

Bumrungrad Hospital Public Company Limited
and subsidiaries

Review report and interim financial statements

For the three-month periods ended 31 March 2008 and 2007

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 2008, the related consolidated statements of income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2008, and the separate financial statements of Bumrungrad Hospital Public Company Limited for the same period. 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 review.

Except for the matter as discussed in the third paragraph, I conducted my review 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 investment in an associated company under the equity method as at 31 March 2008 amounting to Baht 1,150.1 million and shares of income of the associated company for the three-month period ended 31 March 2008 amounting to Baht 24.0 million. 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.

Based on my review, except for the effects of any adjustments for the three-month period ended 31 March 2008 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.

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 2007 were audited in accordance with generally accepted auditing standards by another auditor of our firm who expressed an unqualified opinion on those statements, under her report dated 27 February 2008. The consolidated and separate balance sheet as at 31 December 2007, as presented herein for comparative purposes, formed an integral part of the financial statements which that auditor audited and reported on.

The consolidated statements of income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2007 of Bumrungrad Public Company Limited and subsidiaries and the separate financial statements of Bumrungrad Public Company Limited, as presented herein for comparative purposes, formed an integral part of the interim financial statements which were reviewed by the aforementioned auditor who reported, under her report dated 9 May 2007, that nothing had come to her attention that caused her to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles except for the effects of any adjustments to the Company's consolidated financial statements which included investment and share of income of an associated company in Philippines. 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.

Vissuta Jariyathanakorn
Certified Public Accountant (Thailand) No. 3853

Ernst & Young Office Limited
Bangkok: 7 May 2008

Bumrungrad Hospital Public Company Limited and subsidiaries

Balance sheets

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2008	31 December 2007	31 March 2008	31 December 2007
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		423,963	549,864	390,264	508,940
Trade accounts receivable - net	3	568,947	596,668	566,162	594,447
Amounts due from related parties	4	9,178	7,141	10,302	7,225
Advances to employees and directors		14,053	10,338	14,053	10,330
Short-term loan and interest receivable - a related party	4	-	-	-	10,058
Inventories		192,805	203,483	189,284	199,830
Prepaid expenses		50,783	48,036	48,226	46,089
Other current assets		5,606	1,383	2,052	919
Total current assets		1,265,335	1,416,913	1,220,343	1,377,838
Non-current assets					
Pledged fixed deposits at financial institutions	2	12,147	12,147	3,792	3,792
Investments in subsidiaries - net	5	-	-	1,172,513	1,172,513
Investments in associated companies	6	1,553,088	1,522,607	1,029,453	887,703
Other long-term investments - net		2,247	2,247	2,047	2,047
Property, plant and equipment - net	7	4,846,880	4,144,587	3,844,629	3,128,390
Intangible assets - net		348,811	349,178	470,999	476,189
Other non-current assets		17,791	17,845	20,791	20,845
Total non-current assets		6,780,964	6,048,611	6,544,224	5,691,479
Total assets		8,046,299	7,465,524	7,764,567	7,069,317

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

Bumrungrad Hospital Public Company Limited and subsidiaries

Balance sheets (continued)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>31 March 2008</u>	<u>31 December 2007</u>	<u>31 March 2008</u>	<u>31 December 2007</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity				
Current liabilities				
Trade accounts payable	328,097	501,350	325,603	499,322
Construction and medical equipment payable	218,553	120,299	218,553	120,299
Current portion of long-term loans	8 514,526	437,149	131,250	81,250
Short-term loans and interest payable - a related party	4 -	-	1,152,236	1,212,236
Accrued physicians' fee	272,228	292,550	271,527	291,726
Interest payable	322	1,092	162	400
Interest payable - convertible bonds treated as equity securities	1,726	6,233	1,726	6,233
Corporate income tax payable	322,751	197,048	318,678	196,326
Accrued expenses	238,493	155,051	237,446	154,270
Accounts payable - others	35,572	29,373	35,335	29,299
Unearned income	184	524	-	-
Other current liabilities	17,912	40,532	17,456	40,260
Total current liabilities	1,950,364	1,781,201	2,709,972	2,631,621
Non-current liabilities				
Long-term loans	8 1,542,981	1,335,301	885,938	568,750
Total non-current liabilities	1,542,981	1,335,301	885,938	568,750
Total liabilities	3,493,345	3,116,502	3,595,910	3,200,371

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

Bumrungrad Hospital Public Company Limited and subsidiaries

Balance sheets (continued)

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>31 March 2008</u>	<u>31 December 2007</u>	<u>31 March 2008</u>	<u>31 December 2007</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital	9				
Registered					
920,919,935 ordinary shares of Baht 1 each (31 December 2007: 920,853,235 ordinary shares of Baht 1 each)		920,920	920,853	920,920	920,853
1,782,750 preference shares of Baht 1 each (31 December 2007: 1,849,450 preference shares of Baht 1 each)		1,783	1,850	1,783	1,850
Issued and paid-up					
728,269,472 ordinary shares of Baht 1 each (31 December 2007: 728,202,772 ordinary shares of Baht 1 each)		728,269	728,202	728,269	728,202
1,782,750 preference shares of Baht 1 each (31 December 2007: 1,849,450 preference shares of Baht 1 each)		1,783	1,850	1,783	1,850
Premium on ordinary shares		285,568	285,568	285,568	285,568
Other paid-in capital of an associated company		263,820	256,549	-	-
Translation adjustment of an associated company		(103,469)	9,985	-	-
Convertible bonds treated as equity securities		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		2,927,370	2,617,255	2,510,762	2,211,051
Total shareholders' equity		4,552,954	4,349,022	4,168,657	3,868,946
Total liabilities and shareholders' equity		8,046,299	7,465,524	7,764,567	7,069,317
		-	-	-	-

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

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Directors
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Bumrungrad Hospital Public Company Limited and subsidiaries**Income statements****For the three-month periods ended 31 March 2008 and 2007**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
Revenues					
Revenues from hospital operations	4	2,176,357	2,057,659	2,154,905	2,038,338
Revenues from hospital management		-	17,456	-	-
Rental income	4	32,531	32,102	39,095	39,057
Interest income	4	2,021	6,633	1,950	2,551
Exchange gains		5,966	2,831	5,965	5,247
Other income	4	11,435	10,626	11,435	25,690
Share of income from investment in associated company	6	-	8,043	-	-
Total revenues		<u>2,228,310</u>	<u>2,135,350</u>	<u>2,213,350</u>	<u>2,110,883</u>
Expenses					
Cost of hospital operations		1,316,935	1,256,655	1,311,834	1,249,791
Depreciation and amortisation		100,419	99,417	86,474	88,932
Administrative expenses	4	332,774	331,903	354,789	333,452
Share of loss from investment in associated company	6	5,085	-	-	-
Total expenses		<u>1,755,213</u>	<u>1,687,975</u>	<u>1,753,097</u>	<u>1,672,175</u>
Income before interest expense and corporate income tax		473,097	447,375	460,253	438,708
Interest expense	4	(27,471)	(27,934)	(29,371)	(28,753)
Income before corporate income tax		445,626	419,441	430,882	409,955
Corporate income tax	10	(131,196)	(125,893)	(126,856)	(125,054)
Net income for the period		<u>314,430</u>	<u>293,548</u>	<u>304,026</u>	<u>284,901</u>
Net income (loss) attributable to:					
Equity holders of the parent		314,430	295,752	304,026	284,901
Minority interest of the subsidiaries		-	(2,204)	-	-
Net income for the period		<u>314,430</u>	<u>293,548</u>	<u>304,026</u>	<u>284,901</u>
					(Unit: Baht)
Earnings per share					
11					
Basic earnings per share					
Net income attributable to equity holders of the parent		<u>0.43</u>	<u>0.41</u>	<u>0.42</u>	<u>0.39</u>
Weighted average number of ordinary shares (shares)		<u>728,215,965</u>	<u>727,863,112</u>	<u>728,215,965</u>	<u>727,863,112</u>
					(Unit: Baht)
Diluted earnings per share					
Net income attributable to equity holders of the parent		<u>0.36</u>	<u>0.34</u>	<u>0.35</u>	<u>0.33</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

Cash flow statements

For the three-month periods ended 31 March 2008 and 2007

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Cash flows from operating activities				
Income before corporate income tax	445,626	419,441	430,882	409,955
Adjustments to reconcile net income to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	100,419	99,417	86,474	88,932
Allowance for loss on impairment of goodwill on purchase of business	-	-	4,823	-
Bad debts and allowance for doubtful accounts	13,479	3,129	13,479	3,129
Share of loss (income) from investments in associated companies	5,085	(8,043)	-	-
Loss (gain) on sales of equipment	130	(212)	130	(212)
Interest expense	27,471	27,934	29,371	28,753
Income from operating activities before changes in operating assets and liabilities	592,210	541,666	565,159	530,557
Decrease (increase) in operating assets				
Trade accounts receivable	14,242	(106,707)	14,806	(98,186)
Amounts due from related parties	(2,037)	(9,658)	(3,077)	(296)
Inventories	10,678	(4,864)	10,546	(4,499)
Other current assets	(5,550)	(18,209)	(3,271)	(18,532)
Increase (decrease) in operating liabilities				
Trade accounts payable	(173,252)	(56,916)	(173,718)	(55,474)
Amount due to a related party	-	(150)	-	(150)
Accrued physicians' fee	(20,322)	6,625	(20,199)	6,543
Accrued expenses	83,442	82,786	83,176	77,876
Accounts payable - others	6,199	(2,616)	6,036	(2,887)
Unearned income	(340)	6,292	-	-
Other current liabilities	(22,620)	(18,363)	(22,804)	(17,209)
Cash from operating activities	482,650	419,886	456,654	417,743
Cash paid for interest expense	(28,241)	(28,113)	(29,609)	(38,674)
Cash paid for corporate income tax	(6,912)	(6,429)	(4,504)	(4,974)
Net cash flows from operating activities	<u>447,497</u>	<u>385,344</u>	<u>422,541</u>	<u>374,095</u>

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

(Unaudited but reviewed)

Bumrungrad Hospital Public Company Limited and subsidiaries

Cash flow statements (continued)

For the three-month periods ended 31 March 2008 and 2007

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
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	(3,715)	1,448	(3,723)	(256)
Cash receipt from short-term loans and interest receivable - a related party	-	-	10,058	-
Cash receipt from long-term loans and interest receivable - a related party	-	-	-	3
Increase in investment in associated companies	(141,750)	-	(141,750)	-
Acquisition of property, plant and equipment and repayment of construction and medical equipment payable	(695,707)	(105,181)	(695,707)	(103,617)
Proceeds from sales of equipment	751	2,213	751	2,213
Increase in other non-current assets	<u>(9,212)</u>	<u>(11,190)</u>	<u>(9,212)</u>	<u>(8,849)</u>
Net cash used in investing activities	<u>(849,633)</u>	<u>(102,710)</u>	<u>(839,583)</u>	<u>(100,506)</u>
Cash flows from financing activities				
Repayment of short-term loans - a related party	-	-	(60,000)	(40,000)
Cash receipt from long-term loans	400,000	-	400,000	-
Repayment of long-term loans	(114,943)	(82,130)	(32,812)	-
Interest paid for convertible bonds treated as equity securities	<u>(8,822)</u>	<u>(8,822)</u>	<u>(8,822)</u>	<u>(8,822)</u>
Net cash flows from (used in) financing activities	<u>276,235</u>	<u>(90,952)</u>	<u>298,366</u>	<u>(48,822)</u>
Net increase (decrease) in cash and cash equivalents	<u>(125,901)</u>	<u>191,682</u>	<u>(118,676)</u>	<u>224,767</u>
Translation adjustment	-	(554)	-	-
Cash and cash equivalents at beginning of period	<u>549,864</u>	<u>853,860</u>	<u>508,940</u>	<u>353,637</u>
Cash and cash equivalents at end of period	<u><u>423,963</u></u>	<u><u>1,044,988</u></u>	<u><u>390,264</u></u>	<u><u>578,404</u></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
For the three-month periods ended 31 March 2008 and 2007

(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	Translation adjustment of a subsidiary/ an associated	Convertible bonds treated as equity securities	Excess of investment over book value of a subsidiary	Retained earnings		Minority interest	Total
		Ordinary shares	Preference shares						Appropriated-statutory reserve	Unappropriated		
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 (loss) for the period		-	-	-	-	-	-	-	-	295,752	(2,204)	293,548
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>
Balance as at 1 January 2008		728,202	1,850	285,568	256,549	9,985	550,000	(192,662)	92,275	2,617,255	-	4,349,022
Preference shares converted to ordinary shares	9	67	(67)	-	-	-	-	-	-	-	-	-
Change in subsidiary's minority interest of an associated		-	-	-	7,271	-	-	-	-	-	-	7,271
Translation adjustment		-	-	-	-	(113,454)	-	-	-	-	-	(113,454)
Interest paid for convertible bonds treated as equity securities		-	-	-	-	-	-	-	-	(4,315)	-	(4,315)
Net income for the period		-	-	-	-	-	-	-	-	314,430	-	314,430
Balance as at 31 March 2008		<u>728,269</u>	<u>1,783</u>	<u>285,568</u>	<u>263,820</u>	<u>(103,469)</u>	<u>550,000</u>	<u>(192,662)</u>	<u>92,275</u>	<u>2,927,370</u>	<u>-</u>	<u>4,552,954</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 2008 and 2007

(Unit: Thousand Baht)

Separate financial statements

	Note	Issued and paid-up share capital		Premium on ordinary shares	Other paid-in capital of a subsidiary/ an associated	Translation adjustment of a subsidiary	Convertible bonds treated as equity securities	Excess of investment over book value of a subsidiary	Retained earnings		Total
		Ordinary shares	Preference shares						Appropriated- statutory reserve	Unappropriated	
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
Preference shares converted to ordinary shares	9	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		728,202	1,850	285,568	-	-	550,000	-	92,275	2,000,784	3,658,679
Balance as at 1 January 2008		728,202	1,850	285,568	-	-	550,000	-	92,275	2,211,051	3,868,946
Preference shares converted to ordinary shares	9	67	(67)	-	-	-	-	-	-	-	-
Interest paid for convertible bonds treated as equity securities		-	-	-	-	-	-	-	-	(4,315)	(4,315)
Net income for the period		-	-	-	-	-	-	-	-	304,026	304,026
Balance as at 31 March 2008		728,269	1,783	285,568	-	-	550,000	-	92,275	2,510,762	4,168,657

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

Bumrungrad Hospital Public Company Limited and subsidiaries

Notes to interim financial statements

For the periods ended 31 March 2008 and 2007

1. General information

1.1 Corporate information

Bumrungrad Hospital Public Company Limited (the Company) is registered as 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 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standard No. 41 (revised 2007) Interim Financial Reporting, 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.

1.3 Accounting standards which are effective for the current year

TAS 25 (revised 2007)	Cash Flow Statements
TAS 29 (revised 2007)	Leases
TAS 31 (revised 2007)	Inventories
TAS 33 (revised 2007)	Borrowing Costs
TAS 35 (revised 2007)	Presentation of Financial Statements
TAS 39 (revised 2007)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41 (revised 2007)	Interim Financial Reporting
TAS 43 (revised 2007)	Business Combinations
TAS 49 (revised 2007)	Construction Contracts
TAS 51	Intangible Assets

These accounting standards become effective for the financial statements for fiscal years beginning on or after 1 January 2008. The management has assessed the effect of these accounting standards and believes that TAS 33 (revised 2007) and TAS 49 (revised 2007) are not relevant to the business of the Company, whereas TAS 25 (revised 2007), TAS 29 (revised 2007), TAS 31 (revised 2007), TAS 35 (revised 2007), TAS 39 (revised 2007), TAS 41 (revised 2007), and TAS 51 do not have any significant impact on the financial statements for the current period.

The following accounting standard has an impact to the financial statements for the current period.

TAS 43 (revised 2007) Business Combinations

TAS 43 (revised 2007) does not require the amortisation of goodwill acquired in a business combination. Such goodwill is instead to be tested for impairment, and measured at cost less accumulated impairment losses. This accounting standard applies to goodwill arising from business combinations for which the agreement date is on or after 1 January 2008. Previously recognised goodwill can be accounted for prospectively, with the Company discontinuing the amortisation of the goodwill and instead testing for impairment, as from the beginning of the first fiscal year starting on or after 1 January 2008.

1.4 Basis of consolidation

These interim consolidated financial statements include the financial statements of Bumrungrad Hospital Public Company Limited and subsidiaries (the Group) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2007. There have been no changes in the composition of the Group 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 2007, except for the following change in the accounting policy.

Goodwill on business combination

Goodwill on business combination is presented in the balance sheet at cost less accumulated impairment losses.

2. Pledged fixed deposits at financial institutions

These deposits at financial institutions have been pledged with banks to secure bank guarantees issued by banks on behalf of the Company and a subsidiary (Bumrungrad Medical Center Ltd.).

3. Trade accounts receivable

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
<u>Age of receivables</u>				
Not yet due	253,041	238,286	252,344	237,734
Past due				
1 - 30 days	106,582	110,174	106,134	109,797
31 - 60 days	53,355	52,175	53,009	52,016
61 - 90 days	37,474	48,448	37,266	48,084
91 - 180 days	73,461	72,416	72,883	71,800
181 - 365 days	60,545	73,277	59,875	72,534
More than 365 days	51,603	56,896	50,398	56,120
Total	636,061	651,672	631,909	648,085
Less: Allowance for doubtful accounts	(67,114)	(55,004)	(65,747)	(53,638)
Trade accounts receivable - net	568,947	596,668	566,162	594,447

4. Related party transactions

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

(Unit: Million Baht)

	Separate financial statements		Transfer pricing policy
	For the three-month periods ended 31 March		
	2008	2007	
<u>Transactions with subsidiaries</u>			
Rental income	6.6	6.9	As per contracts 4.1)
Interest income	-	0.3	MLR p.a.
Medical service income	3.2	3.7	Cost plus margin
Consulting fee income	-	15.5	As per contract 4.8)
Rental expense	22.2	21.0	As per contract 4.2)
Interest expense	17.6	23.8	MLR less 1% p.a.

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements		Transfer pricing policy
	For the three-month periods ended 31 March		
	2008	2007	
<u>Transactions with associated companies</u>			
Rental income	0.2	-	Actual charge
Consulting fee income	3.5	-	As per contract 4.8)
<u>Transactions with related companies</u>			
Medical service income	1.9	4.1	Cost plus margin
Rental income	-	0.3	As per contract 4.3)
Other income	0.2	0.3	At cost
Software maintenance expense	-	18.7	As per contract 4.7)
Rental expense	4.4	8.3	As per contract 4.4)
Donation expense	2.0	2.0	-
Insurance expense	6.2	4.9	As per insurance policies
Financial advisory fee	0.7	-	As per contract
Purchase of land and building	470.0	-	As per contract 4.4)

(Unit: Million Baht)

	Consolidated financial statements		Transfer pricing policy
	For the three-month periods ended 31 March		
	2008	2007	
<u>Transactions with subsidiaries</u> (eliminated from the consolidated financial statements)			
Interest income	-	1.2	MLR less 0.45% p.a.
Consulting fee income	-	0.4	Actual charge
<u>Transactions with associated companies</u>			
Software license fee income	-	1.9	As per contract 4.5)
Management fee income	-	12.7	As per contract 4.6)
Rental income	0.2	-	Actual charge
Consulting fee income	3.5	-	As per contract 4.8)
<u>Transactions with joint venture</u> (eliminated from the consolidated financial statements)			
System implementation income	-	4.5	As per contract 4.9)
Consulting fee income	-	0.3	Actual charge
<u>Transactions with related companies</u>			
Medical service income	1.9	4.1	Cost plus margin
Rental income	-	0.3	As per contract 4.3)
Other income	0.2	0.3	At cost
Software maintenance expense	-	18.7	As per contract 4.7)
Rental expense	4.4	8.3	As per contract 4.4)
Donation expense	2.0	2.0	-
System implementation expense	-	1.8	As per contract 4.9)
Insurance expense	6.2	4.9	As per insurance policies
Financial advisory fee	0.7	-	As per contract
Purchase of land and building	470.0	-	As per contract 4.4)

- 4.1) 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 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.

- 4.2) The Company has leased hospital building from a subsidiary (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.

- 4.3) CDE Trading Limited had leased building spaces from the Company for use in its operations. The lease agreement covered a period of 3 years, commencing from the year 2001, and shall be extended for a further period of 3 years. The rental fees were Baht 1 million per annum, not including rental fees for room at BH Residence Tower.

- 4.4) The Company had entered into an agreement to lease land and a building (BH Residence Tower) from Bangkok Bank Plc. for a period of 3 years, commencing from August 2000. The rental fee was 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. Subsequently, the bank approved renewal of agreement, commencing on 29 August 2005 to 28 February 2008. The rate of rental and other conditions shall be in accordance with the initial agreement.

Rental payable as at 31 March 2008, amounting to Baht 3.3 million (31 December 2007: Baht 6.7 million), was shown in the consolidated and separate balance sheets under the caption of Accounts payable - others.

On 18 February 2008, the Company entered into purchase agreement to acquire the land and building (BH Residence Tower) from Bangkok Bank Plc. at a price of Baht 470.0 million. The purchase price does not exceed the appraisal value of an independent valuer.

- 4.5) In February 2005, a subsidiary (Bumrungrad International Ltd.) and Asian Hospital, Inc. (AHI) 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.
- 4.6) In February 2005, a subsidiary (Bumrungrad International Philippines Inc.) and Asian Hospital, Inc. (AHI) entered into a management service agreement under which AHI has to pay the subsidiary a percentage of its total revenue and profit before interest expense, income tax, and 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 covers a period of 5 years, expiring in the year 2010, and shall be renewed.
- 4.7) On 4 January 2007, the Company entered into an Agreement for Maintenance Services for Software Hospital 2005/DOT NET and Its Version 2 with CDE Trading Limited. The Company was obliged to pay such fee totaling Baht 70 million (exclusive of value added tax). The agreement expired on 31 December 2007.
- 4.8) On 2 June 2006, the Company 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 onwards. The agreement will expire as per the agreement's conditions.
- 4.9) In March 2007, a subsidiary (Bumrungrad International Ltd.) entered into the provision of services under system implementation agreement with CDE Trading Limited to provide computer system implementation service to the jointly controlled entity (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 first quarter of 2007, 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 of 2007 amounting to USD 125,000.

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
<u>Amounts due from related parties</u>				
<u>Subsidiary</u>				
Vitalife Corporation Ltd.	-	-	1,124	84
<u>Associated companies</u>				
Bumrungrad International Ltd.	4,262	2,755	4,262	2,755
CDE Trading Limited	7	20	7	20
<u>Related party</u>				
The Bumrungrad Hospital Foundation	4,909	4,366	4,909	4,366
Total	9,178	7,141	10,302	7,225
<u>Short-term loan and interest receivable - a related party</u>				
<u>Subsidiary</u>				
Vitalife Corporation Ltd.	-	-	-	10,058
<u>Short-term loans and interest payable - a related party</u>				
<u>Subsidiary</u>				
Bumrungrad Medical Center Ltd.	-	-	1,152,236	1,212,236

The short-term loan to Vitalife Corporation Ltd. carries interest at the rate of MLR per annum.

The short-term loans from Bumrungrad Medical Center Ltd. carry interest at the rate of MLR less 1% per annum.

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

(Unit: Thousand Baht)

	Balance as at 31 December		Balance as at 31 March	
	2007	Increase	Decrease	2008
<u>Short-term loan and interest receivable - a related party</u>				
<u>Subsidiary</u>				
Vitallife Corporation Ltd.				
Principal	10,000	-	(10,000)	-
Interest receivable	58	28	(86)	-
	<u>10,058</u>	<u>28</u>	<u>(10,086)</u>	<u>-</u>

Short-term loans and interest payable - a related partySubsidiary

Bumrungrad Medical Center Ltd.

Principal	1,212,236	-	(60,000)	1,152,236
Interest payable	-	17,615	(17,615)	-
	<u>1,212,236</u>	<u>17,615</u>	<u>(77,615)</u>	<u>1,152,236</u>

Directors and management's remuneration

For the three-month period ended 31 March 2008, the Company and subsidiaries paid salaries, bonuses, meeting allowances and gratuities to their directors and management totaling Baht 26.2 million (Separate financial statements: Baht 26.2 million) (2007: Baht 36.8 million (Separate financial statements: Baht 31.6 million)).

5. Investments in subsidiaries

(Unit: Thousand Baht)

Company's name	Separate financial statements					
	31 March 2008			31 December 2007		
	Paid-up capital	Shareholding percentage	Investments Cost method	Paid-up capital	Shareholding percentage	Investments Cost method
		%			%	
Bumrungrad Medical Center Ltd.	958,954	100	1,691,903	958,954	100.00	1,691,903
Vitallife Corporation Ltd.	31,500	100	25,610	31,500	100.00	25,610
Total investments in subsidiary companies			1,717,513			1,717,513
Less: Allowance for loss on impairment			(545,000)			(545,000)
Total investments in subsidiary companies - net			<u>1,172,513</u>			<u>1,172,513</u>

6. Investments in associated companies

6.1 Details of associated companies:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements					
	31 March 2008			31 December 2007		
	Shareholding percentage	Cost	Carrying amounts based on equity method	Shareholding percentage	Cost	Carrying amounts based on equity method
Bumrungrad International Ltd.	31.50	1,007,790	1,150,115	31.50	866,040	1,090,598
CDE Trading Limited	30.00	21,663	402,973	30.00	21,663	432,009
Total investments in associated companies		<u>1,029,453</u>	<u>1,553,088</u>		<u>887,703</u>	<u>1,522,607</u>

(Unit: Thousand Baht)

Company's name	Separate financial statements			
	31 March 2008		31 December 2007	
	Shareholding percentage	Carrying amounts based on cost method	Shareholding percentage	Carrying amounts based on cost method
Bumrungrad International Ltd.	31.50	1,007,790	31.50	866,040
CDE Trading Limited	30.00	21,663	30.00	21,663
Total investments in associated companies		<u>1,029,453</u>		<u>887,703</u>

(Unit: Thousand Baht)

Company's name	Consolidated financial statements	
	Share of income (loss) from investments in associated companies during the periods ended 31 March	
	<u>2008</u>	<u>2007</u>
Asian Hospital, Inc.	-	8,043
Bumrungrad International Ltd.	23,950	-
CDE Trading Limited	(29,035)	-
Total	<u>(5,085)</u>	<u>8,043</u>

The share of income from investment in an associated company (Bumrungrad International Ltd.) for the three-month period ended 31 March 2008 amounting to Baht 24.0 million has been calculated from the management accounts of the associated company which have not been reviewed by its auditor.

(Unaudited but reviewed)

The share of income from investment in an associated company (Asian Hospital Inc.) which was held by a subsidiary for the three-month period ended 31 March 2007 amounting to Baht 8.0 million has been calculated from the management accounts of the associated company which have not been reviewed by its auditor.

6.2 Summarised financial information of associated companies

(Unit: Million Baht)

Company's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues		Net income (loss)	
	31 March		31 March		31 March		for the periods ended		for the periods ended	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Asian Hospital Inc.	-	1,050.6	-	2,481.3	-	1,080.7	-	266.2	-	14.0
Bumrungrad International Ltd.	3,199.3	-	6,832.0	-	2,083.3	-	924.7	-	75.4	-
CDE Trading Limited	10.0	-	1,473.7	-	11.3	-	7.7	-	(95.3)	-

Bumrungrad International Limited

Bumrungrad International Limited (BIL) is incorporated and domiciled in Thailand and operates as an investment holding company, investing in the common shares of overseas companies and jointly controlled entity which are principally engaged in hospital management, investment in hospital business and hospital operations.

On 1 February 2008, the Company acquired 1,417,500 of the new ordinary shares issued by BIL with a par value of Baht 100 each, at a price of Baht 100 per share for a total of Baht 142 million. The shares represent 31.50% of the new shares issued so the Company maintained its 31.50% shareholding in BIL.

CDE Trading Limited

CDE Trading Limited (CDE) is incorporated and domiciled in Thailand and is principally engaged in the developing software for hospital business. At present, CDE temporarily ceased its operation.

7. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2008	4,144,587	3,128,390
Acquisitions during period - at cost	803,132	803,132
Disposals during period - net book value at disposal date	(881)	(881)
Classify to computer software - net book value at classification date	(9,172)	(9,172)
Depreciation for period	(90,786)	(76,840)
Net book value as at 31 March 2008	4,846,880	3,844,629

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 the subsidiary (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 2008 of Baht 1,664 million (Separate financial statements: Baht 664 million) (31 December 2007: Baht 1,193 million (Separate financial statements: Baht 179 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 loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
Loan from a local commercial bank	2,057,507	1,772,450	1,017,188	650,000
Less: Current portion	(514,526)	(437,149)	(131,250)	(81,250)
Long-term portion	1,542,981	1,335,301	885,938	568,750

Movements in long-term loan account during the period are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2008	1,772,450	650,000
Add : Additional loan	400,000	400,000
Less: Repayment	(114,943)	(32,812)
Balance as at 31 March 2008	<u>2,057,507</u>	<u>1,017,188</u>

On 16 September 2002, the subsidiary (Bumrungrad Medical Center Ltd.) 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 (as described in Note 7 to the financial statements) 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 obtained 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.

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.

On 12 February 2008, the Company and the subsidiary entered into Third Amendment Dated 12 February 2008 to Baht 2,400,000,000 Facility Agreement Dated 12 September 2002 as amended and restated on 28 July 2004 and 25 May 2006 with the bank creditor to change the interest rate of long-term loan (Tranche D) of Baht 300 million credit facility from average MLR less 1.25% per annum to MMR per annum.

On 18 February 2008, the Company has drawn down Baht 400 million from tranche C of the long-term loan, to use in the purchase of the land and BH Residence Tower and mortgaged such land and building as collaterals for the long-term loan, as condition stated in the loan agreement.

As at 31 March 2008, outstanding long-term credit facilities of the Company and the subsidiary which have yet to be drawn down total Baht 320 million.

9. Share capital

In the first quarter of 2008, 66,700 preference shares (2007: 377,400 shares) were converted into ordinary shares at ratio of one preference share to one ordinary share. The Company registered this conversion with the Ministry of Commerce on 14 March 2008.

10. Corporate income tax

Corporate income tax for the three-month period ended 31 March 2008 and 2007 of the Company and subsidiaries 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				Earnings per share					
	Consolidated financial statements		Separate financial statements		Weighted average number of ordinary shares		Consolidated financial statements		Separate financial statements	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Thousand	Thousand	Thousand	Thousand	Shares	Shares	Baht	Baht	Baht	Baht	
Baht	Baht	Baht	Baht							
Basic earnings per share										
Net income attributable to equity holders of the parent	314,430	295,752	304,026	284,901	728,215,965	727,863,112	0.43	0.41	0.42	0.39
Effect of dilutive potential ordinary shares										
Preference shares	-	-	-	-	1,836,257	2,189,110				
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>314,430</u>	<u>295,752</u>	<u>304,026</u>	<u>284,901</u>	<u>867,414,859</u>	<u>867,414,859</u>	0.36	0.34	0.35	0.33

12. Commitments and contingent liabilities**12.1 Capital commitments**

As at 31 March 2008, the Company has capital commitments to pay a total of Baht 146.3 million (31 December 2007: Baht 237.1 million) in relation to the construction of a new building and Baht 145.4 million (31 December 2007: Baht 171.3 million) in respect of purchase of medical instrument and hospital equipment.

12.2 Long-term service commitments

As at 31 March 2008, the Company has the following outstanding long-term service commitments:

(Unit: Million Baht)

	<u>Details of commitments</u>	<u>Paid in</u>	<u>Amount</u>
1)	To pay fee to a bank which is convertible bondholders' representative	2008 2009 - 2012	0.2 0.9
2)	Land rental for construction of nursing dormitory (shall be extended for a further period of 20 years)	2008 2009 - 2035	32.1 59.6
3)	Lease of medical instrument	2008 2009	15.0 20.0
4)	Lease of land and building for operating service apartment (shall be extended for a further period of 2 years)	2008 2009 - 2010	19.2 32.0
5)	Lease of building for nursing dormitory and related services (shall be renewed automatically)	2008 2009 - 2010	8.2 10.2

(Unaudited but reviewed)

(Unit: Million Baht)

<u>Details of commitments</u>		<u>Paid in</u>	<u>Amount</u>
6)	Maintenance service fee for medical instrument	2008	3.4
		2009 - 2010	9.6
7)	Rental and maintenance service fee for cars	2008	7.7
		2009 - 2011	18.5
8)	Testing service fee for lab	2008 - 2010	3.6
Total			<u>240.2</u>

12.3 Commitment from other contract

In March 2008, the Company entered into a 7-year equipment utilisation contract with a local company. Under the conditions of the contract, the Company is required to purchase medical supplies to use with the medical equipment at the prices specified in the contract, in a minimum amount of Baht 120 million in total or an average of Baht 17 million per year. The contract can be terminated by giving written notice of termination to another party not less than 90 days in advance.

12.4 Bank guarantees

As at 31 March 2008, there were outstanding bank guarantees of Baht 5.9 million (31 December 2007: Baht 5.9 million) issued by a bank on behalf of the Company, and of Baht 8.4 million (31 December 2007: Baht 8.4 million) issued on behalf of a subsidiary. All were required in the normal course of business e.g. payment of utility expenses and space rental.

13. Financial information by segment

The Company's and its subsidiaries' 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 for the three-month periods ended 31 March 2008 and 2007 of the Company and its subsidiaries by segment.

(Unit: Million Baht)

	For the three-month periods ended 31 March							
	Hospital and health care center		Hospital management business		Elimination of inter-segment revenues		Consolidation	
	2008	2007	2008	2007	2008	2007	2008	2007
Revenues	2,177	2,063	-	17	(1)	(5)	2,176	2,075
Segment income	855	801	-	17	4	-	859	818
Unallocated income and expenses:								
Other income							52	53
Depreciation and amortisation							(100)	(99)
Administrative expense							(333)	(332)
Share of income (loss) from investments								
in associated companies							(5)	8
Interest expense							(28)	(28)
Corporate income tax							(131)	(126)
Net income for the period							314	294

Transfer prices between business segments are set out as described in Note 4 to the financial statements.

14. Subsequent events

14.1 On 23 April 2008, the Company's Annual General Meeting of Shareholders approved the payment of a final dividend of Baht 0.40 per share from the Company's income for the year ended 31 December 2007 to the Company's shareholders. This constitutes a total dividend of Baht 292 million which are to be paid on 22 May 2008. The meeting also acknowledged payment of interim dividend of Baht 0.40 per share.

14.2 On 25 April 2008, the Annual General Meeting of Shareholders of an associated company (CDE Trading Limited) approved the payment of a dividend of Baht 14,600 per share from its income for the year ended 31 December 2007, of which Baht 438 million paid to the Company on 28 April 2008.

15. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 7 May 2008.