

Bumrungrad Hospital Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month periods ended
31 March 2010 and 2009

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 31 March 2010, the related consolidated statements of income, changes in shareholders' equity and cash flows for the three-month periods ended 31 March 2010 and 2009, and the separate financial statements of Bumrungrad Hospital Public Company Limited for the same periods. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews.

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

As discussed in Note 6 to the financial statements, the Company's consolidated financial statements included investment in an associated company under the equity method as at 31 March 2010 and 2009 amounting to Baht 1,237.6 million and Baht 1,263.1 million, respectively, and shares of income of the associated company for the three-month periods ended 31 March 2010 and 2009 amounting to Baht 9.2 million and Baht 12.2 million, respectively. The consolidated financial statements of that associated company mostly comprise figures derived from the financial statements of its overseas subsidiaries, which were prepared by the subsidiaries' 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 periods ended 31 March 2010 and 2009 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 2009, in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements, under my report dated 24 February 2010. The consolidated and separate balance sheets as at 31 December 2009, 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: 12 May 2010

Bumrungrad Hospital Public Company Limited and its subsidiaries

Balance sheets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	31 March 2010	31 December 2009	31 March 2010	31 December 2009
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		522,662	386,641	492,709	333,440
Trade accounts receivable - net	2	824,998	657,908	817,050	651,745
Amounts due from related parties	3	20,528	14,583	35,166	17,512
Advances to employees and directors		7,808	5,833	7,801	5,804
Inventories		209,208	198,879	198,358	189,710
Prepaid expenses		63,203	65,998	61,833	59,577
Other current assets		5,388	1,994	1,369	615
Total current assets		1,653,795	1,331,836	1,614,286	1,258,403
Non-current assets					
Investments in subsidiaries - net	4	-	-	1,002,115	1,214,115
Investment in joint venture	5	7,214	7,215	7,267	7,267
Investments in associated companies - net	6	1,243,453	1,257,158	1,013,453	1,013,453
Other long-term investments - net		2,247	2,247	2,047	2,047
Property, plant and equipment - net	7	5,762,709	5,666,942	5,771,914	4,728,437
Intangible assets - net	8	288,855	285,629	317,037	314,760
Other non-current assets		16,823	15,965	16,443	18,603
Total non-current assets		7,321,301	7,235,156	8,130,276	7,298,682
Total assets		8,975,096	8,566,992	9,744,562	8,557,085

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	
		31 March 2010	31 December 2009	31 March 2010	31 December 2009
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loan from financial institution	9	-	190,000	-	190,000
Trade accounts payable		579,481	522,672	573,945	514,421
Construction and medical equipment payables		65,331	27,490	65,331	27,490
Amounts due to a related party	3	-	-	1,750	1,726
Current portion of long-term loan from a related party	3	-	-	986,000	-
Accrued physicians' fees		356,993	329,567	351,693	324,267
Interest payable		170	692	170	692
Interest payable - convertible bonds treated as equity securities		3,205	11,575	3,205	11,575
Corporate income tax payable		358,388	209,859	354,190	208,434
Accrued expenses		317,704	305,971	314,443	302,220
Accounts payable - others		14,835	13,372	14,232	12,959
Other current liabilities		38,009	53,184	34,085	48,619
Total current liabilities		1,734,116	1,664,382	2,699,044	1,642,403
Non-current liabilities					
Long-term loan from a related party	3	-	-	-	219,827
Long-term loans from financial institution	10	1,430,000	1,430,000	1,430,000	1,430,000
Total non-current liabilities		1,430,000	1,430,000	1,430,000	1,649,827
Total liabilities		3,164,116	3,094,382	4,129,044	3,292,230

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)

	Consolidated financial statements		Separate financial statements		
	Note	31 March 2010	31 December 2009	31 March 2010	31 December 2009
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital	11				
Registered					
920,987,785 ordinary shares of Baht 1 each (31 December 2009: 920,954,935 ordinary shares of Baht 1 each)		920,988	920,955	920,988	920,955
1,714,900 preference shares of Baht 1 each (31 December 2009: 1,747,750 ordinary shares of Baht 1 each)		1,715	1,748	1,715	1,748
Issued and paid-up					
728,337,322 ordinary shares of Baht 1 each (31 December 2009: 728,304,472 ordinary shares of Baht 1 each)		728,337	728,304	728,337	728,304
1,714,900 preference shares of Baht 1 each (31 December 2009: 1,747,750 ordinary shares of Baht 1 each)		1,715	1,748	1,715	1,748
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		(98,302)	(75,451)	-	-
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		4,191,876	3,830,655	3,957,623	3,606,960
Total shareholders' equity		5,810,980	5,472,610	5,615,518	5,264,855
Total liabilities and shareholders' equity		8,975,096	8,566,992	9,744,562	8,557,085
		-	-	-	-

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 31 March 2010 and 2009**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Revenues					
Revenues from hospital operations	3	2,554,403	2,260,820	2,515,637	2,243,642
Rental income	3	36,917	31,851	43,525	38,367
Interest income		375	647	344	579
Exchange gains		9,670	9,736	9,725	9,380
Dividend income from a subsidiary	3, 4	-	-	204,771	-
Other income	3	27,061	24,523	22,950	24,524
Total revenues		2,628,426	2,327,577	2,796,952	2,316,492
Expenses					
Cost of hospital operations	3	1,511,406	1,369,631	1,493,773	1,363,101
Depreciation and amortisation		140,838	133,381	130,305	119,418
Administrative expenses	3	407,842	324,366	409,491	341,353
Allowance for loss on impairment of investment in subsidiary	4	-	-	212,000	-
Management benefit expenses		29,830	21,612	24,770	20,222
Total expenses		2,089,916	1,848,990	2,270,339	1,844,094
Income before finance cost and corporate income tax		538,510	478,587	526,613	472,398
Share of income from investments in joint venture and associated companies - net	5, 6	10,044	13,635	-	-
Finance cost	3	(15,703)	(22,741)	(17,058)	(25,560)
Income before corporate income tax		532,851	469,481	509,555	446,838
Corporate income tax	12	(163,616)	(131,423)	(150,878)	(128,916)
Net income for the period		369,235	338,058	358,677	317,922

(Unit: Baht)

Earnings per share		13			
Basic earnings per share					
Net income for the period		0.51	0.46	0.49	0.44
Weighted average number of ordinary shares (shares)		728,312,137	728,277,250	728,312,137	728,277,250
Diluted earnings per share					
Net income for the period		0.43	0.39	0.41	0.37
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 three-month periods ended 31 March 2010 and 2009**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash flows from operating activities				
Income before corporate income tax	532,851	469,481	509,555	446,838
Adjustments to reconcile income before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	140,838	133,381	130,305	119,418
Allowance for loss on impairment of investment in subsidiary	-	-	212,000	-
Bad debts and allowance for doubtful accounts	12,316	8,910	13,049	8,910
Loss on sales of equipment	192	633	192	633
Dividend income from a subsidiary	-	-	(204,771)	-
Share of loss from investment in joint venture	1	-	-	-
Share of income from investments in associated companies	(10,045)	(13,635)	-	-
Interest expense	15,703	22,741	17,058	25,560
Income from operating activities before changes in operating assets and liabilities	691,856	621,511	677,388	601,359
Operating assets (increase) decrease				
Trade accounts receivable	(179,406)	(84,251)	(178,354)	(84,925)
Amounts due from related parties	(5,945)	(4,939)	(17,654)	(5,056)
Inventories	(10,329)	(982)	(8,648)	(637)
Other current assets	(599)	(22,518)	(3,010)	(22,246)
Operating liabilities increase (decrease)				
Trade accounts payable	56,809	4,846	59,524	5,337
Amounts due to a related party	-	(2,015)	24	(2,841)
Accrued physicians' fees	27,426	34,776	27,426	34,776
Accrued expenses	11,733	16,689	12,223	17,321
Accounts payable - others	1,483	(580)	1,293	(596)
Other current liabilities	(15,175)	(2,460)	(14,534)	(2,560)
Cash flows from operating activities	577,853	560,077	555,678	539,932
Cash paid for interest expense	(16,225)	(23,084)	(17,580)	(25,744)
Cash paid for corporate income tax	(15,087)	(6,262)	(5,122)	(4,981)
Net cash flows from operating activities	546,541	530,731	532,976	509,207

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 three-month periods ended 31 March 2010 and 2009

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash flows from investing activities				
Increase in restricted bank deposits	-	(2,099)	-	(2,099)
Increase in advances to employees and directors	(1,975)	(1,748)	(1,997)	(1,748)
Dividend received from a subsidiary	-	-	204,771	-
Acquisition of plant and equipment and repayment of construction and medical equipment payables	(193,536)	(199,577)	(354,719)	(199,563)
Proceeds from sales of equipment	5,605	375	5,605	375
Acquisition of computer software	(13,333)	(3,291)	(13,296)	(3,291)
Decrease (increase) in other non-current assets	(858)	1,159	2,160	1,159
Net cash flows used in investing activities	(204,097)	(205,181)	(157,476)	(205,167)
Cash flows from financing activities				
Repayment of short-term loan from financial institution	(190,000)	(200,000)	(190,000)	(200,000)
Cash receipt from long-term loan from a related party	-	-	5,000	-
Repayment of long-term loan from a related party	-	-	(14,827)	(90,000)
Repayment of long-term loans from financial institutions	-	(142,320)	-	(32,812)
Dividend paid	(20)	(66)	(20)	(66)
Interest paid for convertible bonds treated as equity securities	(16,384)	(16,384)	(16,384)	(16,384)
Net cash flows used in financing activities	(206,404)	(358,770)	(216,231)	(339,262)
Decrease in translation adjustment	(19)	(146)	-	-
Net increase (decrease) in cash and cash equivalents	136,021	(33,366)	159,269	(35,222)
Cash and cash equivalents at beginning of period	386,641	384,642	333,440	350,881
Cash and cash equivalents at end of period	522,662	351,276	492,709	315,659
	-	-	-	-

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 three-month periods ended 31 March 2010 and 2009**

(Unit: Thousand Baht)

Consolidated financial statements

	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	
Balance as at 1 January 2009		728,269	1,783	285,568	252,173	(53,479)	550,000	(192,662)	92,275	3,201,434	4,865,361
Translation adjustment		-	-	-	-	21,412	-	-	-	-	21,412
Interest paid for convertible bonds treated as equity securities		-	-	-	-	-	-	-	-	(8,014)	(8,014)
Net income and expenses recognised directly in equity		-	-	-	-	21,412	-	-	-	(8,014)	13,398
Net income for the period		-	-	-	-	-	-	-	-	338,058	338,058
Total income for the period		-	-	-	-	21,412	-	-	-	330,044	351,456
Preference shares converted to ordinary shares	11	35	(35)	-	-	-	-	-	-	-	-
Balance as at 31 March 2009		<u>728,304</u>	<u>1,748</u>	<u>285,568</u>	<u>252,173</u>	<u>(32,067)</u>	<u>550,000</u>	<u>(192,662)</u>	<u>92,275</u>	<u>3,531,478</u>	<u>5,216,817</u>
Balance as at 1 January 2010		728,304	1,748	285,568	252,173	(75,451)	550,000	(192,662)	92,275	3,830,655	5,472,610
Translation adjustment		-	-	-	-	(22,851)	-	-	-	-	(22,851)
Interest paid for convertible bonds treated as equity securities		-	-	-	-	-	-	-	-	(8,014)	(8,014)
Net expenses recognised directly in equity		-	-	-	-	(22,851)	-	-	-	(8,014)	(30,865)
Net income for the period		-	-	-	-	-	-	-	-	369,235	369,235
Total income and expenses for the period		-	-	-	-	(22,851)	-	-	-	361,221	338,370
Preference shares converted to ordinary shares	11	33	(33)	-	-	-	-	-	-	-	-
Balance as at 31 March 2010		<u>728,337</u>	<u>1,715</u>	<u>285,568</u>	<u>252,173</u>	<u>(98,302)</u>	<u>550,000</u>	<u>(192,662)</u>	<u>92,275</u>	<u>4,191,876</u>	<u>5,810,980</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 three-month periods ended 31 March 2010 and 2009

(Unit: Thousand Baht)

		Separate financial statements						
		Issued and paid-up share capital		Premium on	Convertible	Retained earnings		
Note	Ordinary shares	Preference shares	ordinary shares	bonds treated as	Appropriated-	Unappropriated	Total	
				equity securities	statutory reserve			
Balance as at 1 January 2009	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	-	-	-	-	-	(8,014)	(8,014)	
Net expenses recognised directly in equity	-	-	-	-	-	(8,014)	(8,014)	
Net income for the period	-	-	-	-	-	317,922	317,922	
Total income for the period	-	-	-	-	-	309,908	309,908	
Preference shares converted to ordinary shares	11 35	(35)	-	-	-	-	-	
Balance as at 31 March 2009	<u>728,304</u>	<u>1,748</u>	<u>285,568</u>	<u>550,000</u>	<u>92,275</u>	<u>3,328,868</u>	<u>4,986,763</u>	
Balance as at 1 January 2010	728,304	1,748	285,568	550,000	92,275	3,606,960	5,264,855	
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(8,014)	(8,014)	
Net expenses recognised directly in equity	-	-	-	-	-	(8,014)	(8,014)	
Net income for the period	-	-	-	-	-	358,677	358,677	
Total income for the period	-	-	-	-	-	350,663	350,663	
Preference shares converted to ordinary shares	11 33	(33)	-	-	-	-	-	
Balance as at 31 March 2010	<u>728,337</u>	<u>1,715</u>	<u>285,568</u>	<u>550,000</u>	<u>92,275</u>	<u>3,957,623</u>	<u>5,615,518</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 periods ended 31 March 2010 and 2009

1. General information

1.1 Corporate information

Bumrungrad Hospital Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in hospital business, investment in other companies and rental of properties service 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 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 2009. There have been no changes in the composition of the Group during the current period.

1.4 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 2009.

2. 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	
	31 March 2010	31 December 2009	31 March 2010	31 December 2009
<u>Age of receivables</u>				
Not yet due	356,055	254,472	354,547	249,227
Past due				
1 - 30 days	162,669	139,826	161,132	139,528
31 - 60 days	131,917	60,798	129,560	60,243
61 - 90 days	40,772	37,312	40,532	36,766
91 - 180 days	40,532	79,913	38,277	79,721
181 - 365 days	101,985	80,421	101,070	79,777
More than 365 days	104,761	106,768	102,138	103,865
Total	938,691	759,510	927,256	749,127
Less: Allowance for doubtful debts	(113,693)	(101,602)	(110,206)	(97,382)
Trade accounts receivable - net	824,998	657,908	817,050	651,745

3. 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.

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 31 March				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2010	2009	2010	2009	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Medical service income	-	-	3.6	2.3	Market price
Rental income	-	-	6.9	6.5	As per contracts 3.1)
Dividend income	-	-	204.8	-	As declared
Lab service expense	-	-	2.5	1.7	Market price
Rental expense	-	-	22.2	22.2	As per contract 3.2)
Purchase of hospital building	-	-	938.0	-	As per contract 3.2)
Interest expense	-	-	1.4	12.8	2.50% p.a. (2009: MLR less 1.00% p.a.)
<u>Transactions with associated companies</u>					
Rental income	0.2	0.2	0.2	0.2	Actual paid
Consulting fee income	2.6	2.6	2.6	2.6	As per contract 3.3)
<u>Transactions with related companies</u>					
Medical service income	10.3	8.1	10.3	8.1	Market price
Other income	1.1	0.7	1.1	0.7	At cost
Donation expense	12.0	3.0	12.0	3.0	-
Insurance expense	8.9	4.9	8.9	4.9	As per insurance policies

3.1) A subsidiary (Bumrungrad Medical Center Ltd.) had leased a plot of land from the Company. The lease agreement covered a period of 30 years, commencing from the year 1996. The rental fee was Baht 22.3 million per annum. Subsequently, on 31 March 2010, the subsidiary entered into the memorandum of understanding to terminate the land lease agreement with the Company, the subsidiary has no obligation to pay such rental fee.

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 had to pay rental fee equal to 5% of gross revenue inclusive of value added tax, but not less than Baht 238,200 per month. Subsequently, on 1 January 2010, the Company and the subsidiary agreed to change the rental fee to Baht 350,000 per month starting from 1 January 2010 onwards.

3.2) The Company had leased hospital building from a subsidiary (Bumrungrad Medical Center Ltd.) for use in its hospital business. The rental fee was Baht 88.8 million per annum. The agreement would be expired in July 2010.

On 26 March 2010, the Company entered into the purchase agreement to acquire the hospital building (building B) from the subsidiary at a price of Baht 938.0 million. Subsequently, on 31 March 2010, the Company entered into the memorandum of understanding to terminate the Building lease agreement with the subsidiary, the Company has no obligation to pay such rental fee.

- 3.3) 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 0.9 million per month starting from January 2009 onwards. The agreement will expire as per the agreement's conditions.

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2010	31 December 2009	31 March 2010	31 December 2009
<u>Amounts due from related parties</u>				
<u>Subsidiaries</u>				
Bumrungrad Medical Center Ltd.	-	-	10,412	-
Asia Global Health Ltd.	-	-	3,976	2,835
Asia Global Research Ltd.	-	-	262	105
<u>Associated company</u>				
Bumrungrad International Ltd.	4,372	4,042	4,360	4,031
<u>Related party</u>				
The Bumrungrad Hospital Foundation	16,156	10,541	16,156	10,541
Total	<u>20,528</u>	<u>14,583</u>	<u>35,166</u>	<u>17,512</u>
<u>Amounts due to a related party</u>				
<u>Subsidiary</u>				
Vitalife Corporation Ltd.	-	-	1,750	1,726
<u>Long-term loan from a related party</u>				
<u>Subsidiary</u>				
Bumrungrad Medical Center Ltd.				
Long-term loan	-	-	986,000	219,827
Less: Current portion	-	-	(986,000)	-
Non-current portion	<u>-</u>	<u>-</u>	<u>-</u>	<u>219,827</u>

The long-term loan from Bumrungrad Medical Center Ltd. carries interest at the rate of 2.50% per annum.

(Unaudited but reviewed)

During the period, movements of long-term loan from a related party were as follows:

(Unit: Thousand Baht)

Subsidiary	Balance as at	During the period		Balance as at
	31 December	Increase	Decrease	31 March
	2009			2010
Bumrungrad Medical Center Ltd.				
Principal	219,827	781,000	(14,827)	986,000
Interest payable	-	1,355	(1,355)	-
	<u>219,827</u>	<u>782,355</u>	<u>(16,182)</u>	<u>986,000</u>

4. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amount based on cost method - net	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
			(%)	(%)						
Bumrungrad Medical Center Ltd.	958,954	958,954	100.00	100.00	1,691,903	1,691,903	752,000	545,000	939,903	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	21,602	100.00	100.00	21,602	21,602	-	-	21,602	21,602
Asia Global Research Ltd.	20,000	20,000	100.00	100.00	20,000	20,000	-	-	20,000	20,000
Total					<u>1,759,115</u>	<u>1,759,115</u>	<u>752,000</u>	<u>545,000</u>	<u>1,007,115</u>	<u>1,214,115</u>

On 26 March 2010, the 2010 Annual General Meeting of the shareholders of Bumrungrad Medical Center Ltd. passed a resolution approving the payment of a dividend from its retained earnings at Baht 1.71 per share, or a total of Baht 204.8 million.

5. Investment in joint venture

5.1 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 is as follows:

(Unit: Thousand Baht)

		Consolidated financial statements					
Jointly controlled entity	Nature of business	Shareholding percentage		Cost		Carrying amount based on equity method	
		31 March 2010	31 December 2009	31 March 2010	31 December 2009	31 March 2010	31 December 2009
		(%)	(%)				
Asia Renal Care (Thailand) Ltd.	Investment in other companies	51.00	51.00	7,267	7,267	7,214	7,215

(Unit: Thousand Baht)

		Separate financial statements			
Jointly controlled entity	Nature of business	Shareholding percentage		Carrying amount based on cost method	
		31 March 2010	31 December 2009	31 March 2010	31 December 2009
		(%)	(%)		
Asia Renal Care (Thailand) Ltd.	Investment in other companies	51.00	51.00	7,267	7,267

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.

5.2 Share of income/loss

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

(Unit: Thousand Baht)

Jointly controlled entity	Share of loss from investment in joint venture for the three-month periods ended 31 March	
	2010	2009
	Asia Renal Care (Thailand) Ltd.	1

5.3 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 at		Total assets as at		Total liabilities as at		Total revenues for the three-month periods ended		Net income (loss) for the three-month periods ended	
	31 March		31 March		31 March		31 March		31 March	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Asia Renal Care (Thailand) Ltd.	14.3	12.0	19.1	11.9	5.0	0.1	-	-	-	-

6. Investments in associated companies

6.1 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 amount based on equity method			
			31 March	31 December	31 March	31 December	31 March	31 December		
			2010	2009	2010	2009	2010	2009		
			(%)	(%)						
Bumrungrad International Ltd.	Holding company	Thailand	31.50	31.50	1,007,790	1,007,790	1,237,599	1,251,230		
CDE Trading Ltd.	Temporary cease its operation	Thailand	30.00	30.00	21,663	21,663	(22,614)	(23,458)		
Total					1,029,453	1,029,453	1,214,985	1,227,772		
Add: Deferred gain on sales of computer software - net							28,468	29,386		
Total							1,243,453	1,257,158		

(Unaudited but reviewed)

Deferred gain on sales of computer 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. In 2008, the Company transferred the deferred gain to deduct against the relevant intangible asset (Note 8 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	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
	2010	2009	2010	2009	2010	2009	2010	2009
	(%)	(%)						
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

6.2 Share of income/loss and dividend received

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

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of income from investments in associates during the three-month periods ended 31 March		Dividend received by the Company during the three-month periods ended 31 March	
	2010	2009	2010	2009
Bumrungrad International Ltd.	9,201	12,170	-	-
CDE Trading Ltd.	844	1,465	-	-
Total	10,045	13,635	-	-

The investment in an associated company (Bumrungrad International Ltd.) which carrying amount under the equity method as at 31 March 2010 and 2009 amounting to Baht 1,237.6 million and Baht 1,263.1 million, respectively, and shares of income of the associated company for the three-month period ended 31 March 2010 and 2009 amounting to Baht 9.2 million and Baht 12.2 million, respectively, were calculated from the consolidated financial statements of that associated company which mostly comprise figures derived from the financial statements of its overseas subsidiaries and were prepared by the subsidiaries' management and have not been reviewed by their auditors.

6.3 Summarised financial information of associated companies

Financial information of the associated companies is summarised below.

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 three-month		for the three-month	
	2010	2009	2010	2009	2010	2009	periods ended		periods ended	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Bumrungrad International Ltd.	3,199.3	3,199.3	7,157.3	6,986.4	2,500.2	2,316.8	1,028.7	1,022.1	47.0	38.6
CDE Trading Ltd.	10.0	10.0	19.7	29.8	0.1	9.6	-	-	0.1	-

7. Property, plant and equipment

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2010	5,666,942	4,728,437
Acquisitions during period - at cost	231,377	1,168,560
Disposals during period - net book value at disposal date	(5,797)	(5,797)
Depreciation for the period	(129,813)	(119,286)
Net book value as at 31 March 2010	5,762,709	5,771,914

The Company has mortgaged its land and buildings with a total net book value as at 31 March 2010 of Baht 2,293.1 million, as collaterals for its credit facilities granted by a local commercial banks, and for its convertible bonds treated as equity securities.

As at 31 December 2009, the Company and the subsidiary (Bumrungrad Medical Center Ltd.) had mortgaged their land and buildings, with a total net book value of Baht 1,973.6 million (Separate financial statements: Baht 1,067.0 million), as collaterals for credit facilities granted by a local commercial bank. In addition, the Company had mortgaged land with a book value of Baht 290.9 million (Baht 567.7 million appraisal fair value as of 25 November 2008) with another local commercial bank, acting as bondholders' trustee, as collateral for the convertible bonds treated as equity securities.

8. Intangible assets

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2010	285,629	314,760
Acquisition during period - at cost	13,333	13,296
Amortisation for the period	(11,025)	(11,019)
Realised gain on sales of software for period	918	-
Net book value as at 31 March 2010	288,855	317,037

9. Short-term loan from financial institution

As at 31 December 2009, short-term loan from financial institution of the Company amounting to Baht 190.0 million was promissory notes due within 1 month and bearing interest at the rate of 2.25% per annum. The loan was secured by the same collaterals as the long-term loan.

10. Long-term loans from financial institution

Tranche	Interest rate (%)	Repayment schedule	(Unit: Thousand Baht)			
			Consolidated		Separate	
			financial statements		financial statements	
			31 March 2010	31 December 2009	31 March 2010	31 December 2009
A	MLR less fixed rate	20 quarterly installments, commencing January 2012	1,420,000	1,420,000	1,420,000	1,420,000
B	MLR less fixed rate	20 quarterly installments, commencing March 2012	10,000	10,000	10,000	10,000

Total	<u>1,430,000</u>	<u>1,430,000</u>	<u>1,430,000</u>	<u>1,430,000</u>
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The loans are secured by mortgaged 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.

On 26 March 2010, the subsidiary canceled the assignment of its land leasehold right to the bank because it terminated the land lease agreement with the Company. However, the Company second mortgaged the land and hospital building which acquired from the subsidiary to the bank.

The loan agreement contains normal covenants pertaining to matters such as the maintenance of certain financial ratios, and restriction on financial indebtedness and the payment of dividends, among others.

As at 31 March 2010, the Company has credit facilities which have not been drawdown amounted to Baht 1,390 million.

11. Share capital

In the first quarter of 2010, 32,850 preference shares (2009: 35,000 shares) were converted into ordinary shares at ratio of one preference share to one ordinary share. The Company registered this conversion with the Ministry of Commerce on 11 March 2010.

12. Corporate income tax

Corporate income tax for the periods 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.

13. Earnings per share

The following table sets forth the computation of basic and diluted earnings per share.

	For the three-month periods ended 31 March					
	Consolidated financial statements					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	2010	2009	2010	2009	2010	2009
(Thousand Baht)	(Thousand Baht)	(Shares)	(Shares)	(Baht)	(Baht)	
Basic earnings per share						
Net income	369,235	338,058	728,312,137	728,277,250	0.51	0.46
Effect of dilutive potential ordinary shares						
Preference shares	-	-	1,740,085	1,774,972		
Convertible bonds	-	-	137,362,637	137,362,637		
Diluted earnings per share						

(Unaudited but reviewed)

Net income of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>369,235</u>	<u>338,058</u>	<u>867,414,859</u>	<u>867,414,859</u>	0.43	0.39
For the three-month periods ended 31 March						
Separate financial statements						
	Net income		Weighted average number of ordinary shares		Earnings per share	
	2010	2009	2010	2009	2010	2009
	(Thousand Baht)	(Thousand Baht)	(Shares)	(Shares)	(Baht)	(Baht)
Basic earnings per share						
Net income	358,677	317,922	728,312,137	728,277,250	0.49	0.44
Effect of dilutive potential ordinary shares						
Preference shares	-	-	1,740,085	1,774,972		
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>358,677</u>	<u>317,922</u>	<u>867,414,859</u>	<u>867,414,859</u>	0.41	0.37

14. 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.

15. Commitments and contingent liabilities

15.1 Capital commitments

As at 31 March 2010, the Company has capital commitments to pay a total of Baht 112.1 million (31 December 2009: Baht 197.1 million) in relation to the renovation agreement of building and Baht 57.4 million (31 December 2009: Baht 80.4 million) in respect of purchase of medical instruments and hospital equipment.

15.2 Operating lease and long-term service commitments

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

As at 31 March 2010, future minimum payments required under these operating leases agreements and long-term service agreements were as follows.

(Unit: Million Baht)

Details of commitments	Payable within			Total
	Less than 1 year	1 to 5 years	More than 5 years	
1) Fee to a bank which is bondholders' representative	0.3	0.3	-	0.6
2) Nursing dormitory land rental expense (shall be extended for a further period of 30 years)	0.8	5.6	12.3	18.7
3) Lease of land and building for operating service apartment (shall be extended for a further period of 2 years)	20.7	55.8	-	76.5
4) Lease of building for nursing dormitory and related services (shall be renewed automatically)	8.3	2.8	-	11.1
5) Maintenance service fee for medical instruments	77.0	125.8	-	202.8
6) Maintenance service fee for operations support	11.5	1.4	-	12.9
7) Rental and maintenance service fee for cars	9.1	8.1	-	17.2

In addition, on 1 April 2009, an overseas subsidiary entered into a 2-year consultancy contract with an overseas company. As at 31 March 2010, the subsidiary had outstanding commitment amounting to USD 600,000 under the contract, payable within 1 year.

15.3 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 31 March 2010, there was a minimum amount of Baht 301.2 million (31 December 2009: Baht 331.8 million) which the Company required to purchase according to the contracts.

15.4 Uncalled portion of investment in subsidiary

As at 31 March 2010 and 31 December 2009, the Company has a commitment of HKD 4.8 million in respect of the uncalled portion of investment in a subsidiary.

15.5 Bank guarantees

As at 31 March 2010 and 31 December 2009, there were outstanding bank guarantees of Baht 25.7 million issued by a bank on behalf of the Company. All were required in the normal course of business e.g. payment of utility expenses and space rental.

16. Subsequent event

On 28 April 2010, the Company's Annual General Meeting of Shareholders for 2010 approved the payment of a final dividend of Baht 0.45 per share from the Company's net income for the year ended 31 December 2009 to the Company's preference and ordinary shareholders. This constitutes a total dividend of Baht 329.0 million which is to be paid on 25 May 2010. The meeting also acknowledged payment of interim dividend of Baht 0.40 per share.

17. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 12 May 2010.