

**NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED**

**INTERIM FINANCIAL STATEMENTS**

**SEPTEMBER 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 September 30, 2012, the related statements of comprehensive income for the three-month and nine-month periods ended September 30, 2012 and 2011, changes in owners' equity and cash flows for the nine-month periods ended September 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

November 8, 2012

**NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED**

**STATEMENTS OF FINANCIAL POSITION**

**ASSETS**

	<u>Notes</u>	THOUSAND BAHT	
		As at September 30,	As at December 31,
		2012	2011
		UNAUDITED REVIEWED	AUDITED
<b>Current Assets</b>			
Cash and cash equivalents	5	155,202	150,490
Short-term investments			
Open-ended funds	6.1	50,488	120
Trading securities	6.2	1,724	1,226
Trade and other receivables	7	111,048	77,575
Inventories		33,492	32,661
Other current assets			
Prepaid expenses		8,153	8,020
Other current assets		3,570	3,066
Total other current assets		11,723	11,086
<b>Total Current Assets</b>		<b>363,677</b>	<b>273,158</b>
<b>Non-current Assets</b>			
Long-term investments			
Available-for-sale securities	6.3	5,161	2,254
Fixed deposits at bank	8	2,455	2,434
Property, plant and equipment		932,422	923,873
Intangible assets			
Deferred computer softwares		33,805	28,995
Other non-current assets		11,485	11,485
<b>Total Non-current Assets</b>		<b>985,328</b>	<b>969,041</b>
<b>TOTAL ASSETS</b>		<b>1,349,005</b>	<b>1,242,199</b>

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 September 30, 2012	As at December 31, 2011
		UNAUDITED REVIEWED	AUDITED
	Notes		
<b>Current Liabilities</b>			
Trade and other payables	9	146,682	125,696
Assets acquisition payable		14,182	19,463
Accrued corporate income tax		24,399	37,399
Other current liabilities		3,788	4,242
<b>Total Current Liabilities</b>		<b>189,051</b>	<b>186,800</b>
<b>Non-current Liabilities</b>			
Provision for long-term employee benefits		29,436	25,294
<b>Total Non-current Liabilities</b>		<b>29,436</b>	<b>25,294</b>
<b>TOTAL LIABILITIES</b>		<b>218,487</b>	<b>212,094</b>
<b>Owners' Equity</b>			
Share capital	10		
Authorized share capital			
160,000,000 common stocks of Baht 1 par value			
(December 31, 2011: 16,000,000 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 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		777,577	680,253
Other components of equity		4,941	1,852
<b>Total Owners' Equity</b>		<b>1,130,518</b>	<b>1,030,105</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>1,349,005</b>	<b>1,242,199</b>

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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012 AND 2011

		THOUSAND BAHT			
		EXCEPT EARNINGS PER SHARE PRESENTED IN BAHT			
		THREE-MONTH PERIODS		NINE-MONTH PERIODS	
Notes		2012	2011	2012	2011
<b>REVENUES</b>					
	Revenues from medical treatment	485,676	416,634	1,273,638	1,082,672
	Other income	3,254	3,177	9,941	9,321
	<b>Total Revenues</b>	<b>488,930</b>	<b>419,811</b>	<b>1,283,579</b>	<b>1,091,993</b>
<b>EXPENSES</b>					
13	Cost of medical treatment	312,487	277,863	859,219	750,655
	Selling expenses	5,864	6,883	15,699	12,841
	Administrative expenses	53,096	47,516	153,438	141,797
12	Directors' remuneration	469	542	1,409	1,696
	<b>Total Expenses</b>	<b>371,916</b>	<b>332,804</b>	<b>1,029,765</b>	<b>906,989</b>
	Profit before Income Tax Expenses	117,014	87,007	253,814	185,004
14	Income Tax Expenses	27,035	26,452	58,730	56,699
	<b>Profit for the periods</b>	<b>89,979</b>	<b>60,555</b>	<b>195,084</b>	<b>128,305</b>
<b>Other Comprehensive Income</b>					
	Gain on remeasuring available-for-sale securities	2,164	6	3,089	363
	Other comprehensive income for the periods	2,164	6	3,089	363
	<b>Total comprehensive income for the periods</b>	<b>92,143</b>	<b>60,561</b>	<b>198,173</b>	<b>128,668</b>
<b>Earnings per Share (Baht)</b>					
	Basic earnings per share	<b>0.56</b>	<b>0.38</b>	<b>1.22</b>	<b>0.80</b>
	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 NINE-MONTH PERIODS ENDED SEPTEMBER 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
				Legal reserve	Unappropriated		
Notes							
<b>Year 2012</b>							
	<b>Balances as at January 1, 2012</b>	160,000	172,000	16,000	680,253	1,852	1,030,105
	Total comprehensive income for the period	-	-	-	195,084	3,089	198,173
	Dividend payment	-	-	-	(97,760)	-	(97,760)
	<b>Balances as at September 30, 2012</b>	<u>160,000</u>	<u>172,000</u>	<u>16,000</u>	<u>777,577</u>	<u>4,941</u>	<u>1,130,518</u>
<b>Year 2011</b>							
	<b>Balances as at January 1, 2011</b>	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	160,000	172,000	16,000	634,362	1,394	983,756
	Total comprehensive income for the period	-	-	-	128,305	363	128,668
	Dividend payment	-	-	-	(116,800)	-	(116,800)
	<b>Balances as at September 30, 2011</b>	<u>160,000</u>	<u>172,000</u>	<u>16,000</u>	<u>645,867</u>	<u>1,757</u>	<u>995,624</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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012 AND 2011**

	THOUSAND BAHT	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES :		
PROFIT BEFORE INCOME TAX EXPENSES	253,814	185,004
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX		
EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :-		
Depreciation	72,968	64,964
Amortization of quality system	882	316
Amortization of computer softwares	9,808	8,319
Loss from exercise of right on trading securities	-	115
Unrealized (gain) loss on open-ended funds	(368)	14
Unrealized (gain) loss on trading securities	(498)	215
Realized loss on available-for-sale securities	132	-
Loss on disposal of fixed assets	415	1,287
Bad debts	-	5
Doubtful debts increase (decrease)	(1,366)	856
Dividend income	(103)	(91)
Provision for long-term employee benefits expenses	4,142	3,445
PROFIT FROM OPERATION BEFORE CHANGE IN		
OPERATING ASSETS AND LIABILITIES ITEMS	339,826	264,449
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Open-ended funds	(50,000)	-
Trade and other receivables	(32,107)	(22,217)
Inventories	(831)	(2,248)
Other current assets	(636)	(947)
Other non-current assets	(2,202)	(3,891)
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS		
Trade and other payables	20,986	31,698
Assets acquisition payable	(17,448)	(1,976)
Other current liabilities	(454)	(910)
Cash received from operation	257,134	263,958
Income tax paid	(71,730)	(65,037)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	185,404	198,921

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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012 AND 2011**

	THOUSAND BAHT	
	2012	2011
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(75,797)	(142,997)
Proceeds from fixed assets disposal	611	691
Proceeds from the sale of available-for-sale-securities	50	-
Purchase of computer softwares	(7,877)	(1,787)
Increase in fixed deposits at bank	(21)	(12)
Proceeds from dividend income	102	91
NET CASH USED IN INVESTING ACTIVITIES	<u>(82,932)</u>	<u>(144,014)</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 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,712	(61,893)
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	<u>150,490</u>	<u>151,558</u>
CASH AND CASH EQUIVALENTS AS AT SEPTEMBER 30,	<u><u>155,202</u></u>	<u><u>89,665</u></u>
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS		
Non-cash flows items comprise :		
Unrealized gain on available-for-sale securities	3,089	363
Increase in fixed assets from assets payable	12,167	7,191
Increase in fixed assets from transferring deposits	1,320	2,600
Increase in computer softwares from transferring fixed assets	6,741	851
Increase in other non-current assets from transferring fixed assets	-	1,405
Accrued dividend income	1	-

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



**NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2012 AND 2011**

**1. GENERAL INFORMATION**

<b>1.1</b>	Company status	A juristic person established under Thai law and listed on the Stock Exchange of Thailand.
<b>1.2</b>	Company location	30/8, Ngamvongwan Road, Tambol Bangkhen, Amphur Muangnonthaburi, Nonthaburi, Thailand.
	Branch	68/888, Rattanathibeth Road, Tambol Bangkrasor, Amphur Muangnonthaburi, Nonthaburi, Thailand.
<b>1.3</b>	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	As at September 30, 2012	As at December 31, 2011
Cash	4,764	3,910
Savings accounts	36,723	84,129
Current accounts	2,816	7,245
Fixed deposit and bill of exchange	110,899	55,206
Total	155,202	150,490

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

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2012	As at December 31, 2011
Open-ended fund	50,147	147
Allowance for investment adjustment	341	(27)
Open-ended fund-Fair value	50,488	120

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the nine-month periods ended September 30,	
	2012	2011
Unrealized gain (loss) on open-ended fund	368	(14)

**6.2 Short-term investments - Trading securities**

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2012	As at December 31, 2011
Trading securities-at cost	2,008	2,008
Allowance for investment adjustment	(284)	(782)
Trading securities-Fair value	1,724	1,226

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the nine-month periods ended September 30,	
	2012	2011
Unrealized gain (loss) on trading securities	498	(215)

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

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2012	As at December 31, 2011
Acquisition cost	220	402
Unrealized gain on investment revaluation	4,941	1,852
Fair value at ending periods	5,161	2,254

(AMOUNT IN THOUSAND BAHT)

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

**7. TRADE AND OTHER RECEIVABLES**

(AMOUNT IN THOUSAND BAHT)

AGING	As at September 30, 2012	As at December 31, 2011
The trade accounts receivable are classified by outstanding balances of aging as follows :		
Current	104,314	69,668
Overdue within 3 months	5,151	6,959
Over 3 – 6 months	461	296
Over 6 – 12 months	559	197
Over 12 months	2,698	4,016
Total	113,183	81,136
Allowance for doubtful debts	(2,195)	(3,561)
Trade accounts receivable-net	110,988	77,575
Other receivables	60	-
Total trade and other receivables	111,048	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 September 30, 2012	As at December 31, 2011
Trade accounts payable	49,186	41,442
Accrued expenses	32,743	29,528
Accrued doctors' fees	47,348	39,932
Others	17,405	14,794
Total	146,682	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 nine-month periods ended September 30,	
	2012	2011
Medicine and medical supply consumptions	269,402	234,583
Directors and management benefit expenses	8,587	9,323
Employee benefit expenses	284,318	252,868
Doctors' fees	278,487	240,307
Depreciation and amortization expenses	83,658	73,599
Other expenses	105,313	96,309
Total	1,029,765	906,989

**14. INCOME TAXES**

The Company's corporate income taxes for the three-month and nine-month periods ended September 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 September 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 September 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 September 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 1.51 million, and the contract which can not be cancelled amount of Baht 1.83 million.

**16.3 Capital expenditure commitments**

As at September 30, 2012, the Company has capital expenditure commitments to pay a total of Baht 3.03 million regarding to the building renovation agreement and Baht 2.74 million in regarding to the acquisition of computer software and Baht 44.70 million in regarding to the acquisition of medical tools and equipment

**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)

EXPENSES	For the nine-month periods ended September 30,	
	2012	2011
Consulting fee on the information system	-	450

**18. RECLASSIFICATION OF ACCOUNTING TRANSACTIONS**

The Company has reclassified some accounting transactions of statement of cash flows for the nine-month period ended September 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 November 8, 2012.