

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

FINANCIAL STATEMENTS

DECEMBER 31, 2018

518/3 อาคารเมญญาเซ็นเตอร์ นอช 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 แอสโซซิเอทส์ จำกัด
DR.VIRACH & ASSOCIATES OFFICE CO., LTD.

CERTIFIED PUBLIC ACCOUNTANTS

518/3 Manecya 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 statements of financial position as at December 31, 2018, 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, 2018, 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.

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 its systems and revenue recognition system and subsequent 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 comprise 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.

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 25, 2019

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

ASSETS

	<i>Notes</i>	BAHT	
		2018	2017
Current Assets			
Cash and cash equivalents	<i>3.2 and 4</i>	32,572,567	15,077,423
Short-term investments			
Open-ended funds	<i>3.3 and 5.1</i>	505,668,461	486,869,274
Trading securities	<i>3.3 and 5.2</i>	1,464,164	1,917,744
Fixed deposit at bank	<i>3.3 and 5.3</i>	225,000,000	-
Total short-term investments		732,132,625	488,787,018
Trade and other receivables	<i>3.4 and 6</i>	159,555,731	148,535,725
Inventories	<i>3.5 and 7</i>	46,831,872	39,018,463
Other current assets			
Prepaid expenses		16,773,773	15,682,481
Other current assets		2,437,889	1,526,481
Total other current assets		19,211,662	17,208,962
Total Current Assets		990,304,457	708,627,591
Non-current Assets			
Available-for-sale securities	<i>3.3 and 5.4</i>	7,536,292	8,396,023
Property, plant and equipment	<i>3.6 and 8</i>	1,279,071,991	1,384,797,315
Intangible assets	<i>3.7 and 9</i>	11,810,681	13,031,130
Deferred tax assets	<i>3.8 and 16</i>	6,552,094	9,533,750
Other non-current assets	<i>3.9 and 10</i>	8,614,075	8,647,843
Total Non-current Assets		1,313,585,133	1,424,406,061
TOTAL ASSETS		2,303,889,590	2,133,033,652



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, 2018

LIABILITIES AND SHAREHOLDERS' EQUITY

		BAHT	
	<i>Notes</i>	2018	2017
Current Liabilities			
Trade and other payables	<i>11</i>	177,656,373	178,778,120
Assets acquisition payable		5,621,598	3,636,381
Accrued corporate income tax		38,421,033	40,507,373
Other current liabilities		6,339,782	6,374,597
Total Current Liabilities		228,038,786	229,296,471
Non-current Liabilities			
Provision for long-term employee benefits	<i>3.12 and 12</i>	38,566,626	57,151,196
Total Non-current Liabilities		38,566,626	57,151,196
TOTAL LIABILITIES		266,605,412	286,447,667
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		1,683,432,982	1,492,047,004
Other components of shareholders' equity		5,851,196	6,538,981
Total Shareholders' Equity		2,037,284,178	1,846,585,985
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,303,889,590	2,133,033,652

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, 2018

		BAHT	
	<i>Notes</i>	2018	2017
REVENUES			
Revenues from medical treatment		2,197,533,758	2,053,887,253
Other income		17,960,237	14,625,661
Total Revenues		2,215,493,995	2,068,512,914
EXPENSES			
Cost of medical treatment		1,438,616,998	1,374,930,025
Selling expenses		7,328,430	6,367,432
Administrative expenses		259,195,114	252,970,463
Loss from write off asset under construction	8	34,472,190	-
Directors' remuneration	14	4,801,000	4,477,000
Total Expenses	15	1,744,413,732	1,638,744,920
Profit before Income Tax Expenses		471,080,263	429,767,994
Income Tax Expenses	3.10 and 16	84,233,032	75,668,971
Profit for the years		386,847,231	354,099,023
Other Comprehensive Income (Loss) :-			
Loss on changes in value of available-for-sale investments		(859,731)	(1,350,777)
Income tax on net change from the remeasuring of investment in available-for-sale securities		171,946	270,155
Available-for-sale securities-net of tax		(687,785)	(1,080,622)
Actuarial gain from employee benefit plan	12 and 16	21,673,433	-
Component of income tax		(4,334,686)	-
Actuarial gain from employee benefit plan-net of tax		17,338,747	-
Other comprehensive income (loss) for the years-net of tax		16,650,962	(1,080,622)
Total comprehensive income for the years		403,498,193	353,018,401
Earnings Per Share			
Basic Earnings Per Share	3.11	2.42	2.21

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, 2018

	BAHT						
	Issued and paid-up share capital	Premium on common stocks	Retained earnings	Legal reserve	Unappropriated	Other components of shareholders' equity Other comprehensive income Available for sale securities	Total shareholders' equity
Balances as at January 1, 2017	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	
Comprehensive income for the year	-	-	-	386,847,231	(687,785)	386,159,446	
Actuarial gain from employee benefit plan-net of tax	-	-	-	17,338,747	-	17,338,747	
Total comprehensive income for the year 2018	-	-	-	404,185,978	(687,785)	403,498,193	
Dividend payment	-	-	-	(212,800,000)	-	(212,800,000)	
Balances as at December 31, 2018	160,000,000	172,000,000	16,000,000	1,683,432,982	5,851,196	2,037,284,178	

Notes

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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, 2018

	BAHT	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES :		
PROFIT BEFORE INCOME TAX EXPENSES		
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX	471,080,263	429,767,994
EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :-		
Depreciation	129,315,291	125,258,702
Amortization of deferred expenses	2,691,142	2,048,662
Amortization of computer softwares	4,269,949	6,772,240
Loss from write off asset under construction	34,472,190	-
Loss from deteriorated inventories	30,551	-
Unrealized (gain) loss on open-ended funds	2,582,645	(3,302,425)
Unrealized (gain) on trading securities	453,580	(166,228)
Gain on disposal of equipment	(134,608)	(198,225)
Bad debts	343,892	-
Doubtful debts (decrease)	(219,667)	315,195
Dividend income	(105,796)	(133,302)
Interest income	(816,511)	(141,552)
Long-term employee benefits expenses	8,035,213	8,080,512
PROFIT FROM OPERATION BEFORE CHANGE IN		
OPERATING ASSETS AND LIABILITIES ITEMS	651,998,134	568,301,573
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Fixed deposit at bank	(225,000,000)	-
Open-ended funds	(21,381,832)	(177,080,693)
Trade and other receivables	(11,144,231)	(27,327,786)
Inventories	(7,843,960)	(7,775,164)
Other current assets	(1,373,947)	(2,253,748)
Other non-current assets	(2,657,374)	(3,639,304)
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS		
Trade and other payables	(2,484,968)	5,626,904
Assets acquisition payable	747,747	(2,272,260)
Other current liabilities	(34,815)	749,524
Provision for long-term employee benefits	(4,946,350)	(2,082,950)
Cash received from operation	375,878,404	352,246,096
Interest income	187,758	141,552
Income tax paid	(87,500,456)	(63,324,400)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	288,565,706	289,063,248

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, 2018

BAHT

	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in plant and equipment	(55,925,752)	(123,458,282)
Proceeds from disposal of equipment	598,894	306,000
Purchase of computer softwares	(3,049,500)	(985,787)
Proceeds from dividend income	105,796	133,302
NET CASH USED IN INVESTING ACTIVITIES	(58,270,562)	(124,004,767)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend payment	(212,800,000)	(190,400,000)
NET CASH USED IN FINANCING ACTIVITIES	(212,800,000)	(190,400,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	17,495,144	(25,341,519)
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	15,077,423	40,418,942
CASH AND CASH EQUIVALENTS AS AT DECEMBER 31,	32,572,567	15,077,423
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS		
Non-cash flows items comprise :		
Unrealized loss on available-for-sale securities	859,731	1,350,777
Increase in plant and equipment from assets payable	1,237,470	-
Increase in equipment from retention	1,363,221	-
Effect from adjusted estimation of employee benefit		
Decrease in deferred income tax assets	4,334,686	-
Decrease in provision for long-term employee benefits	(21,673,433)	-
Increase in retained earnings	17,338,747	-

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NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

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, Rattanaithibeth 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 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 Involving 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

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, 2019 are as follows:

Thai Accounting Standards (TAS)

1. TAS 1 (revised 2018) Presentation of Financial Statements
2. TAS 2 (revised 2018) Inventories
3. TAS 7 (revised 2018) Statement of Cash Flows
4. TAS 8 (revised 2018) Accounting Policies, Changes in Accounting Estimates and Errors
5. TAS 10 (revised 2018) Events After the Reporting Period
6. TAS 12 (revised 2018) Income Taxes

7. TAS 16 (revised 2018)	Property, Plant and Equipment
8. TAS 17 (revised 2018)	Leases
9. TAS 19 (revised 2018)	Employee Benefits
10. TAS 20 (revised 2018)	Accounting for Government Grants and Disclosure of Government Assistance
11. TAS 21 (revised 2018)	The Effects of Changes in Foreign Exchange Rates
12. TAS 23 (revised 2018)	Borrowing Costs
13. TAS 24 (revised 2018)	Related Party Disclosures
14. TAS 26 (revised 2018)	Accounting and Reporting by Retirement Benefit Plans
15. TAS 27 (revised 2018)	Separate Financial Statements
16. TAS 28 (revised 2018)	Investments in Associates and Joint Ventures
17. TAS 29 (revised 2018)	Financial Reporting in Hyperinflationary Economies
18. TAS 33 (revised 2018)	Earnings Per Share
19. TAS 34 (revised 2018)	Interim Financial Reporting
20. TAS 36 (revised 2018)	Impairment of Assets
21. TAS 37 (revised 2018)	Provisions, Contingent Liabilities and Contingent Assets
22. TAS 38 (revised 2018)	Intangible Assets
23. TAS 40 (revised 2018)	Investment Property
24. TAS 41 (revised 2018)	Agriculture

Thai Financial Reporting Standards (TFRS)

25. TFRS 1	First-time Adoption of Thai Financial Reporting Standards
26. TFRS 2 (revised 2018)	Share-based Payment
27. TFRS 3 (revised 2018)	Business Combinations
28. TFRS 4 (revised 2018)	Insurance Contracts
29. TFRS 5 (revised 2018)	Non-current Assets Held for Sale and Discontinued Operations
30. TFRS 6 (revised 2018)	Exploration for and Evaluation of Mineral Resources
31. TFRS 8 (revised 2018)	Operating Segments
32. TFRS 10 (revised 2018)	Consolidated Financial Statements
33. TFRS 11 (revised 2018)	Joint Arrangements
34. TFRS 12 (revised 2018)	Disclosure of Interests in Other Entities
35. TFRS 13 (revised 2018)	Fair Value Measurement
36. TFRS 15	Revenue from Contracts with Customers

Thai Accounting Standard Interpretations (TSIC)

- | | |
|----------------------------|--|
| 37. TSIC 10 (revised 2018) | Government Assistance - No Specific Relation to Operating Activities |
| 38. TSIC 15 (revised 2018) | Operating Leases - Incentives |
| 39. TSIC 25 (revised 2018) | Income Taxes - Changes in the Tax Status of an Entity or Its Shareholders |
| 40. TSIC 27 (revised 2018) | Evaluating the Substance of Transactions Involving the Legal Form of a Lease |
| 41. TSIC 29 (revised 2018) | Service Concession Arrangements: Disclosures |
| 42. TSIC 32 (revised 2018) | Intangible Assets - Web Site Costs |

Thai Financial Reporting Standard Interpretations (TFRIC)

- | | |
|-----------------------------|--|
| 43. TFRIC 1 (revised 2018) | Changes in Existing Decommissioning, Restoration and Similar Liabilities |
| 44. TFRIC 4 (revised 2018) | Determining Whether an Arrangement Contains a Lease |
| 45. TFRIC 5 (revised 2018) | Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds |
| 46. TFRIC 7 (revised 2018) | Applying the Restatement Approach under TAS 29 (revised 2018) Financial Reporting in Hyperinflationary Economies |
| 47. TFRIC 10 (revised 2018) | Interim Financial Reporting and Impairment |
| 48. TFRIC 12 (revised 2018) | Service Concession Arrangements |
| 49. TFRIC 14 (revised 2018) | TAS 19 (revised 2018) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction |
| 50. TFRIC 17 (revised 2018) | Distributions of Non-cash Assets to Owners |
| 51. TFRIC 20 (revised 2018) | Stripping Costs in the Production Phase of a Surface Mine |
| 52. TFRIC 21 (revised 2018) | Levies |

Effective for fiscal years beginning on or after January 1, 2020 are as follows:

Thai Accounting Standards (TAS)

- | | |
|-----------|-------------------------------------|
| 1. TAS 32 | Financial Instruments: Presentation |
|-----------|-------------------------------------|

Thai Financial Reporting Standards (TFRS)

- | | |
|-----------|------------------------------------|
| 2. TFRS 7 | Financial Instruments: Disclosures |
| 3. TFRS 9 | Financial Instruments |

Thai Financial Reporting Standard Interpretations (TFRIC)

- | | |
|-------------|---|
| 4. TFRIC 16 | Hedges of a Net Investment in a Foreign Operation |
|-------------|---|

5. TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

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.

Fixed deposit at bank due within one year are shown at cost.

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	
	2018	2017
Cash	3,438,957	4,058,266
Bank deposits	29,133,610	11,019,157
Total	32,572,567	15,077,423

5. INVESTMENTS

5.1 Open-ended fund

PARTICULARS	AMOUNT IN BAHT	
	2018	2017
Open-ended fund	503,907,791	482,525,959
Valuation adjustment	1,760,670	4,343,315
Open-ended fund-Fair value	505,668,461	486,869,274

PARTICULARS	AMOUNT IN BAHT	
	2018	2017
Unrealized gain (loss) on open-ended fund	(2,582,645)	3,302,425
Gain on open-ended fund	6,299,364	2,080,693
Gain on investments in Open-ended Fund	3,716,719	5,383,118

5.2 Short-term investments - Trading securities

PARTICULARS	AMOUNT IN BAHT	
	2018	2017
Short-term investments-at cost	2,007,731	2,007,731
Valuation adjustment	(543,567)	(89,987)
Short-term investments-Fair value	1,464,164	1,917,744

PARTICULARS	AMOUNT IN BAHT	
	2018	2017
Unrealized gain (loss) on trading securities	(453,580)	166,228

5.3 Fixed deposit at bank

PARTICULARS	AMOUNT IN BAHT	
	2018	2017
6 Month fixed deposit at bank	225,000,000	-
Interest rate per annum	1.25 - 1.45	-
Accrued interest	628,753	-

5.4 Available-for-sale securities

PARTICULARS	AMOUNT IN BAHT	
	2018	2017
Acquisition cost	222,296	222,296
Valuation adjustment	7,313,996	8,173,727
Fair value at ending years	7,536,292	8,396,023

PARTICULARS	AMOUNT IN BAHT	
	2018	2017
Loss on changes in value of available-for-sale securities	859,731	1,350,777

6. TRADE AND OTHER RECEIVABLES

PARTICULARS	AMOUNT IN BAHT	
	2018	2017
The trade accounts receivable are classified by outstanding balances of aging as follows :		
Current	147,969,339	142,040,909
Overdue within 3 months	8,895,975	5,427,861
Over 3 - 6 months	1,748,209	1,227,403
Over 6 - 12 months	1,031,971	914,368
Over 12 months	2,625,179	1,769,793
Total	162,270,673	151,380,334
Allowance for doubtful debts	(2,724,942)	(2,944,609)
Trade accounts receivable-net	159,545,731	148,435,725
Other receivables	10,000	100,000
Total trade and other receivables	159,555,731	148,535,725

7. INVENTORIES

PARTICULARS	AMOUNT IN BAHT	
	2018	2017
Medicines and medical supplies	37,841,102	32,173,218
General supplies	8,990,770	6,845,245
Total	46,831,872	39,018,463

8. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	AMOUNT IN BAHT										Total	
	Land	Building and structure	Medical tools and equipment	Vehicles	Furniture and fixtures	Office equipment	Computer equipment	Other equipment and tools	Assets under construction			
<u>Cost</u>												
January 1, 2017	575,208,866	1,004,456,001	678,755,788	16,637,381	73,912,614	64,504,016	98,688,640	28,954,399	57,198,578	2,598,316,283		
Increase for the year 2017	-	7,558,720	61,314,164	-	3,182,793	2,128,171	17,263,281	2,503,738	29,507,415	123,458,282		
Sold	-	(1,209,988)	(28,457,144)	(512,500)	(1,969,764)	(1,923,812)	-	(1,623,850)	-	(35,697,058)		
Transfer to/from	-	28,565,859	-	-	2,375,400	290,000	-	175,656	(31,406,915)	-		
December 31, 2017	575,208,866	1,039,370,592	711,612,808	16,124,881	77,501,043	64,998,375	115,951,921	30,009,943	55,299,078	2,686,077,507		
Increase for the year 2018	-	1,193,628	5,016,938	-	669,664	741,632	5,198,670	605,991	45,099,920	58,526,443		
Sold/Write off	-	(4,339,424)	(26,058,445)	-	(1,287,978)	(749,573)	(6,950,817)	(1,209,745)	(34,472,190)	(75,068,172)		
Transfer to/from	-	31,787,817	-	-	3,701,132	1,890,306	-	377,085	(37,756,340)	-		
December 31, 2018	575,208,866	1,068,012,613	690,571,301	16,124,881	80,583,861	66,880,740	114,199,774	29,783,274	28,170,468	2,669,535,778		
<u>Accumulated Depreciation</u>												
January 1, 2017	-	614,377,542	379,077,312	13,206,152	64,048,372	45,837,484	74,188,262	20,875,649	-	1,211,610,773		
Depreciation for the year	-	51,762,641	51,992,403	418,240	6,711,346	4,412,935	7,993,697	1,967,440	-	125,258,702		
Disposals	-	(1,209,448)	(28,369,369)	(512,499)	(1,969,759)	(1,919,309)	-	(1,608,899)	-	(35,589,283)		
December 31, 2017	-	664,930,735	402,700,346	13,111,893	68,789,959	48,331,110	82,181,959	21,234,190	-	1,301,280,192		
Depreciation for the year	-	55,999,907	53,786,198	394,968	3,118,475	4,380,967	9,687,840	1,946,936	-	129,315,291		
Disposals	-	(4,339,151)	(25,640,066)	-	(1,285,320)	(741,887)	(6,920,388)	(1,204,884)	-	(40,131,696)		
December 31, 2018	-	716,591,491	430,846,478	13,506,861	70,623,114	51,970,190	84,949,411	21,976,242	-	1,390,463,787		
<u>Net book value</u>												
December 31, 2017	575,208,866	374,439,857	308,912,462	3,012,988	8,711,084	16,667,265	33,769,962	8,775,753	55,299,078	1,384,797,315		
December 31, 2018	575,208,866	351,421,122	259,724,823	2,618,020	9,960,747	14,910,550	29,250,363	7,807,032	28,170,468	1,279,071,991		

In 2018, Company has written off 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.

In 2018 and 2017, 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

PARTICULARS	AMOUNT IN BAHT		
	DEFERRED COMPUTER SOFTWARES	COMPUTER SOFTWARES UNDER INSTALLATION	TOTAL
<u>Cost</u>			
January 1, 2017	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
Increase for the year 2018	3,049,500	-	3,049,500
December 31, 2018	98,264,421	602,310	98,866,731
<u>Accumulated amortization</u>			
January 1, 2017	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
Amortization for the year 2018	4,269,949	-	4,269,949
December 31, 2018	87,056,050	-	87,056,050
<u>Net book value</u>			
December 31, 2017	12,428,820	602,310	13,031,130
December 31, 2018	11,208,371	602,310	11,810,681

10. OTHER NON-CURRENT ASSETS

PARTICULARS	AMOUNT IN BAHT	
	2018	2017
Deferred expenses	5,890,895	3,459,909
<u>Add</u> Increase	3,020,972	4,479,648
<u>Less</u> Amortization for the years	(2,691,142)	(2,048,662)
Net book value	6,220,725	5,890,895
Deposit for assets	1,367,392	1,506,492
Others	1,025,958	1,250,456
Total	8,614,075	8,647,843

11. TRADE AND OTHER PAYABLES

PARTICULARS	AMOUNT IN BAHT	
	2018	2017
Trade accounts payables	51,696,198	54,112,663
Accrued expenses	44,666,084	44,821,180
Accrued doctors' fees	59,955,946	58,645,130
Others	21,338,145	21,199,147
Total	177,656,373	178,778,120

12. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

Provision for long-term employee benefits as at December 31, 2018 and 2017 which are compensations on employees' retirement, are as follows

PARTICULARS	AMOUNT IN BAHT	
	2018	2017
Defined benefit obligation at beginning of years	57,151,196	51,153,634
<u>Add</u> Current service cost	6,969,096	7,089,039
Interest cost	1,066,117	991,473
<u>Less</u> Actuarial gain from employee benefit plan	(21,673,433)	-
Benefits paid during the years	(4,946,350)	(2,082,950)
Defined benefit obligation at end of years	38,566,626	57,151,196

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

PARTICULARS	2018	2017
Discount rate	2.29 % per annum	2.14 % per annum
Salary increase rate	3.5 – 5.5 % per annum	3.5 - 5.5 % per annum
Staff turnover rate	8 – 25 % per annum	8 - 24 % per annum

On December 13, 2018, the National Legislative Assembly approved a bill the Labor Protection Act, that will become effective 30 days after its publication in the Government Gazette, to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. When the labor law come into force, the Company will recognize the increase in the non-current provisions for employee benefits approximately Baht 11.47 million, resulting in the decrease in net profit approximately Baht 9.18 million.

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 26, 2018, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay dividend at Baht 1.33 per share to the shareholders of 160 million shares, totalling Baht 212.80 million, including directors' remuneration amounting to Baht 4.08 million, and annual meeting allowance as specified. The dividend payment was made on May 25, 2018.

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 3.71 million, and annual meeting allowance as specified. The dividend payment was made on May 23, 2017.

15. EXPENSES BY NATURE

EXPENSES	AMOUNT IN BAHT	
	2018	2017
Medicine and medical supply consumptions	421,403,835	398,785,770
Directors and management benefit expenses	12,550,000	15,104,950
Employee benefit expenses	482,251,498	458,094,899
Doctors' fees	488,451,764	478,658,415
Depreciation and amortization expenses	136,276,382	134,079,604
Bad debts	343,892	-
Doubtful debts increase (decrease)	(219,667)	315,195
Loss from write off asset under construction	34,472,190	-
Other expenses	168,883,838	153,706,087
Total	1,744,413,732	1,638,744,920

16. INCOME TAXES

Corporate income tax of the Company for the years ended December 31, 2018 and 2017 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 2018 and 2017.

Income tax expenses recognized in statements of comprehensive income consist:

(AMOUNT IN BAHT)

FOR THE YEARS ENDED DECEMBER 31,	2018	2017
Corporate income tax for the years	85,414,116	76,237,792
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(1,181,084)	(568,821)
Income tax expenses	84,233,032	75,668,971

As at December 31, 2018 and 2017, the deferred tax assets/liabilities arose from the following temporary differences:

(AMOUNT IN BAHT)		
PARTICULARS	2018	2017
Temporary differences in the statements of comprehensive income		
Unrealized gain on open-ended fund	(1,760,670)	(4,343,315)
Unrealized loss on trading securities	543,567	89,987
Allowance for doubtful accounts receivables	2,724,942	2,944,609
Provision for long-term employees benefits	60,240,059	57,151,196
Total	61,747,898	55,842,477
Temporary differences in other comprehensive income		
- Recognized in other components of shareholders' equity		
Gain from the remeasuring of investment in available-for-sale securities	(7,313,996)	(8,173,727)
- Recognized in retained earnings		
Provision for long-term employee benefits	(21,673,433)	-
Total	32,760,469	47,668,750
Deferred tax assets calculated from tax rate of 20%	6,552,094	9,533,750

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, 2018 and 2017, the Company has commitment from the issuance of bank guarantee as follow :

PARTICULAR	AMOUNT IN BAHT	
	2018	2017
Letters of guarantee issued by commercial bank	4,276,800	4,276,800

18.2 Commitment under service agreement

As at December 31, 2018, 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 20.43 million.

18.3 Capital expenditure commitments

As at December 31, 2018, the Company has capital expenditure commitments to pay a total of Baht 19.80 million in regarding to the contract design for the addition of the new building.

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, 2018 and 2017 amount of Baht 4.32 million and Baht 4.23 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 25, 2019.