

Praram 9 Hospital Public Company Limited
Review report and interim financial information
For the three-month period ended 31 March 2023

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 2023, 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*.

Manee Rattanabunnakit

Certified Public Accountant (Thailand) No. 5313

EY Office Limited

Bangkok: 15 May 2023

Praram 9 Hospital Public Company Limited**Statement of financial position****As at 31 March 2023**

			(Unit: Thousand Baht)
	Note	31 March 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)
Assets			
Current assets			
Cash and cash equivalents		1,205,602	1,565,059
Trade and other receivables	3	208,367	242,928
Medicines and supplies		45,286	51,371
Other current financial assets	4	551,457	152,025
Other current assets		14,555	12,043
Total current assets		2,025,267	2,023,426
Non-current assets			
Restricted bank deposits		4,126	4,126
Other non-current financial assets	4	250,000	150,000
Property, plant and equipment		3,163,613	3,218,149
Right-of-use assets		20,916	18,955
Intangible assets		76,002	78,271
Deferred tax assets		61,557	60,115
Other non-current assets		18,445	4,762
Total non-current assets		3,594,659	3,534,378
Total assets		5,619,926	5,557,804

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 2023

	(Unit: Thousand Baht)	
	31 March 2023	31 December 2022
	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity		
Current liabilities		
Trade and other payables	439,921	499,326
Current portion of lease liabilities	5,109	3,903
Income tax payable	79,896	60,378
Other current liabilities	32,175	45,901
Total current liabilities	557,101	609,508
Non-current liabilities		
Lease liabilities, net of current portion	5,166	3,787
Provision for long-term employee benefits	210,830	206,322
Other non-current liabilities	2,602	2,778
Total non-current liabilities	218,598	212,887
Total liabilities	775,699	822,395

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 2023

	(Unit: Thousand Baht)	
	31 March 2023	31 December 2022
	(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	2,043,567	1,934,749
Total shareholders' equity	4,844,227	4,735,409
Total liabilities and shareholders' equity	5,619,926	5,557,804

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

Directors

(Unaudited but reviewed)

Praram 9 Hospital Public Company Limited

Statement of comprehensive income

For the three-month period ended 31 March 2023

(Unit: Thousand Baht)

	2023	2022
Profit or loss:		
Revenues		
Revenues from hospital operations	956,729	970,256
Rental income	3,424	3,733
Other income	7,764	5,151
Total revenues	967,917	979,140
Expenses		
Cost of hospital operations	656,544	627,452
Selling expenses	23,274	15,737
Administrative expenses	159,066	142,943
Total expenses	838,884	786,132
Operating profit	129,033	193,008
Finance income	4,886	1,135
Finance cost	(156)	(90)
Profit before income tax expenses	133,763	194,053
Income tax expenses	(24,945)	(37,003)
Profit for the period	108,818	157,050
Other comprehensive income:		
Other comprehensive income for the period	-	-
Total comprehensive income for the period	108,818	157,050

(Unit: Baht)

Basic earnings per share

Profit attributable to equity holders of the Company	0.14	0.20
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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 three-month period ended 31 March 2023

(Unit: Thousand Baht)

	2023	2022
Cash flows from operating activities		
Profit before tax	133,763	194,053
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	73,028	73,991
Expected credit losses	4,450	6,218
Loss on disposals and write-off of fixed assets	6,557	819
Gain on fair value adjustments of equity and debt instruments at fair value through profit or loss	(439)	(66)
Provision for long-term employee benefits	4,508	4,337
Finance income	(4,886)	(1,135)
Finance cost	156	90
Profit from operating activities before changes in operating assets and liabilities	217,137	278,307
Operating assets (increase) decrease		
Trade and other receivables	30,291	(32,808)
Medicines and supplies	6,085	(7,027)
Other current assets	(2,512)	47,811
Other non-current assets	-	272
Operating liabilities increase (decrease)		
Trade and other payables	(39,829)	(31,356)
Other current liabilities	(13,713)	(10,987)
Other non-current liabilities	(176)	(36)
Cash flows from operating activities	197,283	244,176
Cash paid for income tax	(6,869)	(6,078)
Net cash flows from operating activities	190,414	238,098

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 2023

	(Unit: Thousand Baht)	
	2023	2022
Cash flows from investing activities		
Decrease in restricted bank deposits	-	96
Increase in fixed deposits at banks	(299,000)	(219)
Acquisition of debt instruments	(301,000)	-
Proceed from sales of equity and debt instruments	101,007	4
Cash paid for payable of fixed assets	(38,792)	(44,909)
Cash paid for advance for purchase of fixed assets and intangible assets	(15,799)	-
Acquisition of intangible assets	-	(396)
Cash paid for payable of intangible assets	-	(1,488)
Proceed from sales of fixed assets	147	306
Interest received	4,706	125
Net cash flows used in investing activities	(548,731)	(46,481)
Cash flows from financing activities		
Payment of lease liabilities	(1,127)	(1,477)
Dividend paid	(13)	-
Net cash flows used in financing activities	(1,140)	(1,477)
Net increase (decrease) in cash and cash equivalents	(359,457)	190,140
Cash and cash equivalents at beginning of period	1,565,059	690,381
Cash and cash equivalents at end of period	1,205,602	880,521

Supplemental cash flows information:

Non-cash items consist of:

Acquisition of fixed assets for which cash has not been paid	18,342	21,443
Increase in right-of-use assets and lease liabilities from additional lease agreements	3,556	5,138
Acquisition of intangible assets for which cash has not been paid	874	250
Transfer advance for purchase of fixed assets and intangible assets to fixed assets and intangible assets	2,116	190
Dividend payable	15,268	14,942

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 2023

(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 2022	786,300	1,934,360	80,000	1,477,218	4,277,878
Profit for the period	-	-	-	157,050	157,050
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	157,050	157,050
Balance as at 31 March 2022	786,300	1,934,360	80,000	1,634,268	4,434,928
Balance as at 1 January 2023	786,300	1,934,360	80,000	1,934,749	4,735,409
Profit for the period	-	-	-	108,818	108,818
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	108,818	108,818
Balance as at 31 March 2023	786,300	1,934,360	80,000	2,043,567	4,844,227

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 2023

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 2022.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023, 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 periods ended 31 March	
	2023	2022
<u>Transactions with related companies</u>		
Medical service income	96	1,211
Medical service discounts	-	-
Medical service income - net	96	1,211
Rental income	244	213
Service income	394	324
Purchase of goods	72	97
<u>Transactions with related individuals</u>		
Medical service income	1,999	2,837
Medical service welfares and discounts	(1,099)	(1,491)
Medical service income - net	900	1,346
Consultancy fee	150	150

As at 31 March 2023 and 31 December 2022, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)	
	31 March	31 December
	2023	2022
<u>Trade and other receivables - related parties (Note 3)</u>		
Related individuals (directors and shareholders)	461	440
Related companies (related by common directors)	208	614
Total trade and other receivables - related parties	669	1,054
<u>Advance for purchase of fixed assets - related party</u>		
Related individual (shareholder)	15,000	-
Total advance for purchase of fixed assets - related party	15,000	-
<u>Other payable - related party</u>		
Related company (related by common directors)	50	116
Total other payable - related party	50	116
<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 its directors and management as below.

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	2023	2022
Short-term employee benefits	17,060	13,684
Post-employment benefits	221	278
Total	17,281	13,962

3. Trade and other receivables

As at 31 March 2023 and 31 December 2022, the balances of the trade accounts receivable are aged of outstanding debts by due dates as below.

	(Unit: Thousand Baht)	
	31 March 2023	31 December 2022
<u>Trade accounts receivable - related parties</u>		
Aged on the basis of due dates		
Past due		
Up to 3 months	482	849
3 - 6 months	12	9
6 - 12 months	-	62
Over 12 months	54	-
Total trade accounts receivable - related parties	548	920
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Past due		
Up to 3 months	154,738	206,928
3 - 6 months	36,523	18,598
6 - 12 months	21,644	29,634
Over 12 months	73,197	61,354
Total	286,102	316,514
Less: Allowance for expected credit losses	(89,313)	(85,051)
Total trade accounts receivable - unrelated parties, net	196,789	231,463
Total trade accounts receivable - net	197,337	232,383

(Unaudited but reviewed)

(Unit: Thousand Baht)

	31 March 2023	31 December 2022
<u>Other receivables</u>		
Other receivables - unrelated parties	4,651	4,453
Interest receivables	2,893	2,713
Accrued income - related party	121	134
Accrued income - unrelated parties	3,365	3,245
Total other receivables	11,030	10,545
Total trade and other receivables - net	208,367	242,928

4. Other financial assets

(Unit: Thousand Baht)

	31 March 2023	31 December 2022
<u>Debt instruments at amortised cost</u>		
Fixed deposits at banks	400,437	101,437
Corporate bond	250,000	150,000
Total debt instruments at amortised cost	650,437	251,437
<u>Financial assets at FVTPL</u>		
Cost		
Listed equity investment	353	360
Investment in debt instruments (unit trust in open-end mutual funds)	150,141	50,141
Total - cost	150,494	50,501
Unrealised gain on changes in value of investment	526	87
Fair value	151,020	50,588
Total other financial assets	801,457	302,025
Current	551,457	152,025
Non-current	250,000	150,000
	801,457	302,025

Equity and debt instruments were measured at fair value with hierarchy level 2. 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. Commitments and contingent liabilities

6.1 Capital commitments

As at 31 March 2023 and 31 December 2022, the Company had capital commitments as follows.

	(Unit: Million Baht)	
	31 March 2023	31 December 2022
Improvement, construction of buildings and building systems	86	62
Acquisition of tools and equipment	19	36
Acquisition of computer software	12	18
Acquisition of land	85	-
Total capital commitments	202	116

6.2 Long-term service commitments

As at 31 March 2023, the Company has entered into service agreements for maintenance of medical instruments and other services, with a total of approximately Baht 98 million (31 December 2022: Baht 91 million) to be paid between the years 2023 and 2026.

6.3 Guarantees

As at 31 March 2023, there were outstanding bank guarantees of approximately Baht 4 million (31 December 2022: 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.

7. 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.

8. Events after the reporting period

- a) On 21 April 2023, the 2023 Annual General Meeting of the Company's shareholders passed a resolution approving a dividend payment of Baht 0.29 per share from the Company's net profit, or a total of Baht 228.03 million, to shareholders. The dividend payment is scheduled for 19 May 2023.
- b) On 24 April 2023, the Company paid the remaining purchase of land amounting to Baht 85 million and received the land ownership from a related person for the construction of a new nursing dormitory.

9. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 15 May 2023.