

**NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED**

**INTERIM FINANCIAL STATEMENTS**

**MARCH 31, 2014**

## **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, 2014, and 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 accordance with Accounting Standard 34 Interim Financial Reporting.

(Mr. Chaiyakorn Aunpitipongsa)

Certified Public Accountant Registration No. 3196

Dr. Virach & Associates Office Co., Ltd.

Bangkok : May 14, 2014

**NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED**

**STATEMENTS OF FINANCIAL POSITION**

**ASSETS**

		THOUSAND BAHT	
		As at March 31, 2014	As at December 31, 2013
		UNAUDITED REVIEWED	AUDITED
	Notes		
<b>Current Assets</b>			
Cash and cash equivalents	5	68,183	35,834
Short-term investments			
Deposits at financial institutions	6.4	1,330	1,330
Open-ended funds	6.1	141	133
Trading securities	6.2	1,827	1,769
Trade and other receivables	7	107,653	113,981
Inventories		32,141	40,727
Other current assets			
Prepaid expenses		14,326	10,532
Other current assets		3,655	4,472
Total other current assets		17,981	15,004
<b>Total Current Assets</b>		<b>229,256</b>	<b>208,778</b>
<b>Non-current Assets</b>			
Long-term investments			
Available-for-sale securities	6.3	5,300	5,157
Fixed deposits at bank with restrictions	8	3,280	3,277
Property, plant and equipment		1,441,636	1,421,074
Intangible assets			
Deferred computer softwares		33,893	36,485
Deferred tax assets	15	7,917	7,741
Other non-current assets		3,740	4,522
<b>Total Non-current Assets</b>		<b>1,495,766</b>	<b>1,478,256</b>
<b>TOTAL ASSETS</b>		<b>1,725,022</b>	<b>1,687,034</b>

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

**NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED**

**STATEMENTS OF FINANCIAL POSITION**

**LIABILITIES AND SHAREHOLDERS' EQUITY**

		THOUSAND BAHT	
		As at March 31, 2014	As at December 31, 2013
		UNAUDITED REVIEWED	AUDITED
	Notes		
<b>Current Liabilities</b>			
Short-term loans from financial institutions	9	110,000	160,000
Trade and other payables	10	157,292	154,759
Assets acquisition payable		15,865	21,659
Dividend payable		145,600	-
Accrued corporate income tax		41,719	25,898
Other current liabilities		4,264	5,084
<b>Total Current Liabilities</b>		<b>474,740</b>	<b>367,400</b>
<b>Non-current Liabilities</b>			
Provision for long-term employee benefits		41,230	39,408
<b>Total Non-current Liabilities</b>		<b>41,230</b>	<b>39,408</b>
<b>TOTAL LIABILITIES</b>		<b>515,970</b>	<b>406,808</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	11	16,000	16,000
Unappropriated		856,990	928,278
Other components of shareholders' equity		4,062	3,948
<b>Total Shareholders' Equity</b>		<b>1,209,052</b>	<b>1,280,226</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,725,022</b>	<b>1,687,034</b>

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, 2014**

	Notes	THOUSAND BAHT	
		EXCEPT EARNINGS PER	
		SHARE PRESENTED IN BAHT	
		2014	2013
<b>REVENUES</b>			
Revenues from medical treatment		474,132	435,735
Other income		2,244	3,024
Total Revenues		476,376	438,759
<b>EXPENSES</b>			
Cost of medical treatment	13	322,083	295,199
Selling expenses		2,032	4,754
Administrative expenses		57,685	55,477
Directors' remuneration	12	708	733
Finance cost		1,123	-
Total Expenses		383,631	356,163
Profit before Income Tax Expenses		92,745	82,596
Income Tax Expenses	15	18,433	16,275
Profit for the periods		<b>74,312</b>	<b>66,321</b>
<b>Other Comprehensive Income</b>			
Gain on remeasuring available-for-sale securities		143	680
Income tax on net change in fair value of available-for-sale investments		(29)	(136)
Other comprehensive income for the periods		114	544
Total comprehensive income for the periods		74,426	66,865
<b>Earnings Per Share (Baht)</b>			
Basic Earnings Per Share		<b>0.46</b>	<b>0.41</b>

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, 2014**

		THOUSAND BAHT					
		Issued and paid-up share capital	Premium on common stocks	Retained earnings		Other components of shareholders' equity Available for sale securities	Total shareholders' equity
				Legal reserve	Unappropriated		
Notes							
<b>Year 2014</b>							
		160,000	172,000	16,000	928,278	3,948	1,280,226
		-	-	-	74,312	114	74,426
	12	-	-	-	(145,600)	-	(145,600)
		160,000	172,000	16,000	856,990	4,062	1,209,052
<b>Year 2013</b>							
		160,000	172,000	16,000	828,357	4,111	1,180,468
		Cumulative effects on the change					
		in accounting policy - income tax					
	3	-	-	-	7,499	(822)	6,677
		160,000	172,000	16,000	835,856	3,289	1,187,145
		-	-	-	66,321	544	66,865
	12	-	-	-	(148,800)	-	(148,800)
		160,000	172,000	16,000	753,377	3,833	1,105,210

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

UNAUDITED

REVIEWED

**NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014**

	THOUSAND BAHT	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES :		
PROFIT BEFORE INCOME TAX EXPENSES	92,745	82,596
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX		
EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :-		
Depreciation	31,179	27,582
Amortization of quality system	289	290
Amortization of computer softwares	2,592	3,951
Unrealized gain on open-ended funds	(8)	(31)
Unrealized gain on trading securities	(58)	(56)
Gain on disposal of building and equipment	(166)	(86)
Bad debts increase	473	-
Doubtful debts increase (decrease)	(736)	109
Dividend income	(43)	(115)
Interest income	(28)	(1,663)
Interest expenses	1,123	-
Long-term employee benefits expenses	1,870	1,904
PROFIT FROM OPERATION BEFORE CHANGE IN		
OPERATING ASSETS AND LIABILITIES ITEMS	129,232	114,481
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Trade and other receivables	6,591	(14,698)
Inventories	8,586	2,244
Other current assets	(2,909)	(1,272)
Other non-current assets	493	(22)
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS		
Trade and other payables	2,862	(16,591)
Assets acquisition payable	(15,186)	(30,854)
Other current liabilities	(820)	(1,002)
Provision for long-term employee benefits	(48)	-
Cash received from operation	128,801	52,286
Interest income	3	-
Interest expense paid	(1,452)	-
Income tax paid	(2,817)	(2,263)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	124,535	50,023

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 THREE-MONTH PERIOD ENDED MARCH 31, 2014**

	THOUSAND BAHT	
	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in property, plant and equipment	(42,406)	(378,483)
Proceeds from disposal of building and equipment	223	296
Increase in fixed deposits at bank with restrictions	(3)	(3)
Proceeds from dividend income	-	78
NET CASH USED IN INVESTING ACTIVITIES	<u>(42,186)</u>	<u>(378,112)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term loans from financial institutions	(50,000)	330,000
NET CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES	<u>(50,000)</u>	<u>330,000</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	32,349	1,911
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	<u>35,834</u>	<u>62,419</u>
CASH AND CASH EQUIVALENTS AS AT MARCH 31,	<u><u>68,183</u></u>	<u><u>64,330</u></u>
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS		
Non-cash flows items comprise :		
Unrealized gain on available-for-sale securities	143	680
Increase in building and equipment from assets payable	9,392	26,469
Dividends payable	145,600	148,800
Accrued dividend income	43	115

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



**NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**MARCH 31, 2014**

**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, 2013.

2.2 Accounting standards that became effective in the current accounting period

The Company 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 1 January 2014, in the notes to financial statements for the year ended 31 December 2013. In addition, during the current period, the Federation of Accounting Professions has issued TAS 36 (revised 2012) Impairment of Assets that is also effective for fiscal years beginning on or after 1 January 2014.

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. CHANGES IN ACCOUNTING POLICY

In 2013, the Company has adopted accounting standard No.12 Income Taxes which has to adjust the increase in beginning retained earnings for the financial statements as at January 1, 2013 amounted of Baht 7.49 million.

### 4. 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, 2013.

### 5. CASH AND CASH EQUIVALENTS

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2014	As at December 31, 2013
Cash	1,176	5,890
Bank deposits	67,007	29,944
Total	68,183	35,834

### 6. INVESTMENTS

#### 6.1 Open-ended fund

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2014	As at December 31, 2013
Open-ended fund	147	147
Allowance for investment adjustment	(6)	(14)
Open-ended fund-Fair value	141	133

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the three-month periods ended March 31,	
	2014	2013
Unrealized gain on open-ended fund	8	31

**6.2 Short-term investments - Trading securities**

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2014	As at December 31, 2013
Short-term investments-at cost	2,008	2,008
Allowance for investment adjustment	(181)	(239)
Short-term investments-Fair value	1,827	1,769

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the three-month periods ended March 31,	
	2014	2013
Unrealized gain on trading securities	58	56

**6.3 Long-term investments - Available-for-sale securities**

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2014	As at December 31, 2013
Acquisition cost	222	222
Unrealized gain on investment revaluation	5,078	4,935
Fair value at ending periods	5,300	5,157

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the three-month periods ended March 31,	
	2014	2013
Unrealized gain on available-for-sale securities	143	680

**6.4 Deposits at financial institutions**

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2014	As at December 31, 2013
Bill of Exchange 8 Months	1,330	1,330

**7. TRADE AND OTHER RECEIVABLES**

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2014	As at December 31, 2013
The trade accounts receivable are classified by outstanding balances of aging as follows :		
Current	98,500	100,450
Overdue within 3 months	6,171	9,524
Over 3 - 6 months	1,359	1,949
Over 6 - 12 months	2,288	2,551
Over 12 months	2,500	3,428
Total	110,818	117,902
Allowance for doubtful debts	(3,245)	(3,981)
Trade accounts receivable-net	107,573	113,921
Other receivables	80	60
Total trade and other receivables	107,653	113,981

**8. FIXED DEPOSITS AT BANK WITH RESTRICTIONS**

Fixed deposits at bank, for the portion of long-term investments are pledged for electricity expense with the commercial bank as collateral for the issuance of bank guarantee.

**9. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS**

PARTICULARS	THOUSAND BAHT		Repayment	
	As at March 31, 2014	As at December 31, 2013	As at March 31, 2014	As at December 31, 2013
Short-term loans	110,000	160,000	1. Principal Baht 40 million are repayable in April 2014. 2. Principal Baht 70 million are repayable in May 2014. 3. Interest rate as stipulated in the agreement.	1. Principal Baht 70 million are repayable in January 2014. 2. Principal Baht 90 million are repayable in March 2014. 3. Interest rate as stipulated in the agreement.

**10. TRADE AND OTHER PAYABLES**

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2014	As at December 31, 2013
Trade accounts payable	48,259	55,564
Accrued expenses	25,928	28,392
Accrued doctors' fees	59,134	50,368
Others	23,971	20,435
Total	157,292	154,759

**11. LEGAL RESERVE**

The Company has appropriated the legal reserve which duly met 10% of authorized share capital, in compliance with the Public Company Act. Such reserve is forbidden for dividend payment.

**12. DIVIDEND PAYMENT AND DIRECTOR'S REMUNERATION**

On March 11, 2014, the Board of Directors' Meeting was held and has a resolution to pay dividends at Baht 0.91 per share to the shareholders of 160 million shares, totalling Baht 145.60 million. On April 25, 2014, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay such proposed dividend, including directors' remuneration amounting to Baht 2.41 million by fixing the payment date for dividends on May 23, 2014.

On April 26, 2013, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay dividend at Baht 0.93 per share to the shareholders of 160 million shares, totalling Baht 148.80 million, including directors' remuneration amounting to Baht 2.46 million. The dividend payment was made on May 23, 2013.

**13. EXPENSES BY NATURE**

(AMOUNT IN THOUSAND BAHT)

EXPENSES	For the three-month periods ended March 31,	
	2014	2013
Medicine and medical supply consumptions	99,244	90,822
Directors and management benefit expenses	3,100	3,126
Employee benefit expenses	106,010	97,692
Doctors' fees	106,653	95,400
Depreciation and amortization expenses	34,060	31,823
Bad debts	473	-
Doubtful debts	(736)	109
Finance cost	1,123	-
Other expenses	33,704	37,191
<b>Total</b>	<b>383,631</b>	<b>356,163</b>

**14. 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.

**15. INCOME TAXES**

Corporate income taxes of the Company for the three-month periods ended March 31, 2014 and 2013 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 per cent in 2014 and 2013.

Income tax expenses recognize in statements of comprehensive income consist:

(AMOUNT IN THOUSAND BAHT)

FOR THE THREE-MONTH PERIODS ENDED MARCH 31,	2014	2013
Corporate income tax for the periods	18,637	16,660
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(204)	(385)
<b>Income tax expenses</b>	<b>18,433</b>	<b>16,275</b>

As at March 31, 2014 and December 31, 2013, the deferred tax assets/liabilities arose from the following temporary differences:

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2014	As at December 31, 2013
<b>Accumulated temporary differences in the statements of income</b>		
Unrealized loss on open-ended fund	6	14
Unrealized loss on trading securities	181	239
Allowance for doubtful accounts receivable	3,245	3,981
Provision for long-term employees benefits	41,230	39,408
Total	44,662	43,642
<b>Temporary differences in the Shareholders' Equity</b>		
Gain on remeasuring available-for-sale securities	(5,078)	(4,935)
Total	39,584	38,707
<b>Deferred tax assets calculated from tax rate of 20%.</b>	7,917	7,741

## 16. COMMITMENT

16.1 As at March 31, 2014 and December 31, 2013, the Company has commitment from the issuance of bank guarantee as follow :

(AMOUNT IN THOUSAND BAHT)

PARTICULAR	As at March 31, 2014	As at December 31, 2013
Letters of guarantee issued by commercial bank	4,277	4,277

### 16.2 Commitment under service agreement

As at March 31, 2014, the Company has entered into service agreements which can be cancelled when the counter party has prior notice 30 to 90 days in advance the amount of Baht 7.44 million, and the contract which can not be cancelled amount of Baht 3.15 million.

### 16.3 Capital expenditure commitments

As at March 31, 2014, the Company has capital expenditure commitments to pay a total of Baht 14.05 million regarding to the building renovation agreement and Baht 4.24 million in regarding to the acquisition of medical tool and equipment and Baht 30.30 million in regarding to the contract design the addition of the new hospital.

## 17. FINANCIAL STATEMENTS APPROVAL

These interim financial statements are duly approved by the Company's Board of Directors on May 14, 2014.