

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

INTERIM FINANCIAL STATEMENTS

MARCH 31, 2017

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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 March 31, 2017, the related statements of comprehensive income, changes in shareholders' equity and cash flows for the three-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 : May 12, 2017

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2017

ASSETS

		THOUSAND BAHT	
		As at March 31, 2017	As at December 31, 2016
		UNAUDITED	AUDITED
	Notes	REVIEWED	
Current Assets			
Cash and cash equivalents	4	31,936	40,419
Short-term investments			
Open-ended funds	5.1	422,847	306,486
Trading securities	5.2	1,806	1,752
Trade and other receivables	6	101,855	121,523
Inventories		31,406	31,243
Other current assets			
Prepaid expenses		15,158	13,723
Other current assets		1,054	1,232
Total other current assets		16,212	14,955
Total Current Assets		606,062	516,378
Non-current Assets			
Available-for-sale securities	5.3	7,934	9,747
Property, plant and equipment		1,358,838	1,386,705
Intangible assets		16,865	18,818
Deferred tax assets	10	8,842	8,695
Other non-current assets		7,380	7,057
Total Non-current Assets		1,399,859	1,431,022
TOTAL ASSETS		2,005,921	1,947,400

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2017

LIABILITIES AND SHAREHOLDERS' EQUITY

		THOUSAND BAHT	
		As at March 31, 2017	As at December 31, 2016
		UNAUDITED	AUDITED
	Notes	REVIEWED	
Current Liabilities			
Trade and other payables	7	148,150	173,151
Assets acquisition payable		6,791	5,909
Dividend payable	8	190,400	-
Accrued corporate income tax		33,965	27,594
Other current liabilities		5,222	5,625
Total Current Liabilities		384,528	212,279
Non-current Liabilities			
Provision for long-term employee benefits		51,357	51,153
Total Non-current Liabilities		51,357	51,153
TOTAL LIABILITIES		435,885	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		1,215,866	1,328,348
Other components of shareholders' equity		6,170	7,620
Total Shareholders' Equity		1,570,036	1,683,968
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,005,921	1,947,400

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

UNAUDITED

REVIEWED

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

		THOUSAND BAHT	
		EXCEPT EARNINGS PER	
		SHARE PRESENTED IN BAHT	
	Notes	2017	2016
REVENUES			
Revenues from medical treatment		460,204	485,165
Other income		2,641	2,973
Total Revenues		462,845	488,138
EXPENSES			
Cost of medical treatment		311,435	322,089
Selling expenses		825	1,245
Administrative expenses		61,064	62,351
Directors' remuneration	8	1,113	1,085
Total Expenses	9	374,437	386,770
Profit before Income Tax Expenses		88,408	101,368
Income Tax Expenses	10	10,490	20,204
Profit for the periods		77,918	81,164
Other Comprehensive Income :-			
Surplus (discount) on changes in value of			
available-for-sale investments		(1,813)	857
Income tax on net change from the remeasuring			
of investment in available-for-sale securities		363	(171)
Other comprehensive income (loss) for the periods - net of tax		(1,450)	686
Total comprehensive income for the periods		76,468	81,850
Earnings Per Share (Baht)			
Basic Earnings Per Share		0.49	0.51

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

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

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 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	-	-	-	77,918	(1,450)	76,468
Dividend payment 8	-	-	-	(190,400)	-	(190,400)
Balances as at March 31, 2017	160,000	172,000	16,000	1,215,866	6,170	1,570,036
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	-	-	-	81,164	686	81,850
Dividend payment 8	-	-	-	(179,200)	-	(179,200)
Balances as at March 31, 2016	160,000	172,000	16,000	1,092,126	5,167	1,445,293

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

	THOUSAND BAHT	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES :		
PROFIT BEFORE INCOME TAX EXPENSES	88,408	101,368
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX		
EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :-		
Depreciation	31,043	30,982
Amortization of deferred expenses	452	359
Amortization of computer softwares	2,135	2,052
Unrealized gain on open-ended funds	(1,361)	(1,019)
Unrealized gain on trading securities	(54)	(87)
Loss on disposal of building and equipment	-	2,908
Doubtful debts increase	136	-
Dividend income	(87)	(95)
Long-term employee benefits expenses	2,094	1,743
PROFIT FROM OPERATION BEFORE CHANGE IN		
OPERATING ASSETS AND LIABILITIES ITEMS	122,766	138,211
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Open-ended funds	(115,000)	(131,000)
Trade and other receivables	19,532	2,732
Inventories	(163)	6,636
Other current assets	(1,177)	442
Other non-current assets	(775)	(960)
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS		
Trade and other payables	(25,001)	(21,869)
Assets acquisition payable	(6)	(2,194)
Other current liabilities	(403)	318
Provision for long-term employee benefits	(1,890)	-
Cash paid from operation	(2,117)	(7,684)
Income tax paid	(3,903)	(3,484)
NET CASH USED IN OPERATING ACTIVITIES	(6,020)	(11,168)



NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

	THOUSAND BAHT	
	2017	2016
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in plant and equipment	(2,288)	(1,353)
Proceeds from disposal of building and equipment	-	132
Purchase of computer softwares	(182)	(37)
Proceeds from dividend income	7	-
NET CASH USED IN INVESTING ACTIVITIES	(2,463)	(1,258)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,483)	(12,426)
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	40,419	31,487
CASH AND CASH EQUIVALENTS AS AT MARCH 31,	31,936	19,061
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS		
Non-cash flows items comprise :		
Unrealized gain on available-for-sale securities	1,813	857
Increase in building and equipment from assets payable	888	1,400
Increase in equipment from transferring deposits	-	139
Dividends payable	190,400	179,200
Accrued dividend income	80	95



NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENTS

MARCH 31, 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 March 31, 2017	As at December 31, 2016
Cash	2,558	3,216
Bank deposits	29,378	37,203
Total	31,936	40,419

5. INVESTMENTS

5.1 Open-ended fund

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2017	As at December 31, 2016
Open-ended fund	420,445	305,445
Valuation adjustment	2,402	1,041
Open-ended fund-Fair value	422,847	306,486

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the three-month periods ended March 31,	
	2017	2016
Unrealized gain on open-ended fund	1,361	1,019

5.2 Short-term investments - Trading securities

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2017	As at December 31, 2016
Short-term investments-at cost	2,008	2,008
Valuation adjustment	(202)	(256)
Short-term investments-Fair value	1,806	1,752

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the three-month periods ended March 31,	
	2017	2016
Unrealized gain on trading securities	54	87

5.3 Available-for-sale securities

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2017	As at December 31, 2016
Acquisition cost	222	222
Surplus on changes in value of available-for-sale investments	7,712	9,525
Fair value at ending periods	7,934	9,747

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the three-month periods ended March 31,	
	2017	2016
Surplus (discount) on changes in value of available-for-sale investments	(1,813)	857

6. TRADE AND OTHER RECEIVABLES

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2017	As at December 31, 2016
The trade accounts receivable are classified by outstanding balances of aging as follows :		
Current	95,254	116,449
Overdue within 3 months	4,411	2,643
Over 3 - 6 months	741	1,334
Over 6 - 12 months	1,468	1,131
Over 12 months	2,656	2,505
Total	104,530	124,062
Allowance for doubtful debts	(2,765)	(2,629)
Trade accounts receivable-net	101,765	121,433
Other receivables	90	90
Total trade and other receivables	101,855	121,523

7. TRADE AND OTHER PAYABLES

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2017	As at December 31, 2016
Trade accounts payables	47,225	51,215
Accrued expenses	26,138	45,837
Accrued doctors' fees	52,714	56,143
Others	22,073	19,956
Total	148,150	173,151

8. DIVIDEND PAYMENT AND DIRECTOR'S REMUNERATION

On March 9, 2017, the Board of Directors' Meeting was held and has a resolution to pay dividend at Baht 1.19 per share to the shareholders of 160 million shares, totalling Baht 190.40 million. On April 24, 2017, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay such proposed dividend, including directors' remuneration amounting to Baht 3.17 million by fixing the payment date for dividend 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 three-month periods ended March 31,	
	2017	2016
Medicine and medical supply consumptions	88,273	95,730
Directors and management benefit expenses	4,115	3,478
Employee benefit expenses	103,957	105,382
Doctors' fees	109,976	111,534
Depreciation and amortization expenses	33,630	33,393
Doubtful debts	136	-
Other expenses	34,350	37,253
Total	374,437	386,770

10. INCOME TAXES

Corporate income tax of the Company for the three-month periods ended March 31, 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 THREE-MONTH PERIODS ENDED MARCH 31,	2017	2016
Corporate income tax for the periods	10,274	20,331
Amortization and reversal of temporary differences assets/liabilities on temporary differences	216	(127)
Income tax expenses	10,490	20,204

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

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2017	As at December 31, 2016
Temporary differences in the statements of comprehensive income		
Unrealized gain on open-ended fund	(2,402)	(1,041)
Unrealized loss on trading securities	202	256
Allowance for doubtful accounts receivables	2,765	2,629
Provision for long-term employees benefits	51,357	51,153
Total	51,922	52,997
Temporary differences in the statements of comprehensive income		
Gain from the remeasuring of investment in available-for-sale securities	(7,712)	(9,525)
Total	44,210	43,472
Deferred tax assets calculated from tax rate of 20%.	8,842	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 March 31, 2017 and December 31, 2016, the Company has commitment from the issuance of bank guarantee as follow :

(AMOUNT IN THOUSAND BAHT)

PARTICULAR	As at March 31, 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 March 31, 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 18.12 million.

12.3 Capital expenditure commitments

As at March 31, 2017, the Company has capital expenditure commitments to pay a total of 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 May 12, 2017.