

Praram 9 Hospital Public Company Limited
(Formerly known as “Praram 9 Hospital Company Limited”)
Report and interim financial statements
For the three-month and nine-month periods ended
30 September 2018

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Praram 9 Hospital Public Company Limited
(Formerly known as "Praram 9 Hospital Company Limited")

I have reviewed the accompanying statement of financial position of Praram 9 Hospital Public Company Limited as at 30 September 2018, and the related statements of comprehensive income for the three-month and nine-month periods then ended, and the statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the financial statements. 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 Thai 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 Thai Standards on Auditing 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*.

Kosum Cha-em

Certified Public Accountant (Thailand) No. 6011

EY Office Limited

Bangkok: 12 November 2018

Praram 9 Hospital Public Company Limited
(Formerly known as "Praram 9 Hospital Company Limited")

Statement of financial position

As at 30 September 2018

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 September 2018</u>	<u>31 December 2017</u>
		(Unaudited but reviewed)	(Audited)
Assets			
Current assets			
Cash and cash equivalents		263,635	237,805
Current investments	3	679	453,725
Trade and other receivables	4	127,114	132,867
Medicines and supplies		42,118	39,468
Other current assets		5,828	14,755
Total current assets		<u>439,374</u>	<u>878,620</u>
Non-current assets			
Restricted bank deposits		2,704	2,704
Other long-term investment		1,375	1,375
Property, plant and equipment	5	2,020,018	1,713,327
Intangible assets	6	83,835	91,623
Advance for purchase of fixed assets		119,231	140,700
Deferred tax assets		30,088	26,624
Other non-current assets		2,086	1,610
Total non-current assets		<u>2,259,337</u>	<u>1,977,963</u>
Total assets		<u><u>2,698,711</u></u>	<u><u>2,856,583</u></u>

The accompanying notes are an integral part of the financial statements.

Praram 9 Hospital Public Company Limited
(Formerly known as "Praram 9 Hospital Company Limited")

Statement of financial position (continued)

As at 30 September 2018

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 September 2018</u>	<u>31 December 2017</u>
		(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	7	770,385	616,860
Income tax payable		9,995	20,655
Other current liabilities		12,729	17,020
Total current liabilities		<u>793,109</u>	<u>654,535</u>
Non-current liabilities			
Provision for long-term employee benefits	9	124,930	105,557
Other non-current liabilities		1,532	1,463
Total non-current liabilities		<u>126,462</u>	<u>107,020</u>
Total liabilities		<u>919,571</u>	<u>761,555</u>

The accompanying notes are an integral part of the financial statements.

Praram 9 Hospital Public Company Limited
(Formerly known as "Praram 9 Hospital Company Limited")

Statement of financial position (continued)

As at 30 September 2018

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 September 2018</u>	<u>31 December 2017</u>
		(Unaudited but reviewed)	(Audited)
Shareholders' equity			
Share capital	10		
Registered			
800,000,000 ordinary shares of Baht 1 each			
(31 December 2017: 6,000,000 ordinary shares			
of Baht 100 each)		800,000	600,000
Issued and fully paid			
600,000,000 ordinary shares of Baht 1 each			
(31 December 2017: 6,000,000 ordinary shares			
of Baht 100 each)		600,000	600,000
Share premium		10,349	10,349
Retained earnings			
Appropriated - statutory reserve		60,000	60,000
Unappropriated		1,108,745	1,422,823
Other components of shareholders' equity		46	1,856
Total shareholders' equity		<u>1,779,140</u>	<u>2,095,028</u>
Total liabilities and shareholders' equity		<u>2,698,711</u>	<u>2,856,583</u>
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The accompanying notes are an integral part of the financial statements.

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Directors

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(Unaudited but reviewed)

Praram 9 Hospital Public Company Limited
(Formerly known as "Praram 9 Hospital Company Limited")

Statement of comprehensive income

For the three-month period ended 30 September 2018

		(Unit: Thousand Baht)	
	<u>Note</u>	<u>2018</u>	<u>2017</u>
Profit or loss:			
Revenues			
Revenues from hospital operations		710,753	639,747
Other income		5,240	7,253
Total revenues		<u>715,993</u>	<u>647,000</u>
Expenses			
Cost of hospital operations		483,644	432,980
Selling expenses		16,619	21,352
Administrative expenses		109,123	95,393
Total expenses		<u>609,386</u>	<u>549,725</u>
Profit before income tax expenses		106,607	97,275
Income tax expenses	12	(19,280)	(16,180)
Net profit for the period		<u>87,327</u>	<u>81,095</u>
Other comprehensive income:			
<i>Other comprehensive income to be reclassified</i>			
<i>to profit or loss in subsequent periods:</i>			
Gain on change in value of available-for-sale investments	3	7	779
Less: Income tax effect	12	(1)	(156)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>6</u>	<u>623</u>
Other comprehensive income for the period		<u>6</u>	<u>623</u>
Total comprehensive income for the period		<u><u>87,333</u></u>	<u><u>81,718</u></u>
			(Unit: Baht)
Basic earnings per share	13		
Profit attributable to equity holders of the Company		<u>0.15</u>	<u>0.14</u>
			(Unit: Thousand shares)
Weighted average number of ordinary shares		<u>600,000</u>	<u>600,000</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Praram 9 Hospital Public Company Limited
(Formerly known as "Praram 9 Hospital Company Limited")

Statement of comprehensive income

For the nine-month period ended 30 September 2018

		(Unit: Thousand Baht)	
	<u>Note</u>	<u>2018</u>	<u>2017</u>
Profit or loss:			
Revenues			
Revenues from hospital operations		1,988,693	1,753,708
Other income		22,615	23,843
Total revenues		<u>2,011,308</u>	<u>1,777,551</u>
Expenses			
Cost of hospital operations		1,376,874	1,226,856
Selling expenses		46,029	44,081
Administrative expenses		358,501	292,105
Total expenses		<u>1,781,404</u>	<u>1,563,042</u>
Profit before income tax expenses		229,904	214,509
Income tax expenses	12	(39,982)	(36,715)
Net profit for the period		<u>189,922</u>	<u>177,794</u>
Other comprehensive income:			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Loss on change in value of available-for-sale investments	3	(2,263)	(396)
Less: Income tax effect	12	453	79
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(1,810)</u>	<u>(317)</u>
Other comprehensive income for the period		<u>(1,810)</u>	<u>(317)</u>
Total comprehensive income for the period		<u>188,112</u>	<u>177,477</u>
			(Unit: Baht)
Basic earnings per share	13		
Profit attributable to equity holders of the Company		<u>0.32</u>	<u>0.30</u>
			(Unit: Thousand shares)
Weighted average number of ordinary shares		<u>600,000</u>	<u>600,000</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Praram 9 Hospital Public Company Limited

(Formerly known as "Praram 9 Hospital Company Limited")

Cash flow statement

For the nine-month period ended 30 September 2018

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Profit before tax	229,904	214,509
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	115,784	112,447
Bad debt	150	169
Increase in allowance for doubtful debt	4,376	678
Loss on disposals and write-off of equipment	655	1,953
Gain on disposals of current investments	(4,292)	(851)
Increase in provision for long-term employee benefits	20,106	10,138
Dividend income	(369)	(865)
Interest income	(3,398)	(8,257)
Profit from operating activities before changes in operating assets and liabilities	362,916	329,921
Operating assets (increase) decrease		
Trade and other receivables	(691)	24,208
Medicines and supplies	(2,650)	1,938
Other current assets	8,927	6,397
Other non-current assets	(476)	(32)
Operating liabilities increase (decrease)		
Trade and other payables	56,214	74,884
Other current liabilities	(3,206)	(2,721)
Other non-current liabilities	69	82
Cash paid for long-term employee benefits	(733)	(1,277)
Cash flows from operating activities	420,370	433,400
Cash paid for income tax	(53,653)	(53,846)
Net cash flows from operating activities	<u>366,717</u>	<u>379,554</u>

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(Unaudited but reviewed)

Praram 9 Hospital Public Company Limited
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Cash flow statement (continued)

For the nine-month period ended 30 September 2018

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Cash flows from investing activities		
Cash receipt from disposals of current investments	455,075	147,363
Cash receipt from dividend of investment	369	865
Acquisition of buildings improvement and equipment	-	(202,859)
Cash paid for payable of buildings improvement and equipment	(273,860)	(39,066)
Cash paid for advance for purchase of fixed assets	(21,430)	(167,246)
Acquisition of intangible assets	(1,910)	(3,161)
Cash paid for payable of intangible assets	(234)	(4,265)
Proceed from sales of equipment	872	869
Interest income	5,316	8,878
Net cash flows from (used in) investing activities	<u>164,198</u>	<u>(258,622)</u>
Cash flows from financing activities		
Dividend paid	(505,085)	(48,046)
Net cash flows used in financing activities	<u>(505,085)</u>	<u>(48,046)</u>
Net increase in cash and cash equivalents	25,830	72,886
Cash and cash equivalents at beginning of period	<u>237,805</u>	<u>208,737</u>
Cash and cash equivalents at end of period	<u><u>263,635</u></u>	<u><u>281,623</u></u>

Supplemental cash flows information:

Non-cash related transactions

Acquisition of land, buildings improvement and equipment for which no cash has been paid	370,096	84,553
Acquisition of intangible assets for which no cash has been paid	1,309	-
Reclassification of property, plant and equipment to intangible assets	-	2,257
Transfer advance for purchase of fixed assets to fixed assets	42,899	13,866
Dividend payable	2,650	2,832

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Praram 9 Hospital Public Company Limited
(Formerly known as "Praram 9 Hospital Company Limited")

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Issued and paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity	Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	Other comprehensive income Surplus (deficit) on changes in value of available-for-sale investments	
Balance as at 1 January 2017	600,000	10,349	60,000	1,208,567	1,937	1,880,853
Profit for the period	-	-	-	177,794	-	177,794
Other comprehensive income for the period	-	-	-	-	(317)	(317)
Total comprehensive income for the period	-	-	-	177,794	(317)	177,477
Dividend paid (Note 11)	-	-	-	(48,000)	-	(48,000)
Balance as at 30 September 2017	<u>600,000</u>	<u>10,349</u>	<u>60,000</u>	<u>1,338,361</u>	<u>1,620</u>	<u>2,010,330</u>
Balance as at 1 January 2018	600,000	10,349	60,000	1,422,823	1,856	2,095,028
Profit for the period	-	-	-	189,922	-	189,922
Other comprehensive income for the period	-	-	-	-	(1,810)	(1,810)
Total comprehensive income for the period	-	-	-	189,922	(1,810)	188,112
Dividend paid (Note 11)	-	-	-	(504,000)	-	(504,000)
Balance as at 30 September 2018	<u>600,000</u>	<u>10,349</u>	<u>60,000</u>	<u>1,108,745</u>	<u>46</u>	<u>1,779,140</u>

The accompanying notes are an integral part of the financial statements.

Praram 9 Hospital Public Company Limited

(Formerly known as “Praram 9 Hospital Company Limited”)

Notes to financial statements

For the three-month and nine-month periods ended 30 September 2018

1. General information

1.1 The Company’s general information

Praram 9 Hospital Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the hospital operations. The registered office of the Company is at 99, Praram 9 Road, Bangkapi, Huaykwang, Bangkok.

On 29 March 2018, the Company registered the change of its status to a public limited company under the Public Limited Company Act and the change of its name with the Ministry of Commerce from “Praram 9 Hospital Company Limited” to “Praram 9 Hospital Public Company Limited”.

1.2 Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 *Interim Financial Reporting*, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.3 New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the period, the Company has adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

(b) Financial reporting standards that will become effective in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019 and a set of 5 standards related to financial instruments, which are effective for fiscal years beginning on or after 1 January 2020. Key principles of these standards are summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company is currently evaluating the impact of this standard to the financial statements in the year when it is adopted.

Thai Financial Reporting Standards related to financial instruments

The set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 9	Financial Instruments
TFRS 7	Financial Instruments: Disclosures

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity 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 instrument, 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. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2017.

2. Related party transactions

During the periods, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

	<u>Pricing Policy</u>
<u>Transactions with related companies</u>	
Medical service income	Normal price
Medical service discounts	At the rate of 10% (2017: rate of 10%)
Rental expenses	Contract price
Service expenses	Normal price and contract price
<u>Transactions with related individuals</u>	
Medical service income	Normal price
Medical service welfares and discounts	At the rate of 15% to 100% (2017: rate of 15% to 100%)
Rental expenses	Contract price
Consultancy fee	Contract price
Purchase of fixed assets	Mutually agreed price with reference to appraised value

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Transactions with related companies</u>				
Medical service income	458	255	471	671
Medical service discounts	-	(55)	-	(93)
Medical service income - net	458	200	471	578
Rental expenses	312	312	936	936
Service expenses	1,219	966	4,515	2,842
<u>Transactions with related individuals</u>				
Medical service income	1,728	4,108	4,363	9,069
Medical service welfares and discounts	(1,062)	(1,878)	(2,328)	(4,220)
Medical service income - net	666	2,230	2,035	4,849
Rental expenses	-	1,050	-	3,150
Consultancy fee	150	-	250	-
Purchase of fixed assets	-	-	60,120	-

(Unaudited but reviewed)

As at 30 September 2018 and 31 December 2017, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)	
	30 September 2018	31 December 2017
		(Audited)
<u>Trade accounts receivable - related parties</u> (Note 4)		
Related individuals (director and shareholder)	229	241
Related companies (related by common directors)	434	1,376
Total trade accounts receivable - related parties	663	1,617
<u>Other non-current asset - related party</u>		
Related company (related by common directors)	813	813
Total other non-current asset - related party	813	813
<u>Accounts payable - purchase of fixed assets, related individual</u> (Note 7)		
Related individual (shareholder)	357,150	301,030
Total accounts payable - purchase of fixed assets, related individual	357,150	301,030

Directors and management's benefits

During the periods, the Company had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2018	2017	2018	2017
Short-term employee benefits	17,364	13,649	52,331	42,654
Post-employment benefits	412	139	9,749	417
Total	17,776	13,788	62,080	43,071

In the first quarter of 2018, the Company recorded healthcare benefits of the directors who were founders of the hospital totaling approximately Baht 8.6 million, and these are recognised in post-employee benefits.

3. Current investments

	(Unit: Thousand Baht)	
	30 September 2018	31 December 2017
		(Audited)
Fixed deposits at banks	208	208
Investments in available-for-sale securities		
Unit trust in open-end mutual funds	413	26,944
Government and state-owned enterprise bonds	-	77,975
Private sector debt securities	-	346,277
Total investments in available-for-sale securities, Cost	413	451,196
Add: Unrealised gain on changes in value of investments	58	2,321
Total investments in available-for-sale securities, Fair Value	471	453,517
Total current investments	<u>679</u>	<u>453,725</u>

4. Trade and other receivables

As at 30 September 2018 and 31 December 2017, the balances of the trade accounts receivable are aged of outstanding debts by due dates as below.

	(Unit: Thousand Baht)	
	30 September 2018	31 December 2017
		(Audited)
<u>Trade accounts receivable - related parties</u>		
Aged of outstanding debts by due dates		
Past due		
Up to 3 months	663	1,615
3 - 6 months	-	2
Total trade accounts receivable - related parties	<u>663</u>	<u>1,617</u>
<u>Trade accounts receivable - unrelated parties</u>		
Aged of outstanding debts by due dates		
Past due		
Up to 3 months	109,821	116,773
3 - 6 months	9,023	6,434
6 - 12 months	9,594	2,749
Over 12 months	14,585	15,666
Total	<u>143,023</u>	<u>141,622</u>
Less: Allowance for doubtful debts	<u>(20,375)</u>	<u>(15,999)</u>
Total trade accounts receivable - unrelated parties, net	<u>122,648</u>	<u>125,623</u>
Total trade accounts receivable - net	<u>123,311</u>	<u>127,240</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	30 September 2018	31 December 2017
		(Audited)
<u>Other receivables</u>		
Other receivables - unrelated parties	2,731	2,625
Accrued interest income	407	2,325
Accrued income	665	677
Total other receivables	3,803	5,627
Total trade and other receivables - net	127,114	132,867

The Company records an allowance for doubtful accounts for the estimated losses that may be incurred in collection of receivables. The management is required to make judgement and estimates losses for trade receivables based upon, past collection history, aging profile of outstanding debts and the prevailing economic condition.

5. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)
	Amount
Net book value as at 1 January 2018 - audited	1,713,327
Acquisitions during the period - at cost	370,096
Transfer from advance for purchase of fixed assets	42,899
Disposals/write-off during the period - net book value at disposals/write-off date	(1,527)
Depreciation for the period	(104,777)
Net book value as at 30 September 2018	2,020,018

6. Intangible assets

Movements of the intangible assets account during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)
	Amount
Net book value as at 1 January 2018 - audited	91,623
Acquisitions during the period - at cost	3,219
Amortisation for the period	(11,007)
Net book value as at 30 September 2018	83,835

7. Trade and other payables

	(Unit: Thousand Baht)	
	30 September 2018	31 December 2017
		(Audited)
Trade accounts payable - unrelated parties	114,921	109,227
Other payables - unrelated parties	76,130	46,600
Accounts payable - purchase of fixed assets, related individual	357,150	301,030
Accounts payable - purchase of fixed assets, unrelated parties	98,182	56,992
Accrued physician's fee	80,417	81,828
Accrued expenses	43,585	21,183
Total trade and other payables	<u>770,385</u>	<u>616,860</u>

8. Loan from bank

On 27 April 2018, the Company entered into a loan agreement with a local commercial bank granting credit facilities totaling Baht 2,000 million that were used to pay costs of land, building construction, and equipment for renovation of a new building and existing building. The long-term loan is unsecured and to be paid at maturity in 21 monthly from the date of the first drawdown, or within 31 January 2020 if earlier. Interest is charged at float rate plus fixed rate, and is payable on a monthly basis.

The above loan agreement contains certain covenants and exception which the Company must comply such as:

- Maintain the direct and indirect shareholdings of the family of main shareholders in the Company. In case of public offering of newly issued shares, the maintenance of capital fund does not take into account the newly issued shares offered to the public.
- Maintain a debt to equity ratio.
- If the Company makes an initial public offering, the long-term loan is to be repaid within 15 days from the end of the offering period.
- No changes in the shareholding structure, mergers, transfers of business, other than actions taken by the Company in making an initial public offering.
- No disposals or transfers of the assets of the Company, except in the ordinary course of business.
- No creation of any commitments by borrowing and guaranteeing.

As at 30 September 2018, the Company has not yet been drawn down the long-term credit facilities.

9. Provision for long-term employee benefits

Movements in the provision for long-term employee benefits during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)
	<u>Amount</u>
Balance as at 1 January 2018 - audited	105,557
Increase during the period	20,106
Utilised	<u>(733)</u>
Balance as at 30 September 2018	<u><u>124,930</u></u>

10. Share capital

10.1 On 28 March 2018, the meeting of the 2018 Annual General Meeting of the Company's shareholders passed the following resolutions.

- a) Approval of the conversion of the Company to a public limited company and the change of the Company's name to "Praram 9 Hospital Public Company Limited".
- b) Approval of a change in the par value of ordinary shares from Baht 100 per share to Baht 1 per share, such that the Company's registered share capital of Baht 600 million will comprise 600 million ordinary shares with a par value of Baht 1 each, or a total of Baht 600 million.
- c) Approval of an increase in the Company's registered share capital, from Baht 600 million to Baht 800 million, through the issuance of 200 million additional ordinary shares with a par value of Baht 1 each, and approval of the allocation of the new shares as follows.
 - Allocation of new shares to the initial public offering
 - Allocation of 12.5 million new shares to an offering to the directors and/or executives who are the Company's founders
 - Allocation of 20 million over-allotment shares to be offered to the Company's Over-allotment Agent, within 30 days from the first day of trading of the shares on the Stock Exchange of Thailand
- d) Approval of the listing of the Company's shares on the Stock Exchange of Thailand.

10.2 On 29 March 2018, the Company registered the change of its status to a public limited company, change in the par value of ordinary shares, and increase in its registered share capital with the Ministry of Commerce.

11. Dividend payment

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2016	Annual General Meeting of the shareholders on 28 April 2017	48,000	8
Final dividends for 2017	Annual General Meeting of the shareholders on 28 March 2018	504,000	84

12. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and nine-month periods ended 30 September 2018 and 2017 are made up as follows.

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Interim corporate income tax charge	19,758	16,291	42,993	38,318
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(478)</u>	<u>(111)</u>	<u>(3,011)</u>	<u>(1,603)</u>
Income tax expenses reported in the statements of comprehensive income	<u>19,280</u>	<u>16,180</u>	<u>39,982</u>	<u>36,715</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred tax on loss (profit) from change in value of available-for-sale investments	<u>(1)</u>	<u>(156)</u>	<u>453</u>	<u>79</u>

13. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period. The Company adjusted the number of ordinary shares for the three-month and nine-month period ended 30 September 2017, in proportion to the change in the number of shares as a result of the change in par value from Baht 100 each to Baht 1 each as if the change in the par value of the ordinary shares had occurred at the beginning of the first reporting period.

14. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company is principally engaged in the hospital business. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

15. Commitments and contingent liabilities**15.1 Capital commitments**

As at 30 September 2018 and 31 December 2017, the Company had capital commitments as follows.

	(Unit: Million Baht)	
	30 September 2018	31 December 2017
	<u> </u>	<u> </u>
		(Audited)
Improvement, construction of buildings and building systems	881	1,011
Acquisition of tools and equipment	47	6
Acquisition of computer software	30	26
Total capital commitments	<u>958</u>	<u>1,043</u>

15.2 Operating lease commitments

The Company has entered into several operating lease agreements in respect of the office spaces, equipment and others. The terms of the agreements are generally between 1 and 3 years.

Future minimum lease payments required under these agreements were as follows.

	(Unit: Million Baht)	
	30 September 2018	31 December 2017
	<hr/>	<hr/>
		(Audited)
Payable:		
In up to 1 year	7	8
In over 1 and up to 3 years	3	2

15.3 Long-term service commitments

As at 30 September 2018, the Company has commitments relating to the following service agreements.

- a) Service agreements for maintenance of medical instruments and other services, with a total of approximately Baht 43 million to be paid between the years 2018 and 2021 (31 December 2017: Baht 65 million to be paid between the years 2018 and 2020).
- b) A financial advisory service agreement to appoint a local securities company as its financial advisor for the purpose of its application to the Office of the Securities and Exchange Commission for permission to make an initial public offering of its shares, and to list the Company's ordinary shares on the Stock Exchange of Thailand. Under this agreement, the Company was committed to pay financial advisory service fees at the amount and the rate as stipulated in the agreement.

Consequently, on 11 October 2018, the Company entered into an underwriting agreement to appoint such local securities company as underwriter for the sale of its shares through the initial public offering. The Company has committed to pay the underwriting fee at the rate stipulated in the agreement.

15.4 Guarantees

As at 30 September 2018, there were outstanding bank guarantees of approximately Baht 3 million (31 December 2017: Baht 3 million) issued by the bank on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee for electricity use.

16. Fair value hierarchy

As at 30 September 2018 and 31 December 2017, the Company had the assets that were measured at fair value using level 2 as follow:

	(Unit: Thousand Baht)	
	30 September 2018	31 December 2017
	<u> </u>	<u> </u>
Assets measured at fair value		
Current investments (Note 3)	471	453,517

17. Event after the reporting period

During 16 to 19 October 2018, the Company made the public offering of the 167.5 million additional shares at a price of Baht 11.60 per share and made the Company's directors and/or executives who are the Company's founders offering of the 12.5 million additional shares at a price of Baht 2.65 per share, or a total of Baht 1,976.1 million and received payment for the shares on 24 October 2018. The Company registered the increase in its paid-up capital with the Ministry of Commerce on 25 October 2018. All direct expenses related to the share offering will be presented as a deduction from the premium on ordinary shares in the fourth quarter of 2018.

The first trading day of the Company's ordinary shares on the Stock Exchange of Thailand was 30 October 2018.

18. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of director on 12 November 2018.