

Thai Nakin Hospital Public Company Limited
Review report interim financial information
For the three-month period ended 31 October 2020

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 2020, the related statements of comprehensive income for the three-month period then ended, the related statements of 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.

Emphasis of Matter

I draw attention to Note 1.4 to the interim financial statements. Due to the impact of the COVID-19 outbreak, in preparing the interim financial information for the three-month period ended 31 October 2020, the Company has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions. My conclusion is not modified in respect of this matter.

Samran Taengcham

Certified Public Accountant (Thailand) No. 8021

EY Office Limited

Bangkok: 14 December 2020

Thai Nakarin Hospital Public Company Limited**Statement of financial position****As at 31 October 2020**

(Unit: Thousand Baht)

	Note	31 October 2020 (Unaudited but reviewed)	31 July 2020 (Audited)
Assets			
Current assets			
Cash and cash equivalents	4	127,810	312,039
Current investments	2, 5	-	645,638
Trade and other receivables	2, 3, 6	140,628	119,921
Inventories		33,815	33,418
Other current financial assets	2, 5	901,285	-
Other current assets		99	100
Total current assets		1,203,637	1,111,116
Non-current assets			
Property, plant and equipment	7	490,354	480,108
Intangible assets	8	2,565	2,785
Right-of-use assets	2, 9	623,926	-
Leasehold rights	2, 9	-	629,534
Deferred tax assets	2	22,656	21,025
Other non-current assets		62	273
Total non-current assets		1,139,563	1,133,725
Total assets		2,343,200	2,244,841

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 2020

(Unit: Thousand Baht)

	Note	31 October 2020 (Unaudited but reviewed)	31 July 2020 (Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	10	136,499	126,587
Doctor fee payable	3	77,067	73,104
Income tax payable		29,175	14,991
Other current liabilities		1,508	931
Total current liabilities		244,249	215,613
Non-current liabilities			
Provision for long-term employee benefits		100,856	97,551
Other non-current financial liabilities		989	970
Total non-current liabilities		101,845	98,521
Total liabilities		346,094	314,134
Shareholders' equity			
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		1,778,568	1,712,169
Total shareholders' equity		1,997,106	1,930,707
Total liabilities and shareholders' equity		2,343,200	2,244,841

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

Directors

(Unaudited but reviewed)

Thai Namarin Hospital Public Company Limited

Statement of comprehensive income

For the three-month period ended 31 October 2020

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

	<u>Note</u>	<u>31 October 2020</u>	<u>31 October 2019</u>
Profit and loss:			
Revenues			
Revenues from hospital operations		494,441	576,380
Other income		5,480	7,859
Total revenues		<u>499,921</u>	<u>584,239</u>
Expenses			
Cost of hospital operations		366,443	412,489
Administrative expenses		46,665	43,288
Total expenses		<u>413,108</u>	<u>455,777</u>
Profit before income tax expenses		86,813	128,462
Income tax expenses	11	<u>(16,495)</u>	<u>(24,946)</u>
Profit for the period		<u>70,318</u>	<u>103,516</u>
Other comprehensive income:			
Other comprehensive income for the period		<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u><u>70,318</u></u>	<u><u>103,516</u></u>
Basic earnings per share			
Profit (Baht)		<u>0.39</u>	<u>0.58</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 2020

	(Unit: Thousand Baht)	
	31 October 2020	31 October 2019
Cash flows from operating activities		
Profit before tax	86,813	128,462
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation expenses	21,543	21,963
Allowance for expected credit losses	269	474
Long-term employee benefit expenses	3,591	3,112
Gain on disposals of equipment	-	(125)
Gain on sale and changes in value of investments in trading securities	-	(1,020)
Interest income	(2,270)	(2,185)
Profit from operating activities before changes in operating assets and liabilities	109,946	150,681
Decrease (increase) in operating assets		
Trade and other receivables	(24,578)	(2,121)
Inventories	(397)	(3,853)
Other current assets	1	1,806
Other non-current assets	211	59
Increase (decrease) in operating liabilities		
Trade and other payables	11,989	5,643
Doctor fee payable	3,963	(46)
Other current liabilities	577	55
Provision for long-term employee benefits	(286)	(785)
Other non-current financial liabilities	19	446
Cash from operating activities	101,445	151,885
Cash paid for income tax	(2,963)	(5,528)
Net cash from operating activities	98,482	146,357

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

(Unaudited but reviewed)

Thai Nakaran Hospital Public Company Limited
Statement of cash flows (continued)
For the three-month period ended 31 October 2020

(Unit: Thousand Baht)

	31 October 2020	31 October 2019
Cash flows from investing activities		
Interest received	974	2,442
(Increase) decrease in other current financial assets	(255,647)	100,000
Cash paid for purchases of building improvement and equipment	(27,950)	(21,653)
Cash paid for purchase of intangible assets	(88)	(153)
Cash received from disposals of equipment	-	696
Net cash from (used in) investing activities	<u>(282,711)</u>	<u>81,332</u>
Net increase (decrease) in cash and cash equivalents	(184,229)	227,689
Cash and cash equivalents at beginning of period	<u>312,039</u>	<u>267,719</u>
Cash and cash equivalents at end of period (Note 4)	<u><u>127,810</u></u>	<u><u>495,408</u></u>
 Supplemental cash flows information		
Non-cash items		
Accounts payable - construction and equipment purchase	10,453	3,078

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

(Unaudited but reviewed)

Thai Nkarin Hospital Public Company Limited
Statement of changes in shareholders' equity
For the three-month period ended 31 October 2020

(Unit: Thousand Baht)

	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 August 2019	180,000	20,538	18,000	1,559,353	1,777,891
Total comprehensive income for the period	-	-	-	103,516	103,516
Balance as at 31 October 2019	<u>180,000</u>	<u>20,538</u>	<u>18,000</u>	<u>1,662,869</u>	<u>1,881,407</u>
Balance as at 1 August 2020 - before restated	180,000	20,538	18,000	1,712,169	1,930,707
Cumulative effect of change in accounting policy (Note 2)	-	-	-	(3,919)	(3,919)
Balance as at 1 August 2020 - as restated	180,000	20,538	18,000	1,708,250	1,926,788
Total comprehensive income for the period	-	-	-	70,318	70,318
Balance as at 31 October 2020	<u>180,000</u>	<u>20,538</u>	<u>18,000</u>	<u>1,778,568</u>	<u>1,997,106</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 2020

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 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operate. The Company’s management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgment in respect of various issue as the situation has evolved.

1.3 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.

1.4 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 2019) and new 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. 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:

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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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.

The impact of the adoption of these standards on the Company's financial statements is as follows.

- Recognition of credit losses

The Company is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Company applies the simplified approach to consider impairment of trade receivables.

The Company adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 August 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 2.

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.

This standard does not have any significant impact on the Company's financial statements.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Company has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Company uses a simplified approach to determine expected credit losses.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

1.5 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 2020 except the changes in accounting policies related to financial instruments and leases.

1.5.1 Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Impairment of financial assets

The Company recognises an allowance for expected credit losses on its financial assets measured at amortised cost, financial assets that are debt instruments and measured at fair value through other comprehensive income, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables or contract assets that do not contain a significant financing component, the Company applies a simplified approach to determine the lifetime expected credit losses.

1.5.2 Leases

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Company is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 1.4 to the financial statements, during the current period, the Company has adopted financial reporting standards related to financial instruments and leases. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 August 2020. Therefore, the comparative information was not restated.

(Unaudited but reviewed)

The impacts on the beginning balance of retained earnings of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	The impacts of			1 August 2020
	31 July 2020	Financial reporting standards related to financial instruments	IFRS 16	
Statement of financial position				
Assets				
Current investments	645,638	(645,638)	-	-
Trade and other receivables	119,921	(4,898)	-	115,023
Other current financial assets	-	645,638	-	645,638
Deferred tax assets	21,025	979	-	22,004
Leasehold rights	629,534	-	(629,534)	-
Right-of-use assets	-	-	629,534	629,534
Total assets	1,416,118	(3,919)	-	1,412,199
Shareholders' equity				
Retained earnings - unappropriated	1,712,169	(3,919)	-	1,708,250
Total shareholders' equity	1,712,169	(3,919)	-	1,708,250

Financial instruments

Details of the impact on retained earnings as at 1 August 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

(Unit: Thousand Baht)

1 August 2020

Recognition of an allowance for expected credit losses
on financial assets

(3,919)

(Unaudited but reviewed)

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 August 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets as at 1 August 2020					
Cash and cash equivalents	312,039	-	-	312,039	312,039
Trade and other receivables	119,921	-	-	115,023	115,023
Other non-current financial assets	645,638	25,290	-	620,348	645,638
Total financial assets	1,077,598	25,290	-	1,047,410	1,072,700

As at 1 August 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

3. 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.

	Transfer pricing policy
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

(Unaudited but reviewed)

(Unit: Thousand Baht)

For three-month periods

ended 31 October

	2020	2019
<u>Transactions with related companies and persons</u>		
Revenue from hospital operations	-	36
Rental income	90	85
Doctor fee expenses (directors and management)	2,937	2,909
Medical welfare	1,032	1,234

The balances of accounts as at 31 October 2020 and 31 July 2020 between the Company and its related parties are as follows:

(Unit: Thousand Baht)

31 October 2020	31 July 2020
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Other receivables - related parties (Note 5)

Related companies (related by common shareholders and directors)	70	67
Total other receivables - related parties	70	67

Doctor fee payable - related persons

Related persons (directors and management)	967	1,038
Total doctor fee payable - related persons	967	1,038

Directors and management's benefits

During the three-month periods ended 31 October 2020 and 2019, the Company had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

For three-month periods

ended 31 October

	2020	2019
Short-term employee benefits	8,118	7,087
Post-employment benefits	1,701	2,067
Total	9,819	9,154

(Unaudited but reviewed)

4. Cash and cash equivalents

	(Unit: Thousand Baht)	
	31 October	31 July
	2020	2020
Cash	7,163	6,974
Bank deposits	120,647	305,065
Total cash and cash equivalents	<u>127,810</u>	<u>312,039</u>

As at 31 October 2020, bank deposits in savings accounts carried interests between 0.05 and 1.15 percent per annum (31 July 2020: between 0.05 and 1.15 percent per annum).

5. Current investments/Other current financial assets

5.1 As at 31 October 2020 and 31 July 2020, current investments consisted of the following:

	(Unit: Thousand Baht)			
	Investments		Interest rate (percent per annum)	
	31 October	31 July	31 October	31 July
	2020	2020	2020	2020
Fixed deposits at financial institutions (6 - 12 months)	900,000	620,348	0.50 - 1.00	0.60 - 2.15
Investments in trading securities - fair value (Note 5.2)	<u>1,285</u>	<u>25,290</u>		
Total current investments	<u>901,285</u>	<u>645,638</u>		

5.2 Movements in the investments in trading securities for the three-month period ended 31 October 2020 are summarised below.

	(Unit: Thousand Baht)
Net balance as at 1 August 2020	25,290
Cash received from fund	<u>(24,005)</u>
Net balance as at 31 October 2020	<u>1,285</u>

(Unaudited but reviewed)

In late March 2020, TMBAM Eastspring announced the dissolution of TMB Thana Plus Fund (TMBTHANAPLUS), in which the Company had the investment of Baht 153.9 million as at a date of dissolution (31 July 2020: Baht 25.3 million). During the current period, the Company received the payout from TMBAM East spring amount to Baht 24.0 million.

<u>Date received</u>	<u>Amount per unit</u>	<u>Total amount</u>
	(Baht/unit)	(Million Baht)
13 November 2020	0.1096	1.4
Total payout amount after the reporting period	0.1096	1.4

6. Trade and other receivables

(Unit: Thousand Baht)

	<u>31 October</u>	<u>31 July</u>
	<u>2020</u>	<u>2020</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	68,375	55,577
Past due		
Up to 3 months	54,684	40,381
3 - 6 months	8,173	11,893
6 - 12 months	7,284	7,054
Over 12 months	2,367	1,510
Total trade receivables - unrelated parties	140,883	116,415
Less: Allowance for expected credit losses	(7,433)	(2,266)
Total trade receivables - unrelated parties - net	133,450	114,149
Total trade receivables - net	133,450	114,149
<u>Other receivables</u>		
Other receivables - related parties	70	67
Other receivables - unrelated parties	4,138	4,031
Accrued interest income	2,970	1,674
Total other receivables	7,178	5,772
Total trade and other receivables - net	140,628	119,921

7. Property, plant and equipment

Movements in the property, plant and equipment account during the three-month period ended 31 October 2020 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 August 2020	480,108
Additions during the period - at cost	25,873
Depreciation for the period	<u>(15,627)</u>
Net book value as at 31 October 2020	<u><u>490,354</u></u>

8. Intangible assets

Movements in the intangible asset account, which represents computer software, during the three-month period ended 31 October 2020 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 August 2020	2,785
Additions during the period - at cost	88
Amortisation for the period	<u>(308)</u>
Net book value as at 31 October 2020	<u><u>2,565</u></u>

9. Leasehold rights/Right-of-use assets

	(Unit: Thousand Baht)	
	31 October 2020	31 July 2020
Cost	<u>668,000</u>	<u>668,000</u>
Less: Accumulated amortisation	<u>(44,074)</u>	<u>(38,466)</u>
Book value - net	<u><u>623,926</u></u>	<u><u>629,534</u></u>
	31 October 2020	31 July 2020
Net book value as at 1 August 2020	<u>629,534</u>	<u>651,846</u>
Amortisation for the period	<u>(5,608)</u>	<u>(22,312)</u>
Net book value as at 31 October 2020	<u><u>623,926</u></u>	<u><u>629,534</u></u>

(Unaudited but reviewed)

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.

10. Trade and other payables

	(Unit: Thousand Baht)	
	31 October	31 July
	2020	2020
Trade payables - unrelated parties	78,782	60,095
Other payables - unrelated parties	17,056	16,087
Accounts payable - construction and equipment purchases	10,453	12,530
Accrued expenses	30,208	37,875
Total trade and other payables	<u>136,499</u>	<u>126,587</u>

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 2020 and 2019 are made up follows:

	(Unit: Thousand Baht)	
	For three-month period ended	
	31 October	
	2020	2019
Current income tax:		
Interim corporate income tax charge	17,042	25,120
Adjustment in respect of income tax of previous year	105	
Deferred tax:		
Relating to origination and reversal of temporary differences	(652)	(174)
Income tax expenses reported in the statements of comprehensive income	<u>16,495</u>	<u>24,946</u>

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 2020	31 July 2020
	<hr/>	<hr/>
Payable:		
In up to 1 year	16.3	10.6
In over 1 year and up to 3 years	3.9	1.2

13.2 Capital commitments

As at 31 October 2020, the Company had capital commitments of Baht 15.5 million (31 July 2020: Baht 22.1 million) in respect of the acquisitions of medical equipment and facility systems.

13.3 Guarantees

- a. As at 31 October 2020, the Company had credit facilities with a commercial bank for overdrafts of Baht 20.0 million and short-term loans of Baht 10.0 million (31 July 2020: Credit facilities with a commercial bank for overdrafts of Baht 20.0 million and short-term loans of Baht 10.0 million).
- b. As at 31 October 2020, the Company had outstanding bank guarantees of approximately Baht 4.8 million issued by the bank on behalf of the Company in respect of electricity use as required in the normal course of business. (31 July 2020: Baht 4.8 million issued by the bank on behalf of the Company in respect of electricity use as required in the normal course of business).

14. Fair value hierarchy

As of 31 October 2020, the Company had the assets that were measured at fair value as follows:

	(Unit: Million Baht)	
	Level 2	Total
Investment in securities held for trading		
Debt instruments	1,285	1,285

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 19 November 2020, the Annual General Meeting of the shareholders of the Company passed a resolution approving the dividend payment for the year 2020 to the Company's shareholders at Baht 0.45 per share or a total of Baht 81 million. The dividend will be paid to the shareholders on 16 December 2020.

16. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 December 2020.