



AIKCHOL HOSPITAL PLC.
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 PLC.
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

ASSETS

		Baht	
	Note	<u>2023</u>	<u>2022</u>
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		<u>1,467,245,253</u>	<u>1,487,739,091</u>
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		<u>976,270,102</u>	<u>978,663,002</u>
Total assets		<u>2,443,515,355</u>	<u>2,466,402,093</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht	
		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
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		2,079,187,416	2,466,402,093

AIKCHOL HOSPITAL PLC.
STATEMENT OF FINANCIAL POSITION
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 lo	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