

BANGKOK DUSIT MEDICAL SERVICES PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
REPORT AND INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED 30 JUNE 2006

Review report of Independent Auditor

To The Board of Directors and Shareholders of
Bangkok Dusit Medical Services Public Company Limited

I have reviewed the consolidated balance sheet of Bangkok Dusit Medical Services Public Company Limited and its subsidiaries as at 30 June 2006 and the related consolidated statements of earnings for the three-month and six-month periods ended 30 June 2006 and 2005, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-month periods ended 30 June 2006 and 2005, and the separate financial statements of Bangkok Dusit Medical Services Public Company Limited for the same periods. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to report on these financial statements based on my reviews.

Included in the consolidated and the Company's financial statements for the three-month and six-month periods ended 30 June 2005 is share of net profit from all associated companies amounting to approximately Baht 33 million and Baht 82 million, representing 22% and 20% of net earnings for the respective periods. The financial statements of a significant associated company with net profit for the said periods of approximately Baht 24 million and Baht 67 million, or 73% and 82% of total profit of all associated companies respectively were reviewed by the auditor of the associated company and I have already received the review report from that auditor. My report herein, insofar as it related to the amounts included for the said associated company, is based solely upon the review report of the other auditor.

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.

Based on my reviews and the review report of the auditor of the associated company for the financial statements for the period of three months and six months ended 30 June 2005, 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 Bangkok Dusit Medical Services Public Company Limited and its subsidiaries and the separate financial statements of Bangkok Dusit Medical Services Public Company Limited for the year ended 31 December 2005, in accordance with generally accepted auditing standards and expressed an unqualified opinion on those financial statements under my report dated 28 February 2006. The balance sheet as at 31 December 2005, as presented herein for comparative purpose, 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.

Saifon Inkaew

Certified Public Accountant (Thailand) No. 4434

Ernst & Young Office Limited

Bangkok : 15 August 2006

BANGKOK DUSIT MEDICAL SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

(Unit: Thousand Baht)

		CONSOLIDATED		THE COMPANY ONLY	
	Note	30 June 2006	31 December 2005	30 June 2006	31 December 2005
		(Unaudited	(Audited)	(Unaudited	(Audited)
		but reviewed)		but reviewed)	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		712,257	528,950	72,063	100,760
Short - term investments		625,322	747	8	8
Trade accounts receivable	2				
Related parties	3	2,664	13,967	6,519	4,482
Other - net		851,907	550,448	371,966	221,618
Total accounts receivable - net		854,571	564,415	378,485	226,100
Other receivable - related parties	3	3	2,797	41,788	18,889
Inventories		160,140	160,861	43,779	70,005
Other current assets-net		300,269	181,678	122,945	96,890
TOTAL CURRENT ASSETS		2,652,562	1,439,448	659,068	512,652
NON-CURRENT ASSETS					
Restricted bank deposit		13,794	20,609	-	7,440
Investments in subsidiary and associated companies accounted					
for under equity method	4	73,346	576,079	8,037,191	5,708,672
Investments in other companies - net	6	55,317	55,317	55,317	55,317
Other long-term investments - net	5	696,501	605,177	696,277	604,953
Long-term loans to related party	3	-	-	1,201	1,201
Interest receivable - related parties - net	3	-	15,393	77,606	92,999
Property, building and equipment - net	7	16,771,763	13,453,640	4,821,650	4,189,715
Land not used in operation		438,927	438,927	438,927	438,927
Goodwill - net		1,171,184	736,653	-	-
Other intangible assets - net		308,107	206,825	75,377	41,519
Other non-current assets - net		154,030	129,136	13,457	10,909
TOTAL NON-CURRENT ASSETS		19,682,969	16,237,756	14,217,003	11,151,652
TOTAL ASSETS		22,335,531	17,677,204	14,876,071	11,664,304

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

BANGKOK DUSIT MEDICAL SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (Continued)

(Unit: Thousand Baht)

		CONSOLIDATED		THE COMPANY ONLY	
	Note	30 June 2006	31 December 2005	30 June 2006	31 December 2005
		(Unaudited	(Audited)	(Unaudited	(Audited)
		but reviewed)		but reviewed)	
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from					
financial institutions	8	2,339,485	251,536	2,120,000	180,000
Short-term loans		-	104,050	-	-
Short-term loans from related company	3	21,359	10,000	-	-
Trade accounts payable					
Related parties	3	2,964	16,762	22,635	7,335
Others		723,648	624,151	213,835	233,106
Total trade accounts payable		726,612	640,913	236,470	240,441
Current portion of long-term loans	9	971,567	776,491	463,312	426,450
Current portion of liabilities under hire purchase and					
financial lease agreements	10	118,063	115,794	38,984	37,280
Accounts payable - construction and retention		255,554	179,908	161,658	96,024
Other payable - related parties	3	2,664	12,028	14,674	16,696
Corporate income tax payable		324,675	118,868	88,748	114,232
Accrued expenses		677,500	364,462	335,437	134,107
Other current liabilities		586,871	263,506	130,923	109,535
TOTAL CURRENT LIABILITIES		6,024,350	2,837,556	3,590,206	1,354,765
NON-CURRENT LIABILITIES					
Excess for loss over cost of investment in subsidiary					
company accounted for under equity method	4	-	-	2,921	2,853
Long - term loans - net of current portion	9	6,803,882	5,994,854	2,437,478	2,165,650
Long - term liabilities under hire purchase and financial					
lease agreements - net of current portion	10	168,638	200,957	40,423	60,807
Deferred income		217,016	183,431	217,016	183,431
Other non-current liabilities		34,646	42,868	12,597	7,200
TOTAL NON-CURRENT LIABILITIES		7,224,182	6,422,110	2,710,435	2,419,941
TOTAL LIABILITIES		13,248,532	9,259,666	6,300,641	3,774,706

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

BANGKOK DUSIT MEDICAL SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (Continued)

(Unit: Thousand Baht)

		CONSOLIDATED		THE COMPANY ONLY	
	Note	30 June 2006	31 December 2005	30 June 2006	31 December 2005
		(Unaudited	(Audited)	(Unaudited	(Audited)
		but reviewed)		but reviewed)	
SHAREHOLDERS' EQUITY					
Share capital	17				
Registered					
1,312,264,222 ordinary shares of Baht 1 each					
(31 December 2005 : 1,183,410,108 ordinary shares of Baht 1 each)		1,312,264	1,183,410	1,312,264	1,183,410
Issued and fully paid-up					
1,181,037,800 ordinary shares of Baht 1 each					
(31 December 2005 : 1,163,410,108 ordinary shares of Baht 1 each)	11	1,181,038	1,163,410	1,181,038	1,163,410
Premium					
Premium on ordinary shares	11	4,562,167	4,322,607	4,562,167	4,322,607
Revaluation surplus on investments		345,984	254,660	345,984	254,660
Revaluation surplus on land and buildings		997,638	963,797	997,638	963,797
Difference from shareholding restructure	11	305,000	-	305,000	-
Retained earnings					
Appropriated - statutory reserve		118,341	118,341	118,341	118,341
Unappropriated		1,110,243	1,066,783	1,110,243	1,066,783
TOTAL EQUITY ATTRIBUTABLE TO					
COMPANY'S SHAREHOLDERS		8,620,411	7,889,598	8,620,411	7,889,598
COMPANY'S SHARES HELD BY SUBSIDIARIES	11	-44,981	-	-44,981	-
MINORITY INTEREST - Equity attributable to					
minority shareholders of subsidiaries		511,569	527,940	-	-
TOTAL SHAREHOLDERS' EQUITY					
		9,086,999	8,417,538	8,575,430	7,889,598
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		22,335,531	17,677,204	14,876,071	11,664,304
		0	0	0	

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

(UNAUDITED BUT REVIEWED)

BANGKOK DUSIT MEDICAL SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF EARNINGS

FOR THREE-MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

(Unit: Thousand Baht except earnings per shares expressed in Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005
REVENUES				
Revenues from hospital operations	3,649,069	2,341,729	1,344,103	963,568
Other Income				
Revenue from sales of food and beverages	43,425	38,081	6,885	9,044
Interest income	10,960	3,870	99	2,041
Others	48,625	28,568	45,800	20,588
Total other income	103,010	70,519	52,784	31,673
Share of profit from investments accounted for under equity method	3,195	33,236	133,852	70,151
TOTAL REVENUES	3,755,274	2,445,484	1,530,739	1,065,392
EXPENSES				
Cost of hospital operations and others	2,056,114	1,361,794	753,831	573,732
Administrative expenses	1,166,371	823,392	390,509	282,672
Directors' remuneration	8,422	7,824	4,311	4,836
TOTAL EXPENSES	3,230,907	2,193,010	1,148,651	861,240
EARNINGS BEFORE INTEREST EXPENSES				
AND INCOME TAX	524,367	252,474	382,088	204,152
INTEREST EXPENSES	-116,560	-70,093	-52,991	-25,471
CORPORATE INCOME TAX	-95,752	-27,938	-48,884	-26,101
EARNINGS BEFORE MINORITY INTEREST	312,055	154,443	280,213	152,580
MINORITY INTEREST IN NET EARNINGS	-31,842	-1,863	-	-
NET EARNINGS FOR THE PERIOD	280,213	152,580	280,213	152,580
BASIC EARNINGS PER SHARE (BAHT)				
Net earnings	0.24	0.13	0.24	0.13
Weighted average number of ordinary shares (shares)	1,176,999,163	1,163,410,108	1,176,999,163	1,163,410,108

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

(UNAUDITED BUT REVIEWED)

BANGKOK DUSIT MEDICAL SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF EARNINGS

FOR SIX-MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

(Unit: Thousand Baht except earnings per shares expressed in Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
REVENUES				
Revenues from hospital operations	7,077,012	4,546,078	2,565,967	1,976,634
Other Income				
Revenue from sales of food and beverages	81,342	66,741	15,235	17,446
Interest income	11,648	5,463	136	4,689
Others	80,590	58,476	80,574	30,334
Total other income	173,580	130,680	95,945	52,469
Share of profit from investments accounted for under equity method	28,441	82,373	349,191	191,182
TOTAL REVENUES	7,279,033	4,759,131	3,011,103	2,220,285
EXPENSES				
Cost of hospital operations and others	3,966,213	2,472,812	1,428,517	1,127,782
Administrative expenses	2,221,818	1,653,059	752,689	554,198
Directors' remuneration	16,320	13,173	8,819	9,705
TOTAL EXPENSES	6,204,351	4,139,044	2,190,025	1,691,685
EARNINGS BEFORE INTEREST EXPENSES				
AND INCOME TAX	1,074,682	620,087	821,078	528,600
INTEREST EXPENSES	-210,810	-130,246	-90,590	-47,455
CORPORATE INCOME TAX	-189,047	-75,077	-96,510	-72,474
EARNINGS BEFORE MINORITY INTEREST	674,825	414,764	633,978	408,671
MINORITY INTEREST IN NET EARNINGS	-40,847	-6,093	-	-
NET EARNINGS FOR THE PERIOD	633,978	408,671	633,978	408,671
BASIC EARNINGS PER SHARE (BAHT)				
Net earnings	0.54	0.35	0.54	0.35
Weighted average number of ordinary shares (shares)	1,176,999,163	1,163,410,108	1,176,999,163	1,163,410,108

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

(UNAUDITED BUT REVIEWED)

BANGKOK DUSIT MEDICAL SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR SIX-MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005
Cash flows from operating activities				
Net earnings	633,978	408,671	633,978	408,671
Adjustments to reconcile net earnings to net cash provided by (paid from) operating activities: -				
Depreciation and amortisation	657,147	435,487	214,093	128,531
Bad debts and allowance for doubtful accounts	6,136	1,606	-	2,572
Amortisation of deferred income	-90,565	-12,310	-12,415	-12,310
Share of profit from investments accounted for under equity method	-28,441	-82,373	-349,191	-191,182
Minority interests in net earnings for the period	40,847	6,093	-	-
Loss on impairment of investment	-	925	-	925
Amortisation of goodwill	48,726	36,924	-	-
Amortisation of deferred interest	11,049	4,843	2,236	1,592
Loss (gain) on disposal of fixed assets	3,863	-587	-994	-504
Unrealize loss on foreign exchange rate	865	-	-	-
Earnings from operating activities before changes in operating assets and liabilities	1,283,605	799,279	487,707	338,295
Decrease (increase) in operating assets				
Trade accounts receivable	-165,897	9,733	-152,385	-12,395
Other receivable - related parties	2,869	7,838	-22,899	-4,839
Inventories	37,360	22,947	26,226	42,237
Other current assets	-96,326	-57,832	-26,055	-66,113
Other non-current assets	-3,062	-52,593	-2,548	1,980
Increase (decrease) in operating liabilities				
Trade accounts payable	-63,709	1,193	-3,971	-16,052
Other payable - related parties	-12,608	-11,877	-2,022	3,850
Corporate income tax payable	139,934	-40,879	-25,484	-39,382
Accrued expenses	213,239	85,192	201,331	90,413
Other current liabilities	178,325	72,421	24,109	-16,332
Deferred income	102,766	48,000	46,000	48,000
Other non-current liabilities	-11,643	-3,786	5,398	2,186
Net cash from operating activities	1,604,853	879,636	555,407	371,848

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

(UNAUDITED BUT REVIEWED)

BANGKOK DUSIT MEDICAL SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR SIX-MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Cash flows from investing activities				
Decrease (increase) in short term investments and restricted bank deposit	(583,406)	9,422	7,440	5,232
Dividend received from subsidiary and associated companies	4,500	36,925	34,920	36,925
Cash paid for purchase of investments in new subsidiaries during the period	(1,277,357)	-229,937	-1,322,440	-461,130
Cash paid for additional investment in subsidiaries	(348,061)	-	-397,881	-
Net cash received from sales of investment	469,882	-	-	-
Cash received from disposal of fixed assets	21,767	4,838	2,110	3,310
Cash paid for purchase of fixed assets	(1,635,313)	-1,312,508	-783,653	-696,733
Decrease (increase) in loans to and interest receivable from related parties	-	102,649	15,392	112,849
Interest received from other company	36,000	-	-	-
Increase in intangible assets	(36,793)	-1,213	-34,436	-
Increase in minority interests from change of investment portion	24,684	-	-	-
Net cash used in investing activities	-3,324,097	-1,389,824	-2,478,548	-999,547
Cash flows from financing activities				
Increase in bank overdraft and short-term loans from financial institutions	1,850,583	406,550	1,940,000	390,000
Increase in long-term loans from banks	991,912	467,208	516,800	291,505
Repayment of long-term loans from banks	-487,459	-334,949	-208,110	-167,819
Decrease in liabilities under hire-purchase and financial lease agreements	-84,453	-48,131	-20,916	-12,935
Increase in loan from related companies	11,359	-	-	-
Cash received from share capital increase	257,188	-	257,188	-
Increase in Company's shares held by subsidiaries	-44,981	-	-	-
Dividend paid	-590,518	-581,705	-590,518	-581,705
Dividend paid by subsidiaries to minority interests	-1,080	-	-	-
Net cash from (used in) financing activities	1,902,551	-91,027	1,894,444	-80,954
Net increase (decrease) in cash and cash equivalents	183,307	-601,215	-28,697	-708,653
Cash and cash equivalents at beginning of period	528,950	1,038,564	100,760	749,445
Cash and cash equivalents at end of period	712,257	437,349	72,063	40,792
Supplemental cash flows information				
Cash paid during the period for: -				
Interest expense	213,568	121,952	97,092	46,032
Corporate income tax	215,095	124,451	121,808	111,856

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

(UNAUDITED BUT REVIEWED)

BANGKOK DUSIT MEDICAL SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR SIX-MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

(Unit: Thousand Baht)

CONSOLIDATED											
		Premium					Retained earnings		Company's		
		Issued and		Revaluation	Revaluation	Difference from	Appropriated-		shares held	Minority	
		paid-up	Premium on	surplus on	surplus on	shareholding					
Note		share capital	ordinary shares	investment	land and building	restructure	statutory reserve	Unappropriated	by subsidiaries	interest	Total
Balance - as at 1 January 2006		1,163,410	4,322,607	254,660	963,797	-	118,341	1,066,783	-	527,940	8,417,538
Transfer revaluation surplus on land and buildings		-	-	-	33,841	-	-	-	-	-	33,841
Adjustment of fair value of investment		-	-	91,324	-	-	-	-	-	-	91,324
Increase in capital	11	17,628	-	-	-	-	-	-	-	-	17,628
Premium on ordinary shares	11	-	239,560	-	-	-	-	-	-	-	239,560
Difference from shareholding restructure	11	-	-	-	-	305,000	-	-	-	-	305,000
Company's shares held by subsidiaries	11	-	-	-	-	-	-	-	(44,981)	-	(44,981)
Decrease in minority interests from change											
of investment portion		-	-	-	-	-	-	-	-	(57,218)	(57,218)
Net earnings for the period		-	-	-	-	-	-	633,978	-	-	633,978
Dividend paid	12	-	-	-	-	-	-	(590,518)	-	-	(590,518)
Minority interest in net earnings for the period		-	-	-	-	-	-	-	-	40,847	40,847
Balance - as at 30 June 2006		<u>1,181,038</u>	<u>4,562,167</u>	<u>345,984</u>	<u>997,638</u>	<u>305,000</u>	<u>118,341</u>	<u>1,110,243</u>	<u>(44,981)</u>	<u>511,569</u>	<u>9,086,999</u>
Balance - as at 1 January 2005		1,163,410	4,322,607	135,550	968,742	-	90,158	844,563	-	362,379	7,887,409
Transfer revaluation surplus on land and											
building of subsidiaries		-	-	-	9,213	-	-	-	-	-	9,213
Adjustment of fair value of investment		-	-	114,125	-	-	-	-	-	-	114,125
Transfer to statutory reserve		-	-	-	-	-	27,892	(27,892)	-	-	-
Net earnings for the period		-	-	-	-	-	-	408,671	-	-	408,671
Minority interest		-	-	-	-	-	-	-	-	201,695	201,695
Dividend paid		-	-	-	-	-	-	(581,707)	-	-	(581,707)
Balance - as at 30 June 2005		<u>1,163,410</u>	<u>4,322,607</u>	<u>249,675</u>	<u>977,955</u>	<u>-</u>	<u>118,050</u>	<u>643,635</u>	<u>-</u>	<u>564,074</u>	<u>8,039,406</u>

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

(UNAUDITED BUT REVIEWED)

BANGKOK DUSIT MEDICAL SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

FOR SIX-MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

(Unit: Thousand Baht)

THE COMPANY ONLY									
Note	Issued and paid-up share capital	Premium			Difference from shareholding restructure	Retained earnings		Company's shares held by subsidiaries	Total
		Premium on ordinary shares	Revaluation surplus on investment	Revaluation surplus on land and building		Appropriated- statutory reserve	Unappropriated		
Balance - as at 1 January 2006	1,163,410	4,322,607	254,660	963,797	-	118,341	1,066,783	-	7,889,598
Transfer revaluation surplus on land and buildings	-	-	-	33,841	-	-	-	-	33,841
Adjustment of fair value of investment	-	-	91,324	-	-	-	-	-	91,324
Increase in share capital <i>11</i>	17,628	-	-	-	-	-	-	-	17,628
Increase in share premium <i>11</i>	-	239,560	-	-	-	-	-	-	239,560
Difference from shareholding restructure <i>11</i>	-	-	-	-	305,000	-	-	-	305,000
Company's shares held by subsidiaries <i>11</i>	-	-	-	-	-	-	-	-44,981	-44,981
Net earnings for the period <i>12</i>	-	-	-	-	-	-	633,978	-	633,978
Dividend paid	-	-	-	-	-	-	-590,518	-	-590,518
Balance - as at 30 June 2006	<u>1,181,038</u>	<u>4,562,167</u>	<u>345,984</u>	<u>997,638</u>	<u>305,000</u>	<u>118,341</u>	<u>1,110,243</u>	<u>-44,981</u>	<u>8,575,430</u>
Balance - as at 1 January 2005	1,163,410	4,322,607	135,550	968,742	-	90,158	844,563	-	7,525,030
Transfer revaluation surplus on land and building	-	-	-	9,213	-	-	-	-	9,213
Adjustment of fair value of investment	-	-	114,125	-	-	-	-	-	114,125
Transfer to statutory reserve	-	-	-	-	-	27,892	-27,892	-	-
Net earnings for the period	-	-	-	-	-	-	408,671	-	408,671
Dividend paid	-	-	-	-	-	-	-581,707	-	-581,707
Balance - as at 30 June 2005	<u>1,163,410</u>	<u>4,322,607</u>	<u>249,675</u>	<u>977,955</u>	<u>-</u>	<u>118,050</u>	<u>643,635</u>	<u>-</u>	<u>7,475,332</u>

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

(UNAUDITED BUT REVIEWED)

BANGKOK DUSIT MEDICAL SERVICES PUBLIC COMPANY LIMITED

AND SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1 General information

Bangkok Dusit Medical Services Public Company Limited was incorporated as a limited company under Thai laws and transformed to be a public limited company on 3 January 1994. The Company operates in Thailand and its principal activity is hospital with the registered office being located at 2, Soi Soonvijai 7, New Petchburi Road, Bang Kapi, Huaykwang, Bangkok.

1.2 Basis for the preparation of interim financial statements

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

1.3 Basis of consolidation

These consolidated financial statements include the financial statements of Bangkok Dusit Medical Services Public Company Limited and its subsidiaries (“the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2005. There have been no changes in the composition of the Group during the current period except for additional investment as discussed in Note 4 and shareholding restructure as discussed in Note 11 to the financial statements.

(UNAUDITED BUT REVIEWED)

1.4 Significant Accounting Policies

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

As a result of the shareholding restructure as stated in Note 11 to the financial statements, two subsidiaries hold certain shares of the company. Basic earnings per share for the period 2006 is therefore calculated by dividing net earnings for the period by the weighted average number of ordinary shares held by outsiders (net of the Company's shares held by the subsidiaries) and in issue during the period.

During the second quarter ended 30 June 2005, a subsidiary changed its accounting policy related to the recording of the revaluation surplus on land and building, whereby the surplus was previously transferred directly to retained earnings, which is in compliance with the Thai Accounting Standard No. 32- Property, Plant and Equipment, to being transferred to reduce depreciation in the statement of earnings, as permitted under the Institute of Certified Accountants and Auditors of Thailand ("ICAAT")'s announcement No. 006/2544-2546.

As a result of this change in accounting policy the subsidiary retroactively adjusted the earnings statement for the three-month period ended 31 March 2005 by recording an increase of approximately Baht 18.29 million in net earnings. Nevertheless, the ICAAT announcement is effective until 2006 and the subsidiary will again have to comply with Accounting Standard No. 32 as from 1 January 2007. The subsidiary has to retroactively restate all presented comparative figures when it changes its accounting policy.

(UNAUDITED BUT REVIEWED)

2. TRADE ACCOUNTS RECEIVABLE

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

	(Unit: Thousand Baht)			
	CONSOLIDATED		THE COMPANY ONLY	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
<u>Related parties</u>				
Not over 3 months	2,602	13,288	6,317	4,284
3-6 months	34	57	189	115
6-12 months	22	231	13	83
over 12 months	6	391	-	-
Total	2,664	13,967	6,519	4,482
<u>Other companies</u>				
Not over 3 months	747,299	521,675	311,295	212,850
3-6 months	84,116	31,969	52,486	13,504
6-12 months	28,526	14,443	19,641	7,291
over 12 months	22,512	16,721	9,468	8,897
Total	882,453	584,808	392,890	242,542
Less: Allowance for doubtful accounts	(30,546)	(34,360)	(20,924)	(20,924)
Trade account receivables- other companies- net	851,907	550,448	371,966	221,618
Total trade account receivables- net	854,571	564,415	378,485	226,100

(UNAUDITED BUT REVIEWED)

3. RELATED PARTY TRANSACTIONS

During the periods, the Company had significant business transactions with its subsidiaries (eliminated from the consolidated financial statements) and with its related companies (related by way of shareholding, common shareholders and/or common directors). Such transactions which mainly consisted of revenue from hospital, loans, administration and purchase of fixed assets have been concluded on the terms and basis agreed between the Company and those companies, with the pricing policies as follow : -

<u>Transaction</u>	<u>Pricing and lending policy</u>
Revenue from hospital operation	Prices are based on the price charged to normal customers
Revenue from lab analysis service	Prices are based on the price charged to normal customers
Revenue from consulting and management	Agreed prices and in accordance with normal course of business
Interest rate charge of inter-company loan	Interest rate is close to rate charged by bank to normal customer
Sales and purchase of fixed assets	Agreed prices and in accordance with normal course of business

The significant intercompany transactions for the three-months and six-months period ended 30 June 2006 and 2005 are as follows :-

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	For the three-month ended		For the three-month ended	
	30 June		30 June	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
<u>Transactions with subsidiaries</u>				
<i>(eliminated from the consolidated financial statements)</i>				
Patient services income and lab services	-	-	5,402	1,298
Consulting and management fees income	-	-	13,770	1,774
Other income	-	-	8,627	3,153
Interest income	-	-	-	1,237
Dividend income	-	-	950	-
Service cost	-	-	28,773	27,044
Other expenses	-	-	22,686	207
Dividend payment	-	-	1,541	-

(UNAUDITED BUT REVIEWED)

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	For the three-month ended 30 June		For the three-month ended 30 June	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
<u>Transactions with associated companies</u>				
Patient services income and lab services	5,720	2,587	-	1,264
Consulting and management fees income	-	3,701	-	-
Other income	-	450	-	431
Dividend income	4,500	36,925	-	36,925
Service cost	-	1,801	2,803	1,759
Other expenses	-	413	-	-
Purchase of investment in ordinary shares	-	134,958	-	134,958
Dividend payment	-	17,632	-	17,632
Interest expense	198	-	-	-
<u>Transactions with related parties</u>				
Patient services income and lab services	1,812	2,032	1,812	2,032
Other income	3,000	-	-	-
Other expenses	3,040	5,643	2,454	5,643
Service cost	1,500	5,643	1,500	5,643
Dividend payment	36,273	-	36,273	-

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	For the six-month ended 30 June		For the six-month ended 30 June	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
<u>Transactions with subsidiaries</u> (eliminated from the consolidated financial statements)				
Patient services income and lab services	-	-	7,512	2,211
Consulting and management fees income	-	-	44,678	1,774
Interest income	-	-	-	2,538
Dividend income	-	-	34,920	-
Other income	-	-	11,945	7,465
Profit from sales of fixed assets	-	-	-	396
Service cost	-	-	53,868	54,841
Other expenses	-	-	42,797	1,343
Purchase of investment in ordinary shares	-	-	617,212	-
Purchase of medical instruments	-	-	14,023	-
Dividend payment	-	-	1,541	-

(UNAUDITED BUT REVIEWED)

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	For the six-month ended		For the six-month ended	
	30 June		30 June	
	2006	2005	2006	2005
<u>Transactions with associated companies</u>				
Patient services income and lab services	2	10,734	2	3,445
Consulting and management fees income	1,475	14,161	1,475	1,818
Interest income	-	342	-	187
Other income	28	3,175	28	906
Dividend income	4,500	36,925	-	36,925
Service cost	10,134	6,731	4,883	5,892
Other expenses	7,736	484	7,734	-
Purchase of investment in ordinary shares	-	134,958	-	134,958
Dividend payment	-	17,632	-	17,632
Interest expense	198	-	-	-
<u>Transactions with related parties</u>				
Patient services income and lab services	4,519	3,413	4,069	3,413
Interest expense	-	450	-	-
Other expenses	4,318	4,204	2,454	4,162
Dividend payment	36,273	5,643	36,273	5,643
Other income	3,000	-	-	-
Service cost	1,500	-	1,500	-

As at 30 June 2006 and 31 December 2005, the outstanding balances of the above transactions have been separately shown in the balance sheets, as follows :-

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	As at	As at	As at	As at
	30 June	31 December	30 June	31 December
	2006	2005	2006	2005
<u>Trade accounts receivable - related parties</u>				
Subsidiary companies	-	-	4,105	1,369
Associated companies	-	5,775	-	2,056
Related companies	2,664	8,192	2,414	1,057
Total trade accounts receivable - related parties	2,664	13,967	6,519	4,482

(UNAUDITED BUT REVIEWED)

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	As at	As at	As at	As at
	30 June	31 December	30 June	31 December
	2006	2005	2006	2005
<u>Other receivable - related parties</u>				
Consulting and management fee receivable				
Subsidiary companies	-	-	21,454	15,760
Total	-	-	21,454	15,760
<u>Other</u>				
Subsidiary companies	-	-	20,334	2,977
Associated companies	3	2,797	-	152
Total	3	2,797	20,334	3,129
Total other receivable - related parties	3	2,797	41,788	18,889
<u>Long-term loans to related party</u>				
<u>Subsidiary company</u>				
Bangkok Prapradang Hospital Co., Ltd.	-	-	1,201	1,201
Total long-term loans to related party	-	-	1,201	1,201
<u>Interest receivable - related parties</u>				
Subsidiary companies	-	-	77,606	77,606
Associated companies	-	15,393	-	15,393
Total interest receivable - related parties	-	15,393	77,606	92,999

(UNAUDITED BUT REVIEWED)

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	As at		As at	
	As at	31 December	As at	31 December
	30 June 2006	2005	30 June 2006	2005
<u>Short-term loans from related party</u>				
Associated company	10,000	10,000	-	-
Related company	11,359	-	-	-
Total short-term loans from related party	21,359	10,000	-	-
<u>Trade accounts payable - related parties</u>				
Subsidiary companies	-	-	19,812	4,582
Associated companies	2,964	16,098	2,806	2,753
Related companies	-	664	17	-
Total trade accounts payable - related parties	2,964	16,762	22,635	7,335
<u>Other payable - related parties</u>				
Subsidiary companies	-	-	14,674	11,906
Associated companies	858	3,880	-	-
Related companies	1,806	3,358	-	-
Related persons	-	4,790	-	4,790
Total other payable - related parties	2,664	12,028	14,674	16,696

Movement of loans to and loans from related parties during the year are summarized as follow:-

(Unit : Thousand Baht)

	CONSOLIDATED			
	31 December		30 June	
	2005	Increase	Decrease	2006
<u>Short-term loans from related party</u>				
Associated company	10,000	-	-	10,000
Related company	-	11,359	-	11,359
	10,000	11,359	-	21,359

(UNAUDITED BUT REVIEWED)

(Unit : Thousand Baht)

	THE COMPANY ONLY			
	31 December			30 June
	2005	Increase	Decrease	2006
<u>Long-term loan to related party</u>				
Subsidiary company	1,201	-	-	1,201
	1,201	-	-	1,201

Bangkok Phuket Hospital Co., Ltd. has an interest payable to the Company totalling Baht 4 million which it will repay in two equal installments, in December 2009 and December 2010.

Bangkok Phuket Hospital Co., Ltd. has mortgaged its land, building and construction to be erected in the future as collateral security against the loan.

As at 30 June 2006, the Company had long overdue loan interest receivable from Bangkok Hatyai Hospital Co., Ltd. of Baht 83.19 million (31 December 2005 : Baht 83.19 million). The Company has provided allowance for doubtful accounts of Baht 9.58 million (31 December 2005 : Baht 9.58 million). The management believes that the allowance for doubtful accounts will be sufficient in respect of these loans because the Company expects that the outstanding balance will be collected and the subsidiary has pledged its land as collateral for the loan.

Management Agreement

The Company

The Company has entered into the Hospital Managing Employment Agreement with B.N.H. Medical Centre Limited, a subsidiary company, for a period of five years. The agreement is renewable. Remuneration rates for the 1st - 5th years are 2.5% - 5% gross margin before interest expense, income tax, depreciation, and amortization of deferred expense per annum, and these rates rise to 8% per annum from the 6th year onward.

The employer requests to suspend the management remuneration of the 1st - 5th years until the 6th year.

(UNAUDITED BUT REVIEWED)

The Subsidiary

The subsidiary company has entered into a Hospital Managing Employment Agreement with another subsidiary company for a period of ten years and is entitled to renew this agreement. The subsidiary company shall receive a remuneration at the certain percentage of total operation result as stated in the agreement. The payment shall be made on a monthly basis, starting in June 2002.

Long Term Lease Agreement

The Subsidiary

On 5 June 2003, a subsidiary company entered into the 3 year land lease agreement with another subsidiary company for building construction. That subsidiary company has to pay a monthly rental fee at the rate stipulated in the agreement commencing from 1 January 2004.

In 2005, a subsidiary company entered into the 3-year building rental agreement with another subsidiary company for the hospital operation. That subsidiary company has to pay a monthly rental fee the rate stipulated in the agreement commencing from May 2005.

(UNAUDITED BUT REVIEWED)

4. INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES ACCOUNTED FOR UNDER EQUITY METHOD / EXCESS FOR LOSS OVER COSTS OF INVESTMENTS IN SUBSIDIARY COMPANY ACCOUNTED FOR UNDER EQUITY METHOD

(Unit : Thousand Baht)

Company name	Type of business	Paid-up Capital	% Shareholding		Investments				Dividends	
			30 June 2006	31 December 2005	Cost Method		Equity Method		30 June 2006	31 December 2005
<u>Associated companies</u>										
<u>Associated companies held by the Company</u>										
Bangkok Pattaya Hospital Co., Ltd.	Hospital	Baht 280 million	-	49.00	-	223,489	-	432,908	-	96,040
The Medic Pharma Co., Ltd.	Pharmaceutical	Baht 21.4 million	49.00	49.00	52,500	52,500	72,527	69,413	-	3,675
Cool & Joy Co., Ltd.	Production of Television and Radio Program	Baht 5 million	30.00	30.00	1,500	1,500	567	567	-	-
S.R. Property Investment Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	101	101	101	101	-	-
Seamreap Land Investment Co., Ltd.	Real estate	USD 0.005 million	49.00	-	101	-	101	-	-	-
Total investments in associated companies held by the Company					54,202	277,590	73,296	502,989	-	99,715
<u>Associated companies held by the subsidiary companies</u>										
Sodexo Support Services (Thailand) Ltd	Management service	Baht 5.0 million	26.00	26.00	1,300	1,300	50	999	-	-
Samitivej Sriracha Co., Ltd.	Hospital	Baht 188 million	-	30.00	-	56,253	-	72,091	-	-
Total investments in associated companies of the subsidiary companies					1,300	57,553	50	73,090	-	-
Total investments in associated companies accounted for under equity method in consolidated financial statements					55,502	335,143	73,346	576,079		

(UNAUDITED BUT REVIEWED)

(Unit : Thousand Baht)

Company name	business	Paid-up Capital	Type of		Investments				Dividends	
			% Shareholding							
			30	31	Cost Method		Equity Method		30	31
			June	December	30 June	31 December	30 June	31 December	June	December
			2006	2005	2006	2005	2006	2005	2006	2005
Subsidiary companies										
Bangkok Prapadang Hospital Co., Ltd.	Hospital	Baht 105 million	79.00	79.00	96,775	96,775	102,019	112,415	-	-
National Healthcare Systems Co., Ltd.	Central Lab	Baht 75 million	74.02	74.02	56,768	56,768	90,494	81,992	-	-
Bio Molecular Laboratories (Thailand) Co., Ltd.	Central Lab	Baht 10 million	95.00	95.00	9,502	9,502	20,540	19,807	950	-
Bangkok Rayong Hospital Co., Ltd.	Hospital	Baht 400 million	100.00	81.00	415,020	323,288	467,599	355,654	-	-
New Petchburi Medical Services Co., Ltd.	Hospital	Baht 1 million	100.00	100.00	999	999	(2,921)	(2,853)	-	-
Bangkok Hatyai Hospital Co., Ltd.	Hospital	Baht 500 million	98.53	98.53	572,465	572,465	761,736	750,749	-	-
Bangkok Trat Hospital Co., Ltd.	Hospital	Baht 250 million	99.64	63.35	245,582	122,897	246,878	125,528	-	-
Bangkok Samui Hospital Co., Ltd.	Hospital	Baht 150 million	100.00	100.00	150,000	150,000	144,118	133,369	-	-
Bangkok Phuket Hospital Co., Ltd.	Hospital	Baht 500 million	99.47	99.47	607,014	607,014	604,415	562,088	-	-
Samitivej Public Co., Ltd.	Hospital	Baht 1,000 million	92.92	92.92	1,453,948	1,453,948	2,130,088	2,008,568	-	-
BNH Medical Center Co., Ltd.	Hospital	Baht 586 million	87.57	87.57	576,325	576,325	608,379	588,789	-	-
Wattanavej Co., Ltd.	Hospital	Baht 180 million	99.47	61.99	449,440	267,438	513,394	338,669	-	-
Bangkok Helicopter Services Co., Ltd.	Service	Baht 30 million	100.00	100.00	33,843	33,843	33,847	33,847	-	-
B.D.M.S. International Medical Services Co., Ltd.	Hospital	Riel 9,200 million	100.00	100.00	94,208	94,208	94,208	94,208	-	-
Angkor Pisith Co., Ltd.	Hospital	USD 1.225 million	49.00	-	48,204	-	48,204	-	-	-
Bangkok Pattaya Hospital Co., Ltd.	Hospital	Baht 280 million	97.06	-	705,759	-	1,306,011	-	33,970	-
Ratchasima Thonburi Hospital Co., Ltd.	Hospital	Baht 300 million	73.97	-	754,939	-	754,939	-	-	-
Bangkok Health Insurance Limited	Insurance	Baht 95 million	99.94	-	37,026	-	37,026	-	-	-
Total investments in subsidiary companies					6,307,817	4,365,470	7,960,974	5,202,830	34,920	-
Total investments in subsidiary and associated companies accounted for under equity method in the Company's financial statement					6,362,019	4,643,060	8,034,270	5,705,819	34,920	99,715
Presented as :										
Investments in subsidiary and associated companies accounted for under equity method							8,037,191	5,708,672		
Excess of loss over cost of investment in subsidiary company accounted for under equity method							(2,921)	(2,853)		
							8,034,270	5,705,819		

(UNAUDITED BUT REVIEWED)

As at 30 June 2006 and 31 December 2005, accumulated share of loss of New Petchaburi Medical Service Co., Ltd. exceeded the cost of investment. The Company therefore recorded such excess as liabilities under the caption of “Excess of loss over cost of investment in subsidiary company accounted for under equity method” in other non-current liabilities in the balance sheets.

The calculation of investment under the equity method as at 30 June 2006 and share of profit from investment in some associated companies for the three-month and six-month period ended 30 June 2006 of Baht 1.4 million and Baht 3.6 million, or equivalent to 0.4 percent and 0.6 percent respectively of net earnings for the period (the calculation of investment under the equity method as at 30 June 2005, and share of profit from investment in some associated companies for the three-month and six-month period ended 30 June 2005 amounting to Baht 3.1 million and Baht 6.7 million, or equivalent to 2 percent and 2 percent of the net earnings for the period respectively) were calculated based on interim financial statements which were prepared by the associated companies and had not yet been reviewed by their auditors.

In January 2006, the Company has already restructured the shareholding structure according to the resolution of the Extraordinary General Meeting of the Company’s shareholders No. 1/2005, (see Note 11 to the financial statements) and Bangkok Pattaya Hospital Co., Ltd. changed its status from an associated company to a subsidiary company.

The Board of Directors’ Meeting No. 1/2006 held on 21 January 2006 passed a resolution to set up a subsidiary company and an associated company in Cambodia with an investment amounting to Baht 84 million with the objectives to hold land and operate the hospital in that country. During the current period, the Company already invested in these subsidiary and associated companies for a total of Baht 48.4 million.

(UNAUDITED BUT REVIEWED)

Purchase of new subsidiaries

In April 2009, the Company purchased an investment in 9.49 million shares at Baht 3.9 per share totally Baht 37.03 million in Bangkok Health Insurance Ltd. from the former shareholders. As a result, the Company has a percentage of share holding of 99.94 percent in that company.

In June 2006, the Company purchased 22.19 million shares at Baht 34 per share totally Baht 754.46 million of Ratchasima Thonburi Co., Ltd. As a result the Company has a percentage of share holding of 73.97 percent in the company.

Increase in share capital in a subsidiary

In addition, during the second quarter of 2006, Bangkok Trat Hospital, a subsidiary of the Company increased its registered capital by issuing additional ordinary shares totaling 10,000,000 shares with par value of Baht 5 and offered to the existing shareholders in proportion of 4 former shares to a new share, called for the payment of Baht 5 per share totaling Baht 50,000,000, so the registered capital increased from 40,000,000 shares to 50,000,000 shares with par value of Baht 5 totaling Baht 250,000,000.

The Company held 39,858,148 ordinary shares of Bangkok Trat Hospital Limited before it increased its capital which represented 99.64 percent of the registered capital. The Company subscribed the capital increase in according to the entitlement of shares of 9,963,787 shares with par value of Baht 5 totaling Baht 49,818,935 so the Company had the 49,818,935 ordinary shares with par value of Baht 5 totaling Baht 249,094,675.

Investments in an associated company which changed the status to a subsidiary company

In May 2006, a subsidiary company, Samitivej Public Co., Ltd. purchased additional investment of 5.58 million shares at Baht 15 per share totally Baht 83.75 million in Samitivej Sriracha Co., Ltd. from the former shareholders. As a result, the subsidiary increases the percentage of share holding in that company from 30 percent to 59.78 percent and that company changes the status from an associated company to be a subsidiary company.

(UNAUDITED BUT REVIEWED)

5. OTHER LONG-TERM INVESTMENTS

(Unit : Thousand Baht)

Company name	Type or business	Paid-up capital	% share holding	Investment (cost)	
		(Million Baht)		30 June 2006	31 December 2005
<u>Other companies held by the Company</u>					
<u>Investments in marketable securities</u>					
Ramkhamhaeng Hospital Public Co., Ltd.	Hospital	120	19.00	342,915	342,915
Thai Military Bank Public Co., Ltd.	Bank	133,143	-	1,770	1,770
Krungdhon Hospital Public Co., Ltd.	Hospital	150	0.13	208	208
Eakchon Hospital Public Co., Ltd.	Hospital	125	0.20	350	350
				345,243	345,243
Add : Revaluation surplus on investments				345,983	254,659
				691,226	599,902
<u>Investments in marketable securities</u>					
<u>Investments in other companies</u>					
X-Ray Computer Urupong Co., Ltd.	X-ray lab	80	5.11	4,520	4,520
Computer Center Co., Ltd.		-	-	25	25
Phyathai X-ray Co., Ltd.	Rental of medical instrument	130	-	3	3
Winstore Co., Ltd.	Retail and wholesale	142	0.36	226	226
Thai Longstay Management Co., Ltd.	Travel business	25	2.12	531	531
Truste Allergy Co., Ltd.		-	-	-	-
				5,305	5,305
Less : Allowance for impairment of investments				(254)	(254)
				5,051	5,051
Other long-term investments - net					
(in the Company's financial statement)				696,277	604,953
<u>Other company held by the subsidiary company</u>					
Thai Herbal Products Co., Ltd.	Sales of herbal products	80	0.60	290	290
Less : Allowance for impairment of investments				(66)	(66)
Investment in other company - net				224	224
Other long-term investment - net					
(Consolidated)				696,501	605,177

(UNAUDITED BUT REVIEWED)

6. INVESTMENTS IN OTHER COMPANIES

(Unit : Thousand Baht)

Company name	Type of	Paid-up	% Share				
	Business	Capital	Holding	Investments (Cost)		Dividends	
				30 June	31 December	30 June	31 December
				<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
<u>Related companies</u>							
Udon Pattana (1994) Co., Ltd.	Hospital	300,000	10.00	31,650	31,650	-	-
Bangkok Airways Co., Ltd.	Airline	440,000	3.27	36,000	36,000	2,310	7,762
Total				67,650	67,650	2,310	7,762
Less: Allowance for impairment of							
investments				(12,333)	(12,333)		
Total investments in other companies - net				55,317	55,317		

7. PROPERTY, BUILDING AND EQUIPMENT

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

(Unit: Thousand Baht)

	Consolidated	The Company only
Net book value as at 1 January 2006	13,453,640	4,189,715
Acquisitions during period - at cost	1,793,465	843,700
Disposals during period - net book value at disposal date	(100,353)	(1,116)
Depreciation for period	(675,813)	(210,649)
Net fixed Assets from acquisition of subsidiary company	2,300,824	-
Net book value as at 30 June 2006	16,771,763	4,821,650

During six-months period ended 30 June 2006, a subsidiary company calculated depreciation of buildings that had been revalued and transferred revaluation surplus on land and buildings to reduce related depreciation in statement of earnings of approximately Baht 36.3 million.

The Company and the subsidiary companies have mortgaged certain of their land and buildings and constructions to be created in the future as collateral for long-term loans as discussed in Note 9 to the financial statements.

(UNAUDITED BUT REVIEWED)

A subsidiary company's building and equipment and inventories were damaged by flood in November 2005. However, the subsidiary company has accident insurance with a domestic insurance company which covers property damage as a result of the flood. The subsidiary company has not recorded loss on impairment of the fixed assets destroyed and damaged by the flood and the amount of compensation for losses to be received under the insurance in the financial statements for the period ended 30 June 2006 since the subsidiary company and the insurance company are in the process of assessing the damage to the property. However, the subsidiary management believes that the loss of fixed assets destroyed would be fully covered by the insurance or if any, the subsidiary would have an insignificant loss from such accident.

Subsidiary Company

Samitivej Sriracha Co., Ltd., a subsidiary of Samitivej Public Co., Ltd. had its land and existing building and building improvement as at 27 December 1995 revalued by an independent appraiser who reported under the appraisal reports dated 5 January 1996 a resultant increase in value as compared to the carrying amounts of land, buildings and improvements of approximately Baht 28.39 million.

During the year 2001, the subsidiary company engaged an independent appraiser to appraise all of its land, building, building improvements and utilities. The new valuation was higher than the carrying amounts of these assets. However, the subsidiary company had not compared each asset with former report, therefore, the subsidiary company did not record the assets with such revaluation.

On 25 May 2006, the subsidiary company which was formerly an associated company engaged an independent appraiser to appraise all of its land, building, building improvement and the subsidiary company recorded assets with revaluation. The increase in revaluation of land, building and building improvement was approximately Baht 61.1 million and Baht 109.7 million, respectively. The Company recognised the equity from revaluation surplus on land, building and building improvement by percentage of shareholding at the rate of 28 percent, approximately Baht 47 million.

8. BANK OVERDRAFTS

As at 30 June 2006, the Company and its subsidiary companies have bank overdraft facilities with local banks of Baht 323 million (31 December 2005 : Baht 158 million) and the Company only of Baht 50 million (31 December 2005 : Baht 50 million) with interest rate at MOR (Minimum Overdraft Rate).

(UNAUDITED BUT REVIEWED)

9. LONG-TERM LOANS

As at 30 June 2006, long-term loans consist of : -

(Unit : Million Baht)

				Outstanding long - term loan amount						
				Non- Current			Significant conditions of the loan agreements			
No.	Agreement date	Lender	Credit facility	Current Portion	Portion	Total	Loan Period	Principal repayment	Interest payment	Interest rate
The Company only										
1.	17 December 2001	Local Bank	2,300	310	975	1,285	9 years	Monthly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.
2.	26 March 2002	Local Bank	20	3	5	8	7 years	Monthly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.
3.	19 November 2004	Local bank	85	21	39	60	5 years	Monthly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.
4.	13 January 2005	Local Bank	139	35	92	127	5 years	Monthly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.
5.	13 January 2005	Local Bank	102	25	53	78	5 years	Monthly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.
6.	5 October 2005	Local bank	350	53	271	324	7 years	Monthly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.
7.	29 September 2005	Local Bank	45	9	32	41	5 years	Monthly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.
8.	1 December 2005	Local Bank	600	-	600	600	9 years	Monthly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.
9.	1 March 2006	Local Bank	340	-	340	340	7 years	Monthly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.
10.	29 March 2006	Local Bank	54	7	30	37	4 years 10 months	Monthly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.
Total loans of the Company				463	2,437	2,900				

(UNAUDITED BUT REVIEWED)

(Unit : Million Baht)

No.	Agreement date	Lender	Credit facility	Outstanding long - term loan amount			Significant conditions of the loan agreements				
				Current Portion	Non- Current Portion	Total	Loan Period	Principal repayment	Interest payment	Interest rate	
<u>Subsidiaries</u>											
<u>Bangkok Phuket Hospital Co., Ltd.</u>											
1.	18 December 2002	Local Bank	487	50	242	292	10 years	Quarterly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.	
2.	1 September 2005	Local Bank	220	-	212	212	7 years	Quarterly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.	
3.	27 January 2006	Local Bank	7	1	6	7	9 years	Quarterly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.	
<u>Bangkok Trat Co., Ltd</u>											
1.	1 December 2003	Local Bank	140	7	83	90	6 years	Monthly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.	
<u>Bangkok Hatyai Hospital Co., Ltd</u>											
1.	9 May 2003	Local Bank	400	43	257	300	10 years	Monthly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.	
2.	8 September 2004	Local Bank	37	7	17	24	5 years	Monthly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.	
<u>Bangkok Rayong Hospital Co., Ltd.</u>											
1.	29 March 2004	Local Bank	330	-	330	330	10 years	Monthly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.	
<u>Bangkok Samui Hospital Co., Ltd.</u>											
1.	11 June 2004	Local Bank	150	-	150	150	10 years	Monthly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.	
<u>BNH Medical Centre Co., Ltd.</u>											
1.	20 October 1996	Local Bank	679	26	397	423	13 years	Monthly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.	
2.	20 October 1990	Local Bank	679	26	397	423	13 years	Monthly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.	
<u>Bangkok Pattaya Hospital Co., Ltd.</u>											
1.	11 December2002	Local Bank	50	13	3	16	4 years	Monthly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.	
2.	28 May 2004	Local Bank	700	-	461	461	13 years	Monthly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.	
<u>Wattanavej Co., Ltd.</u>											
1.	27 Noember 2003	Local Bank	135	32	76	108	7 years	Quarterly	Quarterly	At fixed rate or MLR less fixed rate as stipulated in the agreement.	
<u>Samitivej Public Company Limited</u>											
1.	11 October 2001	Local Bank	1,700	176	1,271	1,447	10 years	Monthly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.	
2.	26 December 2003	Local Bank	185	25	154	179	10 years	Quarterly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.	
3.	2 June 2005	Local bank	165	33	32	65	6 years	Quarterly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.	
4.	29 May 2006	Local bank	56	8	48	56	4 years	Quarterly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the	

										agreement.
<u>Irving Sheridan SE Company Limited</u>										
1.	26 December 2003	Local Bank	115	15	96	111	10 years	Quarterly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.
<u>Samitivej Sriracha Company Limited</u>										
1.	18 December 2002	Local Bank	160	32	80	112	7 years	Monthly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.
2.	13 August 2004	Local Bank	60	14	46	60	5 years	Monthly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.
3.	29 May 2006	Local bank	50	-	9	9	7 years	Monthly	Monthly	At fixed rate or MLR less fixed rate as stipulated in the agreement.
Total loans of subsidiary companies				<u>508</u>	<u>4,367</u>	<u>4,875</u>				
Total loans of the Company and subsidiary companies				<u>971</u>	<u>6,804</u>	<u>7,775</u>				

The Company and its subsidiaries have mortgaged certain plots of land, buildings and medical equipments, including future construction, with banks to secure long-term loan obtained from those banks.

(UNAUDITED BUT REVIEWED)

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

	(Unit: Million Baht)	
	Consolidated	The Company Only
Balance as at 1 January 2006	6,771	2,592
Add : Additional borrowings	992	517
Loan of subsidiaries which were purchased during this period	500	-
Less : Repayment	(488)	(208)
Balance as at 30 June 2006	7,775	2,901

10. LIABILITIES UNDER HIRE-PURCHASE AND FINANCIAL LEASE AGREEMENTS

	(Unit : Thousand Baht)			
	CONSOLIDATED		THE COMPANY ONLY	
	30 June	31 December	30 June	31 December
	2006	2005	2006	2005
Hire-purchase and financial lease payable	318,694	352,907	87,576	108,493
Less : Deferred interest	(31,993)	(36,156)	(8,169)	(10,406)
Total	286,701	316,751	79,407	98,087
Less: Current portion due within one year	(118,063)	(115,794)	(38,984)	(37,280)
Liabilities under hire-purchase and financial				
lease agreement – net of current portion	168,638	200,957	40,423	60,807

Liabilities under hire-purchase agreements

Hire-purchase payable consists of amounts payable under various vehicle hire-purchase agreements, with payments to be made in 32-60 monthly installments.

Liabilities under financial lease agreements

The Company and its subsidiaries have entered into various financial lease agreements with various leasing companies to rent medical equipment for use in their operations. Installments are paid on a monthly basis over 36-60 periods and at the end of the agreements, the Company and the subsidiaries have the option to purchase the equipment at prices specified in the agreements.

(UNAUDITED BUT REVIEWED)

11. SHAREHOLDING RESTRUCTURE

On 17 October 2005 the Extraordinary General Meeting of the Company's shareholders No. 1/2005 passed a resolution approving a capital reduction on unissued 17,089,892 shares and approved the increase in registered share capital of 20,000,000 ordinary shares. The increase and decrease in share capital was registered on 28 October 2005 and the Company's registered share capital is Baht 1,183,410,108.

In addition, such meeting approved the Company's restructuring planning by acquisition of shares from all other shareholders of the eastern hospital group, which comprised Bangkok Pattaya Hospital Co., Ltd., Bangkok Trat Hospital Co., Ltd., Wattanavej Co., Ltd., and Bangkok Rayong Co., Ltd.. Such purchase was subject to the condition that those shareholders must purchase the Company's shares by using all proceeds received from the Company for such purchase as payment for the Company's shares. The Company's shares to be offered to the shareholders of the eastern hospital group would comprise of the above new 20 million ordinary shares and/or the shares of the Company held by Bangkok Pattaya Hospital Co., Ltd.. All of them would be offered to those shareholders in the same time at the price of Baht 14.59 each. For the purpose of eliminating cross shareholding between the Company and Bangkok Pattaya Hospital Co., Ltd., the entire shares of Company which are held by Bangkok Pattaya Hospital Co., Ltd. would be offered to those shareholders before the new ordinary shares of the Company.

During the current period, the Company already restructured the said shareholding by way of actual payments and also issuance of 17,627,692 new ordinary shares, in addition to the shares repurchased from Bangkok Pattaya Hospital Co., Ltd. to the shareholders of the eastern hospital group companies. This transaction increases the issued share capital of the Company to 1,181,037,800 shares at Baht 1 each as at 30 June 2006 and premium on ordinary shares of such transaction amounted to approximately Baht 239.6 million.

(UNAUDITED BUT REVIEWED)

In addition, as a result of such shareholding restructure, a subsidiary company had a net gain from such transaction of approximately Baht 305 million, which is presented as “Difference from shareholding restructure” in premium and as at 30 June 2006, 3,082,995 shares of the Company with a total value of approximately Baht 45 million are held by two subsidiaries and are presented as a deduction item in the shareholders’ equity in order to present net shareholders’ equity in the consolidated and the Company’s financial statements.

12. DIVIDEND

The 2006 Annual General Meeting of the Company’s shareholders held on 30 March 2006 passed a resolution approving a dividend payment of Baht 0.50 per share, to the holders of the Company’s 1,181,037,800 shares (par value of Baht 1 each), or a total of Baht 590.5 million. The meeting also approved the appropriation of earnings of Baht 0.29 million to the statutory reserve. The dividend payment was made on 28 April 2006.

13. INVESTMENTS DURING THE PERIOD

During the period of six month ended 30 June 2006, the Company has invested in ordinary shares of new subsidiary companies namely Bangkok Pattaya Hospital Co., Ltd., Angkor Pisith Co., Ltd., Ratchasima Thonburi Hospital Co., Ltd., and Bangkok Health Insurance Limited and the Company had additionally invested in Bangkok Pattaya Co., Ltd, resulting in that company changing its status from an associated company to a subsidiary company. In addition, Samitivej Public Co., Ltd. had additionally invested in ordinary shares of Samitivej Sriracha Co., Ltd., previously an associated company of Samitivej Public Co., Ltd. and changed its status to be a subsidiary company with fair values of assets purchased and liabilities as at purchased dates as follows :-

(Unit : Thousand Baht)

	Consolidated
Cash and cash equivalents	128,836
Short-term investments	34,354
Trade accounts receivable - net	130,395
Inventories - net	36,639

(UNAUDITED BUT REVIEWED)

(Unit : Thousand Baht)

	Consolidated
Interest receivable	36,000
Other current assets	23,205
Investments	180,897
Property, building and equipment - net	2,300,824
Intangible assets - net	5,531
Other non-current assets	5,817
Bank overdraft and short term loans from financial institution	(133,316)
Trade accounts payable	(149,408)
Other payable - related parties	(3,245)
Accrued expenses	(181,065)
Other current liabilities	(125,403)
Long-term loans	(499,653)
Other non-current liabilities	(3,419)
Net acquired assets	1,786,989
Changes in investment from change of the status from associated to subsidiary company	(571,016)
Changes in minority interest from change of the status from associated to subsidiary company	(291,924)
Net assets from acquisition of subsidiary companies	924,049
Add : Goodwill	482,144
Cash flows used in acquisition of the new subsidiary companies during the period	1,406,193
Less : Cash and cash equivalents of subsidiary companies	(128,836)
Net assets from acquisition of new subsidiary companies	1,277,357

14. LONG-TERM LEASE AGREEMENTS

The Company

The Company has entered into a land lease agreement on which a garden is to be built. The lease agreement covers a period of 30 years from 1 January 2005 to 31 December 2033 and the Company is obliged to pay rental on a monthly basis. The rental fee for the first 5 years is Baht 10,000 per month and this fee is to be increased by every 5 years. The rental for the last 5 years will thus be Baht 25,000 per month.

The Company has entered into a land rental agreement for a parking building for 20 years from 26 February 2004 to 25 February 2024. The rental fee for the first 17 months is Baht 200,000 per month and this is to be increased by the rate as stipulated in the agreement. The rental for the last 3 years will be Baht 560,000 per month.

The Company has entered into a land rental agreement whereby the land is to be used for construction of an OPD building for a period of 30 years from 28 September 2004 to 27 September 2034. The first payment date is 10 October 2005 at the rental fee of Baht 50,000 per month, with this rate being increased by 10% of the latest rental every three years.

The Company has entered into a land rental agreement for a car park for a period of 7 years from 1 September 2005 to 31 August 2012 and the rental is paid on a monthly basis. The first payment date is 1 September 2005 and rental to be paid at Baht 131,000 per month and from 1 September 2006 onward at Baht 175,000 per month.

The Company has entered into a land rental agreement for a period of 30 years from 1 January 2006 to 31 December 2036 and the rental is paid on a monthly basis. The first payment date is 5 January 2006 and rental to be paid at Baht 30,000 per month and from 1 September 2006 onward at Baht 100,000 per month.

(UNAUDITED BUT REVIEWED)

The Company has entered into an agreement to build a hospital building on land owned by a government authority. The condition of the agreement states that upon completion of the building construction, the Company has to transfer the ownership over such building to that authority. After the authority accepts such transfer, the company will enter into another land and hospital building rental agreement with that government authority. The agreement will cover a period of 30 years after the signing date of the agreement and the Company is obliged to pay rental on a yearly basis. The rental fee for the first 5 years is Baht 492,676 per year and this fee is to be increased every 5 years. The rental for the last 5 years will thus be Baht 990,943 per year. However, as of 30 June 2006 the Company has not signed in the above contract as the ownership of the building has not yet been transferred.

Samitivej Public Company Limited

The subsidiary company has entered into a rental agreement for a parking building dated 10 September 2003, for 30 years, effective from 8 December 2004. The rental fee for the first year was Baht 3.39 million and is to be increased by 2.75% every year. The total rental fee over the lease will thus be Baht 155.11 million. The subsidiary company is committed to pay Baht 38.78 million as prepaid rental as per the schedule. The remaining rental fee will be paid at 85% of rental. In addition, the subsidiary company has entered into a service agreement with the same company for provision of services in the said parking building for 30 years totaling Baht 103.41 million.

As at 30 June 2006, the subsidiary company already paid an advance rental payment of Baht 38.78 million (31 December 2005 : Baht 38.78 million).

BNH Medical Center Co., Ltd.

The subsidiary company entered into an agreement with a shareholder, Bangkok Nursing Home Association, to lease land for the construction of a hospital for a period of 30 years, commencing 1 September 1993, with options to renew. As at 30 June 2006, the subsidiary company is committed to pay future rental under this agreement totaling Baht 191 million (31 December 2005 : Baht 200 million).

(UNAUDITED BUT REVIEWED)

15. COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2006 commitments and contingent liabilities are as follows:-

15.1 Commitments

	(Unit : Million Baht)	
	Consolidated	The Company only
Contractual commitments		
- the land and building rental contracts (including long-term agreements in Note 3 and 14)	674	188
- the office equipment rental and maintenance and other services contracts	135	14
- the medical equipment providing contracts	61	48
- the building decoration contracts	353	166
Contingent liabilities		
- For letters of guarantee issued by banks	225	45
Total	1,448	461

15.2 Litigations

As at 30 June 2006, a subsidiary company was named joint defendant with doctors in a case relating to the medical treatment of a patient in 1996, whereby the plaintiff claimed for a compensation amounting to approximately Baht 659.6 million. On 9 February 2004, the Civil Court dismissed the case, and it is currently being heard by the Court of Appeal. The management of the subsidiary, after consulting with the subsidiary's legal counsel, is of the opinion that the Appeal Court will not reverse the judgement of the Civil Court to dismiss the case.

In addition, as at 30 June 2006, the said subsidiary was named joint defendant with doctors in a case relating to the medical treatment of a patient in 2002, whereby the plaintiff claimed for a compensation amounting to approximately Baht 39.40 million. The case is being considered by the Primary Court. The management of the subsidiary and the subsidiary's legal counsel are of the opinion that the court will ultimately rule in favour of the subsidiary.

(UNAUDITED BUT REVIEWED)

A subsidiary company has a contingent liabilities as a defendant in a legal case related to the building construction retention of Baht 14.37 million. The case is being considered by the Central Bankruptcy court.

16. SEGMENT INFORMATION

The Company and its subsidiaries operate mainly in the hospital business in Thailand. As a result all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned industry segment and geographic area.

17. CONVERTIBLE DEBENTURE

on 19 June 2006, the Extraordinary General Meeting of Shareholders' No. 1/2006 of the Company has approved for the issue and offer of the name-registered and unsecured convertible debentures with or without debenture holders' representatives/ trustee to the foreign investors (except the investors in United States of America) and/or local institutional investors in foreign currency or equivalent of not exceeding Baht 5,000 million. The maturity date will be not more than 5 years from the issuance date. It has also resolved to authorise the Board of Directors and/or the persons authorised by the Board of Directors to determine or amend the details, procedures, and conditions relating to the issue of the convertible bonds. The proceeds of the convertible debenture will be used for repay the existing loans to the Company's lenders, being the company's working capital as well as strengthening the business operation of the Company.

In addition, the Meeting has approved for reduction of the Company's registered capital by cancelling 2,372,308 authorised but unissued shares, at par value of Baht 1 per share, being Baht 2,372,308 from the existing registered capital of Baht 1,183,410,108 to be the new registered capital of Baht 1,181,037,800.

(UNAUDITED BUT REVIEWED)

In addition, it has approved for the increase of the Company's registered capital of another Baht 131,226,422 divided into 131,226,422 ordinary shares at the par value of Baht 1 each from the existing registered capital of Baht 1,181,037,800 to be the new registered capital of Baht 1,312,264,222. The new issued ordinary shares will be reserved for conversion of convertible debentures. If there are any remaining shares from the convertible debentures not being exercised or there are any unsubscribed convertible debentures (as the case may be), the Board of Directors shall be authorised to allot and offer those remaining shares in one or several branches from time to time by way of private placement in accordance with the Office of the Securities and Exchange Commission (SEC) notification No. GorJor. 12/2543 regarding the application and permission for offer of new shares. Details of the allotment such as conditions of the offer, subscription period or any other relevant details shall be determined at the discretion of the Board of Directors including the determination of "market price" in accordance with the relevant the Office of the Securities and Exchange Commission (SEC) notification.

The Company has registered the decrease and increase of registered capital with the Ministry of Commerce on 20 and 21 June 2006 respectively.

On 6 July 2006, the Office of the Securities and Exchange Commission has granted the approval for the issue and offer of the convertible debenture. On 12 July 2006, the Company has issued the 5 years convertible debenture, type name-registered and unsecured convertible debenture with trustee, at the coupon rate of 3.75% p.a., for the total number of 124,000 units, at the price of USD 1,000 each, being the amount of USD 124.0 million or equivalent of Baht 4,731,840,000 (at the fixed exchange rate of Baht 38.16 per USD 1.00) to the foreign investors outside United States of America for the entire amount. The aforesaid convertible debenture has been approved for listing on the Singapore Exchange Securities Trading Limited. Unless, redeemed or converted, the Company will redeem each bonds on 12 July 2011 (the maturity date) at an amount equal to the USD equivalent of the Baht equivalent principal amount multiplied by 114.41 percent. Prior to the close of business on 12 July 2011, a bondholder has the conversion right to convert any bond into the Company's ordinary shares. The conversion price will initially be Baht 36.30 per share (which will be subject to revision and/or adjustment in the manner provided in the condition of the Bonds). The convertible bonds are redeemable prior to the maturity date. Early redemption will be subject to the condition of the bonds.

(UNAUDITED BUT REVIEWED)

18. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These financial statements have been approved by the authorised directors of the Company on 15 August 2006.