

Thai Nakin Hospital Public Company Limited  
Review report and interim financial statements  
For the three-month periods ended 31 October 2019

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

To the Shareholders of Thai Nakarin Hospital Public Company Limited

I have reviewed the accompanying statement of financial position of Thai Nakarin Hospital Public Company Limited as at 31 October 2019, 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 financial statements. 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.

Satida Ratananurak

Certified Public Accountant (Thailand) No. 4753

EY Office Limited

Bangkok: 12 December 2019

**Thai Nakarin Hospital Public Company Limited****Statement of financial position****As at 31 October 2019**

(Unit: Thousand Baht)

|  | Note | 31 October<br>2019          | 31 July<br>2019  |
|--|------|-----------------------------|------------------|
|  |      | (Unaudited<br>but reviewed) | (Audited)        |
| <b>Assets</b>                                |      |                             |                  |
| <b>Current assets</b>                        |      |                             |                  |
| Cash and cash equivalents                    | 3    | 495,408                     | 267,719          |
| Current investments                          | 4    | 322,962                     | 421,942          |
| Trade and other receivables                  | 2, 5 | 149,324                     | 147,934          |
| Inventories                                  |      | 31,680                      | 27,827           |
| Other current assets                         |      | 1,247                       | 3,053            |
| <b>Total current assets</b>                  |      | <b>1,000,621</b>            | <b>868,475</b>   |
| <b>Non-current assets</b>                    |      |                             |                  |
| Long-term deposits at financial institutions | 6    | 100,000                     | 100,000          |
| Property, plant and equipment                | 7    | 479,497                     | 484,918          |
| Intangible assets                            | 8    | 3,070                       | 3,185            |
| Leasehold rights                             | 9    | 646,237                     | 651,845          |
| Deferred tax assets                          |      | 18,624                      | 18,450           |
| Other non-current assets                     |      | 59                          | 118              |
| <b>Total non-current assets</b>              |      | <b>1,247,487</b>            | <b>1,258,516</b> |
| <b>Total assets</b>                          |      | <b>2,248,108</b>            | <b>2,126,991</b> |

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

**Thai Nakarin Hospital Public Company Limited**  
**Statement of financial position (continued)**  
**As at 31 October 2019**

(Unit: Thousand Baht)

|   | Note | 31 October<br>2019          | 31 July<br>2019  |
|---|------|-----------------------------|------------------|
|   |      | (Unaudited<br>but reviewed) | (Audited)        |
| <b>Liabilities and shareholders' equity</b>       |      |                             |                  |
| <b>Current liabilities</b>                        |      |                             |                  |
| Trade and other payables                          | 10   | 150,863                     | 155,636          |
| Doctor fee payable                                | 2    | 81,614                      | 81,660           |
| Income tax payable                                |      | 48,613                      | 29,021           |
| Other current liabilities                         |      | 1,138                       | 1,083            |
| <b>Total current liabilities</b>                  |      | <b>282,228</b>              | <b>267,400</b>   |
| <b>Non-current liabilities</b>                    |      |                             |                  |
| Provision for long-term employee benefits         |      | 83,504                      | 81,177           |
| Other non-current liabilities                     |      | 969                         | 523              |
| <b>Total non-current liabilities</b>              |      | <b>84,473</b>               | <b>81,700</b>    |
| <b>Total liabilities</b>                          |      | <b>366,701</b>              | <b>349,100</b>   |
| <b>Shareholders' equity</b>                       |      |                             |                  |
| Share capital                                     |      |                             |                  |
| Registered  |      |                             |                  |
| 180,000,000 ordinary shares of Baht 1 each        |      | 180,000                     | 180,000          |
| Issued and fully paid-up                          |      |                             |                  |
| 180,000,000 ordinary shares of Baht 1 each        |      | 180,000                     | 180,000          |
| Share premium                                     |      | 20,538                      | 20,538           |
| Retained earnings                                 |      |                             |                  |
| Appropriated - statutory reserve                  |      | 18,000                      | 18,000           |
| Unappropriated                                    |      | 1,662,869                   | 1,559,353        |
| <b>Total shareholders' equity</b>                 |      | <b>1,881,407</b>            | <b>1,777,891</b> |
| <b>Total liabilities and shareholders' equity</b> |      | <b>2,248,108</b>            | <b>2,126,991</b> |

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

Directors

(Unaudited but reviewed)

**Thai Nakin Hospital Public Company Limited**

**Statement of comprehensive income**

**For the three-month period ended 31 October 2019**

(Unit: Thousand Baht except earnings per share expressed in Baht)

|  | 31 October            | 31 October            |
|--|-----------------------|-----------------------|
| Note   | 2019                  | 2018                  |
| <b>Profit and loss:</b>                                      |                       |                       |
| <b>Revenues</b>  |                       |                       |
| Revenues from hospital operations                            | 576,380               | 555,452               |
| Other income   | 7,859                 | 8,707                 |
| <b>Total revenues</b>  | <u>584,239</u>        | <u>564,159</u>        |
| <b>Expenses</b>  |                       |                       |
| Cost of hospital operations                                  | 412,489               | 390,635               |
| Administrative expenses                                      | 43,288                | 47,387                |
| <b>Total expenses</b>  | <u>455,777</u>        | <u>438,022</u>        |
| <b>Profit before income tax expenses</b>                     | 128,462               | 126,137               |
| Income tax expenses  | 11 <u>(24,946)</u>    | <u>(24,195)</u>       |
| <b>Profit for the period</b>                                 | <u>103,516</u>        | <u>101,942</u>        |
| <b>Other comprehensive income:</b>                           |                       |                       |
| <b>Other comprehensive income for the period</b>             | <u>-</u>              | <u>-</u>              |
| <b>Total comprehensive income for the period</b>             | <u><u>103,516</u></u> | <u><u>101,942</u></u> |
| <b>Basic earnings per share</b>                              |                       |                       |
| Profit (Baht)  | <u>0.58</u>           | <u>0.57</u>           |
| Weighted average number of ordinary shares (Thousand shares) | <u>180,000</u>        | <u>180,000</u>        |

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

(Unaudited but reviewed)

**Thai Nakaran Hospital Public Company Limited**

**Statement of cash flows**

**For the three-month period ended 31 October 2019**

(Unit: Thousand Baht)

|  | 31 October<br>2019 | 31 October<br>2018 |
|--|--------------------|--------------------|
| <b>Cash flows from operating activities</b>  |                    |                    |
| Profit before tax  | 128,462            | 126,137            |
| Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities: |                    |                    |
| Depreciation and amortisation expenses   | 21,963             | 20,033             |
| Allowance for doubtful accounts  | 474                | 1,015              |
| Long-term employee benefit expenses  | 3,112              | 2,735              |
| Gain on disposals of equipment   | (125)              | (700)              |
| Gain on sales and changes in value of investment in trading securities                               | (1,020)            | (705)              |
| Interest income  | (2,185)            | (4,074)            |
| Profit from operating activities before changes in operating assets and liabilities                  | 150,681            | 144,441            |
| Decrease (increase) in operating assets  |                    |                    |
| Trade and other receivables  | (2,121)            | (10,259)           |
| Inventories  | (3,853)            | (1,543)            |
| Other current assets   | 1,806              | 1,814              |
| Other non-current assets   | 59                 | 89                 |
| Increase (decrease) in operating liabilities   |                    |                    |
| Trade and other payables   | 5,643              | 8,700              |
| Doctor fee payable   | (46)               | 5,533              |
| Other current liabilities  | 55                 | 228                |
| Provision for long-term employee benefits  | (785)              | (824)              |
| Other non current liabilities  | 446                | -                  |
| Cash from operating activities   | 151,885            | 148,179            |
| Cash paid for income tax   | (5,528)            | (5,314)            |
| <b>Net cash from operating activities</b>  | <b>146,357</b>     | <b>142,865</b>     |

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

(Unaudited but reviewed)

**Thai Namarin Hospital Public Company Limited**

**Statement of cash flows (continued)**

**For the three-month period ended 31 October 2019**

(Unit: Thousand Baht)

|   | 31 October<br>2019    | 31 October<br>2018    |
|---|-----------------------|-----------------------|
| <b>Cash flows from investing activities</b>                   |                       |                       |
| Interest received   | 2,442                 | 5,040                 |
| Net decrease in current investments and equipment             | 100,000               | 400,000               |
| Cash paid for purchases of building improvement and equipment | (21,653)              | (14,435)              |
| Cash paid for purchases of intangible assets                  | (153)                 | (178)                 |
| Proceeds from disposals of equipment                          | 696                   | 700                   |
| <b>Net cash from investing activities</b>                     | <u>81,332</u>         | <u>391,127</u>        |
| <b>Cash flows from financing activities</b>                   |                       |                       |
| <b>Net cash used in financing activities</b>                  | <u>-</u>              | <u>-</u>              |
| <b>Net increase in cash and cash equivalents</b>              | 227,689               | 533,992               |
| Cash and cash equivalents at beginning of period              | <u>267,719</u>        | <u>384,702</u>        |
| <b>Cash and cash equivalents at end of period (Note 3)</b>    | <u><u>495,408</u></u> | <u><u>918,694</u></u> |

**Supplemental cash flows information**

Non-cash items

Accounts payable - construction  
and equipment purchases

3,078                      7,061

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

(Unaudited but reviewed)

**Thai Nakarin Hospital Public Company Limited**  
**Statement of changes in shareholders' equity**  
**For the three-month period ended 31 October 2019**

(Unit: Thousand Baht)

|   | Issued and<br>paid-up<br>share capital | Share<br>premium | Retained earnings                      |                  | Total<br>shareholders'<br>equity |
|---|--|------------------|--|------------------|----------------------------------|
|   |  |                  | Appropriated -<br>statutory<br>reserve | Unappropriated   |                                  |
| <b>Balance as at 1 August 2018</b>        | 180,000                                | 20,538           | 18,000                                 | 1,350,018        | 1,568,556                        |
| Total comprehensive income for the period | -                                      | -                | -                                      | 101,942          | 101,942                          |
| <b>Balance as at 31 October 2018</b>      | <u>180,000</u>                         | <u>20,538</u>    | <u>18,000</u>                          | <u>1,451,960</u> | <u>1,670,498</u>                 |
| <b>Balance as at 1 August 2019</b>        | 180,000                                | 20,538           | 18,000                                 | 1,559,353        | 1,777,891                        |
| Total comprehensive income for the period | -                                      | -                | -                                      | 103,516          | 103,516                          |
| <b>Balance as at 31 October 2019</b>      | <u>180,000</u>                         | <u>20,538</u>    | <u>18,000</u>                          | <u>1,662,869</u> | <u>1,881,407</u>                 |

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

**Thai Nakarin Hospital Public Company Limited**  
**Notes to interim financial statements**  
**For the three-month period ended 31 October 2019**

**1. General information**

**1.1 Corporate information**

Thai Nakarin Hospital Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in hospital business. The registered office of the Company is at No. 345 Thepparat Road, Kwaeng Bangna Nuea, Khet Bangna, Bangkok.

**1.2 Basis for 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 (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. 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:

## **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related interpretations.

|                         |  |
|-------------------------|--|
| TAS 11 (revised 2017)   | Construction Contracts                                       |
| TAS 18 (revised 2017)   | Revenue  |
| TSIC 31 (revised 2017)  | Revenue - Barter Transactions Involving Advertising Services |
| TFRIC 13 (revised 2017) | Customer Loyalty Programmes                                  |
| TFRIC 15 (revised 2017) | Agreements for the Construction of Real Estate               |
| TFRIC 18 (revised 2017) | Transfers of Assets from Customers                           |

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard 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 2020**

The Federation of Accounting Professions issued a number of new and revised 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 except the following new standards which involve changes to key principles, which are summarised below.

## **Thai Financial Reporting Standards related to financial instruments**

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

Financial reporting standards:

|        |                                    |
|--------|------------------------------------|
| TFRS 9 | Financial Instruments              |
| TFRS 7 | Financial Instruments: Disclosures |

Accounting standard:

|        |                                     |
|--------|-------------------------------------|
| TAS 32 | Financial Instruments: Presentation |
|--------|-------------------------------------|

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. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

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

### **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 using similar principles to those used under TAS 17.

The management of the Company is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

**1.4 Significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 July 2019.

**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>Transfer pricing policy</u>  |
|--|---|
| Revenue from hospital operations               | Based on the price charged to normal customers  |
| Rental income                                  | Rates as stipulated in the agreements   |
| Doctor fee expenses (directors and management) | Paid at the same rate as other doctors in the hospital  |
| Medical welfare                                | Under the Company's regulations, medical welfare benefits are granted to directors, their spouses, children and parents, up to a specified amount per annum. These benefits exclude doctor fees, examinations conducted on other premises and special equipment charges |

(Unit: Thousand Baht)

For three-month periods  
ended 31 October

|  | <u>2019</u> | <u>2018</u> |
|--|-------------|-------------|
| <u>Transactions with related companies and persons</u> |             |             |
| Revenue from hospital operations                       | 36          | 16          |
| Rental income  | 85          | 75          |
| Doctor fee expenses (directors and management)         | 2,909       | 2,871       |
| Medical welfare  | 1,234       | 675         |

(Unaudited but reviewed)

The balances of accounts as at 31 October 2019 and 31 July 2019 between the Company and its related parties are as follows:

|  | (Unit: Thousand Baht) |                 |
|--|-----------------------|-----------------|
|  | 31 October<br>2019    | 31 July<br>2019 |
| <b><u>Trade receivables - related parties (Note 5)</u></b>       |                       |                 |
| Related companies (related by common shareholders and directors) | 38                    | 4               |
| Total trade receivables - related parties                        | <u>38</u>             | <u>4</u>        |
| <b><u>Other receivables - related parties (Note 5)</u></b>       |                       |                 |
| Related companies (related by common shareholders and directors) | 100                   | 81              |
| Total other receivables - related parties                        | <u>100</u>            | <u>81</u>       |
| <b><u>Doctor fee payable - related persons</u></b>               |                       |                 |
| Related persons (directors and management)                       | 925                   | 947             |
| Total doctor fee payable - related persons                       | <u>925</u>            | <u>947</u>      |
| <b><u>Directors and management's benefits</u></b>                |                       |                 |

During the three-month periods ended 31 October 2019 and 2019, the Company had employee benefit expenses payable to its directors and management as below.

|                              | (Unit: Thousand Baht)                       |              |
|------------------------------|---|--------------|
|                              | For three-month periods<br>ended 31 October |              |
|                              | 2019  | 2018         |
| Short-term employee benefits | 7,087                                       | 7,649        |
| Post-employment benefits     | 2,067                                       | 426          |
| Total                        | <u>9,154</u>                                | <u>8,075</u> |

### 3. Cash and cash equivalents

|                                 | (Unit: Thousand Baht) |                 |
|---------------------------------|-----------------------|-----------------|
|                                 | 31 October<br>2019    | 31 July<br>2019 |
| Cash                            | 7,479                 | 5,723           |
| Bank deposits                   | 487,929               | 261,996         |
| Total cash and cash equivalents | <u>495,408</u>        | <u>267,719</u>  |

As at 31 October 2019, bank deposits in savings accounts carried interests between 0.10 and 1.50 percent per annum (31 July 2019: between 0.10 and 1.38 percent per annum).

(Unaudited but reviewed)

#### 4. Current investments

4.1 As at 31 October 2019 and 31 July 2019, current investments consisted of the following:

|  | (Unit: Thousand Baht) |                 |                    |                 |
|--|-----------------------|-----------------|--------------------|-----------------|
|  | Investment            |                 | Interest rate      |                 |
|  | 31 October<br>2019    | 31 July<br>2019 | 31 October<br>2019 | 31 July<br>2019 |
| Fixed deposits at financial institutions<br>(6 - 12 months)  | 170,000               | 170,000         | 1.70 - 2.15        | 1.70 - 1.85     |
| Investments in trading securities -<br>fair value (Note 4.2) | 152,962               | 251,942         |                    |                 |
| <b>Total current investments</b>                             | <b>322,962</b>        | <b>421,942</b>  |                    |                 |

4.2 Movements in the investments in trading securities for the three-month period ended 31 October 2019 are summarised below.

|  | (Unit: Thousand Baht) |
|--|-----------------------|
| <b>Net balance as at 1 August 2019</b>   | 251,942               |
| Sales during the year - at cost          |                       |
| Proceeds from sales                      | (100,000)             |
| Gain on sales                            | 332                   |
| Total                                    | (99,668)              |
| Gain on change in value                  | 688                   |
| <b>Net balance as at 31 October 2019</b> | <b>152,962</b>        |

(Unaudited but reviewed)

## 5. Trade and other receivables

|   | (Unit: Thousand Baht) |                 |
|---|-----------------------|-----------------|
|   | 31 October<br>2019    | 31 July<br>2019 |
| <b><u>Trade receivables - related parties</u></b>   |                       |                 |
| Aged on the basis of due dates                      |                       |                 |
| Not yet due   | 34                    | 2               |
| Past due  |                       |                 |
| Up to 3 months                                      | 4                     | 2               |
| Total trade receivables - related parties           | 38                    | 4               |
| <b><u>Trade receivables - unrelated parties</u></b> |                       |                 |
| Aged on the basis of due dates                      |                       |                 |
| Not yet due   | 79,224                | 78,321          |
| Past due  |                       |                 |
| Up to 3 months                                      | 57,533                | 53,862          |
| 3 - 6 months  | 5,356                 | 7,056           |
| 6 - 12 months                                       | 2,666                 | 3,598           |
| Over 12 months                                      | 2,797                 | 1,589           |
| Total trade receivables - unrelated parties         | 147,576               | 144,426         |
| Less: Allowance for doubtful accounts               | (3,301)               | (2,827)         |
| Total trade receivables - unrelated parties - net   | 144,275               | 141,599         |
| Total trade receivables - net                       | 144,313               | 141,603         |
| <b><u>Other receivables</u></b>                     |                       |                 |
| Other receivables - related parties                 | 100                   | 81              |
| Other receivables - unrelated parties               | 4,141                 | 5,223           |
| Accrued interest income                             | 770                   | 1,027           |
| Total other receivables                             | 5,011                 | 6,331           |
| Total trade and other receivables - net             | 149,324               | 147,934         |

## 6. Long-term deposits at financial institutions

As at 31 October 2019, long-term deposits at financial institutions carried interest 1.95 percent per annum (31 July 2019: 1.95 percent per annum).

**7. Property, plant and equipment**

Movements in the property, plant and equipment account during the three-month period ended 31 October 2019 are summarised below.

|   | (Unit: Thousand Baht) |
|---|-----------------------|
| Net book value as at 1 August 2019                            | 484,918               |
| Additions during the period - at cost                         | 11,237                |
| Disposals during the period - net book value at disposal date | (571)                 |
| Depreciation for the period                                   | <u>(16,087)</u>       |
| Net book value as at 31 October 2019                          | <u><u>479,497</u></u> |

**8. Intangible assets**

Movements in the intangible asset account, which represents computer software, during the three-month period ended 31 October 2019 are summarised below.

|                                       | (Unit: Thousand Baht) |
|---------------------------------------|-----------------------|
| Net book value as at 1 August 2019    | 3,185                 |
| Additions during the period - at cost | 153                   |
| Amortisation for the period           | <u>(268)</u>          |
| Net book value as at 31 October 2019  | <u><u>3,070</u></u>   |

**9. Leasehold**

|                                      | (Unit: Thousand Baht) |                       |
|--------------------------------------|-----------------------|-----------------------|
|                                      | 31 October<br>2019    | 31 July<br>2019       |
| Cost                                 | <u>668,000</u>        | <u>668,000</u>        |
| Less: Accumulated amortisation       | <u>(21,763)</u>       | <u>(16,155)</u>       |
| Book value - net                     | <u><u>646,237</u></u> | <u><u>651,845</u></u> |
|                                      | 31 October<br>2019    | 31 July<br>2019       |
| Net book value as at 1 August 2019   | 651,845               | 668,000               |
| Amortisation for the period          | <u>(5,608)</u>        | <u>(16,155)</u>       |
| Net book value as at 31 October 2019 | <u><u>646,237</u></u> | <u><u>651,845</u></u> |

The Company entered into a long-term lease agreement for lease of land and building which are the current operation hospital building with Thai Red Cross Society. The agreement is for a period of 30 years, from 9 November 2018 to 8 November 2048 with the lease payment of Baht 668 million, being payable in full upon signing the new lease agreement. The Company paid the lease payment of Baht 668 million to the Thai Red Cross Society on 22 February 2019.

(Unaudited but reviewed)

## 10. Trade and other payables

(Unit: Thousand Baht)

|  | 31 October<br>2019 | 31 July<br>2019 |
|--|--------------------|-----------------|
| Trade payables - unrelated parties                         | 97,285             | 85,550          |
| Other payables - unrelated parties                         | 13,915             | 21,535          |
| Accounts payable - construction and<br>equipment purchases | 3,078              | 13,494          |
| Accrued expenses   | 36,585             | 35,057          |
| <b>Total trade and other payables</b>                      | <b>150,863</b>     | <b>155,636</b>  |

## 11. Income tax

Interim corporate income tax is 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 October 2019 and 2018 are made up follows:

(Unit: Thousand Baht)

For three-month periods  
ended 31 October

|   | 2019          | 2018          |
|---|---------------|---------------|
| <b>Current income tax:</b>  |               |               |
| Interim corporate income tax charge   | 25,120        | 24,720        |
| <b>Deferred tax:</b>  |               |               |
| Relating to origination and reversal of<br>temporary differences                  | (174)         | (525)         |
| <b>Income tax expenses reported in the<br/>statements of comprehensive income</b> | <b>24,946</b> | <b>24,195</b> |

**12. Operating segment information**

Operating segment information is reported in a manner consistent with the internal reporting the chief operating decision maker has received and regularly reviewed to make decisions about resources to be allocated to the segment and assess its performance. The chief operating decision maker has been identified as Executive Committee.

The one main reportable operating segment of the Company is the hospital business and the single geographical area of its operation is Thailand. Segment performance is evaluated based on operating profit or loss and is measured consistently with 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 to the aforementioned reportable operating segment and geographical area.

**13. Commitments and contingent liabilities****13.1 Commitments under service agreements**

The Company had total minimum payments to be paid in the future under the service agreements as follows:

|                                  | (Unit: Million Baht) |                 |
|----------------------------------|----------------------|-----------------|
|                                  | 31 October<br>2019   | 31 July<br>2019 |
|                                  | <hr/>                | <hr/>           |
| Payable:                         |                      |                 |
| In up to 1 year                  | 14.6                 | 11.3            |
| In over 1 year and up to 3 years | 2.0                  | 1.0             |

**13.2 Capital commitments**

As at 31 October 2019, the Company had capital commitments of Baht 2.3 million (31 July 2019: Baht 9.7 million) in respect of the acquisitions of medical equipment.

**13.3 Guarantees**

- a. As at 31 October 2019, the Company had credit facilities with a commercial bank for overdrafts of Baht 20.0 million (31 July 2019: Baht 21.5 million) and short-term loans of Baht 10.0 million (31 July 2019: Baht 10.0 million) guaranteed by the Company's director.

(Unaudited but reviewed)

- b. As at 31 October 2019, the Company had outstanding bank guarantees of approximately Baht 8.0 million (31 July 2019: Baht 8.0 million) issued by the bank on behalf of the Company in respect of electricity use as required in the normal course of business. These included letters of guarantee amounting to Baht 4.8 million (31 July 2019: 4.8 million) to guarantee electricity use and Baht 3.2 million (31 July 2019: Baht 3.2 million) to guarantee the payment of Building and Land Tax or Local Development Tax.

#### 14. Fair value hierarchy

As of 31 October 2019, the Company had the assets that were measured at fair value as follows:

|  | (Unit: Million Baht) |       |
|--|----------------------|-------|
|  | Level 2              | Total |
| <b>Investment in securities held for trading</b> |                      |       |
| Debt instruments                                 | 153.0                | 153.0 |

#### Valuation techniques and inputs to Level 2 valuation

The fair value of investments in debt instruments has been determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.

During the current period, there were no transfers within the fair value hierarchy.

#### 15. Event after the reporting period

On 21 November 2019, the Annual General Meeting of the shareholders of the Company passed a resolution approving the dividend payment for the year 2019 to the Company's shareholders at Baht 0.55 per share or a total of Baht 99 million. The dividend will be paid to the shareholders on 19 December 2019.

#### 16. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 12 December 2019.