

Srivichaivejvivat Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2014

Independent Auditor's Report

To the Shareholders of Srivichaivejvivat Public Company Limited

I have audited the accompanying consolidated financial statements of Srivichaivejvivat Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2014, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Srivichaivejvivat Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Srivichaivejvivat Public Company Limited and its subsidiaries and of Srivichaivejvivat Public Company Limited as at 31 December 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Termphong Opanaphan
Certified Public Accountant (Thailand) No. 4501

EY Office Limited
Bangkok: 27 February 2015

Srivichaivejvivat Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2014

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Assets					
Current assets					
Cash and cash equivalents	7	96,686,226	143,882,561	39,632,527	82,455,982
Trade and other receivables	8	192,114,808	117,446,843	120,982,924	65,436,694
Medicine and supplies	9	24,771,539	23,757,722	8,995,975	9,265,644
Other current assets		4,156,027	5,399,007	474,793	693,371
Total current assets		317,728,600	290,486,133	170,086,219	157,851,691
Non-current assets					
Investments in subsidiaries	10	-	-	268,131,802	236,415,600
Other long-term investment	11	40,500,000	-	40,500,000	-
Investment properties	12	23,109,827	23,448,743	-	-
Property, plant and equipment	13	751,047,108	641,512,106	574,878,603	437,728,041
Leasehold rights	14	133,657,797	139,696,358	-	-
Deferred tax assets	22	8,368,512	9,161,538	-	-
Other non-current assets		21,737,609	19,114,671	3,924,710	4,691,277
Total non-current assets		978,420,853	832,933,416	887,435,115	678,834,918
Total assets		1,296,149,453	1,123,419,549	1,057,521,334	836,686,609

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

Srivichaivejvivat Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2014

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	15	183,253,634	151,012,900	88,382,404	61,409,877
Short-term loan from related party	6	-	-	2,000,000	-
Current portion of long-term loans	16	73,506,000	68,496,000	25,550,000	36,000,000
Current portion of liabilities under finance lease agreements	17	3,266,824	2,995,017	1,606,426	648,754
Income tax payable		5,436,230	4,185,121	5,144,119	2,866,662
Other current liabilities		4,898,385	1,618,314	2,637,687	458,575
Total current liabilities		270,361,073	228,307,352	125,320,636	101,383,868
Non-current liabilities					
Long-term loans, net of current portion	16	179,968,000	82,074,000	160,450,000	14,600,000
Liabilities under finance lease agreements, net of current portion	17	9,077,261	2,006,877	2,536,259	876,261
Provision for long-term employee benefits	18	11,369,233	12,497,935	4,814,951	4,024,385
Deferred tax liabilities	22	5,674,454	5,712,613	4,164,277	4,390,167
Total non-current liabilities		206,088,948	102,291,425	171,965,487	23,890,813
Total liabilities		476,450,021	330,598,777	297,286,123	125,274,681

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

Srivichaivejvivat Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Shareholders' equity					
Share capital	19				
Registered					
570,666,666 ordinary shares of Baht 1 each (2013: 535,000,000 ordinary shares of Baht 1 each)		570,666,666	535,000,000	570,666,666	535,000,000
Issued and fully paid					
570,665,433 ordinary shares of Baht 1 each (2013: 535,000,000 ordinary shares of Baht 1 each)		570,665,433	535,000,000	570,665,433	535,000,000
Share premium		37,938,115	37,938,115	37,938,115	37,938,115
Retained earnings					
Appropriated - statutory reserve	20	16,842,669	12,513,422	16,842,669	12,513,422
Unappropriated		174,509,593	156,437,392	134,788,994	125,960,391
Other components of shareholders' equity		18,669,496	34,614,609	-	-
Equity attributable to owners of the Company		818,625,306	776,503,538	760,235,211	711,411,928
Non-controlling interests of the subsidiaries		1,074,126	16,317,234	-	-
Total shareholders' equity		819,699,432	792,820,772	760,235,211	711,411,928
Total liabilities and shareholders' equity		1,296,149,453	1,123,419,549	1,057,521,334	836,686,609
		-	-	-	-

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

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Directors
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Srivichaivejvivat Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2014

1. General information

Srivichaivejvivat Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in hospital business. The registered office of the Company is at 74/5 Moo 4, Phetkasem Road, Omnoi, Krathumbaen, Samutsakorn.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Srivichaivejvivat Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of Shareholding	
			<u>2014</u>	<u>2013</u>
			Percent	Percent
Saivichai Development Company Limited	Operating of hospitals	Thailand	99.43	94.76
Srisakornvejvivat Company Limited	Operating of hospitals	Thailand	99.56	94.94
Srivichai Vocational School Company Limited	Operating of vocational school	Thailand	99.98	99.98

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - d) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
 - e) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements, which present investments in subsidiaries under the cost method, have been prepared solely for the benefit of the public.

3. **New financial reporting standards**

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases – Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets – Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognised actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company's and its subsidiaries' financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 Interests in Joint Ventures. This standard requires an entity to account for an investment in a jointly controlled entity that meets the definition of a joint venture using the equity method, while TAS 31 allows the entity to apply either the proportionate consolidation method or the equity method to account for such an investment.

The management of the Company and its subsidiaries believes that this standard will not have any impact on the Company's and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company's and its subsidiaries' financial statements.

4. Significant accounting policies

4.1 Revenue recognition

Revenue for hospital operations

Revenues from hospital operations mainly consist of medical fees, medicine sales and hospital room sales, are recognised as income when services have been rendered or medicine delivered. Except for operating revenues from the Social Security Office which are recognised as income according to annual lump sum amount and adjust relative weights per the number of registrants of the Company and its subsidiaries.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Revenue from tuition fees and educational media

Revenues from tuition fees and educational media are recognised over the teaching period.

Rental income

Rental income is recognised over the rental period and at the rate determined in agreement.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Medicine and supplies

Medicine and supplies are valued at the lower of cost (average method) and net realisable value.

4.5 Investments

- (a) Investment in non-marketable equity security, which the Company classifies as other investment, is stated at cost net of allowance for impairment loss (if any).
- (b) Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 5 - 20 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.7 Property, plant and equipment/Depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their cost on the straight-line basis over the following estimated useful lives:

Buildings	-	40, 50	years
Buildings improvement	-	5, 20	years
Tools and medical instrument	-	5, 10	years
Office furniture, fixtures and equipment	-	3, 5	years
Motor vehicle	-	5	years

Depreciation is included in determining income.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in the profit or loss when the asset is derecognised.

4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.9 Leasehold rights

Leasehold rights are initially recognised at the amount transferred to acquire the leasehold rights to land plus the cost of the construction on the land under the lease agreement, which was made in 1999.

Leasehold rights are stated at cost less accumulated amortisation and allowance for loss on impairment of assets (if any). Amortisation is calculated by reference to the cost of the leasehold rights on a straight-line basis over the period specified in the land lease agreements. Amortisation is included in determining income.

4.10 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company or its subsidiaries, whether directly or indirectly, or which are under common control with the Company or its subsidiaries.

They also include individuals which directly or indirectly own a voting interest in the Company or its subsidiaries that gives them significant influence over the Company or its subsidiaries, key management personnel, directors and officers with authority in the planning and direction of the Company's or its subsidiaries' operations.

4.11 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the assets.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.12 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in the profit or loss.

4.13 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company, the subsidiaries and their employees have jointly established separate provident funds. The funds are monthly contributed by employees, the Company and the subsidiaries. The funds' assets are held in separate trust funds and the Company and the subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.14 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5. Significant accounting judgements and estimates

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

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Accrued social security income

Such medical income has not yet been received from the Social Security Office. Since the Company and its subsidiaries are not able to determine the exact amount to be received, the management has therefore estimated the amount based on the latest actual collection together with current circumstances.

Impairment of other investment

The Company treats other investment as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company’s and its subsidiaries’ plant and equipment and to review estimate useful lives and residual values when there are any changes.

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

Deferred tax assets

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

Post-employment benefits under defined benefit plans

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

Litigation

The Company has contingent liabilities as a result of litigation. The Company’s management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Medical service income	-	-	2	6	Normal price less certain discount
Medical service expenses	-	-	3	7	Normal price less certain discount
<u>Transactions with related individuals</u>					
Medical service income	3	5	-	-	Normal price less certain discount

As at 31 December 2014 and 2013, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<u>Trade and other receivables - related parties</u>				
(Note 8)				
Subsidiaries	-	-	104	617
Related individual	-	6	-	-
Total trade and other receivables - related parties	-	6	104	617
<u>Trade and other payables - related parties</u>				
(Note 15)				
Subsidiaries	-	-	226	461
Total trade and other payables - related parties	-	-	226	461

Loan from related party

As at 31 December 2014 and 2013, the balances of loan between the Company and the related company and the movement are as follows:

(Unit: Thousand Baht)

Loan from related party	Related by	Separate financial statements			
		Balance as at 31 December 2013	Increase during the year	Decrease during the year	Balance as at 31 December 2014
Srivichai Vocational School Company Limited	Subsidiary	-	2,000	-	2,000
Total		-	2,000	-	2,000

Directors and management's benefits

During the years ended 31 December 2014 and 2013, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Short-term employee benefits	36,601	32,438	25,840	21,467
Post-employment benefits	210	213	183	192
Total	36,811	32,651	26,023	21,659

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash	1,485	3,014	530	1,154
Bank deposits	95,201	140,869	39,103	81,302
Total	96,686	143,883	39,633	82,456

As at 31 December 2014, the Company and its subsidiaries had bank deposits in saving accounts and fixed deposits which carried interests between 0.125 and 2.50 percent per annum (2013: between 0.125 and 3.10 percent per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	99	135
Past due up to 3 months	-	-	-	477
Total trade receivables - related parties	-	-	99	612
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	66,750	54,313	31,392	25,022
Past due				
Up to 3 months	14,986	12,314	5,758	4,063
3 - 6 months	1,895	2,860	516	1,121
6 - 12 months	1,764	1,724	1,385	907
Over 12 months	3,330	586	1,802	537
Total	88,725	71,797	40,853	31,650
Less: Allowance for doubtful accounts	(1,816)	(685)	(1,802)	(560)
Total trade receivables - unrelated parties, net	86,909	71,112	39,051	31,090
Total trade receivables - net	86,909	71,112	39,150	31,702
<u>Other receivables - related parties</u>				
Other receivable - related party	-	-	5	5
Other accrued income - related individual	-	6	-	-
Total other receivables - related parties	-	6	5	5
<u>Other receivables - unrelated parties</u>				
Other receivables	4,271	2,964	3,255	2,007
Accrued income				
Accrued social security income	94,344	36,941	76,063	29,550
Other accrued income	6,591	6,687	2,510	2,236
Total	105,206	46,592	81,828	33,793
Less: Allowance for doubtful accounts	-	(263)	-	(63)
Total other receivables - unrelated parties, net	105,206	46,329	81,828	33,730
Total other receivables - net	105,206	46,335	81,833	33,735
Total trade and other receivables - net	192,115	117,447	120,983	65,437

9. Medicine and supplies

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Medicine and supplies - net	
	2014	2013	2014	2013	2014	2013
Medicine	14,428	13,365	(241)	(81)	14,187	13,284
Medical supplies	8,739	8,635	(27)	(35)	8,712	8,600
Other supplies	1,873	1,874	-	-	1,873	1,874
Total	25,040	23,874	(268)	(116)	24,772	23,758

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Medicine and supplies - net	
	2014	2013	2014	2013	2014	2013
Medicine	5,613	5,489	(231)	(81)	5,382	5,408
Medical supplies	3,003	3,034	(11)	(5)	2,992	3,029
Other supplies	622	829	-	-	622	829
Total	9,238	9,352	(242)	(86)	8,996	9,266

During the current year, the Company reduced cost of medicine and supplies by Baht 0.5 million (2013: Baht 0.2 million) (The Company only: Baht 0.3 million and 2013: Baht 0.2 million), to reflect the net realisable value. This was included in cost of hospital operations. In addition, the Company reversed the write-down of cost of medicine and supplies by Baht 0.3 million (2013: Baht 0.1 million) (The Company only: Baht 0.1 million and 2013: Baht 0.1 million), and reduced the amount of medicine and supplies recognised as expenses during the year.

10. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received during the year	
	2014	2013	2014	2013	2014	2013	2014	2013
			(%)	(%)				
Saivichai Development Company Limited	150,000	150,000	99.43	94.76	159,526	142,134	-	-
Srisakornvejvivat Company Limited	99,200	99,200	99.56	94.94	108,506	94,181	10,360	9,418
Srivichai Vocational School Company Limited	100	100	99.98	99.98	100	100	520	-
Total					268,132	236,415	10,880	9,418

On 30 September 2014, in accordance with resolutions passed by the meeting of the Company's Board of Directors No. 10/2014 on 11 August 2014, the Company purchased 1,402,550 ordinary shares of Saivichai Development Company Limited from minor shareholders of that company for a total of Baht 17.39 million, increasing its shareholding to 99.43 percent, and purchased 916,480 ordinary shares of Srisakonvejvivat Company Limited from minor shareholders for a total of Baht 14.33 million, increasing its shareholding to 99.56 percent. The Company recorded difference resulting from increase in shareholding in subsidiaries amounting to Baht 15.95 million as a "Change in parent's ownership interest in subsidiaries without change in control" and presented in other components of shareholders' equity in the consolidated statement of change in shareholders' equity.

11. Other long-term investment

On 30 September 2014, the Company purchased 6,000,000 ordinary shares of Baht 5 each of Mahanakorn Mae-Sod Vejchakarn Company Limited, representing 15 percent of the share capital of that company. This was in accordance with resolutions passed by the meeting of the Company's Board of Directors No. 11/2014 on 20 August 2014.

Subsequently, on 19 October 2014, Extraordinary General Meeting of the shareholders No. 1/2014 of Mahanakorn Mae-Sod Vejchakarn Company Limited approved an increase in its registered share capital from Baht 200 million to Baht 270 million, by issuing 14,000,000 ordinary shares with a par value of Baht 5 each, to be allocated to the existing shareholders in proportion to their shareholding. The Company purchased 2,100,000 additionally issued ordinary shares with a par value of Baht 5 each, amounting to Baht 10.5 million. This was in accordance with resolutions passed by the meeting of the Company's Board of Directors No. 15/2014 on 23 December 2014. As a result, the Company's shareholding in that company remains unchanged at 15 percent.

12. Investment properties

The net book values of investment properties as at 31 December 2014 and 2013 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		
	Land	Buildings and buildings improvement	Total
31 December 2014:			
Cost	22,845	8,677	31,522
<u>Less</u> Accumulated depreciation	-	(8,412)	(8,412)
Net book value	<u>22,845</u>	<u>265</u>	<u>23,110</u>
31 December 2013:			
Cost	22,845	8,677	31,522
<u>Less</u> Accumulated depreciation	-	(8,073)	(8,073)
Net book value	<u>22,845</u>	<u>604</u>	<u>23,449</u>

A reconciliation of the net book value of investment properties for the years 2014 and 2013 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2014</u>	<u>2013</u>
Net book value at beginning of year	23,449	23,763
Acquisition of buildings improvement	-	68
Depreciation charged	(339)	(382)
Net book value at end of year	<u>23,110</u>	<u>23,449</u>

As at 31 December 2014, the fair values of the investment properties amounting to Baht 43 million. Its fair value has been determined based on the valuation performed by an accredited independent valuer, using the income approach. Key assumptions used in the valuation include yield rate, inflation rate, long-term vacancy rate and long-term growth in the rental rates (2013: Baht 29 million, using the cost approach).

The subsidiary has pledged the above investment properties as collateral against credit facilities received from financial institutions and credit facilities of another subsidiary.

13. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Land	Buildings and buildings improvement	Tools and medical instrument	Office furniture, fixtures and equipment	Motor vehicle	Assets under installation and under construction	Total
Cost:							
1 January 2013	339,820	503,498	227,174	190,667	58,380	36,505	1,356,044
Additions	-	1,326	14,196	12,703	4,910	38,960	72,095
Disposals/write-off	-	(1,935)	(4,369)	(6,012)	(9,790)	(60)	(22,166)
Transfers in (out)	-	21,484	8,168	4,410	2,528	(36,590)	-
31 December 2013	339,820	524,373	245,169	201,768	56,028	38,815	1,405,973
Additions	-	433	17,961	9,192	14,964	140,234	182,784
Disposals/write-off	-	(1,415)	(9,725)	(5,716)	(20,381)	-	(37,237)
Transfers in (out)	-	1,725	-	318	-	(2,043)	-
Capitalised interest	-	-	-	-	-	1,188	1,188
31 December 2014	339,820	525,116	253,405	205,562	50,611	178,194	1,552,708
Accumulated depreciation:							
1 January 2013	-	365,654	162,132	130,379	48,555	-	706,720
Depreciation for the year	-	20,569	23,440	29,428	5,119	-	78,556
Depreciation on disposals/write-off	-	(1,166)	(4,188)	(5,804)	(9,657)	-	(20,815)
31 December 2013	-	385,057	181,384	154,003	44,017	-	764,461
Depreciation for the year	-	19,723	24,119	22,861	5,408	-	72,111
Depreciation on disposals/write-off	-	(1,415)	(9,604)	(5,595)	(18,297)	-	(34,911)
31 December 2014	-	403,365	195,899	171,269	31,128	-	801,661
Net book value:							
31 December 2013	339,820	139,316	63,785	47,765	12,011	38,815	641,512
31 December 2014	339,820	121,751	57,506	34,293	19,483	178,194	751,047
Depreciation for the year							
2013 (Baht 58 million included in cost of hospital operations, and the balance in selling and administrative expenses)							78,556
2014 (Baht 56 million included in cost of hospital operations, and the balance in selling and administrative expenses)							72,111

(Unit: Thousand Baht)

Separate financial statements

	Land	Buildings and buildings improvement	Tools and medical instrument	Office furniture, fixtures and equipment	Motor vehicle	Assets under installation and under construction	Total
Cost:							
1 January 2013	286,127	266,297	70,609	43,252	22,199	14,816	703,300
Additions	-	442	10,653	6,372	3,011	27,770	48,248
Disposals/write-off	-	(1,936)	(2,173)	(2,376)	(4,671)	(60)	(11,216)
Transfers in (out)	-	4,205	-	-	-	(4,205)	-
31 December 2013	286,127	269,008	79,089	47,248	20,539	38,321	740,332
Additions	-	355	9,383	5,020	7,067	140,127	161,952
Disposals/write-off	-	(1,415)	(3,386)	(2,358)	(5,980)	-	(13,139)
Transfers in (out)	-	1,630	-	1	-	(1,631)	-
Capitalised interest	-	-	-	-	-	1,188	1,188
31 December 2014	286,127	269,578	85,086	49,911	21,626	178,005	890,333
Accumulated depreciation:							
1 January 2013	-	192,975	49,020	28,754	18,350	-	289,099
Depreciation for the year	-	6,729	8,043	6,861	2,031	-	23,664
Depreciation on disposals/write-off	-	(1,167)	(2,132)	(2,204)	(4,656)	-	(10,159)
31 December 2013	-	198,537	54,931	33,411	15,725	-	302,604
Depreciation for the year	-	6,972	8,964	5,898	2,629	-	24,463
Depreciation on disposals/write-off	-	(1,415)	(3,313)	(2,271)	(4,614)	-	(11,613)
31 December 2014	-	204,094	60,582	37,038	13,740	-	315,454
Net book value:							
31 December 2013	286,127	70,471	24,158	13,837	4,814	38,321	437,728
31 December 2014	286,127	65,484	24,504	12,873	7,886	178,005	574,879
Depreciation for the year							
2013 (Baht 18 million included in cost of hospital operations, and the balance in selling and administrative expenses)							23,664
2014 (Baht 19 million included in cost of hospital operations, and the balance in selling and administrative expenses)							24,463

As at 31 December 2014, the Company had an outstanding balance of work under construction of a new building of approximately Baht 174 million (2013: None). Construction of the building has been financed with a loan from a financial institution and borrowing costs totaling approximately Baht 1 million were capitalised during the year ended 31 December 2014 (2013: None). The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation was 1%.

As at 31 December 2014, the Company and its subsidiaries had vehicles with net book value of Baht 15 million (2013: Baht 5 million) (The Company only: Baht 6 million and 2013: Baht 3 million) which were acquired under finance lease agreements.

As at 31 December 2014, certain items of buildings improvement and equipment were fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 359 million (2013: Baht 255 million) (the Company only: Baht 81 million and 2013: Baht 71 million).

The Company and its subsidiaries had pledged part of their property with constructions thereon, their book values as at 31 December 2014 are Baht 640 million (2013: Baht 518 million), as collateral against credit facilities received from the commercial bank, and credit facilities of another subsidiary (the Company only: Baht 530 million and 2013: Baht 395 million).

14. Leasehold rights

(Unit: Thousand Baht)

	Consolidated financial statements			Total
	Land rental	Construction on leased land	Construction in progress on leased land	
Cost:				
1 January 2013	2,073	154,343	9,900	166,316
Additions	-	43	1,687	1,730
Transfers in (out)	-	11,587	(11,587)	-
31 December 2013	2,073	165,973	-	168,046
Additions	-	-	542	542
Transfers in (out)	-	518	(518)	-
31 December 2014	2,073	166,491	24	168,588

(Unit: Thousand Baht)

	Consolidated financial statements			
	Land rental	Construction on leased land	Construction	Total
			in progress on leased land	
Accumulated amortisation:				
1 January 2013	1,529	20,648	-	22,177
Amortisation for the year	70	6,103	-	6,173
31 December 2013	1,599	26,751	-	28,350
Amortisation for the year	70	6,510	-	6,580
31 December 2014	1,669	33,261	-	34,930
Net book value:				
31 December 2013	474	139,222	-	139,696
31 December 2014	404	133,230	24	133,658
Amortisation for the year				
2013 (Baht 5 million included in cost of hospital operations, and the balance in selling and administrative expenses)				6,173
2014 (Baht 6 million included in cost of hospital operations, and the balance in selling and administrative expenses)				6,850

Leasehold rights include transfer fees to acquire the leased land and construction expenses for construction on leased land. The subsidiary made land lease agreement for year 1990 to year 2020. However, in 2005, the land lease agreement was extended for 15 years until 2035.

The subsidiary had pledged its leasehold rights as collateral against credit facilities received from the commercial bank.

15. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Trade payables - related parties	-	-	226	301
Trade payables - unrelated parties	85,228	58,768	54,268	31,447
Other payables - related party	-	-	-	160
Other payables - unrelated parties	27,609	27,441	7,245	5,317
Doctor fee payables	24,019	22,520	11,220	9,759
Accrued expenses	46,398	42,284	15,423	14,426
Total trade and other payables	183,254	151,013	88,382	61,410

16. Long-term loans

			(Unit: Thousand Baht)			
Loan	Interest rate (%)	Repayment schedule	Consolidated		Separate	
			financial statements		financial statements	
			2014	2013	2014	2013
Srivichaivejvivat Plc.						
1	MLR-1.5 to MLR	Monthly installments as from December 2009	14,600	50,600	14,600	50,600
2	MLR-1.25 to MLR-1	Monthly installments as from December 2014	75,000	-	75,000	-
3	MLR-1.25 to MLR-1	Monthly installments as from October 2015	34,400	-	34,400	-
4	MLR-1.25 to MLR-1	Monthly installments as from January 2016	62,000	-	62,000	-
Saivichai Development Co., Ltd.						
5	MLR	Monthly installments as from January 2010	34,200	51,360	-	-
6	MLR-1 to MLR	Monthly installments as from June 2012	28,000	40,000	-	-
Srisakornvejvivat Co., Ltd.						
7	MLR-1 to MLR	Monthly installments as from August 2013	5,274	8,610	-	-
Total			253,474	150,570	186,000	50,600
Less: Portion due within one year			(73,506)	(68,496)	(25,550)	(36,000)
Long-term loans, net of current portion			179,968	82,074	160,450	14,600

The loans are secured by the mortgage part of land with constructions thereon of the Company and subsidiaries, investment properties and leasehold rights of its subsidiaries, and guarantee provided by a subsidiary and director of the Company.

As at 31 December 2014, the long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 29 million (2013: Baht 16 million) (the Company only: Baht 13 million and 2013: None).

17. Liabilities under finance lease agreements

				(Unit: Thousand Baht)			
	Consolidated		Separate				
	financial statements		financial statements				
	2014	2013	2014	2013			
Liabilities under finance lease agreements	13,799	5,385	4,574	1,684			
Less: Deferred interest expenses	(1,455)	(383)	(431)	(159)			
Total	12,344	5,002	4,143	1,525			
Less: Portion due within one year	(3,267)	(2,995)	(1,607)	(649)			
Liabilities under finance lease agreements - net of current portion	9,077	2,007	2,536	876			

The Company and its subsidiaries have entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are 3 to 5 years.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

	As at 31 December 2014					
	Consolidated financial statements			Separate financial statements		
	Less than 1 year	1 - 4 years	Total	Less than 1 year	1 - 3 years	Total
Future minimum lease payments	3,908	9,891	13,799	1,878	2,696	4,574
Deferred interest expenses	(641)	(814)	(1,455)	(271)	(160)	(431)
Present value of future minimum lease payments	<u>3,267</u>	<u>9,077</u>	<u>12,344</u>	<u>1,607</u>	<u>2,536</u>	<u>4,143</u>

(Unit: Thousand Baht)

	As at 31 December 2013					
	Consolidated financial statements			Separate financial statements		
	Less than 1 year	1 - 3 years	Total	Less than 1 year	1 - 2 years	Total
Future minimum lease payments	3,213	2,172	5,385	733	951	1,684
Deferred interest expenses	(218)	(165)	(383)	(84)	(75)	(159)
Present value of future minimum lease payments	<u>2,995</u>	<u>2,007</u>	<u>5,002</u>	<u>649</u>	<u>876</u>	<u>1,525</u>

18. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company and its subsidiaries, was as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Defined benefit obligation at				
beginning of year	12,498	9,921	4,024	3,183
Current service cost	1,138	2,070	487	678
Interest cost	461	507	179	163
Benefits paid during the year	(2,964)	-	(2,000)	-
Actuarial losses	236	-	2,125	-
Provisions for long-term employee				
benefits at end of year	<u>11,369</u>	<u>12,498</u>	<u>4,815</u>	<u>4,024</u>

Long-term employee benefit expenses included in the profit or loss consist of the following:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current service cost	1,138	2,070	487	678
Interest cost	461	507	179	163
Total expenses recognised in profit or loss	<u>1,599</u>	<u>2,577</u>	<u>666</u>	<u>841</u>
Line items in profit or loss under which such expenses are included				
Cost of hospital operations	831	832	282	253
Selling and administrative expenses	768	1,745	384	588

As at 31 December 2014, cumulative actuarial gains (net of actuarial losses), which were recognised in other comprehensive income of the Company and its subsidiaries, amounted to Baht 0.2 million (2013: None) (The Company only: Baht 2.1 million and 2013: None).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	4.30	4.23	4.30	4.23
Future salary increase rate	5.00	5.00	5.00	5.00
Staff turnover rate				
(depending on age)	0.00 - 25.00	6.10 - 10.26	0.00 - 25.00	6.10 - 10.26

The amounts of defined benefit obligations and experience adjustments for the current year and the past four years are as follows:

(Unit: Thousand Baht)

	Defined benefit obligations		Experience adjustments on the obligations	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2014	11,369	4,815	(3,013)	1,004
Year 2013	12,498	4,024	-	-
Year 2012	9,921	3,183	-	-
Year 2011	8,020	2,503	-	-
Year 2010	6,344	1,986	-	-

19. Share capital

On 17 October 2014, the Extraordinary General Meeting of the Company's shareholders No. 1/2014 approved an increase in the registered share capital of the Company from Baht 535.00 million (535,000,000 ordinary shares of Baht 1 each) to Baht 570.67 million (570,666,666 ordinary shares of Baht 1 each) through the issuance of 35,666,666 new ordinary shares with a par value of Baht 1 per share for underlying the stock dividend announcement as discussed in note 26 to the financial statements. The Company registered the increase in its share capital with the Ministry of Commerce on 30 October 2014.

20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

21. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Salaries and wages and other employee benefits	404,459	377,598	187,266	168,837
Doctor fees	253,043	226,188	115,089	94,394
Depreciation and amortisation	79,382	85,536	24,597	23,917
Medical treatment expense for referred patients	95,099	67,287	63,389	50,666
Medicine, medical supplies and other supplies used	141,869	127,515	70,109	60,843

22. Income tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current income tax:				
Current income tax charge	22,727	15,730	18,733	10,676
Deferred tax:				
Relating to origination and reversal of temporary differences	802	1,053	199	1,479
Income tax expenses reported in the statement of comprehensive income	<u>23,529</u>	<u>16,783</u>	<u>18,932</u>	<u>12,155</u>

The amounts of income tax relating to each component of other comprehensive income for the year ended 31 December 2014 and 2013 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Deferred tax relating to actuarial losses	47	-	425	-

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Accounting profit before tax	118,926	78,420	105,517	70,984
Applicable tax rate	20% and 0% to 20%	20% and 0% to 20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	23,690	15,519	21,103	14,197
Effects of:				
Non-deductible expenses	942	2,092	303	472
Tax-exempted dividend income	-	-	(2,176)	(1,884)
Additional expense deductions allowed	(1,103)	(828)	(298)	(630)
Total	(161)	1,264	(2,171)	(2,042)
Income tax expenses reported in the statement of comprehensive income	23,529	16,783	18,932	12,155

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	As at 31 December 2014	As at 31 December 2013	As at 31 December 2014	As at 31 December 2013
Deferred tax assets				
Allowance for doubtful accounts	360	170	360	120
Allowance for diminution in value of medicine and supplies	54	23	48	17
Provision for employee benefits	3,061	2,823	1,491	897
Unused tax loss	12,363	11,511	-	-
Total	15,838	14,527	1,899	1,034
Deferred tax liabilities				
Accumulated depreciation - Plant	13,144	11,078	6,063	5,424
Total	13,144	11,078	6,063	5,424

23. Earnings per share

Basic earnings per share is calculated by dividing profit for this year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during this year, after adjusting the number of ordinary shares to reflect the impact of the stock dividend as discussed in note 26 to the financial statements. The prior year's basic earnings per share has been recalculated as if the stock dividend had been distributed and incurred at the beginning of the earliest year reported.

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Profit for the period (Thousand Baht)	94,398	61,091	86,585	58,829
Weighted average number of ordinary shares (Thousand shares)	570,665	570,665	570,665	570,665
Earnings per share (Baht per share)	0.17	0.11	0.15	0.10

24. Segment information

The Company and its subsidiaries are principally engaged in the hospital business. A subsidiary is engaged in operating a school, but revenue from this business is immaterial. Therefore, revenues, operating profit and total assets presented in the financial statements relate to the said principal business.

Geographic information

The Company and its subsidiaries operate in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customer

For the year 2014, the Company and its subsidiaries have revenue from one major customer in amount of Baht 325 million, arising from hospital business (2013: Baht 273 million derived from one major customer, arising from hospital business).

25. Provident fund

The Company, its subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees, the Company and its subsidiaries contribute to the fund monthly at the rate of 2 percent of basic salary. The fund, which is managed by the American International Assurance Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2014, the Company, its subsidiaries and its employees contributed Baht 3 million (2013: Baht 3 million) (the Company only: Baht 1 million and 2013: Baht 1 million) to the fund.

26. Dividends/Stock dividends

Dividends	Approved by	Cash dividend (Thousand Baht)	Dividend per share (Baht)	Stock dividend (Thousand Baht)	Dividend per share (Baht)
Final dividend for 2012	The Annual General Meeting of the shareholders on 5 April 2013	16,049	0.03	-	-
Total dividends for 2013		16,049	0.03	-	-
Final dividend for 2013	The Annual General Meeting of the shareholders on 25 April 2014	32,097	0.06	-	-
Interim dividends from operating profit for the six-month period ended 30 June 2014	The Extraordinary General Meeting of shareholders No.1/2014 on 17 October 2014	3,965	0.00741	35,665	0.06667
Total dividends for 2014		36,062	0.06741	35,665	0.06667

27. Commitments and contingent liabilities

27.1 Capital commitments

As at 31 December 2014, the Company and its subsidiaries had capital commitments relating to the construction of buildings and the buildings improvement of approximately Baht 42 million (2013: Baht 1 million) (The Company only: Baht 42 million and 2013: Baht 1 million), and relating to acquisition of medical devices and hospital equipment of approximately Baht 12 million (2013: Baht 13 million) (The Company only: Baht 12 million and 2013: Baht 13 million).

27.2 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land, property, office spaces and equipment. The terms of the agreements are generally between 1 and 5 years, and 45 years.

Future minimum lease payments required under those operating lease agreements were as follows:

(Unit: Million Baht)

	As at 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Payable:				
In up to 1 year	5.5	5.2	0.3	0.3
In over 1 and up to 5 years	15.6	16.4	0.1	0.2
In over 5 years	36.0	39.0	-	-

27.3 Service commitments

The Company and its subsidiaries have entered into consulting, cleaning services provider, security services provider, medical equipment maintenance service, and other service agreements with related individual and unrelated parties.

As at 31 December 2014, future minimum payments required under those service contracts due within one year was contracting to Baht 14 million (2013: Baht 10 million) (The Company only: Baht 5 million and 2013: Baht 5 million)

27.4 Guarantees

There were outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Bank guarantees for the medical treatment service contracts with the Social Security Office	14	13	10	10
Bank guarantees for electricity use	3	3	1	1

27.5 Litigation

In 2011, the Company, as a joint defendant, was sued together with a hospital and the attending doctors (3 defendants in total) for damages amounting to approximately Baht 11 million. The plaintiff claimed that the attending doctors had jointly committed a tort in their provision of medical treatment, and that the Company, as the operator of the hospital business and employer of the doctors, must be held jointly responsible for the wrongful acts of the attending doctors. The Company and its doctors believe that they did not commit any wrongful acts as claimed and they therefore decided to file statements of defence. The Court of First Instance ordered the dismissal of the case on 8 July 2013.

The plaintiff subsequently appealed against the judgement, and on 11 April 2014, the Appeal Court ordered the Company to pay a total of Baht 0.2 million to the plaintiff, together with interest at 7.5 percent per annum from 30 September 2011 until payment is made.

Subsequently, the plaintiff wished to file an appeal against the judgement with the Supreme Court. Currently, the plaintiff is seeking permission for such appeal from the Supreme Court. However, the management and the legal adviser of the Company believe that the litigation will not result in the Company incurring any material loss, and the Company therefore did not record any liabilities in the accounts.

28. Financial instruments

28.1 Financial risk management

The Company's and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, loans, short-term loans, long-term loans and liabilities under finance lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables and loans. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, The Company and its subsidiaries do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and loans as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries exposure to interest rate risk relates primarily to its cash at banks, loans, short-term borrowings, long-term borrowings and liabilities under finance lease agreements. However, since most of the Company's and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Foreign currency risk

The Company and its subsidiaries had no exposure to foreign currency risk as they rarely have not transactions denominated in other currencies.

28.2 Fair values of financial instruments

Since the majority of the Company's and its subsidiaries' financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

29. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2014, the Group's debt-to-equity ratio was 0.58:1 (2013: 0.42:1) and the Company's was 0.39:1 (2013: 0.18:1).

30. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2015.