

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

INTERIM FINANCIAL STATEMENTS

JUNE 30, 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 June 30, 2012, the related statements of comprehensive income for the three-month and six-month periods ended June 30, 2012 and 2011, changes in owners' equity and cash flows for the six-month periods ended June 30, 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 reviews

I conducted my reviews 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 reviews, 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

August 7, 2012

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

ASSETS

		THOUSAND BAHT	
		As at June 30, 2012	As at December 31, 2011
		UNAUDITED REVIEWED	AUDITED
	Notes		
Current Assets			
Cash and cash equivalents	5	95,608	150,490
Short-term investments			
Open-ended funds	6.1	30,188	120
Trading securities	6.2	1,694	1,226
Trade and other receivables	7	92,838	77,575
Inventories		30,570	32,661
Other current assets			
Prepaid expenses		10,651	8,020
Other current assets		2,426	3,066
Total other current assets		13,077	11,086
Total Current Assets		263,975	273,158
Non-current Assets			
Long-term investments			
Available-for-sale securities	6.3	2,997	2,254
Fixed deposits at bank	8	2,440	2,434
Property, plant and equipment		927,929	923,873
Intangible assets			
Deferred computer softwares		33,020	28,995
Other non-current assets		9,583	11,485
Total Non-current Assets		975,969	969,041
TOTAL ASSETS		1,239,944	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 June 30, 2012	As at December 31, 2011
		UNAUDITED REVIEWED	AUDITED
	Notes		
Current Liabilities			
Trade and other payables	9	130,256	125,696
Assets acquisition payable		12,202	19,463
Accrued corporate income tax		27,455	37,399
Other current liabilities		3,600	4,242
Total Current Liabilities		173,513	186,800
Non-current Liabilities			
Provision for long-term employee benefits		28,056	25,294
Total Non-current Liabilities		28,056	25,294
TOTAL LIABILITIES		201,569	212,094
Owners' Equity			
Share capital	10		
Authorized share capital			
160,000,000 common stocks of Baht 1 par value (December 31, 2011: 16,000,000 ordinary shares of Baht 10 each)		160,000	160,000
Issued and paid-up share capital			
160,000,000 common stocks at Baht 1 each (December 31, 2011: 16,000,000 ordinary shares of Baht 10 each)		160,000	160,000
Additional paid-in capital			
Premium on common stocks		172,000	172,000
Retained earnings			
Appropriated			
Legal reserve	11	16,000	16,000
Unappropriated		687,598	680,253
Other components of equity		2,777	1,852
Total Owners' Equity		1,038,375	1,030,105
TOTAL LIABILITIES AND OWNERS' EQUITY		1,239,944	1,242,199

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

		THOUSAND BAHT			
		EXCEPT EARNINGS PER SHARE PRESENTED IN BAHT			
		THREE-MONTH PERIODS		SIX-MONTH PERIODS	
Notes		2012	2011	2012	2011
REVENUES					
	Revenues from medical treatment	388,926	336,196	787,962	666,038
	Other income	2,343	3,143	6,687	6,144
	Total Revenues	391,269	339,339	794,649	672,182
EXPENSES					
	Cost of medical treatment	276,550	242,572	546,732	472,792
	Selling expenses	3,386	3,495	9,835	5,958
	Administrative expenses	52,381	47,617	100,342	94,281
	Directors' remuneration	391	592	940	1,154
	Total Expenses	332,708	294,276	657,849	574,185
	Profit before Income Tax Expenses	58,561	45,063	136,800	97,997
	Income Tax Expenses	13,595	13,813	31,695	30,247
	Profit for the periods	44,966	31,250	105,105	67,750
Other Comprehensive Income					
	Gain on available-for-sale securities	133	257	925	357
	Other comprehensive income for the period	133	257	925	357
	Total comprehensive income for the period	45,099	31,507	106,030	68,107
Earnings per Share (Baht)					
	Basic earnings per share	0.28	0.20	0.66	0.42
	The number of 160,000,000 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 SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

		THOUSAND BAHT					
		Issued and paid-up share capital	Premium on common stocks	Retained earnings		Other components of owners' equity Available for sale securities	Total owners' equity
Notes				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		-	-	-	105,105	925	106,030
Dividend payment		-	-	-	(97,760)	-	(97,760)
Balances as at June 30, 2012		<u>160,000</u>	<u>172,000</u>	<u>16,000</u>	<u>687,598</u>	<u>2,777</u>	<u>1,038,375</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		-	-	-	(20,671)	-	(20,671)
Restated balances		<u>160,000</u>	<u>172,000</u>	<u>16,000</u>	<u>634,362</u>	<u>1,394</u>	<u>983,756</u>
Total comprehensive income for the period		-	-	-	67,750	357	68,107
Dividend payment		-	-	-	(116,800)	-	(116,800)
Balances as at June 30, 2011		<u>160,000</u>	<u>172,000</u>	<u>16,000</u>	<u>585,312</u>	<u>1,751</u>	<u>935,063</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 SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

	THOUSAND BAHT	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES :		
PROFIT BEFORE INCOME TAX EXPENSES	136,800	97,997
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX		
EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :-		
Depreciation	48,326	42,070
Amortization of quality system	586	-
Amortization of computer softwares	6,327	5,519
Loss from exercise of right on trading securities	-	115
Unrealized (gain) loss on open-ended funds	(68)	3
Unrealized gain on trading securities	(468)	(27)
Realized loss on available-for-sale securities	132	-
Loss on disposal of fixed assets	354	1,315
Bad debts	-	5
Doubtful debts increase (decrease)	(907)	969
Dividend income	(83)	(56)
Provision for long-term employee benefits expenses	2,762	2,268
PROFIT FROM OPERATION BEFORE CHANGE IN		
OPERATING ASSETS AND LIABILITIES ITEMS	193,761	150,178
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Open-ended funds	(30,000)	-
Trade and other receivables	(14,356)	5,611
Inventories	2,091	201
Other current assets	(1,991)	(2,375)
Other non-current assets	(4)	(1,256)
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS		
Trade and other payables	4,560	13,582
Assets acquisition payable	(17,320)	(1,976)
Other current liabilities	(642)	(918)
Cash received from operation	136,099	163,047
Income tax paid	(41,639)	(36,685)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	94,460	126,362

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 SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

	THOUSAND BAHT	
	2012	2011
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(48,211)	(78,622)
Proceeds from fixed assets disposal	113	661
Proceeds from the sale of available-for-sale-securities	50	-
Purchase of computer softwares	(3,611)	(834)
Increase in fixed deposits at bank	(6)	(4)
Proceeds from dividend income	83	56
NET CASH USED IN INVESTING ACTIVITIES	<u>(51,582)</u>	<u>(78,743)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend payment	(97,760)	(116,800)
NET CASH USED IN FINANCING ACTIVITIES	<u>(97,760)</u>	<u>(116,800)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(54,882)	(69,181)
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	<u>150,490</u>	<u>151,558</u>
CASH AND CASH EQUIVALENTS AS AT JUNE 30,	<u><u>95,608</u></u>	<u><u>82,377</u></u>
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS		
Non-cash flows items comprise :		
Unrealized gain on available-for-sale securities	925	357
Increase in fixed assets from assets payable	10,059	17,068
Increase in fixed assets from transferring deposits	1,320	2,834
Increase in computer softwares from transferring fixed assets	6,741	851

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENTS

JUNE 30, 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	3,296	3,910
Savings accounts	36,559	84,129
Current accounts	9,904	7,245
Fixed deposit and bill of exchange	45,849	55,206
Total	95,608	150,490

6. SHORT-TERM INVESTMENTS**6.1 Open-ended fund**

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2012	As at December 31, 2011
Open-ended fund	30,147	147
Allowance for investment adjustment	41	(27)
Open-ended fund-Fair value	30,188	120

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the six-month periods ended June 30,	
	2012	2011
Unrealized gain (loss) on open-ended fund	68	(3)

6.2 Short-term investments - Trading securities

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2012	As at December 31, 2011
Trading securities-at cost	2,008	2,008
Allowance for investment adjustment	(314)	(782)
Trading securities-Fair value	1,694	1,226

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the six-month periods ended June 30,	
	2012	2011
Unrealized gain on trading securities	468	27

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

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2012	As at December 31, 2011
Acquisition cost	220	402
Unrealized gain on investment revaluation	2,777	1,852
Fair value at ending periods	2,997	2,254

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the six-month periods ended June 30,	
	2012	2011
Realized loss on available-for-sale securities	(132)	-

7. TRADE AND OTHER RECEIVABLES

(AMOUNT IN THOUSAND BAHT)

AGING	As at June 30, 2012	As at December 31, 2011
The trade accounts receivable are classified by outstanding balances of aging as follows :		
Current	83,975	69,668
Overdue within 3 months	6,533	6,959
Over 3 – 6 months	1,216	296
Over 6 – 12 months	398	197
Over 12 months	3,300	4,016
Total	95,422	81,136
Allowance for doubtful debts	(2,654)	(3,561)
Trade accounts receivable-net	92,768	77,575
Other receivables	70	-
Total trade and other receivables	92,838	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 AND OTHER PAYABLES

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2012	As at December 31, 2011
Trade accounts payable	45,690	41,442
Accrued expenses	25,076	29,528
Accrued doctors' fees	43,413	39,932
Others	16,077	14,794
Total	130,256	125,696

10. SHARE CAPITAL

On April 26, 2012, the Ordinary General Shareholders' Meeting, was held and approved a resolution to change the par value of the Company's shares from Baht 10 per share to Baht 1 per share and change the Company's registered capital from 16 million shares to 160 million shares, while the Company's registered share capital remains at the same amount of Baht 160 million.

The Company has registered the change of par value, the amendments of the Memorandum of Association and the Articles of Association of the Company with the Ministry of Commerce on May 11, 2012.

11. 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.

12. DIVIDEND PAYMENT AND DIRECTOR'S REMUNERATION

On April 26, 2012, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay dividend at Baht 6.11 per share to the shareholders of 16 million shares, totalling Baht 97.76 million, including directors' remuneration amounting to Baht 1.63 million. The dividend payment was made on May 25, 2012

On April 28, 2011, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay dividend at Baht 7.30 per share to the shareholders of 16 million shares, totalling Baht 116.80 million, including directors' remuneration amounting to Baht 1.94 million. The dividend payment was made on May 27, 2011

13. EXPENSES BY NATURE

(AMOUNT IN THOUSAND BAHT)

EXPENSES	For the six-month periods ended June 30,	
	2012	2011
Medicine and medical supply consumptions	169,150	144,024
Directors and management benefit expenses	5,725	6,239
Employee benefit expenses	183,364	164,732
Doctors' fees	175,881	152,057
Depreciation and amortization expenses	55,239	47,589
Other expenses	68,490	59,544
Total	657,849	574,185

14. INCOME TAXES

The Company's corporate income taxes for the three-month and six-month periods ended June 30, 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.

15. 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.

16. COMMITMENT

16.1 As at June 30, 2012 and December 31, 2011, the Company has commitment from the issuance of bank guarantee as follow :

(AMOUNT IN THOUSAND BAHT)

PARTICULAR	As at June 30, 2012	As at December 31, 2011
Letters of guarantee issued by commercial bank	3,579	3,579

16.2 Commitment under service agreement

As at June 30, 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 4.69 million, and the contract which can not be cancelled amount of Baht 1.83 million.

16.3 Capital expenditure commitments

As at June 30, 2012, the Company has capital expenditure commitments to pay a total of Baht 13.64 million regarding to the building renovation agreement and Baht 5.17 million in regarding to the acquisition of computer software.

17. 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 SIX MONTH PERIODS ENDED JUNE 30,	2012	2011
Consulting fee on the information system	-	300

18. RECLASSIFICATION OF ACCOUNTING TRANSACTIONS

The Company has reclassified some accounting transactions of statement of cash flows for the six-month period ended June 30, 2011 to conform with the current period classification. The reclassifications had no effect to previously reported profit or owners' equity.

19. FINANCIAL STATEMENTS APPROVAL

These interim financial statements are duly approved by the Company's directors on August 7, 2012.