

**NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED**

**INTERIM FINANCIAL STATEMENTS**

**SEPTEMBER 30, 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 September 30, 2014, and the related statements of comprehensive income for the three-month and nine-month periods ended September 30, 2014, 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 accordance with Accounting Standard 34 Interim Financial Reporting.

(Mr. Chaiyakorn Aunpitipongsa)

Certified Public Accountant Registration No. 3196

Dr. Virach & Associates Office Co., Ltd.

Bangkok : November 6, 2014

**NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED**

**STATEMENTS OF FINANCIAL POSITION**

**ASSETS**

		THOUSAND BAHT	
		As at September 30, 2014	As at December 31, 2013
		UNAUDITED REVIEWED	AUDITED
	<u>Notes</u>		
<b>Current Assets</b>			
Cash and cash equivalents	5	37,488	35,834
Short-term investments			
Deposits at financial institutions	6.4	1,330	1,330
Open-ended funds	6.1	161	133
Trading securities	6.2	1,943	1,769
Trade and other receivables	7	111,622	113,981
Inventories		32,017	40,727
Other current assets			
Prepaid expenses		10,065	10,532
Other current assets		1,620	4,472
Total other current assets		11,685	15,004
<b>Total Current Assets</b>		196,246	208,778
<b>Non-current Assets</b>			
Long-term investments			
Available-for-sale securities	6.3	5,604	5,157
Fixed deposits at bank with restrictions	8	3,294	3,277
Property, plant and equipment		1,427,250	1,421,074
Intangible assets			
Deferred computer softwares		31,982	36,485
Deferred tax assets	14	8,547	7,741
Other non-current assets		6,889	4,522
<b>Total Non-current Assets</b>		1,483,566	1,478,256
<b>TOTAL ASSETS</b>		1,679,812	1,687,034

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 September 30,	As at December 31,
		2014	2013
		UNAUDITED	AUDITED
	Notes	REVIEWED	
<b>Current Liabilities</b>			
Short-term loans from financial institutions	<i>9</i>	103,000	160,000
Trade and other payables	<i>10</i>	169,000	154,759
Assets acquisition payable		14,224	21,659
Accrued corporate income tax		16,294	25,898
Other current liabilities		3,795	5,084
<b>Total Current Liabilities</b>		<b>306,313</b>	<b>367,400</b>
<b>Non-current Liabilities</b>			
Provision for long-term employee benefits		44,932	39,408
<b>Total Non-current Liabilities</b>		<b>44,932</b>	<b>39,408</b>
<b>TOTAL LIABILITIES</b>		<b>351,245</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		16,000	16,000
Unappropriated		976,261	928,278
Other components of shareholders' equity		4,306	3,948
<b>Total Shareholders' Equity</b>		<b>1,328,567</b>	<b>1,280,226</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,679,812</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 AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2014**

		THOUSAND BAHT			
		EXCEPT EARNINGS PER SHARE PRESENTED IN BAHT			
		THREE-MONTH PERIODS		NINE-MONTH PERIODS	
Notes		2014	2013	2014	2013
<b>REVENUES</b>					
	Revenues from medical treatment	489,589	475,443	1,402,379	1,338,049
	Other income	2,733	1,195	10,477	8,731
	<b>Total Revenues</b>	<b>492,322</b>	<b>476,638</b>	<b>1,412,856</b>	<b>1,346,780</b>
<b>EXPENSES</b>					
<i>12</i>	Cost of medical treatment	334,655	322,344	971,692	924,185
	Selling expenses	1,329	8,661	12,699	17,277
	Administrative expenses	60,625	56,869	182,182	170,996
<i>11</i>	Directors' remuneration	666	678	2,040	2,131
	Finance cost	1,049	-	3,047	-
	<b>Total Expenses</b>	<b>398,324</b>	<b>388,552</b>	<b>1,171,660</b>	<b>1,114,589</b>
	Profit before Income Tax Expenses	93,998	88,086	241,196	232,191
<i>14</i>	Income Tax Expenses	18,687	17,540	47,613	46,104
	<b>Profit for the periods</b>	<b>75,311</b>	<b>70,546</b>	<b>193,583</b>	<b>186,087</b>
<b>Other Comprehensive Income</b>					
	Gain on remeasuring available-for-sale securities	68	200	447	1,077
	Income tax on net change in fair value of available-for-sale investments	(13)	(40)	(89)	(215)
	<b>Other comprehensive income for the periods</b>	<b>55</b>	<b>160</b>	<b>358</b>	<b>862</b>
	<b>Total comprehensive income for the periods</b>	<b>75,366</b>	<b>70,706</b>	<b>193,941</b>	<b>186,949</b>
<b>Earnings Per Share (Baht)</b>					
	Basic Earnings Per Share	<b>0.47</b>	<b>0.44</b>	<b>1.21</b>	<b>1.16</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.

UNAUDITED

REVIEWED

**NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 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>							
	Balances as at January 1, 2014	160,000	172,000	16,000	928,278	3,948	1,280,226
	Total comprehensive income for the period	-	-	-	193,583	358	193,941
	Dividend payment	-	-	-	(145,600)	-	(145,600)
	Balances as at September 30, 2014	<u>160,000</u>	<u>172,000</u>	<u>16,000</u>	<u>976,261</u>	<u>4,306</u>	<u>1,328,567</u>
<b>Year 2013</b>							
	Balances as at January 1, 2013	160,000	172,000	16,000	828,357	4,111	1,180,468
	Cumulative effects on the change in accounting policy - income tax	-	-	-	7,499	(822)	6,677
	Restated balances	160,000	172,000	16,000	835,856	3,289	1,187,145
	Total comprehensive income for the period	-	-	-	186,087	862	186,949
	Dividend payment	-	-	-	(148,800)	-	(148,800)
	Balances as at September 30, 2013	<u>160,000</u>	<u>172,000</u>	<u>16,000</u>	<u>873,143</u>	<u>4,151</u>	<u>1,225,294</u>

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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014**

	THOUSAND BAHT	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES :		
PROFIT BEFORE INCOME TAX EXPENSES	241,196	232,191
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX		
EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :-		
Depreciation	94,821	89,651
Amortization of quality system	1,051	881
Amortization of computer softwares	7,869	11,595
Unrealized (gain) loss on open-ended funds	(28)	13
Unrealized (gain) loss on trading securities	(174)	316
(Gain) loss on disposal of building and equipment	(49)	161
Bad debts increase	473	-
Doubtful debts increase (decrease)	(847)	701
Dividend income	(58)	(165)
Interest income	(201)	(2,928)
Interest expenses	3,047	-
Long-term employee benefits expenses	5,572	5,737
PROFIT FROM OPERATION BEFORE CHANGE IN		
OPERATING ASSETS AND LIABILITIES ITEMS	352,672	338,153
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Deposits at financial institutions	-	200,000
Trade and other receivables	2,733	(15,817)
Inventories	8,710	8,106
Other current assets	3,356	1,031
Other non-current assets	(3,943)	(2,713)
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS		
Trade and other payables	14,573	1,061
Assets acquisition payable	(13,811)	(34,512)
Other current liabilities	(1,289)	(1,240)
Provision for long-term employee benefits	(48)	-
Cash received from operation	362,953	494,069
Interest income	165	3,843
Interest expense paid	(3,379)	-
Income tax paid	(58,112)	(70,180)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	301,627	427,732

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, 2014**

	THOUSAND BAHT	
	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in property, plant and equipment	(94,514)	(502,438)
Proceeds from disposal of building and equipment	467	397
Increase in available-for-sale-securities	-	(2)
Purchase of computer softwares	(3,366)	(4,247)
Increase in fixed deposits at bank with restrictions	(17)	(20)
Proceeds from dividend income	57	163
NET CASH USED IN INVESTING ACTIVITIES	<u>(97,373)</u>	<u>(506,147)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term loans from financial institutions	(57,000)	240,000
Dividend payment	(145,600)	(148,800)
NET CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES	<u>(202,600)</u>	<u>91,200</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,654	12,785
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	<u>35,834</u>	<u>62,419</u>
CASH AND CASH EQUIVALENTS AS AT SEPTEMBER 30,	<u><u>37,488</u></u>	<u><u>75,204</u></u>
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS		
Non-cash flows items comprise :		
Unrealized gain on available-for-sale securities	447	1,077
Increase in building and equipment from assets payable	6,376	27,855
Increase in equipment from transferring deposits	525	1,000
Accrued dividend income	1	2

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, 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 January 1, 2014, in the notes to financial statements for the year ended December 31, 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 January 1, 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 September 30, 2014	As at December 31, 2013
Cash	1,354	5,890
Bank deposits	36,134	29,944
Total	37,488	35,834

### 6. INVESTMENTS

#### 6.1 Open-ended fund

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2014	As at December 31, 2013
Open-ended fund	147	147
Allowance for investment adjustment	14	(14)
Open-ended fund-Fair value	161	133

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the nine-month periods ended September 30,	
	2014	2013
Unrealized gain (loss) on open-ended fund	28	(13)

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

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2014	As at December 31, 2013
Short-term investments-at cost	2,008	2,008
Allowance for investment adjustment	(65)	(239)
Short-term investments-Fair value	1,943	1,769

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the nine-month periods ended September 30,	
	2014	2013
Unrealized gain (loss) on trading securities	174	(316)

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

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2014	As at December 31, 2013
Acquisition cost	222	222
Unrealized gain on investment revaluation	5,382	4,935
Fair value at ending periods	5,604	5,157

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the nine-month periods ended September 30,	
	2014	2013
Unrealized gain on available-for-sale securities	447	1,077

**6.4 Deposits at financial institutions**

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2014	As at December 31, 2013
Bill of Exchange 6 - 8 Months	1,330	1,330

**7. TRADE AND OTHER RECEIVABLES**

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2014	As at December 31, 2013
The trade accounts receivable are classified by outstanding balances of aging as follows :		
Current	102,328	100,450
Overdue within 3 months	6,994	9,524
Over 3 - 6 months	1,090	1,949
Over 6 - 12 months	1,048	2,551
Over 12 months	3,236	3,428
Total	114,696	117,902
Allowance for doubtful debts	(3,134)	(3,981)
Trade accounts receivable-net	111,562	113,921
Other receivables	60	60
Total trade and other receivables	111,622	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 September 30, 2014	As at December 31, 2013	As at September 30, 2014	As at December 31, 2013
Short-term loans	103,000	160,000	1. Principal Baht 63 million are repayable in October 2014. 2. Principal Baht 40 million are repayable in November 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 September 30, 2014	As at December 31, 2013
Trade accounts payable	49,601	55,564
Accrued expenses	44,141	28,392
Accrued doctors' fees	54,274	50,368
Others	20,984	20,435
Total	169,000	154,759

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

On April 25, 2014, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay dividend at Baht 0.91 per share to the shareholders of 160 million shares, totalling Baht 145.60 million, including directors' remuneration amounting to Baht 2.41 million. The dividend payment was made 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.

## 12. EXPENSES BY NATURE

(AMOUNT IN THOUSAND BAHT)

EXPENSES	For the nine-month periods ended September 30,	
	2014	2013
Medicine and medical supply consumptions	289,031	276,623
Directors and management benefit expenses	9,218	9,309
Employee benefit expenses	326,976	309,283
Doctors' fees	321,611	298,470
Depreciation and amortization expenses	103,741	102,127
Bad debts	473	-
Doubtful debts increase (decrease)	(847)	701
Finance cost	3,047	-
Other expenses	118,410	118,076
Total	1,171,660	1,114,589

## 13. 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.

## 14. INCOME TAXES

Corporate income taxes of the Company for the three-month and nine-month periods ended September 30, 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 PERIODS ENDED SEPTEMBER 30,	2014	2013
<u>For 3 month periods</u>		
Corporate income tax for the periods	19,038	18,060
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(351)	(520)
Income tax expenses	18,687	17,540
<u>For 9 month periods</u>		
Corporate income tax for the periods	48,508	47,457
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(895)	(1,353)
Income tax expenses	47,613	46,104

As at September 30, 2014 and December 31, 2013, the deferred tax assets/liabilities arose from the following temporary differences:

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2014	As at December 31, 2013
<b>Accumulated temporary differences in the statements of income</b>		
Unrealized (gain) loss on open-ended fund	(14)	14
Unrealized loss on trading securities	65	239
Allowance for doubtful accounts receivable	3,134	3,981
Provision for long-term employees benefits	44,932	39,408
Total	48,117	43,642
<b>Temporary differences in the Shareholders' Equity</b>		
Gain on remeasuring available-for-sale securities	(5,382)	(4,935)
Total	42,735	38,707
<b>Deferred tax assets calculated from tax rate of 20%.</b>	8,547	7,741

**15. COMMITMENT**

15.1 As at September 30, 2014 and December 31, 2013, the Company has commitment from the issuance of bank guarantee as follow :

(AMOUNT IN THOUSAND BAHT)

PARTICULAR	As at September 30, 2014	As at December 31, 2013
Letters of guarantee issued by commercial bank	4,277	4,277

15.2 Commitment under service agreement

As at September 30, 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 10.26 million, and the contract which can not be cancelled amount of Baht 1.05 million.

15.3 Capital expenditure commitments

As at September 30, 2014, the Company has capital expenditure commitments to pay a total of Baht 2.55 million regarding to the building renovation agreement and Baht 28.05 million in regarding to the contract design the additional structure of the new hospital.

**16. FINANCIAL STATEMENTS APPROVAL**

These interim financial statements are duly approved by the Company's Board of Directors on November 6, 2014.