



# Management Discussion and Analysis

The Operations result of the Company, its Subsidiaries

Unit : Million Baht

List	2012	2011	Changes	Average
Revenues from hospital operations	1,008.71	1,047.52	(38.81)	(3.70)
Other Income	17.50	20.54	(3.04)	(14.80)
<b>Total revenues</b>	<b>1,026.21</b>	<b>1,068.06</b>	<b>(41.85)</b>	<b>(3.92)</b>
Cost of hospital operations	795.47	787.30	8.17	1.04
Selling expenses	29.88	36.11	(6.23)	(17.25)
Administrative expenses	167.25	169.78	(2.53)	(1.49)
<b>Total expenses</b>	<b>992.60</b>	<b>993.19</b>	<b>(0.59)</b>	<b>(0.06)</b>
Profit before finance cost and income tax expenses	33.61	74.87	(41.26)	(55.11)
Finance cost	16.69	19.41	(2.72)	(14.01)
Profit before income tax expenses	16.92	55.45	(38.53)	(69.49)
Income tax expenses	8.99	15.28	(6.29)	(41.16)
<b>Net profit</b>	<b>7.93</b>	<b>40.17</b>	<b>(32.24)</b>	<b>(80.26)</b>
Profit attributable to:				
Equity holders of the Company	9.04	38.52	(29.48)	(76.53)
Non-controlling interests of the subsidiaries	(1.11)	1.65	(2.76)	(167.27)

## Profitability Ratio

Unit : Million Baht

List	2012	2011	Changes	Average
Gross Profit	213.24	260.22	(46.98)	(18.05)
Gross Profit Margin Ratio	21.14%	24.84%		
EBITDA	109.60	146.32	(36.72)	(25.10)
EBITDA Ratio	10.68%	13.70%		
Net Profit Margin Ratio	0.88%	3.61%		



For the Company's Performance'2012 (Ended December 31, 2012), the Company and its subsidiaries had a net profit of 7.93 million Baht decreasing from the year year 2011 of 32.24 million baht or 80.26 percent.

Service Income for the year ended 31 December 2012 amounted to 1,008.71 million baht, decrease from the year 2011 of 38.81 million baht or 3.70 percent as a result of the income of subsidiaries (Vichaivej, Intemational Hospital Nongkhaem), down from strategy of expanding markets for General Patient replace social security patients that have terminated since January 2012. Revenue from General Patient increased 76.61 million Baht or 40.33 percent and Revenue social security patients dropped 165.68 million, resulting in total revenues of the Company and its subsidiaries decreased by 41.85 million Baht or 3.92 percent from 1068.06 million to 1026.21 million Baht.

Cost of hospital operations in 2012 of the Company and its subsidiaries, including 795.47 million Baht, an increase from the year 2011 of 8.17 million or 1.04 percent. As a result of increased costs of medical and hospital expenses and adjusted salary of the employee, adjusted minimum wage and its subsidiaries to canceled the patient's social security

Selling expenses expenses for the year ended 31 December 2012 amounted to 29.88 million baht, decrease from the year 2011 of 6.23 million baht or 17.25 percent As a result of 2011 the company building an overpass front of the Hospital. The subsidiaries have launched a beauty center "iSKY" innovative skin and laser surgery center

Administrative expenses for the year ended 31 December 2012 amounted to 167.25 million baht decrease from the year 2011 of 2.53 million baht or 1.49 percent As a result of cost control with greater efficiency. Financial cost totaled 16.69 million, a decrease from the 2011 amount of 2.72 million, or 14.01 percent. Because of repayment of the loan.

Income tax expenses totaled 8.99 million Baht, down from the year 2011 of 29.6 million, or 41.16 percent cause of lower gains.

## Financial Status

Unit : Million Baht

List	2012	2011	Changes	Average
Total Assets	1,092.78	1,073.93	18.85	1.76
Total Liabilities	349.56	480.19	(130.64)	(27.21)
Equity Holders of The parent	727.35	579.37	147.98	25.54
Total Shareholder's Equity	743.23	593.74	149.49	25.18

The consolidated financial statements of the Company and its subsidiaries as at December 31, 2012, total assets of 1,092.78 million baht, an increase from 2011 of 18.85 million, or 1.76 percent as a result of the Company's cash and short-term investments increased by 31.80 million baht

Total liabilities of the Company and its subsidiaries as at December 31, 2012 amounted to 349.55 million baht, down from 130.64 million in 2011, representing a percentage of 27.21. Due to the repayment of the loan agreement and return the promissory note to the Company. Also has debt repayment to the Provincial Health Office And income taxes payable decreased due to lower gains but long-term benefits has set aside of staff increases.

The shareholders of the Company amounted to 727.35 million Baht as of the year 2011, an increase of 147.98 million baht or 25.54 percent due to the Company has increased its registered capital in 2011 from 400 million to 535 million Baht.

## Liquidity

Unit : Million Baht

List	2012	2011	Changes	Average
Net cash provided by operating activities.	84.14	124.96	(40.82)	(32.67)
Net cash provided by investing activities.	(119.92)	(120.51)	0.59	(0.49)
Net cash provided by (used in) financing activities.	27.58	(1.79)	29.37	(1,640.78)
Cash and cash equivalents as at January 1.	104.38	101.72	2.66	2.62
Cash and cash equivalents as at December 31.	96.18	104.38	(8.20)	(7.86)

Statement of cash flows for the year ended December 31, 2012, the Company and its subsidiaries in cash flow from operating activities decreased from 84.14 million in 2011 of 40.82 million baht or 32.67 percent due to lower earnings from operations. Net cash used in investing activities amounted to 119.92 million baht, down from the year 2011 of 0.59 million or 0.49 percent, the cash flow from financing activities amounted to 27.58 million, an increase from 2011 of 29.37 million equivalent 1640.78 is due to receive funds from the capital increase of the Company and partly used to repay loans to financial institutions.

As at 31 December 2012 The Company and its subsidiaries has cash and cash equivalents totaled of 96.18 million baht, decrease from the year 2011 were 8.20 million Baht or 7.86 percent.

