

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the financial statements of Aikchol Hospital Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2023, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Aikchol Hospital Public Company Limited as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Revenue recognition from general medical treatment

The revenue from medical service is the core transaction that affects the operation and has material value, representing 75% of total revenues. The revenue from hospital operations has several components such as revenues from sales of medicine and medical supplies, revenues from medical services, revenues from patient rooms, etc. Therefore, I have paid special attention with respect to the amount, value and timing of the Company's revenue recognition.

I audited the revenue recognition from medical treatment by assessing the appropriateness and testing the effectiveness of the internal control system with respect to the revenue cycle by making enquiries of the responsible persons, gaining an understanding and selecting samples to test the operation of the designed controls. In addition, I random audited the supporting documents for medical fee transactions that occurred during the year and near the end of the reporting period. I also audited credit notes that the Company issued after the end of the period. In addition, I performed comparative data analysis of subdivide revenue account to detect possible irregularities in medical fee transactions throughout the period, particularly for accounting entries made through journal vouchers.

Revenue recognition of medical treatment from Social Security

The Company has medical treatment revenue from the Social Security Office on the part of the insured who select medical treatment at the hospital and in-patient cases burden with high-cost diseases as presented in the financial statements, representing 23% of total revenues. Receiving money from such revenue in each time has to be approved from the Social Security Office and the consideration process by the Social Security Office takes long time. Regarding the measuring process of the revenue amount to be recognized, it requires significant judgment of the management due to the uncertainty related to the amount to be received which depends on the allocation of the Social Security Office in each year. The Company will receive cash income from the Social Security Office according to the method of calculation and rate determined by the announcement of the Medical Board issued under the Social Security Act, B.E. 2533. To ensure that the medical service fee revenue from social security is recognized in the accounts correctly and appropriately. Accordingly, I have paid special attention to the revenue recognition of medical service fee from social security because the transaction is a risk to the financial statements.

I made an understanding for the process of estimating the medical service revenue for inpatient cases with burden of high-cost disease by investigating the sources and reliability of the insured persons' information used in calculating the revenue estimate, assessing the appropriateness of the severity rate of the disease by comparing with the rules, method and conditions as announced by the Social Security Office, testing the completeness of the recording of the use of Social Security service against the recording system of the Social Security, testing the accuracy of the estimates of the management by comparing between the basis of the management and the basis, procedures and conditions announced by the Social Security Office and testing the items in the journal entries prepared by the management with respect to the recognition of revenue estimate. This also includes comparing of receipts during the period and analyzing the difference cause compared to the estimated medical service revenue and reviewing the receiving of medical service fee for the cases with burden of high-cost disease after the end of the accounting period.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

I also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner responsible for the audit resulting in this independent auditor's report is Miss Roongnapha Saengchan.

(Miss Roongnapha Saengchan)
Certified Public Accountant
Registration No. 10142

Dharmniti Auditing Company Limited
Bangkok, Thailand
February 22, 2024

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

	Note	Baht	
		2023	2022
ASSETS			
Current assets			
Cash and cash equivalents	7	210,727,391	188,331,581
Trade and other current receivables	8	89,430,543	89,124,928
Accrued medical service income	9	99,486,123	124,760,938
Inventories	10	50,181,388	47,684,747
Other current financial assets	11	1,017,419,808	1,037,836,897
Total current assets		1,467,245,253	1,487,739,091
Non-current assets			
Fixed deposit pledge as collateral	11	14,494,500	24,036,500
Other non-current financial assets	11	183,333,150	193,333,140
Property, plant and equipment	12	754,441,636	729,091,920
Right-of-use assets	13	4,288,392	8,165,190
Intangible assets	14	19,583,934	23,867,762
Other non-current assets		128,490	168,490
Total non-current assets		976,270,102	978,663,002
Total assets		2,443,515,355	2,466,402,093

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED

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

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2023

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht	
	Note	2023	2022
Current liabilities			
Trade and other current payables	16	117,993,428	113,173,821
Accrued expenses	17	121,734,163	142,804,821
Current portion of lease liabilities	19	3,283,349	3,864,162
Corporate income tax payables		18,249,347	22,213,768
Advance received from medical service	18	8,300,000	8,359,000
Other current liabilities		11,696,800	12,910,624
Total current liabilities		281,257,087	303,326,196
Non-current liabilities			
Lease liabilities	19	1,105,152	4,388,501
Deferred tax liabilities	15	16,542,139	22,789,969
Employee benefit obligation	20	68,706,910	68,866,824
Total non-current liabilities		86,354,201	96,045,294
Total liabilities		367,611,288	399,371,490

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AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2023

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

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		Baht	
	Note	2023	2022
Shareholders' equity			
Share capital			
Authorised share capital			
150,000,000 ordinary shares of Baht 1 each		150,000,000	150,000,000
Issued and paid-up share capital			
149,909,264 ordinary shares of Baht 1 each		149,909,264	149,909,264
Share premium		74,000,000	74,000,000
Retained earnings			
Appropriated to			
Legal reserve	21	14,990,926	14,990,926
Unappropriated		1,664,462,453	1,652,102,060
Other components of shareholders' equity		172,541,424	176,028,353
Total shareholders' equity		2,075,904,067	2,067,030,603
Total liabilities and shareholders' equity		2,443,515,355	2,466,402,093

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

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	Baht	
		2023	2022
Revenues			
Medical service income		1,780,164,142	1,947,489,764
Other income	23	48,993,764	41,082,248
Total revenues		1,829,157,906	1,988,572,012
Expenses			
Cost of medical services		1,372,905,217	1,441,249,637
Administrative expenses		221,877,448	208,784,319
Total expenses		1,594,782,665	1,650,033,956
Profit from operating activities		234,375,241	338,538,056
Finance costs		185,118	200,084
Profit before income tax expenses		234,190,123	338,337,972
Income tax expenses	25	45,430,428	67,284,636
Profit for the year		188,759,695	271,053,336
Other comprehensive income (loss)			
Component of other comprehensive income (loss)			
that will not be reclassified to profit or loss			
Gain on re-measurements of defined benefit plans		5,641,329	-
Gain (loss) on investment in equity designed at fair value through other comprehensive income		(9,999,990)	39,999,960
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	25	871,732	(7,999,992)
Total component of other comprehensive income (loss) that will not be reclassified to profit or loss		(3,486,929)	31,999,968
Other comprehensive income (loss) for the year, net of income tax		(3,486,929)	31,999,968
Total comprehensive income for the year		185,272,766	303,053,304
Basic earnings per share (Baht per share)	29	1.26	1.81

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

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	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		149,909,264	74,000,000	14,990,926	1,652,102,060	176,028,353	2,067,030,603
Dividend	22	-	-	-	(176,399,302)	-	(176,399,302)
Profit for the year		-	-	-	188,759,695	-	188,759,695
Other comprehensive income for the year, net of income tax							
Gain on re-measurements of defined benefit plans		-	-	-	-	4,513,063	4,513,063
Loss on measuring financial assets		-	-	-	-	(7,999,992)	(7,999,992)
Balance at December 31, 2023		149,909,264	74,000,000	14,990,926	1,664,462,453	172,541,424	2,075,904,067
Beginning balance as at January 1, 2022		149,909,264	74,000,000	14,990,926	1,471,251,433	144,028,385	1,854,180,008
Dividend	22	-	-	-	(90,202,709)	-	(90,202,709)
Profit for the year		-	-	-	271,053,336	-	271,053,336
Other comprehensive income for the year, net of income tax							
Gain on measuring financial assets		-	-	-	-	31,999,968	31,999,968
Balance at December 31, 2022		149,909,264	74,000,000	14,990,926	1,652,102,060	176,028,353	2,067,030,603

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

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Baht	
	2023	2022
Cash flows from operating activities		
Profit for the year	188,759,695	271,053,336
Reconciliations of profit for the year to net cash received (paid)		
from operating activities :		
Depreciation and amortization	75,048,046	70,716,128
Interest income	(1,331,386)	(3,795,189)
Dividend income	(4,333,329)	(3,333,330)
Bad debt written off and allowance for expected credit losses	23,431,833	5,524,775
Gain on sale of fixed assets	-	(99,999)
Loss on disposal of fixed assets	428,862	3,075,237
Gain on sale of investment in other current financial asset	(218,181)	(24,198)
Unrealized gain in other current financial assets	(13,050,537)	7,135,210
Employee benefits expenses	13,295,628	12,628,451
Finance costs	185,118	200,084
Income tax expenses	45,430,428	67,284,636
Profit provided by operating activities before changes in operating assets and liabilities	327,646,177	430,365,141
(Increase) decrease in operational assets		
Trade and other current receivables	(3,813,007)	(12,192,999)
Accrued medical service income	5,365,865	20,793,841
Inventories	(2,496,641)	3,678,214
Other non-current assets	40,000	-
Increase (decrease) in operational liabilities		
Trade and other current payables	4,760,436	(9,366,840)
Accrued expenses	(21,070,658)	(53,718,148)
Advance received from medical service	(59,000)	(11,818,819)
Other current liabilities	(1,213,824)	(1,959,677)
Cash flows received operating activities	309,159,348	365,780,713
Employee benefits paid	(7,814,213)	(2,948,798)
Income tax paid	(54,770,947)	(89,973,096)
Net cash provided by operating activities	246,574,188	272,858,819

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2023

Notes to financial statement from an integral part of these statements

	Baht	
	2023	2022
Cash flows from investing activities		
Interest received	1,315,895	3,778,638
Dividend received	4,333,329	3,333,330
(Increase) decrease in fixed deposit pledge as collateral	9,542,000	(10,449,300)
Cash payments for investment in other current financial asset	(255,632,783)	(409,507,281)
Cash receipts from redemption in other current financial asset	289,318,590	133,000,000
Purchase of property, plant and equipment	(91,977,504)	(70,471,274)
Purchase of intangible assets	(629,323)	(633,237)
Sale of equipment	-	100,000
Net cash used in investing activities	<u>(43,729,796)</u>	<u>(350,849,124)</u>
Cash flows from financing activities		
Interest paid	(185,118)	(200,084)
Lease liabilities paid	(3,864,162)	(3,664,629)
Dividend paid	<u>(176,399,302)</u>	<u>(90,202,709)</u>
Net cash used in financing activities	<u>(180,448,582)</u>	<u>(94,067,422)</u>
Net increase (decrease) in cash and cash equivalents	22,395,810	(172,057,727)
Cash and cash equivalents at beginning of the year	<u>188,331,581</u>	<u>360,389,308</u>
Cash and cash equivalents at end of the year	<u>210,727,391</u>	<u>188,331,581</u>
<u>Supplement disclosures of cash flows information</u>		
Reconciliation of proceed from purchase of property, plant and equipment		
Purchase of property, plant and equipment	(92,036,675)	(75,528,269)
Increase (decrease) in other payable from acquisition of fixed assets	<u>59,171</u>	<u>5,056,995</u>
Cash paid from purchase of property, plant and equipment	<u>(91,977,504)</u>	<u>(70,471,274)</u>
Acquisition of right-of-use assets		
Increase in lease liabilities	<u>-</u>	<u>4,811,026</u>

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

1. GENERAL INFORMATION

Legal status and address of the Company

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 THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the Thai financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543.

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

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

3. FINANCIAL REPORTING STANDARDS THAT BECAME EFFECTIVE IN THE CURRENT YEAR

During the year, 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 year.

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

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

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, savings accounts and current accounts and highly liquid short-term investments that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

5.2 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

5.3 Financial instruments

Classification and valuation of financial assets

Classification depends on the business model of the company in managing financial assets and nature of cash flow under the agreement of financial assets. The Company classified the financial assets by the nature of value measurement as follows:

- Item measured at amortized cost
- Item subsequently measured at fair value through other comprehensive income
- Item subsequently measured at fair value through profit or loss

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

Equity instruments can be classified and cannot be changed by two types of measurement which are measuring fair value through profit or loss or measuring fair value through other comprehensive income that without recycling to profit or loss.

The initial recognition of financial assets that are not measured at fair value through profit or loss with fair value plus or deduct transaction cost directly related to the acquisition or issuance of those financial assets, transaction costs of financial assets are recognized as expense in profit or loss.

Subsequent measurement of debt instruments by 3 methods depend on the classification of debt instruments.

- Financial assets measured at amortized cost when financial assets are held to receive cash flow under the agreement and condition of the agreement of the financial assets that generate cash flow to pay the principal and interest from the principal balance on the specified date only. Such financial assets have to be calculated using the effective rate and are subject to impairment assessment. Profit or loss arising from derecognized, modified or impaired will be recognized in profit or loss.
- Financial assets measured at fair value through other comprehensive income when financial assets are held to receive cash flow under the agreement and to sell financial assets and the agreement condition of financial assets generating cash flow that only pays the principal and interest from the principal balance on the specified date. The change of value of financial assets is recognized through other comprehensive income except loss on impairment and interest income and gain and loss on exchange rate are recognized as profit or loss upon recognized of financial assets. Earning or deficit previously recognized in other comprehensive income has to be reclassified into profit or loss. Such financial asset has to be calculated using the effective interest rate same as financial assets measured at amortized cost.
- Financial assets measured at fair value through profit or loss will be presented in the statement of financial position at fair value by recognizing the net change of fair value in profit or loss.

Subsequent valuation of equity instruments must present equity instruments using the fair value and record profit/loss from change in fair value through profit or loss or other comprehensive income depending on equity instruments classification.

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

Classification and valuation of financial liabilities

The Company is recognized initially of financial liabilities at fair value net of transaction costs and classified as financial liabilities as financial liabilities subsequently measured at amortized cost using the effective rate. The amortized cost is calculated taking into account fees or costs that are an integral part of the effective rate. Amortization by the effective rate is presented as part of financial costs in profit or loss.

Derecognition of financial instruments

Financial assets will be derecognized from the account when the right to receive cash flow of such asset has ended or when the right to receive cash flow of the assets is transferred including upon the transfer of all risk and consideration of that asset or transfer of internal control in that asset although there is no transfer or maintaining of nearly all risk and consideration of such asset.

Financial liabilities will be derecognized from the account when the obligation of such liabilities has been complied, the obligation is cancelled or the obligation has ended. In case existing financial liabilities are changed to new liabilities from one single lender with considerably different requirements or there is a significant amendment in the requirements of existing liabilities, these are considered as recognition old liabilities and recognizing new liabilities by recognizing the difference of such carrying value under profit or loss.

Impairment of financial assets

Expected credit loss for financial assets measured at amortized cost or debt instrument financial asset measured at fair value through other comprehensive income and assets arising from credit facility obligation and financial guarantee agreement are assessed without having to wait for the credit event to occur first. The Company uses the general approach in considering the allowance for loss on impairment with the exception on trade receivables that the Company uses the simplified approach in considering the allowance for loss on impairment.

Offset of financial instruments

Financial assets and liabilities will be offset and presented at net balance in the statement of financial position in the case legally enforced in offsetting the recognized amount. The Company intend to pay the net balance or intends to receive assets and settle payment of liabilities at the same time.

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

5.4 Property, plant and equipment

Land is stated as cost. Plant and equipment are stated at cost less accumulated depreciation and allowance on decline in value (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company (if any).

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:-

Buildings and building improvements	5 - 50	Years
Medical equipment	5 - 10	Years
Furniture and fixtures	5 - 10	Years
Office equipment	2 - 10	Years
Vehicles	8 - 10	Years

The Company has reviewed the residual value and useful life of the assets on a regular basis.

No depreciation is provided on freehold land or assets under construction and installation.

Property, plant and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.

5.5 Intangible assets

Computer software with finite useful lives are stated at cost less accumulated amortization and allowance on impairment (if any).

Amortization is charged to the statement of comprehensive income on a straight-line basis over the period for which the computer software are expected to generate economic benefit from 5 - 10 years.

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

5.6 Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in the statement of comprehensive income unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognized directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognized directly in equity is recognized in the statement of comprehensive income even though the financial asset has not been derecognized. The amount of the cumulative loss that is recognized in the statement of comprehensive income is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognized in the statement of comprehensive income.

5.7 Provision

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

5.8 Employee benefits

Short-term employment benefits

The Company recognizes salary, wage, bonus and contributions to social security fund and provident fund as expenses when incurred.

Post-employment benefits (Defined contribution plans)

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognized as expenses when incurred.

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

Post-employment benefits (Defined benefit plans)

The Company has obligations in respect of the severance payments it must pay to the employees upon retirement under the labor law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in other comprehensive income.

5.9 Revenue

Revenues from medical service

Revenue from medical service is exempt from value added taxes and is arrived at after deduction of trade discounts.

Revenues from medical service, mainly consisted of medicine and medical supplies, patient room service charge, medical profession charge and other service are recognized as income when the services are delivered, based on an accrual basic.

Revenues from social security is recognized on an accrual basic.

Interest and dividend income

Interest income is recognized in the statement of comprehensive income as it accrues. Dividend income is recognized in the statement of comprehensive income on the date the Company's right to receive payments established. In the case of quoted securities is usually the ex-dividend date.

Others income

Others income is recognized on an accrual basis.

5.10 Expenses

Expenses are recognized on an accrual basis.

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

5.11 Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

Right-of-use assets-as a lessee

Right-of-use assets are recognized at the commencement date of the lease. Right-of-use assets are stated at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

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

Right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of the lease term and the estimated useful lives for each of right-of-use assets.

Lease liabilities

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
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In calculating the present value of lease payments, the Company uses its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (those leases that have a lease term of 12 months or less from the commencement date and not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term and leases of low-value assets are recognized as expense in profit and loss on a straight-line basis over the lease term.

5.12 Income tax

Current tax

The Company records income tax expenses, if any, based on the amount currently payable under the Revenue Code at the income tax rates at 20% of profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
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The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities.

Deferred tax assets and liabilities are measured at the tax rates that the Company expect to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

5.13 Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect amounts reported in the financial statements and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for expected credit losses

In determining an allowance for expected credit losses, the management needs to make judgement and estimates based upon past collection history, aging profile of outstanding debts.

Accrued medical service income

In determining the certain amount of receivable from the social security office provided to patients with severe diseases and of chronic diseases. In this regard, the amount of such income are set, adjusted and accrued based on the latest actual collection within current relative circumstances.

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

Determining the lease term of contracts with renewal and termination options

The Company determines the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The management is required to use judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive to exercise either the renewal or termination.

After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Property, plant and equipment and right-of-use assets/Depreciation

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

In addition, the management is required to review property, plant and equipment and right-of-use assets for impairment on a periodical basis and record the impairment loss when it is determined that the recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review.

Intangible assets

In recording the initial recognition and measurement of intangible assets as at the acquired date and subsequent impairment testing, the management is required to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

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

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit of the lease. Therefore, the incremental borrowing rate of the Company is used to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay for necessary borrowing to acquire the assets, or assets with close value to right-of-use assets in similar economic environment, borrowing period and borrowing security.

6. SEASONAL OPERATION

The company's business is not affected significantly by seasonal or cyclical factor during the year.

7. CASH AND CASH EQUIVALENTS

Consisted of :-

	Baht	
	2023	2022
Cash on hand	3,274,858	1,574,785
Cash at bank - savings accounts and current accounts	207,452,533	186,756,796
Total	210,727,391	188,331,581

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

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

8. TRADE AND OTHER CURRENT RECEIVABLES

Consisted of :-

	Baht	
	2023	2022
Trade receivables		
Within credit terms	51,039,231	38,897,664
Overdue:		
Less than 3 months	25,725,505	40,521,211
3-6 months	2,747,408	2,863,242
6-12 months	1,344,797	316,751
Over 12 months	4,513,793	2,209,217
	85,370,734	84,808,085
Less allowance for expected credit losses	(4,843,383)	(3,365,897)
Net	80,527,351	81,442,188
Other current receivables		
Prepaid expenses	2,695,221	3,084,597
Other accrued income	4,292,765	2,943,684
Others	1,915,206	1,654,459
	8,903,192	7,682,740
Total trade and other current receivables	89,430,543	89,124,928

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

9. ACCRUED MEDICAL SERVICE INCOME

Consisted of :-

	Baht	
	2023	2022
Social Security Office		
Chronic diseases	24,663,803	27,863,111
Patients with severe diseases	57,526,381	41,637,510
Others	17,182,071	12,698,752
	99,372,255	82,199,373
National Health Security Office		
Coronavirus 2019 infected patient	24,885,925	47,424,672
Less allowance for expected credit losses	(24,772,057)	(4,863,107)
	113,868	42,561,565
Total	99,486,123	124,760,938

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

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.

10. INVENTORIES

Consisted of :-

	Baht	
	2023	2022
Medicine and medical supplies	43,456,568	40,942,101
Supplies	6,724,820	6,742,646
Total	50,181,388	47,684,747

11. FINANCIAL ASSETS

Consisted of :-

	Baht	
	2023	2022
Other current financial assets		
Debt instruments at amortised cost		
Fixed deposit	9,902,454	221,044
Debt security designed at fair value through profit or loss		
Mutual funds - fixed income	1,007,517,354	1,037,615,853
Total	1,017,419,808	1,037,836,897
Fixed deposit pledge as collateral		
Fixed deposit pledge as collateral	14,494,500	24,036,500
Total	14,494,500	24,036,500
Other non-current financial assets		
Equity security designed at fair value through other comprehensive income	183,333,150	193,333,140
Total	183,333,150	193,333,140

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
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As at December 31, 2023 and 2022, fixed deposits have interest rate at 1.50% 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 1.96% per annum and 0.65% per annum, respectively.

As at December 31, 2023 and 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.

As at December 31, 2023 and 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			
	2023	2022	2023		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>181.13</u>		<u>191.13</u>	
Total			<u>183.33</u>		<u>193.33</u>	

13. PROPERTY, PLANT AND EQUIPMENT

Consisted of :-

	Baht				
	Balance per book as at Dec. 31, 2022	Additions	Transfer in (Transfer out)	Deductions	Balance per book as at Dec. 31, 2023
	<u>Cost</u>				
Land	108,160,300	-	-	-	108,160,300
Buildings and building improvement	1,012,748,769	6,778,051	44,928,604	(576,871)	1,063,878,553
Medical equipment	333,834,165	27,920,611	-	(6,769,415)	354,985,361
Furniture and fixture	39,657,272	1,557,560	992,259	(62,507)	42,144,584
Office equipment	74,726,396	8,175,683	212,172	(956,884)	82,157,367
Vehicles	26,025,924	-	-	(300,000)	25,725,924
Assets under construction and installation	23,086,989	47,604,770	(46,133,035)	-	24,558,724
Total	<u>1,618,239,815</u>	<u>92,036,675</u>	<u>-</u>	<u>(8,665,677)</u>	<u>1,701,610,813</u>
<u>Less accumulated depreciation</u>					
Buildings and building improvement	530,207,726	37,813,077	-	(489,545)	567,531,258
Medical equipment	244,388,651	21,017,102	-	(6,525,785)	258,879,968
Furniture and fixture	33,731,272	1,324,466	-	(62,132)	34,993,606
Office equipment	60,802,701	5,015,146	-	(859,354)	64,958,493
Vehicles	20,017,545	1,088,306	-	(299,999)	20,805,852
Total	<u>889,147,895</u>	<u>66,258,097</u>	<u>-</u>	<u>(8,236,815)</u>	<u>947,169,177</u>
Net	<u>729,091,920</u>				<u>754,441,636</u>

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

	Baht				Balance per book as at Dec. 31, 2022
	Balance per book as at Dec. 31, 2021	Additions	Transfer in (Transfer out)	Deductions	
<u>Cost</u>					
Land	108,160,300	-	-	-	108,160,300
Buildings and building improvement	999,278,156	3,389,997	13,144,660	(3,064,044)	1,012,748,769
Medical equipment	299,622,337	44,176,726	-	(9,964,898)	333,834,165
Furniture and fixture	37,098,931	1,742,584	1,022,919	(207,162)	39,657,272
Office equipment	74,279,052	2,722,464	225,005	(2,500,125)	74,726,396
Vehicles	22,706,924	3,319,000	-	-	26,025,924
Assets under construction and installation	17,302,075	20,177,498	(14,392,584)	-	23,086,989
Total	<u>1,558,447,775</u>	<u>75,528,269</u>	<u>-</u>	<u>(15,736,229)</u>	<u>1,618,239,815</u>
<u>Less accumulated depreciation</u>					
Buildings and building improvement	494,941,460	36,811,751	-	(1,545,485)	530,207,726
Medical equipment	233,779,679	19,174,706	-	(8,565,734)	244,388,651
Furniture and fixture	32,835,425	1,081,372	-	(185,525)	33,731,272
Office equipment	59,113,064	4,102,699	-	(2,413,062)	60,802,701
Vehicles	19,101,996	915,549	-	-	20,017,545
Total	<u>839,771,624</u>	<u>62,086,077</u>	<u>-</u>	<u>(12,709,806)</u>	<u>889,147,895</u>
Net	<u>718,676,151</u>				<u>729,091,920</u>

Depreciation of the plant and equipment for the years ended December 31, 2023 and 2022 which were included in cost of medical services and administrative expenses, consisted of :-

	Baht	
	2023	2022
Cost of medical services	57,076,615	55,121,726
Administrative expenses	9,181,482	6,964,351
Total	<u>66,258,097</u>	<u>62,086,077</u>

As at December 31, 2023 and 2022, certain equipment and vehicle items of the Company have been fully depreciated but are still in use of cost in amount of Baht 373.21 million and Baht 351.72 million, respectively.

A portion of land, building and construction in progress, including future construction were pledged as collateral security for the bank overdraft with a net book value as at December 31, 2022 and 2021 of approximately amounted of Baht 552.45 million and Baht 536.90 million, respectively.

As at December 31, 2023 and 2022, the Company covered All Risks Insurance Policy (ARIP) with an insurer. The sum insured has already been covered the value of the assets. The ARIP is renewed on an annual basis and a portion of proceeds from insurance claims under the ARIP.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
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13. RIGHT-OF-USE ASSETS

Consists of :

	Baht				
	Balance as at	Transactions during the year			Balance as at
	December 31, 2022	Additions	Change in conditions/ written-off		December 31, 2023
<u>At cost</u>					
Medical equipment	861,880	-	-	861,880	
Office equipment	9,513,919	-	-	9,513,919	
Vehicle	1,254,208	-	-	1,254,208	
Total	<u>11,630,007</u>	<u>-</u>	<u>-</u>	<u>11,630,007</u>	
<u>Less Accumulated depreciation</u>					
Medical equipment	430,940	287,293	-	718,233	
Office equipment	2,232,578	3,171,435	-	5,404,013	
Vehicle	801,299	418,070	-	1,219,369	
Total	<u>3,464,817</u>	<u>3,876,798</u>	<u>-</u>	<u>7,341,615</u>	
Right-of-use assets - net	<u>8,165,190</u>			<u>4,288,392</u>	

	Baht				
	Balance as at	Transactions during the year			Balance as at
	December 31, 2021	Additions	Change in conditions/ written-off		December 31, 2022
<u>At cost</u>					
Medical equipment	861,880	-	-	861,880	
Office equipment	8,665,470	4,811,026	(3,962,577)	9,513,919	
Vehicle	1,254,208	-	-	1,254,208	
Total	<u>10,781,558</u>	<u>4,811,026</u>	<u>(3,962,577)</u>	<u>11,630,007</u>	
<u>Less Accumulated depreciation</u>					
Medical equipment	143,647	287,293	-	430,940	
Office equipment	3,198,148	2,997,007	(3,962,577)	2,232,578	
Vehicle	383,230	418,069	-	801,299	
Total	<u>3,725,025</u>	<u>3,702,369</u>	<u>(3,962,577)</u>	<u>3,464,817</u>	
Right-of-use assets - net	<u>7,056,533</u>			<u>8,165,190</u>	

The Company leases several assets including medical equipment, office equipment and vehicle of which average lease term is 3 years.

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

14. INTANGIBLE ASSETS

Consisted of :-

	Baht			Balance per book as at Dec. 31, 2023
	Balance per book as at Dec. 31, 2022	Additions	Deductions	
<u>Cost</u>				
Computer software	66,507,682	629,323	-	67,137,005
<u>Less</u> accumulated amortization	42,639,920	4,913,151	-	47,553,071
Net	23,867,762			19,583,934

	Baht			Balance per book as at Dec. 31, 2022
	Balance per book as at Dec. 31, 2021	Additions	Deductions	
<u>Cost</u>				
Computer software	65,951,485	633,237	(77,040)	66,507,682
<u>Less</u> accumulated amortization	37,740,463	4,927,682	(28,225)	42,639,920
Net	28,211,022			23,867,762

Amortization of intangible assets for the years ended December 31, 2023 and 2022, which were included in cost of medical services and administrative expenses, consisted of :-

	Baht	
	2023	2022
Cost of medical services	4,627,402	4,655,687
Administrative expenses	285,749	271,995
Total	4,913,151	4,927,682

As at December 31, 2023 and 2022, certain intangible assets items of the Company have been fully amortized but they are still in use of cost in the amount of Baht 18.29 million and Baht 18.19 million, respectively.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
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15. DEFERRED TAX ASSETS AND TAX LIABILITIES

Changes in deferred tax assets (liabilities) for the years ended December 31, 2023 and 2022 are summarized as follows:

	Baht				
	Balance as at	Revenue (expenses) during the year			Balance as at
	Dec. 31, 2022	In profit or loss	In other comprehensive income		Dec. 31, 2023
Deferred tax assets:					
Trade receivables	1,645,801	4,277,287	-	5,923,088	
Right-of-use assets	17,494	2,528	-	20,022	
Employee benefit obligation	13,773,365	1,096,283	(1,128,266)	13,741,382	
Total	<u>15,436,660</u>	<u>5,376,098</u>	<u>(1,128,266)</u>	<u>19,684,492</u>	
Deferred tax liabilities:					
Other non-current financial assets	(38,226,629)	-	1,999,998	(36,226,631)	
Total	<u>(38,226,629)</u>	<u>-</u>	<u>1,999,998</u>	<u>(36,226,631)</u>	
Deferred tax assets (liabilities)-net	<u>(22,789,969)</u>			<u>(16,542,139)</u>	

	Baht				
	Balance as at	Revenue (expenses) during the year			Balance as at
	Dec. 31, 2021	In profit or loss	In other comprehensive income		Dec. 31, 2022
Deferred tax assets:					
Trade receivables	619,155	1,026,646	-	1,645,801	
Right-of-use assets	9,946	7,548	-	17,494	
Employee benefit obligation	11,837,434	1,935,931	-	13,773,365	
Total	<u>12,466,535</u>	<u>2,970,125</u>	<u>-</u>	<u>15,436,660</u>	
Deferred tax liabilities:					
Other non-current financial assets	(30,226,637)	-	(7,999,992)	(38,226,629)	
Total	<u>(30,226,637)</u>	<u>-</u>	<u>(7,999,992)</u>	<u>(38,226,629)</u>	
Deferred tax assets (liabilities)-net	<u>(17,760,102)</u>			<u>(22,789,969)</u>	

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

16. TRADE AND OTHER CURRENT PAYABLES

Consisted of :-

	Baht	
	2023	2022
Trade payables	89,507,264	84,962,710
Other current payables		
Asset payables	8,927,160	8,867,989
Expired cheque payables	4,284,979	4,756,560
Retention payables	4,265,550	2,637,476
Revenue department payables	1,816,798	2,496,452
Others	9,191,677	9,452,634
	28,486,164	28,211,111
Total trade and other current payables	117,993,428	113,173,821

17. ACCRUED EXPENSES

Consisted of :-

	Baht	
	2023	2022
Accrued doctor fee	46,996,935	45,654,509
Accrued director's remuneration	7,200,000	7,200,000
Accrued wages	8,858,704	6,982,148
Accrued bonus	27,159,648	41,301,490
Accrued electricity	1,481,955	1,454,307
Accrued medical referral expenses	14,262,542	18,210,375
Accrued other expenses	15,774,379	22,001,992
Total	121,734,163	142,804,821

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

18. 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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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 December 31, 2023 advance received for medical service has a balance of Baht 8.30 million.

19. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movement for the years ended December 31, 2023 and 2022 are presented below :

	Baht	
	2023	2022
As at January 1,	8,252,663	7,106,266
Addition	-	4,811,026
Accretion of interest	185,118	200,084
Payments	(4,049,280)	(3,864,713)
As at December 31,	4,388,501	8,252,663
<u>Less: current portion</u>	3,283,349	3,864,162
Lease liabilities - net of current portion	1,105,152	4,388,501

Amounts recognized in the statement of comprehensive income for the years ended December 31, 2023 and 2022 are comprised :

	Baht	
	2023	2022
Depreciation - Right-of-use assets	3,876,798	3,702,369
Interest expenses	185,118	200,084
Total	4,061,916	3,902,453

For the years ended December 31, 2023 and 2022, the total cash outflow for leases on consolidated and separated financial statements amount to Baht 3.86 million and Baht 3.66 million, respectively.

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

20. EMPLOYEE BENEFIT OBLIGATION

The statements of financial position

	Baht	
	2023	2022
Beginning employee benefit obligation	68,866,824	59,187,171
Benefits paid by the plan	(7,814,213)	(2,948,798)
Gain from changing actuarial estimates	(5,641,329)	-
Current service and interest costs	13,295,628	12,628,451
Ending employee benefit obligation	68,706,910	68,866,824

Expenses recognized in statements of comprehensive income

For the year ended December 31,

	Baht	
	2023	2022
Current service cost	12,308,410	11,752,138
Interest on obligation	987,218	876,313
Total	13,295,628	12,628,451

Actuarial (gain) loss on defined employee benefits plans

	Baht	
	2023	2022
Actuarial (gain) loss arising from		
Changes in demographic assumptions	4,573,565	-
Changes in financial assumptions	(6,106,410)	-
Experience adjustments	(4,108,484)	-
Total	(5,641,329)	-

Principal actuarial assumptions at the reporting date

	%	
	2023	2022
Discount rate	2.74	1.54
Salary increase rate	6	6
Employee turnover rate	0.24	0.22
Disability rate	5*	5*

* reference to mortality rate in B.E. 2017

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Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2023 and 2022, are summarized below:

	Baht	
	2023	2022
Discount rate		
1% increase	(4,648,413)	(4,877,734)
1% decrease	5,283,605	5,593,238
Salary increase rate		
1% increase	4,979,415	5,943,592
1% decrease	(4,467,914)	(5,274,684)
Employee turnover rate		
1% increase	(5,269,825)	(5,526,503)
1% decrease	5,281,347	5,617,907

21. RESERVES AND LEGAL RESERVES

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

22. 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.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
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DECEMBER 31, 2023

23. OTHER INCOME

Consisted of :-

	Baht	
	2023	2022
Revenue from sharing of kidney hemodialysis	13,073,125	12,996,650
Rental space income	10,977,672	9,510,302
Interest income	1,331,386	546,624
Gain from debt security designed at fair value through profit or loss	13,268,718	3,248,565
Others	10,342,863	14,780,107
Total	48,993,764	41,082,248

24. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2023 and 2022 are a follow:-

	Baht	
	2023	2022
Staff costs	516,689,517	539,383,911
Directors and management's remuneration	31,829,033	38,522,130
Doctor fee	400,968,515	412,707,243
Medicine, medical supplies and supplies	324,430,938	337,218,849
Depreciation and amortization	75,048,046	70,716,128
Others	245,816,616	251,485,695
Total	1,594,782,665	1,650,033,956

25. INCOME TAX EXPENSES

25.1 Major components of tax expenses

For the years ended December 31, 2023 and 2022 consisted of:

	Baht	
	2023	2022
Income tax expenses shown in profit or loss :		
Current tax expense :		
Income tax expense for the year	50,806,526	70,254,761
Deferred tax expense :		
Changes in temporary differences relating to the original recognition and reversal	(5,376,098)	(2,970,125)
Total	45,430,428	67,284,636
Income tax relating to components of other comprehensive income :		
Deferred tax relating to :		
Remeasuring other non-current financial assets	(1,999,998)	7,999,992

Gain from changing actuarial estimates	1,128,266	-
Total	(871,732)	7,999,992

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

25.2 A numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate

For the years ended December 31, 2023 and 2022 which are summarized as follows:

	Baht	
	2023	2022
Accounting profit for the year	234,190,123	338,337,972
The applicable tax rate (%)	20	20
Tax expense at the applicable tax rate	46,838,025	67,667,594
Reconciliation items:		
Tax effect of expenses that are not deductible in determining tax profit:		
- Expenses not allowed as expenses in determining taxable profit	214,445	816,590
Tax effect of income or profit that are not required in determining taxable profit:		
- Exemption of non - taxable dividend income	(866,666)	(666,666)
- Others	(755,376)	(532,882)
Total reconciliation items	(1,407,597)	(382,958)
Total tax expense	45,430,428	67,284,636

25.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate

For the years ended December 31, 2023 and 2022 are summarized as follows:

	Baht			
	2023		2022	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the year	234,190,123		338,337,972	
Tax expense at the applicable tax rate	46,838,025	20.00	67,667,594	20.00
Reconciliation items	(1,407,597)	(0.60)	(382,958)	(0.11)
Tax expense at the average effective tax rate	45,430,428	19.40	67,284,636	19.89

26. PROVIDENT FUND

The defined contribution plans comprise provident funds established by companies in the Company for their employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates 3% of their basic salaries and by the Company at rates 3% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic

entities and are managed by a licensed Fund Manager. The Company's contributions for the years ended December 31, 2023 and 2022 in the amount of to Baht 4.71 million and Baht 4.47 million, respectively.

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27. DIRECTORS AND MANAGEMENT'S REMUNERATION

Directors and management's remuneration represent the benefits paid to the Company's directors and management such as salaries and related benefit including the benefit paid by other means. The Company's directors and management are the persons who are defined under the Securities and Exchange Act.

Directors of the Company is consisted of board of directors, audit committee and nomination and remuneration committee.

Management of the Company is consisted of executive board, chief medical officer and hospital administrator.

28. 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.

29. EARNINGS PER SHARE

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

	<u>2023</u>	<u>2022</u>
Profit for the year (Baht)	188,759,695	271,053,336
Weighted average number of ordinary share (Shares)	149,909,264	149,909,264

Earnings per share (Baht per share) 1.26 1.81

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30. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the statement of financial position as at December 31, 2023 and 2022, the Company's debt-to-equity ratio was 0.18 : 1 : 1 and 0.19 : 1, respectively.

31. FINANCIAL INSTRUMENTS

31.1 Financial risk management policies

The Company is exposed to normal business risks from changes in market interest rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

31.2 Interest rate risk

Interest rate risk is the risk that future movements in market interest rates, which may affect the interest earnings and expenses in the present and future years. The Company is primarily exposed to interest rate risk that relates primarily to deposit at financial institution and financial assets due to changes in interest rates. The Company has no policy to use any derivative financial instruments to reduce this risk.

	Baht				Effective interest rate (% per annum)	
	As at December 31, 2023					
	Fixed interest		Floating	Non - interest		Total
Within 1 year	1 - 5 years	interest rate	bearing			
Financial assets						
Cash and cash equivalents	-	-	207,452,532	3,274,859	210,727,391	0.60
Trade and other current receivables	-	-	-	89,430,543	89,430,543	-
Accrued medical service income	-	-	-	99,486,123	99,486,123	-
Other current financial assets	9,902,454	-	-	1,007,517,354	1,017,419,808	1.50 - 1.96
Fixed deposit pledge as collateral	14,494,500	-	-	-	14,494,500	1.50
	24,396,954	-	207,452,532	1,199,708,879	1,431,558,365	
Financial liabilities						
Trade and other current payables	-	-	-	117,993,428	117,993,428	-

	Baht					Effective interest rate (% per annum)	
	As at December 31, 2023						
	Fixed interest		Floating	Non - interest	Total		
	Within 1 year	1 - 5 years	interest rate	bearing			
Lease liabilities	-	-	4,388,501	-	4,388,501	2.83	
	-	-	4,388,501	117,993,428	122,381,929		

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	Baht					Effective interest rate (% per annum)	
	As at December 31, 2022						
	Fixed interest		Floating	Non - interest	Total		
	Within 1 year	1 - 5 years	interest rate	bearing			
Financial assets							
Cash and cash equivalents	-	-	186,756,796	1,574,785	188,331,581	0.35	
Trade and other current receivables	-	-	-	89,124,928	89,124,928	-	
Accrued medical service income	-	-	-	124,760,938	124,760,938	-	
Other current financial assets	221,044	-	-	1,037,615,853	1,037,836,897	0.38 - 065	
Fixed deposit pledge as collateral	24,036,500	-	-	-	24,036,500	0.38	
	24,257,544	-	186,756,796	1,253,076,504	1,464,090,844		
Financial liabilities							
Trade and other current payables	-	-	-	113,173,821	113,173,821	-	
Lease liabilities	-	-	8,252,663	-	8,252,663	2.83	
	-	-	8,252,663	113,173,821	121,426,484		

31.3 Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations of the financial condition of its counterparties, to provide a term of payment, and to require partial payment of deposit, or call for collateral as other security. Therefore, it does not expect to incur material losses from debt collection more than the amount already provided in the allowance for expected credit losses.

31.4 Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

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31.5 Fair value of financial instruments

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

	Baht			Total
	Level 1	Level 2	Level 3	
Assets				
Other current financial assets				
- Mutual funds - fixed income (hold to maturity within 1 year)	-	1,017,419,808	-	1,017,419,808
Other non-current financial assets				
- Equity security	183,333,150	-	-	183,333,150
Total	183,333,150	1,017,419,808	-	1,200,752,958

Fair valuation techniques and inputs to Level 2 fair valuation

The fair value of investments in investment units that are not listed on the Stock Exchange of Thailand is determined by using the net asset value per unit as announced by the fund managers.

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

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32. FINANCIAL ASSET AND FINANCIAL LIABILITIES

As at December 31, 2023 and 2022, the Company's management has assessed which business models applied to the financial assets and liabilities and have classified the financial assets and liabilities as follow :

	Baht			
	As at December 31, 2023			
	FVPL	FVOCI	Amortized cost	Total
Financial assets				
Cash and cash equivalents	-	-	210,727,391	210,727,391
Trade and other current receivables	-	-	89,430,543	89,430,543
Accrued medical service income	-	-	99,486,123	99,486,123
Other current financial assets	1,007,517,354	-	9,902,454	1,017,419,808
Fixed deposit pledge as collateral	-	-	14,494,500	14,494,500
Other-non current financial assets	-	183,333,150	-	183,333,150
	1,007,517,354	183,333,150	424,041,011	1,614,891,515
Financial liabilities				
Trade and other current payables	-	-	117,993,428	117,993,428
Lease liabilities	-	-	4,388,501	4,388,501
	-	-	122,381,929	122,381,929

	Baht			
	As at December 31, 2022			
	FVPL	FVOCI	Amortized cost	Total
Financial assets				
Cash and cash equivalents	-	-	188,331,581	188,331,581
Trade and other current receivables	-	-	89,124,928	89,124,928
Accrued medical service income	-	-	124,760,938	124,760,938
Other current financial assets	1,037,615,853	-	221,044	1,037,836,897
Fixed deposit pledge as collateral	-	-	24,036,500	24,036,500
Other-non current financial assets	-	193,333,140	-	193,333,140

	1,037,615,853	193,333,140	426,474,991	1,657,423,984
Financial liabilities				
Trade and other current payables	-	-	113,173,821	113,173,821
Lease liabilities	-	-	8,252,663	8,252,663
	-	-	121,426,484	121,426,484

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33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCIAL ACTIVITIES

Changes in the liabilities arising from financing activities for the year ended December 31, 2023 and 2022 are as follows:

	Baht			
	Balance as at	Cash flows	Non-cash transaction	Balance as at
	January 1, 2023	Increase (decrease)	Increase	December 31, 2023
Lease liabilities	8,252,663	(4,049,280)	185,118	4,388,501
	<u>8,252,663</u>	<u>(4,049,280)</u>	<u>185,118</u>	<u>4,388,501</u>

	Baht			
	Balance as at	Cash flows	Non-cash transaction	Balance as at
	January 1, 2022	Increase (decrease)	Increase	December 31, 2022
Lease liabilities	7,106,266	946,313	200,084	8,252,663
	<u>7,106,266</u>	<u>946,313</u>	<u>200,084</u>	<u>8,252,663</u>

34. COMMITMENTS WITH NON-RELATED PARTIES

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

	Baht	
	2023	2022
34.1 Letters of guarantee issued by a commercial bank to the government unit and the state enterprise.	14,494,500	24,036,500
34.2 Construction and equipment installation agreements	13,831,940	15,101,138

35. TO APPROVED THE FINANCIAL STATEMENTS

The financial statements were authorized for issue by the Company's board of directors on February 22, 2024.