

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

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V & A

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DR.VIRACH & ASSOCIATES OFFICE CO., LTD.

CERTIFIED PUBLIC ACCOUNTANTS
สำนักงานใหญ่ เลขประจำตัวผู้เสียภาษี 0105556000751

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF FINANCIAL INFORMATION

To : The Shareholders and The Board of Directors of
Nonthavej Hospital Public Company Limited

I have reviewed the accompanying statements of financial position of Nonthavej Hospital Public Company Limited as at September 30, 2018, the related statements of comprehensive income for the three-month and nine-month periods ended September 30, 2018, changes in shareholders' equity and cash flows for the nine-month period then ended, and the condensed notes to the financial statements of Nonthavej Hospital Public Company Limited. Management is responsible for the preparation and presentation of this interim financial information in accordance with Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Accounting Standard 34 Interim Financial Reporting.

(Dr. Preecha Suan)

Certified Public Accountant Registration No. 6718

Dr. Virach & Associates Office Co., Ltd.

Bangkok : November 12, 2018

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2018

ASSETS

		THOUSAND BAHT	
		As at September 30, 2018	As at December 31, 2017
		UNAUDITED	AUDITED
		REVIEWED	
	Notes		
Current Assets			
Cash and cash equivalents	4	28,109	15,077
Short-term investments			
Open-ended funds	5.1	504,179	486,869
Trading securities	5.2	1,651	1,918
Fixed deposit at bank		110,000	-
Trade and other receivables	6	171,058	148,536
Inventories		39,907	39,018
Other current assets			
Prepaid expenses		11,853	15,683
Other current assets		5,202	1,526
Total other current assets		17,055	17,209
Total Current Assets		871,959	708,627
Non-current Assets			
Available-for-sale securities	5.3	8,250	8,396
Property, plant and equipment		1,338,839	1,384,797
Intangible assets		12,907	13,031
Deferred tax assets	10	10,481	9,534
Other non-current assets		6,376	8,648
Total Non-current Assets		1,376,853	1,424,406
TOTAL ASSETS		2,248,812	2,133,033

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2018

LIABILITIES AND SHAREHOLDERS' EQUITY

THOUSAND BAHT

	Note	As at September 30, 2018	As at December 31, 2017
		UNAUDITED REVIEWED	AUDITED
Current Liabilities			
Trade and other payables	7	195,202	178,778
Assets acquisition payable		13,484	3,636
Accrued corporate income tax		25,777	40,507
Other current liabilities		4,703	6,375
Total Current Liabilities		239,166	229,296
Non-current Liabilities			
Provision for long-term employee benefits		58,306	57,151
Total Non-current Liabilities		58,306	57,151
TOTAL LIABILITIES		297,472	286,447
Shareholders' Equity			
Share capital			
Authorized share capital			
160,000,000 common stocks of Baht 1 par value		160,000	160,000
Issued and paid-up share capital			
160,000,000 common stocks at Baht 1 each		160,000	160,000
Additional paid-in capital			
Premium on common stocks		172,000	172,000
Retained earnings			
Appropriated			
Legal reserve		16,000	16,000
Unappropriated		1,596,918	1,492,047
Other components of shareholders' equity		6,422	6,539
Total Shareholders' Equity		1,951,340	1,846,586
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,248,812	2,133,033



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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2018

THOUSAND BAHT

EXCEPT EARNINGS PER SHARE PRESENTED IN BAHT

	Notes	THREE-MONTH PERIODS		NINE-MONTH PERIODS	
		2018	2017	2018	2017
REVENUES					
Revenues from medical treatment		600,570	565,924	1,651,865	1,503,554
Other income		6,055	4,222	9,840	11,707
Total Revenues		606,625	570,146	1,661,705	1,515,261
EXPENSES					
Cost of medical treatment		383,241	370,412	1,076,054	1,013,677
Selling expenses		2,186	3,041	4,919	4,967
Administrative expenses		67,689	65,669	192,706	189,346
Directors' remuneration	8	981	984	3,208	2,984
Total Expenses	9	454,097	440,106	1,276,887	1,210,974
Profit before Income Tax Expenses		152,528	130,040	384,818	304,287
Income Tax Expenses	10	30,169	25,510	67,147	52,744
Profit for the periods		122,359	104,530	317,671	251,543
Other Comprehensive Income :-					
Gain (loss) on changes in value of available-for-sale investments		411	(127)	(146)	(1,217)
Income tax on net change from the remeasuring of investment in available-for-sale securities		(83)	25	29	243
Other comprehensive income (loss) for the periods - net of tax		328	(102)	(117)	(974)
Total comprehensive income for the periods		122,687	104,428	317,554	250,569
Earnings Per Share (Baht)					
Basic Earnings Per Share		0.77	0.65	1.99	1.57
The number of 160,000,000 common stocks used in computation.					



NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

		THOUSAND BAHT					
	Notes	Issued and paid-up share capital	Premium on common stocks	Retained earnings		Other components of shareholders' equity	Total shareholders' equity
				Legal reserve	Unappropriated	Other comprehensive income	
						Available for sale securities	
Year 2018							
Balances as at January 1, 2018		160,000	172,000	16,000	1,492,047	6,539	1,846,586
Total comprehensive income (loss) for the period		-	-	-	317,671	(117)	317,554
Dividend payment	8	-	-	-	(212,800)	-	(212,800)
Balances as at September 30, 2018		<u>160,000</u>	<u>172,000</u>	<u>16,000</u>	<u>1,596,918</u>	<u>6,422</u>	<u>1,951,340</u>
Year 2017							
Balances as at January 1, 2017		160,000	172,000	16,000	1,328,348	7,620	1,683,968
Total comprehensive income (loss) for the period		-	-	-	251,543	(974)	250,569
Dividend payment	8	-	-	-	(190,400)	-	(190,400)
Balances as at September 30, 2017		<u>160,000</u>	<u>172,000</u>	<u>16,000</u>	<u>1,389,491</u>	<u>6,646</u>	<u>1,744,137</u>

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NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

	THOUSAND BAHT	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES :		
PROFIT BEFORE INCOME TAX EXPENSES	384,818	304,287
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX		
EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :-		
Depreciation	96,622	94,099
Amortization of deferred expenses	1,725	1,435
Amortization of computer softwares	3,173	5,428
Unrealized (gain) loss on open-ended funds	3,471	(2,573)
Unrealized (gain) loss on trading securities	267	(83)
Gain on disposal of equipment	(86)	(172)
Doubtful debts decrease	(304)	(55)
Dividend income	(83)	(107)
Interest income	(302)	(74)
Long-term employee benefits expenses	6,101	6,136
PROFIT FROM OPERATION BEFORE CHANGE IN		
OPERATING ASSETS AND LIABILITIES ITEMS	495,402	408,321
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Open-ended funds	(20,781)	(138,516)
Fixed deposit at bank	(110,000)	-
Trade and other receivables	(22,218)	(15,309)
Inventories	(889)	984
Other current assets	374	1,564
Other non-current assets	547	(3,644)
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS		
Trade and other payables	15,605	12,866
Assets acquisition payable	(120)	(216)
Other current liabilities	(1,672)	(1,423)
Provision for long-term employee benefits	(4,946)	(1,890)
Cash received from operation	351,302	262,737
Interest income	84	74
Income tax paid	(82,795)	(59,090)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	268,591	203,721

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



UNAUDITED

REVIEWED

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

	THOUSAND BAHT	
	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in plant and equipment	(40,334)	(35,725)
Proceeds from disposal of equipment	543	279
Purchase of computer softwares	(3,049)	(341)
Proceeds from dividend income	81	105
NET CASH USED IN INVESTING ACTIVITIES	<u>(42,759)</u>	<u>(35,682)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend payment	(212,800)	(190,400)
NET CASH USED IN FINANCING ACTIVITIES	<u>(212,800)</u>	<u>(190,400)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	13,032	(22,361)
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	<u>15,077</u>	<u>40,419</u>
CASH AND CASH EQUIVALENTS AS AT SEPTEMBER 30,	<u><u>28,109</u></u>	<u><u>18,058</u></u>
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS		
Non-cash flows items comprise :		
Unrealized loss on available-for-sale securities	146	1,217
Increase in building and equipment from assets payable	9,968	696
Increase in building and equipment from retention payable	819	-
Receivable dividend	2	2

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 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, Rattanathibeth Road, Tambol Bangkrasor, Amphur Muangnonthaburi, Nonthaburi, Thailand.
1.3	Type of business	Hospital

2. BASIS FOR PREPARATION OF INTERIM FINANCIAL STATEMENTS

2.1 The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard No.34 (revised 2017) Interim Financial Reporting issued by the Federation of Accounting Professions and the Notification of the Office of Securities and Exchange Commission. These interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2017.

2.2 Accounting standards that became effective in the current accounting period

The Company has disclosed the accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations (revised 2017) that are effective for fiscal years beginning on or after January 1, 2018, in the notes to financial statements for the year ended December 31, 2017.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended December 31, 2017.

4. CASH AND CASH EQUIVALENTS

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2018	As at December 31, 2017
Cash	3,593	4,058
Bank deposits	24,516	11,019
Total	28,109	15,077

5. INVESTMENTS

5.1 Open-ended fund

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2018	As at December 31, 2017
Open-ended fund	503,307	482,526
Valuation adjustment	872	4,343
Open-ended fund-Fair value	504,179	486,869

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the nine-month periods ended September 30,	
	2018	2017
Gain on open-ended fund in the periods	5,698	1,515
Unrealized gain (loss) on open-ended fund	(3,471)	2,573
Gain on investments in Open-ended Fund	2,227	4,088

5.2 Short-term investments - Trading securities

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2018	As at December 31, 2017
Short-term investments-at cost	2,008	2,008
Valuation adjustment	(357)	(90)
Short-term investments-Fair value	1,651	1,918

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the nine-month periods ended September 30,	
	2018	2017
Unrealized gain (loss) on trading securities	(267)	83

5.3 Available-for-sale securities

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2018	As at December 31, 2017
Acquisition cost	222	222
Valuation adjustment	8,028	8,174
Fair value at ending periods	8,250	8,396

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the nine-month periods ended September 30,	
	2018	2017
Loss on changes in value of available-for-sale securities	(146)	(1,217)

6. TRADE AND OTHER RECEIVABLES

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2018	As at December 31, 2017
The trade accounts receivable are classified by outstanding balances of aging as follows :		
Current	157,431	142,041
Overdue within 3 months	11,252	5,428
Over 3 - 6 months	1,192	1,228
Over 6 - 12 months	1,096	914
Over 12 months	2,718	1,770
Total	173,689	151,381
Allowance for doubtful debts	(2,641)	(2,945)
Trade accounts receivable-net	171,048	148,436
Other receivables	10	100
Total trade and other receivables	171,058	148,536

7. TRADE AND OTHER PAYABLES

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2018	As at December 31, 2017
Trade accounts payables	54,598	54,113
Accrued expenses	58,616	44,821
Accrued doctors' fees	62,586	58,645
Others	19,402	21,199
Total	195,202	178,778

8. DIVIDEND PAYMENT AND DIRECTOR'S 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 3.54 million. 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 3.17 million. The dividend payment was made on May 23, 2017.

9. EXPENSES BY NATURE

(AMOUNT IN THOUSAND BAHT)

EXPENSES	For the nine-month periods ended September 30,	
	2018	2017
Medicine and medical supply consumptions	316,059	291,490
Directors and management benefit expenses	9,007	10,642
Employee benefit expenses	366,579	339,144
Doctors' fees	364,636	354,811
Depreciation and amortization expenses	101,520	100,962
Doubtful debts	(304)	(55)
Other expenses	119,390	113,980
Total	1,276,887	1,210,974

10. INCOME TAXES

Corporate income tax of the Company for the three-month and nine-month periods ended September 30, 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 THOUSAND BAHT)

FOR THE PERIODS ENDED SEPTEMBER 30,	2018	2017
<u>For 3 month periods</u>		
Corporate income tax for the periods	30,309	25,828
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(140)	(318)
Income tax expenses	30,169	25,510
<u>For 9 month periods</u>		
Corporate income tax for the periods	68,065	53,051
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(918)	(307)
Income tax expenses	67,147	52,744

As at September 30, 2018 and December 31, 2017, the deferred tax assets/liabilities arose from the following temporary differences:

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2018	As at December 31, 2017
Temporary differences in the statements of comprehensive income		
Unrealized gain on open-ended fund	(872)	(4,343)
Unrealized loss on trading securities	357	90
Allowance for doubtful accounts receivables	2,641	2,945
Provision for long-term employees benefits	58,306	57,151
Total	60,432	55,843
Temporary differences in other comprehensive income		
Gain from the remeasuring of investment in available-for-sale securities	(8,028)	(8,174)
Total	52,404	47,669
Deferred tax assets calculated from tax rate of 20%.	10,481	9,534

11. 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.

12. COMMITMENT

12.1 As at September 30, 2018 and December 31, 2017, the Company has commitment from the issuance of bank guarantee as follow:

(AMOUNT IN THOUSAND BAHT)

PARTICULAR	As at September 30, 2018	As at December 31, 2017
Letters of guarantee issued by commercial bank	4,277	4,277

12.2 Commitment under service agreement

As at September 30, 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 10.78 million.

12.3 Capital expenditure commitments

As at September 30, 2018, the Company has capital expenditure commitments to pay a total of Baht 19.80 million.

13. FINANCIAL STATEMENTS APPROVAL

These interim financial statements are duly approved by the Company's Board of Directors on November 12, 2018.