

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

INTERIM FINANCIAL STATEMENTS

JUNE 30, 2017

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V & A

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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, 2017, the related statements of comprehensive income for the three-month and six-month periods ended June 30, 2017, 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.

(Dr. Preecha Suan)

Certified Public Accountant Registration No. 6718

Dr. Virach & Associates Office Co., Ltd.

Bangkok : August 8, 2017

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2017

ASSETS

		THOUSAND BAHT	
		As at June 30, 2017	As at December 31, 2016
		UNAUDITED REVIEWED	AUDITED
	Notes		
Current Assets			
Cash and cash equivalents	4	11,140	40,419
Short-term investments			
Open-ended funds	5.1	322,244	306,486
Trading securities	5.2	1,744	1,752
Trade and other receivables	6	118,951	121,523
Inventories		26,306	31,243
Other current assets			
Prepaid expenses		13,396	13,723
Other current assets		932	1,232
Total other current assets		14,328	14,955
Total Current Assets		494,713	516,378
Non-current Assets			
Available-for-sale securities	5.3	8,657	9,747
Property, plant and equipment		1,353,173	1,386,705
Intangible assets		15,364	18,818
Deferred tax assets	10	8,902	8,695
Other non-current assets		7,692	7,057
Total Non-current Assets		1,393,788	1,431,022
TOTAL ASSETS		1,888,501	1,947,400

Praha

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, 2017

LIABILITIES AND SHAREHOLDERS' EQUITY

THOUSAND BAHT			
		As at June 30, 2017	As at December 31, 2016
		UNAUDITED	AUDITED
	Note	REVIEWED	
Current Liabilities			
Trade and other payables	7	162,205	173,151
Assets acquisition payable		9,037	5,909
Accrued corporate income tax		19,846	27,594
Other current liabilities		4,274	5,625
Total Current Liabilities		195,362	212,279
Non-current Liabilities			
Provision for long-term employee benefits		53,430	51,153
Total Non-current Liabilities		53,430	51,153
TOTAL LIABILITIES		248,792	263,432
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		1,284,961	1,328,348
Other components of shareholders' equity		6,748	7,620
Total Shareholders' Equity		1,639,709	1,683,968
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,888,501	1,947,400

Prucha

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, 2017

THOUSAND BAHT

	Notes	EXCEPT EARNINGS PER SHARE PRESENTED IN BAHT			
		THREE-MONTH PERIODS		SIX-MONTH PERIODS	
		2017	2016	2017	2016
REVENUES					
Revenues from medical treatment		477,426	455,256	937,630	940,421
Other income		4,844	2,097	7,485	5,070
Total Revenues		<u>482,270</u>	<u>457,353</u>	<u>945,115</u>	<u>945,491</u>
EXPENSES					
Cost of medical treatment		331,830	319,508	643,265	641,597
Selling expenses		1,101	634	1,926	1,879
Administrative expenses		62,613	62,527	123,677	124,878
Directors' remuneration	8	887	947	2,000	2,032
Total Expenses	9	<u>396,431</u>	<u>383,616</u>	<u>770,868</u>	<u>770,386</u>
Profit before Income Tax Expenses		85,839	73,737	174,247	175,105
Income Tax Expenses	10	16,744	14,579	27,234	34,783
Profit for the periods		<u>69,095</u>	<u>59,158</u>	<u>147,013</u>	<u>140,322</u>
Other Comprehensive Income :-					
Surplus (discount) on changes in value of available-for-sale investments		723	2,800	(1,090)	3,657
Income tax on net change from the remeasuring of investment in available-for-sale securities		(145)	(561)	218	(732)
Other comprehensive income (loss) for the periods - net of tax		578	2,239	(872)	2,925
Total comprehensive income for the periods		<u>69,673</u>	<u>61,397</u>	<u>146,141</u>	<u>143,247</u>
Earnings Per Share (Baht)					
Basic Earnings Per Share		0.43	0.37	0.92	0.88
The number of 160,000,000 common stocks used in computation.					



UNAUDITED

REVIEWED

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017

THOUSAND BAHT

	Notes	Issued and paid-up share capital	Premium on common stocks	Retained earnings		Other components of shareholders' equity Other comprehensive income Available for sale securities	Total shareholders' equity
				Legal reserve	Unappropriated		
Year 2017							
Balances as at January 1, 2017		160,000	172,000	16,000	1,328,348	7,620	1,683,968
Total comprehensive income (loss) for the period		-	-	-	147,013	(872)	146,141
Dividend payment	8	-	-	-	(190,400)	-	(190,400)
Balances as at June 30, 2017		160,000	172,000	16,000	1,284,961	6,748	1,639,709
Year 2016							
Balances as at January 1, 2016		160,000	172,000	16,000	1,190,162	4,481	1,542,643
Total comprehensive income for the period		-	-	-	140,322	2,925	143,247
Dividend payment	8	-	-	-	(179,200)	-	(179,200)
Balances as at June 30, 2016		160,000	172,000	16,000	1,151,284	7,406	1,506,690



NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017

	THOUSAND BAHT	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES :		
PROFIT BEFORE INCOME TAX EXPENSES	174,247	175,105
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX		
EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :-		
Depreciation	62,350	62,154
Amortization of deferred expenses	839	1,013
Amortization of computer softwares	3,796	4,459
Unrealized gain on open-ended funds	(1,629)	(803)
Unrealized (gain) loss on trading securities	8	(48)
(Gain) loss on disposal of building and equipment	(172)	2,877
Doubtful debts decrease	(710)	-
Dividend income	(87)	(95)
Interest income	(74)	(76)
Long-term employee benefits expenses	4,167	3,479
PROFIT FROM OPERATION BEFORE CHANGE IN		
OPERATING ASSETS AND LIABILITIES ITEMS	242,735	248,065
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Open-ended funds	(14,129)	12,842
Trade and other receivables	3,282	(187)
Inventories	4,937	6,045
Other current assets	627	3,223
Other non-current assets	(1,474)	(1,831)
DECREASE IN OPERATING LIABILITIES ITEMS		
Trade and other payables	(10,946)	(22,309)
Assets acquisition payable	(110)	(2,194)
Other current liabilities	(1,351)	(1,007)
Provision for long-term employee benefits	(1,890)	-
Cash received from operation	221,681	242,647
Interest income	74	76
Income tax paid	(34,971)	(39,190)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	186,784	203,533

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 SIX-MONTH PERIOD ENDED JUNE 30, 2017

	THOUSAND BAHT	
	2017	2016
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in plant and equipment	(25,687)	(24,355)
Proceeds from disposal of building and equipment	279	164
Purchase of computer softwares	(342)	(119)
Proceeds from dividend income	87	95
NET CASH USED IN INVESTING ACTIVITIES	<u>(25,663)</u>	<u>(24,215)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend payment	(190,400)	(179,200)
NET CASH USED IN FINANCING ACTIVITIES	<u>(190,400)</u>	<u>(179,200)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(29,279)	118
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	<u>40,419</u>	<u>31,487</u>
CASH AND CASH EQUIVALENTS AS AT JUNE 30,	<u><u>11,140</u></u>	<u><u>31,605</u></u>
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS		
Non-cash flows items comprise :		
Unrealized gain (loss) on available-for-sale securities	(1,090)	3,657
Increase in building and equipment from assets payable	3,238	962
Increase in equipment from transferring deposits	-	139



NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENTS

JUNE 30, 2017

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 (revised 2016) 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, 2016.

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 (revised 2016) that are effective for fiscal years beginning on or after January 1, 2017, in the notes to financial statements for the year ended December 31, 2016.

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, 2016.

4. CASH AND CASH EQUIVALENTS

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2017	As at December 31, 2016
Cash	2,552	3,216
Bank deposits	8,588	37,203
Total	11,140	40,419

5. INVESTMENTS

5.1 Open-ended fund

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2017	As at December 31, 2016
Open-ended fund	319,574	305,445
Valuation adjustment	2,670	1,041
Open-ended fund-Fair value	322,244	306,486

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the six-month periods ended June 30,	
	2017	2016
Unrealized gain on open-ended fund	1,629	803

5.2 Short-term investments - Trading securities

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2017	As at December 31, 2016
Short-term investments-at cost	2,008	2,008
Valuation adjustment	(264)	(256)
Short-term investments-Fair value	1,744	1,752

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the six-month periods ended June 30,	
	2017	2016
Unrealized gain (loss) on trading securities	(8)	48

5.3 Available-for-sale securities

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2017	As at December 31, 2016
Acquisition cost	222	222
Surplus on changes in value of available-for-sale investments	8,435	9,525
Fair value at ending periods	8,657	9,747

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the six-month periods ended June 30,	
	2017	2016
Surplus (discount) on changes in value of available-for-sale investments	(1,090)	3,657

6. TRADE AND OTHER RECEIVABLES

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2017	As at December 31, 2016
The trade accounts receivable are classified by outstanding balances of aging as follows :		
Current	112,847	116,449
Overdue within 3 months	4,528	2,643
Over 3 - 6 months	822	1,334
Over 6 - 12 months	842	1,131
Over 12 months	1,731	2,505
Total	120,770	124,062
Allowance for doubtful debts	(1,919)	(2,629)
Trade accounts receivable-net	118,851	121,433
Other receivables	100	90
Total trade and other receivables	118,951	121,523

7. TRADE AND OTHER PAYABLES

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2017	As at December 31, 2016
Trade accounts payables	49,049	51,215
Accrued expenses	36,393	45,837
Accrued doctors' fees	53,981	56,143
Others	22,782	19,956
Total	162,205	173,151

8. DIVIDEND PAYMENT AND DIRECTOR'S REMUNERATION

On April 24, 2017, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay dividend at Baht 1.19 per share to the shareholders of 160 million shares, totalling Baht 190.40 million, including directors' remuneration amounting to Baht 3.17 million. The dividend payment was made on May 23, 2017.

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.

9. EXPENSES BY NATURE

(AMOUNT IN THOUSAND BAHT)

EXPENSES	For the six-month periods ended June 30,	
	2017	2016
Medicine and medical supply consumptions	181,930	185,719
Directors and management benefit expenses	7,473	7,561
Employee benefit expenses	218,833	215,390
Doctors' fees	224,121	221,316
Depreciation and amortization expenses	66,985	67,626
Doubtful debts	(710)	-
Other expenses	72,236	72,774
Total	770,868	770,386

10. INCOME TAXES

Corporate income tax of the Company for the three-month and six-month periods ended June 30, 2017 and 2016 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 2017 and 2016.

Income tax expenses recognized in statements of comprehensive income consist:

(AMOUNT IN THOUSAND BAHT)

FOR THE PERIODS ENDED JUNE 30,	2017	2016
<u>For 3 month periods</u>		
Corporate income tax for the periods	16,949	14,978
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(205)	(399)
Income tax expenses	16,744	14,579
<u>For 6 month periods</u>		
Corporate income tax for the periods	27,223	35,309
Amortization and reversal of temporary differences assets/liabilities on temporary differences	11	(526)
Income tax expenses	27,234	34,783

As at June 30, 2017 and December 31, 2016, the deferred tax assets/liabilities arose from the following temporary differences:

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2017	As at December 31, 2016
Temporary differences in the statements of comprehensive income		
Unrealized gain on open-ended fund	(2,670)	(1,041)
Unrealized loss on trading securities	264	256
Allowance for doubtful accounts receivables	1,919	2,629
Provision for long-term employees benefits	53,430	51,153
Total	52,943	52,997
Temporary differences in other comprehensive income		
Gain from the remeasuring of investment in available-for-sale securities	(8,435)	(9,525)
Total	44,508	43,472
Deferred tax assets calculated from tax rate of 20%.	8,902	8,695

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, 2017 and December 31, 2016, the Company has commitment from the issuance of bank guarantee as follow :

(AMOUNT IN THOUSAND BAHT)

PARTICULAR	As at June 30, 2017	As at December 31, 2016
Letters of guarantee issued by commercial bank	4,277	4,277

12.2 Commitment under service agreement

As at June 30, 2017, 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 16.72 million.

12.3 Capital expenditure commitments

As at June 30, 2017, the Company has capital expenditure commitments to pay a total of Baht 0.85 million regarding to the air conditioning system agreements 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 8, 2017.