

Thai Nakin Hospital Public Company Limited  
Review report interim financial information  
For the three-month and nine-month periods ended  
30 April 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 30 April 2020, the related statements of comprehensive income for the three-month and nine-month periods then ended, the related statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the interim financial statements (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of review**

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

### **Conclusion**

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

### **Emphasis of Matter**

I draw attention to Note 1.2 and 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 and nine-month periods ended 30 April 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.

The COVID-19 pandemic evolved, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation affects the Company in its investment in the General Fixed Income Fund managed by a fund management company that announced the termination of the fund in late March 2020 and is currently under liquidation. However, the impact cannot be reasonably estimated at this stage. The Company's management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of assets, including the investment in the General Fixed Income Fund, provisions and contingent liabilities, and will record the impact when it is possible to do so.

My conclusion is not modified in respect of this matter.

Satida Ratananurak

Certified Public Accountant (Thailand) No. 4753

EY Office Limited

Bangkok: 5 June 2020

**Thai Nakin Hospital Public Company Limited****Statement of financial position****As at 30 April 2020**

(Unit: Thousand Baht)

	Note	30 April 2020	31 July 2019
		(Unaudited but reviewed)	(Audited)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	138,925	267,719
Current investments	4	748,099	421,942
Trade and other receivables	2, 5	111,846	147,934
Inventories		53,163	27,827
Other current assets		162	3,053
<b>Total current assets</b>		<b>1,052,195</b>	<b>868,475</b>
<b>Non-current assets</b>			
Long-term deposits at financial institutions	6	-	100,000
Property, plant and equipment	7	485,174	484,918
Intangible assets	8	3,089	3,185
Leasehold rights	9	635,143	651,845
Deferred tax assets		19,924	18,450
Other non-current assets		59	118
<b>Total non-current assets</b>		<b>1,143,389</b>	<b>1,258,516</b>
<b>Total assets</b>		<b>2,195,584</b>	<b>2,126,991</b>

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

**Thai Nakaran Hospital Public Company Limited**  
**Statement of financial position (continued)**  
**As at 30 April 2020**

(Unit: Thousand Baht)

	Note	30 April 2020 (Unaudited but reviewed)	31 July 2019 (Audited)
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade and other payables	10	158,568	155,636
Doctor fee payable	2	61,752	81,660
Income tax payable		4,205	29,021
Other current liabilities		873	1,083
<b>Total current liabilities</b>		<b>225,398</b>	<b>267,400</b>
<b>Non-current liabilities</b>			
Provision for long-term employee benefits		89,206	81,177
Other non-current liabilities		969	523
<b>Total non-current liabilities</b>		<b>90,175</b>	<b>81,700</b>
<b>Total liabilities</b>		<b>315,573</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		1,661,473	1,559,353
<b>Total shareholders' equity</b>		<b>1,880,011</b>	<b>1,777,891</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,195,584</b>	<b>2,126,991</b>

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

Directors

(Unaudited but reviewed)

**Thai Nakarin Hospital Public Company Limited**

**Statement of comprehensive income**

**For the three-month period ended 30 April 2020**

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

	<u>Note</u>	<u>30 April 2020</u>	<u>30 April 2019</u>
<b>Profit and loss:</b>			
<b>Revenues</b>			
Revenues from hospital operations		424,452	518,356
Other income		8,189	7,061
<b>Total revenues</b>		<u>432,641</u>	<u>525,417</u>
<b>Expenses</b>			
Cost of hospital operations		344,015	373,456
Administrative expenses		44,938	50,254
<b>Total expenses</b>		<u>388,953</u>	<u>423,710</u>
<b>Profit before income tax expenses</b>		43,688	101,707
Income tax expenses	11	<u>(7,719)</u>	<u>(19,286)</u>
<b>Profit for the period</b>		<u>35,969</u>	<u>82,421</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>35,969</u>	<u>82,421</u>
<b>Basic earnings per share</b>			
Profit (Baht)		<u>0.20</u>	<u>0.46</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 Nakin Hospital Public Company Limited**

**Statement of comprehensive income**

**For the nine-month period ended 30 April 2020**

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

	30 April 2020	30 April 2019
<b>Profit and loss:</b>		
<b>Revenues</b>		
Revenues from hospital operations	1,552,826	1,610,428
Other income	<u>23,707</u>	<u>24,022</u>
<b>Total revenues</b>	<u>1,576,533</u>	<u>1,634,450</u>
<b>Expenses</b>		
Cost of hospital operations	1,175,864	1,172,210
Administrative expenses	<u>152,813</u>	<u>157,735</u>
<b>Total expenses</b>	<u>1,328,677</u>	<u>1,329,945</u>
<b>Profit before income tax expenses</b>	247,856	304,505
Income tax expenses	11 <u>(46,736)</u>	<u>(57,719)</u>
<b>Profit for the period</b>	<u>201,120</u>	<u>246,786</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>201,120</u>	<u>246,786</u>
<b>Basic earnings per share</b>		
Profit (Baht)	<u>1.12</u>	<u>1.37</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 Nakin Hospital Public Company Limited**  
**Statement of cash flows**  
**For the nine-month period ended 30 April 2020**

(Unit: Thousand Baht)

	30 April 2020	30 April 2019
<b>Cash flows from operating activities</b>		
Profit before tax	247,856	304,505
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation expenses	65,327	63,796
Allowance for doubtful debts	1,968	1,482
Long-term employee benefit expenses	9,336	8,204
Gain on disposals of equipment	(4,247)	(691)
Gain on sale and changes in value of investment in trading securities	(1,955)	(2,854)
Interest income	(7,412)	(9,994)
Profit from operating activities before changes in operating assets and liabilities	310,873	364,448
Decrease (increase) in operating assets		
Trade and other receivables	34,507	(1,559)
Inventories	(25,336)	(959)
Other current assets	2,891	2,777
Other non-current assets	59	24
Increase (decrease) in operating liabilities		
Trade and other payables	(3,417)	1,347
Doctor fee payable	(19,908)	2,195
Other current liabilities	(210)	66
Provision for long-term employee benefits	(1,307)	(2,995)
Other non-current liabilities	446	-
Cash from operating activities	298,598	365,344
Cash paid for income tax	(73,026)	(75,274)
<b>Net cash from operating activities</b>	<b>225,572</b>	<b>290,070</b>

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 nine-month period ended 30 April 2020**

(Unit: Thousand Baht)

	30 April 2020	30 April 2019
<b>Cash flows from investing activities</b>		
Interest received	7,025	11,836
(Increase) decrease in current investments	(324,202)	300,000
(Increase) decrease in long-term deposits at financial institutions	100,000	(35,772)
Cash paid for purchases of building improvement and equipment	(42,283)	(178)
Cash paid for purchase of intangible assets	(735)	(668,000)
Proceeds from disposals of equipment	4,829	701
<b>Net cash used in investing activities</b>	<b>(255,366)</b>	<b>(391,413)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(99,000)	(108,000)
<b>Net cash used in financing activities</b>	<b>(99,000)</b>	<b>(108,000)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(128,794)</b>	<b>(209,343)</b>
Cash and cash equivalents at beginning of period	267,719	384,702
<b>Cash and cash equivalents at end of period (Note 3)</b>	<b>138,925</b>	<b>175,359</b>
<b>Supplemental cash flows information</b>		
Non-cash items		
Accounts payable - construction and equipment purchase	19,843	16,082

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

(Unaudited but reviewed)

**Thai Nakin Hospital Public Company Limited**  
**Statement of changes in shareholders' equity**  
**For the nine-month period ended 30 April 2020**

(Unit: Thousand Baht)

	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated - statutory 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	-	-	-	246,786	246,786
Dividend paid (Note 12)	-	-	-	(108,000)	(108,000)
<b>Balance as at 30 April 2019</b>	<u>180,000</u>	<u>20,538</u>	<u>18,000</u>	<u>1,488,804</u>	<u>1,707,342</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	-	-	-	201,120	201,120
Dividend paid (Note 12)	-	-	-	(99,000)	(99,000)
<b>Balance as at 30 April 2020</b>	<u>180,000</u>	<u>20,538</u>	<u>18,000</u>	<u>1,661,473</u>	<u>1,880,011</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 nine-month periods ended 30 April 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 COVID-19 pandemic evolved, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation affects the Company in its investment in the General Fixed Income Fund managed by a fund management company that announced the termination of the fund in late March 2020 and is currently under liquidation. However, the impact cannot be reasonably estimated at this stage. The Company’s management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of assets, including the investment in the General Fixed Income Fund, provisions and contingent liabilities, and will record the impact when it is possible to do so.

##### **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 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:

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

IFRS 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
IFRIC 13 (revised 2017)	Customer Loyalty Programmes
IFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
IFRIC 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.

### **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:

- To lightly weight information relating to the COVID-19 situation in applying the valuation technique to measure the fair value of financial assets in the form of debt instruments using Level 2 or Level 3 inputs.
- 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 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 7                                      Financial Instruments: Disclosures

TFRS 9                                      Financial Instruments

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.

## 1.5 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 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.

	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

	(Unit: Thousand Baht)			
	For three-month periods		For nine-month periods	
	ended 30 April		ended 30 April	
	2020	2019	2020	2019
<u>Transactions with related companies and persons</u>				
Revenue from hospital operations	64	2	102	22
Rental income	78	75	253	225
Doctor fee expenses (directors and management)	2,823	2,899	8,479	8,664
Medical welfare	435	1,588	2,675	3,762

(Unaudited but reviewed)

The balances of accounts as at 30 April 2020 and 31 July 2019 between the Company and its related parties are as follows:

	(Unit: Thousand Baht)	
	30 April 2020	31 July 2019
<b><u>Trade receivables - related parties (Note 5)</u></b>		
Related companies (related by common shareholders and directors)	2	4
Total trade receivables - related parties	2	4
<b><u>Other receivables - related parties (Note 5)</u></b>		
Related companies (related by common shareholders and directors)	58	81
Total other receivables - related parties	58	81
<b><u>Doctor fee payable - related persons</u></b>		
Related persons (directors and management)	916	947
Total doctor fee payable - related persons	916	947

### **Directors and management's benefits**

During the three-month and nine-month periods ended 30 April 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 30 April		For nine-month periods ended 30 April	
	2020	2019	2020	2019
Short-term employee benefits	7,278	8,216	22,669	24,535
Post-employment benefits	2,067	433	6,202	1,289
Total	9,345	8,649	28,871	25,824

### **3. Cash and cash equivalents**

	(Unit: Thousand Baht)	
	30 April 2020	31 July 2019
Cash	3,953	5,723
Bank deposits	134,972	261,996
Total cash and cash equivalents	138,925	267,719

As at 30 April 2020, bank deposits in savings accounts carried interests between 0.05 and 1.30 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 30 April 2020 and 31 July 2019, current investments consisted of the following:

	Investment		Interest rate (percent per annum)	
	30 April 2020	31 July 2019	30 April 2020	31 July 2019
Fixed deposits at financial institutions (6 - 12 months)	620,348	170,000	0.60 - 2.15	1.70 - 1.85
Investments in trading securities - fair value (Note 4.2)	127,751	251,942		
<b>Total current investments</b>	<b>748,099</b>	<b>421,942</b>		

4.2 Movements in the investments in trading securities for the nine-month period ended 30 April 2020 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)
Cash received from fund	(26,146)
Gain on change in value	1,623
<b>Net balance as at 30 April 2020</b>	<b>127,751</b>

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 2019: Baht 251.9 million). The payout amounts are as follows:

Date received	Amount per unit (Baht/unit)	Separate financial statements (Million Baht)
30 March 2020	1.0956	13.8
10 April 2020	0.3652	4.6
24 April 2020	0.6087	7.7
8 May 2020	1.1000	13.9
22 May 2020	0.7500	9.5
		<b>49.5</b>

TMBAM Eastspring estimated that the minimum payout from 30 April 2020 to 3 July 2020 would amount to Baht 3.6761 per unit with the remaining to be paid at a date of the completion of liquidation.

(Unaudited but reviewed)

5. Trade and other receivables

	(Unit: Thousand Baht)	
	30 April 2020	31 July 2019
<b><u>Trade receivables - related parties</u></b>		
Aged on the basis of due dates		
Not yet due	-	2
Past due		
Up to 3 months	2	2
Total trade receivables - related parties	2	4
<b><u>Trade receivables - unrelated parties</u></b>		
Aged on the basis of due dates		
Not yet due	38,761	78,321
Past due		
Up to 3 months	53,667	53,862
3 - 6 months	10,371	7,056
6 - 12 months	4,573	3,598
Over 12 months	3,212	1,589
Total trade receivables - unrelated parties	110,584	144,426
Less: Allowance for doubtful accounts	(4,795)	(2,827)
Total trade receivables - unrelated parties - net	105,789	141,599
Total trade receivables - net	105,791	141,603
<b><u>Other receivables</u></b>		
Other receivables - related parties	58	81
Other receivables - unrelated parties	4,583	5,223
Accrued interest income	1,414	1,027
Total other receivables	6,055	6,331
Total trade and other receivables - net	111,846	147,934

**6. Long-term deposits at financial institutions**

Movements in long-term deposits at financial institutions during the nine-month period ended 30 April 2020 are summarised below.

(Unit: Thousand Baht)

	Balance as at	During the year		Balance as at
	31 July 2019	Increase	Decrease	30 April 2020
Long-term deposits at financial institutions	100,000	-	(100,000)	-
Total	100,000	-	(100,000)	-

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

**7. Property, plant and equipment**

Movements in the property, plant and equipment account during the nine-month period ended 30 April 2020 are summarised below.

(Unit: Thousand Baht)

Net book value as at 1 August 2019	484,918
Additions during the period - at cost	48,632
Disposals during the period - net book value at disposal date	(582)
Depreciation for the period	(47,794)
Net book value as at 30 April 2020	485,174

**8. Intangible assets**

Movements in the intangible asset account, which represents computer software, during the nine-month period ended 30 April 2020 are summarised below.

(Unit: Thousand Baht)

Net book value as at 1 August 2019	3,185
Additions during the period - at cost	735
Amortisation for the period	(831)
Net book value as at 30 April 2020	3,089

(Unaudited but reviewed)

## 9. Leasehold

	(Unit: Thousand Baht)	
	30 April 2020	31 July 2019
Cost	668,000	668,000
Less: Accumulated amortisation	(32,857)	(16,155)
Book value - net	<u>635,143</u>	<u>651,845</u>
	30 April 2020	31 July 2019
Net book value as at 1 August 2019	651,845	668,000
Amortisation for the period	(16,702)	(16,155)
Net book value as at 30 April 2020	<u>635,143</u>	<u>651,845</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.

## 10. Trade and other payables

	(Unit: Thousand Baht)	
	30 April 2020	31 July 2019
Trade payables - unrelated parties	90,080	85,550
Other payables - unrelated parties	13,840	21,535
Accounts payable - construction and equipment purchases	19,843	13,494
Accrued expenses	34,805	35,057
Total trade and other payables	<u>158,568</u>	<u>155,636</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 and nine-month periods ended 30 April 2020 and 2019 are made up follows:

	(Unit: Thousand Baht)			
	For three-month period ended 30 April		For nine-month period ended 30 April	
	2020	2019	2020	2019
<b>Current income tax:</b>				
Interim corporate income tax charge	8,431	19,551	48,210	58,770
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(712)	(265)	(1,474)	(1,051)
<b>Income tax expenses reported in the statements of comprehensive income</b>	<u>7,719</u>	<u>19,286</u>	<u>46,736</u>	<u>57,719</u>

**12. Dividends**

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2018	Annual General Meeting of the shareholders on 15 November 2018	<u>108.0</u>	0.60
Total dividends for 2019		<u>108.0</u>	
Final dividends for 2019	Annual General Meeting of the shareholders on 21 November 2019	<u>99.0</u>	0.55
Total dividends for 2020		<u>99.0</u>	

**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)	
	<u>30 April 2020</u>	<u>31 July 2019</u>
Payable:		
In up to 1 year	16.0	11.3
In over 1 year and up to 3 years	2.1	1.0

**14.2 Capital commitments**

As at 30 April 2020, the Company had capital commitments of Baht 26.3 million (31 July 2019: Baht 9.7 million) in respect of the acquisitions of medical equipment and facility systems.

**14.3 Guarantees**

- a. As at 30 April 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 2019: Credit facilities with a commercial bank for overdrafts of Baht 21.5 million and short-term loans of Baht 10.0 million guaranteed by the Company's director).
- b. As at 30 April 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 2019: Baht 8.0 million these included letters of guarantee amounting to Baht 4.8 million to guarantee electricity use and Baht 3.2 million to guarantee the payment of Building and Land Tax or Local Development Tax).

**15. Fair value hierarchy**

As of 30 April 2020, the Company had the assets that were measured at fair value as follows:

	(Unit: Million Baht)	
	<u>Level 2</u>	<u>Total</u>
<b>Investment in securities held for trading</b>		
Debt instruments	127.8	127.8

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.

**16. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 5 June 2020.