



บริษัท วัฒนากาญการแพทย จำกัด (มหาชน)

WATTANA KARNPAET PUBLIC COMPANY LIMITED



56-1 ONE REPORT

2021





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บริษัท วัดนากการแพทย์ จำกัด (มหาชน)

Wattana Karnpeat Public Company Limited

Part 1 Business Operations



1 Policy and Overall Business Operations

1.1 Policy and Overall Business Operations

Wattana Karnpeat Public Company Limited operates 100 beds private hospital under the name of North Eastern Wattana General Hospital since 1985, locates at 70/7-8 Supakitjanya Road, Tumbon Makkheng , Amphur Muang , Udonthani 41000 Registration number 0107537002095 Tel : 0-4221-9888 Fax: 0-4224-1956 E-mail Address : admin@wattanahospital.net Website : www.wattanahospital.net with registered capital of 100 million Baht paid up capital 100 million Baht. Ordinary share of 10,000,000 shares at par value 10 Baht/Share.

1.1.1 Company's Vision Mission Objectives and Strategy

Vision Being the Private Hospital that delivers better quality of life to our patients personnels and communities by providing valued medical care, offering sustainable growth to becoming a leading quality hospital in Mekong River Sub-region (Thai- Lao)

Mission

1. We develop a high potential network of medical care to sustainably grow our services into the Mekong River Sub-region (Thai-Lao)
2. We operate a tertiary private hospital with international standard of care and with caring services
3. We create inspirational experiences for our customers personnels and community to achieve proactively healthy life-style from our every service
4. We care for our personnels as our family and build personnels with healthy body and mind

Objectives

- Becoming a secured organization that achieve sustainable growth with good governance
- Providing a sustainable continuous holistic health care (treatment rehabilitation prevention and health promotion) of international standards and gain customers' satisfaction and testimonials
- Our personnels are healthy, ethical, high competency, and fully engaged with the organization
- Our community and society is well looked after with good health and safety

Strategy

- Building trust in "Wattana" as an efficient and transparent organization
- Increased our capability to offer integrated health care by multi-disciplinary team
- Bonding with personnel and develop their competency to grow with the organization
- Proactively providing health promotion to our community and society

1.1.2 Significant Changes and Developments

- Change of control over the company in the past year
In the past year, the company has no change in the control in the company.
- Change in business aspects in the past year



In the past year, the company has no change in the aspects of the business

- Change in the shareholding structure, management, or the business operations or significant events in the past 3 years
-None-
- The company has new services in 2021 which was the Covid-19 vaccination services (Sinopharm and Moderna vaccines) and Cohort Wards to hospitalize the Covid-19 patients.

1.1.3 Use of Proceeds

-N/A-

1.1.4 Obligations According to Bond Issuance

-N/A-

1.1.5 General Information of the Company

- Wattana Karnpeat Public Company Limited operates 100 beds private hospital under the name of North Eastern Wattana General Hospital since 1985
- Locates at 70/7-8 Supakitjanya Road, Tumbon Makkheng, Amphur Muang, Udonthani 41000
- Type of Business: Hospital
- Registration number 0107537002095
- Phone number 0-4221-9888; Fax number 0-4224-1956
- E-mail Address : admin@wattanahospital.net
- Website : www.wattanahospital.net
- Registered capital of 100 million Baht paid up capital of 100 million Baht. Ordinary share of 10,000,000 shares at par value 10 Baht/Share
- The number and type of fully paid shares of all the registered bodies that the company has more than 10 per cent of the total fully paid shares of those registered bodies - None -

1.2 Business Description

1.2.1 Revenue Structure by Types of Patients

Type of Income by Patients (Million Baht)	2021	%	2020	%	2019	%
Out-Patients	211.163	64.5%	166.085	54.3%	162.073	43.8%
In-Patients	153.377	46.8%	177.067	57.9%	245.321	66.4%
Other Incomes	4.953	1.5%	1.116	0.3%	1.403	0.4%
Discount	-41.842	-12.8 %	-38.358	-12.5%	-39.147	-10.6%
Total Income	327.650	100%	305.910	100%	369.650	100%

1.2.2 Products Information

(1) Types of Products

- (a) Out-patients services include medical treatment of patients that do not spend overnight at the hospital. The services include diagnostics procedures by doctors and healthcare professionals, both by laboratory and radio-imaging procedures. The treatments are such as by medication, physiotherapy, hemodialysis, dentistry. Moreover, there are customers that are not sick, the services for this group include annual health check up and other mobile health promotion activities



that involve the diagnostic procedures by doctors and nurses, laboratory diagnosis, and radio-imaging procedures. Vaccinations are also part of this category of service.

- (b) In-patients services include the treatments included as the Out-patients with the needs to be hospitalized in the hospital and can be classified as general and critical patients.

(2) Marketing and Competition

(a) Marketing of Main Products and Services

● Marketing Policy Last Year

From the situation of Covid-19 pandemics that started mainly 2020 until today, the business as normal has been interrupted. The company has been adjusted the business to address the needs of the patients and society as a whole. In 2021, the main health care activities in Thailand was the vaccination for all Thais to protect against Covid-19. The company also participated with such activities both to provide the Governmental and Private Covid-19 Vaccination (Sinopharm and Moderna).

Also the Covid-19 strain; Delta followed by Omicron affecting heavily in Thailand. Although in up-Country, the situation was not as severe as in Bangkok, the hospital needed to open wards Designated for Covid-19 patients, which increasing towards the end of 2021.

● Marketing strategies

From the pandemics of Covid-19, the company has developed services and adjusted the marketing strategies in a timely manners such as:

- Alternative Hospital Quarantine (AHQ): Patients can travel to Thailand to receive medical treatment at a hospital. The company has well prepared for this group of patients, however, due to the requirements of many documentation, there are not many patients who are willing to use this service. Especially in up-country where there is no air-travelling from overseas, making it more difficult to access this channel.
- Home service/ Telemedicine: This is another service the company providing for patients to increase the channels for those who cannot travel to the hospital. For the Telemedicine, the patients get to see the doctors and prescribing via V.D.O. calls. Moreover, this service can be linked with the health insurance, making it more appealing to patients holding Out-patient insurance policies and patients living in Laos PDR to gain a continuous treatment.
- Covid Vaccination Center: This new service gained a high demanding from customers because it was held in the hospital with doctors and nurses look after each customer coming for a vaccination. The space allocated for this service is separate from the treatment areas making it comfortable for the customers. The vaccines can be bought online and making appointment via online or Hotline channels.
- Covid Ward: This is another new service provided for Covid-19 patients. The wards are separate from other normal wards, in order to strictly and effectively prevent the spreading of the infection. Patients with Government pay UCEP and private insurances are accepted.



- Insurance services: Both domestic and international insurances with direct billing services are provided to increase accessibility for all patients.
- Wattana Cuisine: The company ensures the comfort and quality of stay by developing wide range of delicious menus for all customers.
- **Customer targets**

The company's customer target focuses on the customers of medium to high income groups, mainly from within the province. There are increasing customers from surrounding provinces and foreigners from Laos PDR. The company focuses on marketing strategy to maintain the regular customers to repeat their visits. Also the expanding of the new cases via the words of mouths, from being trust worthy and value services provided by the company.
- **Service Segments**
 - Medical treatment segment: For this segment, there are emergency patients and non-emergency patients (chronic and general patients)
 - Health promotion and prevention segment: This segment includes health check up, employment check up, labour check up before working overseas, vaccination for both children and adults
 - Rehabilitation segment: This segment includes both out-patients and in-patients rehabilitation services
- **Segments by nationalities and residences**
 - Most customers are Thais, with some are foreigners. Most foreigners reside in Laos PDR.
- **Segments by payment methods**
 - Cash patients (40% portion) and patients with private health insurance (60% portion)
- **Accessibility by patients**
 - Patients are mainly come to the hospital by their own vehicles, only some need to be picked up by ambulances from their houses.

(b) Competition Situation

The data from Thailand Information Center reported that Udonthani's population is 1,275,347 persons, and there is also foreigners resides in Laos PDR of around 830,000 persons that travel to Udonthani per year (in a normal situation without bridge closing due to the Covid-19). In total the population is around 2,000,000 persons who need healthcare services in the area.

As for the healthcare providers, there are two large government hospitals in the province; one is Udonthani Provincial Hospital and Prajacksilapakom Millitary Hospital, together with many private hospitals (details in the table below). The total number of beds are 2,043 Beds, which is now still sufficient to meet the needs of the patients.



2022	Udonthani	Number (Beds)	%
Udonthani Provincial Hospital (Government Hospital)	Udonthani	924	45.23
Prajacksilapakom Military Hospital (Government Hospital)	Udonthani	200	9.79
North-Eastern Wattana Hospital (Company owned)	Udonthani	100	4.89
Aek Udon Hospital	Udonthani	100	4.89
Bangkok- Udon Hospital	Udonthani	200	9.79
Nongkhai-Wattana Hospital	Nongkhai	100	4.90
Khonkean Ram Hospital	Khonkean	199	9.74
Bankgok – Khonkean Hospital	Khonkean	103	5.04
Ratchapruek Hospital	Khonkean	117	5.73
Total		2,043	100.00

Source: Health Provider and Healthcare Licenses Office, Department of Health Service Support

There is also competition from alternative medicine or options to buy over-the-counter medicines. However, this type of competition is becoming more controlled by the authority. This result in the alternative products that are not approved to be able to appear on market.

The competition and market conditions that affects the company is mainly take place between private hospitals in the areas.

The market and competition of private hospitals in the Company's area consist of 2 private competitor hospitals. They are Bangkok Udon Hospital (100 bed sized) and Aek Udon Hospital (100 bed sized). The market segments are clearly marked among the competitors. All the private hospitals in Udonthani, except the Company, aim for the high income based customers. Whereas the Company aims for the medium to high income based customers. This leads to high level of competition in the high-income based customers segment. In the last year, the level of competition was even higher because of the expansion of Bangkok Hospital into the province; the hospital was well known among the high-income based customers. This urges for the Company to adjust its strategies to increase the competitiveness by focusing on the quality improvement, and getting accredited by the national body. Together with using pricing mechanism to increase the competitive advantage of the Company by being more flexible in the price setting than the competitors

(3) Procurement of Products and Services

- Healthcare Professionals

Healthcare Professionals are difficult and time consuming to develop their competencies to be ready to provide healthcare related services. Therefore it is importance to always have extra persons in line. Hospital cannot simply reduce or add personnels in an amount directly associated with the number of customers.



When adding more specialties into the service lines, the preparation of personnels is the priority of concern. This can be done by either new recruitment or develop and train the existing personnels.

It is common problem in the industry to encounter the high turn over rate of healthcare personnels. This is because there is always high demand labour market making it is easy to find a new position elsewhere. This affects the effectiveness of human resource management of this group of personnels.

- **Medicines and Medical Supplies**

Medicines and medical supplies are mostly made in Thailand. The company locates in the up-country making the logistic takes a bit longer therefore need to have more stock to compensate that. Nowadays, the effectiveness of delivery system has been greatly improved and building more confidence in lower the reserve stock to a certain extend.

- **Medical Equipment**

Medical equipment are mainly made in oversease with designated dealers in Thailand to represent and look after the procurement. The company always chooses the equipment with high quality and meet the international standards, this also means that the chosen ones are not the cheapest ones on the market. The after-sale service and preventive maintenance services are of the priority to the decision making. The shortest downtime is aimed for, especially when located in up-country, it is important to select a supplier who can service in timely manner.

The lead time for ordering new equipment is around 1-3 months, depending on types off the equipment and where they are made in.

- **Service Quantity**

Numbers of Out-patients and In-patients in 2021 are shown in the table below.

In-Patient	2021	2020	2019
Number of Beds Registered	100	100	100
Number of Beds In-Service	88	74	74
Percentage of Capacity (%)	88	74	74
Number of Available Admission Day (Admission Day)	32,120	27,010	27,010
Number of Actual Admission Day (Admission Day)	9,364	10,921	14,391
Occupancy Rate (%)	29	40	53

Out-Patient	2021	2020	2019
Out-Patient Daily Capacity (Persons)	500	300	500
Daily Average Out-Patient (Persons)	333	111	268
Out-Patient Service Rate (%)	67	37	54



(4) Property Used in the Business

- Type of Main Property, Plant and Equipment

The main property, plant and equipment used to operate the business consist of hospital buildings and equipment, detailed as follow:

Type of Property / Equipment	Ownership	Value (Million Baht)	Mortgage Status
1. Land 14 lots with total area of 5-1-57.2 Rai with 3 hospital buildings locate on 70/7-8 Suppakitjanya Road Makkhang Sub-District Muang District Udonthani	Company owned	304.573	7 Lots mortgaged with a local commercial bank as collateral to secure Baht 135 million loan value
2. Medical Equipment	Company owned	21.511	No mortgage

- Policy on Investment in Subsidiaries

The company has no subsidiaries.

- Assets Acquisition and Disposition

-None-

(5) Pending projects or high value service (require time to deliver the tasks)

-None –

1.3 Shareholding Structure

1.3.1 The Company's Investment Structure

-No group of companies nor subsidiaries-

1.3.2 Persons who might have conflict of interest in subsidiaries holding more than 10% of shares

- No group of companies nor subsidiaries-

1.3.3 Shareholders

(1) Major shareholders



(a) List of names of top 10 major shareholders, number of share and proportion of current shareholding

		31 December 2021	
		Number of Share (shares)	Percentage of Shareholdings (%)
1	Miss Natthira Tangsubkul	2,434,542	24.35
2	Mrs. Suphawan Tangsubkul	1,587,250	15.87
3	Mrs. Wanlee Sungsi	1,082,800	10.83
4	Miss Pallapa Vittayakorn	1,017,000	10.17
5	Mr. Phiphat Tangsubkul	807,282	8.07
6	Miss Monticha Atchapan	495,000	4.95
7	Miss Orawan Uaamporn	491,675	4.92
8	Mrs. Phirawan Changsirivathanathamrong	460,300	4.60
9	Mr. Phiraphat Tangsubkul	458,610	4.59
10	Mr. Sittichai Anklomkleaw	270,000	2.70

Note Data from the Thailand Securities Depository Co., Ltd. Report of shareholding as of 31 December 2021

(b) Group of major shareholders with significant influence to policy and management direction or operations of the company

Major Shareholders' Name List	Number of Share (shares)	Percentage of Shareholdings (%)
1. Tangsubkul Family	5,819,409	58.19
Miss Natthira Tangsubkul	2,434,542	24.35
Mrs. Suphawan Tangsubkul	1,587,250	15.87
Mr. Phiphat Tangsubkul	807,282	8.07
Mrs. Phirawan Changsirivathanathamrong	460,300	4.60
Mr. Phiraphat Tangsubkul	458,610	4.59
Mr. Achara Changsirivathanathamrong	71,425	0.71
2. Mrs. Wanlee Sungsi	1,082,800	10.83
3. Miss Pallapa Vittayakorn	1,017,000	10.17
4. Miss Monticha Atchapan	495,000	4.95
5. Miss Orawan Uaamporn	491,675	4.92
6. Mr. Sittichai Anklomkleaw	270,000	2.70
7. Miss Sunisa Chutinthon	160,300	1.60
8. Miss Chanida Wichaiya	105,700	1.06
9. Mr. Boonlerd Changsirivathanathamrong	64,000	0.64
10. Miss Angkana Sirivattananon	56,250	0.56
11. Others	437,866	4.38
Total	10,000,000	100



(2) If is holding company, report on the names of shareholders on subsidiaries

-Not a holding company-

(3) Any shareholders' agreement in topics affecting the raising of capital or new shares or management of the business

-None-

1.4 Registered Capital and Paid-up Capital

1.4.1 Registered Capital / Paid-up Capital / Number of Share

The Company is registered in the Stock Exchange of Thailand, SET, with registered capital of 100 million Baht paid up capital 100 million Baht. Ordinary share of 10,000,000 shares at par value 10 Baht/Share.

1.4.2 The issuance of other type of shares

-None-

1.5 The issuance of other securites

-None-

1.6 Dividend Payment Policy

The Company has a dividend payment policy to pay a dividend not less than 40 percent of net profit after tax and legal reserve. However, this has to have no significant impact on other needs to keep the business operation as usual. The dividend payment will need to take into account the factors of importance such as the cash flow situation, the operation outcomes, and the expansion of business.

The dividend payment as mentioned will need to be approved by the shareholders and/or the decision of the board director as deemed appropriate.

The dividend payment records.

Year	2015	2016	2017	2018	2019	2020
Earning per share (baht/share)	1.30	1.09	1.83	1.69	1.73	0.16
Dividend per share (baht/share)	0.50	0.50	0.70	0.70	0.20	-
Dividend per earning (%)	39%	46%	38%	41%	12%	N/A



2. Risk Management

2.1 Policy of Risk Management

- 1) The Company operates business under an acceptable risks in order to achieve the objectives set out by the company and to meet the expectations of the stake holders. The risk management is a part of the annual business planning, the operations, and the daily decision making, including all project management processes.
- 2) All directors, executive members and employees are responsible in identify and assess risks in each process, including the management of risks appropriately.
- 3) All the risks that affecting the achievement of the company's objective and will be addressed are:
 - Risk identified
 - Risk assessment on the probability of occurrences and consequences if occur
 - Risk management that inline with the risk management guideline handbook with consideration on the costs and benefits from such risk management activities
 - Monitoring to ensure that the Company's risks are addressed and appropriately managed
- 4) High risks that may impact on the business plan and strategies of company including sentinel event need to be reported to Auditing Committee and the Company Committee

2.2 Risk Factors to Business Operations of the Company

2.2.1 Operational risk

- (a) The risk of economic crisis as a result of the outbreak of Covid-19, causing the whole World as well as Thailand to face with economy downturn. Although the control over the outbreak has been better and started to distribute the vaccines to prevent the spreading of the outbreak, Thailand still cannot open its borders back to normal, this indicates that the economy is still not yet to be recovered back to normal.
- (b) Risks from changing in the governmental policies, rules, regulations, and laws related to the company.
- (c) Risks from reliance on specialists. Both specialists and registered nurses are scarce personnel. This is especially the case when the company is situated in the upcountry. The recruitment of both specialist doctors and registered nurses is limited.

2.2.2 Risks that affecting the rights or investment of shareholders

- (a) Risk from the company's major shareholders holding more than 50%

As of the 31st of December, 2021, the Tangsubkul family has the number of shares in the company of 5,819,409 shares, or 58.19 per cent of the total paid shares of the company. This makes the Tangsubkul family able to control almost all the agendas at the Annual General Meeting of shareholders, including the appointing of directors and any agendas required majority votes of the shareholders. This is with an exception of any agendas required 3 out of 4 votes at the shareholders' meeting by law or the company's rules.
- (b) Risks from shares having not many free float, resulting in the low liquidity in share trading



As of the 31st of December, 2021, there were 411 minor shareholders and holding the company's share (Free Float) of 2,080,791 shares, or 20.81 per cent. This may result in low trading of stock and ordinary investors may not be able to trade at the normal level. This also means that the existing shareholders may have risk of not being able to sell the shares immediately at the prices as wish.

2.2.3 Foreign Investment Risk

-None-

2.2.4 Financial Risk

(a) Debt payment delay risk

In the past couples of years, there has be an increasing trend of customers using health insurance. This results in the increasing debt amount, and increasing the chance of the delay in payment. This in turns can affect the cashflow of the company, and the risk of debt default is increased.

(b) Legal disputes, there would be a risk of lawsuit on medical services.

3. Business Initiatives for Sustainability

3.1 Policy and goals for sustainability management

The Company is committed to operate with good governance as a core guidance to move towards sustainability. The main goal is to grow when all aspect of economic, environmental, and social are still well balanced. The Good governance is well concern on stake holders responsibilities and building values with stake holders that involved in different parts of value supply chain of the business. Together with ensuring that all the sustainable aspects are incorporated into all activities and processes and inlined with the business strategies both in short and long term into the future.

3.2 Stakeholder impacts from value chain of the business

3.2.1 Value chain

-The value chain and stakeholders in main activities from beginning to the end of value stream

The Company manages the value supply chain to deliver goods and services safety to the customers with procurement policy that monitoring and control the procurement processes to ensure transparency and in accordance with the international standards and requirements for quality control of goods and services. Together with the prevention and protection of environmental and social values.

The main activity of service started from the delivery of goods such as medicines and medical equipment and construction projects that need to be monitored and controlled for their procurement processes. Moreover, the universities that graduate personnels both medical related fields and general fields. These personnels are in turns responsible for providing services directly and indirectly to customers.

The main activities during servicing the customers include the provision of infrastructure such as Provincial Electricity, Provincial Water Supply, and medical gas company; also the maintenance activities done by the outsourced companies. The IT system and E-Medical Record of the company are supported by outsourced companies.

The end of the stream activities are waste and waste water treatment and disposal. The stakeholders are municipal authority, pollution control authority and the wastewater advisory team. The after sale services for patients after discharged from the hospital are also part of the end of stream activities.



3.2.2 Stakeholder analysis from business value chain perspective

-Identify stakeholders

Stakeholders	Participation Process	Expectation/ Concerns	Response Process
Patient/ Customers	<ul style="list-style-type: none"> ● Create and online community via facebook / LINE ● Health promotion activities to engage positive relationships between patients and the hospital ● Hotline for ambulance 	<ul style="list-style-type: none"> ● Satisfactory and high quality ● Personal Data Privacy Protection ● Service accessibility 	<ul style="list-style-type: none"> ● Training personnels for excellence service ● Channels for complaint and recommendations ● Customer relations officers on duty ● Communication channels that easy to access
Employee & Doctors	<ul style="list-style-type: none"> ● Organize regular meetings ● Set up Group LINE and Intranet for in hospital communication between staffs ● Survey employment engagement once a year ● Regular meeting with management team 	<ul style="list-style-type: none"> ● Competitive remuneration ● Benefits and insurances such as Covid-19 insurance ● Teamwork culture ● Effective communication and collaboration between units 	<ul style="list-style-type: none"> ● Effectvie communication channels expansion ● Leadership training and building platform ● Covid-19 insurance for high risk staff ● Employee's Benefits Programs
Investor & Shareholder	<ul style="list-style-type: none"> ● Annual general meeting for shareholders ● Timely and sufficient disclosure of information to Stock Exchange of Thailand 	<ul style="list-style-type: none"> ● Good operation results ● Sustainable development ● Transparent disclosure of information 	<ul style="list-style-type: none"> ● Operates under good corporate governance principle ● Encourage sustainable development ● Actions to be responsible to



	<ul style="list-style-type: none">Investor relations contact channels	<ul style="list-style-type: none">Responsible to society, environment, and community	<ul style="list-style-type: none">society, environment, and communitySet Policy Against Corruption
Supplier	<ul style="list-style-type: none">Annual appraisal of supplierMeetings to discuss improvement opportunity	<ul style="list-style-type: none">Service payment by credit term due dateFair business opportunity	<ul style="list-style-type: none">Partnering with suppliers to develop a better businessAnnually appraise suppliers and open opportunities for new suppliers by offering fairness in the selection.
Community	<ul style="list-style-type: none">Health Promotion Activities for communityAct as learning center for institutes, hotels, factories	<ul style="list-style-type: none">Voice of communityImprove quality of life for communityHealth promotion for communityEnvironmentally friendly operations	<ul style="list-style-type: none">Organize health promotion activities regularly for communityDuring the Covid-19 pandemic, offering training to learn to prevent the spreading of the disease.

3.3 Sustainability Management in the aspects of Environment

3.3.1 Policy and guideline for Environmental Sustainability Management

-Policy and guideline in accordance with law and orders and rules on environmental protection associated with the business operations of the Company

The Company commits to develop the environmental standards and protocols for environmental and occupational safety continuously by focusing on the compliances to law and orders and other rules on environmental protection.

-Objectives for Environmental Management

The Company commits on ensuring that personnels, community, and society safety in environmental aspects are met. The use of hazardous chemicals and infectious control are monitored closely. The infrastructure is well maintained and ready to be used. Together with the environmental protection of the community by waste disposal and wastewater treatment and disposal with full compliance by law. The protection includes the waste separation and recycling, energy saving, water saving for sustainability of the business operations into the future.



-Important information in case the company has revised the policy, guidelines and/or objectives for environmental management in the past year in summary

In the past year, the environmental management topic that has been focused on was the infectious waste separation and management due to the increase in the medical services given to Covid-19 patients resulting in the increase volume of infectious waste. This type of waste management has to be strictly monitored and controlled to prevent the spreading of the viruses.

3.3.2 Environmental management outcomes

-Environmental management outcomes focusing on critical indicators for business operations

Environmental and community protection outcomes

	2021	2020	2019
Treated wastewater discharge quality	Pass	Pass	Pass
Number of complaints law suits on environmental and social issues	0	0	0

The Energy and Water management

The Company has campaigns to reduce use of energy to protect our environment by having activities as follow:

1. Change to use energy saving lightings
2. Survey old energy consuming air-conditioners to change to ones with energy saving models
3. Train personnels to be aware to turn off electricity when not in use
4. Set times for turn on and turn off all electrical appliances and air-conditioners

As for water saving initiatives, the survey was done on pipelines to check for leaks. Also there is

an initiative to turn the tap off when not in use. And awareness building on water saving behaviours.

These activities resulted in the reduction in costs of energy and water usage of around Baht 340,000 Baht per year.

Waste and pollution management

As for the waste management, in the past year the Company has campaign to recycle waste which resulted in 15,000 kilogram of paper waste being recycled. And for the infectious waste, the company has separated at source and outsourcing to the provincial municipal waste disposal facility. The company followed to the facility to ensure the standard of waste incineration facility is operating over 1000 degree Celcius.

Wastewater Treatment before discharging to community water ways

The Company has regularly send the samples of treated wastewater to check for quality 4 times a year. The effectiveness of wastewater system has been improved continuously to accommodate with the increasing and expansion of the hemodialysis service from previous years. The



Company has major improvement done on the system such as the construction of new ponds, adding an aerators, and adding factors that improving the quality of treated wastewater effectively.

3.4 Sustainability management on the societal aspects

3.4.1 Policy and guideline on the social protection aspects

-Policy and guidelines in accordance with law, orders, and rules on social protection which involved in the business operations of the Company including the human rights protection

The Company has controls on social protection by setting up working group to operate according to plans and to monitor and evaluate the outcomes as a part of normal business practice. The findings are reported to the management regularly.

The communication with employees are done regularly in meetings or discussion to ensure the compliance with the social responsibility policy.

3.4.2 The Outcomes on the social responsibility aspects

- Outcomes from social responsibility activities including human rights protection, employee fairness, responsible production and service for customers, and community and social development involvement

- Customer Relations working group for complaint and compensation review:

This group works to ensure that human rights for patients are announced as patients rights. And responsible for receiving comments and complaints from customers and stakeholders. In order to review the needs for compensation or to improve and ensure medical practice that compliances with ethics.

- Human Resources working group:

This group works to ensure the employees are treated with fairness, and to train them and improve their happiness and engagement in the company. Together with ensuring the work place safety.

Outcomes of employee training, satisfaction, and health promotion indicator

	2021	2020	2019
Percentage of employees participated in the human resource development plan	80%	80%	84%
Employee Satisfactory Rate	73%	75%	88%
Employee Engagement Rate	80%	86%	72%*
Percentage of Employee with BMI over 23	25%	23%	27%

In the past years there are accident and infection from work as follow:

Type of Accident/ Infection	2021	2020	2019
Cuts injuries	0	1	0
Needle injuries	1	0	0
Chemical spill into eyes	0	0	1
Tuberculosis infection	0	0	0
Covid-19 infection	0	0	0



Others	0	3	1
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• Community Relations working group:

- Regular campaign of 7 days precaution where the company gives out helmets for riders to prevent head injury when in accident
- Wattana Health Fair is an annually fair to promote the awareness of health promotion and prevention for community. In 2021, due to the Covid-19 pandemic, the company offer the event online live on facebook instead.
- Health Promotion Booths for community in various events such as the insurance annual meeting, the nursing day, the sport days at various schools, the football events in town, and give health knowledge to schools and organization in the province.
- Home visits to our patients to promote good healthcare and educate the health promotion concept.

• Patient Care Team

This working group monitors the aspects of medical and nursing cares by focusing on patient centered safety, including the health promotion in the community and prevention of the pandemic outbreak in the community. Educate and develop community knowledge to capable of health risk prevention.

-In case the company may significantly break law or social rules, describe the details

-None-

4. Management Discussion and Analysis: MD&A

4.1 Operational Analysis and Financial Status

Year 2021 Performance

Wattana Karnpaet Public Company Limited ("Company") reported the total revenue in 2021 to be Baht 333.226 million, increased from Baht 312.644 million in 2020, or increased by 6.58 per cent. The revenue from hospital operations was Baht 327.650 million in 2021, increased from Baht 305.910 million, or 7.11 per cent from last year. Other income was Baht 5.576 million in 2021, decreased from Baht 6.734 million in 2020, or decreased by 17.21per cent. The increase in the total revenue was resulted from the vaccination of Covid-19 vaccines and the hospitalization of covid-19 patients during end of the year.

In 2021, the Company has EBITDA of Baht 45.956 million, which increased from Baht 39.799 million in last year, or 15.47 per cent.

The Company reported net profit of Baht 8.752 million, increased from Baht 1.636 million, or 435.11 per cent from last year. Or basic earning per share of 0.88 Baht.

Major events in 2021

1. Covid-19 crisis led to the decrease in number of patients, especially foreign patients who still cannot travel into Thailand conveniently
2. Adjusted the services to New Normal situation, for examples introduction of Telemedicine services and Home delivery for health care services



3. Open Alternative Hospital Quarantine service to serve foreign patients to hospitalized during quarantine at the hospital
4. Provide Covid-19 Lab Test service
5. Towards the end of the year, providing the Covid-19 vaccination services
6. Towards the end of the year, providing the hospitalization for Covid-19 patients

1. Financial Summary 2021 and Profitability

Operating Income

(Million Baht)	2021	2020	%Change
Revenue from hospital operations	327.650	305.910	7.11%
Other Income	5.576	6.734	-17.21%
Total Income	333.226	312.644	6.58%

In 2021, the Company had the total income of Baht 333.226 million, increased from Baht 312.644 million of last year, or a 6.58 per cent increase from last year. And the hospital operations income increased by Baht 21.741 million. This was mainly from the increase in the Covid-19 vaccination service which took place during the last quarter of the 2021.

Cost and Expenses

(Million Baht)	2021	2020	%Change
Cost of hospital operations	256.971	239.813	7.15%
Administrative expenses	62.390	67.135	-7.07%
Total cost and expenses and depreciation	319.360	306.948	4.04%

In 2021, the Company had the cost of hospital operations and administrative expenses of Baht 319.360 million, increased from Baht 306.948 million of last year, or 4.04 per cent from last year.

This comprises of cost of hospital operations of Baht 256.971 million, which increased from Baht 239.813 million of last year, or 7.15 per cent. The increase in cost of hospital operations was due to the costs of Covid-19 vaccination services and the Personal Protection Equipment (PPE) used for servicing Covid-19 patients.

The Administrative expenses in 2021 was Baht 62.390 million, decreased from Baht 67.135 million of last year, or 7.07 per cent. The decreased in expense was from the strictly cost control to response to the decrease in company income due to the Covid-19 crisis.

Profitability Analysis

(Million Baht)	2021	2020	%Change
EBITDA	45.956	39.799	15.47%
EBITDA margin	14%	13%	
EBIT	13.866	5.696	143.42%
EBIT margin	4%	2%	
Net profit	8.752	1.636	435.11%
Net profit margin	2.63%	0.52%	
Basic earning per share	0.88	0.16	435.11%



From the above mentioned, EBITDA in 2021 was Baht 45.956 million, increased from Baht 39.799 million in 2020, or increased by 15.47 per cent. The EBITDA margin was 14 per cent.

Balance Sheet and Cash Flow

Balance Sheet

(Million Baht)	31 Dec 2021	31 Dec 2020	% Change
Total Assets	524.951	533.899	-1.68%
Total Liabilities	156.281	173.894	-10.13%
Total Shareholders' Equity	368.670	360.005	2.43%

In 2021, the Total Assets of the Company as of 31 December 2021 was Baht 524.951 million, decreased from Baht 533.899 million of last year, or decreased by 1.68 per cent. This comprises of current assets of Baht 132.761 million, increased from Baht 111.029 million in 2020, or 19.57 per cent. And non-current assets of Baht 392.190 million, decreased from Baht 422.870 million of last year, or 7.26 per cent.

The Total Liabilities as of 31 December 2021 was Baht 156.281 million, decreased from Baht 173.894 million in 2020, or 10.13 per cent.

The Shareholders' Equity as of 31 December 2021 was Baht 368.670 million, increased from Baht 360.005 million of last year, or increased by 2.43 per cent.

Cash Flows

(Million Baht)	2021
Net cash provided by operating activities	36.616
Net cash used in investing activities	(0.540)
Net cash used in financing activities	(33.251)
Net increase in cash and cash equivalents	2.825
Cash and cash equivalents as at the beginning of the year	16.270
Cash and cash equivalents as at the end of the year	19.095

As of 31 December 2021, the Company had net increase in cash and cash equivalent of Baht 2.825 million, with the cash and cash equivalents as of 31 December 2021 was Baht 19.095 million.

The net cash provided by operating activities was Baht 36.616 million. The net cash used in investing activities was Baht 0.540. The net cash used in financing activities was Baht 33.251 million, which mainly was paying back loans from financial institution.

2.Assets utilization

	2021	2020
Accounts receivable turnover	8.13	6.47
Number of days of receivables (days)	45	57
Inventory turnover	7.20	4.34
Number of days of inventory (days)	51	84



In 2021, the accounts receivable turnover increased to 8.13, of which the number of days of receivables also dropped to 45 days. This indicates more effectiveness in the account receivable follow up system in place.

In 2021, the number of days of inventory was increased by 51 days, lower than that of last year. This was result of an improved management of stock inventory system.

3.Liquidity and sufficiency of funding

	2021	2020
Current ratio	1.19	1.09
Quick ratio	1.12	1.02
Cash ratio	0.34	0.46
Interest coverage	3.94	1.46

From the liquidity side, the current ratio of the company was 1.19 which sufficient for an ordinary business operations. In 2021, the company's Quick ratio and Cash ratio was 1.12 and 0.34 respectively, and the Interest coverage was 3.94, which is adequate.

4.Debt payment

	2021	2020
Interest coverage	3.94	1.46
Debt service coverage (Cash Basis)	0.82	1.30
Debt to equity ratio	0.42	0.48

The company has an ability to service debt. The interest coverage was 3.94 in 2021, increased from that of last year. This was because the profit in the year was higher. The debt service coverage (cash basis) in 2021 was 0.82, decreased from that of last year due to the company had increasing amount of loan repayment from last year.

In 2021, the debt to equity ratio was 0.42, which was the decreased from last year as a result of loan repayment as scheduled.

4.2 Significant factors potentially affecting the financial status or the operations in the future (Forward Looking)

The economy in 2022 is deemed to be recovery from the Covid-19 crisis. This is because the Government and all sectors are in agreement that the country needs to be opened up and increase the abilities to co-exist with the Covid-19. Although nowadays the control of the pandemic is still not fully successful, the results of mass vaccination of population has been improving the immunity leading to lowering dead rates among the infected patients. As for private hospitals, the expected income in 2022 should be in recovery. However there are still challenges from the strictening of government payment



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Wattana Karnpeat Public Company Limited

criteria for Covid-19 patients and also of private health insurance announcing the strict criteria for Covid-19 patients to be covered by their health insurances.

The internal political factors in 2022 may slow down the economy recovery of the country. The world conflicts also will slow down the economy recovery on the global scale.



4.3 Important Financial Information

Summary of Financial Information (Comparison over the past 3 years)

Wattana Karnpeat Public Company Limited

Statement of Financial Position

As at December 31

	Audited					
	Actual					
	2021		2020		2019	
	Amount (Baht)	%	Amount (Baht)	%	Amount (Baht)	%
Assets						
Current Assets						
Cash and cash equivalents	19,095,699.54	3.64	16,270,272.32	3.05	14,879,684.68	3.06
Trade accounts and other current receivables – net	37,688,344.16	7.18	21,830,215.50	4.09	31,188,431.17	6.41
Inventories	8,316,728.96	1.58	7,410,163.77	1.39	6,088,373.34	1.25
Other current financial assets	61,599,713.71	11.73	65,290,673.35	12.23	25,030,044.78	5.15
Current portion of other non - current financial assets	5,000,000.00	0.95	-	-	-	-
Other current assets	1,060,836.40	0.20	228,045.25	0.04	901,766.42	0.19
Total current assets	132,761,322.77	25.29	111,029,370.19	20.80	78,088,300.39	16.06
Non-Current Assets						
Other non-current financial assets – net	20,000,000.00	3.81	25,000,000.00	4.68	5,000,000.00	1.03
Property plant and equipment -net	342,693,027.72	65.28	367,026,003.92	68.74	385,549,885.69	79.30
Right of use asset – net	11,254,635.35	2.14	13,040,772.62	2.44	-	-
Intangible assets -net	3,365,910.67	0.64	3,892,883.21	0.73	4,737,315.41	0.97
Deferred tax assets - net	5,976,430.88	1.14	5,361,059.84	1.00	6,484,324.24	1.33
Non-current non-cash financial assets pledged as collaterals	5,020,000.00	0.96	5,020,000.00	0.94	5,020,000.00	1.03
Other non-current assets	3,880,120.39	0.74	3,528,879.81	0.66	1,311,721.21	0.27
Total non-current assets	392,190,125.01	74.71	422,869,599.40	79.20	408,103,246.55	83.94
Total Assets	524,951,447.78	100.00	533,898,969.59	100.00	486,191,546.94	100.00



Wattana Karnpaet Public Company Limited

Statement of Financial Position (Con't)

As at December 31

Liabilities and Shareholders' Equity	Audited					
			Actual			
	2021		2020		2019	
	Amount (Baht)	%	Amount (Baht)	%	Amount (Baht)	%
Current Liabilities						
Bank overdraft and short-term loans from financial institutions	13,012,916.33	8.33	10,000,000.00	5.75	2,663,726.13	2.06
Trade accounts and other current payables	38,457,380.46	24.61	42,387,081.33	24.38	39,333,713.02	30.42
Current portion of long-term liabilities						
Long-term loan from financial institution	26,774,677.02	17.13	35,240,000.00	20.27	10,740,000.00	8.30
Lease liabilities	1,612,758.13	1.03	1,531,345.96	0.88	940,383.54	0.73
Provision of current liabilities for employee benefit	12,703,615.00	8.13	12,250,000.00	7.04	12,781,065.00	9.88
Accrued tax	-	-	-	0.00	1,809,280.94	1.40
Accrued dividend	229,861.95	0.15	229,861.95	0.13	221,299.35	0.17
Advance receipt from alternative vaccine Covid-19	17,981,550.00	11.51	-	-	-	-
Other current liabilities	382,493.31	0.24	335,336.45	0.19	358,002.73	0.28
Total current liabilities	111,155,252.20	71.13	101,973,625.69	58.64	68,847,470.71	53.24
Non-Current Liabilities						
Long-term loan from financial institution - net	19,325,000.00	12.37	45,565,000.00	26.20	40,805,000.00	31.55
Lease liabilities -net	10,251,909.10	6.56	11,891,418.17	6.84	-	0.00
Provision on non-current liabilities for employee benefit-net	15,549,076.00	9.95	14,463,981.00	8.32	19,670,601.00	15.21
Total non-current liabilities	45,125,985.10	28.87	71,920,399.17	41.36	60,475,601.00	46.76
Total Liabilities	156,281,237.30	100.00	173,894,024.86	100.00	129,323,071.71	100.00



Shareholders' Equity						
Share capital						
10,000,000 common shares of Baht 10.-each	100,000,000.00		100,000,000.00		100,000,000.00	
Issued and paid-up share capital						
10,000,000 common shares of Baht 10.-each	100,000,000.00		100,000,000.00		100,000,000.00	
Premium on common shares	62,500,000.00		62,500,000.00		62,500,000.00	
Retained earnings						
Appropriated -legal reserves	10,000,000.00		10,000,000.00		10,000,000.00	
Unappropriated	196,170,210.48		187,418,224.73		184,368,475.23	
Other components of shareholders' equity	-		86,720.00		-	
Total shareholders' equity	368,670,210.48		360,004,944.73		356,868,475.23	
Total Liabilities and Shareholders' Equity	524,951,447.78		533,898,969.59		486,191,546.94	



Wattana Karnpaet Public Company Limited
Statement of Comprehensive Income
For the Year Ended December 31

	Audited					
	Actual					
	2021		2020		2019	
	Amount (Baht)	%	Amount (Baht)	%	Amount (Baht)	%
Revenues						
Revenue from hospital operations	327,650,349.65	98.33	305,909,727.93	97.85	369,649,662.33	98.60
Other income	5,575,504.28	1.67	6,734,338.17	2.15	5,250,574.47	1.40
Total revenues	333,225,853.93	100	312,644,066.10	100	374,900,236.80	100
Cost and Expenses						
Cost of hospital operations	256,970,561.49	77.12	239,812,841.00	76.70	270,204,568.59	72.07
Administrative expenses	62,389,602.19	18.72	67,134,949.15	21.47	79,992,055.99	21.34
Total cost and expenses	319,360,163.68	95.84	306,947,790.15	98.18	350,196,624.58	93.41
Profit Before Finance Cost and Income Tax	13,865,690.25	4.16	5,696,275.95	1.82	24,703,612.22	6.59
Finance cost	(3,523,149.31)	(1.06)	(3,908,579.37)	(1.25)	(3,073,758.51)	(0.82)
Profit Before Income Tax	10,342,540.94	3.10	1,787,696.58	0.57	21,629,853.71	5.77
Income tax (expenses)	(1,590,555.19)	(0.48)	(152,137.40)	-0.05	(4,290,793.96)	-1.14
Net Profit for the Year	8,751,985.75	2.63	1,635,559.18	0.52	17,339,059.75	4.62
Other Comprehensive Income (Loss)						
Profit or loss in subsequent period:						
Gain (Loss) from revaluation of other current financial assets -net income tax	(86,720.00)		86,720.00		-	
Gain on remeasurements of employee benefit obligations -net income tax						
	-		5,813,311.20		(2,703,297.60)	
Comprehensive Income (Loss) for the Year	8,665,265.75	2.60	7,535,590.38	2.41	14,635,762.15	3.90
Basic Earnings per Share (Baht: Share)	0.88		0.16		1.73	



Wattana Karnpaet Public Company Limited
Statement of Changes in Shareholders' Equity
For the Year Ended December 31

	Audited		
	Actual		
	2021	2020	2019
	Amount (Baht)	Amount (Baht)	Amount (Baht)
Share capital			
Issued and fully paid-up share capital	100,000,000.00	100,000,000.00	100,000,000.00
Premium			
Premium on common shares	62,500,000.00	62,500,000.00	62,500,000.00
Retained earnings			
Appropriated Legal reserves	10,000,000.00	10,000,000.00	10,000,000.00
Unappropriated Balanced as at January 1	187,504,944.73	184,368,475.23	176,732,713.08
Impact from accounting policy changed	-	(2,399,120.88)	-
Net profit for the year	8,665,265.75	7,535,590.38	14,635,762.15
Dividend payment	0	(2,000,000.00)	(7,000,000.00)
Unappropriated Balanced as at December 31	196,170,210.48	187,504,944.73	184,368,475.23
Total shareholders' equity	368,670,210.48	360,004,944.73	356,868,475.23



Wattana Karnpaet Public Company Limited

Statement of Cash Flows

For the Year Ended December 31

	Audited		
	Actual		
	2021	2020	2019
	Amount (Baht)	Amount (Baht)	Amount (Baht)
Cash Flows From Operating Activities			
Net profit before income tax	10,342,540.94	1,787,696.58	21,629,853.71
Reconciliation of net profit to net cash provided by (used in) operating activities			
Depreciation and amortization expenses	32,090,315.43	34,102,677.14	28,120,670.86
Credit losses	1,051,264.00	8,266,322.94	1,612,862.00
Expected credit losses	130,347.45	-	707,358.20
Reversal of allowances for expected credit losses	(1,039,791.29)	(10,655,382.78)	(2,623,276.40)
Provision for employee benefits	1,538,710.00	2,033,621.00	5,465,820.00
Unrealized gain on the changes in value of other current financial assets	(302,790.36)	(182,273.35)	(30,044.78)
Gain from revaluation of other current financial assets	(114,650.00)	-	-
Gain from disposal of fixed assets	(49,999.00)	(202,489.50)	-
Loss from write-off of fixed assets	7,013.42	-	67,622.37
Gain on sale of other current financial assets	-	(44,075.13)	-
Transfer advance receipt from alternative vaccine Covid-19 as income	(22,931,246.00)	-	-
Adjust of assets as expense	922.00	240,150.23	646,541.25
Adjust of accounts payables as income	(207,703.11)	(2,038,372.41)	(164,943.65)
Differences from reduction in lease payments	-	(96,866.41)	-
Interest income	(411,002.79)	(237,390.41)	(317,246.56)
Interest expenses	3,523,149.31	3,908,579.37	3,073,758.51
Profit provided by operating activities before changes in operational assets and liabilities	23,627,080.00	36,882,197.27	58,189,975.51
Decrease (Increase) in operating assets:-			
Trade accounts and other current receivables	(16,008,925.62)	9,489,079.59	(3,771,442.61)
Inventories	(906,565.19)	(1,321,790.43)	1,229,657.70
Other current assets	(832,791.15)	673,721.17	(454,020.52)
Other non-current assets	(159,423.79)	(145,684.57)	(4,287.58)
Increase (Decrease) in operating liabilities:			
Trade accounts and other current payables	(4,157,408.27)	2,683,386.14	(4,900,596.88)
Employee benefit expenses for the year	-	(504,667.00)	-



Advance receipt from alternative vaccine Covid-19	40,912,796.00		
Other current liabilities	47,156.86	(22,666.28)	(1,854,189.51)
Cash provided by (used in) operating activities	42,521,918.84	47,733,575.89	48,434,096.11
Interest paid	(3,529,862.05)	(3,904,578.90)	(3,059,354.15)
Income tax paid	(2,376,063.02)	(4,384,635.77)	(4,323,637.65)
Net cash provided by (used in) operating activities	36,615,993.77	39,444,361.22	41,051,104.31



Wattana Karnpaet Public Company Limited

Statement of Cash Flows (Con't)

For the Year Ended December 31

	Audited		
	Actual		
	2021	2020	2019
	Amount (Baht)	Amount (Baht)	Amount (Baht)
Cash Flows from Investing Activities			
Decrease (Increase) in fixed deposits	15,000,000.00	(5,000,000.00)	(10,000,000.00)
Receipt of investment in debt instruments measured at fair value	-	15,074,119.91	-
Purchase of investment in debt instruments measured at fair value	(11,000,000.00)	(50,000,000.00)	-
Purchase of other-non current financial assets	-	(20,000,000.00)	-
Proceeds from disposal of fixed assets	50,000.00	727,395.54	-
Acquisition of property, plant and equipment	(4,668,570.59)	(11,184,131.81)	(11,653,821.93)
Purchase of intangible assets	(340,550.00)	-	(79,425.00)
Interest received	419,057.59	241,356.16	321,568.48
Net cash provided by (used in) investing activities	(540,063.00)	(70,141,260.20)	(21,411,678.45)
Cash Flows from Financing Activities			
Increase (decrease) in bank overdraft and short-term loans from financial institutions	3,012,916.33	7,336,273.87	(636,429.61)
Receipt of long-term loans from financial institutions	-	40,000,000.00	-
Repayment of long-term loans from financial institution	(34,705,322.98)	(10,740,000.00)	(10,740,000.00)
Repayment of lease liabilities	(1,558,096.90)	(2,517,349.85)	(2,091,229.79)
Dividend paid	-	(1,991,437.40)	(6,972,216.10)
Net cash provided by (used in) financing activities	(33,250,503.55)	32,087,486.62	(20,439,875.50)
Increase (Decrease) in cash and cash equivalents -net	2,825,427.22	1,390,587.64	(800,449.64)
Cash and cash equivalents at the beginning of the year	16,270,272.32	14,879,684.68	15,680,134.32
Cash and cash equivalents at end of the year	19,095,699.54	16,270,272.32	14,879,684.68

Supplemental Disclosures of Cash Flows Information:

	2021	2020	2019
1. Non-cash items			
Purchase of fixed assets on credit	442,123.25	2,212,764.00	770,702.75
Accrued dividend	229,861.95	229,861.95	221,299.35
Unrealized gain on the changes in value of other current financial assets	-	108,400.00	-



Increase in right-of-use and lease liabilities under lease contracts	-	5,031,048.04	-
2. Unrealize credit facilities for future working capital	16,001,613.67	20,000,000.00	26,136,273.87

Summary of Financial Ratio

		2021	2020	2019
LIQUIDITY RATIO				
Current Ratio		1.19	1.09	1.13
Quick Ratio		1.12	1.02	1.03
Operating Cash Flow to Current Liabilities		0.34	0.46	0.56
Receivable Turnover		8.13	6.47	7.04
Collection Period	(Days)	45	57	52
Inventory Turnover		7.20	4.34	4.22
Average Inventory Period	(Days)	51	84	86
Account Payable Turnover		3.78	3.07	6.52
Payment Period	(Days)	97	119	55
PROFITABILITY RATIO				
Gross Profit Margin	(%)	21.57	21.61	26.90
Net Profit Margin	(%)	2.63	0.52	4.62
Return of Equity	(%)	2.40	0.46	4.91
EFFICIENCY RATIO				
Return on Total Assets	(%)	2.32	1.09	3.56
Return on Fixed Assets	(%)	10.76	8.78	4.35
Total Assets Turnover		0.63	0.61	0.77
FINANCIAL POLICY RATIO				
Debt to Equity Ratio		0.42	0.48	0.36
Interest Coverate Ratio		3.94	1.46	8.08
EBITDA Coverage Ratio		0.82	1.30	1.08

5. General Information and Other Important Information**5.1 Company Information**

1. Wattana Karnpeat Public Company Limited operates 100 beds private hospital under the name of North Eastern Wattana General Hospital since 1985, locates at 70/7-8 Supakitjanya Road, Tumbon Makkheng , Amphur Muang , Udonthani 41000 Registration number 0107537002095 Tel : 0-4221-9888 Fax: 0-4224-1956 E-mail Address : admin@wattanahospital.net Website : www.wattanahospital.net with registered capital of 100 million Baht paid up capital 100 million Baht. Ordinary share of 10,000,000 shares at par value 10 Baht/Share.
2. The number and type of fully paid shares of all the registered bodies that the company has more than 10 per cent of the total fully paid shares of those registered bodies
- None -



3 References

- (a) Share Registrar
Thailand Securities Depository Company Limited
The Stock Exchange of Thailand Building
62 Rachadapisek Road, Klongtoey Bangkok 10110
Telephone : 0-2229-2800 Fax : 0-2229-2888
- (b) Auditor
Miss Chaovana Viwatpanachat , Miss Wanpen Unruan and Ms.Pornpip Amornchailertpattana ,
Office of Pitisevi Co., Ltd.
8/4 Floor 1st,3rd Soi Viphavadee 44 (Soi AMomphan 4), Viphavadee-Rangsit Rd., Ladyao,
Chatuchak, Bangkok 10900
Telephone : 0-2941-3584-6 Fax : 0-2941-3658
- (c) Legal Counselor
Mr. Wiboon Assawareungchai
License Number 872/2533
87 Thahan Road, Makkheng Sub-district, Muang District,
Udonthani 41000
Telephone : 081-601-7734

5.2 Other important information

5.2.1 Other important information that may significantly impact the decision making of the investors

-None-

5.2.2 Limitation for overseas shareholders in case there is an agenda to raise capital or issuing of

Transferable Subscription Right or TSR but not on offered of overseas shareholders that may force the company to be under overseas laws

-None-

5.3 Legal Disputes

-None-



บริษัท วัดนากการแพทย์ จำกัด (มหาชน)

Wattana Karnpeat Public Company Limited

Part 2 Corporate Governance



6. Corporate Governance Policy

The Company places the importance of good corporate governance to ensure investors and general public are acknowledged and enable the transparency and auditable operations of the company. The Company commits to disclosing transparently of the information on operations when realizing the management of risks are of the prime concerns. The company has established Code of Conducts to maintain good business ethics for all directors and employees to comply.

6.1 Overview of Corporate Governance Policy and Guidelines of Corporate Governance

6.1.1 Policies and Guidelines for the Board of Directors

The Board of Directors has established an effective Corporate Governance Policy in writing. There is an annual review of the Corporate Governance Policy and Code of Conduct manual, as well as monitoring the evaluation on the implementation of the policies. The Company provides a published manual to directors and employees for reference and application.

The Board of Directors' Meeting reviewed, revised, and approved the policy of Good Corporate Governance and Code of Conduct manual. They also reviewed the implementation of related policy. The Board of Directors recognizes their role and duties, as the governing body of the organization. The directors have a good understanding of the CG code, and are aware of the benefits and applications of how it brings sustainable value to the business.

6.1.2 Policy and Guidelines for shareholders and stakeholders

The Company has followed the principles of good corporate governance in accordance with Corporate Governance Code for Listed Companies 2017, which is determined by the Securities and Exchange Commission to cover good corporate governance for listed companies on the Stock Exchange of Thailand. There are 5 areas covered, including shareholder rights, equal right to shareholders, roles of stakeholders, information disclosure and transparency and responsibilities of the Board of Directors and Sub-Committees.

Rights of Shareholders

The Company recognizes the importance of upholding the rights of all shareholders, both major and minor individual shareholder, institutional investors or overseas shareholders. All have rights to basic rights and equal rights as a shareholder. The shareholders' rights are the rights to buy or sell or transfer of their shares, the rights to receive the company's information accurately, the rights to attend the Annual General Shareholders Meeting and to vote on important transactions, the rights to appoint or remove company directors, the right to set the remuneration for the Board of Directors, the right to appoint or remove auditors and set audit fees. It also includes the right to a share of profits, the right to participate in decision-making and the right to be informed of the Company's decision-making relating to changes of the Company's fundamental features. These rights can be found on the news system of the Stock Exchange of Thailand providing equal access to information.

Shareholder Meetings

In the Shareholder Meetings, the company holds the meeting in the meeting room of the company, where the company would notify the shareholders by letter for at least 7 days before the date. Together with the information that will be covered in the meeting. In case shareholder cannot attend, he or she can send his



or her proxy or assign a proxy to the independent director. The shareholder can vote for appointing directors and the remunerations. The meeting will be accurately recorded.

At the company's Shareholders Meeting, the important matters are presented to the shareholders for approval. The presentations of the matters are in compliance with laws and regulations prescribed by the SET as well as the company's regulations. The chairman of the meeting ensures equal opportunities for every shareholder to express their opinion on the progress of the company. The shareholders were also encouraged to raise any suggestions to improve the current practice. The significant suggestions and comments were documented as a part of the meeting report.

Stakeholders' rights

The board of directors recognizes the importance of the rights of the stakeholders both inside and outside the company.

Shareholder	The company dedicates to operate the business effectively and sustainably for the highest benefits of the shareholders, and by following the Corporate Governance principal.
Employees	The company interacts with each employee with equity and fairness.
Suppliers	The company abides by the contracts with all suppliers.
Creditors	The company practices under borrowing contracts.
Customers	The company provides patient care equally to every patient. The hospital has a customer relations department to seek and act upon the patients' comments and feedback.
Competitors	The company competes with competitors fairly, and avoids unfair tactics to destroy the competitors.
Society/Community	The company acts responsible towards the environment of community and society.

Leadership and vision

- The board of directors sets vision, duty, strategy, goal, business plan, and budget for the company. The management, under the monitoring of the board of directors, is responsible for ensuring that everything goes according to plans in order to improve the economic performance of the company, at the same time, provide the highest stability to all shareholders.
- The board of directors sets the internal controlling system and the effective risk management procedure, at the same time, provides constant monitoring for the system in place.
- The board of directors clearly allocates roles and responsibilities among the board, the committees, and the management to work independently from one another.
- The board of directors monitors the committees to give approval to all usual expenses take place in the company with exceptions for those require shareholders' opinion as stated in the guidelines given by The office of Securities and Exchange Commission and the Stock Exchange of Thailand.

Balancing power of Non-Executive Director

The Board of Directors consists of 8 directors of which one third of the total number of the directors are independent directors.



Remuneration for directors and the management

The company set the remuneration of the directors and the management in accordance with the approval from the shareholders' meeting.

The remunerations are in salaries bonuses, and depending on the responsibilities and performances vary between each management.

Board committee's reporting

The board of the company is responsible for the company's financial budget which has been done according to the standard accounting guidelines in Thailand. This includes publishing sufficient important information in the explanation accompanying the financial budgeting.

The internal controlling system of the company in general is satisfactory and credible. This is partly shown by the auditing committee's report which can be found in the annual report.

6.2 Code of Conduct

The Company has a handbook of Code of Conduct for directors, management, and employees in the company. The handbook outlining the common standards and committed ethics including that related to various stakeholders. The Code of Conduct of the company identify the principles that are importance to operating business with work ethics, equality, and human rights for all. The social and environmental responsibility, the stakeholders rights, and protection of information and assets, and the supervision of the use of internal information. Thereby the Code of Conduct of the company consists of important topics as follows:

1. Business ethics
2. Work ethics
3. Fairness in business operations
4. Policy of protection of whistle blowers
5. Policy of controlling of the use of internal information

6.3 Changes and important development on Policy Guidelines and Corporate Governance in the past years

-None-

6.3.1 Changes and important development on Policy Guidelines and Corporate Governance or the Board of Director rules in the past year

-None-

6.3.2 Other practices that follow the Good Corporate Governance

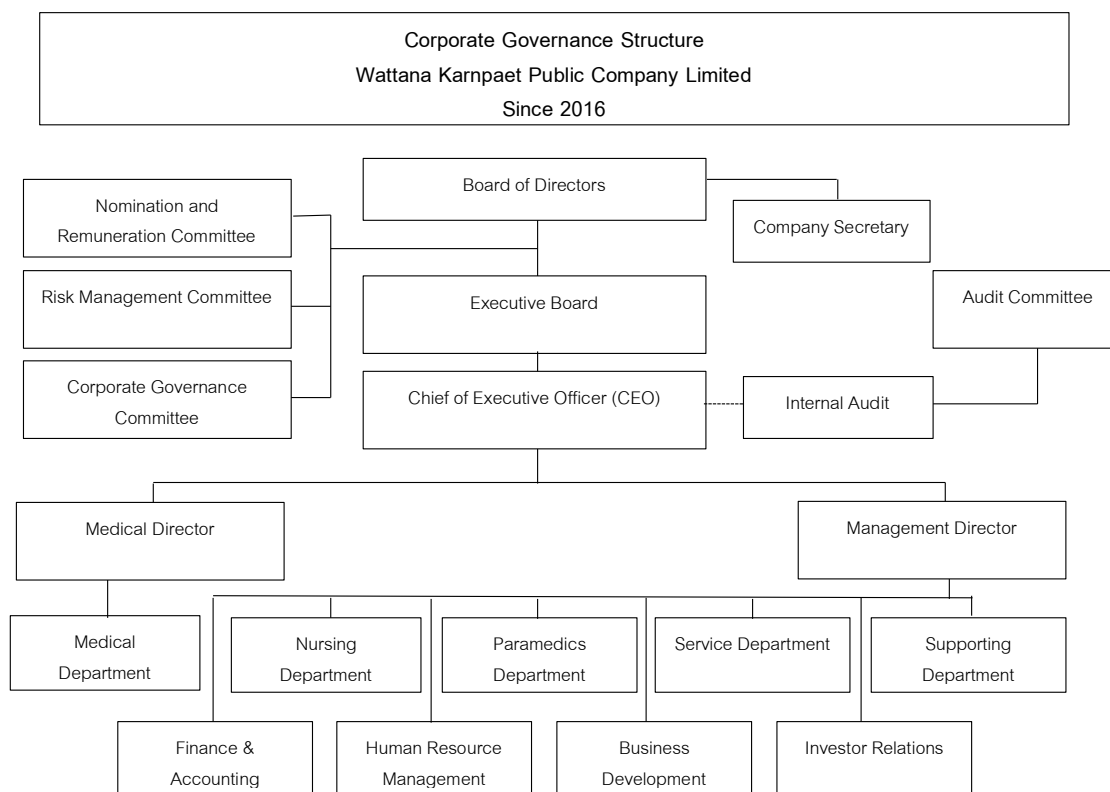
- The company offers opportunity for minor shareholders to put forward agendas or names to be voted as directors in the Annual Shareholders General Meeting via the company's website in advance.
- The company has strictly control over the use of internal information of the company and the policy on the use of internal information.
- The company has reported the related transactions and control to ensure it is always fair and be the most beneficial to the minor shareholders.



7. Corporate Governance Structure and Significant Information regarding to the Board of Directors, Sub-Committees, Executives, Employee and others

7.1 Corporate Governance Structure

The Company's Board of Directors committee have appointed the sub-committees and assigned the corporate governance under the following structure since 2016.



7.2 Information regarding the Board of Directors

Management structure of the Company consists of the Board of Directors and five subcommittees namely Audit Committee, Nomination and Remuneration Committee, Executive Committee, Risk Management Committee, and Corporate Governance Committee. Details are as follows:

7.2.1 Composition of the Board of Directors

As at December 31, 2020, the Board of Directors consists of eight following qualified persons:

- 4 Executive Directors, 50 per cent of total number of Directors
- 4 Independent Directors, 50 per cent of total number of Directors



7.2.2 Information of the Board of Directors

8 Directors are as follows:

Name	Position	Type of Directors
1. Ass. Prof. Phiphat Tangsubkul	Chairman/ Chairman of the Executive Committee and Chairman of the Corporate Governance Committee	Executive Director
2. Dr. Suphawan Tangsubkul	Vice-Chairman/ Executive Committee Director/Risk Management Committee Director	Executive Director
3. Dr. Sitichai Ungklomkleow	Director/ Executive Committee Director/ Chairman of Risk Management Committee Director	Executive Director
4. Miss Bangon Tangsubkul	Director/ Chairman of Nomination and Remuneration Committee / Corporate Governance Committee Director	Executive Director
5. Miss Jariya Chatsakunpen	Director/ Nomination and Remuneration Committee Director	Independent Director
6. Ass.Prof.Dr.Poonsak Vaisamruat	Chariman of Audit Committee/ Risk Management Committee Director	Independent Director
7. Miss Suda Santiseveekul	Audit Committee Director/ Corporate Governance Committee Director	Independent Director
8. Dr. Alisa Neramittagapong	Audit Committee Director / Nomination and Remuneration Committee Director	Independent Director
9. Miss Pattharaporn Promtong	Company Secretary	

Remarks:

-Executive Director means a director who is an executive position and also an employee of the Company and has management responsibilities.

-Non-Executive Director means a director who is not an executive position and has no management responsibilities.

-Independent Director means an outside director who is not an executive or a regular employee of the Company or and executive director or director who is authorized to sign on behalf of the Company. They are independent from major shareholders, amangement and related persons, able to act to protect the interests of all shareholders equally, and can help avoid creating a conflict of interest between the company and related persons.



Directors Who are Authorized to Sign on Behalf of the Company

Directors who are authorized to sign on behalf of the Company are two signatures of the directors out of Ass. Prof. Phiphat Tangsubkul, Dr. Suphawan Tangsbukul, Dr. Sitichai Ungklomkleow, and Miss Bangon Tangsubkul with the company's stamp.

7.2.3 Roles and Duties of the Board of Directors

The Board of Directors is in charged with overseeing the scope of the Board of Directors' authority. The Board of Directors is in charged with overseeing the Company's operations to be in compliance with the laws, objectives, Articles of Association as well as the policies and resolutions of shareholders' meetings. The Board of Directors has an authority to appoint the Executive Director or assign any other persons to take any or several actions under the control of the Board of Directors except for the actions stated below. Those actions can be performed after receiving the approval from the shareholders' meeting. In case where the Director or any person has a conflict of interest with the Company, the Director involved in that conflict shall not be entitled to vote on that matter:

1. Any matters prescribed by the laws that it requires an approval of the shareholders' meeting.
2. Entering into any transactions where the director gains the interest and the laws an dregulations of the Stock Exchange of Thailand prescribe that it requires an approval of the shareholders' meeting.

The following cases must be approved by the Board of Directors' Meeting and the shareholders' meeting with a voting score of not less than three-fourths of the total number of votes of shareholders attending the meeting and having the right to vote:

1. Selling or transferring the Company's businesses for the entire or an important part of the business.
2. Acquiring or receiving transferred business from other companies or private entities to the Company.
3. Entering into, amending or terminating of the rental contracts for the entire business of the Company or an important section of it. Appointing any persons to run the Company's business or a merger with any persons for the purpose of profit and loss sharing.
4. Amending the Company's Memorandum of Association or Articles of Association
5. Increasing or reducing capital, issuing debentures, mergers or dissolution of the Company.
6. Any actions prescribed by the Securities and Exchange Act or the notifications of the Stock Exchange of Thailand that it requires an approval of the shareholders' meeting, such as the acquisition or disposal of assets of the listed company or any connected transactions.

The duties, responsibilities and approval authorization of the Board of Directors of the Company are set forth below:

1. Overseeing and determing the objectives and main goals of the business operation on a sustainable basis. The objectives and goals are consistent to create value for the Company, its stakeholders, and society as a whole.
2. Ensuring that the objectives and goals, including strategies, in the medium term and/or annually are in accordance with the achievement of the objectives and main goals of the Company by using innovation and technology appropriately and safely.
3. Monitoring creation of a corporate culture that adheres to ethics respects the rights and responsibilities of shareholders and stakeholders, benefits society, develops or reduces negative impacts on the environment, and acts as a role model.



4. Monitoring the administrative structure and performance of the Board of Directors to be appropriate towards the achievement of the objectives and main goals of the business operation efficiently.
5. Ensuring that all Directors carry out their duties and responsibilities with a duty of care and a duty of loyalty to the organization and oversee the Company's operation to be in compliance with laws, Articles of Association, and resolutions of the shareholders' meetings.
6. Overseeing the evaluation of the Chief Executive Officer's performance.
7. Overseeing the determination of the remuneration structure, ensuring that it enables employees to work in line with objectives and main goals of the organization, and determination of guidelines and factors of performance evaluation for the Company.
8. Considering and approving the setting and revision of the vision and mission, strategies, goals, business direction, annual plans, and annual budget. Monitoring the management to carry out to be in line with policy and plans efficiently and effectively.
9. Considering the appropriateness and sufficiency of risk management systems and internal controls.
10. Considering the determination of the authorization levels that are suitable for the responsibilities of the management.
11. Considering the determination of the framework for the allocation and management of resources to be effective and efficient to take into account the impact and development of resources throughout the entire value chain in order to achieve the objectives and main goals in a sustainable manner. This includes the determination of development and budget such as making employees management policy and plan as well as policies concerning information technology, which provide a framework for the governance and management of information technology for the organization that is consistent with the Company's needs. Also overseeing that information technology is used to increase business opportunities as well as in the development of operations and risk management so that the Company can achieve its objectives and main goals.
12. Considering pursuit and evaluation of the operations.
13. Overseeing that the disclosure of financial and non-financial information is reliable and appropriate.
14. Monitoring the adequacy of financial liquidity and ability to pay debts.
15. Ensuring that, in the case where the business is experiencing financial difficulties, or is likely to encounter trouble, the Company has a plan to fix the problem or has other mechanisms available to resolve the financial issues, subject to consideration of the rights of stakeholders.
16. Ensuring that various actions adhere to the good corporate governance policy and the Company's ethics guidelines.
17. Considering and approving significant transactions, as defined in the laws, regulations, policies, and related standards, or under authority matrix of the Company.
18. Considering and fixing the qualifications of the Chief Executive Officer or equivalent based on skills requirements in accordance with recruiting the top management framework of the Company.

The Company's Board of Directors is responsible for consideration of the list of new Directors who have been screened and presented by the Nomination and Remuneration Committee. The nominated Directors must be ready to dedicate their time, knowledge, and capabilities for the Company, and also understand the duties and responsibilities of Director. The Company has in place the procedure to keep new Directors informed about its business and operation for them to possess profound knowledge and understanding in the Company's business.



In addition, the Board of Directors shall conduct the annual assessment of their performance in line with the self-assessment form for each individual director and the whole board to examine, as well as enhance the efficiency of their performance.

In addition, The Board of Directors needs to ensure the following activities are carried out in timely and efficiently manner.

1. Organizing the Shareholder's Meeting annually within 4 months from the end of the company's accounting period.
2. Organizing the Board of Directors' Meeting at least once every three months
3. Facilitating the Company's Balance Sheets and Income Statements to be made at the end of the company's accounting period, of which the auditors have made an audition, and subsequently presented at the shareholder's meeting for approval.
4. Ensuring that there is the internal auditing system in place effectively.

The Scope of Authorities and Responsibilities of the Chairman of the Board of Directors

Serving as the Chairman of the Board of Directors and having the casting vote in case where the Board of Directors votes and there is a tie, being able to call the Board of Directors' Meeting, acting as the Chariman of the Gerneal Meeting of Shareholders of the Company, and carrying out any duties prescribed by laws as the specific duties of the Chairman including the following duties:

1. Monitoring and supervising to ensure that the duty of the Committee is carried out effectively and to achieve the objectives and main goals of the organization.
2. Ensuring that every Director has been involved in promoting a culture of ethical behavior and good corporate governance.
3. Discussing with the Board of Directors and the Chief Executive Officer on the determination of the meeting agenda and taking measures to ensure that the important issues are included on the agenda.
4. Allocating sufficient time for the management to propose issues and gather enough members to discuss key issues carefully, and encouraging each Director to use their discretion judiciously and to express their opinion independently.
5. Strengthening the relationship between the Executive and non-Executive Directors as well as between the Board of Directors and the management.

7.3 Information regarding Sub- Committees

The Company's Board of Dirrectors appoints the Sub-Committees to screen the relevant details by regulating the scoope of duties and responsibilities of each committee.

7.3.1 Structure of Company's Sub-Committees

There are 5 Sub-Committees, they are Audit Committee, Nomination and Remuneration Committee, Executive Committee, Corporate Governance Committee, and Risk Management Committee.

7.3.2 Sub-Committees Directors Details

Audit Committee

- | | | |
|------------------------|-----------------------|------------------------------|
| 1. Ass.Prof.Dr.Poonsak | Vaisamruat | Audit Committee Chairman |
| 2. Miss Suda | Santiseveekul | Audit Committee Director |
| 3. Alisa | Neramittagapong, M.D. | Audit Committee Director |
| 4. Miss Pattharaporn | Promptong | Secretary of Audit Committee |



The Scope of Duties and Responsibilities of the Audit Committee

The Audit Committee is scheduled to meet every 3 months and have duties and responsibilities as follows:

- Coordinate with the internal auditing unit of the company in the areas of strategic planning, reporting and evaluating performance and problems affecting the company's controlling system.
- Give advices on positioning and remuneration of account auditor. At the same time, coordinate with the account auditor to find solutions to problems and important matters that require attention.
- Review and provide consultation for the outcomes and proposals raised by the account auditor and the internal auditing body. In addition, the implementation of the valuable suggestions is to be followed up together with the reporting of such actions to the company's board and committee.
- Review the account information reported by the company before presenting to the committees.
- Ensure that the significant risks are being properly managed
- Ensure that the rules regulations given by the Securities and Exchange Commission and the Stock Exchange of Thailand are followed

Nomination and Remuneration Sub-Committee

- | | |
|--------------------------------|--|
| 1. Miss Bangon Tangsubkul | Chairman of Remuneration Sub-Committee |
| 2. Alisa Neramittagapong, M.D. | Remuneration Sub-Committee |
| 3. Miss Jariya Chatsakunpen | Remuneration Sub-Committee |

The Scope of Authorities and Responsibilities of the Nomination and Remuneration Sub-Committee

1. Deciding on the remunerations for the Board of Directors and presenting at the Board of Directors meeting, then subsequently presenting to the shareholders for the final approval.
2. Deciding and approving the remunerations resulted from the ESOP warrants.

Executive Committee

The company has 4 management committees as follows:

- | | |
|--------------------------------------|---------------------------------|
| 1. Ass. Prof. Dr. Phiphat Tangsubkul | Chairman of the Executive Board |
| 2. Dr. Suphawan Tangsubkul, M.D. | Executive Director |
| 3. Dr. Sitichai Ungklomkieow, M.D. | Executive Director |
| 4. Miss Bangon Tangsubkul | Executive Director |

The Scope of Authorities and Responsibilities of the Executive Committee

The scope of authorities and responsibilities of the Management Committee includes the regular operations' administration and management of the company. The main authorities and responsibilities are:

1. Plan the policy, business strategy, budget, management structure, and other operations guidelines of the company with consideration of the economic and social conditions.
2. Carry out the business and manage company's business activities with objective, regulations, policy, delegation or consents of the Board of Directors from the Board's meeting or from the company's shareholder meeting.



3. Plan the organization structure, management authority, appointment, employment, allocation, and termination of employment.
4. Operate in other issues as being given by the Board of the Directors on occasional basis.

Corporate Governance Sub-Committee

1. Ass.Prof.Dr. Phiphat	Tangsubkul	Committee Chairman
2. Miss Bangon	Tangsubkul	Committee Director
3. Miss Suda	Santiseveekul	Committee Director

The Scope of Duties and Responsibilities of the Corporate Governance Sub-Committee

The Committee has duties and responsibilities as follows:

1. Proposing Corporate Governance Policies and a Code of Ethics of the company to the Board of Directors for approval.
2. Monitoring and supervising the company to ensure that corporate governance policies and business ethics specified by the Company are complied with
3. Continuously assessing the company's corporate governance policies and code of ethics to ensure that they comply with international standards and/or recommendations from related government organizations and propose these findings for approval from the Board of Directors.
4. Evaluating and proposing a Code of Best Practices to the Board of Directors and/or smaller committees in the Company.
5. Encouraging the dissemination of the good corporate governance culture across the organization and ensure that it is actually practiced.
6. Evaluating appointing and outlining the working team's roles in supporting the monitoring and supervision of business operations and ethics, as appropriate.
7. Performing other duties as assigned by the Board of Directors.

The management and all departments in the company must report or present the information and documents related to the corporate governance and ethics to the Committee in order to support the Committee to be most effective in their assigned duties.

Risk Management Committee

1. Dr. Sitichai	Ungklomkieow, M.D.	Committee Chairman
2. Ass.Prof.Dr.Poonsak	Vaisamruat	Committee Director
3. Dr. Suphawan	Tangsubkul, M.D.	Committee Director

The Scope of Duties and Responsibilities of the Risk Management Committee

The Committee has duties and responsibilities as follows:

1. Assessing and presenting policies, set risk management policy and framework and propose to the Board of Directors for approval.
2. Examining and agreeing on acceptable risk levels, approve risk management plans and present to the Board of Directors.
3. Continuously monitoring, develop and comply with policies and the risk management framework so the Company will have a risk management system that is uniformly effective throughout the organization to ensure that policies continue to be observed.



4. Assessing risk identification and assessment procedures, report on significant risk management activities and enforce procedures to ensure that the organization has sufficient and appropriate risk management systems in place.
 5. Coordinating with the Audit Committee about significant risk factors and appoint an internal risk assessment team to ensure that the Company's risk management system is appropriate to the exposure, adapted as needed and adopted throughout the organization.
 6. Continually reporting to the Board of Directors on significant risks and risk management solutions. Recommending and advising the Risk Management Committee and/or departments and/or the relevant working committees about significant risks about risk management, as well as evaluate the appropriate means to improve various databases that are related to the development of risk management solutions.
 7. Appointing Sub-Committees and/or additional related personnel, or replacements in the Risk Management Committee and/or the Department and/or the working team that is related to managing risks as necessary, as well as determine their roles and responsibilities in order to achieve the objectives.
 8. Executing other activities that pertain to managing risks as assigned by the Board of Directors.
- The management and/or the committee and/or all departments and/or working teams related to risk management and/or internal auditor and/or auditor of the company must report or present the information and documents related to the risk management to the Committee in order to support the Committee to be most effective in their assigned duties.

7.4 Information Regarding Executive

7.4.1 Executive Team

As at December, 31, 2021, the members of Executive Team consist of five qualified persons as follows:

Name	Position
1. Ass.Prof. Phiphat Tangsubkul	Chief Executive Officer
2. Dr. Suphawan Tangsubkul	Managing Director
3. Dr. Sittichai Ungklomkieow	Medical Director
4. Dr. Natthira Tangsubkul	Chief Financial Officer
5. Miss Piyada Kotanun	Head of Financial and Accounting Department

7.4.2 Policies on remuneration of Executive Directors and Senior Executive Officers

The Nomination and Remuneration Committee shall determine the remuneration for the Executive Directors and Senior Executive Officers (including and Chief Executive Officer) to be in accordance with their performance by considering various criteria based on several factors, i.e., their duties and responsibilities, business operation outcome, implementation of policies received from the Board of Directors, administrative abilities under different economic and social situations, business development capability, and improvement of operation efficiency each year. The Nomination and Remuneration Committee shall propose the remuneration for Executive Directors and Senior Executive Officers to the Company's Board of Directors for consideration and approval.



7.4.3 Remuneration of Executive Directors and Senior Executive Officer

In 2021, the Company had the salaries, bonuses, provident fund (in 2021 has been paused temporary), social securities, other benefits, director meeting for the executive directors and senior executive officers totally of Baht 23.443 million.

In summary: Unit Million Baht

	2021	2020
Short term benefits	23.006	23.134
Long term benefits after employment	0.437	0.585
Total	23.443	23.719

7.5 Employees

As of December, 31, 2021 the Company had 262 employees in total. Full time employees were 222 persons and part time employees were 40 persons. The Company had total remunerations for all employees totalling of Baht 113.496 million, including salary, overtime, bonus (not paid in 2021), social security, provident fund (temporary paused the payment in 2021), and employees' benefit.

Number of employees and remunerations

2021 (Persons)	Service Sectors	Management and Supporting Sectors
Operation and service level	146	40
Heads and management level	24	12
Part time employees	35	5
Total	205	57

Remunerations 2021	Amount (Million Baht)
Service Sector Employees	93.818
Management and Support Sector Employees	45.401
Total	139.219

Employee Development Program

The Company has policy to develop personnels focusing on the quality of medical treatment and excellence service. All personnels must attend the trainings of both aspects at least 4 times a year. There are many forms of trainings both external and internal training. There are competency appraisal twice a year. The appraisals are done in 3 levels, i.e. Functional Competency, Core Competency, Managerial Competency. The outcomes of the appraisals will be used to consider the adjustment of the salary.

-Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company employees contributed to the fund monthly at the rate of 2 - 6 percent of their basic salary. The fund, which is managed by Principal Asset Management Company Limited will be paid to employees upon termination in accordance with the fund rules.



Statement of the Ministry of Finance, Regarding the extension of assistance period for employers and employees who affected by the coronavirus disease 2019 Pandemic (COVID-19) , No.2 and No.3 /2021 which temporarily allow to halt or delay the contribution to the provident fund from January to December, 2021.

As the result of this. for the year ended December 31, 2021, The company halt contributed to the provident fund. (2020 : Baht 0.61 million)

-Reason/ policy in case there was any significant change in number of employees or labour dispute (past 3 years)

-None-

7.6 Other important information

7.6.1 Information on the important positions

-Company Secretary

The Board of Directors has appointed the Company's secretary and perform duties in accordance with section 89/15 and 89/16 of the Securities and Exchange Act (No.4) B.E. 2551, with effect from August 31, 2008, with accountability, carefulness, and loyalty and to comply with relevant laws and regulation, Articles of Association of the Company, the resolutions of the Board of Directors and shareholder's resolution. The Company Secretary has main duties and responsibilities, as follows:

1. Organize and manage the Board of Director's Meeting, and shareholder in accordance with relevant laws, regulation and good practices.
2. Give preliminary advices and suggestions to Board members on legal issues, and rules, regulations and practices of the Company in a manner of good corporate governance.
3. Maintain the Report on Interest of Directors and Executives and submit a copy of the Report on Interest according to Section 89/14 to the Chairman of the Board of Directors and the Chairman of Audit Committee within 7 days.
4. Ensure that corporate information disclosure and related regulatory filings are in accordance with laws and regulations.
5. Coordinate with regulatory such as the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

The Board of Directors meeting held on the February 25, 2013 has passed its resolution to appoint Miss Pattharaporn Promtong to be the Company Secretary. The detail is below.

Name	Miss Pattharaporn Promtong
Position	Company Secretary
Age	35 Years old
Education	Bachelor of Food Process Engineering King Mongkut's Institute of Technology Ladkrabang
Relationship between Management	None
Experience	2009- Current: Company Secretary

-The Person Supervising Accounting

Name	Miss Piyada Kotanun
Position	Head of Financial and Accounting Department



Age	52 Years old
Education	Bachelor of Accounting Sukhothai Thammathirat University
Relationship between Management	None
Experience	1991– Current : Head of Financial and Accounting Department

-Internal Audit

The Company assigns the MA Consulting Company Limited to be company's internal audit team from 2017 -2021. The internal audit team audits the business operation processes of the company and reports findings with recommendations for improvement and development of the internal processes of the company to become more efficient.

7.6.2 Investor Relations

The Board of Directors of the company organize the disclosure of information of the company in a transparent and timeliness in compliance with the Stock Exchange of Thailand's regulations. The investors can reach our investor relations, Miss Pattharaporn Promtong, the investor relations coordinator at 0-4221-9888 or e-mail : admin@wattanahospital.net

7.6.3 Auditor's Remuneration

the Pitisavi & Company is the company's auditing company from 2006 to 2021. With the auditors including Miss Chaovana Viwatpanachat, Miss Wanpen Unruan, and Ms.Pornpip with their CPA No. 4712, 7750, and 9589.

The auditor's remuneration for the year 2020 is 780,000 Baht per year by the Pitisavi & Company, all of which is audit fee. The company has no related person or related activities with auditors and the auditing company.

7.6.4 In case of foreign company or Thai company that is holding company, identify the name of representative and contact information in Thailand

-None-

8. Report of Corporate Governance

8.1 Summary of the Board's Performance in 2021

8.1.1 Nomination, Development and Evaluation of the Board of Directors

1. Selection of independent committees

- 3 Independent committees are as listed. The criteria of independent committees selection (in consistency with the No. 16 of Thailand Securities and Exchange Commission TJ28/2008) include
- (1) possess no more than 1% of company's shares with voting rights,
 - (2) never been and not in a company's committee that involve in management or receive salaries from the company or in control of the company, with an exception of 2 years absency from such position. However, this does not include the independent committees who had been in public sector or a consultant of public sector which holds shares or in control of the company,



- (3) not a person related by blood or by law as parents husband wife siblings children and husband or wife of the management/major share holders/person with controlling power/ person to be nominated to be in management position or have controlling power,
- (4) never been and not related in business activities with the company in any manners which may cloud the independent judgment,
- (5) never been and not an auditor for the company unless have been absent from that position for more than 2 years,
- (6) never been and not a consultant of any fields including financial consulting or legal consulting that receive a consulting fee of more than Baht 2 million per year from the company, unless have been absent from that position for more than 2 years,
- (7) not a committee that elected to be a nominee of the company's committees,
- (8) not operates a business of the same condition and in competition with the company's business,
- (9) not possess any other characters which may compromise the independent judgment on the company's operations.

The independent committees who meet the (1) to (9) criteria may be assigned by the board of committees to make committee decisions on the company's operations matters.

In case the independent committees elected used to be or have any business relationships or received consulting fee exceeding the limit sent in the criteria (4) or (6), the company's committees may relax the criteria if consider that to have no impact on the role and independent judgment, and the company reported the following information in the letter to shareholders to appoint the independent committees already;

- (a) the business relationships or the consulting activities which not meet the criteria,
- (b) reasons and needs to appoint or keep the person to be an independent committee,
- (c) opinions of the company's committees who nominated the person to be an independent committee.

2. Nomination of Directors

The appointing of each director needs to be nominated by shareholders and voted with more that half of the total number of votes of the shareholders attending the shareholder's meeting and have rights to vote.

Each shareholder has rights to nominate names of persons to get voted for director. The one gets the highest vote become appointed as a director of the company.

-The selection of the senior executive

The Board of Directors appoint the senior executive in the company.

Directors and Executives' Development

Name	Dr. Natthira Tangsubkul
Position	Chief of Financial Officer
Traing Courses in 2021	1) CFO's Refresh course (6 hours) by Thailand Securities Institute (TSI), the Stock Exchange of Thailand. 2) Accounting for planning and decision making course by Dharmniti Seminar and Training Co., Ltd.



8.1.2 Meeting attendance and remuneration for each director

Name	Position	Board of Directors Meeting	
		Numbers of Meeting	Numbers of Attendance
Ass. Prof. Dr. Phiphat Tangsubkul	Chairman of the board	4	4
Dr. Suphawan Tangsubkul	Director	4	4
Dr. Sitichai Ungklomkleow	Director	4	4
Miss Bangon Tangsubkul	Director	4	3
Miss Jariya Chatsakunpen	Independence Director	4	4
Ass.Prof.Dr.Poonsak Vaisamruat	Independence Director/ Audit Committee Chairman	4	4
Miss Suda Santiseveekul	Independence Director/Audit Committee Director	4	4
Dr. Alisa Neramittagapong, M.D.	Independence Director/Audit Committee Director	4	4

1. Monetary Remuneration

Name	Position	Director Remuneration in 2021 As Attended (Baht)
Ass. Prof. Dr. Phiphat Tangsubkul	Chairman of the board	168,000
Dr. Suphawan Tangsubkul	Director	68,000
Dr. Sitichai Ungklomkleow	Director	68,000
Miss Bangon Tangsubkul	Director	51,000
Miss Jariya Chatsakunpen	Independence Director	24,000
Ass.Prof.Dr.Poonsak Vaisamruat	Independence Director/ Audit Committee Chairman	48,000
Miss Suda Santiseveekul	Independence Director/Audit Committee Director	24,000
Dr. Alisa Neramittagapong	Independence Director/Audit Committee Director	24,000

2. Other remunerations

Directors' other remunerations

-None-



Other remunerations for executive

-Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company employees contributed to the fund monthly at the rate of 2 - 6 percent of their basic salary. The fund, which is managed by Principal Asset Management Company Limited will be paid to employees upon termination in accordance with the fund rules.

Statement of the Ministry of Finance, Regarding the extension of assistance period for employers and employees who affected by the coronavirus disease 2019 Pandemic (COVID-19) , No.2 and No.3 /2021 which temporarily allow to halt or delay the contribution to the provident fund from January to December, 2021.

8.1.3 Overseeing the Operations of Subsidiaries and Associated Companies

-None-

8.1.4 Follow-up on Compliance of Corporate Governance Policies and Practices

(1) Conflict of Interest

The Company is committed to conducting business with transparency, fairness and accountability. Therefore, we have a policy on conflict of interest, using the principle that any decision to enter into a transaction must protect the best interests of the Company and its shareholders, and to avoid actions that may lead to conflicts of interest, In this regard, the directors or executives who are involved or have interests with the subject being considered must notify the Company of their relations or interests in the transaction and must not participate in the consideration. This includes having no power to approve such transactions, connected transactions, inter-transaction and situations that lead to conflicts of interest.

There were zero cases of conflicts of interest.

(2) Internal control of information usage

The company has the internal control of information usage according to the principles of Good Corporate Governance by outlining in the Handbook of Code of Conduct for board and executive, and employee, which can be summarized as follow:

1. The Board and executive and employee shall sign to acknowledge the related announcement made by the Securities and Exchange Commission stating that Board and executive shall obligate to report its own changes in the stock holding to SEC as per the Section 59 of the Securities and Exchange Act B.E. 2535 within 3 days from the date the changes take place. And will notify the corporate secretary to record the changes and resulted number of shares held by the Board and executive and employees individually to report to the board committee in the next meeting. The penalties of non-compliance are also announced.
2. The company has implemented the rules of prohibiting the leak of the financial statement information or any other information that may affect the share price of the company to outsider or non-related person. And prohibit any trade of the company share in a month before the announcement of the financial statement or any other information that may affect the company share's price to the public. And prohibit the trading of the company share within the first 24 hours after the information has been announced to the public. Non compliance of the rules will be regarded as breaching the company's Code of Conduct



and shall be penalized from notification, deduction of salary, put on leave without pay, or stop hiring.

This has been approved by the board of directors meeting 1/2014 and started to implement on the 1st of March 2014 onwards.

(3) Awareness and Prevention of Risks due to Corruption and Overseeing the Implementation of Anti-Corruption Policies

Anti-Corruption Policies

The Board of Directors commits to transparently operate the business under law and ethics and Good Governance guidelines. This includes the anti corruption in all forms. It is well realized that the corruptions can adversely affect the economic, social, and the security development of the country. The Company has the following anti-corruption policies as follows:

- 1) Hold training workshops, communicate, and ensure for staff members acknowledge anti-corruption policy and guidance
- 2) Create opportunity for staff members at all levels to give opinions and suggestions to improve internal systems and prevent corruption appropriately and concisely
- 3) Directors, Executives and managers at all levels are responsible for monitoring their subordinates to act in a transparent and honest manner, as well as to communicate with and acknowledge anyone who is involved
- 4) The channel to report clues and complaints of corruption from staff members or stakeholders is available and the whistleblowers are protected
- 5) Supporting all anti-corruption activities

-Joining the Thai Private Sector Collective Action Against Corruption: "CAC"

The Board of Directors had agreed to join the Thai Private Sector Collective Action Against Corruption: CAC. This is one of the actions to improve the Good Governance of the business. It is important dimension for moving forward sustainably, the company shall ensure efforts and cooperation, which the first step being the join this CAC project.

There were zero cases of corruption reported.

(4) Whistleblowing

The Company has a policy to protect whistleblowers, Wattana Whistle Blower Protection Policy, to protect employees giving useful information or clues about any wrong doing or any risks to the company.

The objective of having this policy is to give the employees confidence that by reporting any information, their privacy will be protected and the process of interrogation will be fair and transparent, independent from any body.

The list of examples of wrong doings that should be reported are:

- Corruption found in the company
- Unlawful activities
- Inappropriate use of company's resources
- Unsafe activities that may pose any harm to community, social, and environment
- Any activities that may damage the company's image, reputation, assets, or income

The Company commits the protection of any employee from adverse impact on the action of reporting wrong doings to the management. Any adverse actions or abuses done on the whistle blowers will be



regarded as against the company's policy to protect whistle blowers and good governance policy, which if found can be expel from work.

The reporting can be directed to followings:

- (i) Board of Directors
- (ii) Executive Team
- (iii) Development and Quality Team
- (iv) Head of Departments
- (v) Human Resource Team

Protection of Whistle blowers reporting

The Company encourages employees to report without revealing the sources of information, unless wish otherwise.

Employees can either choose to reveal or not reveal the names of sources. They can request for a special offers to look after the sources such as senior officers can be assigned to responsible to look after the sources and give appropriate advices. The supports can be including:

- The confidentiality ensured to protect the secrets and sensitive information revealing the identity of the sources
- Monitoring and controlling of other employees' behaviours
- Approval of special day off work until the interrogation is over
- Change of department or working groups
- Compensation for any adverse impacts on the sources

Fact verification process

The process to verify facts can be varied based on the nature of each event reported. However, every process is ensured to be fair, neutral, and comprehensive from everyone involved in the event. The person of investigation will not be in the process.

The current situation will be updated to the person reported the event. If found guilty, the company will amend and adjust any processes that at risk to be improved. If found that the law was broken, the company will take the event to the police to bring the issue to the law process, with the person under investigation taken to the police.

The company's policy including the punishment or appropriate management for any one giving the fake information in order to frame others. However the company will not take charge against anyone giving information with the best of their knowledge and truthfull, even cannot be proved to be factual.



8.2 Audit Committee Performance

8.2.1 Number of meetings and attendance

Name	Position	Audit Committee	
		Number of Meetings	Number of Attendances
Ass.Prof.Dr.Poonsak Vaisamruat	Independent Director Chairman of Audit Committee	4	4
Miss Suda Santiseveekul	Independent Director Audit Committee Director	4	4
Dr. Alisa Neramittagapong	Independent Director Audit Committee Director	4	4

8.3 Other Sub-Committees Performances

8.3.1 Number of Meetings and Attendance

-Executive Committee

Name	Position	Executive Committee	
		Number of Meetings	Number of Attendances
Ass. Prof. Dr. Phiphat Tangsubkul	Chairman of Executive Committee	6	6
Dr. Sitichai Ungklomkiew	Director	6	6
Dr. Suphawan Tangsubkul	Director	6	6
Miss Bangon Tangsubkul	Director	6	6

-Corporate Governance Sub-Committee

Name	Position	Sub-Committee Meeting	
		Number of Meeting	Number of Attendance
Ass. Prof. Dr. Phiphat Tangsubkul	Chairman of Corporate Governance Committee	1	1
Miss Bangon Tangsubkul	Director	1	1
Miss Suda Santiseveekul	Director	1	1



- Nomination and Remuneration Committee

Name	Position	Sub-Committee Meeting	
		Number of Meeting	Number of Attendance
Miss Bangon Tangsubkul	Chairman of Nomination and Remuneration Committee	1	1
Dr. Alisa Neramittagapong	Director	1	1
Miss Jariya Chatsakunpen	Director	1	1

- Risk Management Committee

Name	Position	Sub-Committee	
		Number of Meeting	Number of Attendance
Dr. Sitichai Ungklomkleow	Chairman of Risk Management Committee	1	1
Ass.Prof.Dr.Poonsak Vaisamruat	Director	1	1
Dr. Suphawan Tangsubkul	Director	1	1

9 Internal Control and Related Transactions

9.1 Internal Control

9.1.1 Internal controlling auditing systems.

The company assigns the MA consulting Co.Ltd. to perform the internal audit roles for the company in 2016-2020. The results have been regularly reported and recommended given to the company to improve the internal control system.

The company has rules and guidelines to ensure that employees work towards the same goals. In addition, the six monthly performance evaluation process is in place to acknowledge the good performance. There is also a regular education and training program to improve technical skills and knowledge of the employees in order to consequently increase their level of efficiency.

9.1.2 Reporting and Explanation of Pitfall of Internal Control

-None-

9.1.3 Any opinions from Audit Committee that different from that of Company's Board of Directors

-None-



9.1.4 Audit Committee's Opinion about the qualification of the Internal Audit team for its responsibilities

The Audit Committee has the opinion that the Company has sufficient internal control system.

9.1.5 The Standard of Practice on the appointing, removing and reallocation of the internal audit team needs to be approved by the Audit Committee

The appointing, removing, and reallocation of the internal audit team needs to be approved by the Audit Committee.

9.2 Related Transaction

9.2.1 Related Transactions with persons that may be in conflict of interest

There were related transactions including the transactions between the Company and the 21 Sattawat Vejchakit Company Limited, the Alliance International Medical Center Company Limited, and P&S Oneness Wealth Company Limited were as follows:

(1) The company has related transactions with the 21 Sattawat Vejchakit Company Limited where there are common directors and shareholders. The related transactions are the referral of patients and trading medicines and medical supplies, which the prices and conditions are complied to a regular business agreement. The description and quantities of the transactions can be found in the number 5 of the notes of the financial statement. The reason for the transactions was for the benefits of the company, that is the referring of patients from the 21 Sattawat Vejchakit Company Limited located in different province. And to improve the efficiency of the inventory management in order to also increase the bargaining power with the suppliers.

(2) The company has related transactions with the Alliance International Medical Center Company Limited which there are common directors with the company. The related transactions are the trading medicines and medical supplies, which the prices and conditions are complied to a regular business agreement. The description and quantities of the transactions can be found in the number 5 of the notes of the financial statement. The reason for the transactions was for the benefits of the company to affiliate with for sending patients to the hospital.

(3) The company has related transactions with the P&S Oneness Wealth Company Limited which there are common shareholders with the company. The related transactions are the catering service and land rental between each other, which the prices and conditions are complied to a regular business agreement. The description and quantities of the transactions can be found in the number 5 of the notes of the financial statement. The reason for the transactions was for the benefits of the company to provide services to patients and to utilize the area for parking for the patients.

9.2.2 The Necessity and Rationale of the Related Party Transactions

All related party transactions are done under the necessity and rationale for the transactions to optimize the Company's benefit. Throughout 2021, the related party transactions between the Company and the related companies, the core transaction of which are sales and purchases of goods, the car park rental, the dormitory rental were under normal course of business, no special condition and no transfer of interest. Pricing, fee rate and /or interest rate was able to compare with the other entities' transactions and has been disclosed in the notes to financial statement of 2021.

The Audit Committee has reviewed the related party transactions between the Company including the space rental, dormitory rental, sales and purchases of goods, and catering which disclosed in the notes to financial statements of 2021. The Committee has the comments that the mentioned transactions occurred



under normal course of business, necessity and rationale of the connected transactions to optimize the Company's benefits.

9.2.3 Policy or Trend to Make Related Transactions in the Future

The company sets policy for related transactions and the acquire/selling of assets to be in line with Good Ethics, rules and regulation, the steps and approval processes need to be the same as normal and customary business process. All activities are done fairly and market prices are used the same as what done with general public. The disclosure of information will be in accordance with the rules and announcement of the Stock Exchange of Thailand, under the topic of Disclosure and Practices for Listed Company on Related Transactions 2003.

The company will continue to have future related transactions such as rental of car park spaces and dormitory rental, all of which will be reasonable transactions. However, the company has no policy to proceed with related transactions with conflict of interests, unless the transactions are found to be of the most benefits to the company.

9.2.4 Reasons when there is a person holds more than 10% in the subsidiary of the company instead of directly holding the share of the company

-No Subsidiary-



บริษัท วัดนากการแพทย์ จำกัด (มหาชน)

Wattana Karnpeat Public Company Limited

Part 3 Financial Statement

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF
WATTANA KARNPAET PUBLIC COMPANY LIMITED

Opinion

I have audited the accompanying financial statements of WATTANA KARNPAET PUBLIC COMPANY LIMITED, which comprise the statement of financial position as at December 31, 2021, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WATTANA KARNPAET PUBLIC COMPANY LIMITED as at December 31, 2021, and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matter

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements. My opinion on the financial statements is not modified with respect to any of the key audit matters described below, and I do not express an opinion on these individual 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 matter and how audit procedures respond for each matter are described below;

INDEPENDENT AUDITOR'S REPORT (Con't) -2-

Key Audit Matter (Con't)

Revenue recognition

The Company has principle income from hospital business for the year ended December 31, 2021 amounting to Baht 327.65 million representing 98.33% of total revenue and there are a large number of revenue transaction and it also has several components, such as revenue from hospital, revenue from sales of medicines, revenue from hospital rooms which are derived from provision of services to various types and a large number of customers. Furthermore, discount given to the party are different. There are, therefore, risks with respect to the amount and timing of revenue recognition. I therefore, consider the recognition of revenue from hospital operation to be key matter.

My significant audit procedures are assessing and testing the Company's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I also applied method to sampling examining supporting documents for revenue transactions occurring during the year and near the end of accounting period, I requested a balance confirmation from accounts receivable, testing the cut-off of revenue recognition, reviewing of credit notes that the Company issued after the period - end. In addition, I performed analytical procedures to detect possible irregularities in revenue transactions throughout the period.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company 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 identified above when it becomes available 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, 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.

INDEPENDENT AUDITOR'S REPORT (Con't) -3-

Responsibilities of Management and Those Charged with Governance for the financial statements

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

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

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

Auditor's Responsibilities for the Audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT (Con't) -4-

Auditor's Responsibilities for the Audit of the financial statements (Con't)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

I am also required to 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.

The engagement partner responsible for the audit resulting in this independent auditor's report is Chaovana Viwatpanachati.



(Chaovana Viwatpanachati)

Certified Public Accountant (Thailand) No. 4712

OFFICE OF PITISEVI CO., LTD.

8/4, Floor 1st, 3rd, Soi Viphavadee Rangsit 44,
Chatuchak, Bangkok

February 27, 2022

WATTANA KARPAET PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

		Unit : Baht	
	Note	2021	2020
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents	6	19,095,699.54	16,270,272.32
Trade accounts and other current receivables - net	5.2, 7	37,688,344.16	21,830,215.50
Inventories	8	8,316,728.96	7,410,163.77
Other current financial assets	9	61,599,713.71	65,290,673.35
Current portion of other non - current financial assets	10	5,000,000.00	-
Other current assets		1,060,836.40	228,045.25
Total current assets		132,761,322.77	111,029,370.19
NON - CURRENT ASSETS			
Other non - current financial assets - net	10	20,000,000.00	25,000,000.00
Property plant and equipment - net	11	342,693,027.72	367,026,003.92
Right of use asset - net	12.1	11,254,635.35	13,040,772.62
Intangible assets - net	13	3,365,910.67	3,892,883.21
Deferred tax assets - net	14	5,976,430.88	5,361,059.84
Non - current non-cash financial assets			
pledged as collaterals	15	5,020,000.00	5,020,000.00
Other non - current assets		3,880,120.39	3,528,879.81
Total non - current assets		392,190,125.01	422,869,599.40
TOTAL ASSETS		524,951,447.78	533,898,969.59

The notes to the financial statements are an integral part of these financial statements.

WATTANA KARNAET PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (Con't)

AS AT DECEMBER 31, 2021

		Unit : Baht	
	Note	2021	2020
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
CURRENT LIABILITIES			
Bank overdraft and short - term loans from financial institutions	16	13,012,916.33	10,000,000.00
Trade accounts and other current payables	5.2, 17	38,457,380.46	42,387,081.33
Current portion of long - term liabilities			
Long - term loan from financial institution	18	26,774,677.02	35,240,000.00
Lease liabilities	5.2, 12.2	1,612,758.13	1,531,345.96
Provision of current liabilities for employee benefit	19	12,703,615.00	12,250,000.00
Accrued dividend		229,861.95	229,861.95
Advance receipt from alternative vaccine COVID-19		17,981,550.00	-
Other current liabilities		382,493.31	335,336.45
Total current liabilities		111,155,252.20	101,973,625.69
NON - CURRENT LIABILITIES			
Long - term loan from financial institution - net	18	19,325,000.00	45,565,000.00
Lease liabilities - net	5.2, 12.2	10,251,909.10	11,891,418.17
Provision of non - current liabilities for employee benefit - net	19	15,549,076.00	14,463,981.00
Total non - current liabilities		45,125,985.10	71,920,399.17
TOTAL LIABILITIES		156,281,237.30	173,894,024.86

The notes to the financial statements are an integral part of these financial statements.

WATTANA KARNAET PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (Con't)

AS AT DECEMBER 31, 2021

		Unit : Baht	
	Note	2021	2020
<u>LIABILITIES AND SHAREHOLDERS' EQUITY (Con't)</u>			
SHAREHOLDERS' EQUITY			
Share capital			
10,000,000 common shares of Baht 10.- each		100,000,000.00	100,000,000.00
Issued and paid - up share capital			
10,000,000 common shares of Baht 10.- each		100,000,000.00	100,000,000.00
Premium on common shares		62,500,000.00	62,500,000.00
Retained earnings			
Appropriated - legal reserves	20	10,000,000.00	10,000,000.00
Unappropriated		196,170,210.48	187,418,224.73
Other components of shareholders' equity	14.2	-	86,720.00
Total shareholders' equity		368,670,210.48	360,004,944.73
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		524,951,447.78	533,898,969.59

The notes to the financial statements are an integral part of these financial statements.

WATTANA KARPAET PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021

		Unit : Baht	
	Note	2021	2020
REVENUES			
Revenue from hospital operations	5.1	327,650,349.65	305,909,727.93
Other income	5.1	5,575,504.28	6,734,338.17
Total revenues		333,225,853.93	312,644,066.10
COST AND EXPENSES			
Cost of hospital operations	5.1	256,970,561.49	239,812,841.00
Administrative expenses	5.1	62,389,602.19	67,134,949.15
Total cost and expenses		319,360,163.68	306,947,790.15
PROFIT BEFORE FINANCE COST AND INCOME TAX		13,865,690.25	5,696,275.95
Finance cost	5.1	(3,523,149.31)	(3,908,579.37)
PROFIT BEFORE INCOME TAX		10,342,540.94	1,787,696.58
Income tax (expenses)	14.2	(1,590,555.19)	(152,137.40)
NET PROFIT FOR THE YEAR		8,751,985.75	1,635,559.18
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Other comprehensive income (loss) will be reclassified to</i>			
profit or loss in subsequent period :			
Gain (loss) from revaluation of			
Other current financial assets - net income tax	14.2	(86,720.00)	86,720.00
Gain on remeasurements of employee			
benefit obligations - net income tax	14.2, 19	-	5,813,311.20
COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		8,665,265.75	7,448,870.38
BASIC EARNINGS PER SHARE (BAHT : SHARE)			
	23	0.88	0.16

The notes to the financial statements are an integral part of these financial statements.

WATTANA KARIPAET PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021

		Unit : Baht					
	Note	Issued and fully paid - up share capital	Premium on common shares	Retained earnings		Other components of shareholders' equity Gain (loss) on changes in value of other current financial assets	Total shareholders' equity
				Appropriated Legal reserves	Unappropriated		
Balance as at January 1, 2020		100,000,000.00	62,500,000.00	10,000,000.00	181,989,354.35	-	354,469,354.35
Dividend paid	21	-	-	-	(2,000,000.00)	-	(2,000,000.00)
Comprehensive profit (loss) for the year		-	-	-	1,635,559.18	-	1,635,559.18
Net profit for the year		-	-	-	-	-	-
Other comprehensive income (loss)		-	-	-	-	-	-
Unrealized gain on changes in value of other current financial assets	14.2	-	-	-	-	86,720.00	86,720.00
Gain on remeasurements of employee benefit obligations	14.2, 19	-	-	-	5,813,311.20	-	5,813,311.20
Balance as at December 31, 2020		100,000,000.00	62,500,000.00	10,000,000.00	187,418,224.73	86,720.00	360,004,944.73
Balance as at January 1, 2021		100,000,000.00	62,500,000.00	10,000,000.00	187,418,224.73	86,720.00	360,004,944.73
Comprehensive income for the year		-	-	-	8,751,985.75	-	8,751,985.75
Net profit for the year		-	-	-	-	-	-
Other comprehensive income (loss)		-	-	-	-	-	-
Unrealized gain on changes in value of other current financial assets	14.2	-	-	-	-	(86,720.00)	(86,720.00)
Balance as at December 31, 2021		100,000,000.00	62,500,000.00	10,000,000.00	196,170,210.48	-	368,670,210.48

The notes to the financial statements are an integral part of these financial statements.

WATTANA KARPAET PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

		Unit : Baht	
	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit before income tax		10,342,540.94	1,787,696.58
Reconciliation of net profit to net cash provided by (used in) operating activities :			
Depreciation and amortization expenses	11, 12, 13	32,090,315.43	34,102,677.14
Credit losses	7	1,051,264.00	8,266,322.94
Expected credit losses	7	130,347.45	-
Reversal of Allowance for expected credit losses	7	(1,039,791.29)	(10,655,382.78)
Provision for employee benefits	19	1,538,710.00	2,033,621.00
Unrealized gain on the changes in value of other current financial assets	9	(302,790.36)	(182,273.35)
Gain from revaluation of other current financial assets	9	(114,650.00)	-
Gain from disposal of fixed assets	11	(49,999.00)	(202,489.50)
Loss from write-off of fixed assets	11	7,013.42	-
Gain on sale of other current financial assets		-	(44,075.13)
Tranfer advance receipt from alternative vaccine COVID-19 as income		(22,931,246.00)	-
Adjust of assets as expense		922.00	240,150.23
Adjust of accounts payables as income		(207,703.11)	(2,038,372.41)
Differences from reduction in lease payments	12.2	-	(96,866.41)
Interest income		(411,002.79)	(237,390.41)
Interest expenses		3,523,149.31	3,908,579.37
Profit provided by operating activities before changes in operational assets and liabilities		23,627,080.00	36,882,197.27
Decrease (Increase) in operating assets:-			
Trade accounts and other current receivables		(16,008,925.62)	9,489,079.59
Inventories		(906,565.19)	(1,321,790.43)
Other current assets		(832,791.15)	673,721.17
Other non - current assets		(159,423.79)	(145,684.57)
Increase (Decrease) in operating liabilities :			
Trade accounts and other current payables		(4,157,408.27)	2,683,386.14
Employee benefit expenses for the year	19	-	(504,667.00)
Advance receipt from alternative vaccine COVID-19		40,912,796.00	-
Other current liabilities		47,156.86	(22,666.28)
Cash provided by (used in) operating activities		42,521,918.84	47,733,575.89
Interest paid		(3,529,862.05)	(3,904,578.90)
Income tax paid		(2,376,063.02)	(4,384,635.77)
Net cash provided by (used in) operating activities		36,615,993.77	39,444,361.22

The notes to the financial statements are an integral part of these financial statements.

WATTANA KARNPAET PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (Con't)
FOR THE YEAR ENDED DECEMBER 31, 2021

		Unit : Baht	
	Note	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (Increase) in fixed deposits		15,000,000.00	(5,000,000.00)
Receipt of investment in debt instruments measured at fair value	9	-	15,074,119.91
Purchase of investment in debt instruments measured at fair value	9	(11,000,000.00)	(50,000,000.00)
Purchase of other - non current financial assets	10	-	(20,000,000.00)
Proceeds from disposal of fixed assets	11	50,000.00	727,395.54
Acquisition of property, plant and equipment	11	(4,668,570.59)	(11,184,131.81)
Purchase of intangible assets	13	(340,550.00)	-
Interest received		419,057.59	241,356.16
Net cash provided by (used in) investing activities		(540,063.00)	(70,141,260.20)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in bank overdraft and short - term loans			
from financial institutions		3,012,916.33	7,336,273.87
Receipt of long - term loans from financial institutions	18	-	40,000,000.00
Repayments of long - term loans from financial institution	18	(34,705,322.98)	(10,740,000.00)
Repayment of Lease liabilities	12.2	(1,558,096.90)	(2,517,349.85)
Dividend paid	21	-	(1,991,437.40)
Net cash provided by (used in) financing activities		(33,250,503.55)	32,087,486.62
Increase (Decrease) in cash and cash equivalents - net		2,825,427.22	1,390,587.64
Cash and cash equivalents at the beginning of the year		16,270,272.32	14,879,684.68
Cash and cash equivalents at end of the year		19,095,699.54	16,270,272.32
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION:			
1. Non - cash items			
Purchase of fixed assets on credit	11	442,123.25	2,212,764.00
Accrued dividend		229,861.95	229,861.95
Unrealized gain on the changes in value of Other current			
financial assets	9	-	108,400.00
Increase in right-of-use assets and lease liabilities			
under lease contracts	12	-	5,031,048.04
2. Unrealize credit facilities for future working capital		16,001,613.67	20,000,000.00

The notes to the financial statements are an integral part of these financial statements.

WATTANA KARNPAET PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1. GENERAL INFORMATION

- 1.1 The Company was registered under the Civil and Commercial Code on March 15, 1985 and listed on the stock Exchange of Thailand on August 23, 1996, Its office is located at 70/7-8 Suphakitjanya Road, Mhakkang Sub-district, Muang Udonthanee District, Udonthanee. The Company's main business activity is operating hospital under the name "North Eastern Wattana Hospital".
- 1.2 Coronavirus disease 2019 Pandemic (COVID-19)

The Coronavirus disease 2019 (COVID-19) in Thailand and other countries pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. The Company management has continuously monitored ongoing developments and evaluated its operation and the management must use estimate and judgement in respect of various issues as the situation has evolved.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The statutory financial statements are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards under the Accounting Act B.E. 2543 (2000) being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547 (2004) including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("TFAC") and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535 (1992).

The consolidated and separate financial statements have been presented in accordance with Thai Accounting Standards No. 1 (Revised 2020) subject : "Presentation of Financial Statements" and the requirements of The Department of Business Development announcement subject : "The mandatory items, have to be presented in the financial statements, No.3, B.E. 2562" dated December 26, 2019 under the Accounting Act B.E. 2543. which is effective for the preparation of financial statements of the Public Company Limited for the accounting period commencing on or after January 1, 2020.

The financial statements are presented in Thai Baht, which is the Company's functional currency unless otherwise stated.

3. ADOPTION OF NEW ACCOUNTING STANDARDS AND ACCOUNTING TREATMENT GUIDANCE AS ANNOUNCED BY THE FEDERATION OF ACCOUNTING PROFESSIONS

3.1 Adoption of new accounting standards effective in the current year

In current year, the Company has applied the revised (revised 2019) and newly Thai Accounting Standards (TAS), Thai Financial Reporting Standard (TFRS) Interpretations (SIC and TFRIC) and Accounting Treatment Guidance as announced by the Federation of Accounting Professions which are effective for fiscal periods beginning on or after 1 January 2021.

The above-mentioned standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, provision of interpretations and accounting guidance to users of accounting standards and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the financial statements of the Company.

3.2 New Thai Accounting Standards announce during the year not yet adopted.

In current year, the Thailand Federation of Accounting Professions issued a number of the revised (revised 2021) and newly Thai Financial Reporting Standard, which were announced and these have been published in the Royal Gazette, and which are effective for fiscal years beginning on or after January 1, 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 Company has not applied such standards before the effective period.

The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted.

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated and separate financial statements are prepared on the historical cost basis in measuring the value of the component of financial statements except as described in the each following accounting policies.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Recognition of revenues and expenses

Revenue is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Revenue from hospital activities mostly consist of revenue from patients treatment service, patient rooms, medicines and other are recognized as revenue when sales of medicine or treatment service is already performed.

Revenue from sales of goods is recognized when a customer obtains control of the goods, generally on delivery of the goods to the customers.

Rental income is recognizes on a straight-line basis over the term of the lease.

Interest income is recognized as interest accrues based on the effective rate method.

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

Other income and expense is recognized on an accrual basis.

4.2 Cash and cash equivalent

Cash and cash equivalent consist of cash on hand, bank deposits with financial institution with an original maturities of 3 month or less, which are not restricted to any use and all highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and including call notes receivable and term notes receivable maturing within 3 months or less and not subject to withdrawal restrictions.

Time deposits with maturity exceed three-month period but less than twelve-month period is recorded as other current financial assets.

Cash at bank that have restricted in use are presented separately as " Non - current non-cash financial assets pledged as collaterals" under non-current assets in the statement of financial position.

4.3 Trade accounts and other current receivable and allowance for expected credit losses

Trade accounts receivable are stated at the net allowance for expected credit losses.

The allowance for expected credit losses has disclosed in Note 4.16

Bad debts are written off when incurred. Bad debts are written off during the year in which they are identified and recognized in profit or loss under administrative expenses.

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.4 Inventories

Inventories are valued at the lower of cost or net realizable value, cost are using FIFO method and is charged to vessel costs of goods sold whenever consumed.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost to complete and to make the sale.

4.5 Property, plant and equipment

Land is stated at cost less provision for impairment of assets (if any).

Property and equipment are presented at cost less from accumulated depreciation and net allowance for impairment loss (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self - constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs.

When parts of an item of lands, premises and equipment have different useful lives, they are accounted for as separate items (major components) of lands, premises and equipment.

Expenditure for additions, replacement and betterment are capitalized. Repair and maintenance costs are recognized as expenses in the statement of comprehensive income when incurred.

An item of property, plant and equipment is derecognized 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 (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognized.

The depreciation for all assets is computed by reference to their costs after deducting residual value, on the straight-line basis over the estimated useful lives as follows:

Building and improvement	5 - 30	Years
Tool and medical equipment	5 - 15	Years
Furniture, fixture and office equipment	3 - 10	Years
Tools	5 - 10	Years
Vehicles	5 - 10	Years

No depreciation is provided for land and assets in progress.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.6 Intangible assets and amortization

Intangible assets that are acquired by the Company and have finite useful lives are present at historical cost net of accumulated amortization and allowance for impairment (if any).

Amortized is calculated by straight – line basis over the asset economic useful live as follows:

Computer software	5 - 10 Years
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4.7 Employee benefit obligations

4.7.1 Short - term employee benefit

Short - term employee benefit obligations, which include salary, wages, bonuses, contributions to the social security fund, provident fund and other welfare are measured on an undiscounted basis and are recognized as expenses when incurred.

4.7.2 Defined contribution plans

The Company operates a provident fund, being a defined contribution plan, the asset for which is held in a separate trustee-administered fund. The provident fund is funded by payments from employees and by the Company.

The Company's contributions to the provident fund are charged in profit or loss in the year to which they relate.

4.7.3 Employee Benefit Plans (Retirement benefit)

The retirement benefit is a defined benefit plan that an employee will receive on retirement according to Thai Labor Law depending on age and years of service.

The liability of retirement benefit is recognized in the statement of financial position using the present value of the obligation at the reporting date and past service costs. The retirement benefit is calculated annually by an independent actuary using the projected unit credit method. The present value of the benefit obligations is determined by discounting the estimated future cash outflows using interest rates of referred government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related retirement liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in comprehensive income or loss. 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 recognizes restructuring-related costs.

4.8 Interest-bearing liabilities

Interest-bearing liabilities are recognized initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortized cost with any difference between cost and redemption value being recognized in profit or loss over the period of the borrowings on an effective interest basis.

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.9 Provision

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

4.10 Income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that they relate to a business combination, or items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax :

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax :

Deferred income tax is recognized, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax is provided on temporary differences except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

At each reporting date, the Company 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 utilized.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.11 Basic earnings per share

Basic earnings per share is determined by dividing the net income for the year by the number of weighted-average common shares issued and paid-up during the year.

4.12 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company.

They also include associate companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations, including the close family members who can persuade or have power to persuade to act in compliance with said persons and businesses that said persons who have control power or significant influence, either directly or indirectly.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

4.13 Impairment of non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

The recoverable amount of assets is the greater of the asset's value in use and fair value less costs to sell. In assessing 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. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognized in profit or loss.

For assets other than goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company and its subsidiaries estimate the asset's recoverable amount in which case an impairment loss recognized in prior periods for an asset other than goodwill shall be reversed.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.14 lease

At inception of contract, the Company assesses 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 assesses the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercise by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

Long term lease - Lessee

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognizes 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 any 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 recognized, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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 and building

6 - 11 Years

If ownership of the leased asset is transferred to the Company 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.14 lease (Con't)

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 payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

Company 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 recognized as expenses on a straight-line basis over the lease term.

Sale and leaseback transactions

The Company measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Company. Accordingly, the Company recognizes only the amount of any gain or loss that relates to the rights transferred to the lessor.

If the fair value of the consideration for the sale of an asset lower than the fair value of the asset, the difference is accounted for as a prepayment of lease payments to measure the sale proceeds at fair value.

Long term lease - Lessor

Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognized as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognized as an expense over the lease term on the same basis as the lease income.

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.14 lease (Con't)

Sub lease

In sublease transactions for which an underlying asset is subleased by the Company to a third party, and the head lease between the head lessor and the Company remains in effect, the Company classifies the sublease as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease, rather than with reference to the underlying asset that is the subject of the lease.

If the Company enters into two or more contracts at or near the same time with the same counterparty, these contracts are leases and they are negotiated as a package with an overall commercial objective, the Company combines the contracts and accounts for them.

4.15 Operating segments

Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments.

4.16 Financial Instruments

The Company 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 fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) or amortized cost. The classification of financial assets at initial recognition is driven by the Company business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognized in the comprehensive income statement.

These financial assets include derivatives, security investments held for trading, equity investments which the Company has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognized as other income in the income statement.

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.16 Financial Instruments (Con't)

Financial assets at FVOCI (debt instruments)

The Company measure financial assets at FVOCI if the financial asset is held to collect contractual cash flows and selling 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.

Interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the income statement and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in other comprehensive income. Upon derecognition, the cumulative fair value change recognized in other comprehensive income is recycled to the income statement.

Financial assets at amortized cost

The Company measures financial assets at amortized 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 amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in the income statement when the asset is derecognized, modified or impaired.

Classification and measurement of financial liabilities

Other financial liabilities

Except for derivative liabilities, at initial recognition the Company financial liabilities are recognized at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the profit or loss when the liabilities are derecognized as well as through the EIR amortization process. In determining amortized cost, the Company takes into account any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the comprehensive income statement.

The Company may elect to measure financial liabilities at FVTPL if doing so eliminates, or significantly reduces a recognition inconsistency (sometimes referred to as an accounting mismatch).

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognized 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 recognized in the profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.16 Financial Instruments (Con't)

Impairment of financial assets

Debt instruments not held at FVTPL

The Company recognize an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

Trade receivables

For trade receivables the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

ECL Calculation

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Company consider a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due, and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

Written-off

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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.17 Determination of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date.

The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

In applying the above-mentioned valuation techniques, the Company endeavor to use relevant observable inputs as much as possible. TFRS 13, Fair Value Measurement establishes a fair value hierarchy categorizing such inputs into three levels as follows:

Level 1 : Use of quoted market prices in an observable active market for such assets or liabilities (unadjusted)

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

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

At the end of each reporting period, the Company 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.

4.18 Significant accounting judgments and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, thus, the actual results may differ from carrying amounts of assets and liabilities based on the estimates and assumptions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future periods affected.

All other estimates mentioned above are further detailed in the corresponding disclosures except significant accounting judgments and estimates are as follow:

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.18 Significant accounting judgments and estimates (Con't)

4.18.1 Revenue from contracts with customers

Identification of performance obligations :

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

Determination of timing of revenue recognition :

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Company recognize revenue over time in the following circumstances:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

Where the above criteria are not met, revenue is recognized at a point in time. Where revenue is recognized at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

Costs to obtain contracts :

The recognition of costs incurred to obtain a contract as an asset requires management to use judgement regarding whether such costs are the incremental costs of obtaining a contract with a customer as well as what amortization method should be used.

4.18.2 Recognition and derecognition of assets and liabilities

In considering whether to recognize or to derecognize assets or liabilities, the management is required to make judgment on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

4.18.3 Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Company historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.18.4 Depreciation of Property plant and equipment and right-of-use assets and amortization of intangible assets

In determining depreciation of plant and equipment and right-of-use assets and amortization of intangible assets, the management is required to make estimates of the useful lives and residual values (if any) and to review useful lives and residual values when there are any changes.

4.18.5 Intangible assets

The initial recognition and measurement of intangible assets require management to make subjective judgments concerning estimates of how the acquired asset will perform in the future using a discounted cash flow analysis. Events and factors that may significantly affect the estimates include, among others, competitive forces, changes in revenue growth trends, cost structures, changes in discount rates and specific industry or market sector conditions.

4.18.6 Deferred tax assets

Deferred tax assets are recognized in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be recognized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future taxable profits.

4.18.7 Impairment of non-financial assets

The management is required to review property, plant and equipment, investment property, right-of-use assets, intangible assets and goodwill if there is an indication they may be impaired, and impairment losses are recorded in the period when it is determined that their recoverable amount is lower than the carrying amount.

Indications include significant falls in the market value of assets or the future economic benefits of assets, significant changes in the overall business strategy impacting to the future utilization of assets, significant negative industry or economic trends, significant loss of market share, and significant unfavorable regulatory and court decisions that impact the business.

The impairment analysis of property, plant and equipment, investment property, right-of-use assets, intangible assets and goodwill requires management to make subjective judgments concerning estimates of cash flows to be generated by the assets or the cash generating units and to choose a suitable discount rate in order to determine the present value of those cash flows. The cash flow estimates are based on currently available information about the operations and require management to make judgments regarding future market conditions and future revenues and expenses relevant to the assets or the cash generating units subject to the review. Events and factors that may significantly affect the estimates include, among others, competitive forces, changes in revenue growth trends, cost structures, changes in discount rates and specific industry or market sector conditions.

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.18.8 Provision for employee benefit

In providing retirement employee benefit, the management is required to use judgment to determine the probability that its employee will work until retired by considering the past information which will be revised annually. The assumptions applied in the annual calculation are based on cost of service in the past and terms of employment benefit.

4.18.9 Leases

Determining the lease term with extension and termination options - as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Company is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Company to exercise either the extension or termination option. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

The Company cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate (IBR) to discount lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease classification - as a lessor

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Determining the lease term of contracts with renewal and termination options

The Company determine the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The management is required to use judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

4. SIGNIFICANT ACCOUNTING POLICIES (Con't)

4.18.10 Fair value of financial instruments

In determining the fair value of financial instruments disclosed in the financial statements that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both), liquidity, correlation and longer-term volatility of financial instruments. Changes in assumptions about these factors could affect the fair value disclosed in the financial statements and disclosures of fair value hierarchy.

4.18.11 Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgment to assess the results of the litigation and believes that no loss will result and therefore no contingent liabilities are recorded as at the end of reporting date. However, actual results could differ from the estimates.

4.18.12 Tax assessments

The Company has contingent liabilities as the result of tax assessments. The management has used judgment to assess of the results of the tax assessments and believes that no loss will be resulted. Therefore, no contingent liabilities are recorded as at the end of reporting period.

5. TRANSACTIONS WITH RELATED PERSONS AND COMPANY

The Company has certain transactions with its related parties. Part of assets, liabilities, income and expenses are incurred from such related transactions. These companies are related through common shareholdings and/or directorships as follows.-

Company and persons		Relationship	Operation		Percentage of Holdings (%)	
			Type of Business	Location	2021	2020
Related companies						
21 Sattawat Vejchakit Co., Ltd.		1, 2	Hospital	Thailand	-	-
Alliance International Medical Center		2	Medical center	Laos	-	-
P&S Oneness Wealth Co., Ltd.		2	Property development for rent	Thailand	-	-
Related persons						
Mr.Phiphat	Tangsubkul	3	-	Thai	-	-
Mr.Sittichai	Ungklomklearw	3	-	Thai	-	-
Mrs.Suphawan	Tangsubkul	3	-	Thai	-	-
Ms.Bangon	Tangsubkul	3	-	Thai	-	-
Ms.Natthira	Tangsubkul	4	-	Thai	-	-
Mrs.Phirawan	Changsirivathanathamrong	4	-	Thai	-	-
Mr.Phiraphat	Tangsubkul	4	-	Thai	-	-

5. TRANSACTIONS WITH RELATED PERSONS AND COMPANY (Con't)

The nature of relationship between the Company and its related persons and companies are as follows:

1. Having certain common directors.
2. Having certain shareholders in common.
3. The Company's directors, management and shareholders.
4. Shareholder and closed family of the Company's director.

The Company has policies on determining price with their related parties as follows:

Transaction	Pricing Policy
1. Disposal of medicine and medical supplies	Cost plus
2. Revenue from hospital operation	The same rate as non - related persons
3. Rental income and other service income	The contract rate
4. Disposal of assets	Cost plus
5. Cost of medicine and medical supplies	Cost price
6. Purchase of medicine and medical supplies	Cost plus
7. Rental expenses and other service expenses	The contract rate
8. Doctor fees	The same rate as non-medical related persons
9. Transfer patients fee	10% of net revenues collected from the patient
10. Finance cost	5.10%

- 5.1 Significant transactions between the Company and related persons and companies in the statement of comprehensive income are as follows:-

		Unit : Baht	
	Pricing policies	2021	2020
Related company			
Revenue from hospital operations	1, 2	5,110,699.48	745,631.64
Other incomes	3, 4	1,064,674.20	1,411,144.50
Cost of hospital operations	5, 6, 7	12,491,517.66	9,180,087.56
Administrative expenses	9	2,585.20	258,304.40
Finance cost	10	442,490.46	498,498.04
Related persons			
Revenue from hospital operations	1, 2	847,526.58	500,483.64
Cost of hospital operations	5, 7, 8	5,241,013.52	4,910,980.54
Finance cost	10	203,279.44	237,482.34

5. TRANSACTIONS WITH RELATED PERSONS AND COMPANY (Con't)

Management's benefit expenses

The Company has paid salaries, bonus, meeting allowances, contributions to provident fund, other welfare, and meeting allowances to their directors and management and retirement benefit recognized as expenses as follows:

	Unit : Baht	
	2021	2020
Short - term benefits	23,006,000.00	23,133,513.00
Post - employment benefits	436,978.92	585,238.00
Total	23,442,978.92	23,718,751.00

5.2 The outstanding balance of account with related parties are as follows:-

	Unit : Baht	
	2021	2020
Trade accounts and other current receivables		
<u>Trade accounts receivables</u>		
Related companies	2,221,377.52	131,478.22
Related persons	8,998.88	3,111.96
Total trade accounts receivables	2,230,376.40	134,590.18
<u>Other current receivables</u>		
Related companies	5,545,420.00	116,032.54
Related persons	-	35,287.00
Total other current receivables	5,545,420.00	151,319.54
Total trade accounts and other current receivables	7,775,796.40	285,909.72

	Unit : Baht	
	2021	2020
Trade accounts and other current payables		
<u>Trade accounts</u>		
related companies	196,003.93	-
<u>Other current payables</u>		
Accrued expenses - related companies	1,137,923.53	579,807.55
Accrued expenses - related persons	25,070.00	12,915.00
Accrued salary and doctor fees - related persons	432,189.00	1,713,741.00
Other	11,000.00	4,500.00
Total other current payables	1,606,182.53	2,310,963.55
Total trade accounts and other current payables	1,802,186.46	2,310,963.55

5. **TRANSACTIONS WITH RELATED PERSONS AND COMPANY (Con't)**

5.2 The outstanding balance of account with related parties are as follows:- (Con't)

	Unit : Baht	
	2021	2020
Lease liabilities		
Lease liabilities - related companies	8,262,775.85	9,020,285.37
Lease liabilities - related persons	3,557,027.49	4,314,530.38
Total lease liabilities	<u>11,819,803.34</u>	<u>13,334,815.75</u>

6. **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of:-

	Unit : Baht	
	2021	2020
Cash	173,593.00	194,131.00
Cash at bank - current account	2,470,708.95	6,949,500.17
Cash at bank - saving account	16,451,397.59	9,126,641.15
Total	<u>19,095,699.54</u>	<u>16,270,272.32</u>

7. **TRADE ACCOUNTS AND OTHER CURRENT RECEIVABLES - NET**

Trade accounts and other current receivables - net consists of:-

	Unit : Baht	
	2021	2020
<u>Trade accounts receivables - net</u>		
Contract receivables	21,219,533.31	20,095,193.45
Trade accounts receivable - related persons and companies	2,230,376.40	134,590.18
Trade accounts receivable - other companies	141,860.00	-
Accounts and employees receivables - other persons	903,364.39	1,805,493.69
Accrued income	1,668,971.00	463,760.10
Total trade account receivables	26,164,105.10	22,499,037.42
<u>Less</u> Allowance for expected credit losses	<u>(1,504,495.20)</u>	<u>(2,413,939.04)</u>
Total trade account receivables - net	<u>24,659,609.90</u>	<u>20,085,098.38</u>
<u>Other current receivables</u>		
Prepaid expenses	599,457.44	943,362.38
Other receivable - related persons and companies	64,420.00	151,319.54
Deposit for alternative vaccine COVID-19 - related companies	5,481,000.00	-
Deposit for alternative vaccine COVID-19 - other companies	6,097,000.00	-
Other receivable	786,856.82	650,435.20
Total other current receivables	<u>13,028,734.26</u>	<u>1,745,117.12</u>
Total trade accounts and other current receivables - net	<u>37,688,344.16</u>	<u>21,830,215.50</u>

7. TRADE ACCOUNTS AND OTHER CURRENT RECEIVABLES - NET (Con't)

The outstanding balance of trade accounts receivables - net aged by number of months as follows:

	Unit : Baht	
	2021	2020
Accounts receivables not yet due	20,486,819.92	16,943,366.68
Accounts receivables over due		
Under or equal to 3 months	4,062,481.00	3,149,701.15
Over 3 months to 6 months	273,116.99	138,038.00
Over 6 months to 12 months	153,443.00	109,004.00
Over 12 months	1,188,244.19	2,158,927.59
Total	26,164,105.10	22,499,037.42
<u>Less</u> Allowance for expected credit losses	(1,504,495.20)	(2,413,939.04)
Net	<u>24,659,609.90</u>	<u>20,085,098.38</u>

Movement in Allowance for expected credit losses are as follows:

	Unit : Baht	
	2021	2020
Beginning balance	2,413,939.04	13,069,321.82
<u>Add</u> Increase during the year	130,347.45	-
<u>Less</u> Reversal during the year	-	(2,535,468.28)
Reversal form bad debts	(1,039,791.29)	(8,119,914.50)
Ending balance	<u>1,504,495.20</u>	<u>2,413,939.04</u>

In 2021 and 2020, there was a write-off of bad debt amounting to Baht 1.05 million and Baht 8.27 million respectively, which recorded an allowance for expected credit losses amounting to Baht 1.04 million and Baht 8.12 million respectively

8. Inventories

Inventories are as follows.-

	Unit : Baht	
	2021	2020
Medicines and Medical Supplies	6,769,277.59	6,050,829.71
Medical Supplies and Equipment	746,560.03	827,226.90
Other supplies	800,891.34	532,107.16
Total	<u>8,316,728.96</u>	<u>7,410,163.77</u>

9. OTHER CURRENT FINANCIAL ASSETS

Other current financial assets consists of:-

Unit : Baht						
	2021			2020		
	Amortize cost	Fair value	Total	Amortize cost	Fair value	Total
Fixed deposits 7-12 months	-	-	-	15,000,000.00	-	15,000,000.00
Investments in debt instruments measured at fair value through profit or loss (Note 9.1)						
Investments in open-end funds	-	61,114,650.00	61,114,650.00	-	30,000,000.00	30,000,000.00
<u>Add</u> Unrealised gains on the changes in value off other current financial assets	-	485,063.71	485,063.71	-	182,273.35	182,273.35
Total	-	61,599,713.71	61,599,713.71	-	30,182,273.35	30,182,273.35
Investments in debt instruments measured at fair value through other comprehensive income (Note 9.1)						
Investments in open-end funds	-	-	-	-	20,000,000.00	20,000,000.00
<u>Add</u> Unrealised gains on the changes in value off other current financial assets	-	-	-	-	108,400.00	108,400.00
Total	-	-	-	-	20,108,400.00	20,108,400.00
Total other current financial assets	-	61,599,713.71	61,599,713.71	15,000,000.00	50,290,673.35	65,290,673.35

The Company intended to hold such investment in debt instrument for generating profit from short - term fluctuation in price. Therefore, the Company classified the investment as temporary investment in other current financial asset.

9. OTHER CURRENT FINANCIAL ASSETS (Con't)

9.1 Other current financial assets - Open-end fund are movement below.-

Unit : Baht			
	Amortised cost	Fair value through profit or loss (FVPL)	Fair value through other comprehensive income (FVOCI)
As at December 31, 2021			
Beginning balance - cost	15,000,000.00	30,000,000.00	20,000,000.00
<u>Add</u> Purchase during the year	-	11,000,000.00	-
<u>Less</u> Disposal during the year	(15,000,000.00)	-	-
Ending balance - cost	-	41,000,000.00	20,000,000.00
<u>Add</u> Unrealised gains on changes in value of other current financial assets	-	485,063.71	114,650.00
<u>Add (Less)</u> Reclassify	-	20,114,650.00	(20,114,650.00)
Ending balance - fair value	-	61,599,713.71	-
As at December 31, 2020			
Beginning balance - cost	10,000,000.00	15,000,000.00	-
<u>Add</u> Purchase during the year	15,000,000.00	30,000,000.00	20,000,000.00
<u>Less</u> Disposal during the year	(10,000,000.00)	(15,000,000.00)	-
Ending balance - cost	15,000,000.00	30,000,000.00	20,000,000.00
<u>Add</u> Unrealised gains on changes in value of other current financial assets	-	182,273.35	108,400.00
Ending balance - fair value	15,000,000.00	30,182,273.35	20,108,400.00

10. OTHER NON - CURRENT FINANCIAL ASSETS - NET

Other non - current financial assets - net consists of.-

	Interest Rate		Unit : Baht			
			2021		2020	
	2021	2020	Amortize cost	Fair value	Amortize cost	Fair value
Fixed deposits						
18 - 24 months	1.45%	1.45%	-	-	5,000,000.00	-
Government Savings						
Bank's Lottery - 3 Years						
- 1 st year (Baht : Unit)	0.125	0.125	20,000,000.00	-	20,000,000.00	-
- 2 nd year (Baht : Unit)	0.25	0.25				
- 3 rd year (Baht : Unit)	0.40	0.40				
Total			<u>20,000,000.00</u>	<u>-</u>	<u>25,000,000.00</u>	<u>-</u>

Other non - current financial assets are movement below.-

	Unit : Baht
Beginning balance as at January 1, 2021	25,000,000.00
<u>Add</u> Purchase during the year	-
<u>Less</u> Disposal during the year	-
Ending balance as at December 31, 2021	25,000,000.00
<u>Less</u> Current portion	(5,000,000.00)
Net	<u>20,000,000.00</u>

11. **PROPERTY, PLANT AND EQUIPMENT - NET**

Property, plant and equipment - net, consist of :-

Unit : Baht								
	Land	Building and improvement	Tool and medical equipment	Furniture, fixture and office equipment	Tools	Vehicles	Assets in progress	Total
<u>Cost</u>								
As at January 1, 2020	66,554,742.60	392,581,709.84	106,013,641.99	27,155,892.38	10,338,634.52	27,439,433.99	27,928,703.98	658,012,759.30
Add Purchase during the year	-	-	9,997,010.02	1,332,637.33	465,429.58	299,600.00	1,302,218.88	13,396,895.81
Add/Less Transfer in (out)	-	27,739,272.58	-	-	-	-	(27,739,272.58)	-
Less Write off during the year	-	-	(1,100,000.00)	-	-	(2,373,977.58)	-	(3,473,977.58)
As at December 31, 2020	66,554,742.60	420,320,982.42	114,910,652.01	28,488,529.71	10,804,064.10	25,365,056.41	1,491,650.28	667,935,677.53
<u>Accumulated depreciation</u>								
As at January 1, 2020	-	148,795,568.58	79,750,384.84	16,467,123.41	7,279,088.74	20,170,708.04	-	272,462,873.61
Add Depreciation for the year	-	17,433,188.50	8,364,445.45	3,309,118.55	867,311.25	1,421,807.79	-	31,395,871.54
Less Write off during the year	-	-	(575,094.96)	-	-	(2,373,976.58)	-	(2,949,071.54)
As at December 31, 2020	-	166,228,757.08	87,539,735.33	19,776,241.96	8,146,399.99	19,218,539.25	-	300,909,673.61
<u>Net book value</u>								
As at January 1, 2020	66,554,742.60	243,786,141.26	26,263,257.15	10,688,768.97	3,059,545.78	7,268,725.95	27,928,703.98	385,549,885.69
As at December 31, 2020	66,554,742.60	254,092,225.34	27,370,916.68	8,712,287.75	2,657,664.11	6,146,517.16	1,491,650.28	367,026,003.92

11. PROPERTY, PLANT AND EQUIPMENT - NET (Con't)

Unit : Baht

	Land	Building and improvement	Tool and medical equipment	Furniture, fixture and office equipment	Tools	Vehicles	Assets in progress	Total
Cost								
As at January 1, 2021	66,554,742.60	420,320,982.42	114,910,652.01	28,488,529.71	10,804,064.10	25,365,056.41	1,491,650.28	667,935,677.53
Add Purchase during the year	-	-	1,313,111.00	1,885,522.10	474,630.24	-	1,437,430.50	5,110,693.84
Add/Less Transfer in (out)	-	1,322,334.78	-	422,526.00	-	-	(1,744,860.78)	-
Less Sale during the year	-	-	(1,900,000.00)	-	-	-	-	(1,900,000.00)
Less Write off during the year	-	-	(13,000.00)	(708,996.28)	(116,175.99)	-	-	(838,172.27)
As at December 31, 2021	66,554,742.60	421,643,317.20	114,310,763.01	30,087,561.53	11,162,518.35	25,365,056.41	1,184,220.00	670,308,199.10
Accumulated depreciation								
As at January 1, 2021	-	166,228,757.08	87,539,735.33	19,776,241.96	8,146,399.99	19,218,539.25	-	300,909,673.61
Add Depreciation for the year	-	17,396,737.65	7,172,482.61	3,166,624.23	884,104.25	816,706.88	-	29,436,655.62
Less Sale during the year	-	-	(1,899,999.00)	-	-	-	-	(1,899,999.00)
Less Write off during the year	-	-	(12,350.00)	(702,640.86)	(116,167.99)	-	-	(831,158.85)
As at December 31, 2021	-	183,625,494.73	92,799,868.94	22,240,225.33	8,914,336.25	20,035,246.13	-	327,615,171.38
Net book value								
As at January 1, 2021	66,554,742.60	254,092,225.34	27,370,916.68	8,712,287.75	2,657,664.11	6,146,517.16	1,491,650.28	367,026,003.92
As at December 31, 2021	66,554,742.60	238,017,822.47	21,510,894.07	7,847,356.20	2,248,182.10	5,329,810.28	1,184,220.00	342,693,027.72
Depreciation for the year ended December 31, consist of:-								
Cost of services							2021	2020
Administrative expenses							24,632,267.36	25,951,372.51
Total							4,804,388.26	5,444,499.03
							29,436,655.62	31,395,871.54

The Company mortgaged part of land and building with a local commercial bank as collateral to secure its loans as described in Note 16 and 18 to the financial statement.

As at December 31, 2021 and 2020, the Company had fully depreciated fixed assets but still in active use at the cost value totaling Baht 156.93 million and Baht 141.61 million respectively.

12. LEASES

12.1 Right of use asset - net consist of.-

	Unit : Baht		
	Land and Building	Vehicles	Total
<u>Cost of assets</u>			
As at January 1, 2020	10,362,318.48	1,585,868.24	11,948,186.72
Increase during the year	5,031,048.04	-	5,031,048.04
Disposals during the year	-	(1,585,868.24)	(1,585,868.24)
As at December 31, 2020	15,393,366.52	-	15,393,366.52
<u>Accumulated depreciation</u>			
As at January 1, 2020	569,513.19	132,155.69	701,668.88
Depreciation for the year	1,783,080.71	79,292.69	1,862,373.40
Reversal of depreciation from rental reduction	-	105,724.55	105,724.55
Disposals during the year	-	(317,172.93)	(317,172.93)
As at December 31, 2020	2,352,593.90	-	2,352,593.90
<u>Net book value</u>			
As at January 1, 2020	9,792,805.29	1,453,712.55	11,246,517.84
AS at December 31, 2020	13,040,772.62	-	13,040,772.62

	Unit : Baht
	Land and Building
<u>Cost of assets</u>	
As at January 1, 2021	15,393,366.52
As at December 31, 2021	15,393,366.52
<u>Accumulated depreciation</u>	
As at January 1, 2021	2,352,593.90
Depreciation for the year	1,786,137.27
As at December 31, 2021	4,138,731.17
<u>Net book value</u>	
As at January 1, 2021	13,040,772.62
AS at December 31, 2021	11,254,635.35

12. LEASES (Con't)

12.1 Right of use asset - net consist of.- (Con't)

Depreciation for the year ended December 31, consist of.-

	Unit : Baht	
	2021	2020
Cost of services	1,786,137.27	1,862,373.40

12.2 Lease liabilities - net are as follow:

	Unit : Baht	
	2021	2020
Lease liabilities	14,214,000.00	16,422,000.00
<u>Less</u> Deferred interest	(2,349,332.77)	(2,999,235.87)
Present value of minimum lease payment	11,864,667.23	13,422,764.13
<u>Less</u> Current portion	(1,612,758.13)	(1,531,345.96)
Net	10,251,909.10	11,891,418.17

	Unit : Baht	
	2021	2020
Comprise of:		
Current lease liabilities	1,612,758.13	1,531,345.96
Non-current lease liabilities	10,251,909.10	11,891,418.17
Total	11,864,667.23	13,422,764.13

A maturity analysis of lease payments is disclosed in Note 26.3 to the financial statements under the liquidity risk.

The Company has entered into the lease agreements for rental of land and Building for use in their operation, whereby they are committed to pay rental on a monthly basis. The terms of the agreements are generally between 6 and 11 years.

12. LEASES (Con't)

12.2 Lease liabilities - net are as follow: (Con't)

Movements of lease liabilities account during the year ended December 31, 2021 and 2020 was summarized below.-

Unit : Baht		
	2021	2020
Balance as at January 1	13,422,764.13	12,306,062.09
<u>Add</u> Additions lease liabilities during the year	-	4,807,688.56
Additions deferred interest during the year	-	223,359.48
<u>Less</u> Payments during the year	(1,558,096.90)	(2,517,349.85)
Rental reduction	-	(96,866.41)
Disposals during the year	-	(1,300,129.74)
Balance as at December 31	11,864,667.23	13,422,764.13

Unit : Baht		
	2021	2020
Present value of minimum lease payment net of deferred interest expenses by lease agreement		
Less than 1 year	1,612,758.13	1,531,345.96
More than 1 year but less than 5 years	7,370,836.94	7,962,453.78
More than 5 years	2,881,072.16	3,928,964.39
Total	11,864,667.23	13,422,764.13

The following are the amounts relating to lease contracts recognized in the statement of income for the year ended 31 December :

Unit : Baht		
	2021	2020
Depreciation expenses of right-of-use assets	1,786,137.27	1,862,373.40
Interest expenses on lease liabilities	649,120.77	778,490.15
Expense relating to short-term leases	557,500.00	1,148,032.58
Expenses relating to leases of low-value assets	462,240.00	462,240.00

13. INTANGIBLE ASSETS - NET

Intangible assets - net, consist of.-

	Unit : Baht	
	2021	2020
Computer software		
Cost		
As at January 1,	9,600,957.18	9,600,957.18
<u>Add</u> Purchase during the year	340,550.00	-
As at December 31,	9,941,507.18	9,600,957.18
Accumulated amortization		
As at January 1,	5,708,073.97	4,863,641.77
<u>Add</u> Amortization during the year	867,522.54	844,432.20
As at December 31,	6,575,596.51	5,708,073.97
Net book value		
As at January 1,	3,892,883.21	4,737,315.41
As at December 31,	3,365,910.67	3,892,883.21

The Company is amortization included in administrative expenses in the statement of comprehensive income.

14. DEFERRED TAX ASSETS - NET

Deferred tax assets - net are as follows:

	Unit : Baht	
	2021	2020
Deferred tax assets	6,073,443.62	8,027,349.03
Deferred tax liabilities	(97,012.74)	(2,666,289.19)
Net	5,976,430.88	5,361,059.84

14. DEFERRED TAX ASSETS - NET (Con't)

14.1 Movements in deferred tax assets - net during the year were as follows:

Unit : Baht				
	(Charged) Credited for the year to			
	As at January 1, 2021	Profit or loss	Other Comprehensive loss	As at December 31, 2021
<u>Deferred tax assets</u>				
Trade accounts receivables	-	300,899.04	-	300,899.04
Lease liabilities	76,398.31	45,608.07	-	122,006.38
Employee benefit obligations	5,342,796.20	307,742.00	-	5,650,538.20
Total	5,419,194.51	642,249.11	-	6,073,443.62
<u>Deferred tax liabilities</u>				
Other current financial assets				
Gain on fair value adjustment	(58,134.67)	(60,558.07)	21,680.00	(97,012.74)
Net	5,361,059.84	581,691.04	21,680.00	5,976,430.88

Unit : Baht				
	(Charged) Credited for the year to			
	As at January 1, 2020	Profit or loss	Other Comprehensive loss	As at December 31, 2020
<u>Deferred tax assets</u>				
Lease liabilities	-	76,398.31	-	76,398.31
Employee benefit obligations	6,490,333.20	305,790.80	(1,453,327.80)	5,342,796.20
Total	6,490,333.20	382,189.11	(1,453,327.80)	5,419,194.51
<u>Deferred tax liabilities</u>				
Other current financial assets				
Gain on fair value adjustment	(6,008.96)	(30,445.71)	(21,680.00)	(58,134.67)
Net	6,484,324.24	351,743.40	(1,475,007.80)	5,361,059.84

14. DEFERRED TAX ASSETS - NET (Con't)

14.2 Income tax expenses for the year are as follows:

Income tax recognized in profit or loss

	Unit : Baht	
	2021	2020
<u>Current income tax</u>		
Corporate income tax charge for the year	2,184,246.23	503,880.80
<u>Deferred tax</u>		
Deferred tax expense relating to the original and reversal of temporary differences	(593,691.04)	(351,743.40)
Income tax expenses	<u>1,590,555.19</u>	<u>152,137.40</u>

	Unit : Baht		
	For the year ended December 31, 2021		
		Tax (expense)	
	Before tax	income	Net tax
Deferred tax for :			
Gain (loss) from revaluation of			
Other current financial assets	(108,400.00)	21,680.00	(86,720.00)

	Unit : Baht		
	For the year ended December 31, 2020		
	Before tax	Tax (expense)	Net tax
		income	
Deferred tax for :			
Unrealized gain on the changes in value of			
Other current financial assets	108,400.00	(21,680.00)	86,720.00
Defined benefit plan actuarial loss	7,266,639.00	(1,453,327.80)	5,813,311.20
Total	<u>7,375,039.00</u>	<u>(1,475,007.80)</u>	<u>5,900,031.20</u>

14. DEFERRED TAX ASSETS - NET (Con't)

14.3 Reconciliation for the effective tax rate

	2021		2020	
	Tax rate (%)	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)
Profit before income tax		10,342,540.94		1,787,696.58
Tax expense	20	2,068,508.19	20	357,539.32
Tax effect of expenses that are not deductible for tax purposes		(192,003.96)		(159,449.32)
Deferred tax expense (income) from decrease in tax rate		(285,949.04)		(45,952.60)
Tax expense (effective rate)	15	1,590,555.19	9	152,137.40

Tax rate

Current income tax

The Company calculated its tax from the net profit after adjustment for non-taxable expenses and reserves in accordance with the Revenue Code.

The main adjustment items are allowance for obsolete and diminution in value of inventories, employee benefit obligations, Allowance for expected credit losses and depreciation not in compliance with the Revenue Code.

The main adjustment items are allowance for doubtful accounts, employee benefit obligations and expenses were not in compliance with the Revenue Code.

Deferred tax

Deferred tax has been measured using the effective rate at 20% announced by the government at reporting date.

15. NON - CURRENT NON-CASH FINANCIAL ASSETS PLEDGED AS COLLATERALS

Non - Current non-cash financial assets pledged as collaterals consist of:-

Type of deposits	Collateral for	Interest Rate (% per annum)		Unit : Baht	
		2021	2020	2021	2020
saving account	Credit facilities and radio communication	0.075	0.05	5,020,000.00	5,020,000.00

16. BANK OVERDRAFT AND SHORT - TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdraft and short - term loans from financial institutions consist of:-

	Interest Rate (% per annum)		Unit : Baht	
	2021	2020	2021	2020
Bank overdraft	5.85	-	3,012,916.33	-
Promissory Note	2.00	2.00	10,000,000.00	10,000,000.00
Total			13,012,916.33	10,000,000.00

The Company had overdraft credit lines of Baht 15 million. The commercial banks charged with interest at the rate of MOR per annum in which the amount of Baht 5 million was secured by pledging its saving account withdrawing right and the amount of Baht 10 million was secured by the same collateral for its long - term loan from financial institution as described in Note 18 to the financial statement.

The above mentioned promissory note was due within March 2022 and was secured by the same collateral for long - term loan from the financial institution as described in Note 18 to the financial statement.

17. TRADE ACCOUNTS AND OTHER CURRENT PAYABLES

Trade accounts and other current payables, consist of:-

	Unit : Baht	
	2021	2020
<u>Trade accounts payables</u>		
Trade accounts payables	28,203,873.83	29,681,974.85
Trade accounts - related company	196,003.93	-
Note payables	38,790.00	48,240.00
Total trade accounts payables	28,438,667.76	29,730,214.85
<u>Other current payables</u>		
Other current payables - related company	11,000.00	4,500.00
Accrued expenses	2,488,368.39	3,294,389.77
Accrued salary and doctor fees expenses	4,090,594.00	5,937,904.00
Deferred Income	1,609,066.97	899,703.88
Assets payable	1,468,785.25	2,220,264.00
Other payables	350,898.09	300,104.83
Total other current payables	10,018,712.70	12,656,866.48
Total trade account and other payables	38,457,380.46	42,387,081.33

18. LONG - TERM LOANS FROM FINANCIAL INSTITUTIONS - NET

Long - term loans from financial institutions - net, consist of:-

		Unit : Baht	
		2021	2020
Long - term loans beginning balance		80,805,000.00	51,545,000.00
<u>Add</u>	Receipt during the year	-	40,000,000.00
<u>Less</u>	Repayment during the year	(34,705,322.98)	(10,740,000.00)
Total long - term loans		46,099,677.02	80,805,000.00
<u>Less</u>	Current portion	(26,774,677.02)	(35,240,000.00)
Net		19,325,000.00	45,565,000.00

Long - term loans from financial institutions details and conditions are as follows :

Loan facilities (million baht)	Objective	Interest rate	Detail of payment
35	Purchase of assets and hospital's cost construction	MLR less fixed rate	Monthly installment of Baht 365,000 with 12 months grace period, completed within 9 years from the first installment commencing from October, 2015.
50	Hospital renovation and purchase of assets	MLR less fixed rate	Monthly installment of Baht 530,000 with 12 months grace period, completed within 9 years from the first installment commencing from September, 2017.
40	Working capital	MLR - 2.50%	Monthly installment of Baht 3,500,000 with 12 months grace period, completed within 2 years from the first installment commencing from June, 2021.

The abovementioned loans were guaranteed by mortgaged its land and the present and to be built in the future of its property as collaterals.

19. PROVISIONS OF NON - CURRENT LIABILITIES FOR EMPLOYEE BENEFIT - NET

The Company operates postemployment benefit and pension based on the requirement of the Thai Labour Protection Act B.E. 2541 to provide retirement benefits and other long - term benefits to employees based on pensionable remuneration and length of services.

The employee benefits obligations expose the Company to actuarial risks, such as longevity risk, interest rate risk.

Movement in the present value of the employee benefits obligations consist of;

	Unit : Baht	
	2021	2020
Opening balance as at January 1,	26,713,981.00	32,451,666.00
Current service cost	1,310,154.00	1,520,938.00
Interest cost	228,556.00	512,683.00
Employee benefits paid during the period	-	(504,667.00)
Remeasurement of defined (Gain) loss plan	-	(7,266,639.00)
Ending balance as at December 31,	28,252,691.00	26,713,981.00
<u>Less</u> Current portion	<u>(12,703,615.00)</u>	<u>(12,250,000.00)</u>
Employee benefit obligations - net	<u>15,549,076.00</u>	<u>14,463,981.00</u>

As at December 31, 2021 and 2020, the weighted average duration of the liabilities for long - term employee benefit in the financial statements are 13 years

Actuarial gains recognized in other comprehensive income arising from:

	Unit : Baht	
	2021	2020
Financial assumptions	-	(1,024,178.00)
Experience adjustment	-	(6,002,861.00)
Demographic assumption changes	-	(239,600.00)
Total	-	<u>(7,266,639.00)</u>

19. PROVISIONS OF NON - CURRENT LIABILITIES FOR EMPLOYEE BENEFIT - NET (Con't)

The expense is recognized in the following line items in the profit or loss:

	Unit : Baht	
	2021	2020
<u>Profit or loss</u>		
Cost of hospital operations	779,421.00	957,793.00
Administrative expense	322,310.08	490,589.00
Management's remuneration	436,978.92	585,239.00
Total	<u>1,538,710.00</u>	<u>2,033,621.00</u>
<u>Other comprehensive income</u>		
Remeasurement of defined (gain) loss plan		
Employee benefit - net from income tax	<u>-</u>	<u>(5,813,311.20)</u>

Actuarial gains and losses recognized in other comprehensive income are as follows:

	Unit : Baht	
	2021	2020
Included in retained earnings		
As at January 1,	4,453,155.18	(1,360,156.02)
Recognized during the year	<u>-</u>	<u>5,813,311.20</u>
As at December 31,	<u>4,453,155.18</u>	<u>4,453,155.18</u>

19. PROVISIONS OF NON - CURRENT LIABILITIES FOR EMPLOYEE BENEFIT - NET (Con't)

Principal actuarial assumptions at the reporting date

	2021	2020
*Discount rate	1.58%	1.66%
Disability rate	5%	5%
Salary increase rate	2%	4%
** Employee turnover rate	0.00% - 28.00%	0.00% - 28.00%
***Mortality rate	100% of TMO2017	100% of TMO2017
Retirement age (year)	60	60

*Market yield from government's bond for legal severance payments plan

**Upon the length of service

*** Reference from TMO2017 : Thai Mortality Ordinary Table of 2017

19. PROVISIONS OF NON - CURRENT LIABILITIES FOR EMPLOYEE BENEFIT - NET (Con't)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the non-current provision for employee benefits obligations by the amounts shown below.

Effect on the employee benefits obligations as at December 31, 2021 and 2020 are as follows :

	Unit : Baht	
	2021	2020
Discount rate		
1% increase	(1,786,914.00)	(1,713,737.00)
1% decrease	2,100,513.00	2,024,839.00
Future Salary growth		
1% increase	2,335,415.00	2,074,823.00
1% decrease	(2,004,636.00)	(1,785,184.00)
Resignation rate		
1% increase	(1,841,802.00)	(1,764,702.00)
1% decrease	204,192.00	171,597.00

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

20. LEGAL RESERVE

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve of at least 5% of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

At present, the legal reserve has fully been set aside.

21. DIVIDEND PAID

At the shareholders' General Meeting of the Company for the year 2021 held on April 29, 2021, The company stops paying dividends for the year 2020.

At the shareholders' General Meeting of the Company for the year 2020 held on April 29, 2020, it was approved to pay dividend at the rate of Baht 0.20 per share totaling Baht 2 million which less than the amount proposed by the board of directors approved at the board of director's meeting No. 1/2020 held on February 29, 2020 at Baht 0.50 per share. The dividend is set to be paid on May 25, 2020.

22. EXPENSES BY NATURE

Significant expenses classified by nature consist of.-

	Unit : Baht	
	2021	2020
Employee expenses	113,496,101.43	123,505,280.00
Management benefit expenses	23,442,978.92	23,718,751.00
Medicines and medical supplies	61,420,602.14	39,074,461.58
Artificial kidney expenses	44,348,045.00	42,326,388.00
Depreciation and amortization expenses	32,090,315.43	34,102,677.14
Finance cost	3,523,149.31	3,908,579.37

23. EARNINGS PER SHARE

Basic earnings per share for the year is calculated by dividing net income for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year as follows:

	Unit : Baht	
	2021	2020
Net profit for the year (basic) (Baht)	8,751,985.75	1,635,559.18
Number of ordinary shares outstanding (Share)	10,000,000.00	10,000,000.00
Earning per share (basic) (Baht)	0.88	0.16

24. OPERATION SEGMENT

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Managing Director.

Management considers that the Company operates in a single line of business, namely the hospital and medical trading business, and has therefore only one business segment.

Management considers that the Company operates in a single geographic area, namely in Thailand, and has therefore, only one major geographic segment.

As a result, all of the revenues, operating profits and assets reflected in these financial statements are related to the referred business and geographical segment.

25. PROVIDENT FUND

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company employees contributed to the fund monthly at the rate of 2 - 6 percent of their basic salary. The fund, which is managed by Principal Asset Management Company Limited will be paid to employees upon termination in accordance with the fund rules.

Statement of the Ministry of Finance, Regarding the extension of assistance period for employers and employees who affected by the coronavirus disease 2019 Pandemic (COVID-19) , No.2 and No.3 /2021 which temporarily allow to halt or delay the contribution to the provident fund from January to December, 2021.

As the result of this. for the year ended December 31, 2021, The company halt contributed to the provident fund. (2020 : Baht 0.61 million)

26. FINANCIAL INSTRUMENTS

Fair values of financial assets and financial liabilities measured at amortized cost if the carrying amount is a reasonable approximation of net book value.

The Company is exposed to a variety of financial risks, including credit risk, market risk (including foreign exchange and interest rate risk) and liquidity risk. The Company overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Company financial instruments principally comprise cash and cash equivalents, trade accounts and other current receivables, other financial assets, trade accounts and other current payables, short-term loans and long-term loans, and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

26.1 Credit risk

Credit risk is the risk of financial losses if a customer or the counterparty in a financial instrument fails to meet its obligations. The risk consists mainly of , trade accounts and other current receivables, deposits with banks and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statements of financial position.

26. FINANCIAL INSTRUMENTS (Con't)

26.1 Credit risk (Con't)

26.1.1 Trade accounts and other current receivables

The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding Trade accounts and other current receivables are regularly monitored, and certain shipments are covered by letters of credit [or other forms of credit insurance obtained from reputable banks and other financial institutions and any shipments to major customers are covered by credit insurance obtained from the banks.] In addition, The Company does not have high concentrations of credit risk since it has a large customer base.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Company classifies customer segments by customer type and coverage by letters of credit and other forms of credit insurance. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Letters of credit and other forms of credit insurance are considered an integral part of trade receivables and considered in the calculation of impairment.

26.1.2 Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company treasury department in accordance with the Company treasury policy. Investments are made only in fixed deposit with approved counterparty banks with credit-ratings at investment grade assigned by international credit agencies or one of the top two local banks, and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed and updated throughout the year. The limits are set to minimize concentration risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

26.2 Market risk

26.2.1 Interest rate risk

The Company exposure to interest rate risk relate primarily to their deposits at bank, other financial assets, long-term loans and long-term loans, and lease liabilities. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate which may cause variations in the Company financial results.

The Company manages its interest rate risk by having a balanced portfolio of fixed and floating rate loans and borrowings. The Company policy is to match between sources and uses of fund while a majority of our financial liability is based on fixed rates.

26. FINANCIAL INSTRUMENTS (Con't)

26.2.1 Interest rate risk (Con't)

As at 31 December 2021 and 2020, significant interest-bearing financial assets and liabilities classified by type of interest rate are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

	As at December 31, 2021 (Unit : Baht)						
	Fixed interest rates			Floating	Non-	Total	Interest
	within	1 - 5	Over	interest	interest		rate
	1 year	year	5 year	rate	bearing		(% p.a.)
Financial assets							
Cash and cash equivalents	-	-	-	16,451,397.59	2,644,301.95	19,095,699.54	0.05 - 0.35
Other current financial assets	-	-	-	-	61,599,713.71	61,599,713.71	-
Other non - current financial assets	5,000,000.00	20,000,000.00	-	-	-	25,000,000.00	0.125 - 1.45
Non - current non-cash financial assets pledged as collaterals	-	-	-	5,020,000.00	-	5,020,000.00	0.075
Financial liabilities							
Bank overdraft and short - term loans from financial institutions	13,012,916.33	-	-	-	-	13,012,916.33	2.00 - 5.85
Long - term loan from financial institution	-	-	-	46,099,677.02	-	46,099,677.02	MLR - 2.50
lease contract	1,612,758.13	7,370,836.94	2,881,072.16	-	-	11,864,667.23	5.10

26. FINANCIAL INSTRUMENTS (Con't)

26.3 Liquidity risk

The Company need liquidity to meet their obligations. Individual companies are responsible for their own cash balances and the raising of internal and external credit lines to cover the liquidity needs, subject to guidance by the Company.

The table below summarizes the maturity profile of the Company non-derivative financial liabilities and derivative financial instruments as at December 31, 2021 and as at December 31, 2020 based on contractual undiscounted cash flows:

As at December 31, 2021 (Unit : Baht)						
	Note	On demand	Less than 1 year	1 - 5 years	Over 5 years	Total
Bank overdraft and short -						
term loans from financial						
institutions	16	-	13,012,916.33	-	-	13,012,916.33
Trade accounts and other current payables	17	-	38,457,380.46	-	-	38,457,380.46
Advance receipt from alternative						
vaccine COVID-19	-	-	17,981,550.00	-	-	17,981,550.00
Long - term loan from financial institution	18	-	26,774,677.02	19,325,000.00	-	46,099,677.02
Lease liabilities	12.2	-	1,612,758.13	7,370,836.94	2,881,072.16	11,864,667.23
Total		-	97,839,281.94	26,695,836.94	2,881,072.16	127,416,191.04

As at December 31, 2020 (Unit : Baht)						
	Note	On demand	Less than 1 year	1 - 5 years	Over 5 years	Total
Bank overdraft and short -						
term loans from financial						
institutions	16	-	10,000,000.00	-	-	10,000,000.00
Trade accounts and other current payables	17	-	42,387,081.33	-	-	42,387,081.33
Long - term loan from financial institution	18	-	35,240,000.00	45,565,000.00	-	80,805,000.00
Lease liabilities	12.2	-	1,531,345.96	7,962,453.78	3,928,964.39	13,422,764.13
Total		-	89,158,427.29	53,527,453.78	3,928,964.39	146,614,845.46

26. FINANCIAL INSTRUMENTS (Con't)

26.4 Lease liabilities

Since the majority of the Company financial assets and liabilities are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

As at December 31, 2021 (Unit : Baht)					
	Carrying value				Fair value
	Fair value through profit or loss	Fair value through other comprehensive income	Amortize cost	Total	
Financial assets					
Cash and cash equivalents	-	-	19,095,699.54	19,095,699.54	19,095,699.54
Trade accounts and other current receivables - net	-	-	37,688,344.16	37,688,344.16	37,688,344.16
Other current financial assets	61,114,650.00	-	-	61,114,650.00	61,599,713.71
Other non - current financial assets	-	-	25,000,000.00	25,000,000.00	25,000,000.00
Non - current non-cash financial assets pledged as collaterals	-	-	5,020,000.00	5,020,000.00	5,020,000.00
Total financial assets	61,114,650.00	-	86,804,043.70	147,918,693.70	148,403,757.41
Financial liabilities					
Bank overdraft and short - term loans from financial institutions	-	-	13,012,916.33	13,012,916.33	13,012,916.33
Advance receipt from alternative vaccine COVID-19	-	-	17,981,550.00	17,981,550.00	17,981,550.00
Trade accounts and other current payables	-	-	38,457,380.46	38,457,380.46	38,457,380.46
Long - term loan from financial institution	-	-	46,099,677.02	46,099,677.02	46,099,677.02
Lease liabilities	-	-	11,864,667.23	11,864,667.23	11,864,667.23
Total financial liabilities	-	-	127,416,191.04	127,416,191.04	127,416,191.04

26. FINANCIAL INSTRUMENTS (Con't)

26.4 Lease liabilities (Con't)

As at December 31, 2020 (Unit : Baht)					
	Carrying value				Fair value
	Fair value through profit or loss	Fair value through other comprehensive income	Amortize cost	Total	
Financial assets					
Cash and cash equivalents	-	-	16,270,272.32	16,270,272.32	16,270,272.32
Trade accounts and other current receivables - net	-	-	21,830,215.50	21,830,215.50	21,830,215.50
Other current financial assets	30,000,000.00	20,000,000.00	15,000,000.00	65,000,000.00	65,290,673.35
Other non - current financial assets	-	-	25,000,000.00	25,000,000.00	25,000,000.00
Non - current non-cash financial assets pledged as collaterals	-	-	5,020,000.00	5,020,000.00	5,020,000.00
Total financial assets	30,000,000.00	20,000,000.00	83,120,487.82	133,120,487.82	133,411,161.17
Financial liabilities					
Bank overdraft and short - term loans from financial institutions	-	-	10,000,000.00	10,000,000.00	10,000,000.00
Trade accounts and other current payables	-	-	42,387,081.33	42,387,081.33	42,387,081.33
Long - term loan from financial institution	-	-	80,805,000.00	80,805,000.00	80,805,000.00
Lease liabilities	-	-	13,422,764.13	13,422,764.13	13,422,764.13
Total financial liabilities	-	-	146,614,845.46	146,614,845.46	146,614,845.46

The Company had the following financial assets and liabilities that were measured at fair value using different levels of inputs as follows :

Unit : Baht)				
As at December 31, 2021				
	Level 1	Level 2	Level 3	Total
Other current financial assets				
Open-end fund	61,599,713.71	-	-	61,599,713.71

Unit : Baht)				
As at December 31, 2020				
	Level 1	Level 2	Level 3	Total
Other current financial assets				
Open-end fund	50,290,673.35	-	-	50,290,673.35

26. FINANCIAL INSTRUMENTS (Con't)

26.4 Lease liabilities (Con't)

During the current year, the Company were no transfers within the fair value hierarchy.

The methods and assumptions used by the Company estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, accounts receivable, short-term loans, accounts payable and bank overdrafts and short-term borrowings, the carrying amounts in the statements of financial position approximate their fair value.
- The carrying amounts of long-term loans carrying interest at rates approximating the market rate, in the statement of financial position approximates their fair value.

27. COMMITMENT AND CONTINGENT LIABILITIES

The Company had commitments and were in possession of contingent liabilities as follows:-

27.1 Letters of guarantees issued by bank as follows:-

	Unit : Baht	
	2021	2020
Guarantee the radio and signal usage agreement	20,000.00	20,000.00

27.2 As at December 31, 2021 and 2020, the Company had commitment in respect of long-term operating lease agreements are as follows :-

Description	Lessor	Rental period	Rental fee :
			Monthly (Unit : Baht)
Medical instruments maintenance service agreement	Other Company	3 year	27,641.67
Medical instruments Rental	Other Company	5 year	28,890.00

Commitment in respect of rental fee are as follows :-

	Unit : Baht	
	2021	2020
Less than 1 year	678,380.00	793,940.00
Over 1 year not over 5 year	398,218.33	1,105,488.33
Total	1,076,598.33	1,899,428.33

27. COMMITMENT AND CONTINGENT LIABILITIES

27.3 As at December 31, 2021 and 2020, The Company has capital commitments from renovation and purchase medical equipment's amounting to Baht 0.15 million.

27.4 As at December 31, 2021, The Company has contingent liabilities from issued Aval of promissory note by bank for deposit payment of property amounting to Baht 0.99 million.

28. CAPITAL MANAGEMENT

The major primary objectives of the Company's capital management are to maintain their ability to continue as a going concern and to maintain an appropriate capital structure.

As at December 31, 2021 and 2020 Debt-to-Equity ratios in the financial statements were 0.42 : 1 and 0.48 : 1 respectively.

29. EVENT AFTER REPORTING PERIOD

At the Board of Directors' meeting No. 1/2022 held on February 27, 2022, it was approved to propose to the shareholders to pay dividend from net profit of 2021 at Baht 0.35 per share, totaling Baht 3.50 million.

30. AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors on February 27, 2022.



บริษัท วัดนากการแพทย์ จำกัด (มหาชน)

Wattana Karnpeat Public Company Limited

Part 4 Confirmation of Information Accuracy



RE: Audit Committee Report
To Secretary
The Office of the Securities and Exchange Commission

I, Ass.Prof.Dr.Poonsak Vaisamruat, the chairman of the Audit Committee of the Wattana Karnpaet Public Company Limited would like to report to you that as the Audit Committee has been appointed by the Company's Board of Directors to have roles and responsibilities to oversee the operations and control the auditing and internal operations in the company. The Audit Committee has pursued the appointed responsibilities especially the protection of the benefits of the minor shareholders by the means of auditing and controlling the management of the company's board of directors. The risk management system of the company has been reviewed to ensure that the company has sufficient and effective risk management system in place. The Risk Management Committee which has roles to set out policies for risk management and monitoring the risks in the company need to be reported to Audit Committee annually or as necessary. In 2021, the audit committee has 4 meetings which can be summarized as follows:

1. The Audit Committee has reviewed the financial reporting and disclosure of the financial statement in each quarter and year end report. Including the reviewing of accounting policy of the company to be correct and appropriate. The audit committee agreed that the company's financial reporting is complied with accounting standards with sufficient disclosure of information.
2. The audit committee has reviewed the internal audit reports and assessed the appropriateness and correctness of the internal control system with the internal audit team of the company, which is found to be effective.
3. The audit committee has considered the disclosure of information of the company with regard to the related transactions to be cleared from having conflict of interests.
4. The audit committee has controlled over the operations of the company to ensure the transparency of the operations and in line with the rules and laws that related to the company.
5. The audit committee has met with the risk management committee to be reported on the progress of the risk management according to the policy and plans that set out to do. The committee has opinion that the company has risk management system that appropriate and in line with the surrounding events of the company at the moment in order to operate effectively.
6. The audit committee has nominated the auditors for the financial year of 2021 and nominated to the Board of Directors of the Company to consider Miss Chaovana Viwatpanachat , Miss Wanpen Unruan and Ms.Pornpip Amornchailertpattana CPA No. 4712, 7750, and 9589. , Office of Pitisevi Co., Ltd.

I would like to certify that the Audit Committee report of 2021.

Sincerely Yours

(Ass.Prof.Dr.Poonsak Vaisamruat)

Chairman of Audit Committee

Wattana Karnpaet Public Company Limited



RE: Reporting on related transactions

To The Secretary

The Office of the Securities and Exchange Commission

I, Ass.Prof.Dr.Poonsak Vaisamruat, on behalf of the Audit Committee of the Wattana Karnpaet Public Company Limited, would like to offer my opinion on the related transactions between the Wattana Karnpaet Public Company Limited and 21 Sattawat Vejchakit Company Limited, the Alliance International Medical Centre, and P and S Oneness Wealth Company Limited as follows:

The company has related transactions with the 21 Sattawat Vejchakit Company Limited, which there are some common directors and shareholders. The related transactions include the transfers of patients for medical treatment between one another, the sales and purchases of medicines and supplies which prices have been set same as normal business conditions. Although the company and the 21 Sattawat Vejchakit Company Limited have similar business nature, the customer groups are different. The 21 Sattawat Vejchakit Company Limited provides services for customers that require check up, not severe cases, requires primary cares. Therefore these groups of patients from nearby area of the 21 Sattawat Vejchakit Company Limited, which is in different province from the company, will be referred to obtain further treatment once the 21 Sattawat Vejchakit Company Limited cannot provide the types or levels of treatment required.

The related transactions with the Alliance International Medical Center, which there are some common director are the sales and purchases of medicines and supplies, which the prices are set as normal business conditions.

The related transactions with the P and S Oneness Wealth Company Limited, which has common shareholders are catering and car parking space rental, which the prices are set as normal business conditions.

All of the mentioned above information is disclosed in the notes of the financial statement.

Process of Approval of Related Transactions

In order to proceed with the related transactions, they are need to follow the normal aspects of business. The company will set prices and conditions as the normal situation of business practices deemed appropriate and fair. The highest benefits of the company will be of priority. The related transactions and prices will be reported to the Audit Committee to consideration and review of the appropriateness.

The company will proceed in accordance with the security laws set by the Stock Exchange and rules, notices, orders or regulations set by the Stock Exchange of Thailand. Including the regulation practices by the disclosure on the related transaction, the acquired and selling of assets of the company, in which the directors or shareholders that appeared to be involved in the related transactions cannot vote on that matters.

Trend of Related Transactions in the Future

The company will continue to have future related transactions such as rental of car park spaces and dormitory rental, all of which will be reasonable transactions. However, the company has no policy to proceed with related transactions with conflict of interests, unless the transactions are found to be of the most benefits to the company.

The report mentioned above and the disclosure of related transactions are stated in the notes of the financial statement which have been approved by the auditor of the company to be in compliance with the accounting standards.

Sincerely Yours,

(Ass.Prof.Dr.Poonsak Vaisamruat)

Chairman of Audit Committee

Wattana Karnpaet Public Company Limited



Confirmation of Financial Statement



Financial Statement of Wattana Karnpeat Public Company Limited

For the period ending 31 December 2021

Auditor's Name Miss Chaovana Viwatpanachat, Office of Pitisevi Co., Ltd.

The Company has reviewed the information stated in the financial statement carefully and certifies that:

- (1) The financial statements and financial information summarized in this balance sheets, operating results and the cash flows of the Company show material information accurately and completely.
- (2) The Company has provided an efficient disclosure system to ensure that the material information of the Company and the subsidiaries is disclosed accurately and completely, and has supervised compliance with such disclosure system.
- (3) The Company has provided an efficient internal control system, supervised compliance with the system, and submitted the information on the internal control assessment on February 27, 2022 to the Audit Committee, which covers deficiencies, significant changes on the internal control system, and wrongful acts that may affect the preparation of financial reporting of the Company and the subsidiaries.

Name	Position	Signature
1. <u>Dr. Suphawan Tangsubkul</u>	<u>Director</u>	
2. <u>Miss Bangon Tangsubkul</u>	<u>Director</u>	

Remarks Clause 89/20 ** of Securities and Exchange Act B.E. 2535 (1992), which amended further in no. 4 2008 stated that the directors and executives need to be together responsible to a person buying or selling the company's stocks in any damages may caused by the misleading of the disclosure of information or hiding of facts that should be disclosed in the financial statement and reports about the balance statement and operating reports of the company as according to Clause 56 or Clause 199. The responsibility is not limited to only directors and executive who sign on the certification of the information in related documents. However, any directors or executives that can proof that their positions may not know the facts of the information or the missing of the information that should be disclosed, they will be excused from being responsible according to Clause 89/20"

Notes

* With company seal (if there is)

** To be used for company under Section 3/1 of the Securities and Exchange Act B.E. 2535 (1992) which amended in the the Securities and Exchange Act (no. 4) B.E. 2551 (2008) only


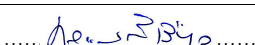
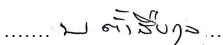



Certificate of Information

"The Company has reviewed the information on this annual report with care and hereby certifies that the information is accurate, complete, not false or misleading, and does not lack material information that should be notified. In addition, the Company certifies that:

- The financial statements and financial information summarized in this annual report show material information accurately and completely regarding the financial condition, the operating results and the cash flows of the Company and the subsidiaries;
- The Company has provided an efficient disclosed accurately and completely, and has supervised compliance with such disclosure system;
- The Company has provided an efficient internal control system, supervised compliance with the system, and submitted the information on the internal control assessment on February 27, 2022 to the auditor and the Audit Committee, which covers deficiencies, significant changes on the internal control system, and wrongful acts that may affect the preparation of financial reporting of the Company and the subsidiaries.

In this regard, as proof that all the documents are identical to those certified by the Company, the Company has authorized Dr. Suphawan Tangsubkul to sign on every page of the documents, and the absence of the authorized signature of Dr. Suphawan Tangsubkul on any document shall be deemed that such unsigned document has not been certified by the Company.

	Name	Position	Signature
1.	Ass. Prof. Phiphat Tangsubkul	Chairman 
2.	Dr. Suphawan Tangsubkul	Director 
3.	Dr. Sitichai Ungklomkiew	Director 
4.	Miss Bangon Tangsubkul	Director 

	Name	Position	Signature
Authorized Person	Dr. Suphawan Tangsubkul	Director 



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Details of the Board of Directors and Management

Remark: data from the share distribution from the Thailand Securities Depository as of 31st December, 2021

Name – Surname / Position	Age (Years)	Education	Shareholding (%)	Relationship	Work experiences in the past 5 years	
					Period	Position / Company
1) Ass. Prof. Dr. Phiphat Tangsubkul Chairman and Authorized Director	79	- Ph.D. in International Law, France - Attended the Director Accreditation Program (DAP) - Attended the Financial for Non-finance Directors	8.07	-	1985- Current	- Chairman and CEO at the Wattana Kampaet Public Company Limited
2) Dr. Stitichai Ungklomkleow, M.D. Director and Authorized Director	69	- M.D., Siriraj, Mahidol University, Thailand - Board Certification Specialist in Surgery, Siriraj, Mahidol University, Thailand - Attended the Director Accreditation Program (DAP)	2.70	-	1986- Current	- Medical Director and Head of Surgical Department at the Wattana Kampaet Public Company Limited - Director
3) Dr. Suphawan Tangsubkul, M.D. Director and Authorized Director	77	- M.D., Chiangmai University, Thailand - Attended the Director Accreditation Program (DAP) - Attended the Financial for Non-finance Directors	15.87	Wife of (1)	1985- Current	- Vice- Medical Director and Managing Director at the Wattana Kampaet Public Company Limited - Director

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4) Miss Bangon Tangsubkul Director and Authorized Director	82	- Bachelor of Commerce, Thammasat University, Thailand - Attended the Director Accreditation Program (DAP)	0.005	Sister of (1)	1985- Current	- Director
5) Miss Janyia Chatsakunpen Director	44	- Bachelor of Economics, Bangkok University, Thailand - Masters of Business Administration, Florida Metropolitan University, United States of America	0	-	2014- Current	-Independent Director -Business owner
6) Ass.Prof.Dr.Poonsak Vaisamnat Independent Director, Chairman of the Audit Committee	74	- Bachelor of Law (Honours Class 2), Chulalongkorn University, Thailand - Doctoral de l' University de Paris II (Drait Sadministratif) (Mention tres bien) 1981 - Attended the Director Accreditation Program (DAP)	-	-	2004- Current	- Lecturer at the Law Faculty, Turakit Bandit University, Bangkok - Speaker for the subject of philosophy and Public Company Law for Undergraduates and higher degrees (1993 – Current) - Chairman of Audit Committee at the Wattana Kamphaet Public Company Limited

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7) Miss Suda Santiseveekul Audit Committee	72	- Bachelor of Finance, Turakit Bandit University, Thailand - Attended the Director Accreditation Program (DAP)	0.002	-	2000-Current	- Audit Committee at the Wattana Kampaet Public Company Limited
8) Alisa Neramitagapong, M.D. Audit Committee	45	- Medical Doctor, Khonkean University, Thailand - Board Certification Specialist in Anesthetics, Khonkean University, Thailand	-	-	2008 - Current	- Anesthetist Doctor at Udonthani Provincial Hospital (2005-Current) - Audit Committee at the Wattana Kampaet Public Company Limited
9) Miss Pyada Kotanun Head of Accounting	52	- Bachelor of Accounting, Sukhothai Thammathirat University	-	-	1991-Current	- Head of Accounting Department
10) Dr Natthira Tangsubkul	43	- Doctor of Engineering, - Master of Engineering and management, - Bachelor of Engineering New South Wales University, Australia - Master of MBA, Sukhothai Thammathirat University - Certificate in ISO Auditor - CFO Certification Program	24.35	Daughter of (1,3)	2004-Current	- Asisting Managing Director - Chief Financial Officer
11) Miss Pattharaporn Promtong	36	- Bachelor of Food Process Engineering King Mongkut's Institute of Technology Ladkrabang	-	-	2009-Current	- Secretary of Audit Committee