

Srivichaivejvivat Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2012

Independent Auditor's Report

To the Shareholders of Srivichaivejvivat Public Company Limited

I have audited the accompanying consolidated financial statements of Srivichaivejvivat Public Company Limited and its subsidiaries, which comprise the consolidated statements of financial position as at 31 December 2012, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Srivichaivejvivat Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Srivichaivejvivat Public Company Limited and its subsidiaries and of Srivichaivejvivat Public Company Limited as at 31 December 2012, their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Other matter

The consolidated financial statements of Srivichaivejvivat Public Company Limited and its subsidiaries and the separate financial statements of Srivichaivejvivat Public Company Limited for the year ended 31 December 2011 were audited in accordance with Thai Standards on Auditing by another auditor who expressed an unqualified opinion on those statements, under her report dated 24 February 2012.

Termphong Opanaphan
Certified Public Accountant (Thailand) No. 4501

Ernst & Young Office Limited
Bangkok: 20 February 2013

Srivichaivejvivat Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Assets					
Current assets					
Cash and cash equivalents	7	96,180,360	104,379,928	62,396,256	30,408,097
Current investment	8	40,000,000	-	40,000,000	-
Trade and other receivables	9	97,500,600	123,906,813	53,414,318	52,492,744
Short-term loan to related party	6	-	-	-	50,000,000
Medicine and supplies	10	23,160,543	23,764,981	9,351,158	10,576,463
Other current assets		5,726,437	5,219,809	546,888	1,115,033
Total current assets		262,567,940	257,271,531	165,708,620	144,592,337
Non-current assets					
Restricted bank deposits	11	-	1,102,972	-	-
Investments in subsidiaries	12	-	-	236,415,600	189,037,350
Investment properties	13	23,762,920	23,629,784	-	-
Property, plant and equipment	14	659,223,829	646,197,620	414,201,252	402,144,849
Leasehold rights	15	134,238,670	133,381,664	-	-
Other non-current assets		12,991,136	12,346,984	1,401,807	1,779,343
Total non-current assets		830,216,555	816,659,024	652,018,659	592,961,542
Total assets		1,092,784,495	1,073,930,555	817,727,279	737,553,879

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

Srivichaivejvivat Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Liabilities and shareholders' equity					
Current liabilities					
Bank overdraft	16	1,444,182	-	-	-
Trade and other payables	17	143,309,106	177,615,525	54,997,944	52,178,734
Current portion of long-term loans	18	65,160,000	57,960,000	36,000,000	33,800,000
Current portion of liabilities under finance lease agreements	19	1,320,407	5,852,759	450,456	3,373,691
Income tax payable		1,871,393	4,264,785	311,605	-
Other current liabilities		1,364,163	1,150,943	351,900	292,361
Total current liabilities		214,469,251	246,844,012	92,111,905	89,644,786
Non-current liabilities					
Long-term loans, net of current portion	18	122,960,000	222,120,000	50,600,000	140,600,000
Liabilities under finance lease agreements, net of current portion	19	2,201,738	3,205,612	289,127	739,582
Provision for long-term employee benefits	20	9,920,908	8,020,129	3,183,098	2,502,700
Total non-current liabilities		135,082,646	233,345,741	54,072,225	143,842,282
Total liabilities		349,551,897	480,189,753	146,184,130	233,487,068

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

Srivichaivejvivat Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Shareholders' equity					
Share capital					
Registered					
535,000,000 ordinary shares of Baht 1 each		535,000,000	535,000,000	535,000,000	535,000,000
Issued and fully paid					
535,000,000 ordinary shares of Baht 1 each					
(2011: 400,000,000 ordinary shares of Baht 1 each)	21	535,000,000	400,000,000	535,000,000	400,000,000
Share premium	21	37,938,115	10,000,000	37,938,115	10,000,000
Retained earnings					
Appropriated - statutory reserve	22	9,571,985	8,145,074	9,571,985	8,145,074
Unappropriated		110,224,836	126,614,807	89,033,049	85,921,737
Other components of shareholders' equity		34,614,609	34,614,609	-	-
Equity attributable to owners of the Company		727,349,545	579,374,490	671,543,149	504,066,811
Non-controlling interests of the subsidiaries		15,883,053	14,366,312	-	-
Total shareholders' equity		743,232,598	593,740,802	671,543,149	504,066,811
Total liabilities and shareholders' equity		1,092,784,495	1,073,930,555	817,727,279	737,553,879
		-	-	-	-

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

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 Directors

Srivichaivejvivat Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Profit or loss:					
Revenues					
Revenues from hospital operations		1,008,711,511	1,047,515,624	466,732,177	428,339,075
Dividend income	12	-	-	-	14,127,131
Other income		17,499,295	20,545,218	3,982,348	7,442,547
Total revenues		1,026,210,806	1,068,060,842	470,714,525	449,908,753
Expenses					
Cost of hospital operations		795,473,843	787,304,060	342,356,335	316,539,926
Selling expenses		29,878,124	36,110,265	10,812,136	14,427,263
Administrative expenses		167,250,345	169,778,146	76,294,724	69,008,796
Total expenses		992,602,312	993,192,471	429,463,195	399,975,985
Profit before finance cost and income tax expenses		33,608,494	74,868,371	41,251,330	49,932,768
Finance cost		(16,685,982)	(19,413,624)	(8,846,462)	(11,763,861)
Profit before income tax expenses		16,922,512	55,454,747	32,404,868	38,168,907
Income tax expenses		(8,990,581)	(15,281,125)	(3,866,645)	(6,618,022)
Profit for the year		7,931,931	40,173,622	28,538,223	31,550,885
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		7,931,931	40,173,622	28,538,223	31,550,885
Profit attributable to:					
Equity holders of the Company		9,036,940	38,524,028	28,538,223	31,550,885
Non-controlling interests of the subsidiaries		(1,105,009)	1,649,594		
		7,931,931	40,173,622		
Earnings per share					
Basic earnings per share	24				
Profit attributable to equity holders of the Company		0.02	0.11	0.06	0.09

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

Srivichaivejvivat Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2012

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Cash flows from operating activities				
Profit before tax	16,922,512	55,454,747	32,404,868	38,168,907
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	75,987,120	71,445,532	20,293,038	19,441,899
Bad debts and allowance for doubtful accounts (reversal)	(1,243,996)	621,287	(736,954)	352,023
Losses (gains) on disposals of equipment	(1,635,442)	459,568	16,164	604,890
Losses on write-off of equipment	169,924	-	163,093	-
Provision for long-term employee benefits	2,091,479	1,719,420	680,398	560,420
Dividend income	-	-	-	(14,127,131)
Interest income	(1,936,598)	(1,616,683)	(1,923,101)	(1,125,668)
Interest expense	16,685,982	19,413,624	8,846,462	11,763,861
Profit from operating activities before changes in operating assets and liabilities	107,040,981	147,497,495	59,743,968	55,639,201
Operating assets (increase) decrease				
Trade and other receivables	27,885,803	(17,366,829)	125,243	620,468
Medicine and supplies	604,438	(3,091,635)	1,225,305	(933,161)
Other current assets	(506,628)	-	568,145	-
Other non-current assets	1,545,568	(36,800)	450,072	-
Operating liabilities increase (decrease)				
Trade and other payables	(39,257,930)	23,149,045	1,073,087	(6,374,298)
Other current liabilities	213,220	(38,117)	59,539	34,732
Cash paid for long-term employee benefits	(190,700)	(45,000)	-	(45,000)
Cash flows from operating activities	97,334,752	150,068,159	63,245,359	48,941,942
Cash paid for income tax	(13,192,603)	(25,111,639)	(3,555,040)	(8,574,073)
Net cash flows from operating activities	84,142,149	124,956,520	59,690,319	40,367,869

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

Srivichaivejvivat Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the year ended 31 December 2012

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Cash flows from investing activities				
Decrease (increase) in restricted bank deposits	1,102,972	(7,249)	-	-
Dividend income	-	-	-	14,127,130
Interest income	1,701,004	1,569,508	1,613,238	1,124,846
Increase in current investment	(40,000,000)	-	(40,000,000)	-
Decrease (increase) in short-term loan to related party	-	-	50,000,000	(50,000,000)
Increase in loan to employee	-	(350,000)	-	(350,000)
Acquisition of buildings improvement and equipments	(83,470,625)	(96,797,078)	(30,132,128)	(19,195,207)
Acquisition of investment properties	(369,020)	-	-	-
Acquisition of intangible assets	(808,920)	(254,125)	(442,606)	(12,840)
Proceed from sales of equipment	1,923,717	639,201	32,500	361,400
Cash receipt (paid) from acquisition of investment in subsidiary	-	1,799,865	(47,378,250)	(99,980)
Cash paid for shares acquired to increase shareholding in subsidiary	-	(27,106,500)	-	(27,106,500)
Net cash flows used in investing activities	(119,920,872)	(120,506,378)	(66,307,246)	(81,151,151)
Cash flows from financing activities				
Increase (decrease) in bank overdraft	1,444,182	(4)	-	-
Repayment of long-term loan from related party	-	(8,300,000)	-	(8,300,000)
Cash receipt from long-term loan from financial institution	20,000,000	10,000,000	-	-
Repayment of long-term loans from financial institutions	(111,960,000)	(46,360,000)	(87,800,000)	(29,200,000)
Repayment of liabilities under finance lease agreements	(6,896,492)	(3,512,927)	(3,509,363)	(2,034,557)
Proceed from increase in share capital of the Company	162,938,115	87,500,000	162,938,115	87,500,000
Cash received from increase in share capital of the subsidiary	2,621,750	-	-	-
Dividend paid	(24,000,000)	(21,752,870)	(24,000,000)	(21,000,000)
Interest expenses	(16,568,400)	(19,363,770)	(9,023,666)	(11,648,738)
Net cash flows from (used in) financing activities	27,579,155	(1,789,571)	38,605,086	15,316,705
Net increase (decrease) in cash and cash equivalents	(8,199,568)	2,660,571	31,988,159	(25,466,577)
Cash and cash equivalents at beginning of year	104,379,928	101,719,357	30,408,097	55,874,674
Cash and cash equivalents at end of year	96,180,360	104,379,928	62,396,256	30,408,097
	-	-	-	-
Supplemental cash flows information				
Non-cash related transactions				
Acquisition of buildings improvement and equipments				
for which no cash has been paid	5,203,195	1,336,225	2,059,000	223,630
Purchase of vehicle under finance lease agreement	991,000	353,500	-	-
Reclassify buildings improvement to investment properties	105,000	-	-	-
Transfer assets under construction in progress to leasehold rights	6,639,211	-	-	-

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

Srivichaivejvivat Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2012

1. General information

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

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2012	2011
			Percent	Percent
Saivichai Development Company Limited	Operating of hospitals	Thailand	94.76	94.76
Srisakornvejvivat Company Limited	Operating of hospitals	Thailand	94.94	94.94
Srivichai Vocational School Company Limited	Operating of vocational school	Thailand	99.98	99.98

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

c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

Dividends

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

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Medicine and supplies

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

4.5 Investments

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

4.6 Investment properties

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

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

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

4.7 Property, plant and equipment/Depreciation

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

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

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

Depreciation is included in determining income.

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

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

4.8 Leasehold rights

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

4.9 Related party transactions

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

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

4.10 Long-term leases

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

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

4.11 Impairment of assets

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

An impairment loss is recognised in the profit or loss.

4.12 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company and its subsidiaries elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in 2011.

4.13 Provisions

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

4.14 Income tax

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

5. Significant accounting judgements and estimates

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

Leases

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

Allowance for doubtful accounts

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

Accrued social security income

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

Property plant and equipment/Depreciation

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

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

Post-employment benefits under defined benefit plans

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

Litigation

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

6. Related party transactions

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

(Unit: Thousand Baht)

	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Medical service income	-	-	1,450	5,148	Normal price less certain discount
Interest income	-	-	444	548	3 percent per annum
Rental income	-	-	240	200	Contract price
Medical service expenses	-	-	4,789	2,774	Normal price less certain discount
Interest expense	-	-	-	148	3 percent per annum
<u>Transactions with related companies</u>					
Consulting fees	240	405	75	75	Contract price
Interest expense	-	103	-	103	5.375 percent per annum

As at 31 December 2012 and 2011, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>Trade and other receivables - related parties (Note 9)</u>				
Subsidiaries	-	-	327	592
Total trade and other receivables - related parties	-	-	327	592
<u>Trade payables - related parties (Note 17)</u>				
Subsidiaries	-	-	995	314
Total trade payables - related parties	-	-	995	314

Short-term loan to related party

As at 31 December 2012 and 2011, the balance of loan between the Company and the related party, and the movement are as follow:

		(Unit: Thousand Baht)			
		Separate financial statements			
Loan to related party	Related by	Balance as at 31 December 2011	Increase during the year	Decrease during the year	Balance as at 31 December 2012
Saivichai Development Company Limited	Subsidiary	50,000	-	(50,000)	-

Directors and management's benefits

During the year ended 31 December 2012 and 2011, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Short-term employee benefits	34,322	42,388	20,936	20,048
Post-employment benefits	327	346	158	125
Total	<u>34,649</u>	<u>42,734</u>	<u>21,094</u>	<u>20,173</u>

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Cash	3,090	1,450	1,173	448
Bank deposits	93,090	67,930	61,223	29,960
Bills of exchange	-	35,000	-	-
Total	<u>96,180</u>	<u>104,380</u>	<u>62,396</u>	<u>30,408</u>

As at 31 December 2012, bank deposits in saving accounts, fixed deposits and bills of exchange carried interests between 0.125 and 3.10 percent per annum (2011: between 0.50 and 3.75 percent per annum).

8. Current investment

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Fixed deposits	40,000	-	40,000	-
Total	<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>-</u>

As at 31 December 2012, fixed deposits carried interests between 3.00 and 3.15 percent per annum (2011: None).

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	87	412
Total trade receivables - related parties	-	-	87	412
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	41,458	36,288	18,897	12,851
Past due				
Up to 3 months	6,001	9,226	1,874	2,123
3 - 6 months	2,045	1,454	684	717
6 - 12 months	1,118	1,863	274	495
Over 12 months	1,475	2,823	344	907
Total	52,097	51,654	22,073	17,093
Less: Allowance for doubtful accounts	(1,471)	(3,105)	(342)	(1,190)
Total trade receivables - unrelated parties, net	50,626	48,549	21,731	15,903
Total trade receivables - net	50,626	48,549	21,818	16,315
<u>Other receivables</u>				
Other receivable - related party	-	-	240	180
Other receivables - unrelated parties	1,863	2,942	589	921
Accrued income				
Accrued social security income	39,946	64,377	27,689	30,987
Other accrued income	5,456	8,039	3,189	4,090
Total	47,265	75,358	31,707	36,178
Less: Allowance for doubtful accounts	(390)	-	(111)	-
Total other receivables - net	46,875	75,358	31,596	36,178
Total trade and other receivables - net	97,501	123,907	53,414	52,493

10. Medicine and supplies

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Medicine	13,439	14,498	5,870	6,860
Medical supplies	7,596	7,485	2,862	3,089
Other supplies	2,126	1,782	619	627
Total	23,161	23,765	9,351	10,576

11. Restricted bank deposits

The balance as at 31 December 2011 represents the subsidiary's fixed deposits pledged with the banks to secure bank guarantees.

12. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht)	
							Dividend received during	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
			(%)	(%)				
Saivichai Development								
Company Limited	150,000	100,000	94.76	94.76	142,134	94,756	-	-
Srisakornvejvivat								
Company Limited	99,200	99,200	94.94	94.94	94,181	94,181	-	14,127
Srivichai Vocational								
School Company								
Limited	100	100	99.98	99.98	100	100	-	-
Total					<u>236,415</u>	<u>189,037</u>	<u>-</u>	<u>14,127</u>

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

13. Investment properties

The net book value of investment properties as at 31 December 2012 and 2011 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		
	Land	Buildings and buildings improvement	Total
31 December 2012:			
Cost	22,845	8,609	31,454
<u>Less</u> Accumulated depreciation	-	(7,691)	(7,691)
Net book value	<u>22,845</u>	<u>918</u>	<u>23,763</u>
31 December 2011:			
Cost	22,845	8,135	30,980
<u>Less</u> Accumulated depreciation	-	(7,350)	(7,350)
Net book value	<u>22,845</u>	<u>785</u>	<u>23,630</u>

A reconciliation of the net book value of investment properties for the years 2012 and 2011 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2012</u>	<u>2011</u>
Net book value at beginning of year	23,630	23,903
Acquisition of buildings improvement	369	-
Reclassify buildings improvement from property, plant and equipment to investment properties	105	-
Depreciation charged	(341)	(273)
Net book value at end of year	<u>23,763</u>	<u>23,630</u>

The fair value of the investment properties as at 31 December 2012 and 2011 stated below:

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2012</u>	<u>2011</u>
Land	24,803	24,803
Buildings and buildings improvement	4,657	4,667
Total	<u>29,460</u>	<u>29,470</u>

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

The subsidiary have pledged investment properties with net book values as at 31 December 2012 amounting to Baht 24 million (2011: Baht 24 million) as collateral against credit facilities received from financial institutions.

14. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Land	Buildings and buildings improvement	Tools and medical instrument	Office furniture, fixtures and equipment	Motor vehicle	Assets under installation and under construction	Total
Cost:							
1 January 2011	339,820	459,027	186,452	156,439	57,401	10,091	1,209,230
Additions	-	6,422	25,843	17,834	919	48,545	99,563
Disposals/write-off	-	(3,721)	(1,601)	(3,804)	(558)	-	(9,684)
Transfers in (out)/reclassify	-	32,870	(6,051)	11,404	-	(38,223)	-
31 December 2011	339,820	494,598	204,643	181,873	57,762	20,413	1,299,109
Additions	-	1,944	28,681	10,949	2,939	45,152	89,665
Disposals/write-off	-	(95)	(7,096)	(5,494)	(3,401)	-	(16,086)
Transfers in (out)	-	7,156	946	3,339	1,080	(12,521)	-
Transfer to leasehold rights	-	-	-	-	-	(6,639)	(6,639)
Reclassify to investment properties	-	(105)	-	-	-	-	(105)
31 December 2012	339,820	503,498	227,174	190,667	58,380	46,405	1,365,944
Accumulated depreciation:							
1 January 2011	-	334,709	137,930	83,619	43,121	-	599,379
Depreciation for the year	-	13,801	17,229	26,139	4,948	-	62,117
Depreciation on disposals/write-off/reclassify	-	869	(5,293)	(3,605)	(556)	-	(8,585)
31 December 2011	-	349,379	149,866	106,153	47,513	-	652,911
Depreciation for the year	-	16,321	19,349	29,334	4,432	-	69,436
Depreciation on disposals/write-off/reclassify	-	(46)	(7,083)	(5,108)	(3,390)	-	(15,627)
31 December 2012	-	365,654	162,132	130,379	48,555	-	706,720
Net book value:							
31 December 2011	339,820	145,219	54,777	75,720	10,249	20,413	646,198
31 December 2012	339,820	137,844	65,042	60,288	9,825	46,405	659,224
Depreciation for the year							
2011 (Baht 41 million included in cost of hospital operations, and the balance in selling and administrative expenses)							62,117
2012 (Baht 49 million included in cost of hospital operations, and the balance in selling and administrative expenses)							69,436

(Unit: Thousand Baht)

Separate financial statements

	Land	Buildings and buildings improvement	Tools and medical instrument	Office furniture, fixtures and equipment	Motor vehicle	Assets under installation and under construction	Total
Cost:							
1 January 2011	286,127	253,192	65,876	35,487	22,172	2,867	665,721
Additions	-	3,172	2,777	5,713	11	7,746	19,419
Disposals	-	(3,721)	(491)	(2,400)	-	-	(6,612)
Transfers in (out)/reclassify	-	5,706	(4,451)	51	-	(1,306)	-
31 December 2011	286,127	258,349	63,711	38,851	22,183	9,307	678,528
Additions	-	1,689	9,816	4,720	74	15,892	32,191
Disposals/write-off	-	(95)	(3,864)	(3,402)	(58)	-	(7,419)
Transfers in (out)	-	6,354	946	3,083	-	(10,383)	-
31 December 2012	286,127	266,297	70,609	43,252	22,199	14,816	703,300
Accumulated depreciation:							
1 January 2011	-	185,287	41,326	22,082	14,231	-	262,926
Depreciation for the year	-	5,169	6,057	5,627	2,249	-	19,102
Depreciation on disposals	-	(2,731)	(619)	(2,295)	-	-	(5,645)
31 December 2011	-	187,725	46,764	25,414	16,480	-	276,383
Depreciation for the year	-	5,296	6,108	6,591	1,928	-	19,923
Depreciation on disposals/write-off	-	(46)	(3,852)	(3,251)	(58)	-	(7,207)
31 December 2012	-	192,975	49,020	28,754	18,350	-	289,099
Net book value:							
31 December 2011	286,127	70,624	16,947	13,437	5,703	9,307	402,145
31 December 2012	286,127	73,322	21,589	14,498	3,849	14,816	414,201
Depreciation for the year							
2011 (Baht 13 million included in cost of hospital operations, and the balance in selling and administrative expenses)							19,102
2012 (Baht 14 million included in cost of hospital operations, and the balance in selling and administrative expenses)							19,923

As at 31 December 2012, the Company and its subsidiaries had vehicles under finance lease agreements with net book values amounting to Baht 4 million (2011: Baht 9 million) (The Company only: Baht 1 million, 2011: Baht 5 million).

As at 31 December 2012, certain buildings improvement and equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 234 million (2011: Baht 223 million) (the Company only: Baht 65 million, 2011: Baht 63 million).

The Company and its subsidiaries had pledged part of their land with constructions thereon, their book values as at 31 December 2012 are Baht 524 million (2011: Baht 504 million), as collateral against credit facilities received from the commercial bank (the Company only: Baht 374 million, 2011: Baht 366 million).

15. Leasehold rights

(Unit: Thousand Baht)

	Consolidated financial statements		
	Land rental	Construction on leased land	Total
Cost:			
1 January 2011	2,073	147,344	149,417
Additions	-	360	360
31 December 2011	2,073	147,704	149,777
Transfer from assets under construction	-	6,639	6,639
31 December 2012	2,073	154,343	156,416
Accumulated amortisation:			
1 January 2011	1,389	9,279	10,668
Amortisation for the year	70	5,657	5,727
31 December 2011	1,459	14,936	16,395
Amortisation for the year	70	5,712	5,782
31 December 2012	1,529	20,648	22,177
Net book value:			
31 December 2011	614	132,768	133,382
31 December 2012	544	133,695	134,239
Amoritsation for the year			
2011 (Baht 4 million included in cost of hospital operations, and the balance in selling and administrative expenses)			5,727
2012 (Baht 5 million included in cost of hospital operations, and the balance in selling and administrative expenses)			5,782

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

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

16. Bank overdrafts

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated financial statements	
		2012	2011
Bank overdrafts	MOR to MOR+1	1,444	-
Total		1,444	-

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

17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Trade payables - related parties	-	-	995	314
Trade payables - unrelated parties	53,120	64,921	30,190	29,772
Other payables	34,008	53,418	6,240	3,730
Doctor fee payables	20,700	23,716	8,717	8,973
Accrued expenses	35,481	35,561	8,856	9,390
Total trade and other payables	143,309	177,616	54,998	52,179

18. Long-term loans

			(Unit: Thousand Baht)			
			Consolidated		Separate	
			financial statements		financial statements	
Loan	Interest rate (%)	Repayment schedule	2012	2011	2012	2011
Srivichaivejvivat Plc.						
1	MLR-1.5 to MLR	Monthly installments as from December 2009	86,600	174,400	86,600	174,400
Saivichai Development Co., Ltd.						
2	MLR	Monthly installments as from January 2010	68,520	85,680	-	-
3	MLR-1 to MLR	Monthly installments as from June 2012	33,000	20,000	-	-
Total			188,120	280,080	86,600	174,400
Less: Current portion			(65,160)	(57,960)	(36,000)	(33,800)
Long-term loans, net of current portion			122,960	222,120	50,600	140,600

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

As at 31 December 2012, the long-term credit facilities of a subsidiary which have not been drawn down amounted to Baht 30 million (2011: Baht 50 million).

19. Liabilities under finance lease agreements

					(Unit: Thousand Baht)			
					Consolidated		Separate	
					financial statements		financial statements	
					<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Liabilities under finance lease agreements					3,727	9,606	769	4,278
Less : Deferred interest expenses					(205)	(547)	(29)	(165)
Total					3,522	9,059	740	4,113
Less : Portion due within one year					(1,320)	(5,853)	(451)	(3,373)
Liabilities under finance lease agreements - net of current portion					2,202	3,206	289	740

The Company and its subsidiaries have entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are 1 to 5 years.

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

(Unit: Thousand Baht)

	As at 31 December 2012					
	Consolidated financial statements			Separate financial statements		
	Less than			Less than		
	1 year	1-3 years	Total	1 year	1-2 years	Total
Future minimum lease payments	1,481	2,246	3,727	475	294	769
Deferred interest expenses	(161)	(44)	(205)	(24)	(5)	(29)
Present value of future minimum lease payments	1,320	2,202	3,522	451	289	740

(Unit: Thousand Baht)

	As at 31 December 2011					
	Consolidated financial statements			Separate financial statements		
	Less than			Less than		
	1 year	1-4 years	Total	1 year	1-3 years	Total
Future minimum lease payments	6,199	3,407	9,606	3,509	769	4,278
Deferred interest expenses	(346)	(201)	(547)	(136)	(29)	(165)
Present value of future minimum lease payments	5,853	3,206	9,059	3,373	740	4,113

20. Provision for long-term employee benefits

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Defined benefit obligation at				
beginning of year	8,020	6,344	2,503	1,986
Current service cost	1,689	1,394	551	459
Interest cost	403	327	129	103
Benefits paid during the year	(191)	(45)	-	(45)
Provisions for long-term employee benefit				
at end of year	<u>9,921</u>	<u>8,020</u>	<u>3,183</u>	<u>2,503</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Current service cost	1,689	1,394	551	459
Interest cost	403	327	129	103
Total expense recognised in profit or loss	<u>2,092</u>	<u>1,721</u>	<u>680</u>	<u>562</u>
Line items under which such expenses are included in profit or loss				
Cost of hospital operations	671	563	200	176
Selling and administrative expenses	1,421	1,158	480	386

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	4.23	4.23	4.23	4.23
Future salary increase rate	5.00	5.00	5.00	5.00
Staff turnover rate (depending on age)	6.10 - 10.26	6.10 - 10.26	6.10 - 10.26	6.10 - 10.26

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

	(Unit: Thousand Baht)	
	Defined benefit obligations	
	Consolidated financial statements	Separate financial statements
Year 2012	9,921	3,183
Year 2011	8,020	2,503

21. Share capital/share premium

On 14 December 2010, the Extraordinary General Meeting of shareholders of the Company passed a resolution to increase its share capital from Baht 300 million (60 million ordinary shares with a par value of Baht 5) to Baht 350 million (70 million ordinary shares with a par value of Baht 5). The Company called up part of the capital, amounting to Baht 12.5 million, and received this in December 2010. The remaining Baht 37.5 million was paid up in January 2011. The Company registered the increase in its share capital with the Ministry of Commerce on 27 December 2010.

Subsequently, on 22 February 2011, the Extraordinary General Meeting of shareholders of the Company passed a resolution to change the par value of the shares from Baht 5 per share to Baht 1 per share. The Company registered the change in the par value of its share capital with the Ministry of Commerce on 1 March 2011.

Subsequently, on 12 April 2011, the Annual General Meeting of shareholders of the Company passed a resolution to increase its share capital from Baht 350 million (350 million ordinary shares with a par value of Baht 1) to Baht 535 million (535 million ordinary shares with a par value of Baht 1) by issuing new 50 million ordinary shares with a par value of Baht 1 to the existing shareholders at a price of Baht 1 per share and 135 million shares to be offered to the public. The Company registered the increase in its share capital with the Ministry of Commerce on 26 April 2011.

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

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

22. Statutory reserve

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

23. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Salary and wages and other employee benefits	369,828	367,950	159,897	144,012
Doctor fees	218,303	201,545	91,900	77,232
Depreciation and amortisation	75,987	71,445	20,293	19,442
Medical treatment expense for referred patients	51,643	84,959	38,403	43,523
Medicine, medical supplies and other supplies used	127,329	133,008	62,479	56,637

24. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Profit for the year (Thousand Baht)	9,037	38,524	28,538	31,551
Weighted average number of ordinary shares (Thousand shares)	489,262	365,625	489,262	365,625
Earnings per share (Baht per share)	0.02	0.11	0.06	0.09

25. Segment information

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

26. Provident fund

The Company, its subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees, the Company and its subsidiaries contribute to the fund monthly at the rate of 2 percent of basic salary. The fund, which is managed by the American International Assurance Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2012, the Company, its subsidiaries and its employees contributed Baht 2 million (2011: Baht 2 million) (the Company only: Baht 1 million, 2011: Baht 1 million) to the fund.

27. Difference resulting from business combination under common control

On 14 November 2008, the Company acquired Saivichai Development Company Limited and Srisakornvejvivat Company Limited. The Company considered of the acquisition of both of subsidiaries to be a business combination under common control. The Company recorded the difference between the costs of business combination under common control and the equity interest of the Company in net book value of the acquired subsidiaries on the acquisition date amounting to Baht 38 million as a “Difference resulting from business combination under common control” and presented in other components of shareholders’ equity in the consolidated statement of financial position.

Subsequently, on 1 March 2011, the Company acquired Srivichai Vocational School Company Limited. The Company considered of the acquisitions of the subsidiary to be a business combination under common control. The Company recorded the difference between the costs of business combination under common control and the equity interest of the Company in net book value of the acquired subsidiaries on the acquisition date amounting to Baht 90,298 as a “Difference resulting from business combination under common control” and presented in other components of shareholders’ equity in the consolidated statement of financial position.

As at the dates of the statements of financial position, the balances of difference resulting from business combination under common control account were detailed below.

(Unit: Thousand Baht)

Company's name	Consolidated financial statements	
	2012	2011
Saivichai Development Company Limited	35,699	35,699
Srisakornvejvivat Company Limited	1,922	1,922
Srivichai Vocational School Company Limited	(90)	(90)
Total	37,531	37,531

28. Change in parent's ownership interest in subsidiaries without change in control

On 18 January 2011, the Meeting of the Company's Board of Directors No. 1/2554 passed a resolution approving the acquisition of the additional ordinary shares in Saivichai Development Company Limited ("the subsidiary") from its existing shareholders totaling Baht 27 million (5,421,300 ordinary shares with par value of Baht 5 each), as a result of which its shareholding in that company changed from 67.65 percent to 94.76 percent of its issued and paid-up share capital. The Company recorded difference resulting from increase in shareholding in subsidiary amounting to Baht 12 million as a "Change in parent's ownership interest in subsidiaries without change in control" and presented in other components of shareholders' equity in the consolidated statement of financial position.

29. Dividend

Dividends	Approved by	Total dividends (Thousand Baht)	No. of ordinary shares (Thousand Shares)	Dividend per share (Baht)
Dividends for 2010	The Annual General Meeting of the shareholders on 12 April 2011	21,000	350,000	0.06
Total for 2011		21,000		0.06
Dividends for 2011	The Annual General Meeting of the shareholders on 30 March 2012	24,000	400,000	0.06
Total for 2012		24,000		0.06

30. Commitments and contingent liabilities

30.1 Capital commitments

As at 31 December 2012, the Company and its subsidiaries had capital commitments relating to the buildings improvement of approximately Baht 12 million (2011: Baht 7 million) (The Company only: Baht 10 million, 2011: Baht 7 million), and relating to acquisition of medical devices and hospital equipments of approximately Baht 6 million (2011: Baht 18 million) (The Company only: Baht 2 million, 2011: Baht 3 million).

30.2 Operating lease commitments

The subsidiary has entered into several lease agreements in respect of the lease of land, property and equipment. The terms of the agreements are generally between 1 and 5 years, and 45 years.

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

	(Unit: Million Baht)	
	As at 31 December	
	<u>2012</u>	<u>2011</u>
Payable:		
in up to 1 year	4	1
In over 1 and up to 5 years	15	3
More than 5 years	39	66

30.3 Long-term service commitments

The Company and its subsidiaries have entered into consulting, legal advising, and other service agreements with a related party and unrelated parties.

As at 31 December 2012, future minimum payments required under those long-term service contracts due within one year was contracting to Baht 4 million (2011: Baht 4 million) (The Company only: Baht 1 million, 2011: Baht 1 million)

30.4 Guarantees

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

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Bank guarantees for the medical treatment service contracts with the Social Security Office	29	26	17	9
Bank guarantees for electricity use	3	3	1	1

30.5 Litigation

In 2011, the Company, as a joint defendant, was sued together with a hospital and the attending doctors (3 defendants in total) for damages amounting to approximately Baht 11 million. The plaintiff claimed that the attending doctors had jointly committed a tort in their provision of medical treatment, and that the Company, as the operator of the hospital business and employer of the doctors, must be held jointly responsible for the wrongful acts of the attending doctors. The Company and its doctors believe that they did not commit any wrongful acts as claimed and they therefore decided to file statements of defence. The case is currently being considered by the court. However, the management and the legal adviser of the Company believe that the litigation will not result in the Company incurring any material loss, and the Company therefore did not record any liabilities in the accounts.

31. Financial instruments

31.1 Financial risk management

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

Credit risk

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

Interest rate risk

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

Foreign currency risk

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

31.2 Fair values of financial instruments

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

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

32. 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.

The Group manages its capital position with reference to its debt-to-equity ratio. As at 31 December 2012, the Group's debt-to-equity ratio was 0.47:1 (2011: 0.81:1) and the Company's was 0.22:1 (2011: 0.46:1).

33. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 20 February 2013.