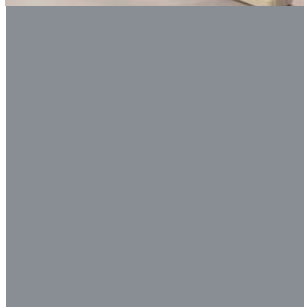
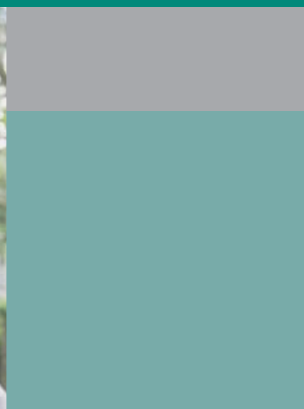
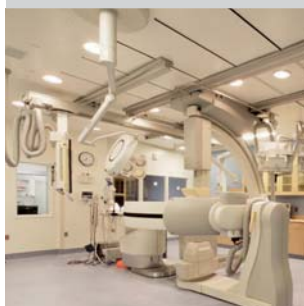


# รายงานประจำปี 2556

## ANNUAL REPORT 2013



บริษัท โรงพยาบาลนนทเวช จำกัด (มหาชน)  
Nonthavej Hospital Public Company Limited






# ANNUAL REPORT 2013



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## Message From The Chairman

## Dear Shareholders,

Overall situation of the country last year, the economy is in the period of slowing down due to political problem, and likely to continue to slow down in 2014 as well, which the company's revenue failed to grow according to the target. However, to support growth, increase of patient capacity and competitiveness, free trade, and becoming Medical Hub, last year, the company invested by purchasing a piece of land adjacent to the company to construct new building, which is currently in the process of building design. Furthermore, the company also added doctors, medical personnel, and other personnel, as well as developed personnel providing them with skills, knowledge, and competency. The latest medical technology has been adopted to add service capacity while continuing to maintain service quality standard and medical treatment.

Board of Directors would like to thank all shareholders who have always trusted and supported the company's operation. The company would like to thank medical team, medical personnel, and all staffs for their cooperation, commitment to develop medical treatment with their full capacity in order to provide quality service to hospital's clients.



A handwritten signature in black ink, which appears to read "L. Kuwatatana".

**Mr. Loppachai Kaenrattana**  
Chairman



## Board of Directors



## Mr.Lopachai Keanratana

Chairman / Executive Director / Authorized Director

**Ages** 88

### Education / Training

High school from Treemudomsuksa

### Relationship of Management

Father of Mrs. Patama Prommas

### Experience for 5 years backward

1979 - Present : Chairman

### Position in other Listed Company

None

### Shares in Company

37,581,800 Shares

### % of Share

23.49 %



## Dr.Prompan Prommas,M.D.

Chief Executive Officer (CEO) / Executive Director /  
Authorized Director / Nomination Director

**Ages** 62

### Education / Training

MB.(Siriraj College Mahidol University) Medical  
Training

- Thai Board of Pediatric
- Directors Certification Program

### Relationship of Management

Spouse of Mrs. Patama Prommas

### Experience for 5 years backward

2006 - Present : Chief Executive Officer (CEO)/Authorized Director  
1983 - 2006 : Hospital Director

### Position in other Listed Company

None

### Shares in Company

60,311,000 shares (In name of spouse 50,641,000 shares)

### % of Share

37.69 % (In name of spouse 31.65 %)





## Mrs. Patama Prommas

Vice Executive Officer (CEO) and Administrative Director /  
Executive Director / Authorized Director /  
Remuneration Director

**Ages** 58

### Education / Training

Master Degree of Administration from Kasertsart University

#### Training

- Directors Certification Program
- Company Secretary Program
- Investors' Relations Program

### Relationship of Management

Daughter of Mr. Lopchai Kaenrattana and Spouse of  
Dr. Prompan Prommas, M.D.

### Experience for 5 years backward

2006 - Present : Vice Executive Officer (CEO)  
1984 - Present : Administrative Director/Director Authorized

### Position in other Listed Company

None

### Shares in Company

60,311,000 shares (In name of spouse 9,670,000 shares)

### % of Share

37.69% (In name of spouse 6.04 %)



## Mrs.Prompan Siripat

Non Executive Director (Director) / Nomination Chairman

**Ages** 86

### Education / Training

- Prasanmit Vithayalai
- Diploma in Accounting from Thammasat University, and politics.

### Training

- Directors Certification Program

### Relationship of Management

Sister of Dr. CharoonCharoon Chairroj,M.D.

### Experience for 5 years backward

1977 Present : Owner Promphanvittaya School

### Position in other Listed Company

None

### Shares in Company

3,390,000 shares

### % of Share

2.12 %



## Dr.Saravut Sontikaew, M.D.

Non Executive Director (Director)

**Ages** 61

### Education / Training

B.Sc.MD. Diploma Thai Board of Internal Medicine

#### Training

- Directors Certification Program

### Relationship of Management

None

### Experience for 5 years backward

2012-Present : Director Human Management of Bangkok University

2009-2012 : Executive Director Department of Medical Service BMA.

2007-2009 : Vice Executive Director Department of Medical Service BMA.

2005-2007 : Hospital Director Charoenkrung Pracharag Hospital

2004-2005 : Hospital Director Ladkrabung Bangkok Hospital

1988-2007 : Charoenkrung Pracharag Hospital

1987-Present : Director and Usually Honorary Philanthropic Foundation

1981-2004 : Chief Internal Medicine Internal Medicine Department

Charoenkrung Pracharag Hospital

### Position in other Listed Company

None

### Shares in Company

3,332,000 shares

### % of Share

2.08%



## Dr.Kamales Santivejkul ,Ph.D

Non Executive Director (Independence Director) /  
Remuneration Director

**Ages** 62

### Education / Training

Ph.D.(Business Administration) Oklahoma State University, U.S.A.  
Training  
- Directors Certification Program

### Relationship of Management

None

### Experience for 5 years backward

2008 – Present : Associate Professor&CIO Chulalongkorn University.  
2004 – 2008 : Vice President & CIO Chulalongkorn University.  
1996 – 2000 : Office Information Technology Chulalongkorn University.  
1986 – 2004 : Director Computer Center of Commerce and Accountancy  
Chulalongkorn University.  
1988 – 2007 : Department of Banking and Finance Faculty of Commerce  
and Accountancy Chulalongkorn University.  
1995 – 2004 : Centers of Academic Resources Chulalongkorn University.

### Position in other Listed Company

1995 – Present : Independence Director / Audit Committee Chairman of  
Seafresh Industry PCL.  
2009 – Present : Independence Director / Audit Committee of Sin Industry PCL.  
2006 – Present : Director of Innovation Chamchuri Co.,Ltd.  
2004 – Present : Director of C&C International Venture Co.,Ltd.

### Shares in Company

275,000 shares

### % of Share

0.17 %



## Dr.Prawit Ninsuwanakul, Ph.D

Non Executive Director (Independence Director) /  
Audit Committee Chairman

**Ages** 71

### Education / Training

1965 : Bachelor's Degree, Accounting, Chulalongkorn University  
1969 : Master's Degree ,Accounting Science, University of Illinois,U.S.A.  
1974 : Doctorate , Accounting, University of Illinois,U.S.A Courses in Directors' Duties.  
2000 : Chairman 2000 Program 1/2000 , Thai Institute of Directors Association.  
2003 : Directors Accreditation Program: DAP 6/2003 , Thai Institute of Directors Association.  
2004 : Directors Certification Program: DCP 42/2004 ,Thai Institute of Directors Association.  
2005 : Audit Committee Program: ACP 6/2005 , Thai Institute of Directors Association. Certified Professional Auditor (C.P.A.)  
2008 : Chartered Director, Thai Institute of Directors.

### Relationship of Management

None

### Experience for 5 years backward

Since 2005 : Director, Public Sector Audit and Evaluation Committee .  
Chairman, Public Sector Audit and Evaluation Sub-Committee, Southern Province Group, The Prime Minister's Office.  
Director, Performance Evaluation of state Enterprise Committee, Ministry of Finance.  
Chairman, Sub-Committee for Preparation of Memorandum of Understanding State Enterprise Public Finance Institute, Ministry of Finance.  
Since 2003 : Director, Government Accounting Standards and Policies, The Comptroller General's Department, Ministry of Finance.  
Since 2002 : Director, Subcommittee for Formulating Financial Reports from Public and Private Higher Education Institutions, Commission on Higher Education, Ministry of Education.  
Since 2002 : Independence Director / Chairman of the Audit Committee, Thai Plastic and Chemicals ,PCL.  
Since 2001 : Chairman of the Professional Ethics Subcommittee, Federation of the Accounting Profession .  
Since 2000 : Director, Advisory Subcommittee for the Program to Develop Budgetary, Inventory, Financial, and Cost Accounting Systems, Commission on Higher Education, Ministry of Education.  
Since 2000 : Associate Judge, The Central Intellectual and International Trade Court.  
Since 1997 : Director, Fund Management Committee, King Prajadhipok's Institute.  
Since 1996 : Director and Member of the Audit Committee, The Fund for Educational Loans, Ministry of Finance.  
Since 1996 : Director Finance and Property Committee, Suranaree University of Technology, Mae Fah Luang University, Walailak University, Mahachulalongkorn - Rajavidyalaya University.  
Since 1980 : Chairman, Ninsuwan Management Consultants Co.,Ltd.

### Position in other Listed Company

Independence Director and Chairman of the Audit Committee ,  
Thai Plastic and Chemicals ,PCL.

### Shares in Company

None

### % of Share

None



## Dr.Charoon Chairoj, M.D.

Non Executive Director (Independence Director)  
Audit Committee Director / Remuneration Chairman

**Ages** 83

### Education / Training

B.Sc.MD.Diploma Thai Board of Anesthesiology  
**Training**  
- Directors Certification Program

### Relationship of Management

Brother of Mrs.Prompan Siripat

### Experience for 5 years backward

1989-1998 : Director Member Royal Society  
Anaesthesia of Thailand

### Position in other Listed Company

None

### Shares in Company

700,000 shares

### % of Share

0.44 %



## Dr.Viroonporn Prompangsa, M.D.

Non Executive Director (Independence Director) /  
Audit Committee Director / Nomination Director

**Ages** 61

### Education / Training

B.Sc.MD.FRCST Certificate of Proficiency in General  
Surgery  
Diploma Board of Neurological Surgery

### Training

- Directors Certification Program

### Relationship of Management

None

### Experience for 5 years backward

Present : Chief Neurosurgical Neurosurgical  
Vajira Hospital Department Nawamin University.

### Position in other Listed Company

None

### Shares in Company

230,000 shares

### % of Share

0.14 %

# Report of the Audit Committee

The Audit Committee of Nonthavej Hospital Public Company Limited of three independent directors, none of whom are corporate executives, employees, or consultants. The Audit Committee consists of Dr.Prawit Ninsuvannakul as Chairman, Dr.Viroonporn Prompangsa, M.D. and Dr.Charoon Chairroj, M.D. as directors.

The Audit Committee implemented the duties and accepted the responsibilities assigned to it by the Board of Directors, according to the regulations pertaining to the Audit Committee. This year, the Audit Committee found that the operations of the company are transparent and open to scrutiny, that internal controls are satisfactory, that the system of risk management is appropriate, and that financial reports are accurate, complete, and credible.

In 2013, the Audit Committee had 5 meetings where all the directors duly attended every meeting. Meetings were also held with corporate executives, the Auditor, and the Internal Auditor when appropriate. The main activities may be summarized as follows:

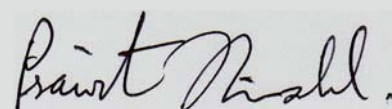
1. Initial review and approval, on behalf of the Board of Directors, of the Company's quarterly and annual financial statements of the Company for 2013 to ensure that they were prepared in accordance with generally accepted accounting standards, and that everything was performed fairly and consistently according to the regulations of the Securities Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Audit Committee also examined whether the information in the financial statement was disclosed in an adequate and timely manner, for the benefit of investors or users of financial statements to make investment decisions. Regarding the review and approval of the financial statements, the Auditor was invited to take part in every meeting. His observations were used to improve corporate operations and enhance the quality of the financial statements. The Audit Committee has reviewed the Audit plan for 2013 and monitored the Auditor's work. The Audit Committee also met the Auditor without the presence of management in order to consult freely in matters of importance on the investigation results. Moreover, the Audit Committee has reviewed financial statements in accordance with International Financial Reporting Standards (IFRS). The Committee found that the company has compliant with accounting standards and sufficient disclosure in notes to financial statements
2. Review of the Company's compliance with the SET's Principles of good corporate governance. The Company's adherence to these principles was commendable, and the Company disclosed all relevant matters in its annual report. It seeks, Moreover, to establish within the organization a process of continuous development in corporate governance.
3. This year, the Audit Committee met the Working Group of Risk Management Committee in order to follow up the progress of the management to ensure a systematic tracking on Company's risk and provide advices for continuous improvement.



4. Review of the suitability and adequacy of the Company's systems of internal controls and internal auditing. The Audit Committee and the Auditor had the same opinion that there were no significant problems or deficiencies. The Audit Committee provided some suggestions to improve the efficiency of internal operational systems.
5. Review of the work of the Department of internal Audits. The review covered auditing plan, auditing operations, as well as reports from the audit and follow-up. In addition, the Audit Committee considers the budget and manpower of the Office of Internal Audit annually. Suggestions concerning ways to make its performance more effectiveness with which it implements its operations plan. Furthermore, the Audit Committee evaluated the annual audit plan for 2013 on the basis of assessments of the Company's internal controls and risk management, the Audit Committee constantly offered advice regarding the quality of audits in terms of personnel and operations by way of supporting the independence of the Internal Auditor. Together with management, the Audit Committee considered the matter of appointing, withdrawing, transferring, or dismissing the manager of the Office of Internal Audit.
6. Consideration with external and internal auditors in determining the objectives, plans, results, and main topics of consideration in corporate audits and investigations of compliance with the legislation and regulations pertaining to securities, the stock market, and the Company's business.
7. Ongoing monitoring of and consultation with management concerning general matters of management that could affect the Company. If any matter is found to significantly affect the Company's financial status or operational results, the Audit Committee is to make a report to the Board of Directors and seek prompt rectification. If no such resolution is undertaken, the Audit Committee is to submit a further report to the SEC or the SET.
8. Considering and proposing an auditor and his compensation to the Board of Directors, for subsequent submission to shareholders. Consideration of this matter is to be based upon performance, professionalism, and the reasonableness of the auditing fee. It is proposed that either Mr. Chaikorn Aunpitongsa or Mr. Apiruk Atianuwat of Dr. Virach & Associates Office co., Ltd. to be appointed as the Company auditor for 2014.

The Audit Committee was independent and impartial in its deliberations and recommendations, in order that operational results might conform to corporate objectives and manifest greater efficiency. The Audit Committee received excellent cooperation from all parties involved, for which we would like to express our appreciation at this time.

On behalf of the Audit committee

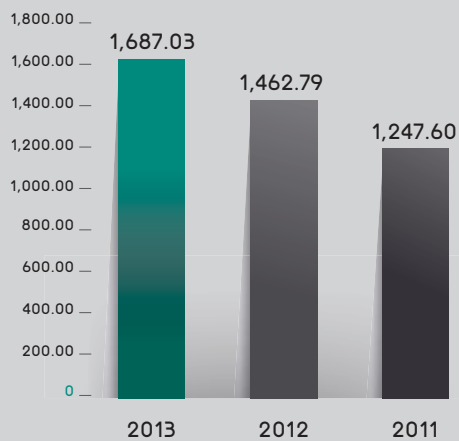


**Prawit Ninsuvannakul**

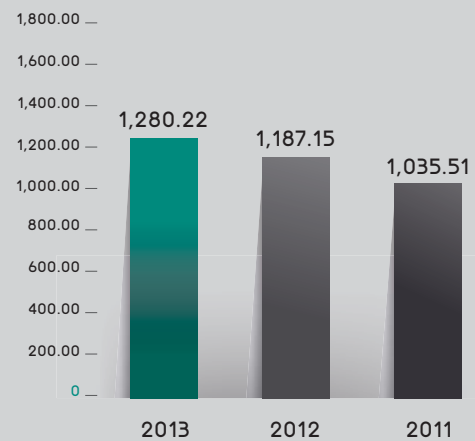
Ph.D., C.P.A., Chartered Director  
Chairman of the Audit Committee

## Summary of results important.

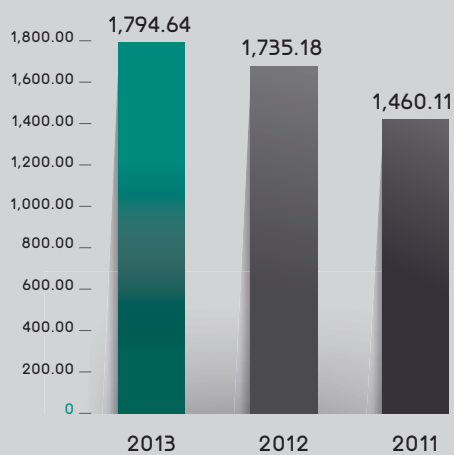
Total Assets (million baht)



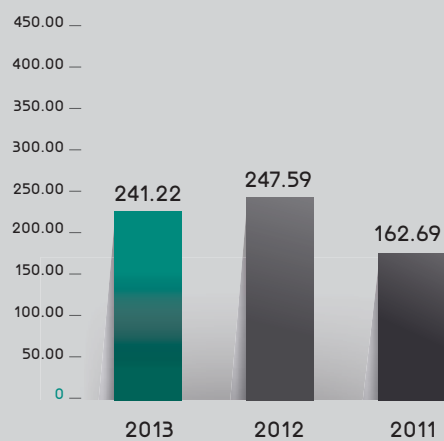
Total Owner's (million baht)



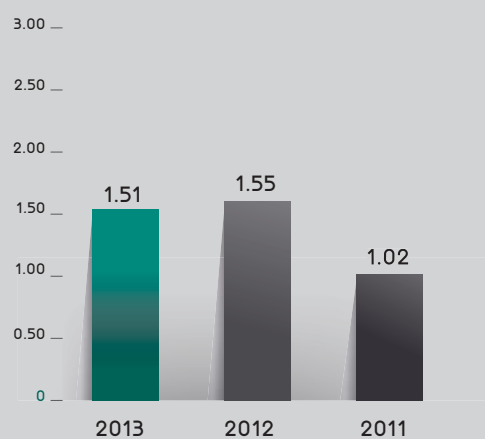
Total Revenues (million baht)



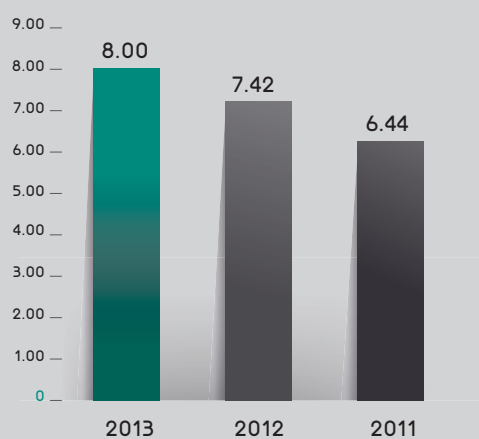
Profit (million baht)



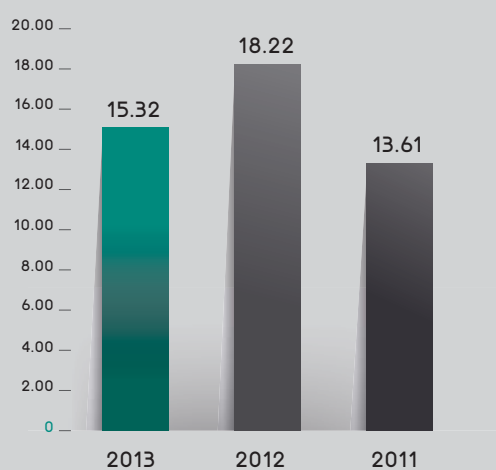
### Earning per share (baht)



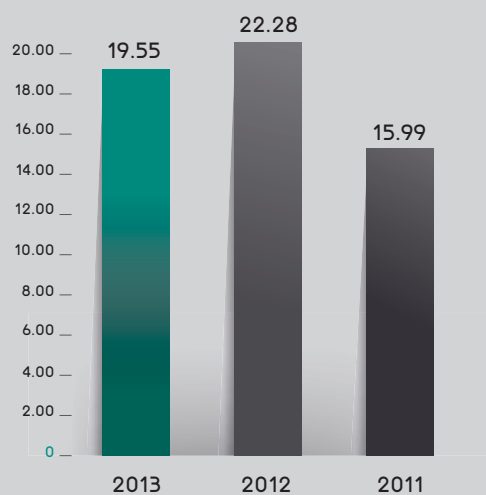
### Book value per share (baht)



### ROA (%)



### ROE (%)



1

## Policy and Overall Business Operation

## **1. Policy and Overall Business Operation**

Nonthavej Hospital Public Company Limited opened for service on September 3, 1981 operating as a Tertiary Care private hospital with 208 beds and authorized capital of 160 million baht listed in stock exchange in 1994 providing medical treatment service by medical specialists in every field, as well as teams of experienced medical personnel, fully equipped with modern and effective medical tools and equipment, as well as Wellness Center, digital X-ray mobile units, provides health check-up services both indoor and outdoor, and provides ambulances to transport patients nationwide.

The company is certified for JCI hospital quality standard from Joint Commission International Accreditation (USA), for HA (Hospital Accreditation) hospital quality standard, and for hospital design that provides quality care for patients based on technical foundations and good and continuous development. The company received Good Practice of Endometriosis recognition for treating Endometriosis patients from the Healthcare Accreditation Institute (Public Organization), Medical Laboratory Quality Standard (ISO 15189 : 2007), Patient's Food Quality Standard; GMP/HACCP, Energy Management Quality Standard (ISO 50001:2011).

### **1.1 Vision, Mission, Core Values, and Operational Goal of the company are as follows;**

#### **Vision**

Nonthavej is going to be a leading family hospital that focuses on special tertiary care medical treatment according to international standard.

#### **Mission**

Provide quality, effective, and standard medical service by adhering to morality, ethics, respect for patient's right and dignity, and continuous development.

#### **Core Values: "CARES"**

<b>C : Customer Centric</b>	Focus on customer as the central of the service
<b>A : Accountability &amp; Integrity</b>	Focus on responsibility and act morally
<b>R : Result-oriented</b>	Focus on achieving operational goal
<b>E : Excellent Teamwork</b>	Focus on teamwork and respect and honor others
<b>S : Safety</b>	Focus on adhering and complying with safety standard

## Operation Goal

### 1: CORE VALUES

- Aim at implanting core values for doctors and employees continuously in their routines.
- Develop personnel consistently with organizational direction and specialized treatment.
- Promote good working atmosphere in order to become Employer of Choice.

### 2: SUSTAINABLE REVENUE GROWTH

- Aim at developing Chronic Diseases Treatment Center in order to become Tertiary
- Care hospital and Referral Center.
- Develop and use the latest medical technology
- Integrated Treatment for Chronic Diseases Patients

### 3: CUSTOMER-DRIVEN STANDARD HEALTHCARE

- Aim at adopting risk and quality active management by stimulating identification of risk, analyzing, correcting, preventing, monitoring, and reporting regularly.
- Promote continuous development of routine work quality.
- Promote safety culture at organizational, unit, and employee level.
- Aim at developing health care to make it excellent in all touch point that matches the demand of specialized patient.

### 4: INDUSTRY-LEADING PRODUCTIVITY

- Aim at reducing redundancy (Lean) of all key processes to maximize efficiency of cost management, treatment and service quality development.

### 5: STRONG ORGANIZATION

- Aim at developing information technology and information security system (IT/IS/Security) to support development of treatment, service, and management quality.
- Apply information in management according to organizational direction efficiently and effectively.

## 1.2 Key Change and Development

- Year 2010: Launched men's health clinic service, provided diagnostic service, and men's urinary tract disease treatment service, as well as Men's Health Check Up, which covers Pediatric Urology Clinic to provide diagnostic, treatment, and recommendation service relating to Pediatric Urological Disease. In addition, also develop dermal and plastic surgical center with nonsurgical treatment, including Plastic Surgery.
- Year 2011: Improve landscape and hall in reception area at the front of the hospital to make it beautiful and modern. Improving the image to international service. Develop cardiac center by adding Intervention specialist, and purchase cath lab with latest technology to add treatment capacity, and Breast Cancer Center that add cancer and radiation specialist with special expertise. And, purchase the latest and highly efficient Mammogram Digital machine.
- Year 2012: launched Diagnostic Digital Imaging Center to provide service relating to Diagnostic Digital Imaging from X-Ray, Ultrasound, and MRI to create confidence in terms of effective and standard one stop medical treatment that meets health demand. And, upgrade service area in the hospital such as emergency room, surgery ward, as well as patient room to make them beautiful and modern. And, upgrade service process to make it quicker.
- Year 2013: In March, last year, the company purchased a land adjacent to the hospital with the main objective of constructing new hospital building to support the future expansion. At the moment, it is in the process of designing. In terms of service provision, stroke fast track (Neurology Clinic) center was established to look after neurological patient, which is likely to increase.

## 1.3 Shareholding structure of the company's group;

- None

## 1.4 Relationship with Major Shareholders' business group;

- None

## 2 } Business Operations



## 2. Business Operations

The Nonthavej Hospital Public Company Limited began its operation on September 3, 1981. It is the first Private Hospital in Nonthaburi Province and located at 30/8 Ngamwongwan Road, Bang Khen, Amphur Muang, Nonthaburi 11000, Telephone number 0-2596-7888 and Facsimile number 0-2589-8753, Website : [www.nonthavej.co.th](http://www.nonthavej.co.th) . As a Tertiary Care private hospital is located on the premise of 4 rais 3 ngan and 80 square wah. The hospital operates through in-patient, out-patient, and emergency departments and opens 24 hours everyday. Our ambulance services are also available around the clock. With specialized medical staff in all fields, competent supporting staff, state of the efficient medical equipment and technology, today, we are equipped with 208 beds to accommodate in-patients and 90 examination rooms to accommodate out-patients, which enable us to service up to 2,000 of out-patients each day.

### Income Structure

(Unit : Millions baht)

Each type of patient	2013		2012		2011	
	Baht	%	Baht	%	Baht	%
Out – Patient	952.57	53.47	893.14	51.90	763.78	52.70
In – Patient	828.77	46.53	827.83	48.10	685.44	47.30
Total	1,781.34	100.00	1,720.97	100.00	1,449.22	100.00
Increased (Decreased)	60.37	3.51	271.75	18.75	66.33	4.80

(Unit : Millions baht)

Each type of revenue	2012		2011		2010	
	Baht	%	Baht	%	Baht	%
Medicine and Supply	542.86	30.47	534.22	31.04	468.35	32.32
Doctor fees	388.80	21.83	378.86	22.01	315.38	21.76
Room and Services	229.09	12.86	222.51	12.93	187.06	12.91
Medical Equipment	197.38	11.08	200.75	11.66	167.77	11.58
Lab and X-Ray	303.35	17.03	281.59	16.36	224.88	15.52
Meals	20.59	1.16	21.25	1.23	14.50	1.00
Other	99.27	5.57	81.79	4.75	71.28	4.92
Total Revenue	1,781.34	100.00	1,720.97	100.00	1,449.22	100.00

## 2.1 Characteristics of a product or service

The Nonthavej Hospital Public Company Limited as a Tertiary Care private hospital with 208 beds. Medical services a multidisciplinary every branch. By the doctors and medical staff with expertise and experience and comprehensive modern medical equipment. The hospital operates through in-patient, out-patient, and emergency departments and opens 24 hours everyday. With the establishment of medical centers and clinics to treat specific diseases, medical specialists, and systems with various core services. As follows.

### 2.1.1 Out - Patient Department.

There are 90 examining rooms , offers specialties Centers are 16 Centers and specialties Clinic are 6 Clinic of medical care as follow:

Minimally Invasive Surgery Center (MIS)	Orthopedics Center
Obstetrics Center	Children & Teens Center
Infertility Center	Wellness Center
Breast Cancer Center	Heart Center
Gynecology and Advanced Laparoscopy Center	Diabetics Center
Gynecologic Oncology Center	Urology Center
Dermatology & Aesthetic Center	Respiratory Center
Gastrointestinal & Liver Center	Gastrointestinal Center
Dental Center	Diagnostic Digital Imaging Center
Neurology Clinic	Hemorrhoid Clinic
Eye Ear Nose Throat Clinic	General Practice and Surgery Clinic
Psychiatric Clinic	Physical Therapy and Occupational Therapy Clinic

### 2.1.2 In - patient Department, categorized as follow.

Labour Room	Operation Room
ICU & CCU and NCU Room	Nursery Room
Single Room	Single Room Double bed Room
Deluxe	VIP

### 2.1.3 Supports Services , categorized as follow.

Emergency Department	X-ray Department
Laboratory Department	Hemodialysis Center
Nutrition Department	Nonthavej Polyclinic
Healthy Check Up International	Ambulance Service opens 24 hours everyday

## **2.2 Marketing and Competition**

### **(A) Market Policy and Characteristic of Product or Service**

#### **(1) Marketing Strategy**

##### **1.1 Marketing Policy**

Focus on aggressive marketing together with brand building to add new customer base in general customer group and corporate customer, retaining existing customers by applying more customer relation management (CRM) for specific group and individual customer through organizing regular activities to promote the market both internally and externally, as well as making print media as communication and provision of information. Furthermore, the hospital also focuses on Holistic Health Promotion to promote better quality of life for patients. The company has continuously developed service quality in terms of technology and medical treatment to match leading private hospital in order to becoming a hospital with international service standard to expand the market to cover local and international patients.

##### **1.2 Treatment Quality Development Policy**

There is a purpose to develop Excellent Center that focuses on recruiting and developing specialized personnel in each field, applying the latest and most efficient technology in service provision by a team of capable and experienced medical personnel.

##### **1.3 Service Provision Quality Development Policy**

Focus in continuous quality development and improving patient service provision process, support service provision according to international standard by creating the most satisfaction for customers with convenient and quick service by applying the latest information technology to support the service provision.

#### **(2) Distribution and Distribution Channel**

The company divides service provision into internal service, which are out-patient –in-patient services, and external service, which are onsite health check up service, providing a doctor for doctor's office of contracting customer, mobile X-Ray service, ambulance service, etc., which customers are divided into general customer and customer with service agreement (contracting corporate customer and insurance company customer).

The hospital has increased distribution channel, which there is company that will send and grant privilege to employee to get treatment in the manner of contracting company, which also received good cooperation from insurance company that is a contract party with the hospital, as well as credit project for treatment of credit card holders group, expanding customer base to create recognition in the hospital's service.

The hospital has a website, which is considered as a source of medial information and the center of communication and service of the hospital to facilitate access to information and communication to all groups of target customer. The hospital has proportion of service provision as follows;

### Proportion of Services Provided to Each Type of Customer

(Unit: Million Baht)

	2013	%	2012	%	2011	%
Revenue from hospital contracting company	571.09	32.06	523.93	30.44	436.55	30.12
Revenue from general customer	1,210.25	67.94	1,197.04	69.56	1,012.67	69.88
<b>Total Revenue</b>	<b>1,781.34</b>	<b>100.00</b>	<b>1,720.97</b>	<b>100.00</b>	<b>1,449.22</b>	<b>100.00</b>

### (3) Customer Characteristics

Customer Divided into 2 Groups;

1.General Customer	i.e. customer group that comes to the hospital for medical treatment or health check up who is responsible for their own expense.
2. Service Agreement Customer 2.1 Contracting Corporate Customer	i.e. customer group that has employee health check up agreement or medical treatment agreement with the company.
2.2 Insurance Company Customer	i.e. customer group that makes an agreement in the form of health insurance or life insurance with an insurance company, which the insurance company is responsible or the expense according to the condition of the agreement that the insured has made with the insurance company.

### (B) Competition within the Industry

#### 1. Structure of the Industry

Currently, people have the knowledge of, understand and pay attention to health care and good quality if life, they pay more attention to preventative health care apart from health care when sickness occurs, which results in more patients.

#### 2. Competition

Hospital business is highly competitive. Nonthavej has been provided services for more than 30 years. The hospital has developed health care quality and service quality according to hospital quality standard both locally and internationally. The hospital has continuously developed Excellent Center Care, as well as developed a team of specialists and medical personnel.

The hospital's competitors are hospital that is located within 20 kilometers radius.

#### The company's Advantages

1. The company's location; the company is located on Ngarmwongwan Road, which is the center of community with high growth of community and residence in nearby areas. It is close to large government and state enterprise locations.
2. Aim to be one stop treatment and specialist center with medical personnel with knowledge, expertise, and experience, as well as modern medical equipment.
3. Received hospital standard quality certification both locally (HA), and internationally (JCI-USA), laboratory quality standard certification (ISO 15189:2007), and food quality standard for patient (GMP/HACCP).
4. Image; the company has been providing services for more than 30 years. It is recognized, has large customer base, contracting company and business partner.
5. Personnel; continuously growing performance confirms the company's stability. Therefore, it is an opportunity for the company to select personnel with knowledge and capacity to work with the company.

#### The company's disadvantage

Traffic; as it is a community center and has many large shopping centers, traffic around the hospital is quite heavy.

### **2.3 Provision of Produce and Service**

Provision of product for distribution consists of 2 main factors;

- (1) Providing team of doctors and nurses with expertise in each field of diseases to be able to universally provide service to patient. All doctors and nurses are qualified and has been selected by Medical Staff Organization.

#### **Full service capacity and actual service capacity;**

	2013	2012	2011
<b>Full capacity (now)</b>			
In-patient (150 beds)	54,750	54,750	54,750
Out-patient (2,000 persons per day)	730,000	730,000	730,000

	2013	2012	2011
<b>Actual capacity</b>			
In-patient (bed)	44,402	47,727	43,513
Out-patient (person)	589,899	595,567	557,391

	2013	2012	2011
<b>In-patient capacity usage</b>			
In-patient (%)	81.10	87.17	79.48
Out-patient (%)	80.81	81.58	76.35

(2) Raw material supply and suppliers

(a) Raw materials are medicine , pharmaceutical product , and supplies used in medical treatment.

(Unit : Million baht)

	2013	2012	2011
Local Purchase Order	515.65	526.32	356.18
International Purchase Order	-	-	-
<b>Total</b>	<b>515.65</b>	<b>526.32</b>	<b>356.18</b>

Ordering raw material of medicine, pharmaceutical product, and supplies used in medical treatment is purchase order made to local manufacturer or dealer, which there is a committee considers the import for use in the hospital.

(b) Disposal of used raw material

The company separates used raw material as recycle waste, general waste, and hazardous waste, which hazardous waste will be classified into 3 groups; infectious waste, chemical waste, and sharps waste. Nonthaburi Municipality comes an pick up general and hazardous wastes on the daily basis for disposal in order for safe management of used raw material for the community and the environment.

Total weight of waste statistics as follows.

No	Raw material	2013	2012	2011
1	General waste (kg.)	246,841	224,692	181,443
2	Hazardous waste (kg.)	116,890	125,052	96,760
	<b>Total</b>	<b>363,731</b>	<b>349,744</b>	<b>278,203</b>

# 3 } Risk Factors

### **3. Risk Factors**

#### **Risk factors from legal dispute**

Hospital business operation may be at risk of being sued for damages. In order to mitigate potential risks, the company has a risk management system in the hospital, and enforce and adhere to hospital standard quality such as JCI hospital standard quality from Joint Commission International Accreditation (USA), HA (Hospital Accreditation) hospital standard quality, and laboratory quality standard (ISO 15189 : 2007) in order to ensure quality medical treatment operation, safety, and in compliance with the standard, which would help the company in good management of potential risk.

#### **Risk factor in business operation competition**

Hospital and medical service business is highly competitive in both state and private sectors. Every hospital continues to develop their services. There is a risk that patient may use the service of other hospitals. Therefore, the company must maintain the status of being the leading hospital by continuously adopting Hospital Accreditation (HA), JCI (USA), laboratory quality standard (ISO 15189), international food quality standard (GMP/HACCP), and medical profession standards, providing modern medical technology to increase service provision efficiency, develop medical personnel knowledge, and develop Excellent Services for the best impression and satisfaction from the patient.

#### **Risk factor from interest rate fluctuation**

The company has debt with float rate of only 160 million baht. Therefore, interest rate fluctuation may affect financial capital of the company. In the future, if the company has more debt, the company will prevent the risk from interest rate fluctuation by using financial instrument and provide source of capital suitable with market situation at the time.

#### **Risk factor in terms of medical personnel**

Knowledge, capacity, and sufficiency of medical personnel in various fields of occupation are greatly important for quality of medical service.

Therefore, the company focuses on recruitment, development, and retaining of personnel with knowledge, capacity, and good performance, which human resource management process is improved by;

1. Develop the process of recruiting personnel who are qualified, knowledgeable, capable sufficiently for the demand in each position.
2. Develop remuneration and welfare management.
3. Develop career paths.
4. Develop labor relations to create connection and well-being for employee of the organization.



# 4

## General Information

#### 4. General Information

##### 4.1 The Company

Company Name	:	Nonthavej Hospital Public Company Limited.
General Name	:	Nonthavej Hospital
Business Managerial	:	Hospital
Characteristic	:	General hospital , provide medical care in all specialties . Through in-patient and out-patient and opens 24 hours everyday.
Office location	:	30/8 Moo2 Ngamwongwan road, Bangkhen , A.mueng , Nonthaburi 11000
Branch	:	68/888 Rattanathibeth Rd. Bangkrasor Nonthaburi 11000
Register number	:	0107536001087
Home page	:	<a href="http://www.nonthavej.co.th">www.nonthavej.co.th</a>
E-Mail	:	<a href="mailto:nonthavej@nonthavej.co.th">nonthavej@nonthavej.co.th</a>
Telephone number	:	0-2596-7888 (Automatic 200 number)
Fax number	:	0-2589-8753
Number and type of shares	:	160 million ordinary shares of Baht 1 each fully paid up.

##### 4.2 Other companies which the company holds shares in excess of 10%

-None-

##### 4.3 Other References.

###### a. Securities officer

Thailand Securities Depository Co., Ltd.

CAPITAL MARKET ACADEMY BUILDING

62 Securities Officer Building

Ratchadaphisek Road Kolngtoey ,Bangkok Thailand 10110

Tel : 66(0)-2-229-2800 ( Main )

Fax : 66(0)-2-654-5427

TSD Call Center : 0-229-2888

E-mail : [TSDCallCenter@set.or.th](mailto:TSDCallCenter@set.or.th)

Website : <http://www.tsd.co.th>

**b. External Auditor**

Dr. Virach & Associates Co.,Ltd.

518/3 Panunee Building , Floor 7<sup>th</sup> , Plenchit Road

Lumpini District , Khet Pratumwan, Bangkok 10330

Tel & Fax : (660)-2252-2860 , (660)-2254-8386-7

**c. Legal Consultant.**

The Far East Law Office ( Thailand ) Co., Ltd.


No. 121/74-75 R.S. Tower 24<sup>th</sup> FL., Ratchadaphisek Road ,

Dindaeng District , Bangkok 10320

Tel : (660)-2641-3181-88 , (660)-2248-6711

Fax : (660)-2641-3189-90,(660)-2248-6719

# 5



## Management & Organizational Chart

## 5. Management &Organizational Chart

### 5.1 Shares of the Company

The company has registered capital of 160 million baht to be paid the full amount of 160 million baht is divided into 160 million ordinary shares of Baht 1 each.

### 5.2 Shareholders

The name of the largest shareholders on December 27, 2012

Name	Shares	% of Share
1. Mrs.Patama Prommas	50,641,000	31.65
2. Mr.Lopachai Keanratana	37,581,800	23.49
3. Thailand Securities Depository Co.,Ltd. For Depositor	32,440,070	20.28
4. Dr. Prompan Prommas,MD.	9,670,000	6.04
5. Miss.Prapichaya Prommas	4,144,000	2.59
6. Mrs.Prompan Siripat	3,390,000	2.12
7. Dr. Saravut Sontikaew ,MD.	3,332,000	2.08
8. Mr.Prasert Prasatthongosoj	1,258,000	0.79
9. Dr. Charoon Chairaj, M.D.	700,000	0.44
10. Mrs.Siriaorn Thanosawan	600,000	0.38
<b>Total</b>	<b>143,756,870</b>	<b>89.85</b>

Group of the largest shareholders has an influence to assignment policy of the company is following :

Name	Position	Shares	% of Share
1. Mr.Lopachai Keanratana	Chairman / Executive Director / Authorized Director and affix the company's seal.	37,581,800	23.49
2.Dr.Prompan Prommas,M.D.	Chief Executive Officer / Executive Director/ Authorized Director and affix the company's seal	9,670,000	6.04
3. Mrs.Patama Prommas	Vice Executive Officer / Administrative Director / Executive Director / Authorized Director and affix the company 's seal.	50,641,000	31.65
4. Miss.Prapichaya Prommas	Assistant Hospital Director (Business Development and Strategic Human Resource Management)	4,144,000	2.59
<b>Total</b>		<b>102,036,800</b>	<b>63.77</b>

# 6

## Policy of Dividend Payment

## 6. Policy of Dividend Payment

The Company has policy of Dividend Payment for Shareholder's 60 percent of profits in the year.

	Dividend Payment (Bath per Share)	Profits per Share (Bath per Share)	% of profits
2011 (Par 10 Bath per Share)	7.30	12.15	60.08
2012 (Par 10 Bath per Share)	6.11	10.17	60.08
2013 (Par 1 Bath per Share)	0.93	1.54	60.39

# 7 } Management Structure



## 7. Management Structure

### 7.1 Board of Directors

Board of Directors consists of 9 directors as follows;

Name	Position	Total Directors / Meeting ( Time )	Attended Directors / Meeting ( Time )
1. Mr.Lopchai Kaenratana	Chairman Board of Director	7	5
2. Dr. Prompan Prommas, M.D.	Director / Nomination Director	7	7
3. Mrs. Patama Prommas	Director / Remuneration Director	7	7
4. Mrs. Prompan Siripat	Director / Chairman of the Nomination	7	7
5. Dr.Saravut Sontikaew,M.D.	Director	7	7
6. Dr.Kamales Santivejkul , Ph.D	Independent Director / Remuneration Director	7	6
7. Dr.Prawit Ninsuvannakul ,Ph.D	Independent Director / Chairman of the Audit Committee	7	7
8. Dr. Charoon Chairroj, M.D.	Independent Director / Audit Committee Director / Chairman Remuneration Director	7	7
9. Dr.Viroonporn Prompangsa, M.D.	Independent Director Audit Committee Director / Nomination Director	7	6

Authorized Directors are; Mr. Lobphachai Ganrattana, Dr. Phromphan Phrommart, and Mrs. Pattama Phrommart.

Two of these three directors shall sign together and affix the company's seal.

#### Director's Term

In the Annual General Meeting of Shareholders, 1 of 3 directors must resign. Director who must resign shall be the director who has been the director for the longest period. However, the resigned director may be reelected as a director.

### Scope of Duty of Board of Directors

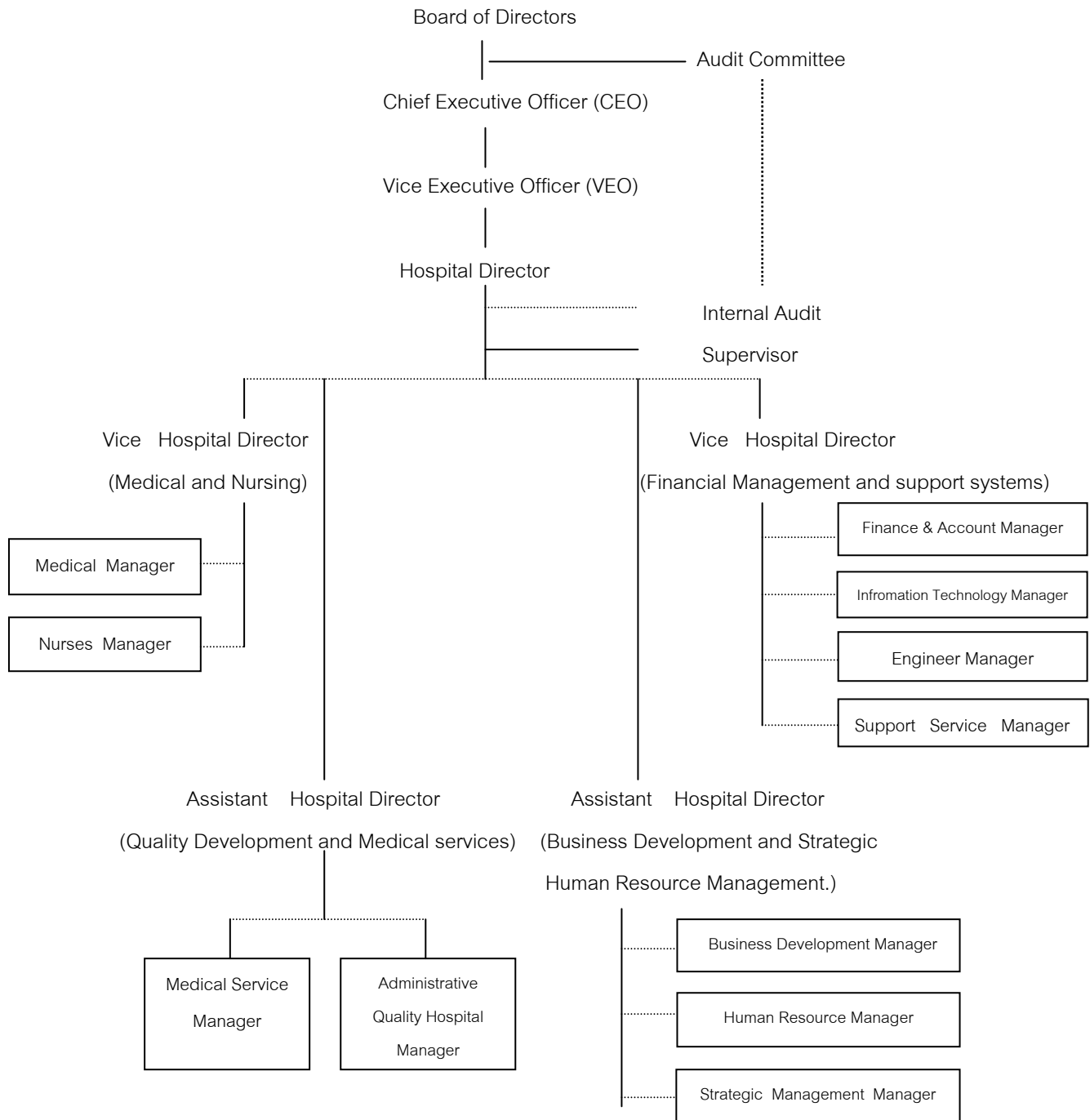
1. Manage the company according to the law, objective, and regulation of the company. Comply with AGM's resolution honestly. Protect the company's interest. And, always be responsible towards shareholders.
2. Determine policy and operational direction of the company. Regulate the management to comply with the determine policy efficiently and effectively.
3. Ensure that there is effective internal control and internal audit.
4. Always monitor the company's business operation, and acknowledge compliance with the law and requirement in agreement relating to the company in ensure efficient operation of the company.
5. Arrange AGM and comply with the practice of AGM of a listed company to ensure transparent and fairness of AGM, and the interest of all shareholders.
6. Responsible for reporting the company's financial information and general information to shareholders and general investors accurately, completely, and transparently.

Elements of Director Appointment can be summarized as follows;

1. Board of Directors must consist of at least 5 directors, and at least half of directors must have domicile in the kingdom.
2. AGM shall appoint the director, which qualified person is selected and nominated by nomination committee according to the rule and method determined as follows;
  - 2.1 One shareholder has one vote per share.
  - 2.2 Each shareholder must use all votes in 2.1 to select one person or more as director. Votes may not be shared to others.
  - 2.3 Person who receives the highest vote respectively is selected as director according to the number of director available, or to be elected at that time. In case the person who is elected has equal vote and number director exceeds the limit, or exceeds the number to be elected at that time, the chairman shall give the decisive vote.
3. In every AGM, 1 of 3 directors resigned according the term may be reelected.
4. AGM may vote for any director to resign before the end of the term with the vote of at least three quarters of number of shares in attendant, which have voting right. And, share count combined to at least half of share held by shareholders in attendance, which have voting right.
5. Any resigning director must submit a resignation to the company. The resignation shall be effective from the date the resignation is submitted to the company onwards.

## 7.2 Management

### Organization Chart Management of Company as 31 December 2013



At 31 December 2014 Administrator consists of 6 person as follows;

Name	Position
1. Dr. Prompan Prommas, M.D.	Chief Executive Officer (CEO)/ Hospital Director
2. Mrs. Patama Prommas	Vice Executive Officer (VEO)/ Vice Hospital Director (Financial Management and Support Systems)
3. Dr. Kriengkrai Jirapaet, M.D.	Vice Hospital Director ( Medical and Nursing)
4. Dr. Apichai Chairaj,M.D.	Assistant Hospital Director (Quality Development and Medical services)
5. Miss.Prapichaya Prommas	Assistant Hospital Director (Business Development and Strategic Human Resource Management.)
6. Misss. Suree Sankornpanich	Finance &Account Manager and Company's Secretary

### 7.3 Company's Secretary

Board of Directors has appointed Ms. Suree Sankornpanich as the company's secretary from August 11, 2008 onwards.

Roles of the compnay's secretary are duties and responsibility as follows;

1. Provide preliminary recommendation to directors relating to legislation, rule, and regulations of the company, and minatory compliance, and reporte significant change to the directors.
2. Organize AGM and Boad of Directors Meeting according to the law.
3. Record minutes of meeting, as well as monitor compliance with the meeting's resolution of both AGM and Boad of Directors Meeting.
4. Oversee disclose of informaiton and report information of the company in the responsible part to regulating authority.
5. Contact and communicate with shareholders.
6. Oversee activities of Board of Directors.

## 7.4 Directors and Executives Remuneration

### (1) Monetary Remuneration

(a) Directors Remuneration consist of meeting allowance, which is paid according to number of attendance as follows; (total of 9 directors)

Name	Position	Remuneration for Directors per year (Bath)			
		Board of Director	Audit Committee	Nomination Committee and Remuneration Committee	Total
1. Mr.Lopchai Kaenratana	Chairman Board of Director	308,200	-	-	308,200
2. Dr. Prompan Prommas, M.D.	Director / Nomination Director	322,200	-	-	322,200
3. Mrs. Patama Prommas	Director / Remuneration Director	322,200	-	-	322,200
4. Mrs. Prompan Siripat	Director / Chairman of the Nomination	322,200	-	-	322,200
5. Dr.Saravut Sontikaew,M.D.	Director	322,200	-	-	322,200
6. Dr.Kamales Santivejkul , Ph.D	Independent Director / Remuneration Director	322,200	-	-	322,200
7. Dr.Prawit Ninsuvannakul ,Ph.D	Independent Director / Chairman of the Audit Committee	322,200	240,000	-	562,200
8. Dr. Charoon Chairoj, M.D.	Independent Director / Audit Committee Director / Chairman Remuneration Director	315,200	120,000	-	442,200
9.Dr.Viroonporn Prompangsa,M.D.	Independent Director Audit Committee Director / Nomination Director	315,200	120,000	-	442,200
<b>รวม</b>		<b>2,871,800</b>	<b>480,000</b>	<b>-</b>	<b>3,351,800</b>

### (b) Executives Remuneration

In 2013, the company paid remuneration, which consisted of monthly salary and bonus to 6 executives in the amount of 16.77 million baht.

(2) Other remunerations for executives

**Provident Fund**

The company provides provident fund for executives, which the company contributes 3 percent of monthly salary. In 2013, the company paid contribution to provident fund for 5 executives in the amount of 0.34 million baht.

**7.5 Personnel**

The company has 251 employees in the management level and 1,035 employees in the operation level. Altogether there are 1,286 employees. In 2013, the company paid remuneration to personnel in the amount of 393.37 million baht, which the remuneration are monthly salary and wage, bonus, social security fund, and contribution to provident fund, etc.

Year 2014	Amount
Management level	251
Operation level	1,035
<b>Total ( persons)</b>	<b>1,286</b>
<b>Remuneration to personnel (Million Bath)</b>	<b>393.37</b>

# 8

## Good Corporate Governance

## **8. Good Corporate Governance**

### **8.1 Corporate Governance Policy**

The company realizes the importance of good corporate governance, which is the main factor that causes the company to be successful in the business operation. It is the foundation for sustainable business growth of the company to ensure efficiency and to be generally accepted, as well as clarity, transparency, as well as business operation for the best interest of the company's interested party. The company has complied with the principle of good corporate governance as follows;

#### **1. Shareholders' Right**

The company emphasizes the importance of every shareholder's right, both major shareholders and minority shareholders. Shareholders' right covers basic rights as investors in securities, and as owners of the company. Shareholders have the right to determine direction of the company's business operation, or to decide in the matter that significantly affects the company. AGM is therefore an important stage for shareholders to comment, inquire, vote, and select board of directors to perform the duty of regulating the company on behalf of shareholders. Therefore, shareholders have the legal right to attend the AGM, as well as sufficient time to consider and acknowledge result of the meeting.

In 2013, the company performed actions to promote and facilitate shareholders to exercise their rights to attend AGM as follows;

##### **1.1 AGM Schedule**

The company determines to hold AGM once a year at least 4 months after the end of the fiscal year of the company. And, in case it is necessarily urgent to propose special agenda, which is the matter that affects the interest of shareholder or relating to condition or rule, or applicable law, shareholders' approval is required. The company will call for an Extraordinary Meeting of Shareholders case by case.

In 2013, the company held an AGM on Friday April 26, 2013 at Nonthavej Conference Room, Nonthavej Hospital. During the year, there was not Extraordinary Meeting of Shareholders.

##### **1.2 Advance Meeting Invitation**

In 2013, Board of Directors at the meeting number 2/2556 on March 7, 2013 had a resolution to hold the AGM on April 26, 2013, which the meeting resolution, meeting date, meeting agendas, and notification were published on the website of SET to inform shareholders in advance on the date the Board of Directors had the resolution before the invitation was sent by Thailand Securities Depository Co., Ltd., which is sent by the company's securities registrar with the details of meeting agendas, important information for decision making/comment of Board of Directors. Minutes of meeting in the past, which consists of complete detail, annual report as well as meeting document required for proxy. Specify usage clearly as the company sent to shareholders more than 14 days in advance before AGM date. The invitation was sent on April 10, 2013, and was published in the daily newspaper for 3 consecutive days before the meeting date (April 17-19, 2013) to inform shareholders in advance



adequately in order to prepare before attending the meeting. In the AGM, the company published the invitation and document on the company's website 30 days in advance (from March 12, 2013).

### **1.3 AGM Procedure**

Before the start of each AGM, the chairman assigns the company's secretary to introduce Board of Directors, Chairman, and Sub-committee, and the company's auditor, who act as the intermediary, as well as the method for vote count of shareholders that requires voting in each agenda according to the company's regulation, including clear voting in each agenda. After information of the agenda has been provided, the chairman will give an opportunity for attendees to comment, recommend, and inquire in each agenda, and allow time for discussion adequately. Then, the chairman and the executives will answer questions clearly to the point, and pay attention to all questions, and then allows the meeting to vote in that agenda. For the agenda of director election, the chairman will ask shareholders to vote individually. The chairman will proceed with the meeting according to the order of meeting agenda. And, agenda will not be added without notifying shareholders in advance, except for the meeting has a resolution to change the order of the agendas with the voting of at least two third of the number of shareholders in attendance, or shareholders who hold shares in the total of at least one third of all shares sold may request the meeting to consider other matter besides the matter determined in the meeting appointment after the meeting has considered the agendas according to the company's regulation. In the 2013 AGM, there was no change in the agenda order, and the meeting was not requested to consider other matter that was not determined in the meeting.

In addition, in every meeting, minutes of meeting will be kept accurately, and concluded with voting as well as vote count. The total time for each AGM is approximately 2-3 hours. In the 2013 AGM, the meeting was scheduled at 10.00, which the registration started at 8.00. At the beginning, there were 97 shareholders in attendance with total share of 112,590,800 shares from the total of 160,000,000 shares or 70.37%.

### **1.4 AGM Result Disclosure**

In 2013, the company sent result of voting in the AGM to SET and SEC in the evening after the meeting completed (April 26, 2013), and sent AGM report, which recorded minutes of meeting and voting, as well as inquiry of shareholders in each agenda in detail to SET and SEC within 14 days, including published minutes of meeting on the company's website.

1. In case that shareholder cannot attend the meeting in person, shareholder may authorize independent director or any person to attend the meeting on one's behalf and vote on one's behalf by using any form of proxy sent by the company together with the meeting invitation. Furthermore, shareholder may download proxy from the company's website.

2. To facilitate shareholders at the meeting, the company provides computerized registration system, as well as prepared voting ballot for each agenda for quick and accurate process of registration and vote count in each agenda, which at the end of the meeting, shareholders may ask to verify the detail.

3. Before starting the meeting according to the agendas, the chairman of the board, who is the chairman of the meeting, notified the meeting of the method for voting in each agenda. And, during the AGM, the chairman allowed all shareholders to propose, inquire, and comment in every agenda, which the chairman and the executives will pay attention to all questions and answer them clearly and to the point.

4. The company's secretary recorded the minutes of meeting completely and accurately by sending AGM report to SET within 14 days after the meeting, and published on the company's website for quick acknowledgment of shareholders, which is verifiable.

Furthermore, the company focuses on providing information to all shareholders accurately, ontime, equally, transparently, and adequately for investment decision making for shareholders and investors.

## **2. Equal treatment towards shareholders**

The company focuses on creating equality for all shareholders in every group, whether they are major shareholders, minority shareholders, institutional investors, or foreign shareholders by performing the followings;

### **2.1 Proposing additional agenda and director nomination**

The company set rule, as well as procedure for the right of minority shareholders to propose an agenda and/or nominate a director in advance to the Board of Directors to determine AGM's agendas to give an opportunity for shareholders to participate in regulating the company and selecting person who is qualified and performing duty efficiently for the best interest of shareholders and all interested parties by allowing one or many shareholders who have combined shares and must hold the company's share continuously from the date of holding the share to the date of proposing the agenda, or director nomination of at least 1 year. In the AGM in the final quarter of the year for 2013 AGM, the company published such rule on the company's website and on SET's website from October 1, 2013 to December 31, 2013 for shareholders to propose meeting agenda and/or nominate director in advance, and for the 2013 AGM to publish such rule on the company's website and on SET's website from October 1, 2013 to December 31, 2013. However, no one propose any agenda and no director nomination were made during such period, which the company's secretary has already reported to the Board of Directors.

### **2.2 Facilitating shareholders in AGM**

In the past, in 2013 AGM, the company facilitated all shareholders by providing adequate staffs to facilitate shareholders, opened for registration 2 hours before the meeting, and used computer in the registration for convenience and quickness.

### 2.3 Proxy

To protect the right of shareholders who are not able to attend 2013 AGM in person, the shareholders may authorize other person or any one independent director of the company from independent directors in attendance, which the company specified their names in the proxy in the form determined by Ministry of Commerce to attend the meeting and to vote on behalf of shareholders unconditionally. In case shareholder authorizes other person, the company grants the right and treats the proxy as if such person is one of the shareholders. Furthermore, the company published the proxy attached, as well as details and procedures on the company's website 30 days in advance, which shareholders may inquire for additional information via telephone or other channels such as website, email, etc.

### 3. Role of Interested Parties

The company pays attention to the right of every group of interested parties for the common interest between the company and the company's interested parties, which the company has determined practices relating to interested parties in the company's employee manual for the company, staff, and executive to realize the importance of the interested party's right as follows;

- |               |  |
|---------------|--|
| - Shareholder | The company aims at business operation for the best interest of shareholders and continuous growth with transparency and reliability, which the company has a policy to pay dividend to shareholders at the rate of 60 percent of net profit, which in the past, the company has been adhered to and complied with such policy (refer to 1; Right of Shareholders).  |
| - Customer    | The company aims at providing standard quality service, aims at meeting the demand and expectation of customer by adhering the principle of customer centric by surveying expectation and satisfaction of customer to improve the process of service provision and provide customer service department to receive and monitor complaint and recommendation from customers to take further action.  |
| - Staff       | <p>The company takes care and focuses on the importance of continuous development knowledge and capacity of employee, promotes working culture, teamwork, equal and fair treatment and appropriate remuneration, provides welfare committee to look after welfare and safety of employee and appropriate welfare as follows;</p> <ul style="list-style-type: none"><li>- Provides health care welfare for employee and provide special discount for employee's family.</li><li>- Provides annual health check up for employee, as well as provides information for exposed group to behave properly, including monitoring the check up result regularly.</li></ul> |

- Promotes healthy employee by organizing activities, providing knowledge and organizing WHY WAIT activity for group of employees who have excessive BMI and cholesterol higher than the standard.
- Provides child assistance in terms of education by giving fund to employee's children.
- Partner                      The company treats partner according to the trade condition and agreement made between each other by taking into account equality in business operation and common interest with the partner.
- Competitor                The company promotes and supports free and fair trade competition policy.
- Society/Community      The company realizes in being part of society, which the company is responsible for helping the society and supporting public interest activities in the community by focusing on providing knowledge on Health Promotion and first aid to the company's employees to promote health and society and villages in Nonthaburi and in the radius of the hospital, and participating in the plan to support mass casualty incident, and conducting fire drills together with Rescue Unit, Nonthaburi Municipality, and nearby communities, which the company performs on an annual basis. The company is part of promoting policy relating to energy and environmental conservation by providing knowledge and creating awareness for employees in order for all employees to help conserve energy.

#### **4. Information Disclosure and Transparency**

The company focuses on accurate, complete, transparent, and ontime information disclosure. Therefore, the company provides Investor Relations unit to represent the company in communicating with investors, shareholders, securities analysts, and other related agencies, as well as publishes the company's information on [www.nonthavej.co.th](http://www.nonthavej.co.th) as a channel for investors or interested persons to access the company's information, and provides Investor Relations unit by assigning Khun Suree Sangkompanich, the company's secretary, to be the coordinator of this unit, who can be contacted at tel. 0-2596-7888 , extension 2515, or at email: [suree.s@nonthavej.co.th](mailto:suree.s@nonthavej.co.th) or [ir@nonthavej.co.th](mailto:ir@nonthavej.co.th)

#### **5. Board of Directors' Responsibility**

##### **Board of Directors' Structure**

Board of Directors consists of qualified person with knowledge and experience in many fields. All directors participate in determining vision, mission, strategy, goal, business plan, and budget of the company, as well as regulating the management to operate the business according to the plan efficiently and effectively to add the most value to the business and the best stability to shareholders. Board of Directors has a meeting in every quarter to

consider performance report of the management, which detail of directors' authority and responsibility are available in article 7.2; Board of Directors Management Structure.

#### **Leadership and Vision**

Board of Directors participates in determining vision, mission, strategy, goal, and business plan of the company, as well as regulating the management to operate the business according to the vision and mission efficiently and effectively, including participates in determining indicator and set the company's target, monitoring result according to the indicator, as well as determining method in the operation for the indicators that failed to achieve target and monitoring those indicators closely.

Board of Directors provides audit committee to perform the duty of closely examine the operation to ensure that the company has good and appropriate internal control, as well as supervise to avoid conflict of interest.

Risk management; Board of Directors provides risk management committee to ensure that all units manage their risks that covers all aspects of the organization.

#### **Conflict of Interest**

The company has a clear policy for preventing conflict of interest. The procedure for entering into transaction between the company and person who may have conflict of interest must go through screening process by the management and approved by Board of Directors. And, in case of having director who has interest in any agenda, that director may not vote in such agenda. There is an audit committee to examine to prevent conflict of interest.

For the usage of internal information, the company has a policy to prohibit director, executive or employee in the unit who are aware of internal information from disclosing the information to third party, or person who has no relevant duty, and from buying the company's securities in the 1 month period before the financial statement would be announced publicly, and the executive shall report any change to securities holding to SEC and SET.

#### **Business Ethics**

The company determines business ethics, which directors, executives, and employees at all levels must comply with in order for the company to have moral business operation, respects the right and treat interest parties equally, fairly, and verifiably, which covers various matters that the company focuses on.

The company published the company's business ethics on the company's website to be a channel for communication to directors, executives, and employees, or third parties.

#### Balance of non-executive directors

Board of Directors consists of	9	directors consists of
Executive directors	3	directors
Non-executive directors	6	directors

The company has established an audit committee, nomination committee, and remuneration committee to ensure transparent and effective operation.

#### Combining or Separating Position

- Chairman is the representative of major shareholders of all shares
- Chairman is not the same person as chief executive officer. Both persons are representatives from the same group of major shareholders. However, structure of Board of Directors consists of independent directors that are more than one third of total number of Board of Directors members causing the balance and review of the management.

#### Directors and Executives Remuneration

Board of Directors has appointed nomination committee to select person to be director and propose to Board of Directors to be proposed at the meeting.

Remuneration committee is appointed by Board of Directors to propose directors remuneration to be proposed to Board of Directors, which will then be further proposed to AGM.

#### Board of Directors Meeting

Board of Directors is scheduled to have normal meeting 4 times a year and has an extraordinary meeting when necessary. Agendas are determined in advance. Meeting invitation with meeting agendas and meeting document are issued 5-7 days in advance before the meeting date for the directors to study the information before the meeting.

#### Subcommittee

Board of Directors has appointed 3 subcommittees; audit committee, nomination committee, and remuneration committee, which subcommittees consist of executive director and independent directors, which contains element and scope of duty as appear in article 8.2; Subcommittees.

#### Internal Control and Audit

The company realizes the importance of internal control in both management level and operation level. Scopy of duty in the operation of executives and operators is determined in writing. The company's asset utilization is regulated. Duty of operators, monitoring person, controller, and evaluator are separated from each other to cause balance and appropriate verification. There is internal control in terms of finance. There is financial report to be proposed to executives in the responsible line of work.

There is an audit committee, which is assigned to examine the company's operation and internal audit department to examine and ensure that core operation and key financial activities of the company are done efficiently according to the determined method, including examining compliance with the law and relevant requirement of the company (Compliance Control). In order for internal audit unit to have freedom, the result shall be reported directly to audit committee.

Risk management; the company pays great attention to risk management, which the company has established Corporate Ethics Committee to search, evaluate, and find risk prevention measure for the operation, as well as monitor, regulate, and report the result to the audit committee to be further proposed to Board of Directors.

#### **Board of Directors Report**

Board of Directors is responsible for the company's financial statement and financial information that appear in the annual report. Financial statement is prepared according to generally accepted accounting standard in Thailand by selecting accounting policy that is appropriate and regularly practiced. Key information is disclosed adequately in the remark of the financial statement.

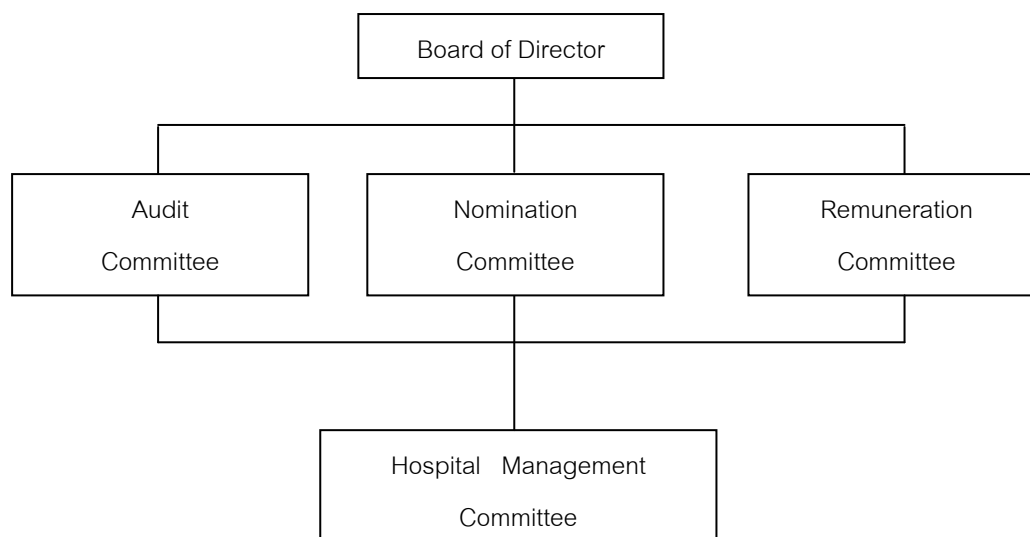
Board of Directors provides internal control to ensure that accounting information is recorded accurately, completely, and adequately to maintain the asset and to identify weakness to prevent significantly abnormal operation.

Board of Directors has appointed an audit committee, which consists of independent non-executive directors to be responsible for quality of the financial report and internal control. Comment of the audit committee has already been included in the annual report.

Board of Directors had a comment that the company's internal audit overall was in the level that can create confidence and credibility of the company financial statement.

## 8.2 Subcommittees

The Company has Subcommittees of that consists of 3 Committee as follows;



### Audit Committee's

The Company has Audit committees of that consists of 3 directors as follows;

Name	Position	Total Directors / Meeting ( Time )	Attended Directors / Meeting ( Time )
1.Dr.Prawit Ninsuvannakul ,Ph.D	Independent Director / Chairman of the Audit Committee	5	5
2.Dr. Charoon Chairroj, M.D.	Independent Director / Audit Committee Director / Chairman Remuneration Director	5	5
3.Dr.Viroonporn Prompangsa,M.D.	Independent Director / Audit Committee Director / Nomination Director	5	5



Audit committee had appointed Mr. Warawut Srisura as secretary of the audit committee to supervise and manage the audit committee's meeting, as well as prepare minutes of audit committee meeting, and store document as required by the law. Furthermore, subcommittee also give recommendation to audit committee relating to various rules relating to being audit committee according to good corporate governance.

#### **Audit Committee's Director's Term**

Audit committee's director has the term of 3 years. In case any director resigns before the term is completed, Board of Directors will select a replacement as soon as possible. And, the replacement will be a director for the remaining period of the audit committee's director's term.

#### **Scope of Duty of Audit Committee;**

1. Check up to make sure that the company has accurate financial report, which is adequately disclosed.
2. Check up to make sure that the company has appropriate and efficient internal control and internal audit.
3. Consider independency of internal audit unit, as well as appoint, transfer, terminate employment, and reward head of internal audit unit.
4. Check up to make sure that the company has complied with the law on securities and stock exchange, requirement of stock exchange, and law relating to the company's business.
5. Select, nominate, and appoint the company's auditor and propose auditor's remuneration, as well as attend the meeting with auditors without the management in attendance at least once a year.
6. Consider related items or item that may have conflict of interest to make sure that it is in compliant with the law and requirement of stock exchange to ensure that such item is reasonable and for the best interest of the company.
7. Prepare audit committee report, which is published in the company's annual report.
8. Perform any other actions assigned by Board of Directors with the approval of Audit Committee.

#### **Nomination Committee**

The company has nomination committee that consists of 3 directors as follows;

<b>Name</b>	<b>Position</b>	<b>Total Directors / Meeting ( Time )</b>	<b>Attended Directors / Meeting ( Time )</b>
1. Mrs. Prompan Siripat	Director / Chairman of the Nomination	2	2
2.Dr.Prompan Prommas,M.D.	Director / Nomination Director	2	2
3.Dr.Viroonporn Prompangsa,M.D.	Independent Director Audit Committee Director / Nomination Director	2	2

#### Scope of Duty of Nomination Committee

1. Propose the list of persons who are suitable to be members of Board of Directors, audit committee, and other committees to Board of Directors to be proposed to AGM.
2. Screen persons who are suitable to be chairmand/vice chairman and other directors in case of vacancy.
3. Appoint, transfer, remove employee at executive level of the company.
4. Determine method and rule for director recruitment to ensure transparency.

#### **Remuneration Committee**

The company has remuneration committee that consists of 3 directors as follows;

Name	Position	Total Directors / Meeting ( Time )	Attended Directors / Meeting ( Time )
1.Dr. Charoon Chairoj, M.D.	Independent Director / Audit Committee Director / Chairman Remuneration Director	2	2
2. Mrs. Patama Prommas	Director / Remuneration Director	2	2
3.Dr.Kamales Santivejkul, Ph.D	Independent Director / Remuneration Director	2	2

#### Scope fo Duty of Remuneration Committee

1. Consider method to determine remuneration for directors and committee, meeting allowance, welfare and other benefits, both in monetary form and non-monetary form to be proposed at the AGM.
2. Determine method and rule to determine remuneration for directors that is fair and reasonable, and propose it at the AGM for further approval.

### **8.3 Recruiting and Appointing Director and Senior Executive**

#### **(1) Director Recruitment**

In appointing nomination committee's directors, which consists of one chairman who is non-executive director, 1 executive director, and 1 independent director from all three nomination committee's directors, who have the duty of selecting and screening person with suitable qualification according to the company's regulation, and nominate person with suitable qualification to acquire variety of professional directors, and provide comment to Board of Directors to get approval from directors, and then present the list of directors at the AGM to further select the directors according to the rule.

Nomination committee considered business operation characteristics and future plan before determining qualification of directors, who must have knowledge of the business and experience in such business of at least 5 years. The nomination committee gave an opportunity to directors and shareholders to nominate directors who have suitable qualification. Furthermore, the committee also considers proposing additional director from the company's directors directory.

#### **(2) Senior Executive Recruitment**

In recruiting senior executive (such as chief executive officer), Board of Directors will preliminary consider the screening of persons who are fully qualified, suitable, knowledgeable, capable, skilled, and experienced in the company's operation, and understand the business, which will be proposed to nomination and remuneration committee for approval, and then present to nomination committee and remuneration committee for approval, and then present to Board of Directors for further approval.

### **8.4 Regulating operation of subsidiary and joint venture**

- None-

### **8.5 Supervising the use of internal information**

The company supervises the usage of internal information according to the principle of good corporate governance, which is determined in writing in business ethics and directors', executives', and employees' codes of conduct, who must sign as acknowledgement at the commencement of the work, which key policy is summarized as follows;

The company determined that directors, executives, and employees sign as acknowledgment of relevant notification of SEC, which determines that directors and executives have the duty to report the change in securities holding to SEC according to section 59 of Securities and Exchange Act, B.E. 2535 within 3 days of the date of the change of securities possession, and shall notify the company's secretary to record the such and summarize securities possession of directors and executives individually to be presented to Board of Directors for acknowledgement in the next meeting. Furthermore, the company also notified punishment in case of violation or noncompliance with such requirement.

The company has a requirement prohibiting financial statement information or other information that affects securities price of the company that become know from being disclosed to third party or non-related person, and prohibiting from trading securities in the 1 month period before the financial statement information or other information that affects securities price of the company will be published to the public. And, must not trade the company's securities until the 24 hours period of disclosing all of the information to the public has expired.

## 8.6 Remuneration for the Auditor

### (1) Remuneration for the Audit fee

Compensation paid to the Company's auditors Dr. Virach & Associates Associates Office Co., Ltd.  
as a divided.

รายการ	2013	2012
Audit fee	335,000	335,000
Review of Financial Statements (3 Quarter )	315,000	315,000
รวม	650,000	650,000

### (2) Other ( non-audit fee )

- None –

# 9

## Corporate Social Responsibilities (CSR)

## 9. Corporate Social Responsibilities (CSR)

### 9.1 Policy Overview

Board of Directors has a policy to operate the company's business with corporate social responsibilities, and responsibility towards stakeholders according to article 8 of the principle, which is specified in the vision, mission, corporate values, Business Ethics, and Directors', Executives', and Employees' Code of Conduct to be strictly adhered to as practices in order to lead to sustainability of the company.

### 9.2 Operation and Report Preparation:

#### (1) Report Preparation Process

The company has a practice policy and realizes in corporate social responsibilities as the main mission that would create projects and activities that benefit social and community development.

Practices;

1. Directors, executives, and employees shall participate, as well as arrange activities for public interest in development and serving society and community.
2. Directors, executives, and employees regularly perform activities that create society, community, and the environment.
3. Prevent accident and control waste release at the level under the standard criteria acceptable.
4. Quick and effectively respond to event that affects the environment and community due to the company's operation by fully cooperating with government official and relevant authorities.

#### (2) Compliance with the company's policy disclosed according to article 8 of the SCR as follows;

##### (1) Fair Business Operation

###### 1.1 Procurement and Partner Treatment

The company treats partners equally and fairly by taking into account the company's best interest, and based on fair return for both parties, avoids situation that has conflicting interest, as well as complies with obligation, provides factual and accurate report. Negotiation for solution is based on business relationship.

###### 1.2 Treatment towards competitors

The company treats competitors fairly by taking into account trade ethics.

##### (2) Anti-corruption

The company determines business ethics practice for directors, executives, and employees to operate business fairly, adheres to being responsible towards society and interested parties of all groups according to good corporate governance, and determines appropriate practice for the operation to prevent corruption in every business activity.

### **(3) Respect for Human's Rights**

The company determines practice in business ethics for directors, executives, and employees to comply with the relevant law, rules, and regulation of government, and ethics and business operation, as well as the company's regulation. The company respects culture, tradition and adheres to international human's rights in business operation.

### **(4) Fair treatment towards labor**

The company treats directors, executives, and employees based on dignity of being human, and the company respects privacy right.

The company focuses on employee's value. The company promotes directors, executives, and employees to develop knowledge and capacity, nobility, and appropriate behavior.

The company provides safe working environment and treats every employee equally.

The company provides fair employment condition, gives appropriate remuneration based on knowledge and capacity, responsibility, and performance of each employee, who has the opportunity to advance in the company fairly.

The company gives opportunity to employee to comment and listens to recommendation from all employees at every level equally and fairly.

The company maintains personal information of directors, executives, and employees. Disclosure or transfer of personal information of directors, executives, and employees to the public may only be done when approval is obtained from directors, executives, and employees, except for it is done according to the company's rule or as required by the law.

### **(5) Liability towards customers**

The company takes into account customer's satisfaction, and focuses on customer receiving good quality and safe service, and respect patient's rights.

### **(6) Care for the Environment**

The company aims at operating business with safety and takes into account impacts in terms of occupational health and environment, and determines that there must be international management system. The company focuses and strictly complies with the law, policy, standard, and requirement in terms of safety, occupational health, and environment of each area of the company.

### **(7) Develop Community and Society Together**

The company is considered as a member of the society. The company focuses on participating and creating good relationship between the company and society based on integrity, transparency, fairness, which lead to sustainable social development.

**(8) Innovation and introduction of culture acquired from operation that is responsible towards society, environment, and interested parties**

-None-

### 9.3 Business operation that affects social responsibility (if any)

-None-

### 9.4 Activities for the interest of society and environment

The company realizes of being a part of society, which is responsible for helping society, promoting public benefit activities for the community by focusing on providing knowledge on Health Promotion, first aid, and health care method, as well as prevention to reduce sickness and promote physical health in the community.

The company is continuously building relationship with the community. In the past year, the company organized health promotion activities with villages in Nonthaburi province, and areas within the hospital's radius.

The company participated in mass casualty incident drill, and fire drill with the Rescue Unit of Nonthaburi Municipality, and nearby communities, which the company does so every year.

In 2013, the company participated in energy and environmental conservation campaign by participated in the the development project on top of energy management according to Thai law with Department of Alternative Energy Development and Efficiency towards international energy management (ISO 50001) to be the first hospital and establishment in Thailand to be able to successfully develop energy management and achieved international energy management standard (ISO 50001).

#### Additional practices relating to prevention of being involved in corruption

The company has fair business operation, and adheres to being responsible towards society and interested parties of all groups accorign to good corporate governance, and determines appropriate practice for the operation to prevent corruption in every business activity.

##### Practices

1. Directors, executives, and employees must not be involved in corruption either directly or indirectly.
2. If directors, executives, and employees see any action that may be considered as corruption relating to the company, directors, executives, and employees must notify superior or responsible person, and cooperate in an investigation. If there is any doubt or inquiry, directors, executives, and employees shall consult superior.
3. Person who commits corruption must be punished with disciplinary action as determined by the company's rule.. Furthermore, such person may be punished accordin to the law if such action is in violation against the law.
4. Directors, executives, and employees must not offer any benefit to government official, customer, labor union, or any other third party to persuade them to perform illegal action.



# 10

## Internal Control and Risk Management

## 10. Internal Control and Risk Management

Board of Directors realizes the importance of the company's internal control at executive level and at operational level. Scope of duty has been determined for executives and operators in writing. There is the company's asset utilization control. Duty of operators, monitoring person, controller, and evaluator are separated from each other to cause balance and appropriate verification. There is internal control in terms of finance. There is financial report to be proposed to executives in the responsible line of work.

Audit Committee, which is assigned to examine the company's operation and internal audit department to examine and ensure that core operation and key financial activities of the company are done efficiently according to the determined method, including examining compliance with the law and relevant requirement of the company (Compliance Control). In order for internal audit unit to have freedom, the result shall be reported directly to audit committee.

The company pays great attention to risk management, which the company has established risk management committee to search, evaluate, and find risk prevention measure for the operation, as well as monitor, regulate, and report the result to the audit committee to be further proposed to Board of Directors.

The company has established risk management committee to perform duty in providing risk management for the whole organization, and continuously improve and develop quality risk management.

10.1 In Board of Directors Meeting number 1/2557 on February 25, 2014, which audit committee was also in attendance, Board of Directors had evaluated sufficiency of internal control that was used for management and internal control in 5 parts; internal control in the organization, risk management, operational control, information and communication, and monitoring system. The Board of Directors had a comment that the company has sufficient and appropriate internal control based on current situation of the business. Overall operation is transparent and there is good corporate governance, which is verifiable.

10.2 Audit committee had the same comment as the company's auditor, i.e. Dr. Wirach and Associates, which had a comment that there was no significant issue or error.

10.3 Audit Committee appointed Mr. Warawut Srisura as manager of internal audit and company's operation regulation department. He had an education background of internal audit department manager, and graduated with Bachelor Degree in Accounting from Ramkhamhaeng University, Master Degree in Business Administration from Ramkhamhaeng University, was a Certified Public Accountant in Thailand, and had an experience in internal audit in hospital business of 20 years. He understands the business and the company's operation.

Therefore, audit committee deems that manager of internal audit and company's operation regulation department is suitable to perform such duty. The consideration and approval, appointment, removal, and transfer of the company's internal audit department manager must be approved by audit committee.

# 11

## Transactions

- None -

# 12

## Summary of the Company 's Financial Informations

## 12. Summary of the Company 's Financial Informations

### Statements of Financial Position

	(Unit : Thousand baht)		
	<u>2013</u>	<u>2012</u>	<u>2011</u>
Current Assets	208,778	429,781	273,158
Total Assets	1,687,034	1,462,792	1,247,600
Current Liabilities	367,400	240,547	186,800
Total Liabilities	460,808	275,647	212,094
Issued and Paid - up share capital	160,000	160,000	160,000
Shareholders ' Equity	1,280,226	1,187,145	1,035,506

### Statement of Comprehensive Income

	(Unit : Thousand baht)		
	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues from medical treatment	1,781,342	1,720,971	1,449,216
Total Revenues	1,794,643	1,735,181	1,460,113
Cost of medical treatment	1,235,017	1,174,395	1,011,988
Gross Profit	546,325	546,576	437,228
Selling and administrative expenses	257,270	239,960	211,079
Finance cost	1,358	-	-
Profit before Income Tax Expenses	300,998	320,826	234,801
Income Tax Expenses	59,775	73,235	72,110
Profit for the years	241,222	247,592	162,691

### Share data (Baht)

Earning per share	1.51	1.55	1.02
Book value per share	8.00	7.42	6.47

### อัตราการเจริญเติบโต

Total Assets (%)	5.33	17.25	8.09
Total Equity (%)	7.84	14.64	2.56
Total Revenues (%)	3.43	18.84	4.92
Net Profit (%)	-2.57	52.19	-16.33

### Financial Ratio

#### Liquidity Ratio

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Current Ratio	0.57	1.79	1.46
Quick Liquidity Ratio	0.42	1.55	1.23
Cash Flow Ratio	0.90	1.28	1.65
Receivables Turnover Ratio	17.89	17.97	18.43
Average collection period	20.12	20.03	19.53
Inventory Turnover	30.72	32.45	33.41
Average Inventory Period	11.72	11.09	10.78
Payable turnover	23.07	25.26	25.89
Repayment period	15.60	14.25	13.90
Cash Cycle	16.24	16.87	16.40

#### Profitability Ratio

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Gross margin (%)	30.67	31.76	30.17
Gross profit from operations	16.97	18.64	16.20
Cash to profitability	171.72	42.92	118.82
Net Profit (%)	13.54	14.39	11.23
Return on Equity (%)	19.55	22.28	15.99

#### Efficiency Ratio

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Return on Total assets (%)	15.32	18.27	13.58
Return on Fixed assets (%)	29.93	36.62	28.51
Asset Turnover	1.14	1.28	1.22

#### Financial Policy Ratio

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt to Equity	0.32	0.23	0.21
Interest Coverage Ratio	380.65	-	-
Coverage obligations (Cash Basis)	0.73	0.61	1.20
Rate of Dividend	60.10	60.09	60.07

# 13

## Analysis and Explanation of Management

## 13. Analysis and Explanation of Management

### Summary

Nonthavej Hospital Public Company Limited reported 2013 performance, which increased compared to last year. The company had total income from hospital business of 1.79464 billion baht, an increase of 59.46 million baht or 3.42%. Medical treatment cost was 1.235.02 billion baht, an increase of 60.62 million baht or 5.16%. Sales and Administration Expense was 258.63 million baht, an increase of 26.94 million baht or 12.76%, including tax rate adjustment in the current year at 20% compared to the tax rate last year, which was at 23%.

### 13.1 Statements of Financial Position

#### 1. Capital Structure

The capital structure of the company (in percentage) can be summarized as follows:

Current Assets	12%	Current Liabilities	22%
Fixed Assets	84%	Long term debts	2%
Other Assets	4%	Shareholders' Equity	76%
<b>Total Assets</b>	<b>100%</b>	<b>Total Liabilities and Shareholders' Equity</b>	<b>100%</b>

The company's capital structure consists of asset:liabilities ratio + the company's capital of 100 : 24+76. The company has current liabilities payable at 22 percent compared to total liabilities of the company. For the asset that the company has ownership, it can be divided into current asset of 12 percent, fixed asset of 84 percent, which in 2013, the company invested in medical equipment, building and construction.

#### 2. Assets

##### Asset Components

Total asset as of December 31, 2013 was 1.68703 billion baht compared to the end of 2012 of 1.46279 billion baht, an increase of 224.24 million baht or 15.33%, which has the following changes;

**2.1 Current Asset** as of December 31, 2013 was 208.78 million baht or 12.38% of assets compared with the end of 2012, which was at 429.78 million baht, as decrease of 221.00 million baht or 51.42%, which has the following details;

2.1.1 Cash and cash equivalents as of December 31, 2013 was 35.83 million baht or 2.12% of total assets, which consists of cash, deposit in savings account and fixed deposit of maximum 3 months, compared with the end of 2012, cash decreased to 26.59 million baht or 42.59%.



2.1.2 Temporary investment as of December 31, 2013 consists of deposit at financial institution of the 8 months fixed deposit type of 1.33 million baht, investment in open-end fund of 0.13 million baht, and trading securities of 1.77 million baht.

2.1.3 Net accounts receivable as of December 31, 2013 was 113.98 million baht or 6.76% of total assets compared with the end of 2012, which was 107.94 million baht, an increase of 6.03 million baht or 5.59%. This consists of accounts receivable and credit pending deposit.

2.1.4 Inventory as of December 31, 2013 was 40.73 million baht or 2.41% of total assets compared with the end of 2012 of 39.72 million baht, an increase of 1.01 million baht or 2.54%. This consists of medicine and pharmaceutical products and medical supplies.

2.1.5 Other current assets as of December 31, 2013 was 15.00 million baht or 0.89% of total assets compared with the end of 2012, which was 16.20 million baht, a decrease of 1.20 million baht or 7.41% due to other receivables-loan as advance payment for staff uniform, office supplies, and technician's equipment.

**2.2 Non-current assets** as of December 31, 2013 was 1.47826 billion baht or 87.62% of total assets compared with the end of 2012, which was 1.03301 billion baht, an increase of 445.24 million baht or 43.10%, which has the following details;

2.2.1 Longterm investment as of December 31, 2013 was 8.43 million baht, which consists of;

- Available for sales securities as of December 31, 2013 was 5.16 million baht or 0.31% of total assets compared with the end of 2012, which was 4.33 million baht, an increase of 0.83 million baht or 19.04% due to unrealized gain from the increase in value of investment in available for sales securities.

- Non-obligated fixed deposit as of December 31, 2013 was 3.28 million baht or 0.19% of total assets compared with the end of 2012, which was 3.20 million baht, an increase of 0.08 million baht or 2.49% as it was used as collateral for electricity against commercial bank.

2.2.2 Land, building, and equipment as of December 31, 2013 was 1.42107 billion baht or 84.24% of total assets compared with the end of 2012, which was 972.83 million baht, an increase of 448.24 million baht or 46.08% due to investment by purchasing medical equipment and building improvement, and constructions.

2.2.3 Intangible assets as of December 31, 2013 was 36.48 million baht or 2.16% of total assets compared with the end of 2012, which was 40.06 million baht, a decrease of 3.58 million baht or 8.92% as it was a deferred computer program cost.

2.2.4 Deferred tax asset as of December 31, 2013 was 7.74 million baht or 0.46% of total assets compared with the end of 2012, which was 6.68 million baht, an increase of 1.06 million baht or 15.94%.

2.2.5 Other non-current assets as of December 31, 2013 was 4.52 million baht or 0.27% of total assets compared with the end of 2012, which was 5.92 million baht, a decrease of 1.40 million baht or 23.56%, which consists of deposit for asset utilization of 1.64 million baht, and performance bond of 2.32 million baht.

### 3. Liabilities

#### Liabilities Components;

Total Liabilities as of December 31, 2013 was 406.81 million baht compared with the end of 2012, which increased 131.16 million baht or 47.58%. There were significant changes as follows;

**3.1 Current Liabilities** as of December 31, 2013 was 367.40 million baht or 21.78% of total assets compared with the end of 2012, which was 240.55 million baht, an increase of 126.85 million baht or 52.74%, which has the following details;

3.1.1 Short term loan from financial institution as of December 31, 2013 was 160.00 million baht or 9.48% of total assets compared with the end of the year, which increased 100.00%.

3.1.2 Accounts payable and other payables as of December 31, 2013 was 154.76 million baht or 9.17% of total assets compared with the end of 2012, which was 157.84 million baht, a decrease of 3.08 million baht or 1.95%.

3.1.3 Asset payable as of December 31, 2013 was 21.66 million baht or 1.28% of total assets compared with the end of 2012, which was 39.79 million baht, a decrease of 18.13 million baht or 45.57% due to investment in building improvement and construction, and purchase of medical equipment.

3.1.4 Payable corporate income tax as of December 31, 2013 was 25.90 million baht or 1.54% of total assets compared with the end of 2012, which was 37.90 million baht, a decrease of 12.00 million baht or 31.67%.

3.1.5 Other current liabilities as of December 31, 2013 was 5.08 million baht or 0.30% of total assets compared with the end of 2012, which was 5.01 million baht, an increase of 0.07 million baht or 1.42%.

**3.2 Non-current Liabilities** as of December 31, 2013 was 39.41 million baht or 2.34% of total assets compared with the end of 2012, which was 35.10 million baht, an increase of 4.31 million baht or 12.28%. This was a reserve for longterm employee benefit for 2013 due to adjustment of employee's monthly salary and change in accounting policy relating to employee benefit in compliance with accounting standard version 19 on employee benefit.

### 13.2 Asset Quality

Net accounts receivable as of December 31, 2013 was 113.98 million baht or 6.76% of total assets compared with the end of 2012, which was 107.95 million baht, an increase of 6.03 million baht or 5.59%. The company set a reserve for allowance for doubtful account for bad debt, which is considered from debt period as criteria. In 2013, the company recorded allowance for doubtful account of 3.98 million baht.

Inventory consists of medicine, pharmaceutical product, and medical supplies. The company indicated value in cost price or lowered market price, and obsolete and deteriorated products had already been sorted out.

The compositions of the company's fixed assets as of December 31, 2013 were as follows :

(in million baht)

	Historical Cost	Appropriated Depreciations	Net Value
Land	575	0	575
Building& Infrastructures	926	474	452
Medical Equipments	540	285	255
Vehicles	16	12	4
Furniture and Fixtures	75	45	30
Office equipment	52	37	15
Computer equipment	81	51	30
Other equipment and tools	24	18	6
Assets under construction	54	0	54
<b>Total Fixed Assets</b>	<b>2,343</b>	<b>922</b>	<b>1,421</b>

The company recorded fixed asset in cost price without adjusting value of fixed asset whatsoever due to the company has analyzed depreciation and deemed that the recorded value was appropriate.

The company had return on fixed asset as of December 31, 2013 of equivalent to 29.93% compared with the end of 2012, which was 36.62%, a decrease due to in March 2013, the company purchased land adjacent to the hospital for 333.40 million baht to construct a new hospital building to support service expansion in the future, and there were building improvement and construction for service areas, including patient rooms, and an investment by purchasing modern and highly effective medical equipment for ther services.

### 13.3 Liquidity

The company had cash and cash equivalents as of December 31, 2013 of 35.83 million baht or 2.12% compared with the end of 2012, which was 62.42 million baht, a decrease of 26.59 million baht or 42.59%. The detail of acquisition and usage of cash and major short term investments as follows;

The company had net cash flow acquired from business operation as of December 31, 2013 of 516.87 million baht compared with the end of 2012, which was 137.70 million baht, an increase of 379.17 million baht. In 2013, the company had income before tax of 301.00 million baht.

- Adjusted income before tax as cash acquired from operation of 144.51 million baht. There were adjusted depreciation, quality amortization, computer program cost amortization, unrealized loss of investment in open-end fund, unrealized loss of trading securities, doubtful accounts, interest expense, and employee longterm benefit expense.

- Adjusted income before tax as cash paid from the operation of 3.96 million baht. There were income from selling building and equipment, received dividend, and received interest.

- Operating profit before change in components of assets and operating debt as of December 31, 2013 was 441.54 million baht compared with the end of 2012, which was 440.81 million baht, an increase of 0.73 million baht, including the change in components of assets and operating debt of 145.20 million baht, which caused cash acquired from the operation of 586.74 million baht, and paid income tax of 73.01 million baht.

- Cash flow spent for investment activities in various assets of 554.66 million baht.

- Cash flow acquired from fund raising activities of 11.20 million baht. This is a short term loan from financial institution of 160.00 million baht, and paid for dividend of 148.80 million baht.

The company has financial liquidity in each year as follows;

- Liquidity ratio as of December 31, 2013 was 0.57 times compared with the end of 2012, which was 1.79 times, and at the end of 2011, which was 1.46 times.

- The company accounts receivable turnover rate as of December 31, 2013 was 15.61 times compared with the end of 2012, which was 17.97 times, and at the end of 2011, which was 18.43 times.

- Average collection period as of December 31, 2013 was 20 days compared with the end of 2012, which was 20 days, and at the end of 2011, which was 20 days. It was obvious that the average collection period in 2013 was higher than 2012 and 2011 due to increasing number of account receivable in contracting company and insurance groups, which had the following proportions; in 2013 – 32.06%, in 2012 – 30.44%, and in 2011 – 30.12%.

- Inventory turnover rate as of December 31, 2013 was 30.72 times compared with the end of 2012, which was 32.45 times, and at the end of 2011, which was 33.41 times.

- Average days to sell product as of December 31, 2013 was 12 days compared with the end of 2012, which was 11 days, the same as the previous year, which was average at 10-15 days. This indicated that the company had efficient inventory management.

## **13.4 Performance**

### **1. Performance**

**1.1 Income** The company had total income in 2013 of 1.79464 billion baht compared with 2012, which was 1.73518 billion baht, an increase of 59.46 million baht or 3.43%.

- Income from hospital business in 2013 was 1.78134 billion baht compared with 2012, which was 1.72097 billion baht, an increase of 60.37 million baht or 3.51% as follow :

- Income from Out patient in 2013 was 952.57 million baht compared with 2012 an increase of 59.34 million baht or 6.65%

- Income from In patient in 2013 was 828.77 million baht compared with 2012 an increase of 0.94 million baht or 0.11%

- Other incomes in 2013 was 13.30 million baht compared with 2012, which was 14.21 million baht, a decrease of 0.91 million baht or 6.40%. This was a result of decrease in bank deposit, which therefor caused decrease in received interest.

**1.2 Medical Treatment Cost** The company had total medical treatment cost in 2013 of 1.23502 billion baht compared with 2012, which was 1.17439 billion baht, an increase of 60.63 million baht or 5.16%.

Proportion of medical treatment cost to medical treatment revenue in 2013 was 69.33% compared with 2012, which was 68.24%. It was obvious that the proportion in 2013 increased from 2012 by 1.09%.

**1.3 Sales and Administrative Expense** The company had a total sales and administrative expense in 2013 of 254.40 million baht compared with 2012, which was 238.02 million baht, an increase of 16.38 million baht or 6.88% due to advertisement to add more public relations channels of 5.46 million baht, increased monthly salary and employee remuneration of 4.91 million baht, increased security cost of 4.51 million baht, and increased maintenance cost of 2.32 million baht.

Proportion of sales and administrative expense to medical treatment revenue in 2013 was 14.28% compared with 2012, which was 13.83%. It was obvious that the proportion in 2013 increased from 2012 by 0.45%.

**1.4 Director Remuneration** The company had director remuneration in 2013 of 2.87 million baht compared with 2012, which was 1.94 million baht, an increase of 0.93 million baht or 47.86%.

**1.5 Income tax expense** The company had income tax expense in 2013 of 59.78 million baht compared with 2012, which was 73.23 million baht, a decrease of 13.46 million baht or 18.38% due to the rate of corporate income tax in 2013 was 20 percent and in 2012, it was 23 percent.

## 2. Profitability

(in percentage)	2013	2012	2011
Gross Profit Margin	30.67	31.76	30.17
Operating Profit Margin	16.97	18.64	16.20
Net Profit Margin	13.54	14.39	11.23
Return on Shareholder's Equity	19.55	22.28	15.99

Based on the above, it is obvious that in 2013, the company had net profit of 13.54% compared with 2012, which was at 14.39%, a decrease of 0.85% due to in 2013, the company had the proportion of medical treatment cost to medical treatment revenue of 69.33% compared to 2012, which was 68.24%, an increase of 1.09%, and proportion of sales and administrative expense to medical treatment revenue was 14.28% compared to 2012, which was 13.83%, an increase of 0.45%.

Return on Equity in 2013 was 19.55% compared with 2012, which was 22.28%, and in 2011, which was 15.99%. It was obvious that the return on equity in 2013 decreased from the previous year due to;

### 3. Operational Efficiency

	2013	2012	2011
Return on Total Assets	15.32	18.27	13.58
Return on Fixed Assets	29.93	36.62	28.51
Assets Turnover	1.14	1.28	1.22

The company's operational efficiency in 2013 was lower than 2012, but higher than 2011 due to the company had net profitability in 2013 of 241.22 million baht compared with 2012, which was 247.59 million baht, a decrease of 6.37 million baht or 2.57%.

## Report on the Board of Directors' responsibilities for financial statements

To : The Shareholders of

### **Nonthavej Hospital Public Company Limited**

The Board of Directors of The Nonthavej Hospital Public Company Limited is responsible for the financial statements of the Company and its subsidiaries, which have been prepared in accordance with financial reporting standards under the Accounting Act B.E. 2543, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. The Board considers the accounting policies pursued to be appropriate, and that they have been applied consistently with adequate disclosure of important information in the notes to the financial statements. The Company's external auditor has reviewed and audited the financial statements and expressed an unqualified opinion in the auditor's report.

The Board oversees and reviews corporate governance as well as establishes and maintains a proactive risk management system and internal control system to ensure that accounting records are accurate, complete and timely, and that the Company's assets are properly safeguarded against fraud, operational irregularities and other risks.

The Board has appointed an Audit Committee consisting of independent directors to provide effective and efficient oversight of the financial statements, internal control system and internal audit. The Audit Committee's views are reported in its report in the Company's annual report.

The Board is confident that the internal control system and the internal audit of The Nonthavej Hospital Public Company Limited and its subsidiaries represent the financial position, results of operations, and cash flows accurately.



Dr.Prompan Prommas.,MD

(Director)



Mrs.Patama Prommas

(Director)

## 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, 2013, and 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, 2013, and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

### ***Emphasis of Matters***

According to Note 3 to the financial statements, in 2013, the Company has changed its accounting policy on income taxes. Thus, statements of financial position as at December 31, 2012 and January 1, 2012 and the financial statements for the year ended December 31, 2012 shown herewith as comparison, have been restated from the effect of changes in accounting policy. I have audited the adjusted transactions of statements of financial position as at December 31, 2012 and January 1, 2012 and the financial statements for the year ended December 31, 2012. In my opinion, the adjusted transactions are appropriate and fairly adjusted. My opinion is not qualified in respect of this matter.



(Mr. Chaiyakorn Aunpitipongsa)

Certified Public Accountant Registration No. 3196

Dr. Virach & Associates Office Co., Ltd.

Bangkok : February 25, 2014



## Financial Statement

### NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

#### STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

#### ASSETS

	<i>Notes</i>	BAHT		
		As at December 31,	As at December 31,	As at January 1,
		2013	2012	2012
			(RESTATED)	(RESTATED)
Current Assets				
Cash and cash equivalents	4.2 and 5	35,834,055	62,419,115	150,489,821
Short-term investments				
Deposits at financial institutions	6.4	1,330,000	201,330,000	-
Open-ended funds	4.3 and 6.1	133,047	157,262	120,203
Trading securities	4.3 and 6.2	1,769,300	2,003,762	1,226,063
Trade and other receivables	4.4 and 7	113,980,587	107,948,686	77,575,010
Inventories	4.5 and 8	40,727,138	39,717,527	32,661,296
Other current assets				
Prepaid expenses		10,531,993	10,193,370	8,020,315
Other current assets		4,472,064	6,011,091	3,065,736
Total other current assets		15,004,057	16,204,461	11,086,051
Total Current Assets		208,778,184	429,780,813	273,158,444
Non-current Assets				
Long-term investments				
Available-for-sale securities	4.3 and 6.3	5,156,600	4,331,900	2,254,500
Fixed deposits at bank with restrictions	9	3,277,006	3,197,261	2,433,420
Property, plant and equipment	4.6 and 10	1,421,073,572	972,832,873	923,873,115
Intangible assets				
Deferred computer softwares	4.7 and 11	36,484,803	40,056,633	28,995,181
Deferred tax assets	4.9, 3 and 20	7,741,470	6,676,852	5,400,613
Other non-current assets	4.8 and 12	4,522,162	5,915,677	11,484,849
Total Non-current Assets		1,478,255,613	1,033,011,196	974,441,678
TOTAL ASSETS		1,687,033,797	1,462,792,009	1,247,600,122

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, 2013**  
**LIABILITIES AND SHAREHOLDERS' EQUITY**

		BAHT		
		As at December 31, 2013	As at December 31, 2012	As at January 1, 2012
	Notes		(RESTATED)	(RESTATED)
Current Liabilities				
Short-term loans from financial institutions	13	160,000,000	-	-
Trade and other payables	14	154,759,187	157,844,331	125,696,317
Assets acquisition payable		21,659,002	39,789,941	19,462,964
Accrued corporate income tax		25,898,048	37,900,519	37,399,033
Other current liabilities		5,083,614	5,012,309	4,241,892
Total Current Liabilities		367,399,851	240,547,100	186,800,206
Non-current Liabilities				
Provision for long-term employee benefits	4.12 and 15	39,408,258	35,099,671	25,294,169
Total Non-current Liabilities		39,408,258	35,099,671	25,294,169
TOTAL LIABILITIES		406,808,109	275,646,771	212,094,375
Shareholders' Equity				
Share capital	16			
Authorized share capital				
160,000,000 common stocks of Baht 1 par value		160,000,000	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	160,000,000
Additional paid-in capital				
Premium on common stocks		172,000,000	172,000,000	172,000,000
Retained earnings				
Appropriated				
Legal reserve	17	16,000,000	16,000,000	16,000,000
Unappropriated		928,278,245	835,855,955	686,024,101
Other components of shareholders' equity		3,947,443	3,289,283	1,481,646
Total Shareholders' Equity		1,280,225,688	1,187,145,238	1,035,505,747
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,687,033,797	1,462,792,009	1,247,600,122

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, 2013**

		BAHT	
		2013	2012
	<i>Notes</i>		(RESTATED)
<b>REVENUES</b>			
Revenues from medical treatment		1,781,342,040	1,720,971,415
Other income		13,300,710	14,209,528
Total Revenues		1,794,642,750	1,735,180,943
<b>EXPENSES</b>			
	<i>19</i>		
Cost of medical treatment		1,235,017,225	1,174,394,509
Selling expenses		24,836,281	19,379,749
Administrative expenses		229,562,069	218,638,091
Directors' remuneration	<i>18</i>	2,871,800	1,942,200
Finance cost		1,357,861	-
Total Expenses		1,493,645,236	1,414,354,549
Profit before Income Tax Expenses		300,997,514	320,826,394
Income Tax Expenses	<i>20</i>	59,775,224	73,234,540
Profit for the years		<b>241,222,290</b>	<b>247,591,854</b>
<b>Other Comprehensive Income</b>			
Gain on remeasuring available-for-sale securities		658,160	1,807,637
Other comprehensive income for the years		658,160	1,807,637
Total comprehensive income for the years		241,880,450	249,399,491
<b>Earnings Per Share</b>			
	<i>4.11</i>		
Basic Earnings Per Share		<b>1.51</b>	<b>1.55</b>
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, 2013**

		BAHT					
		Issued and  paid-up  share capital	Premium on  common stocks	Retained earnings		Other  components of shareholders' equity	Total  shareholders' equity
				Legal reserve	Unappropriated	Available for sale securities	
	Notes						
<b>Year 2012</b>							
Balances as at January 1, 2012-as previously reported		160,000,000	172,000,000	16,000,000	680,253,077	1,852,057	1,030,105,134
Cumulative effects on the change in accounting policy - income tax	3	-	-	-	5,771,024	(370,411)	5,400,613
Restated balances		160,000,000	172,000,000	16,000,000	686,024,101	1,481,646	1,035,505,747
Total comprehensive income for the year (restated)		-	-	-	247,591,854	1,807,637	249,399,491
Dividend payment	18	-	-	-	(97,760,000)	-	(97,760,000)
Balances as at December 31, 2012		160,000,000	172,000,000	16,000,000	835,855,955	3,289,283	1,187,145,238
<b>Year 2013</b>							
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	3	-	-	-	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	18	-	-	-	(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

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, 2013**

	BAHT	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES :		
PROFIT BEFORE INCOME TAX EXPENSES		
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX	300,997,514	320,826,394
EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :-		
Depreciation	118,003,916	99,722,688
Amortization of quality system	1,177,943	1,177,943
Amortization of computer softwares	14,429,275	13,644,312
Unrealized (gain) loss on open-ended funds	24,215	(37,059)
Unrealized (gain) loss on trading securities	234,462	(777,699)
Realized loss on available-for-sale securities	-	131,877
(Gain) Loss on disposal of building and equipment	(589,491)	950,571
Doubtful debts increase (decrease)	1,578,526	(1,158,604)
Dividend income	(181,704)	(122,570)
Interest income	(3,191,475)	(4,196,136)
Interest expenses	1,357,861	-
Long-term employee benefits expenses	7,704,537	10,651,608
PROFIT FROM OPERATION BEFORE CHANGE IN		
OPERATING ASSETS AND LIABILITIES ITEMS	441,545,579	440,813,325
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Deposits at financial institutions	200,000,000	(201,330,000)
Trade and other receivables	(7,610,427)	(29,215,072)
Inventories	(1,009,611)	(7,056,231)
Other current assets	239,404	(4,181,223)
Other non-current assets	(1,784,428)	(4,750,160)
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS		
Trade and other payables	(3,425,815)	32,148,014
Assets acquisition payable	(37,888,274)	(17,448,421)
Other current liabilities	71,305	770,417
Provision for long-term employee benefits	(3,395,950)	(846,106)
Cash received from operation	586,741,783	208,904,543
Interest income	4,152,475	3,258,949
Interest expense paid	(1,017,190)	-
Income tax paid	(73,006,853)	(74,461,203)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	516,870,215	137,702,289

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, 2013**

	BAHT	
	2013	2012
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in property, plant and equipment	(545,255,940)	(120,333,020)
Proceeds from disposal of building and equipment	1,358,151	1,561,440
Proceeds from the sale of available-for-sale-securities	-	50,270
Increase in available-for-sale securities	(2,000)	-
Purchase of computer softwares	(10,857,445)	(8,650,414)
Increase in fixed deposits at bank with restrictions	(79,745)	(763,841)
Proceeds from dividend income	181,704	122,570
NET CASH USED IN INVESTING ACTIVITIES	(554,655,275)	(128,012,995)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term loans from financial institutions	160,000,000	-
Dividend payment	(148,800,000)	(97,760,000)
NET CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES	11,200,000	(97,760,000)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(26,585,060)	(88,070,706)
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	62,419,115	150,489,821
CASH AND CASH EQUIVALENTS AS AT DECEMBER 31,	35,834,055	62,419,115
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS		
Non-cash flows items comprise :		
Unrealized gain on available-for-sale securities	822,700	2,259,547
Increase in building and equipment from assets payable	19,757,335	37,775,398
Increase in equipment from transferring deposits	2,000,000	9,141,389
Increase in computer softwares from transferring assets under construction	-	16,055,350

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

**NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**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 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

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rate
TFRS 8	Operating Segments
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
Accounting Treatment Guidance	Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except TAS 12 (Note 3).

- 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, 2014

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 38 (revised 2012)	Intangible assets
TFRS 2 (revised 2012)	Share-Base Payments
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sales and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
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 Economics
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

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

TFRS 4	Insurance Contracts
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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. The Company has to restate the previous periods financial statements shown herein as comparison, as if the Company has recorded deferred income tax assets or deferred income tax liabilities. Therefore, the information of the financial statements shown herein as comparison was the information prepared under the new accounting policy. The effect of the change in accounting policy is as follows:

	(BAHT)		
	December 31, 2013	December 31, 2012	January 1, 2012
Statements of financial position			
Increase in deferred income tax assets	7,741,470	6,676,852	5,400,613
Other components of shareholders' equity			
Decrease in gain on remeasuring available-for-sale securities	986,861	822,321	370,411
Retained earnings increase	8,728,331	7,499,173	5,771,024
			(BAHT)
Statements of comprehensive income for the years ended			
December 31,	<u>2013</u>	<u>2012</u>	
Income tax expenses decrease from deferred tax expense	(1,229,158)	(1,728,149)	
Increase in profit for the years	<u>1,229,158</u>	<u>1,728,149</u>	
Increase in earnings per share			
- Basic earnings per share (Baht)	0.0077	0.0108	

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a. 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.

**b. 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.

**c. 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.

**d. 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.

**e. Inventories**

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

**f. Property, plant and equipment**

Property, plant and equipment are stated at cost. Depreciation is calculated by the using 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

**g. 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.

**h. 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.

**i. 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.

**j. 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.

**k. 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.

## **l. 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.

## **m. 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	
	2013	2012
Cash	5,890,481	4,461,031
Bank deposits	29,943,574	57,958,084
Total	35,834,055	62,419,115

## 6. INVESTMENTS

### 6.1 Open-ended fund

PARTICULARS	AMOUNT IN BAHT	
	2013	2012
Open-ended fund	147,141	147,141
Allowance for investment adjustment	(14,094)	10,121
Open-ended fund-Fair value	133,047	157,262

PARTICULARS	AMOUNT IN BAHT	
	2013	2012
Unrealized gain (loss) on open-ended fund	(24,215)	37,059

### 6.2 Short-term investments - Trading securities

PARTICULARS	AMOUNT IN BAHT	
	2013	2012
Short-term investments-at cost	2,007,731	2,007,731
Allowance for investment adjustment	(238,431)	(3,969)
Short-term investments-Fair value	1,769,300	2,003,762

PARTICULARS	AMOUNT IN BAHT	
	2013	2012
Unrealized gain (loss) on trading securities	(234,462)	777,699

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

PARTICULARS	AMOUNT IN BAHT	
	2013	2012
Acquisition cost	222,296	220,296
Unrealized gain on investment revaluation	4,934,304	4,111,604
Fair value at ending years	5,156,600	4,331,900

PARTICULARS	AMOUNT IN BAHT	
	2013	2012
Realized loss on available-for-sale securities	-	(131,877)
Unrealized gain on available-for-sale-securities	822,700	2,259,547

### 6.4 Deposits at financial institutions

PARTICULARS	AMOUNT IN BAHT	
	2013	2012
Bill of Exchange 6 - 8 Months	1,330,000	201,330,000

## 7. TRADE AND OTHER RECEIVABLES

PARTICULARS	AMOUNT IN BAHT	
	2013	2012
The trade accounts receivable are classified by outstanding balances of aging as follows :		
Current	100,450,213	96,525,497
Overdue within 3 months	9,523,407	9,320,713
Over 3 - 6 months	1,948,537	1,285,434
Over 6 - 12 months	2,551,132	394,207
Over 12 months	3,428,171	2,765,182
Total	117,901,460	110,291,033
Allowance for doubtful debts	(3,980,873)	(2,402,347)
Trade accounts receivable-net	113,920,587	107,888,686
Other receivables	60,000	60,000
Total trade and other receivables	113,980,587	107,948,686

## 8. INVENTORIES

PARTICULARS	AMOUNT IN BAHT	
	2013	2012
Medicines and medical supplies	33,045,626	31,997,371
General supplies	7,681,512	7,720,156
Total	40,727,138	39,717,527

## 9. FIXED DEPOSITS AT BANK WITH RESTRICTIONS

Fixed deposits at bank, for the portion of long-term investments are pledged for electricity expense 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, 2012	218,303,489	752,366,880	425,425,481	15,357,569	45,037,493	47,843,473	80,167,776	20,061,776	97,594,425	1,702,158,362
Increase	-	1,161,403	82,538,758	118,650	2,992,384	918,199	18,578,014	949,191	59,993,208	167,249,807
Sold	-	(1,550,935)	(24,906,982)	(1,360,455)	(337,778)	(3,144,313)	(16,396,776)	(300,093)	-	(47,997,332)
Transfer to/from	-	58,805,866	-	-	19,561,351	1,080,000	-	166,400	(95,668,967)	(16,055,350)
December 31, 2012	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
<u>Accumulate Depreciation</u>										
January 1, 2012	-	403,912,256	242,035,813	13,381,107	30,413,769	30,517,201	44,118,307	13,906,794	-	778,285,247
Depreciation for the year	-	34,615,984	35,598,395	974,033	5,824,675	5,007,278	15,560,301	2,142,022	-	99,722,688
Disposals/Unused	-	(1,480,403)	(24,319,943)	(1,360,452)	(337,736)	(3,091,087)	(14,602,020)	(293,680)	-	(45,485,321)
December 31, 2012	-	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
Net book value										
December 31, 2012	218,303,489	373,735,377	229,742,992	1,121,076	31,352,742	14,263,967	37,272,426	5,122,138	61,918,666	972,832,873
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

In 2013 and 2012, 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.

# 11. DEFERRED COMPUTER SOFTWARES

	AMOUNT IN BAHT		
	DEFERRED COMPUTER SOFTWARES	COMPUTER SOFTWARES UNDER INSTALLATION	TOTAL
<u>Cost</u>			
January 1, 2012	80,237,491	-	80,237,491
Increase	8,650,414	-	8,650,414
Transfer to/from	16,055,350	-	16,055,350
December 31, 2012	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
<u>Accumulated amortization</u>			
January 1, 2012	51,242,310	-	51,242,310
Amortization for the year 2012	13,644,312	-	13,644,312
December 31, 2012	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
Net book value			
December 31, 2012	40,056,633	-	40,056,633
December 31, 2013	30,171,368	6,313,435	36,484,803

# 12. OTHER NON-CURRENT ASSETS

PARTICULARS	AMOUNT IN BAHT	
	2013	2012
Deferred quality system	1,743,064	2,921,007
<u>Less</u> Amortization for the year	(1,177,943)	(1,177,943)
Net book value	565,121	1,743,064
Deposit for assets	1,640,465	3,519,875
Others	2,316,576	652,738
Total	4,522,162	5,915,677

**13. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS**

PARTICULARS	AMOUNT IN BAHT	
	2013	2012
Short-term loans	160,000,000	-

As at December 31, 2013, short-term loans from financial institutions bear interest as stipulated in the agreement and are repayable in January - March 2014.

**14. TRADE AND OTHER PAYABLES**

PARTICULARS	AMOUNT IN BAHT	
	2013	2012
Trade accounts payable	55,563,918	51,536,899
Accrued expenses	28,391,880	41,475,015
Accrued doctors' fees	50,367,815	46,912,778
Others	20,435,574	17,919,639
Total	154,759,187	157,844,331

**15. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS**

Provision for long-term employee benefits as at December 31, 2013 and 2012 which are compensations on employees' retirement, are as follows

PARTICULARS	AMOUNT IN BAHT	
	2013	2012
Defined benefit obligation at beginning of years	35,099,671	25,294,169
Current service cost	6,553,492	9,686,964
Interest cost	1,151,045	964,644
Benefits paid during the year	(3,395,950)	(846,106)
Defined benefit obligation at end of years	39,408,258	35,099,671

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

	For the years ended December 31, 2013 and 2012
Discount rate	3.3761% per annum
Salary increase rate	3 – 5.5 % per annum
Staff turnover rate	6 – 23 % per annum

## **16. SHARE CAPITAL**

On April 26, 2012, the Ordinary General Shareholders' Meeting, was held and approved a resolution to change the par value of the Company's shares from Baht 10 per share to Baht 1 per share and change the Company's registered capital from 16 million shares to 160 million shares, while the Company's registered share capital remains at the same amount of Baht 160 million.

The Company has registered the change of par value, the amendments of the Memorandum of Association and the Articles of Association of the Company with the Ministry of Commerce on May 11, 2012.

## **17. 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.

## **18. DIVIDEND PAYMENT AND DIRECTORS' REMUNERATION**

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.

On April 26, 2012, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay dividend at Baht 6.11 per share to the shareholders of 16 million shares, totalling Baht 97.76 million, including directors' remuneration amounting to Baht 1.63 million. The dividend payment was made on May 25, 2012.

## 19. EXPENSES BY NATURE

EXPENSES	AMOUNT IN BAHT	
	2013	2012
Medicine and medical supply consumptions	370,251,884	364,950,665
Directors and management benefit expenses	13,614,800	12,835,325
Employee benefit expenses	412,701,392	400,252,725
Doctors' fees	401,727,525	377,488,418
Depreciation and amortization expenses	133,611,134	114,544,943
Doubtful debts	1,578,526	(1,158,604)
Financial cost	1,357,861	
Other expenses	158,802,114	145,441,077
Total	1,493,645,236	1,414,354,549

## 20. INCOME TAXES

Corporate income tax of the Company for the years ended December 31, 2013 and 2012 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 2013 and the rate of 23 per cent in 2012.

Income tax expenses recognize in statements of comprehensive income consist:

(AMOUNT IN BAHT)

FOR THE YEARS ENDED DECEMBER 31,	2013	2012
Corporate income tax for the years	61,004,382	74,962,689
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(1,229,158)	(1,728,149)
Income tax expenses	59,775,224	73,234,540

As at December 31, 2013 and 2012, the deferred tax assets/liabilities arose from the following temporary differences:

(AMOUNT IN BAHT)

PARTICULARS	2013	2012
<b>Accumulated temporary differences in the statements of income</b>		
Unrealized (gain) loss on open-ended fund	14,094	(10,121)
Unrealized loss on trading securities	238,431	3,969
Allowance for doubtful accounts receivable	3,980,873	2,402,347
Provision for long-term employees benefits	39,408,258	35,099,671
Total	43,641,656	37,495,866
<b>Temporary differences in the Shareholders' Equity</b>		
Gain on remeasuring available-for-sale securities	(4,934,304)	(4,111,604)
Total	38,707,352	33,384,262
<b>Deferred tax assets/liabilities calculated from tax rate of 20%.</b>	7,741,470	6,676,852

## 21. 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.

## 22. COMMITMENT

22.1 As at December 31, 2013 and 2012, the Company has commitment from the issuance of bank guarantee as follow :

PARTICULAR	AMOUNT IN BAHT	
	2013	2012
Letters of guarantee issued by commercial bank	4,276,800	4,276,800

## 22.2 Commitment under service agreement

As at December 31, 2013, 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 7.21 million, and the contract which can not be cancelled amount of Baht 3.16 million.

## 22.3 Capital expenditure commitments

As at December 31, 2013, the Company has capital expenditure commitments to pay a total of Baht 7.84 million regarding to the building renovation agreement and Baht 40.05 million in regarding to the contractions contract design the addition of the new hospital.

## 23. 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, 2013 and 2012 amount of Baht 3.90 million and Baht 3.50 million, respectively.

## 24. DISCLOSURE OF FINANCIAL INSTRUMENTS

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

### 24.1 Accounting policies

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

### 24.2 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.

### **24.3 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.

### **24.4 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.

## **25. CAPITAL MANAGEMENT**

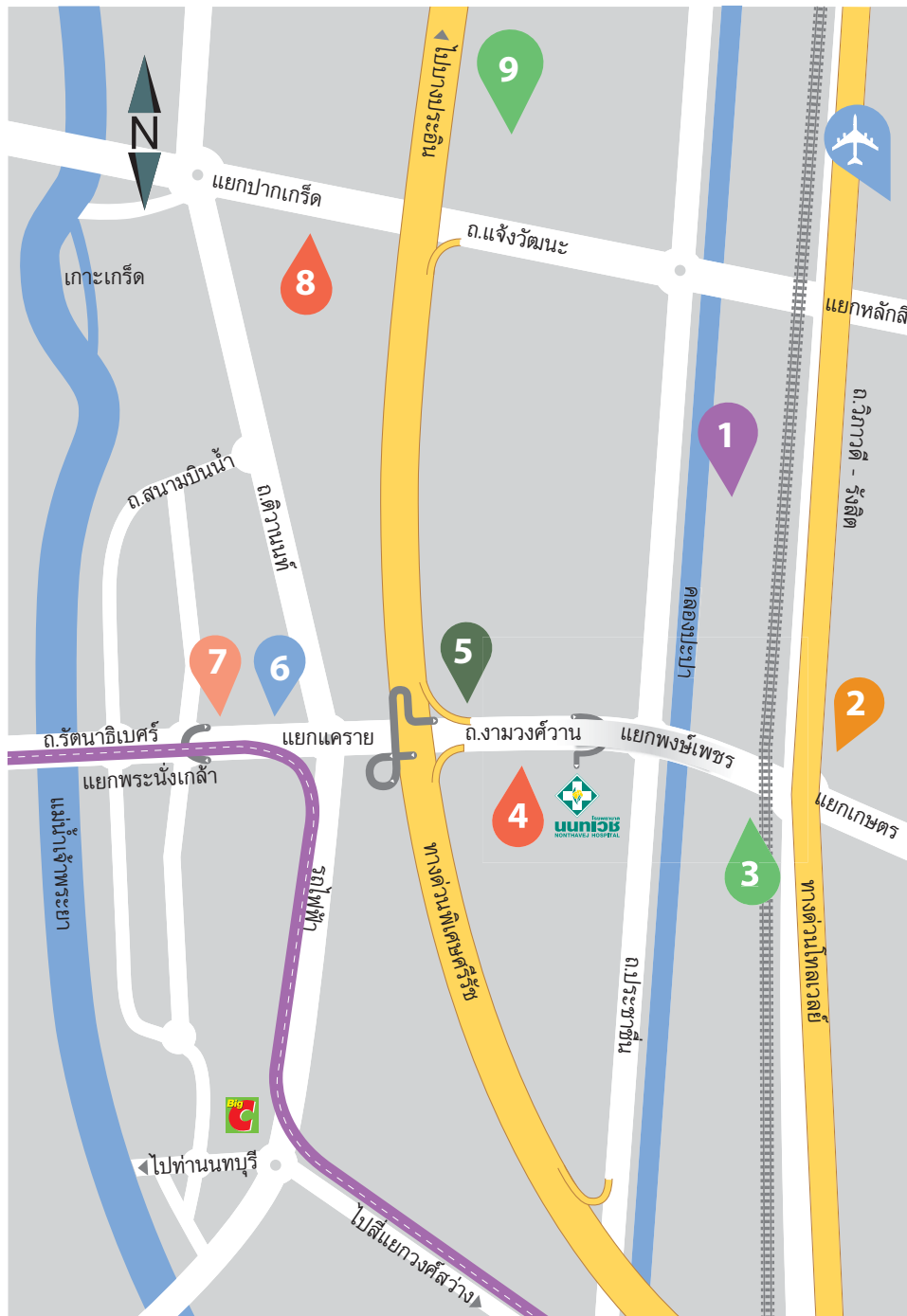
The main objectives of the Company in capital management is to provide the appropriate financial structure and maintain ability to continue its business as a going concern in order to generate returns for shareholders and benefits for other stakeholders.

## **26. FINANCIAL STATEMENTS APPROVAL**

These financial statements are duly approved by the Company's directors on February 25, 2014.



# แผนที่



- |                      |                          |                      |
|----------------------|--------------------------|----------------------|
| 1 สถานีรถไฟฟ้ามหานคร | 4 เดอะมอลล์ งามวงศ์วาน   | 8 เซ็นทรัล แจ้งวัฒนะ |
| 2 ม.เกษตรศาสตร์      | 5 พันธุ์ทิพย์ งามวงศ์วาน | 9 เมืองทองธานี       |
| 3 สถานีรถไฟฟ้ามหานคร | 6 ศาลากลางนนทบุรี        |                      |
|                      | 7 เซ็นทรัล รัตนาธิเบศร์  |                      |

โทร. 0-2596-7888



## บริษัท โรงพยาบาลนนทเวช จำกัด (มหาชน) ANNUAL REPORT 2013

30/8 ถ.งามวงศ์วาน ต.บางเขน อ.เมือง จ.นนทบุรี 11000

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