

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

INTERIM FINANCIAL STATEMENTS

MARCH 31, 2015

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, 2015, 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.

(Mr. Chaiyakorn Aunpitipongsa)

Certified Public Accountant Registration No. 3196

Dr. Virach & Associates Office Co., Ltd.

Bangkok : May 12, 2015

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

ASSETS

		THOUSAND BAHT	
		As at March 31, 2015	As at December 31, 2014
		UNAUDITED REVIEWED	AUDITED
	Notes		
Current Assets			
Cash and cash equivalents	4	20,805	35,310
Short-term investments			
Open-ended funds	5.1	122,383	147
Trading securities	5.2	1,774	1,753
Trade and other receivables	6	107,990	110,194
Inventories		33,665	43,741
Other current assets			
Prepaid expenses		13,673	14,759
Other current assets		2,144	1,641
Total other current assets		15,817	16,400
Total Current Assets		302,434	207,545
Non-current Assets			
Long-term investments			
Available-for-sale securities	5.3	5,959	5,539
Fixed deposits at bank with restrictions	7	-	3,347
Property, plant and equipment		1,384,343	1,403,007
Intangible assets			
Deferred computer softwares		28,184	29,170
Deferred tax assets	11	8,856	8,662
Other non-current assets		5,564	7,136
Total Non-current Assets		1,432,906	1,456,861
TOTAL ASSETS		1,735,340	1,664,406

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, 2015	As at December 31, 2014
		UNAUDITED REVIEWED	AUDITED
	Notes		
Current Liabilities			
Trade and other payables	8	143,650	171,599
Assets acquisition payable		14,291	10,848
Dividend payable	9	160,000	-
Accrued corporate income tax		47,544	31,021
Other current liabilities		4,775	5,506
Total Current Liabilities		370,260	218,974
Non-current Liabilities			
Provision for long-term employee benefits		46,812	45,107
Total Non-current Liabilities		46,812	45,107
TOTAL LIABILITIES		417,072	264,081
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		965,679	1,048,072
Other components of shareholders' equity		4,589	4,253
Total Shareholders' Equity		1,318,268	1,400,325
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,735,340	1,664,406

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, 2015

	Notes	THOUSAND BAHT	
		EXCEPT EARNINGS PER	
		SHARE PRESENTED IN BAHT	
		2015	2014
REVENUES			
Revenues from medical treatment		460,211	474,132
Other income		2,592	2,244
Total Revenues		462,803	476,376
EXPENSES			
Cost of medical treatment	<i>10</i>	307,554	322,083
Selling expenses		1,351	2,032
Administrative expenses		56,121	57,685
Directors' remuneration	<i>9</i>	790	708
Finance cost		-	1,123
Total Expenses		365,816	383,631
Profit before Income Tax Expenses		96,987	92,745
Income Tax Expenses	<i>11</i>	19,380	18,433
Profit for the periods		77,607	74,312
Other Comprehensive Income			
Gain from the remeasuring of			
investment in available-for-sale securities		420	143
Income tax on net change in gain from the remeasuring			
of investment in available-for-sale securities		(84)	(29)
Other comprehensive income for the periods		336	114
Total comprehensive income for the periods		77,943	74,426
Earnings Per Share (Baht)			
Basic Earnings Per Share		0.49	0.46

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 THREE-MONTH PERIOD ENDED MARCH 31, 2015

	Notes	THOUSAND BAHT					Total shareholders' equity
		Issued and paid-up share capital	Premium on common stocks	Retained earnings		Other components of shareholders' equity	
				Legal reserve	Unappropriated	Available for sale securities	
Year 2015							
Balances as at January 1, 2015		160,000	172,000	16,000	1,048,072	4,253	1,400,325
Total comprehensive income for the period		-	-	-	77,607	336	77,943
Dividend payment	9	-	-	-	(160,000)	-	(160,000)
Balances as at March 31, 2015		<u>160,000</u>	<u>172,000</u>	<u>16,000</u>	<u>965,679</u>	<u>4,589</u>	<u>1,318,268</u>
Year 2014							
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		-	-	-	74,312	114	74,426
Dividend payment	9	-	-	-	(145,600)	-	(145,600)
Balances as at March 31, 2014		<u>160,000</u>	<u>172,000</u>	<u>16,000</u>	<u>856,990</u>	<u>4,062</u>	<u>1,209,052</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 THREE-MONTH PERIOD ENDED MARCH 31, 2015

	THOUSAND BAHT	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES :		
PROFIT BEFORE INCOME TAX EXPENSES	96,987	92,745
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX		
EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :-		
Depreciation	31,366	31,179
Amortization of quality system	356	289
Amortization of computer softwares	2,725	2,592
Unrealized gain on open-ended funds	(236)	(8)
Unrealized gain on trading securities	(21)	(58)
Gain on disposal of building and equipment	(79)	(166)
Bad debts	-	473
Doubtful debts decrease	(60)	(736)
Dividend income	(45)	(43)
Interest income	(32)	(28)
Interest expenses	-	1,123
Long-term employee benefits expenses	2,110	1,870
PROFIT FROM OPERATION BEFORE CHANGE IN		
OPERATING ASSETS AND LIABILITIES ITEMS	133,071	129,232
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Open-ended funds	(122,000)	-
Trade and other receivables	2,264	6,591
Inventories	10,076	8,586
Other current assets	609	(2,909)
Other non-current assets	316	493
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS		
Trade and other payables	(27,949)	2,862
Assets acquisition payable	(1,218)	(15,186)
Other current liabilities	(731)	(820)
Provision for long-term employee benefits	(405)	(48)
Cash received (paid) from operation	(5,967)	128,801
Interest income	44	3
Interest expense paid	-	(1,452)
Income tax paid	(3,135)	(2,817)
NET CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES	(9,058)	124,535

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, 2015

	THOUSAND BAHT	
	2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in plant and equipment	(7,182)	(42,406)
Proceeds from disposal of building and equipment	120	223
Purchase of computer softwares	(1,739)	-
(Increase) decrease in fixed deposits at bank with restrictions	3,347	(3)
Proceeds from dividend income	7	-
NET CASH USED IN INVESTING ACTIVITIES	<u>(5,447)</u>	<u>(42,186)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term loans from financial institutions decrease	-	(50,000)
NET CASH USED IN FINANCING ACTIVITIES	<u>-</u>	<u>(50,000)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(14,505)	32,349
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	<u>35,310</u>	<u>35,834</u>
CASH AND CASH EQUIVALENTS AS AT MARCH 31,	<u><u>20,805</u></u>	<u><u>68,183</u></u>
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS		
Non-cash flows items comprise :		
Unrealized gain on available-for-sale securities	420	143
Increase in building and equipment from assets payable	4,661	9,392
Increase in equipment from transferring deposits	900	-
Dividends payable	160,000	145,600
Accrued dividend income	38	43

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, 2015

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 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, 2014.

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, 2015, in the notes to financial statements for the year ended December 31, 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. 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, 2014.

4. CASH AND CASH EQUIVALENTS

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2015	As at December 31, 2014
Cash	1,495	2,354
Bank deposits	19,310	32,956
Total	20,805	35,310

5. INVESTMENTS

5.1 Open-ended fund

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2015	As at December 31, 2014
Open-ended fund	122,147	147
Allowance for investment adjustment	236	-
Open-ended fund-Fair value	122,383	147

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the three-month periods ended March 31,	
	2015	2014
Unrealized gain on open-ended fund	236	8

5.2 Short-term investments - Trading securities

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2015	As at December 31, 2014
Short-term investments-at cost	2,008	2,008
Allowance for investment adjustment	(234)	(255)
Short-term investments-Fair value	1,774	1,753

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the three-month periods ended March 31,	
	2015	2014
Unrealized gain on trading securities	21	58

5.3 Long-term investments - Available-for-sale securities

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2015	As at December 31, 2014
Acquisition cost	222	222
Gain from the remeasuring of investment in available-for-sale securities	5,737	5,317
Fair value at ending periods	5,959	5,539

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the three-month periods ended March 31,	
	2015	2014
Gain from the remeasuring of investment in available-for-sale securities	420	143

6. TRADE AND OTHER RECEIVABLES

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2015	As at December 31, 2014
The trade accounts receivable are classified by outstanding balances of aging as follows :		
Current	94,529	101,083
Overdue within 3 months	10,476	5,899
Over 3 - 6 months	1,158	1,859
Over 6 - 12 months	1,699	1,264
Over 12 months	3,263	3,284
Total	111,125	113,389
Allowance for doubtful debts	(3,205)	(3,265)
Trade accounts receivable-net	107,920	110,124
Other receivables	70	70
Total trade and other receivables	107,990	110,194

7. FIXED DEPOSITS AT BANK WITH RESTRICTIONS

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

In March 2015, the Company has redeemed the collateral for the issuance of bank guarantee.

8. TRADE AND OTHER PAYABLES

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2015	As at December 31, 2014
Trade accounts payable	41,213	59,171
Accrued expenses	27,001	36,086
Accrued doctors' fees	51,635	50,389
Others	23,801	25,953
Total	143,650	171,599

9. DIVIDEND PAYMENT AND DIRECTOR'S REMUNERATION

On March 6, 2015, the Board of Directors' Meeting was held and has a resolution to pay dividend at Baht 1.00 per share to the shareholders of 160 million shares, totalling Baht 160 million. On April 29, 2015, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay such proposed dividend, including directors' remuneration amounting to Baht 2.65 million by fixing the payment date for dividends on May 28, 2015.

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.

10. EXPENSES BY NATURE

(AMOUNT IN THOUSAND BAHT)

EXPENSES	For the three-month periods ended March 31,	
	2015	2014
Medicine and medical supply consumptions	87,474	99,244
Directors and management benefit expenses	3,182	3,100
Employee benefit expenses	101,318	106,010
Doctors' fees	106,348	106,653
Depreciation and amortization expenses	34,447	34,060
Bad debts	-	473
Doubtful debts decrease	(60)	(736)
Finance cost	-	1,123
Other expenses	33,107	33,704
Total	365,816	383,631

11. INCOME TAXES

Corporate income taxes of the Company for the three-month periods ended March 31, 2015 and 2014 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 2015 and 2014.

Income tax expenses recognized in statements of comprehensive income consist:

(AMOUNT IN THOUSAND BAHT)

FOR THE THREE-MONTH PERIODS ENDED MARCH 31,	2015	2014
Corporate income tax for the periods	19,658	18,637
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(278)	(204)
Income tax expenses	19,380	18,433

As at March 31, 2015 and December 31, 2014, the deferred tax assets/liabilities arose from the following temporary differences:

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at March 31, 2015	As at December 31, 2014
Accumulated temporary differences in the statements of income		
Unrealized gain on open-ended fund	(236)	-
Unrealized loss on trading securities	234	255
Allowance for doubtful accounts receivable	3,205	3,265
Provision for long-term employees benefits	46,812	45,107
Total	50,015	48,627
Temporary differences in the Shareholders' Equity		
Gain on remeasuring of investment in available-for-sale securities	(5,737)	(5,317)
Total	44,278	43,310
Deferred tax assets calculated from tax rate of 20%.	8,856	8,662

12. 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.

13. COMMITMENT

13.1 As at March 31, 2015 and December 31, 2014, the Company has commitment from the issuance of bank guarantee as follow :

(AMOUNT IN THOUSAND BAHT)

PARTICULAR	As at March 31, 2015	As at December 31, 2014
Letters of guarantee issued by commercial bank	4,277	4,277

13.2 Commitment under service agreement

As at March 31, 2015, 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 22.35 million, and the contract which can not be cancelled amount of Baht 0.87 million.

13.3 Capital expenditure commitments

As at March 31, 2015, the Company has capital expenditure commitments to pay a total of Baht 2.55 million regarding to the building renovation agreement and Baht 27.15 million in regarding to the contract design for the addition of the new hospital.

14. FINANCIAL STATEMENTS APPROVAL

These interim financial statements are duly approved by the Company's Board of Directors on May 12, 2015.