

**NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED**

**INTERIM FINANCIAL STATEMENTS**

**SEPTEMBER 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 September 30, 2015, the related statements of comprehensive income for the three-month and nine-month periods ended September 30, 2015, 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 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 : November 5, 2015

**NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED**

**STATEMENTS OF FINANCIAL POSITION**

**AS AT SEPTEMBER 30, 2015**

**ASSETS**

		THOUSAND BAHT	
		As at September 30,	As at December 31,
		2015	2014
		UNAUDITED	AUDITED
		REVIEWED	
	Notes		
<b>Current Assets</b>			
Cash and cash equivalents	4	42,264	35,310
Short-term investments			
Open-ended funds	5.1	70,959	147
Trading securities	5.2	1,668	1,753
Trade and other receivables	6	118,809	110,194
Inventories		28,005	43,741
Other current assets			
Prepaid expenses		8,589	14,759
Other current assets		2,951	1,641
Total other current assets		11,540	16,400
<b>Total Current Assets</b>		<b>273,245</b>	<b>207,545</b>
<b>Non-current Assets</b>			
Fixed deposits at bank with restrictions	7	-	3,347
Available-for-sale securities	5.3	6,015	5,539
Property, plant and equipment		1,373,810	1,403,007
Intangible assets		27,249	29,170
Deferred tax assets	11	9,655	8,662
Other non-current assets		6,561	7,136
<b>Total Non-current Assets</b>		<b>1,423,290</b>	<b>1,456,861</b>
<b>TOTAL ASSETS</b>		<b>1,696,535</b>	<b>1,664,406</b>

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

**NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2015**  
**LIABILITIES AND SHAREHOLDERS' EQUITY**

		THOUSAND BAHT	
		As at September 30, 2015	As at December 31, 2014
		UNAUDITED REVIEWED	AUDITED
	Note		
<b>Current Liabilities</b>			
Trade and other payables	8	154,254	171,599
Assets acquisition payable		11,903	10,848
Accrued corporate income tax		16,620	31,021
Other current liabilities		3,949	5,506
<b>Total Current Liabilities</b>		<b>186,726</b>	<b>218,974</b>
<b>Non-current Liabilities</b>			
Provision for long-term employee benefits		51,086	45,107
<b>Total Non-current Liabilities</b>		<b>51,086</b>	<b>45,107</b>
<b>TOTAL LIABILITIES</b>		<b>237,812</b>	<b>264,081</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		1,106,089	1,048,072
Other components of shareholders' equity		4,634	4,253
<b>Total Shareholders' Equity</b>		<b>1,458,723</b>	<b>1,400,325</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,696,535</b>	<b>1,664,406</b>

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

**NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2015**

		THOUSAND BAHT			
		EXCEPT EARNINGS PER SHARE PRESENTED IN BAHT			
		THREE-MONTH PERIODS		NINE-MONTH PERIODS	
Notes		2015	2014	2015	2014
<b>REVENUES</b>					
	Revenues from medical treatment	488,026	489,589	1,400,937	1,402,379
	Other income	2,135	2,733	7,615	10,477
	<b>Total Revenues</b>	<b>490,161</b>	<b>492,322</b>	<b>1,408,552</b>	<b>1,412,856</b>
<b>EXPENSES</b>					
	Cost of medical treatment	330,511	334,655	950,487	971,692
	Selling expenses	1,485	1,329	4,716	12,699
	Administrative expenses	59,027	60,625	178,482	182,182
	Directors' remuneration	834	666	2,450	2,040
	Finance cost	-	1,049	-	3,047
	<b>Total Expenses</b>	<b>391,857</b>	<b>398,324</b>	<b>1,136,135</b>	<b>1,171,660</b>
	Profit before Income Tax Expenses	98,304	93,998	272,417	241,196
	Income Tax Expenses	19,637	18,687	54,400	47,613
	<b>Profit for the periods</b>	<b>78,667</b>	<b>75,311</b>	<b>218,017</b>	<b>193,583</b>
<b>Other Comprehensive Income</b>					
	Surplus on changes in value of available-for-sale investments	110	68	476	447
	Income tax on net change from the remeasuring of investment in available-for-sale securities	(22)	(13)	(95)	(89)
	<b>Other comprehensive income for the periods</b>	<b>88</b>	<b>55</b>	<b>381</b>	<b>358</b>
	<b>Total comprehensive income for the periods</b>	<b>78,755</b>	<b>75,366</b>	<b>218,398</b>	<b>193,941</b>
<b>Earnings Per Share (Baht)</b>					
	Basic Earnings Per Share	<b>0.49</b>	<b>0.47</b>	<b>1.36</b>	<b>1.21</b>
	The number of 160,000,000 common stocks used in computation.				

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

**NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 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	
Year	Notes						
<b>Year 2015</b>							
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		-	-	-	218,017	381	218,398
Dividend payment	9	-	-	-	(160,000)	-	(160,000)
Balances as at September 30, 2015		160,000	172,000	16,000	1,106,089	4,634	1,458,723
<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	9	-	-	-	(145,600)	-	(145,600)
Balances as at September 30, 2014		160,000	172,000	16,000	976,261	4,306	1,328,567

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, 2015**

	THOUSAND BAHT	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES :		
PROFIT BEFORE INCOME TAX EXPENSES	272,417	241,196
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX		
EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :-		
Depreciation	96,699	94,821
Amortization of quality system	1,080	1,051
Amortization of computer softwares	7,490	7,869
Unrealized gain on open-ended funds	(159)	(28)
Unrealized (gain) loss on trading securities	85	(174)
Gain on disposal of building and equipment	(76)	(49)
Bad debts	-	473
Doubtful debts decrease	(463)	(847)
Dividend income	(62)	(58)
Interest income	(143)	(201)
Interest expenses	-	3,047
Long-term employee benefits expenses	6,384	5,572
PROFIT FROM OPERATION BEFORE CHANGE IN		
OPERATING ASSETS AND LIABILITIES ITEMS	383,252	352,672
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Open-ended funds	(70,653)	-
Trade and other receivables	(8,152)	2,733
Inventories	15,736	8,710
Other current assets	4,850	3,356
Other non-current assets	(1,405)	(3,943)
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS		
Trade and other payables	(17,345)	14,573
Assets acquisition payable	(1,769)	(13,811)
Other current liabilities	(1,557)	(1,289)
Provision for long-term employee benefits	(405)	(48)
Cash received from operation	302,552	362,953
Interest income	155	165
Interest expense paid	-	(3,379)
Income tax paid	(69,889)	(58,112)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	232,818	301,627

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, 2015**

	THOUSAND BAHT	
	2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in plant and equipment	(63,823)	(94,514)
Proceeds from disposal of building and equipment	121	467
Purchase of computer softwares	(5,569)	(3,366)
(Increase) decrease in fixed deposits at bank with restrictions	3,347	(17)
Proceeds from dividend income	60	57
NET CASH USED IN INVESTING ACTIVITIES	<u>(65,864)</u>	<u>(97,373)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment for short-term loans from financial institutions	-	(57,000)
Dividend payment	(160,000)	(145,600)
NET CASH USED IN FINANCING ACTIVITIES	<u>(160,000)</u>	<u>(202,600)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,954	1,654
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	<u>35,310</u>	<u>35,834</u>
CASH AND CASH EQUIVALENTS AS AT SEPTEMBER 30,	<u><u>42,264</u></u>	<u><u>37,488</u></u>
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS		
Non-cash flows items comprise :		
Unrealized gain on available-for-sale securities	476	447
Increase in building and equipment from assets payable	2,824	6,376
Increase in equipment from transferring deposits	900	525
Accrued dividend income	2	1

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, 2015**

**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, 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 September 30, 2015	As at December 31, 2014
Cash	1,517	2,354
Bank deposits	40,747	32,956
Total	42,264	35,310

**5. INVESTMENTS****5.1 Open-ended fund**

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2015	As at December 31, 2014
Open-ended fund	70,800	147
Valuation adjustment	159	-
Open-ended fund-Fair value	70,959	147

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the nine-month periods ended September 30,	
	2015	2014
Unrealized gain on open-ended fund	159	28

**5.2 Short-term investments - Trading securities**

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2015	As at December 31, 2014
Short-term investments-at cost	2,008	2,008
Valuation adjustment	(340)	(255)
Short-term investments-Fair value	1,668	1,753

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the nine-month periods ended September 30,	
	2015	2014
Unrealized gain (loss) on trading securities	(85)	174

**5.3 Available-for-sale securities**

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2015	As at December 31, 2014
Acquisition cost	222	222
Surplus on changes in value of available-for-sale investments	5,793	5,317
Fair value at ending periods	6,015	5,539

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the nine-month periods ended September 30,	
	2015	2014
Surplus on changes in value of available-for-sale investments	476	447

**6. TRADE AND OTHER RECEIVABLES**

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2015	As at December 31, 2014
The trade accounts receivable are classified by outstanding balances of aging as follows :		
Current	112,719	101,083
Overdue within 3 months	3,038	5,899
Over 3 - 6 months	734	1,859
Over 6 - 12 months	1,396	1,264
Over 12 months	3,634	3,284
Total	121,521	113,389
Allowance for doubtful debts	(2,802)	(3,265)
Trade accounts receivable-net	118,719	110,124
Other receivables	90	70
Total trade and other receivables	118,809	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 September 30, 2015	As at December 31, 2014
Trade accounts payable	42,036	59,171
Accrued expenses	43,376	36,086
Accrued doctors' fees	51,095	50,389
Others	17,747	25,953
Total	154,254	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 nine-month periods ended September 30,	
	2015	2014
Medicine and medical supply consumptions	272,851	289,031
Directors and management benefit expenses	10,727	9,218
Employee benefit expenses	312,474	326,976
Doctors' fees	324,035	321,611
Depreciation and amortization expenses	105,269	103,741
Bad debts	-	473
Doubtful debts decrease	(463)	(847)
Finance cost	-	3,047
Other expenses	111,242	118,410
<b>Total</b>	<b>1,136,135</b>	<b>1,171,660</b>

**11. INCOME TAXES**

Corporate income taxes of the Company for the three-month and nine-month periods ended September 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 SEPTEMBER 30,	2015	2014
<u>For 3 month periods</u>		
Corporate income tax for the periods	19,993	19,038
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(356)	(351)
Income tax expenses	19,637	18,687
<u>For 9 month periods</u>		
Corporate income tax for the periods	55,488	48,508
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(1,088)	(895)
Income tax expenses	54,400	47,613

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

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2015	As at December 31, 2014
<b>Accumulated temporary differences in the statements of income</b>		
Unrealized gain on open-ended fund	(159)	-
Unrealized loss on trading securities	340	255
Allowance for doubtful accounts receivable	2,802	3,265
Provision for long-term employees benefits	51,086	45,107
Total	54,069	48,627
<b>Temporary differences in the Shareholders' Equity</b>		
Gain on remeasuring of investment in available-for-sale securities	(5,793)	(5,317)
Total	48,276	43,310
<b>Deferred tax assets calculated from tax rate of 20%.</b>	9,655	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 September 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 September 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 September 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 25.98 million, contract which can not be cancelled amount of Baht 0.08 million.

**13.3 Capital expenditure commitments**

As at September 30, 2015, the Company has capital expenditure commitments to pay a total of 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 November 5, 2015.