

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

518/3 อาคารเมเนียเซ็นเตอร์ นอธ 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 แอสโซซิเอตส์ จำกัด
DR.VIRACH & ASSOCIATES OFFICE CO., LTD.

CERTIFIED PUBLIC ACCOUNTANTS

สำนักงานใหญ่ เลขประจำตัวผู้เสียภาษี 0105556000751

518/3 Maneeya 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

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, 2020, the related statements of comprehensive income for the three-month and nine-month periods ended September 30, 2020, 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 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.



(Mr. Chaiyakorn Aunpitipongsa)

Certified Public Accountant Registration No. 3196

Dr. Virach & Associates Office Co., Ltd.

Bangkok : November 5, 2020

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2020

ASSETS

THOUSAND BAHT

	Notes	THOUSAND BAHT	
		As at September 30, 2020	As at December 31, 2019
		UNAUDITED REVIEWED	AUDITED
Current Assets			
Cash and cash equivalents	4	905,084	49,589
Short-term investments	5		
Investments in Open-ended Fund	5.1	-	139
Marketable securities-trading	5.2	-	1,054
Fixed deposit at bank	5.3	-	985,000
Total short-term investments		-	986,193
Trade accounts receivable	6	146,679	172,632
Inventories		41,870	48,876
Other current financial assets			
Investments in Open-ended Fund	5.1	109	-
Marketable securities	5.2	937	-
Other current assets			
Prepaid expenses		14,162	17,781
Other current assets		4,457	6,357
Total other current assets		18,619	24,138
Total Current Assets		1,113,298	1,281,428
Non-current Assets			
Other non-current financial assets			
Marketable securities/Available-for-sale	7	7,910	8,681
Property, plant and equipment		1,229,040	1,237,456
Intangible assets		15,288	8,257
Deferred tax assets	10	11,924	10,020
Other non-current assets		2,510	4,163
Total Non-current Assets		1,266,672	1,268,577
TOTAL ASSETS		2,379,970	2,550,005

h

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, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY

THOUSAND BAHT

	Note	As at September 30, 2020	As at December 31, 2019
		UNAUDITED REVIEWED	AUDITED
Current Liabilities			
Trade and other current payables	8	159,222	197,646
Assets acquisition payable		12,541	15,469
Accrued corporate income tax		14,790	50,448
Other current liabilities		4,776	6,928
Total Current Liabilities		191,329	270,491
Non-current Liabilities			
Provision for long-term employee benefits		61,677	54,318
Total Non-current Liabilities		61,677	54,318
TOTAL LIABILITIES		253,006	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			
		1,772,814	1,870,429
Other components of shareholders' equity		6,150	6,767
Total Shareholders' Equity		2,126,964	2,225,196
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,379,970	2,550,005

4

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, 2020

THOUSAND BAHT

	Notes	EXCEPT EARNINGS PER SHARE PRESENTED IN BAHT			
		THREE-MONTH PERIODS		NINE-MONTH PERIODS	
		2020	2019	2020	2019
REVENUES					
Revenues from medical treatment		488,363	618,574	1,340,966	1,683,121
Other income		11,012	18,961	14,606	27,004
Total Revenues		499,375	637,535	1,355,572	1,710,125
EXPENSES					
Cost of medical treatment		352,116	394,738	981,629	1,108,226
Selling expenses		1,789	1,891	5,050	4,880
Administrative expenses		63,375	68,953	187,228	206,370
Directors' remuneration	9	1,201	1,171	3,796	3,513
Total Expenses		418,481	466,753	1,177,703	1,322,989
Profit from operating activities		80,894	170,782	177,869	387,136
Finance income		1,030	1,713	5,714	3,401
Reversal (Doubtful debts)		840	(101)	(1,245)	(574)
Unrealized loss on open-ended funds	5.1	(13)	(4,996)	(30)	(1,767)
Unrealized gain (loss) on marketable securities	5.2	25	(224)	(117)	(367)
Profit before Income Tax Expenses		82,776	167,174	182,191	387,829
Income Tax Expenses	10	(16,423)	(33,339)	(27,006)	(68,078)
Profit for the periods		66,353	133,835	155,185	319,751
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	7	(205)	(278)	(771)	1,667
Income tax on net change from the remeasuring of marketable securities					
		41	55	154	(334)
Other comprehensive income (loss) for the periods - net of tax		(164)	(223)	(617)	1,333
Total comprehensive income for the periods		66,189	133,612	154,568	321,084
Earnings Per Share (Baht)					
Basic Earnings Per Share		0.41	0.84	0.97	2.00
The number of 160,000,000 common stocks used in computation.					

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

UNAUDITED

REVIEWED

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

	THOUSAND BAHT							Total shareholders' equity
	Issued and paid-up share capital	Premium on common stocks	Retained earnings	Legal reserve	Unappropriated	Other components of shareholders' equity	Other comprehensive income (loss)	
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	-	-	-	155,185		(617)		154,568
Dividend payment	-	-	-	(252,800)		-		(252,800)
Balances as at September 30, 2020	160,000	172,000	16,000	1,772,814		6,150		2,126,964
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	-	-	-	(233,600)		-		(233,600)
Balances as at September 30, 2019	160,000	172,000	16,000	1,769,584		7,184		2,124,768

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

6

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

	THOUSAND BAHT	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES :		
PROFIT FOR THE PERIODS	155,185	319,751
ADJUSTMENTS TO RECONCILE PROFIT FOR THE PERIODS		
TO NET CASH PROVIDED FROM (USED IN) OPERATION :-		
Income tax expenses	27,006	68,078
Depreciation	100,274	96,350
Amortization of deferred expenses	2,467	2,579
Amortization of computer softwares	3,029	3,145
Unrealized loss on open-ended funds	30	1,767
Unrealized loss on marketable securities	117	367
Loss on disposal of equipment	723	191
Loss on unused assets	24	-
Bad debts	792	-
Doubtful debts increase	1,245	574
Dividend income	(129)	(267)
Finance income	(5,714)	(3,401)
Long-term employee benefits expenses	7,894	17,381
PROFIT FROM OPERATION BEFORE CHANGE IN		
OPERATING ASSETS AND LIABILITIES ITEMS	292,943	506,515
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Fixed deposit at bank	985,000	(665,000)
Open-ended funds	-	503,756
Trade receivables	23,916	(19,204)
Inventories	7,006	9,723
Other current assets	808	3,749
Other non-current assets	(814)	699
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS		
Trade and other current payables	(39,510)	14,317
Assets acquisition payable	(16,003)	(3,445)
Other current liabilities	(2,152)	(1,470)
Provision for long-term employee benefits	(535)	(3,345)
Cash received from operation	1,250,659	346,295
Interest income	10,415	2,575
Income tax paid	(64,414)	(79,743)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	1,196,660	269,127

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

6

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

THOUSAND BAHT

	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in plant and equipment	(80,282)	(44,059)
Proceeds from disposal of equipment	702	666
Increase in intangible assets	(8,924)	(140)
Proceeds from dividend income	139	264
NET CASH USED IN INVESTING ACTIVITIES	(88,365)	(43,269)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend payment	(252,800)	(233,600)
NET CASH USED IN FINANCING ACTIVITIES	(252,800)	(233,600)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	855,495	(7,742)
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	49,589	32,573
CASH AND CASH EQUIVALENTS AS AT SEPTEMBER 30,	905,084	24,831
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS		
Non-cash flows items comprise :		
Unrealized gain (loss) on marketable securities	(771)	1,667
Increase in plant and equipment from assets acquisition payable	11,939	7,810
Increase in equipment from retention	1,086	324
Increase in intangible assets from assets acquisition payable	1,136	-
Dividend receivable	-	3

62

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENTS

SEPTEMBER 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. Except the new standards involve changes to key principles, which are summarized as follows :

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 instruments-marketable securities are measured at fair value through profit or loss.
- Other non-current financial assets which is equity instruments-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 September 30, 2020	As at December 31, 2019
Cash	1,480	2,355
Bank deposits	903,604	47,234
Total	905,084	49,589

5. OTHER CURRENT FINANCIAL ASSETS/SHORT-TERM INVESTMENTS (2019)**5.1 Open-ended Fund**

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2020		As at December 31, 2019	
Open-ended Fund	152		152	
Valuation adjustment	(43)		(13)	
Open-ended Fund-Fair value	109		139	

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the periods ended September 30,			
	three-month		nine-month	
	2020	2019	2020	2019
Unrealized loss on open-ended fund	(13)	(4,996)	(30)	(1,767)
Realized gain on open-ended fund in the periods	-	7,017	-	8,784
Gain (loss) on investments in Open-ended Fund	(13)	2,021	(30)	7,017

5.2 Marketable securities

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2020		As at December 31, 2019	
Acquisition cost	2,008		2,008	
Valuation adjustment	(1,071)		(954)	
Fair value at ending periods	937		1,054	

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the periods ended September 30,			
	three-month		nine-month	
	2020	2019	2020	2019
Unrealized gain (loss) on marketable securities	25	(224)	(117)	(367)

5.3 Fixed deposit at bank

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2020		As at December 31, 2019	
6 month fixed deposit at bank	-		985,000	
Interest rate per annum	0.70 - 1.65		0.75 - 1.65	
Accrued interest income	-		4,854	

6. TRADE ACCOUNTS RECEIVABLE

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2020	As at December 31, 2019
The trade accounts receivable are classified by outstanding balances of aging as follows :		
Current	135,207	157,252
Overdue within 3 months	5,734	11,489
Over 3 - 6 months	4,077	1,604
Over 6 - 12 months	2,692	1,902
Over 12 months	3,488	3,659
Total	151,198	175,906
Allowance for doubtful debts	(4,519)	(3,274)
Trade accounts receivable-net	146,679	172,632

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

**7. OTHER-NON-CURRENT FINANCIAL ASSETS-MARKETABLE SECURITIES/
AVAILABLE-FOR-SALE**

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2020	As at December 31, 2019
Acquisition cost	222	222
Valuation adjustment	7,688	8,459
Fair value at ending periods	7,910	8,681

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	For the periods ended September 30,			
	three-month		nine-month	
	2020	2019	2020	2019
Gain (loss) on changes in value of marketable securities-available-for-sale securities	(205)	(278)	(771)	1,667

8. TRADE AND OTHER CURRENT PAYABLES

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30, 2020	As at December 31, 2019
Trade accounts payables	46,069	63,213
Accrued expenses	33,619	46,501
Accrued doctors' fees	56,729	65,168
Others	22,805	22,764
Total	159,222	197,646

9. 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.

10. INCOME TAXES

Corporate income tax of the Company for the three-month and nine-month periods ended September 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 SEPTEMBER 30,	2020	2019
<u>For 3 month periods</u>		
Corporate income tax for the periods	16,711	34,855
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(288)	(1,516)
Income tax expenses	16,423	33,339
<u>For 9 month periods</u>		
Corporate income tax for the periods	28,756	71,427
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(1,750)	(3,349)
Income tax expenses	27,006	68,078

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

(AMOUNT IN THOUSAND BAHT)

PARTICULARS	As at September 30,	As at December 31,
	2020	2019
Temporary differences in the statements of comprehensive income		
Unrealized loss on open-ended fund	43	13
Unrealized loss on marketable securities	1,071	954
Allowance for doubtful accounts receivables	4,519	3,274
Provision for long-term employee benefits	61,677	54,318
Total	67,310	58,559
Temporary differences in other comprehensive income		
- Recognized in other components of shareholders' equity		
Gain from the remeasuring of investment in marketable securities in available-for-sale securities	(7,688)	(8,459)
Total	59,622	50,100
Deferred tax assets calculated from tax rate of 20%.	11,924	10,020

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

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

12.2 Commitment under service agreement

As at September 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 37.31 million.

12.3 Capital expenditure commitments

As at September 30, 2020, the Company has capital expenditure commitments to pay a total of Baht 54.03 million in regarding to system improvements and construction projects.

13. 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.

14. FINANCIAL STATEMENTS APPROVAL

These interim financial statements are duly approved by the Company's Board of Directors on November 5, 2020.