

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

FINANCIAL STATEMENTS

DECEMBER 31, 2014

AUDITOR'S REPORT

To : The Shareholders of

Nonthavej Hospital Public Company Limited

I have audited the accompanying financial statements of Nonthavej Hospital Public Company Limited, which comprise the statement of financial position as at December 31, 2014, the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nonthavej Hospital Public Company Limited as at December 31, 2014, its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

(Mr. Chaiyakorn Aunpitipongsa)

Certified Public Accountant Registration No. 3196

Dr. Virach & Associates Office Co., Ltd.

Bangkok : February 25, 2015

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

ASSETS

	<i>Notes</i>	BAHT	
		2014	2013
Current Assets			
Cash and cash equivalents	<i>4.2 and 5</i>	35,309,746	35,834,055
Short-term investments			
Deposits at financial institution	<i>6.4</i>	-	1,330,000
Open-ended funds	<i>4.3 and 6.1</i>	147,350	133,047
Trading securities	<i>4.3 and 6.2</i>	1,752,783	1,769,300
Trade and other receivables	<i>4.4 and 7</i>	110,193,933	113,980,587
Inventories	<i>4.5 and 8</i>	43,741,139	40,727,138
Other current assets			
Prepaid expenses		14,758,413	10,531,993
Other current assets		1,641,104	4,472,064
Total other current assets		16,399,517	15,004,057
Total Current Assets		207,544,468	208,778,184
Non-current Assets			
Long-term investments			
Available-for-sale securities	<i>4.3 and 6.3</i>	5,538,800	5,156,600
Fixed deposits at bank with restrictions	<i>9</i>	3,347,364	3,277,006
Property, plant and equipment	<i>4.6 and 10</i>	1,403,006,956	1,421,073,572
Intangible assets			
Deferred computer softwares	<i>4.7 and 11</i>	29,170,445	36,484,803
Deferred tax assets	<i>4.8 and 19</i>	8,662,074	7,741,470
Other non-current assets	<i>4.9 and 12</i>	7,136,379	4,522,162
Total Non-current Assets		1,456,862,018	1,478,255,613
TOTAL ASSETS		1,664,406,486	1,687,033,797

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

LIABILITIES AND SHAREHOLDERS' EQUITY

		BAHT	
	<i>Notes</i>	2014	2013
Current Liabilities			
Short-term loans from financial institutions	<i>13</i>	-	160,000,000
Trade and other payables	<i>14</i>	171,599,655	154,759,187
Assets acquisition payables		10,847,621	21,659,002
Accrued corporate income tax		31,021,351	25,898,048
Other current liabilities		5,505,691	5,083,614
Total Current Liabilities		218,974,318	367,399,851
Non-current Liabilities			
Provision for long-term employee benefits	<i>4.12 and 15</i>	45,107,427	39,408,258
Total Non-current Liabilities		45,107,427	39,408,258
TOTAL LIABILITIES		264,081,745	406,808,109
Shareholders' Equity			
Share capital			
Authorized share capital			
160,000,000 common stocks of Baht 1 par value		160,000,000	160,000,000
Issued and paid-up share capital			
160,000,000 common stocks at Baht 1 each		160,000,000	160,000,000
Additional paid-in capital			
Premium on common stocks		172,000,000	172,000,000
Retained earnings			
Appropriated			
Legal reserve	<i>16</i>	16,000,000	16,000,000
Unappropriated		1,048,071,538	928,278,245
Other components of shareholders' equity		4,253,203	3,947,443
Total Shareholders' Equity		1,400,324,741	1,280,225,688
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,664,406,486	1,687,033,797

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

NONHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2014

		BAHT	
	<i>Notes</i>	2014	2013
REVENUES			
Revenues from medical treatment		1,883,047,475	1,781,342,040
Other income		11,790,150	13,300,710
Total Revenues		1,894,837,625	1,794,642,750
EXPENSES			
	<i>18</i>		
Cost of medical treatment		1,299,978,213	1,235,017,225
Selling expenses		14,535,619	24,836,281
Administrative expenses		243,290,112	229,562,069
Directors' remuneration	<i>17</i>	2,769,000	2,871,800
Finance cost		3,342,067	1,357,861
Total Expenses		1,563,915,011	1,493,645,236
Profit before Income Tax Expenses		330,922,614	300,997,514
Income Tax Expenses	<i>19</i>	65,529,321	59,775,224
Profit for the years		265,393,293	241,222,290
Other Comprehensive Income			
Gain from the remeasuring of			
investment in available-for-sale securities		382,200	822,700
Income tax on net change in gain from the remeasuring			
of investment in available-for-sale securities		(76,440)	(164,540)
Other comprehensive income for the years		305,760	658,160
Total comprehensive income for the years		265,699,053	241,880,450
Earnings Per Share			
	<i>4.11</i>		
Basic Earnings Per Share		1.66	1.51

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

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

NONHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014

	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
<i>Notes</i>			Legal reserve	Unappropriated		
Balances as at January 1, 2013-as previously reported	160,000,000	172,000,000	16,000,000	828,356,782	4,111,604	1,180,468,386
Cumulative effects on the change in accounting policy - income tax	<i>3</i>	-	-	7,499,173	(822,321)	6,676,852
Restated balances	160,000,000	172,000,000	16,000,000	835,855,955	3,289,283	1,187,145,238
Total comprehensive income for the year	-	-	-	241,222,290	658,160	241,880,450
Dividend payment	<i>17</i>	-	-	(148,800,000)	-	(148,800,000)
Balances as at December 31, 2013	160,000,000	172,000,000	16,000,000	928,278,245	3,947,443	1,280,225,688
Total comprehensive income for the year	-	-	-	265,393,293	305,760	265,699,053
Dividend payment	<i>17</i>	-	-	(145,600,000)	-	(145,600,000)
Balances as at December 31, 2014	160,000,000	172,000,000	16,000,000	1,048,071,538	4,253,203	1,400,324,741

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

	BAHT	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES :		
PROFIT BEFORE INCOME TAX EXPENSES		
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX	330,922,614	300,997,514
EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :-		
Depreciation	126,745,157	118,003,916
Amortization of quality system	1,416,035	1,177,943
Amortization of computer softwares	11,176,772	14,429,275
Unrealized (gain) loss on open-ended funds	(14,303)	24,215
Unrealized loss on trading securities	16,517	234,462
(Gain) loss on disposal of building and equipment	5,252	(589,491)
Bad debts	928,080	-
Doubtful debts increase (decrease)	(716,164)	1,578,526
Dividend income	(78,712)	(181,704)
Interest income	(321,944)	(3,191,475)
Interest expenses	3,342,067	1,357,861
Long-term employee benefits expenses	7,111,954	7,704,537
PROFIT FROM OPERATION BEFORE CHANGE IN		
OPERATING ASSETS AND LIABILITIES ITEMS	480,533,325	441,545,579
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Deposits at financial institutions	1,330,000	200,000,000
Trade and other receivables	3,574,738	(7,610,427)
Inventories	(3,014,001)	(1,009,611)
Other current assets	(1,407,460)	239,404
Other non-current assets	(4,555,252)	(1,784,428)
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS		
Trade and other payables	17,181,139	(3,425,815)
Assets acquisition payable	(14,200,037)	(37,888,274)
Other current liabilities	422,077	71,305
Provision for long-term employee benefits	(1,412,785)	(3,395,950)
Cash received from operation	478,451,744	586,741,783
Interest income	333,944	4,152,475
Interest expense paid	(3,682,738)	(1,017,190)
Income tax paid	(61,403,062)	(73,006,853)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	413,699,888	516,870,215

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2014

	BAHT	
	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in property, plant and equipment	(104,779,843)	(538,839,850)
Interest payment for land and assets under construction	(506,079)	(6,416,090)
Proceeds from disposal of building and equipment	515,785	1,358,151
Increase in available-for-sale securities	-	(2,000)
Purchase of computer softwares	(3,862,414)	(10,857,445)
Increase in fixed deposits at bank with restrictions	(70,358)	(79,745)
Proceeds from dividend income	78,712	181,704
NET CASH USED IN INVESTING ACTIVITIES	(108,624,197)	(554,655,275)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term loans from financial institutions	(160,000,000)	160,000,000
Dividend payment	(145,600,000)	(148,800,000)
NET CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES	(305,600,000)	11,200,000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(524,309)	(26,585,060)
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	35,834,055	62,419,115
CASH AND CASH EQUIVALENTS AS AT DECEMBER 31,	35,309,746	35,834,055
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS		
Non-cash flows items comprise :		
Unrealized gain on available-for-sale securities	382,200	822,700
Increase in building and equipment from assets payable	3,388,656	19,757,335
Increase in equipment from transferring deposits	525,000	2,000,000

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

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 FINANCIAL STATEMENTS

2.1 The financial statements are prepared in accordance with the Accounting Standards and Financial Reporting Standards issued by Federation of Accounting Professions under the Accounting Profession Act, B.E. 2547 (2004), the Accounting Act, B.E. 2543 (2000) and the Notification of the Office of the Securities and Exchange Commission.

2.2 Accounting standards that became effective in the current accounting year are as follow:

TAS 1 (revised 2012)	Presentation of Financial Statement
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rate
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible assets

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sales and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segment
TSIC 15	Operating Leases-Incentives
TSIC 27	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining Whether an Arrangement Contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

These accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations do not have any significant impact on the financial statements.

2.3 The Federation of Accounting Professions has issued the new accounting standards but are not yet effective.

A. Effective for fiscal years beginning on or after January 1, 2015

TAS 1 (revised 2014)	Presentation of Financial Statements
TAS 2 (revised 2014)	Inventories

TAS 7 (revised 2014)	Statement of Cash Flows
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2014)	Events after the Reporting Period
TAS 11 (revised 2014)	Construction Contracts
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 19 (revised 2014)	Employee Benefits
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2014)	Borrowing Costs
TAS 24 (revised 2014)	Related Party Disclosures
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2014)	Separate Financial Statements
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2014)	Earnings per Share
TAS 34 (revised 2014)	Interim Financial Reporting
TAS 36 (revised 2014)	Impairment of Assets
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2014)	Intangible Assets
TAS 40 (revised 2014)	Investment Property
TFRS 2 (revised 2014)	Share-based Payment
TFRS 3 (revised 2014)	Business Combinations
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Resources

TFRS 8 (revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement
TSIC 10 (revised 2014)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2014)	Operating Leases - Incentives
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2014)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2014)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2014)	Determining whether an Arrangement Contains a Lease
TFRIC 5 (revised 2014)	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29(revised 2014) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2014)	Service Concession Arrangements
TFRIC 13 (revised 2014)	Customer Loyalty Programmes
TFRIC 14	TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owners

TFRIC 18 (revised 2014) Transfers of Assets from Customers

TFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

B. Effective for fiscal years beginning on or after January 1, 2016

TFRS 4 (revised 2014) Insurance Contracts

The Company's management is evaluating the impact of such accounting standards on the financial statements in the year when they are adopted.

2.4 These 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 7,499,173.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenues and expenses recognition

Revenue from hospital operations

Revenues from hospital operations, mainly consisting of medical fees, hospital room sales and medicine sales, are recognised as income when services have been rendered or medicine delivered.

Service income is recognized when services have been rendered.

Revenue from rental is recognized over the term of rental agreement.

Dividend income is recognized when the right to receive is established.

Other revenues and expenses are recognized on an accrual basis.

4.2 Cash and cash equivalents

For the purpose of preparation of cash flows statements, cash and cash equivalents are cash on hand and deposits at the financial institutions due not more than 3 months from the acquisition date and not subject to withdrawal restrictions.

4.3 Investments

Trading securities are investments in listed securities and open-ended fund stated at fair value. The Company recognizes revaluation of securities as unrealized gain (loss) on trading securities in the statements of comprehensive income.

Available-for-sale securities are investments in listed securities stated at fair value. The objective of holding these securities is for long-term investments. The Company recognizes revaluation of available-for-sale securities as separate item in statements of comprehensive income under the caption “Unrealized gain (loss) on investment revaluation”.

The Company calculated cost of the disposed securities during the year by weighted average method.

4.4 Allowance for doubtful accounts

The Company provided allowance for doubtful accounts which are expected to be uncollectible accounts receivable based on the past experience in debt collection and the current status of outstanding debtors on the statement of financial position date.

Bad debts are immediately written off during the year whenever incurred.

4.5 Inventories

Inventories are stated at cost or net realizable value, whichever is the lower. Cost is determined by the moving average method.

4.6 Property, plant and equipment

Property, plant and equipment are stated at cost. Depreciation is calculated by the straight-line method based on the estimated useful life of the following assets :

PARTICULARS	USEFUL LIFE (YEARS)
Land	No calculation for depreciation
Temporary building	3
Building and structure	10-50
Medical tools and equipment	5-10
Others	5-15

Interest expenses incurred from loans obtained for building construction project are capitalized until such building is ready for use as intended.

4.7 Deferred computer software

Deferred computer software is stated at cost net from cumulative amortization which is calculated by the straight-line method within 5 years.

4.8 Deferred tax assets/liabilities

Deferred tax assets/liabilities are recognized for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the statements of financial position date. They will be realised in future period when the income is realised, or the expenses provided for are actually incurred and considered deductible for income tax purposes.

Deferred tax assets are recognized for deductible temporary differences or addtable tax are deferred tax liabilities if it is highly probable that the Company will generate sufficient taxable profits from its future operations to utilise these assets/liabilities.

As each statements of financial position date, the Company reviews and adjusts the carrying amount of deferred tax assets/liabilities to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets or deferred tax liabilities to be utilised.

4.9 Deferred quality system

Deferred quality system is stated at cost net from cumulative amortization which is calculated by the straight-line method within 3 years.

4.10 Income tax expenses

Income tax expenses are calculated from profit/loss for the years consist of current tax and deferred tax. Income tax expenses recognized in statements of comprehensive income unless part of transaction recorded in shareholders' equity recorded directly to equity.

4.11 Earnings per share

Basic earnings per share is calculated by dividing the profit for the years by the number of weighted average common stocks held by outsiders during the years.

4.12 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Long-term employee benefits

Defined contribution plan

The Company provides a provident fund, which is a defined contribution plan. The assets of which are held in a separate trust fund and managed by the external fund manager. Such provident fund is contributed by payments from employees and the Company. Contributions to the provident fund are charged to the statements of comprehensive income in the incurred year.

Defined benefits plan

Provision for employee retirement benefits is recognised as an expense of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by a qualified actuary using the Projected Unit Credit Method.

4.13 Significant accounting judgments and estimates

In preparation of financial statements in accordance with generally accepted accounting principles requires management to use judgment on various estimates and assumptions that will affect the reported amounts of revenues, expenses, assets and liabilities including the disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions of significant accounting relate primarily to allowance for doubtful accounts, depreciation of plant and equipment, amortization of intangible assets, amortization of deferred quality system and provision for long-term employee benefits. All other estimates mentioned above are further disclosed in the corresponding notes to the financial statements.

5. CASH AND CASH EQUIVALENTS

PARTICULARS	AMOUNT IN BAHT	
	2014	2013
Cash	2,353,658	5,890,481
Bank deposits	32,956,088	29,943,574
Total	35,309,746	35,834,055

6. INVESTMENTS**6.1 Open-ended fund**

PARTICULARS	AMOUNT IN BAHT	
	2014	2013
Open-ended fund	147,141	147,141
Allowance for investment adjustment	209	(14,094)
Open-ended fund-Fair value	147,350	133,047

PARTICULARS	AMOUNT IN BAHT	
	2014	2013
Unrealized gain (loss) on open-ended fund	14,303	(24,215)

6.2 Short-term investments - Trading securities

PARTICULARS	AMOUNT IN BAHT	
	2014	2013
Short-term investments-at cost	2,007,731	2,007,731
Allowance for investment adjustment	(254,948)	(238,431)
Short-term investments-Fair value	1,752,783	1,769,300

PARTICULARS	AMOUNT IN BAHT	
	2014	2013
Unrealized loss on trading securities	(16,517)	(234,462)

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

PARTICULARS	AMOUNT IN BAHT	
	2014	2013
Acquisition cost	222,296	222,296
Gain from the remeasuring of investment in available-for-sale securities	5,316,504	4,934,304
Fair value at ending years	5,538,800	5,156,600

PARTICULARS	AMOUNT IN BAHT	
	2014	2013
Gain from the remeasuring of investment in available-for-sale securities	382,200	822,700

6.4 Deposits at financial institutions

PARTICULARS	AMOUNT IN BAHT	
	2014	2013
Bill of Exchange 6 - 8 Months	-	1,330,000

7. TRADE AND OTHER RECEIVABLES

PARTICULARS	AMOUNT IN BAHT	
	2014	2013
The trade accounts receivable are classified by outstanding balances of aging as follows :		
Current	101,082,884	100,450,213
Overdue within 3 months	5,899,332	9,523,407
Over 3 - 6 months	1,858,842	1,948,537
Over 6 - 12 months	1,263,973	2,551,132
Over 12 months	3,283,611	3,428,171
Total	113,388,642	117,901,460
Allowance for doubtful debts	(3,264,709)	(3,980,873)
Trade accounts receivable-net	110,123,933	113,920,587
Other receivables	70,000	60,000
Total trade and other receivables	110,193,933	113,980,587

8. INVENTORIES

PARTICULARS	AMOUNT IN BAHT	
	2014	2013
Medicines and medical supplies	35,489,686	33,045,626
General supplies	8,251,453	7,681,512
Total	43,741,139	40,727,138

9. 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.

10. PROPERTY, PLANT AND EQUIPMENT

	AMOUNT IN BAHT									
	Land	Building and structure	Medical tools and equipment	Vehicles	Furniture and fixtures	Office equipment	Computer equipment	Other equipment and tools	Assets under construction	Total
<u>Cost</u>										
January 1, 2013	218,303,489	810,783,214	483,057,257	14,115,764	67,253,450	46,697,359	82,349,014	20,877,274	61,918,666	1,805,355,487
Increase	356,905,377	5,633,075	44,255,971	1,400,000	2,483,200	1,807,154	6,414,131	2,954,109	145,160,258	567,013,275
Sold/Unused	-	(7,384,918)	(11,284,787)	(1,375,088)	(692,880)	(423,543)	(7,937,235)	(150,743)	-	(29,249,194)
Transfer to/from	-	117,092,899	23,928,456	2,206,000	5,555,788	4,385,521	-	403,277	(153,571,941)	-
December 31, 2013	575,208,866	926,124,270	539,956,897	16,346,676	74,599,558	52,466,491	80,825,910	24,083,917	53,506,983	2,343,119,568
Increase	-	18,705,294	23,539,899	-	1,290,948	2,386,400	2,862,527	2,662,797	57,751,713	109,199,578
Sold	-	(7,281,148)	(10,265,051)	-	(1,351,651)	(907,002)	-	(1,063,647)	-	(20,868,499)
Transfer to/from	-	43,179,536	-	-	456,160	1,737,030	1,751,376	143,927	(47,268,029)	-
December 31, 2014	575,208,866	980,727,952	553,231,745	16,346,676	74,995,015	55,682,919	85,439,813	25,826,994	63,990,667	2,431,450,647
<u>Accumulated Depreciation</u>										
January 1, 2013	-	437,047,837	253,314,265	12,994,688	35,900,708	32,433,392	45,076,588	15,755,136	-	832,522,614
Depreciation for the year	-	44,035,300	43,260,160	799,002	9,155,893	4,678,576	13,695,394	2,379,591	-	118,003,916
Disposals/Unused	-	(7,384,910)	(11,075,001)	(1,365,621)	(369,163)	(415,349)	(7,744,570)	(125,920)	-	(28,480,534)
December 31, 2013	-	473,698,227	285,499,424	12,428,069	44,687,438	36,696,619	51,027,412	18,008,807	-	922,045,996
Depreciation for the year	-	51,758,916	47,029,383	776,617	8,683,848	4,917,986	11,302,678	2,275,729	-	126,745,157
Disposals	-	(7,267,005)	(9,832,201)	-	(1,351,608)	(842,458)	-	(1,054,190)	-	(20,347,462)
December 31, 2014	-	518,190,138	322,696,606	13,204,686	52,019,678	40,772,147	62,330,090	19,230,346	-	1,028,443,691
<u>Net book value</u>										
December 31, 2013	575,208,866	452,426,043	254,457,473	3,918,607	29,912,120	15,769,872	29,798,498	6,075,110	53,506,983	1,421,073,572
December 31, 2014	575,208,866	462,537,814	230,535,139	3,141,990	22,975,337	14,910,772	23,109,723	6,596,648	63,990,667	1,403,006,956

In 2014 and 2013, part of Company's land at book value of Baht 7.87 million are mortgaged as collateral for bank overdrafts and loans from certain commercial bank.

As at December 31, 2014 and 2013, the Company recognized interest expenses to land and assets under construction amount of Baht 506,079 and Baht 6,416,090, respectively.

11. DEFERRED COMPUTER SOFTWARES

	AMOUNT IN BAHT		
	DEFERRED COMPUTER SOFTWARES	COMPUTER SOFTWARES UNDER INSTALLATION	TOTAL
<u>Cost</u>			
January 1, 2013	104,943,255	-	104,943,255
Increase	4,544,010	6,313,435	10,857,445
December 31, 2013	109,487,265	6,313,435	115,800,700
Increase	3,720,104	142,310	3,862,414
Transfer to/from	355,775	(355,775)	-
December 31, 2014	113,563,144	6,099,970	119,663,114
<u>Accumulated amortization</u>			
January 1, 2013	64,886,622	-	64,886,622
Amortization for the year 2013	14,429,275	-	14,429,275
December 31, 2013	79,315,897	-	79,315,897
Amortization for the year 2014	11,176,772	-	11,176,772
December 31, 2014	90,492,669	-	90,492,669
Net book value			
December 31, 2013	30,171,368	6,313,435	36,484,803
December 31, 2014	23,070,475	6,099,970	29,170,445

12. OTHER NON-CURRENT ASSETS

PARTICULARS	AMOUNT IN BAHT	
	2014	2013
Deferred quality system	565,121	1,743,064
<u>Add</u> Increase	4,377,503	-
<u>Less</u> Amortization for the years	(1,416,035)	(1,177,943)
Net book value	3,526,589	565,121
Deposit for assets	2,351,008	1,640,465
Others	1,258,782	2,316,576
Total	7,136,379	4,522,162

13. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

PARTICULARS	AMOUNT IN BAHT		Repayment
	2014	2013	2013
Short-term loans	-	160,000,000	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.

14. TRADE AND OTHER PAYABLES

PARTICULARS	AMOUNT IN BAHT	
	2014	2013
Trade accounts payables	59,171,263	55,563,918
Accrued expenses	36,085,856	28,391,880
Accrued doctors' fees	50,389,539	50,367,815
Others	25,952,997	20,435,574
Total	171,599,655	154,759,187

15. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

Provision for long-term employee benefits as at December 31, 2014 and 2013 which are compensations on employees' retirement, are as follows

PARTICULARS	AMOUNT IN BAHT	
	2014	2013
Defined benefit obligation at beginning of years	39,408,258	35,099,671
Current service cost	5,799,128	6,553,492
Interest cost	1,312,826	1,151,045
Benefits paid during the years	(1,412,785)	(3,395,950)
Defined benefit obligation at end of years	45,107,427	39,408,258

The principle assumptions used in determining the employee benefits are shown as follows:

	For the years ended December 31, 2014 and 2013
Discount rate	3.3761% per annum
Salary increase rate	3 - 5.5% per annum
Staff turnover rate	6 - 23 % per annum

16. 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.

17. DIVIDEND PAYMENT AND DIRECTORS' 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.

18. EXPENSES BY NATURE

EXPENSES	AMOUNT IN BAHT	
	2014	2013
Medicine and medical supply consumptions	383,555,278	370,251,884
Directors and management benefit expenses	13,667,250	13,614,800
Employee benefit expenses	433,664,716	412,701,392
Doctors' fees	434,137,016	401,727,525
Depreciation and amortization expenses	139,337,964	133,611,134
Bad debts	928,080	-
Doubtful debts increase (decrease)	(716,164)	1,578,526
Finance cost	3,342,067	1,357,861
Other expenses	155,998,804	158,802,114
Total	1,563,915,011	1,493,645,236

19. INCOME TAXES

Corporate income tax of the Company for the years ended December 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 BAHT)

FOR THE YEARS ENDED DECEMBER 31,	2014	2013
Corporate income tax for the years	66,526,365	61,004,382
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(997,044)	(1,229,158)
Income tax expenses	65,529,321	59,775,224

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

(AMOUNT IN BAHT)

PARTICULARS	2014	2013
Accumulated temporary differences in the statements of income		
Unrealized (gain) loss on open-ended fund	(209)	14,094
Unrealized loss on trading securities	254,948	238,431
Allowance for doubtful accounts receivables	3,264,709	3,980,873
Provision for long-term employees benefits	45,107,427	39,408,258
Total	48,626,875	43,641,656
Temporary differences in the Shareholders' Equity		
Gain from the remeasuring of investment in available-for-sale securities	(5,316,504)	(4,934,304)
Total	43,310,371	38,707,352
Deferred tax assets calculated from tax rate of 20%.	8,662,074	7,741,470

20. 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.

21. COMMITMENT

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

PARTICULAR	AMOUNT IN BAHT	
	2014	2013
Letters of guarantee issued by commercial bank	4,276,800	4,276,800

21.2 Commitment under service agreement

As at December 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 23.10 million, and the contract which can not be cancelled amount of Baht 0.87 million.

21.3 Capital expenditure commitments

As at December 31, 2014, 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 contractions contract design the addition of the new hospital.

22. PROVIDENT FUNDS

In compliance with the Provident Fund Act. B.E. 2530 (1987), the Company and its employees have jointly set up the provident fund which consists of partial contribution by its staff and another part by the Company as defined. The Company has appointed TISCO Asset Management Company Limited to be fund manager to manage this fund according to the Ministerial Regulations. The members are entitled to receive benefits according to the rules as stipulated.

Fund contribution from the Company is recorded as expenses in the comprehensive income statements for the years ended December 31, 2014 and 2013 amount of Baht 4.23 million and Baht 3.90 million, respectively.

23. DISCLOSURE OF FINANCIAL INSTRUMENTS

The Company has information relating to financial instruments, as follows:

23.1 Accounting policies

- Accounting policies are disclosed in Note 4 to the financial statements.

23.2 Risk from breach of contracts

- The Company might have risk from breach of contract, in case the contracting party does not follow the requirement in the contract which may cause damage to the Company.
- The risk with respect to the concentration of credit arose from trade accounts receivable are limited due to the large number of customers and their dispersion.
- For the financial assets shown in the statements of financial position, the book value of such assets is net from various provisions to be estimated fair value. Such provisions are assumed to be the highest value of risk incurred from breach of contracts.

23.3 Risk relating to interest rate on financial assets and liabilities

Risk from the fluctuation in interest rate may have negative effect to the Company for the current and the following years. The Company expects that it can manage the contingent risk, due to the Company has set up a plan and follow up the situation closely.

23.4 Fair value of financial instruments

The following methods and assumptions are used to estimate the fair value of the financial instruments.

- Financial assets shown at book value which are equal to the estimated fair value.
- Financial liabilities shown at book value which are equal to the estimated fair value.

24. CAPITAL MANAGEMENT

The main objectives of the Company in capital management is to provide the appropriate financial structure and maintain ability to continue its business as a going concern in order to generate returns for shareholders and benefits for other stakeholders.

25. FINANCIAL STATEMENTS APPROVAL

These financial statements are duly approved by the Company's directors on February 25, 2015.