

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
REVIEW REPORT AND INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED
30 SEPTEMBER 2004 AND 2003

Review Report of Independent Auditor

To The Board of Directors and Shareholders of
Bumrungrad Hospital Public Company Limited

I have reviewed the accompanying consolidated balance sheet of Bumrungrad Hospital Public Company Limited and subsidiaries as at 30 September 2004, and the related consolidated statements of earnings for the three-month and nine-month periods ended 30 September 2004 and 2003, and the consolidated statements of changes in shareholders' equity and cash flows for the nine-month periods ended 30 September 2004 and 2003, and the separate financial statements of Bumrungrad Hospital Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company and subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews.

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

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have previously audited the consolidated financial statements of Bumrungrad Hospital Public Company Limited and subsidiaries, and the separate financial statements of Bumrungrad Hospital Public Company Limited for the year ended 31 December 2003, in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements, under my report dated 30 January 2004. The balance sheet as at 31 December 2003, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on. I have not performed any other audit procedures subsequent to the date of that report.

Sumalee Reewarabandith

Certified Public Accountant (Thailand) No. 3970

Ernst & Young Office Limited

Bangkok: 27 October 2004

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

(Unit: Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		30 September 2004	31 December 2003	30 September 2004	31 December 2003
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		279,891	985,582	247,391	61,264
Current investments - fixed deposits at financial institutions		960,099	200,012	-	10,012
Trade accounts receivable - net	3	241,370	223,177	240,412	17,750
Advances to employees and directors		13,325	13,094	13,203	3,369
Short-term loans and interest receivable - related parties	4	199,800	101,329	222,709	11,150
Inventories		95,147	93,513	93,151	-
Prepaid expenses		23,087	11,708	22,159	1,219
Accounts receivable - others		-	6,526	-	1,681
Other current assets		5,649	937	303	174
TOTAL CURRENT ASSETS		1,818,368	1,635,878	839,328	106,619
NON-CURRENT ASSETS					
Pledged fixed deposits at financial institutions	2	159,883	79,799	1,306	1,306
Investments accounted for under equity method	5	209	209	1,111,572	767,984
Other long-term investment - net	6	1,700	1,700	1,700	1,700
Long-term loans and interest receivable - related parties	4	148,707	160,341	173,151	183,857
Property, plant and equipment - net	7	2,723,323	2,484,016	1,523,599	511,058
Computer software - net		60,084	89,005	60,084	-
Goodwill on consolidation - net	5	186,929	(1,366)	-	-
Other non-current assets		7,284	6,703	7,284	2,786
TOTAL NON-CURRENT ASSETS		3,288,119	2,820,407	2,878,696	1,468,691
TOTAL ASSETS		5,106,487	4,456,285	3,718,024	1,575,310

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (Continued)

(Unit: Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		30 September 2004 (Unaudited but reviewed)	31 December 2003 (Audited)	30 September 2004 (Unaudited but reviewed)	31 December 2003 (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade accounts payable		400,904	398,123	399,440	555
Current portion of long-term loan	8	328,522	82,130	-	-
Current portion of liabilities under debt restructuring agreement	9	-	8,000	-	8,000
Short-term loans and interest payable - a related party	4	-	-	853,660	-
Accrued physician's fee		164,261	143,892	163,574	-
Interest payable - convertible bonds treated as equity securities		1,822	3,562	1,822	3,562
Accrued expenses		237,503	137,554	236,367	6,094
Unearned non-competition fee	4	-	-	6,375	-
Corporate income tax payable		72,010	-	-	-
Accounts payable - others	4	49,243	45,503	48,225	39,279
Other current liabilities		26,596	5,979	23,669	1,326
TOTAL CURRENT LIABILITIES		1,280,861	824,743	1,733,132	58,816
NON-CURRENT LIABILITIES					
Long-term loan	8	1,861,623	2,108,015	-	-
Liabilities under debt restructuring agreement	9	-	64,022	-	64,022
Convertible bonds	9	-	200,000	-	200,000
Provision for loss in excess of cost of investments in subsidiaries	5	-	-	20,889	13,085
TOTAL NON-CURRENT LIABILITIES		1,861,623	2,372,037	20,889	277,107
TOTAL LIABILITIES		3,142,484	3,196,780	1,754,021	335,923

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (Continued)

(Unit: Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		30 September 2004 (Unaudited but reviewed)	31 December 2003 (Audited)	30 September 2004 (Unaudited but reviewed)	31 December 2003 (Audited)
SHAREHOLDERS' EQUITY					
Share capital	10				
Registered					
920,009,835 ordinary shares of Baht 1 each (31 December 2003: 183,970,467 ordinary shares of Baht 10 each)		920,010	1,839,704	920,010	1,839,704
2,692,850 preference shares of Baht 1 each (31 December 2003: 570,070 preference shares of Baht 10 each)		2,693	5,701	2,693	5,701
Issued and paid-up					
727,359,372 ordinary shares of Baht 1 each (31 December 2003: 132,122,803 ordinary shares of Baht 10 each)		727,359	1,321,228	727,359	1,321,228
2,692,850 preference shares of Baht 1 each (31 December 2003: 559,070 preference shares of Baht 10 each)		2,693	5,591	2,693	5,591
Premium on ordinary shares		285,568	-	285,568	-
Conversion option	9	-	41,599	-	41,599
Convertible bonds treated as equity securities	9	550,000	550,000	550,000	550,000
Retained earnings					
Appropriated - statutory reserve	13	32,000	-	32,000	-
Unappropriated (deficit)		366,383	(679,031)	366,383	(679,031)
TOTAL EQUITY ATTRIBUTABLE TO COMPANY'S SHAREHOLDERS		1,964,003	1,239,387	1,964,003	1,239,387
MINORITY INTEREST - Equity attributable to minority shareholders of subsidiaries		-	20,118	-	-
TOTAL SHAREHOLDERS' EQUITY		1,964,003	1,259,505	1,964,003	1,239,387
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,106,487	4,456,285	3,718,024	1,575,310
		0	0	0	0

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

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 DIRECTORS

(UNAUDITED BUT REVIEWED)

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF EARNINGS
FOR THE THREE-MONTH PERIODS ENDED 30 SEPTEMBER 2004 AND 2003

(Unit: Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2004	2003	2004	2003
REVENUES					
Revenues from hospital operations		1,535,011	1,189,494	1,015,702	-
Rental income	4	14,866	13,274	22,771	19,249
Non-competition fee income	4	-	-	6,375	6,375
Interest income	4	6,608	4,719	4,461	2,055
Gain on exchange rate		4,087	1,446	2,928	-
Other income	4	9,714	13,118	21,137	10,566
Share of profit from investments accounted for under equity method		-	-	39,143	175,870
TOTAL REVENUES		1,570,286	1,222,051	1,112,517	214,115
EXPENSES					
Cost of hospital operations		998,556	767,105	654,108	-
Depreciation and amortisation		60,432	61,562	28,996	3,020
Administrative expenses	4	202,262	170,334	172,312	22,139
Directors' remuneration		1,230	885	1,230	885
Amortisation of goodwill		4,667	-150	-	-
Loss on impairment of fixed assets	7	13,900	-	-	-
Share of loss from investments accounted for under equity method		-	-	2,621	1,376
TOTAL EXPENSES		1,281,047	999,736	859,267	27,420
EARNINGS BEFORE INTEREST EXPENSE AND INCOME TAX					
		289,239	222,315	253,250	186,695
INTEREST EXPENSE					
		(30,166)	(31,022)	(9,998)	-
CORPORATE INCOME TAX					
	11	(15,821)	-	-	-
EARNINGS BEFORE MINORITY INTEREST					
		243,252	191,293	243,252	186,695
MINORITY INTEREST					
		-	(4,598)	-	-
EARNINGS FROM ORDINARY OPERATIONS					
		243,252	186,695	243,252	186,695
EXTRAORDINARY ITEM - Gain from conversion of convertible bonds to ordinary shares					
	9	63,978	-	63,978	-
NET EARNINGS FOR THE PERIOD					
		307,230	186,695	307,230	186,695
(Unit: Baht)					
BASIC EARNINGS PER SHARE					
	12				
Earnings from ordinary operations		0.35	0.42	0.35	0.42
Extraordinary item		0.09	-	0.09	-
Net earnings		0.44	0.42	0.44	0.42
Weighted average number of ordinary shares (shares)		693,197,881	446,328,305	693,197,881	446,328,305
DILUTED EARNINGS PER SHARE					
	12				
Earnings from ordinary operations		0.28	0.22	0.28	0.22
Extraordinary item		0.07	-	0.07	-
Net earnings		0.35	0.22	0.35	0.22
Weighted average number of ordinary shares (shares)		867,414,859	857,914,864	867,414,859	857,914,864

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

(UNAUDITED BUT REVIEWED)

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF EARNINGS
FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2004 AND 2003

(Unit: Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2004	2003	2004	2003
REVENUES					
Revenues from hospital operations		4,210,058	3,250,682	1,015,702	-
Rental income	4	42,072	37,678	62,946	55,968
Non-competition fee income	4	-	-	19,125	19,125
Interest income	4	18,216	15,456	9,575	9,644
Gain on exchange rate		12,654	8,895	3,274	-
Other income	4	29,733	33,613	32,967	18,536
Share of profit from investments accounted for under equity method		-	-	362,139	463,851
TOTAL REVENUES		4,312,733	3,346,324	1,505,728	567,124
EXPENSES					
Cost of hospital operations		2,722,498	2,132,435	654,108	-
Depreciation and amortisation		189,477	179,051	34,903	9,108
Administrative expenses	4	565,028	440,528	217,856	59,300
Directors' remuneration		3,720	4,735	3,720	4,735
Amortisation of goodwill		4,367	-450	-	-
Loss on impairment of fixed assets	7	13,900	-	-	-
Share of loss from investments accounted for under equity method		-	-	7,841	6,839
TOTAL EXPENSES		3,498,990	2,756,299	918,428	79,982
EARNINGS BEFORE INTEREST EXPENSE AND INCOME TAX					
		813,743	590,025	587,300	487,142
INTEREST EXPENSE					
		(90,231)	(90,757)	(9,998)	-
CORPORATE INCOME TAX					
	11	(137,766)	-	-	-
EARNINGS BEFORE MINORITY INTEREST					
		585,746	499,268	577,302	487,142
MINORITY INTEREST					
		(8,444)	(12,126)	-	-
EARNINGS FROM ORDINARY OPERATIONS					
		577,302	487,142	577,302	487,142
EXTRAORDINARY ITEM - Gain from conversion of convertible bonds to ordinary shares					
	9	63,978	-	63,978	-
NET EARNINGS FOR THE PERIOD					
		641,280	487,142	641,280	487,142
(Unit: Baht)					
BASIC EARNINGS PER SHARE					
	12				
Earnings from ordinary operations		0.86	1.09	0.86	1.09
Extraordinary item		0.09	-	0.09	-
Net earnings		0.95	1.09	0.95	1.09
Weighted average number of ordinary shares (shares)		672,117,302	446,324,074	672,117,302	446,324,074
DILUTED EARNINGS PER SHARE					
	12				
Earnings from ordinary operations		0.67	0.57	0.67	0.57
Extraordinary item		0.07	-	0.07	-
Net earnings		0.74	0.57	0.74	0.57
Weighted average number of ordinary shares (shares)		861,624,714	857,914,864	861,624,714	857,914,864

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

(UNAUDITED BUT REVIEWED)

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2004 AND 2003

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Cash flows from (used in) operating activities				
Net earnings	641,280	487,142	641,280	487,142
Adjustments to reconcile net earnings to net cash provided by (paid from) operating activities: -				
Depreciation and amortisation	189,477	179,051	34,903	9,108
Loss on impairment of fixed assets	13,900	-	-	-
Bad debts and allowance for doubtful accounts	9,919	9,477	5,147	258
Amortisation of goodwill	4,367	(450)	-	-
Share of profit from investments accounted for under equity method	-	-	(354,298)	(457,012)
Earnings attributed to minority interest for the period	8,444	12,126	-	-
Gain on disposal of fixed assets	(1,556)	(8,041)	-	-
	<u>865,831</u>	<u>679,305</u>	<u>327,032</u>	<u>39,496</u>
Decrease (increase) in operating assets				
Trade accounts receivable	(28,112)	(39,233)	(227,809)	(10,124)
Inventories	(1,634)	(10,549)	(93,151)	-
Other current assets	(9,565)	(2,992)	(19,388)	(1,963)
Increase (decrease) in operating liabilities				
Trade accounts payable	(46,739)	20,659	349,926	167
Accrued physicians' fee	20,369	11,542	163,574	-
Interest payable	-	(660)	-	-
Accrued expenses	99,949	69,350	230,273	4,808
Corporate income tax payable	72,010	-	-	-
Accounts payable - others	3,740	11,386	8,945	11,086
Other current liabilities	20,617	1,216	22,343	1,261
Net cash from operating activities	<u>996,466</u>	<u>740,024</u>	<u>761,745</u>	<u>44,731</u>

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

(UNAUDITED BUT REVIEWED)

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2004 AND 2003

(Unit: Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2004	2003	2004	2003
Cash flows from (used in) investing activities					
Increase in deposits at financial institutions with maturity of more than 3 months and those pledged		(390,184)	(750,617)	-	(36)
Increase in advances to employees and directors		(231)	(6,480)	(9,834)	(1,723)
Increase in short-term loans and interest receivable - related parties		(98,471)	(74,443)	(211,559)	(5,454)
Decrease (increase) in long-term loans and interest receivable - related parties		11,634	(6,745)	10,706	(6,977)
Decrease in non-competition fee receivable		-	-	-	88,675
Increase in unearned non-competition fee		-	-	6,375	6,375
Purchase of investment in a subsidiary		(221,223)	-	(221,223)	-
Dividend received		-	-	239,738	-
Increase in plant and equipment		(362,687)	(190,202)	(1,058,568)	(64,192)
Increase in other non-current assets		(581)	(1,041)	(4,499)	(149)
Net cash from (used in) investing activities		<u>-1,061,743</u>	<u>(1,029,528)</u>	<u>(1,248,864)</u>	<u>16,519</u>
Cash flows from (used in) financing activities					
Increase in short-term loans and interest payable - a related party		-	-	853,660	-
Cash received from issued ordinary shares		110,612	-	110,612	-
Dividend paid		-219,016	-	-219,016	-
Decrease in liabilities under debt restructuring agreement from interest payment		(8,044)	(7,978)	(8,044)	(7,978)
Interest paid for convertible bonds treated as equity securities		(10,000)	(17,452)	(10,000)	(17,452)
Net cash from (used in) financing activities before extraordinary item		<u>(126,448)</u>	<u>(25,430)</u>	<u>727,212</u>	<u>(25,430)</u>
Extraordinary item - gain from conversion of convertible bonds to ordinary shares		(63,978)	-	(63,978)	-
Net cash from (used in) financing activities		<u>-190,426</u>	<u>-25,430</u>	<u>663,234</u>	<u>-25,430</u>
Net increase (decrease) in cash and cash equivalents		(255,703)	(314,934)	176,115	35,820
Cash and cash equivalents at beginning of period		1,025,594	560,188	71,276	56,435
Cash and cash equivalents at end of period	14	<u>769,891</u>	<u>245,254</u>	<u>247,391</u>	<u>92,255</u>
Supplemental cash flows information					
Cash paid during the period for: -					
Interest expense		98,304	99,395	8,073	7,978
Corporate income tax		69,808	12,627	4,052	5,021
Non-cash transaction: -					
Convertible bonds converted to ordinary shares		200,000	-	200,000	-

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

(UNAUDITED BUT REVIEWED)

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2004 AND 2003

(Unit: Thousand Baht)

CONSOLIDATED										
	Note	Issued and paid-up share capital		Premium on ordinary shares	Conversion option	Convertible bonds treated as equity securities	Retained earnings		Minority interest	Total
		Ordinary shares	Preference shares				Appropriated- statutory reserve	Unappropriated (deficit)		
Balance - as at 1 January 2003		892,627	5,621	888,037	41,599	1,300,000	36,639	-2,575,973	3,530	592,080
Preference shares converted to ordinary shares	10	30	-30	-	-	-	-	-	-	-
Interest paid for convertible bonds treated as equity securities	9	-	-	-	-	-	-	-13,089	-	-13,089
Net earnings for the period		-	-	-	-	-	-	487,142	-	487,142
Minority interest for the period		-	-	-	-	-	-	-	12,126	12,126
Balance - as at 30 September 2003		<u>892,657</u>	<u>5,591</u>	<u>888,037</u>	<u>41,599</u>	<u>1,300,000</u>	<u>36,639</u>	<u>-2,101,920</u>	<u>15,656</u>	<u>1,078,259</u>
Balance - as at 1 January 2004		1,321,228	5,591	-	41,599	550,000	-	-679,031	20,118	1,259,505
Preference shares converted to ordinary shares	10	205	-205	-	-	-	-	-	-	-
Reduction the par value of the shares to deduct deficit	10	-660,717	-2,693	-	-	-	-	663,410	-	-
Ordinary shares issued during the period	10	9,500	-	101,112	-	-	-	-	-	110,612
Convertible bonds converted to ordinary shares	9	57,143	-	184,456	-41,599	-	-	-	-	200,000
Interest paid for convertible bonds treated as equity securities	9	-	-	-	-	-	-	-8,260	-	-8,260
Transferred to statutory reserve	13	-	-	-	-	-	32,000	-32,000	-	-
Net earnings for the period		-	-	-	-	-	-	641,280	-	641,280
Dividend paid	13	-	-	-	-	-	-	-219,016	-	-219,016
Minority interest for the period		-	-	-	-	-	-	-	8,444	8,444
Minority sold its investment		-	-	-	-	-	-	-	-28,562	-28,562
Balance - as at 30 September 2004		<u>727,359</u>	<u>2,693</u>	<u>285,568</u>	<u>-</u>	<u>550,000</u>	<u>32,000</u>	<u>366,383</u>	<u>-</u>	<u>1,964,003</u>

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

(UNAUDITED BUT REVIEWED)

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2004 AND 2003

(Unit: Thousand Baht)

		THE COMPANY ONLY							
		Issued and paid-up share capital		Premium on		Convertible bonds	Retained earnings		
		Ordinary shares	Preference shares	ordinary shares	Conversion option	treated as	Appropriated-	Unappropriated	Total
Note						equity securities	statutory reserve	(deficit)	
	Balance - as at 1 January 2003	892,627	5,621	888,037	41,599	1,300,000	36,639	-2,575,973	588,550
	Preference shares converted to ordinary shares	30	-30	-	-	-	-	-	-
	Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	-	-13,089	-13,089
	Net earnings for the period	-	-	-	-	-	-	487,142	487,142
	Balance - as at 30 September 2003	<u>892,657</u>	<u>5,591</u>	<u>888,037</u>	<u>41,599</u>	<u>1,300,000</u>	<u>36,639</u>	<u>-2,101,920</u>	<u>1,062,603</u>
	Balance - as at 1 January 2004	1,321,228	5,591	-	41,599	550,000	-	-679,031	1,239,387
	Preference shares converted to ordinary shares	205	-205	-	-	-	-	-	-
	Reduction the par value of the shares to deduct deficit	-660,717	-2,693	-	-	-	-	663,410	-
	Ordinary shares issued during the period	9,500	-	101,112	-	-	-	-	110,612
	Convertible bonds converted to ordinary shares	57,143	-	184,456	-41,599	-	-	-	200,000
	Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	-	-8,260	-8,260
	Transferred to statutory reserve	-	-	-	-	-	32,000	-32,000	-
	Net earnings for the period	-	-	-	-	-	-	641,280	641,280
	Dividend paid	-	-	-	-	-	-	-219,016	-219,016
	Balance - as at 30 September 2004	<u>727,359</u>	<u>2,693</u>	<u>285,568</u>	<u>-</u>	<u>550,000</u>	<u>32,000</u>	<u>366,383</u>	<u>1,964,003</u>

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

(UNAUDITED BUT REVIEWED)

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED
30 SEPTEMBER 2004 AND 2003

1. GENERAL INFORMATION

1.1 Operation restructuring

On 8 June 2004, the meeting of the Company's Board of Directors passed a resolution approving the relocation of the Company's office from 210 Soi 1 (Soi Ruen Rudee) Sukhumvit Road, Klongtoey Nua Sub district, Wattana District, Bangkok to 33 Sukhumvit Soi 3 (Nana Nua) Sukhumvit Road, Klongtoey Nua Sub district, Wattana District, Bangkok. The Company registered this relocation with the Ministry of Commerce and the Revenue Department on 1 July 2004 and 11 June 2004, respectively.

On 15 June 2004, the extraordinary general meeting of the Company's shareholders passed a resolution approving the purchase of the hospital business from a subsidiary, Bumrungrad Medical Center Ltd., and approving the Board of Directors to consider the remuneration. The Company acquired the movable assets, relevant licenses and permits, rights under various contracts and all employees involved in the hospital business. The purchase of the business was completed on 31 July 2004, with total remuneration on purchase of Baht 579.3 million. Relevant transactions were recorded in the third quarter of 2004. In addition, the Company leases the hospital building from Bumrungrad Medical Center Ltd., for use in carrying on the hospital operations.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standards Pronouncement No. 41 "Interim financial statements", with the Company choosing to present condensed interim financial statements. However, additional line items are presented in the balance sheets, and the statements of earnings, changes in shareholders' equity and cash flows, as in the annual financial statements.

(UNAUDITED BUT REVIEWED)

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

1.3 Basis of consolidation

These consolidated financial statements include the financial statements of Bumrungrad Hospital Public Company Limited and subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2003. There have been no changes in the composition of the subsidiaries during the current period, except the additional purchase of investment in Bumrungrad Medical Center Ltd. in June 2004. As a result, the Company's shareholding in this subsidiary increased from 97.45% to 100%.

1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2003, except for calculation of basic earnings per share and diluted earning per share. The numbers of ordinary shares in issue during the period and ordinary shares to be issued for conversion of all dilutive potential ordinary shares into ordinary shares were proportionately adjusted as a result of the change in the par value as described in Note 10 and Note 9. Basic earnings per share and diluted earnings per share for the three-month and nine-month periods ended 30 September 2003 have been adjusted as though the share split had been effective since the beginning of the reported period.

2. PLEDGED FIXED DEPOSITS AT FINANCIAL INSTITUTIONS

As at 30 September 2004, deposits at financial institutions of Baht 9.8 million (31 December 2003: Baht 9.8 million) have been pledged with banks to secure bank guarantees issued by banks on behalf of the Company and a subsidiary (Bumrungrad Medical Center Ltd.), and Baht 150 million (31 December 2003: Baht 70 million) has been pledged to secure long-term loan of that subsidiary as described in Note 8.

(UNAUDITED BUT REVIEWED)

3. TRADE ACCOUNTS RECEIVABLE

The agings of the trade accounts receivable balances as at 30 September 2004 and 31 December 2003 are as follows: -

(Unit: Thousand Baht)

<u>Outstanding period</u>	<u>CONSOLIDATED</u>		<u>THE COMPANY ONLY</u>	
	<u>30 September</u> <u>2004</u>	<u>31 December</u> <u>2003</u>	<u>30 September</u> <u>2004</u>	<u>31 December</u> <u>2003</u>
Current	138,398	137,341	137,859	14,963
Overdue				
1 - 30 days	51,825	45,340	51,708	1,140
31 - 60 days	24,158	11,873	24,015	144
61 - 90 days	11,947	7,144	11,872	296
91 - 180 days	14,293	21,379	14,241	866
181 - 365 days	12,947	7,432	12,915	74
More than 365 days	11,387	11,099	11,387	525
Total	264,955	241,608	263,997	18,008
Less: Allowance for doubtful accounts	(23,585)	(18,431)	(23,585)	(258)
Net	<u>241,370</u>	<u>223,177</u>	<u>240,412</u>	<u>17,750</u>

4. RELATED PARTY TRANSACTIONS

During the periods, the Company had significant business transactions with subsidiaries and related companies, which are related through shareholding or through having certain common shareholders or directors. Such transactions, which have been presented on the terms and basis agreed between the Company and those companies, are summarised below: -

(UNAUDITED BUT REVIEWED)

(Unit: Million Baht)

	THE COMPANY ONLY				Pricing policy
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September		
	2004	2003	2004	2003	
<u>Transactions with subsidiaries</u> (eliminated from consolidated financial statements)					
Rental income	9.9	11.3	33.9	33.7	As per contract a)
Non-competition fee income	6.3	6.3	19.1	19.1	As per contract b)
Interest income	0.5	0.2	1.4	1.7	11% p.a. and MLR - 0.5% p.a. (2003: 1.28%, 1.38%, 5%, 11% p.a.)
Service income	1.6	-	1.6	-	Cost plus margin
Management fee income	12.2	0.2	12.8	0.4	As per contract c)
Dividend received	239.7	-	239.7	-	Baht 2 per share
Rental expense	32.5	-	32.5	-	Fixed monthly rate
Interest expense	10.0	-	10.0	-	MLR, MLR - 0.25% p.a.
<u>Transactions with related companies</u>					
Service income	0.5	-	0.5	-	Cost plus margin
Rental income	0.5	0.7	1.6	1.9	As per contract d)
Interest income	3.8	1.8	8.0	7.3	MLR p.a.
Rental expense	4.9	4.5	15.3	12.5	As per contract e)
Donation expense	0.3	-	0.3	-	-

(Unit: Million Baht)

	CONSOLIDATED				Pricing policy
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September		
	2004	2003	2004	2003	
<u>Transactions with related companies</u>					
Service income	3.8	1.1	13.3	2.6	Cost plus margin
Rental income	0.5	0.7	1.6	1.9	As per contract d)
Interest income	4.6	2.7	12.5	8.6	MLR p.a.
Rental expense	4.9	4.5	15.3	12.5	As per contract e)
Donation expense	1.3	0.3	7.9	0.9	-

(UNAUDITED BUT REVIEWED)

- a) A subsidiary (Bumrungrad Medical Center Ltd.) has leased a plot of land, building, and nursing dormitory from the Company for its hospital operations. The lease agreements cover a period of 30 years, commencing from the year 1996. The rental fees are Baht 40.1 million per annum, not including the rental fee for BH Residence.

Another subsidiary (Vitallife Corporation Ltd.) has leased building spaces from the Company for use in its operations. The lease agreement covers a period of 11 years, commencing from the year 2001, and rental fees are Baht 3 million per annum.

- b) A subsidiary (Bumrungrad Medical Center Ltd.) has entered into a non-competition agreement with the Company, for a period of 30 years commencing from the year 1997. Under this agreement, the subsidiary is obliged to pay a non-competition fee totaling Baht 255 million over nine years. The obligation for 1997 was Baht 51 million, and for each of the next eight years the fee obligation is Baht 25.5 million. In addition, the Company charges interest on the unpaid portion of the fee at a rate of 11% per annum.
- c) The Company and Vitallife Corporation Ltd. entered into a management service agreement under which Vitallife Corporation Ltd. had to pay the Company an amount equal to 3.5% of its turnover. In September 2004, both companies agreed to cancel such agreement.

In August 2004, the Company provides consulting services to Bumrungrad Medical Center Ltd. and charges a consulting fee to end of the year 2004 totaling Baht 30 million.

- d) Global Care Solutions (Thailand) Co., Ltd. has leased building spaces from the Company for use in its operations. The lease agreement covers a period of 3 years, commencing from the year 2001, and the rental fees are Baht 1 million per annum, not including rental fees for room at BH Residence.

(UNAUDITED BUT REVIEWED)

- e) The Company has entered into an agreement to lease land and a building (BH Tower) from Bangkok Bank Plc. for a period of 3 years, commencing from August 2000. The rental fee is calculated at the rate of 75% of net income (total revenues minus total expenses) from the sub-lease, with a minimum rental of Baht 8 million per annum. During 2004, the bank approved one-year renewal of agreement, commencing on 29 August 2003 to 28 August 2004. The rate of rental and other conditions shall be in accordance with the initial agreement. The Company is in the process of renewing the agreement.

Rental payable as at 30 September 2004, amounting to Baht 2.9 million (31 December 2003: Baht 8.6 million), was shown in the balance sheet under the caption of "Accounts payable - others".

The outstanding balances of the above transactions (except e) were separately presented in the balance sheets as follows: -

	(Unit: Thousand Baht)			
	CONSOLIDATED		THE COMPANY ONLY	
	30 September 2004	31 December 2003	30 September 2004	31 December 2003
<u>Short-term loans and interest receivable - related parties</u>				
<u>Former subsidiary</u>				
The Bumrungrad Hospital Rayong Co., Ltd.	-	-	39,432	39,432
Less: Allowance for doubtful accounts	-	-	(39,432)	(39,432)
	-	-	-	-
<u>Subsidiary</u>				
Vitalife Corporation Ltd.	-	-	22,909	8,565
<u>Related parties</u>				
Global Care Solutions (Thailand) Co., Ltd.	199,333	101,184	199,333	2,585
The Bumrungrad Hospital Foundation	467	145	467	-
Total	<u>199,800</u>	<u>101,329</u>	<u>222,709</u>	<u>11,150</u>
<u>Long-term loans and interest receivable - related parties</u>				
<u>Subsidiaries</u>				
B.H. Avenue Co., Ltd.	-	-	450	408
Vitalife Corporation Ltd.	-	-	23,994	23,108
<u>Related party</u>				
Global Care Solutions (Thailand) Co., Ltd.	<u>148,707</u>	<u>160,341</u>	<u>148,707</u>	<u>160,341</u>
Total	<u>148,707</u>	<u>160,341</u>	<u>173,151</u>	<u>183,857</u>

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

	30 September 2004	31 December 2003	30 September 2004	31 December 2003
<u>Unearned non-competition fee</u>				
<u>Subsidiary</u>				
Bumrungrad Medical Center Ltd.	-	-	6,375	-
<u>Short-term loans and interest payable - a related party</u>				
<u>Subsidiary</u>				
Bumrungrad Medical Center Ltd.	-	-	853,660	-

Global Care Solutions (Thailand) Co., Ltd. is a developer of software for the hospital business. A subsidiary (Bumrungrad Medical Center Ltd.) is the beta site for all software developed by that company. The Company and the subsidiary therefore provide financial support to this company for it to use in its operations, in the form of short-term and long-term loans, on which interest is charged at the rate MLR per annum. Software licensing agreements are being negotiated with numerous customers, both locally and abroad, and the management of the Company believes that partial repayment of these loans will be made within 2004.

The short-term and long-term loans to Vitallife Corporation Ltd. carry interest at the rate of MLR less 0.5% per annum (2003: the short-term loan carried interest at the rate of 5% per annum and long-term loan carried interest at a rate equal to LIBOR quoted on the last business day of the preceding quarter).

The short-term loans from Bumrungrad Medical Center Ltd. carry interest at the rate of MLR per annum and MLR less 0.25% per annum.

(UNAUDITED BUT REVIEWED)

Movements in the related party balances during the period are summarised below: -

(Unit: Thousand Baht)

	31 December 2003	Increase	Decrease	30 September 2004
<u>Short-term loans and interest receivable - related parties</u>				
<u>Subsidiary</u>				
Vitallife Corporation Ltd.				
Principal	8,201	14,856	1,042	22,015
Interest receivable	364	530	-	894
<u>Related parties</u>				
Global Care Solutions (Thailand) Co., Ltd.				
Principal	98,557	93,185	1,225	190,487
Interest receivable	2,627	6,323	104	8,846
The Bumrungrad Hospital Foundation	145	1,417	1,095	467
<u>Long-term loans and interest receivable - related parties</u>				
<u>Subsidiaries</u>				
B.H. Avenue Co., Ltd.				
Principal	247	20	-	267
Interest receivable	161	22	-	183
Vitallife Corporation Ltd.				
Principal	22,494	-	-	22,494
Interest receivable	614	886	-	1,500
<u>Related party</u>				
Global Care Solutions (Thailand) Co., Ltd.				
Principal	143,870	-	-	143,870
Interest receivable	16,471	6,193	17,827	4,837
<u>Unearned non-competition fee</u>				
<u>Subsidiary</u>				
Bumrungrad Medical Center Ltd.				
	-	12,750	6,375	6,375
<u>Short-term loans and interest payable - a related party</u>				
<u>Subsidiary</u>				
Bumrungrad Medical Center Ltd.				
Principal	-	843,690	-	843,690
Interest payable	-	9,970	-	9,970

(UNAUDITED BUT REVIEWED)

5. INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD/PROVISION FOR LOSS IN EXCESS OF COST OF INVESTMENTS IN SUBSIDIARIES

Investments accounted for under equity method comprise of investments in ordinary shares of the following companies: -

(Unit: Thousand Baht)

	30 September 2004				31 December 2003			
	Paid-up capital	Percentage owned	Investments		Paid-up capital	Percentage owned	Investments	
Cost method			Equity method	Cost method			Equity method	
<u>Subsidiaries</u>								
Bumrungrad Medical Center Ltd.	958,954	100.00	1,691,903	1,111,070	1,198,692	97.45	1,470,680	767,446
B.H. Avenue Co., Ltd.	1,000	99.94	999	293	1,000	99.94	999	329
Vitalife Corporation Ltd.	31,500	100.00	25,610	(20,889)	31,500	100.00	25,610	(13,085)
Total investments in subsidiaries			<u>1,718,512</u>	<u>1,090,474</u>			<u>1,497,289</u>	<u>754,690</u>
<u>Associated company</u>								
L.S. Cleaning Co., Ltd.	1,250	25.00	313	209	1,250	25.00	313	209
Total investment in associated company			<u>313</u>	<u>209</u>			<u>313</u>	<u>209</u>
Total investments			<u>1,718,825</u>	<u>1,090,683</u>			<u>1,497,602</u>	<u>754,899</u>

(Unit: Thousand Baht)

	THE COMPANY ONLY	
	30 September 2004	31 December 2003
<u>Net investments</u>		
Investments accounted for under equity method	1,111,572	767,984
Provision for loss in excess of cost of investment in subsidiary	<u>(20,889)</u>	<u>(13,085)</u>
Total	<u>1,090,683</u>	<u>754,899</u>

The meeting of the Board of Directors of Bumrungrad Medical Center Ltd. held on 12 November 2003 passed a resolution approving the settlement of all premium on ordinary shares against the deficit. On 15 December 2003, the extraordinary general meeting of the subsidiary's shareholders passed an extraordinary resolution approving the reduction of registered share capital of Baht 239.7 million by reducing the par value of the shares from Baht 10 to Baht 8, in order to reduce the deficit. The subsidiary registered this change with the Ministry of Commerce on 30 March 2004.

(UNAUDITED BUT REVIEWED)

On 16 June 2004, the Company purchased 3,060,623 ordinary shares of Bumrungrad Medical Center Ltd. from International Finance Corporation at the price of Baht 72.28050 per share (market price, based on opinion of the Company's financial advisor), totaling Baht 221,223,346. As a result, the Company's shareholding in this subsidiary increased from 97.45% to 100%. The difference between cost of investment and the value ascribed to the equity in the subsidiary at the time of acquisition amounting to Baht 192.7 million is included in the caption of "Goodwill on consolidation".

On 18 August 2004, the Board of Directors of Bumrungrad Medical Center Ltd. approved the payment of an interim dividend of Baht 2 per share to the shareholders from that company's earnings from 1 January 2004 to 30 June 2004. The Company received dividend totalling Baht 239.7 million.

The share of the profit/loss of the associated company has been calculated from the management accounts of that associated company.

6. OTHER LONG-TERM INVESTMENT

(Unit: Thousand Baht)

COMPANY	PERCENTAGE OF SHAREHOLDING		CONSOLIDATED		THE COMPANY ONLY	
	30 September 2004	31 December 2003	30 September 2004	31 December 2003	30 September 2004	31 December 2003
	%	%				
Chantaburi Country Club Co., Ltd.	0.5	0.5	4,500	4,500	4,500	4,500
Less: Provision for impairment loss			(2,800)	(2,800)	(2,800)	(2,800)
Net			<u>1,700</u>	<u>1,700</u>	<u>1,700</u>	<u>1,700</u>

The Company estimated provision for loss on impairment of investment by considering the latest financial statements of invested company.

7. PROPERTY, PLANT AND EQUIPMENT

The Company has mortgaged all of the land with a book value of Baht 290.9 million (Baht 390 million appraisal fair value as of 1 June 2002) with a commercial bank, acting as bondholders' trustee, as collateral for the convertible bonds of the Company as described in Note 9 b) and 9 c).

(UNAUDITED BUT REVIEWED)

The Company and Bumrungrad Medical Center Ltd. has mortgaged their building and pledged medical instruments and hospital equipment, with net book value as at 30 September 2004 of Baht 1,257 million (31 December 2003: Baht 1,380 million), to secure long-term loan obtained from a local commercial bank as described in Note 8.

In July 2004, Bumrungrad Medical Center Ltd. recorded provision for impairment of medical instruments, amounting to Baht 13.9 million because there were indications that the carrying value of these assets exceeded their recoverable value.

8. LONG-TERM LOAN

(Unit: Thousand Baht)

	CONSOLIDATED		Securities
	30 September 2004	31 December 2003	
<u>Bumrungrad Medical Center Ltd.</u>			
Loan from a local commercial bank	2,190,145	2,190,145	Mortgage of building and pledge
Less: Current portion of long-term loan	(328,522)	(82,130)	of medical instruments, hospital
Long-term portion	<u>1,861,623</u>	<u>2,108,015</u>	equipment and fixed deposits

On 16 September 2002, a subsidiary (Bumrungrad Medical Center Ltd.) entered into a loan agreement in the Baht currency with a local commercial bank to obtain a Baht 2,400,000,000 credit facility. Such loan carries interest at 5.5% per annum for the first two years and then at MLR less a certain percentage per annum. Interest is payable on a monthly basis and principal is repayable in 24 quarterly installments, commencing 30 December 2004. To guarantee this loan, the subsidiary has mortgaged its building and pledged medical instruments, hospital equipment and fixed deposits as described in Notes 7 and 2. In July 2004, the Company has entered into the Amendment Agreement and the Amended and Restated Facility Agreement with that bank in order to assume joint responsibility for these liabilities.

The loan agreement contains normal covenants pertaining to matters such as the maintenance of certain financial ratios, and restrictions on financial indebtedness and the payment of dividends, among others.

(UNAUDITED BUT REVIEWED)

9. CONVERTIBLE BONDS/LIABILITIES UNDER DEBT RESTRUCTURING AGREEMENT

On 24 August 2000, the Company issued the following convertible bonds for the purpose of debt settlement with a local commercial bank, which is a related party, in compliance with the Company's debt restructuring agreement: -

- a) Unsecured convertible bonds without trustee in an amount of Baht 200 million, with a maturity of 12 years, and a coupon rate of 4% per annum, payable semi-annually. The current conversion price is Baht 3.50 per one ordinary share (31 December 2003: Baht 17.50 per one ordinary share) and bondholders may make conversion throughout the life of the bonds.

On 25 August 2004, all of the bonds had been converted by Bangkok Insurance Public Company Limited.

- b) Partly secured convertible bonds in an amount of Baht 300 million, with a maturity of 12 years, and a coupon rate of 2.5% for years 1-4, 5% for years 5-8, and 10% for years 9-12, payable semi-annually. The current conversion price is Baht 4.55 per one ordinary share (31 December 2003: Baht 22.75 per one ordinary share). The bondholders have the option to convert the bonds into ordinary shares throughout the life of the bonds. The bonds are secured by the mortgage of the Company's land.
- c) Partly secured convertible bonds in an amount of Baht 1,000 million, with a maturity of 12 years, and a coupon rate of 1% per annum, payable semi-annually. The current conversion price is Baht 3.50 per one ordinary share (31 December 2003: Baht 17.50 per one ordinary share). The bondholders have the option to convert the bonds into ordinary shares throughout the life of the bonds. The bonds are secured by the mortgage of the Company's land.

On 3 October 2003, Baht 750 million of convertible bonds c) had been converted by the bondholder, Bangkok Bank Public Company Limited. As a result, the outstanding amount of such convertible bonds as at 30 September 2004 and 31 December 2003 was Baht 250 million.

(UNAUDITED BUT REVIEWED)

According to the term and conditions governing rights and obligations of the issuer and the bondholders for each series, stated that, “ If and whenever the issuer makes an alteration to the par value of the shares by reason of any consolidation of subdivision or splitting shares, the conversion price of the bonds will be adjusted. Such adjustments will be effective immediately from the date on which the alteration of the shares is completely registered with the Ministry of Commerce.” On 17 May 2004, the Company registered the change of par value of the Company from Baht 5 per share to Baht 1 per share with the Ministry of Commerce. Therefore, the conversion price of convertible bonds has been adjusted as follows: -

- a) Unsecured convertible bonds without trustee in an amount of Baht 200 million
Issued conversion price: Baht 17.50 per one ordinary share
Adjusted conversion price: Baht 3.50 per one ordinary share
- b) Partly secured convertible bonds in an amount of Baht 300 million
Issued conversion price: Baht 22.75 per one ordinary share
Adjusted conversion price: Baht 4.55 per one ordinary share
- c) Partly secured convertible bonds in an amount of Baht 1,000 million
Issued conversion price: Baht 17.50 per one ordinary share
Adjusted conversion price: Baht 3.50 per one ordinary share

Convertible bonds a)

According to the Thai Accounting Standard No. 48 “Financial Instruments: Disclosure and Presentation” which became operative for the financial statements covering the period beginning on or after 1 January 2000, the issuer of convertible bonds is required to classify the liability and equity components and separately present them in the financial statements. The Company has therefore separated such components of the convertible bonds a), determining the liability component by discounting the stream of future payments of principal and interest at MLR of a local commercial bank, the bondholder. The carrying amount of the equity component is determined by deducting the liability component from total face value of the convertible bonds, and is shown in the shareholders’ equity under the caption of “Conversion option”. The difference between the above liability component and face value of the convertible bonds is amortised over the life of the bonds.

(UNAUDITED BUT REVIEWED)

As at 31 December 2003, the amount to be paid in the future for the bonds is shown in the balance sheet under the caption of “Liabilities under debt restructuring agreement”.

On 24 August 2004, the bondholder of the convertible bonds a), Bangkok Insurance Public Company Limited, requested to exercise its right to convert all of the bonds, effective on 25 August 2004. The results of such conversion can be summarised as follows: -

Total convertible bonds sold	20	units
Previously converted bonds	-	units
Bonds requested for conversion	20	units
Outstanding bonds	-	units
Ordinary shares reserved for bond conversion	75,000,000	shares
Previously converted - ordinary shares	-	shares
Requested for conversion - ordinary shares	57,142,857	shares
Outstanding ordinary shares reserved for conversion	17,857,143	shares

As a result of the conversion, the Company has no future interest. The Company therefore reversed the balance of such liabilities under the debt restructuring agreement, amounting to Baht 63,978,082, and presented such amount as extraordinary item in statement of earnings, under the caption of “Gain from conversion of convertible bonds to ordinary shares”. The Company also transferred Baht 41,599,484 from “Conversion option” to “Premium on ordinary shares”.

Convertible bonds b) and c)

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

(UNAUDITED BUT REVIEWED)

According to the Thai Accounting Standard No. 48 “Financial Instruments: Disclosure and Presentation”, because the Company has the option to either redeem the convertible bonds or to convert them into ordinary shares on the maturity date, and delivery of equity securities will not be changed by fair value of such equity securities (since the Company determined a certain conversion price), so the convertible bonds are not covered by the definition of financial liabilities and are to be treated as equity securities. In addition, the Company’s management express their intention to convert these bonds into ordinary shares on the maturity date. Therefore, the whole amount of the convertible bonds are presented as part of shareholders’ equity, and future interest on the bonds will be recorded as a deduction from shareholders’ equity.

During 2000, the Company had increased registered capital to reserve 90 million ordinary shares to accommodate the above convertible bonds. After the conversion of bonds by Bangkok Bank Public Company Limited on 3 October 2003 and Bangkok Insurance Public Company Limited on 25 August 2004 and the change in par value of the Company’s shares from Baht 5 per share to Baht 1 per share, as described in Note 10, the remaining ordinary shares for reserve conversion option is 178,571,433 shares.

Interest expense for the nine-month period ended 30 September 2004 of the convertible bonds amounted to Baht 16 million (2003: Baht 21 million), consisting of Baht 8 million (2003: Baht 13 million) being recorded as a reduction to “retained earnings”, and Baht 8 million (2003: Baht 8 million) being recorded as a reduction to “liabilities under debt restructuring agreement”.

10. SHARE CAPITAL

In the first quarter of 2004, 20,500 preference shares (2003: 3,000 shares) were converted into ordinary shares at ratio of one preference share to one ordinary share. The Company registered this conversion with the Ministry of Commerce on 8 March 2004.

(UNAUDITED BUT REVIEWED)

On 18 December 2003, the extraordinary general meeting of the Company's shareholders passed a resolution approving the settlement of the Baht 36,639,475 of statutory reserve and the Baht 1,209,465,422 of premium on ordinary shares against the deficit. In addition, the meeting also approved the reduction of registered share capital of Baht 922,702,685 by reducing the par value of the shares from Baht 10 to Baht 5, which affect to the decrease in paid-up share capital of Baht 663,409,365. All reduced paid-up share capital will be used to settle against the deficit. The Company registered this changed with the Ministry of Commerce on 8 March 2004.

On 28 April 2004, the annual general meeting of the Company's shareholders passed a resolution approving the change of the par value of the shares from Baht 5 to Baht 1 and the amendment of number of registered shares from 184,540,537 shares of Baht 5 each to 922,702,685 shares of Baht 1 each. The Company registered this change with the Ministry of Commerce on 17 May 2004.

On 16 June 2004, the Company issued 9,500,000 ordinary shares with par value of Baht 1 to Internation Finance Corporation at the price of Baht 11.643334 per share (the price was based on the average market price of the Company traded on the Stock Exchange of Thailand), totaling Baht 110,611,673. As a result, the Company had increment in paid-up share capital from Baht 663,409,365 to Baht 672,909,365 and premium on ordinary shares in amount of Baht 101,111,673. The Company registered this change with the Ministry of Commerce on 18 June 2004.

As a result of the conversion on 25 August 2004, the Company's paid up capital has increased from Baht 672,909,365 to Baht 730,052,222 and its premium on ordinary shares has increased from Baht 101,111,673 to Baht 285,568,300. The Company registered this conversion with the Ministry of Commerce on 26 August 2004 and the Stock Exchange of Thailand (SET) allowed the common shares increased to be listed on the SET.

11. CORPORATE INCOME TAX

Corporate income tax of a subsidiary (Bumrungrad Medical Center Ltd.) for the three-month and nine-month periods ended 30 September 2004 has been calculated by multiplying earnings before income tax for the period by the estimated effective tax rate for the year.

No Corporate income tax was payable by the Company for the three-month and nine-month periods ended 30 September 2004 and 2003 and no corporate income tax was payable by subsidiaries for the three-month and nine-month periods ended 30 September 2003 since tax losses brought forward from previous years exceed net earnings for the periods.

(UNAUDITED BUT REVIEWED)

12. RECONCILIATION OF DILUTED EARNINGS PER SHARE

	For the three-month periods ended 30 September					
	Net earnings		Weighted average number of ordinary shares		Earnings per share	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share						
Net earnings	307,230	186,695	693,198	446,328	0.44	0.42
Effect of dilutive potential ordinary shares						
2,692,850 preference shares (2003: 2,795,350 preference shares)	-	-	2,693	2,796		
55 convertible bonds (2003: 150 convertible bonds)	-	-	171,524	408,791		
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>307,230</u>	<u>186,695</u>	<u>867,415</u>	<u>857,915</u>	0.35	0.22

	For the nine-month periods ended 30 September					
	Net earnings		Weighted average number of ordinary shares		Earnings per share	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share						
Net earnings	641,280	487,142	672,118	446,324	0.95	1.09
Effect of dilutive potential ordinary shares						
2,692,850 preference shares (2003: 2,795,350 preference shares)	-	-	2,718	2,800		
55 convertible bonds (2003: 150 convertible bonds)	-	-	186,789	408,791		
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>641,280</u>	<u>487,142</u>	<u>861,625</u>	<u>857,915</u>	0.74	0.57

(UNAUDITED BUT REVIEWED)

13. DIVIDEND PAID/STATUTORY RESERVE

On 18 August 2004, the Company's Board of Directors approved the payment of an interim dividend of Baht 0.30 per share to the Company's shareholders from the Company's earnings from 1 January 2004 to 30 June 2004. This constitutes a total dividend of Baht 219 million. The Company has allocated a statutory reserve of Baht 32 million before dividend payment.

14. STATEMENTS OF CASH FLOWS

For the purpose of the statements of cash flows, cash and cash equivalents include cash in hand and deposits at financial institutions with an original maturity of three months or less, and not subject to restrictions.

Cash and cash equivalents as reflected in the statements of cash flows consist of the following: -

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	30 September		30 September	
	2004	2003	2004	2003
Cash in hand and at financial institutions	279,891	80,254	247,391	12,255
Fixed deposits at financial institutions	1,119,982	1,044,780	1,306	81,287
	<u>1,399,873</u>	<u>1,125,034</u>	<u>248,697</u>	<u>93,542</u>
Less: Amounts with maturities of more than 3 months or those pledged	<u>(629,982)</u>	<u>(879,780)</u>	<u>(1,306)</u>	<u>(1,287)</u>
Cash and cash equivalents	<u>769,891</u>	<u>245,254</u>	<u>247,391</u>	<u>92,255</u>

15. COMMITMENTS

As at 30 September 2004, the Company and its subsidiaries have the following outstanding commitments: -

- a) The Company has a commitment of Baht 2 million (31 December 2003: Baht 2.2 million) to pay fee to a bank which is bondholders' representative. The agreement will be terminated in year 2012.
- b) The Company has future commitments to pay a total of Baht 327 million (31 December 2003: Baht 195 million) in relation to the construction of a new car parking building.

(UNAUDITED BUT REVIEWED)

- c) The Company has a commitment of Baht 1.5 million (31 December 2003: Baht 3.1 million) to pay design fee.
- d) The Company has a commitment of Baht 42 million (31 December 2003: Bumrungrad Medical Center Ltd., Baht 57 million) in respect of the lease of medical instrument under a 5-year agreement expiring in the year 2006.
- e) The Company has a commitment of Baht 19 million in respect of the lease of building for nursing dormitory and related services. The agreement covered a period of 3 years, expiring in the year 2007, and shall be renewed automatically.
- f) The Company has a commitment to pay maintenance service fee for medical instrument. Service fee of Baht 2.8 million is payable on a monthly basis. The agreement covered a period of 5 years, expiring in the year 2008, and shall be renewed automatically.
- g) The Company has a commitment to pay security service fee. Service fee of Baht 0.8 million is payable on a monthly basis. The agreement covered a period of 3 years, expiring in the year 2005, and shall be renewed automatically.
- h) The Company has a commitment to pay cleaning service fee. Service fee of Baht 1.8 million is payable on a monthly basis. The agreement covered a period of 3 years, expiring in the year 2005.
- i) The Company has commitments of Baht 8.9 million in respect of purchase of medical instrument and hospital equipment.

16. BANK GUARANTEES

As at 30 September 2004, there were outstanding bank guarantees of Baht 1.3 million (31 December 2003: Baht 1.3 million) issued by a bank on behalf of the Company, and of Baht 8.4 million (31 December 2003: Baht 8.4 million) issued on behalf of a subsidiary. All were required in the normal course of business.

(UNAUDITED BUT REVIEWED)

17. FINANCIAL INFORMATION BY SEGMENT

The operations of the Company and subsidiaries mainly involve the single industry segment of the hospital business and health care center, and most of them are carried on in the single geographic area 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. The Company had consulting and management fee income for the three-month and nine-month periods ended 30 September 2004 of Baht 4.4 million and Baht 12.4 million, respectively (2003: Baht 9.1 million and Baht 14.5 million) from hospitals in foreign countries.

18. SUBSEQUENT EVENTS

On 4 October 2004, a meeting of the Company's Board of Directors passed a resolution approving the acquisition of 41.90% of the registered capital of Asian Hospital, Inc., which is a private hospital operating in Manila, Philippines. The Company will invest through Vista Medical Management, Inc. and a new subsidiary, located in the Philippines, both of which are 100% owned by the Company. The total value of this investment is 500 million pesos, or Baht 370 million. The investment expected to be completed in December 2004 and the Company will enter into a Hospital Management Service contract with Asian Hospital, Inc.

19. RECLASSIFICATION

Certain amounts in the financial statements for the year 2003 have been reclassified to conform to the current period's classification, with no effect on previously reported net earnings or shareholders' equity.

20. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved by the Company's directors.