

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

INTERIM FINANCIAL STATEMENTS

JUNE 30, 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 June 30, 2015, the related statements of comprehensive income for the three-month and six-month periods ended June 30, 2015, 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.

(Mr. Chaiyakorn Aunpitipongsa)

Certified Public Accountant Registration No. 3196

Dr. Virach & Associates Office Co., Ltd.

Bangkok : August 6, 2015

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2015

ASSETS

		THOUSAND BAHT	
		June 30, 2015	December 31, 2014
		UNAUDITED	AUDITED
		REVIEWED	
	Notes		
Current Assets			
Cash and cash equivalents	4	38,925	35,310
Short-term investments			
Open-ended funds	5.1	797	147
Trading securities	5.2	1,809	1,753
Trade and other receivables	6	108,262	110,194
Inventories		36,770	43,741
Other current assets			
Prepaid expenses		11,321	14,759
Other current assets		1,684	1,641
Total other current assets		13,005	16,400
Total Current Assets		199,568	207,545
Non-current Assets			
Fixed deposits at bank with restrictions	7	-	3,347
Available-for-sale securities	5.3	5,905	5,539
Property, plant and equipment		1,384,132	1,403,007
Intangible assets		25,884	29,170
Deferred tax assets	11	9,321	8,662
Other non-current Assets		6,045	7,136
Total Non-current Assets		1,431,287	1,456,861
TOTAL ASSETS		1,630,855	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 (CONTINUED)

AS AT JUNE 30, 2015

LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	THOUSAND BAHT	
		June 30, 2015	December 31, 2014
		UNAUDITED REVIEWED	AUDITED
Current Liabilities			
Trade and other payables	8	152,917	171,599
Assets acquisition payable		15,908	10,848
Accrued corporate income tax		29,223	31,021
Other current liabilities		3,894	5,506
Total Current Liabilities		201,942	218,974
Non-current Liabilities			
Provision for long-term employee benefits		48,945	45,107
Total Non-current Liabilities		48,945	45,107
TOTAL LIABILITIES		250,887	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		1,027,422	1,048,072
Other components of shareholders' equity		4,546	4,253
Total Shareholders' Equity		1,379,968	1,400,325
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,630,855	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 AND SIX-MONTH PERIODS ENDED JUNE 30, 2015

THOUSAND BAHT

	Notes	EXCEPT EARNINGS PER SHARE PRESENTED IN BAHT			
		THREE-MONTH PERIODS		SIX-MONTH PERIODS	
		2015	2014	2015	2014
REVENUES					
Revenues from medical treatment		452,700	438,658	912,911	912,790
Other income		2,888	5,500	5,480	7,744
Total Revenues		<u>455,588</u>	<u>444,158</u>	<u>918,391</u>	<u>920,534</u>
EXPENSES					
Cost of medical treatment	10	312,422	314,954	619,976	637,037
Selling expenses		1,880	9,338	3,231	11,370
Administrative expenses		63,334	63,872	119,455	121,557
Directors' remuneration	9	826	666	1,616	1,374
Finance cost		-	875	-	1,998
Total Expenses		<u>378,462</u>	<u>389,705</u>	<u>744,278</u>	<u>773,336</u>
Profit before Income Tax Expenses		77,126	54,453	174,113	147,198
Income Tax Expenses	11	15,383	10,493	34,763	28,926
Profit for the periods		61,743	43,960	139,350	118,272
Other Comprehensive Income (Loss)					
Surplus on changes in value of available-for-sale investments		(54)	236	366	379
Income tax on net change from the remeasuring of investment in available-for-sale securities		11	(47)	(73)	(76)
Other comprehensive income (loss) for the periods		<u>(43)</u>	<u>189</u>	<u>293</u>	<u>303</u>
Total comprehensive income for the periods		<u>61,700</u>	<u>44,149</u>	<u>139,643</u>	<u>118,575</u>
Earnings Per Share (Baht)					
Basic Earnings Per Share		0.38	0.28	0.87	0.74

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

NONHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015

		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 Available for sale securities	
Notes							
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	-	-	-	139,350	293	139,643
9	Dividend payment	-	-	-	(160,000)	-	(160,000)
	Balances as at June 30, 2015	<u>160,000</u>	<u>172,000</u>	<u>16,000</u>	<u>1,027,422</u>	<u>4,546</u>	<u>1,379,968</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	-	-	-	118,272	303	118,575
9	Dividend payment	-	-	-	(145,600)	-	(145,600)
	Balances as at June 30, 2014	<u>160,000</u>	<u>172,000</u>	<u>16,000</u>	<u>900,950</u>	<u>4,251</u>	<u>1,253,201</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 SIX-MONTH PERIOD ENDED JUNE 30, 2015

	THOUSAND BAHT	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES :		
PROFIT BEFORE INCOME TAX EXPENSES	174,113	147,198
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX		
EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :-		
Depreciation	63,408	62,600
Amortization of quality system	716	565
Amortization of computer softwares	5,185	5,197
Unrealized (gain) loss on open-ended funds	3	(15)
Unrealized gain on trading securities	(56)	(103)
(Gain) loss on disposal of building and equipment	(76)	166
Bad debts	-	473
Doubtful debts decrease	(122)	(837)
Dividend income	(45)	(43)
Interest income	(143)	(176)
Interest expenses	-	1,998
Long-term employee benefits expenses	4,243	3,721
PROFIT FROM OPERATION BEFORE CHANGE IN		
OPERATING ASSETS AND LIABILITIES ITEMS	247,226	220,744
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Open-ended funds	(653)	-
Trade and other receivables	2,054	15,731
Inventories	6,971	7,380
Other current assets	3,383	(649)
Other non-current assets	(525)	(2,623)
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS		
Trade and other payables	(18,682)	9,647
Assets acquisition payable	(1,218)	(13,828)
Other current liabilities	(1,612)	(1,132)
Provision for long-term employee benefits	(405)	(48)
Cash received from operation	236,539	235,222
Interest income	155	154
Interest expense paid	-	(2,323)
Income tax paid	(37,293)	(31,614)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	199,401	201,439

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, 2015

	THOUSAND BAHT	
	2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in plant and equipment	(37,420)	(83,207)
Proceeds from disposal of building and equipment	121	347
Purchase of computer softwares	(1,879)	(168)
(Increase) decrease in fixed deposits at bank with restrictions	3,347	(6)
Proceeds from dividend income	45	43
NET CASH USED IN INVESTING ACTIVITIES	(35,786)	(82,991)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term loans from financial institutions	-	20,000
Dividend payment	(160,000)	(145,600)
NET CASH USED IN FINANCING ACTIVITIES	(160,000)	(125,600)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	3,615	(7,152)
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	35,310	35,834
CASH AND CASH EQUIVALENTS AS AT JUNE 30,	38,925	28,682

ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS

Non-cash flows items comprise :

Unrealized gain on available-for-sale securities	366	379
Increase in building and equipment from assets payable	6,258	6,094
Increase in equipment from transferring deposits	900	525
Increase in computer softwares from assets payable	20	-

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENTS

JUNE 30, 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 June 30, 2015	As at December 31, 2014
Cash	2,253	2,354
Bank deposits	36,672	32,956
Total	38,925	35,310

5. INVESTMENTS

5.1 Open-ended fund

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2015	As at December 31, 2014
Open-ended fund	800	147
Valuation adjustment	(3)	-
Open-ended fund-Fair value	797	147

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the six-month periods ended June 30,	
	2015	2014
Unrealized gain (loss) on open-ended fund	(3)	15

5.2 Short-term investments - Trading securities

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2015	As at December 31, 2014
Short-term investments-at cost	2,008	2,008
Valuation adjustment	(199)	(255)
Short-term investments-Fair value	1,809	1,753

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the six-month periods ended June 30,	
	2015	2014
Unrealized gain on trading securities	56	103

5.3 Available-for-sale securities

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2015	As at December 31, 2014
Acquisition cost	222	222
Surplus on changes in value of available-for-sale investments	5,683	5,317
Fair value at ending periods	5,905	5,539

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the six-month periods ended June 30,	
	2015	2014
Surplus on changes in value of available-for-sale investments	366	379

6. TRADE AND OTHER RECEIVABLES

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2015	As at December 31, 2014
The trade accounts receivable are classified by outstanding balances of aging as follows :		
Current	101,749	101,083
Overdue within 3 months	2,929	5,899
Over 3 - 6 months	1,526	1,859
Over 6 - 12 months	1,376	1,264
Over 12 months	3,725	3,284
Total	111,305	113,389
Allowance for doubtful debts	(3,143)	(3,265)
Trade accounts receivable-net	108,162	110,124
Other receivables	100	70
Total trade and other receivables	108,262	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 June 30, 2015	As at December 31, 2014
Trade accounts payable	50,228	59,171
Accrued expenses	34,999	36,086
Accrued doctors' fees	48,750	50,389
Others	18,940	25,953
Total	152,917	171,599

9. DIVIDEND PAYMENT AND DIRECTOR'S REMUNERATION

On April 29, 2015, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay dividend at Baht 1.00 per share to the shareholders of 160 million shares, totalling Baht 160.00 million, including directors' remuneration amounting to Baht 2.65 million. The dividend payment was made 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 six-month periods ended June 30,	
	2015	2014
Medicine and medical supply consumptions	176,163	188,228
Directors and management benefit expenses	6,841	6,159
Employee benefit expenses	206,070	217,425
Doctors' fees	212,169	210,539
Depreciation and amortization expenses	69,309	68,362
Bad debts	-	473
Doubtful debts decrease	(122)	(837)
Finance cost	-	1,998
Other expenses	73,848	80,989
Total	744,278	773,336

11. INCOME TAXES

Corporate income taxes of the Company for the three-month and six-month periods ended June 30, 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 PERIODS ENDED JUNE 30,	2015	2014
<u>For 3 month periods</u>		
Corporate income tax for the periods	15,837	10,832
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(454)	(339)
Income tax expenses	15,383	10,493
<u>For 6 month periods</u>		
Corporate income tax for the periods	35,495	29,470
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(732)	(544)
Income tax expenses	34,763	28,926

As at June 30, 2015 and December 31, 2014, the deferred tax assets/liabilities arose from the following temporary differences:

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2015	As at December 31, 2014
Accumulated temporary differences in the statements of income		
Unrealized loss on open-ended fund	3	-
Unrealized loss on trading securities	199	255
Allowance for doubtful accounts receivable	3,143	3,265
Provision for long-term employees benefits	48,945	45,107
Total	52,290	48,627
Temporary differences in the Shareholders' Equity		
Gain on remeasuring of investment in available-for-sale securities	(5,683)	(5,317)
Total	46,607	43,310
Deferred tax assets calculated from tax rate of 20%.	9,321	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 June 30, 2015 and December 31, 2014, the Company has commitment from the issuance of bank guarantee as follow :

(AMOUNT IN THOUSAND BAHT)

PARTICULAR	As at June 30, 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 June 30, 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 27.06 million, contract which can not be cancelled amount of Baht 0.87 million.

13.3 Capital expenditure commitments

As at June 30, 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 August 6, 2015.