

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

INTERIM FINANCIAL STATEMENTS

JUNE 30, 2020

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บริษัท สำนักงาน ดร.วิรัช แอนด์ แอสโซซิเอตส์ จำกัด
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, 2020, the related statements of comprehensive income for the three-month and six-month periods ended June 30, 2020, 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 Thai 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 Thai Accounting Standard 34 Interim Financial Reporting.

C. Aunpitpongsa

(Mr. Chaiyakorn Aunpitpongsa)

Certified Public Accountant Registration No. 3196

Dr. Virach & Associates Office Co., Ltd.

Bangkok : August 10, 2020

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2020

ASSETS

THOUSAND BAHT

	Notes	As at June 30,	As at December 31,
		2020	2019
		UNAUDITED REVIEWED	AUDITED
Current Assets			
Cash and cash equivalents	4	83,006	49,589
Short-term investments			
Investments in Open-end Fund	5.1	-	139
Marketable securities-trading	5.2	-	1,054
Fixed deposit at bank	5.3	723,000	985,000
Total short-term investments		723,000	986,193
Trade accounts receivable	6	121,823	172,632
Inventories		43,601	48,876
Other current financial assets			
Investments in Open-end Fund	5.1	122	-
Marketable securities	5.2	912	-
Other current assets			
Prepaid expenses		14,643	17,781
Other current assets		5,669	6,357
Total other current assets		20,312	24,138
Total Current Assets		992,776	1,281,428
Non-current Assets			
Other non-current financial assets			
Marketable securities/Available-for-sale	5.4	8,115	8,681
Property, plant and equipment		1,244,674	1,237,456
Intangible assets		15,154	8,257
Deferred tax assets	9	11,595	10,020
Other non-current assets		3,034	4,163
Total Non-current Assets		1,282,572	1,268,577
TOTAL ASSETS		2,275,348	2,550,005

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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 JUNE 30, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY

THOUSAND BAHT

	Note	As at June 30, 2020	As at December 31, 2019
		UNAUDITED REVIEWED	AUDITED
Current Liabilities			
Trade and other payables	7	134,449	197,646
Assets acquisition payable		10,398	15,469
Accrued corporate income tax		5,204	50,448
Other current liabilities		5,140	6,928
Total Current Liabilities		155,191	270,491
Non-current Liabilities			
Provision for long-term employee benefits		59,382	54,318
Total Non-current Liabilities		59,382	54,318
TOTAL LIABILITIES		214,573	324,809
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		1,706,461	1,870,429
Other components of shareholders' equity		6,314	6,767
Total Shareholders' Equity		2,060,775	2,225,196
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,275,348	2,550,005

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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 SIX-MONTH PERIODS ENDED JUNE 30, 2020

	Notes	THOUSAND BAHT			
		EXCEPT EARNINGS PER SHARE PRESENTED IN BAHT			
		THREE-MONTH PERIODS		SIX-MONTH PERIODS	
		2020	2019	2020	2019
REVENUES					
Revenues from medical treatment		364,974	517,118	852,603	1,064,547
Other income		1,137	4,261	3,594	8,043
Total Revenues		<u>366,111</u>	<u>521,379</u>	<u>856,197</u>	<u>1,072,590</u>
EXPENSES					
Cost of medical treatment		290,519	354,230	629,513	713,488
Selling expenses		1,676	1,550	3,261	2,989
Administrative expenses		60,683	67,131	126,097	134,804
Directors' remuneration	8	1,327	1,159	2,595	2,342
Total Expenses		<u>354,205</u>	<u>424,070</u>	<u>761,466</u>	<u>853,623</u>
Profit from operating activities		11,906	97,309	94,731	218,967
Finance income		1,501	947	4,684	1,688
Profit before Income Tax Expenses		13,407	98,256	99,415	220,655
Income Tax Expenses	9	(2,571)	(19,497)	(10,583)	(34,739)
Profit for the periods		<u>10,836</u>	<u>78,759</u>	<u>88,832</u>	<u>185,916</u>
Other Comprehensive Income :-					
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods					
Gain (loss) on changes in value of marketable securities-					
Available-for-sale					
Gain (loss) recognized in other comprehensive income		106	132	(566)	1,945
Income tax on net change from the remeasuring					
of marketable securities					
		(21)	(27)	113	(389)
Other comprehensive income (loss) for the periods - net of tax		<u>85</u>	<u>105</u>	<u>(453)</u>	<u>1,556</u>
Total comprehensive income for the periods		<u>10,921</u>	<u>78,864</u>	<u>88,379</u>	<u>187,472</u>
Earnings Per Share (Baht)					
Basic Earnings Per Share		<u>0.07</u>	<u>0.49</u>	<u>0.56</u>	<u>1.16</u>
The number of 160,000,000 common stocks used in computation.					

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UNAUDITED

REVIEWED

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

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		
Year 2020							
Balances as at January 1, 2020		160,000	172,000	16,000	1,870,429	6,767	2,225,196
Total comprehensive income (loss) for the period		-	-	-	88,832	(453)	88,379
Dividend payment	8	-	-	-	(252,800)	-	(252,800)
Balances as at June 30, 2020		160,000	172,000	16,000	1,706,461	6,314	2,060,775
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		160,000	172,000	16,000	1,635,749	7,407	1,991,156

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

	THOUSAND BAHT	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES :		
PROFIT BEFORE INCOME TAX EXPENSES	99,415	220,655
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX		
EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :-		
Depreciation	66,318	63,943
Amortization of deferred expenses	1,985	2,739
Amortization of computer softwares	2,008	2,136
Unrealized (gain) loss on open-ended funds	17	(3,229)
Unrealized loss on marketable securities-trading	142	143
(Gain) loss on disposal of equipment	599	(278)
Doubtful debts increase	2,085	473
Dividend income	(76)	(203)
Finance income	(4,684)	(1,688)
Long-term employee benefits expenses	5,373	15,125
PROFIT FROM OPERATION BEFORE CHANGE IN		
OPERATING ASSETS AND LIABILITIES ITEMS	173,182	299,816
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Fixed deposit at bank	262,000	45,000
Open-ended funds	-	(21,032)
Trade and other receivables	48,724	7,275
Inventories	5,275	5,445
Other current assets	702	1,507
Other non-current assets	(856)	(2,299)
DECREASE IN OPERATING LIABILITIES ITEMS		
Trade and other payables	(64,014)	(18,559)
Assets acquisition payable	(15,578)	(3,445)
Other current liabilities	(1,788)	(932)
Provision for long-term employee benefits	(309)	(3,345)
Cash received from operation	407,338	309,431
Interest income	7,798	1,580
Income tax paid	(57,289)	(47,499)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	357,847	263,512

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

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NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

	THOUSAND BAHT	
	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in plant and equipment	(63,426)	(30,757)
Proceeds from disposal of equipment	615	445
Increase in intangible assets	(8,905)	-
Proceeds from dividend income	86	203
NET CASH USED IN INVESTING ACTIVITIES	<u>(71,630)</u>	<u>(30,109)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend payment	(252,800)	(233,600)
NET CASH USED IN FINANCING ACTIVITIES	<u>(252,800)</u>	<u>(233,600)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	33,417	(197)
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	<u>49,589</u>	<u>32,573</u>
CASH AND CASH EQUIVALENTS AS AT JUNE 30,	<u><u>83,006</u></u>	<u><u>32,376</u></u>
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS		
Non-cash flows items comprise :		
Unrealized gain (loss) on marketable securities	(566)	1,945
Increase in plant and equipment from assets payable	10,507	5,501
Increase in equipment from retention	817	305
Increase in intangible assets from assets payable	-	140

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NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS

JUNE 30, 2020

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, 2019.

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, 2020, in the notes to financial statements for the year ended December 31, 2019.

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

Financial reporting standards group of Financial Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost, taking into account the type of instruments, the characteristics of the contractual cash flows and the Company's business model, calculation of impairment using the

expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

- 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, 2019. Except for the change in accounting policies related to financial instruments.

Financial Instruments

Measurement

- Other current financial assets that are investments in Open-ended Fund are measured at fair value through profit or loss.
- Other current financial assets which is equity investments-marketable securities are measured at fair value through profit or loss.
- Other non-current financial assets which is equity investments-marketable securities are measured at fair value through other comprehensive income.

Impairment of financial assets

- The Company has applied a simplified approach to determine the lifetime expected credit losses for trade accounts receivable.

4. CASH AND CASH EQUIVALENTS

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2020	As at December 31, 2019
Cash	1,728	2,355
Bank deposits	81,278	47,234
Total	83,006	49,589

5. INVESTMENTS

5.1 Other current financial assets/Open-ended Fund

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2020	As at December 31, 2019
Open-ended Fund	152	152
Valuation adjustment	(30)	(13)
Open-ended Fund-Fair value	122	139

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the periods ended June 30,			
	three-month		six-month	
	2020	2019	2020	2019
Unrealized gain (loss) on open-ended fund	19	756	(17)	3,229
Realized gain on open-ended fund in the periods	-	1,767	-	1,767
Gain (loss) on investments in Open-ended Fund	19	2,523	(17)	4,996

5.2 Other current financial assets/Marketable securities-trading

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2020	As at December 31, 2019
Short-term investments-at cost	2,008	2,008
Valuation adjustment	(1,096)	(954)
Short-term investments-Fair value	912	1,054

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the periods ended June 30,			
	three-month		six-month	
	2020	2019	2020	2019
Unrealized gain (loss) on trading securities	316	(120)	(142)	(143)

5.3 Fixed deposit at bank

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2020	As at December 31, 2019
6 Month fixed deposit at bank	723,000	985,000
Interest rate per annum	0.25 – 1.65	0.75 - 1.65
Accrued interest income	1,758	4,854

5.4 Other non-current financial assets-Marketable securities/Available-for-sale

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2020	As at December 31, 2019
Acquisition cost	222	222
Valuation adjustment	7,893	8,459
Fair value at ending periods	8,115	8,681

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the periods ended June 30,			
	three-month		six-month	
	2020	2019	2020	2019
Gain (loss) on changes in value of available-for-sale securities	106	132	(566)	1,945

6. TRADE ACCOUNTS RECEIVABLE

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2020	As at December 31, 2019
The trade accounts receivable are classified by outstanding balances of aging as follows :		
Current	108,954	157,252
Overdue within 3 months	8,792	11,489
Over 3 - 6 months	2,193	1,604
Over 6 - 12 months	3,171	1,902
Over 12 months	4,072	3,659
Total	127,182	175,906
Allowance for doubtful debts	(5,359)	(3,274)
Trade accounts receivable-net	121,823	172,632

In 2020, the Company applies a simplified approach to determine the lifetime expected credit losses.

7. TRADE AND OTHER PAYABLES

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2020	As at December 31, 2019
Trade accounts payables	38,154	63,213
Accrued expenses	24,472	46,501
Accrued doctors' fees	51,132	65,168
Others	20,691	22,764
Total	134,449	197,646

8. DIVIDEND PAYMENT AND DIRECTOR'S REMUNERATION

On April 2, 2020, the Board of Directors' Meeting No.3/2020 was held and approved a resolution to pay interim dividend at Baht 1.58 per share to the shareholders of 160 million shares, totalling Baht 252.80 million, the interim dividend payment was made on April 30, 2020. On August 6, 2020, the Ordinary General Shareholders' Meeting No.1/2020 was held and approved to pay directors' remuneration amounting to Baht 4.21 million, and annual meeting allowance as specified.

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, and annual meeting allowance as specified. The dividend payment was made on May 29, 2019.

9. INCOME TAXES

Corporate income tax of the Company for the three-month and six-month periods ended June 30, 2020 and 2019 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.

Income tax expenses recognized in statements of comprehensive income consist:

(AMOUNT IN THOUSAND BAHT)

FOR THE PERIODS ENDED JUNE 30,	2020	2019
<u>For 3 month periods</u>		
Corporate income tax for the periods	3,174	19,864
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(603)	(367)
Income tax expenses	2,571	19,497
<u>For 6 month periods</u>		
Corporate income tax for the periods	12,045	36,572
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(1,462)	(1,833)
Income tax expenses	10,583	34,739

As at June 30, 2020 and December 31, 2019, the deferred tax assets/liabilities arose from the following temporary differences:

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at June 30, 2020	As at December 31, 2019
Temporary differences in the statements of comprehensive income		
Unrealized loss on open-ended fund	30	13
Unrealized loss on trading securities	1,096	954
Allowance for doubtful accounts receivables	5,359	3,274
Provision for long-term employee benefits	59,382	54,318
Total	65,867	58,559
Temporary differences in other comprehensive income - Recognized in other components of shareholders' equity		
Gain from the remeasuring of investment in available-for-sale securities	(7,893)	(8,459)
Total	57,974	50,100
Deferred tax assets calculated from tax rate of 20%.	11,595	10,020

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, 2020 and December 31, 2019, the Company has commitment from the issuance of bank guarantee as follow :

PARTICULAR	(AMOUNT IN THOUSAND BAHT)	
	As at June 30, 2020	As at December 31, 2019
Letters of guarantee issued by commercial bank	4,277	4,277

11.2 Commitment under service agreement

As at June 30, 2020, 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 36.53 million.

11.3 Capital expenditure commitments

As at June 30, 2020, the Company has capital expenditure commitments to pay a total of Baht 64.40 million in regarding to system improvements and construction projects.

12. COVID-19 PANDEMIC

COVID-19 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. The Company's management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provision and contingent liabilities.

13. EVENTS AFTER THE DATE OF THE FINANCIAL STATEMENTS

On August 6, 2020, the Ordinary General Shareholders' Meeting was held and has acknowledge the payment of interim dividend to the shareholders following the Board of Directors' Meeting held on April 2, 2020, which has a resolution to pay interim dividend at Baht 1.58 per share to the shareholders of 160 million shares, totalling Baht 252.80 million, the dividend payment was made on April 30, 2020, and approved to pay directors' remuneration amounting to Baht 4.21 million, and annual meeting allowance as specified.

14. FINANCIAL STATEMENTS APPROVAL

These interim financial statements are duly approved by the Company's Board of Directors on August 10, 2020.