insurance companies are sending patients to Thailand for medical care, especially patients in Europe and the Middle East, as the cost is comparatively lower. Nevertheless, this also depends on the political situation in Thailand.

2. Thai Patients

Generally, the main customers of private hospitals are patients who self pay for medical care. This group is comprised of medium to high income earners and those who are able to get reimbursement of medical bills. In 2008, the Thai economy was notably affected by the political uncertainty, the economic downturn and the decrease in cost of living due to the continuing fluctuations in oil and energy prices. This has resulted in a decrease in spending and an increase in savings,

which has had a direct impact on the business of large private hospitals. Patients have moved to medium or small private hospitals in order to save costs. Therefore, large private hospitals must adapt to both the economic situation and the competitive environment. However, large private hospitals still have the advantage in allocating their budget to purchase medical equipment as they have bargaining power over medium or small private hospitals. Large private hospitals also have better ability to manage costs in providing services by utilizing their network to transfer patients from one hospital to another within the group and using state-of-the-art technology.

The slowdown in the US economy, which greatly impacted the global economy, as well as the political uncertainty in Thailand in 2008, have decreased the number of both domestic and foreign patients and directly affected the private hospital business. It is forecasted that these risk factors will be short-term. Once the political situation is more certain, foreign patients will once again have the confidence to return to Thailand for medical care. Once the Thai economy bounces back, the people will have greater purchasing power and the income from domestic patients will increase. Nevertheless, medical care is an essential factor in life. Convenience and speed of service in private hospitals are crucial to the survival of the private hospital business.

2. Healthcare Industry in 2008

(Article from Kasikorn Research Center "Private Hospital Business, 2009: Adjustments Urgently Needed")

The following information is from the Medical Registration Division, Ministry of Public Health as of 20th September 2007.

Presently, there are a total of 333 private clinics/hospitals in Thailand, with a combined total of 35,792 beds. There are 99 private clinics/hospitals in Bangkok with 15,625 beds, the Central region has 110 private clinics/hospitals with 10,577 beds, the Northern region has 50 private clinics/hospitals with 4,215 beds, the North Eastern region has 42 private clinics/hospitals with 3,021 beds and the Southern region has 33 clinics/hospitals with 2,354 beds. The majority of the private clinics/hospitals, 134 institutions, have no more than 50 beds, 98 of the private clinics/hospitals have 51 -100 beds and 101 private clinics/hospitals have over 100 beds. It is noteworthy that the private clinics/hospitals in Bangkok are mostly large establishments with over 100 beds or 46.5%, while the private clinics/hospitals in other regions are smaller establishments with 1-50 beds.

Statistics of Private Clinics in 2007 Classified by Region

Region	Clinics that accept overnight patients					
	Clinics		Hospital		Total	
	Locations	Beds	Locations	Beds	Locations	Beds
Bangkok	22	625	77	15,000	99	15,625
North	11	237	39	3,978	50	4,215
Central	30	593	80	9,984	110	10,577
North East	7	141	35	2,880	42	3,021
South	10	181	22	2,173	32	2,354
Total	80	1,777	253	34,015	333	35,792

Source : Medical Registration Division, Ministry of Public Health

Note : Data as of 20th September 2007

Statistics of Private Clinics in 2007 Classified by Number of Beds

Region	Number of Beds					
	1-50		51-100		More than 100	
	Locations	Beds	Locations	Beds	Locations	Beds
Bangkok	34	1,140	19	1,752	46	12,733
Central	41	1,054	37	3,446	32	6,077
North	18	591	21	1,798	11	1,826
North East	21	807	16	1,440	5	774
South	20	672	5	448	7	1,234
Total	134	4,246	98	8,884	101	22,662

Source : Medical Registration Division, Ministry of Public Health

Note : Data as of 20th September 2007



The private hospital business growth is parallel to the growth of the Thai economy. This is because the people have higher purchasing power and therefore, choose to visit private hospitals, which have state of the art medical equipment and provide fast, convenient service.



Risks

1. Economic Risks

As Bangkok Hospital is a large private hospital group, we may be directly affected by fluctuations in the economy. In times of economic uncertainty, which affects the purchasing power of the general public, it is likely that some patients will decrease their health care expenses by turning to public hospitals or small private hospitals for medical care.

2. Operational Risks

2.1 Competition

Recently, competition in the medical business has continuously increased from both public and private operators. Therefore, the Company may be affected by the competition.

However, Bangkok Hospital Group is considered a strong player in the industry, both in terms of the network coverage and medical care readiness. The Company has invested in state-of-the-art medical equipment as well as continuous development of quality

of medical care. As corroboration of the Company's endeavors to provide quality medical care, the Joint Commission International Accreditation (JCI), awarded international standards accreditation to Bangkok Hospital Medical Center, comprised of Bangkok Hospital, Bangkok Heart Hospital, Wattanosoth Cancer Hospital and Bangkok International Hospital, as well as hospitals in the network namely, Samitivej Sukhumvit Hospital, Samitivej Srinakarin Hospital and Samitivej Sriracha Hospital. This reinforces the Company's readiness and potential in providing medical care services equal to those of international standards to both Thai and foreign patients. Furthermore, the Company has plans for hospitals within the network such as Bangkok Pattaya Hospital and BNH Hospital, which are operated by a subsidiary, to apply for accreditation from JCI in order to boost customer confidence.

2.2 Lack of Medical Staff

Although the government has had the policy to support academic institutions in increasing the number of capable medical professionals, but the process in producing quality medical professionals is time consuming and also requires specialized training. In addition, the medical service industry has been growing at a rapid pace. Therefore, the Company faces the risk of shortage in medical staff. However, as Bangkok Hospital is a large hospital, widely known and a public company with budget set aside specifically for education, the Company should be able to draw in qualified medical professionals. Moreover, the Company has developed suitable compensation programs for personnel in the various fields. The Company is also a learning center that encourages knowledge development and is open to new medical technological advances in order to motivate and retain staff in the long run, which will help to lessen the risk of lack of medical staff.



2.3 Lawsuits

Generally, people have the ability to seek information and be aware of patients' rights. In 2008, the government issued the Act on Court Proceedings for Consumer Cases B.E. 2551 (2008) (generally known as the "Consumer Cases Act") which may impact the medical care businesses as well as medical professionals. The Company may face risk of higher number of lawsuits regarding medical care. Therefore, management has given importance to quality of medical care services, selection of doctors, and patients' rights, in terms of providing information, managing expectations of customers, the reporting process and customer complaint resolution. Moreover, the Company recognizes the importance of quality improvement and international service standard indicators in order to lessen the risk of lawsuits.

2.4 Dependency on Foreign Patients

Over the past few years, the number of foreign patients has increased considerably. However, the domestic political situation and the current downturn of the global economy have lessened the number of foreigners traveling to Thailand for both tourism and investments. This in turn may decrease the number of foreign patients at the hospital. The increase in number of hospitals in the group receiving accreditation, as well as the advanced technology medical equipment, should increase the Company's competitive edge and the foreign customer base.

2.5 Foreign Investments

Presently, the Company has invested in three private hospitals in Cambodia. Although the Company has studied the feasibility of this investment in great detail, as well as decreased the investment risk by forming an associate company with well-known local investors, the Company may still face risks on returns from future competition, economic and political risks, and foreign currency exchange risk of future returns.

3. Financial Risks

3.1 Early Redemption of Debentures

In 2006, the Company issued a 5-year convertible debenture with capital of US\$124 million. The foreign currency exchange rate is fixed at Baht 38.16 to US\$1 till maturity, making the debenture equal to Baht 4,731.84 million. The investor has the right to redeem the convertible debenture after the first 3 years. The Company faces the risk that investors may redeem the debentures before maturity at the same time resulting in the Company having to find an alternative source



of money in preparation for early redemption of debentures, which will affect the fiscal plans and financial status.

Nevertheless, some investors of the convertible debenture have converted them to common shares. In addition, the Company has gradually bought back some of the convertible debentures resulting in only US\$58 million of the convertible debenture remaining at the end of 2008. The Company has reserved a portion of profits as well as secured external loans in order to refinance the convertible debenture. In the case that investors redeem the debenture at the same time, the Company believes that the aforementioned shall be sufficient to cover the early redemption.

3.2 Receipt of Medical Care Payments

In providing medical care to patients, the service is provided before payment is received which may cause risk in not receiving full payment from the patients. The Company has a strict policy to prevent this risk through the Collection Committee which has the duty to instigate a standardized collection system throughout the Group.

For general customers, the Company does not have a policy to give credit to patients. The hospital will estimate the costs and inform the patient in advance, and confirm the costs afterwards. Patients may make payment in installments once the patient is discharged from the hospital, to lessen the burden of one-time payment. For customers who are counter-parties, the Company has the policy to carefully approve credit for medical expenses through analysis of credit and financial status of the counter party, as well as annual reevaluation of the relationship. These policies shall lessen the risk of not receiving payments for medical services provided



Shareholding Structure and Management

1. Shareholding Structure

The top ten major shareholders as of the latest closing date of the registrar book on 24th October 2008 are as follows:

No.	Name	Number of Shares	Percentage
1.	Mr. Prasert Prasarttong-Osoth, M.D. and Spouse	166,491,971	13.71%
2.	Bangkok Airways Co., Ltd.	103,852,569	8.55%
3.	Viriyah Insurance Co., Ltd.	94,014,663	7.74%
4.	Mr. Satit Viddayakorn and Spouse	69,681,590	5.74%
5.	Mr. Pongsak Viddayakorn, M.D. and Spouse	63,245,627	5.21%
6.	Miss Poramaporn Prasarttong-Osoth, M.D.	40,940,700	3.37%
7.	Mr. Chirothana Suchato, M.D. and Spouse	39,273,009	3.23%
8.	HSBC (Singapore) Nominees (PTE) Limited	37,437,600	3.08%
9.	Mr. Chuladej Yossundharakul, M.D. and Spouse	27,565,795	2.27%
10.	Thai NVDR Co., Ltd.	23,056,766	1.90%
	Total	665,560,290	54.80%

Source : Thailand Securities Depository Co., Ltd

Note : 1) * Shareholders No. 1 & 2 are the same group

2) Shareholder of Thai NVDR Company Limited, holding Non-vote Depository Receipt, has no voting rights at shareholder meetings except in voting for delisting from the Stock Exchange of Thailand.

2. Management

2.1 Personnel

As of 31st December 2008, the Company had a total of 2,468 employees and 765 doctors, details as follows:

(Unit : Persons)

Type	Doctors & Full-time employees	Consulting Doctors and Temporary staff	Total
Nurses	628	-	628
Employees	1,574	266	1,840
Total employees	2,202	266	2,468
Doctors	296	469	765

Note: doctors means doctors working 40 hours per week or more with the Company, these doctors are not considered employees of the Company.

2.2 Management Structure

As of 31st December 2008, the management structure of the Company is comprised of the Board of Directors, the Audit Committee, the Nomination and Remuneration Committee, the CEO Committee and executive management, details as follows:

Board of Directors

1. Professor Arun Pausawasdi, M.D.
Chairman
2. Mr. Prasert Prasarttong-Osoth, M.D.
Vice Chairman
3. Mr. Wallop Adhikomprapa
President
4. Mr. Pongsak Viddayakorn, M.D.
Director
5. Professor Snoe Indrasukhsri, M.D.
Independent Director
6. Mr. Chuladej Yossundharakul, M.D.
Director
7. Mr. Chirothana Suchato, M.D.
Director
8. Professor Santasiri Sornmani, M.D.
Independent Director
9. Mr. Thavatvong Thanasumitra
Director
10. Mr. Kitipan Visudharom, M.D, Ph.D.
Director
11. Mr. Chatree Duangnet, M.D.
Director
12. Mr. Somchai Sujjapongse, Ph.D.
Independent Director
13. Mr. Sripop Sarasas
Independent Director
14. Mr. Pradit Theekakul
Director

Authorized Directors

Two directors out of the following five sign jointly and affix the company seal: Mr. Wallop Adhikomprapa, Mr. Pongsak Viddayakorn, M.D., Mr. Chuladej Yossundharakul, M.D. Mr. Chirothana Suchato, M.D. and Mr. Chatree Duangnet, M.D.

Duties and Responsibilities of the Board of Directors

1. Perform duties using their knowledge and expertise for the benefit of the Company in accordance with the regulations of the Company and resolutions of the shareholders' meeting. Directors are authorized to perform actions indicated in the Articles of Association, the Public Company Act and relevant laws.

2. Comply with the provisions and the good practices of listed company directors of the Stock Exchange of Thailand.

3. Determine policies and ensure that management acts in accordance with those policies, as well as approve business plans, annual budgets and investments, and make financial decisions.

4. Monitor the operational results of management and the Company in order to ensure consistency with established goals and plans.

5. Set efficient internal control and audit systems for the purpose of auditing, operational oversight and liaise with the Audit Committee.

6. Protect the interests of the shareholders and practice standardized and transparent disclosure of information.

Audit Committee

1. Professor Santasiri Sornmani, M.D.
Chairman of Audit Committee
2. Mr. Somchai Sujjapongse, Ph.D.
Member of Audit Committee
3. Mr. Sripop Sarasas
Member of Audit Committee

Duties and Responsibilities of the Audit Committee

In order that the Audit Committee may perform the duties as assigned by the Board of Directors, the Audit Committee shall have the following duties and responsibilities:

1. Ensure the correct, complete and reliable issuance of reports and disclosure of information in the financial reports of the Company by liaising with external auditors and executives responsible for the preparation of quarterly and annual financial reports.

2. Ensure the use of proper and efficient internal control measures and engage in the joint revision with independent external auditors and internal auditors in order to ensure consistency.

3. Review transactions with subsidiaries or individuals in order to prevent conflicts of interest.

4. Ensure that the Company is in compliance with regulations of the Stock Exchange of Thailand and other relevant laws.

5. Review internal investigation evidence in the case that there is suspicion of fraud or abnormality or significant defect of internal control measures for submission to the Board of Directors for further consideration.

6. Instruct and review evidence in the case where there is suspicion of violation of law or any regulations

of the Stock Exchange of Thailand, which may significantly affect the financial status and operational results of the Company.

7. Nominate auditor and annual auditing fee for consideration of the Board of Directors for the approval of the shareholders' meeting.

8. Ensure that medical service standards are correct and suitable.

9. Complete other tasks as assigned by the Board of Directors.

Nomination and Compensation Committee

The Board of Directors at 4th Board meeting held on 30th April 2008 passed a resolution to establish the Nomination and Remuneration Committee, which is comprised of three independent directors as follows:

1. Professor Snoe Indrasukhsri, M.D.
Chairman of Committee
2. Professor Santasiri Sornmani, M.D.
Nomination and Compensation Director
3. Mr. Sripop Sarasas
Nomination and Compensation Director

Duties and Responsibilities of the Nomination and Remuneration Committee

1. Determine method and guidelines in nominating candidates for Directors

2. Determine suitable qualifications for Directors with regards to skill, experience and specialization, which are beneficial to the Company, devotion of time and fulfillment of duties.

3. Select qualified candidates who should be nominated as Director to the Board of Directors and request approval from the general shareholders' meeting.

4. Advise the Board of Directors on the structure and components of Directors' remuneration.

5. Determine guidelines for consideration of remuneration to suit duties and responsibilities of the Directors and dependent upon operational results of the Company in order to motivate and maintain capable, qualified Directors.

6. Consider and provide opinion on performance evaluation of the Board of Directors.

7. Report results of selection of Directors and consideration of remuneration to the Board of Directors.

8. Complete other tasks as assigned by the Board of Directors.

CEO Committee

1. Mr. Prasert Prasarttong-Osoth, M.D.
Chairman of CEO Committee

2. Mr. Wallop Adhikomprapa
Vice Chairman of CEO Committee

3. Mr. Pongsak Viddayakorn, M.D.
Vice Chairman of CEO Committee

4. Mr. Chuladej Yossundharakul, M.D.
Member of CEO Committee

5. Mr. Chirothana Suchato, M.D.
Member of CEO Committee

6. Mr. Chatree Duangnet, M.D.
Member of CEO Committee

7. Mr. Kitipan Visudharom, M.D, Ph.D.
Member of CEO Committee

8. Mr. Lee Khoe Soa
Member of CEO Committee

9. Mrs. Narumol Noi-am
Member of CEO Committee

10. Mr. Chong Chin Wah
Member of CEO Committee

11. Mrs. Yingdao Krairiksh, M.D.
Member of CEO Committee

12. Mr. Krittavith Lertutsahakul M.D.
Member of CEO Committee

13. Mr. Pichit Kangwolkij M.D.
Member of CEO Committee

14. Mrs. Somsiri Sakolsatayatorn, M.D.
Member of CEO Committee

15. Mr. Somchai Chansawang, M.D.
Member of CEO Committee

16. Miss Linda Kraivit, M.D.
Member of CEO Committee

17. Mr. Soontorn Sritha, M.D.
Member of CEO Committee

18. Associate Professor Ajjima Srethaputr
Member of CEO Committee

Note: Mrs. Yingdao Krairiksh, M.D. retired since 1st January 2009.

Duties and Responsibilities of the CEO Committee

1. Determine business strategies, policies, business plans and budgets for the approval of the Board of Directors.

2. Control, audit and monitor operations of the Company as authorized by the Board of Directors in accordance with authorized responsibilities as approved by the Board of Directors for the utmost benefit of the Company and its shareholders to ensure efficiency and favorable business environment.

3. Assign and monitor operations of management under the supervision of the Chairman of the CEO Committee as assigned by the Board of Directors.

4. Consider and review matters that are to be presented for approval by the Board of Directors, including identifying solutions to problems of the Company.

5. Engage in other duties occasionally assigned by the Board of Directors.

6. Legitimately and honestly act in accordance with the resolutions of the shareholders' meetings and the Board of Directors meetings for the benefit of the

Company within the objectives and regulations of the Company.

The above duties and responsibilities shall not allow the CEO Committee and Chairman of CEO Committee to approve transactions relating to themselves or individuals which may cause conflicts of interest (as prescribed in the notifications of the Securities and Exchange Commission) with the Company or subsidiaries. Such transactions shall be presented to the Audit Committee and/or the Board of Directors, whichever the case may be, for approval.

Executive Management

Name	Position
1. Mr. Wallop Adhikomprapa	President, Acting Chairman of CEO Committee Group 5*
2. Mr. Lee Khoe Soa	Executive Vice President
3. Mrs. Narumol Noi-am	Chief Financial Officer
4. Mr. Chong Chin Wah	Chief Operation Officer, Chairman of CEO Committee Group 2*
5. Mr. Chatree Duangnet, M.D.	Chairman of CEO Committee Group 1*
6. Mr. Krittavith Lertutsahakul M.D.	Chairman of CEO Committee Group 3*
7. Mrs. Yingdao Krairith	Chairman of CEO Committee Group 4*

*Note

Group 1 means Bangkok Hospital Medical Center (Bangkok Hospital, Bangkok Heart Hospital, Wattanosoth Hospital, International Hospital and Bangkok Prapadang Hospital

Group 2 means Samitivej Sukumvith Hospital, Samitivej Srinakarin Hospital and Samitivej Sriracha Hospital

Group 3 means Bangkok Pattaya Hospital, Bangkok Rayong Hospital and Bangkok Chantaburi Hospital, Bangkok Trat Hospital and Koh Chang International Clinic

Group 4 means Bangkok Samui Hospital, Bangkok Hat-Yai Hospital, Bangkok Phuket Hospital, and BNH Hospital

Group 5 means all non-hospital businesses and Bangkok Ratchasima Hospital

Duties and Responsibilities

The management is responsible for internal administration in accordance with established policies and business goals.

2.3 Nomination of Directors and Executive Management

At the 4th Board of Directors meeting held on 30th April 2008, the Board passed a resolution to appoint the Nomination and Remuneration Committee. In 2008, the Nomination and Remuneration Committee has not nominated any Directors and will commence selection of candidates to replace those retiring by rotation in 2009. Furthermore, the Company gave minor shareholders the opportunity to nominate qualified persons as

Directors from 1st December 2008 to 15th January 2009 via the Company's website so that the Nomination and Remuneration Committee may select qualified candidates to nominate to the Board of Directors to propose to the general shareholders' meeting. The shareholders must approve the appointment of Directors according to the following guidelines and methods:

1) Each shareholder has number of votes equal to the number of shares held.

2) Each shareholder shall exercise all votes in 1) to elect a person or a number of persons to become a Director. In the case of election of a number of persons to become a Director, a shareholder cannot allocate only part of his or her votes to any candidate.

3) Candidates with the most votes are to be appointed Directors up to the number open at a given meeting. If more candidates receive equal votes than the number of Directors required, the Chairman of the meeting must cast a deciding vote.

Furthermore, in appointment and dismissal of Directors, the following Company rules apply:

- The Board of Directors must be comprised of at least 5 persons and no less than half must be residents of Thailand.

- Directors must be individuals and have the following qualifications:

- (1) A person of juristic age

- (2) A person who is not bankrupt, incompetent or quasi-incompetent

- (3) A person who has never been sentenced to imprisonment on a charge relating to fraudulent assets

- (4) A person who has never been dismissed from service in the government or government agency due to fraudulent acts

- At every general shareholders' meeting, at least one third (1/3) of the Directors must retire. If the number of Directors cannot be divided by three, then the number of Directors closest to one third (1/3) must retire. Directors who must retire may be re-elected.

- Apart from retiring by rotation, Directors may be dismissed from position as follows:

- (1) Death

- (2) Resignation

- (3) Disqualification or legally unqualified

- (4) The shareholders' meeting passes a resolution to retire a Director, with no less than three quarters of the total number of shares present at the meeting and possess voting rights provided that the total number of shares is no less than half of the total number of shares present at the meeting and possess voting rights

- (5) By court order

- Directors wishing to resign shall submit a letter of resignation to the Company to be effective upon receipt of the letter by the Company.

- In the event that a Director position is vacant due to circumstances other than retirement by rotation, the Board of Directors shall elect a qualified individual to fill the position at the next Board of Directors meeting, except when the Director's term is less than two months to completion. In this case, the individual serving as replacement shall remain in office for the remainder of the term of the Director who has retired.

The resolution of the Board of Directors as the above shall be passed with number of votes no less than three quarters of the number of Directors remaining.

- In the event that the number of vacant Director positions is insufficient for quorum, the remaining Directors may act on behalf of the Board of Directors only in organization of the shareholders' meeting in order to elect Directors to the vacant positions. The meeting shall be held within one month from the day that the number of vacant Director positions is insufficient for quorum. The individual elected to the vacant Director positions shall remain in office for the remainder of the term of the Director whom he replaces.

The process in nominating Independent Directors is the same as the process for nomination of Directors. The Independent Directors must possess the following qualifications:

- 1) Hold no more than 1% of shares with voting rights of the Company or affiliates, associated companies or subsidiaries, including shares held by related persons as per Clause 258 of the Securities Act.

- 2) Not involved in management or be a staff member, employee, salaried advisor or have control over the Company, affiliates, associated companies or subsidiaries. In addition, the candidate must not pose conflict of interest or mutual benefits or stake except when such qualifications have ended for more than one year.

- 3) Have no business relation (counter-party to business agreement, supplier, creditor or debtor) whether directly or indirectly, both in terms of finances and management of the Company, affiliates, associated companies or subsidiaries.

- 4) Not a direct relative of management, major shareholders, counter-parties or beneficiaries of the Company, affiliates, associated companies or subsidiaries, or be a direct relation to persons who could pose conflicts of interest with the Company, affiliates, associated companies or subsidiaries.

- 5) Not a person who has been appointed as representative of major shareholders or persons with control or representative of the interests of the Directors, major shareholders or persons with control.

3. Management Remuneration

3.1 Monetary Remuneration

- Directors' and Audit Committee Directors' Remuneration The Company paid remuneration to the Directors and Audit Committee Directors for the period ending 31st December 2008 as follows:

Directors	Position	Attendance	Remuneration (Million Baht)	Audit Committee Attendance	Audit Committee Remuneration (Million Baht)
1. Professor Arun Pausawasdi, M.D.	Chairman/Independent Director	13/13	1.70		
2. Mr. Prasert Prasarttong-Osoth, M.D.	Vice Chairman	13/13	1.22		
3. Mr. Wallop Adhikomprapa	Director	12/13	1.20		
4. Mr. Pongsak Vidayakorn, M.D.	Director	11/13	1.18		
5. Professor Snoe Indrasukhsri, M.D.	Independent Director	13/13	1.22		
6. Mr. Chirothana Suchato, M.D.	Director	13/13	1.22		
7. Mr. Chuladej Yossundharakul, M.D.	Director	13/13	1.22		
8. Professor Santasiri Sornmani, M.D.	Audit Committee Chairman	13/13	1.22	9/9	0.18
9. Mr. Thavavong Thanasumitra	Director	12/13	1.20		
10. Mr. Kitipan Visudharom, M.D, Ph.D.	Director	11/13	1.18		
11. Mr. Chatree Duangnet, M.D.	Director	12/13	1.20		
12. Dr. Somchai Sujjapongse, Ph.D. (1)(2)	Audit Committee Director	5/10	0.10	4/7	0.08
13. Mr. Sripop Sarasas (1)(2)	Audit Committee Director	10/10	0.20	7/7	0.14
14. Mr. Pradit Theekakul (1)	Director	9/10	0.18		
Total remuneration			14.34		0.40

Note

- (1) Appointed as Director at the 2008 Annual Shareholders' meeting on 27th March 2008. Therefore, all three Directors attended the Board of Directors meeting since 4th meeting onwards.
- (2) Dr. Somchai Sujjapongse, Ph.D. and Mr. Sripop Sarasas were appointed Audit Committee Directors to replace existing Audit Committee Directors at the 4th Board of Directors Meeting held on 30th April 2008. Therefore, the two Directors attended the Audit Committee meetings since the 3rd meeting onwards.
- (3) Mr. Sripop Sarasas and Mr. Pradit Theekakul are Directors and Audit Committee Directors of Samitivej Plc., a subsidiary. They received remuneration as Director and Audit Committee Director of Samitivej Plc. In the amount of Baht 0.40 million and Baht 0.38 million, respectively.

- The CEO Committee, 18 persons in all, collectively received compensation in the form of meeting allowance in the amount of Baht 0.81 million in 2008.

- Management, 7 persons in all, collectively received compensation in the form of monthly salary and bonus in the amount of Baht 36.18 million in 2008.

3.2 Other Remuneration

- Directors and Audit Committee Directors** Apart from remuneration in the form of meeting allowances and annual allowance as approved by the Shareholders, as the Company is engaged in medical services, the Directors receive health benefits according to Company policy, the same as with employees.

- Management** Apart from other remuneration such as company car and mobile phone, Management receive

health benefits according to Company policy, the same as with employees.

4. Dividend Payment Policy

The Company and its subsidiaries has the policy to pay out dividends as approved by the Board of Directors, dependent upon the operational results, the ability of the Company to pay dividends each year, business expansion and need for capital each year. An approval by the shareholders' meeting is required with the exception of interim dividend payment, which is approved by the Board of Directors.

During 2005-2008, the Company paid dividends as follows:

Dividend Payment Date	Dividend Payment (Baht per share)	Dividend Payment Period
25 April 2008	0.50	January 2007 - December 2007
4 May 2007	0.50	January 2006 - December 2006
28 April 2006	0.50	January 2005 - December 2005
6 May 2005	0.50	January 2004 - December 2004



Good Corporate Governance

The Company recognizes its role, duty and responsibility in practicing good corporate governance and believes that corporate governance determines the structure of the relationships among the shareholders, the Board of Directors, management and all stakeholders. The aim of good corporate governance is to increase competitive edge and value for shareholders in the long term, as well as the benefits of the other stakeholders, which will ensure the Company's continuous and sustainable growth.

The Board of Directors plays many significant roles; one of those roles is to ensure good corporate governance as assigned by the Executive Director and the CEO Committee, which will comply with approved corporate governance policies.

The Company's good corporate governance policies are in compliance with the guidelines set by the Stock Exchange of Thailand. The Company monitors the new regulations that have been put into practice and adjusts the Company's practices to comply with such regulations, which is supported by the Board of Directors and management to encourage practice and set examples.

1. Corporate Governance Policy

The Board of Directors is responsible to every shareholder and endeavors to understand the needs of shareholders, as well as assess economic, social, environmental and ethical factors which may significantly impact the interests of shareholders. Each Director must possess honesty, determination, as well as independence of thought and decision making. In addition, the Board of Directors must also be aware of the interests of the other stakeholders.

The corporate governance policy recognizes the special role that the Board of Directors plays in connecting the shareholders with the Executive Director, as well as management. Furthermore, the policy clearly covers the dual role of the Executive Director and other Directors who are both members of the Board and members of executive management.

In 2008, the Board of Directors reviewed and revised the existing corporate governance policy and made several amendments in compliance with internationally accepted standards.

The Board of Directors has emphasized corporate governance through combining policy and business direction, implementation of sufficient internal control and audit measures, as well as ensuring efficient management under the stated policies so that the Company's business is transparent, ethical and complies with all related laws and regulations.

The Board of Directors has entrusted the Audit Committee to draft the internal audit scheme to ensure that the organization complies with all policies, including the regular monitoring, review and revision of policy. This is to assure that the Company's corporate governance policy is up-to-date and suits the present situation.

The Corporate Governance Policy covers the following topics:

1. Rights and equal treatment of shareholders and the shareholders' meeting
2. Policy on stakeholders' interests
3. Disclosure and transparency
4. Responsibility of the Board of Directors and sub-committees
5. Business ethics

2. Rights and Equality of Shareholders

2.1 Rights and Equality

The Company is responsible to shareholders in disclosure of information, preparation of financial statements, utilizing insider information and conflicts of interest. Management must possess ethics and any decisions made must be made with honesty and integrity, as well as be fair to major and minor shareholders for the good of the whole.

The Company is aware of its responsibility in assigning importance to rights without bias and equal treatment of all shareholders. It is the Company's duty to protect the rights and interests of the shareholders, including the right to dividend payments and the right to receive relevant information regularly and in a timely fashion. Moreover, the Company has the duty to disclose information with transparency and show responsibility of management by holding the shareholders meetings.

The Company has the policy to support disclosure of information and business transactions so that the shareholders may better understand the Company's operations. Major and minor shareholders equally receive information on business operations, management policy and the financial statements of the Company and have the right to be treated equally in the distribution of dividends and returns.

The shareholders shall receive proxy forms to allow the shareholders to appoint an authorized representative. The Company suggests that in the case that the shareholder cannot attend a particular meeting, the shareholder should give power of attorney to an independent director to attend the meeting and vote on the shareholder's behalf.

2008 was the first year that the Company gave the shareholders the opportunity to propose agendas for the Annual Shareholders' meeting in 2009 to the Board of Directors prior to the meeting. In the case that the Board of Directors has considered that the proposed agenda is suitable, constructive and beneficial to the Company, the Board of Directors will include such agenda in the meeting proceedings for consideration of the shareholders. However, if the Board of Directors is of the opinion that such agenda is not suitable, the Board of Directors shall report this to the shareholders' meeting and provide reasons as to why that agenda was not included in the proceedings.

Furthermore, shareholders have the opportunity to submit questions prior to the shareholders meeting, starting with the annual general shareholders meeting

in 2009. The Company shall endeavor to answer as many questions as possible.

2.2 Shareholders' meetings

The Company's policy is to convene the shareholders' meeting as prescribed by law and give shareholders the opportunity to be fully informed before exercising their rights. To this end, the Company has held the annual general shareholders meeting within four months from the end of the accounting period. The meetings are held in compliance with the laws and regulations of the Stock Exchange of Thailand from announcement of the meeting, organization of the meeting to after the meeting.

Shareholders with total shares no less than one fifth (1/5) of shares outstanding or shareholders no less than 25 persons whose total shares is no less than one tenth (1/10) of share outstanding, may petition the Board of Directors to hold an extraordinary meeting of the Company's shareholders as stated in the company rules and regulations. The petition must clearly state the reason for convening the extraordinary meeting. The Board of Directors must convene the extraordinary shareholders' meeting within one month from the day the petition is received.

Details of the proceedings of shareholders' meetings are as follows:

Prior to Meetings

The Company has sent letters of notification no less than 10 days in advance and at least 14 days in advance in the case approval is needed for connected transactions. The notification of the meeting is published in at least one daily Thai language newspaper and at least one daily English language newspaper for three consecutive days prior to the meeting date.

From the annual general shareholders' meeting in 2007 onwards, the Company has announced the shareholders' meeting and accompanying documents in Thai and English on the Company's website (<http://www.bangkokhospital.com>) under the menu item "Investor relations" as an additional mode of dispensing information to ensure shareholder equality.

Prior to each shareholders' meeting, the shareholders have been notified of the details of the meeting, such as time and place for the meeting, meeting agenda, the Company's annual report, proxy form and a list of accompanying documents of the meeting. Additionally, the Company has delivered details on the meeting proceedings and appointment of proxy, including suggesting that the shareholder appoint an independent director to act as proxy. The Company has provided the opinion of the Board of Directors regarding each

agenda, as well as provided detailed meeting documents in both Thai and English for consideration by the shareholders prior to the meeting. This is to assist the shareholders in making informed decisions when exercising their rights and voting. For the convenience of the shareholders, the Company has prepared separate ballots for each agenda, especially for the selection of Directors, which the Company has prepared ballots for the voting of individual directors.

During Meetings

The Company has assigned the Chairman of the meeting the duty of notifying and explaining the voting procedures in the various agendas before the meeting is officially convened. The Executive Director is assigned the task of responding to questions from the shareholders. After each agenda, the results of the vote will be announced and duly recorded.

For the convenience of the shareholders and for clarity, the Company uses multimedia facilities in presenting information during the meeting. The Company has the policy to strictly adhere to the meeting agenda and to allow shareholders equal opportunity in casting votes.

To honor the rights of all shareholders, the Company has put in place a policy, which requires that all directors, as well as sub-committees, the auditor and executive management such as Chief Financial Officer, Financial Director who responsible in Investor relation, must attend each shareholders' meeting. If any director or executive cannot attend the shareholders' meeting, he/she must submit a written explanation of the absence to the Chairman of the Board (in the case of directors) or the Executive Director (in the case of executive management) each time.

The Chairman of the meeting has provided sufficient opportunity for shareholders to raise questions and advise on business operations, and the annual financial reports without damaging shareholders' rights. The Chairman of the Board and the Executive Director will clarify all information during the meeting and give all directors the opportunity to unofficially meet the shareholders after each meeting.

After Meetings

The Company has prepared and delivered the minutes of the shareholders' meeting to the Stock Exchange of Thailand within the prescribed 14 days after the meeting. The Company has the policy to announce the minutes of the shareholders' meeting on the company website (<http://www.bangkokhospital.com>) under the menu item "Investor Relations" since the annual general shareholders' meeting in 2008.

3. Policy on Equality and Rights of Stakeholders

The Company recognizes the significance of each group of stakeholders, whether they are internal personnel or external stakeholders such as shareholders, customers, creditors, counter-party, community, government agencies and other related organizations. The Company also recognizes that the support of each of the stakeholders will ensure the stability and longevity of the organization in the long term.

Therefore, the Company has the policy to protect the rights of the stakeholders through compliance with relevant laws and regulations, as well as respecting the interests of all related parties. The policies are as follows:

3.1 Policy on Transactions which may cause Conflict of Interest and Transactions between Companies

The Board of Directors understands that transactions which may lead to conflicts of interest and/or transactions with related counter-parties, must be thoroughly contemplated to ensure compliance with the relevant laws and regulations of the Securities and Stock Exchange Commission and the Capital Market Committee, as well as the Company's internal guidelines. Moreover, such transactions must be strictly carried out as with any other transactions with external parties which have no relationship with the Company. Also, the transactions must fully provide value to the Company and the shareholders. The terms and conditions of the transactions must follow the generally accepted standard terms and conditions of business transactions.

The Company has the policy to prevent Directors, management and employees from using their status for their personal gain. Directors, management and employees must refrain from engaging in transactions which have conflict of interest with the Company. Furthermore, any Directors, management or employees who have a stake in any transactions will not be part of the decision making process. Directors, especially, will not be allowed to consider or vote on any matters in which they have an interest, including transaction between companies and transactions between subsidiaries and stakeholders.

3.2 Policy on Insider Information

The Board of Directors prohibits the Directors, management and employees from taking advantage of opportunities or information that they receive through their positions for personal gain. Nor are they permitted to establish a business that conflicts or is related to the Company's business. This includes strictly prohibiting the use of insider information to buy or sell shares

and securities of the Company for personal gain, as well as disclosure of such information to external persons or juristic persons to buy or sell shares and securities of the Company.

Directors and management must report the trading of the Company's securities and update their current share holding, as well as holdings of spouse and dependents, each time there is a change, to the Company Secretary every month. The Company Secretary will present the report on the changes in securities holdings at the Board of Directors meeting.

3.3 Policy on Shareholders

The Company aims to achieve the utmost benefits in the long term for the shareholders through stable growth and sustainable capability in generating profits, including maintaining the competitive edge by recognizing the current and future business risks. The Company emphasizes business for consistent profits through continuous business development.

The Company strives on professional management, efficient internal control, systematic audit and strong risk management. Information is justly disclosed and transparent in a timely fashion under business limitations. The Company also strives to protect the assets and reputation of the organization.

3.4 Policy on Employees

Employees are a valuable asset to the Company. Capable and experienced employees are consistently well-taken care of in compliance with the Company's strategy and operational plans. Furthermore, the Company has arranged for the necessary training by both internal and external persons in order to continuously enhance the skills of employees. The Company supports the healthy working environment and culture, and treats employees equally and justly. Employees are provided with benefits and safety which include medical benefits, provident fund, and academic scholarships for doctors, nurses and employees so that they may use the knowledge to assist in the development of the organization. The aim is for the Company to be a place of learning for personnel, as well as to motivate knowledgeable and capable persons to remain with the organization in the long-term.

3.5 Policy on Management

The Company realizes that management is an important success factor. To this end, the Company has set up a suitable compensation program which is comparable to management in the health care business. Moreover, management is able to carry out their duties and responsibilities independently without intervention,

which is for the mutual interest of the organization and all related persons.

3.6 Policy on Counter-Parties

The Company does business justly and ethically with partners, competitors, creditors, counter-parties and others according to the terms and conditions in the trade agreement. The Company has the policy to avoid any actions which may be dishonest or infringe on the rights according to the law or as agreed upon of the counter-party, as well as to ensure that the transactions are ethical business-wise.

3.7 Policy on Customers

The Company recognizes that the customers are an important success factor of the business. The Company strives for customer satisfaction by providing quality professional services with the determination to continuously improve the quality of medical care services in order to meet the needs and expectations of the customers. This organization maintains the privacy of customers and will not disclose any customer's information unless requested by law or when the customer has given consent.

3.8 Policy on Social Responsibility

The Company aims to consistently treat society and the environment with the highest standards by upholding safety and environment friendly standards throughout the business. The Company is involved in public interest and has participated in activities that benefit the community and the environment. It is the Company's policy to act responsibly towards society, related persons and personnel within the organization.

The Company recognizes the impact of the medical care process on the environment, as well as the safety of the customers and the health of all levels of personnel providing service. To this end, the Company has adopted ISO 14001 for environmental management and Mor Or Gor. 18001/ OHSAS18001 for Occupational Hygiene and Safety Management within the organization and received certification from Management System Certification Institute (MASCI). Furthermore, the Company has announced and conveyed the "Environmental, Occupational Health, and Safety Policy" within the hospital to all personnel and related persons since 2003. The policy has been practiced earnestly and consistently.

Moreover, the Company has participated in many charitable activities and has supported the employees concerns regarding the environment and the community. In 2007, the Company established the "Community Relations Committee" to oversee, coordinate and communicate between the organization and the community.

4. Disclosure and Transparency

The Company has the policy to disclose the financial statements, important information and any other information which may affect the interests of the shareholders or the decision to invest in the Company, which in turn, may affect the price of the shares or securities of the Company. This information will be disclosed sufficiently, completely and at the appropriate time through fair and suitable channels. The main purpose is to ensure that the decision to invest in securities of the Company is made fairly and with sufficient information.

The Board of Directors has prepared the report of responsibilities to the financial statements along with the report from the auditors and has included the reports in the annual report and Form 56-1 so that management may recognize the commitment and responsibility to information and financial reports, which must be accurate before being made available to the investors.

In communicating externally, executive management who have been assigned the task of disclosing information about the Company are the Executive Director, the Chief Financial Officer and Finance Director whose responsible in Investor Relations. In 2008, the Company disclosed information through meetings as well as providing information to investors and analysts at the following opportunities:

1. Investors and analysts meeting at the Stock Exchange of Thailand 4 times
2. Road Show 5 times

Apart from the aforementioned instances, the Company has utilized many communication channels, including the annual report, submitting news through the website of the Stock Exchange of Thailand and at the shareholders' meeting. The Company encourages the use of the website as another channel in disclosing information. Investors may contact the Investor Relations by telephone 0-2755-1793 or e-mail : investor@bangkokhospital.com.

5. Responsibilities of the Board of Directors and the Sub-Committees

5.1 Board of Directors

The Board of Directors is comprised of 14 members, 7 of those being Executive Directors and 7 being Non-Executive Directors. Of the 7 Non-Executive Directors, 5 are Independent Directors.

Executive Directors

Executive Directors are Directors who are involved full-time in the management of the Company and receive a monthly salary or other equal compensation from the Company.

Non-Executive Directors

Non-Executive Directors are Directors who are not involved full-time in the management of the Company or receive a monthly salary from the Company. These Directors may be appointed or be representatives of major shareholders.

Independent Directors

Independent Directors are Directors who are not involved in management of the Company, subsidiaries, associates or related companies with independent management, major shareholders nor have authority to take over the business. Furthermore, the Independent Directors must not have a business or be involved with the interests of the Company, subsidiaries, associates or related companies, which may negatively affect the interests of the Company and/or shareholders.

Qualifications of Independent Directors, which the Company has set according to regulations of the SEC, are as follows:

- 1.) Holds less than 1 percent of the voting shares of the Company, its subsidiaries, associates or affiliates, including related persons under Securities Act, Section 258.
- 2.) Takes no part in the management of the Company, as well as not being an employee, staff, or paid consultant in the Company or its subsidiaries, associates or affiliates, and is not a person who may have conflict of interest and must not have stake in such manner for at least one year.
- 3.) Has no direct or indirect business relationship (counter-party to business agreement, supplier, creditor/debtor) in the finance or management of the Company or any of its subsidiaries, associated or related companies, and is not a person who may have a conflict of interest.
- 4.) Is not a close relative of the management or major shareholder of the Company or any of its subsidiaries, associated or related companies, nor a close relative of persons who may have other conflicts of interest with the Company or any of its subsidiaries, associated or related companies.
- 5.) Has not been appointed as a representative of major shareholders or persons with control, nor be a representative to protect the interests of Directors or major shareholders or persons with control.

Separation of Position

The Board of Directors has chosen one of the independent directors as the Chairman of the Board. The Company has the policy that the Chairman of the

Board and the Executive Director must not be the same individual. The Chairman shall act justly in monitoring policy and strategic plans. Moreover, the Chairman must ensure that Board meetings are held successfully and that every director participates in the meetings and raises constructive questions independently at each meeting.

Authority of the Board of Directors and management is clearly defined and separated. The Board shall meet monthly to monitor and support strategic policies of the Company. At the same time, the Board will not get involved with day-to-day business or business activities under supervision of the Executive Director and management. Only the Executive Director has been assigned by the Board of Directors to oversee the aforementioned. Therefore, the authority and responsibilities of the Executive Director will be efficiently accepted and observed by management. Furthermore, the Company has clearly defined the roles and authority of all levels of management.

Limitation of Directors' Term

In principal, directors should not be in office for a long, consecutive period of time. However, there are limitations in selecting individuals suited to be appointed directors. Existing directors have the knowledge and understanding of the business as well as the risks of operations. Furthermore, as the Company is in the medical care business, it requires persons with expertise and a deep understanding of the medical care business. Therefore, the Company has not officially determined a limit on the length of time that a director may stay in office.

5.2 Duties of Directors

Each director has the duty and responsibility in determining and monitoring the operational policies of the Company, which include the following:

1. Directors should have sufficient access to financial information and other business information so that he/she may carry out duties efficiently.
2. Directors should attend every Board meeting as well as sub-committee meetings, and raise important questions to protect and maintain the rights and interests of the shareholders and stakeholders to ensure proper business conduct and operations.
3. Directors should be capable and have the intention to learn about the Company's business, as well as share opinions independently, sacrifice time and show interest in the important issues.
4. Independent directors should submit a letter to the Company to confirm that he/she is truly independent,

according to the Company's definition, on the day that he/she has accepted the appointment to the position and each year after such appointment.

5.3 Sub-Committees

Audit Committee

The Audit Committee is granted full authority by the Board of Directors to carry out its duties, which include systematic monitoring of business practices, ensuring efficient and strict internal control measures, ensuring compliance with laws on disclosure and determining risk management dealing with the business and finances of the Company. At least one of the Audit Committee members must be knowledgeable and have direct experience in accounting and finance.

In planning internal audits, the Audit Committee will have the internal audit officers plan the audit of the Company for the entire year. The Company has hired an external company, which is licensed and qualified in auditing companies listed on the stock exchange as defined by the SEC, to carry out the internal audit. We believe that internal audit by external auditors will result in just and efficient reporting of the facts as they have independency and flexibility. The Audit Committee will report the activities of the internal auditors at the Board of Directors meeting immediately after each meeting.

At Audit Committee meetings that deal with the financial statements and disclosure of financial reports of the Company, the Chief Financial Officer and the Corporate Accounting Director will both be in attendance. Prior to meetings on the financial statements with management, the Audit Committee shall meet with the accounting auditors separately, without management, to enquire about the important risks that may occur from the financial statements or the financial status or limitations, which the auditor has found in the process of auditing the financial statements of the Company and subsidiaries.

Nomination and Remuneration Committee

In order to comply with good corporate governance of listed companies, the Board of Directors meeting 4/2551 held on 30th April 2008 passed a resolution to appoint the Nomination and Remuneration Committee. The Committee is comprised of three independent directors and has the duty to seek qualified candidates for nomination as directors of the Company. Furthermore, the Committee shall determine the guidelines in evaluating the directors' performance annually in order to determine appropriate remuneration.

5.4 Board of Directors Meetings

The Company has set the dates for the Board of Directors meetings in advance for the entire year so that the directors are all informed of the meetings in advance and can arrange their schedules to accommodate the meetings. The meetings are to be held on the last Wednesday of each month. The agenda of each meeting will also be set in advance and will include

continuing agendas to follow up on any assignments. The Company Secretary shall send meeting invitations and the agenda at least 7 business days in advance of each meeting in order to allow directors sufficient time to review the information prior to attending the meeting. In 2008, the Board of Directors met 13 times, which includes 12 general meetings and 1 extraordinary meeting.

Directors	Position	Attendance
1. Professor Arun Pausawasdi, M.D.	Chairman/ Independent Director	13/13
2. Mr. Prasert Prasarttong-Osoth, M.D.	Vice Chairman	13/13
3. Mr. Wallop Adhikomprapa	Director	12/13
4. Mr. Pongsak Viddayakorn, M.D.	Director	11/13
5. Professor Snoe Indrasukhsri, M.D.	Independent Director	13/13
6. Mr. Chirothana Suchato, M.D.	Director	13/13
7. Mr. Chuladej Yossundharakul, M.D.	Director	13/13
8. Professor Santasiri Sornmani, M.D.	Independent Director/ Chairman of Audit Committee	13/13
9. Mr. Thavatvong Thanasumitra	Director	12/13
10. Mr. Kitipan Visudharom, M.D, Ph.D.	Director	11/13
11. Mr. Chatree Duangnet, M.D.	Director	12/13
12. Mr. Somchai Sujjapongse, Ph.D. (1)	Independent Director/ Audit Committee	5/10
13. Mr. Sripop Sarasas (1)	Independent Director/ Audit Committee	10/10
14. Mr. Pradit Theekakul (1)	Director	9/10

Note (1) Appointed as a Director at the 2008 Annual Shareholders' meeting 27th March 2008, therefore, the three directors started attending the Board of Directors meetings from the fourth meeting onwards.

5.5 Determining Remuneration for Directors and Executives

Presently, the Company has appointed the Nomination and Remuneration Committee the task of justly determining the remuneration of directors to correspond to the directors' duties and responsibilities by comparing to those of companies of similar size in the same industry.

As for remuneration of executives, the Company will award remuneration by performance evaluation as stated in the guidelines defined by the Board of Directors and the Human Resources Department for each level of management. The performance is linked to the operational results of the Company and individual accomplishments.

5.6 Directors' Knowledge Enhancement

The Company has the policy to encourage directors of the Company and subsidiaries to attend the

Director Certificate Program (DCP) and the Director Accreditation Program (DAP) organized by the Thai Institute of Directors (IOD). The programs will provide the directors with knowledge and understanding of efficient corporate governance and will enable them to use the knowledge for continuous good corporate governance. All the directors have attended and passed the Director Certificate Program and Director Accreditation Program. The Company also encourages directors to attend training courses on amendments and updates of the regulations, policies and guidelines of the Stock Exchange and the SEC.

Furthermore, the Company has invited legal experts from White & Case (Thailand) Co., Ltd. to summarize and present the Securities and Exchange Act (No. 4) B.E. 2551 to the directors and executives. The Act is a new law determining the roles and responsibilities of directors, executives and company secretary of listed companies.



Transaction with Associated Companies

Nature of Transactions

Transactions between Bangkok Dusit Medical Services PCL. and subsidiaries or related persons have been disclosed in the notes to the financial statements, Note 9 on Transactions with Associated Companies and can be categorized as follows:

1. Normal Business Transactions and Transactions Supporting Normal Business

The Company has the policy to carry out normal business transactions with associated companies such as medical charges from transfer of patients between network hospitals, lab charges between network hospitals, etc. The Company also carries out transactions which support normal business such as purchasing of medicine and medical supplies, procurement, management fees from share service, etc. The transactions are necessary and reasonable normal business transactions in the medical care industry and ensure the highest benefits for the Company and subsidiaries. Furthermore, the transactions are carried out under trade conditions and are no different from transactions with customers and external persons.

2. Financial Assistance

The Company has the policy to provide financial assistance to subsidiaries in which the Companies holds more than 50 percent of the shares outstanding. The financial assistance is provided under the condition that the subsidiary has no related person that holds more than 10 percent of the remaining shares. As of 31st December 2008, the Company provided financial assistance in the following forms:

1. Loans to subsidiaries The Company will take out a loan in the money market or from a financial institution and then loan that money to the subsidiary at a rate of no more than 1% per annum higher than the actual cost of capital, which is less than the rate the subsidiary would be charged if taking out a loan directly.

Benefit derived The subsidiary can take out a loan at a rate lower than borrowing directly from a financial institution as the Company is capable of seeking loans at a lower rate.

2. Guarantee loans by foreign subsidiary

Benefit derived To enable the foreign subsidiary to seek a loan directly from a financial institution in that particular country at a prime rate.

3. Centralize Liquidity Management (Cash Pooling)

At the end of the business day, the liquidity management program will transfer money from the subsidiary's bank account to the Company's bank account. The money transferred into the Company's bank account will be stated as short-term loan from a subsidiary with interest charged at the market rate. At the same time, if any subsidiary requires capital, the Company will transfer the excess liquidity to the subsidiary with interest charged at the market rate.

Benefit derived For liquidity management within the Group, companies with excess liquidity will receive interest at a rate higher than savings rate of financial institutions, while companies needing capital can borrow at a rate no higher than the market rate.

(Unit : Million baht)

Related Companies	Relationship	Loans to subsidiaries				Total Debt	Guarantee obligation	Total cash pooling from subsidiaries
		Long-term debt	Short-term debt	Advance	Interest receivable			
Bangkok Pattaya Hospital Co., Ltd.	Company holds 97.1%	658.29	-	-	0.18	658.47		56.77
Bangkok Rayong Hospital Co., Ltd.	Company holds 100%	241.06	-	-	0.07	241.13		33.79
Bangkok Had-Yai Hospital Co., Ltd.	Company holds 98.7%	227.67	-	-	43.26	287.73		87.66
Wattanavej Co., Ltd.	Company holds 99.6%	-	-	-	-	-		21.21
National Healthcare Systems Co., Ltd.	Company holds 74%	-	-	-	-	-		50.12
Bangkok Samui Hospital Co., Ltd	Company holds 100%	132.10	-	-	0.04	132.14		19.21
Samitivej PCL.	Company holds 94.3%	1,129.02	-	-	0.32	1,129.34		40.19
Samitivej Sriracha Co., Ltd.	Samitivej Plc. holds 65.9%	6.60	-	-	0.00	6.60		-
Erving Sheridan SE Co., Ltd.	Samitivej Plc. holds 95%	89.14	-	-	0.03	89.17		-
Bangkok Trat Hospital Co., Ltd.	Company holds 99.8%	92.45	-	-	0.03	92.48		35.96
BNH Medical Center Co., Ltd.	Company holds 88.7%	182.50	-	-	0.05	182.55		14.49
Bangkok Ratchasima Hospital Co., Ltd.	Company holds 87.9%	384.73	-	-	0.11	384.84		1.52
Bangkok Phuket Hospital Co., Ltd.	Company holds 99.6%	346.26	-	-	0.10	346.36		25.69
Bangkok Prapradaeng Hospital Co., Ltd.	Company holds 79%		25.00	-	0.01	25.01		9.96
Angkor Pisith Co., Ltd	Company holds 80%		20.54 (1)	-	0.01	20.55	USD 5.00	-
Phnom Penh Medical Services Co., Ltd.	Company holds 100%	20.88 (2)	-	-	0.04	20.92		-
Rattanak Medical Services Co., Ltd	Company holds 70%	50.42 (3)	-	-	0.01	50.43		-
Global Medical Network Co., Ltd.	Company holds 100%	-	-	6.00	0	6.00		-
		3,561.12	45.54	6.00	44.24	3,656.89	USD 5.00	396.58

Note (1) Debt for loan in foreign currency US\$ 0.6 million (equal to Baht 20.54 million)

(2) Debt for loan in foreign currency US\$ 0.6 million (equal to Baht 20.88 million)

(3) Debt for loan in foreign currency US\$ 1.5 million (equal to Baht 50.42 million)

Related persons who are directors and executive management are as follows:

1. Mr. Wallop Adhikomprapa
2. Mr. Pongsak Viddayakorn, M.D.
3. Mr. Chuladej Yossundharakul, M.D.
4. Mr. Chirothana Suchato, M.D.
5. Mr. Chatree Duangnet, M.D.
6. Mr. Kitipan Visudharom, M.D, Ph.D
7. Mr. Lee Khoe Soa
8. Mrs. Narumol Noi-am
9. Mr. Chong Chin Wah
10. Mrs. Yingdao Krairiksh, MD.
11. Mr. Krittavith Lertutsahakul M.D.
12. Mr. Pichit Kangwolkij M.D.

12. Mr. Pichit Kangwolkij M.D.
13. Mrs. Somsiri Sakolsatayatorn, M.D.
14. Mr. Somchai Chansawang, MD
15. Miss Linda Kraivit, M.D.
16. Mr. Soontorn Sriitha, M.D.

Persons with mutual interest holding shares in subsidiaries and associate companies over 5% of shares with voting rights:

- None -

Procedure

Normal Business Transactions and Transactions Supporting Normal Business

The Company has set standards and procedures in approving such transactions. Management shall consider and approve small and normal business transactions and transactions which the Company carries out with external persons. The Board of Directors shall consider and approve medium to large, normal business transactions, as well as small and medium transactions that are not considered normal business transactions. For large transactions that are not considered normal business transactions, the Shareholders Meeting shall decide whether or not to engage in said transactions. The criteria in assessing the size of the transactions are as follows:

- Small Transactions : transactions with value equal to or less than Baht 1 million, or equal to or less than 0.03 percent of net tangible assets, whichever is greater
- Medium Transactions : transactions with value greater than Baht 1 million but less than Baht 20 million, or greater than 0.03 percent but less than 3 percent of net tangible assets, whichever is greater
- Large Transactions : transactions with value equal to or greater than Baht 20 million, or greater than 3 percent of net tangible assets, whichever is greater

The Securities and Exchange Act (No. 4) B.E. 2551 Amendment which came into effect on 31st August 2008 and the Office of the SEC circulation on 16th July 2008 states that for flexibility in management, companies may propose transactions with associated companies, which are considered normal business transactions or transactions that support general business to the Board of Directors for approval in principal.

Therefore, the Board of Directors meeting 8/2551 on 27th August 2008 granted approval in principal to management to consider transactions with associated companies, which are considered normal business transactions or transactions that support general business that are priced or charged at the market rate and with business conditions similar to those with external persons.

Financial Assistance

The Company has the policy to provide financial assistance only to subsidiaries in which the Company holds more than 50 percent of shares. The financial assistance is provided under the condition that the subsidiary has no related person that holds more than



10 percent of the remaining shares. The Board of Directors meeting 2/2551 on 26th February 2008 and 5/2551 on 28th May 2008 granted approval to the Company to provide financial assistance to subsidiaries under the aforementioned conditions.

For other transactions or transactions with associated companies as defined in the Securities and Exchange Act, the Company shall act in accordance with the rules and regulations of the Securities and Exchange Act as well as with other related notifications. Furthermore, for investor protection, the Company has assigned the Audit Committee the task of ensuring that transactions with associated companies are fair. In the case that the Audit Committee does not have expertise in considering the transactions with associated companies, the Company has the policy to appoint independent persons with professional expertise to provide opinion on such transactions to the Audit Committee and/or the Board of Directors and/or the Shareholders' meeting, as the case may be. The Company has disclosed the transactions with associated companies in the notes to the audited financial statements.

Future Related Transactions

Transaction	Outlook and Policy
Normal business transactions such as medical care, patient transfer, lab analysis, etc.	The Company has the policy to allow the Company and subsidiaries to charge each other fees at the market rate. The medical service fees and conditions of payment, as well as other business conditions, shall be equal or have similar conditions or are indifferent from those the Company and subsidiaries charge other customers, whether individuals or counter-parties, under the same circumstances.
Transactions supporting general business such as creditors, debtors, etc.	In the case that the Company and subsidiaries engage in sale of goods and services, raw materials and medical supplies, procurement, hiring, construction contract between the companies, or between the Company or subsidiary and a related person and such transaction supports normal business, such transaction must have competitive price or fee or must have a reference rate available. The conditions of payment and other terms and conditions must not differ from those of transactions that the Company and subsidiaries engages in with other counter-parties, under the same circumstances.
Financial assistance	The Company has the goal and policy to provide financial assistance to subsidiaries within the Group by centralizing money management for suitable cost of capital and efficiency for the benefit of the organization as a whole. In determining the loan amount, the Company shall consider the ability to repay the loan more than the percentage of shareholding. The rate must not be less than the cost of capital of the Company. Such transactions must comply with the Securities and Exchange Act and/or rules and regulations of the Stock Exchange of Thailand and/or the notifications of the Capital Market Committee.
Bangkok Dusit Medical Services Public Company Limited	
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Management discussion and analysis

Management discussion and analysis for the year ended December 31, 2008 Consolidated operating results

(Unit : Million baht)

	2008	2007	Change
Revenues from hospital operations	21,188	18,423	15%
Revenue from sales of food and beverages	160	97	65%
Other income	191	190	0%
Total Operating Income	21,539	18,711	15%
Cost of hospital operations and others	(11,878)	(10,187)	17%
Administrative expenses	(4,732)	(4,245)	11%
Total Operating Expenses	(16,610)	(14,432)	15%
EBITDA	4,928	4,278	15%
Depreciation & amortization	(2,169)	(1,946)	11%
Operating Profit	2,759	2,333	18%
Interest income	41	13	211%
Dividend income	0	32	(99)%
Income from associated companies	180	7	2,522%
EBIT	2,981	2,385	25%
Interest expenses	(647)	(688)	(6)%
Taxes	(689)	(527)	31%
Minority interest	(55)	(48)	14%
Normalized Profit	1,591	1,122	42%
Non-Recurring Items	71	123	(42)%
Net profit	1,662	1,244	34%

Profitability Analysis	2008	2007	Change
Gross Profit	9,309	8,236	13%
Gross Profit Margin	43.9%	44.7%	
EBITDA (Excluding non-recurring items)	4,928	4,278	15%
EBITDA margin (Excluding non-recurring items)	22.9%	22.9%	
EBITDA	5,000	4,401	14%
EBITDA margin	23.1%	23.4%	
Normalized profit margin	7.3%	6.0%	
Net profit margin	7.6%	6.6%	

For the year 2008, the Company and its subsidiaries recorded a consolidated net profit of Baht 1,662 million; an increase of Baht 418 million (34% yoy) from 2007. The summarized consolidated performance is as follows:-

- Total operating income in 2008 was Baht 21,539 million, an increase of 15% from 2007. This was mainly attributable to the continuous growth in revenues from hospital operations where inpatient revenues grew 16% and outpatient revenues grew 13% yoy. For nationality of the patients, Thai patient grew 13% yoy while the international patients grew 19% yoy resulting in revenue proportion between Thai and international patients to be approximately 64%:36% in 2008.
- The Company and its subsidiaries reported cost of hospital operation of Baht 11,878 million, an increase of 17% yoy due mainly to the rise in personnel expenses as part of the cost of living adjustments together with increasing cost of drugs and medicine. The increase in cost of hospital operation is at the higher pace than the growth in revenue from hospital operation resulting in slightly decrease in the gross margin from 44.7% in 2007 to 43.9% in 2008.
- The administrative expenses were Baht 4,732 million, an increase of 11% yoy as a result of the increase in revenue from the hospital operation, together with the rise in personnel expenses as part of the cost of living adjustments. However, the Company's operating efficiency has improved when compared with 2007. EBITDA (excluding non-recurring items) increased from Baht 4,278 million in 2007 to Baht 4,928 million in 2008, an increase of 15% yoy. EBITDA margin (excluding non-recurring items) remained the same at 22.9% while EBITDA margin decreased slightly from 23.4% in 2007 to 23.1% in 2008.
- The depreciation and amortization expenses were Baht 2,169 million, up 11% yoy due mainly to renovation of hospital buildings and purchase of new medical equipments to support the growing demand of the patients.
- Interest income was Baht 41 million, up 211% yoy because of growing cash flow from operation together with the benefit of cash pooling from all network hospitals.
- Dividend income decreased Baht 32 million or 99% yoy due mainly to dividend income from Ramkhamhaeng Hospital Public Co., Ltd ("RAM") in 2007. During 4Q07, the Company increased the percentage of shareholding from 19.00% to 26.18% which was resulted in change of its status to be an associated company. Then in 1Q08, the Company purchased additional investment of 1.45 million shares at Baht 480 per share totaling Baht 694.43 million. As a result, the Company increased the percentage of shareholding to 38.24%. In 2008, after the increase our stake in RAM, we recorded RAM profit sharing in share of income from investments in associated companies accounted for under equity method for Baht 164 million which mainly contributed to an increase from Baht 7 million to Baht 180 million or 2,522%.
- Other items: - Interest expenses decreased to Baht 647 million or 6% yoy as a result of the loan refinancing in 1Q08. Taxes increased 31% yoy from an increase in pre-tax profit.

As a result, net profit excluding non-recurring items was Baht 1,591 million, an increase of 42% yoy while net profit margin excluding non-recurring items increased from 6.0% in 2007 to 7.3% in 2008. The Company and its subsidiaries also recorded non-recurring items totaling Baht 71 million in 2008 and

Baht 123 million in 2007. Details were 1) Gain from BNH Hospital, a subsidiary, early repayment of loan for Baht 42 million in 2008 and Baht 123 million in 2007 and 2) Gain on repurchase of convertible debentures of Baht 29 million in 2008.

Including the non-recurring items, the Company and

its subsidiaries recorded a consolidated net profit of Baht 1,662 million; an increase of Baht 418 million (34% yoy) from 2007. Net profit margin increased from 6.6% in 2007 to 7.6% in 2008 and the basic earning per share increased from Baht 1.04 in 2007 to Baht 1.37 in 2008 or up 32%.

Consolidated financial status

(Unit : Million baht)

	2008	2007	Change
Total Assets	27,931	26,232	6%
Total Liabilities	14,943	14,522	3%
Total equity attributable to company's shareholders	12,413	11,114	12%
Total shareholders' equity	12,988	11,710	11%

The consolidated financial position of the Company and its subsidiaries as of December 31, 2008 : The Company and its subsidiaries had total assets of Baht 27,931 million, an increase of Baht 1,700 million or 6% from the year ended 2007 due mainly to an increase in cash and cash equivalent of Baht 283 million and trade accounts receivable(net) of Baht 219 million. In addition, the investment in associated companies also increased Baht 846 million due mainly to additional investment of 1.45 million shares at Baht 480 per share totaling Baht 694.43 million in RAM during 1Q08 together with the share of income under the equity method.

Total consolidated liabilities as of December 31, 2008 were Baht 14,943 million, an increase of Baht 422

million or 3% from the year ended 2007 due mainly to loan refinancing during 1Q08. However, net debt to equity decreased from 0.9x in 2007 to 0.8x in 2008.

Total consolidated shareholders' equity (excluding equity attributable to minority shareholders of subsidiaries) were Baht 12,413 million, increased by Baht 1,299 million or 12% from the year ended 2007. This was due mainly to the net profit during 2008 of Baht 1,662 million, offset with dividend payment of Baht 607 million. In addition, the Company and subsidiaries adjusted brought forward negative goodwill to retained earnings in 2008 totaling Baht 152 million in accordance with the Thai Accounting Standards TAS 43 (revised 2007) "Business Combinations".

Cash flow

(Unit : Million baht)

	2008	2007	Change
Net cash from operating activities	3,783	3,231	17%
Net cash (used in) investing activities	(2,811)	(3,300)	(15)%
Net cash (used in) financing activities	(690)	(68)	920%
Net increase (decrease) in cash and cash equivalents	282	(137)	(306)%
Cash and cash equivalents at beginning of year	964	1,101	(12)%
Cash and cash equivalents at end of year	1,246	964	29%

Regarding Cashflow statements for the year ended 31 December 2008, the Company and its subsidiaries' net cash flows from operating activities in 2008 were Baht 3,783 million, increased by Baht 552 million in 2007 due mainly to the profits from operations. Net cash used in investing activities were Baht 2,811 million. Net cash

used in financing activities were Baht 690 million as a result of the loan refinancing and repurchase of convertible debentures. Consequently, cash and cash equivalents increased to Baht 1,246 million as at December 31, 2008 from Baht 964 million as at December 31, 2007.

Auditor's Compensation

Ernst & Young Office Co., Ltd. has been the auditor of the Company and its subsidiaries since the annual audit in 2005 to the present. In 2008, the Company and its subsidiaries have compensated the auditor as follows:

1. Auditing Fee

The Company and subsidiaries paid a total of Baht 10,695,000 in auditing fee.

2. Other fees

- none -

The Board of Directors' Report on its Responsibility to the Financial Statements

The Board of Directors is responsible for the Company's financial statements and assigned the Audit Committee to review the past financial statements. The Audit Committee has stated that the financial statements are in accordance with generally accepted accounting standards, applying the appropriate accounting policies and consistently adhere with careful discretion and best estimation in preparation. In addition, information was sufficiently disclosed in the notes accompanying the financial statements.

Moreover, the Board of Directors has provided and maintained the appropriate and efficient internal control system to reasonably ensure that the accounting data are accurate, complete and sufficient to maintain its assets and to prevent fraud and materially irregular operations.

The Board of Directors is of the opinion that the Company's internal control system is satisfactory and can bring about reasonable confidence that the consolidated financial statements and the company financial statements for the year 2008 are reliable.



Mr. Wallop Adhikomprapa
President

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Report and consolidated financial statements 31 December 2008 and 2007

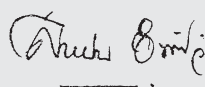
Report of Independent Auditor

To The Shareholders of Bangkok Dusit Medical Services Public Company Limited

I have audited the accompanying consolidated balance sheets of Bangkok Dusit Medical Services Public Company Limited and its subsidiaries as at 31 December 2008 and 2007, the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended, and the separate financial statements of Bangkok Dusit Medical Services Public Company Limited for the same periods. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

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

I believe that my audits provide a reasonable basis for my opinion. In my opinion, the aforementioned financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Dusit Medical Services Public Company Limited and its subsidiaries and of Bangkok Dusit Medical Services Public Company Limited as at 31 December 2008 and 2007 and the results of their operations and cash flows for the years then ended in accordance with generally accepted accounting principles.



Saifon Inkaew

Certified Public Accountant (Thailand) No. 4434

Ernst & Young Office Limited

Bangkok: 25 February 2009

Balance sheets

As at 31 December 2008 and 2007

Assets

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2008	2007	2008	2007
Current assets					
Cash and cash equivalents	6	1,246,393,802	963,602,382	657,870,576	169,248,384
Short-term investments		102,024,515	56,673,919	100,008,627	8,318
Trade accounts receivable	8				
Related parties	9	1,260,314	4,883,598	4,821,058	8,248,969
Others - net		1,551,802,049	1,328,744,804	574,379,015	566,404,942
Total trade accounts receivable - net		1,553,062,363	1,333,628,402	579,200,073	574,653,911
Other receivable - related parties	9	46,481,139	177,784,653	44,893,942	64,018,217
Short-term loans to related parties	9	-	-	45,811,120	-
Dividend receivable - related party	9	-	-	-	40,000,000
Inventories	10	225,262,429	212,241,173	55,318,841	59,617,858
Other current assets - net		199,129,584	185,797,530	77,218,445	80,519,962
Total current assets		3,372,353,832	2,929,728,059	1,560,321,624	988,066,650
Non-current assets					
Restricted bank deposit	6, 7	16,495,645	17,269,652	-	-
Investments in subsidiary companies	11	-	-	7,488,821,323	7,104,083,655
Investments in associated companies	12	1,789,561,928	943,465,669	1,564,949,322	862,785,818
Other long - term investments - net	13	970,349,897	970,997,141	970,059,977	970,773,461
Long-term loans to related parties	9	-	-	3,560,758,760	1,200,951
Interest receivable - related parties - net	9	-	-	33,609,727	73,609,727
Property, premises and equipment - net	14	19,279,947,069	19,296,305,446	5,642,176,136	5,838,856,992
Land not used in operation	15	472,414,200	472,414,200	472,414,200	472,414,200
Intangible assets - net	16	138,011,097	90,693,960	80,839,640	38,245,403
Other non-current assets - net					
Goodwill	3.1	1,238,932,364	1,015,637,085	-	-
Leasehold rights - net	9, 17	544,540,488	396,642,212	67,433,298	71,704,250
Other		108,740,987	98,585,376	11,781,913	10,783,517
Total non-current assets		24,558,993,675	23,302,010,741	19,892,844,296	15,444,457,974
Total assets		27,931,347,507	26,231,738,800	21,453,165,920	16,432,524,624

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

Balance sheets (Continued)

As at 31 December 2008 and 2007

Liabilities and shareholders' equity

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2008	2007	2008	2007
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	18	526,652,412	817,694,449	491,629,501	680,200,000
Short-term loans from related parties	9	-	13,627,481	396,579,769	-
Trade accounts payable					
Related parties	9	35,157,809	11,126,206	65,491,637	45,443,068
Others		957,200,870	843,670,888	292,047,566	278,805,549
Total trade accounts payable		992,358,679	854,797,094	357,539,203	324,248,617
Current portion of long-term loans	19	369,625,715	1,070,391,045	343,800,000	387,072,000
Current portion of liabilities under long-term lease agreements	20	108,254,641	118,000,920	11,449,935	15,356,250
Accounts payable - construction and retention		149,309,013	210,788,465	36,056,647	51,571,275
Other payable - related parties	9	42,712,741	42,516,663	15,182,290	41,896,995
Corporate income tax payable		282,692,316	227,725,809	71,937,155	102,779,683
Accrued expenses		966,506,043	877,951,221	386,781,599	362,678,483
Other current liabilities		823,004,136	639,593,745	282,040,779	161,819,259
Total current liabilities		4,261,115,696	4,873,086,892	2,392,996,878	2,127,622,562
Non-current liabilities					
Long - term loans - net of current portion	19	3,007,019,765	5,680,206,748	2,828,580,550	1,548,021,600
Liabilities under long-term lease agreements - net of current portion	20	142,463,832	170,332,613	1,373,878	10,000,000
Convertible debentures - liability component	29	2,292,223,118	3,528,016,610	2,292,223,118	3,528,016,610
Debentures	30	4,993,847,500	-	4,993,847,500	-
Deferred income		222,625,315	252,603,836	222,625,315	252,603,836
Other non-current liabilities		24,079,113	17,500,458	6,963,159	4,924,040
Total non-current liabilities		10,682,258,643	9,648,660,265	10,345,613,520	5,343,566,086
Total liabilities		14,943,374,339	14,521,747,157	12,738,610,398	7,471,188,648

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

Balance sheets (Continued)

As at 31 December 2008 and 2007

Shareholders' equity

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2008	2007	2008	2007
Share capital					
Registered					
1,312,264,222 ordinary shares of Baht 1 each	29	1,312,264,222	1,312,264,222	1,312,264,222	1,312,264,222
Issued and fully paid-up					
1,214,498,745 ordinary shares of Baht 1 each					
(2007: 1,214,130,812 ordinary shares of Baht 1 each)	29	1,214,498,745	1,214,130,812	1,214,498,745	1,214,130,812
Premium					
Premium on ordinary shares	29	5,843,474,797	5,816,433,794	5,780,550,869	5,753,509,866
Difference from shareholding restructure		305,000,325	305,000,325	-	-
Unrealised gain (loss)					
Revaluation deficit on investments	13	(11,257,146)	(6,491,571)	(791,652)	(78,168)
Revaluation surplus on land	14, 15	1,206,975,665	1,156,654,872	728,481,200	728,481,200
Translation adjustment		(10,895,437)	(34,701,915)	-	-
Convertible debentures - equity component	29	23,416,340	37,353,100	23,416,340	37,353,100
Retained earnings					
Appropriated - statutory reserve	22	131,226,422	131,226,422	131,226,422	131,226,422
Unappropriated		3,710,468,507	2,494,223,429	837,173,598	1,096,712,744
Total equity attributable to parent's shareholders		12,412,908,218	11,113,829,268	8,714,555,522	8,961,335,976
Minority interest - Equity attributable to minority shareholders of subsidiaries		575,064,950	596,162,375	-	-
Total shareholders' equity		12,987,973,168	11,709,991,643	8,714,555,522	8,961,335,976
Total liabilities and shareholders' equity		27,931,347,507	26,231,738,800	21,453,165,920	16,432,524,624

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

Income statements

For the years ended 31 December 2008 and 2007

Revenues

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
Revenues from hospital operations	9	21,187,668,843	18,423,444,513	6,970,333,419	6,321,009,321
Other income					
Revenue from sales of food and beverages	9	160,330,624	97,375,499	39,954,934	18,107,859
Interest income	9	41,058,670	13,222,410	194,251,781	12,271,156
Dividend income		318,590	31,846,810	102,128,298	267,287,897
Others		262,172,689	312,642,771	324,452,446	348,392,176
Total other income		463,880,573	455,087,490	660,787,459	646,059,088
Total revenues		21,651,549,416	18,878,532,003	7,631,120,878	6,967,068,409
Expenses					
Cost of hospital operations and others	9	11,878,233,237	10,187,161,898	3,817,094,021	3,427,479,403
Administrative expenses	9, 23	4,732,138,223	4,245,278,205	1,943,544,247	1,654,234,451
Depreciation and amortisation expenses	14, 16, 17, 23	2,168,957,659	1,945,571,467	716,338,486	632,898,444
Total expenses		18,779,329,119	16,378,011,570	6,476,976,754	5,714,612,298
Income before financial expenses and corporate income tax		2,872,220,297	2,500,520,433	1,154,144,124	1,252,456,111
Financial expenses		(646,844,082)	(688,086,828)	(573,536,691)	(400,795,267)
Share of income from investments in associated companies	12.1	179,852,400	6,858,074	-	-
Income before corporate income tax		2,405,228,615	1,819,291,679	580,607,433	851,660,844
Corporate income tax		(688,506,748)	(527,303,560)	(233,081,173)	(224,669,666)
Net income for the year		1,716,721,867	1,291,988,119	347,526,260	626,991,178
Net income attributable to:		1,662,078,614	1,244,137,825	347,526,260	626,991,178
Equity holders of the parent		54,643,253	47,850,294		
Minority interest of the subsidiaries		1,716,721,867	1,291,988,119		
Earnings per share					
Basic earnings per share	25				
Net income		1.37	1.04	0.29	0.52
Weighted average number of ordinary shares (shares)		1,214,340,916	1,195,856,184	1,214,340,916	1,195,856,184

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

Statements of changes in shareholders' equity

For the years ended 31 December 2008 and 2007

Equity attributable to the parent's shareholders

Note	Issued and paid-up share capital	Premium on ordinary shares	Difference from shareholding restructure	Revaluation surplus (deficit) on investment
Balance as at 31 December 2006	1,181,037,800	4,625,091,357	305,000,325	679,137,344
Income and expense recognised directly in equity				
Gain from revaluation on land 14, 15	-	-	-	-
Adjustment of fair value of investment	-	-	-	245,549,638
Reverse revaluation surplus from change in status from other company to associated company	-	-	-	(924,765,150)
Share of income from investment in an associate due to change in status from other company to associated company	-	-	-	-
Realised loss on change in valuation of investment in an associate company	-	-	-	(6,413,403)
Translation adjustment	-	-	-	-
Net income and expense recognised directly in equity	-	-	-	(685,628,915)
Net income for the year	-	-	-	-
Dividend paid 21	-	-	-	-
Conversion of convertible debentures 29	33,093,012	1,191,342,437	-	-
Minority interest - equity attributable to minority shareholders of subsidiaries	-	-	-	-
Balance as at 31 December 2007	1,214,130,812	5,816,433,794	305,000,325	(6,491,571)
Balance as at 31 December 2007	1,214,130,812	5,816,433,794	305,000,325	(6,491,571)
Income and expense recognised directly in equity		-		
Gain from revaluation on land	-	-	-	-
Adjustment of fair value of investment 14	-	-	-	(713,484)
Realised loss on change in valuation of investment in an associated company	-	-	-	(4,052,091)
Translation adjustment	-	-	-	-
Transfer brought forward negative goodwill to retained earnings	-	-	-	-
Transfer brought forward negative goodwill to retained earnings of an associated company ^{3.1}	-	-	-	-
Net income and expense recognised directly in equity	-	-	-	(4,765,575)
Net income for the year	-	-	-	-
Dividend paid	-	13,795,454	-	-
Repurchase of convertible debentures 21	-	13,245,549	-	-
Conversion of convertible debentures 29	367,933	-	-	-
Minority interest - equity attributable to minority shareholders of subsidiaries 29	-	5,843,474,797	-	-
Balance as at 31 December 2008	1,214,498,745		305,000,325	(11,257,146)

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

(Unit: Baht)

Consolidated financial statements

Revaluation surplus on land	Translation adjustment	Convertible debentures - equity component	Retained earnings		Total equity attributable to the parent's shareholders	Minority interest - equity attributable to minority shareholders of subsidiaries	Total
			Appropriated-statutory reserve	Unappropriated			
739,493,467	(19,963,214)	50,062,520	131,226,422	1,786,066,031	9,477,152,052	506,979,377	9,984,131,429
417,161,405	-	-	-	-	417,161,405	-	417,161,405
-	-	-	-	-	245,549,638	-	245,549,638
-	-	-	-	-	(924,765,150)	-	(924,765,150)
-	-	-	-	54,538,473	54,538,473	-	54,538,473
-	-	-	-	-	(6,413,403)	-	(6,413,403)
-	(14,738,701)	-	-	-	(14,738,701)	-	(14,738,701)
417,161,405	(14,738,701)	-	-	54,538,473	(228,667,738)	-	(228,667,738)
-	-	-	-	1,244,137,825	1,244,137,825	47,850,294	1,291,988,119
-	-	-	-	(590,518,900)	(590,518,900)	-	(590,518,900)
-	-	(12,709,420)	-	-	1,211,726,029	-	1,211,726,029
-	-	-	-	-	-	41,332,704	41,332,704
1,156,654,872	(34,701,915)	37,353,100	131,226,422	2,494,223,429	11,113,829,268	596,162,375	11,709,991,643
1,156,654,872	(34,701,915)	37,353,100	131,226,422	2,494,223,429	11,113,829,268	596,162,375	11,709,991,643
50,320,793	-	-	-	-	50,320,793	-	50,320,793
-	-	-	-	-	(713,484)	-	(713,484)
-	-	-	-	-	(4,052,091)	-	(4,052,091)
-	23,806,478	-	-	-	23,806,478	-	23,806,478
-	-	-	-	152,426,376	152,426,376	-	152,426,376
-	-	-	-	8,805,494	8,805,494	-	8,805,494
50,320,793	23,806,478	-	-	161,231,870	230,593,566	-	230,593,566
-	-	-	-	1,662,078,614	1,662,078,614	54,643,253	1,716,721,867
-	-	-	-	(607,065,406)	(607,065,406)	-	(607,065,406)
-	-	(13,795,454)	-	-	-	-	-
-	-	(141,306)	-	-	13,472,176	-	13,472,176
-	-	-	-	-	-	(75,740,678)	(75,740,678)
1,206,975,665	(10,895,437)	23,416,340	131,226,422	3,710,468,507	12,412,908,218	575,064,950	12,987,973,168

Statements of changes in shareholders' equity (Continued)

For the years ended 31 December 2008 and 2007

	Note	Issued and paid-up share capital	Premium on ordinary shares
Balance as at 31 December 2006		1,181,037,800	4,562,167,429
Income and expense recognised directly in equity			
Adjustment of fair value of investment		-	-
Reversal revaluation surplus from change in status from other company to associated company		-	-
Gain from revaluation of land	14, 15	-	-
Net income and expenses recognised directly in equity		-	-
Net income for the year		-	-
Dividend paid	21	-	-
Conversion of convertible debentures	29	33,093,012	1,191,342,437
Balance as at 31 December 2007		1,214,130,812	5,753,509,866
Balance as at 31 December 2007		1,214,130,812	5,753,509,866
Expense recognised directly in equity			
Adjustment of fair value of investment		-	-
Net expenses recognised directly in equity		-	-
Net income for the year		-	-
Dividend paid	21	-	-
Repurchase of convertible debentures	29	-	13,795,454
Conversion of convertible debentures	29	367,933	13,245,549
Balance as at 31 December 2008		1,214,498,745	5,780,550,869

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

(Unit: Baht)

Separate financial statements

Revaluation surplus (deficit) on investment	Revaluation surplus on land	Convertible debentures - equity component	Retained earnings		Total
			Appropriated- statutory reserve	Unappropriated	
679,137,344	427,122,962	50,062,520	131,226,422	1,060,240,466	8,090,994,943
245,549,638	-	-	-	-	245,549,638
(924,765,150)	-	-	-	-	(924,765,150)
-	301,358,238	-	-	-	301,358,238
(679,215,512)	301,358,238	-	-	-	(377,857,274)
-	-	-	-	626,991,178	626,991,178
-	-	-	-	(590,518,900)	(590,518,900)
-	-	(12,709,420)	-	-	1,211,726,029
(78,168)	728,481,200	37,353,100	131,226,422	1,096,712,744	8,961,335,976
(78,168)	728,481,200	37,353,100	131,226,422	1,096,712,744	8,961,335,976
(713,484)	-	-	-	-	(713,484)
(713,484)	-	-	-	-	(713,484)
-	-	-	-	347,526,260	347,526,260
-	-	-	-	(607,065,406)	(607,065,406)
-	-	(13,795,454)	-	-	-
-	-	(141,306)	-	-	13,472,176
(791,652)	728,481,200	23,416,340	131,226,422	837,173,598	8,714,555,522

Statements of cash flows

For the years ended 31 December 2008 and 2007

Cash flows from operating activities

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Net income before tax	2,405,228,615	1,819,291,679	580,607,433	851,660,844
Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	2,168,957,659	1,945,571,467	716,338,486	632,898,444
Write-off of assets	13,190,403	7,670,009	-	-
Bad debts and allowance for doubtful accounts	127,412,520	41,382,953	81,170,825	15,513,084
Amortisation of deferred income	(37,978,521)	(35,035,616)	(37,978,521)	(35,035,616)
Share of income from investments in associated companies	(179,852,400)	(6,858,074)	-	-
Gain from early repayment of loan	(41,773,073)	(122,558,281)	-	-
Reversal of provision for impairment of investments	(66,240)	-	-	-
Loss on impairment (Reversal of provision for impairment) of property, premises and equipment	(1,991,311)	5,665,463	-	719,600
Amortisation of goodwill	-	147,767,112	-	-
Gain on repurchase of convertible debentures	(29,576,336)	-	(29,576,336)	-
Amortisation of expense for convertible debentures and bonds issue	38,082,023	25,281,250	38,082,023	25,281,250
Loss (gain) on disposal of property, premises and equipment	26,910,499	(3,543,152)	10,456,281	(2,533,495)
Unrealised gain on foreign exchange rate	-	-	(2,230,340)	-
Interest income	(41,058,670)	(13,222,410)	(194,251,781)	(12,271,156)
Dividend income	(318,590)	(31,846,810)	(102,128,298)	(267,287,897)
Interest expense	646,844,082	688,086,828	573,536,691	400,795,267
Earnings from operating activities before changes in operating assets and liabilities	5,094,010,660	4,467,652,418	1,634,026,463	1,609,740,325
Decrease (increase) in operating assets				
Trade accounts receivable	(346,846,481)	(314,550,090)	(85,716,987)	(113,737,653)
Other receivable - related parties	131,303,522	(10,769,700)	19,669,985	(5,669,802)
Inventories	(13,021,256)	(11,098,387)	4,299,017	(3,243,776)
Other current assets	(14,414,482)	14,240,366	2,673,162	14,027,026
Other non-current asset	(187,257,029)	(100,438,697)	(998,396)	(14,381,172)
Increase (decrease) in operating liabilities				
Trade accounts payable	137,561,585	62,906,127	33,290,586	64,157,061
Other payable - related parties	196,078	36,356,504	(27,849,490)	8,808,707
Accrued expenses	124,010,494	265,841,371	(15,525,226)	60,396,059
Other current liabilities	44,058,043	20,237,921	120,221,520	(29,052,306)
Deferred income	8,000,000	54,000,000	8,000,000	54,000,000
Other non-current liabilities	6,578,655	(32,241,395)	2,039,119	(9,489,628)
Net cash from operating activities	4,984,179,789	4,452,136,438	1,694,129,753	1,635,554,841
Cash received from interest income	42,141,097	15,920,522	234,719,987	15,163,063
Cash paid for interest expenses	(599,238,864)	(707,093,489)	(449,712,659)	(336,019,148)
Cash paid for corporate income tax	(643,983,242)	(529,557,849)	(264,309,262)	(149,378,787)
Net cash from operating activities	3,783,098,780	3,231,405,622	1,214,827,819	1,165,319,969

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

Statements of cash flows (Continued)

For the years ended 31 December 2008 and 2007

Cash flows from investing activities

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Decrease (increase) in short - term investments and restricted bank deposits	(44,576,589)	34,366,538	(100,000,309)	(240)
Dividend received from investments in subsidiaries, associates and other companies	63,254,678	31,846,810	142,128,298	770,810,777
Cash paid for purchase of investments in subsidiary and associated companies	(842,936,617)	(528,014,333)	(1,086,901,172)	(929,386,288)
Cash received from sales of investments	-	12,914,071	-	17,288,955
Cash received from disposal of property, premises and equipment	22,115,672	23,850,336	5,433,763	19,475,120
Cash paid for purchase of property, premises and equipment	(1,976,189,074)	(2,998,389,886)	(573,203,191)	(986,198,417)
Decrease (increase) in short-term loans to related parties	-	35,000,000	(46,113,400)	35,000,000
Long-term loans to related parties	-	-	(4,674,025,539)	-
Proceeds from long-term loans to related parties	-	-	1,117,000,350	-
Increase in intangible assets	(32,158,412)	(12,761,132)	(11,420,796)	(19,948,891)
Cash received from minority interest for investment	-	99,975,643	-	-
Net cash used in investing activities	(2,810,490,342)	(3,301,211,953)	(5,227,101,996)	(1,092,958,984)
Cash flows from financing activities				
Increase (decrease) in bank overdraft and short-term loans from financial institutions	(291,042,037)	380,057,637	(188,570,499)	450,200,000
Increase (decrease) in short-term loans from related parties	(13,627,481)	(7,535,783)	396,579,769	-
Proceeds from long-term loans	3,498,461,041	1,261,544,530	3,458,880,550	390,000,000
Repayment of long-term loans	(6,835,369,459)	(1,027,383,865)	(2,221,593,600)	(177,792,000)
Repayments for liabilities under long-term lease agreements	(114,903,728)	(56,374,514)	(17,294,037)	(35,451,223)
Cash received from debentures issue	4,991,975,000	-	4,991,975,000	-
Cash paid for repurchase of convertible debentures	(1,312,015,408)	-	(1,312,015,408)	-
Dividend paid	(607,065,406)	(590,518,900)	(607,065,406)	(590,518,900)
Dividend paid by subsidiaries to minority interests	(6,229,540)	(27,429,248)	-	-
Net cash from (used in) financing activities	(689,817,018)	(67,640,143)	4,500,896,369	36,437,877
Net increase (decrease) in cash and cash equivalents	282,791,420	(137,446,474)	488,622,192	108,798,862
Cash and cash equivalents at beginning of year	963,602,382	1,101,048,856	169,248,384	60,449,522
Cash and cash equivalents at end of year	1,246,393,802	963,602,382	657,870,576	169,248,384
Supplemental cash flows information:-				
Non-cash items:				
Fixed assets under long-term lease agreements	77,288,669	62,119,636	4,761,600	-
Increase in accounts payable for purchase of fixed assets	139,352,348	188,722,072	111,136,636	16,907,793
Decrease in accounts payable for construction and retention	(61,479,452)	(100,307,141)	(15,514,628)	(45,255,302)
Dividend receivable	-	-	-	40,000,000

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

Notes to financial statements

For the years ended 31 December 2008 and 2007

1. General information

Bangkok Dusit Medical Services Public Company Limited ("the Company") was incorporated as a limited company under Thai laws and registered the change of the status of the Company to a public limited company on 3 January 1994. The Company operates in Thailand and its principal activity is hospital with the registered address 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 14 September 2001, 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 such financial statements in Thai language. The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements for the years ended 31 December 2008 and 2007 of Bangkok Dusit Medical Services Public Company Limited ("the Company") and its subsidiaries ("the subsidiaries") as follows:

		Registered capital		Percentage of shareholding by the Company (percent)	
Company's name	Nature of business	2008	2007	2008	2007
Held by the Company					
Samitivej Public Co., Ltd.	Hospital	Baht 1,000 million	Baht 1,000 million	94.32	92.92
Bangkok Hospital Hatyai Co., Ltd.	Hospital	Baht 500 million	Baht 500 million	98.69	98.53
Bangkok Phuket Hospital Co., Ltd.	Hospital	Baht 500 million	Baht 500 million	99.63	99.47
BNH Medical Center Co., Ltd.	Hospital	Baht 586 million	Baht 586 million	88.66	88.31
Bangkok Prapradang 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	97.09	97.06
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	99.71
Wattanavej Co., Ltd.	Hospital	Baht 180 million	Baht 180 million	99.61	99.47
Bangkok Ratchasima Hospital Co., Ltd.	Hospital	Baht 300 million	Baht 300 million	87.86	84.67
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 5 million	100.00	100.00

		Registered capital		Percentage of shareholding by the Company (percent)	
Company's name	Nature of business	2008	2007	2008	2007
Held by the Company (Continued)					
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
Global Medical Network Co., Ltd.	Hospital	Baht 160 million	Baht 100 million	100.00	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 100 million	99.94	99.94
Royal Bangkok Healthcare Co., Ltd.	Management service	Baht 1 million	-	100.00	-
Greenline Synergy Co., Ltd.	Technology and information service	Baht 30 million	-	100.00	-

		Registered capital		Percentage of shareholding by the Company (percent)	
Company's name	Nature of business	2008	2007	2008	2007
Held by the subsidiaries					
Samitivej Sriracha Co., Ltd. (held by a subsidiary at 67%)	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	-	-

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) Percentage of total assets and revenues of the subsidiary companies as included in the consolidated financial statements

The percentage of total assets and revenues of the subsidiary companies for the years ended 31 December 2008 and 2007 as included in the consolidated financial statements are as follow:

Subsidiaries	Subsidiary's total assets as a percentage to the consolidated total		Subsidiary's total revenues from hospital operations as a percentage to the consolidated total	
	2008	2007	2008	2007
1. Samitivej Public Co., Ltd.	20.97	21.77	25.67	25.14
2. Bangkok Hospital Hatyai Co., Ltd.	4.01	4.56	3.25	3.21
3. Bangkok Phuket Hospital Co., Ltd.	5.13	4.85	7.33	7.26
4. BNH Medical Center Co., Ltd.	4.33	4.74	6.74	7.10
5. Bangkok Prapradang Hospital Co., Ltd.	0.53	0.62	0.75	0.69
6. Bangkok Pattaya Hospital Co., Ltd.	9.15	9.94	10.41	10.62
7. Bangkok Rayong Hospital Co., Ltd.	3.45	3.84	4.40	3.96
8. Bangkok Samui Hospital Co., Ltd.	1.39	1.37	1.62	1.40
9. Bangkok Trat Hospital Co., Ltd.	1.32	1.48	1.04	1.07
10. Wattanavej Co., Ltd.	2.21	2.54	2.54	2.61
11. Bangkok Ratchasima Hospital Co., Ltd.	3.19	3.05	2.59	2.27
12. National Healthcare Systems Co., Ltd.	0.52	0.70	0.02	0.03
13. Bio Molecular Laboratories (Thailand) Co., Ltd.	0.14	0.15	0.12	0.10
14. Angkor Pisith Co., Ltd.	1.49	1.60	0.37	0.29
15. Phnom Penh Medical Services Co., Ltd.	1.42	0.66	-	-
16. Royal Rattanak Medical Services Co., Ltd.	0.83	0.85	0.35	0.02
17. B.D.M.S. International Medical Services Co., Ltd.	0.29	0.30	-	-
18. Asia International Healthcare Co., Ltd.	0.13	0.14	-	-
19. Global Medical Network Co., Ltd.	0.62	0.39	-	-
20. New Petchburi Medical Services Co., Ltd.	-	-	-	-
21. Bangkok Health Insurance Limited	0.19	0.19	-	-
22. Royal Bangkok Healthcare Co., Ltd.	-	-	-	-
23. Greenline Synergy Co.,Ltd.	0.17	-	-	-

- c) Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent significant accounting policies.
- e) Material inter-company balances and transactions between the Company and its subsidiaries and the Company's investments in subsidiary companies and the share capital of the subsidiary companies are eliminated from the consolidated financial statements.
- f) The differences between cost of investments over/under the Company's share of fair value of identifiable assets and liabilities of the subsidiary companies on acquisition date are shown under the caption of "Goodwill" in the consolidated balance sheets.
- g) The financial statements of overseas subsidiary companies are translated into Baht at the closing exchange rate as to assets and liabilities, and at monthly average exchange rates as to revenues and expenses. The resultant differences are shown under the caption of "Translation adjustment" in shareholders equity.
- h) Minority interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.
- i) 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

3.1 Thai Accounting Standards which are effective for the current year

The Federation of Accounting Professions (FAP) has issued Notifications No. 9/2550, 38/2550 and 62/2550 mandating the use of the following new accounting standards.

TAS 25 (revised 2007) Cash Flow Statements

TAS 29 (revised 2007) Leases

TAS 31 (revised 2007) Inventories

TAS 33 (revised 2007) Borrowing Costs

TAS 35 (revised 2007) Presentation of Financial Statements

TAS 39 (revised 2007) Accounting Policies, Changes in Accounting Estimates and Errors

TAS 41 (revised 2007) Interim Financial Reporting

TAS 43 (revised 2007) Business Combinations

TAS 49 (revised 2007) Construction Contracts

TAS 51 Intangible Assets

These accounting standards became effective for the financial statements for fiscal years beginning on or after 1 January 2008. The management has assessed the effect of these accounting standards and believes that TAS 49 (revised 2007) is not relevant to the business of the Company, whereas for TAS 25 (revised 2007), TAS 29 (revised 2007), TAS 31 (revised 2007), TAS 33 (revised 2007), TAS 35 (revised 2007), TAS 39 (revised 2007), TAS 41 (revised 2007), and TAS 51, the management believes that they do not have any significant impact on the financial statements for the current year.

The following accounting standards have an impact to the financial statements for the current year.

TAS 43 (revised 2007) “Business Combinations”

TAS 43 (revised 2007) does not require the Company to amortise goodwill, including negative goodwill, acquired in a business combination. Such goodwill is instead to be tested for impairment, and measured at cost less accumulated impairment losses. In case of negative goodwill, identification and measurement of the acquiree's assets, liabilities and contingencies and the measurement of the cost of the combination should be reassessed and the remaining balance is to be recognised as income immediately in the income statement. This accounting standard applies to goodwill arising from business combinations for which the agreement date is on or after 1 January 2008. Previously recognised goodwill can be accounted for prospectively, with the Company discontinuing the amortisation of the goodwill and instead testing for impairment and negative goodwill should be adjusted to retained earnings, as from the beginning of the first fiscal year starting on or after 1 January 2008.

As of 31 December 2008, the Company has already adjusted brought forward negative goodwill to retained earnings in statements of changes in shareholder's equity totaling Baht 152.43 million.

3.2 Accounting standards which are not effective for the current year

The Federation of Accounting Professions has also issued Notification No. 86/2551 mandating the use of the following new accounting standards.

TAS 36 (revised 2007) Impairment of Assets

TAS 54 (revised 2007) Non-current Assets Held for Sale and Discontinued Operations

These accounting standards will become effective for the financial statements for fiscal years beginning on or after 1 January 2009. The management has assessed the effect of these accounting standards and believes that they will not have any significant impact on the financial statements for the year in which they are initially applied.

4. Significant accounting policies

4.1 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.

Service income

Service income is recognised when services have been rendered.

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.

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable and allowance for doubtful accounts

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided to cover the estimated losses that may incur in collection. The adequacy of the allowance is reviewed and evaluated in relation to the collection experience, age of debt and payment ability. Debt will be written off when considered uncollectible.

4.4 Inventories

Inventories are valued at lower of cost (weighted average basis) and 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.

4.5 Investments

Investments in associated companies are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiary and associated companies are accounted for in the separate financial statements using the cost method.

Other investments in non-marketable securities which the Company regards as other investment are stated at cost. Allowance for impairment loss will be made when the net realisable value is lower than the cost of investments.

Investment in available-for-sale securities is determined at fair value, which is based on the latest bid price quoted on the Stock Exchange of Thailand on the last working day of the year. Change in the value of the available-for-sale securities is shown as a separate item in shareholder's equity until securities are sold, the change will be included in income statements.

4.6 Property, premises and equipment/Depreciation

Land is stated at cost or revalued amount. Premises and equipment are stated at cost less accumulated depreciation and impairment loss. Depreciation of premises and equipment is calculated by reference to their cost on a straight-line basis over the estimated useful lives of each item of property, premises and equipment, except assets of the Company which were acquired before 1988 are depreciated on a declining balance method.

The estimated useful lives of assets are as follows:

	Useful lives
Building, structures and building improvements	5 - 50 years
Medical tools and equipment, furniture and office equipment	3 - 10 years
Vehicles	5 - 8 years

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

Revalued assets

The Company and its subsidiaries initially recorded land at cost on acquisition dates. Land is subsequently revalued by independent professional appraiser, to its fair values. Revaluations are made with sufficient regularity to ensure that its carrying amounts do not differ materially from its fair value at the balance sheet date.

The Company and its subsidiaries records the differences incurred from revaluation as follows:

- When an asset's carrying amount is increased as a result of a revaluation, the increase should be credited directly to equity under the caption of "Revaluation surplus on land. However, a revaluation increase should 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, the decrease should be recognised as an expense in the income statement. However, a revaluation decrease should be charged directly against any related "Revaluation surplus on land" to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset and the excess is recognised an expense in the income statement.

4.7 Intangible assets

Intangible assets acquired in a business combination are recognised at fair value on the date of acquisition. Other acquired intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

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

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

	Useful lives
Computer software	5 - 10 years

4.8 Goodwill

Goodwill is initially measured at cost, which is the excess of the cost of the business combination over the Company's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

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. Impairment losses relating to goodwill cannot be reversed in future periods.

4.9 Related party transactions

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

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

4.10 Long-term leases

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 the income statements over the lease period. The property, premises or equipment acquired under finance leases is depreciated over the useful life of the assets.

4.11 Operating lease

Lease of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognised as expenses in the income statements over the period of the lease.

4.12 Impairment of assets

At each reporting date, 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. The Company and its subsidiaries also carry out annual impairment reviews in respect of goodwill. 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 could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement.

4.13 Deferred income

Deferred income represents cash received in advance from Life Privilege members and is amortised over the periods of 10 years.

4.14 Foreign currencies

Transactions in foreign currencies incurred during the year are translated into Baht at the rates ruling on the transaction dates. Monetary assets and liabilities denominated in foreign currencies outstanding at the balance sheet date are translated into Baht at the rates ruling on the balance sheet date. Exchange gains and losses are included in the income statements.

4.15 Employee benefits

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

4.16 Income tax

Income tax is provided for in the accounts based on the taxable profits determined in accordance with tax legislation.

4.17 Financial instruments

Financial assets carried on the balance sheet included cash and cash equivalents, short-term investments, trade accounts receivable, short-term loan and long-term loan to related parties, restricted bank deposit, and investments. Financial liabilities carried on the balance sheet included bank overdrafts and short-term loans from financial institution, short-term loans from related parties, trade accounts payable, liabilities under long-term leases, long-term loans, convertible debentures and debentures. The accounting policy for each item is separately disclosed in the related notes.

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

4.18 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.

5. Significant accounting judgments and estimates

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

Leases

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

Allowance for doubtful accounts

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

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 treats available-for-sale equity investments and other investments as impaired when there has been a significant or permanent decline in the fair value below their cost or where other objective evidence of impairment exists. The determination requires judgment.

Property, premises and equipment/Depreciation

In determining depreciation of premises and equipment, the management is required to make estimates of the useful lives and salvage values of the Company's premises and equipment and to review estimate useful lives and salvage 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.

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 units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Litigation

The Company and its subsidiaries have contingent liabilities as a result of litigation. The Company and its subsidiaries' management have used judgment to assess the results of the litigation and believes that the provision amount recognized in the financial statement is adequate. However, actual results could differ from the estimates

6. Cash and cash equivalents

Cash and cash equivalents for the years ended 31 December 2008 and 2007, consist of the following:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Cash and deposit at banks	1,158,676,100	986,129,226	657,870,576	169,248,384
Fixed deposits	206,237,862	51,416,727	100,008,627	8,318
	1,364,913,962	1,037,545,953	757,879,203	169,256,702
Less: Fixed deposits with maturity				
more than 3 months and restricted bank deposit	(118,520,160)	(73,943,571)	(100,008,627)	(8,318)
Total cash and cash equivalents	1,246,393,802	963,602,382	657,870,576	169,248,384

7. Restricted bank deposit

As at 31 December 2008, the subsidiaries had placed their fixed deposits at bank with maturity over 3 months and savings account of Baht 16.5 million (2007: Baht 17.3 million) as a collateral against bank guarantees as discussed in Note 27.1.

8. Trade accounts receivable

As at 31 December 2008 and 2007, the aging analysis of the outstanding trade accounts receivable is as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Related parties				
- Less than 3 months	721	4,273	3,899	7,735
- 3 - 6 months	509	364	922	403
- 6 - 12 months	16	225	-	85
- over 12 months	14	21	-	26
Total trade accounts receivable - related parties	1,260	4,883	4,821	8,249

(Unit: Baht)				
	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Others				
- Less than 3 months	1,237,955	1,116,222	397,327	416,163
- 3 - 6 months	239,208	148,405	153,447	94,900
- 6 - 12 months	138,251	84,253	74,710	55,834
- over 12 months	89,349	37,907	53,509	24,152
Total trade accounts receivable - others	1,704,763	1,386,787	678,993	591,049
Less: Allowance for doubtful accounts	(152,961)	(58,042)	(104,614)	(24,644)
Total trade accounts receivable - others - net	1,551,802	1,328,745	574,379	566,405
Total trade accounts receivable -net	1,553,062	1,333,628	579,200	574,654

9. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties, which have been concluded on commercial terms and based agreed upon in the ordinary course of businesses between the Company and those companies. Below is a summary of those transactions.

<u>Transaction</u>	<u>Pricing and lending policy</u>
Revenue from hospital operation	Prices are based on the price charged to normal customers
Revenue from lab analysis service	Prices are based on the price charged to normal customers
Revenue from consulting and management	Agreed prices and in accordance with normal course of business
Interest rate charge of inter-company loan	Interest rate is close to rate charged by bank to normal customer
Sales and purchase of fixed assets	Agreed prices and in accordance with normal course of business

The significant inter-company transactions are as follows:

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Transactions with subsidiaries				
(eliminated from the consolidated financial statements)				
Revenue from hospital operations and lab services	-	-	22.3	18.6
Consulting and management fees income	-	-	195.5	239.8
Interest income	-	-	166.7	8.4
Dividend income (Note 11)	-	-	38.9	235.4
Other income	-	-	30.7	49.4
Service cost	-	-	255.8	211.9
Other expenses	-	-	132.4	202.5
Interest expense	-	-	5.7	0.5
Sales of medical instruments	-	-	-	16.6

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Transactions with associated companies				
Revenue from hospital operations and lab services	0.6	0.2	-	-
Interest income	-	1.5	-	1.5
Dividend income (Note 12)	-	-	62.9	1.1
Other income	0.5	0.2	0.5	-
Service cost	88.7	27.7	57.5	11.0
Interest expense	0.1	0.4	-	-
Other expenses	3.3	8.1	3.2	-

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Transactions with related parties				
Revenue from hospital operations and lab services	3.6	13.7	0.6	11.0
Dividend income	-	3.2	-	3.2
Service cost	11.9	-	11.8	-
Other expenses	6.4	22.2	6.1	16.7
Dividend payment	51.7	57.8	51.7	57.8
Sales of investments in ordinary shares	-	17.3	-	17.3

The outstanding balances of the above transactions as at 31 December 2008 and 2007 have been separately shown in the balance sheets as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Trade accounts receivable - related parties				
Subsidiary companies	-	-	4,309	4,155
Associated companies	161	48	-	-
Related companies	1,099	4,835	512	4,094
Total trade accounts receivable - related parties	1,260	4,883	4,821	8,249
Other receivable - related parties				
Consulting and management fee receivable				
Subsidiary companies	-	-	25,268	36,137
Total	-	-	25,268	36,137

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Other				
Subsidiary companies	-	-	16,822	27,537
Associated companies	2,804	165,693	2,804	187
Related companies	43,677	12,092	-	157
Total	46,481	177,785	19,626	27,881
Total other receivable - related parties	46,481	177,785	44,894	64,018
Short-term loans to related parties				
Subsidiary companies	-	-	45,811	-
Total short-term loans to related parties	-	-	45,811	-

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Dividend receivable - related party				
Subsidiary company	-	-	-	40,000
Total dividend receivable - related party	-	-	-	40,000
Long-term loans to related parties				
Subsidiary companies	-	-	3,560,759	1,201
Total long-term loans to related parties	-	-	3,560,759	1,201
Interest receivable - related parties				
Subsidiary companies	-	-	33,610	73,610
Total interest receivable - related parties	-	-	33,610	73,610
Leasehold rights - related parties				
Associated companies	302,979	140,334	-	-
Related person	16,196	16,197	-	-
Total leasehold rights - related parties	319,175	156,531	-	-
Short-term loans from related parties				
Subsidiary companies	-	-	396,580	-
Associated company	-	10,000	-	-
Related company	-	3,627	-	-
Total short-term loans from related parties	-	13,627	396,580	-

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Trade accounts payable - related parties				
Subsidiary companies	-	-	38,647	43,068
Associated companies	34,356	10,888	26,051	2,375
Related companies	802	238	794	-
Total trade accounts payable - related parties	35,158	11,126	65,492	45,443
Other payable - related parties				
Subsidiary companies	-	-	15,182	34,594
Associated companies	26,726	5,342	-	5,246
Related companies	15,987	37,175	-	2,057
Total other payable - related parties	42,713	42,517	15,182	41,897

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

(Unit: Thousand Baht)

Consolidated financial statements				
	31 December 2007	Increase	Decrease	31 December 2008
Short-term loans from related parties				
Associated company	10,000	-	(10,000)	-
Related company	3,627	-	(3,627)	-
Total short-term loans from related parties	13,627	-	(13,627)	-

(Unit: Thousand Baht)

Separate financial statements				
	31 December 2007	Increase	Decrease	31 December 2008
Short-term loans to related parties				
Subsidiary companies	-	270,990	(225,179)	45,811
Total short-term loans to related parties	-	270,990	(225,179)	45,811
Long-term loans to related parties				
Subsidiary companies	1,201	4,676,558	(1,117,000)	3,560,759
Total long-term loans to related parties	1,201	4,676,558	(1,117,000)	3,560,759
Short-term loans from related parties				
Subsidiary companies	-	396,580	-	396,580
Total short-term loans from related parties	-	396,580	-	396,580

Group financial management

In 2008, the Company has managed inter-company loans between the Company and its subsidiaries for the purpose of liquidity management among the Group. The interest charge of inter-company loans is close to the rate of commercial banks. As at 31 December 2008, the Company has net outstanding loans from subsidiaries totaling Baht 396.58 million.

Short-term and long-term loans to related parties

As at 31 December 2008, the Company has entered into short-term loan agreements and long-term loan agreements for a period of 3 - 8 years with subsidiary companies for a total balance of Baht 3,607 million. The Company charges interest on loan to related parties at the fixed deposit rate (FDR) plus 2.50% per annum or LIBOR plus 2.5% per annum. The interest is repayable on a monthly basis and the principal is repayable on a basis as stipulated in the agreements.

As at 31 December 2008, the Company had long overdue loan interest receivable from Bangkok Hospital Hatyai Co., Ltd. of Baht 43.19 million (2007: Baht 83.19 million). The Company has provided allowance for doubtful accounts of Baht 9.58 million (2007: Baht 9.58 million). The management believes that the allowance for doubtful accounts is sufficient.

Management Agreement

The Company

The Company services hospital management to subsidiary companies which the remuneration rates are based on the net revenue from hospital operations.

The Subsidiary

The subsidiary company has entered into a Hospital Managing Employment Agreement with another subsidiary. The agreement is for a period of ten years and is renewable. The subsidiary company shall receive managing income at the certain percentage of total operation result as stated in the agreement. The payment shall be made on a monthly basis, starting in June 2002.

Long Term Agreement

The Company

In May 2004, a subsidiary company entered into the 3 years land rental agreement with the Company for hospital operation. The subsidiary company has to pay a monthly rental fee at the rate stipulated in the agreement. Subsequently, the subsidiary has extended the land rental agreement for 3 years and has to pay a monthly rental fee at the rate stipulated in the agreement, commencing from 1 May 2007.

Subsidiaries

As at 5 June 2003, a subsidiary company entered into the 3 years land lease agreement with the Company for building construction. The subsidiary company has to pay a monthly rental fee at the rate stipulated in the agreement, commencing from 1 January 2004. On 1 November 2006, the subsidiary has extended into the 3 years land lease agreement.

In 2005, a subsidiary company entered into the 3-year building rental agreement with another subsidiary company for the hospital operation. That subsidiary company has to pay a monthly rental fee for the rate as agreed in the agreement commencing from May 2005. In 2008, the subsidiary company has extended the agreement for 3 years.

Service Agreement

The Company

A subsidiary company has entered into the service agreements with the Company and other subsidiary companies. The Company and other subsidiary companies have to pay a monthly service fee at the rate stipulated in the agreements.

Air Ambulance Service Agreement

Associated company

On 1 September 2007, an associated company entered into the air ambulance service agreement with the Company. The agreement is for a period of 3 years starting from the date the service is commenced and is renewable. The Company has to pay a service fee at the rate stipulated in the agreement.

Directors remuneration

In 2008, the Company and its subsidiaries paid meeting allowances and gratuities to their directors totalling Baht 33.71 million and the Company only Baht 14.74 million (2007: Baht 33.75 million and the Company only: Baht 15.70 million).

Guarantee obligations with related party

The Company had guaranteed long-term loan amounting to USD 4 million for a subsidiary company.

10. Inventories

As at 31 December 2008 and 2007, inventories consisted of:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Medicines and medical supplies	198,418,251	188,556,018	55,318,841	59,617,858
Reagent	24,151,864	20,904,822	-	-
Supplies and others	2,692,314	2,780,333	-	-
Total	225,262,429	212,241,173	55,318,841	59,617,858

11. Investments In Subsidiary Companies

(Unit: Thousand Baht)

Separate financial statements								
Company name	Nature of business	Paid-up Capital	% Shareholding		Investments - cost method		Dividend received during the year	
			2008	2007	2008	2007	2008	2007
Samitivej Public Co., Ltd.	Hospital	Baht 1,000 million	94.32	92.92	1,544,777	1,453,948	-	-
Bangkok Hospital Hatyai Co., Ltd.	Hospital	Baht 500 million	98.69	98.53	573,681	572,465	24,633	14,780
Bangkok Phuket Hospital Co., Ltd.	Hospital	Baht 500 million	99.63	99.47	609,373	607,014	-	-
BNH Medical Center Co., Ltd.	Hospital	Baht 586 million	88.66	88.31	582,820	580,341	-	-
Bangkok Prapadang Hospital Co., Ltd.	Hospital	Baht 105 million	79.00	79.00	96,775	96,775	-	-
Bangkok Pattaya Hospital Co., Ltd.	Hospital	Baht 280 million	97.09	97.06	706,271	705,759	-	135,884
Bangkok Rayong Hospital Co., Ltd.	Hospital	Baht 400 million	100.00	100.00	415,020	415,020	-	40,000
Bangkok Samui Hospital Co., Ltd.	Hospital	Baht 150 million	100.00	100.00	150,000	150,000	-	22,500
Bangkok Trad Hospital Co., Ltd.	Hospital	Baht 250 million	99.76	99.71	245,889	245,760	-	-
Wattanavej Co., Ltd.	Hospital	Baht 180 million	99.61	99.47	450,257	449,440	-	-
Bangkok Ratchasima Hospital Co., Ltd.	Hospital	Baht 300 million	87.86	84.67	899,228	865,155	-	-
National Healthcare Systems Co., Ltd.	Central Lab	Baht 75 million	74.02	74.02	56,768	56,768	-	22,208
Bio Molecular Laboratories (Thailand) Co., Ltd.	Central Lab	Baht 10 million	95.00	95.00	9,502	9,502	14,250	-

Separate financial statements

Company name	Nature of business	Paid-up Capital	% Shareholding		Investments - cost method		Dividend received during the year	
			2008	2007	2008	2007	2008	2007
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	177,000	-	-
Royal Rattanak Medical Services Co., Ltd.	Hospital	Riel 26,000 million	70.00	70.00	154,063	154,063	-	-
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	-	-
Global Medical Network Co., Ltd.	Hospital	Baht 160 million	100.00	100.00	160,000	100,000	-	-
New Petchburi Medical Services Co., Ltd.	Hospital	Baht 1 million	100.00	100.00	999	999	-	-
Bangkok Health Insurance Limited	Insurance	Baht 105 million	99.94	99.94	47,027	47,027	-	-
Royal Bangkok Healthcare Co., Ltd.	Management service	Baht 1 million	100.00	-	1,000	-	-	-
Greenline Synergy Co., Ltd.	Technology and information service	Baht 30 million	100.00	-	30,000	-	-	-
Total investments in subsidiary companies					7,488,821	7,104,084	38,883	235,372

Domestic hospital business group

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

In the year 2008, the Company purchased additional investment of 1.40 million shares, a total of Baht 90.83 million in Samitivej Public Co., Ltd. from the former shareholders. As a result, the Company increases the percentage of share holding in that company to 94.32 percent.

In the year 2008, the subsidiary company purchased additional investment of 0.27 million shares, a total of Baht 7.31 million in Samitivej Sriracha Co., Ltd. from the former shareholders. As a result, the subsidiary company increases the percentage of share holding in that company to 67.27 percent.

Bangkok Hospital Hatyai Co., Ltd.

In the year 2008, the Company purchased additional investment of 0.16 million shares, a total of Baht 1.22 million in Bangkok Hospital Hatyai Co., Ltd. from the former shareholders. As a result, the Company increases the percentage of share holding in that company to 98.69 percent.

Bangkok Phuket Hospital Co., Ltd.

In the year 2008, the Company purchased additional investment of 0.16 million shares, a total of Baht 2.36 million in Bangkok Phuket Hospital Co., Ltd. from the former shareholders. As a result, the Company increases the percentage of share holding in that company to 99.63 percent.

BNH Medical Centre Co., Ltd.

In the year 2008, the Company purchased additional investment of 0.20 million shares, a total of Baht 2.48 million in BNH Medical Centre Co., Ltd. from the former shareholders. As a result, the Company increases the percentage of share holding in that company to 88.66 percent.

Bangkok Pattaya Hospital Co., Ltd.

In the year 2008, the Company purchased additional investment of 0.01 million shares, a total of Baht 0.51 million in Bangkok Pattaya Hospital Co., Ltd. from the former shareholders. As a result, the Company increases the percentage of share holding in that company to 97.09 percent.

Bangkok Trad Hospital Co., Ltd.

In the year 2008, the Company purchased additional investment of 0.02 million shares, a total of Baht 0.13 million in Bangkok Trad Hospital Co., Ltd. from the former shareholders. As a result, the Company increases the percentage of share holding in that company to 99.76 percent.

Wattanavej Co., Ltd.

In the year 2008, the Company purchased additional investment of 0.03 million shares, a total of Baht 0.82 million in Wattanavej Co., Ltd. from the former shareholders. As a result, the Company increases the percentage of share holding in that company to 99.61 percent.

Bangkok Ratchasima Hospital Co., Ltd.

In the year 2008, the Company purchased additional investment of 0.99 million shares, a total of Baht 34.07 million in Bangkok Ratchasima Hospital Co., Ltd. from the former shareholders. As a result, the Company increases the percentage of share holding in that company to 87.86 percent.

Global Medical Network Co., Ltd.

In the first quarter of 2008, the subsidiary was authorised to increase its share capital from Baht 100 million to Baht 160 million by issuing additional ordinary shares of 6,000,000 shares with par value of Baht 10 per share. The Company had fully paid up the share capital increase and still maintains a percentage of shareholding of 100 percent in that company.

Royal Bangkok Healthcare Company Limited

The Board of Directors' Meeting No. 9/2007 held on 26 December 2007 passed a resolution to set up Royal Bangkok Healthcare Company Limited to provide management service. In the year 2008, the Company has a percentage of shareholding of 100 percent in that company with an investment amounting to Baht 1 million.

Greenline Synergy Company Limited

The Board of Directors' Meeting No. 6/2008 held on 2 July 2008 passed a resolution to set up Greenline Synergy Company Limited to provide technology and information service with an investment amounting to Baht 30 million. The Company has a percentage of shareholding of 100 percent in that company.

Hospital Business Group in Cambodia

Phnom Penh Medical Services Co., Ltd.

In the fourth quarter of 2007, the subsidiary increased its registered share capital from USD 5 million to USD 10 million by issuing additional ordinary shares total of 5,000 shares with par value of USD 1,000 per share. The Company purchased all the share increase and fully paid up the share capital increase total of Baht 161.32 million in 2008. The Company still remains a percentage of shareholding of 100 percent in that company.

In the third quarter of 2008, the subsidiary was authorised to increase its share capital from USD 10 million to USD 20 million. At present, the subsidiary is in process of the registration of capital increase.

Other hospital related business group

Bangkok Health Insurance Limited

By a special resolution passed by the Extraordinary General Meeting of shareholders on 26 November 2007, the subsidiary was authorised to increase its share capital from Baht 100 million (10,000,000 ordinary shares of Baht 10 each) to Baht 105 million (10,500,000 ordinary shares of Baht 10 each). The subsidiary registered the capital increase with the Ministry of Commerce on 3 January 2008 and the Company still remains a percentage of shareholding of 99.94 percent in that company.

12. Investments in associated companies

12.1 Detail of associated companies as at 31 December 2008 and 2007 are as follows

(Unit: Thousand Baht)								
					Consolidated financial statements		Separate financial statements	
Company name	Nature of business	Paid-up Capital	% Shareholding		Consolidated financial statements Equity Method		Separate financial statements Cost Method	
			2008	2007	2008	2007	2008	2007
Associated companies held by the Company								
The Medic Pharma Co., Ltd.	Pharmaceutical	Baht 21.4 million	49.00	49.00	96,862	87,235	52,500	52,500
Cool & Joy Co., Ltd.	Production of Television and Radio program	Baht 5 million	30.00	30.00	1,070	1,451	1,500	1,500
S.R. Property Investment Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	884	3,110	101	101
Siem Reap Land Investment Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	647	1,458	101	101
Phnom Penh First Property Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	882	5,802	88	88
Bangkok Helicopter Services Co., Ltd.	Service	Baht 100 million	49.00	49.00	33,789	37,787	50,859	50,859
Ramkhamhaeng Hospital Public Co., Ltd.	Hospital	Baht 120 million	38.24	26.18	1,652,751	805,594	1,459,800	757,637
Total investments in associated companies held by the Company					1,786,885	942,437	1,564,949	862,786
Associated companies held by the subsidiary companies								
Sodexo Support Services (Thailand) Co., Ltd.	Management service	Baht 5 million	26.00	26.00	2,284	1,029		
Al Ghaith Bangkok Dusit Management Services LLC.	Management service	UAE DIRHAM 0.15 million	30.00	-	393	-		
Total investment in associated company held by the subsidiary companies					2,677	1,029		
Total investment in associated companies in the consolidated financial statements					1,789,562	943,466		

(Unit: Thousand Baht)

For the years ended 31 December				
		Consolidated financial statements		Separate financial statements
Company's name	Share of income/loss from investments in associated companies	Dividend received during the year		
	2008	2007	2008	2007
Associated companies held by the Company				
The Medic Pharma Co., Ltd.	17,501	13,992	7,875	1,050
Cool & Joy Co., Ltd.	(381)	-	-	-
S.R. Property Investment Co., Ltd.	329	471	-	-
Siem Reap Land Investment Co., Ltd.	347	214	-	-
Phnom Penh First Property Co., Ltd.	798	-	-	-
Bangkok Helicopter Services Co., Ltd.	(3,998)	(8,848)	-	-
Ramkhamhaeng Hospital Public Co., Ltd.	164,001	-	55,061	-
Associated companies held by the subsidiary companies				
Sodexo Support Services (Thailand) Co., Ltd.	1,255	1,029	-	-
Al Ghaith Bangkok Dusit Management Services LLC.	-	-	-	-
Total	179,852	6,858	62,936	1,050

12.2 Fair values of investments in associated company which are listed companies in the Stock Exchange of Thailand

(Unit: Thousand Baht)

Company's name	Fair values as at 31 December	
	2008	2007
Ramkhamhaeng Hospital Public Co., Ltd.	2,385,980	1,746,785
Total	2,385,980	1,746,785

12.3 Summarised financial information of associated companies

(Unit: Million Baht)

	As at 31 December						For the years ended 31 December			
Company's name	Paid-up capital		Total assets		Total liabilities		Total revenues		Net income (loss)	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Associated companies held by the Company										
The Medic Pharma Co., Ltd.	Baht 21 million	Baht 21 million	264.6	234.6	69.7	12.1	304.4	272.0	33.8	26.7
Cool & Joy Co., Ltd.	Baht 5 million	Baht 5 million	3.6	2.9	-	0.4	3.7	9.7	0.7	1.4
S.R. Property Investment Co., Ltd.	Riel 20 million	Riel 20 million	76.9	79.6	75.1	75.7	0.8	0.5	0.7	0.5
Siem Reap Land Investment Co., Ltd.	Riel 20 million	Riel 20 million	70.1	36.2	68.7	34.4	0.7	0.2	0.7	0.2
Phnom Penh First Property Co., Ltd.	Riel 20 million	Riel 20 million	160.9	166.9	159.1	165.0	1.6	-	1.6	-
Bangkok Helicopter Services Co., Ltd.	Baht 100 million	Baht 100 million	259.3	258.0	190.4	180.9	56.8	5.4	(10.0)	(20.8)
Ramkhamhaeng Hospital Public Co., Ltd.	Baht 120 million	Baht 120 million	3,954.1	4,275.2	1,991.3	1,935.9	2,712.8	2,619.1	439.5	354.7
Associated companies held by the subsidiary companies										
Sodexo Support Services (Thailand) Co., Ltd.	Baht 5 million	Baht 5 million	48.2	41.8	39.4	37.8	242.4	118.5	4.8	4.9
Al Ghaith Bangkok Dusit Management Services LLC.	UAE DIRHAM 0.15 million	-	-	-	-	-	-	-	-	-

Domestic hospital business group

Ramkhamhaeng Hospital Public Co., Ltd.

In the fourth quarter of 2007, the Company purchased additional investment of 0.86 million shares at Baht 480 per share totaling Baht 413.62 million in Ramkhamhaeng Hospital Public Co., Ltd. from the former shareholders. As a result, the Company increased the percentage of shareholding in that company from 19.00 percent to 26.18 percent and that company changes the status to become an associated company.

In the first quarter of 2008, the Company purchased additional investment of 1.45 million shares at Baht 480 per share totalling Baht 694.43 million in Ramkhamhaeng Hospital Public Co., Ltd. from the former shareholders. As a result, the Company increased the percentage of shareholding in that company to 38.24 percent

Other Hospital Related Business

Al Ghaith Bangkok Dusit Management Services LLC

In the first quarter of 2008, a subsidiary has invested in Al Ghaith Bangkok Dusit Management Services LLC in United Arab Emirates with an investment amounting to Baht 0.39 million which represents a percentage of shareholding of 30 percent in that company. The calculation of investment under the equity method as at 31 December 2008 and share of income from investment in some associated companies for the year ended 31 December 2008 of Baht 181 million were calculated based on audited financial statements of those companies. Share of income of Baht 164 million, representing 91 percent of total share of income from all associated companies, is from an associated company which is a listed company on the Stock Exchange of Thailand.

13. Other long-term investments

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)	
				2008	2007
Other companies held by the Company					
Investments in marketable securities					
Thai Military Bank Public Co., Ltd.	Bank	415,367	-	1,770	1,770
Krungdhon Hospital Public Co., Ltd.	Hospital	150	0.13	208	208
Eakchon Hospital Public Co., Ltd.	Hospital	125	0.20	350	350
				2,328	2,328
Add: Revaluation loss on investments				(792)	(79)
Investments in marketable securities				1,536	2,249
Investments in a related company					
Bangkok Airways Co., Ltd.	Airline	440	3.27	36,000	36,000
Investments in a related company				36,000	36,000
Investments in other companies					
Udon Pattana (1994) Co., Ltd.	Hospital	300	10.00	31,650	31,650
X-Ray Computer Urupong Co., Ltd.	X-ray lab	80	5.11	4,520	4,520
Computer Center Co., Ltd.		-	-	25	25
Phyathai X-ray Co., Ltd.	Rental of medical instrument	130	-	3	3
Winstore Co., Ltd.	Retail and wholesale	142	0.36	226	226
Thai Longstay Management Co., Ltd.	Travel business	25	2.12	531	531
Prasit Pattana Public Company Limited	Investment in medical services	1,732.05	16.31	903,156	903,156
Superior Biotech Holding Co., Ltd.	Investment	44	9.09	5,000	5,000
				945,111	945,111

(Unit: Thousand Baht)					
Company's name	Nature of business	Paid-up capital	% share holding	Investment (cost)	
		(Million Baht)		2008	2007
Less: Allowance for impairment of investments				(12,587)	(12,587)
Investments in other companies-net				932,524	932,524
Other long-term investments - net in the separate financial statements				970,060	970,773
Other company held by the subsidiary company					
Thai Herbal Products Co., Ltd.	Sales of herbal products	80	0.60	290	290
Less: Allowance for impairment of investments				-	(66)
Investment in other company - net				290	224
Other long-term investments - net in the consolidated financial statements				970,350	970,997

14. Property, premises and equipment

(Unit: Baht)

Consolidated financial statement

	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 and equipment	Furniture, fixture and office equipment	Vehicles	Building under construction and medical tools and equipment under installation	Total
Cost/reappraised value							
31 December 2007 - as previously reported	3,918,538,942	14,223,951,591	6,175,938,215	3,486,954,035	384,172,318	929,453,539	29,119,008,640
Reclassification	(16,567,650)	12,102,456	40,000	7,052,266	(40,000)	-	2,587,072
31 December 2007 - after reclassification	3,901,971,292	14,236,054,047	6,175,978,215	3,494,006,301	384,132,318	929,453,539	29,121,595,712
Increase from asset revaluation	19,021,024	-	-	-	-	-	19,021,024
Purchases	59,353,170	32,945,117	774,499,832	170,790,072	18,148,247	1,075,746,679	2,131,483,117
Transfer in / (Transfer out)	-	1,135,950,454	77,955,195	114,923,988	16,710,800	(1,376,294,005)	(30,753,568)
Disposals	-	(11,073,802)	(172,601,101)	(65,946,029)	(15,635,464)	(1,569,946)	(266,826,342)
Translation adjustment	-	61,193,208	(22,453,275)	-	163,869	-	38,903,802
31 December 2008	3,980,345,486	15,455,069,024	6,833,378,866	3,713,774,332	403,519,770	627,336,267	31,013,423,745
Accumulated depreciation							
31 December 2007 - as previously reported	15,221,439	4,156,216,116	2,993,165,586	2,410,402,018	242,752,170	-	9,817,757,329
Reclassification	861,089	5,845,513	(1,578,903)	138,523	(141,324)	-	5,124,898

Consolidated financial statement

	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 and equipment	Furniture, fixture and office equipment	Vehicles	Building under construction and medical tools and equipment under installation	Total
31 December 2007 - after reclassification	16,082,528	4,162,061,629	2,991,586,683	2,410,540,541	242,610,846	-	9,822,882,227
Depreciation for the year	466,354	1,030,578,893	676,718,480	357,939,017	57,842,577	-	2,123,545,321
Disposals	-	(2,481,271)	(148,021,545)	(53,197,187)	(15,050,106)	-	(218,750,109)
Translation adjustment	-	1,114,555	1,669,448	-	60,680	-	2,844,683
31 December 2008	16,548,882	5,191,273,806	3,521,953,066	2,715,282,371	285,463,997	-	11,730,522,122
Impairment of fixed assets							
31 December 2007	2,387,500	2,558,365	-	-	-	-	4,945,865
Increasing during the year	567,054	-	-	-	-	-	567,054
Reversal	-	(2,558,365)	-	-	-	-	(2,558,365)
31 December 2008	2,954,554	-	-	-	-	-	2,954,554
Net book value							
31 December 2007	3,900,930,003	10,065,177,110	3,182,772,629	1,076,552,017	141,420,148	929,453,539	19,296,305,446
31 December 2008	3,960,842,050	10,263,795,218	3,311,425,800	998,491,961	118,055,773	627,336,267	19,279,947,069
Depreciation charged (included in income statement) for the year							
2007							1,905,267,080
2008							2,123,545,321

Consolidated financial statement

	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 and equipment	Furniture, fixture and office equipment	Vehicles	Building under construction and medical tools and equipment under installation	Total
Cost/reappraised value							
31 December 2007	836,787,500	3,604,701,756	2,116,610,451	1,091,200,338	148,175,069	524,734,408	8,322,209,522
Purchases	-	4,691,220	279,649,360	49,472,569	1,674,000	228,189,146	563,676,295
Transfer in / (Transfer out)	-	590,515,970	1,921,293	38,065,183	-	(670,369,180)	(39,866,734)
Disposals	-	-	(36,319,431)	(10,158,511)	(529,650)	(1,226,133)	(48,233,725)
31 December 2008	836,787,500	4,199,908,946	2,361,861,673	1,168,579,579	149,319,419	81,328,241	8,797,785,358
Accumulated depreciation							
31 December 2007	-	721,344,195	871,469,304	785,754,756	104,784,275	-	2,483,352,530
Depreciation for the year	-	303,848,584	271,122,329	108,827,377	19,684,311	-	703,482,601
Disposals	-	-	(23,805,544)	(6,988,955)	(431,410)	-	(31,225,909)
31 December 2008	-	1,025,192,779	1,118,786,089	887,593,178	124,037,176	-	3,155,609,222
Net book value							
31 December 2007	836,787,500	2,883,357,561	1,245,141,147	305,445,582	43,390,794	524,734,408	5,838,856,992
31 December 2008	836,787,500	3,174,716,167	1,243,075,584	280,986,401	25,282,243	81,328,241	5,642,176,136
Depreciation charged (included in income statement) for the year							
2007							625,250,523
2008							703,482,601

In 1999, the Company and some subsidiary companies engaged an independent professional appraiser to appraise all of the Company's and the subsidiary companies' land (including the land not used in operations) with carrying cost value of approximately Baht 210 million and Baht 80 million, respectively. Based on the appraisal reports dated July 14, 1999 and July 15, 1999, respectively, the Market Approach Method was applied to the revaluation, reflecting the fair market value of the revalued land of approximately Baht 637 million and Baht 93 million, respectively, which was higher than the cost by approximately Baht 427 million and Baht 13 million, respectively. At present, the Company and the subsidiary companies recorded the difference between the historical cost and appraisal value as "Revaluation surplus of land" in shareholders' equity in the balance sheets.

In 2004, three subsidiaries engaged an independent professional appraiser to appraise all of their land and buildings. Based on the appraisal reports dated December 15, 2004 and December 16, 2004, the Market Approach was applied to the revaluation of land and the Replacement Cost Approach was applied to the revaluation of buildings, reflecting the fair values of the revalued land and buildings of approximately totaling Baht 1,972.02 million and Baht 2,699.04 million, respectively, which were higher than the former revalued cost by approximately Baht 1,085.32 million and Baht 498.68 million, respectively. The Subsidiaries recorded the total revaluation surplus of Baht 1,584 million as "Revaluation surplus on land and buildings" in shareholders' equity in the balance sheets of Baht 1,544.49 million and reversed the loss on valuation of land of a subsidiary of Baht 228.05 million for the land which had new revalued amount higher than the former revalued cost and

In the first quarter of 2007, based on the appraisal of land and buildings of such subsidiaries, the Company has restated the previous period's consolidated financial statements and recognised only the surplus on revaluation of land of the subsidiaries in the consolidated financial statements by using equity method in the amount of Baht 257.05 million as "Revaluation surplus" on land in shareholders' equity in the balance sheets.

In 2007, the Company and its subsidiaries engaged an independent professional appraiser to appraise all of the Company's and the subsidiary companies' land (including the land not used in operation). Based on the appraisal reports, the Market Approach was applied to the revaluation of land, reflecting the fair values of the revalued land approximately total of Baht 2,559.7 million which were higher than the former revalued cost by approximately Baht 414.1 million. The Company and its subsidiaries recorded the revaluation surplus from the former revalued cost of Baht 417.2 (separate financial statement: Baht 301.4 million) as "Revaluation surplus on land" in shareholders' equity in the balance sheets and discount from the original cost of Baht 3.1 million as loss on impairment in the income statements of 2007.

In 2008, the Company recorded the revaluation value of a subsidiary based on the appraisal from an independent professional appraiser. The appraisal based on the market approach reflected the fair values of the revalued land approximately Baht 59.3 million which were higher than the former revalued cost of Baht 19.0 million which was included in "Revaluation surplus on land" in shareholders' equity in the consolidated balance sheets and the Company recorded decrease from the original cost of Baht 0.6 million as impairment loss in the consolidated income statements of 2008.

In addition, the Company recorded the revaluation surplus of an associated company totaling Baht 31.30 million as "Revaluation surplus on land" in shareholders' equity in the consolidated balance sheet.

The revaluation surplus can neither be offset against deficit nor used for dividend payment. A subsidiary company has recorded loss on impairment for building improvement totalling Baht 2.6 million in the income statements of 2007. This building improvement was used for clinic operation which the subsidiary denied to renew the building rental agreement that was expired in February 2008. In 2008, the subsidiary company disposed those building improvement and reversed all the allowance for impairment of such building improvement in February 2008.

If the Company and its subsidiaries recorded the land at cost, their net book value as at 31 December 2008 and 2007 would have been as follows:

(Unit: Baht)

	Consolidated financial statements	Separate financial statements
Net book value (at cost):		
As of 31 December 2008	2,002,894,334	252,054,285
As of 31 December 2007	1,960,385,967	252,054,285

Samitivej Sriracha Co., Ltd.

Samitivej Sriracha Co., Ltd., a subsidiary of Samitivej Public Co., Ltd. had its land and existing building and building improvement as at 27 December 1995 revalued by an independent appraiser who reported under the appraisal reports dated 5 January 1996. The resultant increase in value as compared to the carrying amounts of land, buildings and improvements of approximately Baht 28.39 million.

During the year 2001, the subsidiary company engaged an independent appraiser to appraise all of its land, building, building improvements and utilities. The new valuation was higher than the carrying amounts of these assets. However, the subsidiary company had not compared each asset with former report, therefore, the subsidiary company did not record the assets with such revaluation.

On 25 May 2006, the subsidiary company which was an associated company at that time engaged an independent appraiser to appraise all of its land, building and building improvement. The subsidiary company recorded assets with revaluation. The increase in revaluation of land, building and building improvement was

approximately Baht 61.1 million and Baht 109.7 million, respectively. During the first quarter of 2007, the Group has changed its accounting policy for recording building from revalued amount to cost, the Company has restated the previous periods consolidated financial statements and recognised the equity only from revaluation surplus on land by percentage of shareholding approximately Baht 17 million.

As at 31 December 2008, the Company and its subsidiaries had medical equipment, equipment and vehicles under finance lease agreements with net book values amounting to Baht 394.22 million and separate financial statement amounting to Baht 53.82 million (2007: Baht 404.47 million and separate financial statements: Baht 62.15 million).

As at 31 December 2008, the Company and its subsidiary companies have certain building improvement, medical tools, equipment items and vehicles which have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 3,765.73 million and separate financial statement Baht 813.47 million (2007: Baht 3,392.22 million and separate financial statement: Baht 805.18 million).

15. Land not used in operations

Land not used in operations as at 31 December 2008 and 2007 consisted of:

(Unit: Baht)

	Consolidated and Separate financial statements	
	2008	2007
Land at historical cost	329,385,815	329,385,815
Revaluation surplus	143,747,985	143,747,985
Allowance for impairment	(719,600)	(719,600)
Total	472,414,200	472,414,200

In the year 1999 and 2007, the Company revalued such land not used in operations based on the independent professional appraiser's value as described in Note 14 to the financial statements.

The cumulative capitalised interest on loans recorded as a portion of cost of land not used in operations amounted to approximately Baht 29 million (2007: Baht 29 million).

16. Intangible assets

Intangible assets which are computer software are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Cost	326,293,850	252,334,341	132,229,955	81,100,785
Less: Accumulated amortisation	(188,282,753)	(161,640,381)	(51,390,315)	(42,855,382)
Book value - net	138,011,097	90,693,960	80,839,640	38,245,403
Amortisation for the year	28,860,424	30,667,602	8,584,933	4,298,539

17. Leasehold rights

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Cost	646,517,551	487,230,500	80,049,598	80,049,598
Less: Accumulated amortisation	(101,977,063)	(90,588,288)	(12,616,300)	(8,345,348)
Book value - net	544,540,488	396,642,212	67,433,298	71,704,250
Amortisation for the year	16,551,914	9,636,785	4,270,952	3,349,382

18. Bank overdrafts and short-term loans from financial institution

As at 31 December 2008, the Company and its subsidiaries have bank overdraft facilities with local banks of Baht 348 million and separate financial statement of Baht 60 million with interest rate at MOR (Minimum Overdraft Rate)

In 2008, the Company had obtained a loan by issuance of bill of exchange amounting to Baht 500 million which was sold to a financial institution for a total of Baht 489.91 million, with deferred interest expenses of Baht 10.09 million. The bills will mature in June 2009. As at 31 December 2008, the Company has net bill of exchange balance of Baht 491.62 million.

19. Long-term loans

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Long-term loans	3,376,645,480	6,750,597,793	3,172,380,550	1,935,093,600
Less: Current portion due within one year	(369,625,715)	(1,070,391,045)	(343,800,000)	(387,072,000)
Long-term loans - net of current portion	3,007,019,765	5,680,206,748	2,828,580,550	1,548,021,600

The Company

In 2008, the Company has issued the debenture for a total amount of Baht 5,000 million as discussed in Note 30. The Company and the subsidiary companies used the proceeds from the debentures to settle most of the long-term loans from the financial institutions and have already withdrawn the mortgage and pledge of assets to secure such long-term loans from financial institutions. In addition, the Company entered into a 10-year loan agreement with a bank with the credit facilities of Baht 3,438 million. The loan bears interest at the fixed deposit rate (FDR) plus 2.0% per annum as stipulated in the agreement. The principal and interest are repayable on a monthly basis. This loan contains the condition that the Company and its subsidiaries should not mortgage any assets and also certain covenants which the Company and its subsidiaries must comply with. The Company has entered into an interest rate swap contract for the above loan with a financial institution as discussed in Note 31.2.

In September 2008, the Company entered into a loan agreement with a financial institution. The credit facilities is USD 25 million. The loan bears interest at the rate of LIBOR plus 2 percent per annum. The interest and principal are repayable on a quarterly basis according to a condition as stipulated in the agreement.

As at 31 December 2008, the Company has withdrawn the loan totaling USD 0.6 million.

The subsidiaries

In April 2007 Bangkok Ratchasima Hospital Co., Ltd., a subsidiary company, entered into a loan agreement with a financial institution. The credit facilities is Baht 570 million. The loan bears interest at the rate ranging from MLR - 1.5 percent per annum to MLR per annum. The interest is repayable on a monthly basis. The principal is repayable on a quarterly basis according to a condition as stipulated in the agreement.

As at 31 December 2008, there was no outstanding balance of this loan. In June 2008, Bangkok Ratchasima Hospital Co., Ltd., a subsidiary company, entered into a loan agreement with a financial institution. The credit facilities was Baht 20 million. The loan bears interest at the rate of 4 percent 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 2008, the subsidiary company has fully withdrawn such loan.

In December 2007 Bangkok Pattaya Hospital Co., Ltd., a subsidiary company, entered into a loan agreement with a financial institution. The credit facilities was Baht 200 million. The loan bears interest at the MLR less fixed rate as stipulated in the agreement. The interest and principle are repayable on a monthly basis according to a condition as stipulated in the agreement.

As at 31 December 2008, there was no outstanding balance of this loan.

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

20. Liabilities under long-term lease agreements

As at 31 December 2008 and 2007, liabilities under long-term lease agreements are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Liabilities under long-term lease agreements (contractual value)	281,423	318,088	13,914	27,617
Less: Deferred interest expense	(30,704)	(29,754)	(1,090)	(2,261)
Total	250,719	288,334	12,824	25,356
Less: Current portion due within one year	(108,255)	(118,001)	(11,450)	(15,356)
Liabilities under long-term lease agreements - net of current portion	142,464	170,333	1,374	10,000

As at 31 December 2008, future minimum lease payments required under the long-term lease agreements were as follows:

(Unit: Million Baht)

	Consolidated financial statements		
	Less than 1 year	1 - 5 years	Total
Future minimum long-term lease payments	123.5	157.9	281.4
Deferred interest expenses	(15.3)	(15.4)	(30.7)
Present value of future minimum long-term lease payments	108.2	142.5	250.7

(Unit: Million Baht)

	Separate financial statements		
	Less than 1 year	1 - 5 years	Total
Future minimum long-term lease payments	12.5	1.4	13.9
Deferred interest expenses	(1.0)	(10.1)	(1.1)
Present value of future minimum long-term lease payments	11.5	1.3	12.8

Liabilities under long-term lease agreements

The Company and its subsidiaries have long-term lease agreements with various leasing companies to rent medical equipment and vehicle for use in their operations. The installments are paid on a monthly basis over 36-60 periods and at the end of the agreements, the Company and its subsidiaries have the option to purchase the equipment at prices specified in the agreements.

21. Dividends

The 2007 Annual General Meeting of the Company's shareholders held on 5 April 2007 passed a resolution approving a dividend payment of Baht 0.50 per share, to the holders of the Company's 1,181,037,800 shares (par value of Baht 1 each), or a total of Baht 590.5 million. The dividend payment was made in May 2007.

The 2008 Annual General Meeting of the Company's shareholders held on 27 March 2008 passed a resolution approving a dividend payment of Baht 0.50 per share, to the holders of the Company's 1,214,130,812 shares (par value of Baht 1 each), or a total of Baht 607.1 million. The dividend payment was made in April 2008.

22. 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 income 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.

23. Expenses by nature

Significant expenses by nature for the year ended 31 December 2008 and 2007 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Employee expenses	4,724.9	4,072.3	1,433.4	1,237.5
Depreciation and amortisation expenses	2,168.9	1,945.6	716.3	632.9
Advertising and public relation expenses	452.2	365.7	210.9	171.1
Rental expenses	298.3	279.8	88.3	73.8

In addition, there were other expenses such as doctor fees, drugs and medical supplies and others.

24. Provident fund

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

In 2008, the Company and its subsidiaries contributed Baht 68.38 million (2007: Baht 52.26 million) and separate financial statement contributed Baht 19.46 million (2007: Baht 14.52 million) to the fund.

25. Earnings per share

Basic earnings per share is determined by dividing the net income for the year by the weighted average number of ordinary shares in issue during the year.

No disclosure of diluted earnings per share is required for 2008 and 2007 after the issue of convertible debenture (as discussed in Note 29) since the calculated earnings per share assuming the conversion of all convertible debentures to ordinary shares is not diluted.

26. 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 2036 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.

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 155.11 million. The subsidiary company is committed to pay Baht 38.78 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 total of Baht 103.41 million.

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.

27. Commitments and contingent liabilities

As at 31 December 2008 commitments and contingent liabilities are as follows:

27.1 Commitments and contingent liabilities

(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 26)	76.6	145.2	546.4	15.6	29.2	120.9
- the office equipment rental and other services	166.0	78.0	-	69.8	62.6	-
- the medical equipment provision and maintenance contracts	46.1	38.9	-	-	-	-
- the building construction and decoration contracts	235.1	1.9	-	54.2	-	-
Total	523.8	264.0	546.4	139.6	91.8	120.9

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
Contingent liabilities				
- For letters of guarantee issued by banks to guarantee contract performance	12.9		1.0	
- For letters of guarantee issued by banks for electricity use and others	52.7		13.9	
Total	65.6		14.9	

27.2 Litigations

The Subsidiary

A subsidiary has a contingent liability as a defendant in a legal case related to the building construction retention of Baht 14.37 million. The case is being considered by the Supreme court. However, the subsidiary had set up a full provision for this contingent liability.

28. Segment information

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

29. Convertible debentures

On 19 June 2006, the Extraordinary General Meeting of Shareholders' No. 1/2006 of the Company approved for the issue and offer of the name-registered and unsecured convertible debentures with or without

debenture holders' representatives/ trustee to the foreign investors (except the investors in United States of America) and/or local institutional investors in foreign currency or equivalent of not exceeding Baht 5,000 million. The maturity date will be not more than 5 years from the issuance date. It has also resolved to authorise the Board of Directors and/or the persons authorised by the Board of Directors to determine or amend the details, procedures, and conditions relating to the issue of the convertible bonds. The proceeds of the convertible debenture will be used to repay the existing loans to the Company's lenders, being the Company's working capital as well as strengthening the business operation of the Company.

In addition, the Meeting has approved for reduction of the Company's registered capital by cancelling 2,372,308 authorised but unissued shares, at par value of Baht 1 per share, being Baht 2,372,308 from the existing registered capital of Baht 1,183,410,108 to be the new registered capital of Baht 1,181,037,800.

In addition, it has approved for the increase of the Company's registered capital of another Baht 131,226,422 divided into 131,226,422 ordinary shares at the par value of Baht 1 each from the existing registered capital of Baht 1,181,037,800 to be the new registered capital of Baht 1,312,264,222. The new issued ordinary shares will be reserved for conversion of convertible debentures. If there are any remaining shares from the convertible debentures not being exercised or there are any unsubscribed convertible debentures (as the case may be), the Board of Directors shall be authorised to allot and offer those remaining shares in one or several branches from time to time by way of private placement in accordance with the Office of the Securities and Exchange Commission (SEC) Notification No. GorJor.12/2543 regarding the application and permission for offer of new shares. Details of the allotment such as conditions of the offer, subscription period or any other relevant details shall be determined at the discretion of the Board of Directors including the determination of "market price" in accordance with the relevant the Office of the Securities and Exchange Commission (SEC) notification.

The Company has registered the decrease and increase of registered capital with the Ministry of Commerce on 20 and 21 June 2006 respectively.

On 6 July 2006, the Office of the Securities and Exchange Commission has granted the approval for the issue and offer of the convertible debenture. On 12 July 2006, the Company has issued the 5 years convertible debenture, type name-registered and unsecured convertible debenture with debenture holders' representatives trustee, at the coupon rate of 3.75% p.a., for the total number of 124,000 units, at the price of USD 1,000 each, being the amount of USD 124 million or equivalent of Baht 4,731,840,000 (at the fixed exchange rate of Baht 38.16 per USD 1) to the foreign investors outside United States of America for the entire amount. The aforesaid convertible debenture has been approved for listing on the Singapore Exchange Securities Trading Limited. Unless, early redeemed or converted, the Company will redeem each bond on 12 July 2011 (the maturity date) at an amount equal to the Baht equivalent principal amount multiplied by 114.41 percent. Prior to the close of business on 12 July 2011, a debentureholder has the conversion right to convert any debenture into the Company's ordinary shares. The conversion price will initially be Baht 36.30 per share (which will be subject to revision and/or adjustment in the manner provided in the condition of the Bonds). The convertible debentures are redeemable prior to the maturity date. Early redemption will be subject to the condition of the debentures.

Convertible debenture agreement contain certain covenants which the Company must comply with.

According to the Thai Accounting Standard No. 48 "Financial Instruments: Disclosure and Presentation", the issuer of convertible debentures is required to classify the debentures' liability and equity components and present them separately in the balance sheets. On the issue of debenture, the Company has therefore separated such components, determining the liability component by discounting the stream of future payments of principal and interest at the prevailing market rate. The carrying amount of the equity component, as presented in the balance sheet under the caption of "Convertible Debentures - Equity Component" is determined by deducting the liability component from the total carrying value of the convertible bond.

The liability component continues to be presented on the amortised cost basis, until conversion or maturity of the bonds. The equity component determined on the issue of the bonds is not changed in subsequent periods if there is no conversion prior to maturity date.

On 11 November 2008, the Extraordinary Meeting of the Board of Directors of the Company No. 1/2008 approved to repurchase convertible debentures with the clearing price at 108% of par. The Company has repurchased totaling 34,170 units of convertible debentures, with principal amount of approximately USD 30 million. The Company had net gain on repurchase of convertible debentures totaling Baht 29.6 million which included gain on exchange rate.

As of 31 December 2008, the 31,830 units of convertible debentures have been converted into 33,460,945 of the Company's ordinary shares, at the conversion price of Baht 36.30 per share. As a result, as of 31 December 2008, the Company's issued share capital increased to 1,214,498,745 shares at Baht 1 each and premium on ordinary shares as a result of such transactions increased by a total of Baht 1,204.5 million.

30. Debentures

On 26 December 2007, the Extraordinary General Meeting of the Company's shareholder No. 1/2007 approved for the issue and offer of the debentures denominated in Thai Baht in the total amount not exceeding Baht 7,000 million by one or more issues. The proceeds of the debentures will be for refinancing of the outstanding debts and to increase the flexibility in financing of the Company and its subsidiary companies.

On 6 March 2008, the Company had issued unsubordinated, unsecured and no discount debentures with a name-registered debenture certificate for the total number of 5,000,000 units, at the price of Baht 1,000 per unit, totalling Baht 5,000 million. This bond is divided into two tranches : 3-year tenor for the amount of Baht 3,000 million at the coupon rate of 4.11% per annum and 5-year tenor for the amount of Baht 2,000 million at the coupon rate of 4.84% per annum with interest payable semi-annually.

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

31. Financial instruments

As defined under Thai Accounting Standard No. 48 "Financial Instruments: Disclosure and Presentations", The Company and its subsidiaries have the financial risks associated with these financial assets and liabilities as mentioned in Note 4.17 to financial statements and how they are managed is described below.

31.1 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. Its subsidiaries do not use derivative instruments, while the Company uses derivative instruments as and when they consider appropriate, to manage such risks. They do not hold or issue derivative financial instruments for speculative or trading purposes.

31.2 Interest rate risk

The Company's and subsidiaries' exposure 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 will enter into interest rate swap contract to reduce this risk as appropriate. The long-term loans, convertible debentures and debentures were presented in note 19, 29, and 30 respectively.

Interest rate swap contract

Interest rate swap contract is entered into 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 by converting floating rate based on Fixed Deposit Rate plus 2% per annum to fixed interest rate 5.5% per annum on the long-term loan balance.

Net fair value

The net fair value of interest rate swap contract at the balance sheet date was:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Fair value of interest rate swap contract (liabilities)	193.8	-	193.8	

Fair value of interest rate swap contract has been calculated using rate quoted by the Company's banker as if the contract was terminated at the balance sheet date.

Significant financial assets and liabilities as at 31 December 2008 classified by type of interest rates are summarised in the table below
(Unit: Million Baht)

Consolidated financial statements

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within 1 year	1 - 5 years	Over 5 years			
Financial Assets	89	-	-	1,150	7	1,246
- Cash and cash equivalent	102	-	-	-	-	102
- Short-term investments	-	-	-	-	1,553	1,553
- Trade accounts receivable	16	-	-	-	-	16
- Restricted bank deposit	-	-	-	-	2,685	2,685
- Investments	207	-	-	1,150	4,245	5,602
Financial liabilities						
- Bank overdrafts and short-term loans from financial institution	-	-	-	527	-	527
- Trade accounts payable	-	-	-	-	992	992
- Convertible debentures	-	2,292	-	-	-	2,292
- Debentures	-	4,994	-	-	-	4,994
- Liabilities under long-term lease agreements	108	143	-	-	-	251
- Long-term loans	19	39	6	3,313	-	3,377
	127	7,468	6	3,840	992	12,433

(Unit: Million Baht)

Consolidated financial statements

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within 1 year	1 - 5 years	Over 5 years			
Financial Assets						
- Cash and cash equivalent	100	-	-	657	1	658
- Short-term investments	-	-	-	-	-	100
- Trade accounts receivable	-	-	-	-	579	579
- Short-term loans to related parties	-	-	-	46	-	46
- Long-term loans to related parties	-	-	-	3,561	-	3,561
- Investments	-	-	-	-	10,024	10,024
	100	-	-	4,264	10,604	14,968
Financial liabilities						
- Bank overdrafts and short-term loans from financial institution	-	-	-	492	-	492
- Short-term loans from related parties	-	-	-	397	-	397
- Trade accounts payable	-	-	-	-	358	358
- Convertible debentures	-	2,292	-	-	-	2,292
- Debentures	-	4,994	-	-	-	4,994
- Liabilities under long-term lease agreements	12	1	-	-	-	13
- Long-term loans	-	-	-	3,172	-	3,172
	12	7,287	-	4,061	358	11,718

31.3 Foreign currency risk

The Company's and its subsidiaries' exposure to foreign currency risk arises mainly from business transactions that are denominated in foreign currencies. However, the amount was not significant, the Company and its subsidiaries do not expected any significant loss from this foreign currency risk.

31.4 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 does 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 balance sheet.

31.5 Fair values

Since the majority of the Company 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 balance sheets.

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

32. Capital management

The primary objectives of the Group's capital management is to ensure that they have an appropriate financial structure and preserves the ability to continue their business as a going concern.

According to the balance sheet as at 31 December 2008, the Group's debt-to-equity ratio was 1.2:1.0 (2007: 1.2:1.0) and the Company's debt-to-equity ratio was 1.5:1.0 (2007: 0.8:1.0).

33. Reclassification

Certain amounts in the financial statements for the year ended 31 December 2007 have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Intangible assets - net	90,693,960	330,805,308	38,245,403	109,949,653
Other non-current assets -leasehold rights - net	396,642,212	-	71,704,250	-
Other non-current assets - others - net	98,585,376	255,116,240	-	-

34. Approval of financial statements

These financial statements have been authorised for issue by the Company's Board of Directors on 25 February 2009.



Bangkok Dusit Medical Services

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