

Praram 9 Hospital Public Company Limited
Review report and interim financial information
For the three-month and six-month periods ended
30 June 2022

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 June 2022, the related statements of comprehensive income for the three-month and six-month periods then ended, and the related statements of changes in shareholders' equity and cash flows for the six-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*.

Manee Rattanabunnakit

Certified Public Accountant (Thailand) No. 5313

EY Office Limited

Bangkok: 11 August 2022

Praram 9 Hospital Public Company Limited**Statement of financial position****As at 30 June 2022**

(Unit: Thousand Baht)

	Note	30 June 2022 (Unaudited but reviewed)	31 December 2021 (Audited)
Assets			
Current assets			
Cash and cash equivalents		1,090,873	690,381
Trade and other receivables	3	208,837	212,297
Medicines and supplies		55,832	56,125
Other current financial assets	4	451,614	553,976
Other current assets		30,909	90,081
Total current assets		1,838,065	1,602,860
Non-current assets			
Restricted bank deposits		3,551	3,647
Property, plant and equipment		3,276,036	3,368,543
Right-of-use assets		20,303	18,211
Intangible assets		80,562	88,185
Deferred tax assets		53,927	50,702
Other non-current assets		4,489	4,794
Total non-current assets		3,438,868	3,534,082
Total assets		5,276,933	5,136,942

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 June 2022

	(Unit: Thousand Baht)	
	30 June 2022	31 December 2021
	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity		
Current liabilities		
Trade and other payables	542,418	597,043
Current portion of lease liabilities	4,304	3,807
Income tax payable	57,412	35,747
Other current liabilities	20,231	30,250
Total current liabilities	624,365	666,847
Non-current liabilities		
Lease liabilities, net of current portion	4,338	2,377
Provision for long-term employee benefits	195,623	186,901
Other non-current liabilities	2,991	2,939
Total non-current liabilities	202,952	192,217
Total liabilities	827,317	859,064

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 June 2022

	(Unit: Thousand Baht)	
	30 June 2022	31 December 2021
	(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-up		
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	1,648,956	1,477,218
Total shareholders' equity	4,449,616	4,277,878
Total liabilities and shareholders' equity	5,276,933	5,136,942

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 June 2022

	(Unit: Thousand Baht)	
	2022	2021
Profit or loss:		
Revenues		
Revenues from hospital operations	969,884	632,080
Rental income	3,632	3,368
Other income	6,526	6,768
Total revenues	980,042	642,216
Expenses		
Cost of hospital operations	663,769	499,956
Selling expenses	17,787	10,148
Administrative expenses	146,144	119,973
Total expenses	827,700	630,077
Operating profit	152,342	12,139
Finance income	1,375	1,035
Finance cost	(145)	(113)
Profit before income tax expenses	153,572	13,061
Income tax expenses	(28,805)	(1,279)
Profit for the period	124,767	11,782
Other comprehensive income:		
Other comprehensive income for the period	-	-
Total comprehensive income for the period	124,767	11,782

(Unit: Baht)

Basic earnings per share

Profit attributable to equity holders of the Company	0.16	0.01
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(Unit: Thousand shares)

Weighted average number of ordinary shares	786,300	786,300
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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 six-month period ended 30 June 2022

	(Unit: Thousand Baht)	
	2022	2021
Profit or loss:		
Revenues		
Revenues from hospital operations	1,940,140	1,300,739
Rental income	7,365	6,592
Other income	11,677	13,213
Total revenues	1,959,182	1,320,544
Expenses		
Cost of hospital operations	1,291,221	1,002,196
Selling expenses	33,524	21,223
Administrative expenses	289,087	240,954
Total expenses	1,613,832	1,264,373
Operating profit	345,350	56,171
Finance income	2,510	2,083
Finance cost	(235)	(238)
Profit before income tax expenses	347,625	58,016
Income tax expenses	(65,808)	(7,691)
Profit for the period	281,817	50,325
Other comprehensive income:		
Other comprehensive income for the period	-	-
Total comprehensive income for the period	281,817	50,325

(Unit: Baht)

Basic earnings per share

Profit attributable to equity holders of the Company	0.36	0.06
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(Unit: Thousand shares)

Weighted average number of ordinary shares	786,300	786,300
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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 six-month period ended 30 June 2022

	(Unit: Thousand Baht)	
	2022	2021
Cash flows from operating activities		
Profit before tax	347,625	58,016
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	149,352	143,648
Expected credit losses	12,173	4,992
Loss (gain) on disposals and write-off of fixed assets	884	(440)
Gain on fair value adjustments of equity and debt instruments at fair value through profit or loss	(44)	(109)
Provision for long-term employee benefits	8,722	8,167
Finance income	(2,510)	(2,083)
Finance cost	235	238
Profit from operating activities before changes in operating assets and liabilities	516,437	212,429
Operating assets (increase) decrease		
Trade and other receivables	(8,479)	21,751
Medicines and supplies	293	(692)
Other current assets	59,172	(1,053)
Other non-current assets	272	68
Operating liabilities increase (decrease)		
Trade and other payables	(25,013)	(9,069)
Other current liabilities	(10,844)	(3,181)
Other non-current liabilities	52	48
Cash paid for long-term employee benefits	-	(2,319)
Cash flows from operating activities	531,890	217,982
Cash paid for income tax	(47,368)	(30,394)
Net cash flows from operating activities	484,522	187,588

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 six-month period ended 30 June 2022

	(Unit: Thousand Baht)	
	2022	2021
Cash flows from investing activities		
Decrease in restricted bank deposits	96	-
Decrease (increase) in fixed deposits at banks	152,219	(51,139)
Acquisition of debt instruments	(150,057)	(100,000)
Proceed from sales of equity and debt instruments	100,244	7
Acquisition of fixed assets	(23,717)	(5,295)
Cash paid for payable of fixed assets	(50,887)	(69,648)
Cash paid for advance for purchase of fixed assets and intangible assets	(157)	(4,994)
Acquisition of intangible assets	(698)	(1,050)
Cash paid for payable of intangible assets	(1,488)	-
Proceed from sales of fixed assets	308	526
Interest received	2,276	2,060
Net cash flows from (used in) investing activities	28,139	(229,533)
Cash flows from financing activities		
Payment of lease liabilities	(2,915)	(2,391)
Dividend paid	(109,254)	(85,809)
Net cash flows used in financing activities	(112,169)	(88,200)
Net increase (decrease) in cash and cash equivalents	400,492	(130,145)
Cash and cash equivalents at beginning of period	690,381	592,475
Cash and cash equivalents at end of period	1,090,873	462,330
Supplemental cash flows information:		
Non-cash related transactions		
Acquisition of fixed assets for which cash has not been paid	22,762	62,296
Increase in right-of-use assets and lease liabilities from additional lease agreements	5,138	907
Acquisition of intangible assets for which cash has not been paid	-	250
Transfer advance for purchase of fixed assets to fixed assets	190	978
Reclassification of intangible assets to fixed assets	205	-
Dividend payable	15,767	15,307

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 six-month period ended 30 June 2022

(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 2021	786,300	1,934,360	80,000	1,314,541	4,115,201
Profit for the period	-	-	-	50,325	50,325
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	50,325	50,325
Dividend paid (Note 6)	-	-	-	(86,493)	(86,493)
Balance as at 30 June 2021	786,300	1,934,360	80,000	1,278,373	4,079,033
Balance as at 1 January 2022	786,300	1,934,360	80,000	1,477,218	4,277,878
Profit for the period	-	-	-	281,817	281,817
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	281,817	281,817
Dividend paid (Note 6)	-	-	-	(110,079)	(110,079)
Balance as at 30 June 2022	786,300	1,934,360	80,000	1,648,956	4,449,616

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 six-month periods ended 30 June 2022

1. General information

1.1 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.

1.2 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 2021.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2022, do not have any significant impact on the Company's financial statements.

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. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

Summaries significant business transactions with related parties are as follows.

	(Unit: Thousand Baht)			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Transactions with related companies</u>				
Medical service income	176	2,829	1,387	6,615
Rental income	244	213	457	457
Service income	330	268	654	562
Purchase of goods	87	38	184	88
<u>Transactions with related individuals</u>				
Medical service income	3,132	2,106	5,969	5,021
Medical service welfares and discounts	(1,492)	(953)	(2,983)	(2,177)
Medical service income - net	1,640	1,153	2,986	2,844
Consultancy fee	150	150	300	300

As at 30 June 2022 and 31 December 2021, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)	
	30 June 2022	31 December 2021
<u>Trade and other receivables - related parties (Note 3)</u>		
Related individuals (director and shareholder)	583	758
Related companies (related by common directors)	199	792
Total trade and other receivables - related parties	<u>782</u>	<u>1,550</u>
<u>Other payable - related party</u>		
Related company (related by common directors)	53	318
Total other payable - related party	<u>53</u>	<u>318</u>
<u>Retention - related party</u>		
Related company (related by common directors)	203	203
Total retention - related party	<u>203</u>	<u>203</u>

Directors and management's benefits

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

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	16,123	13,960	29,807	29,630
Post-employment benefits	<u>277</u>	<u>272</u>	<u>555</u>	<u>543</u>
Total	<u>16,400</u>	<u>14,232</u>	<u>30,362</u>	<u>30,173</u>

3. Trade and other receivables

As at 30 June 2022 and 31 December 2021, the balances of the trade accounts receivable are aged of outstanding debts by due dates as below.

	(Unit: Thousand Baht)	
	30 June 2022	31 December 2021
<u>Trade accounts receivable - related parties</u>		
Aged on the basis of due dates		
Past due		
Up to 3 months	546	1,404
3 - 6 months	103	3
6 - 12 months	-	26
Over 12 months	<u>27</u>	<u>-</u>
Total trade accounts receivable - related parties	<u>676</u>	<u>1,433</u>
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Past due		
Up to 3 months	165,731	179,758
3 - 6 months	37,451	26,888
6 - 12 months	23,254	18,578
Over 12 months	<u>48,455</u>	<u>40,941</u>
Total	<u>274,891</u>	<u>266,165</u>
Less: Allowance for expected credit losses	<u>(71,492)</u>	<u>(60,749)</u>
Total trade accounts receivable - unrelated parties, net	<u>203,399</u>	<u>205,416</u>
Total trade accounts receivable - net	<u>204,075</u>	<u>206,849</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	30 June 2022	31 December 2021
<u>Other receivables</u>		
Other receivables - unrelated parties	1,931	1,878
Interest receivables	341	106
Accrued income - related party	106	117
Accrued income - unrelated parties	2,384	3,347
Total other receivables	4,762	5,448
Total trade and other receivables - net	208,837	212,297

4. Other current financial assets

(Unit: Thousand Baht)

	30 June 2022	31 December 2021
<u>Debt instruments at amortised cost</u>		
Fixed deposits at banks	301,266	453,485
Corporate bond	100,000	-
Total debt instruments at amortised cost	401,266	453,485
<u>Financial assets at FVTPL</u>		
Cost		
Listed equity investment	369	376
Investment in debt instruments (unit trust in open-end mutual funds)	50,141	100,000
Total – cost	50,510	100,376
Unrealised gain (loss) on changes in value of investment	(162)	115
Fair value	50,348	100,491
Total other current financial assets	451,614	553,976

Equity and debt instruments were measured at fair value with hierarchy level 1 and 2, respectively. During the current period, there were no changes in the methods and the assumptions used to estimate the fair value of financial instruments, and there were no transfers between the levels of the fair value hierarchy.

5. 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.

6. Dividend payment

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2020	Annual General Meeting of the shareholders on 23 April 2021	86,493	0.11
Final dividends for 2021	Annual General Meeting of the shareholders on 22 April 2022	110,079	0.14

7. Commitments and contingent liabilities**7.1 Capital commitments**

As at 30 June 2022 and 31 December 2021, the Company had capital commitments as follows.

	(Unit: Million Baht)	
	30 June 2022	31 December 2021
Improvement, construction of buildings and building systems	52	33
Acquisition of tools and equipment	9	9
Acquisition of computer software	21	13
Total capital commitments	82	55

7.2 Long-term service commitments

As at 30 June 2022, the Company has entered into service agreements for maintenance of medical instruments and other services, with a total of approximately Baht 105 million to be paid between the years 2022 and 2026 (31 December 2021: Baht 133 million to be paid between the years 2022 and 2024).

7.3 Guarantees

As at 30 June 2022, there were outstanding bank guarantees of approximately Baht 4 million (31 December 2021: 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.

8. 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.

9. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 11 August 2022.