

Bumrungrad Hospital Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month and six-month periods ended
30 June 2011 and 2010

Review report of Independent Auditor

To the Shareholders of Bumrungrad Hospital Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Bumrungrad Hospital Public Company Limited and its subsidiaries as at 30 June 2011, the related consolidated statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2011, the consolidated statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2011, 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 review. I did not review the interim financial statements of an associated company which is included in these consolidated financial statements. The carrying amount based on equity method of investment in the associated company constitutes 26.99% of the consolidated total assets as at 30 June 2011 and share of profit from investment in the associated company constitutes 12.66% and 5.73% of the consolidated profit for the three-month and six-month periods ended 30 June 2011, respectively. The interim financial statements of the associated company were reviewed by other auditor whose report has been furnished to me, and my report, in so far as it relates to the amounts included for the associated company in the consolidated financial statements, is based solely on that auditor's report.

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

As discussed in Note 6 to the financial statements, the Company's consolidated financial statements included investment in an associated company under the equity method as at 30 June 2011 amounting to Baht 604.0 million and share of loss of the associated company for the three-month and six-month periods ended 30 June 2011 amounting to Baht 44.8 million and Baht 35.1 million, respectively. The consolidated financial statements of that associated company mostly comprise figures derived from the financial statements of its overseas subsidiaries, which were prepared by the subsidiaries' management and have not been reviewed by their auditors.

Based on my review and the report of other auditor, except for the effects of any adjustments to the financial statements for the three-month and six-month periods ended 30 June 2011 which may be required as a result of the scope limitation imposed by circumstance discussed in the third paragraph, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

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 2010 were audited in accordance with generally accepted auditing standards by another auditor of our firm who expressed an unqualified opinion on those statements, under her report dated 23 February 2011. The consolidated and separate statement of financial position as at 31 December 2010, as presented herein for comparative purposes, formed an integral part of the financial statements which that auditor audited and reported on.

The consolidated statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2010, the consolidated statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2010 of Bumrungrad Hospital Public Company Limited and its subsidiaries and the separate financial statements of Bumrungrad Hospital Public Company Limited, for the same periods, as presented herein for comparative purposes, formed an integral part of the interim financial statements which were reviewed by the aforementioned auditor who reported, under her report dated 11 August 2010, that nothing had come to her attention that caused her to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles except for the effects

of any adjustments to the Company's consolidated financial statements which included investment in an associated company under the equity method as at 30 June 2010 amounting to Baht 1,204.1 million and shares of loss of the associated company for the three-month and six-month periods ended 30 June 2010 amounting to Baht 60.2 million and Baht 51.0 million, respectively. The consolidated financial statements of that associated company mostly comprise figures derived from the financial statements of its overseas subsidiaries, which were prepared by the subsidiaries' management and have not been reviewed by their auditors.

As described in Note 1.4 to the financial statements, during the current period, the Company adopted the revised and new accounting standards issued by the Federation of Accounting Professions, and applied them in its preparation and presentation of the interim financial statements.

Sumalee Reewarabandith
Certified Public Accountant (Thailand) No. 3970

Ernst & Young Office Limited
Bangkok: 10 August 2011

Bumrungrad Hospital Public Company Limited and its subsidiaries

Statements of financial position

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2011	31 December 2010	30 June 2011	31 December 2010
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		1,878,666	627,492	1,794,905	576,807
Trade accounts receivable - net	3	1,018,712	946,401	1,010,858	938,467
Amounts due from related parties	4	6,197	4,675	12,956	10,533
Advances to employees and directors		6,114	7,292	6,111	7,292
Short-term loan to and interest receivable					
from a related party	4	-	-	27,060	19,277
Inventories		206,980	217,702	198,682	208,799
Prepaid expenses		73,208	49,022	70,888	46,656
Other current assets		4,921	2,363	2,539	1,226
Total current assets		3,194,798	1,854,947	3,123,999	1,809,057
Non-current assets					
Investments in subsidiaries - net	5	-	-	93,676	97,545
Investments in associated companies - net	6	4,212,783	1,209,893	3,939,041	1,013,453
Other long-term investments - net		2,247	2,247	2,047	2,047
Property, plant and equipment - net	7	5,632,786	5,784,672	5,666,264	5,793,826
Intangible assets - net	8	276,466	282,290	299,534	307,236
Other non-current assets		18,150	17,628	18,011	17,501
Total non-current assets		10,142,432	7,296,730	10,018,573	7,231,608
Total assets		13,337,230	9,151,677	13,142,572	9,040,665

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

Bumrungrad Hospital Public Company Limited and its subsidiaries

Statements of financial position (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2011	31 December 2010	30 June 2011	31 December 2010
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loan from financial institution	9	3,570,000	100,000	3,570,000	100,000
Trade accounts payable		569,570	555,762	564,640	548,169
Construction and medical equipment payables		43,170	51,045	43,170	51,045
Amounts due to related party	4	-	194	-	194
Short-term loan from and interest payable to a related party	4	-	-	35,073	81,000
Current portion of long-term loans from financial institution	10	214,000	71,000	214,000	71,000
Accrued physicians' fees		424,751	405,444	419,728	395,065
Interest payable		36,400	388	36,400	388
Interest payable - convertible bonds treated as equity securities		11,308	11,575	11,308	11,575
Corporate income tax payable		352,765	252,379	348,761	246,706
Accrued expenses		332,949	205,733	328,115	204,160
Accounts payable - others		15,422	13,381	12,954	12,590
Other current liabilities		31,100	56,340	24,266	47,725
Total current liabilities		5,601,435	1,723,241	5,608,415	1,769,617
Non-current liabilities					
Long-term loans from financial institution	10	1,216,000	1,359,000	1,216,000	1,359,000
Provision for long-term employee benefits		288,918	-	284,423	-
Total non-current liabilities		1,504,918	1,359,000	1,500,423	1,359,000
Total liabilities		7,106,353	3,082,241	7,108,838	3,128,617

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

Bumrungrad Hospital Public Company Limited and its subsidiaries

Statements of financial position (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2011	31 December 2010	30 June 2011	31 December 2010
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital	11				
Registered					
921,034,085 ordinary shares of Baht 1 each (31 December 2010: 920,987,785 ordinary shares of Baht 1 each)		921,034	920,988	921,034	920,988
1,668,600 preference shares of Baht 1 each (31 December 2010: 1,714,900 ordinary shares of Baht 1 each)		1,669	1,715	1,669	1,715
Issued and paid-up					
728,383,622 ordinary shares of Baht 1 each (31 December 2010: 728,337,322 ordinary shares of Baht 1 each)		728,383	728,337	728,383	728,337
1,668,600 preference shares of Baht 1 each (31 December 2010: 1,714,900 ordinary shares of Baht 1 each)		1,669	1,715	1,669	1,715
Premium on ordinary shares		285,568	285,568	285,568	285,568
Convertible bonds treated as equity securities		550,000	550,000	550,000	550,000
Retained earnings					
Appropriated - statutory reserve		92,275	92,275	92,275	92,275
Unappropriated		4,539,232	4,436,142	4,375,839	4,254,153
Other components of shareholders' equity		33,750	(24,601)	-	-
Total shareholders' equity		6,230,877	6,069,436	6,033,734	5,912,048
Total liabilities and shareholders' equity		13,337,230	9,151,677	13,142,572	9,040,665
		-	-	-	-

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

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Directors
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(Unaudited but reviewed)

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

For the three-month periods ended 30 June 2011 and 2010

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Revenues					
Revenues from hospital operations	4	2,782,777	2,175,425	2,751,461	2,150,109
Rental income	4	31,279	30,494	32,430	32,178
Interest income	4	5,092	477	5,298	441
Exchange gains		11,562	7,384	11,456	7,401
Dividend income	4, 6.2	-	-	10,391	-
Other income	4	23,341	19,466	21,545	19,098
Total revenues		2,854,051	2,233,246	2,832,581	2,209,227
Expenses					
Cost of hospital operations	4	1,668,167	1,358,773	1,652,752	1,344,639
Depreciation and amortisation		161,002	144,087	160,689	142,693
Administrative expenses	4	443,262	393,551	430,340	376,881
Loss on share capital reduction of an associate	6.1	-	-	24,704	-
Total expenses		2,272,431	1,896,411	2,268,485	1,864,213
Profit before share of loss from investments					
in joint venture and associated companies,					
finance cost and corporate income tax		581,620	336,835	564,096	345,014
Share of loss from investment in joint venture		-	(14)	-	-
Share of loss from investments in associated companies	6.2	(391)	(59,440)	-	-
Profit before finance cost and corporate income tax		581,229	277,381	564,096	345,014
Finance cost	4	(51,924)	(16,068)	(52,144)	(20,294)
Profit before corporate income tax		529,305	261,313	511,952	324,720
Corporate income tax	12	(185,313)	(93,890)	(186,605)	(92,663)
Profit for the period		343,992	167,423	325,347	232,057
Earnings per share					
	13				(Unit: Baht)
Basic earnings per share					
Profit for the period		0.47	0.23	0.45	0.32
Diluted earnings per share					
Profit for the period		0.40	0.19	0.38	0.27

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

(Unaudited but reviewed)

Bumrungrad Hospital Public Company Limited and its subsidiaries

Statements of comprehensive income

For the three-month periods ended 30 June 2011 and 2010

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Profit for the period	<u>343,992</u>	<u>167,423</u>	<u>325,347</u>	<u>232,057</u>
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currency	<u>53,839</u>	<u>26,712</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>53,839</u>	<u>26,712</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>397,831</u></u>	<u><u>194,135</u></u>	<u><u>325,347</u></u>	<u><u>232,057</u></u>

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

(Unaudited but reviewed)

Bumrungrad Hospital Public Company Limited and its subsidiaries**Income statements****For the six-month periods ended 30 June 2011 and 2010**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Revenues					
Revenues from hospital operations	4	5,517,431	4,727,289	5,444,650	4,665,746
Rental income	4	61,152	67,411	63,666	75,703
Interest income	4	6,729	852	7,215	785
Exchange gains		22,418	17,054	22,229	17,126
Dividend income	4, 6.2	-	-	10,391	204,771
Other income	4	45,742	46,527	42,974	42,048
Total revenues		5,653,472	4,859,133	5,591,125	5,006,179
Expenses					
Cost of hospital operations	4	3,254,578	2,857,159	3,228,726	2,826,678
Depreciation and amortisation		319,569	284,925	318,199	272,998
Administrative expenses	4	885,937	841,704	850,314	822,876
Loss on share capital reduction of an associate	6.1	-	-	24,704	-
Allowance for loss on impairment of investment in subsidiary (reversal)	5	-	-	(41,570)	212,000
Total expenses		4,460,084	3,983,788	4,380,373	4,134,552
Profit before share of profit (loss) from investments in joint venture and associated companies, finance cost and corporate income tax					
		1,193,388	875,345	1,210,752	871,627
Share of loss from investment in joint venture		-	(15)	-	-
Share of profit (loss) from investments in associated companies	6.2	10,147	(49,395)	-	-
Profit before finance cost and corporate income tax					
		1,203,535	825,935	1,210,752	871,627
Finance cost	4	(73,257)	(31,771)	(73,808)	(37,352)
Profit before corporate income tax		1,130,278	794,164	1,136,944	834,275
Corporate income tax	12	(370,461)	(257,506)	(369,336)	(243,541)
Profit for the period		759,817	536,658	767,608	590,734
Earnings per share					
	13	(Unit: Baht)			
Basic earnings per share					
Profit for the period		1.04	0.74	1.05	0.81
Diluted earnings per share					
Profit for the period		0.88	0.62	0.88	0.68

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

(Unaudited but reviewed)

Bumrungrad Hospital Public Company Limited and its subsidiaries

Statements of comprehensive income

For the six-month periods ended 30 June 2011 and 2010

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Profit for the period	759,817	536,658	767,608	590,734
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currency	58,351	3,861	-	-
Other comprehensive income for the period	58,351	3,861	-	-
Total comprehensive income for the period	818,168	540,519	767,608	590,734

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

(Unaudited but reviewed)

Bumrungrad Hospital Public Company Limited and its subsidiaries**Cash flow statements****For the six-month periods ended 30 June 2011 and 2010**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flows from operating activities				
Profit before tax	1,130,278	794,164	1,136,944	834,275
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	319,569	284,925	318,199	272,998
Bad debts and allowance for doubtful accounts	2,590	8,523	1,544	9,255
Loss on sales of equipment	1,832	132	1,832	131
Provision for long-term employee benefits	20,183	-	19,638	-
Loss on share capital reduction of an associate	-	-	24,704	-
Allowance for loss on impairment of investment in subsidiary (reversal)	-	-	(41,570)	212,000
Dividend income	-	-	(10,391)	(204,771)
Share of loss from investment in joint venture	-	15	-	-
Share of (profit) loss from investments in associated companies	(10,147)	49,395	-	-
Interest expense	73,257	31,771	73,808	37,352
Profit from operating activities before changes in operating assets and liabilities	1,537,562	1,168,925	1,524,708	1,161,240
Operating assets (increase) decrease				
Trade accounts receivable	(74,901)	(244,959)	(73,935)	(246,277)
Amounts due from related parties	(1,522)	9,093	(2,423)	3,295
Inventories	10,722	6,975	10,117	7,324
Other current assets	(26,744)	(6,027)	(25,545)	(8,067)
Operating liabilities increase (decrease)				
Trade accounts payable	13,808	(21,860)	16,471	(18,019)
Amounts due to related party	(194)	-	(194)	256
Accrued physicians' fees	19,307	44,198	24,663	43,098
Accrued expenses	127,216	42,319	123,955	42,570
Accounts payable - others	1,454	1,574	(223)	1,997
Other current liabilities	(25,240)	(7,480)	(23,459)	(7,307)
Cash flows from operating activities	1,581,468	992,758	1,574,135	980,110
Cash paid for interest expense	(37,245)	(32,239)	(37,723)	(37,820)
Cash paid for corporate income tax	(273,192)	(234,133)	(267,281)	(222,460)
Net cash flows from operating activities	1,271,031	726,386	1,269,131	719,830

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

(Unaudited but reviewed)

Bumrungrad Hospital Public Company Limited and its subsidiaries**Cash flow statements (continued)**

For the six-month periods ended 30 June 2011 and 2010

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flows from investing activities				
Increase in advances to employees and directors	1,178	(2,125)	1,181	(2,142)
Increase in short-term loan to and interest receivable from a subsidiary	-	-	(7,783)	(6,532)
Acquisition of investment in joint venture	-	(2,474)	-	(2,474)
Acquisition of investment in an associate	(3,562,938)	-	(3,562,938)	-
Dividend received	10,391	-	10,391	204,771
Cash receipt from share capital reductions of a subsidiary and an associate	612,647	-	658,085	-
Acquisition of plant and equipment and repayment of construction and medical equipment payables	(155,018)	(404,652)	(178,017)	(565,442)
Proceeds from sales of equipment	1,815	9,164	1,815	9,164
Acquisition of computer software	(16,526)	(15,834)	(16,440)	(15,307)
Decrease (increase) in other non-current assets	(522)	(589)	(510)	2,110
Net cash flows used in investing activities	(3,108,973)	(416,510)	(3,094,216)	(375,852)
Cash flows from financing activities				
Cash receipt from short-term loan from financial institution	3,570,000	220,000	3,570,000	220,000
Repayment of short-term loan from financial institution	(100,000)	(190,000)	(100,000)	(190,000)
Cash receipt from long-term loan from a related party	-	-	-	5,000
Repayment of long-term loan from a related party	-	-	(46,000)	(14,827)
Dividend paid	(364,433)	(310,033)	(364,433)	(310,033)
Interest paid for convertible bonds treated as equity securities	(16,384)	(16,384)	(16,384)	(16,384)
Net cash flows from (used in) financing activities	3,089,183	(296,417)	3,043,183	(306,244)
Decrease in translation adjustment	(67)	(60)	-	-
Net increase in cash and cash equivalents	1,251,174	13,399	1,218,098	37,734
Cash and cash equivalents at beginning of period	627,492	386,641	576,807	333,440
Cash and cash equivalents at end of period	1,878,666	400,040	1,794,905	371,174

Supplemental cash flow information

Non-cash transactions

Acquisition of building by issuing promissory note recorded in long-term loan from a related party	-	-	-	776,000
Adjustment of provision for long-term employee benefits with the beginning balance of retained earnings	275,590	-	264,785	-

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

(Unaudited but reviewed)

Bumrungrad Hospital Public Company Limited and its subsidiaries**Statements of changes in shareholders' equity****For the six-month periods ended 30 June 2011 and 2010**

(Unit: Thousand Baht)

Consolidated financial statements

	Issued and paid-up share capital		Premium on ordinary shares	Convertible bonds treated as equity securities	Retained earnings		Other components of shareholders' equity				Total shareholders' equity			
	Ordinary shares	Preference shares			Appropriated	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Excess of investment over book value of a subsidiary	Other paid-in capital of an associated company	Total other components of shareholders' equity		Total shareholders' equity		
													Other comprehensive income	
													Total	
Balance as at 31 December 2009	728,304	1,748	285,568	550,000	92,275	3,830,655	(75,451)	(192,662)	252,173	(15,940)	5,472,610			
Preference shares converted to ordinary shares (Note 11)	33	(33)	-	-	-	-	-	-	-	-	-			
Dividend paid (Note 14)	-	-	-	-	-	(328,504)	-	-	-	-	(328,504)			
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(16,117)	-	-	-	-	(16,117)			
Total comprehensive income for the period	-	-	-	-	-	536,658	3,861	-	-	3,861	540,519			
Balance as at 30 June 2010	728,337	1,715	285,568	550,000	92,275	4,022,692	(71,590)	(192,662)	252,173	(12,079)	5,668,508			
Balance as at 31 December 2010	728,337	1,715	285,568	550,000	92,275	4,436,142	(84,112)	(192,662)	252,173	(24,601)	6,069,436			
Cumulative effect of change in accounting policy for employee benefits (Note 1.4)	-	-	-	-	-	(275,590)	-	-	-	-	(275,590)			
Preference shares converted to ordinary shares (Note 11)	46	(46)	-	-	-	-	-	-	-	-	-			
Dividend paid (Note 14)	-	-	-	-	-	(365,020)	-	-	-	-	(365,020)			
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(16,117)	-	-	-	-	(16,117)			
Total comprehensive income for the period	-	-	-	-	-	759,817	58,351	-	-	58,351	818,168			
Balance as at 30 June 2011	728,383	1,669	285,568	550,000	92,275	4,539,232	(25,761)	(192,662)	252,173	33,750	6,230,877			

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

(Unaudited but reviewed)

Bumrungrad Hospital Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity (continued)
For the six-month periods ended 30 June 2011 and 2010

(Unit: Thousand Baht)

Separate financial statements

	Issued and paid-up share capital		Premium on ordinary shares	Convertible	Retained earnings		Total shareholders' equity
	Ordinary shares	Preference shares		bonds treated as equity securities	Appropriated	Unappropriated	
Balance as at 31 December 2009	728,304	1,748	285,568	550,000	92,275	3,606,960	5,264,855
Preference shares converted to ordinary shares (Note 11)	33	(33)	-	-	-	-	-
Dividend paid (Note 14)	-	-	-	-	-	(328,504)	(328,504)
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(16,117)	(16,117)
Total comprehensive income for the period	-	-	-	-	-	590,734	590,734
Balance as at 30 June 2010	<u>728,337</u>	<u>1,715</u>	<u>285,568</u>	<u>550,000</u>	<u>92,275</u>	<u>3,853,073</u>	<u>5,510,968</u>
Balance as at 31 December 2010	728,337	1,715	285,568	550,000	92,275	4,254,153	5,912,048
Cumulative effect of change in accounting policy for employee benefits (Note 1.4)	-	-	-	-	-	(264,785)	(264,785)
Preference shares converted to ordinary shares (Note 11)	46	(46)	-	-	-	-	-
Dividend paid (Note 14)	-	-	-	-	-	(365,020)	(365,020)
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(16,117)	(16,117)
Total comprehensive income for the period	-	-	-	-	-	767,608	767,608
Balance as at 30 June 2011	<u>728,383</u>	<u>1,669</u>	<u>285,568</u>	<u>550,000</u>	<u>92,275</u>	<u>4,375,839</u>	<u>6,033,734</u>
	-	-	-	-	-	-	-

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

Bumrungrad Hospital Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2011 and 2010

1. General information

1.1 Corporate information

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

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2009) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income statement, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

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

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

1.3 Basis of consolidation

These interim consolidated financial statements include the financial statements of Bumrungrad Hospital Public Company Limited and its subsidiaries (collectively “the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2010. There have been no changes in the composition of the Group during the current period.

1.4 Application of new accounting standards during the period

During the current period, the Company adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

Accounting Standards:

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property

Financial Reporting Standards:

TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

The cumulative effect of the change in the accounting policy has been presented under the heading of "Cumulative effect of change in accounting policy for employee benefits" in the consolidated and separate statements of changes in shareholders' equity.

TAS 23 (revised 2009) Borrowing Costs

This accounting standard requires entities to capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Previously, the Group elected to expense such borrowing costs when incurred. The Group applies the new accounting policy to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2011.

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 2010, except for the changes in the following accounting policies due to the adoption of revised and new accounting standards.

Employee benefits

Post-employment benefits (Defined contribution plans)

The Group has jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Post-employment benefits (Defined benefit plans) and other long-term employee benefits

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rates.

For the first-time adoption of TAS 19 Employee Benefits, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in the current period.

Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2. New accounting standards issued during the period not yet effective

During the current period, the Federation of Accounting Professions issued the below listed new accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting Standard Interpretations:

SIC 10 Government Assistance - No Specific Relation to Operating Activities

SIC 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets

SIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

3. Trade accounts receivable

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Age of receivables				
Not yet due	393,846	278,108	391,010	277,059
Past due				
1 - 30 days	310,817	148,895	308,688	146,870
31 - 60 days	19,942	97,306	19,643	96,543
61 - 90 days	107,455	60,429	107,178	59,578
91 - 180 days	87,030	192,985	86,324	190,591
181 - 365 days	48,877	114,420	46,541	112,715
More than 365 days	164,529	170,095	159,637	166,374
Total	1,132,496	1,062,238	1,119,021	1,049,730
Less: Allowance for doubtful debts	(113,784)	(115,837)	(108,163)	(111,263)
Trade accounts receivable - net	1,018,712	946,401	1,010,858	938,467

4. Related party transactions

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

(Unit: Million Baht)

	For the three-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2011	2010	2011	2010	
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Medical service income	-	-	5.1	2.1	Market price
Rental income	-	-	1.1	1.4	As per contracts 4.1)
Interest income	-	-	0.4	-	MLR less 1.00% p.a.
Lab service expense	-	-	-	1.7	Market price
Pharmacy expense	-	-	3.3	2.6	Market price
Interest expense	-	-	0.3	4.2	2.55% and 2.19% p.a. (2010: 1.16% and 2.50% p.a.)
Transactions with associated companies					
Rental income	0.1	0.1	0.1	0.1	Actual paid
Consulting income	1.6	2.8	1.6	2.8	As per contract 4.3)
Dividend income	-	-	10.4	-	As declared
Consulting expense	1.3	-	1.3	-	Fixed rate per hour as stated in the agreements multiplied with actual hours worked
Transactions with related parties					
Medical service income	14.9	7.9	14.9	7.9	Market price
Other income	0.7	0.8	0.7	0.8	At cost
Donation expense	6.1	15.0	6.1	15.0	-
Insurance expense	6.4	3.4	6.4	3.4	As per insurance policies
Credit card commission fees	18.3	15.8	18.3	15.8	Market price
Interest expense on convertible bonds	8.1	8.1	8.1	8.1	10.00% p.a. and 1.00% p.a.

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2011	2010	2011	2010	
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Medical service income	-	-	10.4	5.7	Market price
Rental income	-	-	2.5	8.3	As per contracts 4.1)
Interest income	-	-	0.7	-	MLR less 1.00% p.a.
Dividend income	-	-	-	204.8	As declared
Lab service expense	-	-	5.6	4.2	Market price
Pharmacy expense	-	-	7.0	5.1	Market price
Rental expense	-	-	-	22.2	As per contract 4.2)
Purchase of hospital building	-	-	-	938.0	As per contract 4.2)
Interest expense	-	-	0.6	5.6	2.55% and 2.19% p.a. (2010: 1.16% and 2.50% p.a.)
Transactions with associated companies					
Rental income	0.1	0.3	0.1	0.3	Actual paid
Consulting income	3.6	5.4	3.6	5.4	As per contract 4.3)
Dividend income	-	-	10.4	-	As declared
Consulting expense	2.4	-	2.4	-	Fixed rate per hour as stated in the agreements multiplied with actual hours worked
Transactions with related parties					
Medical service income	27.6	18.2	27.6	18.2	Market price
Other income	1.2	1.9	1.2	1.9	At cost
Donation expense	12.7	27.0	12.7	27.0	-
Insurance expense	13.2	12.3	13.1	12.3	As per insurance policies
Credit card commission fees	36.5	33.7	36.5	33.7	Market price
Interest expense on convertible bonds	16.1	16.1	16.1	16.1	10.00% p.a. and 1.00% p.a.

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

Another subsidiary (Vitallife Corporation Ltd.) has leased building spaces from the Company for use in its operations. The lease agreement covers a period of 11 years, commencing from the year 2001. The subsidiary had to pay rental fee equal to 5% of gross revenue inclusive of value added tax, but not less than Baht 238,200 per month. Subsequently, on 1 January 2010, the Company and the subsidiary agreed to change the rental fee to be Baht 350,000 per month, starting from 1 January 2010 onwards.

Another subsidiary (Asia Global Research 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 2009. The subsidiary had to pay rental fee amounting to Baht 106,050 per month. Subsequently, on 1 April 2011, the Company and the subsidiary agreed to change the rental fee to be Baht 35,350 per month, starting from 1 April 2011 onwards. This was because the rental spaces were reduced.

- 4.2) The Company leased hospital building from a subsidiary (Bumrungrad Medical Center Ltd.) for use in its hospital business. The rental fee was Baht 88.8 million per annum. The agreement would be expired in July 2010. Subsequently, on 26 March 2010, the Company entered into the purchase agreement to acquire the hospital building (building B) from the subsidiary at a price of Baht 938.0 million. In addition, on 31 March 2010, the Company entered into the memorandum of understanding to terminate the building lease agreement with the subsidiary, the Company has no obligation to pay such rental fee.
- 4.3) In June 2006, the Company entered into a Consulting Support Agreement with an associated company (Bumrungrad International Ltd.). The associated company is obliged to pay such fee at a fixed rate per annum, as stipulated in the agreement. Subsequently, the parties amended the agreement by revising the fixed consulting fee to be Baht 10.0 million per annum and additional fee for consulting service provided by employees of the Company to the associated company at the rates per agreement multiplied with actual hours worked, starting from 1 January 2009 onwards. The agreement will expire according to the agreement's conditions.

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Amounts due from related parties				
<u>Subsidiaries</u>				
Bumrungrad Medical Center Ltd.	-	-	1	13
Vitalife Corporation Ltd.	-	-	985	767
Asia Global Health Ltd.	-	-	4,869	4,869
Asia Global Research Ltd.	-	-	904	263
<u>Associated company</u>				
Bumrungrad International Ltd.	1,653	61	1,653	7
<u>Related party</u>				
The Bumrungrad Hospital Foundation	4,544	4,614	4,544	4,614
Total	<u>6,197</u>	<u>4,675</u>	<u>12,956</u>	<u>10,533</u>
Amounts due to a related party				
<u>Associated company</u>				
Bumrungrad International Ltd.	<u>-</u>	<u>194</u>	<u>-</u>	<u>194</u>
Short-term loan to and interest receivable from a related party				
<u>Subsidiary</u>				
Asia Global Research Ltd.	<u>-</u>	<u>-</u>	<u>27,060</u>	<u>19,277</u>
Short-term loan from and interest payable to a related party				
<u>Subsidiary</u>				
Bumrungrad Medical Center Ltd.	<u>-</u>	<u>-</u>	<u>35,073</u>	<u>81,000</u>

As at 30 June 2011, the short-term loan to Asia Global Research Ltd. carries interest at the rate of MLR less 1.00% per annum (31 December 2010: 1.00% per annum).

As at 30 June 2011, the short-term loan from Bumrungrad Medical Center Ltd. carries interest at the rate of 2.55% per annum (31 December 2010: 1.16% per annum).

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

	(Unit: Thousand Baht)			
	Balance as at 31 December 2010	During the period		Balance as at 30 June 2011
		Increase	Decrease	
Short-term loan to and interest receivable from a related party				
<u>Subsidiary</u>				
Asia Global Research Ltd.				
Principal	19,200	7,200	-	26,400
Interest receivable	77	660	(77)	660
	<u>19,277</u>	<u>7,860</u>	<u>(77)</u>	<u>27,060</u>
Short-term loan from and interest payable to a related party				
<u>Subsidiary</u>				
Bumrungrad Medical Center Ltd.				
Principal	81,000	-	(46,000)	35,000
Interest payable	-	557	(484)	73
	<u>81,000</u>	<u>557</u>	<u>(46,484)</u>	<u>35,073</u>

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2011, the Company and its subsidiaries had salaries, bonuses, meeting allowances and gratuities of their directors and management recognised as expenses totaling Baht 23.7 million and Baht 47.1 million, respectively (Separate financial statements: Baht 20.2 million and Baht 37.5 million, respectively) (2010: Baht 29.2 million and Baht 59.0 million, respectively, (Separate financial statements: Baht 23.9 million and Baht 48.7 million, respectively)).

5. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
	30	31	30	31	30	31	30	31	30	31
	June	December	June	December	June	December	June	December	June	December
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
			(%)	(%)						
Bumrungrad Medical Center Ltd.	15,000	60,000	100.00	100.00	26,464	105,859	-	75,526	26,464	30,333
Vitalife Corporation Ltd.	31,500	31,500	100.00	100.00	25,610	25,610	-	-	25,610	25,610
Asia Global Health Ltd.	21,602	21,602	100.00	100.00	21,602	21,602	-	-	21,602	21,602
Asia Global Research Ltd.	20,000	20,000	100.00	100.00	20,000	20,000	-	-	20,000	20,000
Total					93,676	173,071	-	75,526	93,676	97,545

Reduction of share capital of a subsidiary

During the six-month period ended 30 June 2011, a subsidiary (Bumrungrad Medical Center Ltd.) reduced its registered and paid-up share capital as detailed below.

(Unit: Million Baht)

Share capital reduction No.	Date of approval by the Extraordinary General Meeting of its shareholders	Date of registration of share capital reduction at the Ministry of Commerce	Paid-up share capital (par value at Baht 8 per share)		
			Old	Reduction	New
			3	7 January 2011	17 February 2011

Using the cost method, the share capital reductions of the subsidiary resulted in a loss of Baht 34.0 million, as the investment acquisition cost (Baht 14.11 per share) is higher than the amount per share returned to the shareholders (Baht 8.08 per share). During the period, the Company reversed the allowance for loss on impairment of investment, resulting in net gain incurred from the subsidiary's share capital reduction of Baht 41.57 million presented in the separate income statement for the six-month period ended 30 June 2011.

6. Investments in associated companies

6.1 Details of investments in associated companies

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010
			(%)	(%)				
Bumrungrad International Ltd.	Holding company	Thailand	31.50	31.50	370,440	1,007,790	604,049	1,200,198
CDE Trading Ltd.	Temporary cease its operation	Thailand	30.00	30.00	21,663	21,663	(14,348)	(16,018)
Bangkok Chain Hospital Plc.	Private hospital operation	Thailand	24.99	-	3,562,938	-	3,599,206	-
Total					<u>3,955,041</u>	<u>1,029,453</u>	4,188,907	1,184,180
Add: Deferred gain on sales of computer software - net							23,876	25,713
Total							<u>4,212,783</u>	<u>1,209,893</u>

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Shareholding		Cost		Allowance for loss on		Carrying amounts based	
	percentage				impairment of investments		on cost method - net	
	30	31	30	31	30	31	30	31
	June	December	June	December	June	December	June	December
	2011	2010	2011	2010	2011	2010	2011	2010
	(%)	(%)						
Bumrungrad International Ltd.	31.50	31.50	370,440	1,007,790	-	-	370,440	1,007,790
CDE Trading Ltd.	30.00	30.00	21,663	21,663	16,000	16,000	5,663	5,663
Bangkok Chain Hospital Plc.	24.99	-	3,562,938	-	-	-	3,562,938	-
Total			3,955,041	1,029,453	16,000	16,000	3,939,041	1,013,453

On 18 March 2011, the Company acquired common shares of Bangkok Chain Hospital Plc. doing business as Kasemrad Hospital Group (“Kasemrad”) in an amount of 415,624,000 shares or equivalent to 24.99% of total issued and paid-up shares at acquisition price of Baht 8.50 per share. The transaction value is Baht 3,562.9 million (included investment acquisition expenses). That company is an associated company of the Company since 18 March 2011, regarding to this, the Company recognises the share of profit (loss) in the second quarter of 2011 onward.

On 19 April 2011, an associate (Bumrungrad International Ltd.) registered with the Ministry of Commerce to reduce its registered and paid-up share capital from Baht 3,199.3 million (31,993,367 ordinary shares at par value of Baht 100.00 each) to Baht 1,176.0 million (11,760,000 ordinary shares at par value of Baht 100.00 each). The associate’s share capital reduction was made in accordance with a resolution of the Extraordinary General Meeting of its shareholders held on 14 March 2011. The Company received a return of share capital in proportion to its 31.5% shareholding in the associate on 19 April 2011, amounting to Baht 612.6 million (6,373,506 shares at a value of Baht 96.12 each). As a result, Bumrungrad International Ltd. is still an associate of the Company.

Using the cost method, the share capital reduction of the associate resulted in a loss of Baht 24.7 million presented in the separate income statement for the three-month and six-month periods ended 30 June 2011, as the investment acquisition cost (Baht 100.00 per share) is higher than the amount per share returned to the shareholders (Baht 96.12 per share).

6.2 Share of profit/loss and dividend received

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

(Unit: Thousand Baht)

Company's name	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investments in associates		Dividend received	
	2011	2010	2011	2010
Bumrungrad International Ltd.	(44,779)	(60,221)	-	-
CDE Trading Ltd.	847	781	-	-
Bangkok Chain Hospital Plc.	43,541	-	10,391	-
Total	(391)	(59,440)	10,391	-

(Unit: Thousand Baht)

Company's name	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investments in associates		Dividend received	
	2011	2010	2011	2010
Bumrungrad International Ltd.	(35,064)	(51,020)	-	-
CDE Trading Ltd.	1,670	1,625	-	-
Bangkok Chain Hospital Plc.	43,541	-	10,391	-
Total	10,147	(49,395)	10,391	-

On 26 April 2011, the 2011 Annual General Meeting of Shareholders of an associate (Bangkok Chain Hospital Plc.) approved a dividend payment from the associate's retained earnings as at 31 December 2010, in the form of a share dividend with a value of Baht 0.20 per share and a cash dividend of Baht 0.125 per share. The associated company paid interim dividend of Baht 0.100 in September 2010, thus there is a cash dividend remaining of Baht 0.025. On 18 May 2011, the Company received cash dividend amounting to Baht 10.4 million and share dividend value of Baht 83.1 million (83.1 million shares recalculate the average cost of investment in that associated company). The total value of the dividend is thus Baht 93.5 million.

The investment in an associated company (Bumrungrad International Ltd.) which carrying amount under the equity method as at 30 June 2011 and 2010 amounting to Baht 604.0 million and Baht 1,204.1 million, respectively, and share of loss of the associated company for the three-month and six-month periods ended 30 June 2011 amounting to Baht 44.8 million and Baht 35.1 million, respectively (2010: share of loss amounting to Baht 60.2 million and Baht 51.0 million, respectively) were calculated from the consolidated financial statements of that associated company which mostly comprise figures derived from the financial statements of its overseas subsidiaries, which were prepared by the subsidiaries' management, and have not been reviewed by their auditors.

6.3 Fair value of investment in listed associate

Investment in an associated company which is listed company on the Stock Exchange of Thailand (Bangkok Chain Hospital Plc.) had fair value as at 30 June 2011 amounting to Baht 2,768,056 thousand.

6.4 Summarised financial information of associated companies

Financial information of the associated companies is summarised below.

Company's name	Paid-up capital as		Total assets as at		Total liabilities as at		Total revenues		Net profit (loss) for	
	at 30 June		30 June		30 June		for the six-month		the six-month	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Bumrungrad International Ltd.	1,176.0	3,199.3	4,142.9	6,005.8	1,472.9	1,557.3	746.0	2,053.0	(110.9)	(173.2)
CDE Trading Ltd.	10.0	10.0	31.8	19.2	-	0.1	0.1	-	(0.6)	(0.5)
Bangkok Chain Hospital Plc.	1,995.0	-	5,407.5	-	1,975.8	-	2,005.7	-	376.9	-

(Unit: Million Baht)

7. Property, plant and equipment

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2011	5,784,672	5,793,826
Acquisitions during period - at cost	147,143	170,142
Disposals during period - net book value at disposal date	(3,647)	(3,647)
Depreciation for the period	(295,382)	(294,057)
Net book value as at 30 June 2011	<u>5,632,786</u>	<u>5,666,264</u>

As at 30 June 2011, the Company has mortgaged its land and hospital buildings with a total net book value of Baht 2,325.4 million (31 December 2010: Baht 2,328.2 million), as collaterals for its credit facilities granted by a local commercial bank. In addition, the Company has mortgaged land with a book value of Baht 290.9 million (31 December 2010: Baht 290.9 million) (Baht 1,365.1 million appraisal fair value as of 28 September 2010) with another local commercial bank, acting as bondholders' trustee, as collateral for the convertible bonds treated as equity securities.

8. Intangible assets

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2011	282,290	307,236
Acquisition during period - at cost	16,526	16,440
Amortisation for the period	(24,187)	(24,142)
Realised gain on sales of software for period	1,837	-
Net book value as at 30 June 2011	<u>276,466</u>	<u>299,534</u>

9. Short-term loan from financial institution

Tranche	Interest rate	Due date	(Unit: Thousand Baht)			
			Consolidated financial statements		Separate financial statements	
			30 June 2011	31 December 2010	30 June 2011	31 December 2010
C (Promissory note)	2.40% p.a.	28 January 2011	-	100,000	-	100,000
Baht 5,000 million	3.70% p.a.	23 September 2011	3,570,000	-	3,570,000	-
Total			<u>3,570,000</u>	<u>100,000</u>	<u>3,570,000</u>	<u>100,000</u>

Short-term loan from financial institution as at 31 December 2010 amounting to Baht 100.0 million is secured by the same collaterals as the long-term loans from financial institution.

On 18 March 2011, the Company entered into a credit facility agreement with a local commercial bank to obtain credit facility, as detailed below.

Credit facility	Interest rate	Facility objective	Availability period	Repayment period
(Million Baht)	(%)			
5,000.0	3.70% p.a.	For investment	six-month	Within one year from the first utilisation date

As at 30 June 2011, the Company has credit facility which has not been drawdown amounting to Baht 1,430.0 million.

10. Long-term loans from financial institution

Tranche	Interest rate (%)	Repayment schedule	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
			30 June 2011	31 December 2010	30 June 2011	31 December 2010
			A	MLR less fixed rate	20 quarterly installments, commencing 30 December 2011	1,420,000
B	MLR less fixed rate	20 quarterly installments, commencing 28 February 2012	10,000	10,000	10,000	10,000
Total			1,430,000	1,430,000	1,430,000	1,430,000
Less: Portion due within one year			(214,000)	(71,000)	(214,000)	(71,000)
Portion due more than one year			1,216,000	1,359,000	1,216,000	1,359,000

The loans are secured by mortgaged land, buildings and building improvements of the Company and the assignment of the beneficiary rights under the insurance policies for the mortgaged assets to the bank.

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

As at 30 June 2011, the Company has credit facilities which have not been drawdown amounting to Baht 1,390.0 million (31 December 2010: Baht 1,290.0 million).

11. Share capital

In the first quarter of 2011, 46,300 preference shares (2010: 32,850 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 10 March 2011.

12. Corporate income tax

Corporate income tax for the periods of the Company and subsidiaries have been calculated by multiplying income before income tax for the period by the estimated effective tax rate for the year.

13. Earnings per share

Basic earnings per share is calculated by dividing profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by dividing profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

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

	For the three-month periods ended 30 June					
	Consolidated financial statements					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	2011	2010	2011	2010	2011	2010
(Thousand Baht)	(Thousand Baht)	(Shares)	(Shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit for the period	343,992	167,423	728,383,622	728,337,322	0.47	0.23
Effect of dilutive potential ordinary shares						
Preference shares	-	-	1,668,600	1,714,900		
Convertible bonds	-	-	137,362,637	137,362,637		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	343,992	167,423	867,414,859	867,414,859	0.40	0.19

	For the three-month periods ended 30 June					
	Separate financial statements					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	2011	2010	2011	2010	2011	2010
(Thousand Baht)	(Thousand Baht)	(Shares)	(Shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit for the period	325,347	232,057	728,383,622	728,337,322	0.45	0.32
Effect of dilutive potential ordinary shares						
Preference shares	-	-	1,668,600	1,714,900		
Convertible bonds	-	-	137,362,637	137,362,637		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>325,347</u>	<u>232,057</u>	<u>867,414,859</u>	<u>867,414,859</u>	0.38	0.27

	For the six-month periods ended 30 June					
	Consolidated financial statements					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	2011	2010	2011	2010	2011	2010
(Thousand Baht)	(Thousand Baht)	(Shares)	(Shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit for the period	759,817	536,658	728,365,972	728,324,799	1.04	0.74
Effect of dilutive potential ordinary shares						
Preference shares	-	-	1,686,250	1,727,423		
Convertible bonds	-	-	137,362,637	137,362,637		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>759,817</u>	<u>536,658</u>	<u>867,414,859</u>	<u>867,414,859</u>	0.88	0.62

	For the six-month periods ended 30 June					
	Separate financial statements					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	2011	2010	2011	2010	2011	2010
(Thousand Baht)	(Thousand Baht)	(Shares)	(Shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit for the period	767,608	590,734	728,365,972	728,324,799	1.05	0.81
Effect of dilutive potential ordinary shares						
Preference shares	-	-	1,686,250	1,727,423		
Convertible bonds	-	-	137,362,637	137,362,637		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>767,608</u>	<u>590,734</u>	<u>867,414,859</u>	<u>867,414,859</u>	0.88	0.68

14. Dividends paid

The Company declared dividend during the six-month periods ended 30 June 2011 and 2010 as follows.

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividend for 2010	Annual General Meeting of the shareholders on 27 April 2011	365,020	0.50
Final dividend for 2009	Annual General Meeting of the shareholders on 28 April 2010	328,504	0.45

15. Segment information

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

16. Commitments and contingent liabilities**16.1 Capital commitments**

As at 30 June 2011, the Company has capital commitments to pay a total of Baht 1.7 million (31 December 2010: Baht 3.4 million) in relation to the renovation agreement of building and Baht 100.6 million (31 December 2010: Baht 31.3 million) in respect of purchase of medical instruments and hospital equipment.

16.2 Operating lease and long-term service commitments

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

As at 30 June 2011, future minimum payments required under these operating leases agreements and long-term service agreements were as follows.

(Unaudited but reviewed)

(Unit: Million Baht)

Details of commitments	Payable within			Total
	Less than 1 year	1 to 5 years	More than 5 years	
1) Fee to a bank which is bondholders' representative	0.3	-	-	0.3
2) Nursing dormitory land rental expense (shall be extended for a further period of 30 years)	0.8	6.7	10.2	17.7
3) Lease of land and building for operating service apartment (shall be extended for a further period of 2 years)	17.4	33.6	-	51.0
4) Lease of building for nursing dormitory and related services (shall be renewed automatically)	9.5	7.4	-	16.9
5) Maintenance service fee for medical instruments	75.6	57.1	-	132.7
6) Rental and maintenance service fee for cars	8.0	19.0	-	27.0

16.3 Commitments from other contracts

The Company entered into three equipment utilisation contracts with three local companies. The contracts cover period of 5 - 7 years and under the conditions of the contracts, the Company is required to purchase medical supplies to use with the medical equipment at the prices specified in the contracts in total throughout the period of those contracts. As at 30 June 2011, there was a minimum amount of Baht 156.0 million (31 December 2010: Baht 215.4 million) which the Company required to purchase according to the contracts.

16.4 Uncalled portion of investment in subsidiary

As at 30 June 2011 and 31 December 2010, the Company has a commitment of HKD 4.8 million in respect of the uncalled portion of investment in an overseas subsidiary (Asia Global Health Ltd.).

16.5 Bank guarantees

As at 30 June 2011 and 31 December 2010, there were outstanding bank guarantees of Baht 25.7 million issued by a bank on behalf of the Company. All were required in the normal course of business e.g. payment of utility expenses and space rental.

17. Subsequent events

17.1 On 8 August 2011, the Board of Directors' meeting of an associate (Bangkok Chain Hospital Plc.) approved the appropriation of interim dividends from net income for the period 2011 for Baht 0.10 per share, which will be paid on 6 September 2011. The Company will receive the interim dividend amounting to Baht 49.9 million.

17.2 On 10 August 2011, the Company's Board of Directors Meeting approved the payment of an interim dividend of Baht 0.45 per share to the Company's preference and ordinary shareholders from the Company's operations from 1 January 2011 to 30 June 2011. This constitutes a total dividend of Baht 328.5 million which will be paid on 9 September 2011.

18. Reclassification

Certain amounts in the financial statements for the three-month and six-month periods ended 30 June 2010 have been reclassified to conform to the current period's classification but with no effect to previously reported profit or shareholders' equity. The reclassifications are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June 2010			
	Consolidated financial statements		Separate financial statements	
	As previously reported		As previously reported	
	As reclassified	As previously reported	As reclassified	As previously reported
Revenues from hospital operations	2,175,425	2,178,022	2,150,109	2,150,109
Cost of hospital operations	1,358,773	1,364,284	1,344,639	1,348,471
Administrative expenses	393,551	361,473	376,881	349,105
Management benefit expenses	-	29,164	-	23,944

(Unit: Thousand Baht)

	For the six-month periods ended 30 June 2010			
	Consolidated financial statements		Separate financial statements	
	As previously reported		As previously reported	
	As reclassified	As previously reported	As reclassified	As previously reported
Revenues from hospital operations	4,727,289	4,732,425	4,665,746	4,665,746
Cost of hospital operations	2,857,159	2,875,690	2,826,678	2,842,244
Administrative expenses	841,704	769,315	822,876	758,596
Management benefit expenses	-	58,994	-	48,714

19. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 10 August 2011.