

Praram 9 Hospital Public Company Limited  
Review report and interim financial information  
For the three-month and nine-month periods ended  
30 September 2020

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of Praram 9 Hospital Public Company Limited

I have reviewed the accompanying statement of financial position of Praram 9 Hospital Public Company Limited as at 30 September 2020, the related statements of comprehensive income for the three-month and nine-month periods then ended, and the related statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the interim financial statements (collectively "interim financial information"). 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*.

**Emphasis of Matter**

I draw attention to Note 1.2 to the interim financial statements. Due to the impact of the COVID-19 outbreak, in preparing the interim financial information for the three-month and nine-month periods ended 30 September 2020, the Company has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions.

The COVID-19 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries in terms of supply chains, consumer spending, limited or suspended production, operational delays, and more.

This situation significantly affects the Company's business activities in terms of revenue from hospital operations, and this is significantly impacting the Company's financial position, operating results, and cash flows at present, and is expected to do so in the future. However, the impact cannot be reasonably estimated at this stage.

The Company's management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so. My conclusion is not modified in respect of this matter.

Kosum Cha-em

Certified Public Accountant (Thailand) No. 6011

EY Office Limited

Bangkok: 12 November 2020

**Praram 9 Hospital Public Company Limited****Statement of financial position****As at 30 September 2020**

(Unit: Thousand Baht)

	Note	30 September 2020 (Unaudited but reviewed)	31 December 2019 (Audited)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		980,916	631,773
Current investments	2	-	799,242
Trade and other receivables	4	120,637	156,156
Medicines and supplies		44,239	48,684
Other current financial assets	5	418	-
Other current assets		3,842	7,201
<b>Total current assets</b>		<b>1,150,052</b>	<b>1,643,056</b>
<b>Non-current assets</b>			
Restricted bank deposits		3,647	3,647
Property, plant and equipment	6	3,386,398	2,862,423
Right-of-use assets		8,827	-
Intangible assets	7	88,104	77,377
Advance for purchase of fixed assets and intangible assets		32,689	91,841
Deferred tax assets		43,468	33,299
Other non-current assets		1,280	4,950
<b>Total non-current assets</b>		<b>3,564,413</b>	<b>3,073,537</b>
<b>Total assets</b>		<b>4,714,465</b>	<b>4,716,593</b>

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

**Praram 9 Hospital Public Company Limited**  
**Statement of financial position (continued)**  
**As at 30 September 2020**

(Unit: Thousand Baht)

	Note	30 September 2020 (Unaudited but reviewed)	31 December 2019 (Audited)
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade and other payables	8	461,623	461,477
Current portion of lease liabilities		5,223	-
Income tax payable		11,039	28,672
Other current liabilities		20,792	32,845
<b>Total current liabilities</b>		<b>498,677</b>	<b>522,994</b>
<b>Non-current liabilities</b>			
Lease liabilities, net of current portion		4,070	-
Provision for long-term employee benefits	9	161,955	153,005
Other non-current liabilities		2,722	1,643
<b>Total non-current liabilities</b>		<b>168,747</b>	<b>154,648</b>
<b>Total liabilities</b>		<b>667,424</b>	<b>677,642</b>

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

**Praram 9 Hospital Public Company Limited**  
**Statement of financial position (continued)**  
**As at 30 September 2020**

	(Unit: Thousand Baht)	
	30 September 2020	31 December 2019
	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>		
Share capital		
Registered		
800,000,000 ordinary shares of Baht 1 each	800,000	800,000
Issued and fully paid		
786,300,000 ordinary shares of Baht 1 each	786,300	786,300
Share premium	1,934,360	1,934,360
Retained earnings		
Appropriated - statutory reserve	80,000	80,000
Unappropriated	1,246,381	1,230,359
Other components of shareholders' equity	-	7,932
<b>Total shareholders' equity</b>	<b>4,047,041</b>	<b>4,038,951</b>
<b>Total liabilities and shareholders' equity</b>	<b>4,714,465</b>	<b>4,716,593</b>
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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**

**Statement of comprehensive income**

**For the three-month period ended 30 September 2020**

		(Unit: Thousand Baht)	
	Note	2020	2019
<b>Profit or loss:</b>			
<b>Revenues</b>			
Revenues from hospital operations		692,102	743,482
Interest income		1,144	3,326
Rental income		3,350	2,833
Other income		4,672	3,585
<b>Total revenues</b>		<b>701,268</b>	<b>753,226</b>
<b>Expenses</b>			
Cost of hospital operations		485,331	505,896
Selling expenses		16,183	15,919
Administrative expenses		116,012	122,396
<b>Total expenses</b>		<b>617,526</b>	<b>644,211</b>
<b>Profit from operating activities</b>		<b>83,742</b>	<b>109,015</b>
Finance cost		(143)	-
<b>Profit before income tax expenses</b>		<b>83,599</b>	<b>109,015</b>
Income tax expenses	10	(11,409)	(20,254)
<b>Profit for the period</b>		<b>72,190</b>	<b>88,761</b>
<b>Other comprehensive income:</b>			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Gain on change in value of available-for-sale investments		-	3,886
Less: Income tax effect	10	-	(777)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		-	3,109
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>3,109</b>
<b>Total comprehensive income for the period</b>		<b>72,190</b>	<b>91,870</b>
			(Unit: Baht)
<b>Basic earnings per share</b>	11		
Profit attributable to equity holders of the Company		0.09	0.11
			(Unit: Thousand shares)
Weighted average number of ordinary shares		786,300	786,300

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

(Unaudited but reviewed)

**Praram 9 Hospital Public Company Limited**

**Statement of comprehensive income**

**For the nine-month period ended 30 September 2020**

		(Unit: Thousand Baht)	
	Note	2020	2019
<b>Profit or loss:</b>			
<b>Revenues</b>			
Revenues from hospital operations		1,866,464	2,109,416
Interest income		4,813	10,796
Rental income		7,537	6,893
Other income		12,889	10,205
<b>Total revenues</b>		<b>1,891,703</b>	<b>2,137,310</b>
<b>Expenses</b>			
Cost of hospital operations		1,370,072	1,465,501
Selling expenses		36,248	42,745
Administrative expenses		350,377	373,195
<b>Total expenses</b>		<b>1,756,697</b>	<b>1,881,441</b>
<b>Profit from operating activities</b>		<b>135,006</b>	<b>255,869</b>
Finance cost		(321)	-
<b>Profit before income tax expenses</b>		<b>134,685</b>	<b>255,869</b>
Income tax expenses	10	(13,791)	(45,308)
<b>Profit for the period</b>		<b>120,894</b>	<b>210,561</b>
<b>Other comprehensive income:</b>			
<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		-	9,453
Less: Income tax effect	10	-	(1,890)
Other comprehensive income to be reclassified			
to profit or loss in subsequent periods			
- net of income tax		-	7,563
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>7,563</b>
<b>Total comprehensive income for the period</b>		<b>120,894</b>	<b>218,124</b>
			(Unit: Baht)
<b>Basic earnings per share</b>	11		
Profit attributable to equity holders of the Company		0.15	0.27
			(Unit: Thousand shares)
Weighted average number of ordinary shares		786,300	786,300

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



(Unaudited but reviewed)

**Praram 9 Hospital Public Company Limited**

**Cash flow statement**

**For the nine-month period ended 30 September 2020**

	(Unit: Thousand Baht)	
	2020	2019
<b>Cash flows from operating activities</b>		
Profit before tax	134,685	255,869
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	147,986	122,079
Bad debt	667	943
Increase in allowance for doubtful debt	16,164	4,688
Loss (gain) on disposals and write-off of fixed assets	1,245	(4)
Loss (gain) on disposals of investments in available-for-sale securities	3,192	(1,221)
Loss on change in value of investments in available-for-sale securities	151	-
Increase in provision for short-term and long-term employee benefits	9,485	36,157
Dividend income	(7)	(8)
Interest income	(4,813)	(10,796)
Differences from reduction in lease payments	37	-
Interest expenses of leases	321	-
Profit from operating activities before changes in operating assets and liabilities	309,113	407,707
Operating assets (increase) decrease		
Trade and other receivables	15,049	(25,550)
Medicines and supplies	4,445	(841)
Other current assets	3,359	(933)
Other non-current assets	3,670	(1,573)
Operating liabilities increase (decrease)		
Trade and other payables	17,521	85,574
Other current liabilities	(10,372)	(5,835)
Other non-current liabilities	1,079	102
Cash paid for long-term employee benefits	(2,322)	(5,230)
Cash flows from operating activities	341,542	453,421
Cash paid for income tax	(40,912)	(46,590)
<b>Net cash flows from operating activities</b>	<b>300,630</b>	<b>406,831</b>

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

(Unaudited but reviewed)

**Praram 9 Hospital Public Company Limited**

**Cash flow statement (continued)**

**For the nine-month period ended 30 September 2020**

	(Unit: Thousand Baht)	
	2020	2019
<b>Cash flows from investing activities</b>		
Increase in restricted bank deposits	-	(986)
Decrease (increase) in fixed deposits at banks	(8)	450,095
Cash paid for investments in available-for-sale securities	(200,000)	(100,469)
Cash receipt from sale of investments in available-for-sale securities	995,489	200,487
Cash receipt from dividend of investment	7	8
Acquisition of fixed assets	(504,417)	(435,569)
Cash paid for payable of fixed assets	(111,387)	(96,861)
Cash paid for advance for purchase of fixed assets and intangible assets	(7,431)	(74,132)
Acquisition of intangible assets	(16,483)	(9,041)
Cash paid for payable of intangible assets	(815)	(1,656)
Proceed from sales of fixed assets	590	941
Interest income	5,048	9,223
<b>Net cash flows from (used in) investing activities</b>	<b>160,593</b>	<b>(57,960)</b>
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	(2,105)	-
Dividend paid	(109,975)	(111,374)
<b>Net cash flows used in financing activities</b>	<b>(112,080)</b>	<b>(111,374)</b>
<b>Net increase in cash and cash equivalents</b>	<b>349,143</b>	<b>237,497</b>
Cash and cash equivalents at beginning of period	631,773	223,497
<b>Cash and cash equivalents at end of period</b>	<b>980,916</b>	<b>460,994</b>

**Supplemental cash flows information:**

**Non-cash related transactions**

Acquisition of fixed assets for which cash has not been paid	90,320	121,301
Increase in right-of-use assets and lease liabilities from additional lease agreements	3,825	-
Acquisition of intangible assets for which cash has not been paid	4,507	107
Transfer advance for purchase of fixed assets and intangible assets to fixed assets and intangible assets	66,583	79,744
Reclassification of fixed assets to intangible assets	2,170	-
Dividend payable	1,166	959

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

(Unaudited but reviewed)

**Praram 9 Hospital Public Company Limited****Statement of changes in shareholders' equity****For the nine-month period ended 30 September 2020**

(Unit: Thousand Baht)

	Issued and paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity Other comprehensive income Surplus on changes in value of available-for-sale investments	Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated		
<b>Balance as at 1 January 2019</b>	786,300	1,934,360	67,861	1,084,025	796	3,873,342
Profit for the period	-	-	-	210,561	-	210,561
Other comprehensive income for the period	-	-	-	-	7,563	7,563
Total comprehensive income for the period	-	-	-	210,561	7,563	218,124
Dividend paid (Note 13)	-	-	-	(110,081)	-	(110,081)
<b>Balance as at 30 September 2019</b>	<u>786,300</u>	<u>1,934,360</u>	<u>67,861</u>	<u>1,184,505</u>	<u>8,359</u>	<u>3,981,385</u>
<b>Balance as at 1 January 2020</b>	786,300	1,934,360	80,000	1,230,359	7,932	4,038,951
Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards (Note 2)	-	-	-	5,209	(7,932)	(2,723)
<b>Balance as at 1 January 2020 - as restated</b>	<u>786,300</u>	<u>1,934,360</u>	<u>80,000</u>	<u>1,235,568</u>	<u>-</u>	<u>4,036,228</u>
Profit for the period	-	-	-	120,894	-	120,894
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	120,894	-	120,894
Dividend paid (Note 13)	-	-	-	(110,081)	-	(110,081)
<b>Balance as at 30 September 2020</b>	<u>786,300</u>	<u>1,934,360</u>	<u>80,000</u>	<u>1,246,381</u>	<u>-</u>	<u>4,047,041</u>

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

**Praram 9 Hospital Public Company Limited**

**Notes to financial statements**

**For the three-month and nine-month periods ended 30 September 2020**

**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.

**1.2 Coronavirus disease 2019 Pandemic**

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries in terms of supply chains, consumer spending, limited or suspended production, operational delays, and more.

This situation significantly affects the Company's business activities in terms of revenue from hospital operations, and this is significantly impacting the Company's financial position, operating results, and cash flows at present, and is expected to do so in the future. However, the impact cannot be reasonably estimated at this stage. The Company's management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so.

The Company prepared the interim financial information for the three-month and nine-month periods ended 30 September 2020 by adoption the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic, issued by the Federation of Accounting Professions, as described in Note 1.4 to the interim financial statements.

**1.3 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.

## **1.4 New financial reporting standards**

### **a) Financial reporting standards that became effective in the current period**

During the period, the Company has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, the new standard involves changes to key principles, which are summarised below:

#### **Financial reporting standards related to financial instruments**

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

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.

The impact of the adoption of these standards on the Company's financial statements is as follows.

- Classification and measurement of investments in available-for-sale equity securities that the Company's available-for-sale investments in listed equity securities are measured at fair value through other comprehensive income. The Company has decided to classify these investments as financial assets at fair value through profit or loss. The cumulative gains on changes in the value of reclassified available-for-sale investments in equity securities that were previously presented in other comprehensive income is to be reclassified to retained earnings.
- Classification and measurement of investments in debt securities that the Company's debt securities are measured at fair value through other comprehensive income. The Company has decided to classify these investments as financial assets at fair value through profit or loss. The cumulative gain on changes in the value of reclassified investments in debt securities that were previously presented in other comprehensive income is to be reclassified to retained earnings.
- Recognition of credit losses that the Company recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Company applies the simplified approach to consider impairment of trade receivables.

The Company adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 2 to the interim financial statements.

### **TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Company adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 2 to the interim financial statements.

### **Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic**

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Company has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Company uses a simplified approach to determine expected credit losses.
- To lightly weight information relating to the COVID-19 situation in applying the valuation technique to measure the fair value of financial assets in the form of debt instruments using Level 2 or Level 3 inputs.
- Not to account for any reduction in lease payments by lessors resulting from the COVID-19 situation as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognised in each period reversed in proportion to the reduction, with any differences then recognised in profit or loss.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, *Impairment of Assets*.

**b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021**

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

**1.5 Significant accounting policies**

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except the changes in accounting policies related to financial instruments and leases.

**1.5.1 Financial instruments**

***Classification and measurement***

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through profit or loss. In certain cases, the Company makes an election to measure them at fair value through other comprehensive income, with no subsequent recycling to profit or loss.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss

***Impairment of financial assets***

The Company recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Company accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Company applies a simplified approach to determine the lifetime expected credit losses.



## **1.5.2 Leases**

### ***Right-of-use assets***

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Company is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

### ***Lease liabilities***

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

### ***Short-term leases and Leases of low-value assets***

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

## **2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards**

As described in Note 1.4 to the interim financial statements, during the current period, the Company has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts on the beginning balance of retained earnings of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

		The impacts of		
		Financial		
		reporting		
		standards related		
	31 December	to financial		1 January
	2019	instruments	TFRS 16	2020
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Current investments	799,242	(799,242)	-	-
Trade and other receivables	156,156	(3,404)	-	152,752
Other current financial assets	-	799,242	-	799,242
<b>Non-current assets</b>				
Right-of-use assets	-	-	7,963	7,963
Deferred tax assets	33,299	681	-	33,980
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of lease liabilities	-	-	3,341	3,341
<b>Non-current liabilities</b>				
Lease liabilities, net of current portion	-	-	4,622	4,622
<b>Shareholders' equity</b>				
Retained earnings - unappropriated	1,230,359	5,209	-	1,235,568
Other components of shareholders' equity	7,932	(7,932)	-	

## 2.1 Financial instruments

- a) Details of the impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

(Unit: Thousand Baht)

	Amount
Classification of investments in debt securities as financial assets at fair value through profit or loss	7,932
Recognition of an allowance for expected credit losses on financial assets	(2,723)
Impacts on retained earnings due to the adoption of financial reporting standards related to financial instruments	5,209

(Unaudited but reviewed)

- b) The classifications and measurement basis, and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value through other comprehensive profit or loss	Fair value through income	Amortised cost	Total
Financial assets as at 1 January 2020					
Cash and cash equivalents	631,773	-	-	631,773	631,773
Trade and other receivables	156,156	-	-	152,752	152,752
Other current financial assets	799,242	799,062	-	180	799,242
Restricted bank deposits	3,647	-	-	3,647	3,647
Total financial assets	1,590,818	799,062	-	788,352	1,587,414

As at 1 January 2020, the Company has not designated any financial liabilities at fair value through profit or loss.

## 2.2 Leases

Upon initial application of TFRS 16 the Company recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Company recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit: Thousand Baht)
	Amount
Operating lease commitments as at 31 December 2019	22,856
Less: Short-term leases and leases of low-value assets	(14,830)
Add: Others	624
Less: Deferred interest expenses	(687)
Increase in lease liabilities due to TFRS 16 adoption	7,963
Liabilities under finance lease agreements as at 31 December 2019	-
Lease liabilities as at 1 January 2020	7,963
The above lease liabilities comprise of:	
Current lease liabilities	3,341
Non-current lease liabilities	4,622
	7,963

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

	(Unit: Thousand Baht)
	Amount
Land	4,859
Motor vehicles	3,104
<b>Total right-of-use assets</b>	<b>7,963</b>

### 3. 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% (2019: rate of 10%)
Rental income	Contract price
Service income	Contract price
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% (2019: rate of 15% to 100%)
Consultancy fee	Contract price

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Transactions with related companies</u>				
Medical service income	2,596	117	2,680	208
Medical service discounts	-	-	-	-
Medical service income - net	2,596	117	2,680	208
Rental income	203	-	203	-
Service income	183	-	183	-
Rental expenses	-	333	-	999
Service expenses	82	931	82	3,241
<u>Transactions with related individuals</u>				
Medical service income	1,842	1,887	5,082	6,494
Medical service welfares and discounts	(965)	(990)	(2,465)	(2,613)
Medical service income - net	877	897	2,617	3,881
Consultancy fee	150	150	450	450

(Unaudited but reviewed)

As at 30 September 2020 and 31 December 2019, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)	
	30 September 2020	31 December 2019
		(Audited)
<u>Trade and other receivables - related parties</u> (Note 4)		
Related individuals (director and shareholder)	90	363
Related companies (related by common directors)	2,673	395
Total trade and other receivables - related parties	2,763	758
<u>Deposit - related party</u>		
Related company (related by common directors)	-	813
Total deposit - related party	-	813
<u>Other payable - related party</u> (Note 8)		
Related company (related by common directors)	29	165
Total other payable - related party	29	165
<u>Retention - related party</u>		
Related company (related by common directors)	203	-
Total retention - related party	203	-
<u>Directors and management's benefits</u>		

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	
	2020	2019	2020	2019
Short-term employee benefits	14,402	15,219	44,675	49,826
Post-employment benefits	142	222	428	3,227
Total	14,544	15,441	45,103	53,053

**4. Trade and other receivables**

As at 30 September 2020 and 31 December 2019, the balances of the trade accounts receivable are aged of outstanding debts by due dates as below.

	(Unit: Thousand Baht)	
	30 September 2020	31 December 2019
		(Audited)
<u>Trade accounts receivable - related parties</u>		
Aged of outstanding debts by due dates		
Past due up to 3 months	2,686	758
Total trade accounts receivable - related parties	2,686	758
<u>Trade accounts receivable - unrelated parties</u>		
Aged of outstanding debts by due dates		
Past due		
Up to 3 months	106,633	140,784
3 - 6 months	8,335	14,204
6 - 12 months	17,346	7,291
Over 12 months	25,301	15,780
Total	157,615	178,059
Less: Allowance for doubtful debts	(45,891)	(26,323)
Total trade accounts receivable - unrelated parties, net	111,724	151,736
Total trade accounts receivable - net	114,410	152,494
<u>Other receivables</u>		
Other receivables - unrelated parties	3,026	1,525
Accrued interest income	578	813
Accrued income - related parties	77	-
Accrued income - unrelated parties	2,546	1,324
Total other receivables	6,227	3,662
Total trade and other receivables - net	120,637	156,156

**5. Other current financial assets**

As at 30 September 2020, details of other current financial assets are as below.

	(Unit: Thousand Baht)
	30 September 2020
Fixed deposits at banks	188
Investment in available-for-sale security - unit trusts in infrastructure fund	
Cost	387
Less: Unrealised loss on changes in value of investment	(157)
Fair value	230
Total other current financial assets	418

**6. Property, plant and equipment**

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2020 are summarised below.

	(Unit: Thousand Baht)
	Amount
Net book value as at 1 January 2020 - audited	2,862,423
Acquisitions during the period - at cost	594,737
Transfer from advance for purchase of fixed assets	66,217
Disposals/write-off during the period - net book value at disposal/write-off date	(1,835)
Reclassification to intangible assets	(2,170)
Depreciation for the period	(132,974)
Net book value as at 30 September 2020	3,386,398

**7. Intangible assets**

Movements of the intangible assets account during the nine-month period ended 30 September 2020 are summarised below.

	(Unit: Thousand Baht)
	Amount
Net book value as at 1 January 2020 - audited	77,377
Acquisitions during the period - at cost	20,990
Transfer from advance for purchase of intangible assets	366
Reclassification from fixed assets	2,170
Amortisation for the period	(12,799)
Net book value as at 30 September 2020	88,104



**8. Trade and other payables**

	(Unit: Thousand Baht)	
	30 September	31 December
	2020	2019
		(Audited)
Trade accounts payable - unrelated parties	92,779	117,144
Other payable - related party	29	165
Other payables - unrelated parties	134,061	108,434
Accounts payable - purchase of fixed assets and intangible assets, unrelated parties	94,827	112,203
Accrued physician's fee	89,689	93,600
Accrued expenses	50,238	29,931
Total trade and other payables	<u>461,623</u>	<u>461,477</u>

**9. Provision for long-term employee benefits**

Movements in the provision for long-term employee benefits during the nine-month period ended 30 September 2020 are summarised below.

	(Unit: Thousand Baht)
	Amount
Balance as at 1 January 2020 - audited	153,005
Increase during the period	11,272
Utilised	(2,322)
Balance as at 30 September 2020	<u>161,955</u>

**10. 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 2020 and 2019 are made up as follows.

	(Unit: Thousand Baht)			
	For the three-month periods ended		For the nine-month periods ended	
	30 September		30 September	
	2020	2019	2020	2019
<b>Current income tax:</b>				
Interim corporate income tax charge	13,076	20,593	23,279	52,172
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(1,667)	(339)	(9,488)	(6,864)
<b>Income tax expenses reported in profit or loss</b>	<u>11,409</u>	<u>20,254</u>	<u>13,791</u>	<u>45,308</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 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax on gain from change in value of available-for-sale investments	<u>-</u>	<u>(777)</u>	<u>-</u>	<u>(1,890)</u>

### 11. 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.

### 12. 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.

### 13. Dividend payment

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends (Thousand Baht)</u>	<u>Dividend per share (Baht)</u>
Final dividends for 2018	Annual General Meeting of the shareholders on 26 April 2019	110,081	0.14
Interim dividends on operating results for the year ended 31 December 2019	Board of Director's meeting on 7 April 2020	110,081	0.14

**14. Commitments and contingent liabilities****14.1 Capital commitments**

As at 30 September 2020 and 31 December 2019, the Company had capital commitments as follows.

	(Unit: Million Baht)	
	30 September 2020	31 December 2019
		(Audited)
Improvement, construction of buildings and building systems	66	317
Acquisition of tools and equipment	39	254
Acquisition of computer software	12	38
Total capital commitments	117	609

**14.2 Long-term service commitments**

As at 30 September 2020, the Company has entered into service agreements for maintenance of medical instruments and other services, with a total of approximately Baht 96 million to be paid between the years 2020 and 2023 (31 December 2019: Baht 38 million to be paid between the years 2020 and 2022).

**14.3 Guarantees**

As at 30 September 2020, there were outstanding bank guarantees of approximately Baht 4 million (31 December 2019: Baht 4 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.

**15. Fair value hierarchy**

As at 30 September 2020 and 31 December 2019, the Company had the assets that were measured at fair value using levels 2 as follow:

	(Unit: Thousand Baht)	
	30 September 2020	31 December 2019
<b>Assets measured at fair value</b>		
Investments in available-for-sale securities	230	799,062

**16. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of director on 12 November 2020.