

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

INTERIM FINANCIAL STATEMENTS

SEPTEMBER 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 September 30, 2019, the related statements of comprehensive income for the three-month and nine-month periods ended September 30, 2019, 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 7, 2019

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

ASSETS

		THOUSAND BAHT	
		As at September 30, 2019	As at December 31, 2018
		UNAUDITED REVIEWED	AUDITED
	Notes		
Current Assets			
Cash and cash equivalents	4	24,831	32,573
Short-term investments			
Open-ended funds	5.1	144	505,668
Trading securities	5.2	1,097	1,464
Fixed deposit at bank	5.3	890,000	225,000
Trade and other receivables	6	178,186	159,556
Inventories		37,109	46,832
Other current assets			
Prepaid expenses		13,055	16,774
Other current assets		3,237	2,438
Total other current assets		16,292	19,212
Total Current Assets		1,147,659	990,305
Non-current Assets			
Available-for-sale securities	5.4	9,203	7,536
Property, plant and equipment		1,234,058	1,279,072
Intangible assets		8,806	11,811
Deferred tax assets	9	9,568	6,552
Other non-current assets		5,336	8,614
Total Non-current Assets		1,266,971	1,313,585
TOTAL ASSETS		2,414,630	2,303,890

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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, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY

THOUSAND BAHT

		As at September 30, 2019	As at December 31, 2018
		UNAUDITED	AUDITED
	Note	REVIEWED	
Current Liabilities			
Trade and other payables	7	192,297	177,656
Assets acquisition payable		9,987	5,622
Accrued corporate income tax		30,105	38,421
Other current liabilities		4,870	6,340
Total Current Liabilities		237,259	228,039
Non-current Liabilities			
Provision for long-term employee benefits		52,603	38,567
Total Non-current Liabilities		52,603	38,567
TOTAL LIABILITIES		289,862	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		1,769,584	1,683,433
Other components of shareholders' equity		7,184	5,851
Total Shareholders' Equity		2,124,768	2,037,284
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,414,630	2,303,890

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, 2019

THOUSAND BAHT

EXCEPT EARNINGS PER SHARE PRESENTED IN BAHT

		THREE-MONTH PERIODS		NINE-MONTH PERIODS	
	Notes	2019	2018	2019	2018
REVENUES					
Revenues from medical treatment		618,574	600,570	1,683,121	1,651,865
Other income		20,674	6,055	30,405	9,840
Total Revenues		639,248	606,625	1,713,526	1,661,705
EXPENSES					
Cost of medical treatment		394,738	383,241	1,108,226	1,076,054
Selling expenses		1,891	2,186	4,880	4,919
Administrative expenses		74,274	67,689	209,078	192,706
Directors' remuneration	8	1,171	981	3,513	3,208
Total Expenses		472,074	454,097	1,325,697	1,276,887
Profit before Income Tax Expenses		167,174	152,528	387,829	384,818
Income Tax Expenses	9	33,339	30,169	68,078	67,147
Profit for the periods		133,835	122,359	319,751	317,671
Other Comprehensive Income :-					
Gain (loss) on changes in value of					
available-for-sale securities		(278)	411	1,667	(146)
Income tax on net change from the remeasuring					
of investment in available-for-sale securities		55	(83)	(334)	29
Other comprehensive income (loss) for the periods - net of tax		(223)	328	1,333	(117)
Total comprehensive income for the periods		133,612	122,687	321,084	317,554
Earnings Per Share (Baht)					
Basic Earnings Per Share		0.84	0.77	2.00	1.99

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, 2019

		THOUSAND BAHT				
	Notes	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
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		-	-	- 319,751	1,333	321,084
Dividend payment	8	-	-	- (233,600)	-	(233,600)
Balances as at September 30, 2019		<u>160,000</u>	<u>172,000</u>	<u>16,000 1,769,584</u>	<u>7,184</u>	<u>2,124,768</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		-	-	- 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 1,596,918</u>	<u>6,422</u>	<u>1,951,340</u>

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NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

	THOUSAND BAHT	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES :		
PROFIT BEFORE INCOME TAX EXPENSES	387,829	384,818
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX		
EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :-		
Depreciation	96,350	96,622
Amortization of deferred expenses	2,579	1,725
Amortization of computer softwares	3,145	3,173
Unrealized loss on open-ended funds	1,767	3,471
Unrealized loss on trading securities	367	267
(Gain) loss on disposal of equipment	191	(86)
Increase (decrease) doubtful debts	574	(304)
Dividend income	(267)	(83)
Interest income	(3,401)	(302)
Long-term employee benefits expenses	17,381	6,101
PROFIT FROM OPERATION BEFORE CHANGE IN		
OPERATING ASSETS AND LIABILITIES ITEMS	506,515	495,402
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Fixed deposit at bank	(665,000)	(110,000)
Open-ended funds	503,756	(20,781)
Trade and other receivables	(19,204)	(22,218)
Inventories	9,723	(889)
Other current assets	3,749	374
Other non-current assets	699	547
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS		
Trade and other payables	14,317	15,605
Assets acquisition payable	(3,445)	(120)
Other current liabilities	(1,470)	(1,672)
Provision for long-term employee benefits	(3,345)	(4,946)
Cash received from operation	346,295	351,302
Interest income	2,575	84
Income tax paid	(79,743)	(82,795)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	269,127	268,591

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, 2019

	THOUSAND BAHT	
	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in plant and equipment	(44,059)	(40,334)
Proceeds from disposal of equipment	666	543
Purchase of computer softwares	(140)	(3,049)
Proceeds from dividend income	264	81
NET CASH USED IN INVESTING ACTIVITIES	(43,269)	(42,759)
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	(7,742)	13,032
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	32,573	15,077
CASH AND CASH EQUIVALENTS AS AT SEPTEMBER 30,	24,831	28,109
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS		
Non-cash flows items comprise :		
Unrealized gain (loss) on available-for-sale securities	1,667	(146)
Increase in building and equipment from assets payable	7,810	9,968
Increase in building and equipment from retention payable	324	819
Dividends receivable	3	2



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, 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 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 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 September 30, 2019	As at December 31, 2018
Cash	1,927	3,439
Bank deposits	22,904	29,134
Total	24,831	32,573

5. INVESTMENTS

5.1 Open-ended fund

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2019	As at December 31, 2018
Open-ended fund	151	503,908
Valuation adjustment	(7)	1,760
Open-ended fund-Fair value	144	505,668

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the periods ended September 30,			
	three-month		nine-month	
	2019	2018	2019	2018
Unrealized gain (loss) on open-ended fund	(4,996)	941	(1,767)	(3,471)
Realized gain on open-ended fund in the periods	7,017	20	8,784	5,698
Gain on investments in Open-ended Fund	2,021	961	7,017	2,227

5.2 Short-term investments - Trading securities

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2019	As at December 31, 2018
Short-term investments-at cost	2,008	2,008
Valuation adjustment	(911)	(544)
Short-term investments-Fair value	1,097	1,464

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the periods ended September 30,			
	three-month		nine-month	
	2019	2018	2019	2018
Unrealized gain (loss) on open-ended fund	(224)	133	(367)	(267)

5.3 Fixed deposit at bank

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2019	As at December 31, 2018
6 Month fixed deposit at bank	890,000	225,000
Interest rate per annum	1.25 - 1.65	1.25 - 1.45
Accrued interest	1,454	629

5.4 Available-for-sale securities

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2019	As at December 31, 2018
Acquisition cost	222	222
Valuation adjustment	8,981	7,314
Fair value at ending periods	9,203	7,536

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the periods ended September 30,			
	three-month		nine-month	
	2019	2018	2019	2018
Gain (loss) on changes in value of available-for-sale securities	(278)	411	1,667	(146)

6. TRADE AND OTHER RECEIVABLES

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2019	As at December 31, 2018
The trade accounts receivable are classified by outstanding balances of aging as follows :		
Current	166,490	147,970
Overdue within 3 months	7,897	8,896
Over 3 - 6 months	1,938	1,748
Over 6 - 12 months	1,566	1,032
Over 12 months	3,594	2,625
Total	181,485	162,271
Allowance for doubtful debts	(3,299)	(2,725)
Trade accounts receivable-net	178,186	159,546
Other receivables	-	10
Total trade and other receivables	178,186	159,556

7. TRADE AND OTHER PAYABLES

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2019	As at December 31, 2018
Trade accounts payables	51,115	51,696
Accrued expenses	55,867	44,666
Accrued doctors' fees	64,510	59,956
Others	20,805	21,338
Total	192,297	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 nine-month periods ended September 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 SEPTEMBER 30,	2019	2018
<u>For 3 month periods</u>		
Corporate income tax for the periods	34,855	30,309
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(1,516)	(140)
Income tax expenses	33,339	30,169
<u>For 9 month periods</u>		
Corporate income tax for the periods	71,427	68,065
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(3,349)	(918)
Income tax expenses	68,078	67,147

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

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2019	As at December 31, 2018
Temporary differences in the statements of comprehensive income		
Unrealized (gain) loss on open-ended fund	7	(1,760)
Unrealized loss on trading securities	911	544
Allowance for doubtful accounts receivables	3,299	2,725
Provision for long-term employees benefits	52,603	60,240
Total	56,820	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	(8,981)	(7,314)
- Recognized in retained earnings		
Provision for long-term employee benefits	-	(21,673)
Total	47,839	32,762
Deferred tax assets calculated from tax rate of 20%.	9,568	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 September 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 September 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 September 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 25.78 million.

- 11.3 Capital expenditure commitments

As at September 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 hospital.

12. FINANCIAL STATEMENTS APPROVAL

These interim financial statements are duly approved by the Company's Board of Directors on November 7, 2019.