

Srivichaivejvivat Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2015

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 2015, 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 2015, 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: 19 February 2016

Srivichaivejvivat Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	As at		As at		
	Note	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Assets					
Current assets					
Cash and cash equivalents	7	133,186,588	96,686,226	70,117,286	39,632,527
Trade and other receivables	8	185,550,338	192,114,808	105,053,661	120,982,924
Medicine and supplies	9	29,697,442	24,771,539	12,152,459	8,995,975
Other current assets		5,476,812	4,156,027	517,359	474,793
Total current assets		353,911,180	317,728,600	187,840,765	170,086,219
Non-current assets					
Investments in subsidiaries	10	-	-	268,131,802	268,131,802
Other long-term investment	11	40,500,000	40,500,000	40,500,000	40,500,000
Investment properties	12	23,516,643	23,109,827	-	-
Property, plant and equipment	13	874,865,311	751,047,108	699,894,913	574,878,603
Leasehold rights	14	127,291,572	133,657,797	-	-
Deferred tax assets	22	4,191,013	8,368,512	-	-
Other non-current assets		21,287,974	21,737,609	10,796,168	3,924,710
Total non-current assets		1,091,652,513	978,420,853	1,019,322,883	887,435,115
Total assets		1,445,563,693	1,296,149,453	1,207,163,648	1,057,521,334

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 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	As at		As at		
	Note	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	15	236,908,824	183,253,634	127,460,430	88,382,404
Short-term loan from related party	6	-	-	-	2,000,000
Current portion of long-term loans	16	70,088,000	73,506,000	51,720,000	25,550,000
Current portion of liabilities under finance lease agreements	17	5,054,614	3,266,824	1,691,530	1,606,426
Income tax payable		7,267,974	5,436,230	7,231,131	5,144,119
Other current liabilities		2,185,382	4,898,385	739,686	2,637,687
Total current liabilities		321,504,794	270,361,073	188,842,777	125,320,636
Non-current liabilities					
Long-term loans, net of current portion	16	186,380,000	179,968,000	174,230,000	160,450,000
Liabilities under finance lease agreements, net of current portion	17	9,215,225	9,077,261	1,389,857	2,536,259
Provision for long-term employee benefits	18	12,827,116	11,369,233	5,457,605	4,814,951
Deferred tax liabilities	22	5,757,835	5,674,454	4,081,875	4,164,277
Total non-current liabilities		214,180,176	206,088,948	185,159,337	171,965,487
Total liabilities		535,684,970	476,450,021	374,002,114	297,286,123

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 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	<u>Note</u>	<u>31 December 2015</u>	<u>31 December 2014</u>	<u>31 December 2015</u>
Shareholders' equity				
Share capital	19			
Registered				
570,666,666 ordinary shares of Baht 1 each		<u>570,666,666</u>	<u>570,666,666</u>	<u>570,666,666</u>
Issued and fully paid				
570,665,433 ordinary shares of Baht 1 each		570,665,433	570,665,433	570,665,433
Share premium		37,938,115	37,938,115	37,938,115
Retained earnings				
Appropriated - statutory reserve	20	21,059,640	16,842,669	21,059,640
Unappropriated		260,371,986	174,509,593	203,498,346
Other components of shareholders' equity		18,669,496	18,669,496	-
Equity attributable to owners of the Company		<u>908,704,670</u>	<u>818,625,306</u>	<u>833,161,534</u>
Non-controlling interests of the subsidiaries		<u>1,174,053</u>	<u>1,074,126</u>	<u>-</u>
Total shareholders' equity		<u>909,878,723</u>	<u>819,699,432</u>	<u>833,161,534</u>
Total liabilities and shareholders' equity		<u>1,445,563,693</u>	<u>1,296,149,453</u>	<u>1,207,163,648</u>
		-	-	-

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

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 Directors

Srivichaivejvivat Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2015

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>2015</u>	<u>2014</u>
			Percent	Percent
Saivichai Development Company Limited	Operating of hospitals	Thailand	99.43	99.43
Srisakornvejvivat Company Limited	Operating of hospitals	Thailand	99.56	99.56
Srivichai Vocational School Company Limited	Operating of vocational school	Thailand	99.98	99.98

- b) The Company is deemed to have control over an investee or subsidiaries 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.

- c) 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.
 - d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
 - f) 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 present investments in subsidiaries under the cost method.

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 year

The Company and its subsidiaries have adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which 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 standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or 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 recognise 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 content of TAS 27 Consolidated and Separate Financial Statements dealing with consolidated 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 investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any 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 investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This standard does 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 on 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 measurement. 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 effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The management of the Company and its subsidiaries believe that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

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	-	2 - 10	years
Office furniture, fixtures and equipment	-	3, 5	years
Motor vehicle	-	5, 10	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.

No amortisation is provided on construction in progress on leasehold land.

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.

4.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. A subsidiary applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, a subsidiary measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

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

At the end of each reporting period, a subsidiary determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Medical service income	-	-	4	2	Normal price less certain discount
Medical service expenses	-	-	11	3	Normal price less certain discount
<u>Transactions with related individuals</u>					
Medical service income	1	3	-	-	Normal price less certain discount

As at 31 December 2015 and 2014, the balances of the accounts between the Company, its subsidiaries and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Trade and other receivables - related parties</u>				
(Note 8)				
Subsidiaries	-	-	2,932	104
Related individuals	181	-	-	-
Total trade and other receivables - related parties	<u>181</u>	<u>-</u>	<u>2,932</u>	<u>104</u>
<u>Trade and other payables - related parties</u>				
(Note 15)				
Subsidiaries	-	-	5,500	226
Related individual	8	-	-	-
Total trade and other payables - related parties	<u>8</u>	<u>-</u>	<u>5,500</u>	<u>226</u>

Loans from related parties

As at 31 December 2015 and 2014, the balances of loans between the Company and the related parties and the movement are as follows:

		(Unit: Thousand Baht)			
		Separate financial statements			
Loan from related party	Related by	Balance as at 31 December 2014	Increase during the year	Decrease during the year	Balance as at 31 December 2015
Srisakornvejvivat Company Limited	Subsidiary	-	20,000	(20,000)	-
Srivichai Vocational School Company Limited	Subsidiary	2,000	-	(2,000)	-
Total		<u>2,000</u>	<u>20,000</u>	<u>(22,000)</u>	<u>-</u>

Directors and management's benefits

During the years ended 31 December 2015 and 2014, 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	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Short-term employee benefits	36,445	36,601	26,227	25,840
Post-employment benefits	224	210	195	183
Total	<u>36,669</u>	<u>36,811</u>	<u>26,422</u>	<u>26,023</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash	1,413	1,485	525	530
Bank deposits	131,774	95,201	69,592	39,103
Total	<u>133,187</u>	<u>96,686</u>	<u>70,117</u>	<u>39,633</u>

As at 31 December 2015, the Company and its subsidiaries had bank deposits in saving accounts and fixed deposits which carried interests between 0.10 and 1.80 percent per annum (2014: between 0.125 and 2.50 percent per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	2,927	99
Total trade receivables - related parties	<u>-</u>	<u>-</u>	<u>2,927</u>	<u>99</u>

Trade receivables - unrelated parties

Aged on the basis of due dates

Not yet due	90,955	66,750	42,382	31,392
Past due				
Up to 3 months	15,028	14,986	3,985	5,758
3 - 6 months	4,341	1,895	2,826	516
6 - 12 months	3,155	1,764	2,450	1,385
Over 12 months	2,402	3,330	2,320	1,802
Total	115,881	88,725	53,963	40,853
Less: Allowance for doubtful accounts	(2,320)	(1,816)	(2,320)	(1,802)
Total trade receivables - unrelated parties, net	113,561	86,909	51,463	39,051
Total trade receivables - net	113,561	86,909	54,570	39,150

Other receivables - related parties

Other receivable - related party	-	-	5	5
Other accrued income - related individuals	181	-	-	-
Total other receivables - related parties	181	-	5	5

Other receivables - unrelated parties

Other receivables	3,104	4,271	1,748	3,255
Accrued income				
Accrued social security income	55,336	94,344	44,477	76,063
Other accrued income	13,368	6,591	4,254	2,510
Total other receivables - unrelated parties	71,808	105,206	50,479	81,828
Total other receivables	71,989	105,206	50,484	81,833
Total trade and other receivables - net	185,550	192,115	105,054	120,983

9. Medicine and supplies

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Medicine and supplies - net	
	2015	2014	2015	2014	2015	2014
Medicine	18,581	14,428	(365)	(241)	18,216	14,187
Medical supplies	9,629	8,739	(27)	(27)	9,602	8,712
Other supplies	1,879	1,873	-	-	1,879	1,873
Total	30,089	25,040	(392)	(268)	29,697	24,772

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Medicine and supplies - net	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Medicine	8,571	5,613	(347)	(231)	8,224	5,382
Medical supplies	3,370	3,003	(14)	(11)	3,356	2,992
Other supplies	572	622	-	-	572	622
Total	12,513	9,238	(361)	(242)	12,152	8,996

During the current year, the Company and its subsidiaries reduced cost of medicine and supplies by Baht 0.4 million (2014: Baht 0.5 million) (The Company only: Baht 0.3 million and 2014: Baht 0.3 million), to reflect the net realisable value. This was included in cost of hospital operations. In addition, the Company and its subsidiaries reversed the write-down of cost of medicine and supplies by Baht 0.3 million (2014: Baht 0.3 million) (The Company only: Baht 0.2 million and 2014: 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		Dividend received during the year	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
			(%)	(%)				
Saichai Development								
Company Limited	150,000	150,000	99.43	99.43	159,526	159,526	-	-
Srisakornvejvivat								
Company Limited	99,200	99,200	99.56	99.56	108,506	108,506	10,271	10,360
Srivichai Vocational								
School Company								
Limited	100	100	99.98	99.98	100	100	998	520
Total					268,132	268,132	11,269	10,880

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

The Company has 8,100,000 ordinary shares of Baht 5 each of Mahanakorn Mae-Sod Vejchakarn Company Limited, representing 15 percent of the share capital of that company.

12. Investment properties

The net book values of investment properties as at 31 December 2015 and 2014 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		
	Land	Buildings and buildings improvement	Total
31 December 2015:			
Cost	22,845	9,234	32,079
<u>Less</u> Accumulated depreciation	-	(8,562)	(8,562)
Net book value	22,845	672	23,517
31 December 2014:			
Cost	22,845	8,677	31,522
<u>Less</u> Accumulated depreciation	-	(8,412)	(8,412)
Net book value	22,845	265	23,110

A reconciliation of the net book value of investment properties for the years 2015 and 2014 are presented below.

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>	
	<u>2015</u>	<u>2014</u>
Net book value at beginning of year	23,110	23,449
Acquisition of buildings improvement	557	-
Depreciation charged	(150)	(339)
Net book value at end of year	<u>23,517</u>	<u>23,110</u>

As at 31 December 2015, 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 (2014: Baht 43 million).

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 2014	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
Additions	-	3,413	50,736	15,424	16,495	98,528	184,596
Disposals/write-off	-	-	(5,290)	(3,542)	(1,497)	-	(10,329)
Transfers in (out)	-	250,528	4,492	248	-	(255,268)	-
Capitalised interest	-	-	-	-	-	7,779	7,779
31 December 2015	339,820	779,057	303,343	217,692	65,609	29,233	1,734,754
Accumulated depreciation:							
1 January 2014	-	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
Depreciation for the year	-	19,076	25,265	17,255	6,839	-	68,435
Depreciation on disposals/write-off	-	-	(5,248)	(3,463)	(1,496)	-	(10,207)
31 December 2015	-	422,441	215,916	185,061	36,471	-	859,889
Net book value:							
31 December 2014	339,820	121,751	57,506	34,293	19,483	178,194	751,047
31 December 2015	339,820	356,616	87,427	32,631	29,138	29,233	874,865
Depreciation for the year							
2014 (Baht 56 million included in cost of hospital operations, and the balance in selling and administrative expenses)							72,111
2015 (Baht 53 million included in cost of hospital operations, and the balance in selling and administrative expenses)							68,435

(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 2014	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
Additions	-	514	40,923	8,702	1,518	92,886	144,543
Disposals/write-off	-	-	(2,390)	(700)	(496)	-	(3,586)
Transfers in (out)	-	250,528	1,800	57	-	(252,385)	-
Capitalised interest	-	-	-	-	-	7,779	7,779
31 December 2015	286,127	520,620	125,419	57,970	22,648	26,285	1,039,069
Accumulated depreciation:							
1 January 2014	-	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
Depreciation for the year	-	7,518	10,804	6,190	2,759	-	27,271
Depreciation on disposals/write-off	-	-	(2,372)	(684)	(495)	-	(3,551)
31 December 2015	-	211,612	69,014	42,544	16,004	-	339,174
Net book value:							
31 December 2014	286,127	65,484	24,504	12,873	7,886	178,005	574,879
31 December 2015	286,127	309,008	56,405	15,426	6,644	26,285	699,895
Depreciation for the year							
2014 (Baht 19 million included in cost of hospital operations, and the balance in selling and administrative expenses)							24,463
2015 (Baht 19 million included in cost of hospital operations, and the balance in selling and administrative expenses)							27,271

As at 31 December 2015, the Company had an outstanding balance of work under construction of a new building of approximately Baht 25 million (2014: Baht 174 million). Construction of the building has been financed with a loan from a financial institution and borrowing costs totaling approximately Baht 8 million were capitalised during the year ended 31 December 2015 (2014: Baht 1 million). The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation was 4 percent.

As at 31 December 2015, the Company and its subsidiaries had vehicles with net book value of Baht 17 million (2014: Baht 15 million) (The Company only: Baht 5 million and 2014: Baht 6 million) which were acquired under finance lease agreements.

As at 31 December 2015, 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 375 million (2014: Baht 320 million) (the Company only: Baht 104 million and 2014: Baht 80 million).

The Company and its subsidiaries had pledged part of their property with constructions thereon, their book values as at 31 December 2015 are Baht 724 million (2014: Baht 640 million), as collateral against credit facilities received from the commercial bank, and credit facilities of another subsidiary (the Company only: Baht 620 million and 2014: Baht 530 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 2014	2,073	165,973	-	168,046
Increases	-	-	542	542
Transfers in (out)	-	518	(518)	-
31 December 2014	2,073	166,491	24	168,588
Increases	-	32	203	235
Transfers in (out)	-	207	(207)	-
31 December 2015	2,073	166,730	20	168,823

(Unit: Thousand Baht)

	Consolidated financial statements			
	Land rental	Construction on leased land	Construction	Total
			in progress on leased land	
Accumulated amortisation:				
1 January 2014	1,599	26,751	-	28,350
Amortisation for the year	70	6,510	-	6,580
31 December 2014	1,669	33,261	-	34,930
Amortisation for the year	71	6,530	-	6,601
31 December 2015	1,740	39,791	-	41,531
Net book value:				
31 December 2014	404	133,230	24	133,658
31 December 2015	333	126,939	20	127,292
Amortisation for the year				
2014 (Baht 6 million included in cost of hospital operations, and the balance in selling and administrative expenses)				6,850
2015 (Baht 6 million included in cost of hospital operations, and the balance in selling and administrative expenses)				6,601

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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Trade payables - related parties	-	-	5,500	226
Trade payables - unrelated parties	108,194	85,228	69,406	54,268
Other payables - related party	8	-	-	-
Other payables - unrelated parties	51,467	27,609	23,139	7,245
Doctor fee payables	27,818	24,019	13,177	11,220
Accrued expenses	49,422	46,398	16,238	15,423
Total trade and other payables	236,909	183,254	127,460	88,382

16. Long-term loans

Loan	Interest rate (%)	Repayment schedule	(Unit: Thousand Baht)			
			Consolidated		Separate	
			financial statements	financial statements	financial statements	financial statements
			2015	2014	2015	2014
Srivichaivejvivat Plc.						
1	MLR-1.5 to MLR	Monthly installments as from December 2009	-	14,600	-	14,600
2	MLR-1.25 to MLR-1	Monthly installments as from December 2014	27,200	34,400	27,200	34,400
3	MLR-1.25 to MLR-1	Monthly installments as from October 2015	71,250	75,000	71,250	75,000
4	MLR-1.25 to MLR-1	Monthly installments as from January 2016	75,000	62,000	75,000	62,000
5	MLR-1	Monthly installments as from January 2016	33,500	-	33,500	-
6	MLR-1	Monthly installments as from April 2016	19,000	-	19,000	-
Saivichai Development Co., Ltd.						
7	MLR	Monthly installments as from January 2010	2,630	34,200	-	-
8	MLR-1 to MLR	Monthly installments as from June 2012	25,950	28,000	-	-
Srisakornvejvivat Co., Ltd.						
9	MLR-1 to MLR	Monthly installments as from August 2013	1,938	5,274	-	-
Total			256,468	253,474	225,950	186,000
Less: Portion due within one year			(70,088)	(73,506)	(51,720)	(25,550)
Long-term loans, net of current portion			186,380	179,968	174,230	160,450

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 2015, the long-term credit facilities of the Company which have not yet been drawn down totaling of Baht 28 million (2014: the Company and two subsidiaries companies totaling of Baht 29 million) (Separate financial statements: Baht 28 million, 2014: Baht 13 million).

17. Liabilities under finance lease agreements

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Liabilities under finance lease agreements	15,519	13,799	3,308	4,574
Less: Deferred interest expenses	(1,249)	(1,455)	(227)	(431)
Total	14,270	12,344	3,081	4,143
Less: Portion due within one year	(5,055)	(3,267)	(1,691)	(1,607)
Liabilities under finance lease agreements - net of current portion	9,215	9,077	1,390	2,536

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 2015					
	Consolidated financial statements			Separate financial statements		
	Less than			Less than		
	1 year	1 - 4 years	Total	1 year	1 - 4 years	Total
Future minimum lease payments	5,712	9,807	15,519	1,851	1,457	3,308
Deferred interest expenses	(657)	(592)	(1,249)	(160)	(67)	(227)
Present value of future minimum lease payments	5,055	9,215	14,270	1,691	1,390	3,081

	(Unit: Thousand Baht)					
	As at 31 December 2014					
	Consolidated financial statements			Separate financial statements		
	Less than			Less than		
	1 year	1 - 5 years	Total	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	3,267	9,077	12,344	1,607	2,536	4,143

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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Provision for long-term employee benefits at beginning of year	11,369	12,498	4,815	4,024
Included in profit or loss:				
Current service cost	1,175	1,138	538	487
Interest cost	482	461	203	179
Included in other comprehensive income:				
Actuarial (gains) losses arising from				
Demographic assumptions changes	-	3,321	-	1,148
Financial assumptions changes	-	(72)	-	(26)
Experience adjustments	-	(3,013)	-	1,003
Benefits paid during the year	(199)	(2,964)	(98)	(2,000)
Provisions for long-term employee benefits at end of year	<u>12,827</u>	<u>11,369</u>	<u>5,458</u>	<u>4,815</u>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cost of hospital operations	926	831	321	282
Selling and administrative expenses	731	768	420	384
Total expenses recognised in profit or loss	<u>1,657</u>	<u>1,599</u>	<u>741</u>	<u>666</u>

The Company and a subsidiary expect to pay Baht 3.2 million of long-term employee benefits during the next year (Separate financial statements: Baht 3.0 million) (2014: Baht 0.2 million, separate financial statements: Baht 0.1 million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 17 years (Separate financial statements: 17 years) (2014: 17 years, separate financial statements: 17 years).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	4.30	4.30	4.30	4.30
Future salary increase rate	5.00	5.00	5.00	5.00
Staff turnover rate (depending on age)	0.00 - 25.00	0.00 - 25.00	0.00 - 25.00	0.00 - 25.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

(Unit: Thousand Baht)

	(% per annum)	Sensitivity analysis for assumptions			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Discount rate	1.00	(1,063)	1,248	(398)	473
Future salary increase rate	1.00	1,494	(1,288)	577	(495)
Staff turnover rate	20.00	(1,774)	2,484	(697)	992

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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Salaries and wages and other employee benefits	424,409	404,459	199,303	187,266
Doctor fees	275,356	253,043	124,993	115,089
Depreciation and amortisation	75,644	79,382	27,417	24,597
Medical treatment expense for referred patients	97,266	95,099	72,874	63,389
Medicine, medical supplies and other supplies used	165,331	141,869	82,521	70,109

22. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current income tax:				
Current income tax charge	20,929	22,727	18,754	18,733
Deferred tax:				
Relating to origination and reversal of temporary differences	4,261	802	(82)	199
Income tax expenses reported in the statement of comprehensive income	<u>25,190</u>	<u>23,529</u>	<u>18,672</u>	<u>18,932</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Accounting profit before tax	126,828	118,926	103,012	105,517
Applicable tax rate	20% and 0% to 15%	20% and 0% to 20%	20%	20%
Accounting profit before tax multiplied by applicable tax rates	25,251	23,690	20,602	21,103
Adjustment in respect of income tax of previous year	1,719	-	-	-
Reversal of differences of accumulated depreciation - Plant	(4,831)	-	-	-
Effects of:				
Non-deductible expenses	3,859	942	793	303
Tax-exempted dividend income	-	-	(2,254)	(2,176)
Additional expense deductions allowed	(808)	(1,103)	(469)	(298)
Total	3,051	(161)	(1,930)	(2,171)
Income tax expenses reported in the statement of comprehensive income	25,190	23,529	18,672	18,932

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	As at	As at	As at
	31 December	31 December	31 December	31 December
	2015	2014	2015	2014
Deferred tax assets				
Allowance for doubtful accounts	464	360	464	360
Allowance for diminution in value of medicine and supplies	79	54	72	48
Recognition of rental expenses	1,875	-	-	-
Provision for employee benefits	3,002	3,061	1,240	1,491
Unused tax loss	1,366	12,363	-	-
Total	6,786	15,838	1,776	1,899
Deferred tax liabilities				
Accumulated depreciation - Plant	8,353	13,144	5,858	6,063
Total	8,353	13,144	5,858	6,063

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 the year.

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Profit for the period (Thousand Baht)	101,492	94,398	84,339	86,585
Weighted average number of ordinary shares (Thousand shares)	570,665	570,665	570,665	570,665
Earnings per share (Baht per share)	0.18	0.17	0.15	0.15

24. Segment information

The Company and its subsidiaries are principally engaged in the hospital business. A subsidiary is engaged in operating a vocational 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 2015, the Company and a subsidiary have revenue from one major customer in amount of Baht 320 million, arising from hospital business (2014: Baht 325 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. The contributions for the year 2015 amounting to approximately Baht 3 million (2014: Baht 3 million) (the Company only: Baht 1 million and 2014: Baht 1 million) were recognised as expenses.

26. Dividends/Stock dividends

Dividends	Approved by	Cash dividend (Thousand Baht)	Dividend per share (Baht)	Stock dividend (Thousand Baht)	Dividend per share (Baht)
Final dividends 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
Final dividends for 2014	The Annual General Meeting of the shareholders on 24 April 2015	11,413	0.02	-	-
Total dividends for 2015		11,413	0.02	-	-

27. Commitments and contingent liabilities

27.1 Capital commitments

As at 31 December 2015, the Company and a subsidiary had capital commitments relating to the construction of buildings and the buildings improvement of approximately Baht 13 million (2014: Baht 42 million) (The Company only: Baht 12 million and 2014: Baht 42 million), and relating to medical service system and acquisition of medical devices and hospital equipment of approximately Baht 11 million (2014: Baht 12 million) (The Company only: Baht 9 million and 2014: Baht 12 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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Payable:				
In up to 1 year	5.6	5.5	0.4	0.3
In over 1 and up to 5 years	13.1	15.6	0.1	0.1
In over 5 years	33.7	36.0	-	-

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 2015, future minimum payments required under those service contracts were contracting to Baht 16 million (2014: Baht 14 million) (The Company only: Baht 9 million and 2014: 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)

	As at 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Bank guarantees for the medical treatment service contracts with the Social Security Office	17	14	10	10
Bank guarantees for electricity use	3	3	1	1

27.5 Litigation

27.5.1 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, was 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 appeal the judgement with the Supreme Court, and is currently seeking permission to 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.

27.5.2 In 2015, the Company, as a joint defendant, was sued together with a hospital and the attending doctor (2 defendants in total) for damages amounting to approximately Baht 7 million. The plaintiff claimed that the attending doctor had jointly committed a tort in the provision of medical treatment, and that the Company, as the operator of the hospital business and employer of the doctor, was jointly responsible for the wrongful acts of the attending doctor. The Company and the doctor believe that they did not commit any wrongful acts as claimed and they therefore decided to file statements of defence. The court has now set a date for examining witnesses. 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. Fair value hierarchy

As at 31 December 2015, a subsidiary had the assets that were disclosed at fair value using level 3 as follow:

	(Unit: Million Baht)
	<u>Consolidated financial statements</u>
Assets for which fair value are disclosed	
Investment properties	43

29. Financial instruments

29.1 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, 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. 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 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, 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.

29.2 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.

30. 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 2015, the Group's debt-to-equity ratio was 0.59:1 (2014: 0.58:1) and the Company's was 0.45:1 (2014: 0.39:1).

31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2016.