

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED

**REVIEWS REPORT AND INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 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 September 30, 2023 and the related statement of comprehensive income for the three-month and nine-month periods then ended, changes in shareholders’ equity and cash flows for the nine-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
November 10, 2023

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AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

ASSETS

		Thousand Baht	
		As at June	As at December
		30, 2023	31, 2022
Current assets			
Cash and cash equivalents	5	198,601	188,331
Trade and other current receivables	6	97,379	89,125
Accrued medical service income	7	94,448	124,761
Inventories	8	46,746	47,685
Other current financial assets	9	917,187	1,037,837
Total current assets		1,354,361	1,487,739
Non-current assets			
Fixed deposit pledge as collateral	9	14,105	24,037
Other non-current financial assets	9	183,333	193,333
Property, plant and equipment	10	725,421	729,092
Right-of-use assets	11	6,227	8,165
Intangible assets	12	22,086	23,868
Other non-current assets		168	168
Total non-current assets		951,340	978,663
Total assets		2,305,701	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 FINANCIAL POSITION (CONT.)
AS AT JUNE 30, 2023

LIABILITIES AND SHAREHOLDERS' EQUITY

		Thousand Baht	
		As at June	As at December
		30, 2023	31, 2022
	Notes		
Current liabilities			
Trade and other current payables	14	115,551	113,174
Accrued expenses		100,342	142,805
Current portion of lease liabilities	16	3,737	3,864
Corporate income tax payable		13,374	22,214
Advance received from medical service	15	8,300	8,359
Other current liabilities		12,882	12,911
Total current liabilities		254,186	303,327
Non-current liabilities			
Lease liabilities	16	2,598	4,388
Deferred tax liabilities	13	17,542	22,790
Employee benefit obligation	17	71,690	68,867
Total non-current liabilities		91,830	96,045
Total liabilities		346,016	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 JUNE 30, 2023

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		Thousand Baht	
		As at June	As at December
	Notes	30, 2023	31, 2022
Shareholders' equity			
Share capital			
Authorised share capital			
		150,000	150,000
150,000,000 ordinary shares of Baht 1 each			
Issued and paid-up share capital			
		149,909	149,909
149,909,264 ordinary shares of Baht 1 each			
Share premium		74,000	74,000
Retained earnings			
Appropriated			
		14,991	14,991
Legal reserve			
		1,552,757	1,652,102
Unappropriated			
Other components of shareholders' equity		168,028	176,028
Total shareholders' equity		1,959,685	2,067,030
Total liabilities and shareholders' equity		2,305,701	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
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2023

		Thousand Baht			
		For the three-month periods		For the six-month periods	
		ended June 30,		ended June 30,	
Note		2023	2022	2023	2022
Revenues					
	Medical service income	430,905	483,424	846,345	1,004,804
	Other income	12,716	10,986	22,440	18,835
	Total revenues	443,621	494,410	868,785	1,023,639
Expenses					
	Cost of medical services	339,676	373,739	662,964	740,000
	Administrative expenses	60,467	58,915	109,733	103,311
	Total expenses	400,143	432,654	772,697	843,311
	Profit from operating activities	43,478	61,756	96,088	180,328
	Finance costs	50	41	106	90
	Profit before income tax expenses	43,428	61,715	95,982	180,238
	Income tax expenses	8,337	12,259	18,928	36,431
	Profit for the period	35,091	49,456	77,054	143,807
Other comprehensive income (expense)					
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	(13,333)	-	(10,000)	13,333
	Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	2,667	-	2,000	(2,666)
	Total components of other comprehensive income that will not be reclassified to profit or loss	(10,666)	-	(8,000)	10,667
	Other comprehensive income (expense) for the period - net of tax	(10,666)	-	(8,000)	10,667
	Total comprehensive income for the period	24,425	49,456	69,054	154,474
	Basic earnings per share (Baht per share)	0.23	0.33	0.51	0.96

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 SIX-MONTH PERIOD ENDED JUNE 30, 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	
	Note						
Beginning balance as at January 1, 2023		149,909	74,000	14,991	1,652,102	176,028	2,067,030
Dividend	21	-	-	-	(176,399)	-	(176,399)
Profit for the period		-	-	-	77,054	-	77,054
Other comprehensive income for the period - net of tax							
Gain (loss) on measuring financial assets		-	-	-	-	(8,000)	(8,000)
Ending balance at June 30, 2023		149,909	74,000	14,991	1,552,757	168,028	1,959,685
Beginning balance as at January 1, 2022		149,909	74,000	14,991	1,471,252	144,028	1,854,180
Dividend	21	-	-	-	(90,203)	-	(90,203)
Profit for the period		-	-	-	143,807	-	143,807
Other comprehensive income for the period - net of tax							
Gain (loss) on measuring financial assets		-	-	-	-	10,667	10,667
Ending balance at June 30, 2022		149,909	74,000	14,991	1,524,856	154,695	1,918,451

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
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023

	Thousand Baht	
	2023	2022
Cash flows from operating activities		
Profit for the period	77,054	143,807
Reconciliations of profit for the period to net cash received (paid) from operating activities:		
Depreciation and amortisation	36,885	34,666
Interest income	(5,558)	(1,358)
Dividend income	(2,000)	(1,333)
Bad debt written off and allowance for expected credit loss	18,920	708
Gain on sale of fixed assets	-	(100)
Loss on disposal of fixed assets	335	2,851
Gain on sale of investment in other current financial asset	(189)	(16)
Employee benefits expenses	6,396	6,290
Finance costs	106	90
Income tax expenses	18,928	36,431
Profit provided by operating activities before changes in operating assets and liabilities	150,877	222,036
(Increase) decrease in operating assets		
Trade and other current receivables	(13,310)	(32,790)
Accrued medical service income	16,527	(21,804)
Inventories	939	9,486
Increase (decrease) in operating liabilities		
Trade and other current payables	(297)	755
Accrued expenses	(42,463)	(49,501)
Advance received from medical service	(59)	(11,481)
Other current liabilities	(29)	(896)
Cash flows received (paid) operating activities	112,185	115,805
Employee benefits paid	(3,573)	(2,949)
Income tax paid	(31,016)	(51,341)
Net cash provided by (used in) operating activities	77,596	61,515

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 SIX-MONTH PERIOD ENDED JUNE 30, 2023

	Thousand Baht	
	2023	2022
Cash flows from investing activities		
Interest received	5,481	1,313
Dividend received	2,000	1,333
Decrease in fixed deposit pledge as collateral	9,932	-
Cash payments for investment in other current financial asset	(140,290)	(210,204)
Cash receipts from redemption in other current financial asset	261,129	76,880
Purchase of property, plant and equipment	(26,526)	(27,173)
Purchase of intangible assets	(629)	(107)
Sale of equipment	-	100
Net cash provided by (used in) investing activities	111,097	(157,858)
Cash flows from financing activities		
Finance cost paid	(106)	(90)
Lease liabilities paid	(1,918)	(1,896)
Dividend paid	(176,399)	(90,203)
Net cash provide by (used in) financing activities	(178,423)	(92,189)
Net increase (decrease) in cash and cash equivalents	10,270	(188,532)
Cash and cash equivalents at beginning of period	188,331	360,389
Cash and cash equivalents at end of period	198,601	171,857
<u>Supplement disclosures of cash flows information</u>		
Reconciliation of proceed from purchase of property, plant and equipment		
Purchase of property, plant and equipment	(29,200)	(38,060)
Increase in other payable from acquisition of fixed assets	2,674	10,887
Cash paid from purchase of property, plant and equipment	(26,526)	(27,173)

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

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 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.)
SEPTEMBER 30, 2023

2.3 Revised financial reporting standards to be applied in the future

The Federation of Accounting Professions has announced to apply the revised financial reporting standards 2023 and it was announced in the Royal Gazette on August 8, 2023 on altogether 4 topics: definition of the accounting estimates, disclosure of information of the accounting policy, deferred income tax related to assets and liabilities arising from one transaction and other adjustments due to the change of the Accounting Standard No. 17 “Insurance Contracts”. This adjustment is an adjustment for the financial reporting standards to be clearer and more appropriate. This is effective for the financial statements for the accounting period beginning on or after January 1, 2024.

The Management of the Company has assessed and believed that this revision will not significantly affect the financial statements in the year that such standard is applied.

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 September	As at December
	30, 2023	31, 2022
Cash on hand	1,957	1,574
Cash at bank - savings accounts and current accounts	206,820	186,757
Total	208,777	188,331

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2023

As at September 30, 2023 and December 31, 2022, cash at bank-savings accounts have interest at the floating rate at 0.60% per annum and 0.35% per annum, respectively.

6. TRADE AND OTHER CURRENT RECEIVABLES

Consisted of :-

	Thousand Baht	
	As at September 30, 2023	As at December 31, 2022
Trade receivables		
Within credit terms	67,060	38,898
Overdue:		
Less than 3 months	30,734	40,521
3-6 months	1,658	2,863
6-12 months	3,882	317
Over 12 months	2,295	2,209
	105,629	84,808
<u>Less allowance for expected credit loss</u>	(3,404)	(3,366)
Net	102,225	81,442
Other current receivables		
Prepaid expenses	4,753	3,085
Other accrued income	5,716	2,944
Others	1,258	1,654
	11,727	7,683
Total trade and other current receivables	113,952	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.)
SEPTEMBER 30, 2023

7. ACCRUED MEDICAL SERVICE INCOME

Consisted of :-

	Thousand Baht	
	As at September 30, 2023	As at December 31, 2022
Social Security Office		
Chronic diseases	22,721	27,863
Patients with severe diseases	45,671	41,637
Other	19,243	12,699
	87,635	82,199
National Health Security Office		
Coronavirus 2019 infected patient	27,102	47,425
<u>Less allowance for expected credit loss</u>	(21,925)	(4,863)
	5,177	42,562
Total	92,812	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 September 30, 2023	As at December 31, 2022
Medicine and medical supplies	38,370	40,942
Supplies	5,877	6,743
Total	44,247	47,685

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

SEPTEMBER 30, 2023

9. FINANCIAL ASSETS

Consisted of :-

	Thousand Baht	
	As at September 30, 2023	As at December 31, 2022
Other current financial assets		
Debt instruments at amortised cost		
Fixed deposit	9,763	221
Equity security designed at fair value through profit or loss		
Mutual funds - fixed income	925,010	1,037,616
Total	934,773	1,037,837
 Fixed deposit pledge as collateral		
Fixed deposit pledge as collateral	14,494	24,037
Total	14,494	24,037
 Other non-current financial assets		
Equity security designed at fair value through other comprehensive income		
	176,666	193,333
Total	176,666	193,333

As at September 30, 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 1.63% per annum and 0.65% per annum, respectively.

As at September 30, 2023 and December 31, 2022, fixed deposits in the amount of Baht 14.49 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.)
SEPTEMBER 30, 2023

As at September 30, 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 September 30, 2023	As at December 31, 2022	As at September 30, 2023		As at December 31, 2022	
			Cost	Market value	Cost	Market value
Bangkok Dusit Medical Services Plc.	0.06	0.06	2.20	183.33	2.20	193.33
<u>Add Gain on measuring financial assets</u>			<u>174.47</u>		<u>191.13</u>	
Total			<u>176.67</u>		<u>193.33</u>	

10. PROPERTY, PLANT AND EQUIPMENT

Consisted of :-

	Thousand Baht				
	Balance per book as at Dec. 31, 2022	Additions	Transfer in (Transfer out)	Deductions	Balance per book as at Sep. 30, 2023
	<u>Cost</u>				
Land	108,160	-	-	-	108,160
Buildings and building improvement	1,012,749	2,528	9,278	(577)	1,023,978
Medical equipment	333,834	22,135	-	(5,465)	350,504
Furniture and fixture	39,657	545	32	(47)	40,187
Office equipment	74,727	7,541	212	(806)	81,674
Vehicles	26,026	-	-	(300)	25,726
Assets under construction and installation	23,087	37,774	(9,522)	-	51,339
Total	<u>1,618,240</u>	<u>70,523</u>	<u>-</u>	<u>(7,195)</u>	<u>1,681,568</u>
<u>Less accumulated depreciation</u>					
Buildings and building improvement	530,208	27,914	-	(490)	557,632
Medical equipment	244,388	15,890	-	(5,257)	255,021
Furniture and fixture	33,731	975	-	(47)	34,659
Office equipment	60,803	3,685	-	(716)	63,772
Vehicles	20,018	819	-	(300)	20,537
Total	<u>889,148</u>	<u>49,283</u>	<u>-</u>	<u>(6,810)</u>	<u>931,621</u>
Net	<u>729,092</u>				<u>749,947</u>

As at September 30, 2023 certain equipment and vehicle items of the Company has been fully depreciated but are still in use of cost in amount of Baht 364.93 million.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 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 Sep. 30, 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	215	-	646
Office equipment	2,233	2,378	-	4,611
Vehicle	801	314	-	1,115
Total	3,465	2,907	-	6,372
Right-of-use assets - net	8,165			5,258

12. INTANGIBLE ASSETS

Consisted of :-

	Thousand Baht			
	Balance per book as at Dec. 31, 2022	Additions	Deductions	Balance per book as at Sep. 30, 2023
<u>Cost</u>				
Computer software	66,508	629	-	67,137
<u>Less accumulated amortisation</u>	42,640	3,663	-	46,303
Net	23,868			20,834

As at September 30, 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 18.29 million.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 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 Sep. 30, 2023
	Balance as at Dec. 31, 2022	Revenue (expenses) during the period		
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Trade receivables and accrued medical service income	1,645	3,420	-	5,065
Right-of-use assets	18	3	-	21
Employee benefit obligation	13,773	577	-	14,350
Total	15,436	4,000	-	19,436
Deferred tax liabilities:				
Unrealized gain on remeasuring				
Other - non current financial assets	(38,226)	-	3,334	(34,892)
Total	(38,226)	-	3,334	(34,892)
Deferred tax assets (liabilities) - net	(22,790)			(15,456)

14. TRADE AND OTHER CURRENT PAYABLES

Consisted of :-

	Thousand Baht	
	As at September 30, 2023	As at December 31, 2022
Trade payables	83,099	84,963
Other current payables		
Asset payables	10,250	8,868
Expired cheque payables	3,897	4,757
Retention payables	3,653	2,637
Revenue department payables	2,058	2,496
Others	9,401	9,453
	29,259	28,211
Total trade and other current payables	112,358	113,174

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 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.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 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 - 2020 in the amount of Baht 0.46 million.

Therefore, as at September 30, 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 nine-month period ended September 30, 2023 are presented below :

	Thousand Baht
As at January 1, 2023	8,253
Accretion of interest	149
Payments	(3,037)
As at September 30, 2023	5,365
<u>Less: current portion</u>	<u>3,579</u>
Lease liabilities - net of current portion	<u>1,786</u>

The following are the amounts recognized in profit or loss:

	Thousand Baht			
	For the three-month period ended		For the nine-month period ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Depreciation of right-of-use assets	969	830	2,907	2,733
Interest expense on lease liabilities	43	47	149	137
Total	<u>1,012</u>	<u>877</u>	<u>3,056</u>	<u>2,870</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2023

17. EMPLOYEE BENEFITS OBLIGATION

The statements of financial position

	Thousand Baht	
	As at September 30, 2023	As at December 31, 2022
Beginning defined benefits obligation	68,867	59,187
Benefits paid by the plan	(7,027)	(2,949)
Gain from changing actuarial estimates	9,911	12,629
Ending defined benefits obligation	71,751	68,867

Expenses recognised in statements of comprehensive income

	Thousand Baht			
	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
Current service cost	3,276	2,953	9,158	8,799
Interest on obligation	239	216	753	660
Total	3,515	3,169	9,911	9,459

Principal actuarial assumptions at the reporting date

For the nine - month periods ended September 30, 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

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2023

18. INCOME TAX EXPENSES

18.1 Major components of income tax expenses for the three-month and nine-month periods ended September 30, 2023 and 2022 consisted of:

	Thousand Baht			
	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
Income tax expense shown in profit or loss :				
Current tax expense :				
Income tax expense for the period	14,581	21,338	36,757	58,522
Deferred tax expense :				
Changes in temporary differences relating to the original recognition and reversal	(752)	(970)	(4,000)	(1,723)
Total	13,829	20,368	32,757	56,799
Income tax relating to components of other comprehensive income:				
Deferred tax relating to:				
Remeasuring financial assets	(1,334)	5,667	(3,334)	8,333
Total	(1,334)	5,667	(3,334)	8,333

18.2 A numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate for the nine-month periods ended September 30, 2023 and 2022 which are summarized as follows:

	Thousand Baht	
	2023	2022
Accounting profit for the period	167,291	283,957
The applicable tax rate (%)	20	20
Tax expense at the applicable tax rate	33,458	56,791
Reconciliation items:		
Tax effect of expenses that are not deductible in determining tax profit:		
- Expenses not allowed as expenses in determining taxable profit	165	675
Tax effect of income or profit that are not required in determining taxable profit:		
- Exemption of non - taxable dividend income	(866)	(667)
Total reconciliation items	(701)	8

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Total income tax expenses	<u>32,757</u>	<u>56,799</u>
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AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2023

18.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the nine-month periods ended September 30, 2023 and 2022 are summarized as follows:

	Thousand Baht			
	2023		2022	
	Tax amount	Tax rate	Tax amount	Tax rate
	(Thousand Baht)	(%)	(Thousand Baht)	(%)
Accounting profit before tax expenses	167,291		283,957	
Income tax expenses at the applicable tax rate	33,458	20.00	56,791	20.00
Reconciliation items	(701)	(0.42)	8	0.00
Income tax expenses at the average effective tax rate	<u>32,757</u>	<u>19.58</u>	<u>56,799</u>	<u>20.00</u>

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.

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

SEPTEMBER 30, 2023

20. EXPENSES BY NATURE

Significant expenses by nature for the three-month and nine-month periods ended September 30, 2023 and 2022 are as follow:-

	Thousand Baht			
	For the three-month periods ended		For the nine-month periods ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Staff cost	135,736	137,245	378,990	412,131
Directors and management’s remuneration	7,504	10,311	23,262	29,590
Doctor fee	103,580	105,595	298,844	312,063
Medicine, medical supplies and supplies	83,929	84,965	241,637	258,277
Depreciation and amortisation	18,968	17,696	55,853	52,362
Others	64,627	53,549	188,455	188,249
Total	414,344	409,361	1,187,041	1,252,672

21. DIVIDENDS

Year 2023

At the ordinary shareholders’ meeting held on April 24, 2023, the shareholders approved the appropriation of dividend from operating results of 2022 of Baht 1.18 per share, 149.91 million shares, amounting to Baht 176.89 million. The dividend will be proposed to pay to shareholders on May 23, 2023.

Year 2022

At the ordinary shareholders’ meeting held on April 18, 2022, the shareholders approved the appropriation of dividend from operating results of 2021 of Baht 0.60 per share, 149.91 million shares, amounting to Baht 90.46 million. The dividend will be proposed to pay to shareholders on May 17, 2022.

22. 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		For the nine-month periods ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Profit for the period (Thousand Baht)	57,480	83,351	134,534	227,158
Weighted average number of ordinary share (Thousand Shares)	149,909	149,909	149,909	149,909
Earnings per share (Baht per share)	0.38	0.56	0.90	1.52

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2023

23. 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.

As at September 30, 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)	-	925,010	-	925,010
Other non-current financial assets				
- Equity	176,666	-	-	176,666
Total	176,666	925,010	-	1,101,676

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)
SEPTEMBER 30, 2023

24. COMMITMENTS AND CONTINGENT LIABILITIES

As at September 30, 2023 and December 31, 2022, the Company has commitments as follows :-

	<u>Thousand Baht</u>	
	<u>As at September</u>	<u>As December</u>
	<u>30, 2023</u>	<u>31, 2022</u>
24.1 Letters of guarantee issued by a commercial bank to the government unit and the state enterprise.	14,494	24,036
24.2 Construction and equipment installation agreements	22,680	15,101

25. TO APPROVED THE INTERIM FINANCIAL STATEMENTS

The interim financial statements were authorised for issue by the Company’s board of directors on November 10, 2023.