

Bumrungrad Hospital Public Company Limited  
and its subsidiaries  
Review report and interim financial statements  
For the three-month and nine-month periods ended  
30 September 2009 and 2008

## **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 2009, the related consolidated income statements for the three-month and nine-month periods ended 30 September 2009 and 2008, the consolidated statements of changes in shareholders' equity and cash flows for the nine-month periods ended 30 September 2009 and 2008, and the separate financial statements of Bumrungrad Hospital Public Company Limited for the same periods. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews.

Except for the matter as discussed in the third paragraph, I conducted my reviews in accordance with the auditing standards applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

As discussed in Note 7 to the financial statements, the Company's consolidated financial statements included investment in an associated company under the equity method as at 30 September 2009 and 2008 amounting to Baht 1,252.3 million and Baht 1,198.8 million, respectively, and shares of income of the associated company for the three-month and nine-month periods ended 30 September 2009 amounting to Baht 18.0 million and Baht 43.9 million, respectively (2008: Baht 15.6 million and Baht 44.4 million, respectively). The consolidated financial statements of that associated company mostly comprise figures derived from the financial statements of its overseas subsidiaries and jointly controlled entity, which were prepared by the subsidiaries' and jointly controlled entity's management and have not been reviewed by their auditors.

Based on my reviews, except for the effects of any adjustments to the financial statements for the three-month and nine-month periods ended 30 September 2009 and 2008 which may be required as a result of the scope limitation imposed by circumstance 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 2008, in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements, under my report dated 25 February 2009. The consolidated and separate balance sheets as at 31 December 2008, 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.

Vissuta Jariyathanakorn  
Certified Public Accountant (Thailand) No. 3853

Ernst & Young Office Limited  
Bangkok: 11 November 2009

**Bumrungrad Hospital Public Company Limited and its subsidiaries**

**Balance sheets**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		
		30 September	31 December	30 September	31 December
	Note	2009	2008	2009	2008
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		275,802	384,642	217,285	350,881
Trade accounts receivable - net	3	619,345	494,122	614,045	492,376
Amounts due from related parties	4	11,747	8,797	13,785	8,797
Advances to employees and directors		13,542	8,786	13,510	8,786
Inventories		198,526	187,975	192,530	184,131
Prepaid expenses		93,308	52,243	79,954	51,716
Other current assets		2,408	5,011	1,191	4,703
<b>Total current assets</b>		<b>1,214,678</b>	<b>1,141,576</b>	<b>1,132,300</b>	<b>1,101,390</b>
<b>Non-current assets</b>					
Restricted bank deposits	2	17,147	17,147	8,793	8,793
Investments in subsidiaries - net	5	-	-	1,214,115	1,172,513
Investment in joint venture	6	6,079	6,085	6,120	6,120
Investments in associated companies - net	7	1,258,222	1,234,931	1,013,453	1,013,453
Other long-term investments - net		2,247	2,247	2,047	2,047
Property, plant and equipment - net	8	5,549,015	5,373,731	4,624,449	4,412,802
Intangible assets - net	9	292,212	310,364	322,223	343,423
Other non-current assets		16,282	18,163	18,938	21,163
<b>Total non-current assets</b>		<b>7,141,204</b>	<b>6,962,668</b>	<b>7,210,138</b>	<b>6,980,314</b>
<b>Total assets</b>		<b>8,355,882</b>	<b>8,104,244</b>	<b>8,342,438</b>	<b>8,081,704</b>

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

**Bumrungrad Hospital Public Company Limited and its subsidiaries**

**Balance sheets (continued)**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		
		30 September	31 December	30 September	31 December
	Note	2009	2008	2009	2008
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institution	10	550,000	200,000	550,000	200,000
Trade accounts payable		519,364	504,341	514,217	502,593
Construction and medical equipment payable		24,602	77,127	24,602	77,127
Amounts due to related parties	4	-	2,015	1,152	3,683
Current portion of long-term loan and interest payable - a related party	4	-	-	438,029	438,029
Current portion of long-term loans from financial institution	11.1	569,279	569,279	131,250	131,250
Accrued physicians' fees		289,689	262,461	288,539	261,311
Interest payable		634	565	634	313
Interest payable - convertible bonds treated as equity securities		3,384	11,575	3,384	11,575
Corporate income tax payable		110,986	195,480	108,449	193,046
Accrued expenses		333,432	260,095	330,627	258,021
Accounts payable - others		35,379	16,098	32,420	15,773
Other current liabilities		48,610	23,825	46,368	23,421
<b>Total current liabilities</b>		<b>2,485,359</b>	<b>2,122,861</b>	<b>2,469,671</b>	<b>2,116,142</b>
<b>Non-current liabilities</b>					
Long-term loan and interest payable - a related party	4	-	-	224,207	501,207
Long-term loans from financial institution	11.1	689,063	1,116,022	689,063	787,500
<b>Total non-current liabilities</b>		<b>689,063</b>	<b>1,116,022</b>	<b>913,270</b>	<b>1,288,707</b>
<b>Total liabilities</b>		<b>3,174,422</b>	<b>3,238,883</b>	<b>3,382,941</b>	<b>3,404,849</b>

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

**Bumrungrad Hospital Public Company Limited and its subsidiaries**

**Balance sheets (continued)**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September	31 December	30 September	31 December
		2009	2008	2009	2008
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>					
Share capital	12				
Registered					
920,954,935 ordinary shares of Baht 1 each (31 December 2008: 920,919,935 ordinary shares of Baht 1 each)		920,955	920,920	920,955	920,920
1,747,750 preference shares of Baht 1 each (31 December 2008: 1,782,750 preference shares of Baht 1 each)		1,748	1,783	1,748	1,783
Issued and paid-up					
728,304,472 ordinary shares of Baht 1 each (31 December 2008: 728,269,472 ordinary shares of Baht 1 each)		728,304	728,269	728,304	728,269
1,747,750 preference shares of Baht 1 each (31 December 2008: 1,782,750 preference shares of Baht 1 each)		1,748	1,783	1,748	1,783
Premium on ordinary shares		285,568	285,568	285,568	285,568
Other paid-in capital of an associated company		252,173	252,173	-	-
Translation adjustment		(75,184)	(53,479)	-	-
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		3,539,238	3,201,434	3,301,602	3,018,960
<b>Total shareholders' equity</b>		<b>5,181,460</b>	<b>4,865,361</b>	<b>4,959,497</b>	<b>4,676,855</b>
<b>Total liabilities and shareholders' equity</b>		<b>8,355,882</b>	<b>8,104,244</b>	<b>8,342,438</b>	<b>8,081,704</b>
		-	-	-	-

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

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Directors  
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(Unaudited but reviewed)

**Bumrungrad Hospital Public Company Limited and its subsidiaries****Income statements****For the three-month periods ended 30 September 2009 and 2008**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
<b>Revenues</b>					
Revenues from hospital operations	4	2,270,427	2,219,426	2,239,418	2,202,162
Rental income	4	31,517	32,369	38,881	39,094
Interest income		464	2,368	427	2,295
Exchange gains		10,410	9,774	10,411	9,774
Other income	4	24,368	29,980	22,680	29,980
<b>Total revenues</b>		<b>2,337,186</b>	<b>2,293,917</b>	<b>2,311,817</b>	<b>2,283,305</b>
<b>Expenses</b>					
Cost of hospital operations	4	1,396,857	1,376,665	1,386,195	1,370,720
Depreciation and amortisation		134,747	124,202	120,753	110,250
Administrative expenses	4	360,790	337,280	363,938	358,936
Management's remuneration		24,062	20,469	19,442	19,104
<b>Total expenses</b>		<b>1,916,456</b>	<b>1,858,616</b>	<b>1,890,328</b>	<b>1,859,010</b>
<b>Income before finance cost and corporate income tax</b>		<b>420,730</b>	<b>435,301</b>	<b>421,489</b>	<b>424,295</b>
Share of income from investments in joint venture and associated companies - net	6, 7	18,906	16,586	-	-
Finance cost	4	(18,615)	(29,791)	(21,454)	(32,379)
<b>Income before corporate income tax</b>		<b>421,021</b>	<b>422,096</b>	<b>400,035</b>	<b>391,916</b>
Corporate income tax	13	(101,535)	(116,991)	(97,677)	(114,158)
<b>Net income for the period</b>		<b>319,486</b>	<b>305,105</b>	<b>302,358</b>	<b>277,758</b>

(Unit: Baht)

<b>Earnings per share</b>		14			
Basic earnings per share					
Net income for the period		0.44	0.42	0.42	0.38
Weighted average number of ordinary shares (shares)		728,304,472	728,269,472	728,304,472	728,269,472

(Unit: Baht)

Diluted earnings per share					
Net income for the period		0.37	0.35	0.35	0.32
Weighted average number of ordinary shares (shares)		867,414,859	867,414,859	867,414,859	867,414,859

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

(Unaudited but reviewed)

**Bumrungrad Hospital Public Company Limited and its subsidiaries****Income statements****For the nine-month periods ended 30 September 2009 and 2008**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
<b>Revenues</b>					
Revenues from hospital operations	4	6,710,979	6,523,404	6,644,726	6,471,188
Rental income	4	94,544	97,574	115,228	117,476
Interest income		1,461	6,058	1,264	5,780
Exchange gains		29,836	22,681	29,837	22,681
Other income	4	71,984	58,920	70,295	58,720
Dividend income from an associated company	4, 7	-	-	-	437,927
<b>Total revenues</b>		<b>6,908,804</b>	<b>6,708,637</b>	<b>6,861,350</b>	<b>7,113,772</b>
<b>Expenses</b>					
Cost of hospital operations	4	4,114,646	4,020,706	4,090,942	4,004,899
Depreciation and amortisation		403,785	331,384	361,857	289,537
Administrative expenses	4	1,024,147	973,129	1,059,331	1,040,094
Management's remuneration		67,814	60,725	58,937	58,905
<b>Total expenses</b>		<b>5,610,392</b>	<b>5,385,944</b>	<b>5,571,067</b>	<b>5,393,435</b>
<b>Income before finance cost and corporate income tax</b>		<b>1,298,412</b>	<b>1,322,693</b>	<b>1,290,283</b>	<b>1,720,337</b>
Share of income from investments in joint venture and associated companies - net	6, 7	47,048	21,829	-	-
Finance cost	4	(60,597)	(86,078)	(69,013)	(92,733)
<b>Income before corporate income tax</b>		<b>1,284,863</b>	<b>1,258,444</b>	<b>1,221,270</b>	<b>1,627,604</b>
Corporate income tax	13	(338,824)	(359,092)	(330,393)	(349,464)
<b>Net income for the period</b>		<b>946,039</b>	<b>899,352</b>	<b>890,877</b>	<b>1,278,140</b>

(Unit: Baht)

<b>Earnings per share</b>		14			
Basic earnings per share					
Net income for the period		1.30	1.23	1.22	1.76
Weighted average number of ordinary shares (shares)		728,295,498	728,251,702	728,295,498	728,251,702

(Unit: Baht)

Diluted earnings per share					
Net income for the period		1.09	1.04	1.03	1.47
Weighted average number of ordinary shares (shares)		867,414,859	867,414,859	867,414,859	867,414,859

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



(Unaudited but reviewed)

**Bumrungrad Hospital Public Company Limited and its subsidiaries****Cash flow statements****For the nine-month periods ended 30 September 2009 and 2008**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<b>Cash flows from operating activities</b>				
Income before corporate income tax	1,284,863	1,258,444	1,221,270	1,627,604
Adjustments to reconcile income before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	403,784	331,384	361,857	289,537
Allowance for loss on impairment of assets	-	-	-	14,470
Bad debts and allowance for doubtful accounts	20,558	27,480	20,443	26,737
Loss on sales of equipment	1,198	2,115	1,198	2,115
Dividend income from an associated company	-	-	-	(437,927)
Share of loss from investment in joint venture	6	-	-	-
Share of income from investments in associated companies	(47,054)	(21,829)	-	-
Interest expense	60,597	86,078	69,013	92,733
Income from operating activities before changes in operating assets and liabilities	<u>1,723,952</u>	<u>1,683,672</u>	<u>1,673,781</u>	<u>1,615,269</u>
Operating assets (increase) decrease				
Trade accounts receivable	(145,781)	74,486	(142,112)	75,411
Amounts due from related parties	(2,950)	(1,387)	(4,988)	(1,292)
Inventories	(10,492)	7,749	(8,340)	7,068
Other current assets	(38,462)	(14,445)	(24,726)	(13,521)
Operating liabilities increase (decrease)				
Trade accounts payable	15,023	(978)	11,624	(365)
Amounts due to related parties	(2,015)	-	(2,531)	2,658
Accrued physicians' fees	27,228	(62,580)	27,228	(62,906)
Accrued expenses	73,337	181,293	72,606	180,240
Accounts payable - others	2,785	(9,486)	151	(9,788)
Other current liabilities	24,785	(1,653)	22,947	(1,342)
Cash flows from operating activities	<u>1,667,410</u>	<u>1,856,671</u>	<u>1,625,640</u>	<u>1,791,432</u>
Cash paid for interest expense	(60,528)	(86,853)	(68,692)	(92,960)
Cash paid for corporate income tax	(423,318)	(433,359)	(414,990)	(425,739)
<b>Net cash flows from operating activities</b>	<u>1,183,564</u>	<u>1,336,459</u>	<u>1,141,958</u>	<u>1,272,733</u>

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

(Unaudited but reviewed)

**Bumrungrad Hospital Public Company Limited and its subsidiaries**

**Cash flow statements (continued)**

**For the nine-month periods ended 30 September 2009 and 2008**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<b>Cash flows from investing activities</b>				
Increase in advances to employees and directors	(4,756)	(1,259)	(4,724)	(1,267)
Decrease in short-term loans and interest receivable				
- a related party	-	-	-	10,058
Acquisition of investment in an associated company	-	(141,750)	(41,602)	(141,750)
Dividend income from an associated company	-	437,927	-	437,927
Acquisition of property, plant and equipment and repayment	-			
of construction and medical equipment payable	(604,017)	(1,496,063)	(598,457)	(1,495,855)
Proceeds from sales of equipment	2,853	1,321	2,853	1,321
Acquisition of computer software	(10,779)	-	(10,482)	-
Decrease (increase) in other non-current assets	1,881	(10,981)	2,225	(10,980)
<b>Net cash flows used in investing activities</b>	<u>(614,818)</u>	<u>(1,210,805)</u>	<u>(650,187)</u>	<u>(1,200,546)</u>
<b>Cash flows from financing activities</b>				
Cash receipt from short-term loans from financial institution	750,000	100,000	750,000	100,000
Repayment of short-term loans from financial institution	(400,000)	-	(400,000)	-
Repayment of long-term loan - a related party	-	-	(277,000)	(190,000)
Cash receipt from long-term loans from financial institution	-	400,000	-	400,000
Repayment of long-term loans from financial institution	(426,959)	(344,829)	(98,437)	(98,437)
Dividend paid	(567,431)	(551,409)	(567,431)	(551,409)
Interest paid for convertible bonds treated as equity securities	(32,499)	(17,500)	(32,499)	(17,500)
<b>Net cash flows used in financing activities</b>	<u>(676,889)</u>	<u>(413,738)</u>	<u>(625,367)</u>	<u>(357,346)</u>
<b>Decrease in translation adjustment</b>	<u>(697)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(108,840)</u>	<u>(288,084)</u>	<u>(133,596)</u>	<u>(285,159)</u>
Cash and cash equivalents at beginning of period	<u>384,642</u>	<u>549,864</u>	<u>350,881</u>	<u>508,940</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>275,802</u></u>	<u><u>261,780</u></u>	<u><u>217,285</u></u>	<u><u>223,781</u></u>

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

(Unaudited but reviewed)

**Bumrungrad Hospital Public Company Limited and its subsidiaries**  
**Statements of changes in shareholders' equity**  
**For the nine-month periods ended 30 September 2009 and 2008**

(Unit: Thousand Baht)

<b>Consolidated financial statements</b>											
	Note	Issued and paid-up share capital		Premium on ordinary shares	Other paid-in capital of an associated company	Translation adjustment	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	
<b>Balance as at 1 January 2008</b>		728,202	1,850	285,568	256,549	9,985	550,000	(192,662)	92,275	2,617,255	4,349,022
Translation adjustment		-	-	-	-	(73,512)	-	-	-	-	(73,512)
Interest paid for convertible bonds treated as equity securities		-	-	-	-	-	-	-	-	(14,651)	(14,651)
Change in subsidiary's minority interest of an associated		-	-	-	(4,375)	-	-	-	-	-	(4,375)
<b>Net expenses recognised directly in equity</b>		-	-	-	(4,375)	(73,512)	-	-	-	(14,651)	(92,538)
Net income for the period		-	-	-	-	-	-	-	-	899,352	899,352
<b>Total income and expense for the period</b>		-	-	-	(4,375)	(73,512)	-	-	-	884,701	806,814
Dividend paid	15	-	-	-	-	-	-	-	-	(584,024)	(584,024)
Preference shares converted to ordinary shares	12	67	(67)	-	-	-	-	-	-	-	-
<b>Balance as at 30 September 2008</b>		<u>728,269</u>	<u>1,783</u>	<u>285,568</u>	<u>252,174</u>	<u>(63,527)</u>	<u>550,000</u>	<u>(192,662)</u>	<u>92,275</u>	<u>2,917,932</u>	<u>4,571,812</u>
<b>Balance as at 1 January 2009</b>		728,269	1,783	285,568	252,173	(53,479)	550,000	(192,662)	92,275	3,201,434	4,865,361
Translation adjustment		-	-	-	-	(21,705)	-	-	-	-	(21,705)
Interest paid for convertible bonds treated as equity securities		-	-	-	-	-	-	-	-	(24,308)	(24,308)
<b>Net expenses recognised directly in equity</b>		-	-	-	-	(21,705)	-	-	-	(24,308)	(46,013)
Net income for the period		-	-	-	-	-	-	-	-	946,039	946,039
<b>Total income and expenses for the period</b>		-	-	-	-	(21,705)	-	-	-	921,731	900,026
Dividend paid	15	-	-	-	-	-	-	-	-	(583,927)	(583,927)
Preference shares converted to ordinary shares	12	35	(35)	-	-	-	-	-	-	-	-
<b>Balance as at 30 September 2009</b>		<u>728,304</u>	<u>1,748</u>	<u>285,568</u>	<u>252,173</u>	<u>(75,184)</u>	<u>550,000</u>	<u>(192,662)</u>	<u>92,275</u>	<u>3,539,238</u>	<u>5,181,460</u>
		-	-	-	-	-	-	-	-	-	-

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

(Unaudited but reviewed)

**Bumrungrad Hospital Public Company Limited and its subsidiaries**

**Statements of changes in shareholders' equity (continued)**

**For the nine-month periods ended 30 September 2009 and 2008**

(Unit: Thousand Baht)

		<b>Separate financial statements</b>						
		Issued and paid-up share capital		Premium on	Convertible	Retained earnings		
Note		Ordinary shares	Preference shares	ordinary shares	bonds treated as equity securities	Appropriated- statutory reserve	Unappropriated	Total
	<b>Balance as at 1 January 2008</b>	728,202	1,850	285,568	550,000	92,275	2,211,051	3,868,946
	Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(14,651)	(14,651)
	<b>Net expenses recognised directly in equity</b>	-	-	-	-	-	(14,651)	(14,651)
	Net income for the period	-	-	-	-	-	1,278,140	1,278,140
	<b>Total income for the period</b>	-	-	-	-	-	1,263,489	1,263,489
	Dividend paid	15	-	-	-	-	(584,024)	(584,024)
	Preference shares converted to ordinary shares	12	67	(67)	-	-	-	-
	<b>Balance as at 30 September 2008</b>	<u>728,269</u>	<u>1,783</u>	<u>285,568</u>	<u>550,000</u>	<u>92,275</u>	<u>2,890,516</u>	<u>4,548,411</u>
	<b>Balance as at 1 January 2009</b>	728,269	1,783	285,568	550,000	92,275	3,018,960	4,676,855
	Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(24,308)	(24,308)
	<b>Net expenses recognised directly in equity</b>	-	-	-	-	-	(24,308)	(24,308)
	Net income for the period	-	-	-	-	-	890,877	890,877
	<b>Total income for the period</b>	-	-	-	-	-	866,569	866,569
	Dividend paid	15	-	-	-	-	(583,927)	(583,927)
	Preference shares converted to ordinary shares	12	35	(35)	-	-	-	-
	<b>Balance as at 30 September 2009</b>	<u>728,304</u>	<u>1,748</u>	<u>285,568</u>	<u>550,000</u>	<u>92,275</u>	<u>3,301,602</u>	<u>4,959,497</u>
		-	-	-	-	-	-	-

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

**Bumrungrad Hospital Public Company Limited and its subsidiaries**

**Notes to interim financial statements**

**For the three-month and nine-month periods ended 30 September 2009 and 2008**

**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 and 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. 34 (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.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

**1.3 Adoption of new accounting standards**

In June 2009, the Federation of Accounting Professions has issued Notification No. 12/2552, regarding the renumbering of Thai Accounting Standards to match the corresponding International Accounting Standards. Therefore the numbers of Thai Accounting Standards as used in these financial statements are corresponded to those per this notification.

The Federation of Accounting Professions has issued Notification No. 86/2551 and 16/2552, mandating the use of new accounting standards, financial reporting standard and accounting treatment guidance as follows.

**a) Accounting standards, financial reporting standard and accounting treatment guidance which are effective for the current year**

Framework for Preparation and Presentation of Financial Statements (revised 2007)

TAS 36 (revised 2007) Impairment of Assets

TFRS 5 (revised 2007) Non-current Assets Held for Sale and  
Discontinued Operations

Accounting Treatment Guidance for Leasehold Right

Accounting Treatment Guidance for Business Combination under Common Control

These accounting standards, financial reporting standard and accounting treatment guidance became effective for the financial statements for fiscal years beginning on or after 1 January 2009. The management has assessed the effect of these standards and believes that TFRS 5 (revised 2007) and Accounting Treatment Guidance for Business Combination under Common Control are not relevant to the business of the Company, while Framework for Preparation and Presentation of Financial Statements (revised 2007), TAS 36 (revised 2007) and Accounting Treatment Guidance for Leasehold Right do not have any significant impact on the financial statements for the current period.

**b) Accounting standards which are not effective for the current year**

		<u>Effective date</u>
TAS 20	Accounting for Government Grants and Disclosures of Government Assistance	1 January 2012
TAS 24 (revised 2007)	Related Party Disclosures	1 January 2011
TAS 40	Investment Property	1 January 2011

However, TAS 24 (revised 2007) and TAS 40 allow early adoption by the entity before the effective date.

The management of the Company is still evaluating the effect of these three accounting standards and has not been able to reach a conclusion as to their effect to the financial statements for the year in which they are initially applied.

#### **1.4 Basis of consolidation**

These interim consolidated financial statements include the financial statements of Bumrungrad Hospital Public Company Limited and its 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 2008. There have been no changes in the composition of the Group during the current period, except the investments in subsidiaries as below.

- Asia Global Health Ltd. (AGH) has been incorporated and registered in Hong Kong on 26 March 2009 with registered capital of HKD 9.5 million (approximately Baht 44.2 million), comprising of 1,220,000 common shares with par value of HKD 7.8 per share. The Company has invested in 100% of AGH's issued and paid-up capital (currently 50% of the registered capital is issued) in the amount of HKD 4.8 million (approximately Baht 21.6 million). As a result, AGH is a subsidiary of the Company. AGH was set up for regional investment opportunities in healthcare and related business. On 15 May 2009, the Company paid for the share subscription.
- Asia Global Research Ltd. (AGR) has been incorporated and registered in Thailand on 10 June 2009 with registered capital of Baht 20 million, comprising of 2,000,000 common shares with par value of Baht 10 per share. The Company has invested in 100% of AGR's issued and paid-up capital. As a result, AGR is a subsidiary of the Company. AGR was set up for clinical research and related business. On 15 July 2009, the Company paid for the share subscription.

#### **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 2008.

#### **2. Restricted bank deposits**

These bank deposits 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

The balances of trade accounts receivable, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2009	31 December 2008	30 September 2009	31 December 2008
<u>Age of receivables</u>				
Not yet due	250,836	232,951	247,797	232,346
Past due				
1 - 30 days	202,686	107,490	201,482	107,132
31 - 60 days	6,419	36,699	6,419	36,572
61 - 90 days	47,064	23,019	46,591	22,993
91 - 180 days	51,755	46,066	51,328	45,492
181 - 365 days	59,992	39,191	59,677	38,580
More than 365 days	107,337	98,745	104,796	96,716
Total	726,089	584,161	718,090	579,831
Less: Allowance for doubtful accounts	(106,744)	(90,039)	(104,045)	(87,455)
Trade accounts receivable - net	619,345	494,122	614,045	492,376

### 4. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and based agreed upon between the Company and those related parties.

(Unit: Million Baht)

	For the three-month periods ended				Transfer pricing policy
	30 September				
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2009	2008	2009	2008	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Medical service income	-	-	3.1	3.7	Cost plus margin
Rental income	-	-	7.3	6.7	As per contracts 4.1)
Lab service expense	-	-	1.8	2.8	Cost plus margin
Rental expense	-	-	22.2	22.2	As per contract 4.2)
Interest expense	-	-	9.2	17.1	MLR less 1% p.a.



(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended				Transfer pricing policy
	30 September				
	Consolidated		Separate		
	financial statements		financial statements		
	2009	2008	2009	2008	
<u>Transactions with associated companies</u>					
Rental income	0.2	0.2	0.2	0.2	Actual charge
Consulting fee income	3.0	3.5	3.0	3.5	As per contract 4.3)
<u>Transactions with related companies</u>					
Medical service income	7.2	7.9	7.2	7.9	Cost plus margin
Other income	0.5	0.6	0.5	0.6	At cost
Donation expense	7.0	3.9	7.0	3.9	-
Insurance expense	4.9	6.3	4.9	6.3	As per insurance policies

(Unit: Million Baht)

	For the nine-month periods ended				Transfer pricing policy
	30 September				
	Consolidated		Separate		
	financial statements		financial statements		
	2009	2008	2009	2008	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Medical service income	-	-	7.6	9.9	Cost plus margin
Rental income	-	-	20.5	19.9	As per contracts 4.1)
Lab service expense	-	-	4.9	6.4	Cost plus margin
Rental expense	-	-	66.6	66.6	As per contract 4.2)
Interest expense	-	-	32.5	51.4	MLR less 1% p.a.
<u>Transactions with associated companies</u>					
Rental income	0.5	0.5	0.5	0.5	Actual charge
Consulting fee income	9.4	11.6	9.4	11.6	As per contract 4.3)
Dividend income	-	-	-	437.9	As declared
<u>Transactions with related companies</u>					
Medical service income	21.8	10.4	21.8	10.4	Cost plus margin
Other income	1.6	0.9	1.6	0.9	At cost
Rental expense	-	4.4	-	4.4	As per contract 4.4)
Donation expense	13.0	7.9	13.0	7.9	-
Insurance expense	15.1	18.7	15.1	18.7	As per insurance policies
Financial advisory fee	-	0.7	-	0.7	As per contract
Purchase of land and building	-	470.0	-	470.0	As per contract 4.4)

4.1) A subsidiary (Bumrungrad Medical Center Ltd.) has leased a plot of land from the Company. The lease agreement covers a period of 30 years, commencing from the year 1996. The rental fee is Baht 22.2 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. 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 rental fee is Baht 88.8 million per annum. The agreement will be expired on July 2010.
- 4.3) On 2 June 2006, the Company entered into a Consulting Support Agreement with an associate (Bumrungrad International Ltd.). The associate has been obliged to pay such fee totaling Baht 1.2 million per month starting from April 2007. Subsequently, in the first quarter of 2009, the Company and the associate agreed to change the fee to totaling Baht 0.9 million per month starting from January 2009 onwards. The agreement will expire as per the agreement's conditions.
- 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 were in accordance with the initial agreement.

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.

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

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2009	2008	2009	2008
<b><u>Amounts due from related parties</u></b>				
<u>Subsidiary companies</u>				
Asia Global Health Ltd.	-	-	1,952	-
Asia Global Research Ltd.	-	-	98	-
<u>Joint venture</u>				
Asia Renal Care (Thailand) Ltd.	-	70	-	70
<u>Associated company</u>				
Bumrungrad International Ltd.	3,735	3,257	3,723	3,257
<u>Related party</u>				
The Bumrungrad Hospital Foundation	8,012	5,470	8,012	5,470
Total	<u>11,747</u>	<u>8,797</u>	<u>13,785</u>	<u>8,797</u>
<b><u>Amounts due to related parties</u></b>				
<u>Subsidiary company</u>				
Vitalife Corporation Ltd.	-	-	1,152	1,668
<u>Associate company</u>				
CDE Trading Ltd.	-	2,015	-	2,015
Total	<u>-</u>	<u>2,015</u>	<u>1,152</u>	<u>3,683</u>
<b><u>Long-term loan and interest payable - a related party</u></b>				
<u>Subsidiary company</u>				
Bumrungrad Medical Center Ltd.				
Long-term loan	-	-	662,236	939,236
Less: Current portion	-	-	438,029	438,029
Non-current portion	-	-	<u>224,207</u>	<u>501,207</u>

The long-term loan from Bumrungrad Medical Center Ltd. carries interest at the rate of MLR less 1% per annum.

During the period, movements of loan from related party are as follows:

(Unit: Thousand Baht)

	Balance as at		Balance as at	
	31 December		30 September	
	2008	Increase	Decrease	2009
<b><u>Long-term loan and interest payable - a related party</u></b>				
<u>Subsidiary company</u>				
Bumrungrad Medical Center Ltd.				
Principal	939,236	-	(277,000)	662,236
Interest payable	-	32,499	(32,499)	-
	<u>939,236</u>	<u>32,499</u>	<u>(309,499)</u>	<u>662,236</u>

## 5. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
			(%)	(%)						
Bumrungrad Medical Center Ltd.	958,954	958,954	100.00	100.00	1,691,903	1,691,903	545,000	545,000	1,146,903	1,146,903
Vitalife Corporation Ltd.	31,500	31,500	100.00	100.00	25,610	25,610	-	-	25,610	25,610
Asia Global Health Ltd.	21,602	-	100.00	-	21,602	-	-	-	21,602	-
Asia Global Research Ltd.	20,000	-	100.00	-	20,000	-	-	-	20,000	-
<b>Total</b>					<u>1,759,115</u>	<u>1,717,513</u>	<u>545,000</u>	<u>545,000</u>	<u>1,214,115</u>	<u>1,172,513</u>

## 6. Investment in joint venture

### 6.1 Details of investment in joint venture

Investment in joint venture represents investment in entity which is jointly controlled by the Company and other company. Details of this investment are as follows:

		Consolidated financial statements					
Jointly controlled entity	Nature of business	Shareholding percentage		Cost		Carrying amounts based on equity method	
		30 September	31 December	30 September	31 December	30 September	31 December
		2009	2008	2009	2008	2009	2008
		(%)	(%)				
Asia Renal Care (Thailand) Ltd.	Investment in other companies	51.00	51.00	6,120	6,120	6,079	6,085

  

		Separate financial statements			
Jointly controlled entity	Nature of business	Shareholding percentage		Carrying amounts based on cost method	
		30 September	31 December	30 September	31 December
		2009	2008	2009	2008
		(%)	(%)		
Asia Renal Care (Thailand) Ltd.	Investment in other companies	51.00	51.00	6,120	6,120

The Company's management has deemed the investment in Asia Renal Care (Thailand) Ltd. (ARCT) to be an investment in a jointly controlled entity, held between the Company and Asia Renal Care (SEA) Pte Ltd. Although the Company has a 51% shareholding in ARCT, both joint venturers have entered into the Joint Venture Agreement dated 23 February 2009. The agreement stipulates joint control between the two parties through the board of directors of that jointly controlled entity, with each joint venturer having the same representation. In addition, neither joint venturer has control over the operations of the jointly controlled entity.

## 6.2 Share of income/loss

During the periods, the Company recognised its share of income/loss from investment in joint venture in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Jointly controlled entity	Share of income (loss) from investment in joint venture			
	For the three-month periods ended		For the nine-month periods	
	30 September		ended 30 September	
	2009	2008	2009	2008
Asia Renal Care (Thailand) Ltd.	17	-	(6)	-

## 6.3 Summarised financial information of jointly controlled entity

Financial information of the jointly controlled entity is summarised below.

(Unit: Million Baht)

Jointly controlled entity	Paid-up capital as		Total assets as at		Total liabilities as at		Total revenues		Net loss	
	at 30 September		30 September		30 September		for the nine-month		for the nine-month	
	periods ended		periods ended		periods ended		periods ended		periods ended	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Asia Renal Care (Thailand) Ltd.	12.0	-	11.9	-	-	-	-	-	-	-

## 7. Investments in associated companies

### 7.1 Details of investments in associated companies

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			30 September	31 December	30 September	31 December	30 September	31 December
			2009	2008	2009	2008	2009	2008
			(%)	(%)				
Bumrungrad International Ltd.	Holding company	Thailand	31.50	31.50	1,007,790	1,007,790	1,252,259	1,229,417
CDE Trading Ltd.	Temporary cease its operation	Thailand	30.00	30.00	21,663	21,663	(24,341)	(27,545)
Total							1,227,918	1,201,872
Add: Deferred gain on sales of computer software - net							30,304	33,059
Total							1,258,222	1,234,931

Deferred gain on sales of software is a gain from an associated company's sale of computer software to the Company in year 2007, which had been eliminated against investment in the associated company. During the year 2008, the Company transferred the deferred gain to deduct against the relevant intangible asset (Note 9 to financial statements). The deferred gain is amortised over 10 years, which is the period for which the software is expected to generate economic benefit.

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	2009	2008	2009	2008	2009	2008	2009	2008
	(%)	(%)						
Bumrungrad International Ltd.	31.50	31.50	1,007,790	1,007,790	-	-	1,007,790	1,007,790
CDE Trading Ltd.	30.00	30.00	21,663	21,663	16,000	16,000	5,663	5,663
Total			1,029,453	1,029,453	16,000	16,000	1,013,453	1,013,453

### 7.2 Share of income/loss and dividend received

During the periods, the Company recognised its share of income/loss from investments in associated companies in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	Share of income (loss) from investments in associates		Dividend received	
	2009	2008	2009	2008
Bumrungrad International Ltd.	18,047	15,566	-	-
CDE Trading Ltd.	842	1,020	-	-
Total	18,889	16,586	-	-

(Unit: Thousand Baht)

Company's name	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	Share of income (loss) from investments in associates		Dividend received	
	2009	2008	2009	2008
Bumrungrad International Ltd.	43,850	44,360	-	-
CDE Trading Ltd.	3,204	(22,531)	-	437,927
Total	47,054	21,829	-	437,927

The investment in an associated company (Bumrungrad International Ltd.) which carrying amount under the equity method as at 30 September 2009 and 2008 amounting to Baht 1,252.3 million and Baht 1,198.8 million, respectively, and shares of income of the associated company for the three-month and nine-month periods ended 30 September 2009 amounting to Baht 18.0 million and Baht 43.9 million, respectively (2008: Baht 15.6 million and Baht 44.4 million, respectively) has been calculated from the consolidated financial statements of that associated company which mostly comprise figures derived from the financial statements of its overseas subsidiaries and jointly controlled entity and were prepared by the subsidiaries' and jointly controlled entity's management and have not been reviewed by their auditors.

### 7.3 Summarised financial information of associated companies

Financial information of the associated companies is summarised below.

Company's name	Paid-up capital as		Total assets as at		Total liabilities as at		Total revenues		Net income (loss)	
	at 30 September		30 September		30 September		for the nine-month		for the nine-month	
							periods ended		periods ended	
							30 September		30 September	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Bumrungrad International Ltd.	3,199.3	3,199.3	7,077.7	7,336.5	2,364.1	2,368.9	3,194.5	3,056.4	139.2	139.0
CDE Trading Ltd.	10.0	10.0	19.9	27.9	-	9.5	0.1	9.8	(0.4)	(79.4)

### 8. Property, plant and equipment

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2009</b>	5,373,731	4,412,802
Acquisitions during period - at cost	551,492	545,932
Disposals during period - net book value at disposal date	(4,051)	(4,051)
Transfer to inventories	(59)	(59)
Depreciation for period	(372,098)	(330,175)
<b>Net book value as at 30 September 2009</b>	<b>5,549,015</b>	<b>4,624,449</b>

The Company has mortgaged land with a book value of Baht 290.9 million (Baht 567.7 million appraisal fair value as of 25 November 2008) 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 land and buildings and pledged medical instruments and hospital equipment, with a total net book value as at 30 September 2009 of Baht 1,704.3 million (Separate financial statements: Baht 784.4 million) (31 December 2008: Baht 1,751.4 million (Separate financial statements: Baht 791.5 million)), as collaterals for long-term loans granted by a local commercial bank as described in Note 11.1 to the financial statements.



## 9. Intangible assets

Movements of intangible assets, which are computer software, during the period are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2009</b>	310,364	343,423
Acquisition during period - at cost	10,779	10,482
Amortisation for period	(31,686)	(31,682)
Realised gain on sales of software for period	2,755	-
<b>Net book value as at 30 September 2009</b>	<b>292,212</b>	<b>322,223</b>

## 10. Short-term loans from financial institution

As at 30 September 2009, short-term loans from financial institution of the Company amounting to Baht 550.0 million are promissory notes due within 1 month and bearing interest at the rate of 2.25% per annum. The short-term loans are drawn down from loan facility tranche C as discussed in Note 11.2 to the financial statements.

## 11. Long-term loans from financial institutions

### 11.1 Old loans

Tranche	Interest rate (%)	Repayment schedule	Consolidated		Separate	
			financial statements		financial statements	
			30 September 2009	31 December 2008	30 September 2009	31 December 2008
A	Average MLR- 1.25	24 quarterly installments, commencing 30 December 2004	438,029	766,551	-	-
B2	Average MLR- 1.25	32 quarterly installments, commencing 31 March 2008	507,813	568,750	507,813	568,750
C	Average MLR- 1.25	32 quarterly installments, commencing 31 March 2008	312,500	350,000	312,500	350,000
Total			1,258,342	1,685,301	820,313	918,750
Less: Current portion			(569,279)	(569,279)	(131,250)	(131,250)
Non-current portion			<b>689,063</b>	<b>1,116,022</b>	<b>689,063</b>	<b>787,500</b>

(Unaudited but reviewed)

Movements in long-term loans from financial institution account during the period are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Balance as at 1 January 2009	1,685,301	918,750
Less: Repayment	<u>(426,959)</u>	<u>(98,437)</u>
Balance as at 30 September 2009	<u>1,258,342</u>	<u>820,313</u>

The loans are secured by mortgaged land and buildings and pledged medical instruments and hospital equipment as described in Note 8 to the financial statements.

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.

## 11.2 New loans

On 25 September 2009, the Company entered into a credit facility agreement with a local commercial bank to obtain credit facilities of Baht 2,820 million, as detailed below.

<u>Tranche</u>	<u>Interest rate</u>	<u>Facility objective</u>	<u>Availability period</u>	<u>Repayment period</u>	<u>Credit facilities</u>
	(%)				(Million Baht)
A	MLR less fixed rate as stipulated in the agreement, monthly payment	To refinance outstanding loans of the Company and a subsidiary	Until 30 November 2009	Repayment in quarterly installments over a period of 5 years (20 installments), in accordance with the proportionate amounts stipulated in the agreement, with a 27-month grace period	1,420

(Unaudited but reviewed)

Tranche	Interest rate	Facility objective	Availability period	Repayment period	Credit facilities
	(%)				(Million Baht)
B	MLR less fixed rate as stipulated in the agreement, monthly payment	For renovation of buildings and/ or the purchase of medical instruments, hospital equipment and computer software	The first drawdown is to be made no later than 30 December 2009 and availability period runs to 30 December 2011	Repayment in quarterly installments over a period of 5 years (20 installments), in accordance with the proportionate amounts stipulated in the agreement, with a 27-month grace period	800
C	MMR	For working capital of the Company	Until 25 September 2010 and subject to renewal by the bank on an annual basis	Maturity date as stipulated in the promissory note	600

The loans are to be secured by mortgage of land, buildings and building improvements of the Company and a subsidiary, the assignment of the subsidiary's land leasehold right and the assignment of the beneficiary rights under the insurance policies for the mortgaged assets to the bank, when the facilities A and B are drawn down.

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 2009, the Company has not yet drawn down from facilities A and B.

## 12. Share capital

In the first quarter of 2009, 35,000 preference shares (2008: 66,700 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 12 March 2009.

**13. Corporate income tax**

Corporate income tax for the three-month and nine-month periods ended 30 September 2009 and 2008 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.

**14. Earnings per share**

The following tables set forth the computation of basic and diluted earnings per share.

	For the three-month periods ended 30 September					
	Consolidated financial statements					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	2009	2008	2009	2008	2009	2008
(Thousand Baht)	(Thousand Baht)	(Shares)	(Shares)	(Baht)	(Baht)	
<b>Basic earnings per share</b>						
Net income	319,486	305,105	728,304,472	728,269,472	0.44	0.42
<b>Effect of dilutive potential ordinary shares</b>						
Preference shares	-	-	1,747,750	1,782,750		
Convertible bonds	-	-	137,362,637	137,362,637		
<b>Diluted earnings per share</b>						
Net income assuming the conversion of dilutive potential ordinary shares	<u>319,486</u>	<u>305,105</u>	<u>867,414,859</u>	<u>867,414,859</u>	0.37	0.35

	For the three-month periods ended 30 September					
	Separate financial statements					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	2009	2008	2009	2008	2009	2008
(Thousand Baht)	(Thousand Baht)	(Shares)	(Shares)	(Baht)	(Baht)	
<b>Basic earnings per share</b>						
Net income	302,358	277,758	728,304,472	728,269,472	0.42	0.38
<b>Effect of dilutive potential ordinary shares</b>						
Preference shares	-	-	1,747,750	1,782,750		
Convertible bonds	-	-	137,362,637	137,362,637		
<b>Diluted earnings per share</b>						
Net income assuming the conversion of dilutive potential ordinary shares	<u>302,358</u>	<u>277,758</u>	<u>867,414,859</u>	<u>867,414,859</u>	0.35	0.32

(Unaudited but reviewed)

For the nine-month periods ended 30 September						
Consolidated financial statements						
Net income		Weighted average number of ordinary shares		Earnings per share		
2009	2008	2009	2008	2009	2008	
(Thousand Baht)	(Thousand Baht)	(Shares)	(Shares)	(Baht)	(Baht)	
<b>Basic earnings per share</b>						
Net income	946,039	899,352	728,295,498	728,251,702	1.30	1.23
<b>Effect of dilutive potential ordinary shares</b>						
Preference shares	-	-	1,756,724	1,800,520		
Convertible bonds	-	-	137,362,637	137,362,637		
<b>Diluted earnings per share</b>						
Net income assuming the conversion of dilutive potential ordinary shares	<u>946,039</u>	<u>899,352</u>	<u>867,414,859</u>	<u>867,414,859</u>	1.09	1.04

For the nine-month periods ended 30 September						
Separate financial statements						
Net income		Weighted average number of ordinary shares		Earnings per share		
2009	2008	2009	2008	2009	2008	
(Thousand Baht)	(Thousand Baht)	(Shares)	(Shares)	(Baht)	(Baht)	
<b>Basic earnings per share</b>						
Net income	890,877	1,278,140	728,295,498	728,251,702	1.22	1.76
<b>Effect of dilutive potential ordinary shares</b>						
Preference shares	-	-	1,756,724	1,800,520		
Convertible bonds	-	-	137,362,637	137,362,637		
<b>Diluted earnings per share</b>						
Net income assuming the conversion of dilutive potential ordinary shares	<u>890,877</u>	<u>1,278,140</u>	<u>867,414,859</u>	<u>867,414,859</u>	1.03	1.47

## 15. Dividend paid

Dividends declared during the nine-month periods ended 30 September 2009 and 2008 consist of the following.

(Unaudited but reviewed)

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends (Thousand Baht)</u>	<u>Dividend per share (Baht)</u>
Final dividends for 2008	Annual General Meeting of the shareholders on 28 April 2009	291,962	0.40
Interim dividends on operating results for the six-month period ended 30 June 2009	Board of Director's meeting on 5 August 2009	291,965	0.40
		<u>583,927</u>	
Final dividends for 2007	Annual General Meeting of the shareholders on 23 April 2008	292,011	0.40
Interim dividends on operating results for the six-month period ended 30 June 2008	Board of Director's meeting on 6 August 2008	292,013	0.40
		<u>584,024</u>	

## 16. Segment information

The Company's and its subsidiaries' business operations involve a single industry segment, the hospital and health care center, and are carried on in the single geographic area in Thailand. As a result, all of the revenues, operating income and assets reflected in these financial statements pertain to the aforementioned industry segment and geographic area.

## 17. Commitments and contingent liabilities

### 17.1 Capital commitments

As at 30 September 2009, the Company has capital commitments to pay a total of Baht 207.1 million (31 December 2008: Baht 70.3 million) in relation to the renovation agreement of building. In addition, the Company and its subsidiaries have capital commitments of Baht 55.5 million (Separate financial statements: Baht 33.5 million) (31 December 2008: Baht 66.6 million (Separate financial statements: Baht 66.6 million)) in respect of purchase of medical instruments and hospital equipment.

## 17.2 Operating lease and long-term service commitments

The Company has entered into several lease agreements in respect of the lease of land, buildings, vehicles and equipment and long-term service agreements. The terms of the agreements are generally between 2 and 5 years and 30 years.

As at 30 September 2009, future minimum payments required under these operating lease agreements and long-term service agreements were as follows.

(Unit: Million Baht)

Details of commitments	Payable within			Total
	1 year	1 to 5 years	More than 5 years	
1) Fee to a bank which is bondholders' representative	0.2	0.5	-	0.7
2) Nursing dormitory land rental expense (shall be extended for a further period of 30 years)	0.8	5.2	13.2	19.2
3) Lease of medical instrument	5.0	-	-	5.0
4) Lease of land and building for operating service apartment (shall be extended for a further period of 2 years)	12.8	-	-	12.8
5) Lease of building for nursing dormitory and related services (shall be renewed automatically)	12.2	6.7	-	18.9
6) Maintenance service fee for medical instrument	50.6	122.5	-	173.1
7) Rental and maintenance service fee for cars	12.1	9.3	-	21.4

In addition, on 1 April 2009, an overseas subsidiary entered into a 2-year consultancy contract with an overseas company. As at 30 September 2009, the subsidiary had outstanding commitment amounting to USD 600,000 under the contract, payable within 1 year.

### **17.3 Commitments from other contracts**

The Company has entered into three equipment utilisation contracts with three local companies. The contracts cover period of 5 - 7 years and under the conditions of the contracts, the Company is required to purchase medical supplies to use with the medical equipment at the prices specified in the contracts in total throughout the period of those contracts. As at 30 September 2009, there was a minimum amount of Baht 359.2 million which the Company required to purchase according to the contracts.

### **17.4 Uncalled portion of investment in subsidiary**

As at 30 September 2009, the Company has a commitment of HKD 4.8 million in respect of the uncalled portion of investment in subsidiary.

### **17.5 Bank guarantees**

As at 30 September 2009, there were outstanding bank guarantees of Baht 10.9 million (31 December 2008: Baht 10.9 million) issued by a bank on behalf of the Company, and of Baht 8.4 million (31 December 2008: 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.

## **18. Subsequent events**

18.1 On 1 October 2009, the Company and a subsidiary early repaid all outstanding existing loans to the local commercial bank, amounting to Baht 1,258.3 million, as discussed in Note 11.1. The Company and the subsidiary paid early repayment fees amounting to Baht 12.6 million and arranged for the release of the collaterals provided for the loans, which was completed on the same date.

18.2 On 1 October 2009, the Company drew down Baht 1,420.0 million from tranche A of the new long-term loan, from a local commercial bank, as discussed in Note 11.2, to use in making early repayment of all outstanding existing loans of the Company and the subsidiary as discussed in Note 18.1. As security for the above loans, the Company and the subsidiary therefore mortgaged land, buildings and building improvements and assigned of the subsidiary's land leasehold right and beneficiary rights under the insurance policies for the mortgaged assets to the bank, and this was completed on the same date.



18.3 On 8 October 2009, the Company acquired 229,500 new ordinary shares of Asia Renal Care (Thailand) Limited at a price of Baht 10 per share, which represents an investment in a joint venture. Investment was in proportion to the Company's interest at that date, and comprised 51% of the new shares issued. The Company paid the called-up share subscription of Baht 5 per share, totaling Baht 1.2 million, on the same date. The Company's proportion investment in this company is remained 51%.

## 19. Reclassification

Certain amounts in the financial statements for the three-month and nine-month periods ended 30 September 2008 have been reclassified to conform to the current period's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September 2008			
	Consolidated financial statements		Separate financial statements	
		As previously		As previously
	As reclassified	reported	As reclassified	reported
Cost of hospital operations	1,376,665	1,377,043	1,370,720	1,371,098
Administrative expenses	337,280	357,371	358,936	377,662
Management's remuneration	20,469	-	19,104	-

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September 2008			
	Consolidated financial statements		Separate financial statements	
		As previously		As previously
	As reclassified	reported	As reclassified	reported
Cost of hospital operations	4,020,706	4,024,276	4,004,899	4,008,469
Administrative expenses	973,129	1,030,284	1,040,094	1,095,429
Management's remuneration	60,725	-	58,905	-

## 20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 November 2009.