

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

FINANCIAL STATEMENTS

DECEMBER 31, 2013

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, 2013, 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, 2013, and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of Matters

According to Note 3 to the financial statements, in 2013, the Company has changed its accounting policy on income taxes. Thus, statements of financial position as at December 31, 2012 and January 1, 2012 and the financial statements for the year ended December 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 January 1, 2012 and the financial statements for the year ended December 31, 2012. In my opinion, the adjusted transactions are appropriate and fairly adjusted. My opinion is not qualified in respect of this matter.

(Mr. Chaiyakorn Aunpitipongsa)

Certified Public Accountant Registration No. 3196

Dr. Virach & Associates Office Co., Ltd.

Bangkok : February 25, 2014

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

ASSETS

	<i>Notes</i>	BAHT		
		As at December 31,	As at December 31,	As at January 1,
		2013	2012	2012
			(RESTATED)	(RESTATED)
Current Assets				
Cash and cash equivalents	<i>4.2 and 5</i>	35,834,055	62,419,115	150,489,821
Short-term investments				
Deposits at financial institutions	<i>6.4</i>	1,330,000	201,330,000	-
Open-ended funds	<i>4.3 and 6.1</i>	133,047	157,262	120,203
Trading securities	<i>4.3 and 6.2</i>	1,769,300	2,003,762	1,226,063
Trade and other receivables	<i>4.4 and 7</i>	113,980,587	107,948,686	77,575,010
Inventories	<i>4.5 and 8</i>	40,727,138	39,717,527	32,661,296
Other current assets				
Prepaid expenses		10,531,993	10,193,370	8,020,315
Other current assets		4,472,064	6,011,091	3,065,736
Total other current assets		15,004,057	16,204,461	11,086,051
Total Current Assets		208,778,184	429,780,813	273,158,444
Non-current Assets				
Long-term investments				
Available-for-sale securities	<i>4.3 and 6.3</i>	5,156,600	4,331,900	2,254,500
Fixed deposits at bank with restrictions	<i>9</i>	3,277,006	3,197,261	2,433,420
Property, plant and equipment	<i>4.6 and 10</i>	1,421,073,572	972,832,873	923,873,115
Intangible assets				
Deferred computer softwares	<i>4.7 and 11</i>	36,484,803	40,056,633	28,995,181
Deferred tax assets	<i>4.9, 3 and 20</i>	7,741,470	6,676,852	5,400,613
Other non-current assets	<i>4.8 and 12</i>	4,522,162	5,915,677	11,484,849
Total Non-current Assets		1,478,255,613	1,033,011,196	974,441,678
TOTAL ASSETS		1,687,033,797	1,462,792,009	1,247,600,122

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, 2013

LIABILITIES AND SHAREHOLDERS' EQUITY

		BAHT		
		As at December 31, 2013	As at December 31, 2012 (RESTATED)	As at January 1, 2012 (RESTATED)
	<i>Notes</i>			
Current Liabilities				
Short-term loans from financial institutions	<i>13</i>	160,000,000	-	-
Trade and other payables	<i>14</i>	154,759,187	157,844,331	125,696,317
Assets acquisition payable		21,659,002	39,789,941	19,462,964
Accrued corporate income tax		25,898,048	37,900,519	37,399,033
Other current liabilities		5,083,614	5,012,309	4,241,892
Total Current Liabilities		367,399,851	240,547,100	186,800,206
Non-current Liabilities				
Provision for long-term employee benefits	<i>4.12 and 15</i>	39,408,258	35,099,671	25,294,169
Total Non-current Liabilities		39,408,258	35,099,671	25,294,169
TOTAL LIABILITIES		406,808,109	275,646,771	212,094,375
Shareholders' Equity				
Share capital	<i>16</i>			
Authorized share capital				
160,000,000 common stocks of Baht 1 par value		160,000,000	160,000,000	160,000,000
Issued and paid-up share capital				
160,000,000 common stocks at Baht 1 each		160,000,000	160,000,000	160,000,000
Additional paid-in capital				
Premium on common stocks		172,000,000	172,000,000	172,000,000
Retained earnings				
Appropriated				
Legal reserve	<i>17</i>	16,000,000	16,000,000	16,000,000
Unappropriated		928,278,245	835,855,955	686,024,101
Other components of shareholders' equity		3,947,443	3,289,283	1,481,646
Total Shareholders' Equity		1,280,225,688	1,187,145,238	1,035,505,747
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,687,033,797	1,462,792,009	1,247,600,122

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, 2013

		BAHT	
		2013	2012
		<i>Notes</i>	(RESTATED)
REVENUES			
Revenues from medical treatment		1,781,342,040	1,720,971,415
Other income		13,300,710	14,209,528
Total Revenues		1,794,642,750	1,735,180,943
EXPENSES			
	<i>19</i>		
Cost of medical treatment		1,235,017,225	1,174,394,509
Selling expenses		24,836,281	19,379,749
Administrative expenses		229,562,069	218,638,091
Directors' remuneration	<i>18</i>	2,871,800	1,942,200
Finance cost		1,357,861	-
Total Expenses		1,493,645,236	1,414,354,549
Profit before Income Tax Expenses		300,997,514	320,826,394
Income Tax Expenses	<i>20</i>	59,775,224	73,234,540
Profit for the years		241,222,290	247,591,854
Other Comprehensive Income			
Gain on remeasuring available-for-sale securities		658,160	1,807,637
Other comprehensive income for the years		658,160	1,807,637
Total comprehensive income for the years		241,880,450	249,399,491
Earnings Per Share			
	<i>4.11</i>		
Basic Earnings Per Share		1.51	1.55

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, 2013

	<i>Notes</i>	BAHT					Total shareholders' equity
		Issued and paid-up share capital	Premium on common stocks	Retained earnings		Other components of shareholders' equity	
				Legal reserve	Unappropriated	Available for sale securities	
Year 2012							
Balances as at January 1, 2012-as previously reported		160,000,000	172,000,000	16,000,000	680,253,077	1,852,057	1,030,105,134
Cumulative effects on the change in accounting policy - income tax	3	-	-	-	5,771,024	(370,411)	5,400,613
Restated balances		160,000,000	172,000,000	16,000,000	686,024,101	1,481,646	1,035,505,747
Total comprehensive income for the year (restated)		-	-	-	247,591,854	1,807,637	249,399,491
Dividend payment	18	-	-	-	(97,760,000)	-	(97,760,000)
Balances as at December 31, 2012		160,000,000	172,000,000	16,000,000	835,855,955	3,289,283	1,187,145,238
Year 2013							
Balances as at January 1, 2013-as previously reported		160,000,000	172,000,000	16,000,000	828,356,782	4,111,604	1,180,468,386
Cumulative effects on the change in accounting policy - income tax	3	-	-	-	7,499,173	(822,321)	6,676,852
Restated balances		160,000,000	172,000,000	16,000,000	835,855,955	3,289,283	1,187,145,238
Total comprehensive income for the year		-	-	-	241,222,290	658,160	241,880,450
Dividend payment	18	-	-	-	(148,800,000)	-	(148,800,000)
Balances as at December 31, 2013		160,000,000	172,000,000	16,000,000	928,278,245	3,947,443	1,280,225,688

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, 2013

	BAHT	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES :		
PROFIT BEFORE INCOME TAX EXPENSES		
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX	300,997,514	320,826,394
EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :-		
Depreciation	118,003,916	99,722,688
Amortization of quality system	1,177,943	1,177,943
Amortization of computer softwares	14,429,275	13,644,312
Unrealized (gain) loss on open-ended funds	24,215	(37,059)
Unrealized (gain) loss on trading securities	234,462	(777,699)
Realized loss on available-for-sale securities	-	131,877
(Gain) Loss on disposal of building and equipment	(589,491)	950,571
Doubtful debts increase (decrease)	1,578,526	(1,158,604)
Dividend income	(181,704)	(122,570)
Interest income	(3,191,475)	(4,196,136)
Interest expenses	1,357,861	-
Long-term employee benefits expenses	7,704,537	10,651,608
PROFIT FROM OPERATION BEFORE CHANGE IN		
OPERATING ASSETS AND LIABILITIES ITEMS	441,545,579	440,813,325
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Deposits at financial institutions	200,000,000	(201,330,000)
Trade and other receivables	(7,610,427)	(29,215,072)
Inventories	(1,009,611)	(7,056,231)
Other current assets	239,404	(4,181,223)
Other non-current assets	(1,784,428)	(4,750,160)
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS		
Trade and other payables	(3,425,815)	32,148,014
Assets acquisition payable	(37,888,274)	(17,448,421)
Other current liabilities	71,305	770,417
Provision for long-term employee benefits	(3,395,950)	(846,106)
Cash received from operation	586,741,783	208,904,543
Interest income	4,152,475	3,258,949
Interest expense paid	(1,017,190)	-
Income tax paid	(73,006,853)	(74,461,203)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	516,870,215	137,702,289

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, 2013

	BAHT	
	2013	2012
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in property, plant and equipment	(545,255,940)	(120,333,020)
Proceeds from disposal of building and equipment	1,358,151	1,561,440
Proceeds from the sale of available-for-sale-securities	-	50,270
Increase in available-for-sale securities	(2,000)	-
Purchase of computer softwares	(10,857,445)	(8,650,414)
Increase in fixed deposits at bank with restrictions	(79,745)	(763,841)
Proceeds from dividend income	181,704	122,570
NET CASH USED IN INVESTING ACTIVITIES	(554,655,275)	(128,012,995)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term loans from financial institutions	160,000,000	-
Dividend payment	(148,800,000)	(97,760,000)
NET CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES	11,200,000	(97,760,000)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(26,585,060)	(88,070,706)
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	62,419,115	150,489,821
CASH AND CASH EQUIVALENTS AS AT DECEMBER 31,	35,834,055	62,419,115
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS		
Non-cash flows items comprise :		
Unrealized gain on available-for-sale securities	822,700	2,259,547
Increase in building and equipment from assets payable	19,757,335	37,775,398
Increase in equipment from transferring deposits	2,000,000	9,141,389
Increase in computer softwares from transferring assets under construction	-	16,055,350

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 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 FINANCIAL STATEMENTS

2.1 The financial statements are prepared in accordance with the Accounting Standards and Financial Reporting Standards issued 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 Accounting standards that became effective in the current accounting year

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
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
Accounting Treatment Guidance	Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except TAS 12 (Note 3).

- 2.3 The Federation of Accounting Professions has issued the new accounting standards but are not yet effective.

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

TAS 1 (revised 2012)	Presentation of Financial Statement
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rate
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 38 (revised 2012)	Intangible assets
TFRS 2 (revised 2012)	Share-Base Payments
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sales and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
TSIC 15	Operating Leases-Incentives
TSIC 27	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining Whether an Arrangement Contains a Lease

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
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

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

TFRS 4	Insurance Contracts
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The Company's management is evaluating the impact of such accounting standards on the financial statements in the year when they are adopted.

- 2.4 These 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 statements shown herein as comparison was the information prepared under the new accounting policy. The effect of the change in accounting policy is as follows:

	December 31, 2013	December 31, 2012	(BAHT) January 1, 2012
Statements of financial position			
Increase in deferred income tax assets	7,741,470	6,676,852	5,400,613
Other components of shareholders' equity			
Decrease in gain on remeasuring available-for-sale securities	986,861	822,321	370,411
Retained earnings increase	8,728,331	7,499,173	5,771,024

(BAHT)

Statements of comprehensive income for the years ended

December 31,	<u>2013</u>	<u>2012</u>
Income tax expenses decrease from deferred tax expense	(1,229,158)	(1,728,149)
Increase in profit for the years	<u>1,229,158</u>	<u>1,728,149</u>
Increase in earnings per share		
- Basic earnings per share (Baht)	0.0077	0.0108

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 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.

4.2 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.

4.3 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.

4.4 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.

4.5 Inventories

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

4.6 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	10-50
Medical tools and equipment	5-10
Others	5-15

4.7 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.

4.8 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.

4.9 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.

4.10 Income tax expenses

Income tax expenses are calculated from profit/loss for the years 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.

4.11 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.

4.12 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.

4.13 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.

5. CASH AND CASH EQUIVALENTS

PARTICULARS	AMOUNT IN BAHT	
	2013	2012
Cash	5,890,481	4,461,031
Bank deposits	29,943,574	57,958,084
Total	35,834,055	62,419,115

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

PARTICULARS	AMOUNT IN BAHT	
	2013	2012
Open-ended fund	147,141	147,141
Allowance for investment adjustment	(14,094)	10,121
Open-ended fund-Fair value	133,047	157,262

PARTICULARS	AMOUNT IN BAHT	
	2013	2012
Unrealized gain (loss) on open-ended fund	(24,215)	37,059

6.2 Short-term investments - Trading securities

PARTICULARS	AMOUNT IN BAHT	
	2013	2012
Short-term investments-at cost	2,007,731	2,007,731
Allowance for investment adjustment	(238,431)	(3,969)
Short-term investments-Fair value	1,769,300	2,003,762

PARTICULARS	AMOUNT IN BAHT	
	2013	2012
Unrealized gain (loss) on trading securities	(234,462)	777,699

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

PARTICULARS	AMOUNT IN BAHT	
	2013	2012
Acquisition cost	222,296	220,296
Unrealized gain on investment revaluation	4,934,304	4,111,604
Fair value at ending years	5,156,600	4,331,900

PARTICULARS	AMOUNT IN BAHT	
	2013	2012
Realized loss on available-for-sale securities	-	(131,877)
Unrealized gain on available-for-sale-securities	822,700	2,259,547

6.4 Deposits at financial institutions

PARTICULARS	AMOUNT IN BAHT	
	2013	2012
Bill of Exchange 6 - 8 Months	1,330,000	201,330,000

7. TRADE AND OTHER RECEIVABLES

PARTICULARS	AMOUNT IN BAHT	
	2013	2012
The trade accounts receivable are classified by outstanding balances of aging as follows :		
Current	100,450,213	96,525,497
Overdue within 3 months	9,523,407	9,320,713
Over 3 - 6 months	1,948,537	1,285,434
Over 6 - 12 months	2,551,132	394,207
Over 12 months	3,428,171	2,765,182
Total	117,901,460	110,291,033
Allowance for doubtful debts	(3,980,873)	(2,402,347)
Trade accounts receivable-net	113,920,587	107,888,686
Other receivables	60,000	60,000
Total trade and other receivables	113,980,587	107,948,686

8. INVENTORIES

PARTICULARS	AMOUNT IN BAHT	
	2013	2012
Medicines and medical supplies	33,045,626	31,997,371
General supplies	7,681,512	7,720,156
Total	40,727,138	39,717,527

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, 2012	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	-	(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
Increase	356,905,377	5,633,075	44,255,971	1,400,000	2,483,200	1,807,154	6,414,131	2,954,109	145,160,258	567,013,275
Sold/Unused	-	(7,384,918)	(11,284,787)	(1,375,088)	(692,880)	(423,543)	(7,937,235)	(150,743)	-	(29,249,194)
Transfer to/from	-	117,092,899	23,928,456	2,206,000	5,555,788	4,385,521	-	403,277	(153,571,941)	-
December 31, 2013	575,208,866	926,124,270	539,956,897	16,346,676	74,599,558	52,466,491	80,825,910	24,083,917	53,506,983	2,343,119,568
<u>Accumulate Depreciation</u>										
January 1, 2012	-	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
Depreciation for the year	-	44,035,300	43,260,160	799,002	9,155,893	4,678,576	13,695,394	2,379,591	-	118,003,916
Disposals/Unused	-	(7,384,910)	(11,075,001)	(1,365,621)	(369,163)	(415,349)	(7,744,570)	(125,920)	-	(28,480,534)
December 31, 2013	-	473,698,227	285,499,424	12,428,069	44,687,438	36,696,619	51,027,412	18,008,807	-	922,045,996
Net book value										
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
December 31, 2013	575,208,866	452,426,043	254,457,473	3,918,607	29,912,120	15,769,872	29,798,498	6,075,110	53,506,983	1,421,073,572

In 2013 and 2012, 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	COMPUTER SOFTWARES UNDER INSTALLATION	TOTAL
<u>Cost</u>			
January 1, 2012	80,237,491	-	80,237,491
Increase	8,650,414	-	8,650,414
Transfer to/from	16,055,350	-	16,055,350
December 31, 2012	104,943,255	-	104,943,255
Increase	4,544,010	6,313,435	10,857,445
December 31, 2013	109,487,265	6,313,435	115,800,700
<u>Accumulated amortization</u>			
January 1, 2012	51,242,310	-	51,242,310
Amortization for the year 2012	13,644,312	-	13,644,312
December 31, 2012	64,886,622	-	64,886,622
Amortization for the year 2013	14,429,275	-	14,429,275
December 31, 2013	79,315,897	-	79,315,897
Net book value			
December 31, 2012	40,056,633	-	40,056,633
December 31, 2013	30,171,368	6,313,435	36,484,803

12. OTHER NON-CURRENT ASSETS

PARTICULARS	AMOUNT IN BAHT	
	2013	2012
Deferred quality system	1,743,064	2,921,007
<u>Less</u> Amortization for the year	(1,177,943)	(1,177,943)
Net book value	565,121	1,743,064
Deposit for assets	1,640,465	3,519,875
Others	2,316,576	652,738
Total	4,522,162	5,915,677

13. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

PARTICULARS	AMOUNT IN BAHT	
	2013	2012
Short-term loans	160,000,000	-

As at December 31, 2013, short-term loans from financial institutions bear interest as stipulated in the agreement and are repayable in January - March 2014.

14. TRADE AND OTHER PAYABLES

PARTICULARS	AMOUNT IN BAHT	
	2013	2012
Trade accounts payable	55,563,918	51,536,899
Accrued expenses	28,391,880	41,475,015
Accrued doctors' fees	50,367,815	46,912,778
Others	20,435,574	17,919,639
Total	154,759,187	157,844,331

15. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

Provision for long-term employee benefits as at December 31, 2013 and 2012 which are compensations on employees' retirement, are as follows

PARTICULARS	AMOUNT IN BAHT	
	2013	2012
Defined benefit obligation at beginning of years	35,099,671	25,294,169
Current service cost	6,553,492	9,686,964
Interest cost	1,151,045	964,644
Benefits paid during the year	(3,395,950)	(846,106)
Defined benefit obligation at end of years	39,408,258	35,099,671

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

	For the years ended December 31, 2013 and 2012
Discount rate	3.3761% per annum
Salary increase rate	3 – 5.5 % per annum
Staff turnover rate	6 – 23 % per annum

16. 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.

17. 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.

18. DIVIDEND PAYMENT AND DIRECTORS' REMUNERATION

On April 26, 2013, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay dividend at Baht 0.93 per share to the shareholders of 160 million shares, totalling Baht 148.80 million, including directors' remuneration amounting to Baht 2.46 million. The dividend payment was made on May 23, 2013.

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.

19. EXPENSES BY NATURE

EXPENSES	AMOUNT IN BAHT	
	2013	2012
Medicine and medical supply consumptions	370,251,884	364,950,665
Directors and management benefit expenses	13,614,800	12,835,325
Employee benefit expenses	412,701,392	400,252,725
Doctors' fees	401,727,525	377,488,418
Depreciation and amortization expenses	133,611,134	114,544,943
Doubtful debts	1,578,526	(1,158,604)
Financial cost	1,357,861	-
Other expenses	158,802,114	145,441,077
Total	1,493,645,236	1,414,354,549

20. INCOME TAXES

Corporate income tax of the Company for the years ended December 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 BAHT)

FOR THE YEARS ENDED DECEMBER 31,	2013	2012
Corporate income tax for the years	61,004,382	74,962,689
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(1,229,158)	(1,728,149)
Income tax expenses	59,775,224	73,234,540

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

(AMOUNT IN BAHT)

PARTICULARS	2013	2012
Accumulated temporary differences in the statements of income		
Unrealized (gain) loss on open-ended fund	14,094	(10,121)
Unrealized loss on trading securities	238,431	3,969
Allowance for doubtful accounts receivable	3,980,873	2,402,347
Provision for long-term employees benefits	39,408,258	35,099,671
Total	43,641,656	37,495,866
Temporary differences in the Shareholders' Equity		
Gain on remeasuring available-for-sale securities	(4,934,304)	(4,111,604)
Total	38,707,352	33,384,262
Deferred tax assets/liabilities calculated from tax rate of 20%.	7,741,470	6,676,852

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, 2013 and 2012, the Company has commitment from the issuance of bank guarantee as follow :

PARTICULAR	AMOUNT IN BAHT	
	2013	2012
Letters of guarantee issued by commercial bank	4,276,800	4,276,800

22.2 Commitment under service agreement

As at December 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 7.21 million, and the contract which can not be cancelled amount of Baht 3.16 million.

22.3 Capital expenditure commitments

As at December 31, 2013, the Company has capital expenditure commitments to pay a total of Baht 7.84 million regarding to the building renovation agreement and Baht 40.05 million in regarding to the contractions contract design the addition of the new hospital.

23. 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, 2013 and 2012 amount of Baht 3.90 million and Baht 3.50 million, respectively.

24. DISCLOSURE OF FINANCIAL INSTRUMENTS

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

24.1 Accounting policies

- Accounting policies are disclosed in Note 4 to the financial statements.

24.2 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.

24.3 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.

24.4 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.

25. 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.

26. FINANCIAL STATEMENTS APPROVAL

These financial statements are duly approved by the Company's directors on February 25, 2014.