

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

FINANCIAL STATEMENTS

DECEMBER 31, 2022

518/3 อาคารเมธียาเซ็นเตอร์ นอช ชั้น 7
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DR.VIRACH & ASSOCIATES OFFICE CO., LTD.

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, 2022, 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, 2022, 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 including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. 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. The annual report is expected to be made available to me after 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.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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.

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- 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.



(Ms. Ratchneekon Vijaksilp)

Certified Public Accountant Registration No. 5801

Dr. Virach & Associates Office Co., Ltd.

Bangkok : February 21, 2023

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

ASSETS

| | <u>Notes</u> | <u>BAHT</u> | |
|--|--------------------|---------------|---------------|
| | | <u>2022</u> | <u>2021</u> |
| Current Assets | | | |
| Cash and cash equivalents | <i>3.2 and 4</i> | 975,945,597 | 793,620,238 |
| Trade receivable and other current receivables | <i>3.3 and 5</i> | 212,870,855 | 181,431,545 |
| Inventories | <i>3.4 and 6</i> | 61,893,544 | 58,210,500 |
| Other current financial assets | | | |
| Investments in Open-ended Fund | <i>3.3 and 7.1</i> | 37,769 | 38,890 |
| Marketable securities | <i>3.3 and 7.2</i> | 1,042,895 | 1,232,897 |
| Total other current financial assets | | 1,080,664 | 1,271,787 |
| Current portion of other non-current financial assets | | | |
| Other investment | <i>3.3 and 8.2</i> | 100,000,000 | - |
| Other current assets | | | |
| Prepaid expenses | | 22,911,707 | 22,271,972 |
| Other current assets | | 3,267,243 | 4,372,405 |
| Total other current assets | | 26,178,950 | 26,644,377 |
| Total Current Assets | | 1,377,969,610 | 1,061,178,447 |
| Non-current Assets | | | |
| Other non-current financial assets | | | |
| Marketable securities | <i>3.3 and 8.1</i> | 15,376,700 | 11,377,446 |
| Other investment | <i>3.3 and 8.2</i> | 100,000,000 | 100,000,000 |
| Total other non-current financial assets | | 115,376,700 | 111,377,446 |
| Property, plant and equipment | <i>3.5 and 9</i> | 1,228,913,650 | 1,304,577,245 |
| Intangible assets | <i>3.6 and 10</i> | 26,702,463 | 32,676,156 |
| Deferred tax assets | <i>3.7 and 17</i> | 15,852,151 | 13,524,307 |
| Other non-current assets | <i>3.8 and 11</i> | 7,403,975 | 5,175,034 |
| Total Non-current Assets | | 1,394,248,939 | 1,467,330,188 |
| TOTAL ASSETS | | 2,772,218,549 | 2,528,508,635 |

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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, 2022

LIABILITIES AND SHAREHOLDERS' EQUITY

| | Notes | BAHT | |
|---|-------------|----------------------|----------------------|
| | | 2022 | 2021 |
| Current Liabilities | | | |
| Trade and other current payables | 12 | 209,333,174 | 179,190,712 |
| Assets acquisition payable | | 11,164,096 | 35,715,973 |
| Accrued corporate income tax | | 40,314,256 | 15,950,840 |
| Other current liabilities | | 8,624,756 | 8,382,508 |
| Total Current Liabilities | | 269,436,282 | 239,240,033 |
| Non-current Liabilities | | | |
| Provision for long-term employee benefits | 3.11 and 13 | 71,570,400 | 65,819,793 |
| Total Non-current Liabilities | | 71,570,400 | 65,819,793 |
| TOTAL LIABILITIES | | 341,006,682 | 305,059,826 |
| 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 | | | |
| | | 2,071,088,344 | 1,866,524,689 |
| Other components of shareholders' equity | | 12,123,523 | 8,924,120 |
| Total Shareholders' Equity | | 2,431,211,867 | 2,223,448,809 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 2,772,218,549 | 2,528,508,635 |

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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, 2022

| | Notes | BAHT | |
|---|-------------|---------------|---------------|
| | | 2022 | 2021 |
| REVENUES | | | |
| Revenues from medical treatment | | 2,255,305,762 | 1,785,886,047 |
| Other income | | 14,825,412 | 16,129,490 |
| Total Revenues | | 2,270,131,174 | 1,802,015,537 |
| EXPENSES | | | |
| Cost of medical treatment | | 1,598,889,344 | 1,344,725,398 |
| Selling expenses | | 4,098,539 | 4,964,705 |
| Administrative expenses | | 283,988,650 | 253,568,168 |
| Directors' remuneration | 15 | 2,869,000 | 3,539,000 |
| Total Expenses | | 1,889,845,533 | 1,606,797,271 |
| Profit from operating activities | | 380,285,641 | 195,218,266 |
| Finance income | | 4,539,652 | 3,564,131 |
| Allowance for expected credit loss | | (9,696,742) | (4,485,258) |
| Unrealized gain (loss) on open-ended funds | 3.3 and 7.1 | (1,121) | 1,579 |
| Unrealized gain (loss) on marketable securities | 3.3 and 7.2 | (190,002) | 192,795 |
| Profit before Income Tax Expenses | | 374,937,428 | 194,491,513 |
| Income Tax Expenses | 3.9 and 17 | (74,373,773) | (35,117,327) |
| Profit for the years | | 300,563,655 | 159,374,186 |
| Other Comprehensive Income :- | | | |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods | | | |
| Gain on changes in value of marketable securities | | | |
| Gain recognized in other comprehensive income | 3.3 and 8.1 | 3,999,254 | 3,387,938 |
| Income tax on net change from the remeasuring of marketable securities | | (799,851) | (677,587) |
| Gain on changes in value of marketable securities-net of tax | | 3,199,403 | 2,710,351 |
| Adjusted actuarial loss from employee benefit plan | 13 | - | (2,625,364) |
| Component of income tax | | - | 525,073 |
| Actuarial loss from employee benefit plan-net of tax | | - | (2,100,291) |
| Other comprehensive income for the years - net of tax | | 3,199,403 | 610,060 |
| Total comprehensive income for the years | | 303,763,058 | 159,984,246 |
| Earnings Per Share | | | |
| Basic Earnings Per Share | 3.10 | 1.88 | 1.00 |
| 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.

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022

BAHT

| | Issued and paid-up share capital | Premium on common stocks | | Retained earnings | | Other components of shareholders' equity | | Total shareholders' equity |
|--|----------------------------------|--------------------------|----------------|----------------------------|-----------------------|--|--|----------------------------|
| | | Legal reserve | Unappropriated | Other comprehensive income | Marketable securities | | | |
| Balances as at January 1, 2021 | 160,000,000 | 172,000,000 | 16,000,000 | 1,848,450,794 | 6,213,769 | | | 2,202,664,563 |
| Total comprehensive income for the year | - | - | - | 159,374,186 | 2,710,351 | | | 162,084,537 |
| Actuarial loss from employee benefit plan-net of tax | - | - | - | (2,100,291) | - | | | (2,100,291) |
| Total comprehensive income for the year | - | - | - | 157,273,895 | 2,710,351 | | | 159,984,246 |
| Dividend payment | - | - | - | (139,200,000) | - | | | (139,200,000) |
| Balances as at December 31, 2021 | 160,000,000 | 172,000,000 | 16,000,000 | 1,866,524,689 | 8,924,120 | | | 2,223,448,809 |
| Total comprehensive income for the year | - | - | - | 300,563,655 | 3,199,403 | | | 303,763,058 |
| Dividend payment | - | - | - | (96,000,000) | - | | | (96,000,000) |
| Balances as at December 31, 2022 | 160,000,000 | 172,000,000 | 16,000,000 | 2,071,088,344 | 12,123,523 | | | 2,431,211,867 |

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

| | BAHT | |
|--|--------------|--------------|
| | 2022 | 2021 |
| CASH FLOWS FROM OPERATING ACTIVITIES : | | |
| PROFIT FOR THE YEAR | 300,563,655 | 159,374,186 |
| ADJUSTMENTS TO RECONCILE PROFIT FOR THE YEAR | | |
| TO NET CASH PROVIDED FROM (USED IN) OPERATION :- | | |
| Income tax expenses | 74,373,773 | 35,117,327 |
| Depreciation | 174,880,522 | 157,302,291 |
| Amortization of deferred expenses | 3,765,094 | 3,019,053 |
| Amortization of computer softwares | 7,473,853 | 6,215,018 |
| Unrealized (gain) loss on open-ended funds | 1,121 | (1,579) |
| Unrealized (gain) loss on marketable securities | 190,002 | (192,795) |
| Gain on disposal of equipment | (90,325) | (622,074) |
| Loss on unused of equipment | 67,793 | 3,519,678 |
| Bad debts | 1,955,984 | 31,502 |
| Allowance for expected credit loss | 9,696,742 | 4,485,258 |
| Dividend income | (299,852) | (250,479) |
| Finance income | (4,539,652) | (3,564,131) |
| Long-term employee benefits expenses | 11,125,036 | 10,089,025 |
| PROFIT FROM OPERATION BEFORE CHANGE IN | | |
| OPERATING ASSETS AND LIABILITIES ITEMS | 579,163,746 | 374,522,280 |
| (INCREASE) DECREASE IN OPERATING ASSETS ITEMS | | |
| Trade and other current receivables | (43,092,036) | (14,605,577) |
| Inventories | (3,683,044) | (1,668,552) |
| Other current assets | 606,343 | (2,430,495) |
| Other non-current assets | (5,994,035) | (3,754,062) |
| INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS | | |
| Trade and other current payables | 27,715,663 | 4,518,241 |
| Assets acquisition payable | (28,373,096) | (28,771,407) |
| Other current liabilities | 242,248 | (138,332) |
| Provision for long-term employee benefits | (5,374,429) | (8,058,815) |
| Cash received from operation | 521,211,360 | 319,613,281 |
| Interest income | 4,398,736 | 2,762,194 |
| Income tax paid | (53,138,052) | (50,312,098) |
| NET CASH PROVIDED FROM OPERATING ACTIVITIES | 472,472,044 | 272,063,377 |

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

NONTHAVEJ HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2022

| | BAHT | |
|--|---------------|---------------|
| | 2022 | 2021 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Increase in other non-current financial assets | (100,000,000) | (100,000,000) |
| Increase in plant and equipment | (93,406,077) | (160,929,354) |
| Proceeds from disposal of equipment | 275,390 | 2,241,035 |
| Increase in intangible assets | (1,315,850) | (15,715,343) |
| Proceeds from dividend income | 299,852 | 250,479 |
| NET CASH USED IN INVESTING ACTIVITIES | (194,146,685) | (274,153,183) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividend payment | (96,000,000) | (139,200,000) |
| NET CASH USED IN FINANCING ACTIVITIES | (96,000,000) | (139,200,000) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 182,325,359 | (141,289,806) |
| CASH AND CASH EQUIVALENTS AS AT JANUARY 1, | 793,620,238 | 934,910,044 |
| CASH AND CASH EQUIVALENTS AS AT DECEMBER 31, | 975,945,597 | 793,620,238 |
| ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS | | |
| Non-cash flows items comprise : | | |
| Unrealized gain on marketable securities | 3,999,254 | 3,387,938 |
| Increase in plant and equipment from assets acquisition payable | 3,892,909 | 28,871,998 |
| Increase in equipment from other non-current assets | - | 2,300,000 |
| Increase in equipment from retention | 2,426,799 | 1,071,446 |
| Increase in intangible assets from assets acquisition payable | 329,560 | - |
| Increase in intangible assets from transferring fixed assets | 256,000 | - |
| Decrease in intangible assets and assets acquisition payable from changing in scope of work | (401,250) | - |
| Effect from adjusted estimation of employee benefit | | |
| Decrease in deferred income tax assets | - | (525,073) |
| Increase in provision for long-term employee benefits | - | 2,625,364 |
| Decrease in retained earnings | - | (2,100,291) |

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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, 2022

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

2.3 Accounting standards that became effective in the current accounting year

During the year, the Company has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. 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.

2.4 Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2023. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

Management of the Company is evaluating the impact of such financial reporting standards on the financial statements in the year when they are adopted.

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 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and

maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into three levels based on categorize of input to be used in fair value measurement as follows :

Level 1 Use of quoted market prices in an active market for such assets or liabilities.

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly.

Level 3 Use of unobservable inputs such as estimates of future cash flows.

At the end of each reporting period, the Company determines whether transfer have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

The Company's financial instruments as follows :

- 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.
- Other non-current financial assets which is savings lottery are measured at amortised cost.

Impairment of financial assets

- The Company has applied a simplified approach to determine the lifetime expected credit loss 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 expected credit loss, 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 | |
|---------------|----------------|-------------|
| | 2022 | 2021 |
| Cash | 1,896,592 | 2,353,103 |
| Bank deposits | 974,049,005 | 791,267,135 |
| Total | 975,945,597 | 793,620,238 |

5. TRADE AND OTHER CURRENT RECEIVABLES

| PARTICULARS | AMOUNT IN BAHT | |
|--|----------------|--------------|
| | 2022 | 2021 |
| The trade accounts receivable are classified by outstanding balances of aging as follows : | | |
| Current | 200,604,810 | 149,651,300 |
| Overdue within 3 months | 8,664,299 | 17,253,629 |
| Over 3 - 6 months | 3,421,493 | 6,537,343 |
| Over 6 - 12 months | 11,447,069 | 3,332,952 |
| Over 12 months | 10,603,732 | 9,857,127 |
| Total | 234,741,403 | 186,632,351 |
| Allowance for expected credit loss | (21,870,548) | (12,173,806) |
| Trade accounts receivable-net | 212,870,855 | 174,458,545 |
| Other current receivables | - | 6,973,000 |
| Total trade and other current receivables | 212,870,855 | 181,431,545 |

6. INVENTORIES

| PARTICULARS | AMOUNT IN BAHT | |
|--------------------------------|----------------|------------|
| | 2022 | 2021 |
| Medicines and medical supplies | 51,371,451 | 47,343,823 |
| General supplies | 10,522,093 | 10,866,677 |
| Total | 61,893,544 | 58,210,500 |

7. OTHER CURRENT FINANCIAL ASSETS**7.1 Open-ended fund**

| PARTICULARS | AMOUNT IN BAHT | |
|----------------------------|----------------|---------|
| | 2022 | 2021 |
| Open-ended fund | 47,141 | 47,141 |
| Valuation adjustment | (9,372) | (8,251) |
| Open-ended fund-Fair value | 37,769 | 38,890 |

| PARTICULARS | AMOUNT IN BAHT | |
|---|----------------|-------|
| | 2022 | 2021 |
| Unrealized gain (loss) on open-ended fund | (1,121) | 1,579 |

7.2 Marketable securities

| PARTICULARS | AMOUNT IN BAHT | |
|----------------------------|----------------|-----------|
| | 2022 | 2021 |
| Acquisition cost | 2,007,731 | 2,007,731 |
| Valuation adjustment | (964,836) | (774,834) |
| Fair value at ending years | 1,042,895 | 1,232,897 |

| PARTICULARS | AMOUNT IN BAHT | |
|---|----------------|---------|
| | 2022 | 2021 |
| Unrealized gain (loss) on marketable securities | (190,002) | 192,795 |

8. OTHER-NON-CURRENT FINANCIAL ASSETS**8.1 Marketable securities**

| PARTICULARS | AMOUNT IN BAHT | |
|----------------------------|----------------|------------|
| | 2022 | 2021 |
| Acquisition cost | 222,296 | 222,296 |
| Valuation adjustment | 15,154,404 | 11,155,150 |
| Fair value at ending years | 15,376,700 | 11,377,446 |

| PARTICULARS | AMOUNT IN BAHT | |
|---|----------------|-----------|
| | 2022 | 2021 |
| Gain on changes in value of marketable securities | 3,999,254 | 3,387,938 |

8.2 Other investment

| PARTICULARS | AMOUNT IN BAHT | |
|---------------------------------------|----------------|-------------|
| | 2022 | 2021 |
| Savings lottery (due January 8, 2023) | 100,000,000 | 100,000,000 |
| Savings lottery (due October 3, 2024) | 100,000,000 | - |
| Total | 200,000,000 | 100,000,000 |
| Current portion | (100,000,000) | - |
| Total | 100,000,000 | 100,000,000 |

9. PROPERTY, PLANT AND EQUIPMENT

| PARTICULARS | AMOUNT IN BAHT | | | | | | | | | | Total | |
|---------------------------------|----------------|------------------------|-----------------------------|-------------|------------------------|------------------|--------------------|---------------------------|---------------------------|--|---------------|--|
| | Land | Building and structure | Medical tools and equipment | Vehicles | Furniture and fixtures | Office equipment | Computer equipment | Other equipment and tools | Assets under construction | | | |
| Cost | | | | | | | | | | | | |
| January 1, 2021 | 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 | |
| Increase for the year 2021 | - | 17,809,965 | 95,599,803 | 515,990 | 130,797 | 10,414,872 | 9,489,471 | 4,344,924 | 54,866,976 | | 193,172,798 | |
| Disposal/Write off | - | (25,333,993) | (70,139,213) | (1,785,089) | (1,374,381) | (4,744,555) | (7,146,947) | (3,134,505) | - | | (113,658,683) | |
| Transfer in (out) | - | 4,574,426 | - | - | - | 1,719,943 | 3,134,201 | - | (9,428,570) | | - | |
| December 31, 2021 | 575,208,866 | 1,109,502,126 | 737,831,899 | 28,859,532 | 82,521,221 | 98,123,390 | 135,874,578 | 35,140,203 | 83,456,674 | | 2,886,518,489 | |
| Increase for the year 2022 | - | 45,936,154 | 23,184,178 | 3,724 | 2,565,580 | 2,884,980 | 9,303,764 | 1,604,604 | 14,242,801 | | 99,725,785 | |
| Disposal/Write off | - | (3,186,118) | (9,019,643) | - | (3,629,346) | (1,133,148) | (6,056,808) | (305,063) | - | | (23,330,126) | |
| Transfer in (out) | - | 27,075,604 | 16,884,000 | - | 847,384 | 196,056 | - | - | (45,003,044) | | - | |
| Transfer to intangible assets | - | - | - | - | - | - | - | - | (256,000) | | (256,000) | |
| December 31, 2022 | 575,208,866 | 1,179,327,766 | 768,880,434 | 28,863,256 | 82,304,839 | 100,071,278 | 139,121,534 | 36,439,744 | 52,440,431 | | 2,962,658,148 | |
| Accumulated Depreciation | | | | | | | | | | | | |
| January 1, 2021 | - | 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 | |
| Depreciation for the year | - | 63,357,993 | 61,055,781 | 1,961,592 | 3,230,907 | 8,645,253 | 16,458,218 | 2,592,547 | - | | 157,302,291 | |
| Disposals/Write off | - | (25,118,526) | (65,507,784) | (1,766,084) | (1,373,725) | (4,689,246) | (7,074,236) | (2,990,443) | - | | (108,520,044) | |
| December 31, 2021 | - | 865,906,421 | 455,898,526 | 13,275,812 | 77,056,292 | 60,289,451 | 86,338,468 | 23,176,274 | - | | 1,581,941,244 | |
| Depreciation for the year | - | 73,917,696 | 65,926,740 | 2,005,210 | 3,017,164 | 9,501,727 | 17,484,143 | 3,027,842 | - | | 174,880,522 | |
| Disposals/Write off | - | (3,184,590) | (8,925,762) | - | (3,627,493) | (1,118,904) | (5,940,897) | (279,622) | - | | (23,077,268) | |
| December 31, 2022 | - | 936,639,527 | 512,899,504 | 15,281,022 | 76,445,963 | 68,672,274 | 97,881,714 | 25,924,494 | - | | 1,733,744,498 | |
| Net book value | | | | | | | | | | | | |
| December 31, 2021 | 575,208,866 | 243,595,705 | 281,933,373 | 15,583,720 | 5,464,929 | 37,833,939 | 49,536,110 | 11,963,929 | 83,456,674 | | 1,304,577,245 | |
| December 31, 2022 | 575,208,866 | 242,688,239 | 255,980,930 | 13,582,234 | 5,858,876 | 31,399,004 | 41,239,820 | 10,515,250 | 52,440,431 | | 1,228,913,650 | |

In 2022 and 2021, 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, 2021 | 102,667,634 | 15,666,807 | 118,334,441 |
| Increase for the year 2021 | 10,878,943 | 4,836,400 | 15,715,343 |
| Transfer in (out) | 15,666,807 | (15,666,807) | - |
| December 31, 2021 | 129,213,384 | 4,836,400 | 134,049,784 |
| Increase for the year 2022 | 1,287,210 | 358,200 | 1,645,410 |
| Transfer in (out) | 4,435,150 | (4,435,150) | - |
| Reduce from changing in scope of work | - | (401,250) | (401,250) |
| Transfer from fixed assets | 256,000 | - | 256,000 |
| December 31, 2022 | 135,191,744 | 358,200 | 135,549,944 |
| <u>Accumulated amortization</u> | | | |
| January 1, 2021 | 95,158,610 | - | 95,158,610 |
| Amortization for the year 2021 | 6,215,018 | - | 6,215,018 |
| December 31, 2021 | 101,373,628 | - | 101,373,628 |
| Amortization for the year 2022 | 7,473,853 | - | 7,473,853 |
| December 31, 2022 | 108,847,481 | - | 108,847,481 |
| <u>Net book value</u> | | | |
| December 31, 2021 | 27,839,756 | 4,836,400 | 32,676,156 |
| December 31, 2022 | 26,344,263 | 358,200 | 26,702,463 |

11. OTHER NON-CURRENT ASSETS

| PARTICULARS | AMOUNT IN BAHT | |
|--|----------------|-------------|
| | 2022 | 2021 |
| Deferred expenses | 3,449,761 | 5,384,625 |
| <u>Add</u> Increase | 6,264,226 | 1,084,189 |
| <u>Less</u> Amortization for the years | (3,765,094) | (3,019,053) |
| Net book value | 5,948,893 | 3,449,761 |
| Deposit for assets | 1,371,792 | 1,606,033 |
| Others | 83,290 | 119,240 |
| Total | 7,403,975 | 5,175,034 |

12. TRADE AND OTHER CURRENT PAYABLES

| PARTICULARS | AMOUNT IN BAHT | |
|-------------------------|----------------|-------------|
| | 2022 | 2021 |
| Trade accounts payables | 62,940,575 | 62,321,596 |
| Accrued expenses | 33,152,470 | 18,656,478 |
| Accrued doctors' fees | 79,791,354 | 72,880,435 |
| Others | 33,448,775 | 25,332,203 |
| Total | 209,333,174 | 179,190,712 |

13. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

Provision for long-term employee benefits as at December 31, 2022 and 2021 which are compensations on employees' retirement, are as follows

| PARTICULARS | AMOUNT IN BAHT | |
|--|----------------|-------------|
| | 2022 | 2021 |
| Defined benefit obligation at beginning of years | 65,819,793 | 61,164,219 |
| <u>Add</u> Current service cost | 10,214,277 | 8,688,364 |
| Interest cost | 910,759 | 1,400,661 |
| Actuarial loss from employee benefit plan | - | 2,625,364 |
| <u>Less</u> Benefits paid during the years | (5,374,429) | (8,058,815) |
| Defined benefit obligation at end of years | 71,570,400 | 65,819,793 |

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

| PARTICULARS | 2022 and 2021 |
|----------------------|-----------------------|
| Discount rate | 1.45 % per annum |
| Salary increase rate | 3.5 - 5.0 % per annum |
| Staff turnover rate | 7 - 24 % per annum |

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 March 10, 2022, the Board of Directors' Meeting was held and has a resolution to pay dividend at Baht 0.60 per share to the shareholders of 160 million shares, totalling Baht 96 million. On April 22, 2022, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay such proposed dividend, including directors' remuneration amounting to Baht 1.59 million, and annual meeting allowance as specified. By fixing the payment date for dividend on May 20, 2022.

On March 4, 2021, the Board of Directors' Meeting was held and has a resolution to pay dividend at Baht 0.87 per share to the shareholders of 160 million shares, totalling Baht 139.20 million. On April 22, 2021, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay such proposed dividend, including directors' remuneration amounting to Baht 2.31 million, and annual meeting allowance as specified. By fixing the payment date for dividend on May 21, 2021.

16. EXPENSES BY NATURE

| EXPENSES | AMOUNT IN BAHT | |
|---|----------------|-------------|
| | 2022 | 2021 |
| Medicine and medical supply consumptions | 446,831,909 | 368,995,908 |
| Directors and management benefit expenses | 13,381,000 | 13,169,720 |
| Employee benefit expenses | 523,532,970 | 459,229,625 |
| Doctors' fees | 529,786,807 | 432,338,452 |
| Depreciation and amortization expenses | 186,119,469 | 166,536,362 |
| Bad debts | 1,955,984 | 31,502 |

17. INCOME TAXES

Corporate income tax of the Company for the years ended December 31, 2022 and 2021 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 2022 and 2021.

Income tax expenses recognized in statements of comprehensive income consist:

| FOR THE YEARS ENDED DECEMBER 31, | AMOUNT IN BAHT | |
|---|----------------|-------------|
| | 2022 | 2021 |
| Corporate income tax for the years | 77,501,468 | 36,381,546 |
| Amortization and reversal of temporary differences assets/liabilities on temporary differences | (3,127,695) | (1,264,219) |
| Income tax expenses | 74,373,773 | 35,117,327 |

As at December 31, 2022 and 2021, the deferred tax assets/liabilities arose from the following temporary differences:

| PARTICULARS | AMOUNT IN BAHT | |
|--|----------------|--------------|
| | 2022 | 2021 |
| Temporary differences in the statements of comprehensive income | | |
| Allowance for adjustment investment value in Open-ended Fund | 9,372 | 8,251 |
| Allowance for adjustment in market securities | | |
| -other current financial assets | 964,836 | 774,834 |
| Allowance for expected credit loss | 21,870,548 | 12,173,806 |
| Provision for long-term employees benefits | 71,570,400 | 63,194,429 |
| Total | 94,415,156 | 76,151,320 |
| Temporary differences in other comprehensive income | | |
| - Recognized in other components of shareholders' equity | | |
| Allowance for adjustment in market securities | | |
| -other non-current financial assets | (15,154,404) | (11,155,150) |
| - Recognized in retained earning | | |
| Provision for long-term employee benefits | - | 2,625,364 |
| Total | 79,260,752 | 67,621,534 |
| Deferred tax assets calculated from tax rate of 20% | 15,852,151 | 13,524,307 |

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, 2022 and 2021, the Company has commitment from the issuance of bank guarantee as follow :

| PARTICULAR | AMOUNT IN BAHT | |
|--|----------------|-----------|
| | 2022 | 2021 |
| Letters of guarantee issued by commercial bank | 4,276,800 | 4,276,800 |

19.2 Commitment under service agreement

As at December 31, 2022, 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 16.47 million.

19.3 Capital expenditure commitments

As at December 31, 2022, the Company has capital expenditure commitments to pay a total of Baht 34.59 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, 2022 and 2021 amount of Baht 4.99 million and Baht 4.66 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

As at December 31, 2022 and 2021, the Company had the assets that were measured at fair value were disclosed using different levels of inputs as follows:

| | BAHT | | | |
|---|-------------|-------------|-------------|-------------|
| | 2022 | | 2021 | |
| | Level 1 | Total | Level 1 | Total |
| Assets measured at fair value | | | | |
| Financial assets measured at fair value through profit or loss | | | | |
| - Investment in Open-end Fund | 37,769 | 37,769 | 38,890 | 38,890 |
| - Marketable securities | 1,042,895 | 1,042,895 | 1,232,897 | 1,232,897 |
| - Other investment | 200,000,000 | 200,000,000 | 100,000,000 | 100,000,000 |
| Financial assets measured at fair value through other comprehensive income | | | | |
| - Marketable securities | 15,376,700 | 15,376,700 | 11,377,446 | 11,377,446 |

22. CAPITAL MANAGEMENT

The main objectives of the Company in capital management are 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. EVENTS AFTER THE REPORTING PERIOD

On February 21, 2023, the Board of Directors' Meeting No.1/2023 was held and approved a resolution to pay Annual Dividend to shareholders at Baht 1.13 per share totaling amount Baht 180.80 million. Such dividend will be proposed for approval in the next Ordinary General Shareholders' Meeting.

24. FINANCIAL STATEMENTS APPROVAL

These financial statements are duly approved by the Company's directors on February 21, 2023.