

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

FINANCIAL STATEMENTS

DECEMBER 31, 2017

518/3 อาคารเมเนียเซ็นเตอร์ นอร์ ชั้น 7
ถนนเพลินจิต แขวงลุมพินี
เขตปทุมวัน กรุงเทพฯ 10330
โทร./โทรสาร 0-2252-2860, 0-2255-2518
0-2254-1210, 0-2250-0634
0-2254-8386-7
โทรสาร อัดโนมัติ 0-2253-8730
อีเมล virach5183@yahoo.com
เว็บไซต์ http://www.vaaudit.com

V & A

บริษัท สำนักงาน ดร.วิรัช แอนด์ แอสโซซิเอตส์ จำกัด
DR.VIRACH & ASSOCIATES OFFICE CO., LTD.

CERTIFIED PUBLIC ACCOUNTANTS
สำนักงานใหญ่ เลขประจำตัวผู้เสียภาษี 0105556000751

518/3 Maneeya Center North Building
7th Floor, Ploenchit Road, Lumpinee District
Khet Patumwan, Bangkok 10330
Tel./Fax 66 (0) 2252-2860, 2255-2518
2254-1210, 2250-0634
2254-8386-7
Auto Fax 66 (0) 2253-8730
Email virach5183@yahoo.com
Website http://www.vaaudit.com

AUDITOR'S REPORT

To : The Shareholders of

Nonthavej Hospital Public Company Limited

Opinion

I have audited the accompanying financial statements of Nonthavej Hospital Public Company Limited, which comprise the statement of financial position as at December 31, 2017, the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies.

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, 2017, its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

1. Impairment evaluation of asset under construction

As at December 31, 2017, the financial statements of Company have asset under construction in outstanding since 2006 amount of Baht 34.47 million, which includes the cost of building design and the cost of initial preparation for the construction of the building were shown as part of the total asset under construction amount of Baht 55.30 million in Note 8. Currently, the asset under construction has no progress which may result in impairment of asset under construction. The management must consider as indication of impairment of asset under construction. If impaired, the allowance for impairment of construction in progress is depended on the management judgment.

I have audited the supporting documents in relation to the management consideration of impairment indicators for asset under construction.

Based on our testing, in my opinion, the asset under construction is fairly presentation.

Virach

2. The completeness of revenue recognition from medical treatment for inpatients.

The recognition of revenue on medical treatment for inpatients at the end of the year. The Company has recognized revenue by using the data from the resource base of the Company, which may result the accuracy and completeness of revenue recognition from medical treatment for inpatients.

I have assessment and testing of it systems and revenue recognition system and subsequence event testing for revenue on medical treatment for inpatients to ensure the revenue recognition from medical treatment of inpatients are properly recorded and complete.

Based on our testing, in my opinion, the revenue from medical treatment for inpatients are properly recorded and complete.

Other Information

Management is responsible for the other information. The other information comprises the information included in annual report, but does not include the financial statements and my auditor's report thereon. I have received such other information in the annual report that has been prepared for issuance before the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report the fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

P. P. P.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Dr. Preecha Suan)

Certified Public Accountant Registration No. 6718

Dr. Virach & Associates Office Co., Ltd.

Bangkok : February 22, 2018

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

ASSETS

	<i>Notes</i>	BAHT	
		2017	2016
Current Assets			
Cash and cash equivalents	<i>3.2 and 4</i>	15,077,423	40,418,942
Short-term investments			
Open-ended funds	<i>3.3 and 5.1</i>	486,869,274	306,486,156
Trading securities	<i>3.3 and 5.2</i>	1,917,744	1,751,516
Trade and other receivables	<i>3.4 and 6</i>	148,535,725	121,523,134
Inventories	<i>3.5 and 7</i>	39,018,463	31,243,299
Other current assets			
Prepaid expenses		15,682,481	13,723,212
Other current assets		1,526,481	1,232,002
Total other current assets		17,208,962	14,955,214
Total Current Assets		708,627,591	516,378,261
Non-current Assets			
Available-for-sale securities	<i>3.3 and 5.3</i>	8,396,023	9,746,800
Property, plant and equipment	<i>3.6 and 8</i>	1,384,797,315	1,386,705,510
Intangible assets	<i>3.7 and 9</i>	13,031,130	18,817,583
Deferred tax assets	<i>3.8 and 16</i>	9,533,750	8,694,774
Other non-current assets	<i>3.9 and 10</i>	8,647,843	7,057,201
Total Non-current Assets		1,424,406,061	1,431,021,868
TOTAL ASSETS		2,133,033,652	1,947,400,129

P. P. P.

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

LIABILITIES AND SHAREHOLDERS' EQUITY

	<i>Notes</i>	BAHT	
		2017	2016
Current Liabilities			
Trade and other payables	<i>11</i>	178,778,120	173,151,216
Assets acquisition payable		3,636,381	5,908,641
Accrued corporate income tax		40,507,373	27,593,981
Other current liabilities		6,374,597	5,625,073
Total Current Liabilities		229,296,471	212,278,911
Non-current Liabilities			
Provision for long-term employee benefits	<i>3.12 and 12</i>	57,151,196	51,153,634
Total Non-current Liabilities		57,151,196	51,153,634
TOTAL LIABILITIES		286,447,667	263,432,545
Shareholders' Equity			
Share capital			
Authorized share capital			
160,000,000 common stocks of Baht 1 par value		160,000,000	160,000,000
Issued and paid-up share capital			
160,000,000 common stocks at Baht 1 each		160,000,000	160,000,000
Additional paid-in capital			
Premium on common stocks		172,000,000	172,000,000
Retained earnings			
Appropriated			
Legal reserve	<i>13</i>	16,000,000	16,000,000
Unappropriated		1,492,047,004	1,328,347,981
Other components of shareholders' equity		6,538,981	7,619,603
Total Shareholders' Equity		1,846,585,985	1,683,967,584
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,133,033,652	1,947,400,129

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, 2017

	<i>Notes</i>	BAHT	
		2017	2016
REVENUES			
Revenues from medical treatment		2,053,887,253	1,979,390,987
Other income		14,625,661	12,399,071
Total Revenues		2,068,512,914	1,991,790,058
EXPENSES			
Cost of medical treatment		1,374,930,025	1,333,572,098
Selling expenses		6,367,432	3,843,003
Administrative expenses		253,510,463	263,349,880
Directors' remuneration	14	3,937,000	3,823,000
Total Expenses	15	1,638,744,920	1,604,587,981
Profit before Income Tax Expenses		429,767,994	387,202,077
Income Tax Expenses	3.10 and 16	75,668,971	69,816,495
Profit for the years		354,099,023	317,385,582
Other Comprehensive Income (Loss) :-			
Surplus (discount) on changes in value of available-for-sale securities		(1,350,777)	3,923,700
Income tax on net change from the remeasuring of investment in available-for-sale securities		270,155	(784,740)
Other comprehensive income (loss) for the years-net of tax		(1,080,622)	3,138,960
Total comprehensive income for the years		353,018,401	320,524,542
Earnings Per Share			
Basic Earnings Per Share	3.11	2.21	1.98

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

Rada

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

	BAHT					Total shareholders' equity
	Issued and paid-up share capital	Premium on common stocks	Retained earnings		Other components of shareholders' equity	
<i>Notes</i>			Legal reserve	Unappropriated	Other comprehensive income	
					Available for sale securities	
Balances as at January 1, 2016	160,000,000	172,000,000	16,000,000	1,190,162,399	4,480,643	1,542,643,042
Total comprehensive income for the year	-	-	-	317,385,582	3,138,960	320,524,542
Dividend payment	-	-	-	(179,200,000)	-	(179,200,000)
Balances as at December 31, 2016	160,000,000	172,000,000	16,000,000	1,328,347,981	7,619,603	1,683,967,584
Total comprehensive income for the year	-	-	-	354,099,023	(1,080,622)	353,018,401
Dividend payment	-	-	-	(190,400,000)	-	(190,400,000)
Balances as at December 31, 2017	160,000,000	172,000,000	16,000,000	1,492,047,004	6,538,981	1,846,585,985

Panda

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

	BAHT	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES :		
PROFIT BEFORE INCOME TAX EXPENSES		
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX	429,767,994	387,202,077
EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :-		
Depreciation	125,258,702	122,321,842
Amortization of deferred expenses	2,048,662	2,798,589
Amortization of computer softwares	6,772,240	10,370,058
Unrealized gain on open-ended funds	(3,302,425)	(330,165)
Unrealized gain on trading securities	(166,228)	(172,006)
(Gain) loss on disposal of building and equipment	(198,225)	6,885,576
Bad debts	-	1,025,442
Doubtful debts (decrease)	315,195	(287,479)
Dividend income	(133,302)	(134,635)
Interest income	(141,552)	(143,259)
Long-term employee benefits expenses	8,080,512	6,851,829
PROFIT FROM OPERATION BEFORE CHANGE IN		
OPERATING ASSETS AND LIABILITIES ITEMS	568,301,573	536,387,869
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Open-ended funds	(177,080,693)	(92,646,826)
Trade and other receivables	(27,327,786)	(7,543,445)
Inventories	(7,775,164)	4,722,287
Other current assets	(2,253,748)	4,580,119
Other non-current assets	(3,639,304)	(4,245,661)
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS		
Trade and other payables	5,626,904	(903,949)
Assets acquisition payable	(2,272,260)	(2,193,702)
Other current liabilities	749,524	331,629
Provision for long-term employee benefits	(2,082,950)	-
Cash received from operation	352,246,096	438,488,321
Interest income	141,552	143,259
Income tax paid	(63,324,400)	(75,770,097)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	289,063,248	362,861,483

Panda

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, 2017

	BAHT	
	2017	2016
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in plant and equipment	(123,458,282)	(172,271,326)
Proceeds from disposal of plant and equipment	306,000	460,286
Purchase of computer softwares	(985,787)	(3,053,251)
Proceeds from dividend income	133,302	134,635
NET CASH USED IN INVESTING ACTIVITIES	(124,004,767)	(174,729,656)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend payment	(190,400,000)	(179,200,000)
NET CASH USED IN FINANCING ACTIVITIES	(190,400,000)	(179,200,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(25,341,519)	8,931,827
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	40,418,942	31,487,115
CASH AND CASH EQUIVALENTS AS AT DECEMBER 31,	15,077,423	40,418,942
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS		
Non-cash flows items comprise :		
Unrealized gain (loss) on available-for-sale securities	(1,350,777)	3,923,700
Increase in plant and equipment from assets payable	-	202,379
Increase in equipment from transferring deposits	-	139,100

Prada

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

1. GENERAL INFORMATION

1.1	Company status	A juristic person established under Thai law and listed on the Stock Exchange of Thailand.
1.2	Company location	432, Ngamvongwan Road, Tambol Bangkhen, Amphur Muangnonthaburi, Nonthaburi, Thailand.
	Branch	530, Rattanathibeth Road, Tambol Bangkrasor, Amphur Muangnonthaburi, Nonthaburi, Thailand.
1.3	Type of business	Hospital

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

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

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

Thai Accounting Standards (TAS)

- | | |
|---------------------------|--|
| 1. TAS 1 (revised 2016) | Presentation of Financial Statements |
| 2. TAS 2 (revised 2016) | Inventories |
| 3. TAS 7 (revised 2016) | Statement of Cash Flows |
| 4. TAS 8 (revised 2016) | Accounting Policies, Changes in Accounting Estimates and Errors |
| 5. TAS 10 (revised 2016) | Events after the Reporting Period |
| 6. TAS 11 (revised 2016) | Construction Contracts |
| 7. TAS 12 (revised 2016) | Income Taxes |
| 8. TAS 16 (revised 2016) | Property, Plant and Equipment |
| 9. TAS 17 (revised 2016) | Leases |
| 10. TAS 18 (revised 2016) | Revenue |
| 11. TAS 19 (revised 2016) | Employee Benefits |
| 12. TAS 20 (revised 2016) | Accounting for Government Grants and Disclosure of Government Assistance |
| 13. TAS 21 (revised 2016) | The Effects of Changes in Foreign Exchange Rates |

14. TAS 23 (revised 2016)	Borrowing Costs
15. TAS 24 (revised 2016)	Related Party Disclosures
16. TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
17. TAS 27 (revised 2016)	Separate Financial Statements
18. TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
19. TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies
20. TAS 33 (revised 2016)	Earnings Per Share
21. TAS 34 (revised 2016)	Interim Financial Reporting
22. TAS 36 (revised 2016)	Impairment of Assets
23. TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
24. TAS 38 (revised 2016)	Intangible Assets
25. TAS 40 (revised 2016)	Investment Property
26. TAS 41 (revised 2016)	Agriculture
27. TAS 104 (revised 2016)	Accounting for Troubled Debt Restructuring
28. TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
29. TAS 107 (revised 2016)	Financial Instruments Disclosure and Presentation

Thai Financial Reporting Standards (TFRS)

30. TFRS 2 (revised 2016)	Share-based Payment
31. TFRS 3 (revised 2016)	Business Combinations
32. TFRS 4 (revised 2016)	Insurance Contracts
33. TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
34. TFRS 6 (revised 2016)	Exploration for and Evaluation of Mineral Resources
35. TFRS 8 (revised 2016)	Operating Segments
36. TFRS 10 (revised 2016)	Consolidated Financial Statements
37. TFRS 11 (revised 2016)	Joint Arrangements
38. TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
39. TFRS 13 (revised 2016)	Fair Value Measurement

Thai Accounting Standard Interpretations (TSIC)

40. TSIC 10 (revised 2016)	Government Assistance - No Specific Relation to Operating Activities
41. TSIC 15 (revised 2016)	Operating Leases - Incentives
42. TSIC 25 (revised 2016)	Income Taxes - Changes in the Tax Status of an Entity or Its Shareholders
43. TSIC 27 (revised 2016)	Evaluating the Substance of Transactions in the Legal Form of a Lease

- | | |
|----------------------------|--|
| 44. TSIC 29 (revised 2016) | Service Concession Arrangements : Disclosures |
| 45. TSIC 31 (revised 2016) | Revenue - Barter Transactions Involving Advertising Services |
| 46. TSIC 32 (revised 2016) | Intangible Assets - Web Site Costs |

Thai Financial Reporting Standard Interpretations (TFRIC)

- | | |
|-----------------------------|--|
| 47. TFRIC 1 (revised 2016) | Changes in Existing Decommissioning, Restoration and Similar Liabilities |
| 48. TFRIC 4 (revised 2016) | Determining Whether an Arrangement Contains a Lease |
| 49. TFRIC 5 (revised 2016) | Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds |
| 50. TFRIC 7 (revised 2016) | Applying the Restatement Approach under TAS 29 (revised 2016) Financial Reporting in Hyperinflationary Economies |
| 51. TFRIC 10 (revised 2016) | Interim Financial Reporting and Impairment |
| 52. TFRIC 12 (revised 2016) | Service Concession Arrangements |
| 53. TFRIC 13 (revised 2016) | Customer Loyalty Programmes |
| 54. TFRIC 14 (revised 2016) | TAS 19 (revised 2016) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction |
| 55. TFRIC 15 (revised 2016) | Agreements for the Construction of Real Estate |
| 56. TFRIC 17 (revised 2016) | Distributions of Non-cash Assets to Owners |
| 57. TFRIC 18 (revised 2016) | Transfers of Assets from Customers |
| 58. TFRIC 20 (revised 2016) | Stripping Costs in the Production Phase of a Surface Mine |
| 59. TFRIC 21 (revised 2016) | Levies |

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

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

Effective for fiscal years beginning on or after January 1, 2018

Thai Accounting Standards (TAS)

- | | |
|-------------------------|---|
| 1. TAS 1 (revised 2017) | Presentation of Financial Statements |
| 2. TAS 2 (revised 2017) | Inventories |
| 3. TAS 7 (revised 2017) | Statement of Cash Flows |
| 4. TAS 8 (revised 2017) | Accounting Policies, Changes in Accounting Estimates and Errors |

5.	TAS 10 (revised 2017)	Events after the Reporting Period
6.	TAS 11 (revised 2017)	Construction Contracts
7.	TAS 12 (revised 2017)	Income Taxes
8.	TAS 16 (revised 2017)	Property, Plant and Equipment
9.	TAS 17 (revised 2017)	Leases
10.	TAS 18 (revised 2017)	Revenue
11.	TAS 19 (revised 2017)	Employee Benefits
12.	TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
13.	TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
14.	TAS 23 (revised 2017)	Borrowing Costs
15.	TAS 24 (revised 2017)	Related Party Disclosures
16.	TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
17.	TAS 27 (revised 2017)	Separate Financial Statements
18.	TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
19.	TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economies
20.	TAS 33 (revised 2017)	Earnings Per Share
21.	TAS 34 (revised 2017)	Interim Financial Reporting
22.	TAS 36 (revised 2017)	Impairment of Assets
23.	TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
24.	TAS 38 (revised 2017)	Intangible Assets
25.	TAS 40 (revised 2017)	Investment Property
26.	TAS 41 (revised 2017)	Agriculture

Thai Financial Reporting Standards (TFRS)

27.	TFRS 2 (revised 2017)	Share-based Payment
28.	TFRS 3 (revised 2017)	Business Combinations
29.	TFRS 4 (revised 2017)	Insurance Contracts
30.	TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
31.	TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Resources
32.	TFRS 8 (revised 2017)	Operating Segments
33.	TFRS 10 (revised 2017)	Consolidated Financial Statements
34.	TFRS 11 (revised 2017)	Joint Arrangements
35.	TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities

36. TFRS 13 (revised 2017) Fair Value Measurement

Thai Accounting Standard Interpretations (TSIC)

37. TSIC 10 (revised 2017) Government Assistance - No Specific Relation to Operating Activities
38. TSIC 15 (revised 2017) Operating Leases - Incentives
39. TSIC 25 (revised 2017) Income Taxes - Changes in the Tax Status of an Entity or Its Shareholders
40. TSIC 27 (revised 2017) Evaluating the Substance of Transactions in the Legal Form of a Lease
41. TSIC 29 (revised 2017) Service Concession Arrangements : Disclosures
42. TSIC 31 (revised 2017) Revenue - Barter Transactions Involving Advertising Services
43. TSIC 32 (revised 2017) Intangible Assets - Web Site Costs

Thai Financial Reporting Standard Interpretations (TFRIC)

44. TFRIC 1 (revised 2017) Changes in Existing Decommissioning, Restoration and Similar Liabilities
45. TFRIC 4 (revised 2017) Determining Whether an Arrangement Contains a Lease
46. TFRIC 5 (revised 2017) Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
47. TFRIC 7 (revised 2017) Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economies
48. TFRIC 10 (revised 2017) Interim Financial Reporting and Impairment
49. TFRIC 12 (revised 2017) Service Concession Arrangements
50. TFRIC 13 (revised 2017) Customer Loyalty Programmes
51. TFRIC 14 (revised 2017) TAS 19 (revised 2017) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction
52. TFRIC 15 (revised 2017) Agreements for the Construction of Real Estate
53. TFRIC 17 (revised 2017) Distributions of Non-cash Assets to Owners
54. TFRIC 18 (revised 2017) Transfers of Assets from Customers
55. TFRIC 20 (revised 2017) Stripping Costs in the Production Phase of a Surface Mine
56. TFRIC 21 (revised 2017) Levies

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

- 2.4 These financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues and expenses recognition

Revenue from hospital operations

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

Service income is recognized when services have been rendered.

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

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

Other revenues and expenses are recognized on an accrual basis.

3.2 Cash and cash equivalents

Cash and cash equivalents are cash on hand and deposits at the financial institutions due not more than 3 months from the acquisition date and not subject to withdrawal restrictions.

3.3 Investments

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

Available-for-sale securities are investments in listed securities stated at fair value. The objective of holding these securities is for long-term investments. The Company recognizes revaluation of available-for-sale securities as separate item in statements of comprehensive income under the caption "Surplus on changes in value of available-for-sale investments".

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

3.4 Allowance for doubtful accounts

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

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

3.5 Inventories

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

3.6 Property, plant and equipment

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

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

3.7 Intangible assets

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

3.8 Deferred tax assets/liabilities

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

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

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

3.9 Deferred expenses

Deferred expenses are stated at cost net from cumulative amortization which is calculated by the straight-line method within 3-5 years.

3.10 Income tax expenses

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

3.11 Earnings per share

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

3.12 Employee benefits

Short-term employee benefits

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

Long-term employee benefits

Defined contribution plan

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

Defined benefits plan

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

3.13 Significant accounting judgments and estimates

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

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

4. CASH AND CASH EQUIVALENTS

PARTICULARS	AMOUNT IN BAHT	
	2017	2016
Cash	4,058,266	3,215,816
Deposits at financial institutions	11,019,157	37,203,126
Total	15,077,423	40,418,942

5. INVESTMENTS

5.1 Open-ended fund

PARTICULARS	AMOUNT IN BAHT	
	2017	2016
Open-ended fund	482,525,959	305,445,266
Valuation adjustment	4,343,315	1,040,890
Open-ended fund-Fair value	486,869,274	306,486,156

PARTICULARS	AMOUNT IN BAHT	
	2017	2016
Unrealized gain on open-ended fund	3,302,425	330,165

5.2 Short-term investments - Trading securities

PARTICULARS	AMOUNT IN BAHT	
	2017	2016
Short-term investments-at cost	2,007,731	2,007,731
Valuation adjustment	(89,987)	(256,215)
Short-term investments-Fair value	1,917,744	1,751,516

PARTICULARS	AMOUNT IN BAHT	
	2017	2016
Unrealized gain on trading securities	166,228	172,006

5.3 Available-for-sale securities

PARTICULARS	AMOUNT IN BAHT	
	2017	2016
Acquisition cost	222,296	222,296
Surplus on changes in value of available-for-sale securities	8,173,727	9,524,504
Fair value at ending years	8,396,023	9,746,800

PARTICULARS	AMOUNT IN BAHT	
	2017	2016
Surplus (discount) on changes in value of available-for-sale securities	(1,350,777)	3,923,700

6. TRADE AND OTHER RECEIVABLES

PARTICULARS	AMOUNT IN BAHT	
	2017	2016
The trade accounts receivable are classified by outstanding balances of aging as follows :		
Current	142,040,909	116,448,648
Overdue within 3 months	5,427,861	2,643,386
Over 3 - 6 months	1,227,403	1,334,460
Over 6 - 12 months	914,368	1,130,660
Over 12 months	1,769,793	2,505,394
Total	151,380,334	124,062,548
Allowance for doubtful debts	(2,944,609)	(2,629,414)
Trade accounts receivable-net	148,435,725	121,433,134
Other receivables	100,000	90,000
Total trade and other receivables	148,535,725	121,523,134

7. INVENTORIES

PARTICULARS	AMOUNT IN BAHT	
	2017	2016
Medicines and medical supplies	32,173,218	24,390,568
General supplies	6,845,245	6,852,731
Total	39,018,463	31,243,299

In 2017 and 2016, 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.

9. INTANGIBLE ASSETS

	AMOUNT IN BAHT		
	DEFERRED COMPUTER SOFTWARES	COMPUTER SOFTWARES UNDER INSTALLATION	TOTAL
<u>Cost</u>			
January 1, 2016	117,409,580	8,861,105	126,270,685
Increase for the year 2016	2,961,183	92,068	3,053,251
Unused	(34,492,492)	-	(34,492,492)
Transfer to/from	8,568,995	(8,568,995)	-
December 31, 2016	94,447,266	384,178	94,831,444
Increase for the year 2017	660,762	325,025	985,787
Transfer to/from	106,893	(106,893)	-
December 31, 2017	95,214,921	602,310	95,817,231
<u>Accumulated amortization</u>			
January 1, 2016	100,136,295	-	100,136,295
Amortization for the year 2016	10,370,058	-	10,370,058
Unused	(34,492,492)	-	(34,492,492)
December 31, 2016	76,013,861	-	76,013,861
Amortization for the year 2017	6,772,240	-	6,772,240
December 31, 2017	82,786,101	-	82,786,101
Net book value			
December 31, 2016	18,433,405	384,178	18,817,583
December 31, 2017	12,428,820	602,310	13,031,130

10. OTHER NON-CURRENT ASSETS

PARTICULARS	AMOUNT IN BAHT	
	2017	2016
Deferred expenses	3,459,909	2,082,013
<u>Add</u> Increase	4,479,648	4,176,485
<u>Less</u> Amortization for the years	(2,048,662)	(2,798,589)
Net book value	5,890,895	3,459,909
Deposit for assets	1,506,492	1,445,906
Others	1,250,456	2,151,386
Total	8,647,843	7,057,201

11. TRADE AND OTHER PAYABLES

PARTICULARS	AMOUNT IN BAHT	
	2017	2016
Trade accounts payables	54,112,663	51,215,047
Accrued expenses	44,821,180	45,837,470
Accrued doctors' fees	58,645,130	56,142,978
Others	21,199,147	19,955,721
Total	178,778,120	173,151,216

12. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

Provision for long-term employee benefits as at December 31, 2017 and 2016 which are compensations on employees' retirement, are as follows

PARTICULARS	AMOUNT IN BAHT	
	2017	2016
Defined benefit obligation at beginning of years	51,153,634	44,301,805
Current service cost	7,089,039	5,918,024
Interest cost	991,473	933,805
Benefits paid during the years	(2,082,950)	-
Defined benefit obligation at end of years	57,151,196	51,153,634

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

PARTICULARS	For the years ended December 31, 2017 and 2016
Discount rate	2.14 % per annum
Salary increase rate	3.5 - 5.5 % per annum
Staff turnover rate	8 - 24 % per annum

13. 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.

14. DIVIDEND PAYMENT AND DIRECTORS' REMUNERATION

On April 24, 2017, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay dividend at Baht 1.19 per share to the shareholders of 160 million shares, totalling Baht 190.40 million, including directors' remuneration amounting to Baht 3.17 million. The dividend payment was made on May 23, 2017.

On April 28, 2016, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay dividend at Baht 1.12 per share to the shareholders of 160 million shares, totalling Baht 179.20 million, including directors' remuneration amounting to Baht 2.98 million. The dividend payment was made on May 27, 2016.

15. EXPENSES BY NATURE

EXPENSES	AMOUNT IN BAHT	
	2017	2016
Medicine and medical supply consumptions	398,785,770	387,595,281
Directors and management benefit expenses	14,564,950	18,079,625
Employee benefit expenses	458,094,899	444,581,536
Doctors' fees	478,658,415	459,496,131
Depreciation and amortization expenses	134,079,604	135,490,489
Bad debts	-	1,025,442
Doubtful debts increase (decrease)	315,195	(287,479)
Other expenses	154,246,087	158,606,956
Total	1,638,744,920	1,604,587,981

16. INCOME TAXES

Corporate income tax of the Company for the years ended December 31, 2017 and 2016 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 percent in 2017 and 2016.

Income tax expenses recognized in statements of comprehensive income consist:

(AMOUNT IN BAHT)		
FOR THE YEARS ENDED DECEMBER 31,	2017	2016
Corporate income tax for the years	76,237,792	71,028,931
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(568,821)	(1,212,436)
Income tax expenses	75,668,971	69,816,495

As at December 31, 2017 and 2016, the deferred tax assets/liabilities arose from the following temporary differences:

(AMOUNT IN BAHT)

PARTICULARS	2017	2016
Temporary differences in the statements of comprehensive income		
Unrealized gain on open-ended fund	(4,343,315)	(1,040,890)
Unrealized loss on trading securities	89,987	256,215
Allowance for doubtful accounts receivables	2,944,609	2,629,414
Provision for long-term employees benefits	57,151,196	51,153,634
Total	55,842,477	52,998,373
Temporary differences in other comprehensive income		
- Recognized in other components of shareholders' equity		
Gain from the remeasuring of investment in available-for-sale securities	(8,173,727)	(9,524,504)
Total	47,668,750	43,473,869
Deferred tax assets calculated from tax rate of 20%.	9,533,750	8,694,774

17. 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.

18. COMMITMENT

18.1 As at December 31, 2017 and 2016, the Company has commitment from the issuance of bank guarantee as follow :

PARTICULAR	AMOUNT IN BAHT	
	2017	2016
Letters of guarantee issued by commercial bank	4,276,800	4,276,800

18.2 Commitment under service agreement

As at December 31, 2017, the Company has entered into service agreements which can be cancelled when the counter party has prior notice 30 to 60 days in advance the amount of Baht 13.16 million.

18.3 Capital expenditure commitments

As at December 31, 2017, the Company has capital expenditure commitments to pay a total of Baht 27.00 million in regarding to the contract design for the addition of the new hospital.

19. 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 statements of comprehensive income for the years ended December 31, 2017 and 2016 amount of Baht 4.23 million and Baht 4.24 million, respectively.

20. DISCLOSURE OF FINANCIAL INSTRUMENTS

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

20.1 Accounting policies

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

20.2 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.

20.3 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.

20.4 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.

21. 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.

22. FINANCIAL STATEMENTS APPROVAL

These financial statements are duly approved by the Company's directors on February 22, 2018.