

Srivichaivejvivat Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2013

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 2013, 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 judgment, 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 2013, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 3 to the financial statements regarding the change in accounting policy due to the adoption of Thai Accounting Standard 12 Income Taxes. The Company has restated the consolidated and separate financial statements for the year ended 31 December 2012, presented herein as comparative information, to reflect the adjustments resulting from such change. The Company has also presented the consolidated and separate statements of financial position as at 1 January 2012 as comparative information, using the newly adopted accounting policy for income taxes. My opinion is not qualified in respect of this matter.

Other matter

The consolidated statement of financial position of Srivichaivejvivat Public Company Limited and its subsidiaries, and the separate statement of financial position of Srivichaivejvivat Public Company Limited as at 31 December 2011 (which have been used for preparing the consolidated and separate statements of financial position as at 1 January 2012 as described in the preceding paragraph) were audited by other auditor, who expressed an unqualified opinion on those statements, under her report dated 24 February 2012.

Termphong Opanaphan

Certified Public Accountant (Thailand) No. 4501

EY Office Limited

(Formerly known as “Ernst & Young Office Limited”)

Bangkok: 26 February 2014

Srivichaivejvivat Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2013

(Unit: Baht)

	Consolidated financial statements			Separate financial statements			
	As at	As at	As at	As at	As at	As at	
	Note	31 December 2013	31 December 2012 (Restated)	1 January 2012	31 December 2013	31 December 2012 (Restated)	1 January 2012
Assets							
Current assets							
Cash and cash equivalents	8	143,882,561	96,180,360	104,379,928	82,455,982	62,396,256	30,408,097
Current investments	9	-	40,000,000	-	-	40,000,000	-
Trade and other receivables	10	117,446,843	97,500,600	123,906,813	65,436,694	53,414,318	52,492,744
Short-term loan to related party		-	-	-	-	-	50,000,000
Medicine and supplies	11	23,757,722	23,160,543	23,764,981	9,265,644	9,351,158	10,576,463
Other current assets		5,399,007	5,726,437	5,219,809	693,371	546,888	1,115,033
Total current assets		290,486,133	262,567,940	257,271,531	157,851,691	165,708,620	144,592,337
Non-current assets							
Restricted bank deposits		-	-	1,102,972	-	-	-
Investments in subsidiaries	12	-	-	-	236,415,600	236,415,600	189,037,350
Investment properties	13	23,448,743	23,762,920	23,629,784	-	-	-
Property, plant and equipment	14	641,512,106	649,323,829	637,735,220	437,728,041	414,201,252	402,144,849
Leasehold rights	15	139,696,358	144,138,670	141,844,064	-	-	-
Deferred tax assets	4, 24	9,161,538	8,097,989	803,500	-	-	-
Other non-current assets		19,114,671	12,991,136	12,346,984	4,691,277	1,401,807	1,779,343
Total non-current assets		832,933,416	838,314,544	817,462,524	678,834,918	652,018,659	592,961,542
Total assets		1,123,419,549	1,100,882,484	1,074,734,055	836,686,609	817,727,279	737,553,879

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

Srivichaijvivat Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2013

(Unit: Baht)

	Consolidated financial statements			Separate financial statements			
	As at	As at	As at	As at	As at	As at	
	Note	31 December 2013	31 December 2012 (Restated)	1 January 2012	31 December 2013	31 December 2012 (Restated)	1 January 2012
Liabilities and shareholders' equity							
Current liabilities							
Bank overdrafts	16	-	1,444,182	-	-	-	-
Trade and other payables	17	151,012,900	143,309,106	177,615,525	61,409,877	54,997,944	52,178,734
Current portion of long-term loans	18	68,496,000	65,160,000	57,960,000	36,000,000	36,000,000	33,800,000
Current portion of liabilities under finance lease agreements	19	2,995,017	1,320,407	5,852,759	648,754	450,456	3,373,691
Income tax payable		4,185,121	1,871,393	4,264,785	2,866,662	311,605	-
Other current liabilities		1,618,314	1,364,163	1,150,943	458,575	351,900	292,361
Total current liabilities		228,307,352	214,469,251	246,844,012	101,383,868	92,111,905	89,644,786
Non-current liabilities							
Long-term loans, net of current portion	18	82,074,000	122,960,000	222,120,000	14,600,000	50,600,000	140,600,000
Liabilities under finance lease agreements, net of current portion	19	2,006,877	2,201,738	3,205,612	876,261	289,127	739,582
Provision for long-term employee benefits	20	12,497,935	9,920,908	8,020,129	4,024,385	3,183,098	2,502,700
Deferred tax liabilities	4, 24	5,712,613	3,596,759	948,776	4,390,167	2,911,173	948,776
Total non-current liabilities		102,291,425	138,679,405	234,294,517	23,890,813	56,983,398	144,791,058
Total liabilities		330,598,777	353,148,656	481,138,529	125,274,681	149,095,303	234,435,844

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

Srivichaijvivat Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2013

(Unit: Baht)

	Consolidated financial statements			Separate financial statements		
	As at	As at	As at	As at	As at	As at
	Note	31 December 2013	31 December 2012 (Restated)	1 January 2012	31 December 2013	31 December 2012 (Restated)
Shareholders' equity						
Share capital						
Registered						
535,000,000 ordinary shares of Baht 1 each		535,000,000	535,000,000	535,000,000	535,000,000	535,000,000
Issued and fully paid						
535,000,000 ordinary shares of Baht 1 each (1 January 2012: 400,000,000 ordinary shares of Baht 1 each)	21	535,000,000	535,000,000	400,000,000	535,000,000	400,000,000
Share premium	21	37,938,115	37,938,115	10,000,000	37,938,115	10,000,000
Retained earnings						
Appropriated - statutory reserve	22	12,513,422	9,571,985	8,145,074	12,513,422	8,145,074
Unappropriated		156,437,392	114,336,139	126,427,542	125,960,391	84,972,961
Other components of shareholders' equity		34,614,609	34,614,609	34,614,609	-	-
Equity attributable to owners of the Company		776,503,538	731,460,848	579,187,225	711,411,928	503,118,035
Non-controlling interests of the subsidiaries		16,317,234	16,272,980	14,408,301	-	-
Total shareholders' equity		792,820,772	747,733,828	593,595,526	711,411,928	503,118,035
Total liabilities and shareholders' equity		1,123,419,549	1,100,882,484	1,074,734,055	836,686,609	737,553,879

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 2013

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>2013</u>	<u>2012</u>
			Percent	Percent
Saivichai Development Company Limited	Operating of hospitals	Thailand	94.76	94.76
Srisakornvejvivat Company Limited	Operating of hospitals	Thailand	94.94	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 accounting standards**

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

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

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiaries have changed this accounting policy in this current period and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 4 to the financial statements.

(b) Accounting standards that will become effective in the future

		<u>Effective date</u>
Accounting Standards:		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
TAS 36 (revised 2012)	Impairment of Assets	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014
Financial Reporting Standards:		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014

		<u>Effective date</u>
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets – Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

The Company's management believes that these accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations will not have any significant impact on the financial statements for the year when they are initially applied.

4. Cumulative effect of changes in accounting policies due to the adoption of new accounting standard

During the current year, the Company and its subsidiaries made the changes described in Note 3 to the financial statements to its significant accounting policies, as a result of the adoption of Thai Accounting Standard 12 Income Taxes. The cumulative effect of the changes in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

	(Unit: Thousand Baht)					
	As at 31 December 2013		As at 31 December 2012		As at 1 January 2012	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Statements of financial position						
Increase in deferred tax assets	9,161	-	8,098	-	804	-
Increase in deferred tax liabilities	5,713	4,390	3,597	2,911	949	949
Increase in non-controlling interests of the subsidiaries	413	-	390	-	42	-
Increase (decrease) in unappropriated retained earnings	3,035	(4,390)	4,111	(2,911)	(187)	(949)

	(Unit: Thousand Baht)			
	For the year ended 31 December 2013		For the year ended 31 December 2012	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Statements of comprehensive income				
Profit or loss:				
Increase (decrease) in income tax expenses	1,053	1,479	(4,646)	1,962
Increase in profit attributable to non-controlling interest of the subsidiaries	23	-	348	-
Decrease (increase) in profit attributable to equity holders of the Company	1,076	1,479	(4,298)	1,962
Decrease (increase) in basic earnings per share (Baht)	0.002	0.003	(0.009)	0.004

5 Significant accounting policies

5.1 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.

5.2 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.

5.3 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.

5.4 Medicine and supplies

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

5.5 Investments

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

5.6 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.

5.7 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.

5.8 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.

5.9 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.

5.10 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.

5.11 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.

5.12 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.

5.13 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.

5.14 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.

6. 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.

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.

7. 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: Thousand Baht)

	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Medical service income	-	-	5,591	1,450	Normal price less certain discount
Service income	-	-	61	-	Normal price
Interest income	-	-	-	444	3 percent per annum
Rental income	-	-	60	240	Contract price
Medical service expenses	-	-	7,446	4,789	Normal price less certain discount
Service expense	-	-	15	-	Normal price
<u>Transactions with related individuals</u>					
Medical service income	5,112	-	-	-	Normal price less certain discount
Consulting fees	225	240	75	75	Contract price

As at 31 December 2013 and 2012, 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>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<u>Trade and other receivables - related parties</u>				
(Note 10)				
Subsidiaries	-	-	617	327
Related individual	6	-	-	-
Total trade and other receivables - related parties	<u>6</u>	<u>-</u>	<u>617</u>	<u>327</u>
<u>Trade and other payables - related parties</u> (Note 17)				
Subsidiaries	-	-	461	995
Total trade and other payables - related parties	<u>-</u>	<u>-</u>	<u>461</u>	<u>995</u>

Directors and management's benefits

During the years ended 31 December 2013 and 2012, 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>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Short-term employee benefits	32,438	34,322	21,467	20,936
Post-employment benefits	213	327	192	158
Total	<u>32,651</u>	<u>34,649</u>	<u>21,659</u>	<u>21,094</u>

8. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash	3,014	3,090	1,154	1,173
Bank deposits	140,869	93,090	81,302	61,223
Total	<u>143,883</u>	<u>96,180</u>	<u>82,456</u>	<u>62,396</u>

As at 31 December 2013, the Company and its subsidiaries had bank deposits in saving accounts and fixed deposits which carried interests between 0.125 and 3.10 percent per annum (2012: between 0.125 and 3.10 percent per annum).

9. Current investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Fixed deposits	-	40,000	-	40,000
Total	-	40,000	-	40,000

As at 31 December 2012, the Company had fixed deposits which carried interests between 3.00 and 3.15 percent per annum.

10. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	135	87
Past due up to 3 months	-	-	477	-
Total trade receivables - related parties	-	-	612	87
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	54,313	41,458	25,022	18,897
Past due				
Up to 3 months	12,314	6,001	4,063	1,874
3 - 6 months	2,860	2,045	1,121	684
6 - 12 months	1,724	1,118	907	274
Over 12 months	586	1,475	537	344
Total	71,797	52,097	31,650	22,073
Less: Allowance for doubtful accounts	(685)	(1,471)	(560)	(342)
Total trade receivables - unrelated parties, net	71,112	50,626	31,090	21,731
Total trade receivables - net	71,112	50,626	31,702	21,818

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<u>Other receivables - related parties</u>				
Other receivable - related party	-	-	5	240
Other accrued income - related individual	6	-	-	-
Total other receivables - related parties	6	-	5	240
<u>Other receivables - unrelated parties</u>				
Other receivables	2,964	1,863	2,007	589
Accrued income				
Accrued social security income	36,941	39,946	29,550	27,689
Other accrued income	6,687	5,456	2,236	3,189
Total	46,592	47,265	33,793	31,467
Less: Allowance for doubtful accounts	(263)	(390)	(63)	(111)
Total other receivables - unrelated parties, net	46,329	46,875	33,730	31,356
Total other receivables - net	46,335	46,875	33,735	31,596
Total trade and other receivables - net	117,447	97,501	65,437	53,414

11. Medicine and supplies

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Medicine and supplies - net	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Medicine	13,365	13,439	(81)	-	13,284	13,439
Medical supplies	8,635	7,596	(35)	-	8,600	7,596
Other supplies	1,874	2,126	-	-	1,874	2,126
Total	23,874	23,161	(116)	-	23,758	23,161

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Medicine and supplies - net	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Medicine	5,489	5,870	(81)	-	5,408	5,870
Medical supplies	3,034	2,862	(5)	-	3,029	2,862
Other supplies	829	619	-	-	829	619
Total	9,352	9,351	(86)	-	9,266	9,351

12. 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	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
			(%)	(%)				
Saivichai Development Company Limited	150,000	150,000	94.76	94.76	142,134	142,134	-	-
Srisakornvejvivat Company Limited	99,200	99,200	94.94	94.94	94,181	94,181	9,418	-
Srivichai Vocational School Company Limited	100	100	99.98	99.98	100	100	-	-
Total					236,415	236,415	9,418	-

On 24 March 2012, the Annual General Meeting of shareholders of Saivichai Development Company Limited passed a resolution approving an increase of its registered share capital from Baht 100 million (20 million ordinary shares at a par value of Baht 5 each) to Baht 150 million (30 million ordinary shares at a par value of Baht 5 each) by issuing 10 million new ordinary shares with a par value of Baht 5 each, to be offered to the existing shareholders in a ratio of one new share for every two existing ordinary shares. The Company subscribed to its full allocation of new shares, amounting to Baht 47.4 million, in order to maintain its shareholding in the subsidiary. The subsidiary registered the increase of its share capital with the Ministry of Commerce on 24 April 2012.

13. Investment properties

The net book values of investment properties as at 31 December 2013 and 2012 are presented below.

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	Land	Buildings and buildings improvement	Total
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>
31 December 2012:			
Cost	22,845	8,609	31,454
<u>Less</u> Accumulated depreciation	-	(7,691)	(7,691)
Net book value	<u>22,845</u>	<u>918</u>	<u>23,763</u>

A reconciliation of the net book value of investment properties for the years 2013 and 2012 are presented below.

	(Unit: Thousand Baht)	
	<u>Consolidated financial statements</u>	
	<u>2013</u>	<u>2012</u>
Net book value at beginning of year	23,763	23,630
Acquisition of buildings improvement	68	369
Reclassify buildings improvement from property, plant and equipment to investment properties	-	105
Depreciation charged	(382)	(341)
Net book value at end of year	<u>23,449</u>	<u>23,763</u>

The fair values of the investment properties as at 31 December 2013 and 2012 stated below:

	(Unit: Thousand Baht)	
	<u>Consolidated financial statements</u>	
	<u>2013</u>	<u>2012</u>
Land	24,803	24,803
Buildings and buildings improvement	4,657	4,657
Total	<u>29,460</u>	<u>29,460</u>

The fair values of the above investment properties have been determined based on valuations performed by an accredited independent valuer based on cost prices.

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

14. 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 2012	339,820	494,598	204,643	181,873	57,762	11,950	1,290,646
Additions	-	1,944	28,681	10,949	2,939	37,076	81,589
Disposals/write-off	-	(95)	(7,096)	(5,494)	(3,401)	-	(16,086)
Transfers in (out)	-	7,156	946	3,339	1,080	(12,521)	-
Reclassify to investment properties	-	(105)	-	-	-	-	(105)
31 December 2012	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
Accumulated depreciation:							
1 January 2012	-	349,379	149,866	106,153	47,513	-	652,911
Depreciation for the year	-	16,321	19,349	29,334	4,432	-	69,436
Depreciation on disposals/write-off/reclassify	-	(46)	(7,083)	(5,108)	(3,390)	-	(15,627)
31 December 2012	-	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
Net book value:							
31 December 2012	339,820	137,844	65,042	60,288	9,825	36,505	649,324
31 December 2013	339,820	139,316	63,785	47,765	12,011	38,815	641,512
Depreciation for the year							
2012 (Baht 49 million included in cost of hospital operations, and the balance in selling and administrative expenses)							69,436
2013 (Baht 58 million included in cost of hospital operations, and the balance in selling and administrative expenses)							78,556

(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 2012	286,127	258,349	63,711	38,851	22,183	9,307	678,528
Additions	-	1,689	9,816	4,720	74	15,892	32,191
Disposals/write-off	-	(95)	(3,864)	(3,402)	(58)	-	(7,419)
Transfers in (out)	-	6,354	946	3,083	-	(10,383)	-
31 December 2012	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
Accumulated depreciation:							
1 January 2012	-	187,725	46,764	25,414	16,480	-	276,383
Depreciation for the year	-	5,296	6,108	6,591	1,928	-	19,923
Depreciation on disposals/write-off	-	(46)	(3,852)	(3,251)	(58)	-	(7,207)
31 December 2012	-	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
Net book value:							
31 December 2012	286,127	73,322	21,589	14,498	3,849	14,816	414,201
31 December 2013	286,127	70,471	24,158	13,837	4,814	38,321	437,728
Depreciation for the year							
2012 (Baht 14 million included in cost of hospital operations, and the balance in selling and administrative expenses)							19,923
2013 (Baht 18 million included in cost of hospital operations, and the balance in selling and administrative expenses)							23,664

As at 31 December 2013, the Company and its subsidiaries had vehicles under finance lease agreements with net book values amounting to Baht 5 million (2012: Baht 4 million) (The Company only: Baht 3 million, 2012: Baht 1 million).

As at 31 December 2013, certain buildings improvement and equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 255 million (2012: Baht 234 million) (the Company only: Baht 71 million, 2012: Baht 65 million).

The Company and its subsidiaries had pledged part of their land with constructions thereon, their book values as at 31 December 2013 are Baht 518 million (2012: Baht 512 million), as collateral against credit facilities received from the commercial bank, and credit facilities of another subsidiary (the Company only: Baht 395 million, 2012: Baht 374 million).

15. Leasehold rights

(Unit: Thousand Baht)

	Consolidated financial statements			
	Land rental	Construction on leased land	Construction in progress on leased land	Total
Cost:				
1 January 2012	2,073	147,704	8,462	158,239
Additions	-	-	8,077	8,077
Transfers in (out)	-	6,639	(6,639)	-
31 December 2012	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
Accumulated amortisation:				
1 January 2012	1,459	14,936	-	16,395
Amortisation for the year	70	5,712	-	5,782
31 December 2012	1,529	20,648	-	22,177
Amortisation for the year	70	6,103	-	6,173
31 December 2013	1,599	26,751	-	28,350
Net book value:				
31 December 2012	544	133,695	9,900	144,139
31 December 2013	474	139,222	-	139,696
Amortisation for the year				
2012 (Baht 5 million included in cost of hospital operations, and the balance in selling and administrative expenses)				5,782
2013 (Baht 5 million included in cost of hospital operations, and the balance in selling and administrative expenses)				6,173

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.

16. Bank overdrafts

	Interest rate (percent per annum)	(Unit: Thousand Baht)	
		Consolidated financial statements	
		2013	2012
Bank overdrafts	MOR to MOR+1	-	1,444
Total		-	1,444

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

17. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Trade payables - related parties	-	-	301	995
Trade payables - unrelated parties	58,768	53,120	31,447	30,190
Other payables - related party	-	-	160	-
Other payables - unrelated parties	27,441	34,008	5,317	6,240
Doctor fee payables	22,520	20,700	9,759	8,717
Accrued expenses	42,284	35,481	14,426	8,856
Total trade and other payables	<u>151,013</u>	<u>143,309</u>	<u>61,410</u>	<u>54,998</u>

18. Long-term loans

			(Unit: Thousand Baht)			
			Consolidated		Separate	
			financial statements		financial statements	
Loan	Interest rate (%)	Repayment schedule	2013	2012	2013	2012
Srivichavejvivat Plc.						
1	MLR-1.5 to MLR	Monthly installments as from December 2009	50,600	86,600	50,600	86,600
Saivichai Development Co., Ltd.						
2	MLR	Monthly installments as from January 2010	51,360	68,520	-	-
3	MLR-1 to MLR	Monthly installments as from June 2012	40,000	33,000	-	-
Srisakornvejvivat Co., Ltd.						
4	MLR-1 to MLR	Monthly installments as from August 2013	8,610	-	-	-
Total			150,570	188,120	50,600	86,600
Less: Portion due within one year			(68,496)	(65,160)	(36,000)	(36,000)
Long-term loans, net of current portion			<u>82,074</u>	<u>122,960</u>	<u>14,600</u>	<u>50,600</u>

The loans are secured by the pledge of 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 2013, the long-term credit facilities of the subsidiaries which have not yet been drawn down amounted to Baht 16 million (2012: Baht 30 million).

19. Liabilities under finance lease agreements

				(Unit: Thousand Baht)			
				Consolidated		Separate	
				financial statements		financial statements	
				<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Liabilities under finance lease agreements				5,385	3,727	1,684	769
Less: Deferred interest expenses				(383)	(205)	(159)	(29)
Total				5,002	3,522	1,525	740
Less: Portion due within one year				(2,995)	(1,320)	(649)	(451)
Liabilities under finance lease agreements							
- net of current portion				<u>2,007</u>	<u>2,202</u>	<u>876</u>	<u>289</u>

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 4 to 5 years.

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

(Unit: Thousand Baht)

	As at 31 December 2013					
	Consolidated financial statements			Separate financial statements		
	Less than 1 year	1-4 years	Total	Less than 1 year	1-4 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	2,995	2,007	5,002	649	876	1,525

(Unit: Thousand Baht)

	As at 31 December 2012					
	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	1,481	2,246	3,727	475	294	769
Deferred interest expenses	(161)	(44)	(205)	(24)	(5)	(29)
Present value of future minimum lease payments	1,320	2,202	3,522	451	289	740

20. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Defined benefit obligation at				
beginning of year	9,921	8,020	3,183	2,503
Current service cost	2,070	1,689	678	551
Interest cost	507	403	163	129
Benefits paid during the year	-	(191)	-	-
Provisions for long-term employee				
benefits at end of year	<u>12,498</u>	<u>9,921</u>	<u>4,024</u>	<u>3,183</u>

Long-term employee benefit expenses included in the profit or loss was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current service cost	2,070	1,689	678	551
Interest cost	507	403	163	129
Total expenses recognised in profit or loss	<u>2,577</u>	<u>2,092</u>	<u>841</u>	<u>680</u>
Line items under which such expenses are included in profit or loss				
Cost of hospital operations	832	671	253	200
Selling and administrative expenses	1,745	1,421	588	480

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	4.23	4.23	4.23	4.23
Future salary increase rate	5.00	5.00	5.00	5.00
Staff turnover rate (depending on age)	6.10 - 10.26	6.10 - 10.26	6.10 - 10.26	6.10 - 10.26

Amounts of defined benefit obligation for the current and the previous three periods are as follows:

	(Unit: Thousand Baht)	
	Defined benefit obligations	
	Consolidated financial statements	Separate financial statements
Year 2013	12,498	4,024
Year 2012	9,921	3,183
Year 2011	8,020	2,503
Year 2010	6,344	1,986

21. Share capital/share premium

On 30 April and 2 May 2012, the Company offered the 135 million ordinary shares with a par value of Baht 1 each to the public at a price of Baht 1.25 per share. All 135 million ordinary shares were sold through the public offerings for a total of Baht 168.75 million, and on 3 May 2012 payment of this share capital was received. All expenses related to the share offering, amounting to Baht 5.8 million, are presented in the accounts as a deduction from the share premium.

The Company registered the increase in its paid-up capital with the Ministry of Commerce on 3 May 2012. The shares are authorised to be traded on the Stock Exchange of Thailand as from 9 May 2012.

22. 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.

23. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Salary and wages and other employee benefits	377,598	369,828	168,837	159,897
Doctor fees	226,188	218,303	94,394	91,900
Depreciation and amortisation	85,536	75,987	23,917	20,293
Medical treatment expense for referred patients	67,287	51,643	50,666	38,403
Medicine, medical supplies and other supplies used	127,515	127,329	60,843	62,479

24. Income tax

Income tax expenses for the years ended 31 December 2013 and 2012 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		(Restated)		(Restated)
Current income tax:				
Current income tax charge	15,730	8,990	10,676	3,867
Deferred tax:				
Relating to origination and reversal of temporary differences	1,053	(5,401)	1,479	2,234
Effects of changes in the applicable tax rates	-	755	-	(272)
Income tax expenses reported in the statement of comprehensive income	16,783	4,344	12,155	5,829

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2013 and 2012

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		(Restated)		(Restated)
Accounting profit before tax	78,420	16,923	70,984	32,405
Applicable tax rate	20% and 0% to 20%	23% and 0% to 23%	20%	23%
Accounting profit before tax multiplied by applicable tax rate	15,519	3,946	14,197	7,453
Effects of changes in the applicable tax rates	-	755	-	(272)
Effects of:				
Non-deductible expenses	2,092	1,868	472	484
Tax-exempted dividend income	-	-	(1,884)	-
Additional expense deductions allowed	(828)	(2,225)	(630)	(1,836)
Total	1,264	(357)	(2,042)	(1,352)
Income tax expenses reported in the statement of comprehensive income	16,783	4,344	12,155	5,829

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

(Unit: Thousand Baht)

	Statements of financial position					
	Consolidated financial statements			Separate financial statements		
	As at	As at	As at	As at	As at	As at
	31 December	31 December	1 January	31 December	31 December	1 January
	2013	2012	2012	2013	2012	2012
		(Restated)			(Restated)	
Deferred tax assets						
Allowance for doubtful accounts	170	256	390	120	68	127
Allowance for diminution in value of medicine and supplies	23	-	-	17	-	-
Provision for employee benefits	2,823	2,257	1,853	897	707	568
Unused tax loss	11,511	8,214	-	-	-	-
Others	-	159	538	-	-	197
Total	14,527	10,886	2,781	1,034	775	892
Deferred tax liabilities						
Accumulated depreciation - Plant	11,078	6,319	2,926	5,424	3,620	1,841
Others	-	66	-	-	66	-
Total	11,078	6,385	2,926	5,424	3,666	1,841

In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30 percent to 23 percent in 2012, and then to 20 percent from 2013. In addition, in order to comply with the resolution of the cabinet, in December 2011, the decreases in tax rates for 2012 - 2014 were enacted through a royal decree. The Company and its subsidiaries have reflected the changes in the income tax rates in its deferred tax calculation, as presented above.

25. Earnings per share

Basic earnings per share is calculated by dividing profit for the 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	
	2013	2012	2013	2012
		(Restated)		(Restated)
Profit for the year (Thousand Baht)	61,091	13,336	58,829	26,576
Weighted average number of ordinary shares (Thousand shares)	535,000	489,262	535,000	489,262
Earnings per share (Baht per share)	0.11	0.03	0.11	0.05

26. 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 2013, the Company and its subsidiaries have revenue from one major customer in amount of Baht 273 million, arising from hospital business (2012: Baht 234 million derived from one major customer, arising from hospital business).

27. 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 2013, the Company, its subsidiaries and its employees contributed Baht 3 million (2012: Baht 2 million) (the Company only: Baht 1 million, 2012: Baht 1 million) to the fund.

28. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	No. of ordinary shares (Thousand Shares)	Dividend per share (Baht)
Final dividends for 2011	Annual General Meeting of the shareholders on 30 March 2012	24,000	400,000	0.06
Total dividends for 2012		24,000		0.06
Final dividends for 2012	Annual General Meeting of the shareholders on 5 April 2013	16,049	535,000	0.03
Total dividends for 2013		16,049		0.03

29. Commitments and contingent liabilities

29.1 Capital commitments

As at 31 December 2013, the Company and its subsidiaries had capital commitments relating to the buildings improvement of approximately Baht 1 million (2012: Baht 12 million) (The Company only: Baht 1 million, 2012: Baht 10 million), and relating to acquisition of medical devices and hospital equipment of approximately Baht 13 million (2012: Baht 6 million) (The Company only: Baht 13 million, 2012: Baht 2 million).

29.2 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>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Payable:				
In up to 1 year	5.2	4.7	0.3	0.2
In over 1 and up to 5 years	16.4	12.1	0.2	-
In over 5 years	39.0	41.9	-	-

29.3 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 2013, future minimum payments required under those service contracts due within one year was contracting to Baht 10 million (2012: Baht 4 million) (The Company only: Baht 5 million, 2012: Baht 1 million)

29.4 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>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Bank guarantees for the medical treatment service contracts with the Social Security Office	25	29	17	17
Bank guarantees for electricity use	3	3	1	1

29.5 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 and the plaintiff appealed the decision. Currently, the case is under consideration by the Appeal 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.

30. Financial instruments

30.1 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, current investments, trade and other receivables, bank overdrafts, 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, current investments, bank overdrafts, 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.

30.2 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.

31. 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 2013, the Group's debt-to-equity ratio was 0.42:1 (2012: 0.47:1) and the Company's was 0.18:1 (2012: 0.22:1).

32. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 26 February 2014.