

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

FINANCIAL STATEMENTS

DECEMBER 31, 2020

518/3 อาคารเมธีชาเซ็นเตอร์ นอช ชั้น 7
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CERTIFIED PUBLIC ACCOUNTANTS
สำนักงานใหญ่ เลขประจำตัวผู้เสียภาษี 0105556000751

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AUDITOR'S REPORT

To : The Shareholders of

Nonthavej Hospital Public Company Limited

Opinion

I have audited the accompanying financial statements of Nonthavej Hospital Public Company Limited, which comprise the statements of financial position as at December 31, 2020, the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nonthavej Hospital Public Company Limited as at December 31, 2020, its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

The completeness of revenue recognition from medical treatment for inpatients.

The recognition of revenue on medical treatment for inpatients at the end of the year. The Company has recognized revenue by using the data from the resource base of the Company, which may result the accuracy and completeness of revenue recognition from medical treatment for inpatients.

I have assessment and testing of its systems and revenue recognition system and subsequent event testing for revenue on medical treatment for inpatients to ensure the revenue recognition from medical treatment of inpatients are properly recorded and complete.

Based on our testing, in my opinion, the revenues from medical treatment for inpatients are properly recorded and complete.

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Other Information

Management is responsible for the other information. The other information comprises the information included in annual report, but does not include the financial statements and my auditor's report thereon. I have received such other information in the annual report that has been prepared for issuance before the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report the fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

C. Aunpitpongsa

(Mr. Chaikorn Aunpitpongsa)

Certified Public Accountant Registration No. 3196

Dr. Virach & Associates Office Co., Ltd.

Bangkok : February 18, 2021

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

ASSETS

		BAHT	
	Notes	2020	2019
Current Assets			
Cash and cash equivalents	3.2 and 4	934,910,044	49,589,425
Short-term investments	5		
Investments in Open-ended Fund	3.3 and 5.1	-	139,302
Marketable securities-trading	3.3 and 5.2	-	1,053,981
Fixed deposit at bank	5.3	-	985,000,000
Total short-term investments		-	986,193,283
Trade receivable and other current receivables	3.3 and 6	171,342,728	172,632,003
Inventories	3.4 and 7	56,541,948	48,875,501
Other current financial assets			
Investments in Open-ended Fund	3.3 and 5.1	37,311	-
Marketable securities	3.3 and 5.2	1,040,102	-
Other current assets			
Prepaid expenses		19,655,106	17,780,597
Other current assets		3,756,838	6,357,409
Total other current assets		23,411,944	24,138,006
Total Current Assets		1,187,284,077	1,281,428,218
Non-current Assets			
Other non-current financial assets			
Marketable securities/Available-for-sale	3.3 and 8	7,989,508	8,680,461
Property, plant and equipment	3.5 and 9	1,273,845,377	1,237,455,629
Intangible assets	3.6 and 10	23,175,831	8,257,395
Deferred tax assets	3.7 and 17	12,412,603	10,020,038
Other non-current assets	3.8 and 11	6,740,025	4,162,987
Total Non-current Assets		1,324,163,344	1,268,576,510
TOTAL ASSETS		2,511,447,421	2,550,004,728

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Notes to the financial statements form an integral part of these statements.

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	BAHT	
		2020	2019
Current Liabilities			
Trade and other current payables	12	173,601,025	197,645,972
Assets acquisition payable		35,615,382	15,468,657
Accrued corporate income tax		29,881,392	50,447,988
Other current liabilities		8,520,840	6,928,688
Total Current Liabilities		247,618,639	270,491,305
Non-current Liabilities			
Provision for long-term employee benefits	3.11 and 13	61,164,219	54,317,642
Total Non-current Liabilities		61,164,219	54,317,642
TOTAL LIABILITIES		308,782,858	324,808,947
Shareholders' Equity			
Share capital			
Authorized share capital			
160,000,000 common stocks of Baht 1 par value		160,000,000	160,000,000
Issued and paid-up share capital			
160,000,000 common stocks at Baht 1 each		160,000,000	160,000,000
Additional paid-in capital			
Premium on common stocks		172,000,000	172,000,000
Retained earnings			
Appropriated			
Legal reserve	14	16,000,000	16,000,000
Unappropriated		1,848,450,794	1,870,429,250
Other components of shareholders' equity		6,213,769	6,766,531
Total Shareholders' Equity		2,202,664,563	2,225,195,781
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,511,447,421	2,550,004,728

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Notes to the financial statements form an integral part of these statements.

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020

		BAHT	
	Notes	2020	2019
REVENUES			
Revenues from medical treatment		1,876,290,830	2,256,364,233
Other income		15,700,632	28,420,772
Total Revenues		1,891,991,462	2,284,785,005
EXPENSES			
Cost of medical treatment		1,351,915,723	1,489,478,284
Selling expenses		6,633,137	6,781,768
Administrative expenses		253,428,199	274,607,396
Directors' remuneration	15	5,208,000	4,672,000
Total Expenses	16	1,617,185,059	1,775,539,448
Profit from operating activities		274,806,403	509,245,557
Finance income		6,281,874	7,268,517
Doubtful debts		(4,414,501)	(549,105)
Unrealized loss on open-ended funds	3.3 and 5.1	(3,079)	(1,773,586)
Unrealized loss on marketable securities	3.3 and 5.2	(13,879)	(410,183)
Profit before Income Tax Expenses		276,656,818	513,781,200
Income Tax Expenses	3.9 and 17	(45,835,274)	(93,184,932)
Profit for the years		230,821,544	420,596,268
Other Comprehensive Income (Loss) :-			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Gain (loss) on changes in value of marketable securities- Available-for-sale			
Gain (loss) recognized in other comprehensive income	3.3 and 8	(690,953)	1,144,169
Income tax on net change from the remeasuring of marketable securities		138,191	(228,834)
Other comprehensive income (loss) for the years - net of tax		(552,762)	915,335
Total comprehensive income for the years		230,268,782	421,511,603
Earnings Per Share (Baht)	3.10		
Basic Earnings Per Share		1.44	2.63

The number of 160,000,000 common stocks used in computation.

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Notes to the financial statements form an integral part of these statements.

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NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

	BAHT	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES :		
PROFIT FOR THE YEAR	230,821,544	420,596,268
ADJUSTMENTS TO RECONCILE PROFIT FOR THE YEAR		
TO NET CASH PROVIDED FROM (USED IN) OPERATION :-		
Income tax expenses	45,835,274	93,184,932
Depreciation	135,499,210	128,703,411
Amortization of deferred expenses	3,054,844	4,172,327
Amortization of computer softwares	4,035,374	4,067,186
Unrealized loss on open-ended funds	3,079	1,773,586
Unrealized loss on marketable securities	13,879	410,183
(Gain) loss on disposal of equipment	725,332	(109,170)
Loss on unused assets	27,758	-
Bad debts	850,883	-
Doubtful debts	4,414,501	549,105
Dividend income	(179,673)	(328,217)
Finance income	(6,281,874)	(7,268,517)
Long-term employee benefits expenses	10,297,700	19,551,316
PROFIT FROM OPERATION BEFORE CHANGE IN		
OPERATING ASSETS AND LIABILITIES ITEMS	429,117,831	665,302,410
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Fixed deposit at bank	985,000,000	(760,000,000)
Open-ended funds	98,912	503,755,573
Trade and other current receivables	(3,976,109)	(13,625,377)
Inventories	(7,666,447)	(2,043,629)
Other current assets	(3,950,164)	(673,448)
Other non-current assets	(5,631,882)	278,761
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS		
Trade and other current payables	(25,883,189)	19,379,703
Assets acquisition payable	(17,959,182)	(3,444,857)
Other current liabilities	1,592,152	588,906
Provision for long-term employee benefits	(3,451,123)	(3,800,300)
Cash received from operation	1,347,290,799	405,717,742
Interest income	10,948,100	3,025,621
Income tax paid	(68,656,244)	(84,854,755)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	1,289,582,655	323,888,608

Notes to the financial statements form an integral part of these statements.

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NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

	BAHT	
	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in plant and equipment	(136,579,082)	(74,556,337)
Proceeds from disposal of equipment	719,370	966,370
Increase in intangible assets	(15,791,997)	-
Proceeds from dividend income	189,673	318,217
NET CASH USED IN INVESTING ACTIVITIES	(151,462,036)	(73,271,750)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend payment	(252,800,000)	(233,600,000)
NET CASH USED IN FINANCING ACTIVITIES	(252,800,000)	(233,600,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	885,320,619	17,016,858
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	49,589,425	32,572,567
CASH AND CASH EQUIVALENTS AS AT DECEMBER 31,	934,910,044	49,589,425
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS		
Non-cash flows items comprise :		
Unrealized gain (loss) on marketable securities	(690,953)	1,144,169
Increase in plant and equipment from assets acquisition payable	34,944,094	12,778,016
Increase in equipment from retention	1,838,242	609,896
Increase in intangible assets from assets acquisition payable	3,161,813	513,900
Dividend receivable	-	10,000

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Notes to the financial statements form an integral part of these statements.

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

1. GENERAL INFORMATION

1.1	Company status	A juristic person established under Thai law and listed on the Stock Exchange of Thailand.
1.2	Company location	432, Ngamvongwan Road, Tambol Bangkhen, Amphur Muangnonthaburi, Nonthaburi, Thailand.
	Branch	530, Rattanathibeth Road, Tambol Bangkrasor, Amphur Muangnonthaburi, Nonthaburi, Thailand.
1.3	Type of business	Hospital

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

2.1 The financial statements are prepared in accordance with the Accounting Standards and Financial Reporting Standards issued by Federation of Accounting Professions under the Accounting Profession Act, B.E. 2547 (2004), the Accounting Act, B.E. 2543 (2000) and the Notification of the Office of the Securities and Exchange Commission.

2.2 The new and revised financial reporting standards and financial reporting standard interpretations that became effective in the current accounting year are as follow:

Thai Accounting Standards (TAS)

1. TAS 1 Presentation of Financial Statements
2. TAS 2 Inventories
3. TAS 7 Statement of Cash Flows
4. TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
5. TAS 10 Events after the Reporting Period
6. TAS 12 Income Taxes
7. TAS 16 Property, Plant and Equipment
8. TAS 19 Employee Benefits
9. TAS 20 Accounting for Government Grants and Disclosure of Government Assistance
10. TAS 21 The Effects of Changes in Foreign Exchange Rates

11. TAS 23	Borrowing Costs
12. TAS 24	Related Party Disclosures
13. TAS 26	Accounting and Reporting by Retirement Benefit Plans
14. TAS 27	Separate Financial Statements
15. TAS 28	Investments in Associates and Joint Ventures
16. TAS 29	Financial Reporting in Hyperinflationary Economies
17. TAS 32	Financial Instruments: Presentation
18. TAS 33	Earnings per Share
19. TAS 34	Interim Financial Reporting
20. TAS 36	Impairment of Assets
21. TAS 37	Provisions, Contingent Liabilities and Contingent Assets
22. TAS 38	Intangible Assets
23. TAS 40	Investment Property
24. TAS 41	Agriculture

Thai Financial Reporting Standards (TFRS)

25. TFRS 1	First-time Adoption of Thai Financial Reporting Standards
26. TFRS 2	Share-based Payment
27. TFRS 3	Business Combinations
28. TFRS 4	Insurance Contracts
29. TFRS 5	Non-current Assets Held for Sales and Discontinued Operations
30. TFRS 6	Exploration for and Evaluation of Mineral Resources
31. TFRS 7	Financial Instruments: Disclosures
32. TFRS 8	Operating Segments
33. TFRS 9	Financial Instruments
34. TFRS 10	Consolidated Financial Statements
35. TFRS 11	Joint Arrangements
36. TFRS 12	Disclosure of Interests in Other Entities
37. TFRS 13	Fair Value Measurement
38. TFRS 14	Regulatory Deferral Accounts
39. TFRS 15	Revenue from Contracts with Customers
40. TFRS 16	Leases

Thai Accounting Standard Interpretations (TSIC)

- | | |
|-------------|---|
| 41. TSIC 7 | Introduction of the Euro |
| 42. TSIC 10 | Government Assistance - No Specific Relation to Operating Activities |
| 43. TSIC 25 | Income Taxes - Changes in the Tax Status of an Entity or Its Shareholders |
| 44. TSIC 29 | Service Concession Arrangements: Disclosures |
| 45. TSIC 32 | Intangible Assets - Web Site Costs |

Thai Financial Reporting Standard Interpretations (TFRIC)

- | | |
|--------------|--|
| 46. TFRIC 1 | Changes in Existing Decommissioning, Restoration and Similar Liabilities |
| 47. TFRIC 2 | Members' Shares in Co-operative Entities and Similar Instruments |
| 48. TFRIC 5 | Rights to Interests arising from Decommissioning,
Restoration and Environmental Rehabilitation Funds |
| 49. TFRIC 6 | Liabilities arising from Participating in a Specific Market-Waste Electrical and
Electronic Equipment |
| 50. TFRIC 7 | Applying the Restatement Approach under TAS 29 Financial Reporting in
Hyperinflationary Economies |
| 51. TFRIC 10 | Interim Financial Reporting and Impairment |
| 52. TFRIC 12 | Service Concession Arrangements |
| 53. TFRIC 14 | TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding
Requirements and Their Interaction |
| 54. TFRIC 16 | Hedges of a Net Investment in a Foreign Operation |
| 55. TFRIC 17 | Distributions of Non-cash Assets to Owners |
| 56. TFRIC 19 | Extinguishing Financial Liabilities with Equity Instruments |
| 57. TFRIC 20 | Stripping Costs in the Production Phase of a Surface Mine |
| 58. TFRIC 21 | Levies |
| 59. TFRIC 22 | Foreign Currency Transactions and Advance Consideration |
| 60. TFRIC 23 | Uncertainty over Income Tax Treatments |

These financial reporting standards and financial reporting standard interpretations do not have any significant impact on the financial statements. Except the new standards involve changes to key principles, which are summarized below:

Financial reporting standards related to financial 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 instruments, 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.

- 2.3 The Federation of Accounting Professions has issued the new and revised financial reporting standards and financial reporting standard interpretations.

Effective for fiscal years beginning on or after January 1, 2021.

Thai Accounting Standards (TAS)

- | | |
|-----------|---|
| 1. TAS 1 | Presentation of Financial Statements |
| 2. TAS 8 | Accounting Policies, Changes in Accounting Estimates and Errors |
| 3. TAS 10 | Events after the Reporting Period |
| 4. TAS 34 | Interim Financial Reporting |
| 5. TAS 37 | Provisions, Contingent Liabilities and Contingent Assets |

Thai Financial Reporting Standards (TFRS)

- | | |
|-----------|---|
| 6. TFRS 2 | Share-based Payment |
| 7. TFRS 3 | Business Combinations |
| 8. TFRS 6 | Exploration for and Evaluation of Mineral Resources |
| 9. TFRS 9 | Financial Instruments |

Thai Accounting Standard Interpretations (TSIC)

- | | |
|-------------|------------------------------------|
| 10. TSIC 32 | Intangible Assets - Web Site Costs |
|-------------|------------------------------------|

The Company's management is evaluating the impact of such financial reporting standards and financial reporting standard interpretations on the financial statements in the year when they are adopted.

- 2.4 These financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues and expenses recognition

Revenue from hospital operations

Revenues from hospital operations, mainly consisting of medical fees, hospital room sales and medicine sales, are recognised as income when services have been rendered or medicine delivered.

Service income is recognized when services have been rendered.

Revenue from rental is recognized over the term of rental agreement.

Dividend income is recognized when the right to receive is established.

Other revenues and expenses are recognized on an accrual basis.

3.2 Cash and cash equivalents

Cash and cash equivalents are cash on hand and deposits at the financial institutions due not more than 3 months from the acquisition date and not subject to withdrawal restrictions.

3.3 Financial Instruments

Measurement

- Other current financial assets that are investments in Open-ended Fund are measured at fair value through profit or loss.
- Other current financial assets which is equity instruments-marketable securities are measured at fair value through profit or loss.
- Other non-current financial assets which is equity instruments-marketable securities are measured at fair value through other comprehensive income.

Impairment of financial assets

- The Company has applied a simplified approach to determine the lifetime expected credit losses for trade accounts receivable.

3.4 Inventories

Inventories are stated at cost or net realizable value, whichever is the lower. Cost is determined by the moving average method.

3.5 Property, plant and equipment

Property, plant and equipment are stated at cost. Depreciation is calculated by the straight-line method based on the estimated useful life of the following assets :

PARTICULARS	USEFUL LIFE (YEARS)
Land	No calculation for depreciation
Temporary building	3
Building and structure	10-50
Medical tools and equipment	5-10
Others	5-15

3.6 Intangible assets

Deferred computer software is stated at cost net from cumulative amortization which is calculated by the straight-line method within 5 years.

3.7 Deferred tax assets/liabilities

Deferred tax assets/liabilities are recognized for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the statements of financial position date. They will be realised in future period when the income is realised, or the expenses provided for are actually incurred and considered deductible for income tax purposes.

Deferred tax assets are recognized for deductible temporary differences or addtible tax are deferred tax liabilities if it is highly probable that the Company will generate sufficient taxable profits from its future operations to utilise these assets/liabilities.

As each statements of financial position date, the Company reviews and adjusts the carrying amount of deferred tax assets/liabilities to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets or deferred tax liabilities to be utilised.

3.8 Deferred expenses

Deferred expenses are stated at cost net from cumulative amortization which is calculated by the straight-line method within 3-5 years.

3.9 Income tax expenses

Income tax expenses are calculated from profit/loss for the years consist of current tax and deferred tax. Income tax expenses recognized in statements of comprehensive income unless part of transaction recorded in shareholders' equity recorded directly to equity.

3.10 Earnings per share

Basic earnings per share is calculated by dividing the profit for the years by the number of weighted average common stocks held by outsiders during the years.

3.11 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Long-term employee benefits

Defined contribution plan

The Company provides a provident fund, which is a defined contribution plan. The assets of which are held in a separate trust fund and managed by the external fund manager. Such provident fund is contributed by payments from employees and the Company. Contributions to the provident fund are charged to the statements of comprehensive income in the incurred year.

Defined benefits plan

Provision for employee retirement benefits is recognised as an expense of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by a qualified actuary using the Projected Unit Credit Method.

3.12 Significant accounting judgments and estimates

In preparation of financial statements in accordance with generally accepted accounting principles requires management to use judgment on various estimates and assumptions that will affect the reported amounts of revenues, expenses, assets and liabilities including the disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions of significant accounting relate primarily to allowance for doubtful accounts, depreciation of plant and equipment, amortization of intangible assets, amortization of deferred expenses and provision for long-term employee benefits. All other estimates mentioned above are further disclosed in the corresponding notes to the financial statements.

4. CASH AND CASH EQUIVALENTS

PARTICULARS	AMOUNT IN BAHT	
	2020	2019
Cash	1,989,370	2,355,643
Bank deposits	932,920,674	47,233,782
Total	934,910,044	49,589,425

5. OTHER CURRENT FINANCIAL ASSETS/SHORT-TERM INVESTMENTS (2019)

5.1 Open-ended fund

PARTICULARS	AMOUNT IN BAHT	
	2020	2019
Open-ended fund	47,141	152,218
Valuation adjustment	(9,830)	(12,916)
Open-ended fund-Fair value	37,311	139,302

PARTICULARS	AMOUNT IN BAHT	
	2020	2019
Unrealized loss on open-ended fund	(3,079)	(1,773,586)
Realized gain (loss) on open-ended fund	(9,418)	8,785,613
Gain (loss) on investments in Open-ended Fund	(12,497)	7,012,027

5.2 Marketable securities

PARTICULARS	AMOUNT IN BAHT	
	2020	2019
Acquisition cost	2,007,731	2,007,731
Valuation adjustment	(967,629)	(953,750)
Fair value at ending years	1,040,102	1,053,981

PARTICULARS	AMOUNT IN BAHT	
	2020	2019
Unrealized loss on marketable securities	13,879	410,183

5.3 Fixed deposit at bank

PARTICULARS	AMOUNT IN BAHT	
	2020	2019
6 Month fixed deposit at bank	-	985,000,000
Interest rate per annum	0.25 - 1.65	0.75 - 1.65
Accrued interest income	-	4,853,887

6. TRADE AND OTHER CURRENT RECEIVABLES

PARTICULARS	AMOUNT IN BAHT	
	2020	2019
The trade accounts receivable are classified by outstanding balances of aging as follows :		
Current	159,789,102	157,251,617
Overdue within 3 months	7,867,182	11,488,704
Over 3 - 6 months	3,154,866	1,604,291
Over 6 - 12 months	4,562,245	1,902,586
Over 12 months	3,647,881	3,658,852
Total	179,021,276	175,906,050
Allowance for doubtful debts	(7,688,548)	(3,274,047)
Trade accounts receivable-net	171,332,728	172,632,003
Other current receivables	10,000	-
Total trade and other current receivables	171,342,728	172,632,003

In 2020, the Company applies a simplified approach to determine the lifetime expected credit losses.

7. INVENTORIES

PARTICULARS	AMOUNT IN BAHT	
	2020	2019
Medicines and medical supplies	44,328,225	40,903,388
General supplies	12,213,723	7,972,113
Total	56,541,948	48,875,501

8. OTHER-NON-CURRENT FINANCIAL ASSETS-MARKETABLE SECURITIES/AVAILABLE-FOR-SALE

PARTICULARS	AMOUNT IN BAHT	
	2020	2019
Acquisition cost	222,296	222,296
Valuation adjustment	7,767,212	8,458,165
Fair value at ending years	7,989,508	8,680,461

PARTICULARS	AMOUNT IN BAHT	
	2020	2019
Gain (loss) on changes in value of marketable securities - available-for-sale securities	(690,953)	1,144,169

9. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	AMOUNT IN BAHT									
	Land	Building and structure	Medical tools and equipment	Vehicles	Furniture and fixtures	Office equipment	Computer equipment	Other equipment and tools	Assets under construction	Total
<u>Cost</u>										
January 1, 2019	575,208,866	1,068,012,613	690,571,301	16,124,881	80,583,861	66,880,740	114,199,774	29,783,274	28,170,468	2,669,535,778
Increase for the year 2019	-	9,319,536	44,408,674	13,218,180	797,531	925,169	9,242,811	1,827,915	8,204,433	87,944,249
Disposal	-	(458,211)	(40,460,188)	-	(150,100)	(1,038,254)	(7,939,494)	(727,308)	-	(50,773,555)
Transfer in (out)	-	4,261,768	-	-	-	20,537	-	-	(4,282,305)	-
December 31, 2019	575,208,866	1,081,135,706	694,519,787	29,343,061	81,231,292	66,788,192	115,503,091	30,883,881	32,092,596	2,706,706,472
Increase for the year 2020	-	34,987,541	56,444,137	3,972,290	3,663,172	23,451,105	37,218,803	4,195,799	9,428,571	173,361,418
Disposal/Write off	-	(3,736,519)	(38,592,615)	(3,186,720)	(1,129,659)	(2,944,066)	(22,324,041)	(1,149,896)	-	(73,063,516)
Transfer in (out)	-	65,000	-	-	-	3,437,899	-	-	(3,502,899)	-
December 31, 2020	575,208,866	1,112,451,728	712,371,309	30,128,631	83,764,805	90,733,130	130,397,853	33,929,784	38,018,268	2,807,004,374
<u>Accumulated Depreciation</u>										
January 1, 2019	-	716,591,491	430,846,478	13,506,861	70,623,114	51,970,190	84,949,411	21,976,242	-	1,390,463,787
Depreciation for the year	-	58,300,697	51,690,230	958,861	2,784,540	4,298,736	9,043,407	1,626,940	-	128,703,411
Disposals	-	(455,234)	(39,693,813)	-	(148,849)	(1,034,085)	(7,860,341)	(724,033)	-	(49,916,355)
December 31, 2019	-	774,436,954	442,842,895	14,465,722	73,258,805	55,234,841	86,132,477	22,879,149	-	1,469,250,843
Depreciation for the year	-	56,906,455	54,882,396	1,801,298	3,067,925	4,031,888	12,990,010	1,819,238	-	135,499,210
Disposals/Write off	-	(3,676,455)	(37,374,762)	(3,186,716)	(1,127,620)	(2,933,285)	(22,168,001)	(1,124,217)	-	(71,591,056)
December 31, 2020	-	827,666,954	460,350,529	13,080,304	75,199,110	56,333,444	76,954,486	23,574,170	-	1,533,158,997
<u>Net book value</u>										
December 31, 2019	575,208,866	306,698,752	251,676,892	14,877,339	7,972,487	11,553,351	29,370,614	8,004,732	32,092,596	1,237,455,629
December 31, 2020	575,208,866	284,784,774	252,020,780	17,048,327	8,565,695	34,399,686	53,443,367	10,355,614	38,018,268	1,273,845,377

In 2020 and 2019, part of Company's land at book value of Baht 7.87 million are mortgaged as collateral for bank overdrafts and loans from certain commercial bank.

10. INTANGIBLE ASSETS

PARTICULARS	AMOUNT IN BAHT		
	DEFERRED COMPUTER SOFTWARES	COMPUTER SOFTWARES UNDER INSTALLATION	TOTAL
<u>Cost</u>			
January 1, 2019	98,264,421	602,310	98,866,731
Increase for the year 2019	482,100	31,800	513,900
December 31, 2019	98,746,521	634,110	99,380,631
Increase for the year 2020	3,287,003	15,666,807	18,953,810
Transfer in (out)	634,110	(634,110)	-
December 31, 2020	102,667,634	15,666,807	118,334,441
<u>Accumulated amortization</u>			
January 1, 2019	87,056,050	-	87,056,050
Amortization for the year 2019	4,067,186	-	4,067,186
December 31, 2019	91,123,236	-	91,123,236
Amortization for the year 2020	4,035,374	-	4,035,374
December 31, 2020	95,158,610	-	95,158,610
<u>Net book value</u>			
December 31, 2019	7,623,285	634,110	8,257,395
December 31, 2020	7,509,024	15,666,807	23,175,831

11. OTHER NON-CURRENT ASSETS

PARTICULARS	AMOUNT IN BAHT	
	2020	2019
Deferred expenses	2,583,093	6,220,725
<u>Add</u> Increase	5,856,376	534,695
<u>Less</u> Amortization for the years	(3,054,844)	(4,172,327)
Net book value	5,384,625	2,583,093
Deposit for assets	1,167,792	1,178,992
Others	187,608	400,902
Total	6,740,025	4,162,987

12. TRADE AND OTHER CURRENT PAYABLES

PARTICULARS	AMOUNT IN BAHT	
	2020	2019
Trade accounts payables	63,263,706	63,212,805
Accrued expenses	20,404,615	46,501,433
Accrued doctors' fees	65,021,216	65,167,962
Others	24,911,488	22,763,772
Total	173,601,025	197,645,972

13. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

Provision for long-term employee benefits as at December 31, 2020 and 2019 which are compensations on employees' retirement, are as follows

PARTICULARS	AMOUNT IN BAHT	
	2020	2019
Defined benefit obligation at beginning of years	54,317,642	38,566,626
<u>Add</u> Past service cost	-	10,560,537
Current service cost	9,087,209	7,994,388
Interest cost	1,210,491	996,391
<u>Less</u> Benefits paid during the years	(3,451,123)	(3,800,300)
Defined benefit obligation at end of years	61,164,219	54,317,642

The principal assumptions used in determining the employee benefits are shown as follows:

PARTICULARS	2020 and 2019
Discount rate	2.29 % per annum
Salary increase rate	3.5 - 5.5 % per annum
Staff turnover rate	8 - 25 % per annum

On April 5, 2019, the new Labor Protection Act, announced in the Government Gazette, that became effective 30 days after its publication in the Government Gazette, the new Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of 20 years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment and the Company has additional liabilities for long-term employee benefits. The Company has recorded the effect of the change in the year then ended December 31, 2019 by recognizing past service costs as expenses immediately in the statements of comprehensive income amount of Baht 10.56 million.

14. LEGAL RESERVE

The Company has appropriated the legal reserve which duly met 10 % of authorized share capital, in compliance with the Public Company Act. Such reserve is forbidden for dividend payment.

15. DIVIDEND PAYMENT AND DIRECTORS' REMUNERATION

On April 2, 2020, the Board of Directors' Meeting No.3/2020 was held and approved a resolution to pay interim dividend at Baht 1.58 per share to the shareholders of 160 million shares, totalling Baht 252.80 million, the interim dividend payment was made on April 30, 2020. On August 6, 2020, the Ordinary General Shareholders' Meeting No.1/2020 was held and has acknowledged the payment of interim dividend to the shareholders and approved to pay directors' remuneration amounting to Baht 4.21 million, and annual meeting allowance as specified.

On April 30, 2019, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay dividend at Baht 1.46 per share to the shareholders of 160 million shares, totalling Baht 233.60 million, including directors' remuneration amounting to Baht 3.87 million, and annual meeting allowance as specified. The dividend payment was made on May 29, 2019.

16. EXPENSES BY NATURE

EXPENSES	AMOUNT IN BAHT	
	2020	2019
Medicine and medical supply consumptions	371,048,260	428,872,715
Directors and management benefit expenses	13,726,387	13,908,667
Employee benefit expenses	469,465,064	516,066,786
Doctors' fees	446,759,302	499,506,352
Depreciation and amortization expenses	142,589,428	136,942,924
Bad debts	850,883	-
Other expenses	172,745,735	177,242,004
Total	1,617,185,059	1,775,539,448

17. INCOME TAXES

Corporate income tax of the Company for the years ended December 31, 2020 and 2019 are calculated from the accounting profits and adjusted with other revenues and some expenses which are exempted from income tax or being disallowable expenses in corporate income tax computation.

The Company income taxes are calculated at the rate of 20 percent in 2020 and 2019.

Income tax expenses recognized in statements of comprehensive income consist:

FOR THE YEARS ENDED DECEMBER 31,	AMOUNT IN BAHT	
	2020	2019
Corporate income tax for the years	48,089,648	96,881,710
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(2,254,374)	(3,696,778)
Income tax expenses	45,835,274	93,184,932

As at December 31, 2020 and 2019, the deferred tax assets/liabilities arose from the following temporary differences:

PARTICULARS	AMOUNT IN BAHT	
	2020	2019
Temporary differences in the statements of comprehensive income		
Unrealized loss on open-ended fund	9,830	12,916
Unrealized loss on trading securities	967,629	953,750
Allowance for doubtful accounts receivables	7,688,548	3,274,047
Provision for long-term employees benefits	61,164,219	54,317,642
Total	69,830,226	58,558,355
Temporary differences in other comprehensive income		
- Recognized in other components of shareholders' equity		
Gain from the remeasuring of investment in marketable securities in available-for-sale securities	(7,767,212)	(8,458,165)
Total	62,063,014	50,100,190
Deferred tax assets calculated from tax rate of 20%	12,412,603	10,020,038

18. FINANCIAL INFORMATION BY SEGMENT

The Company is engaged in the business of medical treatment in one geographical area, Thailand. Therefore, the financial information by segment is not shown in these financial statements.

19. COMMITMENT

19.1 As at December 31, 2020 and 2019, the Company has commitment from the issuance of bank guarantee as follow :

PARTICULAR	AMOUNT IN BAHT	
	2020	2019
Letters of guarantee issued by commercial bank	4,276,800	4,276,800

19.2 Commitment under service agreement

As at December 31, 2020, the Company has entered into service agreements which can be cancelled when the counter party has prior notice 30 to 60 days in advance the amount of Baht 29.48 million.

19.3 Capital expenditure commitments

As at December 31, 2020, the Company has capital expenditure commitments to pay a total of Baht 38.39 million in regarding to the improvement of system and construction project.

20. PROVIDENT FUNDS

In compliance with the Provident Fund Act. B.E. 2530 (1987), the Company and its employees have jointly set up the provident fund which consists of partial contribution by its staff and another part by the Company as defined. The Company has appointed TISCO Asset Management Company Limited to be fund manager to manage this fund according to the Ministerial Regulations. The members are entitled to receive benefits according to the rules as stipulated.

Fund contribution from the Company is recorded as expenses in the statements of comprehensive income for the years ended December 31, 2020 and 2019 amount of Baht 4.49 million and Baht 4.47 million, respectively.

21. DISCLOSURE OF FINANCIAL INSTRUMENTS

The Company has information relating to financial instruments, as follows:

21.1 Accounting policies

- Accounting policies are disclosed in Note 3 to the financial statements.

21.2 Risk from breach of contracts

- The Company might have risk from breach of contract, in case the contracting party does not follow the requirement in the contract which may cause damage to the Company.
- The risk with respect to the concentration of credit arose from trade accounts receivable are limited due to the large number of customers and their dispersion.
- For the financial assets shown in the statements of financial position, the book value of such assets is net from various provisions to be estimated fair value.
Such provisions are assumed to be the highest value of risk incurred from breach of contracts.

21.3 Risk relating to interest rate on financial assets and liabilities

Risk from the fluctuation in interest rate may have negative effect to the Company for the current and the following years. The Company expects that it can manage the contingent risk, due to the Company has set up a plan and follow up the situation closely.

21.4 Fair value of financial instruments

The following methods and assumptions are used to estimate the fair value of the financial instruments.

- Financial assets shown at book value which are equal to the estimated fair value.
- Financial liabilities shown at book value which are equal to the estimated fair value.

22. CAPITAL MANAGEMENT

The main objectives of the Company in capital management is to provide the appropriate financial structure and maintain ability to continue its business as a going concern in order to generate returns for shareholders and benefits for other stakeholders.

23. COVID-19 PANDEMIC

COVID-19 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. The Company's management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provision and contingent liabilities.

24. FINANCIAL STATEMENTS APPROVAL

These financial statements are duly approved by the Company's directors on February 18, 2021.