

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
REVIEW REPORT AND INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

Review Report of Independent Auditor

To The Board of Directors and Shareholders of
Bumrungrad Hospital Public Company Limited

I have reviewed the accompanying consolidated balance sheet of Bumrungrad Hospital Public Company Limited and subsidiaries as at 30 June 2006, the related consolidated statements of earnings for the three-month and six-month periods ended 30 June 2006 and 2005, the consolidated statements of changes in shareholders' equity and cash flows for the six-month periods ended 30 June 2006 and 2005, 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 5 to the financial statements, the Company's financial statements included investment in an associated company in Philippines under the equity method as at 30 June 2006 amounting to Baht 431.2 million and its share of loss of the associated company for the three-month and six-month periods ended 30 June 2006 amounting to Baht 17.2 million and Baht 18.4 million, respectively. The amounts are calculated from the financial statements of the associated company which were prepared by the associated company's management and have not been reviewed by its auditor.

Based on my reviews, except for the effects of any adjustments for the three-month and six-month periods ended 30 June 2006 which may be required as a result of the matter discussed in the third paragraph, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have previously audited the consolidated financial statements of Bumrungrad Hospital Public Company Limited and subsidiaries, and the separate financial statements of Bumrungrad Hospital Public Company Limited for the year ended 31 December 2005, in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements, under my report dated 28 February 2006. The balance sheet as at 31 December 2005, 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.

Sumalee Reewarabandith
Certified Public Accountant (Thailand) No. 3970

Ernst & Young Office Limited
Bangkok: 9 August 2006

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

(Unit: Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		30 June 2006	31 December 2005	30 June 2006	31 December 2005
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
ASSETS					
Current assets					
Cash and cash equivalents		490,955	543,506	409,126	382,386
Current investments - fixed deposits at financial institutions		10,000	-	10,000	-
Trade accounts receivable - net	3, 4	401,668	339,475	357,307	314,651
Advances to employees and directors		13,061	10,014	12,845	9,523
Short-term loans and interest receivable - related parties	4	93,121	1,384	92,860	21,040
Inventories		155,563	149,896	152,305	147,182
Prepaid expenses		80,576	49,970	73,003	26,074
Other current assets	1.2	43,175	9,597	2,275	1,245
Total current assets		1,288,119	1,103,842	1,109,721	902,101
Non-current assets					
Pledged fixed deposits at financial institutions	2	9,605	229,884	1,251	221,251
Investments accounted for under equity method	5	431,429	481,415	1,501,376	1,492,256
Other long-term investments - net		2,047	2,047	2,047	2,047
Long-term loans and interest receivable - a related party	4	-	-	22,633	22,604
Property, plant and equipment - net	6	3,498,390	3,269,655	2,409,586	2,153,355
Intangible assets - net		599,279	624,219	660,104	692,027
Other non-current assets		16,375	16,456	19,374	19,456
Total non-current assets		4,557,125	4,623,676	4,616,371	4,602,996
TOTAL ASSETS		5,845,244	5,727,518	5,726,092	5,505,097

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (Continued)

(Unit: Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		30 June 2006	31 December 2005	30 June 2006	31 December 2005
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Trade accounts payable		500,713	484,362	498,698	482,523
Amount due to a related party	4	70,000	-	70,000	-
Current portion of long-term loan	7	328,522	328,522	-	-
Short-term loans and interest payable - a related party	4	-	-	1,610,521	1,704,315
Accrued physicians' fee		229,195	213,241	228,495	213,049
Interest payable		299	585	-	-
Interest payable - convertible bonds treated as equity securities		6,089	6,233	6,089	6,233
Corporate income tax payable		207,575	205,622	206,515	204,544
Accrued expenses		261,082	203,357	250,916	171,015
Accounts payable - others	4	52,695	71,126	52,349	67,174
Unearned income	4	29,112	34,131	-	-
Other current liabilities		17,275	33,579	16,977	32,446
Total current liabilities		1,702,557	1,580,758	2,940,560	2,881,299
Non-current liabilities					
Long-term loan	7	1,286,710	1,450,971	-	-
Provision for loss in excess of cost of investment in subsidiary	5	-	-	-	8,562
Total non-current liabilities		1,286,710	1,450,971	-	8,562
TOTAL LIABILITIES		2,989,267	3,031,729	2,940,560	2,889,861

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (Continued)

(Unit: Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		30 June 2006 (Unaudited but reviewed)	31 December 2005 (Audited)	30 June 2006 (Unaudited but reviewed)	31 December 2005 (Audited)
Shareholders' equity					
Share capital	8				
Registered					
920,475,835 ordinary shares of Baht 1 each (31 December 2005: 920,341,835 ordinary shares of Baht 1 each)		920,476	920,342	920,476	920,342
2,226,850 preference shares of Baht 1 each (31 December 2005: 2,360,850 preference shares of Baht 1 each)		2,227	2,361	2,227	2,361
Issued and paid-up					
727,825,372 ordinary shares of Baht 1 each (31 December 2005: 727,691,372 ordinary shares of Baht 1 each)		727,825	727,691	727,825	727,691
2,226,850 preference shares of Baht 1 each (31 December 2005: 2,360,850 preference shares of Baht 1 each)		2,227	2,361	2,227	2,361
Premium on ordinary shares		285,568	285,568	285,568	285,568
Translation adjustment		5,179	30,829	5,179	30,829
Convertible bonds treated as equity securities	6	550,000	550,000	550,000	550,000
Excess of investment over book value of a subsidiary	5	-192,662	-192,662	-192,662	-192,662
Retained earnings					
Appropriated - statutory reserve		92,275	92,275	92,275	92,275
Unappropriated		1,315,120	1,119,174	1,315,120	1,119,174
Total equity attributable to Company's shareholders		2,785,532	2,615,236	2,785,532	2,615,236
Minority interest - equity attributable to minority shareholders of subsidiaries		70,445	80,553	-	-
Total shareholders' equity		2,855,977	2,695,789	2,785,532	2,615,236
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,845,244	5,727,518	5,726,092	5,505,097
		0	0	0	0

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 SUBSIDIARIES

STATEMENTS OF EARNINGS

FOR THE THREE-MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

(Unit: Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2006	2005	2006	2005
Revenues					
Revenues from hospital operations	4	1,851,946	1,577,336	1,836,044	1,574,292
Rental income	4	30,079	22,489	36,584	29,738
Interest income	4	3,776	1,761	4,109	1,906
Gain on exchange rate		3,866	6,381	5,999	6,132
Other income	4	28,548	32,373	4,789	5,095
Share of profit from investments accounted for under equity method		-	-	30,400	18,452
Total revenues		1,918,215	1,640,340	1,917,925	1,635,615
Expenses					
Cost of hospital operations		1,153,752	998,179	1,147,430	995,148
Depreciation and amortisation		82,743	72,269	72,410	61,988
Administrative expenses	4	272,433	249,272	301,427	262,255
Directors' remuneration		2,155	1,935	2,155	1,935
Loss on impairment of fixed assets (reversal)		-2,288	630	-2,288	630
Share of loss from investments accounted for under equity method		17,192	3,979	-	-
Total expenses		1,525,987	1,326,264	1,521,134	1,321,956
Earnings before interest expense and income tax		392,228	314,076	396,791	313,659
Interest expense	4	(30,663)	(26,486)	(32,196)	(25,892)
Corporate income tax	9	(99,548)	(44,771)	(98,565)	(42,830)
Earnings before minority interest		262,017	242,819	266,030	244,937
Minority interest		4,013	2,118	-	-
Net earnings for the period		266,030	244,937	266,030	244,937
					(Unit: Baht)
Basic earnings per share					
	10				
Net earnings		0.37	0.34	0.37	0.34
Weighted average number of ordinary shares (shares)		727,825,372	727,691,372	727,825,372	727,691,372
Diluted earnings per share					
	10				
Net earnings		0.31	0.28	0.31	0.28
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 SUBSIDIARIES

STATEMENTS OF EARNINGS

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

(Unit: Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2006	2005	2006	2005
Revenues					
Revenues from hospital operations	4	3,719,087	3,136,716	3,686,888	3,113,470
Rental income	4	57,881	35,564	71,230	52,712
Interest income	4	7,105	3,366	8,001	3,902
Gain on exchange rate		7,936	10,239	11,322	11,129
Other income	4	49,239	42,313	12,538	14,682
Share of profit from investments accounted for under equity method		-	-	43,331	21,185
Total revenues		3,841,248	3,228,198	3,833,310	3,217,080
Expenses					
Cost of hospital operations		2,316,730	1,972,344	2,305,110	1,962,984
Depreciation and amortisation		163,520	140,015	142,772	120,514
Administrative expenses	4	546,840	499,837	585,560	523,396
Directors' remuneration		3,355	3,155	3,355	3,155
Loss on impairment of fixed assets (reversal)	6	-1,388	-370	(1,388)	(370)
Share of loss from investments accounted for under equity method		18,443	3,080	-	-
Total expenses		3,047,500	2,618,061	3,035,409	2,609,679
Earnings before interest expense and income tax		793,748	610,137	797,901	607,401
Interest expense	4	(57,719)	(54,088)	(58,368)	(51,175)
Corporate income tax	9	(207,604)	(86,106)	(206,385)	(84,165)
Earnings before minority interest		528,425	469,943	533,148	472,061
Minority interest		4,723	2,118	-	-
Net earnings for the period		533,148	472,061	533,148	472,061
					(Unit: Baht)
Basic earnings per share					
	10				
Net earnings		0.73	0.65	0.73	0.65
Weighted average number of ordinary shares (shares)		727,771,328	727,568,477	727,771,328	727,568,477
Diluted earnings per share					
	10				
Net earnings		0.61	0.54	0.61	0.54
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 SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Cash flows from operating activities				
Net earnings	533,148	472,061	533,148	472,061
Adjustments to reconcile net earnings to net cash provided by (paid from) operating activities: -				
Depreciation and amortisation	163,520	140,015	142,772	120,514
Bad debts and allowance for doubtful accounts	10,308	9,041	9,785	3,778
Reversal of loss on impairment of fixed assets	(1,388)	(370)	(1,388)	(370)
Share of loss (profit) from investments accounted for under equity method	18,443	3,080	(43,331)	(21,185)
Earnings attributed to minority interest for the period	(4,723)	(2,118)	-	-
Loss (gain) on disposal of fixed assets	4,407	(122)	4,407	256
	<u>723,715</u>	<u>621,587</u>	<u>645,393</u>	<u>575,054</u>
Decrease (increase) in operating assets				
Trade accounts receivable	-72,501	-53,138	-52,441	-45,505
Inventories	(5,667)	(11,783)	(5,123)	(11,097)
Other current assets	(64,184)	(9,607)	(47,959)	(4,219)
Increase (decrease) in operating liabilities				
Trade accounts payable	(51,432)	(40,627)	(51,608)	(41,647)
Amount due to a related party	70,000	-	70,000	-
Accrued physicians' fee	15,954	23,626	15,446	23,846
Interest payable	(286)	280	-	-
Corporate income tax payable	1,953	23,465	1,971	84,165
Accrued expenses	57,725	104,692	79,901	100,502
Accounts payable - others	(18,431)	(288)	(14,825)	6,652
Unearned income	(5,019)	38,346	-	-
Other current liabilities	(16,304)	(7,559)	(15,469)	(6,563)
Net cash from operating activities	<u>635,523</u>	<u>688,994</u>	<u>625,286</u>	<u>681,188</u>

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

(UNAUDITED BUT REVIEWED)

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005
Cash flows from investing activities				
Decrease in deposits at financial institutions with maturity of more than 3 months and those pledged	210,279	400,004	210,000	-
Increase in advances to employees and directors	(3,047)	(5,002)	(3,322)	(5,476)
Decrease (increase) in short-term loans and interest receivable - related parties	(91,737)	(485)	(71,820)	3,430
Decrease (increase) in long-term loans and interest receivable - related parties	-	(76,035)	(29)	2,431
Purchase of investments in a subsidiary and associated companies	-	(322,691)	-	(599,000)
Increase in plant and equipment	(295,565)	(231,902)	(295,330)	(245,458)
Increase in other non-current assets	(6,905)	(172,551)	(6,905)	(75,551)
Net cash used in investing activities	<u>-186,975</u>	<u>-408,662</u>	<u>-167,406</u>	<u>-919,624</u>
Cash flows from financing activities				
Increase (decrease) in short-term loans and interest payable - a related party	-	-	-93,794	379,470
Decrease in long-term loan	(164,261)	(164,261)	-	-
Dividend paid	(328,523)	(292,014)	(328,523)	(292,014)
Interest paid for convertible bonds treated as equity securities	(8,823)	(8,822)	(8,823)	(8,822)
Net cash from (used in) financing activities	<u>(501,607)</u>	<u>(465,097)</u>	<u>(431,140)</u>	<u>78,634</u>
Net increase (decrease) in cash and cash equivalents	(53,059)	(184,765)	26,740	(159,802)
Translation adjustment	508	-	-	-
Cash and cash equivalents at beginning of period	543,506	722,882	382,386	516,300
Cash and cash equivalents at end of period	<u>490,955</u>	<u>538,117</u>	<u>409,126</u>	<u>356,498</u>
Supplemental cash flows information				
Cash paid during the period for: -				
Interest expense	58,005	53,808	38,083	56,574
Corporate income tax	215,858	72,884	213,390	7,538

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

(UNAUDITED BUT REVIEWED)

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

(Unit: Thousand Baht)

		CONSOLIDATED									
		Issued and paid-up share capital		Premium on	Translation	Convertible	Excess of	Retained earnings		Minority	Total
Note	Ordinary shares	Preference shares	ordinary shares	adjustment	equity securities	investment over	book value of	Appropriated -	Unappropriated	interest	
						a subsidiary	statutory reserve				
Balance - as at 1 January 2005	727,359	2,693	285,568	-	550,000	-192,662	46,500	640,739	-	2,060,197	
Preference shares converted to ordinary shares	8	332	-332	-	-	-	-	-	-	-	-
Investment of minority interest as at purchase date of investment in a subsidiary		-	-	-	-	-	-	-	-	78,320	78,320
Translation adjustment		-	-	14,764	-	-	-	-	-	4,232	18,996
Interest paid for convertible bonds treated as equity securities		-	-	-	-	-	-	-	-8,678	-	-8,678
Net earnings for the period		-	-	-	-	-	-	472,061	-	472,061	
Minority interest for the period		-	-	-	-	-	-	-	-	-2,118	-2,118
Dividend paid	11	-	-	-	-	-	-	-	-292,014	-	-292,014
Balance - as at 30 June 2005	<u>727,691</u>	<u>2,361</u>	<u>285,568</u>	<u>14,764</u>	<u>550,000</u>	<u>-192,662</u>	<u>46,500</u>	<u>812,108</u>	<u>80,434</u>	<u>2,326,764</u>	
Balance - as at 1 January 2006		727,691	2,361	285,568	30,829	550,000	-192,662	92,275	1,119,174	80,553	2,695,789
Preference shares converted to ordinary shares	8	134	-134	-	-	-	-	-	-	-	-
Translation adjustment		-	-	-25,650	-	-	-	-	-	-5,385	-31,035
Interest paid for convertible bonds treated as equity securities		-	-	-	-	-	-	-	-8,679	-	-8,679
Net earnings for the period		-	-	-	-	-	-	533,148	-	533,148	
Minority interest for the period		-	-	-	-	-	-	-	-	-4,723	-4,723
Dividend paid	11	-	-	-	-	-	-	-	-328,523	-	-328,523
Balance - as at 30 June 2006		<u>727,825</u>	<u>2,227</u>	<u>285,568</u>	<u>5,179</u>	<u>550,000</u>	<u>-192,662</u>	<u>92,275</u>	<u>1,315,120</u>	<u>70,445</u>	<u>2,855,977</u>

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

(UNAUDITED BUT REVIEWED)

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

(Unit: Thousand Baht)

		THE COMPANY ONLY								
		Issued and paid-up share capital		Premium on ordinary shares	Translation adjustment	Convertible bonds treated as equity securities	Excess of investment over book value of a subsidiary	Retained earnings		Total
Note		Ordinary shares	Preference shares					Appropriated - statutory reserve	Unappropriated	
	Balance - as at 1 January 2005	727,359	2,693	285,568	-	550,000	-192,662	46,500	640,739	2,060,197
	Preference shares converted to ordinary shares	332	-332	-	-	-	-	-	-	-
	Translation adjustment	-	-	-	14,764	-	-	-	-	14,764
	Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	-	-	-8,678	-8,678
	Net earnings for the period	-	-	-	-	-	-	-	472,061	472,061
	Dividend paid	-	-	-	-	-	-	-	-292,014	-292,014
	Balance - as at 30 June 2005	727,691	2,361	285,568	14,764	550,000	-192,662	46,500	812,108	2,246,330
	Balance - as at 1 January 2006	727,691	2,361	285,568	30,829	550,000	-192,662	92,275	1,119,174	2,615,236
	Preference shares converted to ordinary shares	134	-134	-	-	-	-	-	-	-
	Translation adjustment	-	-	-	-25,650	-	-	-	-	-25,650
	Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	-	-	-8,679	-8,679
	Net earnings for the period	-	-	-	-	-	-	-	533,148	533,148
	Dividend paid	-	-	-	-	-	-	-	-328,523	-328,523
	Balance - as at 30 June 2006	727,825	2,227	285,568	5,179	550,000	-192,662	92,275	1,315,120	2,785,532

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

(UNAUDITED BUT REVIEWED)

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

1. GENERAL INFORMATION

1.1 Corporate information

Bumrungrad Hospital Public Company Limited (“the Company”) was incorporated as a public company under Thai laws. The Company operates in Thailand and is principally engaged in hospital business, investment in other companies and rental of properties service. The Company’s registered office is located at 33 Sukhumvit Soi 3 (Nana Nua) Sukhumvit Road, Klongtoey Nua Sub District, Wattana District, Bangkok.

1.2 Investment and business operation plans

The meeting of the Company’s Board of Directors No. 2/2548 dated 28 February 2005 has approved an investment of 49% of shares in a new company to be incorporated in Dubai, United Arab Emirates for operating hospital business, with investment value amounting to Baht 388 million. The initial investment is expected to be made in 2006 - 2007. A subsidiary (Bumrungrad International Ltd.) entered into a Memorandum of Understanding and Shareholders Agreement relating to the Establishment with the counterparty on 16 March 2005 and 31 January 2006, respectively.

On 14 February 2006, a subsidiary (Bumrungrad International Holdings (Hong Kong) Ltd.) entered into Call Option Agreement with the counterparties for investment in the People’s Republic of China. The subsidiary paid USD 1 million for call option as deposit and recorded in current assets account in consolidated financial statements.

The meeting of the Company’s Board of Directors No. 3/2549 dated 30 March 2006 has resolved to approve the following resolutions: -

- a) Approve the increase in registered capital of Bumrungrad International Ltd. (“BIL”), a wholly-owned subsidiary of the Company, from 6,000,000 shares to 19,764,701 shares by issuing new 13,764,701 ordinary shares at a par value of Baht 100 per share.

(UNAUDITED BUT REVIEWED)

The subscription for the capital increase will be made in 2 stages. In the first capital increase 5,764,701 new shares will be issued at Baht 153.52 per share to strategic investors, raising approximately Baht 884,996,897.52. The Company's shareholding in BIL will reduce to 51% after the first capital increase.

In the second capital increase, all shareholders of BIL will subscribe to 8,000,000 new shares on a pro-rata basis at Baht 100 per share to raise an additional Baht 800 million. After the second capital increase, the Company's shareholding will remain at 51%.

- b) Approve a waiver of right to subscribe to a maximum of 5,764,701 new shares of BIL to allow subscription by Bangkok Bank Public Company Limited ("BBL"), Istithmar PJSC ("Istithmar") and V-Sciences Investment Pte Ltd ("V-Sciences").

This transaction is subject to the following conditions: -

- The Company, BBL, Istithmar and V-Sciences shall obtain all necessary regulatory approvals/permissions for the transaction; and
- The execution of the definitive agreements in relation to the transaction by the Company, BBL, Istithmar and V-Sciences.

Provided that, the actual amount of new BIL shares to be waived by the Company shall depend on the amount of shares approved for each investors under condition a) above. Particularly for BBL, the waiver is subject to approval of the Company's shareholders' meeting with affirmative votes of not less than three-fourths of all votes of the shareholders or proxy present at the meeting and having the right to vote, excluding the shareholders having interest therein. In case any investor is not allowed to subscribe to the shares, the Company may reduce the amount of shares to be waived as the Board of Directors may deem appropriate.

On 15 May 2006, the extraordinary meeting of the Company's shareholders passed a resolution approving the waiver of the right to subscribe new shares of BIL to allow subscription by BBL, which is the connected transaction. On 2 June 2006, the Company, BIL, BBL, Istithmar and V-Sciences have executed contracts for investment in BIL.

(UNAUDITED BUT REVIEWED)

1.3 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standards Pronouncement No. 41 “Interim financial statements”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, and the statements of earnings, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

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

1.4 Basis of consolidation

These consolidated financial statements include the financial statements of Bumrungrad Hospital Public Company Limited and subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2005. There have been no changes in the composition of the subsidiaries during the current period.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2005.

2. PLEDGED FIXED DEPOSITS AT FINANCIAL INSTITUTIONS

As at 30 June 2006, deposits at financial institutions of Baht 9.6 million (31 December 2005: Baht 9.9 million) have been pledged with banks to secure bank guarantees issued by banks on behalf of the Company and a subsidiary (Bumrungrad Medical Center Ltd.).

As at 31 December 2005, fixed deposit of Baht 220 million had been pledged to secure long-term loan of that subsidiary as described in Note 7.

(UNAUDITED BUT REVIEWED)

3. TRADE ACCOUNTS RECEIVABLE

The agings of the trade accounts receivable balances as at 30 June 2006 and 31 December 2005 are as follows: -

(Unit: Thousand Baht)

<u>Outstanding period</u>	<u>CONSOLIDATED</u>		<u>THE COMPANY ONLY</u>	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
Current	186,418	209,272	174,661	186,998
Overdue				
1 - 30 days	74,868	67,190	71,747	65,560
31 - 60 days	42,984	24,610	40,635	24,016
61 - 90 days	22,594	15,251	20,465	14,245
91 - 180 days	46,731	22,181	38,647	22,038
181 - 365 days	46,065	15,347	27,149	14,690
More than 365 days	34,343	28,689	34,327	28,680
Total	454,003	382,540	407,631	356,227
Less: Allowance for doubtful accounts	(52,335)	(43,065)	(50,324)	(41,576)
Net	401,668	339,475	357,307	314,651

4. RELATED PARTY TRANSACTIONS

During the periods, the Company had significant business transactions with subsidiaries and related companies, which are related through shareholding or through having certain common shareholders or directors. Such transactions are summarised below.

(Unit: Million Baht)

	<u>THE COMPANY ONLY</u>				<u>Pricing policy</u>
	<u>For the three-month periods ended 30 June</u>		<u>For the six-month periods ended 30 June</u>		
	2006	2005	2006	2005	
<u>Transactions with subsidiaries</u>					
Rental income	6.5	6.3	13.3	12.6	As per contracts a)
Interest income	0.7	0.6	1.3	1.2	MLR less 0.5% p.a., MLR p.a. (2005: MLR less 0.5% p.a.)

(UNAUDITED BUT REVIEWED)

(Unit: Million Baht)

	THE COMPANY ONLY				Pricing policy
	For the three-month		For the six-month		
	periods ended 30 June		periods ended 30 June		
	2006	2005	2006	2005	
Medical service income	2.9	2.5	6.2	5.3	Cost plus margin
Rental expense	21.0	21.0	42.0	42.0	As per contract b)
Interest expense	29.5	25.9	55.7	51.2	MLR less 0.45% p.a., MLR p.a. (2005: MLR less 0.45% p.a.)
Purchase of equipment	-	-	-	8.5	Book value plus margin
Sales of equipment	-	-	-	0.7	Book value
<u>Transactions with related companies</u>					
Medical service income	3.8	4.6	8.6	6.2	Cost plus margin
Rental income	0.3	0.3	0.6	0.6	As per contract c)
Software maintenance expense	17.4	-	35.4	-	As per contract i)
Rental expense	7.6	4.6	14.7	9.2	As per contract d)
Donation expense	1.8	2.9	3.6	3.2	-
Consulting fee expense	1.6	-	3.0	-	As per contract
Purchase of computer software	-	-	-	64.2	As per contracts e)
Insurance expense	3.3	3.0	6.5	6.3	As per insurance policies

(Unit: Million Baht)

	CONSOLIDATED				Pricing policy
	For the three-month		For the six-month		
	periods ended 30 June		periods ended 30 June		
	2006	2005	2006	2005	
<u>Transactions with subsidiaries</u>					
(eliminated from consolidated financial statements)					
Interest income	1.2	0.8	2.1	0.8	10% p.a. and MLR less 0.45% p.a.
<u>Transactions with related companies</u>					
Medical service income	3.8	4.6	8.6	6.2	Cost plus margin
System implementation income	5.4	6.8	5.4	6.8	As per contract f)
Software license fee income	1.9	1.9	3.8	1.9	As per contract g)

(UNAUDITED BUT REVIEWED)

(Unit: Million Baht)

	CONSOLIDATED				Pricing policy
	For the three-month		For the six-month		
	periods ended 30 June		periods ended 30 June		
	2006	2005	2006	2005	
Rental income	0.3	0.3	0.6	0.6	As per contract c)
Management fee income	10.2	-	20.2	-	As per contract h)
Software maintenance expense	17.4	-	35.4	-	As per contract i)
Rental expense	7.6	4.6	14.7	9.2	As per contract d)
Donation expense	1.8	2.9	3.6	3.2	-
Consulting fee expense	1.6	-	5.1	-	As per contract
Purchase of computer software	-	100.0	-	164.2	As per contracts e)
Sales of equipment	-	-	-	7.7	As e)
System implementation expense	-	-	-	2.0	As per contract f)
Insurance expense	3.3	3.0	6.5	6.3	As per insurance policies

- a) A subsidiary (Bumrungrad Medical Center Ltd.) has leased a plot of land, building and nursing dormitory from the Company for its hospital operations. The lease agreements cover a period of 30 years, commencing from the year 1996. The rental fees are Baht 40.1 million per annum, not including the rental fee for B.H. Residence. On 1 August 2004, the subsidiary terminated the lease agreements of building, nursing dormitory and B.H. Residence with the Company, the subsidiary has no obligation to pay such rental fees.

Another subsidiary (Vitallife Corporation Ltd.) has leased building spaces from the Company for use in its operations. The lease agreement covers a period of 11 years, commencing from the year 2001, and rental fees are Baht 3 million per annum. On 1 July 2004, the Company and subsidiary made an addendum to lease agreement. The subsidiary has to pay rental fee equal to 5% of gross revenue inclusive of value added tax, but not less than Baht 238,200 per month.

- b) The Company has leased hospital building from Bumrungrad Medical Center Ltd. for use in its hospital business. The lease agreement covers a period of 3 years, commencing from August 2004, and the rental fees are Baht 84 million per annum.

(UNAUDITED BUT REVIEWED)

- c) Global Care Solutions (Thailand) Co., Ltd. has leased building spaces from the Company for use in its operations. The lease agreement covers a period of 3 years, commencing from the year 2001, and shall be extended for a further period of 3 years. The rental fees are Baht 1 million per annum, not including rental fees for room at B.H. Residence.
- d) The Company has entered into an agreement to lease land and a building (B.H. Tower) from Bangkok Bank Plc. for a period of 3 years, commencing from August 2000. The rental fee is calculated at the rate of 75% of net income (total revenues minus total expenses) from the sub-lease, with a minimum rental of Baht 8 million per annum. On 11 November 2005, the bank approved renewal of agreement, commencing on 29 August 2005 to 28 August 2006. The rate of rental and other conditions shall be in accordance with the initial agreement.

Rental payable as at 30 June 2006, amounting to Baht 5.5 million (31 December 2005: Baht 3.3 million), was shown in the balance sheet under the caption of "Accounts payable - others".

- e) In January 2005, the Company entered into a license agreement with Global Care Solution (Thailand) Co., Ltd. to purchase additional computer software, totaling USD 1.5 million (exclusive of value added tax). The Company paid for such software in the first quarter of 2005.

A subsidiary (Bumrungrad International Ltd.) has entered into a license agreement with Global Care Solutions (Thailand) Co., Ltd. in January 2005 to purchase computer software for use in its international hospital management service business. The subsidiary paid a minimum license fee of USD 2.5 million in the second quarter of 2005.

In January 2005, a subsidiary (Bumrungrad Medical Center Ltd.) sold its equipment to Global Care Solutions (Thailand) Co., Ltd., amounting to Baht 7.7 million (book value plus margin) and fully received the proceeds.

(UNAUDITED BUT REVIEWED)

- f) A subsidiary (Bumrungrad International Ltd.) has entered into the provision of services under system implementation agreement with Global Care Solutions (Thailand) Co., Ltd. in April 2005 to provide computer system implementation services to Asian Hospital, Inc. (AHI) for the use in its hospital business. The subsidiary is obliged to pay such fee totaling USD 200,000. During the year 2005, the subsidiary recorded for such fee amounting to USD 103,000.

The subsidiary has also entered into computer system implementation agreement with AHI, totaling USD 350,000. The subsidiary called for such fee amounting to USD 315,000.

- g) In February 2005, a subsidiary (Bumrungrad International Ltd.) and Asian Hospital, Inc. (AHI) have entered into a software site license agreement. AHI paid all license fee of 52,676,342 pesos in 2005. The license fee will be recognised as income in accordance with the period as stipulated in the agreement. Unrecognised license fee as at 30 June 2006, amounting to Baht 28.7 million (31 December 2005: Baht 32.6 million), was shown in the balance sheet under the caption of “Unearned income”.

- h) A subsidiary (Bumrungrad International Philippines Inc. (BIPI) and Asian Hospital, Inc. (AHI) have entered into a management service agreement under which AHI has to pay the subsidiary a percentage of its net revenue and earnings before interest, tax, depreciation and amortisation. The management fee shall be paid in form of cash up to a certain amount, the excess of which will be paid in form of AHI’s shares, up to maximum 10% of total issued and outstanding capital stock of AHI (fully diluted basis). The agreement covered a period of 5 years, expiring in the year 2010, and shall be renewed. Management fee receivable as at 30 June 2006, amounting to Baht 36.8 million (31 December 2005: Baht 22.8 million), was recorded in “Trade accounts receivable” in consolidated financial statements.

- i) On 4 January 2006, the Company has entered into a Maintenance Services for Software Hospital 2000/DOT NET with Global Care Solutions (Thailand) Co., Ltd. The Company is obliged to pay such fee totaling USD 1,750,000 (exclusive of value added tax). The agreement will expire on 31 December 2006.

(UNAUDITED BUT REVIEWED)

The outstanding balances of the above transactions (except d, g) and h)) were separately presented in the balance sheets as follows: -

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
<u>Short-term loans and interest receivable - related parties</u>				
<u>Former subsidiary</u>				
The Bumrungrad Hospital Rayong Co., Ltd.	-	-	39,432	39,432
Less: Allowance for doubtful accounts	-	-	(39,432)	(39,432)
	-	-	-	-
<u>Subsidiaries</u>				
Bumrungrad International Ltd.	-	-	121	6
Vitalife Corporation Ltd.	-	-	5,052	20,745
<u>Associated company</u>				
Asian Hospital, Inc.	5,434	1,095	-	-
<u>Related parties</u>				
Global Care Solutions (Thailand) Co., Ltd.	87,325	139	87,325	139
The Bumrungrad Hospital Foundation	362	150	362	150
Total	<u>93,121</u>	<u>1,384</u>	<u>92,860</u>	<u>21,040</u>
<u>Long-term loans and interest receivable - a related party</u>				
<u>Subsidiary</u>				
Vitalife Corporation Ltd.	-	-	22,633	22,604
<u>Amount due to a related party</u>				
<u>Related party</u>				
Global Care Solutions (Thailand) Co., Ltd.	<u>70,000</u>	-	<u>70,000</u>	-
<u>Short-term loans and interest payable - a related party</u>				
<u>Subsidiary</u>				
Bumrungrad Medical Center Ltd.	-	-	1,610,521	1,704,315

The short-term and long-term loans to Vitalife Corporation Ltd. carry interest at the rate of MLR less 0.5% per annum, MLR per annum (2005: MLR less 0.5% per annum).

Bumrungrad International Ltd. granted short-term loan of USD 1 million to Bumrungrad International Holdings (Hong Kong) Limited. The loan carries interest at the rate of MLR less 0.45% per annum.

(UNAUDITED BUT REVIEWED)

No interest has been charged on short-term loans to other related parties.

Bumrungrad International Ltd. granted long-term loan to Neptune Stroika Holdings, Inc. of 30 million pesos, carrying interest at the rate of 10% per annum, for a period of 7 years (within the year 2012). The loan has been secured by a pledge of shares in Neptune Stroika Holdings, Inc., which are held by Mr. Augusto G. Gan.

The short-term loans from Bumrungrad Medical Center Ltd. carry interest at the rate of MLR less 0.45% per annum, MLR per annum (2005: MLR less 0.45% per annum).

Movement of loans to and loans from during the period are summarised below.

	(Unit: Thousand Baht)			
	31 December			30 June
	2005	Increase	Decrease	2006
<u>Short-term loans and interest receivable - related parties</u>				
<u>Subsidiaries</u>				
Bumrungrad International Ltd.	6	935	820	121
Vitalife Corporation Ltd.				
Principal	20,647	2,277	17,897	5,027
Interest receivable	98	523	596	25
<u>Associated company</u>				
Asian Hospital, Inc.	1,095	5,434	1,095	5,434
<u>Related parties</u>				
Global Care Solutions (Thailand) Co., Ltd.	139	87,475	289	87,325
The Bumrungrad Hospital Foundation	150	998	786	362
<u>Long-term loans and interest receivable - a related party</u>				
<u>Subsidiary</u>				
Vitalife Corporation Ltd.				
Principal	22,494	-	-	22,494
Interest receivable	110	739	710	139
<u>Amount due to a related party</u>				
<u>Related party</u>				
Global Care Solutions (Thailand) Co., Ltd.	-	70,000	-	70,000
<u>Short-term loans and interest payable - a related party</u>				
<u>Subsidiary</u>				
Bumrungrad Medical Center Ltd.				
Principal	1,704,315	20,296	134,375	1,590,236
Interest payable	-	55,742	35,457	20,285

(UNAUDITED BUT REVIEWED)

5. INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD/PROVISION FOR LOSS IN EXCESS OF COST OF INVESTMENT IN SUBSIDIARY

Investments accounted for under equity method comprise of investments in ordinary shares of the following companies: -

CONSOLIDATED

(Unit: Thousand Baht)

	30 June 2006				31 December 2005			
	Paid-up capital	Percentage of shareholding %	Investments		Paid-up capital	Percentage of shareholding %	Investments	
Cost method			Equity method	Cost method			Equity method	
Associated companies								
L.S. Cleaning Co., Ltd.	1,250	25.00	313	209	1,250	25.00	313	209
Asian Hospital, Inc.	1,412,006	35.19	385,760	431,220	1,409,180	35.19	385,760	481,206
	Thousand Peso				Thousand Peso			
Total investments			<u>386,073</u>	<u>431,429</u>			<u>386,073</u>	<u>481,415</u>

THE COMPANY ONLY

(Unit: Thousand Baht)

	30 June 2006				31 December 2005			
	Paid-up capital	Percentage of shareholding %	Investments		Paid-up capital	Percentage of shareholding %	Investments	
Cost method			Equity method	Cost method			Equity method	
Subsidiaries								
Bumrungrad Medical Center Ltd.	958,954	100.00	1,691,903	1,125,882	958,954	100.00	1,691,903	1,092,852
Bumrungrad International Ltd.	600,000	100.00	600,000	565,882	600,000	100.00	600,000	591,857
Vitalife Corporation Ltd.	31,500	100.00	25,610	2,065	31,500	100.00	25,610	(8,562)
Total investments in subsidiaries			<u>2,317,513</u>	<u>1,693,829</u>			<u>2,317,513</u>	<u>1,676,147</u>
Associated company								
L.S. Cleaning Co., Ltd.	1,250	25.00	313	209	1,250	25.00	313	209
Total investment in associated company			<u>313</u>	<u>209</u>			<u>313</u>	<u>209</u>
Total investments			<u>2,317,826</u>	<u>1,694,038</u>			<u>2,317,826</u>	<u>1,676,356</u>

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

	THE COMPANY ONLY	
	30 June 2006	31 December 2005
<u>Net investments</u>		
Investments accounted for under equity method	1,501,376	1,492,256
Excess of investment over book value of a subsidiary	192,662	192,662
Provision for loss in excess of cost of investment in subsidiary	-	(8,562)
Total	<u>1,694,038</u>	<u>1,676,356</u>

On 24 February 2005, a subsidiary (Bumrungrad International Ltd.) invested Baht 131,949,605.69 (Peso 185 million) in Neptune Stroika Holdings, Inc. (Neptune) to acquire 66,667 preferred shares at a par value of 1,000 pesos each (40% ownership) and also invested Baht 59,155,653.07 in Bumrungrad International Philippines Inc. (BIPI) to acquire 7,000,000 shares at a par value of 1 peso each (a 100% holding) and further inject Capital in the form of loans to BIPI amounted to Baht 179,386,827.26 (253,856,573.29 pesos).

Neptune and BIPI acquired investments in the ordinary shares of Asian Hospital, Inc. (AHI) for Peso 215 million (190,265,487 shares) and Peso 283 million (423,238,004 shares), respectively, representing respective shareholdings of 13.41% and 29.83%. AHI is incorporated in Philippines and operates the hospital business.

The share of the profit/loss of the associated companies has been calculated from the management accounts of associated companies which have not been reviewed by their auditors.

(UNAUDITED BUT REVIEWED)

6. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account during the six-month period ended 30 June 2006 are summarised below.

(Unit: Thousand Baht)

	<u>CONSOLIDATED</u>	<u>THE COMPANY ONLY</u>
Net book value as at 1 January 2006	3,269,655	2,153,355
Acquisitions during period - at cost	366,768	366,534
Disposals during period - net book value at disposal date	(7,828)	(7,828)
Depreciation for period	(131,593)	(103,863)
Allowance for impairment reversed during period	1,388	1,388
Net book value as at 30 June 2006	<u>3,498,390</u>	<u>2,409,586</u>

The Company has mortgaged all of the land with a book value of Baht 290.9 million (Baht 719 million appraisal fair value as of 14 February 2006) with a commercial bank, acting as bondholders' trustee, as collateral for the convertible bonds treated as equity securities.

The Company and Bumrungrad Medical Center Ltd. have mortgaged their buildings and pledged medical instruments and hospital equipment, with a total net book value as at 30 June 2006 of Baht 1,258 million (the Company Only: Baht 165 million) (31 December 2005: Baht 1,285 million (the Company Only: Baht 165 million)) as collaterals for long-term loan credit facilities granted by a local commercial bank as described in Note 7.

7. LONG-TERM LOAN

(Unit: Thousand Baht)

	<u>CONSOLIDATED</u>	
	<u>30 June 2006</u>	<u>31 December 2005</u>
<u>Bumrungrad Medical Center Ltd.</u>		
Loan from a local commercial bank	1,615,232	1,779,493
Less: Current portion	(328,522)	(328,522)
Long-term portion	<u>1,286,710</u>	<u>1,450,971</u>

(UNAUDITED BUT REVIEWED)

Movements in long-term loan account during the six-month period ended 30 June 2006 are summarised below.

(Unit: Thousand Baht)

	<u>CONSOLIDATED</u>
Balance as at 1 January 2006	1,779,493
Less: Repayment	<u>(164,261)</u>
Balance as at 30 June 2006	<u><u>1,615,232</u></u>

On 25 May 2006, the Company and the subsidiary entered into Second Amendment Dated 25 May 2006 Baht 2,400,000,000 Facility Agreement Dated 12 September 2002 (As Amended and Restated) with the bank creditor to change the interest rate of Baht 2,250,000,000 credit facility from MLR less 0.5% per annum to average MLR less 1.25% per annum and cancel the pledged of fixed deposits.

In addition, the Company and the subsidiary obtain additional Baht 1,370,000,000 credit facilities, divided into 4 tranches as follows: -

- a) Tranche B2 of Baht 650,000,000 carries interest at average MLR less 1.25% per annum. Principal is repayable in 32 quarterly installments, commencing 31 March 2008.
- b) Tranche C of Baht 400,000,000 carries interest at average MLR less 1.25% per annum. Principal is repayable in 32 quarterly installments, commencing 31 March 2008.
- c) Tranche D of Baht 300,000,000 for 8-year working capital carries interest at average MLR less 1.25% per annum.
- d) Tranche E of Baht 20,000,000 for 8-year working capital carries interest at MOR per annum.

Original mortgaged building and pledged medical instruments and hospital equipment are still used as collaterals for above loan credit facilities except for tranche C, B.H. Residence building will be mortgaged when the Company buy it back from Bangkok Bank Plc.

(UNAUDITED BUT REVIEWED)

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.

8. SHARE CAPITAL

In the first quarter of 2006, 134,000 preference shares (2005: 332,000 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 14 March 2006.

9. CORPORATE INCOME TAX

Corporate income tax for the three-month and six-month periods ended 30 June 2006 and 2005 of the Company and a subsidiary (Bumrungrad Medical Center Ltd.) have been calculated by multiplying earnings before income tax for the period by the estimated effective tax rate for the year.

10. RECONCILIATION OF DILUTED EARNINGS PER SHARE

For the three-month periods ended 30 June						
Net earnings		Weighted average number of ordinary shares		Earnings per share		
<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	
Thousand Baht	Thousand Baht	Shares	Shares	Baht	Baht	
Basic earnings per share						
Net earnings	266,030	244,937	727,825,372	727,691,372	0.37	0.34
Effect of dilutive potential ordinary shares						
2,226,850 preference shares						
(2005: 2,360,850 preference shares)	-	-	2,226,850	2,360,850		
55 convertible bonds	-	-	137,362,637	137,362,637		
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>266,030</u>	<u>244,937</u>	<u>867,414,859</u>	<u>867,414,859</u>	0.31	0.28

(UNAUDITED BUT REVIEWED)

For the six-month periods ended 30 June						
Net earnings		Weighted average number of ordinary shares		Earnings per share		
<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	
Thousand Baht	Thousand Baht	Shares	Shares	Baht	Baht	
Basic earnings per share						
Net earnings	533,148	472,061	727,771,328	727,568,477	0.73	0.65
Effect of dilutive potential ordinary shares						
2,226,850 preference shares						
(2005: 2,360,850 preference shares)	-	-	2,280,894	2,483,745		
55 convertible bonds	-	-	<u>137,362,637</u>	<u>137,362,637</u>		
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares						
	<u>533,148</u>	<u>472,061</u>	<u>867,414,859</u>	<u>867,414,859</u>	0.61	0.54

11. DIVIDEND PAID

On 26 April 2006, the Company's Annual General Meeting of Shareholders approved the payment of a dividend of Baht 0.45 per share to the Company's shareholders from the Company's earnings for the year ended 31 December 2005. This constitutes a total dividend of Baht 329 million. The meeting also acknowledged payment of interim dividend of Baht 0.30 per share.

On 27 April 2005, the Company's Annual General Meeting of Shareholders approved the payment of a dividend of Baht 0.40 per share to the Company's shareholders from the Company's earnings for the year ended 31 December 2004. This constitutes a total dividend of Baht 292 million. The meeting also acknowledged payment of interim dividend of Baht 0.30 per share.

(UNAUDITED BUT REVIEWED)

12. COMMITMENTS

As at 30 June 2006, the Company and its subsidiaries have the following outstanding commitments:

-

- a) The Company has a commitment of Baht 1.6 million (31 December 2005: Baht 1.7 million) to pay fee to a bank which is bondholders' representative. The agreement will be terminated in year 2012.
- b) The Company has future commitments to pay a total of Baht 59.6 million (31 December 2005: Baht 79.5 million) in relation to the construction of a new building and Baht 149.7 million (31 December 2005: Baht 150.1 million) in respect of purchase of medical instrument and hospital equipment.
- c) The Company has a commitment of Baht 91.7 million in respect of land rental for construction of nursing dormitory. The agreement covered a period of 30 years, expiring in the year 2035, and shall be extended for a further period of 20 years.
- d) The Company has a commitment of Baht 6.7 million (31 December 2005: Baht 16.6 million) in respect of the lease of medical instrument under a 5-year agreement expiring in the year 2006.
- e) The Company has a commitment of Baht 36.8 million (31 December 2005: Baht 48 million) in respect of the lease of land and building for operating in service apartment. The agreement covered a period of 3 years, expiring in the year 2008, and shall be extended for a further period of 2 years.
- f) The Company has a commitment of Baht 6.4 million (31 December 2005: Baht 10.1 million) in respect of the lease of building for nursing dormitory and related services. The agreement covered a period of 3 years, expiring in the year 2007, and shall be renewed automatically.

(UNAUDITED BUT REVIEWED)

- g) The Company has a commitment to pay maintenance service fee for medical instrument as follows: -

<u>Within the year</u>	<u>Million Baht</u>
2006	18.6
2007	39.7
2008	18.0
2009	2.6
	<hr/>
	78.9
	<hr/> <hr/>

- h) The Company has a commitment to pay rental and maintenance service fee for cars of Baht 30.2 million (31 December 2005: Baht 24.9 million). The agreements covered a period of 5 years, expiring in the year 2011.
- i) A subsidiary, Bumrungrad International Ltd., has a commitment to pay consulting fee of USD 20,000 per annum. The agreement covered a period of 7 years, expiring in the year 2012.

13. BANK GUARANTEES

As at 30 June 2006, there were outstanding bank guarantees of Baht 1.9 million (31 December 2005: Baht 1.9 million) issued by a bank on behalf of the Company, and of Baht 8.4 million (31 December 2005: Baht 8.4 million) issued on behalf of a subsidiary. All were required in the normal course of business.

14. CONTINGENT LIABILITIES

On 4 October 2005, Asian Hospital, Inc. (AHI), an associated company, received a preliminary deficiency tax findings for the year ended 31 December 2002 from the Revenue Department of Philippines. AHI's management strongly believes that the finding was made without grounds and vigorously challenged it. AHI has therefore not set aside allowance for the assessment in its accounts.

(UNAUDITED BUT REVIEWED)

15. FINANCIAL INFORMATION BY SEGMENT

The operations of the Company and subsidiaries mainly involve the single industry segment of the hospital business and health care center, and most of them are carried on in the single geographic area in Thailand. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned industry segment and geographic area. The Company and a subsidiary had income for the three-month and six-month periods ended 30 June 2006 of Baht 23.8 million and Baht 36.7 million, respectively (2005: Baht 13.2 million and Baht 17.6 million) from hospital business in foreign countries.

16. RECLASSIFICATION

Certain amounts in the financial statements for the year 2005 have been reclassified to conform to the current period's classification, with no effect on previously reported net earnings or shareholders' equity.

17. SUBSEQUENT EVENT

On 28 July 2006, Bumrungrad International Ltd. has already registered the first increase of registered share capital. Therefore, the registered share capital of BIL is increased from Baht 600,000,000 to Baht 1,176,470,100, with initial paid up in cash of Baht 78.52 per share. As a result, the Company's shareholding in BIL reduced to 51% of the registered share capital of the subsidiary.

18. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorised for issue by the Company's Board of Directors on 9 August 2006.