

รายงานประจำปี
บริษัท โรงพยาบาลนทเวช จำกัด (มหาชน)

2554



Your healthy living,
our commitment.

ANNUAL REPORT 2011
NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED



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Report of the Audit Committee

Nonthavej Hospital Public Company Limited resolved to appoint an Audit Committee consisting of three independent directors, none of whom are corporate executives, employees, or consultants. The Audit Committee consists of Dr.Prawit Ninsuvannakul as Chairman, Dr.Viroonporn Prompangsa, M.D. and Dr.Charoon Chairroj, M.D. as directors.

The Audit Committee implemented the duties and accepted the responsibilities assigned to it by the Board of Directors, according to the regulations pertaining to the Audit Committee. The Audit Committee found that the operations of the company are transparent and open to scrutiny, that internal controls are satisfactory, that the system of risk management is appropriate, and that financial reports are accurate, complete, and credible.

In 2011, the Audit Committee met five times, and every one of the directors attended every meeting. Meetings were also held with corporate executives, the Auditor, and the Internal Auditor when suitable. The main activities may be summarized as follows:

1. Preliminary consideration, on behalf of the Board of Directors, of the Company's quarterly and annual financial statements of the Company for 2011 to ensure that they were prepared in accordance with generally accepted accounting principles and that everything was performed correctly and consistently according to the regulations of the Securities Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Audit Committee also examined whether the information in the financial statement was disclosed in an adequate and timely manner, for the benefit of investors or persons using the financial statements to make investment decisions. With every deliberation over the Company's quarterly and annual financial statement, the Auditor was invited to take part, and his observations were used to improve corporate operations and consistently incorporated into the financial statements to establish their quality thenceforth.

Moreover, the Audit Committee has reviewed financial statements in accordance with International Financial Reporting Standards (IFRS). The Committee found that the company has compliant with accounting standards and sufficient disclosure in notes to financial statements.

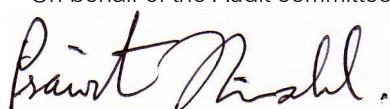
2. Examination of the Company's compliance with the SET's Principles of good corporate governance and those of the OECD. The Company's adherence to these principles was commendable, and the Company disclosed all relevant matters in its annual report. It seeks, moreover, to establish within the organization a process of continuous development in corporate governance.
3. Examination of the suitability and adequacy of the Company's systems of internal controls and internal auditing. The Audit Committee and the Auditor agreed, after and as a result of such

examination, that there were no significant problems or deficiencies. The Audit Committee provided some suggestions to improve the efficiency of internal operational systems.

4. Examination of the work of the Department of internal Audits, from its plan of operations and its auditing work to its reporting and monitoring activities, including its assessment of budgetary and manpower concerns together with management. Suggestions concerning how to make its performance more effective were made, along with ways of enhancing the effectiveness with which it implemented its plan of operations. Furthermore, the Audit Committee evaluated the annual audit plan for 2011 on the basis of assessments of the Company's internal controls and risk management, the Audit Committee constantly offered advice regarding the quality of audits in terms of personnel and operations by way of supporting the independence of the Internal Auditor. Together with management, the Audit Committee considered the matter of appointing, withdrawing, transferring, or dismissing the manager of the Office of Internal Audits.
5. Co-ordination with external and internal auditors in determining the objectives, plans, results, and main topics of consideration in corporate audits and investigations of compliance with the legislation and regulations pertaining to securities, the stock market, and the Company's business.
6. Ongoing monitoring of and consultation with management concerning general matters of management that could affect the Company. If any matter is found that could significantly affect the Company's financial status or operational results, the Audit Committee is to make a report to the Board of Directors and seek prompt rectification. If no such resolution is undertaken, the Audit Committee is to submit a further report to the SEC or the SET.
7. Considering and proposing an auditor and his compensation to the Board of Directors, for subsequent submission to shareholders. Consideration of this matter is to be based upon performance, professionalism, and the reasonableness of the auditing fee. It is proposed that either Mr. Virach Aphimeteetamrong, Mr. Chaikorn Aunpitipongsa or Mr. Apiruk Atianuwat of Dr. Virach & Associates to be appointed as the Company auditor for 2011.

The Audit Committee, finally, was independent in its deliberations and recommendations, in order that operational results might conform to corporate objectives and manifest greater efficiency. The Audit Committee received excellent co-operation from all parties involved, for which we would like to express our appreciation at this time.

On behalf of the Audit committee

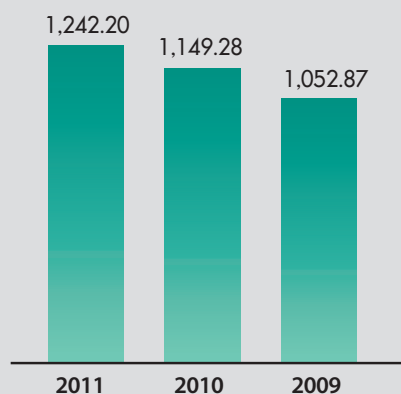

Prawit Ninsuvannakul

Ph.D., C.P.A., Chartered Director

Chairman of the Audit Committee

Summary of results important.

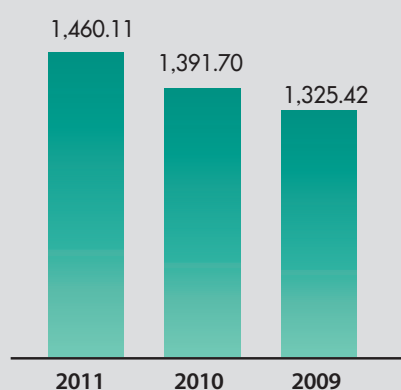
Total Assets (million baht)



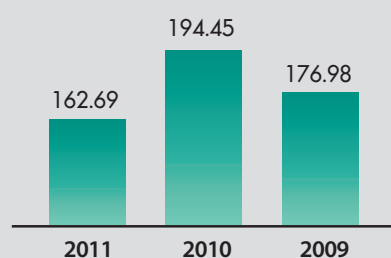
Total Owner's (million baht)



Total Revenues (million baht)

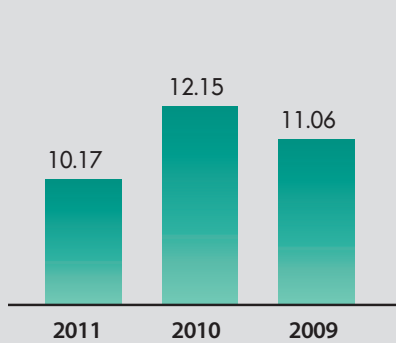


Profit (million baht)

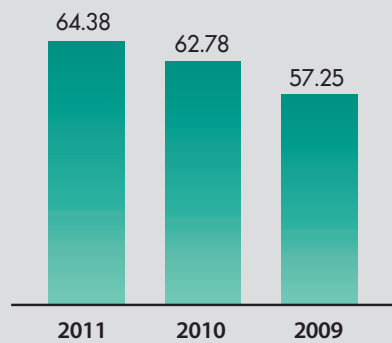


Summary of results important.

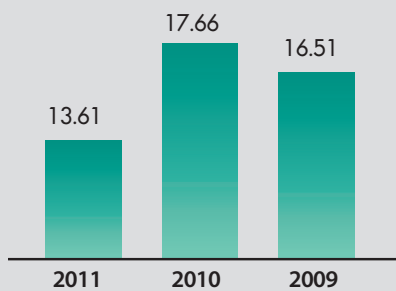
Earning per share (baht)



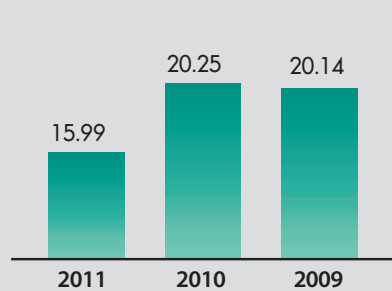
Book value per share (baht)



ROA (%)



ROE (%)



1. General Information.

1.1 The Company

Company Name	:	Nonthavej Hospital Public Company Limited.
General Name	:	Nonthavej Hospital
Business Managerial	:	Hospital
Characteristic	:	General hospital , provide medical care in all specialties . Through in-patient and out-patient and opens 24 hours everyday.
Office location	:	30/8 Moo2 Ngamwongwan road, Bangkhen , A.mueng , Nonthaburi 11000
Branch	:	68/888 Rattanathibeth Rd. Bangkrasor Nonthaburi 11000
Register number	:	0107536001087
Home page	:	www.nonthavej.co.th
E-Mail	:	nonthavej@nonthavej.co.th
Telephone number	:	0-2596-7888 (Automatic 200 number)
Fax number	:	0-2589-8753

1.1.1 Out - Patient Department.

There are 90 examining rooms , offers specialties Centers are 16 Centers and specialties Clinic are 6 Clinic of medical care as follow:

MIS Center (Minimally Invasive Surgery)	Specialized Orthopedics Center
Obstetrics and Family Maternity Center	Infertility Center
Breast Cancer Center	Gynecology and Advanced Laparoscopy Center
Gynecologic Oncology Center	Urology Center
Plastic Surgery Center	Heart Center
Pediatric & Child Development Center	Diabetics Center
Respiratory Center	Gastrointestinal Center
Dental Center	Wellness Center
Neurology Clinic	Hemorrhoid Clinic
Eye Ear Nose Throat Clinic	Psychiatric Clinic
General Practice and Surgery Clinic	Chinese Medicine Clinic

1.1.2 In - patient Department, categorized as follow.

Labour Room	Operation Room
ICU & CCU and NCU Room	Nursery Room
Single Room	Single Room Double bed Room
Deluxe	VIP

1.1.3 Supports Services , categorized as follow.

Emergency Department	X-ray Department
Laboratory Department	Hemodialysis Department
Nutrition Department	Nonthavej Polyclinic
Healthy Check Up International	Ambulance Service opens 24 hours everyday

1.2 Other companies which the company holds shares in excess of 10%

-None-

1.3 Other References.

a. Securities officer

Thailand Securities Depository Co., Ltd.

CAPITAL MARKET ACADEMY BUILDING

62 Securities Officer Building

Rachadaphisek Road Kolngtoey ,Bangkok Thailand 10110

Tel : 66(0)-2-229-2800 (Main)

Fax : 66(0)-2-654-5427

TSD Call Center : 0-229-2888

E-mail : TSDCallCenter@set.or.th

Website : <http://www.tsd.co.th>

b. External Auditor

Dr. Virach & Associates

518/3 Panunee Building , Floor 7th, Plenchit Road

Lumpini District , Khet Pratumwan, Bangkok 10330

Tel & Fax : (660)-2252-2860 , (660)-2254-8386-7

c. Legal Consultant.

The Far East Law Office (Thailand) Co., Ltd.

No. 121/74-75 R.S. Tower 24th FL., Ratchadaphisek Road ,

Dindaeng District , Bangkok 10320

Tel : (660)-2641-3181-88 , (660)-2248-6711

Fax : (660)-2641-3189-90,(660)-2248-6719

2. Summary of the Company 's Financial Informations

	(Unit : Thousand baht)		
	2011	2010	2009
Asset at year date			
Current Assets	273,158	265,133	150,074
Total Assets	1,242,199	1,149,278	1,052,871
Current Liabilities	212,094	144,850	136,908
Total Liabilities	212,094	144,850	136,908
Issued and Paid - up share capital	160,000	160,000	160,000
Shareholders ' Equity	1,030,105	1,004,427	915,962
Income and Relained Earning			
Revenues from hospital	1,449,216	1,382,894	1,318,992
Total Revenues	1,460,113	1,391,704	1,325,401
Cost of health care services	1,011,988	946,418	902,451
Gross Profit	437,228	436,476	417,246
Selling and administrative expenses	211,079	185,927	182,779
Net Profit	162,691	194,446	176,978
Share data (Baht)			
Earning per share	10.17	12.15	11.06
Dividend per share	7.30	6.64	6.53
Book value per share	64.38	62.78	57.25
Financial Ratio			
Current Ratio	1.46	1.88	1.10
Gross Margin (%)	30.17	31.86	31.58
Net Profit Margin (%)	11.23	14.06	13.42
Return on Asset (%)	13.61	18.06	16.51
Return on Equity (%)	15.99	20.86	20.14
Growth Rate			
Total Assets (%)	8.09	9.16	-3.41
Total Equity (%)	2.56	9.66	8.60
Total Revenues (%)	4.92	5.00	3.10
Net Profit (%)	-16.33	9.87	1.62

3. Business Operations

3.1 General Business Operations

The Nonthavej Hospital Public Company Limited began its operation on September 3, 1981. It is the first Private Hospital in Nonthaburi Province and located at 30/8 Ngamwongwan Road, Bang Khen, Amphur Muang, Nonthaburi 11000, Telephone number 0-2596-7888 and Facsimile number 0-2589-8753. The hospital is located on the premise of 4 rais 3 ngan and 80 square wah. The hospital operates through in-patient, out-patient, and emergency departments and opens 24 hours everyday. Our ambulance services are also available around the clock. Our Check up services are conducted both on the hospital's premises as well as off the hospital's premises. With specialized medical staff in all fields, competent supporting staff, state of the efficient medical equipment and technology, today, we are equipped with 208 beds to accommodate in-patients and 90 examination rooms to accommodate out-patients, which enable us to service up to 2,000 of out-patients each day.

3.2 Income Structure

(Unit : Millions baht)

Each type of patient	2011		2010		2009	
	Baht	%	Baht	%	Baht	%
Out – Patient	763.78	52.70	740.96	53.58	692.91	52.53
In – Patient	685.44	47.30	641.94	46.42	626.08	47.47
Total	1,449.22	100.00	1,382.89	100.00	1,318.99	100.00
Increased (Decreased)	66.33	4.80	63.90	4.84	39.67	3.10

(Unit : Millions baht)

Each type of revenue	2011		2010		2009	
	Baht	%	Baht	%	Baht	%
Medicine and Supply	468.35	32.32	435.81	31.51	427.42	32.41
Doctor fees	315.38	21.76	301.54	21.81	289.70	21.96
Room and Services	187.06	12.91	178.95	12.94	174.80	13.25
Medical Equipment	167.77	11.58	162.49	11.75	156.31	11.85
Lab and X-Ray	224.88	15.52	228.09	16.49	202.17	15.33
Meals	14.50	1.00	14.30	1.03	14.33	1.09
Other	71.28	4.92	61.71	4.46	54.26	4.11
Total Revenue	1,449.22	100.00	1,382.89	100.00	1,318.99	100.00

3.3 Significant Changes In the past Year

Landscape Reception and waiting hall in front of a modern hospital to provide services to the international image even more. Medical Center of heart by increasing the Intervention and buy a new cath lab to enhance the treatment. Breast cancer is the leading cancer specialists and experts, along with a modern and efficient Mammogram Digital.

Trends on Industrial Situation and Competition

1. Industrial Structure

Due to the economical and social improvements, people nowadays have had more awareness on the health issues. The quality of life has increased and the behavior toward healthcare has improved. Consequently, private hospitals have a lot of opportunity in answering increasing needs among customers, as well as high chance in business growth, despite the great competition in the industry.

2. Competitive Position

For the past 30 years of operation, Nonthavej Hospital has been offering great medical services and improving its potential by setting up Excellent Center in different areas. The medical team is full of specialized doctors and staff in each area.

The hospital's competitors are surrounding hospitals within 20 kilometers and the other hospitals which customers have great confidence in.

Nonthavej's Competitive Edges

1. Locational Advantage: Nonthavej is located on Ngamwongwan Road, which is a center of a large residential community. It is located near many places of interests such as big shopping malls notably the Mall Shopping Center, Tesco-Lotus Super-Center, and Homepro. The hospital is also nearby major public and educational premises such as the Ministry of Public Health, the Ministry of Commerce, the Electricity Generating Authority of Thailand, the Provincial Electricity Authority, the Telephone Organization of Thailand and Dhurakitpundit University.

2. The Service Cares Provided : Our overriding objective is to be the provider of high quality health care services. To this end, we not only employ specialized physicians in all aspects of medical practices but also continue to equip our medical staff with knowledge, skills as well as modern medical technology.

3. The Reliable Reputation : With our highly qualified and specialized physicians and medical staff, Nonthavej has recognized by the general public and patients as the reliable provider of health care services over the past 30 years of its establishment. As a result, the company been very successful in its business operation as observed by the continued ability to generate profits.

4. Personnel: Nonthavej has been recognized by the general public and patients as the reliable provider of health care services over more than 30 years of its establishment. In addition, the company has been very successful in its business operation as observed by the continued strong financial performances and positions. With such renowned reputation, the company has been able to recruit numbers of highly qualified individuals to join the company.

Nonthavej's Disadvantage:

Due to the fact that we are located near the large residential community and a few shopping malls, the traffic around the area can be packed at times.

4. Risk Factors:

Legal Dispute Risk

Offering medical services has a possible risk from the misunderstanding among the medical team, patients and patient's family, in terms of diagnosis, causes of ailments, and information about treatment procedures. Therefore, the hospital has various measures to monitor the quality management system and vocational standards to prevent these risks. These measures are the assessment process called Hospital Accreditation (HA), ISO 9001:2008 and Joint Commission International Accreditation (JCI) for management system, ISO 15189 for medical laboratories, HACCP for food safety, GMP, and other vocational standards.

Industrial Competition Risk

Medical and hospital industry is very competitive and has a tendency to become even more competitive. The Government has a policy of healthy services to the greatest and setting up Excellent Center to cover all medical areas. Advanced medical technologies are used in order to increase the efficiency of the services, while the staff and medical products are being continuously improved in order to increase the competitiveness.

Medical Staff Shortage Risk

Hospital industry needs to have knowledgeable, efficient, experienced, and specialized staff in different areas, such as doctors, pharmacists, technician staff, and nurses, who all play an important role in delivering services. With the rising competition from public and private sectors and the fact that medical staff can be limited, there is a high risk in the staff shortage.

The company is aware of the importance in finding, improving, and maintaining staff that is knowledgeable, experienced and efficient. The methods to develop human resources as such are;

1. Concentrating on hunting and hiring staff with the suitable knowledge, experience and competency for the job
2. Managing the compensation and welfare for staff by improving the salary and benefit structure so that it is appropriate for each position and competitive in the market.

3. Developing the human resources by using the training road map which is suitable for the staff's roles and career growth.
4. Building up the labor relation by health promoting activities have been organized for staff so that they have successful operational result and form a connection with the organization.

5. Management & Organizational Chart

5.1 Shareholders

The name of the largest shareholders on December 30, 2011

Name	Share	% of share
1. Mr.Lopachai Keanratana	3,758,180	23.49
2. Mrs. Patummas Keanratana	3,138,000	19.61
3.Thailand Securities Depository Co.,Ltd. For Depositor	2,315,867	14.47
4. Mrs. Patama Prommas	1,926,100	12.04
5. Dr. Prompan Prommas	968,000	6.05
6. Bangkok Insurance Pcl	659,800	4.12
7. Mrs.Prapichaya Prommas	414,400	2.59
8. Mrs.Prompan Siripat	339,000	2.12
9. Dr. Saravut Sontikaew	333,200	2.08
10. Mr.Prasert Prasatthongsoj	<u>125,800</u>	<u>0.79</u>
Total	<u>13,978,347</u>	<u>87.36</u>

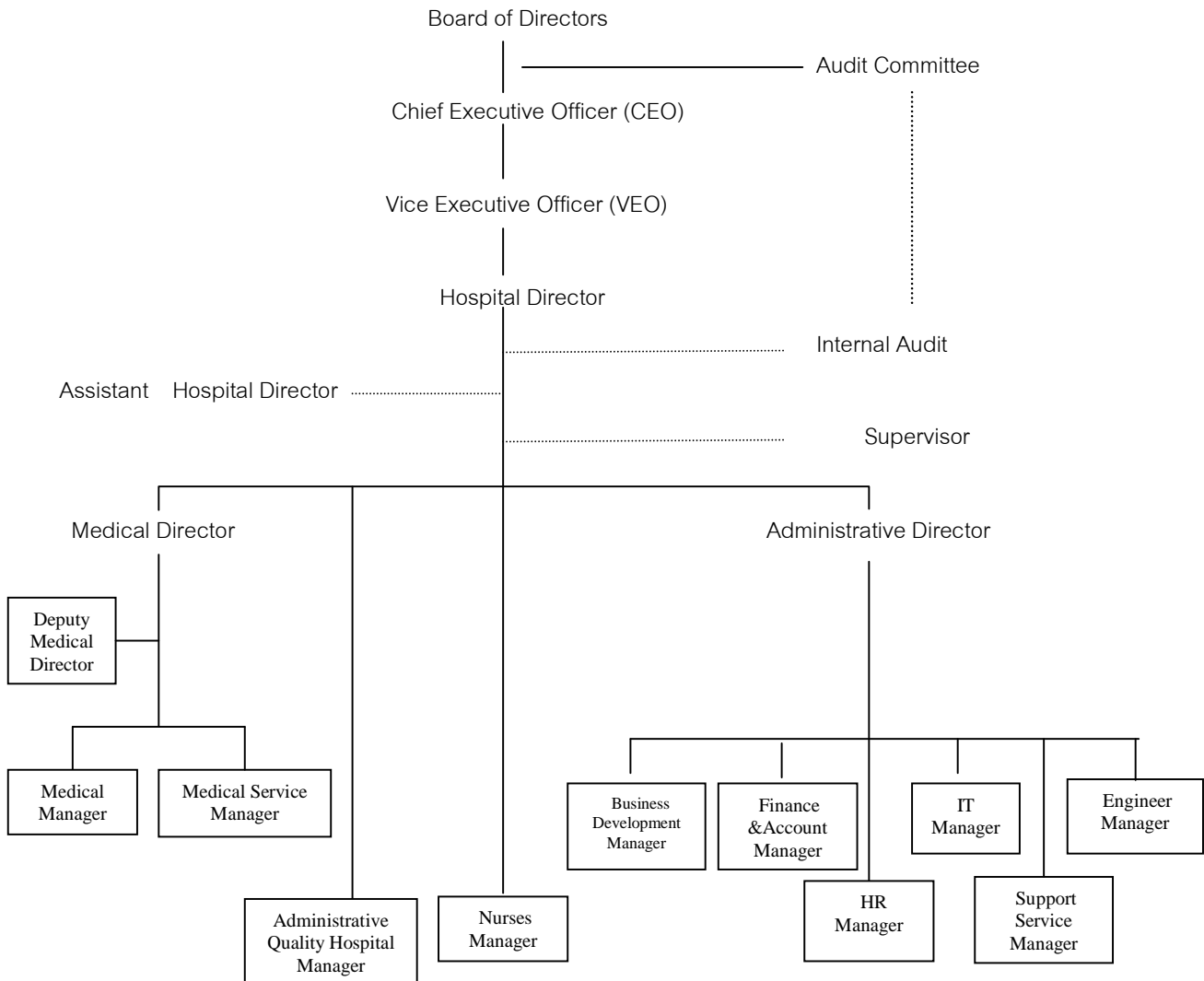
Group of the largest shareholders has an influence to assignment policy of the company is following :

1. Group of Keanratana family % of share 43.10 by Mr.Lopachai Keanratana is Chairman / Executive Director / Authorized Director and affix the company's seal.
2. Group of Prommas family % of share 20.68 by Dr. Prompan Prommas, M.D. is Chief Executive Officer / Executive Director / Authorized Director and affix the company's seal. And Mrs. Patama Prommas Vice Executive Officer / Administrative Director / Executive Director / Authorized Director and affix the company 's seal.

5.2 Management

(1) Management

(1.1) Organization Chart



The Board of Directors

The Board of Directors consists of 9 directors of which

	<u>Name</u>	<u>Position</u>
1.	Mr.Lopchai Kaenratana	Chairman
2.	Dr. Prompan Prommas, M.D.	Director
3.	Mrs. Patama Prommas	Director
4.	Mrs.Prompan Siripat	Director
5.	Dr. Saravut Sontikaew,M.D.	Director
6.	Dr. Kamales Santivejkul,Ph.D.	Independence Director
7.	Dr. Prawit Ninsuvannakul,Ph.D.	Independence Director / Audit Committee Chairman
8.	Dr. Charoon Chairroj, M.D.	Independence Director / Audit Committee Director

9. Dr. Viroonporn Prompongsa, M.D. Independence Director / Audit Committee Director
Miss Suree Sangkornpanich Secretary Company

Director Authorized to sign on Behalf of the Company Mr. Lopchai Kaenrattana or Dr. Prompan Prommas, M.D. or Mrs. Patama Prommas, two directors sign jointly and affix the company's seal.

The Board of Directors' Scope of Authorities

1. Management must observe laws, rules, and objectives set out by the company. They also are responsible for the protection of the shareholders' benefits as well as obliged to the decision made at the shareholders' meeting.

2. Responsible to setting up policy and vision for the company. They must monitor the performance of the company's management to ensure that it is being done in accordance to the policy set out by the Board of Directors. The company's management must be done in an effective and efficient manner.

3. Set out effective internal audit and internal control system for the company.

4. Monitor closely the operation of the company to ensure the company's compliance with laws and rules prescribed by the company. This will lead to an efficient operation for the company as a whole.

5. Call for the shareholders' meeting. The shareholders' meeting shall oblige by the standard procedures prescribed for SET's registered company to ensure transparency and fairness.

6. Responsible for reporting financial and general information of the company to the shareholders and general investors in a completed and transparent manner.

The Composition of the Board of Directors

1. The Board of Directors consists of not less than 5 directors of which at least half of the number of directors are directors whom are residents of the Kingdom of Thailand.

2. The nomination of directors will be determined at the Shareholders' Meeting. The Nominating Committee will recommend the qualified candidates for such nomination. The regulations and procedures governing the nomination of directors at the Shareholders Meeting are as follows:

2.1 For each shareholder, one share renders into one vote.

2.2 Each shareholder can cast his or her votes (as specified in 2.1) to one or more directors. In case where the shareholder decides to vote for more than one director, his/her votes for each candidate will carry the same weight.

2.3 The person with highest number of votes and the next highest ranking shall be nominated directors. The number of directors nominated shall be equal to the number of directors the Shareholders Meeting deem necessary or the number decided to be nominated at that particular meeting. In case where there are two people who receive the same number of votes, and make the number of directors higher than the Shareholders Meeting deem necessary or the number decided to be nominated at that particular meeting, the chairman of the meeting shall cast the final vote.

3. At the Annual General Shareholders Meeting, the term for one-third of directors will be terminated. The director whose term has ended shall be eligible for re-nomination.

4. Directors can be voted out of the office before their terms end at the Shareholders Meeting. Such vote requires at least three-fourth of the number of shares with voting rights and proxies held by shareholders attending the meeting. And, the total number of shares of not least than half of the number of shares with voting rights and proxies held by the shareholders attended the meeting.

5. Any directors can resign from the directorship position upon submitting the resignation form to the company. The resignation shall become effective the day that the resignation letter is received by the company.

The Audit Committee' Scope of Authorities

1. Review the company's financial reporting Process to ensure accuracy and adequacy.
2. Ensure the suitability and effectiveness of internal control and internal audit procedure.
3. Consider the independence of the Audit Office to propose the appointment, removal, transfer or dismissal of the director of the Internal Audit office
4. Ensure compliance with securities and exchange laws, SET regulations, and relevant laws.
5. Consider, select, nominate, and recommend the fee for the external auditor.
6. Consider the accurate and complete disclosure of Company information in case of connected transactions or potential conflicts of interest
7. Prepare a report on the committee's supervision of business for disclosure in the annual report, to be signed by Chairman.
8. Perform tasks assigned by the Board and with the approval of the Committee.

The Composition of the Audit Committee can be summarized as follows:

The Audit Committee was established by the approval from the Board of Directors. It has a three years term and consists of at least three independent directors – of which at least one must be an expert in the field of finance or accounting. The director whose term has ended shall be eligible for re-nomination.

(2) The Nomination of Directors and Managements

The Nomination Committee' Scope of Authorities

1. Screen and recommend the names of qualified candidates for directors in the Board of Directors, Audit Committee, and other Committees to the Board of Directors. The Board of Directors, in turn, will put forward its recommendation to the Shareholders' Meeting.

2. Screen for qualified persons to assume the position of chairman/vice chairman and other directors in case where vacancy becomes available.

3. Consider on nomination, transfer, remove the company's management staff.

4. Prescribe transparent regulations and procedures governing the recruitment of directors.

The Composition of the Nomination Committee can be summarized as follows:

The directors of the Nomination Committee must be the directors that are appointed by the Board of Directors. It has at least three directors, of which at least one must be an independent director.

(3) Remuneration for the Directors and Managements

The Remuneration Committee' Scope of Authorities

1. Consider guidelines in setting remuneration for directors, Board of directors, whether such remuneration are in monetary or non-monetary nature. The remuneration shall also include honorarium, fringe benefits and other benefits. The mentioned guidelines shall be recommended to the Shareholders Meeting.
2. Specify procedures and regulations in setting remuneration for directors in a fair and reasonable manner. Such specification shall be recommend to the Shareholders' Meeting for approval.

The Composition of the Remuneration Committee can be summarized as follows:

The directors of the Remuneration Committee must be the directors that are appointed by the Board of Directors. It has at least three directors, of which at least one must be independent director.

Remuneration must be the money

Remuneration by the Board of Directors(9 person)

Remuneration for Directors 1,944,000 baht

Remuneration for Meeting 301,000 baht

Remuneration for the Directors and Managements

Salary and Bonus 10,355,000 baht

Remuneration for Meeting 301,000 baht

Remuneration for Directors 1,944,000 baht

Other (Remuneration Audit Committee) 480,000 baht

Total 13,080,000 baht

Remuneration for the company's management staff (9) for 2011 consisted of salary and annual bonus totaled 13,080,000 baht.

(4) Good Corporate Governance

The company is mindful of the importance of good supervision policy in further enhancing the company's effectiveness, and competitiveness as well as ensuring of sustainable growth. In addition, transparency, and clarity of business practices and the conduct of business in aiming to maximize the shareholders' value are supportive in gaining acceptance by the general public. The Company therefore would like to report the corporate governance issues as follows:

1. The Rights of Shareholders

The Company acknowledges the importance of all shareholders' rights, including major and minority shareholders. Shareholders' rights include basic rights of shareholders as investors and as owners of the Company, such as rights to buy, sell, transfer their shares; rights to receive dividends from the Company; rights in shareholders' meetings; rights to express their opinions; rights to participate in making decisions on important issues, such as election of directors, approval of important transactions that affect direction of the business and operation of the Company, amendment of memorandum of association and articles of association of the Company.

In 2011, the Company has implemented the following to encourage and facilitate the exercise of shareholders' rights in shareholders' meeting:

1. The Company gives shareholders the right to propose important and appropriate issues for incorporation as an agenda in the Company's annual general meeting and to nominate candidates with appropriate knowledge, abilities and qualifications to be considered for the position of the Company's director before the annual general meeting of shareholders. Shareholders can find details of the criteria and guidelines on the Company's website.
2. The Company sends invitation letters to shareholders in advance to inform them of the meeting agenda which includes opinion of the Board of Directors on each agenda item, together with supporting documents and information sufficient to facilitate shareholders in making their decisions. In addition, the invitation letter package includes details of required documents in order to protect shareholders' rights to attend the shareholders' meeting, together with their rights to vote. Moreover, the invitation letter to shareholders' meeting is disclosed on the Company's website. For the annual general meeting of shareholders, the invitation letter is posted on the website 30 days prior to the meeting date.

3. For those shareholders unable to attend the meeting, the shareholders have the right to authorize a person or an independent director as their proxy to attend the meeting and vote on their behalf, using one of the proxy forms sent with the invitation letter. Moreover, shareholders can download the proxy form from the Company's website.
4. The Company implements the computer system for registration and the voting process, including the production of voting cards. This helps accelerate and ensures the accuracy of the registration and vote counting process. Upon completion of the meeting, shareholders are able to verify the details.
5. Before going into each agenda, the Chairman of the Board of Directors, who acts as chairman of the meeting, informs the meeting of the voting process for each agenda. During the meeting, the chairman of the meeting gives all shareholders the opportunity to comment, ask questions or give opinions and suggestions on any agenda items. The Chairman and management see the importance of every question and give precise and clear answers.
6. The Company Secretary records minutes of the shareholders' meetings which are correct and complete. In addition, the minutes are sent to the Stock Exchange of Thailand and posted on the Company's website within 14 days after the meeting date, so that shareholders are promptly informed and are able to verify.

In addition, the Company also emphasizes on providing correct, timely, equal and transparent information sufficient for all shareholders and investors to make their investment decision.

2. The Equitable Treatment of Shareholders

The Company is strongly committed to equitable treatment of every shareholder, whether they are major or minority shareholders, institutional investors, or foreign shareholders. To ensure equal treatment of all shareholders, the Company created various mechanisms, such as:

1. The Company provides a channel for minority shareholders to propose issues deemed important and appropriate to include in the agenda of the Company's annual general meeting of shareholders and to nominate candidates with appropriate knowledge, abilities and qualifications to be considered for the position of the Company's director. The announcement has been made through the Stock Exchange of Thailand and the Company's website. Independent directors will consider and propose the matter to the Board of Directors to be included in the meeting agenda as appropriate.

2. The Company provides proxy forms for shareholders' meetings. The proxy forms allow shareholders to specify their voting decision on each agenda, and are in accordance with the format provided by the Ministry of Commerce. The proxy forms are sent with the invitation letter. As an alternative for shareholders, the Company also proposes one independent director as the proxy.
3. The shareholders' meetings proceed according to the order of the agenda, without adding new and uninformed agenda, in order to give the opportunity to shareholders to study the information on the given agenda before making decisions, and to ensure that there are no sudden changes to the important information in the shareholders' meetings.
4. The Company sees the importance of the consideration of transactions which may have conflict of interest or may be connected or related transactions, and abides by good corporate governance principles, including rules and regulations of the authorities. In cases of these transactions, directors, management and those who are related persons do not participate in the consideration to approve such transactions.
5. The Company provides oversight and control to prevent improper use of inside information. Details can be found in section 5.2(5) Internal Control of Information. In addition, directors and management of the Company must report the purchase or sale of the Company's securities to the Securities and Exchange Commission and the Company within three business days.

3. The Role of Stakeholders

We are mindful of the importance of different groups that are also the stakeholders of the company. We have already set up the regulation with stakeholders in employee guidebook for the officer and executive to realize in the importance of stockholder's right.

- | | |
|------------------------------|--|
| Shareholders: | The company is determined to operate the business in the way of which to maximize the value for our shareholders. The business operation must be transparent and credible which in turn will lead to a continuous growth. |
| Customers (Patients): | The company is determined to provide quality services that shall focus on the need and expectation of our customers (patients). We also treat our customers' confidential information with the utmost care. We have set up a unit responsible for customers' complaints and the staff from the unit will immediately process the complaint case for our customers without delay. |

- Staff:** We emphasize on the continued development of knowledge and skills of our employees. The company also encourages the development of good working culture such as teamwork. We have an equitable and fair treatment policy for our employees. Our employees shall receive a fair remuneration package.
- We have the welfare treats to the officers and their family.
 - We have checking health for the officers regularly every year include following of checking always.
 - Encourage give the officers have strength health.
 - We have children assistance in the sense of the education
 - The flood of the past more than three hundred people are affected. We have homeless people living in the area over the past two months, including the money and facilities to assist employees who are more than eight hundred houses were damaged baht.
- Contracting Party :** We honor our trade agreements and terms that we have with our contracting party. We treat our contracting party as equal partner and recognize the importance of our mutual benefits.
- Competitors :** We are supportive the competition policy that is fair and market-oriented.
- Society/Community :** The realization on the part of society, which is responsible for public assistance, social support communities. By providing a mobile health unit to health services in the community. The knowledge of first aid. And the movement to educate and provide health care practices, including protection to reduce the chance of illness. Health and wellbeing of the community.
- During the flood crisis in the company. To guarantee a space at the Branch Medical Center (a field hospital. Ministry of Health) to provide health services to flood victims in Mon County without any charge. It also has a mobile medical units to provide basic medical care and medicine bags and cooking with a kitchen disaster. Wat Bang Muang money Mon Tue York City and the Community Noi Noi Mon Tue York.
- Cataract surgery programs in the 30 eyes with no charge to the elderly who are aimed to give a royal charity on the occasion of HM the Queen's 80th Birthday Anniversary.
- The company continues to build relationships with the community. In addition to the past. Lecture medical knowledge. Protection from disease. Basic first aid. One of the company is on an annual basis. The training plan for all

accidents. And fire protection plan with the disaster. Dubai Municipality.

As part of its policy of promoting energy conservation and the environment. By providing knowledge and awareness to the employees so that everyone can conserve energy.

4. Investors' Relations

The company places strong emphasis on the disclosures of accurate, complete, and timely information to our stakeholders. In this light, we have established the Investors Relations Unit to liaise with investors, shareholders, stock analysts, and other relevant agencies on behalf of the company. We also disclose our company's information through our website at www.nonthavej.co.th. This has increased a channel for investors or interested parties in accessing to the company's data. Our Investor Relations Officer is Ms. Suree Sangkornpanich. Investors can contact Ms. Suree at 0-2596-7888 extension 2515 or at email: suree@nonthavej.co.th or ir@nonthavej.co.th

5. Responsibilities of the Board of Directors

1) The Board of Directors Structure

The Board of Directors is comprised of qualified directors with extensive experience in various fields. Every director participates in setting the Company's vision, mission, strategies, goals, business plans and budgets. The Board of Directors also ensures that the plans are carried out efficiently and effectively by the management, to ensure the maximization of the Company's value and stability to shareholders. The Board of Directors meets quarterly to review the management's report on the Company's operations. Details of duties and responsibilities of the Board of Directors can be found in Section 5.2 (1) Management Structure.

2) Leadership and Vision

The Board of Directors takes part in formulating the company's vision, purposes, strategies, objectives, and business plans. The Board of Directors is also responsible for supervising the management to effectively and efficiently carry out the set vision and purposes accordingly. The Board of Directors also takes part in establishing indicators and target measurement for the company. The Board will follow-up on the company's operation against the set target. In case where operation falls short of the target, the Board shall identify a remedial course of action and continue to monitor the development very closely.

The Board of Directors has established the Audit Committee to closely surveillance and make sure that there exists an appropriate and suitable internal control system. The Committee is also to ensure the prevention of matter involving the conflict of interests.

The Board of Directors has also established the Risk Management Committee to manage the overall's organizational risks. The Committee is to identify and manage risks down to the unit level.

3) Conflict of Interests

The company has laid down explicit policy concerning the matters that may arise the conflict of interests. For transactions relating between the company and the person of which incident for conflict of interests may arise, the transaction (matter) must be reviewed by the company's management as well as granted approval from the Board of Directors. And, the concerned directors are not eligible to cast their votes on the agenda of the meeting that involved their personal interests. Furthermore, the Audit Committee has a surveillance responsibility in preventing against the conflict of interest incidents.

In accordance with the company's policy, directors, management and concerned staff of the company are forbidden from disclosing classified information to external party or non-concerned party. They are also prohibited from buying/selling the company's shares during the period within one month prior to the financial statement being released to the public. The company also requires its management to report the change in their security holdings to both the SEC and SET.

4) Business Ethics

In the undertaking of business, the company has issued ethical code of conducts for the Board of Directors, management and staff of the company to follow. The main principles in the company's code of conducts require everyone to perform their duties with transparency, honesty, integrity, fairness, and morality.

5) Balance of Power for Non-Executive Directors

The Board of Directors consists of 9 directors of which

- four directors are members of the company's management team, and
- five directors are independent directors.

Thus independent directors constitute more than one-third of the company's Board of Directors.

6) Aggregation or Segregation of Positions

- The chairman of the Board of Directors is the representative of majority shareholders.
- The chairman of the Board of Directors is not the same individual as the managing director, although both represent the majority shareholders. The fact that the independent directors make up more than one-third of the Board of Directors is an assurance of the check-and-balance system in the company's management.

7) Remuneration for Directors and the Management

The Board of Directors has established the Recruitment Committee in screening and recommending the names of qualified candidates to be the company's directors to the Board of Directors. The Board of Directors, in turn, shall put forward the recommendation to the Shareholders' Meeting.

The Board of Directors has also established the Remuneration Committee to consider setting guidelines on remuneration for the company's directors. The Board of Directors shall recommend the mentioned guidelines to the Shareholders Meeting.

8) Board of Directors' Meetings

The Board of Directors shall meet at least four times a year. The additional meeting shall be called for as necessary. The agenda of the meeting as well as documents pertaining to the meetings shall be circulated seven days prior to the meeting date to give the directors adequate time to analyze the information.

The Board of Directors ' Meetings in 2011 as follows:

Name - Surname	Total Directors / Meeting (Time)
1. Mr.Lopchai Kaenratana	5/5
2. Dr. Prompan Prommas, M.D.	5/5
3. Mrs. Patama Prommas	5/5
4. Mrs. Prompan Siripat	5/5
5. Dr.Saravut Sontikaew,M.D.	4/5
6. Dr.Kamales Santivejkul , Ph.D	5/5
7. Dr.Prawit Ninsuvannakul ,Ph.D	5/5
8. Dr. Charoon Chairroj, M.D.	5/5
9. Dr. Viroonporn Prompangsa, M.D.	5/5

9) Committee

The Board of Directors has established the three Sub-Committees, which entail the Audit Committee, the Nomination Committee, and the Remuneration Committee. These Sub-Committees consist of directors whom are also in the management team as well as independent directors. The composition, roles and responsibility of these Sub-Committees are stated in 5 Management &Organizational Chart 5.2 Management , (2) The Nomination of directors and managements , (3) Remuneration for the Directors and managements.

10) Controlling System and Internal Audit

The company emphasizes on the importance of the internal control system both at management and operating level. The duties and mandates of the management and staff of the company are clearly specified in writing. There is an internal control mechanism to supervise and ensure the utilization of company's assets. To ensure of the check-and-balance mechanism, there is a separation of roles and duties between the operating staffs and the controllers. There is also an internal control system concerning the company's financial transactions. The financial reports are prepared and reported through the relevant line of command.

There is an Audit Committee with the responsibility of closely surveillance the company's operation. In addition, the Internal Audit Department is responsible for the assurance that the company's major operation and financial transactions are effectively in compliance with the stated guidelines as well as laws and relevant regulations (compliance control). To guarantee an independence nature of the Internal Audit Department, it is to report the finding directly to the Audit Committee.

The company strongly emphasizes on risk management. We have established the Risk Management Committee to identify, assess as well as formulate preventive measures against potential risks arising from business operation. The Committee is also to follow-up and supervises on risk management system. It will report the findings to the Audit Committee whom in turn will forward report to the company's Board of Directors.

11) Directors' Reporting

The Board of Directors is responsible for the financial statements and financial information of the company that are shown in the annual report. The financial statement is prepared in accordance to Generally Accepted Accounting Principles in Thailand. We are consistently following good accounting policies and practices. Also, in our financial statement, it includes the notes to the financial statement that disclose integral information.

The Board of Directors has instituted the internal control system to ensure of accurate, and sufficient accounting records to prevent fraudulent.

The Board of Directors has also established the Audit Committee consisted of independent directors who are not part of the company's management team. The Audit Committee is to ascertain the quality of company's financial reports and internal control system. The Audit Committee's commentary is included in the company's annual report.

With the overall company's internal system well in place, the Board of Directors acknowledges that the company's financial statements are not only trustworthy but also reliable.

(5) The Usage of Internal Information

The company has an explicit policy concerning the management of confidential information. Please refer to details in (4) Good Corporate Governance 2. The Equitable Treatment of Shareholders

(6) Internal Control

The Board of Directors has delegated to the Audit Committee with the responsibility for the selection of the company's external auditor. The Audit Committee is also responsible for supervision and examination of the company's overall internal control. The Audit Committee, in turn, delegates to the Internal Audit Department with the responsibility on the undertaking of an annual internal auditing. The Internal Audit Department is also responsible for formulating annual auditing plan for the approval of the Audit Committee. After the undertaking of the annual auditing, the Internal Audit Department shall report its findings to the Audit Committee for information. The Audit Committee, in turn, shall report the findings to the company's Board of Directors for information.

The joint assessments made by the Audit Committee and the Board of Directors on the adequacy of the company's internal control system can be summarized as follows:

Organization and the Environments

The company has a very well-defined organizational structure consisted of committees, sub-committees, and inter-department committees responsible for different mandates. The company has also established the Balance Scorecard System to measure the company's performance against the business objectives. It also helps to manage overall risks as well as to improve the organization's overall quality.

The company has defined different policies concerning the good governance namely, the formulation of ethical code of conducts, the management of confidential information, and the formulation of preventive measures against the conflict of interests. The company has established sub-committees such as recruitment sub-committee and remuneration sub-committee. The establishments of these committees were to ensure of a transparent process in both the selection and remuneration of the company's directors.

Risk Management

The company has established the Risk Management Committee to manage the overall's organizational risks. It also aims to revise and improve the company's risk management system in a continuous manner.

The risk of an organization to monitor risk management within the organization through the vulnerability of the report and risk committee on a regular basis about the results of risk management within the organization.

Administrative Control

The company has clearly defined duty and responsibility for the management. This includes the power both on specific items and on the maximum amount of money can be authorized. In case there is conflict of interests, there are specified rules and procedures for the directors or management to follow. In addition, the management is required to make a regular report of the company's operations to the Board of Directors.

Management of Information Technology and Communication of Information

The company has established a two-way internal communication system – between management and staff. The company also reports important information to the Board of Directors on a regular basis. For external communications, the company has established the Investors Relations Unit to liaise with our stakeholders on information of the company as well as to respond to their enquiries.

Monitoring System

The company regularly holds meetings to monitor the operations, risks, and other relevant indicators. For the risks management or any indicators that do not meet their targets, appropriate actions shall then be taken by the company.

The Audit Committee has commented on the company's internal audit and risks management in the 2011 internal audit report.

5.3 Policy of Dividend Payment

The Company has policy of Dividend Payment for Shareholder's 60 percent of profits in the year.

6. Transaction with Subsidiaries

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 INCOME STATEMENTS	AMOUNT IN BAHT	
	2011	2010
Consulting fee on the information system	450,000	700,000

7. Management's Discussion and Analysis of Financial Conditions

Financial Position

1. Capital Structure

The capital structure of the company (in percentage) can be summarized as follows:

Current Assets	22	Current Liabilities	15
Fixed Assets	74	Long term debts	2
Other Assets	4	Shareholders' Equity	83
Total Assets	100	Total Liabilities and Shareholders' Equity	100

The company's capital structure depicted the ratio of total assets to liabilities and shareholders' equity as 100: 17 + 83. The ratio of current liabilities to total assets stood at 15 percent.

The current assets registered at the level of 22 percent of the total assets . The rest of Company's assets at the level of 74 percent of the fixed assets. In 2011 the company had investment of the Medical equipments and computers.

2. Asset Management

Composition of Assets:

As of December 31, 2011, the company assets were totaled at 1,242.20 million baht, an increase of 92.92 million baht, equivalent of 8.09% percent at the end of 2010. The major changes in assets were as follows:

2.1 Current Assets

As of December 31, 2011, the company current assets totaled at 273.16 million baht, equivalent of 21.99 percent of totaled assets, an increase of 8.03 million baht, equivalent of 3.03 percent from end of 2010. The current assets were as follows:

2.1.1 Cash and Cash Equivalents:

As of December 31, 2011, cash, deposits in saving accounts and fixed term deposits maturing in less than 3 months amounted to 150.49 million baht, equivalent of 12.11 percent of totaled assets. It showed a

decrease of 1.07 million baht , equivalent of 0.71 percent of totaled assets from end of 2010 . (Please see details in the Notes to Financial Statements 3.11 and 5)

2.1.2 Account Receivables (net):

As of December 31, 2011, account receivables stood at the level of 77.58 million baht, a higher amount than last year figure of 3.55 million baht equivalent of 4.79 percent. The mentioned figure represented account receivables and credit card slips a waiting to be deposited. The account receivables equivalent of 95 percent.

2.1.3 Inventories:

As of December 31, 2011, the inventories stood at 32.66 million baht, an increase of 4.74 million baht, equivalent of 16.98 percent from last year. The inventories were mainly composed of drugs, pharmaceuticals, and medical supplies. (Please see details in the Notes to Financial Statements 3.4 and 8)

2.1.4 Other current assets

As of December 31, 2011, the other current assets stood at 11.08 million baht, an increase of 0.99 million baht, equivalent of 9.84 percent from last year. The increase a higher than last year was to Other receivables ,Cash loan payment ,Office supplies and Equipment technician .

2.2 Non Current assets

As of December 31 2011, the Intangible assets Deferred computer soft wares-net stood at 28.99 million baht , an decrease of 6.47 million baht, equivalent of 5.49 percent from last year.

2.2.1 Long-term investments:

As of December 31, 2011, the company's fixed assets stood at 4.69 million baht, an increase from the last year figure of 0.49 million baht , equivalent of 11.70 percent from last year. The increase a higher than last year was to unrealized gain (loss) on trading securities. (Please see details in the Notes to Financial Statements 3.2 and 6.2)

2.2.2 Land, Building, and Equipments:

As of December 31, 2011, the company's fixed assets stood at 923.87 million baht, an increase from the last year figure of 82.67 million baht. The increase a higher than last year was to renovate the building, the purchases of medical equipments and the purchases of computers.

2.2.3 Intangible assets

As of December 31 2011, the Intangible assets Deferred computer soft wares-net stood at 28.99 million baht , an decrease of 6.47 million baht, equivalent of 5.49 percent from last year.

2.2.4 Other Non-Current Assets

As of December 31 2011, the company other non-current assets totaled at 11.48 million baht, equivalent of 0.92 percent of totaled assets. Such as guarantee using of meter electric and meter water .

3. Liabilities:

Composition of Liabilities:

As of December 31, 2011, the company liabilities were totaled at 212.09 million baht, an increase of 67.24 million baht, equivalent of 17.07% of totaled assets at the end of 2010. The major changes in assets were as follows:

3.1 Current Liabilities

As of December 31, 2011, the company current liabilities totaled at 186.80 million baht, equivalent of 15.04 percent of totaled assets, an increase of 41.95 million baht, equivalent of 28.96 percent from end of 2010. The current assets were as follows:

3.1.1 Trade accounts payable and other payables

As of December 31, 2011, the trade accounts payable and other payables stood at 125.70 million baht, equivalent of 10.12 percent of totaled assets ,an increase of 21.96 million baht, equivalent of 21.16 percent from last year. (Please see details in the Notes to Financial Statements 13)

3.1.2 Assets acquisition payable

As of December 31, 2011, the assets acquisition payable stood at 19.46 million baht, equivalent of 1.57 percent of totaled assets was to renovate the building, the purchases of medical equipments and the purchases of computers.

3.1.3 Accrued corporate income tax

As of December 31, 2011, the accrued corporate income tax stood at 37.39 million baht, equivalent of 3.01 percent of totaled assets ,an increase of 4.57 million baht, equivalent of 13.91 percent from last year.

3.2 Non-Current Liabilities :

As of December 31, 2011, the non-current liabilities totaled at 25.29 million baht, an increase from end of 2010. Since, in year 2011 has been to changes in accounting policies have applied the new accounting policy pertaining to employee benefits, in accordance with TAS 19 Employee Benefits. (Please see details in the Notes to Financial Statements 3.10 , 4 and 14)

4. Quality of Assets:

As of December 2011, the company has classified the figure for account receivables (net) in accordance with their aging profiles amounted to 77.58 million baht, represented a increase of 3.55 million baht from the last year's figure. The provision for doubtful debts in 2011 amounted to 3.56 million baht. (Please see details in the Notes to Financial Statements 7)

The inventories that composed of drugs, pharmaceuticals, and medical supplies were recorded at the historical costs or the market value, whichever figure that was lower. The amount was net of obsolete or expired supplies.

The compositions of the company's fixed assets as of December 31, 2011 were as follows :

(in million baht)

	Historical Cost	Appropriated Depreciations	Net Value
Land	218	-	218
Building& Infrastructures	752	404	348
Medical Equipments	426	242	184
Vehicles	15	13	2
Furniture and Fixtures	45	30	15
Office equipment	48	31	17
Computer equipment	80	44	36
Other equipment and tools	20	14	6
Assets under construction	98	0	98
Total Fixed Assets	1,702	778	924

The fixed assets were recorded at historical value without adjusting to the current market value. Concerning depreciations, the company deemed that the appropriate rate was in place and resulted in the appropriate book value of the fixed assets.

The company also managed its assets to the fullest utilization possible as seen that the return on fixed assets had improved continuously, from 32.73 percent in 2010 and to 27.79 percent in 2011 respectively.

5. Liquidity:

As of December 31, 2011, the Cash and Cash Equivalents stood at 150.50 million baht, a decrease of 1.07 million baht from last year. The Cash and Cash Equivalents were as follows:

The net cash flow from operation amounted to 278.99 million baht an increase of 5.72 million baht from last year. In 2011 the profit before income tax expenses amounted to 234.80 million baht had used the depreciation, amortization expenses and other expenses amounted to 112.78 million baht render of the profit from operation before change in change in operating assets and liabilities items amounted to 347.49 million baht. Also, the change in operating assets and liabilities items amounted to 1.04 million baht render of the cash received from operation amounted to 346.54 million baht, income tax paid amounted to 67.54 million baht.

The net cash used in investing activities amounted to 163.26 million baht as of December 31, 2011.

The net cash used in financing activities amounted to 116.80 million baht. In 2011, the company paid out dividends.

The company's liquidity ratios as of end-December 2011 were as follows:

- The current ratio stood at 1.46 in 2011, as opposed to 1.83 in 2010 and as opposed to 1.10 in 2009.
- The company's account receivable turnover ratio stood at 18.43 times in 2011 as opposed to 19.77 times in 2010 and as opposed to 18.75 times in 2009.
- The average number of days' sales in receivable stood around 19.53 days in higher than in the previous years. **The flooding crisis in the late years. The sales in receivable of the company. Most affected by the floods. As a result, the collection of receivables.** This showed the company's improvement in its collection activities and management of account receivables.
- The inventory turn over ratio stood around 33.41 times in 2011 as opposed to 33.40 times in 2010 and as opposed to 28.01 times in 2009.

- The average number of days of inventory turnover period stood around 10.78 days equal the last year, the average of 10-15 days in the previous years. This showed the company's inventory turn over activities quickly and manage stocks inventory in the most effective.

Operating Results:

1. Operating Results:

1.1 Revenues: In 2011, the company generated the total revenues of 1,460.11 million baht, an increase of 68.41 million baht or 4.92 percent last year.

- The Revenues from medical treatment figure were 1,449.22 million baht, an increase of 66.32 million baht, equivalent of 4.80 percent last year.

- The Other income figure were 10.90 million baht, an increase of 2.09 million baht, equivalent of 23.70 percent last year.

1.2 Costs of medical treatment: The costs of providing services included costs of drugs, pharmaceuticals, and medical supplies, physician fees, salaries and compensations for medical professionals. In 2011, the total costs in providing the services totaled 1,011.99 million baht, and increased of 65.57 million baht, equivalent of 6.93 percent from last year. The ratio of the costs in providing services to revenues stood at 69.83 percent in 2011, 68.44 percent in 2010 and 68.42 percent in 2009 respectively. The ratio for 2011 was slightly higher than to 1.39 percent in 2010.

1.3 Selling and Administrative Expenses: In 2011, the selling and administrative expenses amounted to 211.08 million baht, an increase of 25.15 million baht, equivalent of 13.53 percent from 2010. The costs relating to selling and administrative expenses composed of salaries, compensation fees for administration, advertising and promotion expenses, utilities, depreciation and amortization expenses.

The ratio of selling and administrative expenses to revenues registered at 14.57 percent in 2011, 13.59 percent in 2010 and 14.02 percent in 2009 respectively. The ratio for 2011 was slightly higher than to 1.13 percent in 2010.

1.4 Directors' remuneration : In 2011, the Directors' remuneration amounted to 2.25 million baht, an increase of 0.18 million baht, equivalent of 8.75 percent from 2010.

1.5 Income Tax Expenses: In 2011, the income tax expenses amounted to 72.11 million baht, an increase of 9.26 million baht, equivalent of 14.74 percent from 2010. The Company income taxes are calculated at the rates of 30 percent in 2011 increase from and the rate of 25 percent in 2010.

2. Profitability:

(in percentage)	2011	2010	2009
Gross Profit Margin	30.17	31.56	31.58
Operating Profit Margin	16.20	18.61	18.05
Net Profit Margin	11.23	14.06	13.42
Return on Shareholder's Equity	15.99	20.25	20.14

In 2011, the company generated gross profit margin in 2011 was 30.17 percent, comparable to the level of 31.56 percent in 2010. The company generated in 2011 the net profits of 162.69 million baht, an decrease of 31.75 million baht or 16.33 percent from 2010. In 2010 the net profits stood at 194.45 million baht. The net profit margins for the company were as follows: 11.23 percent in 2011, 14.06 percent in 2010 and 13.42 percent in 2009 .

The net profit margin ratio in 2011 to the decreased from the last years. Because, the company had to ratio of the selling and administrative to revenues an increase of 1.13 percent from last year . As the costs of medical treatment to revenues ratio an increase from last year. The result of the company had the net profit margin a decrease of 2.83 percent from last year.

In 2011, the return on shareholders' equity stood at 15.99 percent compared with 20.25 percent in 2010 and 20.14 percent in 2009 respectively. The return on shareholders in 2011 lower than in 2010 stood at 4.26 percent.

3. Operating Efficiency:

	2011	2010	2009
Return on Total Assets	13.61	17.66	16.51
Return on Fixed Assets	27.79	32.73	29.90
Assets Turnover	1.22	1.26	1.24

The operating efficiency of the company in 2011 had to efficiency lower than year in 2010 and 2009. The company had to the return on fixed assets ratio of 27.79 percent in 2011 , 32.73 percent in 2010 and 29.90 percent in 2009 . The company had investment of the Medical equipments and computers. In 2011, the assets turnover ratio of 1.22 percent lower than year in 2010 and 2009. **The result of the ability of the Company's profitability declined. As part of a tax rate increase from the previous year.**

8. Financial Statement

AUDITOR'S REPORT

To : The Shareholders of

Nonthavej Hospital Public Company Limited

I have audited the accompanying statements of financial position of Nonthavej Hospital Public Company Limited as at December 31, 2011 and 2010, the related statements of comprehensive income, changes in owner' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Nonthavej Hospital Public Company Limited as at December 31, 2011 and 2010, the results of its operations and its cash flows for the years then ended in accordance with generally accepted accounting principles.

According to Note 2.2 to the financial statements, during the year ended December 31, 2011, the Company has adopted to the revised and new accounting standards issued by the Federation of Accounting Professions. The standards which are effective to the financial statements beginning on or after January 1, 2011, and applied these in its preparation and presentation of the financial statements. The financial statements for the year ended December 31, 2010, show herewith as comparison have been newly presented to conform with the financial statements for the year ended December 31, 2011.

According to Note 4 to the financial statements, in 2011, the Company has used the new accounting standards in accordance with Thai Accounting Standard No. 19 : Employee Benefits. The Company has chosen the perceived value of debt increase by adjusted to the beginning retained earnings of the period in the year 2011 amount of Baht 20.67 million.



(Mr. Apiruk Ati-anuwat)

Certified Public Accountant Registration No. 5202

February 24, 2012

8.1 Financial Statement

NONHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2011 AND 2010

	<i>Notes</i>	BAHT	
		2011	2010
Current Assets			
Cash and cash equivalents	3.11 and 5	150,489,821	151,558,363
Short-term investments			
Trading securities	3.2 and 6.1	1,346,266	1,534,861
Trade accounts receivable	3.3 and 7	77,575,010	74,026,396
Inventories	3.4 and 8	32,661,296	27,920,596
Other current assets			
Prepaid expenses		8,020,315	8,385,693
Other current assets		3,065,736	1,707,456
Total other current assets		11,086,051	10,093,149
Total Current Assets		273,158,444	265,133,365
Non-current Assets			
Long-term investments			
Available-for-sale securities	3.2 and 6.2	2,254,500	1,796,300
Fixed deposits at bank	9	2,433,420	2,400,293
Property, plant and equipment	3.5 and 10	923,873,115	841,198,572
Intangible assets			
Deferred computer softwares	3.6 and 11	28,995,181	35,464,751
Other non-current assets	3.7 and 12	11,484,849	3,284,847
Total Non-current Assets		969,041,065	884,144,763
TOTAL ASSETS		1,242,199,509	1,149,278,128

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, 2011 AND 2010

LIABILITIES AND OWNERS' EQUITY

	<i>Notes</i>	BAHT	
		2011	2010
Current Liabilities			
Trade accounts payable and other payables	13	125,696,317	103,735,742
Assets acquisition payable		19,462,964	3,882,428
Accrued corporate income tax		37,399,033	32,833,033
Other current liabilities		4,241,892	4,399,640
Total Current Liabilities		186,800,206	144,850,843
Non-current Liabilities			
Provision for long-term employee benefits	3.10,4 and 14	25,294,169	-
Total Non-current Liabilities		25,294,169	-
TOTAL LIABILITIES		212,094,375	144,850,843
Owners' Equity			
Share capital			
Authorized share capital			
16,000,000 common stocks of Baht 10 par value		160,000,000	160,000,000
Issued and paid-up share capital			
16,000,000 common stocks at 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	15	16,000,000	16,000,000
Unappropriated		680,253,077	655,033,428
Other components of equity		1,852,057	1,393,857
Total Owners' Equity		1,030,105,134	1,004,427,285
TOTAL LIABILITIES AND OWNERS' EQUITY		1,242,199,509	1,149,278,128

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

		BAHT	
	<i>Notes</i>	2011	2010
REVENUES			
Revenues from medical treatment		1,449,215,771	1,382,894,341
Other income		10,897,506	8,809,836
Total Revenues		1,460,113,277	1,391,704,177
EXPENSES			
Cost of medical treatment	17	1,011,988,163	946,418,381
Selling expenses		16,277,125	9,624,185
Administrative expenses		194,801,816	176,302,337
Directors' remuneration	16	2,245,000	2,064,300
Total Expenses		1,225,312,104	1,134,409,203
Profit before Income Tax Expenses		234,801,173	257,294,974
Income Tax Expenses	18	72,110,196	62,849,152
Profit for the years		162,690,977	194,445,822
Other Comprehensive Income			
Gain on remeasuring available-for-sale securities		458,200	259,000
Other comprehensive income for the years		458,200	259,000
Total comprehensive income for the years		163,149,177	194,704,822
Earnings Per Share			
Basic Earnings Per Share	3.9	10.17	12.15

The number of 16,000,000 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 OWNERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

BAHT

	Notes	Issued and	Premium on	Retained earnings		Other	Total
		paid-up share capital	common stocks	Legal reserve	Unappropriated	components of owners' equity Available for sale securities	owners' equity
Balances as at January 1, 2010		160,000,000	172,000,000	16,000,000	566,827,606	1,134,857	915,962,463
Total comprehensive income for the year		-	-	-	194,445,822	259,000	194,704,822
Dividend payment	16	-	-	-	(106,240,000)	-	(106,240,000)
Balances as at December 31, 2010		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	16	-	-	-	(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

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	BAHT	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES :		
PROFIT BEFORE INCOME TAX EXPENSES	234,801,173	257,294,974
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX		
EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :-		
Depreciation	88,893,791	85,901,667
Amortization of quality system	613,176	-
Amortization of computer softwares	11,250,122	9,304,391
Unrealized (gain) loss on trading securities	73,119	(453,568)
Loss from exercise of right on trading securities	115,476	-
Realized gain on trading security	-	(96,526)
Loss on disposal of fixed assets	5,723,323	191,822
Bad debts	5,210	1,072,280
Doubtful debts increase (decrease)	1,480,840	(4,058,244)
Dividend income	(90,898)	(138,816)
Provision for long-term employee benefits expenses	4,715,441	-
PROFIT FROM OPERATION BEFORE CHANGE IN		
OPERATING ASSETS AND LIABILITIES ITEMS	347,580,773	349,017,980
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Short-term investment trading security	-	105,286
Trade accounts receivable	(5,034,664)	(13,418,028)
Inventories	(4,740,700)	833,710
Other current assets	(992,902)	(3,322,467)
Other non-current assets	(10,007,821)	(2,713,855)
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS		
Trade accounts payable and other payables	21,960,575	3,914,882
Assets acquisition payable	(1,976,112)	(5,045,489)
Other current liabilities	(157,748)	804,635
Provision for employee benefits	(92,600)	-
Cash received from operation	346,538,801	330,176,654
Income tax paid	(67,544,196)	(56,906,227)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	278,994,605	273,270,427

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>BAHT</u>	
	2011	2010
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(160,098,038)	(54,637,843)
Proceeds from fixed assets disposal	707,161	152,380
Purchase of computer softwares	(3,930,041)	(16,077,080)
Increase in fixed deposits	(33,127)	(884,861)
Proceeds from dividend income	90,898	138,816
NET CASH USED IN INVESTING ACTIVITIES	(163,263,147)	(71,308,588)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend payment	(116,800,000)	(106,240,000)
NET CASH USED IN FINANCING ACTIVITIES	(116,800,000)	(106,240,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,068,542)	95,721,839
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	151,558,363	55,836,524
CASH AND CASH EQUIVALENTS AS AT DECEMBER 31,	150,489,821	# 151,558,363
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS		
Non-cash flows items comprise :		
Unrealized gain on available-for-sale securities	458,200	259,000
Increase in fixed assets from assets acquisition payable	17,556,648	2,325,476
Increase in fixed assets from transferring deposits	2,600,000	474,000
Increase in computer softwares from transferring fixed assets	850,511	1,800,810
Increase in other non-current assets from transferring fixed assets	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, 2011 AND 2010

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 Muang, Nonthaburi, Thailand.
	Branch	68/888, Rattanathibeth Road, Tambol Bangkrasor, Amphur Muang, Nonthaburi, Thailand.
1.3	Type of business	Hospital

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

- 2.1 These financial statements are prepared in accordance with the Thai Accounting Standards under the Accounting Act, B.E. 2543 (2000), the Accounting Profession Act, B.E. 2547 (2004) and the Notification of the Office of the Securities and Exchange Commission.
- 2.2 Compliance with the new accounting standards and financial reporting standards in the year.

In 2011, the Company has adopted to new and revised Accounting Standards and Financial Reporting Standards issued by the Federation of Accounting Professions which are effective to the financial statements for the periods beginning on or after January 1, 2011 onward.

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue

TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings Per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 2	Share - Based Payments
TFRS 3 (revised 2009)	Business Combination
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
Financial Reporting Standard Interpretations	
TFRIC 15	Agreements for the Construction of Real Estate
Accounting Standard Interpretations	
SIC 31	Revenue-Barter Transactions Involving Advertising Service
The standards which are effective to the financial statements beginning on or after 1	

January 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

Accounting Standard Interpretations:

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Management of the Company 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

- 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 in equity securities

Trading securities are investments in listed securities 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 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

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.

In 2011, the 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.

In 2010, the Company recorded the expenses for employee benefits under the Thai Labour Law in the incurred year.

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, allowance for depreciation of plant and equipment, 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 policy pertaining to employee benefits, in accordance with TAS 19 Employee Benefits. The Company has chosen the perceived value of debt increase by adjusted to the beginning retained earnings of the period in the year 2011 amount of Baht 20,671,328.

5. CASH AND CASH EQUIVALENTS consist of :-

PARTICULARS	AMOUNT IN BAHT	
	2011	2010
Cash	3,910,205	2,264,993
Savings Deposit	84,129,275	74,397,214
Current Deposit	7,244,722	4,839,467
Fixed Deposit and Bill of Exchange	55,205,619	70,056,689
Total	150,489,821	151,558,363

6. INVESTMENTS IN EQUITY SECURITIES consist of :-

6.1 Short-term investments - Trading securities

PARTICULARS	AMOUNT IN BAHT	
	2011	2010
Short-term investments-at cost	2,154,872	2,270,348
Allowance for adjustment investment value	(808,606)	(735,487)
Short-term investments-Fair value	1,346,266	1,534,861
Unrealized gain (loss) on trading securities	(73,119)	453,568
Realized gain on trading securities	-	96,526
Loss from exercise of right	(115,476)	-

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

PARTICULARS	AMOUNT IN BAHT	
	2011	2010
Acquisition cost	402,443	402,443
Unrealized gain on investment revaluation	1,852,057	1,393,857
Fair value at years ended	2,254,500	1,796,300

7. TRADE ACCOUNTS RECEIVABLE

As at December 31, 2011 and 2010, the trade accounts receivable are classified by outstanding balances of aging as follows :

AGING	AMOUNT IN BAHT	
	2011	2010
Current	69,668,149	65,942,834
Overdue within 3 months	6,958,854	5,046,066
Over 3 – 6 months	295,429	930,399
Over 6 – 12 months	197,275	835,744
Over 12 months	4,016,254	3,351,464
Total	81,135,961	76,106,507
Allowance for doubtful debts	(3,560,951)	(2,080,111)
Trade accounts receivable-net	77,575,010	74,026,396

8. INVENTORIES consist of :-

PARTICULARS	AMOUNT IN BAHT	
	2011	2010
Medicines and medical supplies	26,154,418	21,989,223
General supplies	6,506,878	5,931,373
Total	32,661,296	27,920,596

9. FIXED DEPOSITS

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 Consist of :-

	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, 2010	218,303,489	714,782,886	370,158,943	14,990,421	74,332,877	32,144,845	79,328,688	29,215,088	40,940,632	1,574,197,869
Increase	-	1,443,649	23,753,002	1,121,513	618,395	1,333,911	1,296,031	870,238	27,000,580	57,437,319
Sold	-	(5,441,459)	(1,594,700)	(626,500)	(444,140)	(61,041)	-	(929,706)	-	(9,097,546)
Transfer to/from	-	7,085,209	285,013	-	685,391	330,723	-	-	(10,187,146)	(1,800,810)
December 31, 2010	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
<u>Accumulated Depreciation</u>										
January 1, 2010	-	344,829,954	205,723,559	11,342,547	58,140,635	23,970,818	35,323,225	23,059,199	-	702,389,937
Depreciation for the year	-	33,278,505	25,993,490	1,525,761	6,399,894	3,157,197	13,339,475	2,207,345	-	85,901,667
Disposals	-	(5,429,193)	(1,263,912)	(626,498)	(444,104)	(60,095)	-	(929,542)	-	(8,753,344)
December 31, 2010	-	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
<u>Net book value</u>										
December 31, 2010	218,303,489	345,191,019	162,149,121	3,243,624	11,096,098	6,680,518	31,962,019	4,818,618	57,754,066	841,198,572
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

PARTICULARS	AMOUNT IN BAHT	
	2011	2010
Depreciation for the years	88,893,791	85,901,667

In 2011 and 2010, 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.

As at December 31, 2011 and 2010, the Company has fully depreciated fixed assets up to their useful life but are usable at the cost of Baht 236.81 million and Baht 294.41 million, respectively.

11. DEFERRED COMPUTER SOFTWARES consist of :-

	AMOUNT IN BAHT	
	DEFERRED COMPUTER SOFTWARES	
<u>Cost</u>		
January 1, 2010	57,579,049	
Increase	16,077,080	
Transfer to/from	1,800,810	
December 31, 2010	75,456,939	
Increase	3,930,041	
Transfer to/from	850,511	
December 31, 2011	80,237,491	
<u>Accumulated amortization</u>		
January 1, 2010	30,687,797	
Amortization for the year 2010	9,304,391	
December 31, 2010	39,992,188	
Amortization for the year 2011	11,250,122	
December 31, 2011	51,242,310	
Net book value		
December 31, 2010	35,464,751	
December 31, 2011	28,995,181	

PARTICULARS	AMOUNT IN BAHT	
	2011	2010
Amortized deferred computer softwares for the years	11,250,122	9,304,391

12. OTHER NON-CURRENT ASSETS consist of :-

PARTICULARS	AMOUNT IN BAHT	
	2011	2010
Deferred quality system	3,534,183	-
Less Amortization for the year 2011	(613,176)	-
Net book value	2,921,007	-
Deposit for assets	6,750,000	2,600,000
Others	1,813,842	684,847
Total	11,484,849	3,284,847

13. TRADE ACCOUNTS PAYABLE AND OTHER PAYABLES consist of :-

PARTICULARS	AMOUNT IN BAHT	
	2011	2010
Trade accounts payable	41,442,631	36,720,281
Accrued expenses	29,527,859	21,207,267
Accrued doctors' fees	39,931,892	34,590,793
Others	14,793,935	11,217,401
Total	125,696,317	103,735,742

14. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

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

	AMOUNT IN BAHT
Incremental liabilities from adoption a new accounting policy at the beginning balance	20,671,328
Current service cost	3,924,659
Interest cost	788,342
Benefits paid during the year	(92,600)
Variance for provision	2,440
Ending balance	25,294,169

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

	2011
Discount rate	3.8137% per annum
Salary increase rate	4 – 8 % per annum
Staff turnover rate	7 – 23 % per annum

15. 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.

16. DIVIDEND PAYMENT AND DIRECTORS' REMUNERATION

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.

On April 29, 2010, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay dividend at Baht 6.64 per share to the shareholders of 16 million shares, totalling Baht 106.24 million, including directors' remuneration amounting to Baht 1.77 million. The dividend payment was made on May 27, 2010.

17. EXPENSES BY NATURE

EXPENSES	AMOUNT IN BAHT	
	2011	2010
Medicine and medical supply consumptions	296,363,473	284,536,180
Directors and management benefit expenses	13,530,000	16,100,551
Employee benefit expenses	345,807,589	310,314,332
Doctors' fees	320,897,564	299,837,880
Depreciation and amortization expenses	100,757,089	95,206,058
Bad debts	5,210	1,072,280
Doubtful debts	1,480,840	(4,058,244)
Other expenses	146,470,339	131,400,166
Total	1,225,312,104	1,134,409,203

18. INCOME TAX

The Company's corporate income taxes for the years ended December 31, 2011 and 2010 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 income tax computation. The Company income taxes are calculated at the rates of 30 per cent in 2011 and the rate of 25 per cent in 2010.

The reconciliation between the amount of income tax expenses and the calculation of accounting profit and tax rates applied for 2011 and 2010 can be summarized as follows :

PARTICULARS	AMOUNT IN BAHT	
	2011	2010
The accounting profit before income tax expenses	234,801,173	257,294,974
The accounting effect on revenues and expenses which are not considered to be taxable revenues and expenses		
- Provision for long-term employee benefits-net	4,622,841	-
- Doubtful debts	1,480,840	(4,058,244)
- Dividend income	(90,898)	(138,816)
- Other reconciliation	(446,636)	(1,701,306)
Taxable profit	240,367,320	251,396,608
Income tax expenses for the years	72,110,196	62,849,152

19. 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.

20. COMMITMENT

20.1 As at December 31, 2011 and 2010, the Company has commitment from the issuance of bank guarantee as follow :

PARTICULAR	AMOUNT IN BAHT	
	2011	2010
Letters of guarantee issued by commercial bank	3,578,700	3,578,700

20.2 Commitment under service agreement

As at December 31, 2011, 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 3.77 million, and the contract which can not be cancelled amount of Baht 2.74 million.

20.3 Capital expenditure commitments

As at December 31, 2011, the Company has capital expenditure commitments to pay a total of Baht 6.18 million regarding to the building renovation agreement and Baht 6.67 million in regarding to the acquisition of computer software.

21. 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	
	2011	2010
Consulting fee on the information system	450,000	700,000

22. 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, 2011 and 2010 amount of Baht 3.14 million and Baht 3.02 million, respectively.

23. DISCLOSURE OF FINANCIAL INSTRUMENTS

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

23.1 Accounting policies

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

23.2 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.

23.3 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.

23.4 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.

24. 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.

25. RECLASSIFICATION

Certain accounting transactions in the financial statements for the year ended December 31, 2010, have been reclassified to conform with the current year classification. The reclassifications had no effect to previously reported profit or shareholders' equity.

STATEMENTS OF FINANCIAL POSITION	AMOUNT IN BAHT	
	Reclassified	As previously reported
Trade accounts payable and other payables	103,735,742	36,720,281
Other current liabilities	4,399,640	71,415,101

STATEMENT OF CASH FLOWS	AMOUNT IN BAHT	
	Reclassified	As previously reported
Cash flows from operating activities	-	-
Trade accounts payable and other payables	3,914,882	(2,542,933)
Other current liabilities	804,635	7,262,450

26. FINANCIAL STATEMENTS APPROVAL

These financial statements are duly approved by the Company's directors on February 24, 2012.

8.2 Remuneration for the Auditor

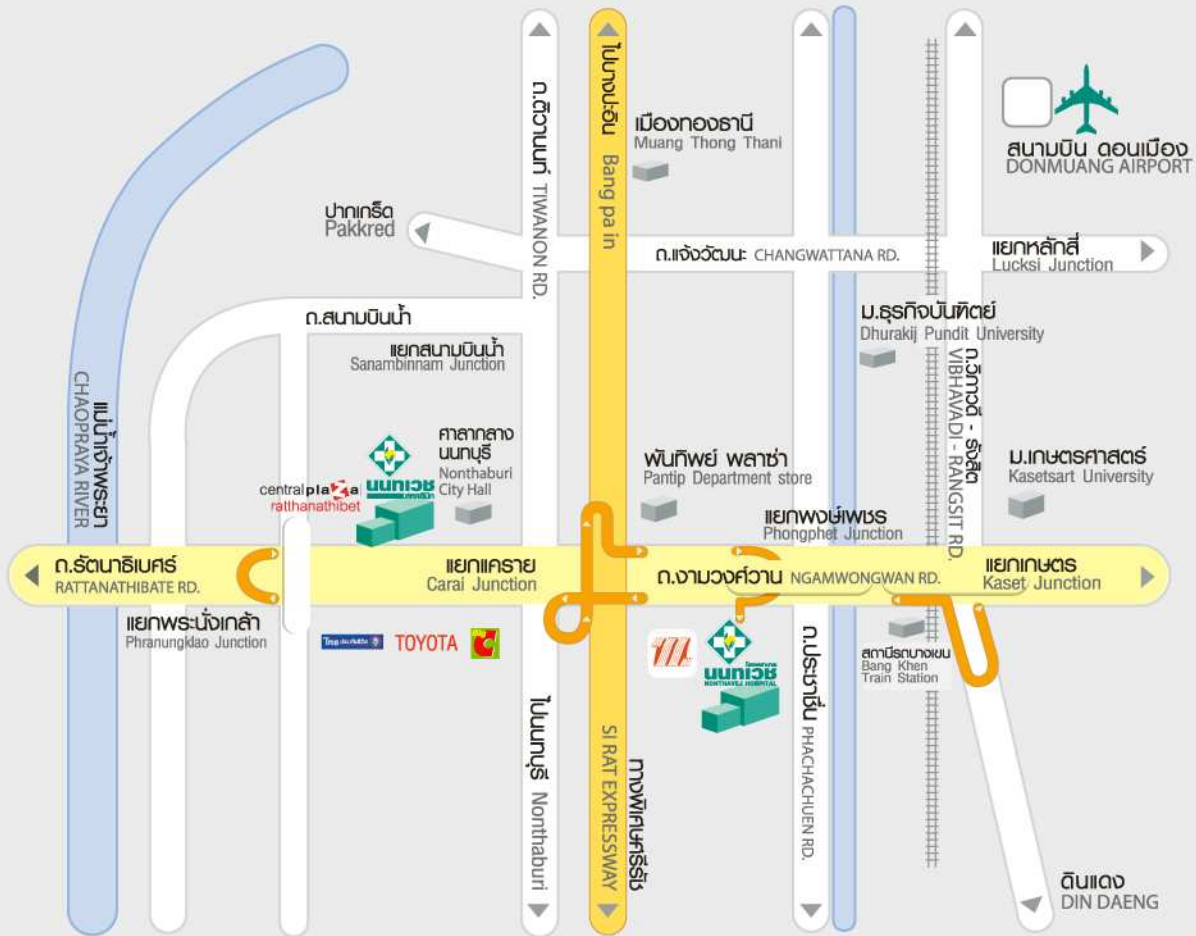
(1) Remuneration for the Audit fee

- Audit fee for 2011	320,000 baht
- Review of Financial Statements (95,000 / Quarter)	285,000 baht

(2) Other (non-audit fee)

- None -

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