

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

FINANCIAL STATEMENTS

DECEMBER 31, 2015

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, 2015, 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, 2015, 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 24, 2016

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

ASSETS

	<i>Notes</i>	BAHT	
		2015	2014
Current Assets			
Cash and cash equivalents	<i>3.2 and 4</i>	31,487,115	35,309,746
Short-term investments			
Open-ended funds	<i>3.3 and 5.1</i>	213,509,165	147,350
Trading securities	<i>3.3 and 5.2</i>	1,579,510	1,752,783
Trade and other receivables	<i>3.4 and 6</i>	114,717,652	110,193,933
Inventories	<i>3.5 and 7</i>	35,965,586	43,741,139
Other current assets			
Prepaid expenses		15,182,920	14,758,413
Other current assets		4,352,413	1,641,104
Total other current assets		19,535,333	16,399,517
Total Current Assets		416,794,361	207,544,468
Non-current Assets			
Fixed deposits at bank with restrictions	<i>8</i>	-	3,347,364
Available-for-sale securities	<i>3.3 and 5.3</i>	5,823,100	5,538,800
Property, plant and equipment	<i>3.6 and 9</i>	1,343,760,409	1,403,006,956
Intangible assets	<i>3.7 and 10</i>	26,134,390	29,170,445
Deferred tax assets	<i>3.8 and 17</i>	8,267,078	8,662,074
Other non-current assets	<i>3.9 and 11</i>	5,749,229	7,136,379
Total Non-current Assets		1,389,734,206	1,456,862,018
TOTAL ASSETS		1,806,528,567	1,664,406,486

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, 2015

LIABILITIES AND SHAREHOLDERS' EQUITY

	<i>Notes</i>	BAHT	
		2015	2014
Current Liabilities			
Trade and other payables	<i>12</i>	174,055,165	171,599,655
Assets acquisition payable		7,899,964	10,847,621
Accrued corporate income tax		32,335,147	31,021,351
Other current liabilities		5,293,444	5,505,691
Total Current Liabilities		219,583,720	218,974,318
Non-current Liabilities			
Provision for long-term employee benefits	<i>3.12 and 13</i>	44,301,805	45,107,427
Total Non-current Liabilities		44,301,805	45,107,427
TOTAL LIABILITIES		263,885,525	264,081,745
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>14</i>	16,000,000	16,000,000
Unappropriated		1,190,162,399	1,048,071,538
Other components of shareholders' equity		4,480,643	4,253,203
Total Shareholders' Equity		1,542,643,042	1,400,324,741
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,806,528,567	1,664,406,486

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2015

		BAHT	
	<i>Notes</i>	2015	2014
REVENUES			
Revenues from medical treatment		1,901,847,063	1,883,047,475
Other income		9,958,694	11,790,150
Total Revenues		1,911,805,757	1,894,837,625
EXPENSES			
Cost of medical treatment		1,289,727,963	1,299,978,213
Selling expenses		6,402,918	14,535,619
Administrative expenses		239,928,648	243,290,112
Directors' remuneration	<i>15</i>	3,203,000	2,769,000
Finance cost		-	3,342,067
Total Expenses	<i>16</i>	1,539,262,529	1,563,915,011
Profit before Income Tax Expenses		372,543,228	330,922,614
Income Tax Expenses	<i>3.10 and 17</i>	74,287,105	65,529,321
Profit for the years		298,256,123	265,393,293
Other Comprehensive Income :-			
Surplus on changes in value of available-for-sale investments		284,300	382,200
Income tax on net change in gain from the remeasuring of investment in available-for-sale securities		(56,860)	(76,440)
Available-for-sale securities-net of tax		227,440	305,760
Actuarial gain from employee benefit plan	<i>17</i>	4,793,422	-
Component of income tax		(958,684)	-
Actuarial gain from employee benefit plan-net of tax		3,834,738	-
Other comprehensive income for the years-net of tax		4,062,178	305,760
Total comprehensive income for the years		302,318,301	265,699,053
Earnings Per Share			
	<i>3.11</i>		
Basic Earnings Per Share		1.86	1.66

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

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2015

	<i>Notes</i>	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	
Balances as at January 1, 2014		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	15	-	-	-	(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
Total comprehensive income for the year :-							
Comprehensive income for the year		-	-	-	298,256,123	227,440	298,483,563
Actuarial gain from employee benefit plan-net of tax		-	-	-	3,834,738	-	3,834,738
Total comprehensive income for the year		-	-	-	302,090,861	227,440	302,318,301
Dividend payment	15	-	-	-	(160,000,000)	-	(160,000,000)
Balances as at December 31, 2015		160,000,000	172,000,000	16,000,000	1,190,162,399	4,480,643	1,542,643,042

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, 2015

	BAHT	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES :		
PROFIT BEFORE INCOME TAX EXPENSES		
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCO	372,543,228	330,922,614
EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :-		
Depreciation	129,943,666	126,745,157
Amortization of quality system	1,444,576	1,416,035
Amortization of computer softwares	9,643,626	11,176,772
Unrealized gain on open-ended funds	(710,516)	(14,303)
Unrealized loss on trading securities	173,273	16,517
(Gain) loss on disposal of building and equipment	(78,580)	5,252
Bad debts	208,501	928,080
Doubtful debts decrease	(347,816)	(716,164)
Dividend income	(79,158)	(78,712)
Interest income	(239,844)	(321,944)
Interest expenses	-	3,342,067
Long-term employee benefits expenses	8,440,430	7,111,954
PROFIT FROM OPERATION BEFORE CHANGE IN		
OPERATING ASSETS AND LIABILITIES ITEMS	520,941,386	480,533,325
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Deposits at financial institutions	-	1,330,000
Open-ended funds	(212,651,299)	-
Trade and other receivables	(4,384,404)	3,574,738
Inventories	7,775,553	(3,014,001)
Other current assets	(3,147,352)	(1,407,460)
Other non-current assets	(957,426)	(4,555,252)
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS		
Trade and other payables	2,455,510	17,181,139
Assets acquisition payable	(5,141,359)	(14,200,037)
Other current liabilities	(212,247)	422,077
Provision for long-term employee benefits	(4,452,630)	(1,412,785)
Cash received from operation	300,225,732	478,451,744
Interest income	251,380	333,944
Interest expense paid	-	(3,682,738)
Income tax paid	(73,593,857)	(61,403,062)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	226,883,255	413,699,888

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, 2015

	BAHT	
	2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in plant and equipment	(68,027,603)	(104,779,843)
Interest payment for assets under construction	-	(506,079)
Proceeds from disposal of building and equipment	123,718	515,785
Purchase of computer softwares	(6,228,523)	(3,862,414)
(Increase) decrease in fixed deposits at bank with restrictions	3,347,364	(70,358)
Proceeds from dividend income	79,158	78,712
NET CASH USED IN INVESTING ACTIVITIES	(70,705,886)	(108,624,197)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment for short-term loans from financial institutions	-	(160,000,000)
Dividend payment	(160,000,000)	(145,600,000)
NET CASH USED IN FINANCING ACTIVITIES	(160,000,000)	(305,600,000)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,822,631)	(524,309)
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	35,309,746	35,834,055
CASH AND CASH EQUIVALENTS AS AT DECEMBER 31,	31,487,115	35,309,746
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS		
Non-cash flows items comprise :		
Unrealized gain on available-for-sale securities	284,300	382,200
Increase in building and equipment from assets payable	1,814,654	3,388,656
Increase in computer softwares from assets payable	379,048	-
Increase in equipment from transferring deposits	900,000	525,000
Effect of actuarial estimates from employee benefit plan		
- Decrease deferred tax assets	958,684	-
- Decrease provision for long-term employee benefits	(4,793,422)	-
- Increase retained earnings	3,834,738	-

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 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 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:

1. Conceptual Framework for Financial Reporting (revised 2014)

Thai Accounting Standards (TAS)

2. TAS 1 (revised 2014) Presentation of Financial Statements
3. TAS 2 (revised 2014) Inventories
4. TAS 7 (revised 2014) Statement of Cash Flows
5. TAS 8 (revised 2014) Accounting Policies, Changes in Accounting Estimates and Errors
6. TAS 10 (revised 2014) Events after the Reporting Period
7. TAS 11 (revised 2014) Construction Contracts
8. TAS 12 (revised 2014) Income Taxes
9. TAS 16 (revised 2014) Property, Plant and Equipment
10. TAS 17 (revised 2014) Leases
11. TAS 18 (revised 2014) Revenue
12. TAS 19 (revised 2014) Employee Benefits

- | | |
|---------------------------|--|
| 13. TAS 20 (revised 2014) | Accounting for Government Grants and Disclosure of Government Assistance |
| 14. TAS 21 (revised 2014) | The Effects of Changes in Foreign Exchange Rates |
| 15. TAS 23 (revised 2014) | Borrowing Cost |
| 16. TAS 24 (revised 2014) | Related Party Disclosures |
| 17. TAS 26 (revised 2014) | Accounting and Reporting by Retirement Benefit Plans |
| 18. TAS 27 (revised 2014) | Separate Financial Statements |
| 19. TAS 28 (revised 2014) | Investments in Associates and Joint Ventures |
| 20. TAS 29 (revised 2014) | Financial Reporting in Hyperinflationary Economies |
| 21. TAS 33 (revised 2014) | Earnings per Share |
| 22. TAS 34 (revised 2014) | Interim Financial Reporting |
| 23. TAS 36 (revised 2014) | Impairment of Assets |
| 24. TAS 37 (revised 2014) | Provisions, Contingent Liabilities and Contingent Assets |
| 25. TAS 38 (revised 2014) | Intangible Assets |
| 26. TAS 40 (revised 2014) | Investment Property |

Thai Financial Reporting Standards (TFRS)

- | | |
|---------------------------|---|
| 27. TFRS 2 (revised 2014) | Share-Base Payments |
| 28. TFRS 3 (revised 2014) | Business Combinations |
| 29. TFRS 4 (revised 2014) | Insurance Contracts |
| 30. TFRS 5 (revised 2014) | Non-current Assets Held for Sales and Discontinued Operations |
| 31. TFRS 6 (revised 2014) | Exploration for and Evaluation of Mineral Resources |
| 32. TFRS 8 (revised 2014) | Operating Segments |
| 33. TFRS 10 | Consolidated Financial Statements |
| 34. TFRS 11 | Joint Arrangements |
| 35. TFRS 12 | Disclosure of Interests in Other Entities |
| 36. TFRS 13 | Fair Value Measurement |

Thai Accounting Standard Interpretations (TSIC)

- | | |
|----------------------------|--|
| 37. TSIC 10 (revised 2014) | Government Assistance-No specific Relation to Operating Activities |
| 38. TSIC 15 (revised 2014) | Operating Leases-Incentives |
| 39. TSIC 25 (revised 2014) | Income Taxes-Changes in the Tax Status of an Entity or Its Shareholders |
| 40. TSIC 27 (revised 2014) | Evaluating the Substance of Transactions Involving the Legal Form of a Lease |

- | | |
|----------------------------|--|
| 41. TSIC 29 (revised 2014) | Service Concession Arrangements: Disclosures |
| 42. TSIC 31 (revised 2014) | Revenue-Barter Transactions Involving Advertising Services |
| 43. TSIC 32 (revised 2014) | Intangible Assets - Web Site Costs |

Thai Financial Reporting Standard Interpretations (TFRIC)

- | | |
|-----------------------------|--|
| 44. TFRIC 1 (revised 2014) | Changes in Existing Decommissioning, Restoration and Similar Liabilities |
| 45. TFRIC 4 (revised 2014) | Determining Whether an Arrangement Contains a Lease |
| 46. TFRIC 5 (revised 2014) | Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds |
| 47. TFRIC 7 (revised 2014) | Applying the Restatement Approach under TAS 29 (revised 2014) Financial Reporting in Hyperinflationary Economies |
| 48. TFRIC 10 (revised 2014) | Interim Financial Reporting and Impairment |
| 49. TFRIC 12 (revised 2014) | Service Concession Arrangements |
| 50. TFRIC13 (revised 2014) | Customer Loyalty Programmes |
| 51. TFRIC14 | TAS 19 -The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction |
| 52. TFRIC 15 (revised 2014) | Agreements for the Construction of Real Estate |
| 53. TFRIC 17 (revised 2014) | Distributions of Non-cash Assets to Owners |
| 54. TFRIC 18 (revised 2014) | Transfers of Assets from Customer |
| 55. TFRIC 20 | Stripping Costs in the Production Phase of a Surface Mine |

These accounting standards, financial reporting standards, 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 not yet effective.

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

1. Conceptual Framework for Financial Reporting (revised 2015)

Thai Accounting Standards (TAS)

- | | |
|-------------------------|---|
| 2. TAS 1 (revised 2015) | Presentation of Financial Statements |
| 3. TAS 2 (revised 2015) | Inventories |
| 4. TAS 7 (revised 2015) | Statement of Cash Flows |
| 5. TAS 8 (revised 2015) | Accounting Policies, Changes in Accounting Estimates and Errors |

6.	TAS 10 (revised 2015)	Events After the Reporting Period
7.	TAS 11 (revised 2015)	Construction Contracts
8.	TAS 12 (revised 2015)	Income Taxes
9.	TAS 16 (revised 2015)	Property, Plant and Equipment
10.	TAS 17 (revised 2015)	Leases
11.	TAS 18 (revised 2015)	Revenue
12.	TAS 19 (revised 2015)	Employee Benefits
13.	TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
14.	TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
15.	TAS 23 (revised 2015)	Borrowing Costs
16.	TAS 24 (revised 2015)	Related Party Disclosures
17.	TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
18.	TAS 27 (revised 2015)	Separate Financial Statements
19.	TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
20.	TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies
21.	TAS 33 (revised 2015)	Earnings Per Share
22.	TAS 34 (revised 2015)	Interim Financial Reporting
23.	TAS 36 (revised 2015)	Impairment of Assets
24.	TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
25.	TAS 38 (revised 2015)	Intangible Assets
26.	TAS 40 (revised 2015)	Investment Property
27.	TAS 41	Agriculture

Thai Financial Reporting Standards (TFRS)

28.	TFRS 2 (revised 2015)	Share-based Payment
29.	TFRS 3 (revised 2015)	Business Combinations
30.	TFRS 4 (revised 2015)	Insurance Contracts
31.	TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
32.	TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Assets
33.	TFRS 8 (revised 2015)	Operating Segments
34.	TFRS 10 (revised 2015)	Consolidated Financial Statements
35.	TFRS 11 (revised 2015)	Joint Arrangements
36.	TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities

37. TFRS 13 (revised 2015) Fair Value Measurement

Thai Accounting Standard Interpretations (TSIC)

38. TSIC 10 (revised 2015) Government Assistance - No Specific Relation to Operating Activities
39. TSIC 15 (revised 2015) Operating Leases - Incentives
40. TSIC 25 (revised 2015) Income Taxes - Changes in the Tax Status of an Enterprise or Its Shareholders
41. TSIC 27 (revised 2015) Evaluating the Substance of Transactions in the Legal Form of a Lease
42. TSIC 29 (revised 2015) Disclosure - Service Concession Arrangements
43. TSIC 31 (revised 2015) Revenue - Barter Transactions Involving Advertising Services
44. TSIC 32 (revised 2015) Intangible Assets - Web Site Costs

Thai Financial Reporting Standard Interpretations (TFRIC)

45. TFRIC 1 (revised 2015) Changes in Existing Decommissioning, Restoration and Similar Liabilities
46. TFRIC 4 (revised 2015) Determining Whether an Arrangement Contains a Lease
47. TFRIC 5 (revised 2015) Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
48. TFRIC 7 (revised 2015) Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies
49. TFRIC 10 (revised 2015) Interim Financial Reporting and Impairment
50. TFRIC 12 (revised 2015) Service Concession Arrangements
51. TFRIC 13 (revised 2015) Customer Loyalty Programmes
52. TFRIC 14 (revised 2015) TAS 19 (revised 2015) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction
53. TFRIC 15 (revised 2015) Agreements for the Construction of Real Estate
54. TFRIC 17 (revised 2015) Distributions of Non-cash Assets to Owners
55. TFRIC 18 (revised 2015) Transfers of Assets from Customers
56. TFRIC 20 (revised 2015) Stripping Costs in the Production Phase of a Surface Mine
57. TFRIC 21 Levies

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 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.

3.2 Cash and cash equivalents

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.

3.3 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 "Surplus on changes in value of available-for-sale investments".

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

3.4 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.

3.5 Inventories

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

3.6 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.

3.7 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.

3.8 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 addtible 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.

3.9 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.

3.10 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.

3.11 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.

3.12 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.

3.13 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.

4. CASH AND CASH EQUIVALENTS

PARTICULARS	AMOUNT IN BAHT	
	2015	2014
Cash	3,366,913	2,353,658
Bank deposits	28,120,202	32,956,088
Total	31,487,115	35,309,746

5. INVESTMENTS

5.1 Open-ended fund

PARTICULARS	AMOUNT IN BAHT	
	2015	2014
Open-ended fund	212,798,440	147,141
Valuation adjustment	710,725	209
Open-ended fund-Fair value	213,509,165	147,350

PARTICULARS	AMOUNT IN BAHT	
	2015	2014
Unrealized gain on open-ended fund	710,516	14,303

5.2 Short-term investments - Trading securities

PARTICULARS	AMOUNT IN BAHT	
	2015	2014
Short-term investments-at cost	2,007,731	2,007,731
Valuation adjustment	(428,221)	(254,948)
Short-term investments-Fair value	1,579,510	1,752,783

PARTICULARS	AMOUNT IN BAHT	
	2015	2014
Unrealized loss on trading securities	(173,273)	(16,517)

5.3 Available-for-sale securities

PARTICULARS	AMOUNT IN BAHT	
	2015	2014
Acquisition cost	222,296	222,296
Surplus on changes in value of available-for-sale investments	5,600,804	5,316,504
Fair value at ending years	5,823,100	5,538,800

PARTICULARS	AMOUNT IN BAHT	
	2015	2014
Surplus on changes in value of available-for-sale investments	284,300	382,200

6. TRADE AND OTHER RECEIVABLES

PARTICULARS	AMOUNT IN BAHT	
	2015	2014
The trade accounts receivable are classified by outstanding balances of aging as follows :		
Current	110,312,426	101,082,884
Overdue within 3 months	2,321,234	5,899,332
Over 3 - 6 months	416,504	1,858,842
Over 6 - 12 months	1,166,242	1,263,973
Over 12 months	3,328,139	3,283,611
Total	117,544,545	113,388,642
Allowance for doubtful debts	(2,916,893)	(3,264,709)
Trade accounts receivable-net	114,627,652	110,123,933
Other receivables	90,000	70,000
Total trade and other receivables	114,717,652	110,193,933

7. INVENTORIES

PARTICULARS	AMOUNT IN BAHT	
	2015	2014
Medicines and medical supplies	28,338,589	35,489,686
General supplies	7,626,997	8,251,453
Total	35,965,586	43,741,139

8. 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.

9. 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, 2014	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
Increase	-	4,384,404	43,050,882	1,158,000	505,150	4,359,097	515,436	483,085	16,286,203	70,742,257
Sold	-	(16,000)	(3,186,640)	(901,000)	-	(29,202)	-	(25,578)	-	(4,158,420)
Transfer to/from	-	552,423	-	-	-	8,631,810	-	-	(9,184,233)	-
December 31, 2015	575,208,866	985,648,779	593,095,987	16,603,676	75,500,165	68,644,624	85,955,249	26,284,501	71,092,637	2,498,034,484
<u>Accumulated Depreciation</u>										
January 1, 2014	-	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
Depreciation for the year	-	54,311,114	49,171,229	462,375	8,408,080	5,828,016	9,681,689	2,081,163	-	129,943,666
Disposals	-	(15,999)	(3,153,542)	(900,999)	-	(20,360)	-	(22,382)	-	(4,113,282)
December 31, 2015	-	572,485,253	368,714,293	12,766,062	60,427,758	46,579,803	72,011,779	21,289,127	-	1,154,274,075
<u>Net book value</u>										
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
December 31, 2015	575,208,866	413,163,526	224,381,694	3,837,614	15,072,407	22,064,821	13,943,470	4,995,374	71,092,637	1,343,760,409

In 2015 and 2014, 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, the Company recognized interest expenses to assets under construction amount of Baht 506,079.

10. DEFERRED COMPUTER SOFTWARES

	AMOUNT IN BAHT		
	DEFERRED COMPUTER SOFTWARES	COMPUTER SOFTWARES UNDER INSTALLATION	TOTAL
<u>Cost</u>			
January 1, 2014	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
Increase	1,790,966	4,816,605	6,607,571
Transfer to/from	2,055,470	(2,055,470)	-
December 31, 2015	117,409,580	8,861,105	126,270,685
<u>Accumulated amortization</u>			
January 1, 2014	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
Amortization for the year 2015	9,643,626	-	9,643,626
December 31, 2015	100,136,295	-	100,136,295
Net book value			
December 31, 2014	23,070,475	6,099,970	29,170,445
December 31, 2015	17,273,285	8,861,105	26,134,390

11. OTHER NON-CURRENT ASSETS

PARTICULARS	AMOUNT IN BAHT	
	2015	2014
Deferred quality system	3,526,589	565,121
<u>Add</u> Increase	-	4,377,503
<u>Less</u> Amortization for the years	(1,444,576)	(1,416,035)
Net book value	2,082,013	3,526,589
Deposit for assets	1,792,535	2,351,008
Others	1,874,681	1,258,782
Total	5,749,229	7,136,379

12. TRADE AND OTHER PAYABLES

PARTICULARS	AMOUNT IN BAHT	
	2015	2014
Trade accounts payables	55,427,564	59,171,263
Accrued expenses	43,228,375	36,085,856
Accrued doctors' fees	50,273,174	50,389,539
Others	25,126,052	25,952,997
Total	174,055,165	171,599,655

13. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

Provision for long-term employee benefits as at December 31, 2015 and 2014 which are compensations on employees' retirement, are as follows

PARTICULARS	AMOUNT IN BAHT	
	2015	2014
Defined benefit obligation at beginning of years	45,107,427	39,408,258
Actuarial gain from employee benefit plan	(4,793,422)	-
Current service cost	6,949,775	5,799,128
Interest cost	1,490,655	1,312,826
Benefits paid during the years	(4,452,630)	(1,412,785)
Defined benefit obligation at end of years	44,301,805	45,107,427

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

	For the years ended December 31,	
	2015	2014
Discount rate	2.14 % per annum	3.3761 % per annum
Salary increase rate	3.5 - 5.5 % per annum	3 - 5.5 % per annum
Staff turnover rate	8 - 24 % per annum	6 - 23 % per annum

14. 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.

15. DIVIDEND PAYMENT AND DIRECTORS' 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.

16. EXPENSES BY NATURE

EXPENSES	AMOUNT IN BAHT	
	2015	2014
Medicine and medical supply consumptions	371,943,090	383,555,278
Directors and management benefit expenses	16,877,375	13,667,250
Employee benefit expenses	422,736,138	433,664,716
Doctors' fees	438,657,992	434,137,016
Depreciation and amortization expenses	141,031,868	139,337,964
Bad debts	208,501	928,080
Doubtful debts decrease	(347,816)	(716,164)
Finance cost	-	3,342,067
Other expenses	148,155,381	155,998,804
Total	1,539,262,529	1,563,915,011

17. INCOME TAXES

Corporate income tax of the Company for the years ended December 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 recognize in statements of comprehensive income consist:

(AMOUNT IN BAHT)

FOR THE YEARS ENDED DECEMBER 31,	2015	2014
Corporate income tax for the years	74,907,653	66,526,365
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(620,548)	(997,044)
Income tax expenses	74,287,105	65,529,321

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

(AMOUNT IN BAHT)		
PARTICULARS	2015	2014
Temporary differences in the statements of income		
Unrealized gain on open-ended fund	(710,725)	(209)
Unrealized loss on trading securities	428,221	254,948
Allowance for doubtful accounts receivables	2,916,893	3,264,709
Provision for long-term employees benefits	49,095,227	45,107,427
Total	51,729,616	48,626,875
Temporary differences in the statements of comprehensive income		
- Recognized in other components of shareholders' equity		
Gain from the remeasuring of investment in available-for-sale securities	(5,600,804)	(5,316,504)
- Recognized in retained earnings		
Provision for long-term employees benefits	(4,793,422)	-
Total	41,335,390	43,310,371
Deferred tax assets calculated from tax rate of 20%.	8,267,078	8,662,074

18. 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.

19. COMMITMENT

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

PARTICULAR	AMOUNT IN BAHT	
	2015	2014
Letters of guarantee issued by commercial bank	4,276,800	4,276,800

19.2 Commitment under service agreement

As at December 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 24.44 million.

19.3 Capital expenditure commitments

As at December 31, 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.

20. 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, 2015 and 2014 amount of Baht 4.18 million and Baht 4.23 million, respectively.

21. DISCLOSURE OF FINANCIAL INSTRUMENTS

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

21.1 Accounting policies

- Accounting policies are disclosed in Note 3 to the financial statements.

21.2 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.

21.3 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.

21.4 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.

22. 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.

23. FINANCIAL STATEMENTS APPROVAL

These financial statements are duly approved by the Company's directors on February 24, 2016.