

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

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 its subsidiaries as at 30 September 2007, the related consolidated statements of income for the three-month and nine-month periods ended 30 September 2007 and 2006, the consolidated statements of changes in shareholders' equity and cash flows for the nine-month periods ended 30 September 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 standard 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 under the equity method as at 30 September 2007 amounting to Baht 1,069.8 million and shares of income of the associated company for the three-month and nine-month periods ended 30 September 2007 amounting to Baht 10.9 million and Baht 15.3 million, respectively. The consolidated financial statements of that associated company mostly comprise figures derived from the financial statements of its overseas subsidiaries and joint venture, which were prepared by the subsidiaries' and joint venture's management and have not been reviewed by their auditors. In addition, the Company's consolidated financial statements for the three-month and nine-month periods ended 30 September 2006 included share of income of the associated company in Philippines amounting to Baht 30.3 million and Baht 11.9 million, respectively. The amounts were 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 2007 and 2006 which may be required as a result of the matters 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 its 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. I have not performed any other audit procedures subsequent to the date of that report, except for the Company's restatement of the separate financial statements for the period of 2006 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.

Sumalee Reewarabandith

Certified Public Accountant (Thailand) No. 3970

Ernst & Young Office Limited

Bangkok: 9 November 2007

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2007	31 December 2006	30 September 2007	31 December 2006
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited) (Restated)
ASSETS					
Current assets					
Cash and cash equivalents		440,891	853,860	407,702	353,637
Current investments - fixed deposit at financial institution		-	10,000	-	10,000
Trade accounts receivable - net	4	621,990	525,197	619,694	468,695
Amounts due from related parties	5	5,316	6,520	5,543	17,242
Advances to employees and directors		13,117	11,300	13,109	9,564
Inventories		192,542	166,413	186,627	161,111
Prepaid expenses		59,633	44,391	55,131	37,079
Prepaid expense to a related party	5	18,725	-	18,725	-
Other current assets		2,295	11,373	1,789	2,209
Total current assets		1,354,509	1,629,054	1,308,320	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 - net	6	-	-	1,172,513	1,772,512
Investments in associated companies	6	1,091,503	464,949	887,704	-
Other long-term investments - net		2,047	2,047	2,047	2,047
Advance for future subscription - net		-	16,371	-	-
Long-term loans and interest receivable - a related party	5	-	-	10,056	18,121
Property, plant and equipment - net	7	3,953,229	3,751,951	2,923,086	2,680,514
Intangible assets - net		595,820	732,093	727,654	786,429
Other non-current assets		18,464	16,824	21,464	19,824
Total non-current assets		5,670,668	4,993,840	5,745,775	5,280,698
TOTAL ASSETS		7,025,177	6,622,894	7,054,095	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	
		30 September 2007 (Unaudited but reviewed)	31 December 2006 (Audited)	30 September 2007 (Unaudited but reviewed)	31 December 2006 (Audited) (Restated)
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Short-term loan from financial institution	8	200,000	-	200,000	-
Trade accounts payable		584,475	551,815	581,545	547,326
Amounts due to related parties	5	21,663	1,800	21,663	1,800
Current portion of long-term loans	9	389,459	328,522	60,937	-
Short-term loans and interest payable - a related party	5	-	-	1,282,236	1,465,263
Accrued physicians' fee		259,865	255,562	258,015	253,512
Interest payable		1,630	768	1,073	-
Interest payable - convertible bonds treated as equity securities		1,822	6,233	1,822	6,233
Corporate income tax payable		131,393	196,122	127,044	196,122
Accrued expenses		276,549	137,850	274,448	126,178
Accounts payable - others		31,272	27,803	31,168	27,577
Unearned income		382	25,391	-	-
Other current liabilities		39,704	40,032	39,506	38,131
Total current liabilities		1,938,214	1,571,898	2,879,457	2,662,142
Non-current liabilities					
Long-term loans	9	1,465,121	1,422,449	589,063	300,000
Total non-current liabilities		1,465,121	1,422,449	589,063	300,000
TOTAL LIABILITIES		3,403,335	2,994,347	3,468,520	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	
		30 September 2007	31 December 2006	30 September 2007	31 December 2006
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited) (Restated)
Shareholders' equity					
Share capital	10				
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
Other paid-in capital of a subsidiary/an associated company		252,174	156,135	-	-
Translation adjustment		3,932	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/an associated company		(192,662)	(192,662)	-	-
Retained earnings					
Appropriated - statutory reserve		92,275	92,275	92,275	92,275
Unappropriated		1,900,503	1,649,837	1,927,680	1,720,198
Total equity attributable to company's shareholders		3,621,842	3,284,251	3,585,575	3,378,093
Minority interest - equity attributable to minority shareholders of subsidiaries		-	344,296	-	-
Total shareholders' equity		3,621,842	3,628,547	3,585,575	3,378,093
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		7,025,177	6,622,894	7,054,095	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 30 SEPTEMBER 2007 AND 2006

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006 (Restated)
Revenues					
Revenues from hospital operations	5	2,155,294	2,041,564	2,135,804	2,023,314
Revenues from hospital management		-	9,838	-	-
Rental income	5	34,254	31,539	41,078	38,292
Interest income	5	2,452	5,446	2,506	2,257
Gain on exchange rate		9,531	5,913	9,532	5,897
Other income	5	9,391	6,441	9,060	29,571
Share of income from investments in associated companies		10,860	30,294	-	-
Total revenues		<u>2,221,782</u>	<u>2,131,035</u>	<u>2,197,980</u>	<u>2,099,331</u>
Expenses					
Cost of hospital operations		1,326,810	1,257,547	1,319,134	1,250,335
Depreciation and amortisation		102,741	86,756	93,615	76,279
Administrative expenses	5	330,097	326,370	347,478	312,589
Total expenses		<u>1,759,648</u>	<u>1,670,673</u>	<u>1,760,227</u>	<u>1,639,203</u>
Income before interest expense and income tax		462,134	460,362	437,753	460,128
Interest expense	5	(27,993)	(26,380)	(29,913)	(31,282)
Corporate income tax	11	(128,417)	(128,494)	(126,477)	(126,516)
Income after corporate income tax		305,724	305,488	281,363	302,330
Net loss attributable to minority interest		-	3,478	-	-
Net income for the period		<u>305,724</u>	<u>308,966</u>	<u>281,363</u>	<u>302,330</u>
					(Unit: Baht)
Basic earnings per share					
Net income	12	0.42	0.42	0.39	0.42
Weighted average number of ordinary shares (shares)		<u>728,202,772</u>	<u>727,825,372</u>	<u>728,202,772</u>	<u>727,825,372</u>
Diluted earnings per share					
Net income	12	0.35	0.36	0.32	0.35
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
INCOME STATEMENTS
FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2007 AND 2006

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006 (Restated)
Revenues					
Revenues from hospital operations	5	6,274,159	5,760,651	6,217,276	5,710,202
Revenues from hospital management		17,456	46,539	-	-
Rental income	5	99,122	89,420	119,628	109,522
Interest income	5	11,381	12,551	7,519	10,258
Gain on exchange rate		21,298	13,849	23,715	17,219
Other income	5	29,255	18,979	43,680	42,109
Share of income from investments in associated companies		15,280	11,851	-	-
Total revenues		<u>6,467,951</u>	<u>5,953,840</u>	<u>6,411,818</u>	<u>5,889,310</u>
Expenses					
Cost of hospital operations		3,848,638	3,574,277	3,827,337	3,555,445
Depreciation and amortisation		303,226	250,276	274,494	219,051
Administrative expenses	5	985,317	875,177	1,021,126	900,116
Total expenses		<u>5,137,181</u>	<u>4,699,730</u>	<u>5,122,957</u>	<u>4,674,612</u>
Income before interest expense and income tax		1,330,770	1,254,110	1,288,861	1,214,698
Interest expense	5	(82,974)	(84,099)	(87,026)	(89,650)
Corporate income tax	11	(365,701)	(336,098)	(360,720)	(332,901)
Income after corporate income tax		882,095	833,913	841,115	792,147
Net loss attributable to minority interest		2,204	8,201	-	-
Net income for the period		<u>884,299</u>	<u>842,114</u>	<u>841,115</u>	<u>792,147</u>
					(Unit: Baht)
Basic earnings per share					
Net income	12	1.21	1.16	1.16	1.09
Weighted average number of ordinary shares (shares)		<u>728,090,796</u>	<u>727,789,540</u>	<u>728,090,796</u>	<u>727,789,540</u>
Diluted earnings per share					
Net income	12	1.02	0.97	0.97	0.91
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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER 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	884,299	842,114	841,115	792,147
Adjustments to reconcile net income to net cash provided by (paid from) operating activities: -				
Depreciation and amortisation	303,226	250,276	274,494	219,051
Bad debts and allowance for doubtful accounts	14,862	15,458	14,513	13,527
Reversal of loss on impairment of fixed assets	-	(4,388)	-	(4,388)
Loss on impairment of other current assets	-	19,545	-	-
Loss on sales of equipment	3,032	5,864	3,042	5,864
Share of income from investments in associated companies	(15,280)	(11,851)	-	-
Income attributable to minority interest for the period	(2,204)	(8,201)	-	-
Income from operating activities before changes in operating assets and liabilities	1,187,935	1,108,817	1,133,164	1,026,201
Decrease (increase) in operating assets				
Trade accounts receivable	(174,410)	(150,308)	(165,512)	(122,399)
Amounts due from related parties	1,901	(56,563)	11,699	(58,691)
Inventories	(26,129)	(10,059)	(25,516)	(9,162)
Other current assets	(37,885)	(71,141)	(36,357)	(42,285)
Increase (decrease) in operating liabilities				
Trade accounts payable	(75,049)	7,817	(29,000)	6,827
Amounts due to related parties	(1,800)	-	(1,800)	-
Accrued physicians' fee	4,303	17,495	4,503	16,737
Interest payable	862	(60)	1,073	-
Corporate income tax payable	(64,729)	(90,461)	(69,078)	(92,421)
Accrued expenses	156,044	99,678	148,270	115,083
Accounts payable - others	3,885	(30,632)	3,591	(26,755)
Unearned income	6,178	(6,617)	-	-
Other current liabilities	190	(11,278)	1,375	(11,158)
Net cash from operating activities	<u>981,296</u>	<u>806,688</u>	<u>976,412</u>	<u>801,977</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 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 investing activities				
Decrease in deposits at financial institutions				
with maturity of more than 3 months and those pledged	10,000	210,279	10,000	210,000
Increase in advances to employees and directors	(1,840)	(2,635)	(3,545)	(2,398)
Cash receipt from short-term loans and interest receivable - a related party	-	-	-	20,098
Cash receipt from long-term loans and interest receivable - a related party	-	-	8,065	4,486
Purchase of investments in associated companies	(266,041)	(25,774)	(266,041)	-
Acquisition of plant and equipment	(345,455)	(503,532)	(388,239)	(503,246)
Proceeds from sales of equipment	3,079	8,732	3,079	8,732
Increase in other non-current assets	(16,933)	(18,226)	(14,595)	(18,224)
Net cash used in investing activities	-617,190	-331,156	(651,276)	(280,552)
Cash flows from financing activities				
Increase in short-term loans from financial institutions	200,000	200,000	200,000	200,000
Repayment of short-term loans and interest payable - a related party	-	-	-183,027	-163,869
Cash receipt from long-term loans	350,000	-	350,000	-
Repayment of long-term loans	(246,391)	(246,391)	-	-
Dividend paid	(620,544)	(547,539)	(620,544)	(547,539)
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	(334,435)	(158,786)	(271,071)	(528,908)
Net increase (decrease) in cash and cash equivalents	29,671	316,746	54,065	(7,483)
Translation adjustment	(554)	926	-	-
Cash and cash equivalents at beginning of period	853,860	543,506	353,637	382,386
Less: Cash and cash equivalents of subsidiary (BIL) as at the date of a subsidiary changed to an associated company	(442,086)	-	-	-
Cash and cash equivalents at end of period	440,891	861,178	407,702	374,903
Supplemental cash flows information				
Cash paid during the period for				
Interest expense	82,112	84,159	95,980	79,519
Corporate income tax	439,160	434,546	434,564	430,580

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 2007 AND 2006

(Unit: Thousand Baht)

		Separate financial statements									
		Issued and paid-up share capital		Premium on		Other paid-in		Convertible		Excess of	
		Ordinary shares		ordinary shares		capital of		bonds treated as		investment over	
		Preference shares		a subsidiary		Translation		equity securities		book value of	
		statutory reserve		adjustment		a subsidiary		Appropriated -		Total	
Note	Ordinary shares	Preference shares	ordinary shares	a subsidiary	adjustment	equity securities	a subsidiary	statutory reserve	Unappropriated	Total	
	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	2	-	-	-	-	-	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
	Preference shares converted to ordinary shares	10	134	-	-	-	-	-	-	-	-
	Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	-	-	-	-13,089	-13,089
	Net income for the period (restated)	-	-	-	-	-	-	-	-	792,147	792,147
	Dividend paid	13	-	-	-	-	-	-	-	-547,539	-547,539
	Balance - as at 30 September 2006 - as restated	727,825	2,227	285,568	-	-	550,000	-	92,275	1,477,887	3,135,782
	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	2	-	-	-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
	Preference shares converted to ordinary shares	10	377	-	-	-	-	-	-	-	-
	Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	-	-	-	-13,089	-13,089
	Net income for the period	-	-	-	-	-	-	-	-	841,115	841,115
	Dividend paid	13	-	-	-	-	-	-	-	-620,544	-620,544
	Balance - as at 30 September 2007	728,202	1,850	285,568	-	-	550,000	-	92,275	1,927,680	3,585,575

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 2007 AND 2006

(Unit: Thousand Baht)

Consolidated financial statements												
Note	Issued and paid-up share capital		Premium on ordinary shares	Other paid-in capital of a subsidiary/ an associated company	Translation adjustment	Convertible bonds treated as equity securities	Excess of investment over book value of a subsidiary/ an associated company	Retained earnings		Minority interest	Total	
	Ordinary shares	Preference shares						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	10	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 income for the period		-	-	-	-	-	-	-	-	842,114	-	842,114
Net loss attributable to minority interest for the period		-	-	-	-	-	-	-	-	-	-8,201	-8,201
Dividend paid	13	-	-	-	-	-	-	-	-	-547,539	-	-547,539
Balance - as at 30 September 2006		<u>727,825</u>	<u>2,227</u>	<u>285,568</u>	<u>-</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>
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	10	377	-377	-	-	-	-	-	-	-	-	-
Capital increase of shareholder of an associated company		-	-	-	96,039	-	-	-	-	-	-	96,039
Translation adjustment		-	-	-	-	-9,114	-	-	-	-	-3,220	-12,334
Interest paid for convertible bonds treated as equity securities		-	-	-	-	-	-	-	-	-13,089	-	-13,089
Net income for the period		-	-	-	-	-	-	-	-	884,299	-	884,299
Net loss attributable to minority interest for the period		-	-	-	-	-	-	-	-	-	-2,204	-2,204
Decrease in minority interest from changing in status of a subsidiary to an associated company		-	-	-	-	-	-	-	-	-	-338,872	-338,872
Dividend paid	13	-	-	-	-	-	-	-	-	-620,544	-	-620,544
Balance - as at 30 September 2007		<u>728,202</u>	<u>1,850</u>	<u>285,568</u>	<u>252,174</u>	<u>3,932</u>	<u>550,000</u>	<u>-192,662</u>	<u>92,275</u>	<u>1,900,503</u>	<u>-</u>	<u>3,621,842</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 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

- a) 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, 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, the Company’s shareholding in BIL decreased from 51 percent to 31.5 percent and BIL is no longer be a subsidiary of the Company.
- b) On 10 September 2007, a meeting of the Board of Directors of the Company approved the Company’s purchase of 29,995 shares of Global Care Solutions (Thailand) Company Limited (“GCST”), with a par value of Baht 100 each, representing 30 percent of the registered and paid-up capital of GCST. As a result, GCST is an associated company 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.

(UNAUDITED BUT REVIEWED)

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

1.4 Basis of consolidation

These consolidated financial statements include the financial statements of Bumrungrad Hospital Public Company Limited and its subsidiary companies 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 except that the proportion of the Company's investment in Bumrungrad International Ltd. ("BIL") decreased from 51 percent to 31.5 percent, due to the Company waiving its rights to subscribe to the new shares of BIL. As a result, the status of BIL has changed from that of a subsidiary to an associated company and from 1 April 2007 its accounts are no longer consolidated in the financial statements but are equity accounted instead.

1.5 Adoption of new accounting standards

The Federation of Accounting Professions (FAP) has issued Notifications No. 9/2550 and 38/2550 regarding Thai Accounting Standards, and these have been published in the Royal Gazette. The Notifications mandate the use of the following Thai Accounting Standards (Revised 2007) in place of the previous versions, which are cancelled.

a) Thai Accounting Standards (revised version) which are effective for the current year

TAS 44	Consolidated Financial Statements and Separate Financial Statements
TAS 45	Investments in Associates
TAS 46	Interests in Joint Ventures

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These accounting standards become effective for the financial statements for fiscal years beginning on or after 1 January 2007. During the first quarter of the current year, the Company changed its accounting policy for recording investments in subsidiary and associated companies in the separate financial statements in order to comply with the revised Thai Accounting Standards No. 44 and 45, as discussed in Note 2.

b) Thai Accounting Standards (revised version) which are not effective for the current year

TAS 25	Cash Flow Statements
TAS 33	Borrowing Costs
TAS 35	Presentation of Financial Statements
TAS 39	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41	Interim Financial Reporting
TAS 49	Construction Contracts

These accounting standards will become effective for the financial statements for fiscal years beginning on or after 1 January 2008. The management has assessed the effect of these revised accounting standards and believes that they will not have any significant impact on the financial statements for the year in which they are initially applied.

1.6 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.

(UNAUDITED BUT REVIEWED)

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

During the first quarter of the current year, 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 Accounting Standard No. 44 (Revised 2007) regarding “Consolidated Financial Statements and Separate Financial Statements”, under which investments in subsidiaries, jointly controlled entities and associates are to be presented in the separate financial statements under the cost 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 and nine-month periods ended 30 September 2007 by Baht 24.4 million (Baht 0.03 per share) and Baht 43.2 million (Baht 0.06 per share), respectively (2006: decreasing by Baht 6.6 million (Baht 0.01 per share) and Baht 50.0 million (Baht 0.07 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.

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 30 September 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.).

(UNAUDITED BUT REVIEWED)

4. TRADE ACCOUNTS RECEIVABLE

(Unit: Thousand Baht)

	Consolidated financial		Separate financial	
	statements		statements	
	30 September	31 December	30 September	31 December
	2007	2006	2007	2006
<u>Age of receivables</u>				
Not yet due	281,393	269,103	280,635	232,975
Past due				
1 - 30 days	107,866	98,190	107,460	97,877
31 - 60 days	67,304	50,190	67,194	49,951
61 - 90 days	40,324	34,092	40,127	33,766
91 - 180 days	58,732	40,457	58,335	37,452
181 - 365 days	73,647	21,433	72,243	20,332
More than 365 days	32,206	39,556	32,206	20,746
Total	661,472	553,021	658,200	493,099
Less: Allowance for doubtful accounts	(39,482)	(27,824)	(38,506)	(24,404)
Trade accounts receivable - net	<u>621,990</u>	<u>525,197</u>	<u>619,694</u>	<u>468,695</u>

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.

(UNAUDITED BUT REVIEWED)

(Unit: Million Baht)

	Separate financial statements				Transfer pricing policy
	For the three-month		For the nine-month		
	periods ended		periods ended		
	30 September		30 September		
	2007	2006	2007	2006	
<u>Transactions with subsidiary companies</u>					
Rental income	6.8	6.8	20.5	20.1	As per contracts 5.1)
Interest income	0.2	0.4	0.8	1.7	MLR p.a. (2006: MLR less 0.5% p.a., MLR p.a., MLR plus 0.25% p.a.)
Medical service income	3.8	3.3	11.2	9.5	Cost plus margin
Consulting fee income	-	23.1	15.5	23.1	As per contract 5.9)
Rental expense	21.8	21.0	63.8	63.0	As per contract 5.2)
Interest expense	20.0	30.6	65.7	86.3	MLR less 1% p.a., (2006: MLR less 0.45% p.a., MLR p.a.)
<u>Transactions with an associated company</u>					
Rental income	0.2	-	0.3	-	Actual charge
Consulting fee income	3.5	-	7.0	-	As per contract 5.9)
<u>Transactions with related companies</u>					
Medical service income	9.1	1.5	20.0	10.1	Cost plus margin
Rental income	0.3	0.3	0.9	0.9	As per contract 5.3)
Other income	0.5	0.2	1.3	0.8	At cost
Software maintenance expense	18.7	21.0	56.2	56.4	As per contract 5.8)
Rental expense	9.8	8.8	27.0	23.5	As per contract 5.4)
Donation expense	2.0	1.8	5.9	5.4	-
Consulting fee expense	1.0	3.2	5.3	5.3	As per contracts
Insurance expense	5.0	4.8	14.8	11.3	As per insurance policies

(UNAUDITED BUT REVIEWED)

(Unit: Million Baht)

	Consolidated financial statements				Transfer pricing policy
	For the three-month		For the nine-month		
	periods ended		periods ended		
	30 September		30 September		
2007	2006	2007	2006		
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Interest income	-	1.2	1.2	3.3	MLR less 0.45% p.a., 10% p.a.
Consulting fee income	-	8.4	0.4	8.4	Actual charge
<u>Transactions with associated companies</u>					
Rental income	0.2	-	0.3	-	Actual charge
Consulting fee income	3.5	-	7.0	-	As per contract 5.9)
Software license fee income	-	1.9	1.9	5.7	As per contract 5.5)
Management fee income	-	7.9	12.7	28.1	As per contract 5.7)
System implementation income	-	-	-	5.4	As per contract 5.6)
<u>Transactions with a joint venture</u>					
(eliminated from the consolidated financial statements)					
System implementation income	-	-	2.2	-	As per contract 5.10)
Consulting fee income	-	-	0.3	-	Actual charge
<u>Transactions with related companies</u>					
Medical service income	9.1	1.5	20.0	10.1	Cost plus margin
Rental income	0.3	0.3	0.9	0.9	As per contract 5.3)
Consulting fee income	-	4.0	-	4.0	Actual charge
Other income	0.5	0.2	1.3	0.8	At Cost
Software maintenance expense	18.7	21.0	56.2	56.4	As per contract 5.8)
Rental expense	9.8	8.8	27.0	23.5	As per contract 5.4)
Donation expense	2.0	1.8	5.9	5.4	-
Consulting fee expenses	1.0	3.2	5.3	5.3	As per contracts
System implementation expense	-	5.4	1.8	5.4	As per contract 5.10)

(UNAUDITED BUT REVIEWED)

Insurance expense	5.1	4.9	14.9	11.4	As per insurance policies
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(UNAUDITED BUT REVIEWED)

- 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.

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 the subsidiary made an addendum to the 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. In July 2007, the Company and the subsidiary made a new agreement to continue lease hospital building. The new lease agreement covers a period of 3 years, commencing from August 2007, and the rental fees are Baht 89 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 30 September 2007, amounting to Baht 9.8 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 Peso 52,676,342 in 2005. The license fee was recognised as income in accordance with the period as stipulated in the agreement.
- 5.6) In April 2005, a subsidiary (Bumrungrad International Ltd.) has entered into computer system implementation agreement with Asian Hospital, Inc. (“AHI”) to provide computer system implementation service to AHI for the use in its overseas hospital business, totaling USD 350,000.
- 5.7) 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.
- 5.8) 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.
- 5.9) 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 4.9 million per month starting from August 2006 to March 2007, and Baht 1.2 million per month starting from April 2007 onward. 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.
- 5.10) 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

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obliged to pay such fee totaling USD 200,000. During the first quarter, 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 first quarter amounting to USD 125,000.

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

(Unit: Thousand Baht)

	Consolidated financial		Separate financial	
	statements	statements	statements	statements
	30 September	31 December	30 September	31 December
	2007	2006	2007	2006
<u>Amounts due from related parties</u>				
<u>Subsidiary companies</u>				
Bumrungrad International Ltd.	-	-	-	15,932
Vitalife Corporation Ltd.	-	-	227	1,042
<u>Associated companies</u>				
Bumrungrad International Ltd.	4,804	-	4,804	-
Asian Hospital, Inc.	-	514	-	-
Global Care Solutions (Thailand) Co., Ltd.	285	-	285	-
<u>Joint venture</u>				
Bumrungrad Hospital Dubai, LLC	-	5,738	-	-
<u>Related companies</u>				
Global Care Solutions (Thailand) Co., Ltd.	-	67	-	67
The Bumrungrad Hospital Foundation	227	201	227	201
Total	<u>5,316</u>	<u>6,520</u>	<u>5,543</u>	<u>17,242</u>
<u>Prepaid expense to a related party</u>				
<u>Associated company</u>				
Global Care Solutions (Thailand) Co., Ltd.	<u>18,725</u>	<u>-</u>	<u>18,725</u>	<u>-</u>
<u>Long-term loans and interest receivable - a related party</u>				
<u>Subsidiary company</u>				
Vitalife Corporation Ltd.	<u>-</u>	<u>-</u>	<u>10,056</u>	<u>18,121</u>
<u>Amounts due to related parties</u>				
<u>Related companies</u>				
Global Care Solutions S.A.	21,663	-	21,663	-
The Bumrungrad Hospital Foundation	-	1,800	-	1,800
Total	<u>21,663</u>	<u>1,800</u>	<u>21,663</u>	<u>1,800</u>
<u>Short-term loans and interest payable - a related party</u>				

(UNAUDITED BUT REVIEWED)

Subsidiary

Bumrungrad Medical Center Ltd.

-	-	1,282,236	1,465,263
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(UNAUDITED BUT REVIEWED)

During the second quarter of the current year, Bumrungrad International Ltd. ("BIL") has changed its status from a subsidiary to an associated company. The business transactions and balances of the accounts as at 30 September 2007 between BIL and BIL's related companies were therefore excluded.

In September of the current year, Global Care Solutions (Thailand) Co., Ltd. ("GCST") has changed its status from a related company to an associated company. The balances of the business transactions as at 30 September 2007 between the Company and GCST were therefore presented as balance of the accounts between the Company and associated companies.

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).

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	30 September 2007
<u>Long-term loans and interest receivable - a related party</u>				
<u>Subsidiary</u>				
Vitallife Corporation Ltd.				
Principal	18,000	-	(8,000)	10,000
Interest receivable	121	817	(882)	56
	<u>18,121</u>	<u>817</u>	<u>(8,882)</u>	<u>10,056</u>
<u>Short-term loans and interest payable - a related party</u>				
<u>Subsidiary</u>				
Bumrungrad Medical Center Ltd.				
Principal	1,455,236	-	(173,000)	1,282,236
Interest payable	10,027	65,730	(75,757)	-
	<u>1,465,263</u>	<u>65,730</u>	<u>(248,757)</u>	<u>1,282,236</u>

(UNAUDITED BUT REVIEWED)

6. INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES

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

Investments in subsidiary companies

(Unit: Thousand Baht)

	Separate financial statements							
	30 September 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>Subsidiary companies</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	-
Vitalife Corporation Ltd.	31,500	100.00	25,610	-	31,500	100.00	25,610	-
Total investments in subsidiary companies			1,717,513	-			2,317,512	-
Less: Allowance for impairment			(545,000)				(545,000)	
Total investments in subsidiary companies - net			1,172,513				1,772,512	

Investments in associated companies

(Unit: Thousand Baht)

	Consolidated financial statements									
	30 September 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 companies</u>										
Bumrungrad International Ltd.	2,749,337	31.50	866,041	1,069,840	-	-	-	-	-	-
Global Care Solutions (Thailand) Co., Ltd.	10,000	30.00	21,663	21,663	-	-	-	-	-	-
<u>Associated held by a subsidiary company</u>										
Asian Hospital, Inc.	-	-	-	-	-	1,422,425	35.10	385,760	464,949	-
						Thousand Peso				
<u>Joint venture held by a subsidiary company</u>										
Bumrungrad Hospital Dubai, LLC	-	-	-	-	-	5,000	49.00	25,052	-	-
						Thousand AED				
Total investments in associated companies			887,704	1,091,503	-			410,812	464,949	-

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

	Separate financial statements							
	30 September 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
	%				%			
Associated companies								
Bumrungrad International Ltd.	2,749,337	31.50	866,041	-	-	-	-	-
Global Care Solutions (Thailand) Co., Ltd.	10,000	30.00	21,663	-	-	-	-	-
Total investments in associated companies			<u>887,704</u>	<u>-</u>			<u>-</u>	<u>-</u>

During the current period, there were significant changes in investments in subsidiary and associated companies as following:

Bumrungrad International Limited

During the second quarter of the current year, Bumrungrad International Limited (“BIL”) changed its status to an associated company. BIL operates as an investment holding company, investing in the following companies:

Company's name	Nature of business	Percentage of shareholding	Country of incorporation
		Percent	
<u>Subsidiaries held by BIL</u>			
Bumrungrad International Philippines Inc.	Hospital Management and investment in Asian Hospital, Inc.	100.00	Philippines
Neptune Stroika Holdings, Inc.	Investment in Asian Hospital, Inc.	40.00	Philippines
Bumrungrad International Holdings (Hong Kong) Limited	Investment in Asia Renal Care Ltd.	100.00	Hong Kong
Bumrungrad International Management (Hong Kong) Limited	Hospital Management	100.00	Hong Kong
<u>Joint venture held by BIL</u>			
Bumrungrad Hospital Dubai LLC	Hospital business (not yet commenced operation)	49.00	United Arab Emirates

(UNAUDITED BUT REVIEWED)

The Company's consolidated financial statements included investments in BIL under the equity method as at 30 September 2007 amounting to Baht 1,069.8 million and shares of income of BIL for the three-month and nine-month periods ended 30 September 2007 amounting to Baht 10.9 million and Baht 15.3 million, respectively. The financial statements of the overseas subsidiary companies and joint venture of BIL included in the consolidated financial statements of BIL were prepared by the management of the subsidiaries and joint venture and have not been reviewed by their auditors.

On 22 March 2007, the Extraordinary General Meeting of the Shareholders of BIL No. 1/2007 passed a resolution to increase its registered 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 with a par value of Baht 100 each. BIL implemented the first stage of the increase in its registered capital, from Baht 1,176,470,100 to Baht 1,904,760,900, by issuing 7,282,908 new ordinary shares at a subscription price of Baht 153.52 per share. BIL has received full payment of Baht 1,118,072,036 and registered the capital increase with the Ministry of Commerce on 27 April 2007. Subsequently, on 29 May 2007, BIL registered the increase of its registered capital from Baht 1,904,760,900 to Baht 2,749,336,700 with the Ministry of Commerce.

On 4 April 2007, the meeting of BIL's Board of Directors 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. Subsequently, in June the acquisition was completely made through BIL's wholly - owned subsidiary, Bumrungrad International Holdings (Hong Kong) Limited. The total proceed paid was USD 70 million in June and USD 4 million in October 2007.

Global Care Solutions (Thailand) Company Limited

On 10 September 2007, a meeting of the Board of Directors of the Company approved the Company's purchase of 29,995 ordinary shares of Global Care Solutions (Thailand) Co., Ltd. ("GCST") with a par value of Baht 100 per share from its existing shareholder, Global Care Solutions S.A. of Luxemburg, at a total price of USD 630,000 (or approximately Baht 21 million). The shares represent 30 percent of the registered and paid-up capital. The Company entered into the Share Transfer Form on 11 September 2007, making GCST an associated company. As at 30 September 2007, investment payable approximately Baht 21 million was shown in the consolidated and separate balance sheets under the caption of "Amounts due to related parties". Subsequently, on 19 October 2007, the Company paid for the investment.

(UNAUDITED BUT REVIEWED)

GCST is incorporated and domiciled in Thailand, and is principally engaged in the developing software for hospital business.

The consolidated financial statements for the three-month and nine-month periods ended 30 September 2007 had not included the operating results of GCST from the date of investment by the Company. The Company began recognising the operating results of GCST from 1 October 2007.

In October 2007, GCST agreed to the sales of software, intellectual property and other assets to Microsoft Corporation.

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	452,162	451,458
Disposals during period - net book value at disposal date	(6,121)	(6,121)
Transfer out - the status of BIL has changed from that of a subsidiary to an associated company - net book value at transfer out date	(485)	-
Depreciation for period	(244,278)	(202,765)
Net book value as at 30 September 2007	<u>3,953,229</u>	<u>2,923,086</u>

The Company has mortgaged all of the land with a book value of Baht 290.9 million (Baht 1,365 million appraisal fair value as of 19 April 2007) 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 2007 of Baht 1,204 million (Separate financial statements: Baht 178 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 9 to the financial statements.

(UNAUDITED BUT REVIEWED)

8. SHORT-TERM LOAN FROM FINANCIAL INSTITUTION

As at 30 September 2007, short-term loan from financial institution amounting to Baht 200 million represents loan from a local commercial bank by issuing promissory note which due within 3 months and carry interest at the fixed rates with reference to the market rates.

9. LONG-TERM LOANS

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
Loans from a local commercial bank	1,854,580	1,750,971	650,000	300,000
Less: Current portion	(389,459)	(328,522)	(60,937)	-
Long-term portion	<u>1,465,121</u>	<u>1,422,449</u>	<u>589,063</u>	<u>300,000</u>

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
Add : Additional loan	350,000	350,000
Less: Repayment	(246,391)	-
Balance as at 30 September 2007	<u>1,854,580</u>	<u>650,000</u>

On 16 September 2002, the subsidiary entered into a loan agreement in the Baht currency with a local commercial bank to obtain a Baht 2,400,000,000 credit facility. Such loan carries interest at 5.5% per annum for the first two years and then at MLR less 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.

(UNAUDITED BUT REVIEWED)

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 pledge 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.

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 30 September 2007 and 31 December 2006, outstanding credit facilities of the Company and its subsidiaries which have yet to be drawn down total Baht 720 million and Baht 1,070 million, respectively.

10. 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.

(UNAUDITED BUT REVIEWED)

11. CORPORATE INCOME TAX

Corporate income tax for the three-month and nine-month periods ended 30 September 2007 and 2006 of the Company and its subsidiaries have been calculated by multiplying income before income tax for the period by the estimated effective tax rate for the year.

12. RECONCILIATION OF DILUTED EARNINGS PER SHARE

For the three-month periods ended 30 September										
Net income						Earnings per share				
Consolidated financial statements		Separate financial statements		Weighted average number of ordinary shares		Consolidated financial statements		Separate financial statements		
2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Shares	Shares	Baht	Baht	Baht	Baht	
									(Restated)	
Basic earnings per share										
Net income	305,724	308,966	281,363	302,330	728,202,772	727,825,372	0.42	0.42	0.39	0.42
Effect of dilutive potential ordinary shares										
Preference shares	-	-	-	-	1,849,450	2,226,850				
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>305,724</u>	<u>308,966</u>	<u>281,363</u>	<u>302,330</u>	<u>867,414,859</u>	<u>867,414,859</u>	0.35	0.36	0.32	0.35
For the nine-month periods ended 30 September										
Net income						Earnings per share				
Consolidated financial statements		Separate financial statements		Weighted average number of ordinary shares		Consolidated financial statements		Separate financial statements		
2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Shares	Shares	Baht	Baht	Baht	Baht	
									(Restated)	
Basic earnings per share										
Net income	884,299	842,114	841,115	792,147	728,090,796	727,789,540	1.21	1.16	1.16	1.09
Effect of dilutive potential ordinary shares										
Preference shares	-	-	-	-	1,961,426	2,262,682				
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>884,299</u>	<u>842,114</u>	<u>841,115</u>	<u>792,147</u>	<u>867,414,859</u>	<u>867,414,859</u>	1.02	0.97	0.97	0.91

(UNAUDITED BUT REVIEWED)

13. DIVIDENDS PAID

(Unit: Baht)

Dividends	Approved by	Total dividends	Dividend per share
Final dividends of 2006 income	Annual General Meeting of the shareholders on 25 April 2007	328,523,500	0.45
Interim dividends on operating results for the six-month period ended 30 June 2007	Board of Director's meeting on 8 August 2007	<u>292,020,889</u>	0.40
		<u>620,544,389</u>	
Final dividends of 2005 income	Annual General Meeting of the shareholders on 26 April 2006	328,523,500	0.45
Interim dividends on operating results for the six-month period ended 30 June 2006	Board of Directors' meeting on 16 August 2006	<u>219,015,667</u>	0.30
		<u>547,539,167</u>	

14. COMMITMENTS AND CONTINGENT LIABILITIES

14.1 Capital commitment

As at 30 September 2007, the Company has capital commitment to pay a total of Baht 49.3 million (31 December 2006: Baht 98.4 million) in relation to the construction of a new building and Baht 286.8 million (31 December 2006: Baht 120.2 million) in respect of purchase of medical instrument and hospital equipment.

(UNAUDITED BUT REVIEWED)

14.2 Long-term service commitments

(Unit: Million Baht)

Details of commitments	Paid in	Amount	
		30 September 2007	31 December 2006
The Company			
1) To pay fee to a bank which is bondholders' representative	2007	0.1	0.3
	2008 - 2012	1.2	1.2
2) Land rental for construction of nursing dormitory (shall be extended for a further period of 20 years)	2007	30.9	30.9
	2008 - 2035	60.8	60.8
3) Lease of medical instrument	2007	5.0	20.0
	2008 - 2009	39.9	39.9
4) Lease of land and building for operating service apartment (shall be extended for a further period of 2 years)	2007	6.4	24.8
	2008	6.4	6.4
5) Lease of building for nursing dormitory and related services (shall be renewed automatically)	2007	3.6	9.1
	2008 - 2010	22.0	4.0
6) Maintenance service fee for medical instrument	2007	8.4	33.6
	2008	11.2	11.2
7) Rental and maintenance service fee for cars	2007	2.6	8.8
	2008 - 2011	28.9	26.1

14.3 Bank guarantees

As at 30 September 2007, there were outstanding bank guarantees of Baht 3.4 million (31 December 2006: Baht 3.4 million) issued by a bank on behalf of the Company, and of Baht 8.4 million (31 December 2006: Baht 8.4 million) issued on behalf of a subsidiary. All were required in the normal course of business.

(UNAUDITED BUT REVIEWED)

14.4 Contingent liabilities

On 4 October 2005, Asian Hospital, Inc. (“AHI”) 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.

15. FINANCIAL INFORMATION BY SEGMENT

The Company’s and its subsidiary companies’ business operations involve 2 principal segments: (1) hospital and health care center and (2) hospital management business. These operations are mainly carried on in Thailand. Below is the consolidated financial information of the Company and its subsidiary companies by segment.

(Unit: Million Baht)

	For the three-month periods ended 30 September							
	Hospital and health care center		Hospital management business		Elimination of inter-segment revenues		Consolidation	
	2007	2006	2007	2006	2007	2006	2007	2006
Revenues	2,161	2,045	-	10	(6)	(4)	2,155	2,051
Segment income	828	784	-	10	-	-	828	794
Unallocated income and expenses:								
Other income							56	49
Depreciation and amortisation							(103)	(87)
Administrative expenses							(330)	(326)
Share of income from investments in associated companies							11	30
Interest expense							(28)	(26)
Corporate income tax							(128)	(128)
Minority interest							-	3
Net income							306	309

(UNAUDITED BUT REVIEWED)

(Unit: Million Baht)

	For the nine-month periods ended 30 September							
	Hospital and health care center		Hospital management business		Elimination of inter- segment revenues		Consolidation	
	2007	2006	2007	2006	2007	2006	2007	2006
Revenues	6,290	5,770	17	47	(16)	(10)	6,291	5,807
Segment income	2,426	2,186	17	47	-	-	2,443	2,233
Unallocated income and expenses:								
Other income							161	134
Depreciation and amortisation							(303)	(250)
Administrative expenses							(985)	(875)
Share of income from investments in associated companies							15	12
Interest expense							(83)	(84)
Corporate income tax							(366)	(336)
Minority interest							2	8
Net income							884	842

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

16. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorised for issue by the Company's authorised directors on 9 November 2007.