

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

(UNAUDITED BUT REVIEWED)

**Review Report of Independent Auditor**

To The Shareholders of Bumrungrad Hospital Public Company Limited

I have reviewed the accompanying consolidated balance sheet of Bumrungrad Hospital Public Company Limited and its subsidiaries as at 30 June 2007, the related consolidated statements of income for the three-month and six-month periods ended 30 June 2007 and 2006, the consolidated statements of changes in shareholders' equity and cash flows for the six-month periods ended 30 June 2007 and 2006, and the separate financial statements of Bumrungrad Hospital Public Company Limited for the same periods. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews.

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

As discussed in Note 6 to the financial statements, the Company's consolidated financial statements included investments in an associated company under the equity method as at 30 June 2007 amounting to Baht 1,054.9 million and shares of loss of the associated company for the three-month and six-month periods ended 30 June 2007 amounting to Baht 3.6 million and Baht 6.7 million, respectively. The consolidated financial statements of that associated company mostly comprise figures derived from the financial statements of its overseas subsidiaries and joint venture, which were prepared by the subsidiaries' and joint venture's management and have not been reviewed by their auditor. In addition, the Company's consolidated financial statements for the three-month and six-month periods ended 30 June 2006 included share of loss of the associated company in Philippines 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.

(UNAUDITED BUT REVIEWED)

Based on my reviews, except for the effects of any adjustments for the three-month and six-month periods ended 30 June 2007 and 2006 which may be required as a result of the matters discussed in the third paragraph, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have previously audited the consolidated financial statements of Bumrungrad Hospital Public Company Limited and its subsidiaries and the separate financial statements of Bumrungrad Hospital Public Company Limited for the year ended 31 December 2006 in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements under my report dated 27 February 2007. The consolidated and separate balance sheets as at 31 December 2006, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on. I have not performed any other audit procedures subsequent to the date of that report, except for the Company's restatement of the separate financial statements for the period of 2006 to reflect the change in accounting policy for recording investments in subsidiary companies from the equity method to the cost method as described in Note 2 to the financial statements. In my opinion, the adjustments made for the preparation of such statements are appropriate and have been properly applied.

Sumalee Reewarabandith  
Certified Public Accountant (Thailand) No. 3970

Ernst & Young Office Limited  
Bangkok: 8 August 2007

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		
	<b>Note</b>	<b>30 June 2007</b>	<b>31 December 2006</b>	<b>30 June 2007</b>	<b>31 December 2006</b>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited) (Restated)
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		510,498	853,860	496,551	353,637
Current investments - fixed deposit at financial institution		-	10,000	-	10,000
Trade accounts receivable - net	4	573,997	525,197	571,830	468,695
Amounts due from related parties	5	4,311	6,520	4,220	17,242
Advances to employees and directors		12,125	11,300	12,067	9,564
Inventories		179,448	166,413	173,568	161,111
Prepaid expenses		77,494	44,391	74,024	37,079
Other current assets		1,644	11,373	1,005	2,209
<b>Total current assets</b>		<b>1,359,517</b>	<b>1,629,054</b>	<b>1,333,265</b>	<b>1,059,537</b>
<b>Non-current assets</b>					
Pledged fixed deposits at financial institutions	3	9,605	9,605	1,251	1,251
Investments in subsidiary companies - net	6	-	-	1,172,513	1,772,512
Investments in associated companies	6	1,054,873	464,949	866,041	-
Other long-term investments - net		2,047	2,047	2,047	2,047
Advance for future subscription - net		-	16,371	-	-
Long-term loans and interest receivable - a related party	5	-	-	10,081	18,121
Property, plant and equipment - net	7	3,880,538	3,751,951	2,836,483	2,680,514
Intangible assets - net		611,599	732,093	748,256	786,429
Other non-current assets		16,733	16,824	19,734	19,824
<b>Total non-current assets</b>		<b>5,575,395</b>	<b>4,993,840</b>	<b>5,656,406</b>	<b>5,280,698</b>
<b>TOTAL ASSETS</b>		<b>6,934,912</b>	<b>6,622,894</b>	<b>6,989,671</b>	<b>6,340,235</b>

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (Continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2007	31 December 2006	30 June 2007	31 December 2006
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited) (Restated)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current liabilities</b>					
Trade accounts payable		599,559	551,815	597,076	547,326
Amount due to a related party	5	-	1,800	50	1,800
Current portion of long-term loan	8	367,897	328,522	39,375	-
Short-term loans and interest payable - a related party	5	-	-	1,359,091	1,465,263
Accrued physicians' fee		278,531	255,562	277,331	253,512
Interest payable		807	768	198	-
Interest payable - convertible bonds treated as equity securities		6,089	6,233	6,089	6,233
Corporate income tax payable		245,056	196,122	242,015	196,122
Accrued expenses		234,665	137,850	233,110	126,178
Accounts payable - others	5	27,061	27,803	26,979	27,577
Unearned income		716	25,391	-	-
Other current liabilities		17,275	40,032	17,089	38,131
<b>Total current liabilities</b>		<b>1,777,656</b>	<b>1,571,898</b>	<b>2,798,403</b>	<b>2,662,142</b>
<b>Non-current liabilities</b>					
Long-term loan	8	1,548,814	1,422,449	590,625	300,000
<b>Total non-current liabilities</b>		<b>1,548,814</b>	<b>1,422,449</b>	<b>590,625</b>	<b>300,000</b>
<b>TOTAL LIABILITIES</b>		<b>3,326,470</b>	<b>2,994,347</b>	<b>3,389,028</b>	<b>2,962,142</b>

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

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (Continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2007 (Unaudited but reviewed)	31 December 2006 (Audited)	30 June 2007 (Unaudited but reviewed)	31 December 2006 (Audited) (Restated)
<b>Shareholders' equity</b>					
Share capital	9				
Registered					
920,853,235 ordinary shares of Baht 1 each					
(31 December 2006: 920,475,835 ordinary shares of Baht 1 each)		920,853	920,476	920,853	920,476
1,849,450 preference shares of Baht 1 each					
(31 December 2006: 2,226,850 preference shares of Baht 1 each)		1,850	2,227	1,850	2,227
Issued and paid-up					
728,202,772 ordinary shares of Baht 1 each					
(31 December 2006: 727,825,372 ordinary shares of Baht 1 each)		728,202	727,825	728,202	727,825
1,849,450 preference shares of Baht 1 each					
(31 December 2006: 2,226,850 preference shares of Baht 1 each)		1,850	2,227	1,850	2,227
Premium on ordinary shares		285,568	285,568	285,568	285,568
Other paid-in capital of associated company		252,174	156,135	-	-
Translation adjustment		-175	13,046	-	-
Convertible bonds treated as equity securities	7	550,000	550,000	550,000	550,000
Excess of investment over book value					
of a subsidiary		(192,662)	(192,662)	-	-
Retained earnings					
Appropriated - statutory reserve		92,275	92,275	92,275	92,275
Unappropriated		1,891,210	1,649,837	1,942,748	1,720,198
Total equity attributable to company's shareholders		3,608,442	3,284,251	3,600,643	3,378,093
Minority interest - equity attributable to minority					
shareholders of subsidiaries		-	344,296	-	-
<b>Total shareholders' equity</b>		<b>3,608,442</b>	<b>3,628,547</b>	<b>3,600,643</b>	<b>3,378,093</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>6,934,912</b>	<b>6,622,894</b>	<b>6,989,671</b>	<b>6,340,235</b>
		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

## INCOME STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED 30 JUNE 2007 AND 2006

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006
					(Restated)
<b>Revenues</b>					
Revenues from hospital operations	5	2,061,206	1,851,946	2,043,134	1,836,044
Revenues from hospital management		-	23,758	-	-
Rental income	5	32,766	30,079	39,493	36,584
Interest income	5	2,296	3,776	2,462	4,109
Gain on exchange rate		8,936	3,866	8,936	5,999
Other income	5	9,238	4,790	8,930	4,789
<b>Total revenues</b>		<u>2,114,442</u>	<u>1,918,215</u>	<u>2,102,955</u>	<u>1,887,525</u>
<b>Expenses</b>					
Cost of hospital operations		1,265,173	1,153,752	1,258,412	1,147,430
Depreciation and amortisation		101,068	82,743	91,947	72,410
Administrative expenses	5	323,317	274,588	340,196	303,582
Loss on impairment of fixed assets (reversal)		-	-2,288	-	(2,288)
Share of loss from investment in associated company		3,622	17,192	-	-
<b>Total expenses</b>		<u>1,693,180</u>	<u>1,525,987</u>	<u>1,690,555</u>	<u>1,521,134</u>
Income before interest expense and income tax		421,262	392,228	412,400	366,391
Interest expense	5	(27,047)	(30,663)	(28,360)	(32,196)
Corporate income tax	10	(111,391)	(99,548)	(109,189)	(98,565)
Income after corporate income tax		282,824	262,017	274,851	235,630
Net loss attributable to minority interest		-	4,013	-	-
<b>Net income for the period</b>		<u>282,824</u>	<u>266,030</u>	<u>274,851</u>	<u>235,630</u>
					(Unit: Baht)
<b>Basic earnings per share</b>	11				
Net income		0.39	0.37	0.38	0.32
Weighted average number of ordinary shares (shares)		<u>728,202,772</u>	<u>727,825,372</u>	<u>728,202,772</u>	<u>727,825,372</u>
<b>Diluted earnings per share</b>	11				
Net income		0.33	0.31	0.32	0.27
Weighted average number of ordinary shares (shares)		<u>867,414,859</u>	<u>867,414,859</u>	<u>867,414,859</u>	<u>867,414,859</u>

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

(UNAUDITED BUT REVIEWED)

## BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## INCOME STATEMENTS

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2007 AND 2006

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006
					(Restated)
<b>Revenues</b>					
Revenues from hospital operations	5	4,118,865	3,719,087	4,081,472	3,686,888
Revenues from hospital management		17,456	36,701	-	-
Rental income	5	64,868	57,881	78,550	71,230
Interest income	5	8,929	7,105	5,013	8,001
Gain on exchange rate		11,767	7,936	14,183	11,322
Other income	5	19,864	12,538	34,620	12,538
Share of income from investment in associated company		4,420	-	-	-
<b>Total revenues</b>		<u>4,246,169</u>	<u>3,841,248</u>	<u>4,213,838</u>	<u>3,789,979</u>
<b>Expenses</b>					
Cost of hospital operations		2,521,828	2,316,730	2,508,203	2,305,110
Depreciation and amortisation		200,485	163,520	180,879	142,772
Administrative expenses	5	655,220	550,195	673,648	588,915
Loss on impairment of fixed assets (reversal)		-	-1,388	-	(1,388)
Share of loss from investment in associated company		-	18,443	-	-
<b>Total expenses</b>		<u>3,377,533</u>	<u>3,047,500</u>	<u>3,362,730</u>	<u>3,035,409</u>
Income before interest expense and income tax		868,636	793,748	851,108	754,570
Interest expense	5	(54,981)	(57,719)	(57,113)	(58,368)
Corporate income tax	10	(237,284)	(207,604)	(234,243)	(206,385)
Income after corporate income tax		576,371	528,425	559,752	489,817
Net loss attributable to minority interest		2,204	4,723	-	-
<b>Net income for the period</b>		<u>578,575</u>	<u>533,148</u>	<u>559,752</u>	<u>489,817</u>
					(Unit: Baht)
<b>Basic earnings per share</b>	11				
Net income		0.79	0.73	0.77	0.67
Weighted average number of ordinary shares (shares)		<u>728,033,880</u>	<u>727,771,328</u>	<u>728,033,880</u>	<u>727,771,328</u>
<b>Diluted earnings per share</b>	11				
Net income		0.67	0.61	0.65	0.56
Weighted average number of ordinary shares (shares)		<u>867,414,859</u>	<u>867,414,859</u>	<u>867,414,859</u>	<u>867,414,859</u>

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



(UNAUDITED BUT REVIEWED)

## BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2007 AND 2006

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u> (Restated)
<b>Cash flows from operating activities</b>				
Net income	578,575	533,148	559,752	489,817
Adjustments to reconcile net income to net cash provided by (paid from) operating activities: -				
Depreciation and amortisation	200,485	163,520	180,879	142,772
Bad debts and allowance for doubtful accounts	5,859	10,308	5,509	9,785
Reversal of loss on impairment of fixed assets	-	(1,388)	-	(1,388)
Share of loss (income) from investments in associated company	(4,420)	18,443	-	-
Income attributable to minority interest for the period	(2,204)	(4,723)	-	-
Loss on sales of equipment	48	4,407	48	4,407
Income from operating activities before changes in operating assets and liabilities	778,343	723,715	746,188	645,393
Decrease (increase) in operating assets				
Trade accounts receivable	(117,413)	(72,501)	(108,643)	(52,441)
Amounts due from related parties	2,906	-	13,022	-
Inventories	(13,034)	(5,667)	(12,457)	(5,123)
Other current assets	(36,366)	(64,184)	(35,742)	(47,959)
Increase (decrease) in operating liabilities				
Trade accounts payable	(106,868)	(51,432)	(60,372)	(51,608)
Amount due to a related party	(1,800)	70,000	(1,750)	70,000
Accrued physicians' fee	22,969	15,954	23,819	15,446
Interest payable	39	(286)	198	-
Corporate income tax payable	48,933	1,953	45,892	1,971
Accrued expenses	114,160	57,725	106,932	79,901
Accounts payable - others	(327)	(18,431)	(598)	(14,825)
Unearned income	6,512	(5,019)	-	-
Other current liabilities	(22,238)	(16,304)	(21,042)	(15,469)
Net cash from operating activities	675,816	635,523	695,447	625,286

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 2007 AND 2006

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
				(Restated)
<b>Cash flows from investing activities</b>				
Decrease in deposit at financial institution with maturity				
of more than 3 months and those pledged	10,000	210,279	10,000	210,000
Increase in advances to employees and directors	(849)	(3,047)	(2,503)	(3,322)
Increase in short-term loans and interest receivable -				
related parties	-	(91,737)	-	(71,820)
Decrease (increase) in long-term loans and interest receivable				
- related parties	-	-	8,040	(29)
Purchase of investment in associated company	(266,042)	-	(266,042)	-
Acquisition of property, plant and equipment	(138,875)	(298,987)	(181,685)	(298,752)
Proceeds from sales of equipment	2,667	3,422	2,667	3,422
Increase in other non-current assets	(11,834)	(6,905)	(9,492)	(6,905)
Net cash used in investing activities	(404,933)	(186,975)	(439,015)	(167,406)
<b>Cash flows from financing activities</b>				
Decrease in short-term loans and interest payable -				
a related party	-	-	(106,172)	(93,794)
Drawn down of long-term loans	330,000	-	330,000	-
Repayment of long-term loans	(164,260)	(164,261)	-	-
Dividend paid	(328,523)	(328,523)	(328,523)	(328,523)
Interest paid for convertible bonds treated as equity securities	(8,823)	(8,823)	(8,823)	(8,823)
Net cash used in financing activities	(171,606)	(501,607)	(113,518)	(431,140)
Net increase (decrease) in cash and cash equivalents	99,277	(53,059)	142,914	26,740
Translation adjustment	(554)	508	-	-
Cash and cash equivalents at beginning of period	853,860	543,506	353,637	382,386
	952,583	490,955	496,551	409,126
Less: Cash and cash equivalents of subsidiary (BIL) as at the date				
of a subsidiary changed to an associated company	(442,085)	-	-	-
Cash and cash equivalents at end of period	510,498	490,955	496,551	409,126
<b>Supplemental cash flows information</b>				
Cash paid during the period for				
Interest expense	54,943	58,005	60,086	38,083
Corporate income tax	201,426	215,858	198,764	213,390

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 2007 AND 2006

(Unit: Thousand Baht)

Consolidated financial statements												
	Note	Issued and paid-up share capital		Premium on ordinary shares	Other paid-in capital of associated company	Translation adjustment	Convertible bonds treated as equity securities	Excess of investment over book value of a subsidiary	Retained earnings		Minority interest	Total
		Ordinary shares	Preference shares						Appropriated- statutory reserve	Unappropriated		
<b>Balance - as at 1 January 2006</b>		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	9	134	-134	-	-	-	-	-	-	-	-	-
Translation adjustment		-	-	-	-	-25,650	-	-	-	-	-5,385	-31,035
Interest paid for convertible bonds treated as equity securities		-	-	-	-	-	-	-	-	-8,679	-	-8,679
Net income for the period		-	-	-	-	-	-	-	-	533,148	-	533,148
Net loss attributable to minority interest for the period		-	-	-	-	-	-	-	-	-	-4,723	-4,723
Dividend paid	12	-	-	-	-	-	-	-	-	-328,523	-	-328,523
<b>Balance - as at 30 June 2006</b>		<u>727,825</u>	<u>2,227</u>	<u>285,568</u>	<u>-</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>
<b>Balance - as at 1 January 2007</b>		727,825	2,227	285,568	156,135	13,046	550,000	(192,662)	92,275	1,649,837	344,296	3,628,547
Preference shares converted to ordinary shares	9	377	-377	-	-	-	-	-	-	-	-	-
Capital increase of shareholder of an associate		-	-	-	96,039	-	-	-	-	-	-	96,039
Translation adjustment		-	-	-	-	-13,221	-	-	-	-	-3,220	-16,441
Interest paid for convertible bonds treated as equity securities		-	-	-	-	-	-	-	-	-8,679	-	-8,679
Net income for the period		-	-	-	-	-	-	-	-	578,575	-	578,575
Net loss attributable to minority interest for the period		-	-	-	-	-	-	-	-	-	-2,204	-2,204
Decrease in minority interest from changing in status of subsidiary to an associated company		-	-	-	-	-	-	-	-	-	-338,872	-338,872
Dividend paid	12	-	-	-	-	-	-	-	-	-328,523	-	-328,523
<b>Balance - as at 30 June 2007</b>		<u>728,202</u>	<u>1,850</u>	<u>285,568</u>	<u>252,174</u>	<u>-175</u>	<u>550,000</u>	<u>-192,662</u>	<u>92,275</u>	<u>1,891,210</u>	<u>-</u>	<u>3,608,442</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 2007 AND 2006

(Unit: Thousand Baht)

		Separate financial statements									
		Issued and paid-up share capital		Premium on	Other paid-in	Translation	Convertible	Excess of	Retained earnings		Total
		Ordinary shares	Preference shares	ordinary shares	capital of	adjustment	bonds treated as	investment over	Appropriated-	Unappropriated	
Note					associated company		equity securities	a subsidiary	statutory reserve		
	<b>Balance - as at 1 January 2006 - as previously reported</b>	727,691	2,361	285,568	-	30,829	550,000	(192,662)	92,275	1,119,174	2,615,236
	Cumulative effect of the change in accounting policy										
	for investments in subsidiary companies	-	-	-	-	-30,829	-	192,662	-	127,194	289,027
	<b>Balance - as at 1 January 2006 - as restated</b>	727,691	2,361	285,568	-	-	550,000	-	92,275	1,246,368	2,904,263
	Preference shares converted to ordinary shares	134	-134	-	-	-	-	-	-	-	-
	Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	-	-	-	-8,679	-8,679
	Net income for the period (restated)	-	-	-	-	-	-	-	-	489,817	489,817
	Dividend paid	-	-	-	-	-	-	-	-	-328,523	-328,523
	<b>Balance - as at 30 June 2006 - as restated</b>	<u>727,825</u>	<u>2,227</u>	<u>285,568</u>	<u>-</u>	<u>-</u>	<u>550,000</u>	<u>-</u>	<u>92,275</u>	<u>1,398,983</u>	<u>3,056,878</u>
	<b>Balance - as at 1 January 2007 - as previously reported</b>	727,825	2,227	285,568	156,135	13,046	550,000	(192,662)	92,275	1,649,837	3,284,251
	Cumulative effect of the change in accounting policy										
	for investments in subsidiary companies	-	-	-	-156,135	-13,046	-	192,662	-	70,361	93,842
	<b>Balance - as at 1 January 2007 - as restated</b>	727,825	2,227	285,568	-	-	550,000	-	92,275	1,720,198	3,378,093
	Preference shares converted to ordinary shares	377	-377	-	-	-	-	-	-	-	-
	Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	-	-	-	-8,679	-8,679
	Net income for the period	-	-	-	-	-	-	-	-	559,752	559,752
	Dividend paid	-	-	-	-	-	-	-	-	-328,523	-328,523
	<b>Balance - as at 30 June 2007</b>	<u>728,202</u>	<u>1,850</u>	<u>285,568</u>	<u>-</u>	<u>-</u>	<u>550,000</u>	<u>-</u>	<u>92,275</u>	<u>1,942,748</u>	<u>3,600,643</u>

The accompanying notes are an integral part of the financial statements

(UNAUDITED BUT REVIEWED)

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED  
AND SUBSIDIARIES  
NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED  
30 JUNE 2007 AND 2006

**1. GENERAL INFORMATION**

**1.1 Corporate information**

Bumrungrad Hospital Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in hospital business, investment in other companies and rental of properties service. Its registered address is 33 Soi 3 (Nana Nua) Sukhumvit Road, Klongtoey Nua Sub District, Wattana District, Bangkok.

**1.2 Investments during the period**

On 12 March 2007, the extraordinary meeting of the Company’s shareholders No. 1/2007 approved to a waiver of future rights to subscribe to a maximum of 3,714,283 new shares at Baht 153.52 per share, totaling Baht 570,216,726.16, of Bumrungrad International Company Limited (“BIL”) and to allocate such rights to Asia Financial Holdings Limited (“AFH”), or its wholly-owned subsidiary. As a result, the Company’s shareholding in BIL decreased from 51 percent to 31.5 percent and BIL is no longer be a subsidiary of the Company.

**1.3 Basis for the preparation of interim financial statements**

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

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

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

These consolidated financial statements include the financial statements of Bumrungrad Hospital Public Company Limited and its subsidiary companies and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2006. There have been no changes in the composition of the subsidiaries during the current period except that the proportion of the Company's investment in Bumrungrad International Ltd. ("BIL") decreased from 51 percent to 31.5 percent, due to the Company waiving its rights to subscribe to the new shares of BIL. As a result, the status of BIL has changed from that of a subsidiary to an associated company and from 1 April 2007 its accounts are no longer consolidated in the financial statements but are equity accounted instead.

#### **1.5 Adoption of new accounting standards during the period**

The Federation of Accounting Professions (FAP) has issued Notification No. 9/2550 regarding Thai Accounting Standards (TAS), which was announced in the Royal Gazette. This Notification mandates the use of the following Thai Accounting Standards (Revised 2007) in place of the previous versions, which are cancelled.

TAS 25	Cash Flow Statements
TAS 33	Borrowing Costs
TAS 44	Consolidated Financial Statements and Separate Financial Statements
TAS 45	Investments in Associates
TAS 46	Interests in Joint Ventures
TAS 49	Construction Contracts

(UNAUDITED BUT REVIEWED)

**a) Thai Accounting Standards effective for the current year**

Thai Accounting Standards No. 44, 45 and 46 become effective for the financial statements for fiscal years beginning on or after 1 January 2007. During the first quarter of the current year, the Company changed its accounting policy for recording investments in subsidiary and associated companies in the separate financial statements in order to comply with the revised Thai Accounting Standards No. 44 and 45, as discussed in Note 2 to the financial statements.

**b) Thai Accounting Standards not effective for the current year**

Thai Accounting Standards No. 25, 33 and 49 will become effective for the financial statements for fiscal years beginning on or after 1 January 2008. However, the management has assessed the effect of these revised accounting standards and believes that they will not significantly impact on the financial statements for the year in which they are initially applied.

**1.6 Significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2006, except for the change in the accounting policy for recording investments in subsidiaries in the separate financial statements from the equity method to the cost method, as described in Note 2 to the financial statements.

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

During the first quarter of the current year, the Company changed its accounting policy for recording investments in subsidiary companies in the separate financial statements from the equity method to the cost method, in compliance with Accounting Standard No. 44 (Revised 2007) regarding “Consolidated Financial Statements and Separate Financial Statements”, under which investments in subsidiaries, jointly controlled entities and associates are to be presented in the separate financial statements under the cost method.

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In this regard, the Company has restated the previous period's separate financial statements as though the investments in the subsidiary companies had originally been recorded using the cost method. The change has the effect of decreasing net income in the separate income statements for the three-month and six-month periods ended 30 June 2007 by Baht 8.0 million (Baht 0.01 per share) and Baht 18.8 million (Baht 0.02 per share), respectively (2006: decreasing by Baht 30.4 million (Baht 0.05 per share) and Baht 43.3 million (Baht 0.06 per share), respectively). The cumulative effect of the change in accounting policy has been presented under the heading of "Cumulative effect of the change in accounting policy for investments in subsidiary companies" in the separate statements of changes in shareholders' equity.

Such change in accounting policy affects only the accounts related to investments in subsidiary companies in the Company's separate financial statements, with no effect to the consolidated financial statements.

### 3. PLEDGED FIXED DEPOSITS AT FINANCIAL INSTITUTIONS

As at 30 June 2007, deposits at financial institutions of Baht 9.6 million (31 December 2006: Baht 9.6 million) have been pledged with banks to secure bank guarantees issued by banks on behalf of the Company and a subsidiary (Bumrungrad Medical Center Ltd.).

### 4. TRADE ACCOUNTS RECEIVABLE

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2007	31 December 2006	30 June 2007	31 December 2006
<u>Age of receivables</u>				
Not yet due	269,869	269,103	269,242	232,975
Past due				
1 - 30 days	102,217	98,190	101,751	97,877
31 - 60 days	62,322	50,190	62,228	49,951
61 - 90 days	36,721	34,092	36,417	33,766
91 - 180 days	61,355	40,457	60,818	37,452
181 - 365 days	44,412	21,433	43,297	20,332
More than 365 days	27,841	39,556	27,841	20,746
Total	604,737	553,021	601,594	493,099
Less: Allowance for doubtful accounts	(30,740)	(27,824)	(29,764)	(24,404)
Trade accounts receivable - net	573,997	525,197	571,830	468,695



(UNAUDITED BUT REVIEWED)

## 5. RELATED PARTY TRANSACTIONS

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

(Unit: Million Baht)

	Separate financial statements				Transfer pricing policy
	For the three-month periods ended 30 June		For the six-month periods ended 30 June		
	2007	2006	2007	2006	
<u>Transactions with subsidiary companies</u>					
Rental income	6.7	6.5	13.6	13.3	As per contracts 5.1)
Interest income	0.3	0.7	0.6	1.3	MLR p.a. (2006: MLR less 0.5% p.a., MLR p.a.)
Medical service income	3.7	2.9	7.4	6.2	Cost plus margin
Consulting fee income	-	-	15.5	-	As per contract 5.9)
Rental expense	21.0	21.0	42.0	42.0	As per contract 5.2)
Interest expense	21.9	29.5	45.7	55.7	MLR less 1% p.a., (2006: MLR less 0.45% p.a., MLR p.a.)
<u>Transactions with an associated company</u>					
Rental income	0.2	-	0.2	-	Actual charge
Consulting fee income	3.5	-	3.5	-	As per contract 5.9)
<u>Transactions with related companies</u>					
Medical service income	6.7	3.8	10.8	8.6	Cost plus margin
Rental income	0.3	0.3	0.6	0.6	As per contract 5.3)
Other income	0.5	0.6	0.8	0.6	At cost
Software maintenance expense	18.8	17.4	37.5	35.4	As per contract 5.8)
Rental expense	8.9	7.6	17.2	14.7	As per contract 5.4)
Donation expense	1.9	1.8	3.9	3.6	-
Consulting fee expense	4.3	1.6	4.3	3.0	As per contract
Insurance expense	4.9	3.3	9.8	6.5	As per insurance policies

## (UNAUDITED BUT REVIEWED)

(Unit: Million Baht)

	Consolidated financial statements				Transfer pricing policy
	For the three-month periods ended 30 June		For the six-month periods ended 30 June		
	2007	2006	2007	2006	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Interest income	-	1.2	1.2	2.1	MLR less 0.45% p.a., 10% p.a.
Consulting fee income	-	-	0.4	-	Actual charge
<u>Transactions with associated companies</u>					
Software license fee income	-	1.9	1.9	3.8	As per contract 5.5)
Management fee income	-	10.2	12.7	20.2	As per contract 5.7)
System implementation income	-	5.4	-	5.4	As per contract 5.6)
<u>Transactions with a joint venture</u>					
(eliminated from the consolidated financial statements)					
System implementation income	-	-	2.2	-	As per contract 5.10)
Consulting fee income	-	-	0.3	-	Actual charge
<u>Transactions with related companies</u>					
Medical service income	6.7	3.8	10.8	8.6	Cost plus margin
Rental income	0.3	0.3	0.6	0.6	As per contract 5.3)
Other income	0.5	0.6	0.8	0.6	At Cost
Software maintenance expense	18.8	17.4	37.5	35.4	As per contract 5.8)
Rental expense	8.9	7.6	17.2	14.7	As per contract 5.4)
Donation expense	1.9	1.8	3.9	3.6	-
Consulting fee expenses	4.3	1.6	4.3	5.1	As per contract
System implementation expense	-	-	1.8	-	As per contract 5.10)
Insurance expense	4.9	3.3	9.8	6.5	As per insurance policies

(UNAUDITED BUT REVIEWED)

- 5.1) A subsidiary (Bumrungrad Medical Center Ltd.) has leased a plot of land from the Company for its hospital operations. The lease agreements cover a period of 30 years, commencing from the year 1996. The rental fees are Baht 22 million per annum.

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

- 5.2) The Company has leased hospital building from Bumrungrad Medical Center Ltd. for use in its hospital business. The lease agreement covers a period of 3 years, commencing from August 2004, and the rental fees are Baht 84 million per annum.
- 5.3) Global Care Solutions (Thailand) Co., Ltd. has leased building spaces from the Company for use in its operations. The lease agreement covers a period of 3 years, commencing from the year 2001, and shall be extended for a further period of 3 years. The rental fees are Baht 1 million per annum, not including rental fees for room at B.H. Residence.
- 5.4) The Company has entered into an agreement to lease land and a building (B.H. Tower) from Bangkok Bank Plc. for a period of 3 years, commencing from August 2000. The rental fee is calculated at the rate of 75% of net income (total revenues minus total expenses) from the sub-lease, with a minimum rental of Baht 8 million per annum. On 11 November 2005, the bank approved renewal of agreement, commencing on 29 August 2005 to 28 August 2006. The rate of rental and other conditions shall be in accordance with the initial agreement. At the present, the Company is in the process of agreement renewal.

Rental payable as at 30 June 2007, amounting to Baht 6.9 million (31 December 2006: Baht 8.0 million), was shown in the consolidated and separate balance sheets under the caption of "Accounts payable - others".

- 5.5) In February 2005, a subsidiary (Bumrungrad International Ltd.) and Asian Hospital, Inc. (AHI) have entered into a software site license agreement. AHI paid license fee of Peso 52,676,342 in 2005. The license fee was recognised as income in accordance with the period as stipulated in the agreement.
- 5.6) In April 2005, a subsidiary (Bumrungrad International Ltd.) has entered into computer system implementation agreement with Asian Hospital, Inc. (AHI) to provide computer system implementation service to AHI for the use in its overseas hospital business, totaling USD 350,000.

(UNAUDITED BUT REVIEWED)

- 5.7) A subsidiary (Bumrungrad International Philippines Inc.) (BIPI) and Asian Hospital, Inc. (AHI) have entered into a management service agreement under which AHI has to pay the subsidiary a percentage of its net revenue and income before interest, tax, depreciation and amortisation expenses. The management fee shall be paid in form of cash up to a certain amount, the excess of which will be paid in form of AHI's shares, up to maximum 10% of total issued and outstanding capital stock of AHI (fully diluted basis). The agreement covered a period of 5 years, expiring in the year 2010, and shall be renewed.
- 5.8) On 4 January 2006, the Company has entered into a Maintenance Services for Software Hospital 2000/DOT NET agreement with Global Care Solutions (Thailand) Co., Ltd. The Company is obliged to pay such fee totaling USD 1,750,000 (exclusive of value added tax). The agreement expired on 31 December 2006. At the present, the Company is in the process of agreement renewal.
- 5.9) On 2 June 2006, the Company has entered into a Consulting Support Agreement with a subsidiary (Bumrungrad International Ltd.). The subsidiary is obliged to pay such fee totaling Baht 4.9 million per month starting from August 2006 to March 2007, and Baht 1.2 million per month starting from April 2007 onward. The agreement will expire as per the agreement's conditions. In addition, the Company charged Baht 14 million for consulting services provided from January to July 2006.
- 5.10) A subsidiary (Bumrungrad International Ltd.) has entered into the provision of services under system implementation agreement with Global Care Solutions (Thailand) Co., Ltd. in March 2007 to provide computer system implementation service to the joint venture (Bumrungrad Hospital Dubai, LLC) (BHD) for the use in its overseas hospital business. The subsidiary is obliged to pay such fee totaling USD 200,000. During the period, the subsidiary recorded for such fee amounting to USD 50,000.

The subsidiary has also entered into computer system implementation agreement with BHD, totaling USD 400,000. The subsidiary called for such fee during the period amounting to USD 125,000.

## (UNAUDITED BUT REVIEWED)

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

(Unit: Thousand Baht)

	Consolidated financial		Separate financial	
	statements		statements	
	30 June 2007	31 December 2006	30 June 2007	31 December 2006
<b><u>Amounts due from related parties</u></b>				
<u>Subsidiary companies</u>				
Bumrungrad International Ltd.	-	-	-	15,932
Vitalife Corporation Ltd.	-	-	-	1,042
<u>Associated companies</u>				
Bumrungrad International Ltd.	4,026	-	3,935	-
Asian Hospital, Inc.	-	514	-	-
<u>Joint venture</u>				
Bumrungrad Hospital Dubai, LLC	-	5,738	-	-
<u>Related companies</u>				
Global Care Solutions (Thailand) Co., Ltd.	46	67	46	67
The Bumrungrad Hospital Foundation	239	201	239	201
Total	4,311	6,520	4,220	17,242
<b><u>Long-term loans and interest receivable - a related party</u></b>				
<u>Subsidiary company</u>				
Vitalife Corporation Ltd.	-	-	10,081	18,121
<b><u>Amount due to a related party</u></b>				
<u>Subsidiary company</u>				
Vitalife Corporation Ltd.	-	-	50	-
<u>Related company</u>				
The Bumrungrad Hospital Foundation	-	1,800	-	1,800
Total	-	1,800	50	1,800
<b><u>Short-term loans and interest payable - a related party</u></b>				
<u>Subsidiary</u>				
Bumrungrad Medical Center Ltd.	-	-	1,359,091	1,465,263

(UNAUDITED BUT REVIEWED)

During the current period, Bumrungrad International Ltd. (“BIL”) has changed its status from a subsidiary to an associated company. The business transactions and balances of the accounts as at 30 June 2007 between BIL and BIL’s related companies were therefore excluded.

The long-term loans to Vitallife Corporation Ltd. carry interest at the rate of MLR per annum (31 December 2006: MLR less 0.5% per annum, MLR per annum, and MLR plus 0.25% per annum).

The short-term loans from Bumrungrad Medical Center Ltd. carry interest at the rate of MLR less 1% per annum (31 December 2006: MLR less 0.45% per annum, and MLR per annum).

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

(Unit: Thousand Baht)

	31 December			30 June
	2006	Increase	Decrease	2007
<u>Long-term loans and interest receivable - a related party</u>				
<u>Subsidiary</u>				
Vitallife Corporation Ltd.				
Principal	18,000	-	(8,000)	10,000
Interest receivable	121	643	(683)	81
	<u>18,121</u>	<u>643</u>	<u>(8,683)</u>	<u>10,081</u>
<u>Short-term loans and interest payable - a related party</u>				
<u>Subsidiary</u>				
Bumrungrad Medical Center Ltd.				
Principal	1,455,236	-	(103,000)	1,352,236
Interest payable	10,027	45,686	(48,858)	6,855
	<u>1,465,263</u>	<u>45,686</u>	<u>(151,858)</u>	<u>1,359,091</u>

(UNAUDITED BUT REVIEWED)

**6. INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES**

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

**Investments in subsidiary companies**

(Unit: Thousand Baht)

	Separate financial statements							
	30 June 2007				31 December 2006			
	Paid-up capital	Percentage of shareholding	Investments Cost method	Dividend received during the period	Paid-up capital	Percentage of shareholding	Investments Cost method	Dividend received during the period
		%				%	(Restated)	
<b><u>Subsidiary companies</u></b>								
Bumrungrad Medical								
Center Ltd.	958,954	100.00	1,691,903	-	958,954	100.00	1,691,903	-
Bumrungrad International Ltd.	-	-	-	-	744,118	51.00	599,999	-
Vitalife Corporation Ltd.	31,500	100.00	25,610	-	31,500	100.00	25,610	-
<b>Total investments in subsidiary companies</b>			1,717,513	-			2,317,512	-
Less: Allowance for impairment			(545,000)				(545,000)	
<b>Total investments in subsidiary companies</b>			1,172,513				1,772,512	

**Investments in associated companies**

(Unit: Thousand Baht)

	Consolidated financial statements									
	30 June 2007					31 December 2006				
	Paid-up capital	Percentage of shareholding	Investments		Dividend received during the period	Paid-up capital	Percentage of shareholding	Investments		Dividend received during the period
		%	Cost method	Equity method			%	Cost method	Equity method	
<b><u>Associated company</u></b>										
Bumrungrad International Ltd.	2,749,337	31.50	866,041	1,054,873	-	-	-	-	-	-
<b><u>Associated held by a subsidiary company</u></b>										
Asian Hospital, Inc.	-	-	-	-	-	1,422,425	35.10	385,760	464,949	-
						Thousand Peso				
<b><u>Joint venture held by a subsidiary company</u></b>										
Bumrungrad Hospital Dubai, LLC	-	-	-	-	-	5,000	49.00	25,052	-	-
						Thousand AED				
<b>Total investments in associated companies</b>			866,041	1,054,873	-			410,812	464,949	-



## (UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

	Separate financial statements							
	30 June 2007				31 December 2006			
	Paid-up capital	Percentage of shareholding	Investments cost method	Dividend received during the period	Paid-up capital	Percentage of shareholding	Investments cost method	Dividend received during the period
		%				%		
<b>Associated company</b>								
Bumrungrad International Ltd.	2,749,337	31.50	866,041	-	-	-	-	-
<b>Total investments in associated</b>			866,041	-			-	-

During the current period, Bumrungrad International Limited (“BIL”), of which the status changed to an associated company and which operates as an investment holding company, invested in the following companies:

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

The financial statements of the overseas subsidiary companies and joint venture of BIL included in the consolidated financial statements of BIL were prepared by the management of the subsidiaries and joint venture and have not been reviewed by their auditors.

(UNAUDITED BUT REVIEWED)

On 22 March 2007, the Extraordinary General Meeting of the Shareholders of the subsidiary (Bumrungrad International Limited (“BIL”)) No. 1/2007 passed a resolution to increase its share capital from Baht 1,176,470,100 to Baht 3,649,336,700 (36,493,367 ordinary shares at par value of Baht 100 each) through the issue of an additional 24,728,666 ordinary shares with a par value of Baht 100 each. Subsequently, BIL implemented the first stage of the increase in its registered capital, from Baht 1,176,470,100 to Baht 1,904,760,900, by issuing 7,282,908 new ordinary shares at a subscription price of Baht 153.52 per share. BIL has received full payment of Baht 1,118,072,036.16 and registered the capital increase with the Ministry of Commerce on 27 April 2007.

On 4 April 2007, the meeting of BIL’s Board of Directors No. 3/2007 passed a resolution to approve the acquisition of 100% of shares in Asia Renal Care Ltd. (“ARC”) for an amount up to USD 75 million. Subsequently, in June the acquisition was completely made through BIL’s wholly - owned subsidiary, Bumrungrad International Holdings (Hong Kong) Limited. The total proceed paid was USD 70 million. An estimated adjustment price of maximum of USD 5 million is expected to be paid in four months.

On 29 May 2007, the associated company (Bumrungrad International Limited (“BIL”)) registered the increase of its registered capital from Baht 1,904,760,900 to Baht 2,749,336,700 with the Ministry of Commerce.

## 7. PROPERTY, PLANT AND EQUIPMENT

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2007</b>	3,751,951	2,680,514
Acquisitions during period - at cost	292,474	291,808
Disposals during period - net book value at disposal date	(2,715)	(2,715)
Transfer out - the status of BIL has changed from that of a subsidiary to an associated company - net book value at transfer out date	(485)	-
Depreciation for period	(160,687)	(133,124)
<b>Net book value as at 30 June 2007</b>	<u>3,880,538</u>	<u>2,836,483</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.

(UNAUDITED BUT REVIEWED)

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 2007 of Baht 1,211 million (Separate financial statements: Baht 171 million) (31 December 2006: Baht 1,236 million (Separate financial statements: Baht 170 million)) as collaterals for long-term loan credit facilities granted by a local commercial bank as described in Note 8 to the financial statements.

## 8. LONG-TERM LOAN

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2007	31 December 2006	30 June 2007	31 December 2006
Loan from a local commercial bank	1,916,711	1,750,971	630,000	300,000
Less: Current portion	(367,897)	(328,522)	(39,375)	-
Long-term portion	1,548,814	1,422,449	590,625	300,000

Movements in long-term loan account are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2007	1,750,971	300,000
Add : Additional loan	330,000	330,000
Less: Repayment	(164,260)	-
Balance as at 30 June 2007	1,916,711	630,000

On 16 September 2002, the subsidiary entered into a loan agreement in the Baht currency with a local commercial bank to obtain a Baht 2,400,000,000 credit facility. Such loan carries interest at 5.5% per annum for the first two years and then at MLR less 0.5% per annum. Interest is payable on a monthly basis and principal is repayable in 24 quarterly installments, commencing 30 December 2004. To guarantee this loan, the subsidiary has mortgaged its building and pledged medical instruments, hospital equipment and fixed deposits. In July 2004, the Company has entered into the Amendment Agreement and the Amended and Restated Facility Agreement with that bank in order to assume joint responsibility for these liabilities.

On 25 May 2006, the Company and the subsidiary entered into Second Amendment Dated 25 May 2006 to Baht 2,400,000,000 Facility Agreement Dated 12 September 2002 (As Amended and

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Restated) with the bank creditor to change the interest rate of Baht 2,250,000,000 credit facility from MLR less 0.5% per annum to average MLR less 1.25% per annum and cancel the pledge of fixed deposits.

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

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

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

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

As at 30 June 2007 and 31 December 2006, outstanding credit facilities of the Company and its subsidiaries which have yet to be drawn down total Baht 740 million and Baht 1,070 million, respectively.

## **9. SHARE CAPITAL**

In the first quarter of 2007, 377,400 preference shares (2006: 134,000 shares) were converted into ordinary shares at ratio of one preference share to one ordinary share. The Company registered this conversion with the Ministry of Commerce on 23 March 2007.

## **10. CORPORATE INCOME TAX**



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## 12. DIVIDENDS PAID

(Unit: Baht)

Dividends	Approved by	Total dividends	Dividend per share
Final dividends for 2006	Annual General Meeting of the shareholders on 25 April 2007	328,523,500	0.45
Final dividends for 2005	Annual General Meeting of the shareholders on 26 April 2006	328,523,500	0.45

## 13. COMMITMENTS AND CONTINGENT LIABILITIES

### 13.1 Capital commitment

As at 30 June 2007, the Company has capital commitment to pay a total of Baht 59.8 million (31 December 2006: Baht 98.4 million) in relation to the construction of a new building and Baht 139.7 million (31 December 2006: Baht 120.2 million) in respect of purchase of medical instrument and hospital equipment.

### 13.2 Long-term service commitments

(Unit: Million Baht)

Details of commitments	Paid in	Amount	
		30 June 2007	31 December 2006
<b>The Company</b>			
1) To pay fee to a bank which is bondholders' representative	2007 2008 - 2012	0.1 1.2	0.3 1.2
2) Land rental for construction of nursing dormitory (shall be extended for a further period of 20 years)	2007 2008 - 2035	30.9 60.8	30.9 60.8
3) Lease of medical instrument	2007 2008 - 2009	10.0 39.9	20.0 39.9
4) Lease of land and building for operating service apartment (shall be extended for a further period of 2 years)	2007 2008	12.8 6.4	24.8 6.4

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(Unit: Million Baht)

	Details of commitments	Paid in	Amount	
			30 June 2007	31 December 2006
5)	Lease of building for nursing dormitory and related services (shall be renewed automatically)	2007 2008 - 2010	7.1 22.0	9.1 4.0
6)	Maintenance service fee for medical instrument	2007 2008	16.8 11.2	33.6 11.2
7)	Rental and maintenance service fee for cars	2007 2008 - 2011	4.9 28.2	8.8 26.1
<b><u>Subsidiary company</u></b>				
Bumrungrad International Ltd.				
1)	To pay consulting fee (Unit: USD)	2007 2008 - 2012	- -	30,000 82,500
<b><u>Associated company</u></b>				
Bumrungrad International Ltd.				
1)	To pay consulting fee (Unit: USD)	2008 - 2012	82,500	-

### 13.3 Bank guarantees

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

### 13.4 Contingent liabilities

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

## 14. FINANCIAL INFORMATION BY SEGMENT

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

(Unit: Million Baht)

## (UNAUDITED BUT REVIEWED)

	For the three-month periods ended 30 June							
	Hospital and health care center		Hospital management business		Elimination of inter-segment revenues		Consolidation	
	2007	2006	2007	2006	2007	2006	2007	2006
Revenues	2,066	1,855	-	24	(5)	(3)	2,061	1,876
Segment income	796	698	-	24	-	-	796	722
Unallocated income and expenses:								
Other income							52	42
Depreciation and amortisation							(101)	(82)
Administrative expenses							(323)	(272)
Share of loss from investments in associated company							(3)	(17)
Interest expense							(27)	(31)
Corporate income tax							(111)	(100)
Minority interest							-	4
Net income							283	266

(Unit: Million Baht)

	For the six-month periods ended 30 June							
	Hospital and health care center		Hospital management business		Elimination of inter-segment revenues		Consolidation	
	2007	2006	2007	2006	2007	2006	2007	2006
Revenues	4,129	3,725	17	37	(10)	(6)	4,136	3,756
Segment income	1,597	1,402	17	37	-	-	1,614	1,439
Unallocated income and expenses:								
Other income							105	85
Depreciation and amortisation							(200)	(163)
Administrative expenses							(655)	(549)
Share of income (loss) from investments in associated company							5	(18)
Interest expense							(55)	(58)
Corporate income tax							(237)	(208)
Minority interest							2	5
Net income							579	533

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



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#### **15. SUBSEQUENT EVENT**

On 8 August 2007, the Board of Directors Meeting approved the payment of an interim dividend of Baht 0.40 per share to the Company's shareholders from the Company's operations from 1 January 2007 to 30 June 2007. This constitutes a total dividend of Baht 292 million which are to be paid on 7 September 2007.

#### **16. APPROVAL OF INTERIM FINANCIAL STATEMENTS**

These interim financial statements were authorised for issue by the Company's Board of Directors on 8 August 2007.