

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

FINANCIAL STATEMENTS

DECEMBER 31, 2012

AUDITOR'S REPORT

To : The Shareholders of

Nonthavej Hospital Public Company Limited

I have audited the accompanying financial statements of Nonthavej Hospital Public Company Limited, which comprise the statement of financial position as at December 31, 2012, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nonthavej Hospital Public Company Limited as at December 31, 2012, and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

(Mr. Apiruk Ati-anuwat)

Certified Public Accountant Registration No. 5202

Dr.Virach & Associates Office Co., Ltd.

Bangkok : February 26, 2013

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2012

	<u>ASSETS</u>	BAHT	
		<u>Notes</u>	<u>2012</u>
Current Assets			
Cash and cash equivalents	<i>3.11 and 5</i>	62,419,115	150,489,821
Short-term investments			
Deposits at financial institutions	<i>6.4</i>	201,330,000	-
Open-ended funds	<i>3.2 and 6.1</i>	157,262	120,203
Trading securities	<i>3.2 and 6.2</i>	2,003,762	1,226,063
Trade and other receivables	<i>3.3 and 7</i>	107,948,686	77,575,010
Inventories	<i>3.4 and 8</i>	39,717,527	32,661,296
Other current assets			
Prepaid expenses		10,193,370	8,020,315
Other current assets		6,011,091	3,065,736
Total other current assets		16,204,461	11,086,051
Total Current Assets		429,780,813	273,158,444
Non-current Assets			
Long-term investments			
Available-for-sale securities	<i>3.2 and 6.3</i>	4,331,900	2,254,500
Fixed deposits at bank with restrictions	<i>9</i>	3,197,261	2,433,420
Property, plant and equipment	<i>3.5 and 10</i>	972,832,873	923,873,115
Intangible assets			
Deferred computer softwares	<i>3.6 and 11</i>	40,056,633	28,995,181
Other non-current assets	<i>3.7 and 12</i>	5,915,677	11,484,849
Total Non-current Assets		1,026,334,344	969,041,065
TOTAL ASSETS		1,456,115,157	1,242,199,509

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2012

LIABILITIES AND SHAREHOLDERS' EQUITY

	<i>Notes</i>	BAHT	
		2012	2011
Current Liabilities			
Trade and other payables	<i>13</i>	157,844,331	125,696,317
Assets acquisition payable		39,789,941	19,462,964
Accrued corporate income tax		37,900,519	37,399,033
Other current liabilities		5,012,309	4,241,892
Total Current Liabilities		240,547,100	186,800,206
Non-current Liabilities			
Provision for long-term employee benefits	<i>3.10,4 and 14</i>	35,099,671	25,294,169
Total Non-current Liabilities		35,099,671	25,294,169
TOTAL LIABILITIES		275,646,771	212,094,375
Shareholders' Equity			
Share capital	<i>15</i>		
Authorized share capital			
160,000,000 common stocks of Baht 1 par value (December 31, 2011: 16,000,000 shares of Baht 10 each)		160,000,000	160,000,000
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)		160,000,000	160,000,000
Additional paid-in capital			
Premium on common stocks		172,000,000	172,000,000
Retained earnings			
Appropriated			
Legal reserve	<i>16</i>	16,000,000	16,000,000
Unappropriated		828,356,782	680,253,077
Other components of shareholders' equity		4,111,604	1,852,057
Total Shareholders' Equity		1,180,468,386	1,030,105,134
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,456,115,157	1,242,199,509

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2012

	<i>Notes</i>	BAHT	
		2012	2011
REVENUES			
Revenues from medical treatment		1,720,971,415	1,449,215,771
Other income		14,209,528	10,897,506
Total Revenues		1,735,180,943	1,460,113,277
EXPENSES			
Cost of medical treatment	<i>18</i>	1,174,394,509	1,011,988,163
Selling expenses		19,379,749	16,277,125
Administrative expenses		218,638,091	194,801,816
Directors' remuneration	<i>17</i>	1,942,200	2,245,000
Total Expenses		1,414,354,549	1,225,312,104
Profit before Income Tax Expenses		320,826,394	234,801,173
Income Tax Expenses	<i>19</i>	74,962,689	72,110,196
Profit for the years		245,863,705	162,690,977
Other Comprehensive Income			
Gain on remeasuring available-for-sale securities		2,259,547	458,200
Other comprehensive income for the years		2,259,547	458,200
Total comprehensive income for the years		248,123,252	163,149,177
Earnings Per Share			
Basic Earnings Per Share	<i>3.9 and 20</i>	1.54	1.02
The number of 160,000,000 common stocks used in computation.			

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2012

	Notes	BAHT					
		Issued and paid-up share capital	Premium on common stocks	Retained earnings		Other components of shareholders' equity	Total shareholders' equity
				Legal reserve	Unappropriated	Available for sale securities	
Balances as at January 1, 2011		160,000,000	172,000,000	16,000,000	655,033,428	1,393,857	1,004,427,285
Cumulative effects on the change in accounting policy	4	-	-	-	(20,671,328)	-	(20,671,328)
Restated balances		160,000,000	172,000,000	16,000,000	634,362,100	1,393,857	983,755,957
Total comprehensive income for the year		-	-	-	162,690,977	458,200	163,149,177
Dividend payment	17	-	-	-	(116,800,000)	-	(116,800,000)
Balances as at December 31, 2011		160,000,000	172,000,000	16,000,000	680,253,077	1,852,057	1,030,105,134
Total comprehensive income for the year		-	-	-	245,863,705	2,259,547	248,123,252
Dividend payment	17	-	-	-	(97,760,000)	-	(97,760,000)
Balances as at December 31, 2012		160,000,000	172,000,000	16,000,000	828,356,782	4,111,604	1,180,468,386

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2012

	BAHT	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES :		
PROFIT BEFORE INCOME TAX EXPENSES	320,826,394	234,801,173
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX		
EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :-		
Depreciation	99,722,688	88,893,791
Amortization of quality system	1,177,943	613,176
Amortization of computer softwares	13,644,312	11,250,122
Loss from exercise of right on trading securities	-	115,476
Unrealized (gain) loss on open-ended funds	(37,059)	3,300
Unrealized (gain) loss on trading securities	(777,699)	69,819
Realized loss on available-for-sale securities	131,877	-
Loss on disposal of building and equipment	950,571	5,723,323
Bad debts	-	5,210
Doubtful debts increase (decrease)	(1,158,604)	1,480,840
Dividend income	(122,570)	(90,898)
Interest income	(4,196,136)	(2,334,241)
Long-term employee benefits expenses	10,651,608	4,715,441
PROFIT FROM OPERATION BEFORE CHANGE IN		
OPERATING ASSETS AND LIABILITIES ITEMS	440,813,325	345,246,532
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Short-term investments	(201,330,000)	-
Trade and other receivables	(29,215,072)	(5,034,664)
Inventories	(7,056,231)	(4,740,700)
Other current assets	(4,181,223)	(980,627)
Other non-current assets	(4,750,160)	(10,007,821)
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS		
Trade and other payables	32,148,014	21,960,575
Assets acquisition payable	(17,448,421)	(1,976,112)
Other current liabilities	770,417	(157,748)
Provision for long-term employee benefits	(846,106)	(92,600)
Cash received from operation	208,904,543	344,216,835
Interest income	3,258,949	2,321,966
Income tax paid	(74,461,203)	(67,544,196)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	137,702,289	278,994,605

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2012

	BAHT	
	2012	2011
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in building and equipment		
Proceeds from disposal of building and equipment	1,561,440	707,161
Proceeds from the sale of available-for-sale-securities	50,270	-
Purchase of computer softwares	(8,650,414)	(3,930,041)
Increase in fixed deposits at bank with restrictions	(763,841)	(33,127)
Proceeds from dividend income	122,570	90,898
NET CASH USED IN INVESTING ACTIVITIES	(128,012,995)	(163,263,147)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend payment	(97,760,000)	(116,800,000)
NET CASH USED IN FINANCING ACTIVITIES	(97,760,000)	(116,800,000)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(88,070,706)	(1,068,542)
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	150,489,821	151,558,363
CASH AND CASH EQUIVALENTS AS AT DECEMBER 31,	62,419,115	150,489,821
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS		
Non-cash flows items comprise :		
Unrealized gain on available-for-sale securities	2,259,547	458,200
Increase in equipment from assets payable	37,775,398	17,556,648
Increase in equipment from transferring deposits	9,141,389	2,600,000
Increase in computer softwares from transferring assets under construction	16,055,350	850,511
Increase in quality system from transferring assets under construction	-	1,405,357

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

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 FINANCIAL STATEMENTS

2.1 The financial statements are prepared in accordance with the Accounting Standards and Financial Reporting Standards determined by Federation of Accounting Professions under the Accounting Profession Act, B.E. 2547 (2004), the Accounting Act, B.E. 2543 (2000) and the Notification of the Office of the Securities and Exchange Commission.

2.2 New accounting standards not yet effective

The new accounting standards which are effective to the financial statements beginning on or after January 1, 2013 are as follows:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rate
TFRS 8	Operating Segments
SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except TAS 12 Income Taxes. The effects of the change will be recognized retrospectively in the financial statements. Management estimates that the effects on the statements of financial position as at December 31, 2012 would be resulted in financial statements have assets increase of Baht 6.68 million and retained earnings increase of Baht 6.68 million.

The standards which are effective to the financial statements beginning on or after January 1, 2014 are as follows:

SIC 29	Service Concession Arrangements: Disclosures
TFRIC 4	Determining Whether an Arrangement Contains a Lease
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes

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

- 2.3 These financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues and expenses recognition

Revenue from hospital operations

Revenues from hospital operations, mainly consisting of medical fees, hospital room sales and medicine sales, are recognised as income when services have been rendered or medicine delivered.

Service income is recognized when services have been rendered.

Revenue from rental is recognized over the term of rental agreement.

Dividend income is recognized when the right to receive is established.

Other revenues and expenses are recognized on an accrual basis.

3.2 Investments

Trading securities are investments in listed securities and open-ended fund stated at fair value. The Company recognizes revaluation of securities as unrealized gain (loss) on trading securities in the statements of comprehensive income.

Available-for-sale securities are investments in listed securities stated at fair value. The objective of holding these securities is for long-term investments. The Company recognizes revaluation of available-for-sale securities as separate item in statements of comprehensive income under the caption "Unrealized gain (loss) on investment revaluation".

The Company calculated cost of the disposed securities during the year by weighted average method.

3.3 Allowance for doubtful accounts

The Company provided allowance for doubtful accounts which are expected to be uncollectible accounts receivable based on the past experience in debt collection and the current status of outstanding debtors on the statement of financial position date.

Bad debts are immediately written off during the year whenever incurred.

3.4 Inventories

Inventories are stated at cost or net realizable value, whichever is the lower. Cost is determined by the moving average method.

3.5 Property, plant and equipment

Property, plant and equipment are stated at cost. Depreciation is calculated by the using straight-line method based on the estimated useful life of the following assets :

PARTICULARS	USEFUL LIFE (YEARS)
Land	No calculation for depreciation
Temporary building	3
Building and structure	15-50
Medical tools and equipment	10
Others	5-10

3.6 Deferred computer software

Deferred computer software is stated at cost net from cumulative amortization which is calculated by the straight-line method within 5 years.

3.7 Deferred quality system

Deferred quality system is stated at cost net from cumulative amortization which is calculated by the straight-line method within 3 years.

3.8 Operating leases

Leases where most of substantial risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to expenses in the statements of comprehensive income over the lease term.

3.9 Earnings per share

Basic earnings per share is calculated by dividing the profit for the years by the number of weighted average common stocks held by outsiders during the years.

3.10 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Long-term employee benefits

Defined contribution plan

The Company provides a provident fund, which is a defined contribution plan. The assets of which are held in a separate trust fund and managed by the external fund manager. Such provident fund is contributed by payments from employees and the Company. Contributions to the provident fund are charged to the statements of comprehensive income in the incurred year.

Defined benefits plan

Provision for employee retirement benefits is recognised as an expense of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by a qualified actuary using the Projected Unit Credit Method.

3.11 Cash and cash equivalents

For the purpose of preparation of cash flows statements, cash and cash equivalents are cash on hand and deposits at the financial institutions due not more than 3 months from the acquisition date and not subject to withdrawal restrictions.

3.12 Significant accounting judgments and estimates

In preparation of financial statements in accordance with generally accepted accounting principles requires management to use judgment on various estimates and assumptions that will affect the reported amounts of revenues, expenses, assets and liabilities including the disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions of significant accounting relate primarily to allowance for doubtful accounts, depreciation of plant and equipment, amortization of intangible assets, amortization of deferred quality system and provision for long-term employee benefits. All other estimates mentioned above are further disclosed in the corresponding notes to the financial statements.

4. CHANGES IN ACCOUNTING POLICIES

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 20,671,328.

5. CASH AND CASH EQUIVALENTS

PARTICULARS	AMOUNT IN BAHT	
	2012	2011
Cash	4,461,031	3,910,205
Bank deposits	57,958,084	146,579,616
Total	62,419,115	150,489,821

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

PARTICULARS	AMOUNT IN BAHT	
	2012	2011
Open-ended fund	147,141	147,141
Allowance for investment adjustment	10,121	(26,938)
Open-ended fund-Fair value	157,262	120,203

PARTICULARS	AMOUNT IN BAHT	
	2012	2011
Unrealized gain (loss) on open-ended fund	37,059	(3,300)

6.2 Short-term investments - Trading securities

PARTICULARS	AMOUNT IN BAHT	
	2012	2011
Trading securities-at cost	2,007,731	2,007,731
Allowance for investment adjustment	(3,969)	(781,668)
Trading securities-Fair value	2,003,762	1,226,063

PARTICULARS	AMOUNT IN BAHT	
	2012	2011
Unrealized gain (loss) on trading securities	777,699	(69,819)

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

PARTICULARS	AMOUNT IN BAHT	
	2012	2011
Acquisition cost	220,296	402,443
Unrealized gain on investment revaluation	4,111,604	1,852,057
Fair value at ending periods	4,331,900	2,254,500

PARTICULARS	AMOUNT IN BAHT	
	2012	2011
Realized loss on available-for-sale securities	(131,877)	-

6.4 Deposits at financial institutions

PARTICULARS	AMOUNT IN BAHT	
	2012	2011
Bill of Exchange 6 - 8 Months	201,330,000	-

7. TRADE AND OTHER RECEIVABLES

AGING	AMOUNT IN BAHT	
	2012	2011
The trade accounts receivable are classified by outstanding balances of aging as follows :		
Current	96,525,497	69,668,149
Overdue within 3 months	9,320,713	6,958,854
Over 3 – 6 months	1,285,434	295,429
Over 6 – 12 months	394,207	197,275
Over 12 months	2,765,182	4,016,254
Total	110,291,033	81,135,961
Allowance for doubtful debts	(2,402,347)	(3,560,951)
Trade accounts receivable-net	107,888,686	77,575,010
Other receivables	60,000	-
Total trade and other receivables	107,948,686	77,575,010

8. INVENTORIES

PARTICULARS	AMOUNT IN BAHT	
	2012	2011
Medicines and medical supplies	31,997,371	26,154,418
General supplies	7,720,156	6,506,878
Total	39,717,527	32,661,296

9. 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.

10. PROPERTY, PLANT AND EQUIPMENT

	AMOUNT IN BAHT									
	Land	Building and structure	Medical tools and equipment	Vehicles	Furniture and fixtures	Office equipment	Computer equipment	Other equipment and tools	Assets under construction	Total
<u>Cost</u>										
January 1, 2011	218,303,489	717,870,285	392,602,258	15,485,434	75,192,523	33,748,438	80,624,719	29,155,620	57,754,066	1,620,736,832
Increase	-	8,786,153	56,257,990	108,496	1,863,076	5,122,815	15,719,129	3,534,559	88,862,468	180,254,686
Sold	-	(1,153,142)	(23,434,767)	(236,361)	(39,721,229)	(624,931)	(18,778,455)	(12,628,403)	-	(96,577,288)
Transfer to/from	-	26,863,584	-	-	7,703,123	9,597,151	2,602,383	-	(49,022,109)	(2,255,868)
December 31, 2011	218,303,489	752,366,880	425,425,481	15,357,569	45,037,493	47,843,473	80,167,776	20,061,776	97,594,425	1,702,158,362
Increase	-	1,161,403	82,538,758	118,650	2,992,384	918,199	18,578,014	949,191	59,993,208	167,249,807
Sold/Unused	-	(1,550,935)	(24,906,982)	(1,360,455)	(337,778)	(3,144,313)	(16,396,776)	(300,093)	-	(47,997,332)
Transfer to/from	-	58,805,866	-	-	19,561,351	1,080,000	-	166,400	(95,668,967)	(16,055,350)
December 31, 2012	218,303,489	810,783,214	483,057,257	14,115,764	67,253,450	46,697,359	82,349,014	20,877,274	61,918,666	1,805,355,487
<u>Accumulated Depreciation</u>										
January 1, 2011	-	372,679,266	230,453,137	12,241,810	64,096,425	27,067,920	48,662,700	24,337,002	-	779,538,260
Depreciation for the year	-	32,386,116	30,189,404	1,375,652	6,038,119	4,073,018	12,636,654	2,194,828	-	88,893,791
Disposals	-	(1,153,126)	(18,606,728)	(236,355)	(39,720,775)	(623,737)	(17,181,047)	(12,625,036)	-	(90,146,804)
December 31, 2011	-	403,912,256	242,035,813	13,381,107	30,413,769	30,517,201	44,118,307	13,906,794	-	778,285,247
Depreciation for the year	-	34,615,984	35,598,395	974,033	5,824,675	5,007,278	15,560,301	2,142,022	-	99,722,688
Disposals/Unused	-	(1,480,403)	(24,319,943)	(1,360,452)	(337,736)	(3,091,087)	(14,602,020)	(293,680)	-	(45,485,321)
December 31, 2012	-	437,047,837	253,314,265	12,994,688	35,900,708	32,433,392	45,076,588	15,755,136	-	832,522,614
Net book value										
December 31, 2011	218,303,489	348,454,624	183,389,668	1,976,462	14,623,724	17,326,272	36,049,469	6,154,982	97,594,425	923,873,115
December 31, 2012	218,303,489	373,735,377	229,742,992	1,121,076	31,352,742	14,263,967	37,272,426	5,122,138	61,918,666	972,832,873

In 2012 and 2011, part of Company's land at book value of Baht 7.87 million are mortgaged as collateral for bank overdrafts and loans from certain commercial bank.

11. DEFERRED COMPUTER SOFTWARES

	AMOUNT IN BAHT	
	DEFERRED COMPUTER SOFTWARES	
<u>Cost</u>		
January 1, 2011	75,456,939	
Increase	3,930,041	
Transfer to/from	850,511	
December 31, 2011	80,237,491	
Increase	8,650,414	
Transfer to/from	16,055,350	
December 31, 2012	104,943,255	
<u>Accumulated amortization</u>		
January 1, 2011	39,992,188	
Amortization for the year 2011	11,250,122	
December 31, 2011	51,242,310	
Amortization for the year 2012	13,644,312	
December 31, 2012	64,886,622	
Net book value		
December 31, 2011	28,995,181	
December 31, 2012	40,056,633	

12. OTHER NON-CURRENT ASSETS

PARTICULARS	AMOUNT IN BAHT	
	2012	2011
Deferred quality system	2,921,007	3,534,183
<u>Less</u> Amortization for the year	(1,177,943)	(613,176)
Net book value	1,743,064	2,921,007
Deposit for assets	3,519,875	6,750,000
Others	652,738	1,813,842
Total	5,915,677	11,484,849

13. TRADE ACCOUNTS PAYABLE AND OTHER PAYABLES

PARTICULARS	AMOUNT IN BAHT	
	2012	2011
Trade accounts payable	51,536,899	41,442,631
Accrued expenses	41,475,015	29,527,859
Accrued doctors' fees	46,912,778	39,931,892
Others	17,919,639	14,793,935
Total	157,844,331	125,696,317

14. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

Provision for long-term employee benefits as at December 31, 2012 and 2011 which are compensations on employees' retirement, are as follows

PARTICULARS	AMOUNT IN BAHT	
	2012	2011
Defined benefit obligation from adoption a new accounting policy at the beginning of the year		20,671,328
Defined benefit obligation at beginning of year	25,294,169	-
Current service cost	9,686,964	3,924,659
Interest cost	964,644	788,342
Benefits paid during the year	(846,106)	(92,600)
Different from provision	-	2,440
Defined benefit obligation at end of year	35,099,671	25,294,169

The principle assumptions used in determining the employee benefits are shown as follows:

	2012	2011
Discount rate	3.3761% per annum	3.8137% per annum
Salary increase rate	3 – 5.5 % per annum	4 – 8 % per annum
Staff turnover rate	6 – 23 % per annum	7 – 23 % per annum

15. 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.

16. 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.

17. DIVIDEND PAYMENT AND DIRECTORS' 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.

18. EXPENSES BY NATURE

EXPENSES	AMOUNT IN BAHT	
	2012	2011
Medicine and medical supply consumptions	364,950,665	313,708,648
Directors and management benefit expenses	12,835,325	13,530,000
Employee benefit expenses	400,252,725	345,807,589
Doctors' fees	377,488,418	320,897,564
Depreciation and amortization expenses	114,544,943	100,757,089
Bad debts	-	5,210
Doubtful debts	(1,158,604)	1,480,840
Other expenses	145,441,077	129,125,164
Total	1,414,354,549	1,225,312,104

19. INCOME TAX

The Company's corporate income taxes for the years ended December 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 rates of 23 per cent in 2012 and the rate of 30 per cent in 2011.

20. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of common stock issued during the year, after adjusting the number of common stock in proportion to the change in the number of shares as a result of a change in par value from Baht 10 each to Baht 1 each as discussed in Note 15. The number of common stock is adjusted as if the share split had occurred at the beginning of the earliest period reported.

PARTICULARS	2012	2011
Profit for the years (Baht)	245,863,705	162,690,977
Number of common stock after reflecting the change of value (Thousand shares)	160,000	160,000
Basic earnings per share (Baht)	1.54	1.02

21. 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.

22. COMMITMENT

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

PARTICULAR	AMOUNT IN BAHT	
	2012	2011
Letters of guarantee issued by commercial bank	4,276,800	3,578,700

22.2 Commitment under service agreement

As at December 31, 2012, the Company has entered into service agreements which can be cancelled when the counter party has prior notice 30 to 60 days in advance the amount of Baht 3.84 million, and the contract which can not be cancelled amount of Baht 2.03 million.

22.3 Capital expenditure commitments

As at December 31, 2012, the Company has capital expenditure commitments to pay a total of Baht 1.90 million regarding to the building renovation agreement.

23. TRANSACTIONS WITH RELATED PERSON

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.

RELATED TRANSACTION IN COMPREHENSIVE INCOME STATEMENTS	AMOUNT IN BAHT	
	2012	2011
Consulting fee on the information system	-	450,000

24. PROVIDENT FUNDS

In compliance with the Provident Fund Act. B.E. 2530 (1987), the Company and its employees have jointly set up the provident fund which consists of partial contribution by its staff and another part by the Company as defined. The Company has appointed TISCO Asset Management Company Limited to be fund manager to manage this fund according to the Ministerial Regulations. The members are entitled to receive benefits according to the rules as stipulated.

Fund contribution from the Company is recorded as expenses in the comprehensive income statements for the years ended December 31, 2012 and 2011 amount of Baht 3.5 million and Baht 3.14 million, respectively.

25. DISCLOSURE OF FINANCIAL INSTRUMENTS

The Company has information relating to financial instruments, as follows:

25.1 Accounting policies

- Accounting policies are disclosed in Note 3 to the financial statements.

25.2 Risk from breach of contracts

- The Company might have risk from breach of contract, in case the contracting party does not follow the requirement in the contract which may cause damage to the Company.
- The risk with respect to the concentration of credit arose from trade accounts receivable are limited due to the large number of customers and their dispersion.
- For the financial assets shown in the statements of financial position, the book value of such assets is net from various provisions to be estimated fair value. Such provisions are assumed to be the highest value of risk incurred from breach of contracts.

25.3 Risk relating to interest rate on financial assets and liabilities

Risk from the fluctuation in interest rate may have negative effect to the Company for the current and the following years. The Company expects that it can manage the contingent risk, due to the Company has set up a plan and follow up the situation closely.

25.4 Fair value of financial instruments

The following methods and assumptions are used to estimate the fair value of the financial instruments.

- Financial assets shown at book value which are equal to the estimated fair value.
- Financial liabilities shown at book value which are equal to the estimated fair value.

26. CAPITAL MANAGEMENT

The main objectives of the Company in capital management is to provide the appropriate financial structure and maintain ability to continue its business as a going concern in order to generate returns for shareholders and benefits for other stakeholders.

27. FINANCIAL STATEMENTS APPROVAL

These financial statements are duly approved by the Company's directors on February 26, 2013.