

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2005 AND 2004

Report of Independent Auditor

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

I have audited the consolidated balance sheets of Bumrungrad Hospital Public Company Limited and subsidiaries as at 31 December 2005 and 2004, and the related consolidated statements of earnings, changes in shareholders' equity, and cash flows for the years then ended, 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 express an opinion on these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bumrungrad Hospital Public Company Limited and subsidiaries and of Bumrungrad Hospital Public Company Limited as at 31 December 2005 and 2004, and the results of their operations and cash flows for the years then ended, in accordance with generally accepted accounting principles.

Sumalee Reewarabandith

Certified Public Accountant (Thailand) No. 3970

Ernst & Young Office Limited

Bangkok: 28 February 2006

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT 31 DECEMBER 2005 AND 2004

(Unit: Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2005	2004	2005	2004
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		523,506,119	652,881,941	362,385,685	516,300,167
Current investments - fixed deposits at financial institutions		20,000,000	470,000,000	20,000,000	-
Trade accounts receivable - net	5, 6	339,475,021	234,958,035	314,651,484	233,885,989
Advances to employees and directors		10,014,019	5,533,291	9,523,442	5,436,879
Short-term loans and interest receivable - related parties	6	1,383,764	430,028	21,039,663	25,172,581
Inventories	7	149,895,896	104,451,057	147,181,909	102,027,734
Prepaid expenses		49,969,718	30,277,597	26,073,426	29,378,850
Other current assets		9,597,054	5,208,217	1,245,248	765,330
TOTAL CURRENT ASSETS		1,103,841,591	1,503,740,166	902,100,857	912,967,530
NON-CURRENT ASSETS					
Pledged fixed deposits at financial institutions	4	229,883,845	229,827,772	221,250,972	221,250,880
Investments accounted for under equity method	8	481,415,370	209,354	1,492,256,552	885,171,148
Other long-term investments - net	9	2,047,213	2,047,213	2,047,213	2,047,213
Long-term loans and interest receivable - related parties	6	-	-	22,603,851	25,022,369
Property, plant and equipment - net	10	3,269,654,875	2,801,618,198	2,153,355,063	1,618,024,805
Intangible assets - net	11	624,219,061	476,127,798	692,026,413	661,016,711
Other non-current assets		16,456,303	7,515,561	19,456,303	7,515,561
TOTAL NON-CURRENT ASSETS		4,623,676,667	3,517,345,896	4,602,996,367	3,420,048,687
TOTAL ASSETS		5,727,518,258	5,021,086,062	5,505,097,224	4,333,016,217

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (Continued)

AS AT 31 DECEMBER 2005 AND 2004

(Unit: Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2005	2004	2005	2004
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade accounts payable		484,362,198	413,412,878	482,523,293	412,139,998
Current portion of long-term loan	12	328,521,802	328,521,802	-	-
Short-term loans and interest payable -					
a related party	6	-	-	1,704,315,348	1,470,826,509
Accrued physician's fee		213,240,714	167,001,668	213,049,372	166,377,045
Interest payable		585,039	-	-	-
Interest payable - convertible bonds treated					
as equity securities		6,232,877	6,232,877	6,232,877	6,232,877
Corporate income tax payable		205,622,400	60,893,372	204,543,949	-
Accrued expenses		203,357,059	136,153,589	171,015,278	134,068,672
Accounts payable - others	6	71,126,079	47,862,449	67,173,381	40,064,828
Unearned income	6	34,131,272	-	-	-
Other current liabilities		33,578,559	21,316,501	32,445,898	19,994,446
TOTAL CURRENT LIABILITIES		1,580,757,999	1,181,395,136	2,881,299,396	2,249,704,375
NON-CURRENT LIABILITIES					
Long-term loan	12	1,450,971,293	1,779,493,095	-	-
Provision for loss in excess of cost of					
investments in subsidiaries	8	-	-	8,561,836	23,114,011
TOTAL NON-CURRENT LIABILITIES		1,450,971,293	1,779,493,095	8,561,836	23,114,011
TOTAL LIABILITIES		3,031,729,292	2,960,888,231	2,889,861,232	2,272,818,386

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (Continued)

AS AT 31 DECEMBER 2005 AND 2004

(Unit: Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2005	2004	2005	2004
SHAREHOLDERS' EQUITY					
Share capital	14				
Registered					
920,341,835 ordinary shares of Baht 1 each					
(2004: 920,009,835 ordinary shares of Baht 1 each)		920,341,835	920,009,835	920,341,835	920,009,835
2,360,850 preference shares of Baht 1 each					
(2004: 2,692,850 preference shares of Baht 1 each)		2,360,850	2,692,850	2,360,850	2,692,850
Issued and paid-up					
727,691,372 ordinary shares of Baht 1 each					
(2004: 727,359,372 ordinary shares of Baht 1 each)		727,691,372	727,359,372	727,691,372	727,359,372
2,360,850 preference shares of Baht 1 each					
(2004: 2,692,850 preference shares of Baht 1 each)		2,360,850	2,692,850	2,360,850	2,692,850
Premium on ordinary shares		285,568,300	285,568,300	285,568,300	285,568,300
Translation adjustment		30,828,437	-	30,828,437	-
Convertible bonds treated as equity securities	13	550,000,000	550,000,000	550,000,000	550,000,000
Excess of investment over book value					
of a subsidiary	8	-192,661,558	(192,661,558)	-192,661,558	(192,661,558)
Retained earnings					
Appropriated - statutory reserve	15	92,275,000	46,500,000	92,275,000	46,500,000
Unappropriated		1,119,173,591	640,738,867	1,119,173,591	640,738,867
TOTAL EQUITY ATTRIBUTABLE TO					
COMPANY'S SHAREHOLDERS		2,615,235,992	2,060,197,831	2,615,235,992	2,060,197,831
MINORITY INTEREST - Equity attributable to					
minority shareholders of subsidiaries		80,552,974	-	-	-
TOTAL SHAREHOLDERS' EQUITY		2,695,788,966	2,060,197,831	2,615,235,992	2,060,197,831
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,727,518,258	5,021,086,062	5,505,097,224	4,333,016,217
		0	0	0	0

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

DIRECTORS

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF EARNINGS

FOR THE YEARS ENDED 31 DECEMBER 2005 AND 2004

(Unit: Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2005	2004	2005	2004
REVENUES					
Revenues from hospital operations		6,646,518,382	5,686,055,350	6,595,730,218	2,482,255,106
Rental income	6	89,087,699	53,074,334	114,204,008	85,599,024
Non-competition fee income	6	-	-	-	25,500,000
Interest income	6	8,414,581	25,434,212	8,402,714	15,524,216
Gain on exchange rate		25,216,037	16,099,062	24,467,416	6,718,329
Other income	6	34,378,394	28,636,062	36,903,233	57,489,213
Share of profit from investments accounted for under equity method		3,160,025	-	29,804,599	328,668,699
TOTAL REVENUES		6,806,775,118	5,809,299,020	6,809,512,188	3,001,754,587
EXPENSES					
Cost of hospital operations		4,145,590,150	3,665,606,435	4,127,593,520	1,591,582,497
Depreciation and amortisation	10, 11	291,816,213	242,004,565	251,605,807	80,313,675
Administrative expenses	6	981,990,496	763,153,919	1,002,171,837	409,534,019
Directors' remuneration	16	4,105,000	4,365,000	4,105,000	4,365,000
Amortisation of goodwill	2.3	-	-1,366,162	-	-
Loss on impairment of fixed assets	10	11,430,248	9,000,000	11,430,248	9,000,000
Share of loss from investments accounted for under equity method		-	-	37,995,459	10,334,336
TOTAL EXPENSES		5,434,932,107	4,682,763,757	5,434,901,871	2,105,129,527
EARNINGS BEFORE INTEREST EXPENSE AND INCOME TAX					
		1,371,843,011	1,126,535,263	1,374,610,317	896,625,060
INTEREST EXPENSE	6	-106,867,549	-118,886,083	-101,549,396	-26,056,027
CORPORATE INCOME TAX	17	(217,907,995)	(128,636,071)	-220,321,642	-
EARNINGS BEFORE MINORITY INTEREST		1,047,067,467	879,013,109	1,052,739,279	870,569,033
MINORITY INTEREST		5,671,812	(8,444,076)	-	-
EARNINGS FROM ORDINARY OPERATIONS		1,052,739,279	870,569,033	1,052,739,279	870,569,033
EXTRAORDINARY ITEM - Gain from conversion of convertible bonds to ordinary shares					
	13	-	63,978,082	-	63,978,082
NET EARNINGS FOR THE YEAR		1,052,739,279	934,547,115	1,052,739,279	934,547,115

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF EARNINGS (Continued)

FOR THE YEARS ENDED 31 DECEMBER 2005 AND 2004

(Unit: Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2005	2004	2005	2004
BASIC EARNINGS PER SHARE	<i>18</i>				
Earnings from ordinary operations		1.45	1.27	1.45	1.27
Extraordinary item		-	0.09	-	0.09
Net earnings		1.45	1.36	1.45	1.36
Weighted average number of ordinary shares (shares)		727,630,430	686,003,287	727,630,430	686,003,287
DILUTED EARNINGS PER SHARE	<i>18</i>				
Earnings from ordinary operations		1.21	1.01	1.21	1.01
Extraordinary item		-	0.07	-	0.07
Net earnings		1.21	1.08	1.21	1.08
Weighted average number of ordinary shares (shares)		867,414,859	863,080,160	867,414,859	863,080,160

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2005 AND 2004

(Unit: Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
Cash flows from (used in) operating activities				
Net earnings	1,052,739,279	934,547,115	1,052,739,279	934,547,115
Adjustments to reconcile net earnings to net cash provided by (paid from) operating activities: -				
Depreciation and amortisation	291,816,213	242,005,565	251,605,807	80,313,675
Loss on impairment of fixed assets	11,430,248	9,000,000	11,430,248	9,000,000
Bad debts and allowance for doubtful accounts	14,264,748	25,401,693	12,776,194	20,629,906
Amortisation of goodwill	-	(1,366,162)	-	-
Share of loss (profit) from investments accounted for under equity method	-3,160,025	-	8,190,860	(318,334,363)
Earnings attributed to minority interest for the year	(5,671,812)	8,444,076	-	-
Loss on disposal of fixed assets	2,694,621	12,634,832	3,073,072	75,989
	<u>1,364,113,272</u>	<u>1,230,667,119</u>	<u>1,339,815,460</u>	<u>726,232,322</u>
Decrease (increase) in operating assets				
Trade accounts receivable	(118,781,734)	(27,367,348)	(93,541,690)	(233,476,034)
Inventories	(45,444,839)	(10,937,761)	(45,154,175)	(102,027,734)
Other current assets	(24,080,958)	(24,880,633)	2,825,506	(29,108,734)
Increase (decrease) in operating liabilities				
Trade accounts payable	8,523,531	(29,705,824)	7,957,506	366,589,082
Accrued physicians' fee	46,239,046	23,109,224	46,672,327	166,377,045
Interest payable	585,039	-	-	-
Corporate income tax payable	144,729,028	60,893,372	204,543,949	-
Accrued expenses	67,203,470	(1,400,477)	36,946,606	127,974,511
Accounts payable - others	23,263,630	2,359,624	27,108,553	785,282
Unearned income	34,131,272	-	-	-
Other current liabilities	12,262,058	15,337,486	12,451,452	18,668,832
Net cash from operating activities	<u>1,512,742,815</u>	<u>1,238,074,782</u>	<u>1,539,625,494</u>	<u>1,042,014,572</u>

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE YEARS ENDED 31 DECEMBER 2005 AND 2004

(Unit: Baht)

		CONSOLIDATED		THE COMPANY ONLY	
	Note	2005	2004	2005	2004
Cash flows from (used in) investing activities					
Decrease (increase) in deposits at financial institutions with maturity of more than 3 months and those pledged		399,943,927	(390,029,286)	(92)	(219,944,991)
Decrease (increase) in advances to employees and directors		(4,480,728)	4,271,126	(4,086,563)	(5,357,699)
Decrease (increase) in short-term loans and interest receivable - related parties		(953,736)	(135,412,365)	4,132,918	(250,334,202)
Decrease in long-term loans and interest receivable - related parties		-	7,791,506	2,418,518	6,285,039
Purchase of investments in a subsidiary and associated companies		(385,002,855)	(221,223,346)	-599,000,000	(221,223,346)
Purchase of other investment		-	(347,213)	-	(347,213)
Dividend received		-	-	-	239,738,300
Increase in plant and equipment		(653,109,053)	(508,207,993)	(665,176,119)	(1,140,670,600)
Increase in other non-current assets		(215,474,922)	(25,072,229)	(116,787,922)	(28,990,053)
Net cash used in investing activities		<u>(859,077,367)</u>	<u>(1,268,229,800)</u>	<u>(1,378,499,260)</u>	<u>(1,620,844,765)</u>
Cash flows from (used in) financing activities					
Increase in short-term loans and interest payable - a related party		-	-	233,488,839	1,214,280,376
Decrease in long-term loan		(328,521,802)	(82,130,450)	-	-
Cash received from issued ordinary shares		-	110,611,673	-	110,611,673
Dividend paid		(511,029,555)	(219,015,667)	(511,029,555)	(219,015,667)
Decrease in liabilities under debt restructuring agreement from interest payment		-	(8,043,836)	-	(8,043,836)
Interest paid for convertible bonds treated as equity securities		(17,500,000)	(10,000,000)	(17,500,000)	(10,000,000)
Net cash from (used in) financing activities before extraordinary item		<u>(857,051,357)</u>	<u>(208,578,280)</u>	<u>(295,040,716)</u>	<u>1,087,832,546</u>
Extraordinary item - gain from conversion of convertible bonds to ordinary shares		-	(63,978,082)	-	(63,978,082)
Net cash from (used in) financing activities		<u>(857,051,357)</u>	<u>(272,556,362)</u>	<u>(295,040,716)</u>	<u>1,023,854,464</u>
Net increase (decrease) in cash and cash equivalents		(203,385,909)	(302,711,380)	(133,914,482)	445,024,271
Translation adjustment		24,010,087	-	-	-
Cash and cash equivalents at beginning of year		722,881,941	1,025,594,321	516,300,167	71,275,896
Cash and cash equivalents at end of year	20	<u>543,506,119</u>	<u>722,882,941</u>	<u>382,385,685</u>	<u>516,300,167</u>

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE YEARS ENDED 31 DECEMBER 2005 AND 2004

(Unit: Baht)

	<u>Note</u>	<u>CONSOLIDATED</u>		<u>THE COMPANY ONLY</u>	
		<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Supplemental cash flows information					
Cash paid during the year for: -					
Interest expense		106,270,888	126,959,087	106,930,038	28,719,220
Corporate income tax		73,178,967	78,214,628	15,777,693	10,471,929
Non-cash transaction: -					
Convertible bonds converted to ordinary shares		-	200,000,000	-	200,000,000
Asset acquisition from off-set debts		-	390,900,014	-	390,900,014
Net assets from transfer of business not yet paid		-	-	-	772,236,429

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2005 AND 2004

(Unit: 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)		
Balance - beginning of year 2004		1,321,228,030	5,590,700	-	-	41,599,484	550,000,000	-	-	(679,030,713)	20,117,712	1,259,505,213
Preference shares converted to ordinary shares	14	205,000	(205,000)	-	-	-	-	-	-	-	-	-
Reduction the par value of the shares to deduct deficit	14	(660,716,515)	(2,692,850)	-	-	-	-	-	-	663,409,365	-	-
Ordinary shares issued during the year	14	9,500,000	-	101,111,673	-	-	-	-	-	-	-	110,611,673
Convertible bonds converted to ordinary shares	13	57,142,857	-	184,456,627	-	(41,599,484)	-	-	-	-	-	200,000,000
Interest paid for convertible bonds treated as equity securities	13	-	-	-	-	-	-	-	-	(12,671,233)	-	(12,671,233)
Transferred to statutory reserve	15	-	-	-	-	-	-	-	46,500,000	(46,500,000)	-	-
Net earnings for the year 2004		-	-	-	-	-	-	-	-	934,547,115	-	934,547,115
Dividend paid	19	-	-	-	-	-	-	-	-	(219,015,667)	-	(219,015,667)
Minority interest for the year 2004		-	-	-	-	-	-	-	-	-	8,444,076	8,444,076
Purchase of investment in a subsidiary from minority		-	-	-	-	-	-	(192,661,558)	-	-	(28,561,788)	(221,223,346)
Balance - end of year 2004		727,359,372	2,692,850	285,568,300	-	-	550,000,000	(192,661,558)	46,500,000	640,738,867	-	2,060,197,831
Preference shares converted to ordinary shares	14	332,000	(332,000)	-	-	-	-	-	-	-	-	-
Investment of minority interest as at purchase date of investment in a subsidiary		-	-	-	-	-	-	-	-	-	78,323,511	78,323,511
Translation adjustment		-	-	-	30,828,437	-	-	-	-	-	7,901,275	38,729,712
Interest paid for convertible bonds treated as equity securities	13	-	-	-	-	-	-	-	-	(17,500,000)	-	(17,500,000)
Transferred to statutory reserve	15	-	-	-	-	-	-	-	45,775,000	(45,775,000)	-	-
Net earnings for the year 2005		-	-	-	-	-	-	-	-	1,052,739,279	-	1,052,739,279
Dividend paid	19	-	-	-	-	-	-	-	-	(511,029,555)	-	(511,029,555)
Minority interest for the year 2005		-	-	-	-	-	-	-	-	-	(5,671,812)	(5,671,812)
Balance - end of year 2005		727,691,372	2,360,850	285,568,300	30,828,437	-	550,000,000	(192,661,558)	92,275,000	1,119,173,591	80,552,974	2,695,788,966

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)
FOR THE YEARS ENDED 31 DECEMBER 2005 AND 2004

(Unit: Baht)

THE COMPANY ONLY										
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		Total
	Ordinary shares	Preference shares						Appropriated - statutory reserve	Unappropriated (deficit)	
Balance - beginning of year 2004	1,321,228,030	5,590,700	-	-	41,599,484	550,000,000	-	-	-679,030,713	1,239,387,501
Preference shares converted to ordinary shares	14	205,000	-205,000	-	-	-	-	-	-	-
Reduction the par value of the shares to deduct deficit	14	(660,716,515)	(2,692,850)	-	-	-	-	-	663,409,365	-
Ordinary shares issued during the year	14	9,500,000	-	101,111,673	-	-	-	-	-	110,611,673
Convertible bonds converted to ordinary shares	13	57,142,857	-	184,456,627	-41,599,484	-	-	-	-	200,000,000
Interest paid for convertible bonds treated as equity securities	13	-	-	-	-	-	-	-	-12,671,233	-12,671,233
Transferred to statutory reserve	15	-	-	-	-	-	-	46,500,000	-46,500,000	-
Net earnings for the year 2004		-	-	-	-	-	-	-	934,547,115	934,547,115
Dividend paid	19	-	-	-	-	-	-	-	-219,015,667	-219,015,667
Purchase of investment in a subsidiary from minority		-	-	-	-	-	-192,661,558	-	-	-192,661,558
Balance - end of year 2004		727,359,372	2,692,850	285,568,300	-	-	550,000,000	-192,661,558	46,500,000	640,738,867
Preference shares converted to ordinary shares	14	332,000	-332,000	-	-	-	-	-	-	-
Translation adjustment		-	-	30,828,437	-	-	-	-	-	30,828,437
Interest paid for convertible bonds treated as equity securities	13	-	-	-	-	-	-	-	-17,500,000	-17,500,000
Transferred to statutory reserve	15	-	-	-	-	-	-	45,775,000	-45,775,000	-
Net earnings for the year 2005		-	-	-	-	-	-	-	1,052,739,279	1,052,739,279
Dividend paid	19	-	-	-	-	-	-	-	-511,029,555	-511,029,555
Balance - end of year 2005		727,691,372	2,360,850	285,568,300	30,828,437	-	550,000,000	-192,661,558	92,275,000	1,119,173,591

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2005 AND 2004

1. GENERAL INFORMATION

Bumrungrad Hospital Public Company Limited is registered as a public limited company under Thai laws and operates its business in Thailand. Its principal activities are hospital business, investment in other companies and rental of properties service.

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 and relevant transactions were recorded. Total remuneration on purchase was Baht 772.2 million. In addition, the Company leases the hospital building from Bumrungrad Medical Center Ltd., for use in carrying on the hospital operations.

The meeting of the Company's Board of Directors No. 2/2548 dated 28 February 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 2006 - 2007. On 16 March 2005, a subsidiary (Bumrungrad International Ltd.) entered into a Memorandum of Understanding with the counterparty.

On 21 September 2005, the extraordinary meeting of the Company's shareholders No. 1/2005 approved the issue and offer of up to Baht 2,500 million of bonds with a period not exceeding 10 years from the issue date in order to refinancing existing loans, fund the business operations and expansion. The Company's investment committee or any persons assigned by the investment committee are authorised to determine the issue date and also other information and conditions of the issue and offer of the bonds. On 25 November 2005, the Office of the Securities and Exchange Commission, Thailand allowed the bonds to be generally offered for a period of 1 year.

2. BASIS OF CONSOLIDATION

2.1 The consolidated financial statements included the financial statements for the years ended 31 December 2005 and 2004 of Bumrungrad Hospital Public Company Limited ("the Company") and the following subsidiaries: -

Subsidiaries	Percentage own by the Company		Type of business	Percentage of total assets included in the consolidated		Percentage of total revenues included in the consolidated	
	2005	2004		2005	2004	2005	2004
<u>Held by the Company</u>							
Bumrungrad Medical Center Ltd.	100.00	100.00	Building lease	20	65	-	57
Bumrungrad International Ltd.	100.00	100.00	Holding company	3	-	-	-
Vitalife Corporation Ltd.	100.00	100.00	Health care center	1	1	1	1
<u>Held by a subsidiary</u>							
Bumrungrad International Philippines Inc.	100.00	-	Hospital management	7	-	1	-
Neptune Stroika Holdings, Inc.	40.00	-	Holding company	4	-	1	-
Bumrungrad International Holdings (Hong Kong) Limited	100.00	-	Holding company	-	-	-	-
Bumrungrad International Management (Hong Kong) Limited	100.00	-	Hospital management	-	-	-	-

2.2 Significant intercompany balances and transactions, investments in subsidiaries in the Company's accounts and shareholders' equity of the subsidiaries are eliminated from the consolidated financial statements.

2.3 The differences between cost of investments and the value ascribed to the equity in subsidiaries at the time of acquisition are shown under the caption of "Goodwill on consolidation" in the consolidated balance sheets and subject to amortisation over the period of 5 years and 10 years.

- 2.4** In February 2005, a subsidiary (Bumrungrad International Ltd.) invested in Bumrungrad International Philippines Inc. (BIPI, formerly known as “Vista Medical Management, Inc.”), incorporated in Philippines, in which it holds 100% of equity.
- 2.5** In February 2005, a subsidiary (Bumrungrad International Ltd.) invested in Neptune Stroika Holdings, Inc. (Neptune), incorporated in Philippines, in which it holds 40% of equity. Although the subsidiary holds only a 40% shareholding in Neptune, this company’s financial statements have nevertheless been consolidated since the subsidiary has controlled over its management.
- 2.6** In December 2005, a subsidiary (Bumrungrad International Ltd.) invested in Bumrungrad International Holdings (Hong Kong) Limited (BIH (HK)), incorporated in Hong Kong, in which it holds 100% of equity.
- 2.7** In December 2005, a subsidiary (Bumrungrad International Ltd.) invested in Bumrungrad International Management (Hong Kong) Limited (BIM (HK)), incorporated in Hong Kong, in which it holds 100% of equity.
- 2.8** In June 2004, the Company purchased additional investment in Bumrungrad Medical Center Ltd. from former shareholder. As a result, the Company’s shareholding in this subsidiary increased from 97.45% to 100%.
- 2.9** In November 2004, Bumrungrad International Ltd. increased its share capital and the Company purchased all increased shares. As a result, the Company’s shareholding in this subsidiary increased from 99.94% to 100%.
- 2.10** The financial statements of subsidiaries incorporated overseas are translated into Thai Baht at the closing exchange rate for assets and liabilities, and at the average exchange rate for revenues and expenses. The resultant difference is shown under the caption of “Translation adjustment” in shareholders’ equity.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547. The Company’s and its subsidiaries’ financial statements have been prepared on the basis of historical cost.

Significant accounting policies adopted by the Company and subsidiaries are summarised below: -

3.1 Revenue and expense recognition

Revenues from hospital operations, mainly consisting of medical fees, hospital room sales, and medicine sales, are recognised as income when services have been rendered or medicine delivered.

Rental income, consulting and management fee income, interest income and expenses are recognised on an accrual basis.

3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at financial institutions with an original maturity of three months or less and not subject to restriction.

3.3 Trade accounts receivable and allowance for doubtful accounts

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided to cover the estimated losses that may incur in collection. The adequacy of the allowance is reviewed and evaluated in relation to the current status of the receivables. Bad debt will be written off for the accounts considered uncollectible.

3.4 Inventories

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

3.5 Property, plant and equipment/Depreciation

Land is stated at cost, plant and equipment are stated at cost less accumulated depreciation. Depreciation of plant and equipment is calculated, by reference to their costs, on a straight-line basis over the following estimated useful lives: -

Leasehold right	-	lease period (30 years)
Land improvement	-	3 years and 30 years
Buildings and construction	-	8 - 30 years
Facility systems	-	5 - 20 years
Medical accessory equipment	-	5 - 15 years
Hospital equipment	-	3 - 15 years
Equipment and furniture	-	5 - 15 years
Vehicles	-	5 - 10 years

No depreciation is provided for land and construction in progress and under installation.

3.6 Impairment of assets

The Company and the subsidiaries review the impairment of assets whenever events indicate that the carrying value of an asset exceeds its recoverable amount. The recoverable value of the assets are arrived at based on the management's valuation.

The Company and the subsidiaries recognise an impairment loss in the earnings statements whenever the carrying value of an asset exceeds its recoverable amount. The Company and the subsidiaries will reverse the impairment loss to other income whenever there is any indication that the impairment loss recognised may no longer exist or may have decreased.

3.7 Amortisation

Intangible assets are amortised on a straight-line method over the period of 5 years and 10 years.

3.8 Investments

Investments in subsidiaries (in the Company's financial statements) and an associated company are valued at the equity method, whereby the investments are recorded at cost at the acquisition date and, for each subsequent period, adjusted to incorporate the Company's proportionate shares of the operating results in the subsidiaries and associated company. Loss in excess of cost of investments in subsidiaries have been shown as non-current liabilities under the caption of "Provision for loss in excess of cost of investments in subsidiaries".

Long-term investments in non-marketable equity securities, which are held as other investments, are valued at cost. The Company recognises loss on impairment of investment (if any) in the earnings statement.

3.9 Foreign currencies

Foreign currency transactions during the year are translated into Baht at the rates ruling on the transaction dates. Monetary assets and liabilities in foreign currency outstanding on the balance sheet date are translated into Baht at the rates ruling on the balance sheet date. Exchange gains and losses are included in determining earnings.

3.10 Financial instruments

The Company and its subsidiaries have no policy to speculate in or engage in the trading of any derivative financial instruments.

Financial instruments carried in the balance sheets include cash and deposits at financial institutions, investments, trade accounts receivable, trade accounts payable, loans and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

3.11 Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates for certain accounting transactions, affecting amounts reported in the financial statements and notes related thereto. Subsequent actual results may differ from these estimates.

3.12 Employees' benefits

The Company and subsidiaries and their employees have jointly established a provident fund scheme under the Provident Fund Act B.E. 2530. The fund is contributed to by both employees and the Company or subsidiaries at the rate of 5% and 5 - 7% of the employees' basic salaries, respectively. The fund is managed by Finansia Asset Management Limited and will be paid to employees upon termination in accordance with the rules of the provident fund. During the year 2005, the contributions of the Company and subsidiaries to the fund totaled Baht 21.9 million (2004: Baht 17.1 million) which was recorded as expense.

3.13 Corporate income tax

Corporate income tax has been calculated on the net earnings, after adding back certain provisions for expenses which are disallowable for tax computation purposes, deducting accumulated tax loss brought forward from previous year (if any) and excluding share of profit and loss from investments accounted for under equity method and dividend received from subsidiaries.

3.14 Earnings per share

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

Diluted earnings per share is calculated by dividing net earnings for the year, after adjusting the effect of transactions relating to dilutive potential ordinary shares, by the total sum of the weighted average number of ordinary shares in issue during the year and the weighted average number of ordinary shares to be issued for conversion of all dilutive potential ordinary shares into ordinary shares.

4. PLEDGED FIXED DEPOSITS AT FINANCIAL INSTITUTIONS

As at 31 December 2005, deposits at financial institutions of Baht 9.9 million (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 (2004: Baht 220 million) has been pledged to secure long-term loan of that subsidiary as described in Note 12.

5. TRADE ACCOUNTS RECEIVABLE

The agings of the trade accounts receivable balances as at 31 December 2005 and 2004 are as follows: -

(Unit: Baht)

<u>Outstanding period</u>	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
Current	209,272,336	136,767,440	186,997,648	136,417,029
Overdue				
1 - 30 days	67,190,268	64,123,228	65,560,381	63,970,698
31 - 60 days	24,610,224	20,727,678	24,016,496	20,454,501
61 - 90 days	15,250,749	6,726,545	14,244,873	6,623,260
91 - 180 days	22,180,489	8,740,767	22,038,206	8,618,016
181 - 365 days	15,347,076	11,208,297	14,690,543	11,138,405
More than 365 days	28,688,726	17,035,150	28,679,631	17,035,150
Total	382,539,868	265,329,105	356,227,778	264,257,059
Less: Allowance for doubtful accounts	(43,064,847)	(30,371,070)	(41,576,294)	(30,371,070)
Net	339,475,021	234,958,035	314,651,484	233,885,989

6. RELATED PARTY TRANSACTIONS

During the years, 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: -

(Unit: Million Baht)

	THE COMPANY ONLY		Pricing policy
	2005	2004	
<u>Transactions with subsidiaries</u>			
Rental income	25.1	40.6	As per contracts a)
Non-competition fee income	-	25.5	As per contract b)
Interest income	2.4	2.0	MLR less 0.5% p.a. (2004: 11% p.a. and MLR less 0.5% p.a.)
Medical service income	10.6	3.3	Cost plus margin

(Unit: Million Baht)

	THE COMPANY ONLY		Pricing policy
	<u>2005</u>	<u>2004</u>	
Consulting fee income	-	24.8	As per contract c)
Dividend received	-	239.7	Baht 2 per share
Other income	9.9	-	Actual charge
Rental expense	84.0	35.0	As per contract d)
Interest expense	101.5	26.0	MLR less 0.45% p.a.
Net remuneration on purchase of hospital business	-	772.2	Book value plus margin
Purchase of equipment	8.5	-	Book value plus margin
Sales of equipment	0.7	-	Book value
<u>Transactions with related companies</u>			
Medical service income	12.4	1.0	Cost plus margin
Rental income	1.3	1.9	As per contract e)
Interest income	-	12.9	MLR p.a.
Rental expense	20.1	19.6	As per contract f)
Donation expense	11.6	0.6	-
Purchase of computer software	64.2	415.2	As per contract g)
Insurance expense	15.6	0.9	As per insurance policies

(Unit: Million Baht)

	CONSOLIDATED		Pricing policy
	<u>2005</u>	<u>2004</u>	
<u>Transactions with subsidiaries</u> (eliminated from consolidated financial statements)			
Interest income	1.9	-	10% p.a.

(Unit: Million Baht)

	CONSOLIDATED		Pricing policy
	<u>2005</u>	<u>2004</u>	
<u>Transactions with related companies</u>			
Medical service income	12.4	13.8	Cost plus margin
System implementation income	6.8	-	As per contract h)
Software license fee income	5.7	-	As per contract i)
Rental income	1.3	1.9	As per contract e)
Management fee income	23.1	-	As per contract j)
Interest income	-	17.5	MLR p.a.
Rental expense	20.1	19.6	As per contract f)
Donation expense	11.6	8.2	-
Maintenance fee expense	-	7.7	As g)
Purchase of computer software	164.2	415.2	As per contract g)
Sales of equipment	7.7	-	As g)
System implementation expense	4.1	-	As per contract h)
Insurance expense	15.7	7.4	As per insurance policies

- 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.

The Company and Bumrungrad Medical Center Ltd. entered into a consulting service agreement which Bumrungrad Medical Center Ltd. was obliged to pay Baht 24 million for consulting service rendered from August to December 2004.

- 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.
- 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 11 November 2005, the bank approved renewal of agreement, commencing on 29 August 2005 to 28 August 2006. The rate of rental and other conditions shall be in accordance with the initial agreement.

Rental payable as at 31 December 2005, amounting to Baht 3.3 million (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) which the Company paid in full.

In January 2005, the Company entered into a license agreement with Global Care Solutions (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 to purchase computer software for use in its international hospital management service business. The subsidiary paid a minimum license fee of USD 2.5 million in the second quarter of 2005.

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.

Bumrungrad Medical Center Ltd. was obliged to pay a software maintenance fee to Global Care Solutions (Thailand) Co., Ltd. As at 31 December 2004, the outstanding balance of Baht 7.7 million of the fee was recorded in “Accounts payable - others” in consolidated financial statements and paid during the year 2005.

- h) A subsidiary (Bumrungrad International Ltd.) has entered into the provision of services under system implementation agreement with Global Care Solutions (Thailand) Co., Ltd. in April 2005 to provide computer system implementation services to Asian Hospital, Inc. (AHI) for the use in its hospital business. The subsidiary is obliged to pay such fee totaling USD 200,000. During the year 2005, the subsidiary recorded for such fee amounting to USD 103,000.

The subsidiary has also entered into computer system implementation agreement with AHI, totaling USD 350,000. During the year 2005, the subsidiary received such fee amounting to USD 175,000.

- i) A subsidiary (Bumrungrad International Ltd.) and Asian Hospital, Inc. (AHI) have entered into a software site license agreement. AHI paid all license fee of 52,676,342 pesos in 2005. The license fee will be recognised as income in accordance with the period as stipulated in the agreement. Unrecognised license fee as at 31 December 2005, amounting to Baht 32.6 million, was shown in the balance sheet under the caption of “Unearned income”.
- j) A subsidiary (Bumrungrad International Philippines Inc. (BIPI) and Asian Hospital, Inc. (AHI) have entered into a management service agreement under which AHI has to pay the subsidiary a percentage of its net revenue and earnings before interest, tax, depreciation and amortisation. The management fee shall be paid in form of cash up to a certain amount, the excess of which will be paid in form of AHI’s shares, up to maximum 10% of total issued and outstanding capital stock of AHI (fully diluted basis). The agreement covered a period of 5 years, expiring in the year 2010, and shall be renewed. Management fee receivable as at 31 December 2005, amounting to Baht 22.8 million, was recorded in “Trade accounts receivable” in consolidated financial statements.

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

	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
(Unit: Baht)				
<u>Short-term loans and interest receivable - related parties</u>				
<u>Former subsidiary</u>				
The Bumrungrad Hospital Rayong Co., Ltd.	-	-	39,431,842	39,431,842
Less: Allowance for doubtful accounts	-	-	(39,431,842)	(39,431,842)
	-	-	-	-
<u>Subsidiaries</u>				
Bumrungrad International Ltd.	-	-	5,878	-
Vitalife Corporation Ltd.	-	-	20,744,994	24,742,553
<u>Associated companies</u>				
Asian Hospital, Inc.	1,094,973	-	-	-
L.S. Cleaning Co., Ltd.	105	150	105	150
<u>Related companies</u>				
Global Care Solutions (Thailand) Co., Ltd.	138,547	217,648	138,547	217,648
The Bumrungrad Hospital Foundation	150,139	212,230	150,139	212,230
Total	<u>1,383,764</u>	<u>430,028</u>	<u>21,039,663</u>	<u>25,172,581</u>

(Unit: Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
<u>Long-term loans and interest receivable - related parties</u>				
<u>Subsidiaries</u>				
Bumrungrad International Ltd.	-	-	-	733,104
Vitalife Corporation Ltd.	-	-	22,603,851	24,289,265
Total	-	-	22,603,851	25,022,369
<u>Short-term loans and interest payable - a related party</u>				
<u>Subsidiary</u>				
Bumrungrad Medical Center Ltd.	-	-	1,704,315,348	1,470,826,509

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.

Bumrungrad International Ltd. granted long-term loan to Neptune Stroika Holdings, Inc. of 30 million pesos, carrying 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 short-term loans from Bumrungrad Medical Center Ltd. carry interest at the rate of MLR less 0.45% per annum.

Movement of loans to and loans from during the year are summarised below: -

(Unit: Baht)

	31 December			31 December
	2004	Increase	Decrease	2005
<u>Short-term loans and interest receivable - related parties</u>				
<u>Subsidiary</u>				
Bumrungrad International Ltd.	-	16,685,753	16,679,875	5,878
Vitalife Corporation Ltd.				
Principal	23,572,320	29,440,842	32,365,839	20,647,323
Interest receivable	1,170,233	1,051,870	2,124,432	97,671
<u>Associated companies</u>				
Asian Hospital, Inc.	-	9,779,374	8,684,401	1,094,973
L.S. Cleaning Co., Ltd.	150	605	650	105

(Unit: Baht)

	31 December			31 December
	2004	Increase	Decrease	2005
<u>Related companies</u>				
Global Care Solutions (Thailand) Co., Ltd.	217,648	10,541,377	10,620,478	138,547
The Bumrungrad Hospital Foundation	212,230	1,937,365	1,999,456	150,139
<u>Long-term loans and interest receivable - related parties</u>				
<u>Subsidiaries</u>				
Bumrungrad International Ltd.				
Principal	538,300	-	538,300	-
Interest receivable	194,804	-	194,804	-
Vitalife Corporation Ltd.				
Principal	22,494,000	-	-	22,494,000
Interest receivable	1,795,265	1,210,054	2,895,468	109,851
<u>Short-term loans and interest payable - a related party</u>				
<u>Subsidiary</u>				
Bumrungrad Medical Center Ltd.				
Principal	1,465,445,867	705,742,675	466,873,194	1,704,315,348
Interest receivable	5,380,642	101,641,785	107,022,427	-

7. INVENTORIES

(Unit: Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
Medicine	90,825,694	72,896,227	88,111,707	70,472,904
Medical supplies	25,784,871	19,874,000	25,784,871	19,874,000
Other supplies	33,285,331	11,680,830	33,285,331	11,680,830
Total	149,895,896	104,451,057	147,181,909	102,027,734

8. 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: -

CONSOLIDATED

(Unit: Baht)

Companies	Paid-up capital		Percentage of shareholding		Investment				Dividend	
	2005	2004	2005	2004	Cost method		Equity method		2005	2004
			%	%	2005	2004	2005	2004		
<u>Associated company</u>										
L.S. Cleaning Co., Ltd.	1,250,000	1,250,000	25.00	25.00	312,500	312,500	209,354	209,354	-	-
Asian Hospital, Inc.	1,409,179,552	-	35.19	-	385,759,564	-	481,206,016	-	-	-
	Peso									
Total investments					<u>386,072,064</u>	<u>312,500</u>	<u>481,415,370</u>	<u>209,354</u>		

THE COMPANY ONLY

<u>Companies</u>	Paid-up capital		Percentage of shareholding		Investment				Dividend	
	2005	2004	2005	2004	Cost method		Equity method		2005	2004
			%	%	2005	2004	2005	2004		
<u>Subsidiaries</u>										
Bumrungrad Medical										
Center Ltd.	958,953,608	958,953,608	100.00	100.00	1,691,902,972	1,691,902,972	1,092,852,182	1,077,599,756	-	239,738,300
Bumrungrad International Ltd.	600,000,000	1,000,000	100.00	100.00	599,999,400	999,400	591,856,574	23,596	-	-
Vitalife Corporation Ltd.	31,500,000	31,500,000	100.00	100.00	25,610,000	25,610,000	(8,561,836)	(23,114,011)	-	-
Total investments in subsidiaries					2,317,512,372	1,718,512,372	1,676,146,920	1,054,509,341		
<u>Associated company</u>										
L.S. Cleaning Co., Ltd.	1,250,000	1,250,000	25.00	25.00	312,500	312,500	209,354	209,354	-	-
Total investment in associated company					312,500	312,500	209,354	209,354		
Total investments					2,317,824,872	1,718,824,872	1,676,356,274	1,054,718,695		

(Unit: Baht)

THE COMPANY ONLY

	<u>2005</u>	<u>2004</u>
<u>Net investments</u>		
Investments accounted for under equity method	1,492,256,552	885,171,148
Excess of investment over book value of a subsidiary	192,661,558	192,661,558
Provision for loss in excess of cost of investment in subsidiary	(8,561,836)	(23,114,011)
Total	1,676,356,274	1,054,718,695

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 presented in shareholders' equity in the consolidated and the separate financial statements.

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 totaling Baht 239.7 million.

In November 2004, Bumrungrad International 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.

On 24 February 2005, a subsidiary (Bumrungrad International Ltd.) invested Baht 131,949,605.69 (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 59,155,653.07 in Bumrungrad International Philippines Inc. (BIPI) to acquire 7,000,000 shares at a par value of 1 peso each (a 100% holding) and further inject Capital in the form of loans to BIPI amounted to Baht 179,386,827.26 (253,856,573.29 pesos).

Neptune and BIPI acquired investments in the ordinary shares of Asian Hospital, Inc. (AHI) for Peso 215 million (190,265,487 shares) and Peso 283 million (423,238,004 shares), respectively, representing respective shareholdings of 13.41% and 29.83%. AHI is incorporated in Philippines and operates the hospital business.

The share of the profit/loss of L.S. Cleaning Co., Ltd. has been calculated from the management accounts of that company.

The share of the profit/loss of AHI has been calculated from the management accounts which are audited by its auditor.

9. OTHER LONG-TERM INVESTMENTS

(Unit: Baht)

COMPANIES	PERCENTAGE OF		CONSOLIDATED		THE COMPANY ONLY	
	SHAREHOLDING		2005	2004	2005	2004
	2005	2004				
	%	%				
Chantaburi Country Club Co., Ltd.	0.5	0.5	4,500,000	4,500,000	4,500,000	4,500,000
Global Care Solutions S.A.	14.0	14.0	347,213	347,213	347,213	347,213
Total			4,847,213	4,847,213	4,847,213	4,847,213
Less: Provision for impairment loss			(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)
Net			2,047,213	2,047,213	2,047,213	2,047,213

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

10. PROPERTY, PLANT AND EQUIPMENT

(Unit: Baht)

	CONSOLIDATED									
	Land	Leasehold right and land improvement	Building and construction	Facility systems	Medical accessory equipment	Hospital equipment	Equipment and furniture	Vehicles	Construction in progress and under installation	Total
Cost										
31 December 2004	290,861,482	34,880,909	1,806,241,154	123,151,786	968,732,746	472,870,200	283,181,189	52,504,623	304,866,725	4,337,290,814
Purchase	-	-	36,189,015	1,008,938	241,043,269	58,896,758	16,414,125	2,620,000	381,434,030	737,606,135
Disposals	-	-	(5,991,383)	(111,280)	(15,031,373)	(5,530,878)	(1,555,855)	(4,684,536)	-	(32,905,305)
Transfer	-	-	121,824,040	-	-	-	-	-	(121,824,040)	-
31 December 2005	290,861,482	34,880,909	1,958,262,826	124,049,444	1,194,744,642	526,236,080	298,039,459	50,440,087	564,476,715	5,041,991,644
Accumulated depreciation										
31 December 2004	-	10,466,812	487,521,905	41,800,823	520,304,049	287,839,523	152,456,048	26,283,456	-	1,526,672,616
Depreciation for the year	-	1,103,020	70,081,480	7,042,483	86,367,386	47,948,195	15,016,801	5,813,931	-	233,373,296
Depreciation – disposals	-	-	(356,836)	(26,661)	(5,343,071)	(954,160)	(307,135)	(1,151,528)	-	(8,139,391)
31 December 2005	-	11,569,832	557,246,549	48,816,645	601,328,364	334,833,558	167,165,714	30,945,859	-	1,751,906,521
Provision for impairment of assets										
31 December 2004	-	-	-	-	9,000,000	-	-	-	-	9,000,000
Increase during the year	-	-	-	-	11,430,248	-	-	-	-	11,430,248
31 December 2005	-	-	-	-	20,430,248	-	-	-	-	20,430,248
Net book value										
31 December 2004	290,861,482	24,414,097	1,318,719,249	81,350,963	439,428,697	185,030,677	130,725,141	26,221,167	304,866,725	2,801,618,198
31 December 2005	290,861,482	23,311,077	1,401,016,277	75,232,799	572,986,030	191,402,522	130,873,745	19,494,228	564,476,715	3,269,654,875
Depreciation included in the earnings statement for the year										
2004										213,967,124
2005										233,373,296

(Unit: Baht)

THE COMPANY ONLY										
	Land	Leasehold right and land improvement	Building and construction	Facility systems	Medical accessory equipment	Hospital equipment	Equipment and furniture	Vehicles	Construction in progress and under installation	Total
Cost										
31 December 2004	290,861,482	15,563,340	197,730,776	98,425,553	516,643,754	244,067,704	163,343,704	30,068,866	304,866,725	1,861,571,904
Purchase	-	-	34,605,395	924,319	241,043,270	57,462,952	16,138,217	2,620,000	381,434,029	734,228,182
Disposals	-	-	(1,124,174)	(111,280)	(3,922,841)	(1,650,146)	(1,127,255)	(4,684,536)	-	(12,620,232)
Transfer	-	-	121,824,040	-	-	-	-	-	(121,824,040)	-
31 December 2005	290,861,482	15,563,340	353,036,037	99,238,592	753,764,183	299,880,510	178,354,666	28,004,330	564,476,714	2,583,179,854
Accumulated depreciation										
31 December 2004	-	6,394,139	44,554,668	10,241,074	46,486,603	65,185,390	57,837,517	3,847,708	-	234,547,099
Depreciation for the year	-	459,101	15,265,924	6,899,977	88,391,003	46,505,786	14,432,607	5,813,931	-	177,768,329
Depreciation – disposals	-	-	(143,156)	(26,661)	(855,674)	(509,499)	(234,367)	(1,151,528)	-	(2,920,885)
31 December 2005	-	6,853,240	59,677,436	17,114,390	134,021,932	111,181,677	72,035,757	8,510,111	-	409,394,543
Provision for impairment of assets										
31 December 2004	-	-	-	-	9,000,000	-	-	-	-	9,000,000
Increase during the year	-	-	-	-	11,430,248	-	-	-	-	11,430,248
31 December 2005	-	-	-	-	20,430,248	-	-	-	-	20,430,248
Net book value										
31 December 2004	290,861,482	9,169,201	153,176,108	88,184,479	461,157,151	178,882,314	105,506,187	26,221,158	304,866,725	1,618,024,805
31 December 2005	290,861,482	8,710,100	293,358,601	82,124,202	599,312,003	188,698,833	106,318,909	19,494,219	564,476,714	2,153,355,063
Depreciation included in the earnings statement for the year										
2004										69,624,253
2005										177,768,329

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 13 a) and 13 b).

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 December 2005 of Baht 1,285 million (2004: Baht 1,327 million), to secure long-term loan obtained from a local commercial bank as described in Note 12.

During the year 2005, the Company recorded provision for impairment of medical instruments, amounting to Baht 11.4 million (2004: Baht 9 million) because there were indications that the carrying value of these assets exceeded their recoverable value.

As at 31 December 2005, the gross carrying amounts of fully depreciated equipment of the Company and subsidiaries still in use are Baht 110 million and Baht 2.3 million (2004: Baht 6 million and Baht 4.5 million), respectively.

11. INTANGIBLE ASSETS

	(Unit: Baht)			
	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
Computer software	683,625,752	478,778,572	583,625,752	478,778,572
Less: Accumulated amortisation	(61,065,496)	(2,650,774)	(57,195,496)	(2,650,774)
Computer software – net	622,560,256	476,127,798	526,430,256	476,127,798
Goodwill on purchase of business	-	-	192,927,561	192,927,561
Less: Accumulated amortisation	-	-	(27,331,404)	(8,038,648)
Goodwill on purchase of business – net	-	-	165,596,157	184,888,913
Other intangible asset	1,687,000	-	-	-
Less: Accumulated amortisation	(28,195)	-	-	-
Other intangible asset – net	1,658,805	-	-	-
Total	<u>624,219,061</u>	<u>476,127,798</u>	<u>692,026,413</u>	<u>661,016,711</u>
Amortisation included in the earnings statement for the year	<u>58,442,917</u>	<u>28,037,441</u>	<u>73,837,478</u>	<u>10,689,422</u>

12. LONG-TERM LOAN

(Unit: Baht)

	CONSOLIDATED	
	2005	2004
<u>Bumrungrad Medical Center Ltd.</u>		
Loan from a local commercial bank	1,779,493,095	2,108,014,897
Less: Current portion	(328,521,802)	(328,521,802)
Long-term portion	<u>1,450,971,293</u>	<u>1,779,493,095</u>

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 10 and 4. 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.

13. CONVERTIBLE BONDS

Convertible bonds as at 31 December 2005 and 2004 are as follows: -

- a) 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.

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

On 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.

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.

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

Interest expense for the year 2005 of the convertible bonds amounted to Baht 17.5 million (2004: Baht 12.7 million), being recorded as a reduction to "retained earnings".

On 24 August 2004, the bondholder of unsecured convertible bonds without trustee in an amount of Baht 200 million, 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 liabilities under the debt restructuring agreement, amounting to Baht 63,978,082, and presented such amount as an extraordinary item in the 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”.

14. SHARE CAPITAL

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

In the first quarter of 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 change 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 of Baht 200 million convertible bonds 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 had 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.

15. STATUTORY RESERVE

Under the Public Company Limited Act B.E. 2535, the Company is required to set aside as a statutory reserve at least 5 percent of its net profit, after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of its registered share capital. The statutory reserve could not use for dividend payment.

During the year 2005, the Company allocated Baht 45.8 million (2004: Baht 46.5 million) from its net earnings for the year to statutory reserve.

16. DIRECTORS' REMUNERATION

Directors' remuneration represents the benefits paid to the Company's executive directors in accordance with Section 90 of the Public Limited Companies Act, exclusive of salaries and related benefits payable to executive directors.

17. CORPORATE INCOME TAX

The Company's corporate income tax for the year 2005 has been calculated at the rate of 25% of net earnings not exceed Baht 300 million and 30% for the rest. The tax rates applied are in compliance with the provisions of Royal Decree 387 (B.E. 2544) dated 28 August 2001, issued under the Revenue Code, regarding the reduction of income tax rates.

Corporate income tax for the years 2005 and 2004 of a subsidiary (Bumrungrad Medical Center Ltd.) has been calculated at the rate of 30% of net tax earnings.

No Corporate income tax was payable by the Company for the year 2004 since tax losses brought forward from previous years exceed net earnings for the year.

18. RECONCILIATION OF DILUTED EARNINGS PER SHARE

(Unit: Baht)

	For the years ended 31 December					
	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>
			Shares	Shares		
Basic earnings per share						
Net earnings	1,052,739,279	934,547,115	727,630,430	686,003,287	1.45	1.36
Effect of dilutive potential ordinary shares						
Preference shares 2,360,850 shares (2004: 2,692,850 shares)	-	-	2,421,792	2,711,894		
Convertible bonds 55 units	-	-	137,362,637	174,364,979		
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>1,052,739,279</u>	<u>934,547,115</u>	<u>867,414,859</u>	<u>863,080,160</u>	1.21	1.08

19. DIVIDEND PAID

On 17 August 2005, 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 2005 to 30 June 2005. This constitutes a total dividend of Baht 219 million.

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.

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.

20. STATEMENTS OF CASH FLOWS

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

(Unit: Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	31 December		31 December	
	2005	2004	2005	2004
Cash on hand and at financial institutions	523,506,119	652,881,941	362,385,685	516,300,167
Fixed deposits at financial institutions	249,883,845	699,827,772	241,250,972	221,250,880
	773,389,964	1,352,709,713	603,636,657	737,551,047
Less: Amounts with maturities of more than 3 months or those pledged	(229,883,845)	(629,827,772)	(221,250,972)	(221,250,880)
Cash and cash equivalents	543,506,119	722,881,941	382,385,685	516,300,167

21. EMPLOYEES AND RELATED COSTS

	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
Number of employees at end of year	2,841	2,762	2,809	2,729
Employee costs for the year (Thousand Baht)	928,897	777,783	916,257	333,575

22. FINANCIAL INSTRUMENTS

22.1 Interest rate risk

The interest rate risk is the risk whereby future movement in market interest rates will have an effect to the result of operations and cash flows of the Company and subsidiaries. The exposure to the interest rate risk relates primarily to their deposits at financial institutions, loans to related parties, loans from a related party, long-term loan and convertible bonds. The Company and subsidiaries do not use derivative financial instruments to hedge this risk. The details of long-term loan and convertible bonds were included in Notes 12 and 13, respectively.

22.2 Foreign currency risk

As at 31 December 2005, the Company and subsidiaries had assets and liabilities denominated in foreign currencies which are not hedged against exchange rate risk as summarised below.

<u>Currencies</u>	<u>Assets</u>	<u>Liabilities</u>
USD	32,818	-
Peso	29,380,522	4,601,749

22.3 Credit risk

The Company and subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable. However, due to the large number of entities comprising the customer base of the Company and subsidiaries, they do not anticipate material losses from their debt collection.

22.4 Fair value

Since the majority of the financial assets are short-term and loans carry interest at rates close to current market rates, the management believes that the fair value of the Company's financial assets and liabilities does not materially differ from their carrying value.

23. COMMITMENTS

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

- a) The Company has a commitment of Baht 1.7 million (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 79.5 million (2004: Baht 263.6 million) in relation to the construction of a new building and Baht 150.1 million (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 16.6 million (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 48 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 10.1 million (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.
- 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 of Baht 1.9 million per month.

- j) The Company has a commitment to pay rental and maintenance service fee for cars of Baht 24.9 million. The agreements covered a period of 5 years, expiring in the year 2009.
- k) A subsidiary, Bumrungrad International Ltd., has a commitment to pay consulting fee of USD 20,000 per annum. The agreement covered a period of 7 years, expiring in the year 2012.

24. BANK GUARANTEES

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

25. CONTINGENT LIABILITIES

On 4 October 2005, Asian Hospital, Inc. (AHI), an associated company, received a preliminary deficiency tax findings for the year ended 31 December 2002 from the Revenue Department of Philippines. AHI's management strongly believes that the finding was made without grounds and vigorously challenged it. AHI has therefore not set aside allowance for the assessment in its accounts.

26. 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. In 2005, the Company and a subsidiary had income of Baht 43.0 million (2004: Baht 17.1 million) from hospital business in foreign countries.

27. PRESENTATION

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 14 September 2001 as empowered under the Accounting Act B.E. 2543.

Certain amounts in the financial statements for the year ended 31 December 2004 have been reclassified to conform to the current year's classification, with no effect on previously reported net earnings or shareholders' equity.

28. SUBSEQUENT EVENT

On 28 February 2006, the Company's Board of Directors approved the payment of Baht 0.45 per share to the Company's shareholders from the Company's earnings for the year ended 31 December 2005. This constitutes a total dividend of Baht 329 million. The meeting also acknowledged payment of interim dividend of Baht 0.30 per share according to the Company's Board of Directors dated 17 August 2005. Dividend payment for the year 2005 total to Baht 0.75 per share.

29. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by Board of Directors on 28 February 2006.