

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

INTERIM FINANCIAL STATEMENTS

MARCH 31, 2013

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, 2013, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, 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 review.

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.

Emphasis of matters

According to Note 3 to the interim financial statements, in 2013, the Company changed its accounting policy on income taxes. Thus, statements of financial position as at December 31, 2012 and the interim financial statements for the three-month period ended March 31, 2012 shown herewith as comparison, have been restated from the effect of changes in accounting policy. I have audited the adjusted transactions of statements of financial position as at December 31, 2012 and I have reviewed the adjusted transactions for the interim financial statements for the three-month period ended March 31, 2012. In my opinion, the adjusted transactions are appropriate and fairly adjusted.

(Mr. Chaikorn Aunpitipongsa)

Certified Public Accountant Registration No. 3196

Dr. Virach & Associates Office Co., Ltd.

Bangkok : May 9, 2013

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

ASSETS

		THOUSAND BAHT	
		As at March 31,	As at December 31
		2013	2012
		UNAUDITED	AUDITED
		REVIEWED	(RESTATED)
	Notes		
Current Assets			
Cash and cash equivalents	5	64,330	62,419
Short-term investments			
Deposits at financial institutions	6.4	201,330	201,330
Open-ended funds	6.1	188	157
Trading securities	6.2	2,060	2,004
Trade and other receivables	7	122,538	107,949
Inventories		37,474	39,718
Other current assets			
Prepaid expenses		11,628	10,193
Other current assets		7,548	6,011
Total other current assets		19,176	16,204
Total Current Assets		447,096	429,781
Non-current Assets			
Long-term investments			
Available-for-sale securities	6.3	5,012	4,332
Fixed deposits at bank with restrictions	8	3,200	3,197
Property, plant and equipment		1,349,993	972,833
Intangible assets			
Deferred computer softwares		36,105	40,056
Deferred tax assets	3 and 15	6,926	6,677
Other non-current assets		5,648	5,916
Total Non-current Assets		1,406,884	1,033,011
TOTAL ASSETS		1,853,980	1,462,792

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

LIABILITIES AND SHAREHOLDERS' EQUITY

THOUSAND BAHT			
		As at March 31, 2013	As at December 31 2012
		UNAUDITED REVIEWED	AUDITED (RESTATED)
	Notes		
Current Liabilities			
Short-term loans from financial institutions	9	330,000	-
Trade and other payables	10	141,253	157,844
Assets acquisition payable		35,405	39,790
Dividend payable		148,800	-
Accrued corporate income tax		52,298	37,901
Other current liabilities		4,010	5,012
Total Current Liabilities		711,766	240,547
Non-current Liabilities			
Provision for long-term employee benefits		37,004	35,100
Total Non-current Liabilities		37,004	35,100
TOTAL LIABILITIES		748,770	275,647
Shareholders' Equity			
Share capital			
Authorized share capital			
160,000,000 common stocks of Baht 1 par value		160,000	160,000
Issued and paid-up share capital			
160,000,000 common stocks at Baht 1 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		753,377	835,856
Other components of shareholders' equity		3,833	3,289
Total Shareholders' Equity		1,105,210	1,187,145
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,853,980	1,462,792

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 PERIOD ENDED MARCH 31, 2013

		THOUSAND BAHT	
		EXCEPT EARNINGS PER	
		SHARE PRESENTED IN BAHT	
		2013	2012
		(RESTATED)	
	Notes		
REVENUES			
Revenues from medical treatment		435,735	399,036
Other income		3,024	4,344
Total Revenues		438,759	403,380
EXPENSES			
Cost of medical treatment	13	295,199	270,182
Selling expenses		4,754	6,449
Administrative expenses		55,477	47,961
Directors' remuneration	12	733	549
Total Expenses		356,163	325,141
Profit before Income Tax Expenses		82,596	78,239
Income Tax Expenses	15	16,275	17,902
Profit for the periods		66,321	60,337
Other Comprehensive Income			
Gain on remeasuring available-for-sale securities		544	634
Other comprehensive income for the periods		544	634
Total comprehensive income for the periods		66,865	60,971
Earnings Per Share (Baht)			
Basic Earnings Per Share		0.41	0.38

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 SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2013

		THOUSAND BAHT					
		Issued and paid-up share capital	Premium on common	Retained earnings		Other components of shareholders' equity	Total shareholders'
				Legal reserve	Unappropriated	Available for sale securities	
Notes							
Year 2013							
	Balances as at January 1, 2013	160,000	172,000	16,000	828,357	4,111	1,180,468
	Cumulative effects on the change in accounting policy - income tax	-	-	-	7,499	(822)	6,677
3		-	-	-	7,499	(822)	6,677
	Restated balances	160,000	172,000	16,000	835,856	3,289	1,187,145
	Total comprehensive income for the period	-	-	-	66,321	544	66,865
	Dividend payment	-	-	-	(148,800)	-	(148,800)
12		-	-	-	(148,800)	-	(148,800)
	Balances as at March 31, 2013	160,000	172,000	16,000	753,377	3,833	1,105,210
Year 2012							
	Balances as at January 1, 2012	160,000	172,000	16,000	680,253	1,852	1,030,105
	Cumulative effects on the change in accounting policy - income tax	-	-	-	5,771	(371)	5,400
3		-	-	-	5,771	(371)	5,400
	Restated balances	160,000	172,000	16,000	686,024	1,481	1,035,505
	Total comprehensive income for the period	-	-	-	60,337	634	60,971
	Dividend payment	-	-	-	(97,760)	-	(97,760)
12		-	-	-	(97,760)	-	(97,760)
	Balances as at March 31, 2012	160,000	172,000	16,000	648,601	2,115	998,716

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 PERIOD ENDED MARCH 31, 2013

	THOUSAND BAHT	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES :		
PROFIT BEFORE INCOME TAX EXPENSES	82,596	78,239
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX		
EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :-		
Depreciation	27,582	24,024
Amortization of quality system	290	293
Amortization of computer softwares	3,951	2,926
Unrealized gain on open-ended funds	(31)	-
Unrealized gain on trading securities	(56)	(336)
Realized loss on available-for-sale securities	-	132
Gain on disposal of building and equipment	(86)	(34)
Doubtful debts increase (decrease)	109	(391)
Dividend income	(115)	(81)
Interest income	(1,663)	(886)
Long-term employee benefits expenses	1,904	1,382
PROFIT FROM OPERATION BEFORE CHANGE IN		
OPERATING ASSETS AND LIABILITIES ITEMS	114,481	105,268
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Trade and other receivables	(14,698)	(6,091)
Inventories	2,244	1,113
Other current assets	(1,272)	(4,294)
Other non-current assets	(22)	10
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS		
Trade and other payables	(16,591)	3,220
Assets acquisition payable	(30,854)	(16,527)
Other current liabilities	(1,002)	(960)
Cash received from operation	52,286	81,739
Income tax paid	(2,263)	(2,068)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	50,023	79,671

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 PERIOD ENDED MARCH 31, 2013

	THOUSAND BAHT	
	2013	2012
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in property, plant and equipment	(378,483)	(17,659)
Proceeds from disposal of building and equipment	296	76
Proceeds from the sale of available-for-sale-securities	-	50
Purchase of computer softwares	-	(401)
Increase in fixed deposits at bank with restrictions	(3)	(3)
Proceeds from dividend income	78	760
NET CASH USED IN INVESTING ACTIVITIES	<u>(378,112)</u>	<u>(17,177)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term loans from financial institutions	330,000	-
NET CASH PROVIDED FROM FINANCING ACTIVITIES	<u>330,000</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,911	62,494
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	<u>62,419</u>	<u>150,490</u>
CASH AND CASH EQUIVALENTS AS AT MARCH 31,	<u><u>64,330</u></u>	<u><u>212,984</u></u>
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS		
Non-cash flows items comprise :		
Unrealized gain on available-for-sale securities	680	792
Increase in building and equipment from assets payable	26,469	4,945
Dividends payable	148,800	97,760
Accrued dividend income	115	81

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, 2013

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, 2012.

2.2 In 2013, the Federation of Accounting Professions has issued the new accounting standards but are not yet effective.

Effective for fiscal years beginning on or after January 1, 2014

Financial Reporting Standard Interpretations:

TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities

TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

TFRIC 7 Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economics

TFRIC 10 Interim Financial Reporting and Impairment

Effective for fiscal years beginning on or after January 1, 2016

TFRS 4 Insurance Contracts

The Company's management is evaluating the impact of such accounting standards on the financial statements in year when they are adopted.

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 2013, the Company has adopted accounting standard No.12 Income Taxes. The Company has to restate the previous periods financial statements shown herein as comparison, as if the Company has recorded deferred income tax assets or deferred income tax liabilities. Therefore, the information of the financial shown herein as comparison was the information prepared under the new accounting policy. The effect of the change in accounting policy is as follows:

	March 31, 2013	December 31, 2012	January 1, 2012
	(THOUSAND BAHT)	(THOUSAND BAHT)	(THOUSAND BAHT)
Statements of financial position			
Deferred income tax assets	7,903	7,500	5,771
Deferred income tax liabilities	(977)	(823)	(371)
Increase in gain on remeasuring available-for-sale securities	(136)	(822)	(371)
Retained earnings increase	7,884	7,499	5,771
Statements of income for the three-month periods ended March 31,			
		2013	2012
		(THOUSAND BAHT)	(THOUSAND BAHT)
Income tax expenses decrease from deferred tax expense		(385)	(198)
Increase in profit for the periods		385	198
Increase in earnings per share			
- Basic earnings per share (Baht)		0.0024	0.0012

The effect of applying accounting standard No. 12 Income Taxes has to adjust the increase in beginning retained earnings for the financial statements as at January 1, 2013 and 2012 amounted of Baht 7.49 million and amounted of Baht 5.77 million, respectively.

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, 2012. Except changes in accounting policy “Income Taxes” as the Company has adopted to the Accounting Standard No. 12 “Income Taxes” in 2013 as follows:

DEFERRED TAX ASSETS /LIABILITIES

Deferred tax assets/liabilities are recognized for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the statements of financial position date. They will be realised in future period when the income is realised, or the expenses provided for are actually incurred and considered deductible for income tax purposes.

Deferred tax assets are recognized for deductible temporary differences or addtible tax are deferred tax liabilities if it is highly probable that the Company will generate sufficient taxable profits from its future operations to utilise these assets/liabilities.

As each statements of financial position date, the Company reviews and adjusts the carrying amount of deferred tax assets/liabilities to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets or deferred tax liabilities to be utilised.

INCOME TAX EXPENSES

Income tax expenses are calculated from profit/loss for the period consist of current tax and deferred tax. Income tax expenses recognized in statements of comprehensive income unless part of transaction recorded in shareholders’ equity recorded directly to equity.

5. CASH AND CASH EQUIVALENTS

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2013	As at December 31, 2012
Cash	4,025	4,461
Bank deposits	60,305	57,958
Total	64,330	62,419

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

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2013	As at December 31, 2012
Open-ended fund	147	147
Allowance for investment adjustment	41	10
Open-ended fund-Fair value	188	157

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the three-month periods ended March 31,	
	2013	2012
Unrealized gain on open-ended fund	31	-

6.2 Short-term investments - Trading securities

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2013	As at December 31, 2012
Short-term investments-at cost	2,008	2,008
Allowance for investment adjustment	52	(4)
Short-term investments-Fair value	2,060	2,004

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the three-month periods ended March 31,	
	2013	2012
Unrealized gain on trading securities	56	336

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

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2013	As at December 31, 2012
Acquisition cost	220	220
Unrealized gain on investment revaluation	4,792	4,112
Fair value at ending periods	5,012	4,332

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the three-month periods ended March 31,	
	2013	2012
Realized loss on available-for-sale securities	-	(132)
Unrealized gain on available-for-sale securities	680	792

6.4 Deposits at financial institutions

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2013	As at December 31, 2012
Bill of Exchange 6 - 8 Months	201,330	201,330

7. TRADE AND OTHER RECEIVABLES

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2013	As at December 31, 2012
The trade accounts receivable are classified by outstanding balances of aging as follows :		
Current	106,969	96,525
Overdue within 3 months	12,400	9,321
Over 3 – 6 months	1,910	1,285
Over 6 – 12 months	781	395
Over 12 months	2,929	2,765
Total	124,989	110,291
Allowance for doubtful debts	(2,511)	(2,402)
Trade accounts receivable-net	122,478	107,889
Other receivables	60	60
Total trade and other receivables	122,538	107,949

8. FIXED DEPOSITS AT BANK WITH RESTRICTIONS

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

9. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2013	As at December 31, 2012
Short-term loans	330,000	-

As at March 31, 2013, part of short-term loans from financial institutions is guaranteed by mortgaging the Company's land. Such short-term loans from financial institutions bear interest at 3.95-4.35% per annum and are repayable in June 2013.

10. TRADE AND OTHER PAYABLES

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2013	As at December 31, 2012
Trade accounts payable	47,575	51,537
Accrued expenses	22,869	41,475
Accrued doctors' fees	49,903	46,913
Others	20,906	17,919
Total	141,253	157,844

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 March 7, 2013, the Board of Directors' Meeting was held and has a resolution to pay dividends at Baht 0.93 per share to the shareholders of 160 million shares, totalling Baht 148.80 million. On April 26, 2013, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay such proposed dividend, including directors' remuneration amounting to Baht 2.46 million by fixing the payment date for dividends on May 23, 2013.

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.

13. EXPENSES BY NATURE

(AMOUNT IN THOUSAND BAHT)

EXPENSES	For the three-month periods ended March 31,	
	2013	2012
Medicine and medical supply consumptions	90,822	86,511
Directors and management benefit expenses	3,126	2,942
Employee benefit expenses	97,692	85,619
Doctors' fees	95,400	88,212
Depreciation and amortization expenses	31,823	27,243
Other expenses	37,300	34,614
Total	356,163	325,141

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. INCOME TAXES

Corporate income taxable profit of the Company for the three-month periods ended March 31, 2013 and 2012 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 20 per cent in 2013 and the rate of 23 per cent in 2012.

Income tax expenses recognize in statements of comprehensive income consist:

(AMOUNT IN THOUSAND BAHT)

FOR THE THREE-MONTH PERIODS ENDED MARCH 31,	2013	2012
Corporate income tax for the periods	16,660	18,100
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(385)	(198)
Income tax expenses	16,275	17,902

As at March 31, 2013 and December 31, 2012, the deferred tax assets/liabilities arose from the following temporary differences:

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2013	As at December 31, 2012
Temporary differences in the statements of income		
Unrealized gain on open-ended fund	(41)	(10)
Unrealized (gain) loss on trading securities	(52)	4
Allowance for doubtful accounts receivable	2,511	2,402
Provision for long-term employees benefits	37,004	35,100
Total	39,422	37,496
Temporary differences in the Shareholders' Equity		
Gain on remeasuring available-for-sale securities	(4,792)	(4,112)
Total	34,630	33,384
Deferred tax assets/liabilities calculated from tax rate of 20%.	6,926	6,677

16. COMMITMENT

16.1 As at March 31, 2013 and December 31, 2012, the Company has commitment from the issuance of bank guarantee as follow :

(AMOUNT IN THOUSAND BAHT)

PARTICULAR	As at March 31, 2013	As at December 31, 2012
Letters of guarantee issued by commercial bank	4,277	4,277

16.2 Commitment under service agreement

As at March 31, 2013, the Company has entered into service agreements which can be cancelled when the counter party has prior notice 30 to 90 days in advance the amount of Baht 4.04 million, and the contract which can not be cancelled amount of Baht 2.03 million.

16.3 Capital expenditure commitments

As at March 31, 2013, the Company has capital expenditure commitments to pay a total of Baht 11.25 million regarding to the building renovation agreement and Baht 4.03 million in regarding to the acquisition of computer software.

17. FINANCIAL STATEMENTS APPROVAL

These interim financial statements are duly approved by the Company's Board of Directors on May 9, 2013.