

Praram 9 Hospital Public Company Limited
Review report and interim financial information
For the three-month period ended 31 March 2021

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 31 March 2021, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the three-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*.

Kosum Cha-em

Certified Public Accountant (Thailand) No. 6011

EY Office Limited

Bangkok: 13 May 2021

Praram 9 Hospital Public Company Limited**Statement of financial position****As at 31 March 2021**

(Unit: Thousand Baht)

	Note	31 March 2021 (Unaudited but reviewed)	31 December 2020 (Audited)
Assets			
Current assets			
Cash and cash equivalents		630,664	592,475
Trade and other receivables	3	129,074	158,885
Medicines and supplies		46,607	49,279
Other current financial assets	4	451,485	401,474
Other current assets		5,711	6,366
Total current assets		1,263,541	1,208,479
Non-current assets			
Restricted bank deposits		3,647	3,647
Property, plant and equipment	5	3,389,974	3,417,111
Right-of-use assets		19,304	20,744
Intangible assets	6	91,076	95,444
Advance for purchase of fixed assets and intangible assets		3,855	2,899
Deferred tax assets		48,266	47,410
Other non-current assets		1,089	1,280
Total non-current assets		3,557,211	3,588,535
Total assets		4,820,752	4,797,014

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

Praram 9 Hospital Public Company Limited**Statement of financial position (continued)****As at 31 March 2021**

			(Unit: Thousand Baht)
	Note	31 March 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	7	433,071	446,310
Current portion of lease liabilities		4,736	4,832
Income tax payable		23,455	21,215
Other current liabilities		19,779	24,162
Total current liabilities		481,041	496,519
Non-current liabilities			
Lease liabilities, net of current portion		1,930	3,001
Provision for long-term employee benefits	8	180,984	179,284
Other non-current liabilities		3,053	3,009
Total non-current liabilities		185,967	185,294
Total liabilities		667,008	681,813

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

Praram 9 Hospital Public Company Limited

Statement of financial position (continued)

As at 31 March 2021

	(Unit: Thousand Baht)	
	31 March 2021	31 December 2020
	(Unaudited but reviewed)	(Audited)
Shareholders' equity		
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	1,353,084	1,314,541
Total shareholders' equity	4,153,744	4,115,201
Total liabilities and shareholders' equity	4,820,752	4,797,014
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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 31 March 2021

		(Unit: Thousand Baht)	
	Note	2021	2020
Profit or loss:			
Revenues			
Revenues from hospital operations		668,659	658,922
Rental income		3,224	2,113
Other income		6,445	3,801
Total revenues		<u>678,328</u>	<u>664,836</u>
Expenses			
Cost of hospital operations		502,240	487,922
Selling expenses		11,075	12,102
Administrative expenses		120,981	125,603
Total expenses		<u>634,296</u>	<u>625,627</u>
Operating profit		<u>44,032</u>	<u>39,209</u>
Finance income		1,048	1,283
Finance cost		(125)	(132)
Profit before income tax expenses		<u>44,955</u>	<u>40,360</u>
Income tax expenses	9	<u>(6,412)</u>	<u>(3,017)</u>
Profit for the period		<u>38,543</u>	<u>37,343</u>
Other comprehensive income:			
Other comprehensive income for the period		<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>38,543</u>	<u>37,343</u>
			(Unit: Baht)
Basic earnings per share	10		
Profit attributable to equity holders of the Company		<u>0.05</u>	<u>0.05</u>
			(Unit: Thousand shares)
Weighted average number of ordinary shares		<u>786,300</u>	<u>786,300</u>

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 three-month period ended 31 March 2021

	(Unit: Thousand Baht)	
	2021	2020
Cash flows from operating activities		
Profit before tax	44,955	40,360
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	71,299	43,511
Expected credit losses	3,149	4,873
Gain on disposals of fixed assets	(6)	(2)
Loss on sales of debt instruments at fair value through profit or loss	-	3,192
Loss (gain) on fair value adjustments of equity and debt instruments at fair value through profit or loss	(16)	69
Increase in provision for short-term and long-term employee benefits	4,019	2,758
Dividend income	-	(7)
Finance income	(1,048)	(1,283)
Finance cost	125	132
Profit from operating activities before changes in operating assets and liabilities	122,477	93,603
Operating assets (increase) decrease		
Trade and other receivables	27,710	31,070
Medicines and supplies	2,672	(20,709)
Other current assets	655	631
Other non-current assets	191	945
Operating liabilities increase (decrease)		
Trade and other payables	(26,200)	13,244
Other current liabilities	(4,346)	(8,672)
Other non-current liabilities	44	133
Cash paid for long-term employee benefits	(2,319)	-
Cash flows from operating activities	120,884	110,245
Cash paid for income tax	(5,028)	(4,445)
Net cash flows from operating activities	115,856	105,800

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 three-month period ended 31 March 2021

	(Unit: Thousand Baht)	
	2021	2020
Cash flows from investing activities		
Purchase of debt instruments	(50,000)	-
Proceed from sales of equity and debt instruments	5	795,484
Acquisition of fixed assets	-	(154,196)
Cash paid for payable of fixed assets	(24,396)	(111,387)
Cash paid for advance for purchase of fixed assets and intangible assets	(1,499)	(6,594)
Acquisition of intangible assets	(551)	(5,188)
Cash paid for payable of intangible assets	-	(815)
Proceed from sales of fixed assets	6	2
Interest received	-	1,516
Dividend received	-	7
Net cash flows from (used in) investing activities	(76,435)	518,829
Cash flows from financing activities		
Payment of principal portion of lease liabilities	(1,195)	(725)
Dividend paid	(37)	(163)
Net cash flows used in financing activities	(1,232)	(888)
Net increase in cash and cash equivalents	38,189	623,741
Cash and cash equivalents at beginning of period	592,475	631,773
Cash and cash equivalents at end of period	630,664	1,255,514

Supplemental cash flows information:

Non-cash related transactions

Acquisition of fixed assets for which cash has not been paid	37,356	165,305
Acquisition of intangible assets for which cash has not been paid	-	72
Transfer advance for purchase of fixed assets and intangible assets		
to fixed assets and intangible assets	543	32,075
Reclassification of fixed assets to right-of-use assets	-	2,170

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 three-month period ended 31 March 2021

(Unit: Thousand Baht)

	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2020	786,300	1,934,360	80,000	1,235,568	4,036,228
Profit for the period	-	-	-	37,343	37,343
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	37,343	37,343
Balance as at 31 March 2020	786,300	1,934,360	80,000	1,272,911	4,073,571
Balance as at 1 January 2021	786,300	1,934,360	80,000	1,314,541	4,115,201
Profit for the period	-	-	-	38,543	38,543
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	38,543	38,543
Balance as at 31 March 2021	786,300	1,934,360	80,000	1,353,084	4,153,744

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 period ended 31 March 2021

1. General information

1.1 General information of the Company

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 Basis of the 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 period

During the period, the Company has adopted the 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 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 for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued amendments to Thai Financial Reporting Standard 16 Leases that provide temporary exemptions from the impact of interest rate benchmark reform for a lessee, provided that all specified conditions are to be met.

The management of the Company believes that the adoption of these amendments will not have any significant impact on the Company's financial statements.

1.4 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 2020.

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% (2020: rate of 10%)
Rental income	Contract price
Service income	Contract price
Purchase of goods	Market price
<u>Transactions with related individuals</u>	
Medical service income	Normal price
Medical service welfares and discounts	At the rate of 15% to 100% (2020: rate of 15% to 100%)
Consultancy fee	Contract price

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month periods ended 31 March

	2021	2020
<u>Transactions with related companies</u>		
Medical service income	3,786	59
Medical service discounts	-	-
Medical service income - net	3,786	59
Rental income	244	-
Service income	294	-
Purchase of goods	50	-
<u>Transactions with related individuals</u>		
Medical service income	2,915	1,926
Medical service welfares and discounts	(1,224)	(860)
Medical service income - net	1,691	1,066
Consultancy fee	150	150

As at 31 March 2021 and 31 December 2020, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	31 March 2021	31 December 2020
		(Audited)
<u>Trade and other receivables - related parties (Note 3)</u>		
Related individuals (director and shareholder)	642	284
Related companies (related by common directors)	2,551	4,059
Total trade and other receivables - related parties	3,193	4,343
<u>Other payable - related party (Note 7)</u>		
Related company (related by common directors)	27	59
Total other payable - related party	27	59
<u>Retention - related party</u>		
Related company (related by common directors)	203	203
Total retention - related party	203	203

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 31 March	
	2021	2020
Short-term employee benefits	15,670	16,242
Post-employment benefits	271	143
Total	15,941	16,385

3. Trade and other receivables

As at 31 March 2021 and 31 December 2020, the balances of the trade accounts receivable are aged of outstanding debts by due dates as below.

	(Unit: Thousand Baht)	
	31 March 2021	31 December 2020
		(Audited)
<u>Trade accounts receivable - related parties</u>		
Aged on the basis of due dates		
Past due up to 3 months	3,093	4,247
Total trade accounts receivable - related parties	3,093	4,247
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Past due		
Up to 3 months	111,335	146,507
3 - 6 months	15,400	9,997
6 - 12 months	11,832	15,076
Over 12 months	34,712	28,921
Total	173,279	200,501
Less: Allowance for expected credit losses	(52,964)	(49,945)
Total trade accounts receivable - unrelated parties, net	120,315	150,556
Total trade accounts receivable - net	123,408	154,803

(Unaudited but reviewed)

(Unit: Thousand Baht)

	31 March 2021	31 December 2020
		(Audited)
<u>Other receivables</u>		
Other receivables - unrelated parties	1,318	1,029
Interest receivables	1,078	30
Accrued income - related parties	100	96
Accrued income - unrelated parties	3,170	2,927
Total other receivables	5,666	4,082
Total trade and other receivables - net	129,074	158,885

4. Other current financial assets

(Unit: Thousand Baht)

	31 March 2021	31 December 2020
		(Audited)
<u>Debt instrument at amortised cost</u>		
Fixed deposits at banks	401,264	401,264
<u>Financial assets at FVTPL</u>		
Cost		
Listed equity investment	377	382
Investment in debt instruments (unit trust in open-end mutual funds)	50,000	-
Total - cost	50,377	382
Less: Unrealised loss on changes in value of investment	(156)	(172)
Fair value	50,221	210
Total other current financial assets	451,485	401,474

5. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2021 are summarised below.

(Unit: Thousand Baht)

	Amount
Net book value as at 1 January 2021 - audited	3,417,111
Acquisitions during the period - at cost	37,356
Transfer from advance for purchase of fixed assets	543
Depreciation for the period	(65,036)
Net book value as at 31 March 2021	3,389,974

6. Intangible assets

Movements of the intangible assets account during the three-month period ended 31 March 2021 are summarised below.

	(Unit: Thousand Baht)
	Amount
Net book value as at 1 January 2021 - audited	95,444
Acquisitions during the period - at cost	551
Amortisation for the period	(4,919)
Net book value as at 31 March 2021	91,076

7. Trade and other payables

	(Unit: Thousand Baht)	
	31 March 2021	31 December 2020
		(Audited)
Trade accounts payable - unrelated parties	102,129	109,099
Other payable - related party	27	59
Other payables - unrelated parties	121,802	129,158
Accounts payable - purchase of fixed assets and intangible assets, unrelated parties	82,608	69,648
Accrued physician's fee	98,576	95,373
Accrued expenses	27,929	42,973
Total trade and other payables	433,071	446,310

8. Provision for long-term employee benefits

Movements in the provision for long-term employee benefits during the three-month period ended 31 March 2021 are summarised below.

	(Unit: Thousand Baht)
	Amount
Balance as at 1 January 2021 - audited	179,284
Increase during the period	4,019
Utilised	(2,319)
Balance as at 31 March 2021	180,984

9. 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 periods ended 31 March 2021 and 2020 are made up as follows.

	(Unit: Thousand Baht)	
	2021	2020
Current income tax:		
Interim corporate income tax charge	7,268	9,480
Deferred tax:		
Relating to origination and reversal of temporary differences	(856)	(6,463)
Income tax expenses reported in profit or loss	6,412	3,017

10. 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.

11. 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.

12. Commitments and contingent liabilities**12.1 Capital commitments**

As at 31 March 2021 and 31 December 2020, the Company had capital commitments as follows.

	(Unit: Million Baht)	
	31 March	31 December
	2021	2020
		(Audited)
Improvement, construction of buildings and building systems	71	44
Acquisition of tools and equipment	17	21
Acquisition of computer software	18	18
Total capital commitments	106	83

12.2 Long-term service commitments

As at 31 March 2021, the Company has entered into service agreements for maintenance of medical instruments and other services, with a total of approximately Baht 77 million to be paid between the years 2021 and 2024 (31 December 2020: Baht 94 million to be paid between the years 2021 and 2024).

12.3 Guarantees

As at 31 March 2021, there were outstanding bank guarantees of approximately Baht 4 million (31 December 2020: 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.

13. Financial instrument**13.1 Fair value of financial instrument**

Most of the Company's financial instruments are classified as short-term or have interest rates that are close to market rate. Therefore, the carrying amounts of these financial instruments is estimated to approximate their fair value.

13.2 Fair value hierarchy

As at 31 March 2021, the Company had the assets that were measured at fair value using level 2 as follow:

(Unit: Thousand Baht)

31 March 2021

Assets measured at fair value

Financial assets measured at FVTPL

- Equity instrument	210
- Debt instrument	50,011

14. Event after the reporting period

On 23 April 2021, the 2021 Annual General Meeting of the Company's shareholders passed a resolution approving a dividend payment of Baht 0.11 per share from the net profit, or a total of Baht 86.49 million, to shareholders. The Company will pay such dividend on 20 May 2021.

15. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of director on 13 May 2021.