

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

INTERIM FINANCIAL STATEMENTS

JUNE 30, 2019

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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 June 30, 2019, the related statements of comprehensive income for the three-month and six-month periods ended June 30, 2019, changes in shareholders' equity and cash flows for the six-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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2019

ASSETS

THOUSAND BAHT

	Notes	As at June 30, 2019	As at December 31, 2018
		UNAUDITED REVIEWED	AUDITED
Current Assets			
Cash and cash equivalents	4	32,376	32,573
Short-term investments			
Open-ended funds	5.1	529,929	505,668
Trading securities	5.2	1,321	1,464
Fixed deposit at bank	5.3	180,000	225,000
Trade and other receivables	6	151,808	159,556
Inventories		41,387	46,832
Other current assets			
Prepaid expenses		14,481	16,774
Other current assets		3,332	2,438
Total other current assets		17,813	19,212
Total Current Assets		954,634	990,305
Non-current Assets			
Available-for-sale securities	5.4	9,481	7,536
Property, plant and equipment		1,251,525	1,279,072
Intangible assets		9,815	11,811
Deferred tax assets	9	7,996	6,552
Other non-current assets		8,174	8,614
Total Non-current Assets		1,286,991	1,313,585
TOTAL ASSETS		2,241,625	2,303,890

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NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY

		THOUSAND BAHT	
		As at June 30, 2019	As at December 31, 2018
		UNAUDITED REVIEWED	AUDITED
	Note		
Current Liabilities			
Trade and other payables	7	159,402	177,656
Assets acquisition payable		7,818	5,622
Accrued corporate income tax		27,494	38,421
Other current liabilities		5,408	6,340
Total Current Liabilities		200,122	228,039
Non-current Liabilities			
Provision for long-term employee benefits		50,347	38,567
Total Non-current Liabilities		50,347	38,567
TOTAL LIABILITIES		250,469	266,606
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		1,635,749	1,683,433
Other components of shareholders' equity		7,407	5,851
Total Shareholders' Equity		1,991,156	2,037,284
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,241,625	2,303,890

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

UNAUDITED

REVIEWED

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

THOUSAND BAHT

EXCEPT EARNINGS PER SHARE PRESENTED IN BAHT

	Notes	THREE-MONTH PERIODS		SIX-MONTH PERIODS	
		2019	2018	2019	2018
REVENUES					
Revenues from medical treatment		517,118	520,630	1,064,547	1,051,295
Other income		5,208	1,143	9,731	3,785
Total Revenues		522,326	521,773	1,074,278	1,055,080
EXPENSES					
Cost of medical treatment		354,230	346,332	713,488	692,813
Selling expenses		1,550	1,361	2,989	2,733
Administrative expenses		67,131	63,069	134,804	125,017
Directors' remuneration	8	1,159	1,062	2,342	2,227
Total Expenses		424,070	411,824	853,623	822,790
Profit before Income Tax Expenses		98,256	109,949	220,655	232,290
Income Tax Expenses	9	19,497	21,933	34,739	36,978
Profit for the periods		78,759	88,016	185,916	195,312
Other Comprehensive Income :-					
Gain (loss) on changes in value of available-for-sale investments		132	(307)	1,945	(557)
Income tax on net change from the remeasuring of investment in available-for-sale securities		(27)	62	(389)	112
Other comprehensive income (loss) for the periods - net of tax		105	(245)	1,556	(445)
Total comprehensive income for the periods		78,864	87,771	187,472	194,867
Earnings Per Share (Baht)					
Basic Earnings Per Share		0.49	0.55	1.16	1.22

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



NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

		THOUSAND BAHT						
		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		
		Notes				Available for sale securities		
Year 2019								
	Balances as at January 1, 2019		160,000	172,000	16,000	1,683,433	5,851	2,037,284
	Total comprehensive income for the period		-	-	-	185,916	1,556	187,472
	Dividend payment	8	-	-	-	(233,600)	-	(233,600)
	Balances as at June 30, 2019		<u>160,000</u>	<u>172,000</u>	<u>16,000</u>	<u>1,635,749</u>	<u>7,407</u>	<u>1,991,156</u>
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		-	-	-	195,312	(445)	194,867
	Dividend payment	8	-	-	-	(212,800)	-	(212,800)
	Balances as at June 30, 2018		<u>160,000</u>	<u>172,000</u>	<u>16,000</u>	<u>1,474,559</u>	<u>6,094</u>	<u>1,828,653</u>

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NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

	THOUSAND BAHT	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES :		
PROFIT BEFORE INCOME TAX	220,655	232,290
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX		
TO NET CASH PROVIDED FROM (USED IN) OPERATION :-		
Depreciation	63,943	63,817
Amortization of deferred expenses	2,739	1,144
Amortization of computer softwares	2,136	2,122
Unrealized (gain) loss on open-ended funds	(3,229)	4,412
Unrealized loss on trading securities	143	400
Gain on disposal of building and equipment	(278)	(2)
Increase (decrease) doubtful debts	473	(98)
Dividend income	(203)	(60)
Interest income	(1,688)	(84)
Long-term employee benefits expenses	15,125	4,124
PROFIT FROM OPERATION BEFORE CHANGE IN		
OPERATING ASSETS AND LIABILITIES ITEMS	299,816	308,065
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Fixed deposit at bank	45,000	-
Open-ended funds	(21,032)	(10,761)
Trade and other receivables	7,275	6,167
Inventories	5,445	2,373
Other current assets	1,507	2,598
Other non-current assets	(2,299)	684
DECREASE IN OPERATING LIABILITIES ITEMS		
Trade and other payables	(18,559)	(11,331)
Assets acquisition payable	(3,445)	(120)
Other current liabilities	(932)	(865)
Provision for long-term employee benefits	(3,345)	(4,946)
Cash received from operation	309,431	291,864
Interest income	1,580	84
Income tax paid	(47,499)	(49,200)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	263,512	242,748

UNAUDITED

REVIEWED

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

	THOUSAND BAHT	
	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in plant and equipment	(30,757)	(23,806)
Proceeds from disposal of building and equipment	445	450
Purchase of computer softwares	-	(2,968)
Proceeds from dividend income	203	60
NET CASH USED IN INVESTING ACTIVITIES	(30,109)	(26,264)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend payment	(233,600)	(212,800)
NET CASH USED IN FINANCING ACTIVITIES	(233,600)	(212,800)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(197)	3,684
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	32,573	15,077
CASH AND CASH EQUIVALENTS AS AT JUNE 30,	32,376	18,761
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS		
Non-cash flows items comprise :		
Unrealized gain (loss) on available-for-sale securities	1,945	(557)
Increase in plant and equipment from assets payable	5,501	1,840
Increase in equipment from retention	305	609
Increase in intangible assets from assets payable	140	-

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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

JUNE 30, 2019

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 2018) 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, 2018.

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 2018) that are effective for fiscal years beginning on or after January 1, 2019, in the notes to financial statements for the year ended December 31, 2018.

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, 2018.

4. CASH AND CASH EQUIVALENTS

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2019	As at December 31, 2018
Cash	3,720	3,439
Bank deposits	28,656	29,134
Total	32,376	32,573

5. INVESTMENTS

5.1 Open-ended fund

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2019	As at December 31, 2018
Open-ended fund	524,940	503,908
Valuation adjustment	4,989	1,760
Open-ended fund-Fair value	529,929	505,668

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the periods ended June 30,			
	three-month		six-month	
	2019	2018	2019	2018
Unrealized gain (loss) on open-ended fund	756	(5,743)	3,229	(4,412)
Realized gain on open-ended fund in the periods	1,767	1,008	1,767	5,678
Gain (loss) on investments in Open-ended Fund	2,523	(4,735)	4,996	1,266

5.2 Short-term investments - Trading securities

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2019	As at December 31, 2018
Short-term investments-at cost	2,008	2,008
Valuation adjustment	(687)	(544)
Short-term investments-Fair value	1,321	1,464

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the periods ended June 30,			
	three-month		six-month	
	2019	2018	2019	2018
Unrealized loss on open-ended fund	(120)	(282)	(143)	(400)

5.3 Fixed deposit at bank

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2019	As at December 31, 2018
6 Month fixed deposit at bank	180,000	225,000
Interest rate per annum	1.25 - 1.50	1.25 - 1.45
Accrued interest	737	629

5.4 Available-for-sale securities

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2019	As at December 31, 2018
Acquisition cost	222	222
Valuation adjustment	9,259	7,314
Fair value at ending periods	9,481	7,536

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the periods ended June 30,			
	three-month		six-month	
	2019	2018	2019	2018
Gain (loss) on changes in value of available-for-sale securities	132	(307)	1,945	(557)

6. TRADE AND OTHER RECEIVABLES

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2019	As at December 31, 2018
The trade accounts receivable are classified by outstanding balances of aging as follows :		
Current	141,283	147,970
Overdue within 3 months	7,343	8,896
Over 3 - 6 months	1,123	1,748
Over 6 - 12 months	2,231	1,032
Over 12 months	3,026	2,625
Total	155,006	162,271
Allowance for doubtful debts	(3,198)	(2,725)
Trade accounts receivable-net	151,808	159,546
Other receivables	-	10
Total trade and other receivables	151,808	159,556

7. TRADE AND OTHER PAYABLES

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2019	As at December 31, 2018
Trade accounts payables	43,320	51,696
Accrued expenses	34,695	44,666
Accrued doctors' fees	59,534	59,956
Others	21,853	21,338
Total	159,402	177,656

8. DIVIDEND PAYMENT AND DIRECTOR'S REMUNERATION

On April 30, 2019, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay dividend at Baht 1.46 per share to the shareholders of 160 million shares, totalling Baht 233.60 million, including directors' remuneration amounting to Baht 3.87 million. The dividend payment was made on May 29, 2019.

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.

9. INCOME TAXES

Corporate income tax of the Company for the three-month and six-month periods ended June 30, 2019 and 2018 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 2019 and 2018.

Income tax expenses recognized in statements of comprehensive income consist:

(AMOUNT IN THOUSAND BAHT)

FOR THE PERIODS ENDED JUNE 30,	2019	2018
<u>For 3 month periods</u>		
Corporate income tax for the periods	19,864	22,654
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(367)	(721)
Income tax expenses	19,497	21,933
<u>For 6 month periods</u>		
Corporate income tax for the periods	36,572	37,756
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(1,833)	(778)
Income tax expenses	34,739	36,978

As at June 30, 2019 and December 31, 2018, the deferred tax assets/liabilities arose from the following temporary differences:

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2019	As at December 31, 2018
Temporary differences in the statements of comprehensive income		
Unrealized gain on open-ended fund	(4,989)	(1,760)
Unrealized loss on trading securities	687	544
Allowance for doubtful accounts receivables	3,198	2,725
Provision for long-term employees benefits	50,347	60,240
Total	49,243	61,749
Temporary differences in other comprehensive income		
- Recognized in other components of shareholders' equity		
Gain from the remeasuring of investment in available-for-sale securities	(9,259)	(7,314)
- Recognized in retained earnings		
Provision for long-term employee benefits	-	(21,673)
Total	39,984	32,762
Deferred tax assets calculated from tax rate of 20%.	7,996	6,552

10. 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.

11. COMMITMENT

11.1 As at June 30, 2019 and December 31, 2018, the Company has commitment from the issuance of bank guarantee as follow:

(AMOUNT IN THOUSAND BAHT)

PARTICULAR	As at June 30, 2019	As at December 31, 2018
Letters of guarantee issued by commercial bank	4,277	4,277

11.2 Commitment under service agreement

As at June 30, 2019, 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 25.58 million.

11.3 Capital expenditure commitments

As at June 30, 2019, 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 of hospital.

12. FINANCIAL STATEMENTS APPROVAL

These interim financial statements are duly approved by the Company's Board of Directors on August 9, 2019.