

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED

**REVIEWS REPORT AND INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2024**

INDEPENDENT AUDITOR’S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

I have reviewed the accompanying statement of financial position of Aikchol Hospital Public Company Limited as at June 30, 2024 and the related statement of comprehensive income for the three-month and six-month periods then ended, changes in shareholders’ equity and cash flows for the six-month period then ended and the condensed notes to the interim financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

SCOPE OF REVIEW

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

CONCLUSION

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

(Miss Roongnapha Saengchan)
Certified Public Accountant No. 10142

Dharmniti Auditing Company Limited
Bangkok, Thailand
August 13, 2024

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AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

		Thousand Baht	
		As at June	As at December
	Notes	30, 2024	31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	5	201,626	210,727
Trade and other current receivables	6	110,465	89,431
Accrued medical service income	7	114,776	99,486
Inventories	8	40,865	50,181
Other current financial assets	9	954,466	1,017,420
Total current assets		1,422,198	1,467,245
Non-current assets			
Fixed deposit pledge as collateral	9	3,106	14,495
Other non-current financial assets	9	176,667	183,333
Property, plant and equipment	10	754,670	754,442
Right-of-use assets	11	4,196	4,288
Intangible assets	12	17,470	19,584
Other non-current assets		128	128
Total non-current assets		956,237	976,270
Total assets		2,378,435	2,443,515

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

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AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT JUNE 30, 2024

LIABILITIES AND SHAREHOLDERS' EQUITY

		Thousand Baht	
		As at June	As at December
	Notes	30, 2024	31, 2023
Current liabilities			
Trade and other current payables	14	112,647	117,994
Accrued expenses		120,765	121,734
Current portion of lease liabilities	16	2,851	3,283
Corporate income tax payable		1,718	18,249
Advance received from medical service	15	8,300	8,300
Other current liabilities		14,709	11,697
		260,990	281,257
Non-current liabilities			
Lease liabilities	16	1,428	1,105
Deferred tax liabilities	13	16,878	16,542
Employee benefit obligation	17	70,659	68,707
		88,965	86,354
Total liabilities		349,955	367,611

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

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AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT JUNE 30, 2024

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		Thousand Baht	
		As at June	As at December
Notes		30, 2024	31, 2023
Shareholders' equity			
Share capital			
Authorised share capital			
	150,000,000 ordinary shares of Baht 1 each	150,000	150,000
Issued and paid-up share capital			
	149,909,264 ordinary shares of Baht 1 each	149,909	149,909
	Share premium	74,000	74,000
Retained earnings			
Appropriated			
	Legal reserve	14,991	14,991
	Unappropriated	1,622,372	1,664,463
	Other components of shareholders' equity	167,208	172,541
	Total shareholders' equity	2,028,480	2,075,904
	Total liabilities and shareholders' equity	2,378,435	2,443,515

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

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AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2024

		Thousand Baht			
		For the three-month periods		For the six-month periods	
		ended June 30,		ended June 30,	
Note		2024	2023	2024	2023
Revenues					
	Medical service income	430,319	430,905	863,213	846,345
	Other income	14,815	12,716	28,198	22,440
	Total revenues	445,134	443,621	891,411	868,785
Expenses					
	Cost of medical services	362,171	339,676	719,813	662,964
	Administrative expenses	52,940	60,467	106,666	109,733
	Total expenses	415,111	400,143	826,479	772,697
	Profit from operating activities	30,023	43,478	64,932	96,088
	Finance costs	33	50	73	106
	Profit before income tax expenses	29,990	43,428	64,859	95,982
	Income tax expenses	5,597	8,337	12,771	18,928
	Profit for the period	24,393	35,091	52,088	77,054
	Other comprehensive income (expense)				
	Components of other comprehensive income that will not be reclassified to profit or loss				
	Gains (losses) on investment in equity designated at fair value through other comprehensive income	(11,666)	(13,333)	(6,666)	(10,000)
	Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	2,333	2,667	1,333	2,000
	Total components of other comprehensive income that will not be reclassified to profit or loss	(9,333)	(10,666)	(5,333)	(8,000)
	Other comprehensive income (expense) for the period - net of tax	(9,333)	(10,666)	(5,333)	(8,000)
	Total comprehensive income for the period	15,060	24,425	46,755	69,054
	Basic earnings per share (Baht per share)	0.16	0.23	0.35	0.51

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

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AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

Thousand Baht

	Note	Issued and paid-up share capital	Share premium	Retained earnings		Other components of shareholder's equity Gain (loss) on measuring financial assets	Total shareholders' equity
				Appropriated to legal reserve	Unappropriated		
Beginning balance as at January 1, 2024		149,909	74,000	14,991	1,664,463	172,541	2,075,904
Dividend	21	-	-	-	(94,179)	-	(94,179)
Profit for the period		-	-	-	52,088	-	52,088
Other comprehensive income for the period - net of tax							
Gain (loss) on measuring financial assets		-	-	-	-	(5,333)	(5,333)
Ending balance at June 30, 2024		149,909	74,000	14,991	1,622,372	167,208	2,028,480
Beginning balance as at January 1, 2024		149,909	74,000	14,991	1,652,102	176,028	2,067,030
Dividend	21	-	-	-	(176,399)	-	(176,399)
Profit for the period		-	-	-	77,054	-	77,054
Other comprehensive income for the period - net of tax							
Gain (loss) on measuring financial assets		-	-	-	-	(8,000)	(8,000)
Ending balance at June 30, 2023		149,909	74,000	14,991	1,552,757	168,028	1,959,685

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

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AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

	Thousand Baht	
	2024	2023
Cash flows from operating activities		
Profit for the period	52,088	77,054
Reconciliations of profit for the period to net cash received (paid)		
from operating activities:		
Depreciation and amortisation	40,713	36,885
Interest income	(1,012)	(619)
Dividend income	(2,333)	(2,000)
Bad debt written off and allowance for expected credit loss (reversal)	(10,201)	18,920
(Gain) loss on sale and write off of fixed assets	951	335
Gain on sale of investment in other current financial assets	(223)	(189)
Unrealized gain in other current financial assets	(9,435)	(4,939)
Employee benefits expenses	6,887	6,396
Finance costs	73	106
Income tax expenses	12,771	18,928
Profit provided by operating activities before changes in operating assets and liabilities	90,279	150,877
(Increase) decrease in operating assets		
Trade and other current receivables	(20,615)	(13,310)
Accrued medical service income	(5,393)	16,527
Inventories	9,316	939
Increase (decrease) in operating liabilities		
Trade and other current payables	(3,512)	(297)
Accrued expenses	(969)	(42,463)
Advance received from medical service	-	(59)
Other current liabilities	3,012	(29)
Cash flows received (paid) operating activities	72,118	112,185
Employee benefits paid	(4,935)	(3,573)
Income tax paid	(27,633)	(31,016)
Net cash provided by (used in) operating activities	39,550	77,596

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

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AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONT.)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

	Thousand Baht	
	2024	2023
Cash flows from investing activities		
Interest received	897	542
Dividend received	2,333	2,000
Decrease in fixed deposit pledge as collateral	11,389	9,932
Cash payments for investment in other current financial assets	(71,388)	(140,290)
Cash receipts from redemption in other current financial assets	144,000	266,068
Purchase of property, plant and equipment	(39,466)	(26,526)
Purchase of intangible assets	(385)	(629)
Sale of equipment	150	-
Net cash provided by (used in) investing activities	47,530	111,097
Cash flows from financing activities		
Finance cost paid	(73)	(106)
Lease liabilities paid	(1,929)	(1,918)
Dividend paid	(94,179)	(176,399)
Net cash provide by (used in) financing activities	(96,181)	(178,423)
Net increase (decrease) in cash and cash equivalents	(9,101)	10,270
Cash and cash equivalents at beginning of period	210,727	188,331
Cash and cash equivalents at end of period	201,626	198,601
<u>Supplement disclosures of cash flows information</u>		
Reconciliation of proceed from purchase of property, plant and equipment		
Purchase of property, plant and equipment	(37,631)	(29,200)
Increase (decrease) in other payable from acquisition of fixed assets	(1,835)	2,674
Cash paid from purchase of property, plant and equipment	(39,466)	(26,526)
Acquisition of right-of-use assets		
Increase in lease liabilities	1,820	-

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

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS
JUNE 30, 2024

1. GENERAL INFORMATION

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

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

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

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”, and the requirements of the Securities and Exchange Commission (SEC). The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and situations and not intended to re-emphasis on the information previously reported. The interim financial statements should therefore, be read in conjunction with the financial statements for the year ended December 31, 2023.

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

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

2.2 Financial reporting standards that became effective in the current period

During the period, the Company has adopted the revised financial reporting standards 2023, 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 adoption of these financial reporting standards does not have any significant impact on the financial statements in the current period.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2024

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in preparing the interim financial statements are the same accounting policies used in the preparation of the annual financial statements for the year ended December 31, 2023.

4. SEASONAL OPERATION

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

5. CASH AND CASH EQUIVALENTS

Consisted of :-

	Thousand Baht	
	As at June 30, 2024	As at December 31, 2023
Cash on hand	2,355	3,275
Cash at bank - savings accounts and current accounts	199,271	207,452
Total	201,626	210,727

As at June 30, 2024 and December 31, 2023, cash at bank-savings accounts have interest at the floating rate at 0.60% per annum and 0.60% per annum, respectively.

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

JUNE 30, 2024

6. TRADE AND OTHER CURRENT RECEIVABLES

Consisted of :-

	Thousand Baht	
	As at June 30, 2024	As at December 31, 2023
Trade receivables		
Within credit terms	63,470	51,039
Overdue:		
Less than 3 months	36,106	25,726
3-6 months	3,412	2,747
6-12 months	1,075	1,345
Over 12 months	4,185	4,513
	108,248	85,370
Less allowance for expected credit loss	(4,462)	(4,843)
Net	103,786	80,527
Other current receivables		
Prepaid expenses	1,889	2,695
Other accrued income	2,401	4,293
Others	2,389	1,916
	6,679	8,904
Total trade and other current receivables	110,465	89,431

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

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

JUNE 30, 2024

7. ACCRUED MEDICAL SERVICE INCOME

Consisted of :-

	Thousand Baht	
	As at June 30, 2024	As at December 31, 2023
Social Security Office		
Chronic diseases	32,981	24,664
Patients with severe diseases	61,520	57,526
Others	19,547	17,182
	114,048	99,372
National Health Security Office		
Coronavirus 2019 infected patient	15,603	24,886
<u>Less</u> allowance for expected credit loss	(14,875)	(24,772)
	728	114
Total	114,776	99,486

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.

Events after the reporting period

On July 30, 2024, the Social Security Office had notified to all hospitals in the Social Security Scheme to inform the adjustment of the in-patient medical with high-cost diseases (Adj RW ≥ 2) of the year 2023, considering the payment of medical services from the prior rate of Baht 12,000/Adj RW to Baht 7,200/Adj RW. The management of the Company considered reducing the estimate of accrued medical service income for in-patients with high-cost diseases as at December 31, 2023, which recognized as part of medical service income in profit or loss for the three-month and six-month periods ended June 30, 2024.

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

JUNE 30, 2024

8. INVENTORIES

Consisted of :-

	Thousand Baht	
	As at June 30, 2024	As at December 31, 2023
Medicine and medical supplies	34,755	43,456
Supplies	6,110	6,725
Total	40,865	50,181

9. FINANCIAL ASSETS

Consisted of :-

	Thousand Baht	
	As at June 30, 2024	As at December 31, 2023
Other current financial assets		
Debt instruments at amortised cost		
Fixed deposit	21,290	9,903
Equity security designed at fair value through profit or loss		
Mutual funds - fixed income	933,176	1,007,517
Total	954,466	1,017,420
 Fixed deposit pledge as collateral		
Fixed deposit pledge as collateral	3,106	14,495
Total	3,106	14,495
 Other non-current financial assets		
Equity security designed at fair value through other comprehensive income	176,667	183,333
Total	176,667	183,333

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

JUNE 30, 2024

As at June 30, 2024 and December 31, 2023, fixed deposits have interest rate at 1.50% per annum and 1.50% 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 2.13% per annum and 1.96% per annum, respectively.

As at June 30, 2024 and December 31, 2023, fixed deposits in the amount of Baht 3.11 million and 14.49 million, are pledged as collateral for the letters of guarantee issued by a commercial bank.

As at June 30, 2024 and December 31, 2023, other non-current financial assets in marketable equity are stated at fair value through other comprehensive income, consisted of :-

	Holding of interest (%)		Million Baht			
	As at June 30, 2024	As at December 31, 2023	As at June 30, 2024		As at December 31, 2023	
			Cost	Market value	Cost	Market value
Bangkok Dusit Medical Services Plc.	0.06	0.06	2.20	176.67	2.20	183.33
Add Gain on measuring financial assets			<u>174.47</u>		<u>181.13</u>	
Total			<u>176.67</u>		<u>183.33</u>	

10. PROPERTY, PLANT AND EQUIPMENT

Consisted of :-

	Thousand Baht				
	Balance per book as at Dec. 31, 2023	Additions	Transfer in (Transfer out)	Deductions	Balance per book as at Jun. 30, 2024
Cost					
Land	108,160	-	-	-	108,160
Buildings and building improvement	1,063,879	2,260	9,464	(4,991)	1,070,612
Medical equipment	354,985	7,443	-	(8,984)	353,444
Furniture and fixture	42,145	434	-	(1,162)	41,417
Office equipment	82,157	2,478	-	(1,444)	83,191
Vehicles	25,726	-	-	(2,620)	23,106
Assets under construction and installation	24,559	25,016	(9,464)	-	40,111
Total	<u>1,701,611</u>	<u>37,631</u>	<u>-</u>	<u>(19,201)</u>	<u>1,720,041</u>
Less accumulated depreciation					
Buildings and building improvement	567,531	21,741	-	(4,098)	585,174
Medical equipment	258,880	10,404	-	(8,813)	260,471
Furniture and fixture	34,994	920	-	(1,159)	34,755
Office equipment	64,958	2,719	-	(1,410)	66,267
Vehicles	20,806	518	-	(2,620)	18,704
Total	<u>947,169</u>	<u>36,302</u>	<u>-</u>	<u>(18,100)</u>	<u>965,371</u>
Net	<u>754,442</u>				<u>754,670</u>

As at June 30, 2024 certain equipment and vehicle items of the Company has been fully depreciated but are still in use of cost in amount of Baht 366.78 million.

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

JUNE 30, 2024

11. RIGHT-OF-USE ASSETS

Consisted of :-

	Thousand Baht			
	Balance per book as at Dec. 31, 2023	Additions	Deductions	Balance per book as at Jun. 30, 2024
<u>Cost</u>				
Medical equipment	862	1,820	(862)	1,820
Office equipment	9,514	-	-	9,514
Vehicle	1,254	-	(1,254)	-
Total	11,630	1,820	(2,116)	11,334
<u>Less accumulated depreciation</u>				
Medical equipment	718	292	(862)	148
Office equipment	5,404	1,586	-	6,990
Vehicle	1,220	34	(1,254)	-
Total	7,342	1,912	(2,116)	7,138
Right-of-use assets - net	4,288			4,196

12. INTANGIBLE ASSETS

Consisted of :-

	Thousand Baht			
	Balance per book as at Dec. 31, 2023	Additions	Deductions	Balance per book as at Jun. 30, 2024
<u>Cost</u>				
Computer software	67,137	385	-	67,522
<u>Less accumulated amortisation</u>	47,553	2,499	-	50,052
Net	19,584			17,470

As at June 30, 2024, certain intangible assets items of the Company has been fully amortised but they are still in used of cost in the amount of Baht 22.30 million.

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

JUNE 30, 2024

13. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

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

	Thousand Baht			Balance as at Jun. 30, 2024
	Balance as at Dec. 31, 2023	Revenue (expenses) during the period		
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Trade account receivables	5,923	(2,056)	-	3,867
Lease liabilities	878	(23)	-	855
Employee benefit obligation	13,741	391	-	14,132
Total	<u>20,542</u>	<u>(1,688)</u>	<u>-</u>	<u>18,854</u>
Deferred tax liabilities:				
Right-of-use assets	(858)	19	-	(839)
Unrealized gain on remeasuring Other - non current financial assets	(36,226)	-	1,333	(34,893)
Total	<u>(37,084)</u>	<u>19</u>	<u>1,333</u>	<u>(35,732)</u>
Deferred tax assets (liabilities) - net	<u>(16,542)</u>			<u>(16,878)</u>

14. TRADE AND OTHER CURRENT PAYABLES

Consisted of :-

	Thousand Baht	
	As at June 30, 2024	As at December 31, 2023
Trade payables	<u>84,218</u>	<u>89,508</u>
Other current payables		
Asset payables	7,092	8,927
Expired cheque payables	4,245	4,285
Retention payables	5,229	4,265
Revenue department payables	1,919	1,817
Others	9,944	9,192
	<u>28,429</u>	<u>28,486</u>
Total trade and other current payables	<u>112,647</u>	<u>117,994</u>

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

JUNE 30, 2024

15. ADVANCE RECEIVED FROM MEDICAL SERVICE

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

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

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

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

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

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

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2024

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 June 30, 2024 advance received for medical service has a balance of Baht 8.30 million.

16. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movement for six-month period ended June 30, 2024, are presented below :

	Thousand Baht
As at January 1, 2024	4,388
Addition	1,820
Addition of interest	73
Payments	(2,002)
As at June 30, 2024	4,279
<u>Less: current portion</u>	<u>(2,851)</u>
Lease liabilities - net of current portion	<u>1,428</u>

The following are the amounts recognized in profit or loss:

	Thousand Baht			
	For the three-month period ended		For the six-month period ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Depreciation of right-of-use assets	939	969	1,912	1,938
Interest expense on lease liabilities	33	50	73	106
Total	<u>972</u>	<u>1,019</u>	<u>1,985</u>	<u>2,044</u>

“UNAUDITED”

“REVIEWED”

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2024

17. EMPLOYEE BENEFITS OBLIGATION

The statements of financial position

	Thousand Baht	
	As at June	As at December
	30, 2024	31, 2023
Beginning defined benefits obligation	68,707	68,867
Benefits paid by the plan	(4,935)	(7,814)
Gain from changing actuarial estimates	-	(5,641)
Current service and interest costs	6,887	13,295
Ending defined benefits obligation	70,659	68,707

Expenses recognised in statements of comprehensive income

	Thousand Baht			
	For the three-month period ended		For the six-month period ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Current service cost	3,085	3,205	5,975	5,882
Interest on obligation	446	251	912	514
Total	3,531	3,456	6,887	6,396

Principal actuarial assumptions at the reporting date

For the six - month periods ended June 30, 2024 and 2023

	Percentage	
	2024	2023
Discount rate	2.74	1.54
Salary increase rate	6	6
Employee turnover rate	0 - 24	11 - 22
Disability rate	5*	5*

*

reference to mortality rate in B.E. 2017

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

JUNE 30, 2024

18. INCOME TAX EXPENSES

18.1 Major components of income tax expenses for the the three-month and six-month periods ended June 30, 2024 and 2023 consisted of:

	Thousand Baht			
	For the three-month period ended		For the six-month period ended	
	June 30,	June 30,	June 30,	June 30,
	2024	2023	2024	2023
Income tax expense shown in profit or loss :				
Current tax expense :				
Income tax expense for the period	4,156	9,368	11,102	22,176
Deferred tax expense :				
Changes in temporary differences relating to the original recognition and reversal	1,441	(1,031)	1,669	(3,248)
Total	5,597	8,337	12,771	18,928
Income tax relating to components of other comprehensive income:				
Deferred tax relating to:				
Remeasuring financial assets	(2,333)	(2,667)	(1,333)	(2,000)
Total	(2,333)	(2,667)	(1,333)	(2,000)

18.2 A numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate for the six-month periods ended June 30, 2024 and 2023 which are summarized as follows:

	Thousand Baht	
	2024	2023
Accounting profit for the period	64,859	95,982
The applicable tax rate (%)	20	20
Tax expense at the applicable tax rate	12,972	19,196
Reconciliation items:		
Tax effect of expenses that are not deductible in determining tax profit:		
- Expenses not allowed as expenses in determining taxable profit	266	132
Tax effect of income or profit that are not required in determining taxable profit:		
- Exemption of non - taxable dividend income	(467)	(400)
Total reconciliation items	(201)	(268)
Total income tax expenses	12,771	18,928

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2024

18.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the six-month periods ended June 30, 2024 and 2023 are summarized as follows:

	Thousand Baht			
	2024		2023	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit before tax expenses	64,859		95,982	
Income tax expenses at the applicable tax rate	12,972	20.00	19,196	20.00
Reconciliation items	(201)	(0.31)	(268)	(0.28)
Income tax expenses at the average effective tax rate	12,771	19.69	18,928	19.72

19. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources and assess its performance to the company’s operating segment.

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

Information about major customers

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

20. EXPENSES BY NATURE

Significant expenses by nature for the three-month and six-month periods ended June 30, 2024 and 2023 are as follow:-

	Thousand Baht			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2024	2023	2024	2023
Staff cost	147,836	131,637	293,165	243,254
Directors and management’s remuneration	8,577	8,232	13,875	15,758
Doctor fee	103,423	99,206	203,961	195,264
Medicine, medical supplies and supplies	85,527	82,043	166,327	157,708
Depreciation and amortisation	20,404	18,540	40,713	36,885
Others	49,344	60,485	108,438	123,828
Total	415,111	400,143	826,479	772,697

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

JUNE 30, 2024

21. DIVIDENDS

Year 2024

At the ordinary shareholders’ meeting held on April 23, 2024, the shareholders approved the appropriation of dividend from operating results of 2023 of Baht 0.63 per share, 149.91 million shares, amounting to Baht 94.44 million. The dividend will be proposed to pay to shareholders on May 20, 2024.

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.

22. EARNINGS PER SHARE

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

	For the three-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Profit for the period (Thousand Baht)	24,393	35,091	52,088	77,054
Weighted average number of ordinary share (Thousand Shares)	149,909	149,909	149,909	149,909
Earnings per share (Baht per share)	0.16	0.23	0.35	0.51

23. DISCLOSURE OF FINANCIAL INSTRUMENTS

The Company has a policy to manage the financial risks that affect the normal course of business such as changes in interest rate, the possibility of uncollectible debts, the ability to maintain the liquidity of working capital and the difference between the fair value and carrying value of financial assets and liabilities, etc. Nevertheless, the management expects the effects of these risks to be similar to the year ended December 31, 2023.

Fair value

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

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

JUNE 30, 2024

Fair value hierarchy

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

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

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

As at June 30, 2024, the Company had the following assets and liabilities that were measured at fair value using different levels of inputs as follows :-

	Thousand Baht			
	Level 1	Level 2	Level 3	Total
Assets				
Other current financial assets				
- Mutual fund fixed income (hold to maturity within 1 year)	-	933,176	-	933,176
Other non-current financial assets				
- Equity	176,667	-	-	176,667
Total	176,667	933,176	-	1,109,843

24. COMMITMENTS AND CONTINGENT LIABILITIES

As at June 30, 2024 and December 31, 2023, the Company has commitments as follows :-

	Thousand Baht	
	As at June 30, 2024	As December 31, 2023
24.1 Letters of guarantee issued by a commercial bank to the government unit and the state enterprise.	15,278	14,495
24.2 Construction and equipment installation agreements	19,880	13,832

25. TO APPROVED THE INTERIM FINANCIAL STATEMENTS

The interim financial statements were authorised for issue by the Company’s board of directors on August 13, 2024.