

### Part 3: Financial Position and Operation Performance

#### 13. Key Financial Figures

Statements of Financial Position as at December 31 of the 3-year period:

Description	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
<b><u>Current assets</u></b>						
Cash and cash equivalents	159.68	7.17	67.90	3.53	59.38	3.27
Temporary investments	-	-	-	-	49.11	2.70
Trade and other receivables	194.74	8.75	158.52	8.24	99.08	5.45
Accrued revenues from hospital operations	132.48	5.95	100.33	5.22	136.87	7.53
Inventories	29.76	1.33	24.57	1.28	23.50	1.29
Other current assets	1.92	0.09	11.06	0.58	3.34	0.19
<b>Total current assets</b>	<b>523.59</b>	<b>23.29</b>	<b>362.38</b>	<b>18.85</b>	<b>371.28</b>	<b>20.43</b>
<b><u>Non-current assets</u></b>						
Bank deposits pledged as collateral	51.83	2.33	41.62	2.17	41.64	2.29
Investment property	108.07	4.85	-	-	-	-
Property, plant and equipment	1,450.83	65.15	1,400.96	72.89	1,293.79	71.20
Land leasehold right	-	-	15.92	0.83	17.43	0.96
Intangible assets	43.12	1.93	44.25	2.30	45.80	2.52
Deferred tax assets	27.10	1.22	28.59	1.49	31.81	1.75
Other non-current assets	27.30	1.23	28.30	1.47	15.34	0.85
<b>Total non-current assets</b>	<b>1,708.25</b>	<b>76.71</b>	<b>1,559.64</b>	<b>81.15</b>	<b>1,445.81</b>	<b>79.57</b>
<b>Total assets</b>	<b>2,226.83</b>	<b>100.00</b>	<b>1,922.02</b>	<b>100.00</b>	<b>1,817.09</b>	<b>100.00</b>
<b><u>Non - current liabilities</u></b>						
Bank overdrafts and short-term loans from financial institutions	17.61	0.79	15.10	0.79	5.62	0.31
Trade and other payables	230.52	10.35	179.71	9.35	174.42	9.60
Current portion of lease liabilities	51.40	2.31	40.65	2.11	35.31	1.94
Current portion of long-term loans from financial institution	52.08	2.34	40.08	2.09	24.84	1.37
Income tax payables	3.00	0.14	0.47	0.02	-	-
Advance received from the Social Security	14.22	0.64	9.40	0.49	-	-
Others current liabilities	11.46	0.51	13.26	0.69	14.01	0.77
<b>Total current liabilities</b>	<b>380.29</b>	<b>17.08</b>	<b>298.67</b>	<b>15.54</b>	<b>254.00</b>	<b>13.99</b>
<b><u>Non - current liabilities</u></b>						
Liabilities under financial lease agreements	156.22	7.02	92.48	4.81	29.92	1.65
Long-term loans from financial institution	154.73	6.95	73.41	3.82	78.14	4.30
Deferred tax liabilities	70.93	3.18	65.95	3.43	45.24	2.49
Employee benefit obligations	6.93	0.31	6.24	0.33	5.57	0.30
Other non-current liabilities	12.33	0.55	11.59	0.60	9.22	0.51
<b>Total other non-current liabilities</b>	<b>401.14</b>	<b>18.01</b>	<b>249.67</b>	<b>12.99</b>	<b>168.09</b>	<b>9.25</b>
<b>Total liabilities</b>	<b>781.43</b>	<b>35.09</b>	<b>548.34</b>	<b>28.53</b>	<b>422.29</b>	<b>23.24</b>

Statements of Financial Position as at December 31 of the 3-year period: (continued)

Description	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Shareholders' equity</b>						
Share capital						
Authorized share capital						
750,000,000 ordinary shares, Baht 0.50 par value	375.00	19.51	375.00	20.64	375.00	17.94
Issued and fully paid-up						
750,000,000 ordinary shares, Baht 0.50 par value	375.00	16.84	375.00	19.51	375.00	20.64
Premium on ordinary shares	922.83	41.44	922.83	48.01	922.84	50.79
Premium from purchasing of investment in subsidiary	5.63	0.25	5.63	0.29	5.63	0.31
Retained earning						
Appropriated						
Legal reserve	37.50	1.68	37.50	1.95	37.50	2.06
Treasury shares reserve	197.24	8.86	197.24	10.26	197.24	10.85
Unappropriated	102.78	4.62	29.82	1.55	52.77	2.90
<b>Total equity attributable to owners of the company</b>	1,640.98	73.69	1,568.02	81.58	1,590.98	87.55
Less treasury shares	(197.24)	(8.86)	(197.24)	(10.26)	(197.24)	(10.85)
<b>Total shareholders' equity of the parent, net</b>	1,443.74	64.83	1,370.78	71.32	1,393.74	76.70
Non-controlling interests of the subsidiaries	1.66	0.08	2.90	0.15	1.06	0.06
<b>Total shareholders' equity</b>	1,445.40	64.91	1,373.68	71.47	1,394.80	76.76
<b>Total liabilities and shareholders' equity</b>	2,226.83	100.00	1,922.02	100.00	1,817.09	100.00

Statements of Comprehensive Income for the 3- year ended December 31:

Description	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>REVENUES</b>						
Revenues from hospital operations	1,553.45	85.61	1,383.69	86.65	1,362.09	85.74
Revenues from services	247.81	13.66	197.75	12.38	163.41	10.28
Other incomes						
Investments income (expense) of private fund, net			3.16	0.20	(9.55)	(0.60)
Rental income	3.33	0.18	3.60	0.23	3.70	0.23
Gain from sale of fixed assets			0.03	0.00	62.68	3.95
Others	10.03	0.55	8.59	0.54	6.34	0.40
<b>Total revenues</b>	<b>1,814.62</b>	<b>100.00</b>	<b>1,596.82</b>	<b>100.00</b>	<b>1,588.67</b>	<b>100.00</b>
<b>EXPENSES</b>						
Cost of hospital operations	1,216.70	67.05	1,124.17	70.40	1,060.27	66.74
Cost of services	143.26	7.89	114.61	7.18	86.30	5.43
Administrative expenses	235.46	12.98	179.53	11.24	198.72	12.51
Management remuneration	47.14	2.60	46.32	2.90	50.68	3.19
Finance costs	13.10	0.72	8.68	0.54	7.28	0.46
<b>Total expenses</b>	<b>1,655.66</b>	<b>91.24</b>	<b>1,473.31</b>	<b>92.27</b>	<b>1,403.25</b>	<b>88.33</b>
Profit before income tax expenses	158.96	8.76	123.51	7.73	185.42	11.67
Income tax expenses	17.50	0.96	12.64	0.79	28.36	1.79
<b>Profit for the year</b>	<b>141.46</b>	<b>7.80</b>	<b>110.87</b>	<b>6.94</b>	<b>157.06</b>	<b>9.88</b>
<b>Other comprehensive income :</b>						
Items that will not be reclassified to profit or loss						
Actuarials gain (loss) on the defined employee benefit plans, net income tax	1.09	0.06	(7.48)	(0.47)	-	-
Other comprehensive income (loss) for the year	1.09	0.06	(7.48)	(0.47)	-	-
<b>Total comprehensive income for the year</b>	<b>142.55</b>	<b>7.86</b>	<b>103.39</b>	<b>6.47</b>	<b>157.06</b>	<b>9.89</b>
Profit (loss) attributable to						
<b>Owners of the company</b>	142.89	7.88	110.49	6.92	156.95	9.87
Non-controlling interests of the subsidiaries	(1.43)	(0.08)	0.38	0.02	0.11	0.01
	141.46	7.80	110.87	6.94	157.06	9.88
Total comprehensive income (loss) attributable to						
<b>Owners of the company</b>	144.01	7.94	103.05	6.45	156.95	9.87
Non-controlling interests of the subsidiaries	(1.46)	(0.08)	0.34	0.02	0.11	0.01
	142.55	7.86	103.39	6.47	157.06	9.88
<b>Basic earnings per share</b>	0.20		0.15		0.21	
Attributable to owners of the company						

Statements of Cash Flow for the 3-year ended December 31:

Description	2020	2019	2018
	Million Baht	Million Baht	Million Baht
<b>Cash flows from operating activities</b>			
Profit for the year	141.46	110.87	157.06
Adjustments to profit for the year to cash provided by (used in) from operations:			
Interest income	(0.85)	(1.20)	(1.49)
Investments income (expense) from private fund	-	(0.80)	(9.75)
Unrealized (gain) loss on investments from private fund	-	(2.36)	19.30
Loss (gain) from sale of investment properties	-	-	(57.83)
Loss (gain) from sale of fixed assets	1.58	-1.02	(4.72)
Bad debts	-	0.04	-
Doubtful accounts (reversal)	1.52	(16.13)	6.87
Written-off withholding tax	1.37	1.28	-
Depreciation	131.93	98.74	93.11
Amortization	3.39	4.78	5.11
Employee benefit expenses	8.26	18.24	5.71
Interest expenses	13.10	8.68	7.28
Income tax expenses	17.50	12.64	28.36
<b>Profit from operations before changes in operating assets and liabilities</b>	<b>319.26</b>	<b>235.79</b>	<b>249.02</b>
<b>Changes in operating assets - (Increase) Decrease</b>			
Trade and other current receivables	(37.40)	(60.17)	3.25
Accrued revenues from hospital operations	(32.15)	54.19	(28.36)
Inventories	(5.20)	(1.07)	(1.85)
Other current assets	9.89	(8.47)	1.22
Other non-current assets	1.59	(2.61)	(2.70)
<b>Changes in operating liabilities - Increase (Decrease)</b>			
Trade and other current payables	46.62	5.97	(6.31)
Advance received from the Social Security Office	4.82	9.40	-
Other currents liabilities	(1.80)	(0.76)	(0.15)
Other non - current liabilities	0.74	2.37	(7.47)
<b>Cash generated from operation</b>	<b>306.38</b>	<b>234.64</b>	<b>206.65</b>
Cash received from interest income	0.62	0.87	1.11
Cash paid for employee benefit obligations	(1.55)	(6.58)	(7.06)
Cash paid for income tax	(15.54)	(18.32)	(39.16)
<b>Net cash provided by operating activities</b>	<b>289.92</b>	<b>210.61</b>	<b>161.54</b>

Statements of Cash Flow for the 3-year ended December 31: (continued)

Description	2020	2019	2018
	Million Baht	Million Baht	Million Baht
<b>Cash flows from investing activities</b>			
Decrease in temporary investments	-	51.47	178.57
Interest income and discount from investments	-	0.84	10.57
(Increase) decrease in bank deposits pledged as collateral	(10.21)	0.02	(0.49)
Cash paid for purchase of property, plant and equipment	(121.43)	(167.57)	(161.11)
Cash paid for purchase of right-of-use assets	(12.63)	-	-
Cash received from sale of investment property	3	-	97.64
Cash received from sale of fixed assets	0.22	0.17	7.10
Cash paid for purchase of intangible assets	(2.62)	(1.98)	(6.15)
Cash received from interest income	0.24	0.32	0.37
<b>Net cash provided by (used in) investing activities</b>	<b>(146.43)</b>	<b>(116.72)</b>	<b>126.50</b>
<b>Cash flows from financing activities</b>			
Increase (decrease) in overdrafts from financial institution	2.51	9.48	(20.70)
Cash received from short-term loans from financial institutions	20.00	30.00	61.00
Cash paid for short-term loans from financial institutions	(20.00)	(30.00)	(62.00)
Cash received from long-term loans from financial institutions	99.75	116.00	-
Cash paid for long-term loans from financial institutions	(24.04)	(38.20)	(34.04)
Cash paid for lease liabilities	(45.05)	(39.35)	(30.86)
Cash paid for treasury shares	-	-	(197.24)
Dividend paid	(72.00)	(126.00)	(146.05)
Cash received from the capital increase in a non-controlling interests	0.37	1.43	-
Dividend paid to non-controlling interests	(0.17)	(0.06)	(0.11)
Cash paid for interest expenses	(13.08)	(8.67)	(7.29)
<b>Net cash used in financing activities</b>	<b>(51.71)</b>	<b>(85.37)</b>	<b>(437.30)</b>
Net increase (decrease) in cash and cash equivalents	91.78	8.52	(149.26)
Cash and cash equivalents at beginning of the year	67.90	59.38	208.64
<b>Cash and cash equivalents at end of the year</b>	<b>159.68</b>	<b>67.90</b>	<b>59.38</b>

**Key Financial Ratios:**

Description	unit	2020	2019	2018
<b><u>Liquidity Ratios</u></b>				
Current Ratio	times	1.36	1.21	1.46
Quick Ratio	times	1.28	1.09	1.35
<b><u>Activity Ratios</u></b>				
Account Receivable Turnover	times	10.20	12.28	14.99
Average Collection Period	days	35.79	29.73	24.35
Fixed Asset Turnover	times	1.27	1.19	1.27
Account Payable Turnover	times	6.63	7.00	5.98
Average Payment Period	days	55.05	52.17	61.01
Cash Cycle	days	(11.97)	(15.36)	(29.47)
Inventory Turnover	times	50.06	51.54	50.80
Average Sale (Inventory) Period	days	7.29	7.08	7.18
Total Asset Turnover	times	0.87	0.85	0.81
<b><u>Leverage Ratios</u></b>				
Debt/Equity Ratio	times	0.54	0.40	0.30
Interest Coverage Ratio	times	13.11	15.85	27.90
<b><u>Profitability Ratios</u></b>				
Gross Profit Margin	%	24.50	21.67	24.84
Net Profit Margin	%	7.87	6.92	9.88
Return on Asset (ROA)	%	8.29	7.07	9.86
Return on Equity (ROE)	%	10.15	7.99	10.56
<b><u>Financial Ratio</u></b>				
Dividend payout / Net Profit of the Company ( <i>Dividend Policy</i> )				
- dividend payout derived from net profit	%	78.91	92.47	84.98

(\*)The aforesaid dividend payment for the year 2019 shall be proceeded following the approval of the shareholders' meeting No. 31/2019. Nevertheless, the Company need not to allocate any of incremental legal reserve since it had reached the amount required by law and the Company's Articles of Association.

### BUSINESS POLICY AND OVERALL OPERATION

#### Overall Operating Performance

The business operation of the Company and its subsidiaries covers 5 main business sectors comprising hospital and related healthcare services, scientific analytical and diagnostic laboratory service of medical healthcare, food, agricultural, pharmaceutical, clinical trial, calibration, hospital management and consulting services, as well as medical analytical and diagnostic services having details as follows:-

#### 1. HEALTH CARE SERVICES: operated and managed by

- Ladprao General Hospital Public Company Limited (“LPH”, “Company” or “Hospital”) operates a private hospital business in Bangkok providing complete general healthcare services (General Hospital) and special medical care for both outpatients and inpatients including emergency with 24-hour ambulatory service. The Company has always emphasized the importance of quality healthcare with efficient, advanced and high standard technology medical equipment and experienced physicians and staff under the registered hospital name of “Ladprao Hospital” (“Hospital”) with its service capability including the new Excellence Center of 206 registered beds with an OPD capacity of approximately 4,400 patients/day.
- Ladprao General Hospital 2 Company Limited (“LP2”) (Subsidiary) LP2 has not yet operated. The company has been established with the objective to operate the new established private hospital providing healthcare services which has been under new hospital investment project approval as planned.
- Asia Hospital Company Limited (“AH”) (Subsidiary). AH operates a private small-scale general hospital located in Ayutthaya province providing medical care for outpatients and emergency services with primarily delivers both in-hospital and on-site health check-up services. Outpatient and emergency medical treatment is available.

#### 2. SCIENTIFIC ANALYTICAL and DIAGNOSTIC SERVICES and RESEARCH for MEDICAL, AGRICULTURAL, FOOD AND DRUG: operated by

- Asia Medical and Agricultural Laboratory and Research Center Co., Ltd. (“AMARC”) (Subsidiary)  
Operate service businesses as follows:

Scientific analysis, testing and researching services for agricultural and pharmaceutical products focusing on analyzing of fresh and ready-made food, inspection of agricultural, livestock and fisheries, chemical, physical, and related scientific analyzing and testing product contamination, pharmaceutical and related medical analysis and testing, and calibration services for various measuring instruments. The aforesaid operational services has been delivered with international accepted standards in scientific laboratory analysis and testing services for agricultural, food and pharmaceutical products from the beginning of the process comprising:-

- o Agricultural raw materials,
- o Agriculture input factors (water, fertilizers, pesticides, animal feed),
- o Planting and cultivating process (Livestock and fisheries),
- o Organic and inorganic cultivating processes,
- o Agricultural products including processing ones,
- o Pharmaceutical products and pharmacology Including the manufacturing processes and their

effects on human (Bio-Equivalent),

- o Calibration of laboratory instruments,
- o Process environment (treated water and wastewater),
- o Food Safety Project for Restaurants, Hotel Chains, Food Retailers,
- o Research and development for the registration of food recipes, food supplements, cosmetics and drugs,
- o Information technology real-time system serving customer needs and satisfaction,

which therefore enhances the ability of the company to provide quality inspection services (Food Safety and Control) for customers related the official missions transferred by means of certifying such quality systems. customers. For jobs that have been transferred from government agencies

AMARC has been granted from the Board of Investment Thailand comprising 4 certificates for privileges in doing scientific laboratory test and the other one for servicing calibration business. The major privileges for the Company including but not limited to

1.) Exempt from corporate income tax on profit derived from the operation that has been promoted started from the first day of realizing sales and/or services income. \*\*

2.) Exempt from corporate income tax for the dividends derived from profits from the business which has been promoted (in clause 1)

### 3. HOSPITAL MANAGEMENT AND CONSULTING SERVICES: operated by

**Asia Business Management Center Co., Ltd. ("ABMC") (Subsidiary)** The business of supporting medical services and business development is operated by ABMC, a subsidiary. This business supports the Hospital's work and business development in the Company and its subsidiaries with the objective to operate and provide support services for the Hospital's legal work by providing legal consultation and contracts, reimbursement of treatment for patients in vehicle accidents, etc., along with providing support in business management, selling and marketing for both project and international customers including business development. ABMC has employed personnel with appropriate qualifications to perform the duty of providing consultation and participating in business management and development, as well as setting business policies for the Company and its subsidiaries..

### 4. SCIENTIFIC ANALYTICAL AND DIAGNOSTIC SERVICES: operated by

**Asia Medical Laboratory and Research Center Co. Ltd. ("AMLC") (Subsidiary)**, a subsidiary, conducts its professional on scientific analytical and medical diagnostic services with various medical examination and analysis served for hospital business including scientific analysis such as chemistry, immunology hematology and microbiology, etc. The Company was approved a grant of BOI privilege for the entire business from the Board of Investment Thailand on November 30, 2018 and received the promotion certificate on January 16, 2019 which the Company had already activated its rights and benefits in relation to corporate tax exemption since October 1, 2019.

The major privileges for the Company including but not limited to:

1. Exempt from corporate income tax on profit derived from the operation that has been promoted started from the first day of realizing sales and/or services income.

2. Exempt from corporate income tax for the dividends derived from profits from the business which



has been promoted (in clause 1)

Since the present Company's revenues are from its hospital and related healthcare services providing to various types of customers both general and Social Security patients, the variety of income base strengthen the revenue growth. The Company is one of the leading healthcare service providers on Ladprao and its surrounding areas recognized as high quality hospital with excellent doctors supported by experienced colleagues, advanced technology and responsive service in a comforting environment. The Company also has its location advantage due to not only situated among the high population density area surrounded by a number of growing private enterprises, shopping centers, schools, education centers and organizations but also supported by being in the official developing zone according to the city plan. In addition, the continually support from government on public health knowledge enhance and stipulate public health awareness as well which therefore support the Company sustainable growth.

In addition, the Company reported the service performance from scientific analytical and diagnostic laboratory of food, agricultural, pharmaceutical and medical operating by AMARC (subsidiary). The revenue from this testing service sector has continuously increased mainly due to growing customer base both new and existing ones who have recognized AMARC, been satisfied and impressed with the in-time reliable and efficient high-quality services with certified international standard.

## 14.1 Analysis on Operating Performance

### Revenues

The Consolidated revenue structure for the year 2020 mainly derived from 5 business sectors, having details as earlier mentioned, comprising hospital and related healthcare services operating by the Company; scientific analytical and diagnostic laboratory service of food, agricultural, pharmaceutical, as well as calibration under AMARC (subsidiary); hospital support and management and business development by ABMC, medical analytical and diagnostic services for the hospital operating by AMLC. Currently, the subsidiaries' revenues of supporting functions of selling and marketing for the hospital, business development, as well as medical laboratory and analysis has not been consolidated since all those services have been provided solely to the Company. Therefore, ABMC and AMLC's revenues were eliminated in the preparation of the consolidated financial statements of the Company.

The Company revenue structure for the year 2020 principally resulting from 2 main sectors of hospital revenues and service revenues, analytical & testing of food, agricultural products and drug (Scientific Testing & Research), as shown in the following table:-

Revenues Structure	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
1. HOSPITAL REVENUES	1,553.45	85.61	1,383.69	86.65	1,362.09	85.74
- Hospital Revenues from general clients	951.76	52.45	909.98	56.99	815.83	51.35
- Revenues from Social Security Fund	601.69	33.16	473.71	29.66	546.26	34.39
2. SERVICE REVENUES	247.81	13.66	197.75	12.38	163.41	10.28
- Scientific Testing & Research	219.74	12.11	197.75	12.38	163.41	10.28
- Scientific Health service	28.07	1.55	-	-	-	-
3. OTHER REVENUES	13.36	0.73	15.38	0.97	63.17	3.98
- Investments income of private fund, net	-	-	3.16	0.20	(9.55)	(0.60)
- Rental income	3.33	0.18	3.60	0.23	3.70	0.23
- Gain from sale of fixed assets	-	-	0.03	0.00	62.68	3.95
- Others	10.03	0.55	8.59	0.54	6.34	0.40
<b>Total Revenues</b>	<b>1,814.62</b>	<b>100.00</b>	<b>1,596.82</b>	<b>100.00</b>	<b>1,588.67</b>	<b>100.00</b>

In 2020, the Company and its subsidiaries had total revenues of Baht 1,814.62 million, an increase of 13.64% from year 2019. Medical treatment revenue from general patients grew by 4.59% while from social security programs increased by 27.02%. Major income derived from medical services totalling Baht 1,553.45 million, accounting for an average of 85.61% of the total revenues. The revenue from laboratory services operated by AMARC (a subsidiary company) was Baht 219.74 million, representing an average of 12.11% of total revenues while the revenue from the health check-up service, AH (a subsidiary company) recorded Baht 28.07 million, or an average of 1.55% of total revenues, and other income was Baht 13.36 million, or 0.73% of Company's total revenues.

## OPERATING PERFORMANCE

### ● Revenue from Hospital Operation

The Company's sources of income are mainly from 2 customer segments comprising the revenues from general clients and patients under the Social Security Scheme which have details as follows:

Revenue from Hospital Operation	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
- Hospital Revenues from general clients	951.76	61.27	909.98	65.76	815.83	59.90
Outpatients (OPD)	646.92	67.97	572.79	62.95	483.74	59.29
Inpatients (IPD)	304.84	32.03	337.19	37.05	332.09	40.71
- Revenues from Social Security Fund	601.69	38.73	473.71	34.24	546.26	40.10
<b>Total Revenues from Hospital Operation</b>	<b>1,553.45</b>	<b>100.00</b>	<b>1,383.69</b>	<b>100.00</b>	<b>1,362.09</b>	<b>100.00</b>

The Company had revenue from medical treatment in 2020 equal to 1,553.45 or 85.61% of the total revenue during that period. Revenue increased from the year 2019, accounting for 12.27%. Revenue from medical treatment for general patients grew by 4.59%. while social security income arose by 27.02%.

#### Hospital Revenues from general clients

The Company had its 2020 hospital revenues from general clients in the amount of Baht 951.76 million accounted for 61.27% of total revenues from hospital operation and increased from the previous year 2019 by 4.59% primarily generated by the policy of expansion of medical specialty centers to cover diseases with high complexity and growing demand segment covering but not limited to Eye and LASIK, Brain and Nerves, and Orthopedic Centers which therefore driving greater spending per visit and appealing extra clients visiting the hospital.

In 2020, the company had outpatient group (OPD) income of Baht 646.92 million or an average 67.97% of the income from general service customers which increased from 2019 12.94%. While the other of 32.03% was derived from inpatients of Baht 304.84 million, a decrease of 9.59% from 2019 due to the coronavirus (covid-19) outbreak.

#### Hospital Revenues from Social Security Fund

The company had income from social security service users in 2020 equal to Baht 601.69 million or 38.73% of the income from medical treatment. By income from groups of users according to the social security rights An increase from 2019, representing 27.02%. This is mainly due to the Social Security Office increasing the medical service rates in 2020 for contracted hospitals in the social security system.

### ● Revenues from Services

In 2020, the Company reported revenues from scientific and laboratory testing services totaling of Baht 219.74 million, or equivalent to 12.11% of total consolidated revenues, an increase of 11.12% from 2019.

The service revenue structure comprising 6 business segments classified by the category of laboratory in the following table:

Revenues from Scientific and Laboratory Testing & Research	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Food and Agricultural Lab	149.28	67.94	144.18	72.91	133.67	81.80
2. Medical and Pharmaceutical Lab	9.05	4.12	6.56	3.32	3.81	2.33
3. Calibration Lab	7.72	3.51	7.83	3.96	7.49	4.59
4. Hazardous Material Performance Testing Lab	2.27	1.03	3.78	1.91	3.88	2.37
5. Accreditation Lab	5.25	2.39	3.88	1.96	6.39	3.91
6. Laboratory analysis of agricultural hazardous material properties and Fertilizer analysis	43.32	19.72	28.51	14.42	5.64	3.45
7. Other Services*	2.84	1.29	3.01	1.52	2.53	1.55
<b>Total</b>	<b>219.74</b>	<b>100.00</b>	<b>197.75</b>	<b>100.00</b>	<b>163.41</b>	<b>100.00</b>

Note: Other services\* involve any additional charges for tasks beyond ordered scientific laboratory jobs, such as, extra reports requested by clients.

Analysis income has continuously increased mainly due to the expanding range with high quality of services delivered to its customers which has enhanced the reputation of AMARC to be consistently recognized.

Other revenue regarding health services have recorded by its operation starting from April 2020 at the amount of Baht 28.07 million or 1.55% of total revenue, deriving from the provision of nurse stations mainly in factories and mobile health check-up services.

#### ● Other Income

For the year 2020, the company had other income besides medical services and providing services equal to Baht 13.36 million or 0.73% of total revenue, a decrease from 2019 13.33%. The decrease in other income totaling Baht 2.02 million, mainly due to the difference in the major item of profit from the sale of investment property which occurred once only in 2019.

#### ● Cost of Services

The Company reported consolidated cost of services for the year 2020 of Baht 1,359.96 million, accounted for 83.14 % of total cost, an increase of 9.78% from last year 2019. The aggregate cost comprising cost of hospital operations, operated by the Company and cost of services managed by the subsidiary.

##### Cost of Hospital Operations

Cost of hospital medical treatment in 2020 was Baht 1,216.70 million or 67.05% of total income, an increase from 2019 or 8.23%, mainly due to the incremental of medical and nurse specialty so as to expand and develop the efficiency in providing medical treatment continuously, rising depreciation costs from investment in the development of assets, especially various medical centers to be the excellence ones. In addition, some other expenses arose due to the coronavirus (covid-19) outbreak prevention in the previous year 2020.

## Cost of Services

Service costs in the year 2020 was equal to Baht 143.26 million or 7.89% of total revenues.

Cost of hospital the analysis service was Baht 121.79 million or 55.42% of the analysis service income. Increased from 2019, accounting for 6.26%, which is a cost incurred from providing analysis services. It consists of the cost of compensation for laboratory personnel. The cost of laboratory reagents and medical supplies and depreciation. The average proportion was 56.96%, 27.23% and 15.81% of the cost of providing analysis services, respectively.

The cost for check-up service was Baht 21.47 million or 76.49% of its revenue comprising the compensation for medical personnel and expenses for providing services which accounted for the average of 80.48% and 19.52% of the check-up cost, respectively.

- **Services and Administrative Expenses and Management Remuneration**

Services and administrative expenses and management remuneration of the Company and subsidiaries consisted of employee benefits, management and directors' remuneration, advisory fees, marketing and public relation, utilities, and administrative expenses, etc, which those overall expenses for the year 2020 was Baht 282.60 million or equivalent to 15.57% of total revenues, an increase of 25.13% from last year 2019.

- **Financing Costs**

The consolidated financing costs for the Company and its subsidiaries for the year 2020 reported at Baht 13.10 million, or 0.72% of total revenues of the business.

- **Profits**

Profitability Ratio	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Gross Profit from operation	441.30	24.50	342.66	21.67	378.93	24.84
Net Profit for the Year	141.46	7.80	110.87	6.94	157.06	9.89
Profit attributable to Owners of the Company	142.89	7.87	110.49	6.92	156.95	9.88

## Profitability Performance

The Company and its subsidiaries had a gross profit margin of Baht 441.30 million or 24.50% of operating income. Rising gross margin was mainly driven by the effective cost control management of medical treatment and service especially by increasing the number of medical specialists to support the expansion in a productive direction and upgrading of various medical centers to being the excellence centers. As a result, revenue has been growing in lines with the Company's growth targets and exceeded its overall cost which driving greater gross profit.

## 4.2 Analysis on Financial Position

### ● Assets

The total assets of the Company and its subsidiaries as of December 31, 2020 was valued at Baht 2,226.83 million, with total current assets of Baht 518.58 million or 23.29%, of total assets. While total non-current assets were valued at Baht 1,708.25 million or 76.71% of total assets, respectively. The details of major items are as follows.

#### Cash and cash equivalents and temporary investments

Cash and cash equivalents and temporary investments as at December 31, 2020 was totaling of Baht 159.68 million or equivalent to 7.17% of total assets, an increase from the year 2019 YoY due to the increase portion of self-pay general clients.

#### Trade and other receivables

As at December 31, 2020, the Company and its subsidiaries reported trade and other receivables totaling of Baht 194.74 million, or equivalent to 8.75 % of total assets which can be summarized as follows: -

Trade and other receivables	2020 Million Baht	2019 Million Baht	2018 Million Baht
Receivable from Social Security Office	8.53	15.03	5.26
Trade receivable - other	170.69	121.77	91.25
Other non-current liabilities	27.31	35.32	14.64
Total	206.53	172.12	111.15
(Less) Allowance for doubtful accounts	(11.79)	(13.60)	(12.07)
<b>Total trade and other receivables -net</b>	<b>194.74</b>	<b>158.52</b>	<b>99.08</b>

According to the above data table, the receivable from Social Security Office in the year 2020 was decreased compared with 2019 due to official payment method enforced by the Social Security Office. Meanwhile, if considered only the trade receivable – other than from Social Security Office, there was reported of Baht 170.69 million which was in corresponded with growing revenues from normal course of business operation.

Receivable Aging Analysis	2020		2019		2018	
	Million	%	Million	%	Million	%
Within credit term	88.77	49.53	61.79	45.17	42.04	43.56
Less than 3 months	54.15	30.21	45.91	33.56	32.86	34.05
3-6 months	20.09	11.21	14.02	10.25	8.29	8.59
6-12 months	4.12	2.30	3.16	2.31	4.25	4.40
Over 12 months	12.09	6.75	11.92	8.71	9.07	9.40
<b>Total</b>	<b>179.22</b>	<b>100.00</b>	<b>136.80</b>	<b>100.00</b>	<b>96.51</b>	<b>100.00</b>

The Company had the proportion of total accrued income within credit term altogether with less than 180 days to the total outstanding receivables increased by 33.29% due to the greater amount of receivables following Company's growing revenues from normal course of business operation.

The company has the policy to set the allowance for doubtful debts based on the amount of receivables that might not be collected by the evaluation of expected credit loss (ECL) applying the probability of default with forward looking to each category of the receivables stated in the above at the rate of 8%, 25% ,42%, 65% and 100%, respectively following the recovery at the rate of 65%

### Accrued revenues from hospital operations

As at December 31, 2020 the Company accrued its net revenues from hospital operations by Baht 132.48 million or equivalent to 5.95% of total assets with the following details:

Accrued hospital revenues	2020		2019		2018	
	Million	%	Million	%	Million	%
Accrued revenues from hospital operations of Chronic diseases	63.07	47.61	57.65	57.46	71.84	52.49
Accrued revenues from hospital operations provided to patients with severe diseases	63.87	48.21	27.37	27.28	64.81	47.35
Accrued social security income – other	5.54	4.18	15.31	15.26	17.87	13.06
Allowance for doubtful account	-	-	-	-	(17.65)	(12.90)
<b>Total</b>	<b>132.48</b>	<b>100.00</b>	<b>100.33</b>	<b>100.00</b>	<b>136.87</b>	<b>100.00</b>

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

### Inventory

As at December 31, 2020 the Company and its subsidiaries had their inventory left totaling Baht 29.76 million or equivalent to 1.33% of total assets comprising medicines, medical supplies, miscellaneous and laboratory chemicals having details as follows:

Inventory	2020		2019		2018	
	Million	%	Million	%	Million	%
Medicines	13.78	46.30	12.33	50.18	10.41	44.30
Medical supplies	4.42	14.86	2.09	8.51	2.46	10.47
Miscellaneous	4.03	13.54	3.76	15.30	4.95	21.06
Laboratory chemicals	7.53	25.30	6.39	26.01	5.68	24.17
<b>Total</b>	<b>29.76</b>	<b>100.00</b>	<b>24.57</b>	<b>100.00</b>	<b>23.50</b>	<b>100.00</b>

The overall status for the Company and its subsidiaries as at December 31, 2020 showed the inventory amounted to Baht 29.76 million increasing from 2019-YOY by 21.12% in accordance with the upraise corporate sales.

### Property, Plant and Equipment

As at December 31, 2020 the Company had its property, plant and equipment accounted for 65.15% of total assets with the value of Baht 1,450.83 million. The increase was generated by the on-going investment in the new Excellence Center Building along with medical equipment and appliances in lines with the policy of striving to be an excellent medical service provider.

## SOURCES OF FUND

- **Liabilities**

As at December 31, 2020, the Company and its subsidiaries reported their liabilities of Baht 781.43 million or an increase by 42.51% mainly due to the increasing support from the financial institutions for the investment in medical excellence centers, the renovation of specialized medical centers, acquisition of necessary medical, agricultural and food laboratories equipment so as to enhance and serve for the growing service capabilities of the company and subsidiaries in accordance with the corporate business plan, and the incremental booking of lease liability for operational lease in accordance with the accounting standard TFRS16.

- **Shareholders' Equity**

As at December 31, 2020, the Company and its subsidiaries had the equity attributable to owners of the company before the reserve for treasury shares of Baht 1,640.98 million. However, when deducting the treasury stock according to the project approved by the shareholders 'meeting by the amount of Baht 197.24 million, the shareholders' equity attributable to owners of the company would be Baht 1,443.74 million.