

Praram 9 Hospital Public Company Limited
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 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 30 September 2023, 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*.

Manee Rattanabunnakit

Certified Public Accountant (Thailand) No. 5313

EY Office Limited

Bangkok: 9 November 2023

Praram 9 Hospital Public Company Limited**Statement of financial position****As at 30 September 2023**

			(Unit: Thousand Baht)	
	Note	30 September 2023	31 December 2022	
		(Unaudited but reviewed)	(Audited)	
Assets				
Current assets				
Cash and cash equivalents		1,583,508	1,565,059	
Trade and other receivables	3	229,735	242,928	
Medicines and supplies		46,557	51,371	
Other current financial assets	4	202,747	152,025	
Other current assets		11,958	12,043	
Total current assets		2,074,505	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		3,246,826	3,218,149	
Right-of-use assets		20,737	18,955	
Intangible assets		73,061	78,271	
Deferred tax assets		63,698	60,115	
Other non-current assets		6,039	4,762	
Total non-current assets		3,664,487	3,534,378	
Total assets		5,738,992	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 30 September 2023**

	(Unit: Thousand Baht)	
	30 September 2023	31 December 2022
	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity		
Current liabilities		
Trade and other payables	570,735	499,326
Current portion of lease liabilities	5,937	3,903
Income tax payable	27,401	60,378
Other current liabilities	30,470	45,901
Total current liabilities	634,543	609,508
Non-current liabilities		
Lease liabilities, net of current portion	4,384	3,787
Provision for long-term employee benefits	220,133	206,322
Other non-current liabilities	2,668	2,778
Total non-current liabilities	227,185	212,887
Total liabilities	861,728	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 30 September 2023

	(Unit: Thousand Baht)	
	30 September 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	2,076,604	1,934,749
Total shareholders' equity	4,877,264	4,735,409
Total liabilities and shareholders' equity	5,738,992	5,557,804

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 2023

	(Unit: Thousand Baht)	
	2023	2022
Profit or loss:		
Revenues		
Revenues from hospital operations	1,065,775	1,063,871
Rental income	3,619	3,797
Other income	8,800	7,266
Total revenues	1,078,194	1,074,934
Expenses		
Cost of hospital operations	714,393	701,999
Selling expenses	38,848	33,073
Administrative expenses	158,784	161,547
Total expenses	912,025	896,619
Operating profit	166,169	178,315
Finance income	6,978	2,342
Finance cost	(180)	(129)
Profit before income tax expenses	172,967	180,528
Income tax expenses	(32,920)	(33,484)
Profit for the period	140,047	147,044
Other comprehensive income:		
Other comprehensive income for the period	-	-
Total comprehensive income for the period	140,047	147,044

(Unit: Baht)

Basic earnings per share

Profit attributable to equity holders of the Company	0.18	0.19
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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 nine-month period ended 30 September 2023

	(Unit: Thousand Baht)	
	2023	2022
Profit or loss:		
Revenues		
Revenues from hospital operations	3,027,301	3,004,011
Rental income	10,572	11,162
Other income	23,844	18,943
Total revenues	3,061,717	3,034,116
Expenses		
Cost of hospital operations	2,059,331	1,993,220
Selling expenses	89,667	66,597
Administrative expenses	475,023	450,634
Total expenses	2,624,021	2,510,451
Operating profit	437,696	523,665
Finance income	18,460	4,852
Finance cost	(480)	(364)
Profit before income tax expenses	455,676	528,153
Income tax expenses	(85,853)	(99,292)
Profit for the period	369,823	428,861
Other comprehensive income:		
Other comprehensive income for the period	-	-
Total comprehensive income for the period	369,823	428,861

(Unit: Baht)

Basic earnings per share

Profit attributable to equity holders of the Company	0.47	0.55
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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 nine-month period ended 30 September 2023

	(Unit: Thousand Baht)	
	2023	2022
Cash flows from operating activities		
Profit before tax	455,676	528,153
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	223,753	225,340
Expected credit losses	7,899	16,635
Loss on disposals and write-off of fixed assets	7,654	4,191
Gain on fair value adjustments of equity and debt instruments at fair value through profit or loss	(1,739)	(134)
Provision for long-term employee benefits	13,811	15,408
Finance income	(18,460)	(4,852)
Differences from reduction in lease payments	(246)	-
Finance cost	480	364
Profit from operating activities before changes in operating assets and liabilities	688,828	785,105
Operating assets (increase) decrease		
Trade and other receivables	7,346	(19,285)
Medicines and supplies	4,814	4,373
Other current assets	85	78,763
Other non-current assets	(10)	314
Operating liabilities increase (decrease)		
Trade and other payables	55,649	(45,909)
Other current liabilities	(16,684)	(8,920)
Other non-current liabilities	(110)	(166)
Cash paid for long-term employee benefits	-	(1,174)
Cash flows from operating activities	739,918	793,101
Cash paid for income tax	(122,413)	(110,711)
Net cash flows from operating activities	617,505	682,390

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 2023

	(Unit: Thousand Baht)	
	2023	2022
Cash flows from investing activities		
Increase in restricted bank deposits	-	(619)
Decrease in fixed deposits at banks	100,997	102,190
Acquisition of debt instruments	(350,998)	(300,057)
Proceed from sales of equity and debt instruments	101,018	100,248
Acquisition of fixed assets	(169,901)	(52,620)
Cash paid for payable of fixed assets	(38,956)	(50,887)
Cash paid for advance for purchase of fixed assets and intangible assets	(21,198)	(332)
Acquisition of intangible assets	(6,094)	(783)
Cash paid for payable of intangible assets	-	(1,488)
Proceed from sales of fixed assets	739	1,954
Interest received	16,408	2,529
Net cash flows used in investing activities	(367,985)	(199,865)
Cash flows from financing activities		
Payment of lease liabilities	(4,356)	(4,327)
Dividend paid	(226,715)	(109,581)
Net cash flows used in financing activities	(231,071)	(113,908)
Net increase in cash and cash equivalents	18,449	368,617
Cash and cash equivalents at beginning of period	1,565,059	690,381
Cash and cash equivalents at end of period	1,583,508	1,058,998
Supplemental cash flows information:		
Non-cash related transactions		
Acquisition of fixed assets for which cash has not been paid	54,716	35,015
Increase in right-of-use assets and lease liabilities from additional lease agreements	6,753	5,442
Transfer advance for purchase of fixed assets and intangible assets to fixed assets and intangible assets	19,931	445
Reclassification of intangible assets to fixed assets	-	205
Dividend payable	16,534	15,440

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 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	-	-	-	428,861	428,861
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	428,861	428,861
Dividend paid (Note 6)	-	-	-	(110,079)	(110,079)
Balance as at 30 September 2022	786,300	1,934,360	80,000	1,796,000	4,596,660
Balance as at 1 January 2023	786,300	1,934,360	80,000	1,934,749	4,735,409
Profit for the period	-	-	-	369,823	369,823
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	369,823	369,823
Dividend paid (Note 6)	-	-	-	(227,968)	(227,968)
Balance as at 30 September 2023	786,300	1,934,360	80,000	2,076,604	4,877,264

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 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.

1.3 New financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. 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.

The management of the Company believes that adoption of these amendments will 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 30 September		For the nine-month periods ended 30 September	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Transactions with related companies</u>				
Medical service income	154	144	378	1,531
Medical service discounts	-	(2)	(3)	(2)
Medical service income - net	154	142	375	1,529
Rental income	284	183	761	640
Service income	399	380	1,171	1,034
Purchase of goods	122	98	265	282
<u>Transactions with related individuals</u>				
Medical service income	2,129	4,044	6,262	10,013
Medical service welfares and discounts	(1,237)	(1,902)	(3,384)	(4,885)
Medical service income - net	892	2,142	2,878	5,128
Consultancy fee	90	150	350	450
Purchase of land	-	-	100,000	-

As at 30 September 2023 and 31 December 2022, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)	
	30 September 2023	31 December 2022
<u>Trade and other receivables - related parties</u> (Note 3)		
Related individuals (director and shareholder)	387	440
Related companies (related by common directors)	269	614
Total trade and other receivables - related parties	656	1,054
<u>Other payable - related party</u>		
Related company (related by common directors)	86	116
Total other payable - related party	86	116
<u>Retention - related party</u>		
Related company (related by common directors)	203	203
Total retention - related party	203	203
<u>Directors and management's benefits</u>		

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 September		For the nine-month periods ended 30 September	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	15,485	17,006	48,992	46,813
Post-employment benefits	220	278	662	833
Total	15,705	17,284	49,654	47,646

3. Trade and other receivables

	(Unit: Thousand Baht)	
	30 September	31 December
	2023	2022
<u>Trade accounts receivable - related parties</u>		
Aged on the basis of due dates		
Past due		
Up to 3 months	480	849
3 - 6 months	1	9
6 - 12 months	-	62
Over 12 months	40	-
Total trade accounts receivable - related parties	521	920
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Past due		
Up to 3 months	190,361	206,928
3 - 6 months	22,033	18,598
6 - 12 months	20,678	29,634
Over 12 months	72,831	61,354
Total	305,903	316,514
Less: Allowance for expected credit losses	(92,437)	(85,051)
Total trade accounts receivable - unrelated parties, net	213,466	231,463
Total trade accounts receivable - net	213,987	232,383
<u>Other receivables</u>		
Other receivables - unrelated parties	7,265	4,453
Interest receivables	4,765	2,713
Accrued income - related party	135	134
Accrued income - unrelated parties	3,583	3,245
Total other receivables	15,748	10,545
Total trade and other receivables - net	229,735	242,928

4. Other financial assets

	(Unit: Thousand Baht)	
	30 September 2023	31 December 2022
<u>Debt instruments at amortised cost</u>		
Fixed deposits at banks	440	101,437
Corporate bond	300,000	150,000
Total debt instruments at amortised cost	300,440	251,437
<u>Financial assets at FVTPL</u>		
Cost		
Listed equity investment	340	360
Investment in debt instruments (unit trust in open-end mutual funds)	150,141	50,141
Total - cost	150,481	50,501
Unrealised gain on changes in value of investment	1,826	87
Fair value	152,307	50,588
Total other financial assets	452,747	302,025
Current	202,747	152,025
Non-current	250,000	150,000
	452,747	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. Dividend payment

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2021	Annual General Meeting of the shareholders on 22 April 2022	110,079	0.14
Final dividends for 2022	Annual General Meeting of the shareholders on 21 April 2023	227,968	0.29

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

As at 30 September 2023 and 31 December 2022, the Company had capital commitments as follows.

	(Unit: Million Baht)	
	30 September 2023	31 December 2022
Improvement, construction of buildings and building systems	53	62
Acquisition of tools and equipment	45	36
Acquisition of computer software	20	18
Total capital commitments	118	116

7.2 Long-term service commitments

As at 30 September 2023, the Company has entered into service agreements for maintenance of medical instruments and other services, with a total of approximately Baht 139 million (31 December 2022: Baht 91 million) to be paid between the years 2023 and 2026.

7.3 Guarantees

As at 30 September 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.

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 9 November 2023.