

Srivichaivejvivat Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2021

Independent Auditor's Report

To the Shareholders of Srivichaivejvivat Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Srivichaivejvivat Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Srivichaivejvivat Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Srivichaivejvivat Public Company Limited and its subsidiaries and of Srivichaivejvivat Public Company Limited as at 31 December 2021, their 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 and its subsidiaries 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.

Emphasis of Matter

I draw attention to Note 28.4 to the consolidated financial statements regarding the cancellation of public health services of National Health Security Office. My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, 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.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Estimation of accrued medical treatment income

The Company and its subsidiaries have revenues from the provision of medical services to patients under the government welfare schemes of the Social Security Office and the National Health Security Office. The amounts of such revenues are determined based on the government policy, the number of insured persons registered, and statistical information on the services provided by the Company and its subsidiaries. As discussed in Note 8 to the financial statements, as at 31 December 2021, the Company and its subsidiaries accrued medical treatment income from such two government agencies amounting to Baht 177 million. An estimation of accrued medical treatment income requires management to exercise significant judgement. There is thus a risk of the value of such accrued income.

I have examined the accrued medical treatment income by

- Assessing and testing the Company and its subsidiaries' internal controls with respect to the estimation of accrued medical treatment income by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Assessing the appropriateness of the criteria, methodology and conditions applied by the Company and its subsidiaries in estimating accrued medical treatment income in accordance with the government policy.
- Performing the reasonableness of past estimates of accrued medical income by comparing those estimates with the actual amounts received.

- Examining cash receipt transactions relating to accrued medical treatment income subsequent to the period-end date.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Company and its subsidiaries, but does not include the financial statements and my auditor's report thereon. The annual report of the Company and its subsidiaries 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 of the Company and its subsidiaries, 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 and its subsidiaries' 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 and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company and its subsidiaries' 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 judgement 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 and its subsidiaries' 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 and its subsidiaries' 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 and its subsidiaries 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the Company and its subsidiaries audit. I remain solely responsible for my audit opinion.

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.

I am responsible for the audit resulting in this independent auditor's report.

Khitsada Lerdwana
Certified Public Accountant (Thailand) No. 4958

EY Office Limited
Bangkok: 24 February 2022

Srivichaivejvivat Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	7	1,185,024,887	200,160,940	393,429,307	20,555,172
Trade and other receivables	8	674,712,972	354,876,405	157,322,396	173,134,040
Medicine and supplies	9	61,527,245	51,268,754	19,313,757	17,575,852
Other current assets		54,758,391	10,365,163	12,238,232	2,192,884
Total current assets		1,976,023,495	616,671,262	582,303,692	213,457,948
Non-current assets					
Restricted bank deposits	10	489,400	489,400	-	-
Investments in subsidiaries	12	-	-	346,136,171	410,999,916
Other non-current financial asset	11	43,902,000	40,905,000	43,902,000	40,905,000
Property, plant and equipment	13	1,535,194,396	1,488,027,345	982,066,278	885,403,473
Right-of-use assets	18	42,099,309	51,752,294	2,305,914	3,133,867
Goodwill	14	-	64,863,745	-	-
Deferred tax assets	23	13,342,892	12,442,508	-	-
Other non-current assets		28,225,260	30,890,452	23,278,078	25,661,066
Total non-current assets		1,663,253,257	1,689,370,744	1,397,688,441	1,366,103,322
Total assets		3,639,276,752	2,306,042,006	1,979,992,133	1,579,561,270

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

Srivichaivejvivat Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Liabilities and shareholders' equity					
Current liabilities					
Short-term loan from financial institutions	15	-	203,300,000	-	195,000,000
Trade and other payables	16	482,445,397	288,427,503	186,375,771	150,324,530
Current portion of payable from purchase of investment	12	5,246,909	4,973,373	5,246,909	4,973,373
Current portion of long-term loans	17	109,087,689	99,171,369	53,640,000	50,859,848
Current portion of lease liabilities	18	12,223,846	11,728,001	589,263	961,979
Income tax payable		170,939,099	18,366,444	41,563,247	4,913,235
Other current liabilities		4,800,895	4,488,325	1,721,323	1,483,153
Total current liabilities		784,743,835	630,455,015	289,136,513	408,516,118
Non-current liabilities					
Payable from purchase of investment, net of current portion	12	17,536,566	22,783,475	17,536,566	22,783,475
Long-term loans, net of current portion	17	131,871,767	131,076,137	72,930,000	41,570,000
Lease liabilities, net of current portion	18	56,338,445	65,803,976	721,791	947,962
Provision for long-term employee benefits	19	50,932,894	49,266,939	13,534,010	12,674,296
Deferred tax liabilities	23	2,275,601	2,569,337	1,810,509	1,948,223
Total non-current liabilities		258,955,273	271,499,864	106,532,876	79,923,956
Total liabilities		1,043,699,108	901,954,879	395,669,389	488,440,074

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

Srivichaivejvivat Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Shareholders' equity					
Share capital					
Registered					
570,666,666 ordinary shares of Baht 1 each		570,666,666	570,666,666	570,666,666	570,666,666
Issued and fully paid					
570,665,433 ordinary shares of Baht 1 each		570,665,433	570,665,433	570,665,433	570,665,433
Share premium		37,938,115	37,938,115	37,938,115	37,938,115
Retained earnings					
Appropriated - statutory reserve	20	57,066,667	50,976,063	57,066,667	50,976,063
Unappropriated		1,902,820,354	723,095,623	915,930,929	431,217,585
Other components of shareholders' equity		21,391,096	18,993,496	2,721,600	324,000
Equity attributable to owners of the Company		2,589,881,665	1,401,668,730	1,584,322,744	1,091,121,196
Non-controlling interests of the subsidiaries		5,695,979	2,418,397	-	-
Total shareholders' equity		2,595,577,644	1,404,087,127	1,584,322,744	1,091,121,196
Total liabilities and shareholders' equity		3,639,276,752	2,306,042,006	1,979,992,133	1,579,561,270
		-	-	-	-

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

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Directors
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Srivichaivejvivat Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit or loss:					
Revenues					
Revenues from hospital operations		4,717,835,342	2,275,671,828	1,334,393,697	922,042,378
Dividend income	12	-	-	364,461,705	64,153,116
Other income		11,922,310	14,265,340	3,194,584	3,212,414
Total revenues		4,729,757,652	2,289,937,168	1,702,049,986	989,407,908
Expenses					
Cost of hospital operations		2,693,236,138	1,727,931,612	858,425,761	704,311,632
Selling expenses		66,135,140	58,159,890	22,633,673	22,476,649
Administrative expenses	14	365,719,303	255,001,950	188,322,849	100,032,122
Total expenses		3,125,090,581	2,041,093,452	1,069,382,283	826,820,403
Operating profit		1,604,667,071	248,843,716	632,667,703	162,587,505
Finance cost	21	(15,682,799)	(21,009,857)	(6,794,852)	(10,112,440)
Profit before income tax expenses		1,588,984,272	227,833,859	625,872,851	152,475,065
Income tax expenses	23	(328,773,405)	(40,981,929)	(64,190,462)	(15,417,657)
Profit for the year		1,260,210,867	186,851,930	561,682,389	137,057,408
Other comprehensive income:					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial gain	19	2,449,463	749,809	566,861	-
Gain on changes in value of equity investments designated at fair value through other comprehensive income	11	2,997,000	-	2,997,000	-
Less: income tax effect	23	(1,086,587)	(112,471)	(712,772)	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		4,359,876	637,338	2,851,089	-
Other comprehensive income for the year		4,359,876	637,338	2,851,089	-
Total comprehensive income for the year		1,264,570,743	187,489,268	564,533,478	137,057,408
Profit attributable to:					
Equity holders of the Company		1,255,182,135	186,277,761	561,682,389	137,057,408
Non-controlling interests of the subsidiaries		5,028,732	574,169		
		1,260,210,867	186,851,930		
Total comprehensive income attributable to:					
Equity holders of the Company		1,259,544,865	186,914,971	564,533,478	137,057,408
Non-controlling interests of the subsidiaries		5,025,878	574,297		
		1,264,570,743	187,489,268		
Earnings per share					
24					
Basic earnings per share					
Profit attributable to equity holders of the Company		2.20	0.33	0.98	0.24

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

Srivichaivejvivat Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from operating activities				
Profit before tax	1,588,984,272	227,833,859	625,872,851	152,475,065
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	157,826,725	165,657,065	51,632,422	52,904,130
Allowance for expected credit losses	3,637,850	1,248,941	1,572,216	497,749
Reduction of medicine and supplies to net realisable value (reversal)	194,395	(36,607)	45,568	(22,172)
Impairment loss on goodwill	64,863,745	-	-	-
Impairment loss on investment in subsidiary	-	-	64,863,745	-
Gain on disposals of equipment	(796,726)	(84,470)	(129,131)	-
Loss on write-off of equipment	1,402,206	1,420,408	426,370	1,102,458
Loss on write-off of intangible assets	24,243	-	-	-
The adjustment of differences arising from				
a reduction in rental payments	108,340	18,729	-	-
Advance for purchase of intangible assets write-off	-	6,420,000	-	-
Withholding tax write-off	-	2,380,140	-	-
Reversal of income tax expenses	-	77,415	-	560
Provision for long-term employee benefits	5,135,952	5,004,628	1,426,575	1,292,708
Dividend income from subsidiaries	-	-	(364,461,705)	(64,153,116)
Interest income	(418,814)	(392,004)	(83,999)	(96,488)
Finance cost	15,682,799	21,009,857	6,794,852	10,112,440
Profit from operating activities before changes in operating assets and liabilities	1,836,644,987	430,557,961	387,959,764	154,113,334
Operating assets (increase) decrease				
Trade and other receivables	(323,474,417)	7,236,125	14,239,428	12,944,604
Medicine and supplies	(10,452,886)	(2,225,471)	(1,783,473)	(3,043,166)
Other current assets	(44,393,228)	(2,478,995)	(10,045,348)	(759,284)
Other non-current assets	(176,665)	(805,798)	106,000	(35,000)
Operating liabilities increase (decrease)				
Trade and other payables	180,775,979	(36,074,863)	31,955,458	(3,620,955)
Other current liabilities	312,570	853,196	238,170	238,760
Cash paid for long-term employee benefits	(1,020,534)	(3,368,836)	-	-
Cash flows from operating activities	1,638,215,806	393,693,319	422,669,999	159,838,293
Interest received	418,814	392,004	83,999	96,488
Cash paid for income tax	(178,481,457)	(45,237,236)	(28,390,936)	(19,933,203)
Net cash flows from operating activities	1,460,153,163	348,848,087	394,363,062	140,001,578

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

Srivichaivejvivat Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from investing activities				
Acquisition of buildings improvement and equipment	(155,488,745)	(200,769,924)	(122,539,314)	(156,811,357)
Cash paid for payable of buildings improvement and equipment	(15,140,419)	(23,949,353)	(13,374,602)	(18,378,787)
Acquisition of intangible assets	(450,755)	(1,342,705)	(414,642)	(100,601)
Cash receipt from dividend of subsidiaries	-	-	364,461,705	64,153,116
Proceeds from sales of equipment	826,500	84,500	158,900	-
Advance for purchase of equipment	(3,862,659)	(4,942,969)	(1,503,012)	(3,694,471)
Cash paid for payable from purchase of investment	(4,973,373)	(4,714,098)	(4,973,373)	(4,714,098)
Interest paid	(5,083,005)	(3,444,461)	(1,526,627)	(1,785,902)
Net cash flows from (used in) investing activities	(184,172,456)	(239,079,010)	220,289,035	(121,332,100)
Cash flows from financing activities				
Increase (decrease) in short-term loan from financial institutions	(203,300,000)	85,300,000	(195,000,000)	85,000,000
Cash receipt from short-term loans from related parties	-	-	70,000,000	-
Repayment of short-term loans from related party	-	-	(70,000,000)	-
Cash receipt from long-term loans from financial institutions	110,000,000	43,320,000	85,000,000	31,390,000
Repayment of long-term loans from financial institutions	(99,288,050)	(116,442,778)	(50,859,848)	(68,650,367)
Payment of principal portion of lease liabilities	(12,497,866)	(13,883,700)	(1,175,887)	(1,283,260)
Dividend paid	(70,918,060)	(79,377,883)	(70,918,060)	(79,377,883)
Dividend paid to non-controlling interests of the subsidiaries	(913,351)	(316,226)	-	-
Interest paid	(14,199,433)	(19,365,445)	(8,824,167)	(9,167,497)
Net cash flows used in financing activities	(291,116,760)	(100,766,032)	(241,777,962)	(42,089,007)
Net increase (decrease) in cash and cash equivalents	984,863,947	9,003,045	372,874,135	(23,419,529)
Cash and cash equivalents at beginning of year	200,160,940	191,157,895	20,555,172	43,974,701
Cash and cash equivalents at end of year	1,185,024,887	200,160,940	393,429,307	20,555,172
	-	-	-	-

Supplemental cash flows information:

Non-cash items consist of:

Acquisition of buildings improvement and equipment

for which no cash has been paid

27,176,780 15,140,419 17,056,079 13,374,602

Interest expense capitalisation as cost of assets

3,556,378 1,658,559 3,556,378 749,920

Transfer of advances for purchases of fixed assets

to property, plant and equipment

3,050,913 7,485,817 613,155 5,471,471

Increase in right-of-use assets from TFRS 16 adoption

- 63,945,172 - 4,088,913

Increase in right-of-use assets from new contracts

2,854,599 - 491,999 -

Increase in lease liabilities from new contracts

2,758,332 - 363,092 -

Transfer of right-of-use assets

to property, plant and equipment

2,305,410 - 578,508 -

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

Srivichaivejvivat Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2021

(Unit: Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
	Note	Issued and paid-up		Retained earnings		Other components of shareholders' equity						
						Other change by the owners		Other comprehensive				
						Difference resulting from business combination under common control	Change in parent's ownership interest in subsidiaries without change in control	Gain on investment in equity designated at fair value	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Balance as at 1 January 2020		570,665,433	37,938,115	44,123,192	622,926,682	37,530,739	(18,861,243)	324,000	18,993,496	1,294,646,918	2,164,483	1,296,811,401
Profit for the year		-	-	-	186,277,761	-	-	-	-	186,277,761	574,169	186,851,930
Other comprehensive income for the year		-	-	-	637,210	-	-	-	-	637,210	128	637,338
Total comprehensive income for the year		-	-	-	186,914,971	-	-	-	-	186,914,971	574,297	187,489,268
Dividend paid	27	-	-	-	(79,893,159)	-	-	-	-	(79,893,159)	(320,383)	(80,213,542)
Transferred to statutory reserve	20	-	-	6,852,871	(6,852,871)	-	-	-	-	-	-	-
Balance as at 31 December 2020		570,665,433	37,938,115	50,976,063	723,095,623	37,530,739	(18,861,243)	324,000	18,993,496	1,401,668,730	2,418,397	1,404,087,127
Balance as at 1 January 2021		570,665,433	37,938,115	50,976,063	723,095,623	37,530,739	(18,861,243)	324,000	18,993,496	1,401,668,730	2,418,397	1,404,087,127
Profit for the year		-	-	-	1,255,182,135	-	-	-	-	1,255,182,135	5,028,732	1,260,210,867
Other comprehensive income for the year		-	-	-	1,965,130	-	-	2,397,600	2,397,600	4,362,730	(2,854)	4,359,876
Total comprehensive income for the year		-	-	-	1,257,147,265	-	-	2,397,600	2,397,600	1,259,544,865	5,025,878	1,264,570,743
Dividend paid	27	-	-	-	(71,331,930)	-	-	-	-	(71,331,930)	(1,748,296)	(73,080,226)
Transferred to statutory reserve	20	-	-	6,090,604	(6,090,604)	-	-	-	-	-	-	-
Balance as at 31 December 2021		570,665,433	37,938,115	57,066,667	1,902,820,354	37,530,739	(18,861,243)	2,721,600	21,391,096	2,589,881,665	5,695,979	2,595,577,644

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

Srivichaivejvivat Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2021

(Unit: Baht)

Separate financial statements							
	Note	Issued and paid-up share capital	Shares premium	Retained earnings		Other components of shareholders' equity	Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	Other comprehensive income	
						Gain on investment in equity designated at fair value	
Balance as at 1 January 2020		570,665,433	37,938,115	44,123,192	380,906,207	324,000	1,033,956,947
Profit for the year		-	-	-	137,057,408	-	137,057,408
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	137,057,408	-	137,057,408
Dividend paid	27	-	-	-	(79,893,159)	-	(79,893,159)
Transferred to statutory reserve	20	-	-	6,852,871	(6,852,871)	-	-
Balance as at 31 December 2020		570,665,433	37,938,115	50,976,063	431,217,585	324,000	1,091,121,196
Balance as at 1 January 2021		570,665,433	37,938,115	50,976,063	431,217,585	324,000	1,091,121,196
Profit for the year		-	-	-	561,682,389	-	561,682,389
Other comprehensive income for the year		-	-	-	453,489	2,397,600	2,851,089
Total comprehensive income for the year		-	-	-	562,135,878	2,397,600	564,533,478
Dividend paid	27	-	-	-	(71,331,930)	-	(71,331,930)
Transferred to statutory reserve	20	-	-	6,090,604	(6,090,604)	-	-
Balance as at 31 December 2021		570,665,433	37,938,115	57,066,667	915,930,929	2,721,600	1,584,322,744

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

Srivichaivejvivat Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2021

1. General information

1.1 Corporate information

Srivichaivejvivat Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in hospital business. The registered office of the Company is at 74/5 Moo 4, Phetkasem Road, Omnoi, Krathumbaen, Samutsakorn.

1.2 Coronavirus disease 2019 Pandemic

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

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Srivichai Development Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

b	Company's name	Nature of business	Country of incorporation	Percentage of Shareholding	
				2021	2020
				Percent	Percent
	Srivichai Development Company Limited	Operating of hospitals	Thailand	99.43	99.43
	Srisakornvejvivat Company Limited	Operating of hospitals	Thailand	99.56	99.56
	Srivichai Vocational College Company Limited	Operating of vocational school	Thailand	99.98	99.98
	The Bangkok Orthopedic Hospital Company Limited	Operating of hospitals	Thailand	100.00	100.00

pany is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

Furthermore, the Company and its subsidiaries elected to adopt the amendments to TFRS 16 Leases relating to COVID-19-related rent concessions. These amendments provide a practical expedient that permits a lessee to not assess whether rent concessions are lease modifications. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the conditions are met, i.e., the change in lease payments results in a revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease preceding the change; any reduction in lease payments affects only payments originally due on or before 30 June 2022; and there is no substantive change to other terms and conditions of the lease.

The Company and its subsidiaries apply the practical expedient to some rent concessions that meet the above conditions and the impact of this application due to resulting changes in payments under leases are recognised in profit or loss for the year ended 31 December 2021. There was no impact on the opening balance of retained earnings.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Company and its subsidiaries believe that adoption of these amendments will not have any significant impact on the Company and its subsidiaries' financial statements.

4. Significant accounting policies

4.1 Revenue recognition and expense recognition

Revenue for hospital operations

Revenues from hospital operations, mainly consisting of medical fees, hospital room sales, and medicine sales, are recognised as revenue and the point in time when services have been rendered or medicines have been delivered. Revenues are measured at the amount of the consideration received or receivable of services rendered, and medicine delivered after deducting discounts. Hospital operating revenues from the Social Security Office and National Health Security Office are recognised based on several expected service fee rates. The Company and its subsidiaries take into account criteria, procedures, and conditions set forth by the Offices, including statistics on medical services provided by the hospital's group and actual payments for medical services received from the Offices.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Revenue from tuition fees and educational media

Revenues from tuition fees and educational media are recognised over the teaching period.

Rental income

Rental income is recognised over the rental period and at the rate determined in agreement.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Medicine and supplies

Medicine and supplies are valued at the lower of cost (average method) and net realisable value.

4.4 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

4.5 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their cost on the straight-line basis over the following estimated useful lives:

Buildings	20, 40 and 50 years
Buildings improvement	5, 20 years
Buildings improvement on right-of-use assets	2 - 20 years
Tools and medical instruments	2 - 10 years
Office furniture, fixtures and equipment	3, 5 years
Motor vehicles	5, 10 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in the profit or loss when the asset is derecognised.

4.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.7 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses (if any). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the subsidiary's cash generating units that are expected to benefit from the synergies of the combination. The subsidiary estimates the recoverable amount of each cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.8 Leases

At inception of contract, the Company and its subsidiaries assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company and its subsidiaries as a lessee

The Company and its subsidiaries applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value asset. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company and its subsidiaries recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

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

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land	16 years
Buildings and buildings improvement	2 - 12 years
Tools and medical instruments	3 - 6 years
Motor vehicles	3 - 7 years

If ownership of the leased asset is transferred to the Company and its subsidiaries at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and its subsidiaries and payments of penalties for terminating the lease, if the lease term reflects the Company and its subsidiaries exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company and its subsidiaries discounted the present value of the lease payments by the interest rate implicit in the lease or the Company and its subsidiaries' incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

4.9 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company or its subsidiaries, whether directly or indirectly, or which are under common control with the Company or its subsidiaries.

They also include individuals or enterprises which directly or indirectly own a voting interest in the Company or its subsidiaries that gives them significant influence over the Company or its subsidiaries, key management personnel, directors and officers with authority in the planning and direction of the Company's or its subsidiaries' operations.

4.10 Impairment of non-financial assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment, right-of-use assets, and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.11 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Company, the subsidiaries and their employees have jointly established separate provident funds. The funds are monthly contributed by employees, the Company and its subsidiaries. The funds' assets are held in separate trust funds and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company and its subsidiaries recognise restructuring-related costs.

4.12 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.13 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets 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 asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.14 Financial instruments

The Company and its subsidiaries initially measure financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Company and its subsidiaries' business model for

managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Company and its subsidiaries measure financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Company and its subsidiaries can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Classification and measurement of financial liabilities

At initial recognition the Company and its subsidiaries’ financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company and its subsidiaries take into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company and its subsidiaries have transferred substantially all the risks and rewards of the asset, or the Company and its subsidiaries have transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

For trade receivables, the Company and its subsidiaries apply a simplified approach in calculating ECLs. Therefore, the Company and its subsidiaries do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.15 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 and its subsidiaries apply 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 and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises 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 categorised within the fair value hierarchy into three levels based on categorise 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 and its subsidiaries determine whether transfers 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.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Accrued medical treatment income

Accrued medical treatment income represents medical income that has not been collected from the Social Security Office and National Health Security Office. The Company and its subsidiaries are not able to determine the certain amount to be collected. In this regard, the management is required to make an estimation of such accrued income in accordance with bases, methods and terms specified by such authority, and consider the amount of the latest actual collection together with the current circumstances.

Allowance for impairment of non-financial assets

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 5 years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and investments in subsidiaries recognised by the Company.

Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore, no contingent liabilities are recorded as at the end of reporting period.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and its subsidiaries and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Medical service income	-	-	33	6	Normal price less certain discount
Dividend income	-	-	364	64	Resolution of the Annual General Meeting of the shareholders of subsidiaries
Medical service expenses	-	-	89	50	Normal price less certain discount
Acquisition of vehicles	-	-	-	10	Market Price

As at 31 December 2021 and 2020, the balances of the accounts between the Company, its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Trade and other receivables - related parties</u>				
(Note 8)				
Subsidiaries	-	-	16,907	871
Total trade and other receivables - related parties	-	-	16,907	871
<u>Trade and other payables - related parties</u>				
(Note 16)				
Subsidiaries	-	-	37,935	21,131
Related company and individuals	145	128	-	-
Total trade and other payables - related parties	145	128	37,935	21,131

Short-term loan from related parties

As at 31 December 2021 and 2020, the balances of loans between the Company and the related companies and the movement are as follows:

(Unit: Thousand Baht)

Loan from related parties	Related by	Separate financial statements			
		Balance as at 31 December 2020 (Audited)	Increase during the year	Decrease during the year	Balance as at 31 December 2021
Saivichai Development Company Limited	Subsidiary	-	20,000	(20,000)	-
Srisakorn Vejvivat Company Limited	Subsidiary	-	50,000	(50,000)	-
Total		-	70,000	(70,000)	-

Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	53,882	33,037	36,648	23,573
Post-employment benefits	13	12	13	12
Total	<u>53,895</u>	<u>33,049</u>	<u>36,661</u>	<u>23,585</u>

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash	2,907	2,318	1,157	645
Bank deposits	<u>1,182,118</u>	<u>197,843</u>	<u>392,272</u>	<u>19,910</u>
Total	<u>1,185,025</u>	<u>200,161</u>	<u>393,429</u>	<u>20,555</u>

As at 31 December 2021, the Company and its subsidiaries had bank deposits in saving accounts and fixed deposits which carried interests between 0.1 and 0.4 percent per annum (2020: between 0.05 and 0.55 percent per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	2,227	717
Past due				
Up to 3 months	-	-	7,607	154
3 - 6 months	-	-	6,410	-
6 - 12 months	-	-	159	-
Total trade receivables - related parties	-	-	16,403	871
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	375,459	144,908	53,876	46,866
Past due				
Up to 3 months	55,706	36,047	13,095	16,031
3 - 6 months	6,097	4,011	3,213	1,936
6 - 12 months	2,550	1,943	1,839	1,549
Over 12 months	2,050	1,004	2,029	608
Total	441,862	187,913	74,052	66,990
Less: Allowance for expected credit losses	(3,771)	(878)	(1,940)	(482)
Total trade receivables - unrelated parties, net	438,091	187,035	72,112	66,508
Total trade receivables - net	438,091	187,035	88,515	67,379
<u>Other receivables - related parties</u>				
Accrued income				
Other accrued income - related parties	-	-	504	-
Total other receivables - related parties	-	-	504	-
<u>Other receivables - unrelated parties</u>				
Other receivables	6,017	4,499	5,109	2,455
Accrued income				
Accrued social security income	146,359	94,560	33,173	70,587
Accrued national health security income	30,814	22,456	4,285	-
Other accrued income - unrelated parties	54,319	46,637	25,790	32,713
Total	237,509	168,152	68,357	105,755
Less: Allowance for expected credit losses	(887)	(311)	(54)	-
Total other receivables - unrelated parties, net	236,622	167,841	68,303	105,755
Total other receivables - net	236,622	167,841	68,807	105,755
Total trade and other receivables - net	674,713	354,876	157,322	173,134

9. Medicine and supplies

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Medicine and supplies - net	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Medicine	27,222	25,574	(408)	(306)	26,814	25,268
Medical supplies	30,110	21,787	(146)	(53)	29,964	21,734
Other supplies	4,767	4,286	(18)	(19)	4,749	4,267
Total	<u>62,099</u>	<u>51,647</u>	<u>(572)</u>	<u>(378)</u>	<u>61,527</u>	<u>51,269</u>

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Medicine and supplies - net	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Medicine	9,944	10,462	(141)	(140)	9,803	10,322
Medical supplies	8,347	6,049	(62)	(17)	8,285	6,032
Other supplies	1,226	1,222	-	-	1,226	1,222
Total	<u>19,517</u>	<u>17,733</u>	<u>(203)</u>	<u>(157)</u>	<u>19,314</u>	<u>17,576</u>

During the current year, the Company and its subsidiaries reduced cost of medicine and supplies by Baht 1.2 million (2020: Baht 0.9 million) (the Company only: Baht 0.7 million, 2020: Baht 0.7 million), to reflect the net realisable value. This was included in cost of hospital operations. In addition, the Company and its subsidiaries reversed the write-down of cost of medicine and supplies by Baht 1 million (2020: Baht 1 million) (the Company only: Baht 0.7 million, 2020: Baht 0.7 million), and reduced the amount of medicine and supplies recognised as expenses during the year.

10. Restricted bank deposits

These represent bank deposits pledged with the bank to secure bank guarantees issued by that bank on behalf of the subsidiary.

11. Other non-current financial assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<u>Equity instruments designated at FVOCI</u>				
Mahanakorn Mae-sod Vejchakarn				
Company Limited	43,902	40,905	43,902	40,905
Total other non-current financial assets	<u>43,902</u>	<u>40,905</u>	<u>43,902</u>	<u>40,905</u>

Equity instruments designated at FVOCI include non-listed equity investment which the Company considers this investment to be strategic in nature.

12. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment of investment		Carrying amounts based on cost method - net		Dividend received during the year	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
			(%)	(%)								
Saivichai Development Company Limited	150,000	150,000	99.43	99.43	159,526	159,526	-	-	159,526	159,526	180,468	45,937
Srisakornvejvivat Company Limited	99,200	99,200	99.56	99.56	108,506	108,506	-	-	108,506	108,506	161,972	13,037
Srivichai Vocational College Company Limited	100	100	99.98	99.98	100	100	-	-	100	100	242	284
The Bangkok Orthopedic Hospital Company Limited	9,000	9,000	100.00	100.00	142,868	142,868	(64,864)	-	78,004	142,868	21,780	4,895
Total					<u>411,000</u>	<u>411,000</u>	<u>(64,864)</u>	<u>-</u>	<u>346,136</u>	<u>411,000</u>	<u>364,462</u>	<u>64,153</u>

The Company entered into an agreement to pay the unpaid amount of an acquisition of the Bangkok Orthopedic Hospital Company Limited of Baht 58.5 million in 9 annual installments at Baht 6.5 million each, starting from 2016.

13. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							Total
		Buildings and	Buildings	Tools and	Office furniture,	Assets under		
	Land	improvement	improvement on	medical	fixtures and	installation		
Cost:			right-of-use	Instruments	equipment	Motor vehicles	and under	
			assets				construction	
1 January 2020	371,064	902,886	267,474	615,124	306,649	95,470	199,135	2,757,802
Additions/Transfer from advance	-	661	641	34,743	13,610	1,076	172,665	223,396
Disposals/write-off	-	(1,848)	-	(13,516)	(11,282)	(790)	(736)	(28,172)
Transfers in (out)	-	138,702	9,215	172	11,698	-	(159,787)	-
Capitalised interest	-	-	-	-	-	-	1,659	1,659
31 December 2020	371,064	1,040,401	277,330	636,523	320,675	95,756	212,936	2,954,685
Additions/Transfer from advance	-	2,412	1,188	37,980	20,802	134	123,200	185,716
Disposals/write-off	-	(544)	-	(25,942)	(12,469)	(3,535)	(520)	(43,010)
Transfers in (out)	-	7,909	4,387	-	4	-	(12,300)	-
Transfer from right-of-use assets	-	-	-	-	-	8,953	-	8,953
Capitalised interest	-	-	-	-	-	-	3,556	3,556
31 December 2021	371,064	1,050,178	282,905	648,561	329,012	101,308	326,872	3,109,900

(Unit: Thousand Baht)

Consolidated financial statements

	Land	Buildings and improvement	Buildings improvement on right-of-use assets	Tools and medical Instruments	Office furniture, fixtures and equipment	Motor vehicles	Assets under installation and under construction	Total
Accumulated depreciation:								
1 January 2020	-	527,230	89,013	411,602	246,784	69,258	-	1,343,887
Depreciation for the year	-	28,109	19,550	67,891	27,187	6,786	-	149,523
Depreciation on disposals/write-off	-	(1,839)	-	(12,794)	(11,053)	(1,066)	-	(26,752)
31 December 2020	-	553,500	108,563	466,699	262,918	74,978	-	1,466,658
Depreciation for the year	-	28,881	20,912	62,539	24,482	6,164	-	142,978
Depreciation on disposals/write-off	-	(544)	-	(25,402)	(12,103)	(3,529)	-	(41,578)
Transfer from right-of-use assets	-	-	-	-	-	6,648	-	6,648
31 December 2021	-	581,837	129,475	503,836	275,297	84,261	-	1,574,706
Net book value:								
31 December 2020	371,064	486,901	170,886	169,824	57,757	20,778	210,817	1,488,027
31 December 2021	371,064	468,341	153,430	144,725	53,715	17,047	326,872	1,535,194
Depreciation for the year								
2020 (Baht 127 million included in cost of hospital operations, and the balance in selling and administrative expenses)								149,523
2021 (Baht 124 million included in cost of hospital operations, and the balance in selling and administrative expenses)								142,978

(Unit: Thousand Baht)

Separate financial statements

	Land	Buildings and buildings improvement	Tools and medical instruments	Office furniture, fixtures and equipment	Motor vehicles	Assets under installation and under construction	Total
Cost:							
1 January 2020	286,127	605,087	177,509	80,964	23,987	79,397	1,253,071
Additions/Transfer from advance	-	409	24,094	5,923	9,670	135,561	175,657
Disposals/Write-off	-	-	(2,761)	(1,203)	(7)	(736)	(4,707)
Transfers in (out)	-	3,415	-	898	-	(4,313)	-
Capitalised interest	-	-	-	-	-	750	750
31 December 2020	286,127	608,911	198,842	86,582	33,650	210,659	1,424,771
Additions/Transfer from advance	-	1,836	14,710	8,364	100	115,199	140,209
Disposals/Write-off	-	(544)	(18,119)	(7,126)	(1,568)	-	(27,357)
Transfers in (out)	-	7,500	-	-	-	(7,500)	-
Transfer from right-of-use assets	-	-	-	-	1,401	-	1,401
Capitalised interest	-	-	-	-	-	3,556	3,556
31 December 2021	286,127	617,703	195,433	87,820	33,583	321,914	1,542,580
Accumulated depreciation:							
1 January 2020	-	279,117	130,207	65,722	19,540	-	494,586
Depreciation for the year	-	19,389	18,763	8,246	1,989	-	48,387
Depreciation on disposals/write-off	-	-	(2,412)	(1,186)	(7)	-	(3,605)
31 December 2020	-	298,506	146,558	72,782	21,522	-	539,368
Depreciation for the year	-	19,621	18,478	6,041	3,085	-	47,225
Depreciation on disposals/write-off	-	(544)	(17,804)	(6,985)	(1,568)	-	(26,901)
Transfer from right-of-use assets	-	-	-	-	822	-	822
31 December 2021	-	317,583	147,232	71,838	23,861	-	560,514

(Unit: Thousand Baht)

Separate financial statements

	Land	Buildings and buildings improvement	Tools and medical instruments	Office furniture, fixtures and equipment	Motor vehicles	Assets under installation and under construction	Total
Net book value:							
31 December 2020	286,127	310,405	52,284	13,800	12,128	210,659	885,403
31 December 2021	286,127	300,120	48,201	15,982	9,722	321,914	982,066
Depreciation for the year							
2020 (Baht 41 million included in cost of hospital operations, and the balance in selling and administrative expenses)							48,387
2021 (Baht 42 million included in cost of hospital operations, and the balance in selling and administrative expenses)							47,225

As at 31 December 2021, certain items of buildings improvement and equipment were fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 717 million (2020: Baht 648 million) (the Company only: Baht 220 million, 2020: Baht 202 million).

The Company and its subsidiaries have mortgaged part of their land with constructions amounting to approximately Baht 1,153 million (2020: Baht 1,066 million) (the Company only: Baht 903 million, 2020: Baht 802 million) as collateral against credit facilities received from a commercial bank, and credit facilities of its subsidiaries.

14. Goodwill

As at 31 December 2020, goodwill of The Bangkok Orthopedic Hospital Company Limited (a subsidiary) derived from an acquisition in 2016 amounting to Baht 65 million.

Although the COVID-19 pandemic from the beginning of 2020 has contributed to improvements in operating results of the hospital's group, it still affects the economy significantly and leads to the decrease in overall purchasing power. The Company expected such impact to continue for a certain period. Based on the assessment of the impairment of goodwill by estimating the subsidiary's cash flow projections, the Company noted that the recoverable amounts of the assets were lower than their book value. As a result, the management considered to set aside an allowance for impairment loss on goodwill in full as at 31 December 2021. The impairment loss on goodwill was presented as administrative expenses in the statement of comprehensive income for 2021.

15. Short-term loans from financial institutions

		(Unit: Thousand Baht)			
		Consolidated		Separate	
Interest rate		financial statements		financial statements	
(percent per annum)		2021	2020	2021	2020
Short-term loans from	2.00% - 2.40%,				
financial institutions	MMR	-	203,300	-	195,000
Total		-	203,300	-	195,000

Credit line of short-term loans from financial institutions are secured by the pledge of part of land with constructions and part of right-of-use assets thereon of a subsidiary and guarantee provided by the Company and the Company's directors.

16. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trade payables - related parties	28	20	37,935	21,131
Trade payables - unrelated parties	257,299	157,576	64,812	66,145
Other payables - related individuals	117	108	-	-
Other payables - unrelated parties	116,774	31,033	38,227	9,883
Doctor fee payables	42,386	42,939	16,921	17,617
Accrued expenses	65,841	56,752	28,481	35,549
Total trade and other payables	482,445	288,428	186,376	150,325

17. Long-term loans

Loan	Interest rate (percent per annum)	Repayment schedule	(Unit: Thousand Baht)			
			Consolidated		Separate	
			financial statements		financial statements	
			2021	2020	2021	2020
Srivichaivejvivat Public Company Limited						
1	MLR-1	Monthly installments as from January 2016	-	4,400	-	4,400
2	MLR-0.75	Monthly installments as from July 2016	29,780	49,820	29,780	49,820
3	4.50%	Monthly installments as from September 2018	-	6,820	-	6,820
4	MLR-1.25 to MLR-1	Monthly installments as from June 2021	96,790	31,390	96,790	31,390
Saivichai Development Company Limited						
5	MLR-1	Monthly installments as from November 2017	6,050	8,198	-	-
6	MLR-1	Monthly installments as from November 2018	4,010	14,870	-	-
7	MLR-1	Monthly installments as from August 2019	3,500	9,500	-	-
8	2.00%	Monthly installments as from March 2022	10,000	-	-	-

			(Unit: Thousand Baht)			
Loan	Interest rate (percent per annum)	Repayment schedule	Consolidated		Separate	
			financial statements		financial statements	
			2021	2020	2021	2020
Srisakornvejvivat Company Limited						
9	MLR-1.25 to MLR-1	Monthly installments as from September 2019	-	2,275	-	-
10	MLR-1.25 to MLR-1	Monthly installments as from February 2020	60,100	75,700	-	-
11	MLR-1.25 to MLR-1	Monthly installments as from August 2020	710	2,750	-	-
12	MLR-1.25 to MLR-1	Monthly installments as from April 2022	15,000	-	-	-
The Bangkok Orthopedic Hospital Company Limited						
13	MLR-2.65 to MLR-1.50	Monthly installments as from September 2019	9,481	17,016	-	-
14	MLR -1.50	Monthly installments as from September 2019	5,539	7,508	-	-
Total			240,960	230,247	126,570	92,430
Less: Portion due within one year			(109,088)	(99,171)	(53,640)	(50,860)
Long-term loans, net of current portion			131,872	131,076	72,930	41,570

The loans are secured by the pledge of part of the land with constructions thereon of the Company and two subsidiaries, part of right-of-use assets of a subsidiary, and guaranteed provided by the Company.

Under loan agreements of two subsidiaries, the Company (as a guarantor) and two subsidiaries are required to comply with several covenants specified in the agreements, including maintenance of a certain debt-to-equity ratio and maintenance of the Company's shareholding in a subsidiary.

As at 31 December 2021, the Company and two subsidiaries had long-term credit facilities under loan agreements which have not yet been drawn down amounting to Baht 265 million (2020: Baht 302 million) (the Company only: Baht 219 million, 2020: Baht 269 million).

18. Leases

The Company and its subsidiaries have lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 2 - 16 years.

a) Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements				
	Land	Buildings and buildings improvement	Tools and medical Instruments	Motor vehicles	Total
1 January 2020	10,721	35,292	5,925	12,007	63,945
Depreciation for the year	(688)	(8,355)	(736)	(2,297)	(12,076)
The adjustment of differences arising from a reduction in rental payments	-	(117)	-	-	(117)
31 December 2020	10,033	26,820	5,189	9,710	51,752
Additions	-	2,028	-	1,913	3,941
Transfer to property, plant and equipment	-	-	-	(2,305)	(2,305)
Depreciation for the year	(688)	(7,199)	(747)	(2,134)	(10,768)
The adjustment of differences arising from a reduction in rental payments	-	(521)	-	-	(521)
31 December 2021	9,345	21,128	4,442	7,184	42,099

(Unit: Thousand Baht)

	Separate financial statements				
	Land	Buildings and buildings improvement	Tools and medical Instruments	Motor vehicles	Total
1 January 2020	-	-	-	4,089	4,089
Depreciation for the year	-	-	-	(955)	(955)
31 December 2020	-	-	-	3,134	3,134
Additions	-	-	-	577	577
Transfer to property, plant and equipment	-	-	-	(579)	(579)
Depreciation for the year	-	-	-	(826)	(826)
31 December 2021	-	-	-	2,306	2,306

A subsidiary has mortgaged part of their right-of-use assets amounting to approximately Baht 9 million (2020: Baht 10 million) as collateral against credit facilities received from a commercial bank.

b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Lease payments	93,027	106,000	1,359	2,005
Less: Deferred interest expenses	(24,465)	(28,468)	(48)	(95)
Total	68,562	77,532	1,311	1,910
Less: Portion due within one year	(12,224)	(11,728)	(589)	(962)
Lease liabilities - net of current portion	56,338	65,804	722	948

Future minimum lease payments required under the lease agreements were as follows:

(Unit: Thousand Baht)

As at 31 December 2021

	Consolidated financial statements			Separate financial statements		
	Less than			Less than		
	1 year	2 - 5 years	Total	1 year	2 - 5 years	Total
Future minimum lease payments	15,749	77,278	93,027	622	737	1,359
Deferred interest expenses	(3,525)	(20,940)	(24,465)	(33)	(15)	(48)
Present value of future minimum lease payments	12,224	56,338	68,562	589	722	1,311

(Unit: Thousand Baht)

As at 31 December 2020

	Consolidated financial statements			Separate financial statements		
	Less than			Less than		
	1 year	2 - 5 years	Total	1 year	2 - 5 years	Total
Future minimum lease payments	15,826	90,174	106,000	1,020	985	2,005
Deferred interest expenses	(4,098)	(24,370)	(28,468)	(58)	(37)	(95)
Present value of future minimum lease payments	11,728	65,804	77,532	962	948	1,910

Movements of the lease liability account during the years ended 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Balance at beginning of year	77,532	91,514	1,910	3,193
Additions	3,941	-	577	-
Accretion of interest	3,994	4,801	63	115
Repayments	(16,492)	(18,685)	(1,239)	(1,398)
The adjustment of differences arising from a reduction in rental payments	(413)	(98)	-	-
Balance at end of year	<u>68,562</u>	<u>77,532</u>	<u>1,311</u>	<u>1,910</u>

c) Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Depreciation expense of right-of-use assets	10,768	12,076	826	955
Interest expense on lease liabilities	3,994	4,802	63	115
Expense relating to short-term leases/ leases of low-value assets	728	786	304	304
Expense relating to variable lease payments that do not depend on an index or a rate	1,325	1,236	1,325	1,236

The Company has lease contracts for tools and medical instruments that contains variable payments based on sales and usage. The lease term is 1 - 2 years.

19. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company and its subsidiaries, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Provision for long-term employee benefits				
at beginning of year	49,267	48,381	12,674	11,382
Included in profit or loss:				
Current service cost	3,944	3,880	1,115	1,018
Interest cost	1,192	1,125	312	274
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	(513)	-	-	-
Financial assumptions changes	(7,999)	-	(2,578)	-
Experience adjustments	6,063	(750)	2,011	-
Benefits paid during the year	(1,021)	(3,369)	-	-
Provisions for long-term employee benefits				
at end of year	<u>50,933</u>	<u>49,267</u>	<u>13,534</u>	<u>12,674</u>

The Company and its subsidiaries expect to pay Baht 1 million of long-term employee benefits during next year (2020: Baht 1 million) (the Company only: Baht 0.2 million, 2020: Nil).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit was 13 - 23 years (2020: 8 - 18 years) (the Company only: 16 years, 2020: 18 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Discount rate	0.51 - 3.59	1.19 - 2.52	0.51 - 3.59	1.19 - 2.52
Future salary increase rate	4.00 - 5.00	5.00	4.00	5.00
Staff turnover rate	0.00 - 30.00	0.00 - 30.00	0.00 - 25.00	0.00 - 25.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

		31 December 2021			
		Consolidated		Separate	
		financial statements		financial statements	
	(% per annum)	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Discount rate	1.00	(4,736)	5,479	(1,448)	1,702
Future salary increase rate	1.00	5,363	(4,702)	1,661	(1,441)
Staff turnover rate	20.00	(5,353)	7,002	(1,923)	2,621

(Unit: Thousand Baht)

		31 December 2020			
		Consolidated		Separate	
		financial statements		financial statements	
	(% per annum)	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Discount rate	1.00	(4,318)	5,042	(1,241)	1,466
Future salary increase rate	1.00	5,358	(4,661)	1,539	(1,322)
Staff turnover rate	20.00	(6,181)	8,272	(2,112)	2,975

20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit, until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

21. Finance cost

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Interest expenses on borrowings	11,689	16,208	6,732	9,997
Interest expenses on lease liabilities	3,994	4,802	63	115
Total	<u>15,683</u>	<u>21,010</u>	<u>6,795</u>	<u>10,112</u>

22. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Salaries and wages and other employee benefits	840,004	665,751	339,677	279,797
Depreciation and amortisation	157,827	165,657	51,632	52,904
Doctor fees	438,975	451,562	161,222	163,453
Medical treatment expense for referred patients	434,174	161,437	150,344	123,430
Medicine, medical supplies and other supplies used	495,997	353,544	129,819	120,962

23. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are summarised as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:				
Current income tax for the year	331,054	44,133	65,040	16,009
Deferred tax:				
Relating to origination and reversal of temporary differences	(2,281)	(3,151)	(850)	(591)
Income tax expenses reported in profit or loss	<u>328,773</u>	<u>40,982</u>	<u>64,190</u>	<u>15,418</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are summarised as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax on gain from the change in value of financial assets measured at FVOCI	600	-	600	-
Deferred tax on actuarial gains	487	112	113	-
	<u>1,087</u>	<u>112</u>	<u>713</u>	<u>-</u>

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Accounting profit before tax	1,588,984	227,834	625,873	152,475
Applicable tax rate	20% and 0% - 15%	20% and 0% - 15%	20%	20%
Accounting profit before tax multiplied by applicable tax rates	317,767	45,419	125,175	30,495
Effects of:				
Non-deductible expenses	14,625	4,057	13,504	618
Tax-exempted dividend income	-	-	(72,892)	(12,831)
Additional expense deductions allowed	(3,619)	(8,494)	(1,597)	(2,864)
Total	11,006	(4,437)	(60,985)	(15,077)
Income tax expenses reported profit or loss	328,773	40,982	64,190	15,418

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax assets				
Allowance for expected credit losses	932	238	399	96
Allowance for diminution in value of medicine and supplies	114	76	40	31
Provision for employee benefits	11,145	10,747	3,051	2,832
Loss on fair value adjustment of right-of-use assets of subsidiary from acquisition of business	329	384	-	-
Lease	6,556	6,294	-	-
Total	19,076	17,739	3,490	2,959

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Deferred tax liabilities				
Accumulated depreciation - Buildings	(6,863)	(7,164)	(4,620)	(4,826)
Unrealised fair value gain on investments	(681)	(81)	(681)	(81)
Gain on fair value adjustment of fixed assets of subsidiary from acquisition of business	(465)	(621)	-	-
Total	(8,009)	(7,866)	(5,301)	(4,907)
Net	11,067	9,873	(1,811)	(1,948)

24. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares issued during the year.

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Profit for the period (Thousand Baht)	1,255,182	186,278	561,682	137,057
Weighted average number of ordinary shares (Thousand shares)	570,665	570,665	570,665	570,665
Earnings per share (Baht per share)	2.20	0.33	0.98	0.24

25. Segment information

The Company and its subsidiaries are principally engaged in the hospital business. A subsidiary is engaged in operating a vocational school, but revenue from this business is immaterial. Therefore, revenues, operating profit and total assets presented in the financial statements relate to the said principal business.

Geographic information

The Company and its subsidiaries operate in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customer

For the year 2021, the Company and its subsidiaries have revenues from two major customers in amount of Baht 2,388 million and Baht 701 million, arising from the hospital business (2020: Baht 533 million derived from one major customer, arising from hospital business).

26. Provident fund

The Company, its subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, its subsidiaries and its employees contribute to the fund monthly at the rate of 2 percent of basic salary. The fund, which is managed by the American International Assurance Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2021 amounting to approximately Baht 5 million (2020: Baht 5 million) (the Company only: Baht 2 million, 2020: Baht 2 million) were recognised as expenses.

27. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2019	The Annual General Meeting of the shareholders on 24 April 2020	80	0.14
Total for 2020		80	0.14
Final dividends for 2020	The Annual General Meeting of the shareholders on 16 April 2021	71	0.12
Total for 2021		71	0.12

28. Commitments and contingent liabilities

28.1 Capital commitments

As at 31 December 2021, the Company and its subsidiaries had capital commitments relating to the construction of buildings and the buildings improvement of approximately Baht 53.8 million (2020: Baht 97.4 million) (the Company only: Baht 48.6 million, 2020: Baht 95.9 million), and relating to medical service system and acquisition of vehicles, medical devices and hospital equipment of approximately Baht 68.3 million (2020: Baht 1.8 million) (the Company only: Baht 44.9 million, 2020: Baht 1.8 million).

28.2 Service commitments

The Company and its subsidiaries have entered into consulting, cleaning services provider, security services provider, medical equipment maintenance service, and other service agreements with unrelated parties.

As at 31 December 2021, future minimum payments required under those service contracts were contracting to Baht 26 million (2020: Baht 19 million) (the Company only: Baht 14 million, 2020: Baht 7 million).

28.3 Guarantees

- (1) The Company has guaranteed bank credit facilities of its subsidiary amounting to Baht 88 million (2020: Baht 88 million).
- (2) There were outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Bank guarantees for the medical treatment service contracts with the Social Security Office	34	17	21	11
Bank guarantees for the medical treatment service contracts with the National Health Security Office	4	4	-	-
Bank guarantees for electricity use	4	4	2	1
Bank guarantees for other proposes	-	1	-	-

28.4 Cancellation of public health services of National Health Security Office

According to the announcement of National Health Security Office (“NHSO”) regarding the termination of agreements with clinics and private hospitals for their alleged involvement in fraud, on 18 September 2020, NHSO issued a letter to terminate the public health service agreement with Vichaivej Yaekfaichai Hospital (“subsidiary”). Management of such subsidiary had initially investigated the fact and found that the subsidiary did not violate the law. At present, no state agencies take legal action against the hospital and Management expects that there will be no damage to the subsidiary arising from this case.

29. Financial instruments

29.1 Financial risk management objectives and policies

The Company and its subsidiaries' financial instruments principally comprise cash and cash equivalents, trade receivables, long-term loans from financial institutions and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable, deposits with banks and financial institutions. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Foreign currency risk

The Company and its subsidiaries had no exposure to foreign currency risk as they rarely have not transactions denominated in other currencies.

Interest rate risk

The Company and its subsidiaries exposure to interest rate risk relates primarily to its long-term loans from financial institutions. However, since most of the Company's and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Liquidity risk

The Company and its subsidiaries have assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

29.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

30. Capital management

The primary objective of the Company and its subsidiaries' capital management is to ensure that it has appropriate capital structure in order to support the Company and its subsidiaries' business and maximise shareholder value and it meets financial covenants stipulated in the loan agreements. The Company and its subsidiaries have complied with these covenants throughout the reporting periods.

As at 31 December 2021, the Company and its subsidiaries' debt-to-equity ratio was 0.40:1 (2020: 0.65:1) and the Company's was 0.25:1 (2020: 0.45:1).

31. Litigation

On 28 May 2021, the Company was sued by a subcontractor in a civil case for breach of a hire of work agreement, claiming retention and damages totaling Baht 99 million because the Company had overdue balances of payments for construction work and retentions and a performance bond that had to be returned to the subcontractor. The court set a date in June 2022 to conduct a cross examination of the plaintiff's and the defendant's witnesses.

As at 31 December 2021, the case is being considered by the Civil Court. The Company is of the opinion that the Company did not breach the agreement as claimed and, therefore, decided to file statements of defence and a counterclaim against the subcontractor claiming fines and damages amounting to Baht 446 million plus interest at the rate of 5% per annum from the filing date until settlement is made, in a civil case for breach of a hire of work agreement. However, the management of the Company believes that no losses will be incurred as a result of this litigation, and therefore, no provision has been recorded in the financial statements.

32. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2022.