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Management Discussion and Analysis

The Operations result of the company, its Subsidiaries for the year ended 31 December 2021

Unit: Million Baht

List	2020	2019	Changes	Average
Revenues from hospital operations	4,717.84	2,275.67	2,442.17	107.32
Other Income	11.92	14.26	(2.34)	(16.41)
Total revenues	4,729.76	2,289.93	2,439.83	106.55
Cost of hospital operations	2,693.24	1,727.93	965.31	55.87
Selling expenses	66.14	58.16	7.98	13.72
Administrative expenses	365.72	255.00	110.72	43.42
Total expenses	3,125.10	2,041.09	1,084.01	53.11
Profit before finance cost and income tax expenses	1,604.66	248.84	1,355.82	544.86
Finance cost	15.68	21.01	(5.33)	(25.37)
Profit before income tax expenses	1,588.98	227.83	1,361.15	597.45
Income tax expenses	328.77	40.98	287.79	702.27
Profit for the year	1,260.21	186.85	1,073.36	574.45
About ordinary shares				
Number of ordinary shares issued (Million Shares)	570.67	570.67	-	-
Book value per share (Baht)	4.55	2.46	2.09	94.96
Earnings per share (Baht)	2.20	0.33	1.87	566.67

For the company's performance ended December 31, 2021, the company and its subsidiaries had a net profit of 1,260.21 million Baht decrease from the year 2020 of 1,073.36 million Baht or 574.45%

Revenue from hospitals operation for the year ended 31 December 2021 amounted to 4,717.84 million Baht, decrease from the year 2020 of 2,442.17 million Baht or 107.32% from non-capitation patients and from general income Screening revenues (NHSO), health screening income and UCEP COVID-19 project to resulting increase in total revenue of the company and its subsidiaries 2,439.83 million Baht or 106.55% from 2,289.93 million Baht to 4,729.76 million Baht. Net after deducting intercompany transactions.

Cost of hospital operations in 2021 of the Company and its subsidiaries, including 2,693.24 million Baht, and increase from the year 2020 of 965.31 million Baht or 55.87%. This is mainly due to situation the epidemic of Corona Virus disease 2019, causing, the use of medicines, medical materials, including medical supplies, analysis fees and hospital room service fees for the treatment of COVID-19 patients has increased which the company is good management of the cost of services in doctor's fees and medical personnel expenses.

Selling expenses for the year ended 31 December 2021 amounted to 66.14 million baht, increase from the year 2020 of 7.98 million baht or 13.72% as a causing the expenses of salary and compensation for personnel.

Administrative expenses for the year ended 31 December 2021 amounted to 365.72 million baht increase from the year 2020 of 110.72 million baht or 43.42% as a result a salary of personnel and compensation about executive team and impairment of subsidiary's investment and other administrative expenses.

Total expenses for the year ended 31 December 2021 amounted to 15.68 million baht, a decrease of 5.33 million baht from 2020, or 25.37% as a result of short-term loans from financial institutions.

Total income tax expense for the year ended 31 December 2021 of 328.77 million baht, an increase of 287.79 million from 2020 baht or 702.27% cause of the increase in net profit.

Profitability Ratio

Unit: Million Baht

List (concolidated financial statement)	2021	2020	Changes	Average
Gross Profit	2,024.60	547.74	1,476.86	269.63
Gross Profit Margin Ratio	42.91	24.07	-	18.84
EBITDA	1,762.50	414.50	1,348.00	325.22
EBITDA Ratio	37.26	18.10	-	19.16
Net Profit Margin Ratio	26.54	8.13	-	18.41

From the above table, EBITDA increased from 414.50 million baht in 2020 to 1,762.50 million baht in 2021 or an increase of 325.22%. As a result, the company has good cost and expense management, resulting the EBITDA Ratio increased from 18.10% in 2020 to 37.26% in 2021 and the net profit margin increased from 8.13% in 2020 to 26.54% in 2021.

Financial Status

Unit: Million Baht

List (concolidated financial statement)	2021	2020	Changes	Average
Total Assets	3,639.28	2,306.04	1,333.24	57.82
Total Liabilities	1,043.70	901.95	141.75	15.72
Equity Holders of the company	2,589.88	1,401.67	1,188.21	84.78
Total Shareholder's Equity	2,595.58	1,404.09	1,191.49	84.86

The consolidated financial statements of the Company and its subsidiaries as at December 31, 2021, with total assets of 3,639.28million Baht, an increase of 1,333.24 million Baht or 57.82% from 2020 due to an cash and cash equivalent equivalents of 984.86 million Baht from receiving money from UCEP COVID-19, risk burdens from the Social Security Office, life insurance companies including dividends payment from subsidiaries and trade accounts receivable and other receivables increase total amount 319.83 million baht from receivables that are not yet due and accrued income from social insurance, health insurance and other accrued income.

Total liabilities of the company and subsidiaries as of December 31, 2021, amounted to 1,043.70 million Baht, an increase of 141.75 million Baht or 15.72% from 2020, due to the increase in trade and other payables of 194.02 million Baht and increase in income tax payable of 152.57 million Baht, short-term loans from financial institutions decreased of 203.30 million Baht.

The shareholders' equity of the Company as of 31 December 2021 totaled 2,589.88 million Baht an increase of 1,188.21 million Baht or 84.78% from net profit.

Liquidity and capital management

Cash flow

Unit: Million Baht

List (Concolidated financial statement)	2021	2020
Net cash flows from operating activities	1,460.15	348.85
Net cash flows used in investing activities	(184.17)	(239.08)
Net cash flows used in financing activities	(291.12)	(100.77)
Net increase in cash and cash equivalents	984.86	9.00
Cash and cash equivalents at beginning of year	200.16	191.16
Cash and cash equivalents at end of year	1,185.02	200.16

For the year ended December 31, 2021, the Company and its subsidiaries have net increase in cash and cash equivalents in the amount of 984.86 million baht which the Company and its subsidiaries have 200.16 million Baht in cash and cash equivalents at the beginning of the year and equivalents at end of year equals 1,185.02 million Baht . Details of cash flows for each activity are as follows;

Net cash flow from operating activities amounted to 1,460.15 million Baht, mainly due to the profit of the year 2021. The net cash flow used in the investment business was 184.17 million Baht mainly due to repayment of medical equipment purchase, improvement building and the net cash flow used in financing activities was 291.12 million Baht, and dividend payment and repayment for loans from financial institutions.