

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
REVIEW REPORT AND INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

(UNAUDITED BUT REVIEWED)

Review Report of Independent Auditor

To The Shareholders of Bumrungrad Hospital Public Company Limited

I have reviewed the accompanying consolidated balance sheet of Bumrungrad Hospital Public Company Limited and subsidiaries as at 31 March 2007, the related consolidated statements of income, changes in shareholders' equity and cash flows for the three-month periods ended 31 March 2007 and 2006, 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 6 to the financial statements, the Company's consolidated financial statements included investments in an associated company in Philippines under the equity method as at 31 March 2007 amounting to Baht 468.5 million (31 March 2006: Baht 471.2 million) and its share of income of the associated company for the three-month period ended 31 March 2007 amounting to Baht 8.0 million (2006: share of loss amounting to Baht 1.3 million). 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 periods ended 31 March 2007 and 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.

(UNAUDITED BUT REVIEWED)

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 2006 in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements under my report dated 27 February 2007. The consolidated and separate balance sheets as at 31 December 2006, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on. The Company has restated the separate financial statements to reflect the change in accounting policy for recording investments in subsidiary companies from the equity method to the cost method as described in Note 2 to the financial statements. In my opinion, the adjustments made for the preparation of such statements are appropriate and have been properly applied. I have not performed any other audit procedures subsequent to the date of that report.

Sumalee Reewarabandith

Certified Public Accountant (Thailand) No. 3970

Ernst & Young Office Limited

Bangkok: 9 May 2007

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2007	31 December 2006	31 March 2007	31 December 2006
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited) (Restated)
ASSETS					
Current assets					
Cash and cash equivalents		1,044,988	853,860	578,404	353,637
Current investments - fixed deposit at financial institution		-	10,000	-	10,000
Trade accounts receivable - net	4, 5	628,775	525,197	563,752	468,695
Amounts due from related parties	5	16,178	6,520	17,538	17,242
Advances to employees and directors		9,852	11,300	9,820	9,564
Inventories		171,277	166,413	165,610	161,111
Prepaid expenses		73,450	44,391	60,463	37,079
Other current assets		6,951	11,373	2,331	2,209
Total current assets		1,951,471	1,629,054	1,397,918	1,059,537
Non-current assets					
Pledged fixed deposits at financial institutions	3	9,605	9,605	1,251	1,251
Investments in subsidiary companies	6	-	-	1,772,512	1,772,512
Investments in associated company	6	468,529	464,949	-	-
Other long-term investments - net		2,047	2,047	2,047	2,047
Advance for future subscription - net		15,799	16,371	-	-
Long-term loans and interest receivable - a related party	5	-	-	18,118	18,121
Property, plant and equipment - net	7	3,820,809	3,751,951	2,761,488	2,680,514
Intangible assets - net		720,438	732,093	771,577	786,429
Other non-current assets		19,064	16,824	19,724	19,824
Total non-current assets		5,056,291	4,993,840	5,346,717	5,280,698
TOTAL ASSETS		7,007,762	6,622,894	6,744,635	6,340,235

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 financial statements		Separate financial statements	
		31 March 2007 (Unaudited but reviewed)	31 December 2006 (Audited)	31 March 2007 (Unaudited but reviewed)	31 December 2006 (Audited) (Restated)
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Trade accounts payable		539,388	551,815	536,341	547,326
Amount due to a related party	5	1,650	1,800	1,650	1,800
Current portion of long-term loan	8	337,897	328,522	9,375	-
Short-term loans and interest payable - a related party	5	-	-	1,415,236	1,465,263
Accrued physicians' fee		262,187	255,562	260,055	253,512
Interest payable		589	768	106	-
Interest payable - convertible bonds treated as equity securities		1,726	6,233	1,726	6,233
Corporate income tax payable		322,015	196,122	321,176	196,122
Accrued expenses		220,636	137,850	204,054	126,178
Accounts payable - others	5	25,187	27,803	24,690	27,577
Unearned income	5	31,683	25,391	-	-
Other current liabilities		21,669	40,032	20,922	38,131
Total current liabilities		1,764,627	1,571,898	2,795,331	2,662,142
Non-current liabilities					
Long-term loan	8	1,330,944	1,422,449	290,625	300,000
Total non-current liabilities		1,330,944	1,422,449	290,625	300,000
TOTAL LIABILITIES		3,095,571	2,994,347	3,085,956	2,962,142

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 financial statements		Separate financial statements	
		31 March 2007 (Unaudited but reviewed)	31 December 2006 (Audited)	31 March 2007 (Unaudited but reviewed)	31 December 2006 (Audited) (Restated)
Shareholders' equity					
Share capital	9				
Registered					
920,853,235 ordinary shares of Baht 1 each					
(31 December 2006: 920,475,835 ordinary shares of Baht 1 each)		920,853	920,476	920,853	920,476
1,849,450 preference shares of Baht 1 each					
(31 December 2006: 2,226,850 preference shares of Baht 1 each)		1,850	2,227	1,850	2,227
Issued and paid-up					
728,202,772 ordinary shares of Baht 1 each					
(31 December 2006: 727,825,372 ordinary shares of Baht 1 each)		728,202	727,825	728,202	727,825
1,849,450 preference shares of Baht 1 each					
(31 December 2006: 2,226,850 preference shares of Baht 1 each)		1,850	2,227	1,850	2,227
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		156,135	156,135	-	-
Translation adjustment		10,677	13,046	-	-
Convertible bonds treated as equity securities	7	550,000	550,000	550,000	550,000
Excess of investment over book value of a subsidiary		(192,662)	(192,662)	-	-
Retained earnings					
Appropriated - statutory reserve		92,275	92,275	92,275	92,275
Unappropriated		1,941,274	1,649,837	2,000,784	1,720,198
Total equity attributable to company's shareholders		3,573,319	3,284,251	3,658,679	3,378,093
Minority interest - equity attributable to minority shareholders of subsidiaries		338,872	344,296	-	-
Total shareholders' equity		3,912,191	3,628,547	3,658,679	3,378,093
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		7,007,762	6,622,894	6,744,635	6,340,235
		0	0	0	0

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

DIRECTORS

(UNAUDITED BUT REVIEWED)

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

INCOME STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006
					(Restated)
Revenues					
Revenues from hospital operations	5	2,057,659	1,867,141	2,038,338	1,850,844
Revenues from hospital management		17,456	12,943	-	-
Rental income	5	32,102	27,802	39,057	34,646
Interest income	5	6,633	3,329	2,551	3,892
Gain on exchange rate		2,831	4,070	5,247	5,323
Other income	5	10,626	7,748	25,690	7,749
Share of income from investments in associated company		8,043	-	-	-
Total revenues		<u>2,135,350</u>	<u>1,923,033</u>	<u>2,110,883</u>	<u>1,902,454</u>
Expenses					
Cost of hospital operations		1,256,655	1,162,978	1,249,791	1,157,680
Depreciation and amortisation		99,417	80,777	88,932	70,362
Administrative expenses	5	331,903	275,607	333,452	285,333
Allowance for loss on impairment of assets		-	900	-	900
Share of loss from investments in associated company		-	1,251	-	-
Total expenses		<u>1,687,975</u>	<u>1,521,513</u>	<u>1,672,175</u>	<u>1,514,275</u>
Income before interest expense and income tax		<u>447,375</u>	<u>401,520</u>	<u>438,708</u>	<u>388,179</u>
Interest expense	5	(27,934)	(27,056)	(28,753)	(26,172)
Corporate income tax	10	(125,893)	(108,056)	(125,054)	(107,820)
Income after corporate income tax		<u>293,548</u>	<u>266,408</u>	<u>284,901</u>	<u>254,187</u>
Net loss attributable to minority interest		<u>2,204</u>	<u>710</u>	<u>-</u>	<u>-</u>
Net income for the period		<u>295,752</u>	<u>267,118</u>	<u>284,901</u>	<u>254,187</u>
					(Unit: Baht)
Basic earnings per share	11				
Net income		<u>0.41</u>	<u>0.37</u>	<u>0.39</u>	<u>0.35</u>
Weighted average number of ordinary shares (shares)		<u>727,863,112</u>	<u>727,716,683</u>	<u>727,863,112</u>	<u>727,716,683</u>
Diluted earnings per share	11				
Net income		<u>0.34</u>	<u>0.31</u>	<u>0.33</u>	<u>0.29</u>
Weighted average number of ordinary shares (shares)		<u>867,414,859</u>	<u>867,414,859</u>	<u>867,414,859</u>	<u>867,414,859</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

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
				(Restated)
Cash flows from operating activities				
Net income	295,752	267,118	284,901	254,187
Adjustments to reconcile net income to net cash provided by (paid from) operating activities: -				
Depreciation and amortisation	99,417	80,777	88,932	70,362
Allowance for loss on impairment of assets	-	900	-	900
Bad debts and allowance for doubtful accounts	3,129	5,521	3,129	6,374
Share of loss (income) from investments in associated company	(8,043)	1,251	-	-
Net loss attributable to minority interest	(2,204)	(710)	-	-
Loss (gain) on disposal of equipment	(212)	1,917	(212)	1,917
Income from operating activities before changes in operating assets and liabilities	387,839	356,774	376,750	333,740
Decrease (increase) in operating assets				
Trade accounts receivable	(106,707)	(39,458)	(98,186)	(33,182)
Amounts due from related parties	(9,658)	-	(296)	-
Inventories	(4,864)	(2,087)	(4,499)	(1,636)
Other current assets	(24,638)	(42,283)	(23,506)	(18,559)
Increase (decrease) in operating liabilities				
Trade accounts payable	(56,916)	(35,184)	(55,474)	(35,922)
Amount due to a related party	(150)	-	(150)	-
Accrued physicians' fee	6,625	16,972	6,543	16,963
Interest payable	(179)	(283)	106	-
Corporate income tax payable	125,893	108,051	125,054	107,820
Accrued expenses	82,786	52,705	77,876	53,641
Accounts payable - others	(2,616)	(30,310)	(2,887)	(25,892)
Unearned income	6,292	(3,077)	-	-
Other current liabilities	(18,363)	(17,049)	(17,209)	(16,214)
Net cash from operating activities	385,344	364,771	384,122	380,759

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

(UNAUDITED BUT REVIEWED)

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
				(Restated)
Cash flows from investing activities				
Decrease in deposit at financial institution with maturity of more than 3 months and those pledged	10,000	-	10,000	-
Decrease (increase) in advances to employees and directors	1,448	(5,512)	(256)	(5,374)
Increase in short-term loans and interest receivable - related parties	-	(36,255)	-	(38,156)
Decrease (increase) in long-term loans and interest receivable - related parties	-	-	3	(9)
Increase in plant and equipment	(102,968)	(133,773)	(101,404)	(133,767)
Increase in other non-current assets	(11,190)	(2,651)	(8,849)	(2,652)
Net cash used in investing activities	<u>-102,710</u>	<u>-178,191</u>	<u>(100,506)</u>	<u>(179,958)</u>
Cash flows from financing activities				
Decrease in short-term loans and interest payable - a related party	-	-	(50,027)	(34,246)
Long-term loan repayment	(82,130)	(82,130)	-	-
Interest paid for convertible bonds treated as equity securities	(8,822)	(8,822)	(8,822)	(8,822)
Net cash used in financing activities	<u>(90,952)</u>	<u>(90,952)</u>	<u>(58,849)</u>	<u>(43,068)</u>
Net increase in cash and cash equivalents	191,682	95,628	224,767	157,733
Translation adjustment	(554)	595	-	-
Cash and cash equivalents at beginning of period	853,860	543,506	353,637	382,386
Cash and cash equivalents at end of period	<u>1,044,988</u>	<u>639,729</u>	<u>578,404</u>	<u>540,119</u>
Supplemental cash flows information				
Cash paid during the period for: -				
Interest expense	28,113	27,339	38,674	17,043
Corporate income tax	6,429	5,263	4,974	4,029

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

(UNAUDITED BUT REVIEWED)

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

(Unit: Thousand Baht)

Consolidated financial statements												
	Note	Issued and paid-up share capital		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		Minority interest	Total
		Ordinary shares	Preference shares	Premium on ordinary shares	to the public in excess of par value	Translation adjustment			Appropriated- statutory reserve	Unappropriated		
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	-	-	-	-	-	-	-	-	-
Translation adjustment		-	-	-	-	-6,999	-	-	-	-	-1,180	-8,179
Interest paid for convertible bonds treated as equity securities		-	-	-	-	-	-	-	-	-4,315	-	-4,315
Net income for the period		-	-	-	-	-	-	-	-	267,118	-	267,118
Net loss attributable to minority interest for the period		-	-	-	-	-	-	-	-	-	-710	-710
Balance - as at 31 March 2006		<u>727,825</u>	<u>2,227</u>	<u>285,568</u>	<u>-</u>	<u>23,830</u>	<u>550,000</u>	<u>-192,662</u>	<u>92,275</u>	<u>1,381,977</u>	<u>78,663</u>	<u>2,949,703</u>
Balance - as at 1 January 2007		727,825	2,227	285,568	156,135	13,046	550,000	(192,662)	92,275	1,649,837	344,296	3,628,547
Preference shares converted to ordinary shares	9	377	-377	-	-	-	-	-	-	-	-	-
Translation adjustment		-	-	-	-	-2,369	-	-	-	-	-3,220	-5,589
Interest paid for convertible bonds treated as equity securities		-	-	-	-	-	-	-	-	-4,315	-	-4,315
Net income for the period		-	-	-	-	-	-	-	-	295,752	-	295,752
Net loss attributable to minority interest for the period		-	-	-	-	-	-	-	-	-	(2,204)	-2,204
Balance - as at 31 March 2007		<u>728,202</u>	<u>1,850</u>	<u>285,568</u>	<u>156,135</u>	<u>10,677</u>	<u>550,000</u>	<u>-192,662</u>	<u>92,275</u>	<u>1,941,274</u>	<u>338,872</u>	<u>3,912,191</u>

The accompanying notes are an integral part of the financial statements

(UNAUDITED BUT REVIEWED)

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

(Unit: Thousand Baht)

		Separate financial statements										
		Issued and paid-up share capital		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	
		Ordinary shares	Preference shares	Premium on ordinary shares	to the public in excess of par value	Translation adjustment	equity securities	a subsidiary	statutory reserve	Appropriated-	Unappropriated	Total
Note												
	Balance - as at 1 January 2006 - as previously reported	727,691	2,361	285,568	-	30,829	550,000	(192,662)	92,275	1,119,174		2,615,236
	Cumulative effect of the change in accounting policy for investments in subsidiary companies	-	-	-	-	-30,829	-	192,662	-	127,194		289,027
	Balance - as at 1 January 2006 - as restated	727,691	2,361	285,568	-	-	550,000	-	92,275	1,246,368		2,904,263
9	Preference shares converted to ordinary shares	134	-134	-	-	-	-	-	-	-		-
	Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	-	-	-	-4,315		-4,315
	Net income for the period (restated)	-	-	-	-	-	-	-	-	254,187		254,187
	Balance - as at 31 March 2006 - as restated	<u>727,825</u>	<u>2,227</u>	<u>285,568</u>	<u>-</u>	<u>-</u>	<u>550,000</u>	<u>-</u>	<u>92,275</u>	<u>1,496,240</u>		<u>3,154,135</u>
	Balance - as at 1 January 2007 - as previously reported	727,825	2,227	285,568	156,135	13,046	550,000	(192,662)	92,275	1,649,837		3,284,251
	Cumulative effect of the change in accounting policy for investments in subsidiary companies	-	-	-	-156,135	-13,046	-	192,662	-	70,361		93,842
	Balance - as at 1 January 2007 - as restated	727,825	2,227	285,568	-	-	550,000	-	92,275	1,720,198		3,378,093
9	Preference shares converted to ordinary shares	377	-377	-	-	-	-	-	-	-		-
	Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	-	-	-	-4,315		-4,315
	Net income for the period	-	-	-	-	-	-	-	-	284,901		284,901
	Balance - as at 31 March 2007	<u>728,202</u>	<u>1,850</u>	<u>285,568</u>	<u>-</u>	<u>-</u>	<u>550,000</u>	<u>-</u>	<u>92,275</u>	<u>2,000,784</u>		<u>3,658,679</u>

The accompanying notes are an integral part of the financial statements

(UNAUDITED BUT REVIEWED)

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED
AND SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

1. GENERAL INFORMATION

1.1 Corporate information

Bumrungrad Hospital Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in hospital business, investment in other companies and rental of properties service. Its registered address is 33 Soi 3 (Nana Nua) Sukhumvit Road, Klongtoey Nua Sub District, Wattana District, Bangkok.

1.2 Investments during the period

On 12 March 2007, the extraordinary meeting of the Company’s shareholders No. 1/2007 approved to a waiver of future rights to subscribe to a maximum of 3,714,283 new shares at Baht 153.52 per share, totaling Baht 570,216,726.16, of Bumrungrad International Company Limited (“BIL”) and to allocate such rights to Asia Financial Holdings Limited (“AFH”), or its wholly-owned subsidiary. As a result, BH’s shareholding in BIL will be decreased from 51% to 31.5% and BIL will no longer be a subsidiary of the Company.

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 income, 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 2006. There have been no changes in the composition of the subsidiaries during the current period.

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 2006, except for the change in the accounting policy for recording investments in subsidiaries in the separate financial statements from the equity method to the cost method, as described in Note 2 to the financial statements.

2. CHANGE IN ACCOUNTING POLICY FOR RECORDING INVESTMENTS IN SUBSIDIARY COMPANIES IN THE SEPARATE FINANCIAL STATEMENTS

During the current period, the Company changed its accounting policy for recording investments in subsidiary companies in the separate financial statements from the equity method to the cost method, in compliance with Notification No. 26/2549 regarding Accounting Standard No. 44 “Consolidated Financial Statements and Accounting for Investments in Subsidiaries” (Amendment No. 1), issued by the Federation of Accounting Professions, under which investments in subsidiaries, jointly controlled entities and associates are to be presented in the separate financial statements under the cost method rather than the equity method.

In this regard, the Company has restated the previous period’s separate financial statements as though the investments in the subsidiary companies had originally been recorded using the cost method. The change has the effect of decreasing net income in the separate income statements for the three-month periods ended 31 March 2007 and 2006 by Baht 10.8 million (Baht 0.02 per share) and Baht 12.9 million (Baht 0.02 per share), respectively. The cumulative effect of the change in accounting policy has been presented under the heading of “Cumulative effect of the change in accounting policy for investments in subsidiary companies” in the separate statements of changes in shareholders’ equity.

(UNAUDITED BUT REVIEWED)

Such change in accounting policy affects only the accounts related to investments in subsidiary companies in the Company's separate financial statements, with no effect to the consolidated financial statements.

3. PLEDGED FIXED DEPOSITS AT FINANCIAL INSTITUTIONS

As at 31 March 2007, deposits at financial institutions of Baht 9.6 million (31 December 2006: Baht 9.6 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.).

4. TRADE ACCOUNTS RECEIVABLE

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
<u>Age of receivables</u>				
Not yet due	270,868	269,103	258,326	232,975
Past due				
1 - 30 days	104,048	98,190	103,522	97,877
31 - 60 days	103,592	50,190	103,512	49,951
61 - 90 days	36,456	34,092	4,283	33,766
91 - 180 days	75,200	40,457	74,616	37,452
181 - 365 days	25,622	21,433	22,001	20,332
More than 365 days	43,942	39,556	25,025	20,746
Total	659,728	553,021	591,285	493,099
Less: Allowance for doubtful accounts	(30,953)	(27,824)	(27,533)	(24,404)
Trade accounts receivable - net	628,775	525,197	563,752	468,695

(UNAUDITED BUT REVIEWED)

5. RELATED PARTY TRANSACTIONS

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

(Unit: Million Baht)

	Separate financial		Transfer pricing policy
	statements		
	For the three-month periods ended 31 March		
	2007	2006	
<u>Transactions with subsidiaries</u>			
Rental income	6.9	6.8	As per contracts 5.1)
Interest income	0.3	0.6	MLR p.a. (2006: MLR less 0.5% p.a.)
Medical service income	3.7	3.3	Cost plus margin
Consulting fee income	15.5	-	As per contract 5.8)
Rental expense	21.0	21.0	As per contract 5.2)
Interest expense	23.8	26.2	MLR less 1% p.a., (2006: MLR less 0.45% p.a.)
<u>Transactions with related companies</u>			
Medical service income	4.1	4.8	Cost plus margin
Rental income	0.3	0.3	As per contract 5.3)
Other income	0.3	0.3	At cost
Software maintenance expense	18.7	18.0	As per contract 5.7)
Rental expense	8.3	7.1	As per contract 5.4)
Donation expense	2.0	1.8	-
Insurance expense	4.9	3.2	As per insurance policies

(UNAUDITED BUT REVIEWED)

(Unit: Million Baht)

	Consolidated financial		
	statements		Transfer pricing policy
	For the three-month periods		
	ended 31 March		
	2007	2006	
<u>Transactions with subsidiaries</u>			
(eliminated from the consolidated financial statements)			
Interest income	1.2	0.9	MLR less 0.45% p.a. (2006: 10% p.a.)
Consulting fee income	0.4	-	Actual charge
<u>Transactions with associated companies</u>			
Software license fee income	1.9	1.9	As per contract 5.5)
Management fee income	12.7	10.0	As per contract 5.6)
<u>Transactions with joint venture</u>			
(eliminated from the consolidated financial statements)			
System implementation income	4.5	-	As per contract 5.9)
Consulting fee income	0.3	-	Actual charge
<u>Transactions with related companies</u>			
Medical service income	4.1	4.8	Cost plus margin
Rental income	0.3	0.3	As per contract 5.3)
Other income	0.3	0.3	At Cost
Software maintenance expense	18.7	18.0	As per contract 5.7)
Rental expense	8.3	7.1	As per contract 5.4)
Donation expense	2.0	1.8	-
System implementation expense	1.8	-	As per contract 5.9)
Insurance expense	4.9	3.2	As per insurance policies

5.1) A subsidiary (Bumrungrad Medical Center Ltd.) has leased a plot of land 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 22 million per annum.

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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.

- 5.2) 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.
- 5.3) 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.
- 5.4) 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 31 March 2007, amounting to Baht 6.3 million (31 December 2006: Baht 8.0 million), was shown in the consolidated and separate balance sheets under the caption of "Accounts payable - others".

- 5.5) In February 2005, a subsidiary (Bumrungrad International Ltd.) and Asian Hospital, Inc. (AHI) have entered into a software site license agreement. AHI paid 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 March 2007, amounting to Baht 23.0 million (31 December 2006: Baht 24.9 million), was shown in the consolidated financial statements under the caption of "Unearned income".

(UNAUDITED BUT REVIEWED)

- 5.6) 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 income before interest, tax, depreciation and amortisation expenses. 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 March 2007, amounting to Baht 62.0 million (31 December 2006: Baht 52.8 million), was recorded in "Trade accounts receivable" in the consolidated financial statements.
- 5.7) On 4 January 2006, the Company has entered into a Maintenance Services for Software Hospital 2000/DOT NET agreement 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 expired on 31 December 2006. At the present, the Company is in the process of agreement renewal.
- 5.8) 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.
- 5.9) A subsidiary (Bumrungrad International Ltd.) has entered into the provision of services under system implementation agreement with Global Care Solutions (Thailand) Co., Ltd. in March 2007 to provide computer system implementation service to the joint venture (Bumrungrad Hospital Dubai, LLC) (BHD) for the use in its overseas hospital business. The subsidiary is obliged to pay such fee totaling USD 200,000. During the period, the subsidiary recorded for such fee amounting to USD 50,000.
- The subsidiary has also entered into computer system implementation agreement with BHD, totaling USD 400,000. The subsidiary called for such fee during the period amounting to USD 125,000.
- 5.10) In November 2006, a subsidiary (Bumrungrad International Ltd.) and Bumrungrad Hospital Dubai, LLC (BHD) have entered into a software site license agreement totaling USD 437,500. The license fee will be recognised as income in accordance with the period as stipulated in the agreement. Unrecognised license fee as at 31 March 2007, amounting to Baht 8.2 million, was shown in the consolidated financial statements under the caption of "Unearned income".

The balances of the accounts between the Company and those related companies are as follows: -

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

	Consolidated financial		Separate financial	
	statements		statements	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
<u>Amounts due from related parties</u>				
<u>Subsidiaries</u>				
Bumrungrad Medical Center Ltd.	-	-	332	-
Bumrungrad International Ltd.	-	-	16,659	15,932
Vitallife Corporation Ltd.	-	-	332	1,042
<u>Associated company</u>				
Asian Hospital, Inc.	-	514	-	-
<u>Joint venture</u>				
Bumrungrad Hospital Dubai, LLC	15,963	5,738	-	-
<u>Related companies</u>				
Global Care Solutions (Thailand) Co., Ltd.	8	67	8	67
The Bumrungrad Hospital Foundation	207	201	207	201
Total	<u>16,178</u>	<u>6,520</u>	<u>17,538</u>	<u>17,242</u>
<u>Long-term loans and interest receivable - a related party</u>				
<u>Subsidiary</u>				
Vitallife Corporation Ltd.	-	-	18,118	18,121
<u>Amount due to a related party</u>				
<u>Related company</u>				
The Bumrungrad Hospital Foundation	<u>1,650</u>	<u>1,800</u>	<u>1,650</u>	<u>1,800</u>
<u>Short-term loans and interest payable - a related party</u>				
<u>Subsidiary</u>				
Bumrungrad Medical Center Ltd.	-	-	1,415,236	1,465,263

The long-term loans to Vitallife Corporation Ltd. carry interest at the rate of MLR per annum (31 December 2006: MLR less 0.5% per annum, MLR per annum, and MLR plus 0.25% per annum).

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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 1% per annum (31 December 2006: MLR less 0.45% per annum, and MLR per annum).

During the period, movements of loans to and loans from related parties were as follows: -

(Unit: Thousand Baht)

	31 December 2006	Increase	Decrease	31 March 2007
<u>Long-term loans and interest receivable - a related party</u>				
<u>Subsidiary</u>				
Vitallife Corporation Ltd.				
Principal	18,000	-	-	18,000
Interest receivable	121	341	(344)	118
	<u>18,121</u>	<u>341</u>	<u>(344)</u>	<u>18,118</u>
<u>Short-term loans and interest payable - a related party</u>				
<u>Subsidiary</u>				
Bumrungrad Medical Center Ltd.				
Principal	1,455,236	-	(40,000)	1,415,236
Interest payable	10,027	23,830	(33,857)	-
	<u>1,465,263</u>	<u>23,830</u>	<u>(73,857)</u>	<u>1,415,236</u>

(UNAUDITED BUT REVIEWED)

6. INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES

These represent investments in ordinary shares of the following companies: -

Consolidated financial statements

(Unit: Thousand Baht)

	31 March 2007					31 December 2006				
	Paid-up capital	Percentage of shareholding	Investments		Dividend received during the period	Paid-up capital	Percentage of shareholding	Investments		Dividend received during the period
			Cost method	Equity method				Cost method	Equity method	
		%					%			
<u>Associated held by subsidiaries</u>										
Asian Hospital, Inc.	1,422,425	35.10	385,760	468,529	-	1,422,425	35.10	385,760	464,949	-
	Thousand Peso					Thousand Peso				
<u>Joint venture held by a subsidiary</u>										
Bumrungrad Hospital	5,000	49.00	25,052	-	-	5,000	49.00	25,052	-	-
Dubai, LLC	Thousand AED					Thousand AED				
Total investments			<u>410,812</u>	<u>468,529</u>	<u>-</u>			<u>410,812</u>	<u>464,949</u>	<u>-</u>

Separate financial statements

(Unit: Thousand Baht)

	31 March 2007				31 December 2006			
	Paid-up capital	Percentage of shareholding	Investments Cost method	Dividend received during the period	Paid-up capital	Percentage of shareholding	Investments Cost method	Dividend received during the period
		%				%	(Restated)	
<u>Subsidiaries</u>								
Bumrungrad Medical Center Ltd.	958,954	100.00	1,691,903	-	958,954	100.00	1,691,903	-
Bumrungrad International Ltd.	744,118	51.00	599,999	-	744,118	51.00	599,999	-
Vitalife Corporation Ltd.	31,500	100.00	25,610	-	31,500	100.00	25,610	-
Total investments in subsidiaries			<u>2,317,512</u>	<u>-</u>			<u>2,317,512</u>	<u>-</u>
Less: allowance for impairment			<u>(545,000)</u>				<u>(545,000)</u>	
Total investments in subsidiaries - net			<u>1,772,512</u>				<u>1,772,512</u>	

On 22 March 2007, the Extraordinary General Meeting of the Shareholders of the subsidiary (Bumrungrad International Limited (“BIL”)) No. 1/2007 passed a resolution to increase its share capital from Baht 1,176,470,100 to Baht 3,649,336,700 (36,493,367 ordinary shares at par value of Baht 100 each) through the issue of an additional 24,728,666 ordinary shares at par value of Baht 100 each.

The share of income from investments in associated company for the three-month period ended 31 March 2007 amounting to Baht 8.0 million (2006: share of loss amounting to Baht 1.3 million) has

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been calculated from the management accounts of the associated company which have not been reviewed by its auditors.

7. PROPERTY, PLANT AND EQUIPMENT

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2007	3,751,951	2,680,514
Acquisitions during period - at cost	150,204	148,676
Disposals during period - net book value at disposal date	(2,001)	(2,001)
Transfer out during period - net book value at transfer out date	(570)	(570)
Depreciation for period	(78,775)	(65,131)
Net book value as at 31 March 2007	<u>3,820,809</u>	<u>2,761,488</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 31 March 2007 of Baht 1,222 million (Separate financial statements: Baht 169 million) (31 December 2006: Baht 1,236 million (Separate financial statements: Baht 170 million)) as collaterals for long-term loan credit facilities granted by a local commercial bank as described in Note 8 to the financial statements.

8. LONG-TERM LOAN

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
Loan from a local commercial bank	1,668,841	1,750,971	300,000	300,000
Less: Current portion	(337,897)	(328,522)	(9,375)	-
Long-term portion	<u>1,330,944</u>	<u>1,422,449</u>	<u>290,625</u>	<u>300,000</u>

(UNAUDITED BUT REVIEWED)

Movements in long-term loan account are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2007	1,750,971	300,000
Less: Repayment	(82,130)	-
Balance as at 31 March 2007	1,668,841	300,000

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 0.5% 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. 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.

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.

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.

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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 buys 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.

As at 31 March 2007 and 31 December 2006, outstanding long-term credit facilities of the Company and its subsidiaries which have yet to be drawn down total Baht 750 million.

9. SHARE CAPITAL

In the first quarter of 2007, 377,400 preference shares (2006: 134,000 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 23 March 2007.

10. CORPORATE INCOME TAX

Corporate income tax for the three-month periods ended 31 March 2007 and 2006 of the Company and a subsidiary (Bumrungrad Medical Center Ltd.) have been calculated by multiplying income before income tax for the period by the estimated effective tax rate for the year.

11. RECONCILIATION OF DILUTED EARNINGS PER SHARE

	For the three-month periods ended 31 March									
	Net income				Weighted average number of ordinary shares		Earnings per share			
	Consolidated financial statements		Separate financial statements				Consolidated financial statements		Separate financial statements	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Shares	Shares	Baht	Baht	Baht	Baht	
Basic earnings per share										
Net income	295,752	267,118	284,901	254,187	727,863,112	727,716,683	0.41	0.37	0.39	0.35
Effect of dilutive potential ordinary shares										
Preference shares	-	-	-	-	2,189,110	2,335,539				
Convertible bonds	-	-	-	-	137,362,637	137,362,637				
Diluted earnings per share										
Net income of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>295,752</u>	<u>267,118</u>	<u>284,901</u>	<u>254,187</u>	<u>867,414,859</u>	<u>867,414,859</u>	0.34	0.31	0.33	0.29

12. COMMITMENTS AND CONTINGENT LIABILITIES

(UNAUDITED BUT REVIEWED)

12.1 Capital commitment

As at 31 March 2007, the Company has capital commitment to pay a total of Baht 66.7 million (31 December 2006: Baht 98.4 million) in relation to the construction of a new building and Baht 106.0 million (31 December 2006: Baht 120.2 million) in respect of purchase of medical instrument and hospital equipment.

12.2 Long-term service commitments

(Unit: Million Baht)

Details of commitments	Paid in	Amount	
		31 March 2007	31 December 2006
<u>The Company</u>			
1) To pay fee to a bank which is bondholders' representative	2007 2008 - 2012	0.2 1.2	0.3 1.2
2) Land rental for construction of nursing dormitory (shall be extended for a further period of 20 years)	2007 2008 - 2035	30.9 60.8	30.9 60.8
3) Lease of medical instrument	2007 2008 - 2009	15.0 39.9	20.0 39.9
4) Lease of land and building for operating service apartment (shall be extended for a further period of 2 years)	2007 2008	12.8 6.4	24.8 6.4
5) Lease of building for nursing dormitory and related services (shall be renewed automatically)	2007 2008	5.5 4.0	9.1 4.0
6) Maintenance service fee for medical instrument	2007 2008	25.2 11.2	33.6 11.2
7) Rental and maintenance service fee for cars	2007 2008 - 2011	6.6 26.1	8.8 26.1
<u>Subsidiaries</u>			
Bumrungrad International Ltd.			
1) To pay consulting fee (Unit: USD)	2007 2008 - 2012	- 82,500	30,000 82,500

(UNAUDITED BUT REVIEWED)

Transfer prices between business segments are set out as described in Note 5 to the financial statements.

14. SUBSEQUENT EVENTS

14.1 On 25 April 2007, the Company's Annual General Meeting of Shareholders approved the payment of a dividend of Baht 0.45 per share from the Company's income for the year ended 31 December 2006 to the Company's shareholders. This constitutes a total dividend of Baht 329 million which are to be paid on 24 May 2007. The meeting also acknowledged payment of interim dividend of Baht 0.30 per share.

14.2 On 4 April 2007, the Board of Directors of Bumrungrad International Limited ("BIL") meeting No. 3/2007 passed a resolution to approve the acquisition of 100% of shares in Asia Renal Care Ltd. ("ARC") for an amount up to USD 75 million.

14.3 A subsidiary (Bumrungrad International Limited ("BIL")) has made the first round of capital increase pursuant to the resolution of the Extraordinary General Meeting of shareholders No. 1/2007, increased its registered capital from Baht 1,176,470,100 to Baht 1,904,760,900 by issuing new 7,282,908 shares at a subscription price of Baht 153.52 per share. BIL has received the full amount of Baht 1,118,072,036.16 and has registered the capital increase with the Ministry of Commerce on 27 April 2007. The Company waived its rights to subscribe to the 3,714,283 new shares of BIL to allow AFH International Company Limited ("AFH"), Asia Financial Holdings Limited's wholly-owned subsidiary, to subscribe such shares, in accordance with the resolution of the Company's Extraordinary General Meeting of Shareholders No. 1/2007 held on 12 March 2007. As a result, the Company's shareholding in BIL was reduced from 51% to 31.5%.

15. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorised for issue by the Company's Board of Directors on 9 May 2007.