

**NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED**

**INTERIM FINANCIAL STATEMENTS**

**SEPTEMBER 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 September 30, 2016, the related statements of comprehensive income for the three-month and nine-month periods ended September 30, 2016, changes in shareholders' equity and cash flows for the nine-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.

*C. Aunpitpongsa*

(Mr. Chaiyakorn Aunpitpongsa)

Certified Public Accountant Registration No. 3196

Dr. Virach & Associates Office Co., Ltd.

Bangkok : November 10, 2016

**NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED**

**STATEMENTS OF FINANCIAL POSITION**

**AS AT SEPTEMBER 30, 2016**

**ASSETS**

		THOUSAND BAHT	
		As at September 30, 2016	As at December 31, 2015
		UNAUDITED	AUDITED
		REVIEWED	
	Notes		
<b>Current Assets</b>			
Cash and cash equivalents	4	19,473	31,487
Short-term investments			
Open-ended funds	5.1	333,320	213,509
Trading securities	5.2	1,773	1,580
Trade and other receivables	6	128,392	114,718
Inventories		29,816	35,966
Other current assets			
Prepaid expenses		7,502	15,183
Other current assets		1,248	4,352
Total other current assets		8,750	19,535
<b>Total Current Assets</b>		521,524	416,795
<b>Non-current Assets</b>			
Available-for-sale securities	5.3	9,457	5,823
Property, plant and equipment		1,279,193	1,343,761
Intangible assets		18,962	26,134
Deferred tax assets	10	8,244	8,267
Other non-current assets		9,506	5,749
<b>Total Non-current Assets</b>		1,325,362	1,389,734
<b>TOTAL ASSETS</b>		1,846,886	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 SEPTEMBER 30, 2016**  
**LIABILITIES AND SHAREHOLDERS' EQUITY**

THOUSAND BAHT			
	Note	As at September 30, 2016	As at December 31, 2015
		UNAUDITED	AUDITED
		REVIEWED	
<b>Current Liabilities</b>			
Trade and other payables	7	173,801	174,055
Assets acquisition payable		8,771	7,900
Accrued corporate income tax		16,359	32,335
Other current liabilities		4,162	5,294
<b>Total Current Liabilities</b>		<b>203,093</b>	<b>219,584</b>
<b>Non-current Liabilities</b>			
Provision for long-term employee benefits		49,478	44,302
<b>Total Non-current Liabilities</b>		<b>49,478</b>	<b>44,302</b>
<b>TOTAL LIABILITIES</b>		<b>252,571</b>	<b>263,886</b>
<b>Shareholders' Equity</b>			
<b>Share capital</b>			
<b>Authorized share capital</b>			
160,000,000 common stocks of Baht 1 par value		160,000	160,000
<b>Issued and paid-up share capital</b>			
160,000,000 common stocks at Baht 1 each		160,000	160,000
<b>Additional paid-in capital</b>			
Premium on common stocks		172,000	172,000
<b>Retained earnings</b>			
<b>Appropriated</b>			
Legal reserve		16,000	16,000
Unappropriated		1,238,927	1,190,162
Other components of shareholders' equity		7,388	4,481
<b>Total Shareholders' Equity</b>		<b>1,594,315</b>	<b>1,542,643</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,846,886</b>	<b>1,806,529</b>

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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2016**

		THOUSAND BAHT			
		EXCEPT EARNINGS PER SHARE PRESENTED IN BAHT			
		THREE-MONTH PERIODS		NINE-MONTH PERIODS	
Notes		2016	2015	2016	2015
<b>REVENUES</b>					
	Revenues from medical treatment	527,822	488,026	1,468,243	1,400,937
	Other income	4,631	2,135	9,701	7,615
	<b>Total Revenues</b>	<b>532,453</b>	<b>490,161</b>	<b>1,477,944</b>	<b>1,408,552</b>
<b>EXPENSES</b>					
	Cost of medical treatment	352,577	330,511	994,174	950,487
	Selling expenses	834	1,485	2,713	4,716
	Administrative expenses	70,607	59,027	195,485	178,482
	Directors' remuneration	8	834	2,857	2,450
	<b>Total Expenses</b>	<b>9</b>	<b>424,843</b>	<b>391,857</b>	<b>1,195,229</b>
	Profit before Income Tax Expenses	107,610	98,304	282,715	272,417
	Income Tax Expenses	10	19,967	19,637	54,750
	<b>Profit for the periods</b>	<b>87,643</b>	<b>78,667</b>	<b>227,965</b>	<b>218,017</b>
<b>Other Comprehensive Income (Loss)</b>					
	Surplus (discount) on changes in value of available-for-sale investments	(23)	110	3,634	476
	Income tax on net change from the remeasuring of investment in available-for-sale securities	5	(22)	(727)	(95)
	<b>Other comprehensive income (loss) for the periods - net of tax</b>	<b>(18)</b>	<b>88</b>	<b>2,907</b>	<b>381</b>
	<b>Total comprehensive income for the periods</b>	<b>87,625</b>	<b>78,755</b>	<b>230,872</b>	<b>218,398</b>
<b>Earnings Per Share (Baht)</b>					
	Basic Earnings Per Share	0.54	0.49	1.42	1.36
	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 NINE-MONTH PERIOD ENDED SEPTEMBER 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	
<b>Year 2016</b>							
		160,000	172,000	16,000	1,190,162	4,481	1,542,643
		-	-	-	227,965	2,907	230,872
	8	-	-	-	(179,200)	-	(179,200)
		160,000	172,000	16,000	1,238,927	7,388	1,594,315
<b>Year 2015</b>							
		160,000	172,000	16,000	1,048,072	4,253	1,400,325
		-	-	-	218,017	381	218,398
	8	-	-	-	(160,000)	-	(160,000)
		160,000	172,000	16,000	1,106,089	4,634	1,458,723

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**NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016**

	THOUSAND BAHT	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES :		
PROFIT BEFORE INCOME TAX EXPENSES	282,715	272,417
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX		
EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :-		
Depreciation	92,209	96,699
Amortization of quality system	1,081	1,080
Amortization of other non-current assets	1,284	-
Amortization of computer softwares	7,382	7,490
Unrealized gain on open-ended funds	(1,213)	(159)
Unrealized (gain) loss on trading securities	(193)	85
(Gain) loss on disposal of building and equipment	7,090	(76)
Bad debts	630	-
Doubtful debts decrease	(251)	(463)
Dividend income	(109)	(62)
Interest income	(76)	(143)
Long-term employee benefits expenses	5,176	6,384
PROFIT FROM OPERATION BEFORE CHANGE IN		
OPERATING ASSETS AND LIABILITIES ITEMS	395,725	383,252
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Open-ended funds	(118,598)	(70,653)
Trade and other receivables	(14,053)	(8,152)
Inventories	6,150	15,736
Other current assets	10,787	4,850
Other non-current assets	(6,261)	(1,405)
DECREASE IN OPERATING LIABILITIES ITEMS		
Trade and other payables	(254)	(17,345)
Assets acquisition payable	(2,194)	(1,769)
Other current liabilities	(1,132)	(1,557)
Provision for long-term employee benefits	-	(405)
Cash received from operation	270,170	302,552
Interest income	76	155
Income tax paid	(71,430)	(69,889)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	198,816	232,818

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

UNAUDITED

REVIEWED

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

	THOUSAND BAHT	
	2016	2015
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in plant and equipment	(31,781)	(63,823)
Proceeds from disposal of building and equipment	254	121
Purchase of computer softwares	(210)	(5,569)
Decrease in fixed deposits at bank with restrictions	-	3,347
Proceeds from dividend income	107	60
NET CASH USED IN INVESTING ACTIVITIES	<u>(31,630)</u>	<u>(65,864)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend payment	(179,200)	(160,000)
NET CASH USED IN FINANCING ACTIVITIES	<u>(179,200)</u>	<u>(160,000)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(12,014)	6,954
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	<u>31,487</u>	<u>35,310</u>
CASH AND CASH EQUIVALENTS AS AT SEPTEMBER 30,	<u><u>19,473</u></u>	<u><u>42,264</u></u>
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS		
Non-cash flows items comprise :		
Unrealized gain on available-for-sale securities	3,634	476
Increase in building and equipment from assets payable	3,065	2,824
Increase in equipment from transferring deposits	139	900
Accrued dividend income	2	2

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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**

**SEPTEMBER 30, 2016**

**1. GENERAL INFORMATION**

<b>1.1</b>	Company status	A juristic person established under Thai law and listed on the Stock Exchange of Thailand.
<b>1.2</b>	Company location	30/8, Ngamvongwan Road, Tambol Bangkhen, Amphur Muangnonthaburi, Nonthaburi, Thailand.
	Branch	68/888, Rattanathibeth Road, Tambol Bangkrasor, Amphur Muangnonthaburi, Nonthaburi, Thailand.
<b>1.3</b>	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 September 30, 2016	As at December 31, 2015
Cash	2,805	3,367
Bank deposits	16,668	28,120
Total	19,473	31,487

### 5. INVESTMENTS

#### 5.1 Open-ended fund

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2016	As at December 31, 2015
Open-ended fund	331,396	212,798
Valuation adjustment	1,924	711
Open-ended fund-Fair value	333,320	213,509

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the nine-month periods ended September 30,	
	2016	2015
Unrealized gain on open-ended fund	1,213	159

#### 5.2 Short-term investments - Trading securities

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2016	As at December 31, 2015
Short-term investments-at cost	2,008	2,008
Valuation adjustment	(235)	(428)
Short-term investments-Fair value	1,773	1,580

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the nine-month periods ended September 30,	
	2016	2015
Unrealized gain (loss) on trading securities	193	(85)

**5.3 Available-for-sale securities**

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2016	As at December 31, 2015
Acquisition cost	222	222
Surplus on changes in value of available-for-sale investments	9,235	5,601
Fair value at ending periods	9,457	5,823

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the nine-month periods ended September 30,	
	2016	2015
Surplus on changes in value of available-for-sale investments	3,634	476

**6. TRADE AND OTHER RECEIVABLES**

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2016	As at December 31, 2015
The trade accounts receivable are classified by outstanding balances of aging as follows :		
Current	119,987	110,313
Overdue within 3 months	4,905	2,321
Over 3 - 6 months	1,252	417
Over 6 - 12 months	1,651	1,166
Over 12 months	3,173	3,328
Total	130,968	117,545
Allowance for doubtful debts	(2,666)	(2,917)
Trade accounts receivable-net	128,302	114,628
Other receivables	90	90
Total trade and other receivables	128,392	114,718

**7. TRADE AND OTHER PAYABLES**

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2016	As at December 31, 2015
Trade accounts payables	51,822	55,428
Accrued expenses	51,104	43,228
Accrued doctors' fees	54,524	50,273
Others	16,351	25,126
Total	173,801	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 nine-month periods ended September 30,	
	2016	2015
Medicine and medical supply consumptions	289,431	272,851
Directors and management benefit expenses	11,508	10,727
Employee benefit expenses	333,324	312,474
Doctors' fees	341,334	324,035
Depreciation and amortization expenses	101,956	105,269
Bad debts	630	-
Doubtful debts	(251)	(463)
Other expenses	117,297	111,242
<b>Total</b>	<b>1,195,229</b>	<b>1,136,135</b>

**10. INCOME TAXES**

Corporate income taxes of the Company for the three-month and nine-month periods ended September 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 SEPTEMBER 30,	2016	2015
<u>For 3 month periods</u>		
Corporate income tax for the periods	20,145	19,993
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(178)	(356)
Income tax expenses	19,967	19,637
<u>For 9 month periods</u>		
Corporate income tax for the periods	55,454	55,488
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(704)	(1,088)
Income tax expenses	54,750	54,400

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

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2016	As at December 31, 2015
<b>Temporary differences in the statements of income</b>		
Unrealized gain on open-ended fund	(1,924)	(711)
Unrealized loss on trading securities	235	428
Allowance for doubtful accounts receivables	2,666	2,917
Provision for long-term employees benefits	49,478	49,095
Total	50,455	51,729
<b>Temporary differences in the statements of comprehensive income</b>		
<b>- Recognized in other components of shareholders' equity</b>		
Gain from the remeasuring of investment in available-for-sale securities	(9,235)	(5,601)
<b>- Recognized in retained earnings</b>		
Provision for long-term employees benefits	-	(4,793)
Total	41,220	41,335
<b>Deferred tax assets calculated from tax rate of 20%.</b>	8,244	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 September 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 September 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 September 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 25.44 million.

**12.3 Capital expenditure commitments**

As at September 30, 2016, the Company has capital expenditure commitments to pay a total of Baht 1.94 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 November 10, 2016.