

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED  
AND SUBSIDIARIES  
REVIEW REPORT AND INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2005 AND 2004

## **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 31 March 2005, and the related consolidated statements of earnings, changes in shareholders' equity and cash flows for the three-month periods ended 31 March 2005 and 2004, 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 2004, in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements, under my report dated 2 February 2005. The balance sheet as at 31 December 2004, 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: 9 May 2005

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

(Unit: Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		31 March 2005	31 December 2004	31 March 2005	31 December 2004
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		326,386	652,882	39,422	516,300
Current investments - fixed deposits at financial institutions		500,000	470,000	500,000	-
Trade accounts receivable - net	3	293,062	234,958	281,892	233,886
Advances to employees and directors		8,675	5,533	8,963	5,437
Short-term loans and interest receivable - related parties	4	1,794	430	27,179	25,173
Inventories		109,986	104,451	107,598	102,028
Prepaid expenses		49,032	30,278	47,002	29,379
Other current assets		5,020	5,208	3,422	765
<b>TOTAL CURRENT ASSETS</b>		<b>1,293,955</b>	<b>1,503,740</b>	<b>1,015,478</b>	<b>912,968</b>
<b>NON-CURRENT ASSETS</b>					
Pledged fixed deposits at financial institutions	2	229,823	229,828	221,251	221,251
Investments accounted for under equity method	5	311,461	209	1,487,869	885,171
Other long-term investments - net	6	2,047	2,047	2,047	2,047
Long-term loans and interest receivable - related parties	4	80,621	-	24,580	25,022
Property, plant and equipment - net	7	2,909,560	2,801,618	1,753,431	1,618,025
Intangible assets - net		527,288	476,128	707,354	661,017
Other non-current assets		15,478	7,515	18,478	7,515
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,076,278</b>	<b>3,517,345</b>	<b>4,215,010</b>	<b>3,420,048</b>
<b>TOTAL ASSETS</b>		<b>5,370,233</b>	<b>5,021,085</b>	<b>5,230,488</b>	<b>4,333,016</b>

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	
		31 March 2005 (Unaudited but reviewed)	31 December 2004 (Audited)	31 March 2005 (Unaudited but reviewed)	31 December 2004 (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade accounts payable		444,412	413,413	442,502	412,140
Current portion of long-term loan	8	328,522	328,522	-	-
Short-term loans and interest payable - related parties	4	-	-	1,981,366	1,470,827
Accrued physicians' fee		187,598	167,002	187,332	166,377
Interest payable - convertible bonds treated as equity securities		1,726	6,233	1,726	6,233
Corporate income tax payable		102,229	60,893	41,335	-
Accrued expenses		201,328	136,154	191,757	134,069
Accounts payable - others	4	63,715	47,862	60,486	40,065
Unearned income from a related party	4	40,242	-	-	-
Other current liabilities		16,954	21,316	16,900	19,994
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,386,726</b>	<b>1,181,395</b>	<b>2,923,404</b>	<b>2,249,705</b>
NON-CURRENT LIABILITIES					
Long-term loan	8	1,697,363	1,779,493	-	-
Provision for loss in excess of cost of investments in subsidiaries	5	-	-	20,940	23,114
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,697,363</b>	<b>1,779,493</b>	<b>20,940</b>	<b>23,114</b>
<b>TOTAL LIABILITIES</b>		<b>3,084,089</b>	<b>2,960,888</b>	<b>2,944,344</b>	<b>2,272,819</b>

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	
		31 March 2005 (Unaudited but reviewed)	31 December 2004 (Audited)	31 March 2005 (Unaudited but reviewed)	31 December 2004 (Audited)
<b>SHAREHOLDERS' EQUITY</b>					
Share capital	10				
Registered					
920,341,835 ordinary shares of Baht 1 each (31 December 2004: 920,009,835 ordinary shares of Baht 1 each)		920,342	920,010	920,342	920,010
2,360,850 preference shares of Baht 1 each (31 December 2004: 2,692,850 preference shares of Baht 1 each)		3,361	2,693	2,361	2,693
Issued and paid-up					
727,691,372 ordinary shares of Baht 1 each (31 December 2004: 727,359,372 ordinary shares of Baht 1 each)		727,691	727,359	727,691	727,359
2,360,850 preference shares of Baht 1 each (31 December 2004: 2,692,850 preference shares of Baht 1 each)		2,361	2,693	2,361	2,693
Premium on ordinary shares	10	285,568	285,568	285,568	285,568
Translation adjustment		3,139	-	3,139	-
Convertible bonds treated as equity securities	9	550,000	550,000	550,000	550,000
Excess of investment over book value of a subsidiary	5	-192,662	-192,662	-192,662	-192,662
Retained earnings					
Appropriated - statutory reserve		46,500	46,500	46,500	46,500
Unappropriated		863,547	640,739	863,547	640,739
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>2,286,144</b>	<b>2,060,197</b>	<b>2,286,144</b>	<b>2,060,197</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>5,370,233</b>	<b>5,021,085</b>	<b>5,230,488</b>	<b>4,333,016</b>
		0	0	0	0

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

.....  
 DIRECTORS  
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(UNAUDITED BUT REVIEWED)

## BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF EARNINGS

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2005 AND 2004

(Unit: Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2005	2004	2005	2004
<b>REVENUES</b>					
Revenues from hospital operations		1,559,380	1,330,730	1,539,178	-
Rental income	4	13,075	13,244	22,974	20,047
Non-competition fee income	4	-	-	-	6,375
Interest income	4	1,605	5,436	1,996	2,569
Gain on exchange rate		3,858	3,970	4,997	-
Reversal of loss on impairment of fixed assets		1,000	-	1,000	-
Other income	4	9,940	8,458	9,587	5,277
Share of profit from investments accounted for under equity method		1,582	-	9,093	175,595
<b>TOTAL REVENUES</b>		<b>1,590,440</b>	<b>1,361,838</b>	<b>1,588,825</b>	<b>209,863</b>
<b>EXPENSES</b>					
Cost of hospital operations		974,165	849,118	967,836	-
Depreciation and amortisation		67,746	63,816	58,526	2,970
Administrative expenses	4	250,565	170,105	261,141	20,593
Directors' remuneration		1,220	1,095	1,220	1,095
Amortisation of goodwill		-	-150	-	-
Share of loss from investments accounted for under equity method		683	-	6,360	2,585
<b>TOTAL EXPENSES</b>		<b>1,294,379</b>	<b>1,083,984</b>	<b>1,295,083</b>	<b>27,243</b>
<b>EARNINGS BEFORE INTEREST EXPENSE AND INCOME TAX</b>					
AND INCOME TAX		296,061	277,854	293,742	182,620
<b>INTEREST EXPENSE</b>		<b>(27,602)</b>	<b>(30,033)</b>	<b>(25,283)</b>	<b>-</b>
<b>CORPORATE INCOME TAX</b>	11	<b>(41,335)</b>	<b>(60,610)</b>	<b>(41,335)</b>	<b>-</b>
<b>EARNINGS BEFORE MINORITY INTEREST</b>		<b>227,124</b>	<b>187,211</b>	<b>227,124</b>	<b>182,620</b>
<b>MINORITY INTEREST</b>		<b>-</b>	<b>(4,591)</b>	<b>-</b>	<b>-</b>
<b>NET EARNINGS FOR THE PERIOD</b>		<b>227,124</b>	<b>182,620</b>	<b>227,124</b>	<b>182,620</b>
(Unit: Baht)					
<b>BASIC EARNINGS PER SHARE</b>					
Net earnings	12	0.31	0.28	0.31	0.28
Weighted average number of ordinary shares (shares)		727,444,216	660,639,922	727,444,216	660,639,922
<b>DILUTED EARNINGS PER SHARE</b>					
Net earnings	12	0.26	0.21	0.26	0.21
Weighted average number of ordinary shares (shares)		867,414,859	857,914,860	867,414,859	857,914,860

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 THREE-MONTH PERIODS ENDED 31 MARCH 2005 AND 2004

(Unit: Thousand Baht)

	<b>CONSOLIDATED</b>		<b>THE COMPANY ONLY</b>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
<b>Cash flows from (used in) operating activities</b>				
Net earnings	227,124	182,620	227,124	182,620
Adjustments to reconcile net earnings to net cash provided by (paid from) operating activities: -				
Depreciation and amortisation	67,746	63,816	58,526	2,970
Bad debts and allowance for doubtful accounts	7,898	1,085	4,001	-
Amortisation of goodwill	-	(150)	-	-
Reversal of loss on impairment of fixed assets	(1,000)	-	(1,000)	-
Share of profit from investments accounted for under equity method	(899)	-	(2,733)	(173,010)
Earnings attributed to minority interest for the period	-	4,591	-	-
Loss (gain) on disposal of fixed assets	(2)	(989)	358	-
	<u>300,867</u>	<u>250,973</u>	<u>286,276</u>	<u>12,580</u>
Decrease (increase) in operating assets				
Trade accounts receivable	(66,002)	(22,375)	(52,007)	2,235
Inventories	(5,535)	10,060	(5,570)	-
Other current assets	(18,567)	(25,453)	(20,280)	(3,348)
Increase (decrease) in operating liabilities				
Trade accounts payable	(53,507)	(49,495)	(54,145)	79
Accrued physicians' fee	20,596	6,571	20,955	-
Corporate income tax payable	41,335	57,761	41,335	-
Accrued expenses	65,174	27,729	57,688	(836)
Accounts payable - others	15,854	(26,122)	20,421	(25,071)
Unearned income from a related party	40,242	-	-	-
Other current liabilities	(4,362)	4,791	(3,094)	942
Net cash from (used in) operating activities	<u>336,095</u>	<u>234,440</u>	<u>291,579</u>	<u>-13,419</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 THREE-MONTH PERIODS ENDED 31 MARCH 2005 AND 2004

(Unit: Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2005	2004	2005	2004
<b>Cash flows from (used in) investing activities</b>					
Decrease (increase) in deposits at financial institutions with maturity					
of more than 3 months and those pledged		400,004	(400,004)	-	-
Increase in advances to employees and directors		(3,142)	(2,271)	(3,526)	(3,480)
Increase in short-term loans and interest receivable -					
related parties		(1,364)	(34,632)	(2,006)	(1,415)
Decrease (increase) in long-term loans and interest					
receivable - related parties		(80,621)	15,770	442	15,468
Increase in non-competition fee receivable		-	-	-	(6,375)
Purchase of investments in a subsidiary and associated					
companies		(307,213)	-	(599,000)	-
Increase in plant and equipment		(77,140)	(71,391)	(90,921)	(25,498)
Decrease (increase) in other non-current assets		(72,163)	(54)	(75,163)	36
Net cash used in investing activities		<u>-141,639</u>	<u>(492,582)</u>	<u>(770,174)</u>	<u>(21,264)</u>
<b>Cash flows from (used in) financing activities</b>					
Increase in short-term loans and interest payable -					
related parties		-	-	510,539	-
Decrease in long-term loan		(82,130)	-	-	-
Decrease in liabilities under debt restructuring agreement					
from interest payment		-	(4,033)	-	(4,033)
Interest paid for convertible bonds treated as equity securities		(8,822)	(5,041)	(8,822)	(5,041)
Net cash from (used in) financing activities		<u>(90,952)</u>	<u>(9,074)</u>	<u>501,717</u>	<u>(9,074)</u>
Net increase (decrease) in cash and cash equivalents		103,504	(267,216)	23,122	(43,757)
Cash and cash equivalents at beginning of period		722,882	1,025,594	516,300	71,276
Cash and cash equivalents at end of period	13	<u>826,386</u>	<u>758,378</u>	<u>539,422</u>	<u>27,519</u>
Supplemental cash flows information					
Cash paid during the period for: -					
Interest expense		27,602	34,066	30,664	4,033
Corporate income tax		4,943	3,667	3,554	818

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 THREE-MONTH PERIODS ENDED 31 MARCH 2005 AND 2004

(Unit: Thousand Baht)

CONSOLIDATED												
	Note	Issued and paid-up share capital		Premium on ordinary shares	Translation adjustment	Conversion option	Convertible bonds treated as equity securities	Excess of investment over book value of a subsidiary	Retained earnings		Minority interest	Total
		Ordinary shares	Preference shares						Appropriated- statutory reserve	Unappropriated (deficit)		
<b>Balance - as at 1 January 2004</b>		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	-	-
Interest paid for convertible bonds treated as equity securities	9	-	-	-	-	-	-	-	-	-2,466	-	-2,466
Net earnings for the period		-	-	-	-	-	-	-	-	182,620	-	182,620
Minority interest for the period		-	-	-	-	-	-	-	-	-	4,591	4,591
<b>Balance - as at 31 March 2004</b>		<u>660,716</u>	<u>2,693</u>	<u>-</u>	<u>-</u>	<u>41,599</u>	<u>550,000</u>	<u>-</u>	<u>-</u>	<u>164,533</u>	<u>24,709</u>	<u>1,444,250</u>
<b>Balance - as at 1 January 2005</b>		727,359	2,693	285,568	-	-	550,000	-192,662	46,500	640,739	-	2,060,197
Preference shares converted to ordinary shares		332	-332	-	-	-	-	-	-	-	-	-
Translation adjustment		-	-	-	3,139	-	-	-	-	-	-	3,139
Interest paid for convertible bonds treated as equity securities	9	-	-	-	-	-	-	-	-	-4,316	-	-4,316
Net earnings for the period		-	-	-	-	-	-	-	-	227,124	-	227,124
<b>Balance - as at 31 March 2005</b>		<u>727,691</u>	<u>2,361</u>	<u>285,568</u>	<u>3,139</u>	<u>-</u>	<u>550,000</u>	<u>-192,662</u>	<u>46,500</u>	<u>863,547</u>	<u>-</u>	<u>2,286,144</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 (Continued)

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2005 AND 2004

(Unit: Thousand Baht)

		THE COMPANY ONLY									
		Issued and paid-up share capital		Premium on	Translation		Convertible bonds	Excess of	Retained earnings		Total
		Ordinary shares	Preference shares	ordinary shares	adjustment	Conversion option	treated as	investment over	Appropriated-	Unappropriated	
Note							equity securities	a subsidiary	statutory reserve	(deficit)	
	<b>Balance - as at 1 January 2004</b>	1,321,228	5,591	-	-	41,599	550,000	-	-	-679,031	1,239,387
	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	-
	Interest paid for convertible bonds treated as equity securities	9	-	-	-	-	-	-	-	-2,466	-2,466
	Net earnings for the period		-	-	-	-	-	-	-	182,620	182,620
	<b>Balance - as at 31 March 2004</b>	<u>660,716</u>	<u>2,693</u>	<u>-</u>	<u>-</u>	<u>41,599</u>	<u>550,000</u>	<u>-</u>	<u>-</u>	<u>164,533</u>	<u>1,419,541</u>
	<b>Balance - as at 1 January 2005</b>	727,359	2,693	285,568	-	-	550,000	-192,662	46,500	640,739	2,060,197
	Preference shares converted to ordinary shares	332	-332	-	-	-	-	-	-	-	-
	Translation adjustment	-	-	-	3,139	-	-	-	-	-	3,139
	Interest paid for convertible bonds treated as equity securities	9	-	-	-	-	-	-	-	-4,316	-4,316
	Net earnings for the period		-	-	-	-	-	-	-	227,124	227,124
	<b>Balance - as at 31 March 2005</b>	<u>727,691</u>	<u>2,361</u>	<u>285,568</u>	<u>3,139</u>	<u>-</u>	<u>550,000</u>	<u>-192,662</u>	<u>46,500</u>	<u>863,547</u>	<u>2,286,144</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 PERIODS ENDED 31 MARCH 2005 AND 2004

**1. GENERAL INFORMATION**

**1.1 Investments**

The meeting of the Company's Board of Directors dated 1 March 2005 has approved an investment of 49% of shares in a new company to be incorporated in Dubai, United Arab Emirates for operating hospital business, with investment value amounting to Baht 388 million. The initial investment is expected to be made in the forth quarter of 2005. On 16 March 2005, a subsidiary (Bumrungrad International Ltd.) entered into a Memorandum of Understanding with the counterparty.

**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.

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 2004. There have been no changes in the composition of the subsidiaries during the current period except that a subsidiary (Bumrungrad International Ltd.) purchased an investment in Vista Medical Management, Inc. (VMMI), a company operating in Philippines, in which it holds 100% of equity.

The consolidated financial statements for the three-month period ended 31 March 2005 include the financial statements of VMMI. These financial statements were prepared by the management of that subsidiary, and have not been reviewed by its auditor. Assets of the subsidiary included as at 31 March 2005 amount to Baht 288 million, mostly comprising a 26.19% investment in Asian Hospital Inc., and total revenues included for the three-month period then ended amount to Baht 2 million.

### **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 2004.

## **2. PLEDGED FIXED DEPOSITS AT FINANCIAL INSTITUTIONS**

As at 31 March 2005, deposits at financial institutions of Baht 9.8 million (31 December 2004: 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 220 million (31 December 2004: Baht 220 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 31 March 2005 and 31 December 2004 are as follows: -

(Unit: Thousand Baht)

<u>Outstanding period</u>	<u>CONSOLIDATED</u>		<u>THE COMPANY ONLY</u>	
	31 March 2005	31 December 2004	31 March 2005	31 December 2004
Current	159,326	136,767	149,553	136,417
Overdue				
1 - 30 days	70,993	64,123	69,865	63,971
31 - 60 days	45,168	20,728	42,757	20,455
61 - 90 days	2,655	6,727	1,636	6,623
91 - 180 days	20,837	8,741	20,391	8,618
181 - 365 days	13,672	11,208	13,470	11,138
More than 365 days	17,583	17,035	17,495	17,035
Total	330,234	265,329	315,167	264,257
Less: Allowance for doubtful accounts	(37,172)	(30,371)	(33,275)	(30,371)
Net	293,062	234,958	281,892	233,886

### 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 in accordance with 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 31 March		
	2005	2004	
<u>Transactions with subsidiaries</u>			
(eliminated from consolidated financial statements)			
Rental income	6.3	12.2	As per contracts a)
Non-competition fee income	-	6.4	As per contract b)
Interest income	0.6	0.4	11% p.a. and MLR less 0.5% p.a.
Service income	2.8	-	Cost plus margin
Management fee income	-	0.3	As per contract c)
Rental expense	21.0	-	As per contract d)
Interest expense	25.3	-	MLR less 0.45% p.a.
Purchase of equipment	8.5	-	Book value plus margin
Sales of equipment	0.7	-	Book value
<u>Transactions with related companies</u>			
Service income	1.6	-	Cost plus margin
Rental income	0.3	0.6	As per contract e)
Interest income	-	2.1	MLR p.a.
Rental expense	4.6	5.1	As per contract f)
Donation expense	0.3	-	-
Purchase of computer software	64.2	-	As per contract g)

(Unit: Million Baht)

	CONSOLIDATED		Pricing policy
	For the three-month periods		
	ended 31 March		
	2005	2004	
<u>Transactions with related companies</u>			
Service income	1.6	4.7	Cost plus margin
Rental income	0.3	0.6	As per contract e)
Interest income	-	3.8	MLR p.a.
Rental expense	4.6	5.1	As per contract f)
Donation expense	0.3	3.3	-
Sales of equipment	7.7	-	As g)

(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 B.H. Residence. On 1 August 2004, the subsidiary terminated the lease agreements of building, nursing dormitory and B.H. Residence with the Company, the subsidiary has no obligation to pay such rental fees.

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. On 1 July 2004, the Company and subsidiary made an addendum to lease agreement. The subsidiary has to pay rental fee equal to 5% of gross revenue inclusive of value added tax, but not less than Baht 238,200 per month.

- b) A subsidiary (Bumrungrad Medical Center Ltd.) 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 was 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 was Baht 25.5 million. In addition, the Company charged interest on the unpaid portion of the fee at a rate of 11% per annum. As a result of the sale of the subsidiary's hospital business, the subsidiary has no obligation to pay such non-competition fee.
- 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.
- d) The Company has leased hospital building from Bumrungrad Medical Center Ltd. for use in its hospital business. The lease agreement covers a period of 3 years, commencing from August 2004, and the rental fees are Baht 84 million per annum.
- e) 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 shall be extended for a further period of 3 years. The rental fees are Baht 1 million per annum, not including rental fees for room at B.H. Residence.

(UNAUDITED BUT REVIEWED)

- f) The Company has entered into an agreement to lease land and a building (B.H. 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. On 19 January 2004, the bank approved one-year renewal of agreement, commencing on 29 August 2003 to 28 August 2004 and on 8 December 2004, the bank approved one-year renewal of agreement, commencing on 29 August 2004 to 28 August 2005. The rate of rental and other conditions shall be in accordance with the initial agreement.

Rental payable as at 31 March 2005, amounting to Baht 4.6 million (31 December 2004: Baht 4.3 million), was shown in the balance sheet under the caption of "Accounts payable - others".

- g) In December 2004, the Company entered into a license agreement with Global Care Solutions (Thailand) Co., Ltd. to purchase computer software, totaling USD 10.3 million (exclusive of value added tax) of which USD 9.7 million had been paid by the Company.

In January 2005, the Company has entered into a license agreement with Global Care Solution (Thailand) Co., Ltd. to purchase additional computer software, totaling USD 1.5 million (exclusive of value added tax). The Company paid for such software in the first quarter of 2005.

A subsidiary (Bumrungrad International Ltd.) has entered into a license agreement with Global Care Solutions (Thailand) Co., Ltd. in January 2005 for use in its international hospital management service business. The subsidiary is obliged to pay the license fee at least USD 2.5 million.

In January 2005, a subsidiary (Bumrungrad Medical Center Ltd.) sold its equipment to Global Care Solutions (Thailand) Co., Ltd., amounting to Baht 7.7 million (book value plus margin) and fully received the proceeds.



## (UNAUDITED BUT REVIEWED)

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

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	31 March 2005	31 December 2004	31 March 2005	31 December 2004
<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>Subsidiaries</u>				
Bumrungrad International Ltd.	-	-	1,508	-
Vitalife Corporation Ltd.	-	-	25,671	24,743
<u>Associated company</u>				
Neptune Stroika Holdings, Inc.	1,794	-	-	-
<u>Related parties</u>				
Global Care Solutions (Thailand) Co., Ltd.	-	218	-	218
The Bumrungrad Hospital Foundation	-	212	-	212
Total	1,794	430	27,179	25,173
<u>Long-term loans and interest receivable - related parties</u>				
<u>Subsidiaries</u>				
Bumrungrad International Ltd.	-	-	-	733
Vitalife Corporation Ltd.	-	-	24,580	24,289
<u>Associated companies</u>				
Asian Hospital, Inc.	59,404	-	-	-
Neptune Stroika Holdings, Inc.	21,217	-	-	-
Total	80,621	-	24,580	25,022
<u>Short-term loans and interest payable - a related party</u>				
<u>Subsidiary</u>				
Bumrungrad Medical Center Ltd.	-	-	1,981,366	1,470,827
<u>Unearned income from a related party</u>				
Asian Hospital, Inc.	40,242	-	-	-

The short-term and long-term loans to Vitalife Corporation Ltd. carry interest at the rate of MLR less 0.5% per annum.

No interest has been charged on short-term loans to other related parties.

## (UNAUDITED BUT REVIEWED)

The long-term loan to Neptune Stroika Holdings, Inc. of Peso 30 million carries interest at the rate of 10% per annum, for a period of 7 years (within the year 2012). The loan has been secured by a pledge of shares in Neptune Stroika Holdings, Inc., which are held by Mr. Augusto G. Gan.

The long-term loan to Asian Hospital, Inc. of Baht 59 million is for the future subscription from Vista medical Management, Inc. (VMMI).

The short-term loans from Bumrungrad Medical Center Ltd. carry interest at the rate of MLR less 0.45% per annum.

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

	(Unit: Thousand Baht)			
	31 December 2004	Increase	Decrease	31 March 2005
<u>Short-term loans and interest receivable - related parties</u>				
<u>Subsidiaries</u>				
Bumrungrad International Ltd.	-	1,508	-	1,508
Vitalife Corporation Ltd.				
Principal	23,573	15,525	14,895	24,203
Interest receivable	1,170	298	-	1,468
<u>Associated company</u>				
Neptune Stroika Holdings, Inc.	-	1,794	-	1,794
<u>Related parties</u>				
Global Care Solutions (Thailand) Co., Ltd.	218	132	350	-
The Bumrungrad Hospital Foundation	212	435	647	-
<u>Long-term loans and interest receivable - related parties</u>				
<u>Subsidiaries</u>				
Bumrungrad International Ltd.				
Principal	538	-	538	-
Interest receivable	195	-	195	-
Vitalife Corporation Ltd.				
Principal	22,494	-	-	22,494
Interest receivable	1,795	291	-	2,086
<u>Associated companies</u>				
Asian Hospital, Inc.	-	59,404	-	59,404
Neptune Stroika Holdings, Inc.	-	21,217	-	21,217
<u>Short-term loans and interest payable – a related party</u>				
Bumrungrad Medical Center Ltd.				
Principal	1,465,446	616,052	100,132	1,981,366
Interest payable	5,381	25,283	30,664	-

(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: -

**THE COMPANY ONLY**

(Unit: Thousand Baht)

	31 March 2005				31 December 2004			
	Paid-up capital	Percentage owned	Investments		Paid-up capital	Percentage owned	Investments	
		%	Cost method	Equity method		%	Cost Method	Equity method
<b><u>Subsidiaries</u></b>								
Bumrungrad Medical Center Ltd.	958,954	100.00	1,691,903	1,081,804	958,954	100.00	1,691,903	1,077,600
Bumrungrad International Ltd.	600,000	100.00	600,000	598,518	1,000	100.00	999	24
Vitalife Corporation Ltd.	31,500	100.00	25,610	(20,940)	31,500	100.00	25,610	(23,114)
<b>Total investments in subsidiaries</b>			<u>2,317,513</u>	<u>1,659,382</u>			<u>1,718,512</u>	<u>1,054,510</u>
<b><u>Associated company</u></b>								
L.S. Cleaning Co., Ltd.	1,250	25.00	313	209	1,250	25.00	313	209
<b>Total investment in associated company</b>			<u>313</u>	<u>209</u>			<u>313</u>	<u>209</u>
<b>Total investments</b>			<u>2,317,826</u>	<u>1,659,591</u>			<u>1,718,825</u>	<u>1,054,719</u>

(Unit: Thousand Baht)

**THE COMPANY ONLY**

	<u>31 March 2005</u>	<u>31 December 2004</u>
<b><u>Net investments</u></b>		
Investments accounted for under equity method	1,487,869	885,171
Excess of investment over book value of a subsidiary	192,662	192,662
Provision for loss in excess of cost of investment in subsidiary	(20,940)	(23,114)
<b>Total</b>	<u>1,659,591</u>	<u>1,054,719</u>

(UNAUDITED BUT REVIEWED)

**CONSOLIDATED**

(Unit: Thousand Baht)

	<u>31 March 2005</u>	<u>31 December 2004</u>
The Company's investment in associated company	209	209
The subsidiaries' investments in associated companies	<u>311,252</u>	<u>-</u>
Total	<u><u>311,461</u></u>	<u><u>209</u></u>

In November 2004, Bumrungrad International Ltd. (formerly known as "B.H. Avenue Co., Ltd.") increased its share capital by issuing 5,990,000 new ordinary shares at a par value of Baht 100 each which caused the increase in subsidiary's registered capital from Baht 1 million to Baht 600 million. The Company purchased all increased shares therefore the Company's shareholding in this subsidiary increased from 99.94% to 100%. The Company paid for such share subscription in the first quarter of 2005.

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

On 24 February 2005, a subsidiary (Bumrungrad International Ltd.) invested Baht 130,834,647.43 (Peso 185 million) in Neptune Stroika Holdings, Inc. (Neptune) to acquire 66,667 preferred shares at a par value of 1,000 pesos each (40% ownership) and also invested Baht 57,501,621.82 in Vista Medical Management, Inc. (VMMI) to acquire 7,000,000 shares at a par value of 1 peso each (a 100% holding) and further inject Capital of Baht 141,353,015.29 (199,872,800 pesos).

Neptune and VMMI acquired investments in the ordinary shares of Asian Hospital, Inc. for 215 million pesos (190,265,487 shares) and 185 million pesos (349,826,625.51 shares), respectively, representing respective shareholdings of 14.25% and 26.19%.

(UNAUDITED BUT REVIEWED)

## 6. OTHER LONG-TERM INVESTMENTS

(Unit: Thousand Baht)

COMPANY	PERCENTAGE OF SHAREHOLDING		CONSOLIDATED		THE COMPANY ONLY	
	31 March	31 December	31 March	31 December	31 March	31 December
	2005	2004	2005	2004	2005	2004
	%	%				
Chantaburi Country Club Co., Ltd.	0.5	0.5	4,500	4,500	4,500	4,500
Global Care Solutions S.A.	14.0	14.0	347	347	347	347
Total			4,847	4,847	4,847	4,847
Less: Provision for impairment loss			(2,800)	(2,800)	(2,800)	(2,800)
Net			2,047	2,047	2,047	2,047

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 581 million appraisal fair value as of 12 November 2004) with a commercial bank, acting as bondholders' trustee, as collateral for the convertible bonds of the Company as described in Notes 9 b) and 9 c).

The Company and Bumrungrad Medical Center Ltd. have mortgaged their buildings and pledged medical instruments and hospital equipment, with net book value as at 31 March 2005 of Baht 1,319 million (31 December 2004: Baht 1,327 million), to secure long-term loan obtained from a local commercial bank as described in Note 8.

## 8. LONG-TERM LOAN

(Unit: Thousand Baht)

	CONSOLIDATED	
	31 March 2005	31 December 2004
<u>Bumrungrad Medical Center Ltd.</u>		
Loan from a local commercial bank	2,025,885	2,108,015
Less: Current portion of long-term loan	(328,522)	(328,522)
Long-term portion	1,697,363	1,779,493

(UNAUDITED BUT REVIEWED)

On 16 September 2002, the subsidiary 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 restriction on financial indebtedness and the payment of dividends, among others.

## **9. CONVERTIBLE BONDS**

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 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. 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.

(UNAUDITED BUT REVIEWED)

- 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. 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 31 March 2005 and 31 December 2004 was Baht 250 million.

#### 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.

#### 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 reserve for conversion option is 178,571,433 shares.

Interest expense for the three-month period ended 31 March 2005 of the convertible bonds amounted to Baht 4.3 million (2004: Baht 2.5 million), being recorded as a reduction to “retained earnings”.

## **10. SHARE CAPITAL**

In the first quarter of 2005, 332,000 preference shares (2004: 20,500 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 2005.

On 18 December 2003, the extraordinary general meeting of the Company’s shareholders passed a resolution approving 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.



(UNAUDITED BUT REVIEWED)

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 of convertible bonds a) 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**

The Company's corporate income tax for the three-month period ended 31 March 2005 and corporate income tax of a subsidiary (Bumrungrad Medical Center Ltd.) for the three-month period ended 31 March 2004 have 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 period ended 31 March 2004 since tax losses brought forward from previous years exceed net earnings for the period.

(UNAUDITED BUT REVIEWED)

## 12. RECONCILIATION OF DILUTED EARNINGS PER SHARE

For the three-month periods ended 31 March					
Net earnings		Weighted average number of ordinary shares		Earnings per share	
<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Thousand Baht	Thousand Baht	Shares	Shares	Baht	Baht
<b>Basic earnings per share</b>					
Net earnings	227,124	182,620	727,444,216	660,639,922	0.31 0.28
<b>Effect of dilutive potential ordinary shares</b>					
2,360,850 preference shares (2004: 2,692,850 preference shares)	-	-	2,608,006	2,769,443	
55 convertible bonds (2004: 75 convertible bonds)	-	-	137,362,637	194,505,495	
<b>Diluted earnings per share</b>					
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>227,124</u>	<u>182,620</u>	<u>867,414,859</u>	<u>857,914,860</u>	0.26 0.21

## 13. STATEMENTS OF CASH FLOWS

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

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	31 March	31 March	31 March	31 March
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Cash in hand and at financial institutions	326,386	328,378	39,422	27,519
Fixed deposits at financial institutions	<u>729,823</u>	<u>1,069,803</u>	<u>721,251</u>	<u>1,306</u>
	1,056,209	1,398,181	760,673	28,825
Less: Amounts with maturities of more than 3 months or those pledged	<u>(229,823)</u>	<u>(639,803)</u>	<u>(221,251)</u>	<u>(1,306)</u>
Cash and cash equivalents	<u>826,386</u>	<u>758,378</u>	<u>539,422</u>	<u>27,519</u>

(UNAUDITED BUT REVIEWED)

#### 14. COMMITMENTS

As at 31 March 2005, the Company and its subsidiaries have the following outstanding commitments:

-

- a) The Company has a commitment of Baht 1.9 million (31 December 2004: Baht 1.9 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 179 million (31 December 2004: Baht 263.6 million) in relation to the construction of a new building and Baht 11 million (31 December 2004: Baht 71.5 million) in respect of purchase of medical instrument and hospital equipment.
- c) The Company has a commitment of Baht 91.7 million in respect of land rental for construction of nursing dormitory. The agreement covered a period of 30 years, expiring in the year 2035, and shall be extended for a further period of 20 years.
- d) The Company has a commitment of Baht 31.6 million (31 December 2004: Baht 36.6 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 64.8 million in respect of the lease of land and building for operating in service apartment. The agreement covered a period of 3 years, expiring in the year 2008, and shall be extended for a further period of 2 years.
- f) The Company has a commitment of Baht 15.6 million (31 December 2004: Baht 17.4 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.
- g) 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.

(UNAUDITED BUT REVIEWED)

- h) 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.
- i) 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.

#### **15. BANK GUARANTEES**

As at 31 March 2005, there were outstanding bank guarantees of Baht 1.9 million (31 December 2004: Baht 1.9 million) issued by a bank on behalf of the Company, and of Baht 8.4 million (31 December 2004: Baht 8.4 million) issued on behalf of a subsidiary. All were required in the normal course of business.

#### **16. 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 period ended 31 March 2005 of Baht 2.9 million (2004: Baht 4.0 million) from hospitals in foreign countries.

#### **17. SUBSEQUENT EVENT**

On 27 April 2005, the Company's Annual General Meeting of shareholders approved the payment of a dividend of Baht 0.40 per share to the Company's shareholders from the Company's earnings for the year ended 31 December 2004. This constitutes a total dividend of Baht 292 million. The meeting also acknowledged payment of interim dividend of Baht 0.30 per share.

#### **18. APPROVAL OF INTERIM FINANCIAL STATEMENTS**

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