

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

INTERIM FINANCIAL STATEMENTS

JUNE 30, 2016

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DR.VIRACH & ASSOCIATES OFFICE CO., LTD.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF FINANCIAL INFORMATION

**To : The Shareholders and The Board of Directors of
Nonthavej Hospital Public Company Limited**

I have reviewed the accompanying statement of financial position of Nonthavej Hospital Public Company Limited as at June 30, 2016, the related statements of comprehensive income for the three-month and six-month periods ended June 30, 2016, changes in shareholders' equity and cash flows for the six-month period then ended, and the condensed notes to the financial statements, of Nonthavej Hospital Public Company Limited. Management is responsible for the preparation and presentation of this interim financial information in accordance with Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Accounting Standard 34 Interim Financial Reporting.



(Mr. Chaiyakorn Aunpitipongsa)

Certified Public Accountant Registration No. 3196

Dr. Virach & Associates Office Co., Ltd.

Bangkok : August 11, 2016

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2016

ASSETS

		THOUSAND BAHT	
		As at June 30, 2016	As at December 31, 2015
		UNAUDITED	AUDITED
		REVIEWED	
	Notes		
Current Assets			
Cash and cash equivalents	4	31,605	31,487
Short-term investments			
Open-ended funds	5.1	201,470	213,509
Trading securities	5.2	1,628	1,580
Trade and other receivables	6	114,905	114,718
Inventories		29,921	35,966
Other current assets			
Prepaid expenses		13,576	15,183
Other current assets		2,736	4,352
Total other current assets		16,312	19,535
Total Current Assets		395,841	416,795
Non-current Assets			
Available-for-sale securities	5.3	9,480	5,823
Property, plant and equipment		1,304,022	1,343,761
Intangible assets		21,794	26,134
Deferred tax assets	10	8,061	8,267
Other non-current assets		6,428	5,749
Total Non-current Assets		1,349,785	1,389,734
TOTAL ASSETS		1,745,626	1,806,529

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2016

LIABILITIES AND SHAREHOLDERS' EQUITY

		THOUSAND BAHT	
		As at June 30, 2016	As at December 31, 2015
		UNAUDITED	AUDITED
	Note	REVIEWED	
Current Liabilities			
Trade and other payables	7	151,746	174,055
Assets acquisition payable		6,668	7,900
Accrued corporate income tax		28,454	32,335
Other current liabilities		4,287	5,294
Total Current Liabilities		191,155	219,584
Non-current Liabilities			
Provision for long-term employee benefits		47,781	44,302
Total Non-current Liabilities		47,781	44,302
TOTAL LIABILITIES		238,936	263,886
Shareholders' Equity			
Share capital			
Authorized share capital			
160,000,000 common stocks of Baht 1 par value		160,000	160,000
Issued and paid-up share capital			
160,000,000 common stocks at Baht 1 each		160,000	160,000
Additional paid-in capital			
Premium on common stocks		172,000	172,000
Retained earnings			
Appropriated			
Legal reserve		16,000	16,000
Unappropriated		1,151,284	1,190,162
Other components of shareholders' equity		7,406	4,481
Total Shareholders' Equity		1,506,690	1,542,643
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,745,626	1,806,529

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2016

		THOUSAND BAHT			
		EXCEPT EARNINGS PER SHARE PRESENTED IN BAHT			
		THREE-MONTH PERIODS		SIX-MONTH PERIODS	
Notes		2016	2015	2016	2015
REVENUES					
	Revenues from medical treatment	455,256	452,700	940,421	912,911
	Other income	2,097	2,888	5,070	5,480
	Total Revenues	457,353	455,588	945,491	918,391
EXPENSES					
	Cost of medical treatment	319,508	312,422	641,597	619,976
	Selling expenses	634	1,880	1,879	3,231
	Administrative expenses	62,527	63,334	124,878	119,455
8	Directors' remuneration	947	826	2,032	1,616
9	Total Expenses	383,616	378,462	770,386	744,278
	Profit before Income Tax Expenses	73,737	77,126	175,105	174,113
10	Income Tax Expenses	14,579	15,383	34,783	34,763
	Profit for the periods	59,158	61,743	140,322	139,350
Other Comprehensive Income (Loss)					
	Surplus on changes in value of available-for-sale investments	2,800	(54)	3,657	366
	Income tax on net change from the remeasuring of investment in available-for-sale securities	(561)	11	(732)	(73)
	Other comprehensive income (loss) for the periods - net of tax	2,239	(43)	2,925	293
	Total comprehensive income for the periods	61,397	61,700	143,247	139,643
Earnings Per Share (Baht)					
	Basic Earnings Per Share	0.37	0.38	0.88	0.87

The number of 160,000,000 common stocks used in computation.

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UNAUDITED

REVIEWED

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016

		THOUSAND BAHT					
		Issued and paid-up share capital	Premium on common stocks	Retained earnings		Other components of shareholders' equity	Total shareholders' equity
				Legal reserve	Unappropriated	Other comprehensive income	
Notes							Available for sale securities
Year 2016							
		160,000	172,000	16,000	1,190,162	4,481	1,542,643
		-	-	-	140,322	2,925	143,247
	8	-	-	-	(179,200)	-	(179,200)
		<u>160,000</u>	<u>172,000</u>	<u>16,000</u>	<u>1,151,284</u>	<u>7,406</u>	<u>1,506,690</u>
Year 2015							
		160,000	172,000	16,000	1,048,072	4,253	1,400,325
		-	-	-	139,350	293	139,643
	8	-	-	-	(160,000)	-	(160,000)
		<u>160,000</u>	<u>172,000</u>	<u>16,000</u>	<u>1,027,422</u>	<u>4,546</u>	<u>1,379,968</u>

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NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016

	THOUSAND BAHT	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES :		
PROFIT BEFORE INCOME TAX EXPENSES	175,105	174,113
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX		
EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :-		
Depreciation	62,154	63,408
Amortization of quality system	718	716
Amortization of other non-current assets	295	-
Amortization of computer softwares	4,459	5,185
Unrealized (gain) loss on open-ended funds	(803)	3
Unrealized gain on trading securities	(48)	(56)
(Gain) loss on disposal of building and equipment	2,877	(76)
Doubtful debts decrease	-	(122)
Dividend income	(95)	(45)
Interest income	(76)	(143)
Long-term employee benefits expenses	3,479	4,243
PROFIT FROM OPERATION BEFORE CHANGE IN		
OPERATING ASSETS AND LIABILITIES ITEMS	248,065	247,226
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Open-ended funds	12,842	(653)
Trade and other receivables	(187)	2,054
Inventories	6,045	6,971
Other current assets	3,223	3,383
Other non-current assets	(1,831)	(525)
DECREASE IN OPERATING LIABILITIES ITEMS		
Trade and other payables	(22,309)	(18,682)
Assets acquisition payable	(2,194)	(1,218)
Other current liabilities	(1,007)	(1,612)
Provision for long-term employee benefits	-	(405)
Cash received from operation	242,647	236,539
Interest income	76	155
Income tax paid	(39,190)	(37,293)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	203,533	199,401

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UNAUDITED

REVIEWED

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016

	THOUSAND BAHT	
	2016	2015
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in plant and equipment	(24,355)	(37,420)
Proceeds from disposal of building and equipment	164	121
Purchase of computer softwares	(119)	(1,879)
Decrease in fixed deposits at bank with restrictions	-	3,347
Proceeds from dividend income	95	45
NET CASH USED IN INVESTING ACTIVITIES	(24,215)	(35,786)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend payment	(179,200)	(160,000)
NET CASH USED IN FINANCING ACTIVITIES	(179,200)	(160,000)
 NET INCREASE IN CASH AND CASH EQUIVALENTS	118	3,615
 CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	31,487	35,310
 CASH AND CASH EQUIVALENTS AS AT JUNE 30,	31,605	38,925
 ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS		
Non-cash flows items comprise :		
Unrealized gain on available-for-sale securities	3,657	366
Increase in building and equipment from assets payable	962	6,258
Increase in equipment from transferring deposits	139	900
Increase in computer softwares from assets payable	-	20

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENTS

JUNE 30, 2016

1. GENERAL INFORMATION

1.1	Company status	A juristic person established under Thai law and listed on the Stock Exchange of Thailand.
1.2	Company location	30/8, Ngamvongwan Road, Tambol Bangkhen, Amphur Muangnonthaburi, Nonthaburi, Thailand.
	Branch	68/888, Rattanathibeth Road, Tambol Bangkrasor, Amphur Muangnonthaburi, Nonthaburi, Thailand.
1.3	Type of business	Hospital

2. BASIS FOR PREPARATION OF INTERIM FINANCIAL STATEMENTS

2.1 The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard No.34 Interim Financial Reporting issued by the Federation of Accounting Professions and the Notification of the Office of Securities and Exchange Commission. These interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2015.

2.2 Accounting standards that became effective in the current accounting period

The Company has disclosed the accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after January 1, 2016, in the notes to financial statements for the year ended December 31, 2015.

The Company's management has assessed the effects of the above accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, and believes that they do not have a significant impact.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended December 31, 2015.

4. CASH AND CASH EQUIVALENTS

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2016	As at December 31, 2015
Cash	1,536	3,367
Bank deposits	30,069	28,120
Total	31,605	31,487

5. INVESTMENTS

5.1 Open-ended fund

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2016	As at December 31, 2015
Open-ended fund	199,956	212,798
Valuation adjustment	1,514	711
Open-ended fund-Fair value	201,470	213,509

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the six-month periods ended June 30,	
	2016	2015
Unrealized gain (loss) on open-ended fund	803	(3)

5.2 Short-term investments - Trading securities

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2016	As at December 31, 2015
Short-term investments-at cost	2,008	2,008
Valuation adjustment	(380)	(428)
Short-term investments-Fair value	1,628	1,580

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the six-month periods ended June 30,	
	2016	2015
Unrealized gain on trading securities	48	56

5.3 Available-for-sale securities

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2016	As at December 31, 2015
Acquisition cost	222	222
Surplus on changes in value of available-for-sale investments	9,258	5,601
Fair value at ending periods	9,480	5,823

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the six-month periods ended June 30,	
	2016	2015
Surplus on changes in value of available-for-sale investments	3,657	366

6. TRADE AND OTHER RECEIVABLES

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2016	As at December 31, 2015
The trade accounts receivable are classified by outstanding balances of aging as follows :		
Current	106,333	110,313
Overdue within 3 months	4,901	2,321
Over 3 - 6 months	1,692	417
Over 6 - 12 months	1,068	1,166
Over 12 months	3,738	3,328
Total	117,732	117,545
Allowance for doubtful debts	(2,917)	(2,917)
Trade accounts receivable-net	114,815	114,628
Other receivables	90	90
Total trade and other receivables	114,905	114,718

7. TRADE AND OTHER PAYABLES

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2016	As at December 31, 2015
Trade accounts payables	44,947	55,428
Accrued expenses	34,401	43,228
Accrued doctors' fees	51,901	50,273
Others	20,497	25,126
Total	151,746	174,055

8. DIVIDEND PAYMENT AND DIRECTOR'S REMUNERATION

On April 28, 2016, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay dividend at Baht 1.12 per share to the shareholders of 160 million shares, totalling Baht 179.20 million, including directors' remuneration amounting to Baht 2.98 million. The dividend payment was made on May 27, 2016.

On April 29, 2015, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay dividend at Baht 1.00 per share to the shareholders of 160 million shares, totalling Baht 160.00 million, including directors' remuneration amounting to Baht 2.65 million. The dividend payment was made on May 28, 2015.

9. EXPENSES BY NATURE

(AMOUNT IN THOUSAND BAHT)

EXPENSES	For the six-month periods ended June 30,	
	2016	2015
Medicine and medical supply consumptions	185,719	176,163
Directors and management benefit expenses	7,561	6,841
Employee benefit expenses	215,390	206,070
Doctors' fees	221,316	212,169
Depreciation and amortization expenses	67,626	69,309
Doubtful debts	-	(122)
Other expenses	72,774	73,848
Total	770,386	744,278

10. INCOME TAXES

Corporate income taxes of the Company for the three-month and six-month periods ended June 30, 2016 and 2015 are calculated from the accounting profits and adjusted with other revenues and some expenses which are exempted from income tax or being disallowable expenses in corporate income tax computation.

The Company income taxes are calculated at the rate of 20 percent in 2016 and 2015.

Income tax expenses recognized in statements of comprehensive income consist:

(AMOUNT IN THOUSAND BAHT)

FOR THE PERIODS ENDED JUNE 30,	2016	2015
<u>For 3 month periods</u>		
Corporate income tax for the periods	14,978	15,837
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(399)	(454)
Income tax expenses	14,579	15,383
<u>For 6 month periods</u>		
Corporate income tax for the periods	35,309	35,495
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(526)	(732)
Income tax expenses	34,783	34,763

As at June 30, 2016 and December 31, 2015, the deferred tax assets/liabilities arose from the following temporary differences:

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2016	As at December 31, 2015
Temporary differences in the statements of income		
Unrealized gain on open-ended fund	(1,514)	(711)
Unrealized loss on trading securities	380	428
Allowance for doubtful accounts receivables	2,917	2,917
Provision for long-term employees benefits	47,781	49,095
Total	49,564	51,729
Temporary differences in the statements of comprehensive income		
- Recognized in other components of shareholders' equity		
Gain from the remeasuring of investment in available-for-sale securities	(9,258)	(5,601)
- Recognized in retained earnings		
Provision for long-term employees benefits	-	(4,793)
Total	40,306	41,335
Deferred tax assets calculated from tax rate of 20%.	8,061	8,267

11. 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.

12. COMMITMENT

12.1 As at June 30, 2016 and December 31, 2015, the Company has commitment from the issuance of bank guarantee as follow :

(AMOUNT IN THOUSAND BAHT)

PARTICULAR	As at June 30, 2016	As at December 31, 2015
Letters of guarantee issued by commercial bank	4,277	4,277

12.2 Commitment under service agreement

As at June 30, 2016, 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 26.31 million.

12.3 Capital expenditure commitments

As at June 30, 2016, the Company has capital expenditure commitments to pay a total of Baht 7.09 million regarding to the building renovation agreement and Baht 16.00 million in regarding to the acquisition of medical tool and equipment and Baht 27.00 million in regarding to the contract design for the addition of the new hospital.

13. FINANCIAL STATEMENTS APPROVAL

These interim financial statements are duly approved by the Company's Board of Directors on August 11, 2016.