

**SIKARIN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

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**REPORT AND FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2014**

## **REPORT OF THE AUDITOR**

To The Shareholders and Board of Directors of  
Sikarin Public Company Limited and its subsidiary

I have audited the accompanying consolidated financial statement of Sikarin Public Company Limited and its subsidiary, which comprise the consolidated statement of financial position as at December 31, 2014, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and the separate financial statement of Sikarin Public Company Limited which comprise the statement of financial position as at December 31, 2014, and the statement of comprehensive income statement of changes in shareholders' equity and statement of cash flow for the year the end, and a summary of significant accounting policies and other explanatory notes.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 the 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.

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**Opinion**

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

(Mr.Pojana Asvasontichai)  
Certified Public Accountant  
Registration No. 4891

Dharmniti Auditing Company Limited  
Bangkok, Thailand  
February 26, 2015  
2015/123/0285

**SIKARIN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**STATEMENT OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2014**

		Baht				
		Consolidated financial statements		Separate financial statements		
Note		2014	2013	2014	2013	
<b>ASSETS</b>						
<b>Current assets</b>						
	Cash and cash equivalents	5	171,604,322	30,066,645	167,103,520	30,066,645
	Current investments in fixed deposit		758,436	1,887,905	758,436	1,887,905
	Accounts receivable	6	120,778,208	110,627,937	120,778,208	110,627,937
	Accrued income	7	142,045,137	78,233,380	142,045,137	78,233,380
	Other receivable	8, 10.5	22,569,885	20,064,901	27,431,135	20,064,901
	Short-term loan to subsidiary	10.5	-	-	5,000,000	-
	Inventories	9	57,540,276	45,078,060	57,450,800	45,078,060
	Other current assets		17,286,416	10,843,839	14,361,481	10,843,839
	<b>Total current assets</b>		<b>532,582,680</b>	<b>296,802,667</b>	<b>534,928,717</b>	<b>296,802,667</b>
<b>Non-current assets</b>						
	Investments in associated companies	10.1	56,675,490	-	55,997,760	-
	Investment in subsidiary	10.2	-	-	4,999,600	-
	Investments in related company	10.3	-	-	-	-
	General Investment	11	-	-	-	-
	Long-term loans and accrued interest to associated company	10.4	-	-	-	-
	Investment property	12	5,532,015	5,581,890	5,532,015	5,581,890
	Property, plant and equipment	13	2,067,553,467	1,575,141,216	2,058,435,410	1,575,141,216
	Intangible assets	14	30,100,749	24,163,053	30,100,749	24,163,053
	Leasehold right	15	62,730,194	49,233,156	62,730,194	49,233,156
	Deffered tax assets	16	9,444	-	-	-
	<b>Other non-current assets</b>					
	Fixed deposit pledged as collateral	17	1,711,160	85,000	1,711,160	85,000
	Advance for building construction	32	25,736,572	58,101,000	25,736,572	58,101,000
	Others	18	4,146,794	3,131,794	3,146,794	3,131,794
	<b>Total non-current assets</b>		<b>2,254,195,885</b>	<b>1,715,437,109</b>	<b>2,248,390,254</b>	<b>1,715,437,109</b>
	<b>Total assets</b>		<b>2,786,778,565</b>	<b>2,012,239,776</b>	<b>2,783,318,971</b>	<b>2,012,239,776</b>

Notes to financial statement form an intergral part of these statement.

**SIKARIN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**STATEMENT OF FINANCIAL POSITION (CONT.)**

**AS AT DECEMBER 31, 2014**

**LIABILITIES AND SHAREHOLDERS' EQUITY**

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
<b>Current liabilities</b>					
Bank overdrafts and short - term loans					
from institute	20	81,380,652	76,122,715	81,380,652	76,122,715
Accounts payable		90,265,162	75,055,088	87,567,005	75,055,088
Other payable		149,491,258	128,451,245	149,443,258	128,451,245
Current portion of long-term loans from institute	21	169,270,008	71,100,006	169,270,008	71,100,006
Current portion of liabilities under long-term					
agreements	22	20,850,923	17,703,920	20,850,923	17,703,920
Accrued income tax		4,928,717	13,133,025	4,928,717	13,133,025
Accrued dividend		9,042,579	7,082,310	9,042,579	7,082,310
Retention payable		18,776,961	-	18,776,961	-
Other current liabilities		14,128,427	5,269,060	13,967,625	5,269,060
<b>Total current liabilities</b>		<b>558,134,687</b>	<b>393,917,369</b>	<b>555,227,728</b>	<b>393,917,369</b>
<b>Non-current liabilities</b>					
Long-term loans from institute	21	412,247,491	212,057,928	412,247,491	212,057,928
Liabilities under long-term agreements	22	37,747,974	13,837,806	37,747,974	13,837,806
Deferred tax liabilities	16	26,820,930	21,833,578	26,820,930	21,833,578
Employee benefits obligation	23	26,380,197	23,214,972	26,380,197	23,214,972
<b>Total non-current liabilities</b>		<b>503,196,592</b>	<b>270,944,284</b>	<b>503,196,592</b>	<b>270,944,284</b>
<b>Total liabilities</b>		<b>1,061,331,279</b>	<b>664,861,653</b>	<b>1,058,424,320</b>	<b>664,861,653</b>

Notes to financial statement form an intergral part of these statement.

**SIKARIN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**STATEMENT OF FINANCIAL POSITION (CONT.)**

**AS AT DECEMBER 31, 2014**

**LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)**

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Shareholders' equity					
Share capital	24				
Authorized share capital					
140,000,000 ordinary shares of Baht 6.50 each		910,000,000	910,000,000	910,000,000	910,000,000
Issued and paid-up share capital					
120,000,000 ordinary shares of Baht 6.50 each		780,000,000		780,000,000	
100,000,000 ordinary shares of Baht 6.50 each			650,000,000		650,000,000
Share premium		170,000,000	-	170,000,000	-
Premium on capital reduction		7,107,485	7,107,485	7,107,485	7,107,485
Premium on sale treasury shares		105,081,744	105,081,744	105,081,744	105,081,744
Retained earnings					
-Appropriated					
Statutory reserve	25	36,894,137	29,460,184	36,894,137	29,460,184
-Unappropriated		518,035,585	438,986,851	517,482,950	438,986,851
Unrealized increment per assets appraisal	13	108,328,335	116,741,859	108,328,335	116,741,859
Total shareholder's equity		1,725,447,286	1,347,378,123	1,724,894,651	1,347,378,123
Total liabilities and shareholders' equity		2,786,778,565	2,012,239,776	2,783,318,971	2,012,239,776

Notes to financial statement form an intergral part of these statement.

**SIKARIN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

		Baht			
		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
<b>Revenues</b>					
Medical service revenues		1,818,180,524	1,650,788,486	1,818,180,524	1,650,788,486
Food and beverage revenues		43,104,601	34,965,129	33,013,086	34,965,129
Other income	10.5	17,434,182	20,049,115	18,946,858	20,049,115
Total revenues		<u>1,878,719,307</u>	<u>1,705,802,730</u>	<u>1,870,140,468</u>	<u>1,705,802,730</u>
<b>Expenses</b>					
Cost of medical services		1,294,557,684	1,134,512,055	1,294,557,684	1,134,512,055
Cost of food and beverage		26,887,407	20,348,549	19,748,023	20,348,549
Administrative expenses		348,814,800	341,177,283	347,240,806	341,177,283
Financial cost		16,200,140	23,401,036	16,200,140	23,401,036
Total expenses		<u>1,686,460,031</u>	<u>1,519,438,923</u>	<u>1,677,746,653</u>	<u>1,519,438,923</u>
Share of profit of associated company		677,730	-	-	-
Profit before income tax expense		192,937,006	186,363,807	192,393,815	186,363,807
Tax expense	29	34,867,843	37,684,751	34,877,287	37,684,751
Profit for the year		158,069,163	148,679,056	157,516,528	148,679,056
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		<u><u>158,069,163</u></u>	<u><u>148,679,056</u></u>	<u><u>157,516,528</u></u>	<u><u>148,679,056</u></u>
<b>Basic earnings per share (Baht per share)</b>					
Profit for the year	30.2	<u>1.55</u>	<u>1.50</u>	<u>1.54</u>	<u>1.50</u>

Notes to financial statement form an intergral part of these statement.



**SIKARIN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

Baht											
Consolidated financial statements											
	Note	Share capital	Share premium	Premium on	Premium on sale	Retained earnings (deficits)		Unrealized	Treasury shares	Total	
		issued and		Capital	Treasury shares	Appropriated	- Unappropriated	increment per			
		paid-up		reduction		statutory reserve	Treasury sharereserve	assets appraisal-net			
Ending balance, as at December 31, 2012		650,000,000	-	7,107,485	4,716,937	23,434,784	57,428,960	303,657,159	123,519,435	(57,428,960)	1,112,435,800
Appropriated statutory reserve	25, 26	-	-	-	-	6,025,400	-	(6,025,400)	-	-	-
Appropriated treasury shares reserve		-	-	-	-	-	(57,428,960)	57,428,960	-	-	-
Dividend	26	-	-	-	-	-	-	(71,530,500)	-	-	(71,530,500)
Sale treasury shares		-	-	-	100,364,807	-	-	-	-	57,428,960	157,793,767
Unrealized increment per assets appraisal											
transferred to retained earning		-	-	-	-	-	-	6,777,576	(6,777,576)	-	-
Total comprehensive income for the year		-	-	-	-	-	-	148,679,056	-	-	148,679,056
Ending balance, as at December 31, 2013		650,000,000	-	7,107,485	105,081,744	29,460,184	-	438,986,851	116,741,859	-	1,347,378,123
Share increase - common stock	24	130,000,000	170,000,000	-	-	-	-	-	-	-	300,000,000
Appropriated statutory reserve	25, 26	-	-	-	-	7,433,953	-	(7,433,953)	-	-	-
Dividend	26	-	-	-	-	-	-	(80,000,000)	-	-	(80,000,000)
Unrealized increment per assets appraisal											
transferred to retained earning		-	-	-	-	-	-	8,413,524	(8,413,524)	-	-
Total comprehensive income for the year		-	-	-	-	-	-	158,069,163	-	-	158,069,163
Ending balance, as at December 31, 2014		780,000,000	170,000,000	7,107,485	105,081,744	36,894,137	-	518,035,585	108,328,335	-	1,725,447,286

Notes to financial statement form an intergral part of these statement.

**SIKARIN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

Baht											
Separate financial statements											
	Note	Share capital	Share premium	Premium on	Premium on sale	Retained earnings (deficits)		Unrealized	Treasury shares	Total	
		issued and		Capital	Treasury shares	Appropriated	- Unappropriated	increment per			
		paid-up		reduction		statutory reserve	Treasury share reserve	assets appraisal-net			
Ending balance, as at December 31, 2012		650,000,000	-	7,107,485	4,716,937	23,434,784	57,428,960	303,657,159	123,519,435	(57,428,960)	1,112,435,800
Appropriated statutory reserve	25, 26	-	-	-	-	6,025,400	-	(6,025,400)	-	-	-
Appropriated treasury shares reserve		-	-	-	-	-	(57,428,960)	57,428,960	-	-	-
Dividend	26	-	-	-	-	-	-	(71,530,500)	-	-	(71,530,500)
Sale treasury shares		-	-	-	100,364,807	-	-	-	-	57,428,960	157,793,767
Unrealized increment per assets appraisal											
transferred to retained earning		-	-	-	-	-	-	6,777,576	(6,777,576)	-	-
Total comprehensive income for the year		-	-	-	-	-	-	148,679,056	-	-	148,679,056
Ending balance, as at December 31, 2013		650,000,000	-	7,107,485	105,081,744	29,460,184	-	438,986,851	116,741,859	-	1,347,378,123
Share increase - common stock	24	130,000,000	170,000,000	-	-	-	-	-	-	-	300,000,000
Appropriated treasury shares reserve	25, 26	-	-	-	-	7,433,953	-	(7,433,953)	-	-	-
Dividend	26	-	-	-	-	-	-	(80,000,000)	-	-	(80,000,000)
Unrealized increment per assets appraisal											
transferred to retained earning		-	-	-	-	-	-	8,413,524	(8,413,524)	-	-
Total comprehensive income for the year		-	-	-	-	-	-	157,516,528	-	-	157,516,528
Ending balance, as at December 31, 2014		780,000,000	170,000,000	7,107,485	105,081,744	36,894,137	-	517,482,950	108,328,335	-	1,724,894,651

Notes to financial statement form an intergral part of these statement.

**SIKARIN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<u>Cash flows from operating activities</u>				
Profit for the year	158,069,163	148,679,056	157,516,528	148,679,056
Items to reconcile net profit to net cash flows from operating activities				
Depreciation and amortized expense	138,146,018	128,137,832	138,139,985	128,137,832
Bad debt and doubtful accounts (reverse)	(1,761,367)	(3,030,922)	(1,761,367)	(3,030,922)
Doubtful account in long-term loans and accrued interest to associated company (reverse)	(691,703)	-	(691,703)	-
Doubtful account in receivable from selling share to a former director	(18,800,000)	-	(18,800,000)	-
Loss on impairment of investment in associated company (reverse)	(29,329,600)	-	(29,329,600)	-
Loss on impairment of general investment (reverse)	(50,000)	-	(50,000)	-
Share of (profit) of associated company	(677,730)	-	-	-
(Gain) on sale of fixed assets	(1,007,159)	(3,614,428)	(1,007,159)	(3,614,428)
Employee benefits expense	3,925,925	2,905,971	3,925,925	2,905,971
Interest income	(122,864)	(172,173)	(121,813)	(172,173)
Interest expense	16,200,140	23,401,036	16,200,140	23,401,036
Income tax expense	34,867,843	37,684,751	34,877,287	37,684,751
Profit from operations before changes in operating assets and liabilities	298,768,666	333,991,123	298,898,223	333,991,123
Operating assets (increase) decrease				
Accounts receivable	(8,388,904)	(15,857,071)	(8,388,904)	(15,857,071)
Accrued income	(63,811,757)	29,997,420	(63,811,757)	29,997,420
Other receivable	(2,504,984)	(6,737,874)	(7,366,234)	(6,737,874)
Inventories	(12,462,216)	1,473,252	(12,372,739)	1,473,252
Other current assets	(6,442,577)	296,629	(3,517,642)	296,629
Other non-current assets	(1,015,000)	(1,505,600)	(15,000)	(1,505,600)
Operating liabilities increase (decrease)				
Accounts payable	15,210,074	7,339,069	12,511,916	7,339,069
Other payable	21,115,525	17,169,857	21,067,525	17,169,857
Other current liabilities	8,859,367	(233,114)	8,698,565	(233,114)
Cash received from operation	249,328,194	365,933,691	245,703,953	365,933,691
Cash paid for employee benefits expense	(760,700)	(612,960)	(760,700)	(612,960)
Cash paid for income tax	(38,094,244)	(34,928,761)	(38,094,244)	(34,928,761)
Net cash provided (used in) by operating activities	210,473,250	330,391,970	206,849,009	330,391,970

Notes to financial statement form an intergral part of these statement.

**SIKARIN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**STATEMENT OF CASH FLOWS (CONT.)**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<u>Cash flows from investing activities</u>				
(Increase) decrease in short-term investment in fixed deposit	1,129,469	(46,309)	1,129,469	(46,309)
Cash paid for investment in associated company	(27,668,160)	-	(27,668,160)	-
Cash paid for investment in subsidiary	-	-	(4,999,600)	-
Cash received from sale investment in associated company	1,000,000	-	1,000,000	-
Cash received from sale general investment	50,000	-	50,000	-
Cash received from long-term loans and accrued interest to associated company	691,703	-	691,703	-
Cash received from receivable from selling share to a former director	18,800,000	-	18,800,000	-
Cash paid for property, plant and equipment	(504,000,934)	(285,832,226)	(494,876,844)	(285,832,226)
Cash paid for intangible assets	(13,695,176)	(3,322,465)	(13,695,176)	(3,322,465)
Cash paid for land improvement - leasehold right	(17,526,649)	(160,500)	(17,526,649)	(160,500)
Cash received from sale of fixed assets	6,599,000	5,997,450	6,599,000	5,997,450
Cash paid for advance for buiding construction	-	(58,101,000)	-	(58,101,000)
(Increase) decrease in fixed deposit with commitment	(1,626,160)	-	(1,626,160)	-
Cash received for interest income	122,864	172,173	(532,000,604)	172,173
Net cash provided (used in) by investing activities	<u>(536,124,043)</u>	<u>(341,292,877)</u>	<u>(532,000,604)</u>	<u>(341,292,877)</u>
<u>Cash flows from financing activities</u>				
Increase (decrease) in bank overdrafts and short-term loans from institute	5,257,937	(55,103,254)	5,257,937	(55,103,254)
Cash paid for short-term loan to subsidiary	-	-	(5,000,000)	-
Cash receive from long-term loans from institute	371,219,571	121,070,400	371,219,571	121,070,400
Cash paid for long-term loans from institute	(72,860,006)	(75,500,754)	(72,860,006)	(75,500,754)
Cash paid for liabilities under long-term agreements	(23,425,368)	(20,357,082)	(23,425,368)	(20,357,082)
Cash paid for interest expenses	(34,963,933)	(30,294,278)	(34,963,933)	(30,294,278)
Cash paid for dividend	(78,039,731)	(69,455,159)	(78,039,731)	(69,455,159)
Cash receive from share increase	300,000,000	-	300,000,000	-
Cash receive from sale treasury shares	-	157,793,767	-	157,793,767
Net cash provided (used in) by financing activities	<u>467,188,470</u>	<u>28,153,640</u>	<u>462,188,470</u>	<u>28,153,640</u>
Net increase (decrease) in cash and cash equivalents	141,537,677	17,252,733	137,036,875	17,252,733
Cash and cash equivalents - at beginning of the year	30,066,645	12,813,912	30,066,645	12,813,912
Cash and cash equivalents - at ending of the year	<u><u>171,604,322</u></u>	<u><u>30,066,645</u></u>	<u><u>167,103,520</u></u>	<u><u>30,066,645</u></u>

Notes to financial statement form an intergral part of these statement.

**SIKARIN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**STATEMENT OF CASH FLOWS (CONT.)**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<u>Supplemental disclosures of cash flow information</u>				
During the year, the Company acquired fixed assets by mean of				
liabilities under long-term agreement	50,482,540	8,426,800	50,482,540	8,426,800

Notes to financial statement form an intergral part of these statement.

**SIKARIN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENT**  
**DECEMBER 31, 2014**

**1. GENERAL INFORMATION**

(a) Legal status

The Company has registered to be a limited public company under the Limited Public Company Act B.E. 2535 with the Ministry of Commerce on November 10, 1994.

(b) Address, nature of business and number of employees of Company.

Name	Location	Main business activities	Number of employees (person)	
			2014	2013
Sikarin Public Company Limited	consisted of	Hospital, general heal with		
1. Sikarin Hospital	4/29 Moo 10 Srinakarin Road Bangna Bangkok 10260	235 beds	1,221	1,175
2. Rattarin Hospital	999/23-29 Sukhumvit Road Tambol Bangpu Mai Amphur Muang Samutprakarn 10280	100 beds	210	197

**2. BASIS OF PREPARATION**

2.1 Basis for the preparation of financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E. 2547 by complying with the financial reporting standards for Publicly Accountable Entities (PAE). The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the accounting Act B.E. 2543.

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

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 such financial statements in Thai language.

## 2.2 Basis for the preparation of consolidated financial statements

2.2.1 The consolidated financial statements have included the financial statements of Sikarin Public Company Limited and its subsidiary as follows;

Company name	Type of business	Percentage of holding (% of share capital)		Head office location
		2014	2013	
S K R Management Company Limited	Rental spaces management and sale food and beverage	99.99	-	Bangkok

2.2.2 The Company record investment in subsidiary by purchase method.

2.2.3 Accounting policy for subsidiary companies will utilize the same policy as Sikarin Public Company Limited.

2.2.4 Outstanding balances and significant transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

### **3. ACCOUNTING STANDARDS EFFECTIVE FOR USING IN CURRENT YEAR**

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of the accounting standards and financial reporting standards revised 2012, and the new issued of accounting standards interpretations and financial reporting standards interpretations of which they are effective for using in the periods beginning on or after January 1, 2014, as follows.

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rate
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Venture
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible assets
TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations

TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economics
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosure
TSIC 32	Intangible Assets - Web Site Costs

The management of the Company and its subsidiary have assessed the effects of the above accounting standards, and believes that they do not have any significant impact on the financial statements for the current year.

#### **4. SIGNIFICANT ACCOUNTING POLICIES**

##### **4.1 Recognition of revenues and expenses**

Revenues from hospital operations, mainly consisting of medical fees, hospital room sales, and medicine sales, are recognized as income when the services have been rendered medical supply or medicine delivered.

Revenues from social security welfare are recognized on an accrual basis.

Revenues from food and beverage are recognized when they are delivered.

Rental income, other income, costs and expenses are recognized on an accrual basis.

##### **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand and at banks and short-term investment in promissory notes, which are not due over 3 months or less and excluded cash at banks which



are

used for guarantee.

4.3 Allowance for doubtful accounts

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts (if any).

The allowance for doubtful accounts is estimated losses are based on a percentage of outstanding receivables classified by aging of accounts receivable. Assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

4.4 Inventories

Inventories are stated at the lower of cost or net realizable value, whichever is lower.

Cost is calculated using the first-in, first-out basis, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

4.5 Investments

Investment in marketable, equity securities are account for as follow:

- Associated companies                      - at equity method (at cost net from allowance on impairment method in separate financial statements)
- General investment                              - at cost net from allowance on impairment method

4.6 Investment property

Investment property is stated at cost less accumulated depreciation and allowance on impairment (if any).

Depreciation of investment property under building category is calculated by the straight-line method over the estimated useful life of 30 years. Depreciation of investment property is included in determining income.

The Company and its subsidiary have has policy to revalue its assets every five years.

4.7 Property, plant and equipment

Property are stated at appraised value.

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset

demolition, removal and restoration of the asset location, which are the obligations of the company (if any).

Plant and equipment are stated at revaluation after deducted accumulated depreciation and allowance on impairment (if any).

Depreciation of plant and equipment are calculated by the straight-line method, based on the estimated useful lives of the assets as follows:

Buildings and improvement	15 - 30	Years
Others	5 - 10	Years

Since 19 9 9 the Company changed the measurement subsequent to initial recognition of property, plant and equipment from cost less accumulated depreciation to a valued amount (allowed alternative method by the accounting principle). The value is determined by an independent appraiser. The surplus resulting from the revaluation was shown under the caption of “Shareholders’ Equity” in the balance sheet. The revaluation surplus on fixed asset is depreciated over the period of the remaining useful live by directly charging to retained earnings.

The Company and its subsidiary have policy to revalue its assets every five years.

Borrowing Costs during construction were capitalized as property.

#### 4.8 Borrowing costs

Borrowing costs directly attributed to the acquisition or construction of an asset that necessarily takes long time to put in ready to use or available for sale state are capitalized as part of the cost of the respective asset until that asset condition is ready for its intended use. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs arising from such borrowing.

#### 4.9 Intangible asset

Intangible asset represents computer software is stated at cost after deducted accumulated amortization.

Amortization is charged to the statement of comprehensive income on a straight-line basis from the date that the computer software is available for use over the estimated useful life of the software of 5 years.

#### 4.10 Leasehold right

Leasehold right is stated at cost after deducted accumulated amortization. Amortization is charged to the statement of comprehensive income on straight-line method, based on the term of lease agreement.

Leasehold right of land	10-20	years
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Building on leasehold right	15-20	years
Utilizable right on land improvement	9-20	years

4.11 Finance lease

Leases of assets that substantially transfer to the Company all the rewards and risks of ownership of assets and that the Company intends to exercise the option of the leases to purchase the assets at the expiration of the lease term, are accounted for as finance leases.

At the inception of a finance lease, the cost of the asset is recorded together with the obligation, excluding the interest element, to pay future rentals. Finance charges are charged to the current period operations in proportion to the capital balances outstanding.

4.12 Operating lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under an operating lease are recognized as expense on a straight-line basis over the lease term.

4.13 Accounting estimation

Preparation of financial statements in conformity with the Financial Reporting standards requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. The actual results may differ from such estimates.

4.14 Impairment of assets

The carrying amounts of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in the statement of comprehensive income unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in the statement of comprehensive income even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in the statement of comprehensive income is the difference

between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the statement of comprehensive income.

#### 4.15 Employee benefit

##### Short-term employment benefits

The Company and its subsidiary recognize salary, overtime, bonus, social securities and welfares as expenses when incurred.

##### Post-employment benefits (Defined benefit plans)

The Company and its subsidiary have obligations in respect of the severance payments that it must pay to the employees upon retirement under the labor law and other employee benefit plans. The Company and its subsidiary treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in comprehensive income.

#### 4.16 Treasury shares

Treasury shares are stated at cost and presented as a deduction from shareholders' equity. Gains on disposal of treasury shares are determined by reference to the carrying amount and are presented as premium on treasury shares. Losses on disposal of treasury shares are determined by reference to the carrying amount and are presented in premium on treasury share and retained earnings, consecutively.

#### 4.17 Income tax

Income tax comprises current income tax and deferred tax.

##### Current tax

The Company and its subsidiary record income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rates 20% of profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

##### Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities.

Deferred tax assets and liabilities are measured at the tax rates that the Company and its subsidiaries expect to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

Thus, the Company offsets deferred tax assets and deferred tax liabilities for presentation in the statement of financial position, rather than presenting them separately. The Company reclassified deferred tax assets and deferred tax liabilities items in the financial statements for the year ended December 31, 2013 in order to conform to the presentation in the financial statements for the year 2014.

## 5. CASH AND CASH EQUIVALENTS

This account consisted of: -

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash on hand	929,461	753,000	713,000	753,000
Credit card	511,687	1,322,418	511,687	1,322,418
Cash at bank - current account	87,575,932	3,112,530	87,575,932	3,112,530
Cash at bank - savings account	82,587,242	24,427,385	78,302,901	24,427,385
Cash at bank - fixed deposit 3 months,	-	451,312	-	451,312
Total	<u>171,604,322</u>	<u>30,066,645</u>	<u>167,103,520</u>	<u>30,066,645</u>

Savings accounts earned interest rate at 0.125 - 1.250 per annum.

## 6. ACCOUNTS RECEIVABLE

This account consisted of :-

	Baht	
	Consolidated financial statements/ Separate financial statements	
	2014	2013
Accounts receivable - general	7,361,939	9,794,113
Accounts receivable - contract	104,034,845	94,571,580
Accounts receivable - compensation fund	2,732,435	3,322,749
Accounts receivable - social fund	11,885,756	9,937,629
Total	126,014,975	117,626,071
<u>Less Allowance for doubtful accounts</u>	<u>(5,236,767)</u>	<u>(6,998,134)</u>
Net	<u>120,778,208</u>	<u>110,627,937</u>

Accounts receivable were presented by aging as follows: -

	Baht	
	Consolidated financial statements/ Separate financial statements	
	2014	2013
Age 0 month to 3 months	104,969,687	98,682,461
Age 3 months to 6 months	6,698,194	6,544,591
Age 6 months to 12 months	4,895,219	3,900,385
Age over 12 months	9,451,875	8,498,634
Total	<u>126,014,975</u>	<u>117,626,071</u>

Transactions with allowance for doubtful accounts - accounts receivable as follows :-

	Baht	
	Consolidated financial statements/ Separate financial statements	
	2014	2013
Beginning balance	6,998,134	10,275,934
Increase(Decrease)	(1,322,954)	(3,030,922)
Write off	(438,413)	(246,878)
Ending balance	<u>5,236,767</u>	<u>6,998,134</u>

During the year 2014 and 2013, the Company amortized bad debts amounting to Baht 0.44 million and Baht 0.25 million, respectively. Because all these accounts receivable are unable to be collected.

The Company's management has contemplated about provision of allowance for doubtful accounts and believed that it is adequate for covering collection losses.

## 7. ACCRUED INCOME

This account consisted of:-

	Baht	
	Consolidated financial statements/ Separate financial statements	
	2014	2013
Accrued Income from high risk illness	42,358,127	42,347,272
Accrued Income from DRGs	99,687,010	35,886,108
Total	<u>142,045,137</u>	<u>78,233,380</u>

## 8. OTHER RECEIVABLE

This account consisted of:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Other receivables, in the process of Court and monitor	-	18,800,000	-	18,800,000
Other receivables, in pending of Court	3,152,035	3,152,035	3,152,035	3,152,035
Welfare for staff receivables	3,821,129	4,130,509	3,821,129	4,130,509
Other receivables	17,395,517	14,441,221	17,643,399	14,441,221
Advance	1,353,239	1,493,171	5,966,607	1,493,171
Total	25,721,920	42,016,936	30,583,170	42,016,936
<u>Less</u> Allowance for doubtful accounts	(3,152,035)	(21,952,035)	(3,152,035)	(21,952,035)
Net	<u>22,569,885</u>	<u>20,064,901</u>	<u>27,431,135</u>	<u>20,064,901</u>

As at December 31, 2014 and 2013, other receivables on proceeding is receivable from selling common shares of Srijulsup Co., Ltd., in the amount of Baht 25 million to a former director in 1998, the Company received only Baht 6.2 million and recorded the remaining balance of Baht 18.8 million as other receivable. The case is under review and the asset protection officer has said pending case wait until defendant having money to pay, however the law department applies to obtain debt to the asset protection officer but defendant has no money to pay. The Company has fully provisioned the said remaining balance because the Company expects no repayment of such debt.

Later on November 26, 2014, this former director requested the repayment of the remaining debt amounting to Baht 18.8 million by dividing into 2 installments to be finished by December 20, 2014. All repayment had been settled on December 17, 2014.

Moreover, there is an other receivables totaling Baht 3.15 million which the Company had tried to follow up more than one year, for which the Company has also fully provisioned as doubtful accounts.



## 9. INVENTORIES

This account consisted of:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Medical	31,923,480	21,835,488	31,923,480	21,835,488
Medical supplies	8,962,145	8,641,944	8,962,145	8,641,944
Other supplies	16,654,651	14,600,628	16,565,175	14,600,628
Total	57,540,276	45,078,060	57,450,800	45,078,060

## 10. TRANSACTIONS WITH RELATED PARTIES

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Transactions with related parties are as follows:-

### 10.1 Investments in associated companies

	Type of Business	Portion of Interest Percent	Baht				Dividend Baht
			Consolidated financial statements		Separate financial statements		
			Equity method		Cost method		
			2014	2013	2014	2013	
<u>Associated companies</u>							
Sikarin Hadyai Hospital Company Limited	Hospital	11.77	59,545,890	28,329,600	58,868,160	31,200,000	
<u>Less</u> Allowance for impairment of investment			(2,870,400)	(28,329,600)	(2,870,400)	(31,200,000)	
			56,675,490	-	55,997,760	-	-
Khao Yai Spa Company Limited	Health center	48.00	-	144,000,000	-	144,000,000	
<u>Less</u> Allowance for impairment of investment			-	(144,000,000)	-	(144,000,000)	
			-	-	-	-	-
Total investments - net			56,675,490	-	55,997,760	-	-

Sikarin Hadyai Hospital Co., Ltd.

According to the Company's Board of Directors' meeting No. 9/2014 on August 19, 2014, it has the resolution for the Company to acquire the additional ordinary shares from the capital increasing of Sikarin Hadyai Hospital Co.,Ltd. for 27,668,160 shares at the par value of Baht 10 at the amount of Baht 27,668,160 and has fully paid-up the shares on September 23, 2014. The acquiring of ordinary shares results in the Company holding the existing proportions at 11.77 percent. Moreover, the operation results of Sikarin Hadyai Hospital Co.,Ltd. over the past 2 years has gained the profit from operation continuously which can reduce the accumulated losses turning back to profit. In 2013, Sikarin Hadyai Hospital Co.,Ltd. has been discharged from the business rehabilitation plan. At the Board of Directors' meeting, it has the resolution on reversal of allowance for impairment of the investment in Sikarin Hadyai Hospital Co.,Ltd. to equal the book value as at December 31, 2013 at the par value of Baht 9.08 for 3,120,000 shares. The total amount of the reversal is Baht 28,329,600.

For the year ended December 31, 2014, the Company recorded the shares of profit from investment in Sikarin Hadyai Hospital Co.,Ltd. from the financial statements that had been prepared by the management and had not been audited by other auditors at the amount of Baht 677,730.

Khao Yai spa Co., Ltd.

Investment in an associated company, Khao Yai spa Co., Ltd. at the total cost of Baht 144 million is impaired because its construction of healthcare center to be used for providing services has been suspended. This may affect the associated company's ability not to commence its future operation. The Company has fully set allowance for impairment of such investment.

According to the resolution of the Board of Director's Meeting No.2/2014 held on February 20, 2014. It has been approved the Company to sell all investment in Khao Yai spa Co., Ltd. for 14,400,000 shares at par value of Baht 10 per share represented 48% of issued and paid-up capital at Baht 0.0694 per share represented the value of Baht 1,000,000 to an individual which has been repaid on February 26, 2014.

However, the said selling of investment, Khao Yai spa Co. Ltd. was appraised and found that book value had worth less than its outstanding when compared to the appraised value from independent appraiser based on the investment value or worth approach. Because such associated company had stopped its operation and in the rehabilitation process from 2006 to present and the Company had no proficiency to rehabilitate.

## 10.2 Investments in subsidiary company

	Type of business	Percentage of ownership		Paid up shares		At equity method (Baht)		Separate financial statements	
		(%)						At cost method (Baht)	
		2014	2013	2014	2013	2014	2013	2014	2013
<u>Subsidiary Company</u>									
SKR Management Co., Ltd.	Rental space services	99.99	-	5,000,000	-	4,874,905	-	4,999,600	-
						4,874,905	-	4,999,600	-

According to the Board of Director's Meeting No.12/2013 held on December 17, 2013, it had the resolution to establish a new subsidiary under the name SKR Management Co., Ltd. which the Company has 99.99% shareholding. The subsidiary had registered on January 2, 2014 with registered capital of Baht 5 million. The Company engaged in management, area for rent service, project management and common area, organize workplace and provide all kinds of utility service and sale products, supply products into the lease area including to be an agent to provide tenants selling products.

## 10.3 Investments in related company

	Type of Business	Portion of Interest Percent	Baht	
			Consolidated financial statements/ Separate financial statements	
			2014	2013
Kanjanaburi Memorial Hospital Co., Ltd.	Hospital	6.67	4,845,895	4,845,895
<u>Less</u> Allowance for impairment of investment			(4,845,895)	(4,845,895)
Total Investment in related company - net			-	-

Investment in Kanjanaburi Memorial Hospital Co., Ltd., which has continuing loss and has significant accumulated deficit and its operations shows a declining trend, the Company wrote off such investment in securities for its impairment. At present, there is no information

## 10.4 Long - tern loans and accrued interest to associated company

	Baht	
	Consolidated financial statements/ Separate financial statements	
	2014	2013
<u>Associated company</u>		
Khao Yai Spa Co., Ltd.	-	691,703
<u>Less</u> Allowance for doubtful account	-	(691,703)
Total long - term loans to associated company - net	-	-

The Company has been repaid the long-term loan and accrued interest from Khao Yai spa Co., Ltd. at the total amount of Baht 691,703 on February 26, 2014.

10.5 Other significant transactions and balances with related parties consisted of:-

Nature of relationships with related parties as follows:

Name of parties	Nature of relationships
<u>Subsidiary Company</u>	
S K R Management Co.,Ltd.	Subsidiary company, which the Company has 99.99% shareholding
<u>Associated Company</u>	
Sikarin Hadyai Hospital Co.,Ltd.	Associated company, which the Company has 11.77% shareholding
<u>Related Company</u>	
Kanjanaburi Memorial Hospital Co.,Ltd.	Related company, which the Company has 6.67% shareholding
Kho Yai Resort and Spa Hotel Co.,Ltd.	Shareholding
Juldis River Mansion Co.,Ltd.	Shareholding

		Baht			
		Consolidated financial statements		Separate financial statements	
Pricing policies		2014	2013	2014	2013
<u>Transaction during the year</u>					
Other income - share of revenue from food and beverage					
Subsidiary Company					
S K R Management Co.,Ltd.	At prices which had been agreed upon	-	-	1,513,728	-
Training expenses					
Related Company					
Kho Yai Resort and Spa Hotel Co.,Ltd.	Maket price	-	272,057	-	272,057
Baht					
		Consolidated financial statement		Separate financial statements	
		2014	2013	2014	2013
<u>Balance at the year</u>					
Other receivable					
Subsidiary Company					
S K R Management Co.,Ltd.		-	-	4,860,850	-
Short-term loan					
Subsidiary Company					
S K R Management Co.,Ltd.		-	-	5,000,000	-
Other receivable, in the process of Court and monitor (See note 8)					
Other receivable - a former director		-	18,800,000	-	18,800,000
<u>Less</u> Allowance for doubtful account		-	(18,800,000)	-	(18,800,000)
		-	-	-	-
Other non-current assets (See note 18)					
Advances for purchase land and constructions					
- Juldis River Mansion Co.,Ltd.		149,500,000	149,500,000	149,500,000	149,500,000
<u>Less</u> Allowance for contingent loss from advance for purchase of assets		(149,500,000)	(149,500,000)	(149,500,000)	(149,500,000)
		-	-	-	-

Short-term loan to its subsidiaries

According to the Board of Director of the Company No. 12/2014 dated December 10, 2014, it had a resolution for S K R Management Company Limited to loan amounting to Baht 5 million in order to contribute with available funds in purchasing the land and buildings at the Rich Biz Home as the office of the subsidiaries. The loan period was 1 year and the 12-month repayment was made with principle and interest rate at 5% per annum at Baht 438,000 per month to be settled by December 31, 2015. The first installment was January 31, 2015 and both parties had signed a memorandum of understanding on December 22, 2014.

Share of revenue from food and beverage

On October 1, 2014, the Company had made a memorandum of understanding with S K R Management Co., Ltd. on allocation the share of revenue from sales of food and beverage to the Company. Both parties agreed to allocate the share of revenue from sales of food and beverage at 85:15 which meant the subsidiaries, business operator, would get 85 percent and the parent company, location owner, would get 15 percent. The starting date was October 1, 2014, onwards.

10.6 Directors and Management's Remuneration

Directors and management's remuneration represent the benefits paid to the Company's directors and management such as salaries and related benefit including the benefit paid by other means. The Company's directors and management are the persons who are defined under the Securities and Exchange Act.

Directors of the Company are comprised of board of director audit committee, executive board, compensation committee and recruitment committee.

Managements of the Company are comprised of the executive committee, director of hospital and chief of administration.

Directors and management's remuneration consisted of :-

	Baht	
	Consolidated financial statements/ Separate financial statements	
	2014	2013
Short - term employee Benefits	44,889,202	33,295,946
Post - term employee Benefits	2,604,017	389,460
Total	47,493,219	33,685,406

## 11. GENERAL INVESTMENT

This account consisted of: -

	Type of Business	Portion of Interest Percent	Baht	
			Consolidated financial statements/ Separate financial statements	
			2014	2013
Investment in Juldis Development Public Co., Ltd.				
At Cost	Property	0.10	-	452,830
Less Allowance for impairment			-	(452,830)
Net			-	-

As at February 27, 2014, the Company sold all investments in Juldis Development (Public) Co., Ltd. for 653,000 shares at Baht 0.07657 per share at the value of Baht 50,000 to an individual who was the existing shareholder of this company.

## 12. INVESTMENT PROPERTY

This account consisted of :-

	Baht				
	Consolidated financial statements/Separate financial Statements				
	Balance per book As at Dec. 31, 2013	Additions	Deductions	Transfer in (out)	Balance per book As at Dec. 31, 2014
<u>At Cost</u>					
Land	4,615,000	-	-	-	4,615,000
Building	1,496,248	-	-	-	1,496,248
	6,111,248	-	-	-	6,111,248
<u>Less</u> Accumulated depreciation					
Building	529,358	49,875	-	-	579,233
Investment property - net	5,581,890				5,532,015

	Baht				
	Consolidated financial statements/Separate financial Statements				
	Balance per book As at Dec. 31, 2012	Additions	Deductions	Transfer in (out)	Balance per book As at Dec. 31, 2013
<u>At Cost</u>					
Land	4,615,000	-	-	-	4,615,000
Building	1,496,248	-	-	-	1,496,248
	6,111,248	-	-	-	6,111,248
<u>Less</u> Accumulated depreciation					
Building	479,483	49,875	-	-	529,358
Investment property – net	5,631,765				5,581,890

	Baht	
	Consolidated financial statements/ Separate financial statements	
	2014	2013
Depreciation for the year	49,875	49,875

Investment property is a land and building, locate at Juldiss Park District, Tambol Mu Si, Ampur Pak Chong, Nakhon Ratchasima, Area 2 rai 2 ngan 39 square wah. As at December 31, 2014, it has book value to Baht 5.53 million (Revaluation value in 2011 to Baht 10.62 million). In the past, the Company used these building as a seminar centre. Later, the Management has made a decision not to use it and expected to sell it in the future.

### 13. PROPERTY, PLANT AND EQUIPMENT

This account consisted of :-

	Baht				
	Consolidated financial statements				
	Balance per book as at Dec. 31, 2013	Additions	Deductions	Transfer in (out)	Balance per book as at Dec. 31, 2014
<u>At cost</u>					
Land	153,868,616	4,340,000	-	-	158,208,616
Land improvement	22,318,375	-	-	-	22,318,375
Building and improvement	1,399,526,829	27,282,536	(3,328,194)	3,306,197	1,426,787,368
Furniture and office equipment	217,870,598	8,956,723	(2,232,880)	-	224,594,441
Medical equipment and tools	430,988,123	64,032,714	(1,579,301)	-	493,441,536
Other equipments	10,087,534	397,183	(52,435)	-	10,432,282
Vehicles	66,202,174	8,800,000	(13,744,350)	-	61,257,824
Construction in progress	174,387,537	528,030,637	-	(20,832,846)	681,585,328
Total	<u>2,475,249,786</u>	<u>641,839,793</u>	<u>(20,937,160)</u>	<u>(17,526,649) *</u>	<u>3,078,625,770</u>
<u>Less accumulated depreciation</u>					
Land improvement	18,826,249	751,348	-	-	19,577,597
Building and improvement	562,053,540	61,477,478	(1,909,326)	-	621,621,692
Furniture and office equipment	135,037,222	20,178,409	(2,134,131)	-	153,081,500
Medical equipment and tools	265,427,704	32,998,016	(1,473,651)	-	296,952,069
Other equipments	7,865,817	357,425	(42,197)	-	8,181,045
Vehicles	56,825,362	3,987,796	(13,744,339)	-	47,068,819
Total	<u>1,046,035,894</u>	<u>119,750,472</u>	<u>(19,303,644)</u>	<u>-</u>	<u>1,146,482,722</u>
Property, plant and equipment - net	<u>1,429,213,892</u>				<u>1,932,143,048</u>
<u>At Revaluation-net</u>					
Land improvement	90,549,946	-	-	-	90,549,946
Building and improvement	37,820,113	-	(4,965,120)	-	32,854,993
Furniture and office equipment	1,671,842	-	(675,659)	-	996,183
Medical equipment and tools	9,711,348	-	(1,393,980)	-	8,317,368
Vehicles	6,174,075	-	(3,482,146)	-	2,691,929
Property, plant and equipment (Revaluation) - net	<u>145,927,324</u>	<u>-</u>	<u>(10,516,905)</u>	<u>-</u>	<u>135,410,419</u>
Property, plant and equipment - net	<u>1,575,141,216</u>				<u>2,067,553,467</u>

	Baht					
	Separate financial statements					
	Balance per book as at Dec. 31, 2013	Additions	Deductions	Transfer in (out)		Balance per book as at Dec. 31, 2014
	_____	_____	_____	_____		_____
<u>At cost</u>						
Land	153,868,616	-	-	-	153,868,616	
Land improvement	22,318,375	-	-	-	22,318,375	
Building and improvement	1,399,526,829	22,622,536	(3,328,194)	3,306,197	1,422,127,368	
Furniture and office equipment	217,870,598	8,832,633	(2,232,880)	-	224,470,351	
Medical equipment and tools	430,988,123	64,032,714	(1,579,301)	-	493,441,536	
Other equipments	10,087,534	397,183	(52,435)	-	10,432,282	
Vehicles	66,202,174	8,800,000	(13,744,350)	-	61,257,824	
Construction in progress	174,387,537	528,030,637	-	(20,832,846)	681,585,328	
Total	2,475,249,786	632,715,703	(20,937,160)	(17,526,649) *	3,069,501,680	
<u>Less accumulated depreciation</u>						
Land improvement	18,826,249	751,348	-	-	19,577,597	
Building and improvement	562,053,540	61,477,478	(1,909,326)	-	621,621,692	
Furniture and office equipment	135,037,222	20,172,376	(2,134,131)	-	153,075,467	
Medical equipment and tools	265,427,704	32,998,016	(1,473,651)	-	296,952,069	
Other equipments	7,865,817	357,425	(42,197)	-	8,181,045	
Vehicles	56,825,362	3,987,796	(13,744,339)	-	47,068,819	
Total	1,046,035,894	119,744,439	(19,303,644)	-	1,146,476,689	
Property, plant and equipment - net	1,429,213,892				1,923,024,991	
<u>At Revaluation-net</u>						
Land improvement	90,549,946	-	-	-	90,549,946	
Building and improvement	37,820,113	-	(4,965,120)	-	32,854,993	
Furniture and office equipment	1,671,842	-	(675,659)	-	996,183	
Medical equipment and tools	9,711,348	-	(1,393,980)	-	8,317,368	
Vehicles	6,174,075	-	(3,482,146)	-	2,691,929	
Property, plant and equipment (Revaluation) - net	145,927,324	-	(10,516,905)	-	135,410,419	
Property, plant and equipment - net	1,575,141,216				2,058,435,410	

\* Transfer to leasehold right

As at December 31, 2014, the Company has unrealized increment per assets appraisal, which is presented in shareholders' equity in the amount of Baht 108.33 million, is net from income deferred tax amounted Baht 27.08 million.



	Baht				
	Consolidated financial statements/Separate financial statements				
	Balance per book as at Dec. 31, 2012	Additions	Deductions	Transfer in (out)	Balance per book as at Dec. 31, 2013
<u>At cost</u>					
Land	153,868,616	-	-	-	153,868,616
Land improvement	22,318,375	-	-	-	22,318,375
Building and improvement	1,253,507,225	20,360,752	-	125,658,852	1,399,526,829
Furniture and office equipment	199,927,528	11,863,972	(3,187,459)	9,266,557	217,870,598
Medical equipment and tools	400,784,578	40,502,883	(10,299,338)	-	430,988,123
Other equipments	9,666,979	496,859	(76,304)	-	10,087,534
Vehicles	68,599,174	4,839,000	(7,236,000)	-	66,202,174
Construction in progress	84,634,549	224,678,397	-	(134,925,409)	174,387,537
Total	<u>2,193,307,024</u>	<u>302,741,863</u>	<u>(20,799,101)</u>	<u>-</u>	<u>2,475,249,786</u>
<u>Less accumulated depreciation</u>					
Land improvement	17,672,596	1,153,653	-	-	18,826,249
Building and improvement	505,438,723	56,614,817	-	-	562,053,540
Furniture and office equipment	120,029,830	18,119,506	(3,112,114)	-	135,037,222
Medical equipment and tools	241,971,271	31,827,748	(8,371,315)	-	265,427,704
Other equipments	7,464,852	477,259	(76,294)	-	7,865,817
Vehicles	59,217,350	3,735,518	(6,127,506)	-	56,825,362
Total	<u>951,794,622</u>	<u>111,928,501</u>	<u>(17,687,229)</u>	<u>-</u>	<u>1,046,035,894</u>
Property, plant and equipment - net	<u>1,241,512,402</u>				<u>1,429,213,892</u>
<u>At Revaluation-net</u>					
Land improvement	90,549,946	-	-	-	90,549,946
Building and improvement	40,284,064	-	(2,463,951)	-	37,820,113
Furniture and office equipment	2,442,723	-	(770,881)	-	1,671,842
Medical equipment and tools	11,193,021	-	(1,481,673)	-	9,711,348
Vehicles	9,929,540	-	(3,755,465)	-	6,174,075
Property, plant and equipment (Revaluation) – net	<u>154,399,294</u>	<u>-</u>	<u>(8,471,970)</u>	<u>-</u>	<u>145,927,324</u>
Property, plant and equipment - net	<u>1,395,911,696</u>				<u>1,575,141,216</u>

As at December 31, 2013, the Company has unrealized increment per assets appraisal, which is presented in shareholders' equity in the amount of Baht 116.74 million, is net from income deferred tax amounted Baht 29.19 million.

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Depreciation for the period				
- Depreciation (at cost)	119,750,472	111,928,501	119,744,439	111,928,501
- Depreciation (at revaluation)	6,558,580	8,471,970	6,558,580	8,471,970
Gain (loss) on disposal assets	1,007,159	3,614,428	1,007,159	3,614,428
Capitalized finance cost	18,688,281	7,127,081	18,688,281	7,127,081
Capitalization rate of borrowing cost (per annum)	5.96 - 6.48	6.12 - 6.41	5.96 - 6.48	6.12 - 6.41

Land title deeds together with building and a condominium of the Company is mortgaged against bank overdrafts and long-term loans. The insurance policy on building specifies the banks as the beneficiaries, and a portion of land and building of the Company is committed and pledged as collateral to a bank for the issuance of a letter of guarantee to the Social Security Office for undertaking the business of medical service pursuant to Social Security Act B.E. 2533.

The Company and its subsidiary had additional invested in fixed assets in 2014 amounting to Baht 641.84 million including the construction fee of a new hospital building at Baht 456.43 million, medical apparatus and equipment fee at Baht 64.03 million, the renovation fee of the existing hospital at Baht 76.98 million, the acquiring land and 1 building at Baht 9 million (office of the subsidiaries), a X-Ray vehicle at Baht 8.8 million and other office supplies at Baht 8.96 million.

As at December 31, 2014 and 2013, the Company has 2 and 8 vehicles under hire-purchase agreement which has book value in the amount of Baht 10.42 million and 2.47 million, respectively. Moreover, medical equipments under financial leasing have book value in the amount of Baht 91.03 million and 60.24 million, respectively.

#### 14. INTANGIBLE ASSETS

This account consisted of :-

	Baht			
	Consolidated financial statements/Separate financial statements			
	Balance per book as at Dec. 31, 2013	Additions	Deductions	Balance per book as at Dec. 31, 2014
<u>At cost</u>				
Software	51,987,527	13,695,176	-	65,682,703
<u>Less Accumulated amortization</u>	<u>27,824,474</u>	<u>7,757,480</u>	-	<u>35,581,954</u>
Software - net	<u>24,163,053</u>			<u>30,100,749</u>

	Baht			
	Consolidated financial statements/Separate financial statements			
	Balance per book as at Dec. 31, 2011	Additions	Deductions	Balance per book as at Dec. 31, 2012
<u>At cost</u>				
Software	48,665,061	3,322,466	-	51,987,527
<u>Less Accumulated amortization</u>	<u>23,501,695</u>	<u>4,322,779</u>	-	<u>27,824,474</u>
Software - net	<u>25,163,366</u>			<u>24,163,053</u>

## 15. LEASEHOLD RIGHT

This account consisted of :-

	Baht					
	Consolidated financial statements/Separate financial statements					
	Balance per book as at Dec. 31, 2013	Additions	Deductions	Transfer In (out)		Balance per book as at Dec. 31, 2014
<u>At cost</u>						
Leasehold right	4,500,000	-	-	-	4,500,000	
Building on leasehold right	48,865,484	-	-	-	48,865,484	
Utilizable right on land improvement	27,259,287	-	-	17,526,649	44,785,936	
Total	80,624,771	-	-	17,526,649	98,151,420	
<u>Less Accumulated amortization</u>						
Leasehold right	4,499,999	-	-	-	4,499,999	
Building on leasehold right	9,524,311	2,516,585	-	-	12,040,896	
Utilizable right on land improvement	17,367,305	1,513,026	-	-	18,880,331	
Total	31,391,615	4,029,611	-	-	35,421,226	
Net	49,233,156				62,730,194	

	Baht					
	Consolidated financial statements/Separate financial statements					
	Balance per book as at Dec. 31, 2012	Additions	Deductions	Transfer In (out)		Balance per book as at Dec. 31, 2013
<u>At cost</u>						
Leasehold right	4,500,000	-	-	-	4,500,000	
Building on leasehold right	48,865,484	-	-	-	48,865,484	
Utilizable right on land improvement	27,098,787	160,500	-	-	27,259,287	
Total	80,464,271	160,500	-	-	80,624,771	
<u>Less Accumulated amortization</u>						
Leasehold right	4,499,999	-	-	-	4,499,999	
Building on leasehold right	7,007,726	2,516,585	-	-	9,524,311	
Utilizable right on land improvement	15,740,363	1,626,942	-	-	17,367,305	
Total	27,248,088	4,143,527	-	-	31,391,615	
Net	53,216,183				49,233,156	

Part of building and improvement on the rental land and land improvement, which the rental agreement that the constructions are permanent properties thereon will be transferred to the landlord at immediately on the date of rental cancellation (Note 28).

The leasehold right contract is for the period of 10 - 20 years and the Company amortized as expenses by the straight-line method for the period of the contract.

## 16. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities as follows:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deferred tax assets	9,444	-	8,203,062	13,457,369
Deferred tax liabilities	(26,820,930)	(21,833,578)	(35,023,992)	(35,290,947)
	<u>(26,811,486)</u>	<u>(21,833,578)</u>	<u>(26,820,930)</u>	<u>(21,833,578)</u>

Changes in deferred tax assets and deferred tax liabilities for the year ended December 31, 2014 and 2013, are summarized as follows:

	Baht			
	Consolidated financial statements			Balance as at Dec. 31, 14
	Balance as at Dec. 31, 13	Revenue (expenses) during the year		
In profit or loss		In other comprehensive income		
Deferred tax assets:				
Trade account and other receivables	1,508,757	(461,404)	-	1,047,353
Investments in associated companies	6,240,000	(5,665,920)	-	574,080
Difference of rental between straight line method and agreement	1,065,618	239,971	-	1,305,589
Provisions for employee benefits	4,642,994	633,046	-	5,276,040
Loss carry forward not more than 5 fiscal year	-	9,444	-	9,444
Total	<u>13,457,369</u>	<u>(5,244,863)</u>	<u>-</u>	<u>8,212,506</u>
Deferred tax liabilities:				
Additional portion from fixed assets revaluation	29,185,465	2,103,381	-	27,082,084
Liabilities under financial lease agreements	6,105,482	(1,836,426)	-	7,941,908
Total	<u>35,290,947</u>	<u>266,955</u>	<u>-</u>	<u>35,023,992</u>
	Baht			
	Separate financial statements			Balance as at Dec. 31, 14
	Balance as at Dec. 31, 13	Revenue (expenses) during the year		
In profit or loss		In other comprehensive income		
Deferred tax assets:				
Trade account and other receivables	1,508,757	(461,404)	-	1,047,353
Investments in associated companies	6,240,000	(5,665,920)	-	574,080
Difference of rental between straight line method and agreement	1,065,618	239,971	-	1,305,589
Provisions for employee benefits	4,642,994	633,046	-	5,276,040
Total	<u>13,457,369</u>	<u>(5,254,307)</u>	<u>-</u>	<u>8,203,062</u>
Deferred tax liabilities:				
Additional portion from fixed assets revaluation	29,185,465	2,103,381	-	27,082,084
Liabilities under financial lease agreements	6,105,482	(1,836,426)	-	7,941,908
Total	<u>35,290,947</u>	<u>266,955</u>	<u>-</u>	<u>35,023,992</u>

	Baht			Balance as at Dec. 31, 13
	Consolidated financial statements/Separate financial statements			
	Balance as at Dec. 31, 12	Revenue (expenses) during the year		
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Trade account and other receivables	2,455,187	(946,430)	-	1,508,757
Investments in associated companies	6,240,000	-	-	6,240,000
Difference of rental between straight line method and agreement	787,696	277,922	-	1,065,618
Provisions for employee benefits	4,184,392	458,602	-	4,642,994
Total	<u>13,667,275</u>	<u>(209,906)</u>	<u>-</u>	<u>13,457,369</u>
Deferred tax liabilities:				
Additional portion from fixed assets revaluation	30,879,859	1,694,394	-	29,185,465
Liabilities under financial lease agreements	4,030,503	(2,074,979)	-	6,105,482
Total	<u>34,910,362</u>	<u>(380,585)</u>	<u>-</u>	<u>35,290,947</u>

#### 17. **FIXED DEPOSIT PLEDGED AS COLLATERAL**

As at December 31, 2014 and 2013, cash at bank - fixed deposit of Baht 1.71 million and Baht 0.085 million are pledged as collateral for letters of guarantee issued by banks.

#### 18. **OTHER NON-CURRENT ASSETS**

This account consisted of :-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Advances for purchases of land and constructions	149,500,000	149,500,000	149,500,000	149,500,000
Deposits and guarantee	4,146,794	3,131,794	3,146,794	3,131,794
Total	153,646,794	152,631,794	152,646,794	152,631,794
<u>Less</u> Allowance for contingent loss from advance for purchase of assets	<u>(149,500,000)</u>	<u>(149,500,000)</u>	<u>(149,500,000)</u>	<u>(149,500,000)</u>
Net	<u>4,146,794</u>	<u>3,131,794</u>	<u>3,146,794</u>	<u>3,131,794</u>

Advance for purchase of land from Juldis River Mansion company amounting to Baht 149.5 million, sale price of Baht 159.72 and with the remaining of Baht 10.22 million will be paid at the date of which title deeds are transferred by the end of the year 2000. At present, such land is mortgaged as collateral to a bank by the land seller on which a problem may arise with regard to the transfer of title deeds or the refund of advance payment. And on September 16, 2002, the Court awarded Baht 149.5 million and interest rate 7.5% per annum. At the moment, the Court order in the process of waiting the asset protection officer summon creditors. The Company has provided for contingent losses for the full amount of such advances for purchases of land.

**19. CREDIT FACILITIES**

As at December 31, 2014, the Company has credit facilities with domestic commercial banks at the total amount of Baht 1,187 million as follows:

- 19.1 Overdraft facilities from three commercial banks at the total amount of Baht 150 million
- 19.2 Short-term credit loans from two commercial banks at the total amount of Baht 20 million
- 19.3 Long-term credit loans from two commercial banks at the total amount of Baht 963 million
- 19.4 Letters of guarantee issued by two commercial banks at the total amount of 54 million

The credit loans are secured by land and buildings, condominiums and bank deposit on fixed accounts.

**20. BANK OVERDRAFTS AND SHORT TERM LOAN FROM INSTITUTE**

This account consisted of :-

	Baht	
	Consolidated financial statements/ Separate financial statements	
	2014	2013
Overdraft	81,380,652	68,122,715
Promissory notes	-	8,000,000
	<u>81,380,652</u>	<u>76,122,715</u>

As at December 31, 2014 and 2013, the Company has credit facilities for bank overdrafts with interest rate of MOR per annum. The bank overdraft is secured by the mortgage of land and its construction title deed of the Company.

As at December 31, 2013, the Company had short-term loan in the form of a promissory note with a commercial bank amounting to Baht 8 million at MOR per annum with maturity date on January 2014. The Company had repaid such loan which had been guaranteed by the condominium of the Company.

**21. LONG-TERM LOANS FROM INSTITUTE**

This account consisted of :-

	Baht	
	Consolidated financial statements/ Separate financial statements	
	2014	2013
Beginning balance	283,157,934	237,588,288
Increase	371,219,571	121,070,400
Decrease	(72,860,006)	(75,500,754)
Ending balance	581,517,499	283,157,934
<u>Less</u> Current portion within one year	(169,270,008)	(71,100,006)
Net	<u>412,247,491</u>	<u>212,057,928</u>

The Company has long-term loans as follows:-

1. On at December 7, 2012, the Company has entered into long-term loan request agreement with a domestic commercial bank at the amount of 238.21 million Baht in order to repay the loans from the 6 original agreements and then included into only one loan agreement. The Company has to pay the THBFX 3M interest rate plus the difference 3% per year on every month since the month that has been withdrawn the first installment loan onwards and repays the monthly principal in accordance with the repayment schedule attached to this agreement which will be completed by July 2018. In addition, the Company has entered into an interest rate swap transaction agreement to fix the interest rate at 6.50% per year in order to protect the fluctuation of market interest rate.

On March 27, 2013, the Company entered into another long-term loan agreement in order to renovate the building of the hospital and purchase computers amounting to Baht 110 million at MLR-1.50 percent per annum throughout the agreement period with monthly interest repayment. The first installment of principle had started since the 13th month from the date of agreement amounting to Baht 1.83 million per month for 6 years. The Company had withdrawn the loan in total amount.

On August 13, 2013, the Company entered into an additional long-term loan agreement in order to construct the new hospital building amounting to Baht 600 million at MLR-1.50 percent per annum throughout the agreement period with monthly interest repayment. The first installment of principle had started since the 19th month from the date of agreement amounting to Baht 9.09 million per month for 7 years. The Company had withdrawn the loan at the amount of Baht 371.22 million.

The loan is guaranteed by mortgage of company's land and constructions. Under the loan agreement on July 15 2010, the Company has to comply with the conditions specified in the contract, such as maintaining certain financial ratios such as debt to capital (debt to equity ratio) of less than 1.5 times and the ratio DSCR (debt service coverage ratio) of more than 1.5 times, and not to pay the dividend, whether interim or annual payments unless able to comply with the repayment schedule of the contract then it will pay dividend at the rate not more than 70% of the net profit.

2. On June 27, 2012, Company has entered into the loan agreement with a domestic commercial bank at the amount of 15 million Baht and has been withdrawn 14.75 million Baht. The Company has to pay the MLR interest rate per year every end of the month and monthly installments of principal not less than Baht 250,000 which is to be completed within 60 months. The loans are secured by land and buildings of the Company.

## 22. LIABILITIES UNDER LONG-TERM AGREEMENTS

This account consisted of :-

	Baht	
	Consolidated financial statements/ Separate financial statements	
	2014	2013
Liabilities under financial lease agreements (net from deferred interest)	46,121,815	29,719,654
Liabilities under hire-purchase agreements (net from deferred interest)	12,477,082	1,822,072
Total	58,598,897	31,541,726
<u>Less</u> Current portion within one year	(20,850,923)	(17,703,920)
Net	<u>37,747,974</u>	<u>13,837,806</u>

As at December 31, 2014 and 2013, the Company has liabilities under long-term agreements, representing the hire-purchase agreement of cars and financial lease agreement of medical devices with 4 and 5 local leasing companies, total 21 and 27 contracts, for a period of 48-60 installments. The payments of these contracts are as follows :

	Baht					
	Consolidated financial statements/Separate financial statements					
	2014			2013		
	Principal	Deferred interest	Total	Principal	Deferred interest	Total
Payment due within 1 year	20,850,923	2,951,882	23,802,805	17,703,920	1,653,846	19,357,766
Payment due over 1 year to 5 years	37,747,974	2,764,673	40,512,647	13,837,806	948,111	14,785,917
Total	<u>58,598,897</u>	<u>5,716,555</u>	<u>64,315,452</u>	<u>31,541,726</u>	<u>2,601,957</u>	<u>34,143,683</u>

## 23. EMPLOYEE BENEFITS OBLIGATION

The statements of financial position,

	Baht	
	Consolidated financial statements/ Separate financial statements	
	2014	2013
Defined benefits obligation at January 1,	23,214,972	20,921,961
Benefits paid by the plan	(760,700)	(612,960)
Current service and interest costs	3,925,925	2,905,971
Defined benefits obligation at December 31,	<u>26,380,197</u>	<u>23,214,972</u>



Expenses recognised in statements of comprehensive income,

	Baht	
	Consolidated financial statement/ Separate financial statements	
	2014	2013
Current service cost	2,508,141	1,903,915
Interest on obligation	1,417,784	1,002,056
Total	<u>3,925,925</u>	<u>2,905,971</u>

Principal actuarial assumptions at the reporting date

For the year ended December 31, 2014 and 2013

	%	
	Consolidated financial statements/ Separate financial statements	
	2014	2013
Discount rate	4.41	4.41
Salary increase rate	6.51	6.51
Employee turnover rate	5-17	5-17
Mortality rate	50 of Thai Mortality Table 2008	50 of Thai Mortality Table 2008
Disability rate	10 of Thai Mortality Table 2008	10 of Thai Mortality Table 2008

**24. SHARE CAPITAL**

According to the Board of Directors Meeting No.7/2014 held on July 25, 2014, it was approved to change the terms of the allotment of ordinary shares increase for 40,000,000 shares that were issued to support the exercise of warrants to purchase shares. Since no one has exercised the rights, it was resolved to change the terms of the allotment of new ordinary shares. The capital increase has an objective to settle partial debts with the financial institution, operate multipurpose building construction project, to use as working capital within the company and to fund the building improvement for service expansion in the future in order to make the company more competitive and able to grow its business. The capital increase is as follows:

1. Capital increase by defining the purpose of the fund's use for 20,000,000 shares at the par value of Baht 6.50 per share, amounting to Baht 130,000,000. The allotment of new ordinary shares is as follows:

- 1.1 Allot ordinary share increase of 20,000,000 shares to the existing shareholders (rights offering) at the rate of 5 shares for 1 new ordinary share at the offering price of Baht 15 per share. The holders are entitled to subscribe for ordinary shares increase (record date) on October 1, 2014 and the book closing date is on October 2, 2014. The subscription of new ordinary shares is during the period from November 3, 2014 to November 7, 2014, which have the holders to subscribe for 23,219,344 shares this ordinary shares increase is amounted at Baht 348,290,160 and has been included the subscribers for excess rights for 4,301,965 shares at the amount of Baht 64,529,475 and the subscribers do not exercise for 1,082,115 shares at the amount of Baht 16,231,725.
- 1.2 In case there are leftovers of ordinary share increase subscribed by the existing shareholders above, the Board or a person designated by the Board of Directors shall allocate such remaining ordinary shares to existing shareholders who wish to subscribe for ordinary shares in excess of the allotted amount (excess rights) by the same price until the new ordinary shares are fully allocated. The allocation of the remaining ordinary shares increase should take into consideration of such number of remaining new ordinary shares and the number of new ordinary shares subscribed by shareholders wishing to subscribe for excess rights.

For any fraction of a share, any shareholder who receives the allocation of less than 1 full share, the fraction shall be discarded.

The Company had conducted such operation and appeared that the Company could sell the increase shares capital in excess of the number of allocated shares. Because there were oversubscription shareholders at the total shares of Baht 348.29 million which was more than the value of the increase shares capital according to the Company defined for Baht 300 million. The Company had fully repaid the overpayment amount of Baht 48.29 million to the oversubscription shareholders. The Company had registered an increase in paid-up capital from 100 million shares amounting to Baht 650 million to 120 million shares amounting to Baht 780 million on November 20, 2014.

2. General Mandate for 20,000,000 shares at the par value of Baht 6.50 per share amounted to Baht 130,000,000. The allotment of new ordinary shares is as follows:

2.1 Allocate ordinary shares increase of 15,000,000 shares at the par value of Baht 6.50 per share to be offered to existing shareholders (Rights Offering) and assign the Board of Directors to authorize the issuance of new ordinary shares at the same time, or several times, including the power to determine the price, date and time of the offering, conditions and details related to the allotment of new ordinary shares. The allotment shall be completed within the Company's Annual General Meeting of Shareholders in the following year, whichever comes first, including the negotiation and signing of documents and contracts, along with actions with respect to the allocation of ordinary shares and signing application documents and evidence required for the allocation of new ordinary shares. This includes correspondence and documents submitted to the government agency or agencies involved and listing the Company's ordinary shares on the Stock Exchange with the power to carry out any other necessary and appropriate actions regarding the allotment of new ordinary shares.

2.2 Allotment of new ordinary shares of 5,000,000 shares at the par value of Baht 6.50 per share in whole or in part, at the same time or different times, to investors, especially specific and/or institutional investors is through a private placement at an offering price of not less than 90 percent of the market price. "The market price" is calculated from the weighted average of the shares traded on the Stock Exchange at least seven days and not later than 15 working days before the date which the Board of Directors or Executive Committee has approved an allotment of the shares to investors.

As at December 31, 2014, the Company had not sold the shares with the above method.

## **25. APPROPRIATED STATUTORY RESERVE**

Under the provision of the Public Limited Companies Act B.E. 2535, the Company is required to set aside as statutory reserve at least 5% of its annual net income until the reserve reaches 10% of the authorized capital. The reserve is not available for dividend distribution.

## **26. DIVIDEND**

At the ordinary shareholders' meeting for the year 2014 held on April 23, 2014, the shareholders approved appropriation of dividend from profit for year 2013 of Baht 0.80 per share to the Company's shareholders' of 100 million ordinary shares in total amount of Baht 80 million. The Company paid such dividend on May 2014. Addition it also approved the allocation of legal reserves of Baht 7.43 million.

At the ordinary shareholders' meeting for the year 2013 held on April 23, 2013, the shareholders approved appropriation of dividend from profit for year 2012 of Baht 0.75 per share to the Company's shareholders' of 95,773,700 ordinary shares in total amount of Baht 71.53 million. The Company will

pay the dividend on May 2013. Addition it also approved the allocation of legal reserves of Baht 6.03 million.

## 27. EXPENSES BY NATURE

Significant expenses by nature for the year ended December 31, 2014 and 2013 are as follow :-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Medical supplies and supplies used	349,089,932	361,405,891	349,089,932	361,405,891
Cost of food and beverage	26,887,407	20,348,549	19,748,023	20,348,549
Depreciation and amortized leasehold right	138,146,018	128,137,832	138,139,985	128,137,832
Medical professional fee	384,336,340	333,712,101	384,336,340	333,712,101
Staff cost	490,262,574	442,464,109	490,262,574	442,464,109

## 28. LONG-TERM LEASES

As at December 31, 2014, the Company has long-term leases as follows :-

Type of lease	Period	Consolidated financial statements			
		Remaining rental expenses (Baht)			
		Within 1 year	1-5 years	Over 5 years	Total
1. Land in front of hospital					
- Rattarin (two contracts)	01/01/14 - 31/12/15	2,073,600	-	-	2,073,600
2. Land on beside of hospital					
(one contract)	01/09/08 - 31/08/28	2,596,800	14,498,800	28,781,200	45,876,800
(four contracts)	22/11/13 - 21/11/18	4,019,040	15,617,280	-	19,636,320
(one contract)	01/03/13 - 28/02/28	3,900,000	26,710,000	46,220,000	76,830,000
3. Rent laundry factory	01/01/14 - 31/12/14	-	-	-	-
4. Land in front hospital					
- Subsidiary (one contract)	28/03/14 - 28/03/29	5,523,600	27,618,000	45,269,700	78,411,300
		<u>18,113,040</u>	<u>84,444,080</u>	<u>120,270,900</u>	<u>222,828,020</u>
Type of lease	Period	Separate financial statements			
		Remaining rental expenses (Baht)			
		Within 1 year	1-5 years	Over 5 years	Total
1. Land in front of hospital					
- Rattarin (two contracts)	01/01/14 - 31/12/15	2,073,600	-	-	2,073,600
2. Land on beside of hospital					
(one contract)	01/09/08 - 31/08/28	2,596,800	14,498,800	28,781,200	45,876,800
(four contracts)	22/11/13 - 21/11/18	4,019,040	15,617,280	-	19,636,320
(one contract)	01/03/13 - 28/02/28	3,900,000	26,710,000	46,220,000	76,830,000

3. Rent laundry factory	01/01/14 - 31/12/14	-	-	-	-
		<u>12,589,440</u>	<u>56,826,080</u>	<u>75,001,200</u>	<u>144,416,720</u>

## 29. TAX EXPENSE

29.1 Major components of income tax expense for the year ended December 31, 2014 and 2013 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Income tax expense shown in profit or loss :				
Current tax expense:				
Income tax expense for the year	29,889,935	37,094,260	29,889,935	37,094,260
Deferred tax expense :				
Changes in temporary differences relating to the original recognition and reversal	4,977,908	590,491	4,987,352	590,491
Total	<u>34,867,843</u>	<u>37,684,751</u>	<u>34,877,287</u>	<u>37,684,751</u>

In addition, for the year ended December 31, 2014 and 2013, the Company has transferred the deferred tax at the amount of Baht 2.10 million and Baht 1.69 million respectively, from retained earnings to revaluation reserve. This amount relates to the difference between the actual depreciation based on the fixed assets and equivalent depreciation based on the cost of the fixed assets.

29.2 A numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate for the year ended December 31, 2014 and 2013 which are summarized as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accounting profit for the year	192,937,006	186,363,807	192,393,815	186,363,807
The applicable tax rate (%)	20	20	20	20
Tax expense at the applicable tax rate	<u>38,587,401</u>	<u>37,272,761</u>	<u>38,478,763</u>	<u>37,272,761</u>
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	622,982	771,212	605,518	771,212
Tax effect of income or profit that are not required in determining taxable profit:				
- Deductible expenses	(4,342,540)	(359,222)	(4,206,994)	(359,222)

Total reconciliation items	(3,719,558)	411,990	(3,601,476)	411,990
Total tax expense	34,867,843	37,684,751	34,877,287	37,684,751

29.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the year ended December 31, 2014 and 2013 are summarized as follows:

	Consolidated financial statements			
	2014		2013	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the year	192,937,006		186,363,807	
Tax expense at the applicable tax rate	38,587,401	20	37,272,761	20
Reconciliation items	(3,719,558)	(2)	411,990	-
Tax expense at the average effective tax rate	34,867,843	18	37,684,751	20

  

	Separate financial statements			
	2014		2013	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the year	192,393,815		186,363,807	
Tax expense at the applicable tax rate	38,478,763	20	37,272,761	20
Reconciliation items	(3,601,476)	(2)	411,990	-
Tax expense at the average effective tax rate	34,877,287	18	37,684,751	20

### 30. EARNINGS PER SHARE

#### 30.1 Weighted average number of ordinary shares

Weighted average number of ordinary shares for the year ended December 31, 2014 and 2013, is calculated are as follows:-

	Number of shares			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Number of ordinary shares at the beginning of the year	98,989,454	94,020,174	98,989,454	94,020,174
<u>Add</u> Weighted average number of treasury shares sold during the year	1,010,546	4,969,280	1,010,546	4,969,280
Common stock sold during the year	2,301,370	-	2,301,370	-
Weighted average number of ordinary shares	102,301,370	98,989,454	102,301,370	98,989,454

#### 30.2 Basic earnings per share

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit for the year from ordinary activities (Baht)	158,069,163	148,679,056	157,516,528	148,679,056

Weighted average number of ordinary share (Shares)	102,301,370	98,989,454	102,301,370	98,989,454
Earnings per share (Baht per share)	1.55	1.50	1.54	1.50

### 31. FINANCIAL INFORMATION BY SEGMENT

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

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

The company can separate its business operation in the statements of comprehensive income for the year ended December 31, 2014 and 2013 by the establishment of the hospital as follows :

	Consolidate financial statements					
	Sikarin Hospital		Rattarin Hospital		รวม	
	2014	2013	2014	2013	2014	2013
Medical service revenues	1,631,324,216	1,474,113,753	186,856,308	176,674,733	1,818,180,524	1,650,788,486
Other income	16,591,825	19,085,242	842,357	963,873	17,434,182	20,049,115
Cost of medical services	(1,138,245,479)	(1,007,871,315)	(156,312,205)	(126,640,740)	(1,294,557,684)	(1,134,512,055)
Administrative expenses	(321,687,460)	(315,141,548)	(27,127,340)	(26,035,735)	(348,814,800)	(341,177,283)
Profit (loss) from main operating	187,983,102	170,186,132	4,259,120	24,962,131	192,242,222	195,148,263
Food and beverage revenues	43,104,601	34,965,129	-	-	43,104,601	34,965,129
Cost of food and beverage	(26,887,407)	(20,348,549)	-	-	(26,887,407)	(20,348,549)
Share of profit of associated company					677,730	-
Financial cost					(16,200,140)	(23,401,036)
Tax expense					(34,867,843)	(37,684,751)
Profit for the year					158,069,163	148,679,056
<u>Fixed assets as at December 31,</u>						
Property, plant and equipment	1,952,960,299	1,454,369,164	114,593,168	120,772,053	2,067,553,467	1,575,141,217
Intangible assets	30,100,749	24,163,053	-	-	30,100,749	24,163,053
Leasehold right	61,550,461	47,644,655	1,179,733	1,588,501	62,730,194	49,233,156

### 32. COMMITMENTS AND CONTINGENT LIABILITIES

The Company has commitments and Contingent Liabilities as follow:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
32.1 Commitments				
Commitment under agreement to buy and to sell land and building	10,220,000	10,220,000	10,220,000	10,220,000
Commitment under agreement to construction building and systems	235,504,694	403,461,580	235,504,694	403,461,580
	245,724,694	413,681,580	245,724,694	413,681,580
32.2 Contingent liabilities				

To banks for the letters of guarantees issued on  
behalf of the company

<u>35,741,925</u>	<u>35,491,625</u>	<u>35,741,925</u>	<u>35,491,625</u>
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On August 14, 2013, the Company entered into a construction agreement for new hospital building with a local company which has total amount on agreement of Baht 420.27 million. The installment will be paid based on the actual completion for every 30 days per an installment. The contract has 1 year and 8 months long for construction. As at the signing of contract, the Company paid advance for the first installment amounted Baht 58.10 million. As at December 31, 2014, the remaining balance of advance is amount of Baht 25.74 million.

### **33. DISCLOSURE OF FINANCIAL INSTRUMENTS**

#### **33.1 Financial risk management policies**

The Company and its subsidiary are exposed to normal business risks from changes in market interest rates and from non-performance of contractual obligations by counterparties. The Company and its subsidiary do not hold or issue derivative financial instruments for speculative or trading purposes.

#### **33.2 Interest rate risk**

Interest rate risk is the risk that future movements in market interest rates, which may affect the interest earnings and expenses in the present and future years. The Company is primarily exposed to interest rate risk that relates primarily to deposit at Financial institution, short term investments, and loans from financial institutions from its variable rate borrowing due to changes in interest rates. The Company and its subsidiary have no policy to use any derivative financial instruments to reduce this risk.

#### **33.3 Credit risk**

Credit risk is the potential financial loss resulting from the failure of a customer or a counter party to settle its financial and contractual obligations to the Company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations of the financial condition of its counterparties, to provide a term of payment, and to require partial payment of deposit, or call for collateral as other security. Therefore, it does not expect to incur material losses from debt collection more than the amount already provided in the allowance for doubtful accounts.

#### **33.4 Liquidity risk**

The Company and its subsidiary monitor its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in

#### **33.5 Estimated Fair Value of Financial Instruments**

The following methods and assumptions were used by the Company and its subsidiary in estimating fair value of financial instruments as disclosed herein :

Cash and cash equivalents, short-term investments, and accounts receivable; fair values approximate to their carrying values.



Investment in non-listed companies; fair value is based on net asset value of related securities obtained from the company's management of which has not been audited.

Bank overdrafts and short-term loans from institute which carry floating interest rate, fair value is based on carrying values.

Account payable, fair value approximate to carrying values.

Long-term loans which carry floating interest rate, fair value approximate to carrying values.

For liabilities under financial long-term lease agreements with fixed rate of interest, the Company is unable to estimate their fair value as no adequate information.

### 34. **CAPITAL MANAGEMENT**

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the statement of financial position as at December 31, 2014, the group of Company's debt-to-equity ratio was 0.62 : 1 (as at December 31, 2013 0.49 : 1) and the Company's debt-to-equity ratio was 0.62 : 1 (as at December, 2013 0.49 : 1)

### 35. **RECLASSIFICATION**

The Company has reclassified certain accounts in the statement of financial position as at December 31, 2013 to conform with the presentation of the financial statements of this year without any effect to the previously reported profit (loss) or shareholder's equity.

	Baht					
	Cconsolidated financial statements			Separate financial statements		
	Before Reclassification	Reclassification	After Reclassification	Before Reclassification	Reclassification	After Reclassification
<b>Statement of financial position</b>						
Deferred tax assets	13,457,369	(13,457,369)	-	13,457,369	(13,457,369)	-
Deferred tax liabilities	35,290,947	(13,457,369)	21,833,578	35,290,947	(13,457,369)	21,833,578

The Company has not reclassified the accounts in the statement of financial position as at January 1, 2013.

### 36. **THE NEW AND REVISED ACCOUNTING STANDARDS ARE NOT YET EFFECTIVE IN THE CURRENT YEAR**

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the new and revised accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards.

These new and revised accounting standards which are effective for the fiscal year beginning on or after January 1, 2015 are as follows:

TAS 1 (revised 2014)	Presentation of Financial Statements
TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of Cash Flows

TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2014)	Events After the Reporting Period
TAS 11 (revised 2014)	Construction Contracts
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 19 (revised 2014)	Employee Benefits
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2014)	Borrowing Costs
TAS 24 (revised 2014)	Related Party Disclosures
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2014)	Separate Financial Statements
TAS 28 (revised 2014)	Investments in Associates And Joint Ventures
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2014)	Earnings Per Share
TAS 34 (revised 2014)	Interim Financial Reporting
TAS 36 (revised 2014)	Impairment of Assets
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2014)	Intangible assets
TAS 40 (revised 2014)	Investment Property
TFRS 2 (revised 2014)	Share-based Payment
TFRS 3 (revised 2014)	Business Combinations
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement
TSIC 10 (revised 2014)	Government Assistance - No Specific Relation to Operating Activities

TSIC 15 (revised 2014)	Operating Leases - Incentives
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2014)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2014)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2014)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2014)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2014)	Service Concession Arrangements
TFRIC 13 (revised 2014)	Customer Loyalty Programmes
TFRIC 14 (revised 2014)	IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2014)	Transfers of Assets from Customers
TFRIC 20 (revised 2014)	Stripping Costs in the Production Phase of a Surface Mine

The new accounting standard which is effective for the fiscal year beginning on or after January 1, 2016 is as follows:

TFRS 4	Insurance Contracts
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The management of the Company and its subsidiary are evaluating the impact of these new and revised accounting standards when they are initially applied.

### **37. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were authorized for issue by the Board of Directors of the Company on February 26, 2015.