

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
REVIEW REPORT AND INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED
30 SEPTEMBER 2006 AND 2005

Review Report of Independent Auditor

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

I have reviewed the accompanying consolidated balance sheet of Bumrungrad Hospital Public Company Limited and subsidiaries as at 30 September 2006, the related consolidated statements of earnings for the three-month and nine-month periods ended 30 September 2006 and 2005, the consolidated statements of changes in shareholders' equity and cash flows for the nine-month periods ended 30 September 2006 and 2005, and the separate financial statements of Bumrungrad Hospital Public Company Limited for the same periods. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews.

Except for the matter as discussed in the third paragraph, 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.

As discussed in Note 5 to the financial statements, the Company's financial statements included investment in an associated company in Philippines under the equity method as at 30 September 2006 amounting to Baht 477.9 million and its share of profit of the associated company for the three-month and nine-month periods ended 30 September 2006 amounting to Baht 30.3 million and Baht 11.9 million, respectively. The amounts are calculated from the financial statements of the associated company which were prepared by the associated company's management and have not been reviewed by its auditor.

Based on my reviews, except for the effects of any adjustments for the three-month and nine-month periods ended 30 September 2006 which may be required as a result of the matter discussed in the third paragraph, 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 2005, in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements, under my report dated 28 February 2006. The balance sheet as at 31 December 2005, 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 November 2006

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

(Unit: Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		30 September 2006 (Unaudited but reviewed)	31 December 2005 (Audited)	30 September 2006 (Unaudited but reviewed)	31 December 2005 (Audited)
ASSETS					
Current assets					
Cash and cash equivalents		861,178	543,506	374,903	382,386
Current investments - fixed deposits at financial institutions		10,000	-	10,000	-
Trade accounts receivable - net	3, 4	474,325	339,475	423,523	314,651
Amounts due from related parties	4	57,947	1,384	64,554	5,863
Advances to employees and directors		12,649	10,014	11,921	9,523
Short-term loans and interest receivable - related parties	4	-	-	-	20,098
Inventories		159,955	149,896	156,344	147,182
Prepaid expenses		85,110	49,970	68,369	26,074
Other current assets	1.2	26,053	9,597	1,235	1,245
Total current assets		1,687,217	1,103,842	1,110,849	907,022
Non-current assets					
Pledged fixed deposits at financial institutions	2	9,605	229,884	1,251	221,251
Investments accounted for under equity method	5	503,908	481,415	1,680,465	1,492,256
Other long-term investments - net		2,047	2,047	2,047	2,047
Long-term loans and interest receivable - a related party	4	-	-	18,118	22,604
Property, plant and equipment - net	6	3,600,694	3,269,655	2,525,610	2,153,355
Intangible assets - net		593,971	624,219	651,502	692,027
Other non-current assets		16,702	16,456	19,701	19,456
Total non-current assets		4,726,927	4,623,676	4,898,694	4,602,996
TOTAL ASSETS		6,414,144	5,727,518	6,009,543	5,510,018

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (Continued)

(Unit: Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		30 September 2006	31 December 2005	30 September 2006	31 December 2005
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Short-term loan from a bank	7	200,000	-	200,000	-
Trade accounts payable		531,942	484,362	529,114	482,523
Current portion of long-term loan	8	328,522	328,522	-	-
Short-term loans and interest payable - a related party	4	-	-	1,545,367	1,709,236
Accrued physicians' fee		230,736	213,241	229,786	213,049
Interest payable		525	585	-	-
Interest payable - convertible bonds treated as equity securities		1,822	6,233	1,822	6,233
Corporate income tax payable		115,161	205,622	112,123	204,544
Accrued expenses		303,035	203,357	286,098	171,015
Accounts payable - others	4	40,494	71,126	40,419	67,174
Unearned income	4	27,514	34,131	-	-
Other current liabilities		22,301	33,579	21,288	32,446
Total current liabilities		1,802,052	1,580,758	2,966,017	2,886,220
Non-current liabilities					
Long-term loan	8	1,204,580	1,450,971	-	-
Provision for loss in excess of cost of investment in subsidiary	5	-	-	-	8,562
Total non-current liabilities		1,204,580	1,450,971	-	8,562
TOTAL LIABILITIES		3,006,632	3,031,729	2,966,017	2,894,782

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (Continued)

(Unit: Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		30 September 2006 (Unaudited but reviewed)	31 December 2005 (Audited)	30 September 2006 (Unaudited but reviewed)	31 December 2005 (Audited)
Shareholders' equity					
Share capital	9				
Registered					
920,475,835 ordinary shares of Baht 1 each (31 December 2005: 920,341,835 ordinary shares of Baht 1 each)		920,476	920,342	920,476	920,342
2,226,850 preference shares of Baht 1 each (31 December 2005: 2,360,850 preference shares of Baht 1 each)		2,227	2,361	2,227	2,361
Issued and paid-up					
727,825,372 ordinary shares of Baht 1 each (31 December 2005: 727,691,372 ordinary shares of Baht 1 each)		727,825	727,691	727,825	727,691
2,226,850 preference shares of Baht 1 each (31 December 2005: 2,360,850 preference shares of Baht 1 each)		2,227	2,361	2,227	2,361
Premium on ordinary shares		285,568	285,568	285,568	285,568
Unrealised gain resulting from the sale of subsidiary's shares to the public in excess of par value		161,761	-	161,761	-
Translation adjustment		15,872	30,829	15,872	30,829
Convertible bonds treated as equity securities	6	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		92,275	92,275	92,275	92,275
Unappropriated		1,400,660	1,119,174	1,400,660	1,119,174
Total equity attributable to Company's shareholders		3,043,526	2,615,236	3,043,526	2,615,236
Minority interest - equity attributable to minority shareholders of subsidiaries		363,986	80,553	-	-
Total shareholders' equity		3,407,512	2,695,789	3,043,526	2,615,236
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		6,414,144	5,727,518	6,009,543	5,510,018
		0	0	0	0

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

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DIRECTORS
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(UNAUDITED BUT REVIEWED)

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF EARNINGS
FOR THE THREE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 2005

(Unit: Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2006	2005	2006	2005
Revenues					
Revenues from hospital operations	4	2,041,564	1,773,465	2,023,314	1,759,636
Rental income	4	31,539	27,478	38,292	29,167
Interest income	4	5,446	1,991	2,257	1,797
Gain on exchange rate		5,913	6,399	5,897	5,921
Other income	4	16,279	22,797	29,571	6,694
Share of profit from investments accounted for under equity method		30,294	6,692	6,636	12,248
Total revenues		2,131,035	1,838,822	2,105,967	1,815,463
Expenses					
Cost of hospital operations		1,257,547	1,100,081	1,250,335	1,095,691
Depreciation and amortisation		86,756	74,526	76,279	64,203
Administrative expenses	4	328,675	251,539	314,894	244,125
Directors' remuneration		695	1,935	695	1,935
Loss on impairment of fixed assets (reversal)		-3,000	10,900	-3,000	10,900
Share of loss from investments accounted for under equity method		-	-	-	8,595
Total expenses		1,670,673	1,438,981	1,639,203	1,425,449
Earnings before interest expense and income tax		460,362	399,841	466,764	390,014
Interest expense	4	(26,380)	(25,929)	(31,282)	(24,739)
Corporate income tax	10	(128,494)	(65,041)	(126,516)	(57,500)
Earnings before minority interest		305,488	308,871	308,966	307,775
Minority interest		3,478	(1,096)	-	-
Net earnings for the period		308,966	307,775	308,966	307,775
					(Unit: Baht)
Basic earnings per share					
Net earnings	11	0.42	0.42	0.42	0.42
Weighted average number of ordinary shares (shares)		727,825,372	727,691,372	727,825,372	727,691,372
Diluted earnings per share					
Net earnings	11	0.36	0.35	0.36	0.35
Weighted average number of ordinary shares (shares)		867,414,859	867,414,859	867,414,859	867,414,859

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

(UNAUDITED BUT REVIEWED)

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF EARNINGS
FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 2005

(Unit: Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2006	2005	2006	2005
Revenues					
Revenues from hospital operations	4	5,760,651	4,910,181	5,710,202	4,873,106
Rental income	4	89,420	63,042	109,522	81,879
Interest income	4	12,551	5,357	10,258	5,699
Gain on exchange rate		13,849	16,638	17,219	17,050
Other income	4	65,518	65,110	42,109	21,376
Share of profit from investments accounted for under equity method		11,851	3,612	49,967	33,433
Total revenues		5,953,840	5,063,940	5,939,277	5,032,543
Expenses					
Cost of hospital operations		3,574,277	3,072,425	3,555,445	3,058,675
Depreciation and amortisation		250,276	214,541	219,051	184,717
Administrative expenses	4	875,515	751,376	900,454	767,521
Directors' remuneration		4,050	5,090	4,050	5,090
Loss on impairment of fixed assets (reversal)	6	-4,388	10,530	(4,388)	10,530
Share of loss from investments accounted for under equity method		-	-	-	8,595
Total expenses		4,699,730	4,053,962	4,674,612	4,035,128
Earnings before interest expense and income tax		1,254,110	1,009,978	1,264,665	997,415
Interest expense	4	(84,099)	(80,017)	(89,650)	(75,914)
Corporate income tax	10	(336,098)	(151,147)	(332,901)	(141,665)
Earnings before minority interest		833,913	778,814	842,114	779,836
Minority interest		8,201	1,022	-	-
Net earnings for the period		842,114	779,836	842,114	779,836
					(Unit: Baht)
Basic earnings per share					
	11				
Net earnings		1.16	1.07	1.16	1.07
Weighted average number of ordinary shares (shares)		727,789,540	727,609,892	727,789,540	727,609,892
Diluted earnings per share					
	11				
Net earnings		0.97	0.90	0.97	0.90
Weighted average number of ordinary shares (shares)		867,414,859	867,414,859	867,414,859	867,414,859

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

(UNAUDITED BUT REVIEWED)

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 2005

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Cash flows from operating activities				
Net earnings	842,114	779,836	842,114	779,836
Adjustments to reconcile net earnings to net cash provided by (paid from) operating activities: -				
Depreciation and amortisation	250,276	214,541	219,051	184,717
Bad debts and allowance for doubtful accounts	15,458	15,705	13,527	9,703
Loss on impairment of fixed assets (reversal)	(4,388)	10,530	(4,388)	10,530
Loss on impairment of other current assets	19,545	-	-	-
Share of profit from investments accounted for under equity method	(11,851)	(3,612)	(49,967)	(24,838)
Earnings attributed to minority interest for the period	(8,201)	(1,022)	-	-
Loss on disposal of fixed assets	5,864	2,181	5,864	2,559
	<u>1,108,817</u>	<u>1,018,159</u>	<u>1,026,201</u>	<u>962,507</u>
Decrease (increase) in operating assets				
Trade accounts receivable	(150,308)	(100,075)	(122,399)	(92,455)
Amounts due from related parties	(56,563)	-	(58,691)	-
Inventories	(10,059)	(26,433)	(9,162)	(26,232)
Other current assets	(71,141)	(100,265)	(42,285)	(77,377)
Increase (decrease) in operating liabilities				
Trade accounts payable	7,817	16,693	6,827	16,302
Accrued physicians' fee	17,495	34,973	16,737	35,346
Interest payable	(60)	267	-	-
Corporate income tax payable	(90,461)	80,772	(92,421)	141,665
Accrued expenses	99,678	185,760	115,083	164,985
Accounts payable - others	(30,632)	15,435	(26,755)	18,799
Unearned income	(6,617)	35,975	-	-
Other current liabilities	(11,278)	10,151	(11,158)	11,383
Net cash from operating activities	<u>806,688</u>	<u>1,171,412</u>	<u>801,977</u>	<u>1,154,923</u>

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

(UNAUDITED BUT REVIEWED)

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 2005

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005
Cash flows from investing activities				
Decrease in deposits at financial institutions				
with maturity of more than 3 months and those pledged	210,279	400,004	210,000	-
Increase in advances to employees and directors	(2,635)	(4,274)	(2,398)	(4,318)
Decrease (increase) in short-term loans and interest				
receivable - related parties	-	(387)	20,098	3,159
Decrease (increase) in long-term loans and interest				
receivable - related parties	-	(79,573)	4,486	2,431
Purchase of investments in a subsidiary and associated				
companies	(25,774)	(327,095)	-	(599,000)
Increase in plant and equipment	(494,800)	(394,680)	(494,514)	(406,748)
Increase in other non-current assets	(18,226)	(173,012)	(18,224)	(76,012)
Net cash used in investing activities	<u>-331,156</u>	<u>-579,017</u>	<u>(280,552)</u>	<u>(1,080,488)</u>
Cash flows from financing activities				
Increase in short-term loan from a bank	200,000	-	200,000	-
Increase (decrease) in short-term loans and interest payable -				
a related party	-	-	-163,869	283,587
Decrease in long-term loan	(246,391)	(246,391)	-	-
Dividend paid	(547,539)	(511,029)	(547,539)	(511,029)
Interest paid for convertible bonds treated as equity securities	(17,500)	(17,500)	(17,500)	(17,500)
Capital increase of minority shareholders of a subsidiary	452,644	-	-	-
Net cash used in financing activities	<u>(158,786)</u>	<u>(774,920)</u>	<u>(528,908)</u>	<u>(244,942)</u>
Net increase (decrease) in cash and cash equivalents	316,746	(182,525)	(7,483)	(170,507)
Translation adjustment	926	-	-	-
Cash and cash equivalents at beginning of period	543,506	722,882	382,386	516,300
Cash and cash equivalents at end of period	<u>861,178</u>	<u>540,357</u>	<u>374,903</u>	<u>345,793</u>
Supplemental cash flows information				
Cash paid during the period for: -				
Interest expense	84,159	79,749	79,519	81,313
Corporate income tax	434,546	85,722	430,580	11,416

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

(UNAUDITED BUT REVIEWED)

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 2005

(Unit: Thousand Baht)

CONSOLIDATED

	Note	Unrealised gain resulting										Total	
		Issued and paid-up share capital		Premium on ordinary shares	from the sale of subsidiary's shares		Translation adjustment	Convertible bonds treated as equity securities	Excess of investment over book value of a subsidiary	Retained earnings			Minority interest
		Ordinary shares	Preference shares		to the public in excess of par value	Appropriated - statutory reserve				Unappropriated			
Balance - as at 1 January 2005		727,359	2,693	285,568	-	-	550,000	-192,662	46,500	640,739	-	2,060,197	
Preference shares converted to ordinary shares	9	332	-332	-	-	-	-	-	-	-	-	-	
Investment of minority interest as at purchase													
date of investment in a subsidiary		-	-	-	-	-	-	-	-	-	78,320	78,320	
Translation adjustment		-	-	-	-	14,618	-	-	-	-	3,555	18,173	
Interest paid for convertible bonds treated as													
equity securities		-	-	-	-	-	-	-	-	-13,089	-	-13,089	
Net earnings for the period		-	-	-	-	-	-	-	-	779,836	-	779,836	
Minority interest for the period		-	-	-	-	-	-	-	-	-	-1,022	-1,022	
Dividend paid	12	-	-	-	-	-	-	-	-	-511,029	-	-511,029	
Balance - as at 30 September 2005		<u>727,691</u>	<u>2,361</u>	<u>285,568</u>	<u>-</u>	<u>14,618</u>	<u>550,000</u>	<u>-192,662</u>	<u>46,500</u>	<u>896,457</u>	<u>80,853</u>	<u>2,411,386</u>	
Balance - as at 1 January 2006		727,691	2,361	285,568	-	30,829	550,000	-192,662	92,275	1,119,174	80,553	2,695,789	
Preference shares converted to ordinary shares	9	134	-134	-	-	-	-	-	-	-	-	-	
Capital increase of minority shareholders of													
a subsidiary		-	-	-	161,761	-	-	-	-	-	290,883	452,644	
Translation adjustment		-	-	-	-	-14,957	-	-	-	-	751	-14,206	
Interest paid for convertible bonds treated as													
equity securities		-	-	-	-	-	-	-	-	-13,089	-	-13,089	
Net earnings for the period		-	-	-	-	-	-	-	-	842,114	-	842,114	
Minority interest for the period		-	-	-	-	-	-	-	-	-	-8,201	-8,201	
Dividend paid	12	-	-	-	-	-	-	-	-	-547,539	-	-547,539	
Balance - as at 30 September 2006		<u>727,825</u>	<u>2,227</u>	<u>285,568</u>	<u>161,761</u>	<u>15,872</u>	<u>550,000</u>	<u>-192,662</u>	<u>92,275</u>	<u>1,400,660</u>	<u>363,986</u>	<u>3,407,512</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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 2005

(Unit: Thousand Baht)

THE COMPANY ONLY

	Note	Issued and paid-up share capital		Premium on ordinary shares	Unrealised gain resulting from the sale of subsidiary's shares		Convertible bonds treated as equity securities	Excess of investment over book value of a subsidiary	Retained earnings		Total
		Ordinary shares	Preference shares		to the public in excess of par value	Translation adjustment			Appropriated - statutory reserve	Unappropriated	
Balance - as at 1 January 2005		727,359	2,693	285,568	-	-	550,000	-192,662	46,500	640,739	2,060,197
Preference shares converted to ordinary shares	9	332	-332	-	-	-	-	-	-	-	-
Translation adjustment		-	-	-	-	14,618	-	-	-	-	14,618
Interest paid for convertible bonds treated as equity securities		-	-	-	-	-	-	-	-	-13,089	-13,089
Net earnings for the period		-	-	-	-	-	-	-	-	779,836	779,836
Dividend paid	12	-	-	-	-	-	-	-	-	-511,029	-511,029
Balance - as at 30 September 2005		<u>727,691</u>	<u>2,361</u>	<u>285,568</u>	<u>-</u>	<u>14,618</u>	<u>550,000</u>	<u>-192,662</u>	<u>46,500</u>	<u>896,457</u>	<u>2,330,533</u>
Balance - as at 1 January 2006		727,691	2,361	285,568	-	30,829	550,000	-192,662	92,275	1,119,174	2,615,236
Preference shares converted to ordinary shares	9	134	-134	-	-	-	-	-	-	-	-
Capital increase of minority shareholders of a subsidiary		-	-	-	161,761	-	-	-	-	-	161,761
Translation adjustment		-	-	-	-	-14,957	-	-	-	-	-14,957
Interest paid for convertible bonds treated as equity securities		-	-	-	-	-	-	-	-	-13,089	-13,089
Net earnings for the period		-	-	-	-	-	-	-	-	842,114	842,114
Dividend paid	12	-	-	-	-	-	-	-	-	-547,539	-547,539
Balance - as at 30 September 2006		<u>727,825</u>	<u>2,227</u>	<u>285,568</u>	<u>161,761</u>	<u>15,872</u>	<u>550,000</u>	<u>-192,662</u>	<u>92,275</u>	<u>1,400,660</u>	<u>3,043,526</u>

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

(UNAUDITED BUT REVIEWED)

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED
30 SEPTEMBER 2006 AND 2005

1. GENERAL INFORMATION

1.1 Corporate information

Bumrungrad Hospital Public Company Limited (“the Company”) was incorporated as a public company under Thai laws. The Company operates in Thailand and is principally engaged in hospital business, investment in other companies and rental of properties service. The Company’s registered office is located at 33 Sukhumvit Soi 3 (Nana Nua) Sukhumvit Road, Klongtoey Nua Sub District, Wattana District, Bangkok.

1.2 Investment and business operation plans

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. A subsidiary (Bumrungrad International Ltd.) entered into a Memorandum of Understanding and Shareholders Agreement relating to the Establishment with the counterparty on 16 March 2005 and 31 January 2006, respectively. The initial investment of Baht 25.8 million was made on 7 September 2006.

On 14 February 2006, a subsidiary (Bumrungrad International Holdings (Hong Kong) Ltd.) entered into Call Option Agreement with the counterparties for investment in the People’s Republic of China. The subsidiary paid USD 1 million for call option as deposit and recorded in current assets account in consolidated financial statements.

The meeting of the Company’s Board of Directors No. 3/2549 dated 30 March 2006 has resolved to approve the following resolutions: -

- a) Approve the increase in registered capital of Bumrungrad International Ltd. (“BIL”), a wholly-owned subsidiary of the Company, from 6,000,000 shares to 19,764,701 shares by issuing new 13,764,701 ordinary shares at a par value of Baht 100 per share.

(UNAUDITED BUT REVIEWED)

The subscription for the capital increase will be made in 2 stages. In the first capital increase 5,764,701 new shares will be issued at Baht 153.52 per share to strategic investors, raising approximately Baht 884,996,897.52. The Company's shareholding in BIL will reduce to 51% after the first capital increase.

In the second capital increase, all shareholders of BIL will subscribe to 8,000,000 new shares on a pro-rata basis at Baht 100 per share to raise an additional Baht 800 million. After the second capital increase, the Company's shareholding will remain at 51%.

- b) Approve a waiver of right to subscribe to a maximum of 5,764,701 new shares of BIL to allow subscription by Bangkok Bank Public Company Limited ("BBL"), Istithmar PJSC ("Istithmar") and V-Sciences Investment Pte Ltd ("V-Sciences").

This transaction is subject to the following conditions: -

- The Company, BBL, Istithmar and V-Sciences shall obtain all necessary regulatory approvals/permissions for the transaction; and
- The execution of the definitive agreements in relation to the transaction by the Company, BBL, Istithmar and V-Sciences.

Provided that, the actual amount of new BIL shares to be waived by the Company shall depend on the amount of shares approved for each investors under condition a) above. Particularly for BBL, the waiver is subject to approval of the Company's shareholders' meeting with affirmative votes of not less than three-fourths of all votes of the shareholders or proxy present at the meeting and having the right to vote, excluding the shareholders having interest therein. In case any investor is not allowed to subscribe to the shares, the Company may reduce the amount of shares to be waived as the Board of Directors may deem appropriate.

On 15 May 2006, the extraordinary meeting of the Company's shareholders No. 1/2549 passed a resolution approving the waiver of the right to subscribe new shares of BIL to allow subscription by BBL, which is the connected transaction. On 2 June 2006, the Company, BIL, BBL, Istithmar and V-Sciences have executed contracts for investment in BIL. On 28 July 2006, BIL registered the first increase of share capital.

(UNAUDITED BUT REVIEWED)

1.3 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, the Company has presented the balance sheets, and the statements of earnings, changes in shareholders’ equity, and cash flows in the same format as that used for 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.

1.4 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 2005. There have been no changes in the composition of the subsidiaries during the current period, except the increase in registered capital of Bumrungrad International Ltd. in July 2006. The Company waived the right to subscribe the incremental capital. As a result, the Company’s shareholding in this subsidiary decreased from 100% to 51%.

1.5 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 2005.

(UNAUDITED BUT REVIEWED)

2. PLEDGED FIXED DEPOSITS AT FINANCIAL INSTITUTIONS

As at 30 September 2006, deposits at financial institutions of Baht 9.6 million (31 December 2005: Baht 9.9 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.).

As at 31 December 2005, fixed deposit of Baht 220 million had been pledged to secure long-term loan of that subsidiary as described in Note 8.

3. TRADE ACCOUNTS RECEIVABLE

The agings of the trade accounts receivable balances as at 30 September 2006 and 31 December 2005 are as follows: -

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
<u>Outstanding period</u>				
Current	221,061	209,272	217,357	186,998
Overdue				
1 - 30 days	95,153	67,190	90,541	65,560
31 - 60 days	45,277	24,610	40,810	24,016
61 - 90 days	27,778	15,251	21,605	14,245
91 - 180 days	47,033	22,181	39,531	22,038
181 - 365 days	56,399	15,347	28,635	14,690
More than 365 days	27,216	28,689	27,216	28,680
Total	519,917	382,540	465,695	356,227
Less: Allowance for doubtful accounts	(45,592)	(43,065)	(42,172)	(41,576)
Net	474,325	339,475	423,523	314,651

(UNAUDITED BUT REVIEWED)

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 are summarised below.

(Unit: Million Baht)

	THE COMPANY ONLY				Pricing policy
	For the three-month		For the nine-month		
	periods ended		periods ended		
	30 September		30 September		
	2006	2005	2006	2005	
<u>Transactions with subsidiaries</u>					
Rental income	6.8	6.3	20.1	18.9	As per contracts a)
Interest income	0.4	0.5	1.7	1.7	MLR less 0.5% p.a., MLR p.a., MLR plus 0.25% p.a. (2005: MLR less 0.5% p.a.)
Medical service income	3.3	2.8	9.5	8.1	Cost plus margin
Consulting fee income	23.1	-	23.1	-	As per contract j)
Rental expense	21.0	21.0	63.0	63.0	As per contract b)
Interest expense	30.6	24.7	86.3	75.9	MLR less 0.45% p.a., MLR p.a. (2005: 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>					
Medical service income	1.5	2.3	10.1	8.5	Cost plus margin
Rental income	0.3	0.3	0.9	0.9	As per contract c)
Software maintenance expense	21.0	-	56.4	-	As per contract i)
Rental expense	8.8	5.6	23.5	14.8	As per contract d)
Donation expense	1.8	2.7	5.4	5.9	-
Consulting fee expense	-	0.8	-	0.8	As per contract
Purchase of computer software	-	-	-	64.2	As per contracts e)
Insurance expense	4.8	5.1	11.3	11.4	As per insurance policies

(UNAUDITED BUT REVIEWED)

(Unit: Million Baht)

	CONSOLIDATED				Pricing policy
	For the three-month		For the nine-month		
	periods ended		periods ended		
	30 September		30 September		
	2006	2005	2006	2005	
<u>Transactions with subsidiaries</u>					
(eliminated from consolidated financial statements)					
Interest income	1.2	0.5	3.3	1.3	10% p.a. and MLR less 0.45% p.a.
Consulting fee income	8.4	-	8.4	-	Actual charge
<u>Transactions with related companies</u>					
Medical service income	1.5	2.3	10.1	8.5	Cost plus margin
System implementation income	-	-	5.4	6.8	As per contract f)
Software license fee income	1.9	1.9	5.7	3.8	As per contract g)
Rental income	0.3	0.3	0.9	0.9	As per contract c)
Management fee income	7.9	-	28.1	-	As per contract h)
Consulting fee income	4.0	-	4.0	-	Actual charge
Software maintenance expense	21.0	-	56.4	-	As per contract i)
Rental expense	8.8	5.6	23.5	14.8	As per contract d)
Donation expense	1.8	2.7	5.4	5.9	-
Consulting fee expense	3.2	0.8	5.3	0.8	As per contracts
Purchase of computer software	-	-	-	164.2	As per contracts e)
Sales of equipment	-	-	-	7.7	As e)
System implementation expense	5.4	-	5.4	2.0	As per contract f)
Insurance expense	4.9	5.1	11.4	11.4	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.

(UNAUDITED BUT REVIEWED)

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) 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.
- c) 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.
- d) 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. At the present, the Company is in the process of agreement renewal.

Rental payable as at 30 September 2006, amounting to Baht 8.8 million (31 December 2005: Baht 3.3 million), was shown in the balance sheet under the caption of "Accounts payable - others".

- e) In January 2005, the Company 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.

(UNAUDITED BUT REVIEWED)

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.

- f) 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. The subsidiary called for such fee amounting to USD 315,000.

- g) In February 2005, 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 30 September 2006, amounting to Baht 26.8 million (31 December 2005: Baht 32.6 million), was shown in the consolidated financial statements under the caption of “Unearned income”.
- h) 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 30 September 2006, amounting to Baht 48.6 million (31 December 2005: Baht 22.8 million), was recorded in “Trade accounts receivable” in the consolidated financial statements.

(UNAUDITED BUT REVIEWED)

- i) On 4 January 2006, the Company has entered into a Maintenance Services for Software Hospital 2000/DOT NET with Global Care Solutions (Thailand) Co., Ltd. The Company is obliged to pay such fee totaling USD 1,750,000 (exclusive of value added tax). The agreement will expire on 31 December 2006.
- j) On 2 June 2006, the Company has entered into a Consulting Support Agreement with a subsidiary (Bumrungrad International Ltd.). The subsidiary is obliged to pay such fee totaling Baht 55 million per annum starting from August 2006. The agreement will expire as per the agreement's conditions. In addition, the Company charged Baht 14 million for consulting services provided from January to July 2006.

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

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
<u>Amounts due from 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 Medical Center Ltd.	-	-	-	4,921
Bumrungrad International Ltd.	-	-	10,228	6
Vitalife Corporation Ltd.	-	-	1,247	647
<u>Associated companies</u>				
Asian Hospital, Inc.	514	1,095	-	-
Bumrungrad Hospital Dubai LLC	4,354	-	-	-
<u>Related parties</u>				
Global Care Solutions (Thailand) Co., Ltd.	52,858	139	52,858	139
L.S. Cleaning Co., Ltd.	2	-	2	-
The Bumrungrad Hospital Foundation	219	150	219	150
Total	<u>57,947</u>	<u>1,384</u>	<u>64,554</u>	<u>5,863</u>

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	30 September	31 December	30 September	31 December
	2006	2005	2006	2005
<u>Short-term loans and interest receivable - a related party</u>				
<u>Subsidiary</u>				
Vitalife Corporation Ltd.	-	-	-	20,098
<u>Long-term loans and interest receivable - a related party</u>				
<u>Subsidiary</u>				
Vitalife Corporation Ltd.	-	-	18,118	22,604
<u>Short-term loans and interest payable - a related party</u>				
<u>Subsidiary</u>				
Bumrungrad Medical Center Ltd.	-	-	1,545,367	1,709,236

The short-term and long-term loans to Vitalife Corporation Ltd. carry interest at the rate of MLR less 0.5% per annum, MLR per annum, and MLR plus 0.25% per annum (2005: MLR less 0.5% per annum).

Bumrungrad International Ltd. granted short-term loan of USD 1 million to Bumrungrad International Holdings (Hong Kong) Limited. The loan carries interest at the rate of MLR less 0.45% per annum.

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, and MLR per annum (2005: MLR less 0.45% per annum).

(UNAUDITED BUT REVIEWED)

Movements in the outstanding balances with related parties during the period are summarised below.

(Unit: Thousand Baht)

	31 December			30 September
	2005	Increase	Decrease	2006
<u>Amounts due from related parties</u>				
<u>Subsidiaries</u>				
Bumrungrad Medical Center Ltd.	4,921	80,146	85,067	-
Bumrungrad International Ltd.	6	27,297	17,075	10,228
Vitallife Corporation Ltd.	647	17,898	17,298	1,247
<u>Associated companies</u>				
Asian Hospital, Inc.	1,095	5,960	6,541	514
Bumrungrad Hospital Dubai LLC	-	4,354	-	4,354
<u>Related parties</u>				
Global Care Solutions (Thailand) Co., Ltd.	139	123,171	70,452	52,858
L.S. Cleaning Co., Ltd.	-	2	-	2
The Bumrungrad Hospital Foundation	150	1,647	1,578	219
<u>Short-term loans and interest receivable - a related party</u>				
<u>Subsidiary</u>				
Vitallife Corporation Ltd.				
Principal	20,000	-	20,000	-
Interest receivable	98	549	647	-
<u>Long-term loans and interest receivable - a related party</u>				
<u>Subsidiary</u>				
Vitallife Corporation Ltd.				
Principal	22,494	-	4,494	18,000
Interest receivable	110	1,153	1,145	118
<u>Amount due to a related party</u>				
<u>Related party</u>				
Global Care Solutions (Thailand) Co., Ltd.	-	74,900	74,900	-
<u>Short-term loans and interest payable - a related party</u>				
<u>Subsidiary</u>				
Bumrungrad Medical Center Ltd.				
Principal	1,709,236	40,000	214,000	1,535,236
Interest payable	-	86,283	76,152	10,131

(UNAUDITED BUT REVIEWED)

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

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

CONSOLIDATED

(Unit: Thousand Baht)

	30 September 2006				31 December 2005				Dividend paid for the nine-month periods ended 30 September	
	Paid-up capital	Percentage of shareholding	Investments		Paid-up capital	Percentage of shareholding	Investments		2006	2005
			Cost method	Equity method			Cost method	Equity method		
		%				%				
Associate held by the Company										
L.S. Cleaning Co., Ltd.	1,250	25.00	313	209	1,250	25.00	313	209	-	-
Associates held by subsidiaries										
Asian Hospital, Inc.	1,412,006	35.19	385,760	477,925	1,409,180	35.19	385,760	481,206	-	-
	Thousand Peso				Thousand Peso					
Bumrungrad Hospital Dubai LLC	5,000	49.00	25,774	25,774	-	-	-	-	-	-
	Thousand AED									
Total investments			<u>411,847</u>	<u>503,908</u>			<u>386,073</u>	<u>481,415</u>	<u>-</u>	<u>-</u>

THE COMPANY ONLY

(Unit: Thousand Baht)

	30 September 2006				31 December 2005				Dividend paid for the nine-month periods ended 30 September	
	Paid-up capital	Percentage of shareholding	Investments		Paid-up capital	Percentage of shareholding	Investments		2006	2006
			Cost method	Equity method			Cost method	Equity method		
		%				%				
Subsidiaries										
Bumrungrad Medical Center Ltd.	958,954	100.00	1,691,903	1,135,853	958,954	100.00	1,691,903	1,092,852	-	-
Bumrungrad International Ltd.	1,176,470	51.00	600,000	730,146	600,000	100.00	600,000	591,857	-	-
Vitalife Corporation Ltd.	31,500	100.00	25,610	6,919	31,500	100.00	25,610	(8,562)	-	-
Total investments in subsidiaries			<u>2,317,513</u>	<u>1,872,918</u>			<u>2,317,513</u>	<u>1,676,147</u>	<u>-</u>	<u>-</u>
Associate held by the Company										
L.S. Cleaning Co., Ltd.	1,250	25.00	313	209	1,250	25.00	313	209	-	-
Total investment in associated company			<u>313</u>	<u>209</u>			<u>313</u>	<u>209</u>	<u>-</u>	<u>-</u>
Total investments			<u>2,317,826</u>	<u>1,873,127</u>			<u>2,317,826</u>	<u>1,676,356</u>	<u>-</u>	<u>-</u>

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

	THE COMPANY ONLY	
	30 September 2006	31 December 2005
<u>Net investments</u>		
Investments accounted for under equity method	1,680,465	1,492,256
Excess of investment over book value of a subsidiary	192,662	192,662
Provision for loss in excess of cost of investment in subsidiary	-	(8,562)
Total	<u>1,873,127</u>	<u>1,676,356</u>

On 28 July 2006, Bumrungrad International Ltd. registered the first increase of registered share capital by issuing 5,764,701 ordinary shares with a par value of Baht 100 each. Therefore, the registered share capital of the subsidiary is increased from Baht 600,000,000 to Baht 1,176,470,100. The new shares were issued at Baht 153.52 per share, with initial paid up in cash of Baht 78.52 per share. On 15 May 2006, the extraordinary meeting of the Company's shareholders No. 1/2549 passed a resolution approving the waiver of the right to subscribe new shares of BIL to allow subscription by BBL, Istithmar and V-Sciences. As a result, the Company's shareholding in BIL reduced to 51%.

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 Peso 1,000 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 Peso 1 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).

On 31 January 2006, BIPI registered the increase of registered share capital by issuing new 19,000,000 ordinary shares at a par value of Peso 1 each. Therefore, the registered share capital of the subsidiary is increased from Peso 7,000,000 to Peso 26,000,000. Bumrungrad International Ltd. purchased all increased shares therefore the subsidiary's shareholding in BIPI is still at 100%. Baht 179,386,827.26 loans to BIPI were used for such share subscription.

(UNAUDITED BUT REVIEWED)

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.

On 7 September 2006, a subsidiary (Bumrungrad International Ltd.) invested AED 2,450,000 or equivalent to Baht 25,774,000 in Bumrungrad Hospital Dubai LLC (BHD) to acquire 2,450 ordinary shares at a par value of AED 1,000 each (49% ownership). BHD is a newly established company incorporated in United Arab Emirates. Its principal activity is hospital business but not yet commenced operation in 2006.

The share of the profit/loss of the associated companies has been calculated from the management accounts of associated companies which have not been reviewed by their auditors.

6. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2006 are summarised below.

(Unit: Thousand Baht)

	<u>CONSOLIDATED</u>	<u>THE COMPANY ONLY</u>
Net book value as at 1 January 2006	3,269,655	2,153,355
Acquisitions during period - at cost	543,294	543,009
Disposals during period - net book value at disposal date	(14,595)	(14,595)
Depreciation for period	(202,048)	(160,547)
Allowance for impairment reversed during period	4,388	4,388
Net book value as at 30 September 2006	<u><u>3,600,694</u></u>	<u><u>2,525,610</u></u>

The Company has mortgaged all of the land with a book value of Baht 290.9 million (Baht 719 million appraisal fair value as of 14 February 2006) with a commercial bank, acting as bondholders' trustee, as collateral for the convertible bonds treated as equity securities.

The Company and Bumrungrad Medical Center Ltd. have mortgaged their buildings and pledged medical instruments and hospital equipment, with a total net book value as at 30 September 2006 of Baht 1,249 million (the Company Only: Baht 169 million) (31 December 2005: Baht 1,285 million (the Company Only: Baht 165 million)) as collaterals for long-term loan credit facilities granted by a local commercial bank as described in Note 8.

(UNAUDITED BUT REVIEWED)

7. SHORT-TERM LOAN FROM A BANK

This amount represents loan from Tranch D credit facility granted by a local commercial bank as described in Note 8.

8. LONG-TERM LOAN

(Unit: Thousand Baht)

	CONSOLIDATED	
	30 September 2006	31 December 2005
<u>Bumrungrad Medical Center Ltd.</u>		
Loan from a local commercial bank	1,533,102	1,779,493
Less: Current portion	(328,522)	(328,522)
Long-term portion	<u>1,204,580</u>	<u>1,450,971</u>

Movements in long-term loan account during the nine-month period ended 30 September 2006 are summarised below.

(Unit: Thousand Baht)

	CONSOLIDATED
Balance as at 1 January 2006	1,779,493
Less: Repayment	(246,391)
Balance as at 30 September 2006	<u>1,533,102</u>

On 25 May 2006, the Company and the subsidiary entered into Second Amendment Dated 25 May 2006 to Baht 2,400,000,000 Facility Agreement Dated 12 September 2002 (As Amended and Restated) with the bank creditor to change the interest rate of Baht 2,250,000,000 credit facility from MLR less 0.5% per annum to average MLR less 1.25% per annum and cancel the pledged of fixed deposits.

(UNAUDITED BUT REVIEWED)

In addition, the Company and the subsidiary obtain additional Baht 1,370,000,000 credit facilities, divided into 4 tranches as follows: -

- a) Tranche B2 of Baht 650,000,000 carries interest at average MLR less 1.25% per annum. Principal is repayable in 32 quarterly installments, commencing 31 March 2008.
- b) Tranche C of Baht 400,000,000 carries interest at average MLR less 1.25% per annum. Principal is repayable in 32 quarterly installments, commencing 31 March 2008.
- c) Tranche D of Baht 300,000,000 for 8-year working capital carries interest at average MLR less 1.25% per annum.
- d) Tranche E of Baht 20,000,000 for 8-year working capital carries interest at MOR per annum.

Original mortgaged building and pledged medical instruments and hospital equipment are still used as collaterals for above loan credit facilities except for Tranche C, B.H. Residence building will be mortgaged when the Company buy it back from Bangkok Bank Plc.

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. SHARE CAPITAL

In the first quarter of 2006, 134,000 preference shares (2005: 332,000 shares) were converted into ordinary shares at ratio of one preference share to one ordinary share. The Company registered this conversion with the Ministry of Commerce on 14 March 2006.

10. CORPORATE INCOME TAX

Corporate income tax for the three-month and nine-month periods ended 30 September 2006 and 2005 of the Company and a subsidiary (Bumrungrad Medical Center Ltd.) have been calculated by multiplying earnings before income tax for the period by the estimated effective tax rate for the year.

(UNAUDITED BUT REVIEWED)

11. RECONCILIATION OF DILUTED EARNINGS PER SHARE

	For the three-month periods ended 30 September					
	Net earnings		Weighted average number of ordinary shares		Earnings per share	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
	Thousand Baht	Thousand Baht	Shares	Shares	Baht	Baht
Basic earnings per share						
Net earnings	308,966	307,775	727,825,372	727,691,372	0.42	0.42
Effect of dilutive potential ordinary shares						
2,226,850 preference shares (2005: 2,360,850 preference shares)	-	-	2,226,850	2,360,850		
55 convertible bonds	-	-	137,362,637	137,362,637		
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>308,966</u>	<u>307,775</u>	<u>867,414,859</u>	<u>867,414,859</u>	0.36	0.35
	For the nine-month periods ended 30 September					
	Net earnings		Weighted average number of ordinary shares		Earnings per share	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
	Thousand Baht	Thousand Baht	Shares	Shares	Baht	Baht
Basic earnings per share						
Net earnings	842,114	779,836	727,789,540	727,609,892	1.16	1.07
Effect of dilutive potential ordinary shares						
2,226,850 preference shares (2005: 2,360,850 preference shares)	-	-	2,262,682	2,442,330		
55 convertible bonds	-	-	137,362,637	137,362,637		
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>842,114</u>	<u>779,836</u>	<u>867,414,859</u>	<u>867,414,859</u>	0.97	0.90

(UNAUDITED BUT REVIEWED)

12. DIVIDEND PAID

On 16 August 2006, 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 2006 to 30 June 2006. This constitutes a total dividend of Baht 219 million.

On 26 April 2006, the Company's Annual General Meeting of Shareholders approved the payment of a dividend 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.

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.

(UNAUDITED BUT REVIEWED)

13. COMMITMENTS

As at 30 September 2006 and 31 December 2005, the Company and its subsidiaries have the following outstanding commitments: -

		(Unit: Million Baht)	
		Amount	
		30 September	31 December
<u>Details of commitments</u>	<u>Period</u>	2006	2005
<u>The Company</u>			
1) To pay fee to a bank which is bondholders' representative	Terminated in year 2012	1.5	1.7
2) Construction of a new building	-	119.8	79.5
3) Purchase of medical instrument and hospital equipment	-	175.6	150.1
4) Land rental for construction of nursing dormitory (shall be extended for a further period of 20 years)	Terminated in year 2035	91.7	91.7
5) Lease of medical instrument	Terminated in year 2006	1.7	16.6
6) Lease of land and building for operating in service apartment (shall be extended for a further period of 2 years)	Terminated in year 2008	31.2	48.0
7) Lease of building for nursing dormitory and related services (shall be renewed automatically)	Terminate in year 2008	13.0	10.1
8) To pay maintenance service fee for medical instrument	Within year 2006	17.0	-
	Within year 2007	39.7	-
	Within year 2008	18.0	-
	Within year 2009	2.6	-
9) Rental and maintenance service fee for cars	Terminated in year 2011	28.5	24.9
<u>Subsidiaries</u>			
Bumrungrad International Ltd.			
1) To pay consulting fee	Terminated in year 2012	USD 20,000 per annum	USD 20,000 per annum

(UNAUDITED BUT REVIEWED)

14. BANK GUARANTEES

As at 30 September 2006, there were outstanding bank guarantees of Baht 1.9 million (31 December 2005: Baht 1.9 million) issued by a bank on behalf of the Company, and of Baht 8.4 million (31 December 2005: Baht 8.4 million) issued on behalf of a subsidiary. All were required in the normal course of business.

15. 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.

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 and a subsidiary had income for the three-month and nine-month periods ended 30 September 2006 of Baht 9.8 million and Baht 46.5 million, respectively (2005: Baht 7.1 million and Baht 24.7 million, respectively) from hospital business in foreign countries.

17. RECLASSIFICATION

Certain amounts in the financial statements for the year 2005 have been reclassified to conform to the current period's classification, with no effect on previously reported net earnings or shareholders' equity.

(UNAUDITED BUT REVIEWED)

18. SUBSEQUENT EVENT

On 11 October 2006, the Federation of Accounting Professions (“FAP”) issued the Notification No. 26/2006 regarding Accounting Standard No. 44 “Consolidated Financial Statements and Accounting for Investments in Subsidiaries” (Amendment No. 1), under which investments in subsidiaries, jointly controlled entities and associates are to be presented in separate financial statements under the cost method rather than the equity method. Entities that are not ready to adopt the cost method in 2006, can continue to use the equity method through to the end of 2006 and adopt the cost method as from 1 January 2007.

This Notification of the FAP was announced in the Royal Gazette and is effective from 30 October 2006.

19. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorised for issue by the Company’s authorised director on 9 November 2006.