

Chularat Hospital Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 2023

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Chularat Hospital Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Chularat Hospital Public Company Limited and its subsidiaries as at 30 September 2023, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Chularat Hospital Public Company Limited for the same periods (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 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 34 *Interim Financial Reporting*.

Emphasis of Matter

I draw attention to Note 5 to the consolidated financial statements regarding the acquisitions of business, for which the Group is currently assessing the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date. My conclusion is not modified in respect of this matter.

Manee Rattanabunnakit
Certified Public Accountant (Thailand) No. 5313

EY Office Limited
Bangkok: 14 November 2023

Chularat Hospital Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2023

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 September 2023	31 December 2022	30 September 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		1,385,859	2,000,740	360,644	388,978
Trade and other receivables	3	846,914	756,835	501,252	528,638
Short-term loans to related parties	2	-	-	67,000	-
Accrued medical treatment income	4	1,406,978	2,009,924	811,329	1,050,754
Inventories		345,631	265,007	154,996	126,860
Other current financial assets		95,000	-	-	-
Other current assets		30,075	25,960	13,071	14,282
Total current assets		4,110,457	5,058,466	1,908,292	2,109,512
Non-current assets					
Restricted bank deposits		1,087	607	-	-
Long-term loans to related parties	2	-	-	264,155	332,374
Other non-current financial assets		-	-	-	-
Investments in subsidiaries	5	-	-	2,813,910	2,517,290
Investments in associates	6	131,227	141,765	-	-
Investment properties		75,654	75,654	298	298
Property, plant and equipment		5,509,015	4,673,807	1,575,818	1,269,640
Right-of-use assets		72,796	74,622	28,220	26,819
Intangible assets		53,791	56,159	43,738	45,105
Unallocated cost of business acquisition	5	70,708	-	-	-
Goodwill		47,284	47,284	-	-
Deferred tax assets		34,269	31,805	18,649	17,270
Other non-current assets		145,796	119,815	30,339	76,624
Total non-current assets		6,141,627	5,221,518	4,775,127	4,285,420
Total assets		10,252,084	10,279,984	6,683,419	6,394,932

The accompanying notes are an integral part of the financial statements.

Chularat Hospital Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2023

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 September 2023	31 December 2022	30 September 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	7	225,000	400,000	180,000	400,000
Trade and other payables		1,043,205	850,640	464,517	371,874
Current portion of long-term loans from					
financial institutions	8	81,372	65,285	-	-
Current portion of lease liabilities		23,170	24,241	6,401	6,855
Income tax payable		50,273	143,600	33,431	43,265
Other current liabilities		348,248	318,016	92,399	68,466
Total current liabilities		1,771,268	1,801,782	776,748	890,460
Non-current liabilities					
Long-term loans from financial institutions					
- net of current portion	8	548,968	333,815	-	-
Lease liabilities, net of current portion		45,246	47,049	25,241	21,724
Provision for long-term employee benefits		165,688	154,653	88,943	83,712
Derivatives liabilities		40,035	53,917	-	-
Deferred tax liabilities		10,666	10,558	-	-
Other non-current liabilities		18,417	14,320	-	-
Total non-current liabilities		829,020	614,312	114,184	105,436
Total liabilities		2,600,288	2,416,094	890,932	995,896

The accompanying notes are an integral part of the financial statements.

Chularat Hospital Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
11,000,000,000 ordinary shares				
of Baht 0.1 each	1,100,000	1,100,000	1,100,000	1,100,000
Issued and fully paid				
11,000,000,000 ordinary shares				
of Baht 0.1 each	1,100,000	1,100,000	1,100,000	1,100,000
Share premium	1,146,085	1,146,085	1,146,085	1,146,085
Retained earnings				
Appropriated - statutory reserve	110,000	110,000	110,000	110,000
Unappropriated	4,894,648	5,167,072	3,436,402	3,042,951
Equity attributable to owners of the Company	7,250,733	7,523,157	5,792,487	5,399,036
Non-controlling interests of the subsidiaries	401,063	340,733	-	-
Total shareholders' equity	7,651,796	7,863,890	5,792,487	5,399,036
Total liabilities and shareholders' equity	10,252,084	10,279,984	6,683,419	6,394,932
	-	-	-	-

The accompanying notes are an integral part of the financial statements.

Directors

(Unaudited but reviewed)

Chularat Hospital Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2023

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Profit or loss:					
Revenues					
Revenues from hospital operations		2,092,844	2,026,310	955,910	985,005
Other income		76,840	73,783	5,543	2,601
Total revenues		<u>2,169,684</u>	<u>2,100,093</u>	<u>961,453</u>	<u>987,606</u>
Expenses					
Cost of hospital operations		1,486,328	1,480,231	632,746	704,706
Administrative expenses		245,754	252,685	114,450	123,421
Total expenses		<u>1,732,082</u>	<u>1,732,916</u>	<u>747,196</u>	<u>828,127</u>
Operating profit		<u>437,602</u>	<u>367,177</u>	<u>214,257</u>	<u>159,479</u>
Share of loss from investments in associates	6	(4,616)	-	-	-
Finance income		562	258	3,572	2,854
Finance cost		(6,753)	(3,888)	(1,329)	(1,018)
Profit before income tax expenses		<u>426,795</u>	<u>363,547</u>	<u>216,500</u>	<u>161,315</u>
Income tax expenses		(90,340)	(96,989)	(42,473)	(55,788)
Profit for the period		<u>336,455</u>	<u>266,558</u>	<u>174,027</u>	<u>105,527</u>
Other comprehensive income:					
Other comprehensive income for the period		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u><u>336,455</u></u>	<u><u>266,558</u></u>	<u><u>174,027</u></u>	<u><u>105,527</u></u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Chularat Hospital Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 30 September 2023

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Profit attributable to:				
Equity holders of the Company	325,763	258,474	174,027	105,527
Non-controlling interests of the subsidiaries	10,692	8,084		
	<u>336,455</u>	<u>266,558</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	325,763	258,474	174,027	105,527
Non-controlling interests of the subsidiaries	10,692	8,084		
	<u>336,455</u>	<u>266,558</u>		
Basic earnings per share				
Profit attributable to equity holders of the Company (Baht per share)	<u>0.0296</u>	<u>0.0235</u>	<u>0.0158</u>	<u>0.0096</u>
Weighted average number of ordinary shares (Thousand shares)	<u>11,000,000</u>	<u>11,000,000</u>	<u>11,000,000</u>	<u>11,000,000</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Chularat Hospital Public Company Limited and its subsidiaries**Statement of comprehensive income****For the nine-month period ended 30 September 2023**

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Profit or loss:					
Revenues					
Revenues from hospital operations		5,607,627	8,382,185	2,579,416	3,662,556
Dividend income	5	-	-	1,049,687	1,220,000
Other income		219,128	208,770	11,194	7,034
Total revenues		5,826,755	8,590,955	3,640,297	4,889,590
Expenses					
Cost of hospital operations		4,143,015	4,679,331	1,794,592	1,977,918
Administrative expenses		668,079	680,439	320,798	340,025
Total expenses		4,811,094	5,359,770	2,115,390	2,317,943
Operating profit		1,015,661	3,231,185	1,524,907	2,571,647
Share of loss from investments in associates	6	(10,538)	-	-	-
Finance income		4,467	4,124	10,551	11,917
Finance cost		(15,437)	(10,276)	(3,343)	(1,529)
Profit before income tax expenses		994,153	3,225,033	1,532,115	2,582,035
Income tax expenses		(205,909)	(663,544)	(94,036)	(294,776)
Profit for the period		788,244	2,561,489	1,438,079	2,287,259
Other comprehensive income:					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		788,244	2,561,489	1,438,079	2,287,259

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Chularat Hospital Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the nine-month period ended 30 September 2023

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Profit attributable to:				
Equity holders of the Company	772,204	2,493,107	1,438,079	2,287,259
Non-controlling interests of the subsidiaries	16,040	68,382		
	<u>788,244</u>	<u>2,561,489</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	772,204	2,493,107	1,438,079	2,287,259
Non-controlling interests of the subsidiaries	16,040	68,382		
	<u>788,244</u>	<u>2,561,489</u>		
Basic earnings per share				
Profit attributable to equity holders of the Company (Baht per share)	<u>0.0702</u>	<u>0.2266</u>	<u>0.1307</u>	<u>0.2079</u>
Weighted average number of ordinary shares (Thousand shares)	<u>11,000,000</u>	<u>11,000,000</u>	<u>11,000,000</u>	<u>11,000,000</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Chularat Hospital Public Company Limited and its subsidiaries**Cash flow statement****For the nine-month period ended 30 September 2023**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from operating activities				
Profit before tax	994,153	3,225,033	1,532,115	2,582,035
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	319,783	288,417	125,685	115,343
Reversal of allowance for expected credit losses	(1)	(17)	-	-
Loss (gain) on fair value adjustments of financial liabilities	(13,882)	59,326	-	-
Reduction of inventory to net realisable value	-	122,236	-	122,236
Loss on write-off of withholding tax deducted at source	705	-	-	-
Loss (gain) on sales and write-offs of assets	(541)	3,518	(317)	587
Share of loss from investments in associates	10,538	-	-	-
Unrealised exchange losses (gain)	22,406	(20,106)	-	-
Increase in provision for long-term employee benefits	12,139	9,345	5,712	4,724
Dividend income	-	-	(1,049,687)	(1,220,000)
Finance income	(4,467)	(4,124)	(10,551)	(11,917)
Finance cost	15,437	10,276	3,343	1,529
Profit from operating activities before changes in operating assets and liabilities	1,356,270	3,693,904	606,300	1,594,537
Operating assets (increase) decrease				
Trade and other receivables	(88,884)	(84,963)	36,298	95,787
Accrued medical treatment income	602,946	(1,323,984)	239,425	(539,884)
Inventories	(80,099)	(62,068)	(28,136)	(79,168)
Other current assets	(3,692)	329,966	1,211	192,779
Other non-current assets	49,405	(11,455)	50,303	(17,777)
Operating liabilities increase (decrease)				
Trade and other payables	134,641	127,952	60,681	100,010
Other current liabilities	22,152	(97,435)	23,933	(301,152)
Cash paid for long-term employee benefits	(1,104)	(1,099)	(481)	(352)
Cash from operating activities	1,991,635	2,570,818	989,534	1,044,780
Cash paid for interest expenses	(18,276)	(8,668)	(2,539)	(893)
Cash paid for income tax	(304,603)	(1,265,530)	(105,249)	(591,534)
Withholding tax received	8,487	-	-	-
Net cash from operating activities	1,677,243	1,296,620	881,746	452,353

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Chularat Hospital Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the nine-month period ended 30 September 2023**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from investing activities				
Increase in investments in other current financial assets	(95,000)	(5,000)	-	-
Cash paid for business acquisition	(197,186)	-	(200,000)	-
Cash paid for investments in subsidiary	-	-	(96,620)	-
Dividend received from subsidiary	-	-	1,049,687	1,220,000
Cash paid in advance for share subscription	-	-	-	(170,000)
Increase in short-term loans to subsidiaries	-	-	(67,000)	-
Decrease in long-term loans to subsidiaries	-	-	68,219	136,500
Cash paid for advance for construction of buildings and medical instruments	(195,218)	(26,736)	(102,612)	-
Cash paid for acquisition and payment of accounts payable - fixed assets	(720,682)	(423,959)	(293,359)	(155,122)
Cash paid for acquisition of intangible assets	(3,138)	(34,526)	(2,752)	(32,992)
Proceed from sales of assets	1,135	902	2,641	9,780
Interest received	3,983	4,095	1,639	2,496
Net cash from (used in) investing activities	(1,206,106)	(485,224)	359,843	1,010,662
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(176,519)	987,000	(220,000)	1,000,000
Cash receipt from long-term loans	194,600	65,400	-	-
Repayment of long-term loans	(58,623)	(79,370)	-	-
Repayment of long-term loans from unrelated person	(25,000)	-	-	-
Payment of principal portion of lease liabilities	(20,138)	(20,325)	(5,295)	(5,679)
Cash receipt from non-controlling interests of investment in subsidiary	53,129	-	-	-
Dividend paid	(1,044,628)	(2,804,998)	(1,044,628)	(2,804,998)
Dividend paid by subsidiary to non-controlling interests	(8,839)	(2,351)	-	-
Net cash used in financing activities	(1,086,018)	(1,854,644)	(1,269,923)	(1,810,677)
Net decrease in cash and cash equivalents	(614,881)	(1,043,248)	(28,334)	(347,662)
Cash and cash equivalents at beginning of period	2,000,740	2,789,666	388,978	781,074
Cash and cash equivalents at end of period	1,385,859	1,746,418	360,644	433,412
Supplement cash flows information				
Non-cash transactions				
Transfer advance payment for construction to buildings and medical instruments	113,884	37,604	98,594	7,594
Acquisition of fixed assets which cash has not been paid	114,026	58,297	48,853	27,097
Increase in right-of-use assets and lease liabilities from additional lease agreements	15,880	19,058	7,554	5,096
Transfers right-of-use assets to property, plant and equipment	182	975	96	319

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Chularat Hospital Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2023

(Unit: Thousand Baht)

	Consolidated financial statements						
	Equity attributable to owners of the Company				Equity attributable to non-controlling interests of the subsidiaries		
	Issued and paid-up share capital	Share premium	Retained earnings		Total equity attributable to owners of the Company	Total shareholders' equity	
			Appropriated	Unappropriated			
Balance as at 1 January 2022	1,100,000	1,146,085	110,000	5,212,855	7,568,940	272,024	7,840,964
Dividend paid (Note 9)	-	-	-	(2,804,998)	(2,804,998)	-	(2,804,998)
Dividends paid by subsidiary to non-controlling interests (Note 5)	-	-	-	-	-	(2,351)	(2,351)
Profit for the period	-	-	-	2,493,107	2,493,107	68,382	2,561,489
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	2,493,107	2,493,107	68,382	2,561,489
Balance as at 30 September 2022	1,100,000	1,146,085	110,000	4,900,964	7,257,049	338,055	7,595,104
Balance as at 1 January 2023	1,100,000	1,146,085	110,000	5,167,072	7,523,157	340,733	7,863,890
Dividend paid (Note 9)	-	-	-	(1,044,628)	(1,044,628)	-	(1,044,628)
Dividends paid by subsidiaries to non-controlling interests (Note 5)	-	-	-	-	-	(8,839)	(8,839)
Increase in equity attributable to non-controlling interests of the subsidiary from investment in subsidiaries (Note 5)	-	-	-	-	-	53,129	53,129
Profit for the period	-	-	-	772,204	772,204	16,040	788,244
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	772,204	772,204	16,040	788,244
Balance as at 30 September 2023	1,100,000	1,146,085	110,000	4,894,648	7,250,733	401,063	7,651,796

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Chularat Hospital Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2023

(Unit: Thousand Baht)

	Separate financial statements				
	Issued and paid-up		Retained earnings		Total
	share capital	Share premium	Appropriated	Unappropriated	shareholders' equity
Balance as at 1 January 2022	1,100,000	1,146,085	110,000	2,882,107	5,238,192
Dividend paid (Note 9)	-	-	-	(2,804,998)	(2,804,998)
Profit for the period	-	-	-	2,287,259	2,287,259
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	2,287,259	2,287,259
Balance as at 30 September 2022	1,100,000	1,146,085	110,000	2,364,368	4,720,453
Balance as at 1 January 2023	1,100,000	1,146,085	110,000	3,042,951	5,399,036
Dividend paid (Note 9)	-	-	-	(1,044,628)	(1,044,628)
Profit for the period	-	-	-	1,438,079	1,438,079
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,438,079	1,438,079
Balance as at 30 September 2023	1,100,000	1,146,085	110,000	3,436,402	5,792,487

-

The accompanying notes are an integral part of the financial statements.

Chularat Hospital Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and nine-month periods ended 30 September 2023

1. General information

1.1 Corporate information

Chularat Hospital Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the operating of clinics and hospitals. The registered office of the Company is at 88/8-9, Teparak Km.15 Road, Tambol Bangpla, Amphur Bangplee, Samutprakarn. As at 30 September 2023, the Company and its subsidiaries totally have 16 branches of clinics and hospitals (31 December 2022: 14 branches).

1.2 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, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

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 circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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 Thai language financial statements.

1.3 Basis of consolidation

The interim consolidated financial statements include the financial statements of Chularat Hospital Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) (collectively as “the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2022 and there were no change in significant shareholding structure of the subsidiaries during the period, except for the additional investments as disclosed in Note 5 to the financial statements.

1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2022.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023, do not have any significant impact on the Group's financial statements.

1.5 New financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

2. Related party transactions

During the periods, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business. There were no significant changes in the transfer pricing policy of transactions with related parties during the current periods.

Summaries significant business transactions with related parties are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<u>Transactions with subsidiaries</u>				
<i>(eliminated from the consolidated financial statements)</i>				
Sales of medicine and supplies	-	-	-	4
Purchases of medicine and supplies	-	-	14	67
Laboratory service income	-	-	1	1
Interest income	-	-	3	2
Sales of equipment	-	-	2	9

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<u>Transactions with subsidiaries</u>				
<i>(eliminated from the consolidated financial statements)</i>				
Sales of medicine and supplies	-	-	13	79
Purchases of medicine and supplies	-	-	14	74
Laboratory service income	-	-	3	6
Laboratory service expenses	-	-	-	1
Rental income	-	-	1	1
Interest income	-	-	9	9
Sales of equipment	-	-	2	9
Purchases of equipment	-	-	-	1

As at 30 September 2023 and 31 December 2022, the balances of accounts between the Company and related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2023	2022	2023	2022
<u>Trade and other receivables - related parties (Note 3)</u>				
Subsidiaries	-	-	58,662	110,248
	-	-	58,662	110,248
<u>Interest receivable from related parties (Note 3)</u>				
Subsidiaries	-	-	89,776	80,863
	-	-	89,776	80,863
<u>Short-term loans to related parties</u>				
Subsidiaries	-	-	67,000	-
	-	-	67,000	-
<u>Long-term loans to related parties</u>				
Subsidiaries	-	-	264,155	332,374
	-	-	264,155	332,374
<u>Trade and other payables - related parties</u>				
Subsidiaries	-	-	13,435	835
Related company	879	980	783	958
	879	980	14,218	1,793

Short-term loans to related parties

The balance of loans between the Company and its subsidiaries and the movement are as follows:

(Unit: Thousand Baht)

Loans to	Separate financial statements			
	Balance as at	Increase	Decrease	Balance as at
	31 December			30 September
	2022	during the period	during the period	2023
Ruampat Mae Sot International				
Company Limited	-	30,000	-	30,000
Good Estate Company Limited	-	37,000	-	37,000
Total	-	67,000	-	67,000

Long-term loans to related parties

The balance of loans between the Company and its subsidiaries and the movement are as follows:

(Unit: Thousand Baht)

Loans to	Separate financial statements			
	Balance as at	Increase	Decrease	Balance as at
	31 December			30 September
	2022	during the period	during the period	2023
Chularat Phraek Sa Hospital Company Limited	153,555	-	-	153,555
Chularat Arkanay Hospital Company Limited	178,819	-	(68,219)	110,600
Ruampat Chachoengsao Hospital Company Limited	-	38,254	(38,254)	-
Total	332,374	38,254	(106,473)	264,155

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2023 and 2022, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Short-term employee benefits	11.4	11.9	5.2	4.4
Total	11.4	11.9	5.2	4.4

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Short-term employee benefits	33.7	33.8	14.4	13.7
Long-term employee benefits	0.1	-	0.1	-
Total	33.8	33.8	14.5	13.7

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its subsidiaries, as described in Note 11.3 a) to the interim consolidated financial statements, with free of charge.

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2023	2022	2023	2022
<u>Trade accounts receivable - related parties</u>				
Age of outstanding debts by due date				
Past due up to 3 months	-	-	41,244	53,853
Total trade accounts receivable - related parties	-	-	41,244	53,853
<u>Trade accounts receivable - unrelated parties</u>				
Age of outstanding debts by due date				
Past due				
Up to 3 months	578,686	477,748	225,890	207,425
3 - 6 months	130,802	128,781	45,762	50,329
6 - 12 months	75,881	84,073	52,237	45,966
Over 12 months	67,403	67,042	28,974	27,181
Total	852,772	757,644	352,863	330,901
Less: Allowance for expected credit losses	(20,594)	(20,595)	(7,574)	(7,574)
Total trade accounts receivable - unrelated parties, net	832,178	737,049	345,289	323,327
Total trade accounts receivable - net	832,178	737,049	386,533	377,180

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
<u>Other receivables</u>				
Other receivable - related parties	-	-	17,418	56,395
Other receivable - unrelated parties	14,736	19,786	7,525	14,200
Interest receivable - related parties	-	-	89,776	80,863
Total other receivables	14,736	19,786	114,719	151,458
Total trade and other receivables - net	846,914	756,835	501,252	528,638

4. Accrued medical treatment income

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Accrued medical treatment income from				
National Health Security Office	120,362	118,463	97,331	85,723
Accrued medical treatment income of chronic				
diseases from Social Security Office	280,088	461,123	75,973	135,385
Accrued medical treatment income provided				
to patients with severe diseases from				
Social Security Office	315,810	347,954	195,929	212,084
Other accrued income from Social Security				
Office	175,300	105,549	124,325	70,365
Accrued medical treatment income -				
Coronavirus Disease 2019	516,040	977,457	317,771	547,197
Total accrued medical treatment income	1,407,600	2,010,546	811,329	1,050,754
Less: Allowance for expected credit losses	(622)	(622)	-	-
Total accrued medical treatment income - net	1,406,978	2,009,924	811,329	1,050,754

The Group is not able to determine the certain amount of medical treatment income that has not been collected from the Social Security Office and National Health Security Office. In this regard, the management of the Group makes an estimate of accrued income based on the amount of the latest actual collection together with the current circumstances. In addition, the Group's management makes an estimate of medical treatment income with respect to the Coronavirus Disease 2019 that has not been collected, by consideration the criteria, procedures and conditions set forth by the Ministry of Health.

The payment for the accrued medical treatment income is subject to the medical treatment payment policy of the relevant office. The management believes that the actual outcome will not significantly differ from the estimate.

As of 30 September 2023, the majority of the Group's accrued medical treatment income met with reimbursement criteria, procedures and conditions of the relevant office, with no overdue amount exceeding 12 months. However, there was an outstanding balance for accrued medical treatment income - Coronavirus 2019 that exceed 12 months.

5. Investments in subsidiaries

During the current period, there were change in shareholding structure of the as follow:

CHG Wellness Center Company Limited

In April 2023, Convenience Hospital Company Limited (a subsidiary) invested in CHG Wellness Center Company Limited, a newly established company on 27 April 2023, which has registered share capital of Baht 1 million (10,000 ordinary shares of Baht 100 each). This company is principally engaged in providing comprehensive wellness services. A subsidiary had 100% holding in such company and paid for the investment amounting to Baht 999,800.

Good Estate Company Limited

On 19 May 2023 (the acquisition date), the Company purchased 1,999,998 ordinary shares of Good Estate Company Limited, representing 100% of the total issued and paid-up capital from the existing shareholders, at the price of Baht 100 per share. The total cost of the purchase amounted to Baht 200 million. As a result, the Company's shareholding in that company is 100%.

The net book values of the identifiable assets and liabilities of Good Estate Company Limited at the date of acquisition were as follows:

	(Unit: Thousand Baht)
Cash and cash equivalents	2,814
Trade and other receivables	710
Inventories	525
Other current assets	423
Restricted bank deposits	480
Property, plant and equipment	236,436
Intangible assets	306
Other non-current assets	233
Bank overdrafts	(1,519)
Trade and other payables	(5,179)
Current portion of long-term loans from financial institutions	(17,143)
Other current liabilities	(8,080)
Long-term loans from director	(25,000)
Long-term loans from financial institutions - net of current portion	(55,714)
Net assets of the business acquisition	129,292
Net assets of the business acquisition in the Company's proportion (100%)	129,292
Add: Difference between costs of the business acquisition and net value of assets from business acquisition	70,708
Cash payment for business acquisition	200,000
Less: Cash and cash equivalents of the acquired company	(2,814)
Net cash payment for business acquisition	197,186

At present, the Company is assessing the fair value of the assets acquired and liabilities assumed at the acquisition date, in order to allocate costs of the business acquisition to such identifiable items. The assessment process mainly involves the identification and valuation of intangible assets and certain tangible assets. It is to be completed within the period of 12 months from the acquisition date allowed under Thai Financial Reporting Standard No. 3 *Business Combinations*. During the measurement period, if the Company obtains additional facts and circumstances that existed as of the acquisition date, the Company will adjust provisional amounts recognised at the acquisition date, to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

At present, the Company recorded the excess of cash paid for the acquisition of Good Estate Company Limited over its book value attributable to the Company's shareholding as a separate item in the consolidated statement of financial position under the caption of "Unallocated costs of business acquisition".

Ruampat Chachoengsao Hospital Company Limited (a subsidiary)

In April 2023, the Annual General Meeting of the subsidiary approved the call up of an additional 25% of the value of its 59.9 million registered ordinary shares with a par value of Baht 10 each, or a total of Baht 150 million. This is to be paid within 31 July 2023.

On 7 August 2023, the meeting of the Board of Directors of such subsidiary approved the extension of the payment period from 31 July 2023 to within 20 September 2023.

During the period, the Company has paid shares subscription to the subsidiary in the amount of Baht 97 million.

Dividend income

During the nine-month periods ended 30 September 2023 and 2022, the Company received dividend from its subsidiaries as below.

Company's name	(Unit: Thousand Baht)	
	2023	2022
Convenience Hospital Company Limited	800,000	800,000
Bangpakong Vejchakij Company Limited	240,000	420,000
Ruampat Chachoengsao Hospital Company Limited	9,687	-
	<u>1,049,687</u>	<u>1,220,000</u>

Cholvaej Hospital Company Limited (subsidiary held by Bangpakong Vejchakij Company Limited)

In the second quarter of 2022, Cholvaej Hospital Company Limited, which is a subsidiary of Bangpakong Vejchakij Company Limited, paid an interim dividend of Baht 3 per share, a total of Baht 120 million of which Baht 117.65 million and Baht 2.35 million were paid to Bangpakong Vejchakij Company Limited and non-controlling interests, respectively.

In the second quarter of 2023, Cholvaej Hospital Company Limited paid a dividend of Baht 4.50 per share, or a total of Baht 180 million, to the shareholders based on the retained earnings as at 31 December 2022. A dividend of which Baht 176.47 million and Baht 3.53 million were paid to Bangpakong Vejchakij Company Limited and non-controlling interests, respectively.

Ruampat Chachoengsao Hospital Company Limited

In the second quarter of 2023, Ruampat Chachoengsao Hospital Company Limited paid a dividend of Baht 0.25 per share, or a total of Baht 15 million, to the shareholders based on the retained earnings as at 31 December 2022. A dividend of which Baht 9.69 million and Baht 5.31 million were paid to the Company and non-controlling interests, respectively.

6. Investments in associates**6.1 Share of comprehensive income**

During the three-month and nine-month periods ended 30 September 2023 and 2022, the Group recognised its share of loss from investments in associates in the consolidated financial statements as follows:

Company's name	(Unit: Thousand Baht)			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2023	2022	2023	2022
Medcury Company Limited	(5,346)	-	(7,562)	-
Arincare Company Limited	730	-	(2,976)	-
	(4,616)	-	(10,538)	-

The shares of comprehensive incomes from investments in associates were calculated from the financial statements, prepared by their managements. The Group's management believes that there would be no significant difference from those financial statements if they had been audited or reviewed by their auditors.

7. Bank overdrafts and short-term loans from financial institutions

Bank overdrafts of subsidiary is guaranteed by the mortgage of land with structures thereon of subsidiary and former shareholder of the subsidiary.

Bank overdrafts agreement of subsidiary contains several covenants relating to, among other things, the maintenance of certain financial ratios in accordance with rates prescribed in the agreement.

Short-term loans from financial institutions are secured by the mortgage of land with structures thereon of the Group.

8. Long-term loans from financial institutions

Movements in the long-term loans account during the nine-month period ended 30 September 2023 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2023	399,100
Increase from the business acquisition (Note 5)	72,857
Add: Increase during the period	194,600
Less: Payment during the period	(58,623)
Less: Unrealised loss on exchange rate	22,406
Balance as at 30 September 2023	630,340
Less: Current portion	(81,372)
Long-term loans, net of current portion	548,968

On 21 March 2022, Ruampat Mae Sot International Company Limited, the subsidiary, entered into a long-term loan agreement with a local financial institution in order to construction of the subsidiary's hospital, which have the credit facility of Baht 300 million. The loan carries interest at the minimum loan rate (MLR) minus 2.90% per annum and the repayment of principal is to be made on a monthly basis, from April 2024 to March 2032.

On 1 April 2022, Ruampat Mae Sot International Company Limited entered into a long-term loan agreement with a local financial institution to obtain the loan of USD 8.99 million for use in making repayment of the Baht loan according the above loan agreement. The loan carries interest at the rate of 4.432% per annum. The loan agreement is effective from 29 September 2023 and the term of the agreement is 8.5 years, due within March 2032.

The subsidiaries' loans are secured by the mortgage of the subsidiaries' land and structure thereon and future structures of the subsidiaries.

The above loan agreements contain covenants as specified in the agreements, that among other things, require the subsidiaries to maintain debt-to-equity ratio and debt service coverage ratio according to the agreements.

In addition, loan from the business acquisition (Note 5) is guaranteed by the mortgage of land with structures thereon of subsidiary and former shareholder of the subsidiary.

As at 30 September 2023, the subsidiary has fully drawn down the long-term credit facilities mentioned above (31 December 2022, the long-term credit facilities of the subsidiary which have not yet been drawn down amounted to Baht 195 million and USD 8.99 million).

9. Dividend paid

Dividends	Approved by	Number of shares (Thousand shares)	Dividend per share (Baht)	Total dividends (Thousand Baht)
Annual dividends for 2021	Annual General Meeting of the shareholders on 22 April 2022	10,999,995	0.170	1,869,999
Interim dividend on operating result for the six-month period ended 30 June 2022	Board of Directors' Meeting on 11 August 2022	10,999,991	0.085	934,999
Total dividends for 2022				2,804,998
Annual dividends for 2022	Annual General Meeting of the shareholders on 21 April 2023	10,995,194	0.075	824,640
Interim dividend on operating result for the six-month period ended 30 June 2023	Board of Directors' Meeting on 10 August 2023	10,999,434	0.020	219,988
Total dividends for 2023				1,044,628

10. Segment information

The Group has two reportable segments that are hospital operations and other businesses that support hospital business including distribution of medical instruments. These two segments have similar economic characteristics. They both have common customer group, similar service provision methods and similar management. Its operations are carried on only in 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 exclusively to the aforementioned reportable operating segment and geographical area.

11. Commitments and contingent liabilities**11.1 Capital commitments**

a) The Group had capital commitments as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Construction of buildings and building improvement	53	115	5	22
Acquisition of tools and equipment	138	192	81	112

b) As at 30 September 2023, the Company had capital commitment amounting to Baht 140 million (31 December 2022: Baht 237 million) in respect of the uncalled portion of investment in the subsidiaries.

11.2 Service commitments

The Group has entered into service agreements. The terms of the agreements are generally between 1 and 5 years. Future minimum payments required under these service contracts were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Payable:				
In up to 1 year	38	39	14	18
In over 1 year and up to 5 years	6	9	3	6

11.3 Guarantees

- a) As at 30 September 2023, the Company has guaranteed bank credit facilities of two subsidiaries amounting to Baht 145 million (31 December 2022: Baht 145 million).
- b) There were outstanding bank guarantees issued by the banks on behalf of the Group, in respect of certain performance bonds as required in the normal course of business. The details of the letters of bank guarantee are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Guarantee contractual				
performance	155	147	71	61
Guarantee electricity use	13	12	4	4
Total	168	159	75	65

12. Financial instrument

Fair value of financial instrument

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

Fair value hierarchy

During the current period, there were no changes in the methods and the assumptions used to estimate the fair value of financial instruments and there were no transfers between the levels of the fair value hierarchy.

Derivatives not designated as hedging instruments

The Group uses cross currency interest rate swaps contract to manage some of its transaction exposures. The contract is entered into for periods consistent with foreign currency and interest rate exposure of the underlying transactions, generally 7 - 9 years.

13. Debentures

On 20 April 2017, the Annual General Meeting of the Company's shareholders passed the resolution to issue and offer up to Baht 2,000 million of debentures for sale, with a tenor of not more than 10 years. Further consideration and determination of significant conditions and details of the debentures relating to the financing of each issue of debentures are at the discretion of the Company's Board of Directors or other persons assigned by the Board of Directors.

14. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 November 2023.