

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED

**REVIEWS REPORT AND INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023**

INDEPENDENT AUDITOR’S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To The Shareholders and Board of Directors of
Aikchol Hospital Public Company Limited

I have reviewed the accompanying statement of financial position of Aikchol Hospital Public Company Limited as at March 31, 2023 and the related statement of comprehensive income, changes in shareholders’ equity and cash flows for the three-month period then ended and the condensed notes to the interim financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

SCOPE OF REVIEW

I conducted my review in accordance with Thai Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

CONCLUSION

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”.

(Miss Roongnapha Saengchan)
Certified Public Accountant No. 10142

Dharmniti Auditing Company Limited
Bangkok, Thailand
May 11, 2023

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AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

		Thousand Baht	
		As at March	As at December
		31, 2023	31, 2022
ASSETS			
	Notes		
Current assets			
Cash and cash equivalents	5	212,369	188,331
Trade and other current receivables	6	78,629	89,125
Accrued medical service income	7	94,805	124,761
Inventories	8	47,273	47,685
Other current financial assets	9	1,065,315	1,037,837
Total current assets		1,498,391	1,487,739
Non-current assets			
Fixed deposit pledge as collateral	9	13,377	24,037
Other non-current financial assets	9	196,666	193,333
Property, plant and equipment	10	721,384	729,092
Right-of-use assets	11	7,195	8,165
Intangible assets	12	22,669	23,868
Other non-current assets		168	168
Total non-current assets		961,459	978,663
Total assets		2,459,850	2,466,402

Notes to the interim financial statements form an intergral part of these statements.

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AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT MARCH 31, 2023

LIABILITIES AND SHAREHOLDERS' EQUITY

		Thousand Baht	
		As at March	As at December
		31, 2023	31, 2022
Current liabilities			
Trade and other current payables	14	105,813	113,174
Accrued expenses		93,562	142,805
Current portion of lease liabilities	16	3,819	3,864
Corporate income tax payable		30,422	22,214
Advance received from medical service	15	8,359	8,359
Other current liabilities		11,692	12,911
Total current liabilities		253,667	303,327
Non-current liabilities			
Lease liabilities	16	3,478	4,388
Deferred tax liabilities	13	21,240	22,790
Employee benefit obligation	17	69,806	68,867
Total non-current liabilities		94,524	96,045
Total liabilities		348,191	399,372

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

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AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT MARCH 31, 2023

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Thousand Baht	
	As at March	As at December
Notes	31, 2023	31, 2022
Shareholders' equity		
Share capital		
Authorised share capital		
150,000,000 ordinary shares of Baht 1 each	150,000	150,000
Issued and paid-up share capital		
149,909,264 ordinary shares of Baht 1 each	149,909	149,909
Share premium	74,000	74,000
Retained earnings		
Appropriated		
Legal reserve	14,991	14,991
Unappropriated	1,694,065	1,652,102
Other components of shareholders' equity	178,694	176,028
Total shareholders' equity	2,111,659	2,067,030
Total liabilities and shareholders' equity	2,459,850	2,466,402

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

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AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023

		Thousand Baht	
	Notes	2023	2022
Revenues			
Medical service income		415,440	521,380
Other income		9,724	7,849
Total revenues		425,164	529,229
Expenses			
Cost of medical services		323,288	366,261
Administrative expenses		49,266	44,396
Total expenses		372,554	410,657
Profit from operating activities		52,610	118,572
Finance costs		56	49
Profit before income tax expenses		52,554	118,523
Income tax expenses	18	10,591	24,172
Profit for the period		41,963	94,351
Other comprehensive income			
Components of other comprehensive income that will not be reclassified to profit or loss			
Gains on investment in equity designated at fair value through other comprehensive income		3,333	13,333
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	18	(667)	(2,666)
Total components of other comprehensive income that will not be reclassified to profit or loss		2,666	10,667
Other comprehensive income for the period - net of income tax		2,666	10,667
Total comprehensive income for the period		44,629	105,018
Basic earnings per share (Baht per share)	21	0.28	0.63

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

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AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023

	Thousand Baht					
	Issued and paid-up share capital	Share premium	Retained earnings		Other components of shareholder's equity	Total shareholders' equity
			Appropriated to legal reserve	Unappropriated	Gain (loss) on measuring financial assets	
Beginning balance as at January 1, 2023	149,909	74,000	14,991	1,652,102	176,028	2,067,030
Profit for the period	-	-	-	41,963	-	41,963
Other comprehensive income for the period - net of tax						
Gain on measuring financial assets	-	-	-	-	2,666	2,666
Balance at March 31, 2023	149,909	74,000	14,991	1,694,065	178,694	2,111,659
Beginning balance as at January 1, 2022	149,909	74,000	14,991	1,471,252	144,028	1,854,180
Profit for the period	-	-	-	94,351	-	94,351
Other comprehensive income for the period - net of tax						
Gain on measuring financial assets	-	-	-	-	10,667	10,667
Balance at March 31, 2022	149,909	74,000	14,991	1,565,603	154,695	1,959,198

Notes to the interim financial statements form an intergral part of these statements.

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AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023

	Thousand Baht	
	2023	2022
Cash flows from operating activities		
Profit for the period	41,963	94,351
Reconciliations of profit for the period to net cash received (paid)		
from operating activities:		
Depreciation and amortisation	18,345	17,206
Interest income	(2,350)	(607)
Bad debt written off and allowance for expected credit loss	11,181	340
Loss on disposal of fixed assets	237	2,318
Employee benefits expenses	2,940	3,151
Finance costs	56	49
Income tax expenses	10,591	24,172
Profit provided by operating activities before changes in operating assets and liabilities	82,963	140,980
(Increase) decrease in operating assets		
Trade and other current receivables	8,480	(38,430)
Accrued medical service income	20,984	17,714
Inventories	412	7,554
Increase (decrease) in operating liabilities		
Trade and other current payables	(2,324)	(370)
Accrued expenses	(49,243)	(56,846)
Accrued income from social security office	-	(1,298)
Other current liabilities	(1,219)	(2,593)
Cash flows received (paid) operating activities	60,053	66,711
Employee benefits paid	(2,001)	(1,812)
Income tax paid	(4,600)	(4,343)
Net cash provided by (used in) operating activities	53,452	60,556

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

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AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONT.)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023

	Thousand Baht	
	2023	2022
Cash flows from investing activities		
Interest received	2,158	540
Decrease in fixed deposit pledge as collateral	10,660	-
Cash payments for investment in other current financial assets	(76,661)	(142,723)
Cash receipts from redemption in other current financial assets	49,183	4,461
Purchase of property, plant and equipment	(13,742)	(11,328)
Net cash provided by (used in) investing activities	(28,402)	(149,050)
Cash flows from financing activities		
Finance cost paid	(56)	(49)
Lease liabilities paid	(956)	(944)
Net cash provide by (used in) financing activities	(1,012)	(993)
Net increase (decrease) in cash and cash equivalents	24,038	(89,487)
Cash and cash equivalents at beginning of period	188,331	360,389
Cash and cash equivalents at end of period	212,369	270,902
<u>Supplement disclosures of cash flows information</u>		
Reconciliation of proceed from purchase of property, plant and equipment		
Purchase of property, plant and equipment	(8,705)	(14,690)
Increase in other payable from acquisition of fixed assets	(5,037)	3,362
Cash paid from purchase of property, plant and equipment	(13,742)	(11,328)

Notes to the interim financial statements form an intergral part of these statements.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS
MARCH 31, 2023

1. GENERAL INFORMATION

Aikchol Hospital Public Company Limited, “the Company”, is incorporated in Thailand. A registered office is at 68/3 Moo 2, Phrayasatja Road, Amphoe Muang, Cholburi and a branch is at 31/2 Moo 3, Tambol Samed, Amphoe Muang, Cholburi. The Company operates in Cholburi Province. And it is well known in medical and nursing care services under the trademark namely, “Aikchol Hospital”.

The Company was listed on the Stock Exchange of Thailand on January 10, 1992.

The principal activities of the Company are providing full hospital services including diseases protection, medical treatment, health strengthening and health rehabilitation services with 310 beds in service.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”, and the requirements of the Securities and Exchange Commission (SEC). The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and situations and not intended to re-emphasis on the information previously reported. The interim financial statements should therefore, be read in conjunction with the financial statements for the year ended December 31, 2022.

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

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

2.2 Financial reporting standards that became effective in the current period

During the period, the Company has adopted the revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2023. This revision is for the financial reporting standards to be clearer and more appropriate and to conform with international financial reporting standards. Such revision does not affect the principles of the standards and does not affect the users of the financial reporting standards.

The adoption of these financial reporting standards does not have any significant impact on the financial statements in the current period.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)
MARCH 31, 2023

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in preparing the interim financial statements are the same accounting policies used in the preparation of the annual financial statements for the year ended December 31, 2022.

4. SEASONAL OPERATION

The Company’s business is not affected significantly by seasonal or cyclical factor during the financial period.

5. CASH AND CASH EQUIVALENTS

Consisted of :-

	Thousand Baht	
	As at March 31, 2023	As at December 31, 2022
Cash on hand	1,822	1,574
Cash at bank - savings accounts and current accounts	210,547	186,757
Total	212,369	188,331

As at March 31, 2023 and December 31, 2022, cash at bank-savings accounts have interest at the floating rate at 0.40% per annum and 0.35% per annum, respectively.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

MARCH 31, 2023

6. TRADE AND OTHER CURRENT RECEIVABLES

Consisted of :-

	Thousand Baht	
	As at March 31, 2023	As at December 31, 2022
Trade receivables		
Within credit terms	48,032	38,898
Overdue:		
Less than 3 months	24,543	40,521
3-6 months	1,224	2,863
6-12 months	437	317
Over 12 months	2,108	2,209
	76,344	84,808
<u>Less</u> allowance for expected credit loss	(4,526)	(3,366)
Net	71,818	81,442
Other current receivables		
Prepaid expenses	2,756	3,085
Other accrued income	2,547	2,944
Others	1,508	1,654
	6,811	7,683
Total trade and other current receivables	78,629	89,125

The normal credit term granted by the Company ranges from 30 days to 120 days.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

MARCH 31, 2023

7. ACCRUED MEDICAL SERVICE INCOME

Consisted of :-

	Thousand Baht	
	As at March 31, 2023	As at December 31, 2022
Social Security Office		
Chronic diseases	24,573	27,863
Patients with severe diseases	34,597	41,637
Others	17,134	12,699
	76,304	82,199
National Health Security Office		
Coronavirus 2019 infected patient	32,336	47,425
<u>Less allowance for expected credit loss</u>	(13,835)	(4,863)
	18,501	42,562
Total	94,805	124,761

The Company is unable to determine the certain amount of medical income for treatment provided to patients with severe diseases and medical income for treatment of chronic diseases that have not been received from the Social Security Office and National Health Security Office for COVID - 19. Therefore, the management of the Company has estimated the accrued income based on the latest actual amount received along with the current circumstances. The management of the Company believes that the actual results will not be significantly different from the estimated amount.

8. INVENTORIES

Consisted of :-

	Thousand Baht	
	As at March 31, 2023	As at December 31, 2022
Medicine and medical supplies	40,634	40,942
Supplies	6,639	6,743
Total	47,273	47,685

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

MARCH 31, 2023

9. FINANCIAL ASSETS

Consisted of :-

	Thousand Baht	
	As at March 31, 2023	As at December 31, 2022
Other current financial assets		
Debt instruments at amortised cost		
Fixed deposit	10,881	221
Equity security designed at fair value through profit or loss		
Mutual funds - fixed income	1,054,434	1,037,616
Total	1,065,315	1,037,837
 Fixed deposit pledge as collateral		
Fixed deposit pledge as collateral	13,377	24,037
Total	13,377	24,037
 Other non-current financial assets		
Equity security designed at fair value through other comprehensive income	196,666	193,333
Total	196,666	193,333

As at March 31, 2023 and December 31, 2022, fixed deposits have interest rate at 0.38% per annum and 0.38% per annum, respectively, and investment in mutual funds - fixed income which the Company intends to hold to maturity within 1 year and has return at the rate of 0.87% per annum and 0.65% per annum, respectively.

As at March 31, 2023 and December 31, 2022, fixed deposits in the amount of Baht 13.38 million and 24.04 million, are pledged as collateral for the letters of guarantee issued by a commercial bank.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

MARCH 31, 2023

As at March 31, 2023 and December 31, 2022, other non-current financial assets in marketable equity are stated at fair value through other comprehensive income, consisted of :-

	Holding of interest (%)		Million Baht			
	As at March	As at December	As at March		As at December	
	31, 2023	31, 2022	31, 2023	31, 2022	Cost	Market value
Bangkok Dusit Medical Services Plc.	0.06	0.06	2.20	196.67	2.20	193.33
<u>Add Gain on measuring financial assets</u>			<u>194.47</u>		<u>191.13</u>	
Total			<u>196.67</u>		<u>193.33</u>	

10. PROPERTY, PLANT AND EQUIPMENT

Consisted of :-

	Thousand Baht				
	Balance per	Additions	Transfer in	Deductions	Balance per
	book as at		(Transfer out)		book as at
	Dec. 31, 2022				Mar. 31, 2023
<u>Cost</u>					
Land	108,160	-	-	-	108,160
Buildings and building improvement	1,012,749	775	-	(458)	1,013,066
Medical equipment	333,834	4,281	-	(3,024)	335,091
Furniture and fixture	39,657	167	-	(25)	39,799
Office equipment	74,727	514	25	(72)	75,194
Vehicles	26,026	-	-	-	26,026
Assets under construction and installation	23,087	2,968	(25)	-	26,030
Total	<u>1,618,240</u>	<u>8,705</u>	<u>-</u>	<u>(3,579)</u>	<u>1,623,366</u>
<u>Less accumulated depreciation</u>					
Buildings and building improvement	530,208	9,249	-	(371)	539,086
Medical equipment	244,388	5,227	-	(2,884)	246,731
Furniture and fixture	33,731	319	-	(25)	34,025
Office equipment	60,803	1,108	-	(62)	61,849
Vehicles	20,018	273	-	-	20,291
Total	<u>889,148</u>	<u>16,176</u>	<u>-</u>	<u>(3,342)</u>	<u>901,982</u>
Net	<u>729,092</u>				<u>721,384</u>

As at March 31, 2023 certain equipment and vehicle items of the Company has been fully depreciated but are still in use of cost in amount of Baht 350.30 million.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

MARCH 31, 2023

11. RIGHT-OF-USE ASSETS

Consisted of :-

	Thousand Baht			
	Balance per book as at Dec. 31, 2022	Additions	Deductions	Balance per book as at Mar. 31, 2023
<u>Cost</u>				
Medical equipment	862	-	-	862
Office equipment	9,514	-	-	9,514
Vehicle	1,254	-	-	1,254
Total	11,630	-	-	11,630
<u>Less accumulated depreciation</u>				
Medical equipment	431	72	-	503
Office equipment	2,233	793	-	3,026
Vehicle	801	105	-	906
Total	3,465	970	-	4,435
Right-of-use assets - net	8,165			7,195

12. INTANGIBLE ASSETS

Consisted of :-

	Thousand Baht			
	Balance per book as at Dec. 31, 2022	Additions	Deductions	Balance per book as at Mar. 31, 2023
<u>Cost</u>				
Computer software	66,508	-	-	66,508
<u>Less accumulated amortisation</u>	42,640	1,199	-	43,839
Net	23,868			22,669

As at March 31, 2023, certain intangible assets items of the Company has been fully amortised but they are still in used of cost in the amount of Baht 18.19 million.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)
MARCH 31, 2023

13. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Changes in deferred tax assets and deferred tax liabilities are summarized as follows:

	Thousand Baht			Balance as at Mar. 31, 2023
	Balance as at Dec. 31, 2022	Revenue (expenses) during the period		
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Trade account receivables	1,645	2,027	-	3,672
Right-of-use assets	18	2	-	20
Employee benefit obligation	13,773	188	-	13,961
Total	15,436	2,217	-	17,653
Deferred tax liabilities:				
Unrealized gain on remeasuring				
Other - non current financial assets	(38,226)	-	(667)	(38,893)
Total	(38,226)	-	(667)	(38,893)
Deferred tax assets (liabilities) - net	(22,790)			(21,240)

14. TRADE AND OTHER CURRENT PAYABLES

Consisted of :-

	Thousand Baht	
	As at March 31, 2023	As at December 31, 2022
Trade payables	83,605	84,963
Other current payables		
Asset payables	3,831	8,868
Expired cheque payables	3,922	4,757
Retention payables	2,643	2,637
Revenue department payables	1,593	2,496
Others	10,219	9,453
	22,208	28,211
Total trade and other current payables	105,813	113,174

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

MARCH 31, 2023

15. ADVANCE RECEIVED FROM MEDICAL SERVICE

On April 8, 2021, the Social Security Office had notified the results of the consideration of claiming for medical service fees in excess of the amount that the hospital should receive the refund from the hospital in the percentage of Adj RW that found the error detected from the amount received the refund for medical service fee in the year 2018 amounted Baht 9.30 million.

On June 2, 2021, the Company had received the notification of the results of the consideration of the refund of medical services in case of high cost diseases ($\text{Adj RW} \geq 2$) in the year 2018 by deducting from the medical service fee in type of in-patients with high-cost diseases ($\text{Adj RW} \geq 2$) that the hospital should receive from the Social Security Office for 6 installments, No. 1 - 5 amounted Baht 1.60 million each and No. 6 amounted Baht 1.30 million from the month approved to pay in installments.

On August 18, 2021, the Social Security office had notified the results of the consideration of claiming for medical service fee in excess of the amount that the hospital should receive the refund from the hospital in the percentage of Adj RW that found the error detected from the amount received the refund for medical service fee in the year 2016 amounted Baht 10.18 million by deducting from the medical services in case of high cost diseases ($\text{Adj RW} \geq 2$) that the hospital should receive from the social security office.

In the year 2021, the Social Security office had notified the results of the consideration of claiming for medical service fee in excess of the amount that the hospital should receive the refund from the hospital in the percentage of Adj RW that found the error detected from the amount received the refund for medical service fee in the year 2019 amounted Baht 8.70 million. It was medical service free in case of medical specialists in the amount of Baht 0.40 million. The remaining was medical service in case of high cost diseases ($\text{Adj RW} > 2$) in the amount of Baht 8.30 million. The company has submitted a letter requesting the Social Security Office to re-examine the use of medical services for the year 2019 and is awaiting the results of the review of new information reviewed by the Social Security Office.

During the year 2022, the Social Security office had notified the results of the consideration of claiming for medical service fee in excess of the amount that the hospital should receive the refund from the hospital in the year 2020 amounted Baht 0.06 million.

From the result of the Social Security Office's consideration above, it arises from the registration inspection by the Social Security Office using random sampling not less than 10 percent of the number of existing information to consider the completeness of the registration record in order to retrieve and calculate the reimbursement for such medical service fee. The sampling method is effective from July 1, 2014 onwards. The Company's management had a resolution to record the amount to be claimed back from the Social Security Office of the total amount by reducing revenue from medical treatment in the statement of comprehensive income and record advance received from medical service in the statement of financial position.

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AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)
MARCH 31, 2023

During the year 2022 the Social Security Office has deducted the medical service fee for in-patient with high-cost diseases Adj RW ≥ 2 in the amount Baht 1.30 million. It is the final installment of medical service fee deduction for in-patient with high-cost disease of 2018.

And The Social Security Office has deducted the medical service fee for in-patient with high-cost disease Adj RW ≥ 2 of 2016 in the amount of Baht 10.18 million. The deduction was made in 2 installments of Baht 5.91 million and Baht 4.27 million, respectively, and deducting medical service fee in case of medical professional in the year 2019 in the amount of Baht 0.40 million.

Therefore, as at March 31, 2023 advance received for medical service has a balance of Baht 8.30 million.

16. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movement for the three-month period ended March 31, 2023, are presented below :

	<u>Thousand Baht</u>
As at January 1, 2023	8,253
Accretion of interest	56
Payments	<u>(1,012)</u>
As at March 31, 2023	7,297
<u>Less: current portion</u>	<u>(3,819)</u>
Lease liabilities - net of current portion	<u><u>3,478</u></u>

The following are the amounts recognized in profit or loss:

	<u>Thousand Baht</u>	
	<u>For the three-month periods ended March 31,</u>	
	<u>2023</u>	<u>2022</u>
Depreciation of right-of-use assets	969	951
Interest expense on lease liabilities	56	49
Total	<u><u>1,025</u></u>	<u><u>1,000</u></u>

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AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)
MARCH 31, 2023

17. EMPLOYEE BENEFITS OBLIGATION

The statements of financial position

	Thousand Baht	
	As at March 31, 2023	As at December 31, 2022
Beginning defined benefits obligation	68,867	59,187
Benefits paid by the plan	(2,001)	(2,949)
Current service and interest costs	2,940	12,629
Ending defined benefits obligation	69,806	68,867

Expenses recognised in statements of comprehensive income

	Thousand Baht	
	For the three-month periods ended March 31,	
	2023	2022
Current service cost	2,677	2,925
Interest on obligation	263	226
Total	2,940	3,151

Principal actuarial assumptions at the reporting date

For the three - month periods ended March 31, 2023 and 2022

	Percentage	
	2023	2022
Discount rate	1.54	1.54
Salary increase rate	6	6
Employee turnover rate	11 - 22	11 - 22
Disability rate	5*	5*

*

reference to mortality rate in B.E. 2017

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MARCH 31, 2023

18. INCOME TAX EXPENSES

18.1 Major components of income tax expenses for the three-month periods ended March 31, 2023 and 2022 consisted of:

	Thousand Baht	
	2023	2022
Income tax expenses shown in profit or loss :		
Current tax expense:		
Income tax expense for the year	12,808	24,475
Deferred tax expense (income):		
Changes in temporary differences relating to the original recognition and reversal	(2,217)	(303)
Total	10,591	24,172
Deferred tax relating to:		
Gain on measuring financial assets	667	2,666
Total	667	2,666

18.2 A numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate for the three-month periods ended March 31, 2023 and 2022 which are summarized as follows:

	Thousand Baht	
	2023	2022
Accounting profit for the period	52,554	118,523
The applicable tax rate (%)	20	20
Tax expense at the applicable tax rate	10,511	23,705
Reconciliation items:		
Tax effect of expenses that are not deductible in determining tax profit:		
- Expenses not allowed as expenses in determining taxable profit	80	467
Total reconciliation items	80	467
Total income tax expenses	10,591	24,172

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MARCH 31, 2023

18.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the three-month periods ended March 31, 2023 and 2022 are summarized as follows:

	Thousand Baht			
	2023		2022	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit before tax expenses	52,554		118,523	
Income tax expenses at the applicable tax rate	10,511	20.00	23,705	20.00
Reconciliation items	80	0.15	467	0.39
Income tax expenses at the average effective tax rate	10,591	20.15	24,172	20.39

19. SEGMENT INFORMATION

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 and assess its performance to the company’s operating segment.

The one main operating segment of the Company is to provide healthcare as private hospital and hospital under the affiliated of social security and the single geographical area of their operations is Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

Information about major customers

The groups of the Company’s major customers include individuals, group of policyholders of the insurance company, group of contract parties’ company and group of insured on social security who requires using the hospital service at the package rate from the government sectors.

20. EXPENSES BY NATURE

Significant expenses by nature for the three - month periods ended March 31, 2023 and 2022 are a follow:-

	Thousand Baht	
	2023	2022
Staff cost	111,617	134,110
Directors and management’s remuneration	7,526	9,235
Doctor fee	96,058	101,467
Medicine, medical supplies and supplies	75,665	87,544
Depreciation and amortisation	18,345	17,206
Others	63,343	61,095
Total	372,554	410,657

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21. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of ordinary shares which are issued and paid-up during the period.

	For the three-month periods ended March 31,	
	2023	2022
Profit for the period (Thousand Baht)	41,963	94,351
Weighted average number of ordinary share (Thousand Shares)	149,909	149,909
Earnings per share (Baht per share)	0.28	0.63

22. DISCLOSURE OF FINANCIAL INSTRUMENTS

The Company has a policy to manage the financial risks that affect the normal course of business such as changes in interest rate, the possibility of uncollectible debts, the ability to maintain the liquidity of working capital and the difference between the fair value and carrying value of financial assets and liabilities, etc. Nevertheless, the management expects the effects of these risks to be similar to the year ended December 31, 2022.

Fair value

The Company uses the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

Level 1 - Use of Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Use of Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (e.g. prices) or indirectly (e.g. derived from prices).

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

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As at March 31, 2023, the Company had the following assets and liabilities that were measured at fair value using different levels of inputs as follows :-

	Thousand Baht			
	Level 1	Level 2	Level 3	Total
Assets				
Other current financial assets				
- Mutual fund fixed income (hold to maturity within 1 year)	-	1,065,315	-	1,065,315
Other non-current financial assets				
- Equity	196,666	-	-	196,666
Total	196,666	1,065,315	-	1,261,981

23. COMMITMENTS AND CONTINGENT LIABILITIES

As at March 31, 2023 and December 31, 2022, the Company has commitments as follows :-

	Thousand Baht	
	As at March	As December
	31, 2023	31, 2022
23.1 Letters of guarantee issued by a commercial bank to the government unit and the state enterprise.	13,377	24,036
23.2 Construction and equipment installation agreements	11,780	15,101

24. RECLASSIFICATION

Certain amounts in the statements of income for the three-month period ended March 31, 2022 has been reclassified to conform to the current year’s classification but with no effect to previously reported net income or shareholders’ equity. The reclassifications were as follow:

	Baht		
	As previously reported	Increase (decrease)	As reclassified
For the three-month period ended March 31, 2022			
Cost of medical services	369,892	(3,631)	366,261
Administrative expenses	40,765	3,631	44,396

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25. EVENT AFTER THE REPORTING PERIOD

At the ordinary shareholders' meeting held on April 24, 2023, the shareholders approved the appropriation of dividend from operating results of Baht 1.81 per share, 149.91 million shares, amounting to Baht 271.05 million. The dividend will be proposed to pay to shareholders on May 23, 2023.

26. TO APPROVED THE INTERIM FINANCIAL STATEMENTS

The interim financial statements were authorised for issue by the Company's board of directors on May 11, 2023.