

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

INTERIM FINANCIAL STATEMENTS

MARCH 31, 2012 AND 2011

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF FINANCIAL INFORMATION

**To : the Shareholders and The Board of Directors of
Nonthavej Hospital Public Company Limited**

I have reviewed the accompanying statement of financial position of Nonthavej Hospital Public Company Limited as at March 31, 2012, the related statements of comprehensive income, changes in owners' equity and cash flows for the three-month periods ended March 31, 2012 and 2011, and the condensed notes to the financial statements, of Nonthavej Hospital Public Company Limited. Management is responsible for the preparation and presentation of this interim financial information in accordance with Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my reviews.

Scope of review

I conducted my review in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in accordance with Accounting Standard 34 Interim Financial Reporting.

Statement of financial position as at December 31, 2011 for comparative purposes

I have audited the financial statements of Nonthavej Hospital Public Company Limited for the year ended December 31, 2011, in accordance with auditing standards and expressed an unqualified opinion on those financial statements in my report dated February 24, 2012. The statement of financial position as at December 31, 2011 shown herein as comparison is an integral part of such audited and reported financial statements. I have not performed any other auditing procedures subsequent to the date of that report.

(Mr. Apiruk Ati-anuwat)

Certified Public Accountant Registration No. 5202

May 11, 2012

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

ASSETS

		THOUSAND BAHT	
		As at March 31, 2012	As at December 31, 2011
		UNAUDITED REVIEWED	AUDITED
	Notes		
Current Assets			
Cash and cash equivalents	5	212,984	150,490
Short-term investments			
Trading securities	6.1	1,682	1,346
Trade and other receivables	7	84,057	77,575
Inventories		31,548	32,661
Other current assets			
Prepaid expenses		11,982	8,020
Other current assets		3,605	3,066
Total other current assets		15,587	11,086
Total Current Assets		345,858	273,158
Non-current Assets			
Long-term investments			
Available-for-sale securities	6.2	2,864	2,254
Fixed deposits at bank	8	2,437	2,434
Property, plant and equipment		922,411	923,873
Intangible assets			
Deferred computer softwares		26,470	28,995
Other non-current assets		11,182	11,485
Total Non-current Assets		965,364	969,041
TOTAL ASSETS		1,311,222	1,242,199

Notes to the interim financial statements form an integral part of these statements.

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

LIABILITIES AND OWNERS' EQUITY

		THOUSAND BAHT	
		As at March 31, 2012	As at December 31, 2011
		UNAUDITED REVIEWED	AUDITED
	Notes		
Current Liabilities			
Trade and other payables	9	128,916	125,696
Assets acquisition payable		7,881	19,463
Dividends payable		97,760	-
Accrued corporate income tax		53,431	37,399
Other current liabilities		3,282	4,242
Total Current Liabilities		291,270	186,800
Non-current liabilities			
Provision for long-term employee benefits		26,676	25,294
Total Non-current liabilities		26,676	25,294
TOTAL LIABILITIES		317,946	212,094
Owners' Equity			
Share capital			
Authorized share capital			
16,000,000 common stocks of Baht 10 par value		160,000	160,000
Issued and paid-up share capital			
16,000,000 common stocks at Baht 10 each		160,000	160,000
Additional paid-in capital			
Premium on common stocks		172,000	172,000
Retained earnings			
Appropriated			
Legal reserve	10	16,000	16,000
Unappropriated		642,632	680,253
Other components of equity		2,644	1,852
Total Owners' Equity		993,276	1,030,105
TOTAL LIABILITIES AND OWNERS' EQUITY		1,311,222	1,242,199

Notes to the interim financial statements form an integral part of these statements.

UNAUDITED

REVIEWED

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2012 AND 2011

	Notes	THOUSAND BAHT	
		EXCEPT EARNINGS PER	
		SHARE PRESENTED IN BAHT	
		2012	2011
REVENUES			
Revenues from medical treatment		399,036	329,842
Other income		4,344	3,001
Total Revenues		403,380	332,843
EXPENSES	12		
Cost of medical treatment		270,182	230,220
Selling expenses		6,449	2,463
Administrative expenses		47,961	46,664
Directors' remuneration	11	549	562
Total Expenses		325,141	279,909
Profit before Income Tax Expenses		78,239	52,934
Income Tax Expenses	13	18,100	16,434
Profit for the periods		60,139	36,500
Other Comprehensive Income			
Gain on available-for-sale securities		792	100
Other comprehensive income for the period		792	100
Total comprehensive income for the period		60,931	36,600
Earnings per Share (Baht)			
Basic earnings per share		3.76	2.28
The number of 16,000,000 common stocks used in computation.			

Notes to the interim financial statements form an integral part of these statements.

UNAUDITED

REVIEWED

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN OWNERS' EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2012 AND 2011

		THOUSAND BAHT					
	Notes	Issued and paid-up share capital	Premium on common stocks	Retained earnings		Other components of owners' equity Available for sale securities	Total owners' equity
				Legal reserve	Unappropriated		
Year 2012							
Balances as at January 1, 2012		160,000	172,000	16,000	680,253	1,852	1,030,105
Total comprehensive income for the period		-	-	-	60,139	792	60,931
Dividend payment	11	-	-	-	(97,760)	-	(97,760)
Balances as at March 31, 2012		<u>160,000</u>	<u>172,000</u>	<u>16,000</u>	<u>642,632</u>	<u>2,644</u>	<u>993,276</u>
Year 2011							
Balances as at January 1, 2011		160,000	172,000	16,000	655,033	1,394	1,004,427
Cumulative effects on the change in accounting policy	3	-	-	-	(20,671)	-	(20,671)
Restated balances		160,000	172,000	16,000	634,362	1,394	983,756
Total comprehensive income for the period		-	-	-	36,500	100	36,600
Dividend payment	11	-	-	-	(116,800)	-	(116,800)
Balances as at March 31, 2011		<u>160,000</u>	<u>172,000</u>	<u>16,000</u>	<u>554,062</u>	<u>1,494</u>	<u>903,556</u>

Notes to the interim financial statements form an integral part of these statements.

UNAUDITED

REVIEWED

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2012 AND 2011

	THOUSAND BAHT	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES :		
PROFIT BEFORE INCOME TAX EXPENSES	78,239	52,934
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX		
EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :-		
Depreciation	24,024	20,686
Amortization of quality system	293	-
Amortization of computer softwares	2,926	2,726
Unrealized (gain) loss on trading securities	(336)	37
Realized loss on available-for-sale securities	132	-
(Gain) loss on disposal of fixed assets	(34)	1,155
Bad debts	-	5
Doubtful debts increase (decrease)	(391)	969
Dividend income	(81)	(56)
Provision for long-term employee benefits expenses	1,382	1,090
PROFIT FROM OPERATION BEFORE CHANGE IN		
OPERATING ASSETS AND LIABILITIES ITEMS	106,154	79,546
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Trade and other receivables	(6,091)	13,412
Inventories	1,113	2,375
Other current assets	(4,420)	(178)
Other non-current assets	10	(469)
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS		
Trade accounts payable and other payable	3,220	255
Assets acquisition payable	(16,527)	(1,976)
Other current liabilities	(960)	(1,057)
Cash received from operation	82,499	91,908
Income tax paid	(2,068)	(2,024)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	80,431	89,884

Notes to the interim financial statements form an integral part of these statements.

UNAUDITED

REVIEWED

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2012 AND 2011

	THOUSAND BAHT	
	2012	2011
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(17,659)	(32,156)
Proceeds from fixed assets disposal	76	404
Proceeds from the sale of available-for-sale-securities	50	-
Purchase of computer softwares	(401)	(572)
Increase in fixed deposits at bank	(3)	(2)
NET CASH USED IN INVESTING ACTIVITIES	<u>(17,937)</u>	<u>(32,326)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	62,494	57,558
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	<u>150,490</u>	<u>151,558</u>
CASH AND CASH EQUIVALENTS AS AT MARCH 31,	<u><u>212,984</u></u>	<u><u>209,116</u></u>
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS		
Non-cash flows items comprise :		
Unrealized gain on available-for-sale securities	792	100
Increase in fixed assets from assets payable	4,945	4,647
Increase in computer softwares from transferring fixed assets	-	851
Dividends payable	97,760	116,800
Accrued dividend income	81	56

Notes to the interim financial statements form an integral part of these statements.

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENTS

MARCH 31, 2012 AND 2011

1. GENERAL INFORMATION

1.1	Company status	A juristic person established under Thai law and listed on the Stock Exchange of Thailand.
1.2	Company location	30/8, Ngamvongwan Road, Tambol Bangkhen, Amphur Muangnonthaburi, Nonthaburi, Thailand.
	Branch	68/888, Rattanathibeth Road, Tambol Bangkrasor, Amphur Muangnonthaburi, Nonthaburi, Thailand.
1.3	Type of business	Hospital

2. BASIS FOR PREPARATION OF INTERIM FINANCIAL STATEMENTS

- 2.1 The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard No.34 Interim Financial Reporting issued by the Federation of Accounting Professions and the Notification of the Office of Securities and Exchange Commission. These interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2011.
- 2.2 In 2012, the Federation of Accounting Professions issued the financial reporting standard TFRS 8 : Operating Segments, which is effective for fiscal years beginning on or after January 1, 2013.
- 2.3 These interim financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. CHANGES IN ACCOUNTING POLICY

In 2011, the Company has applied the new accounting standards in accordance with Thai Accounting Standard No. 19 : Employee Benefits. To adopt this accounting policy, the Company has chosen the perceived value of debt increase by adjusted to the beginning retained earnings of the period in the year 2011, in amount of Baht 20.67 million.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended December 31, 2011.

5. CASH AND CASH EQUIVALENTS

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	2012	2011
Cash	3,577	3,910
Savings accounts	68,854	84,129
Current accounts	3,806	7,245
Fixed deposit and bill of exchange	136,747	55,206
Total	212,984	150,490

6. INVESTMENTS IN EQUITY SECURITIES

6.1 Short-term investments - Trading securities

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2012	As at December 31, 2011
Short-term investments-at cost	2,155	2,155
Allowance for investment adjustment	(473)	(809)
Net short-term investments-Fair value	1,682	1,346

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the three-month periods ended March 31,	
	2012	2011
Unrealized gain (loss) on trading securities	336	(37)

6.2 Long-term investments - Available-for-sale securities

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2012	As at December 31, 2011
Acquisition cost	220	402
Unrealized gain on investment revaluation	2,644	1,852
Fair value at ending periods	2,864	2,254

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the three-month periods ended March 31,	
	2012	2011
Realized loss on available-for-sale securities	(132)	-

7. TRADE AND OTHER RECEIVABLES

(AMOUNT IN THOUSAND BAHT)

AGING	As at March 31, 2012	As at December 31, 2011
The trade accounts receivable are classified by outstanding balances of aging as follows :		
Current	77,543	69,668
Overdue within 3 months	5,063	6,959
Over 3 – 6 months	618	296
Over 6 – 12 months	152	197
Over 12 months	3,771	4,016
Total	87,147	81,136
Allowance for doubtful debts	(3,170)	(3,561)
Trade accounts receivable-net	83,977	77,575
Other receivables	80	-
Total trade and other receivables	84,057	77,575

8. FIXED DEPOSITS

Fixed deposits at bank, for the portion of long-term investments are pledged with the commercial bank as collateral for the issuance of bank guarantee.

9. TRADE ACCOUNTS PAYABLE AND OTHER PAYABLES

PARTICULARS	As at March 31, 2012	As at December 31, 2011
Trade accounts payable	45,566	41,442
Accrued expenses	21,111	29,528
Accrued doctors' fees	42,697	39,932
Others	19,542	14,794
Total	128,916	125,696

10. LEGAL RESERVE

The Company has appropriated the legal reserve which duly met 10% of authorized share capital, in compliance with the Public Company Act. Such reserve is forbidden for dividend payment.

11. DIVIDEND PAYMENT AND DIRECTOR'S REMUNERATION

On February 24, 2012, the Board of Directors' Meeting was held and has a resolution to pay dividends at Baht 6.11 per share to the shareholders of 16 million shares, totalling Baht 97.76 million. On April 26, 2012, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay such proposed dividend, including directors' remuneration amounting to Baht 1.63 million by fixing the payment date for dividends on May 25, 2012.

On March 10, 2011, the Board of Directors' Meeting was held and has a resolution to pay dividends at Baht 7.30 per share to the shareholders of 16 million shares, totalling Baht 116.80 million. On April 28, 2011, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay such proposed dividend, including directors' remuneration amounting to Baht 1.94 million by fixing the payment date for dividends on May 27, 2011.

12. EXPENSES BY NATURE

(AMOUNT IN THOUSAND BAHT)

EXPENSES	For the three-month periods ended March 31,	
	2012	2011
Medicine and medical supply consumptions	86,511	66,689
Directors and management benefit expenses	2,942	3,104
Employee benefit expenses	85,619	74,757
Doctors' fees	88,212	78,732
Depreciation and amortization expenses	27,243	23,412
Other expenses	34,614	33,215
Total	325,141	279,909

13. INCOME TAXES

The Company's corporate income taxes for the three-month periods ended March 31, 2012 and 2011 are calculated from the accounting profits and adjusted with other revenues and some expenses which are exempted from income tax or being disallowable expenses in corporate income tax computation. The Company income taxes are calculated at the rate of 23 per cent in 2012 and the rate of 30 per cent in 2011.

14. FINANCIAL INFORMATION BY SEGMENT

The Company is engaged in the business of medical treatment in one geographical area, Thailand. Therefore, the financial information by segment is not shown in these financial statements.

15. COMMITMENT

15.1 As at March 31, 2012 and December 31, 2011, the Company has commitment from the issuance of bank guarantee as follow :

(AMOUNT IN THOUSAND BAHT)

PARTICULAR	As at March 31, 2012	As at December 31, 2011
Letters of guarantee issued by commercial bank	3,579	3,579

15.2 Commitment under service agreement

As at March 31, 2012, the Company has service agreements which can be cancelled when the counter party has prior notice 30 to 60 days in advance the amount of Baht 5.08 million, and the contract which can not be cancelled amount of Baht 2.74 million.

15.3 Capital expenditure commitments

As at March 31, 2012, the Company has capital expenditure commitments to pay a total of Baht 5.80 million regarding to the building renovation agreement and Baht 6.67 million in regarding to the acquisition of computer software.

16. TRANSACTIONS WITH RELATED PERSONS

The Company has certain accounting transactions with related person. These transactions are in general with the normal trading terms and conditions and the market price. The relationship of the related person is being the Company's director.

(AMOUNT IN THOUSAND BAHT)

RELATED TRANSACTIONS IN THE STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTH PERIODS ENDED MARCH 31,	2012	2011
Consulting fee on the information system	-	150

17. RECLASSIFICATION OF ACCOUNTING TRANSACTIONS

The Company has reclassified some accounting transactions of statement of cash flows for the three-month period ended March 31, 2011 to conform with the current period's classification. The reclassifications had no effect to profit or owners' equity.

18. FINANCIAL STATEMENTS APPROVAL

These interim financial statements are duly approved by the Company's directors on May 11, 2012.