

Thai Nakin Hospital Public Company Limited
Review report interim financial information
For the three-month and six-month periods ended
31 January 2021

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 January 2021, the related statements of comprehensive income for the three-month and six-month periods ended 31 January 2021, the related statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the interim financial statements (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

Samran Taengcham

Certified Public Accountant (Thailand) No. 8021

EY Office Limited

Bangkok: 10 March 2021

Thai Nakarin Hospital Public Company Limited**Statement of financial position****As at 31 January 2021**

(Unit: Thousand Baht)

	Note	31 January 2021	31 July 2020
		(Unaudited but reviewed)	(Audited)
Assets			
Current assets			
Cash and cash equivalents	4	226,718	312,039
Current investments	2, 5	-	645,638
Trade and other receivables	2, 3, 6	131,180	119,921
Inventories		37,733	33,418
Other current financial assets	2, 5	750,000	-
Other current assets		161	100
Total current assets		<u>1,145,792</u>	<u>1,111,116</u>
Non-current assets			
Property, plant and equipment	7	527,561	480,108
Intangible assets	8	2,253	2,785
Right-of-use assets	2, 9	618,317	-
Leasehold rights	2, 9	-	629,534
Deferred tax assets	2	22,996	21,025
Other non-current assets		93	273
Total non-current assets		<u>1,171,220</u>	<u>1,133,725</u>
Total assets		<u><u>2,317,012</u></u>	<u><u>2,244,841</u></u>

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

Thai Nakaran Hospital Public Company Limited

Statement of financial position (continued)

As at 31 January 2021

(Unit: Thousand Baht)

	Note	31 January 2021 (Unaudited but reviewed)	31 July 2020 (Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	10	139,630	126,587
Doctor fee payable	3	74,437	73,104
Income tax payable		18,366	14,991
Other current liabilities		13,932	931
Total current liabilities		246,365	215,613
Non-current liabilities			
Provision for long-term employee benefits		104,195	97,551
Other non-current financial liabilities		1,012	970
Total non-current liabilities		105,207	98,521
Total liabilities		351,572	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		1,746,902	1,712,169
Total shareholders' equity		1,965,440	1,930,707
Total liabilities and shareholders' equity		2,317,012	2,244,841

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

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Directors
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(Unaudited but reviewed)

Thai Nakarin Hospital Public Company Limited

Statement of comprehensive income

For the three-month period ended 31 January 2021

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

	31 January	31 January
Note	2021	2020
Profit and loss:		
Revenues		
Revenues from hospital operations	489,966	551,994
Other income	6,494	7,659
Total revenues	496,460	559,653
Expenses		
Cost of hospital operations	389,270	419,360
Administrative expenses	48,739	64,587
Total expenses	438,009	483,947
Profit before income tax expenses	58,451	75,706
Income tax expenses	11 (9,117)	(14,071)
Profit for the period	49,334	61,635
Other comprehensive income:		
Other comprehensive income for the period	-	-
Total comprehensive income for the period	49,334	61,635
Basic earnings per share		
Profit (Baht)	0.27	0.34
Weighted average number of ordinary shares (Thousand shares)	180,000	180,000

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

(Unaudited but reviewed)

Thai Nakarin Hospital Public Company Limited

Statement of comprehensive income

For the six-month period ended 31 January 2021

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

	31 January	31 January
<u>Note</u>	<u>2021</u>	<u>2020</u>
Profit and loss:		
Revenues		
Revenues from hospital operations	984,407	1,128,374
Other income	11,974	15,518
Total revenues	<u>996,381</u>	<u>1,143,892</u>
Expenses		
Cost of hospital operations	755,713	831,849
Administrative expenses	95,404	107,875
Total expenses	<u>851,117</u>	<u>939,724</u>
Profit before income tax expenses	145,264	204,168
Income tax expenses	11 (25,612)	(39,017)
Profit for the period	<u>119,652</u>	<u>165,151</u>
Other comprehensive income:		
Other comprehensive income for the period	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>119,652</u></u>	<u><u>165,151</u></u>
Basic earnings per share		
Profit (Baht)	<u>0.66</u>	<u>0.92</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 Nakarin Hospital Public Company Limited

Statement of cash flows

For the six-month period ended 31 January 2021

	(Unit: Thousand Baht)	
	31 January 2021	31 January 2020
Cash flows from operating activities		
Profit before tax	145,264	204,168
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation expenses	43,363	43,816
Allowance for expected credit losses (reversal)	(1,183)	1,175
Long-term employee benefit expenses	7,182	6,224
Gain on disposals of equipment	(2,698)	(1,055)
Gain on sale and changes in value of investments in trading securities	-	(1,655)
Interest income	(3,187)	(5,128)
Profit from operating activities before changes in operating assets and liabilities	188,741	247,545
Decrease (increase) in operating assets		
Trade and other receivables	(15,063)	2,411
Inventories	(4,315)	(8,668)
Other current assets	(61)	3,011
Other non-current assets	180	59
Increase (decrease) in operating liabilities		
Trade and other payables	22,790	10,505
Doctor fee payable	1,333	(1,575)
Other current liabilities	13,001	1,293
Provision for long-term employee benefits	(538)	(1,307)
Other non-current financial liabilities	42	446
Cash from operating activities	206,110	253,720
Cash paid for income tax	(23,229)	(40,053)
Net cash from operating activities	182,881	213,667

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

(Unaudited but reviewed)

Thai Nakarin Hospital Public Company Limited
Statement of cash flows (continued)
For the six-month period ended 31 January 2021

	(Unit: Thousand Baht)	
	31 January 2021	31 January 2020
Cash flows from investing activities		
Interest received	3,276	5,345
(Increase) decrease in other current financial assets	(104,362)	99,651
Cash paid for purchases of building improvement and equipment	(89,038)	(29,757)
Cash paid for purchase of intangible assets	(88)	(419)
Cash received from disposals of equipment	3,010	1,632
Net cash from (used in) investing activities	<u>(187,202)</u>	<u>76,452</u>
Cash flows from financing activities		
Dividend paid	(81,000)	(99,000)
Net cash used in financing activities	<u>(81,000)</u>	<u>(99,000)</u>
Net increase (decrease) in cash and cash equivalents	(85,321)	191,119
Cash and cash equivalents at beginning of period	312,039	267,719
Cash and cash equivalents at end of period (Note 4)	<u>226,718</u>	<u>458,838</u>
 Supplemental cash flows information		
Non-cash items		
Accounts payable - construction and equipment purchase	2,783	8,280

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 six-month period ended 31 January 2021

(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	-	-	-	165,151	165,151
Dividend paid (Note 12)	-	-	-	(99,000)	(99,000)
Balance as at 31 January 2020	<u>180,000</u>	<u>20,538</u>	<u>18,000</u>	<u>1,625,504</u>	<u>1,844,042</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	<u>180,000</u>	<u>20,538</u>	<u>18,000</u>	<u>1,708,250</u>	<u>1,926,788</u>
Total comprehensive income for the period	-	-	-	119,652	119,652
Dividend paid (Note 12)	-	-	-	(81,000)	(81,000)
Balance as at 31 January 2021	<u>180,000</u>	<u>20,538</u>	<u>18,000</u>	<u>1,746,902</u>	<u>1,965,440</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 and six-month periods ended 31 January 2021

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 adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Company’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues 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 recognised the cumulative effect of the adoption of these financial reporting standards 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 impacts 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.

During the first quarter of 2021, the Company elected to apply the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach and impairment of assets.

In the second quarter of 2021, the Company has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets. As a result, in preparing the financial statements for the period ended 31 January 2021, the Company has discontinued application of all temporary relief measures on accounting alternatives with no significant impact on the Company's financial statements.

(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 Company 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 Company'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 of changes in accounting policies on the statements of financial position at the beginning of 2021 due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	The impacts of			
	31 July 2020	Financial reporting standards related to financial instruments	TFRS 16	1 August 2020
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
Shareholders' equity				
Retained earnings - unappropriated	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)

Recognition of an allowance for expected credit losses on financial assets	<u>(3,919)</u>
Impacts of the adoption of financial reporting standards related to financial instruments	<u>(3,919)</u>

(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		For six-month periods	
	ended 31 January		ended 31 January	
	2021	2020	2021	2020
<u>Transactions with related companies and persons</u>				
Revenue from hospital operations	-	2	-	38
Rental income	90	90	180	175
Doctor fee expenses (directors and management)	9,139	2,747	12,076	5,656
Medical welfare	898	1,006	1,930	2,240

The balances of accounts as at 31 January 2021 and 31 July 2020 between the Company and its related parties are as follows:

(Unit: Thousand Baht)

	31 January	31 July
	2021	2020
<u>Other receivables - related parties (Note 6)</u>		
Related companies (related by common shareholders and directors)	67	67
Total other receivables - related parties	67	67
<u>Doctor fee payable - related persons</u>		
Related persons (directors and management)	2,505	1,038
Total doctor fee payable - related persons	2,505	1,038

Directors and management's benefits

During the three-month and six-month periods ended 31 January 2021 and 2020, the Company had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	For three-month periods		For six-month periods	
	ended 31 January		ended 31 January	
	2021	2020	2021	2020
Short-term employee benefits	13,805	8,304	21,923	15,391
Post-employment benefits	1,701	2,068	3,402	4,135
Total	15,506	10,372	25,325	19,526

(Unaudited but reviewed)

4. Cash and cash equivalents

	(Unit: Thousand Baht)	
	31 January 2021	31 July 2020
Cash	6,307	6,974
Bank deposits	220,411	305,065
Total cash and cash equivalents	226,718	312,039

As at 31 January 2021, 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 January 2021 and 31 July 2020, current investments consisted of the following:

	(Unit: Thousand Baht)			
	Investments		Interest rate (percent per annum)	
	31 January 2021	31 July 2020	31 January 2021	31 July 2020
Fixed deposits at financial institutions (6 - 12 months)	750,000	620,348	0.50 - 1.00	0.60 - 2.15
Investments in trading securities - fair value (Note 5.2)	-	25,290		
Total current investments	750,000	645,638		

5.2 Movements in the investments in trading securities for the six-month period ended 31 January 2021 are summarised below.

	(Unit: Thousand Baht)
Net balance as at 1 August 2020	25,290
Cash received from fund	(25,290)
Net balance as at 31 January 2021	-

(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 25.4 million. This amount included gains from the investment in profit and loss, amounting to Baht 0.1 million.

6. Trade and other receivables

	(Unit: Thousand Baht)	
	31 January 2021	31 July 2020
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	53,686	55,577
Past due		
Up to 3 months	58,477	40,381
3 - 6 months	9,183	11,893
6 - 12 months	4,847	7,054
Over 12 months	2,662	1,510
Total trade receivables - unrelated parties	128,855	116,415
Less: Allowance for expected credit losses	(5,981)	(2,266)
Total trade receivables - unrelated parties - net	122,874	114,149
Total trade receivables - net	122,874	114,149
<u>Other receivables</u>		
Other receivables - related parties	67	67
Other receivables - unrelated parties	5,358	4,031
Accrued interest income	2,881	1,674
Total other receivables	8,306	5,772
Total trade and other receivables - net	131,180	119,921

7. Property, plant and equipment

Movements in the property, plant and equipment account during the six-month period ended 31 January 2021 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 August 2020	480,108
Additions during the period - at cost	79,291
Disposals during the period - net book value at disposal date	(312)
Depreciation for the period	<u>(31,526)</u>
Net book value as at 31 January 2021	<u><u>527,561</u></u>

8. Intangible assets

Movements in the intangible asset account, which represents computer software, during the six-month period ended 31 January 2021 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>(620)</u>
Net book value as at 31 January 2021	<u><u>2,253</u></u>

9. Leasehold rights/Right-of-use assets

Movements in the Right-of-use assets account during the six-month period ended 31 January 2021 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 August 2020	629,534
Amortisation for the period	<u>(11,217)</u>
Net book value as at 31 January 2021	<u><u>618,317</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 January 2021	31 July 2020
Trade payables - unrelated parties	85,986	60,095
Other payables - unrelated parties	19,634	16,087
Accounts payable - construction and equipment purchases	2,783	12,530
Accrued expenses	31,227	37,875
Total trade and other payables	139,630	126,587

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 and six-month periods ended 31 January 2021 and 2020 are made up follows:

(Unit: Thousand Baht)

	For three-month periods ended 31 January		For six-month periods ended 31 January	
	2021	2020	2021	2020
Current income tax:				
Interim corporate income tax charge	9,504	14,659	26,546	39,779
Adjustment in respect of income tax previous year	(47)	-	58	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(340)	(588)	(992)	(762)
Income tax expenses reported in the statements of comprehensive income	9,117	14,071	25,612	39,017

(Unaudited but reviewed)

12. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2019	Annual General Meeting of the shareholders on 21 November 2019	99.0	0.55
Total dividends for 2020		99.0	
Final dividends for 2020	Annual General Meeting of the shareholders on 19 November 2020	81.0	0.45
Total dividends for 2021		81.0	

13. 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.

14. Commitments and contingent liabilities

14.1 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 January 2021	31 July 2020
Payable:		
In up to 1 year	21.2	10.6
In over 1 year and up to 3 years	2.8	1.2

14.2 Capital commitments

As at 31 January 2021, the Company had capital commitments of Baht 102.9 million (31 July 2020: Baht 22.1 million) in respect of the acquisitions of buildings and building improvements, medical equipment and facility systems.

14.3 Guarantees

- a. As at 31 January 2021, 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 January 2021, 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).

15. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 10 March 2021.