



Annual Report 2013

รายงานประจำปี 2556



บริษัท ศรีวิชัย เวชวิวัฒน์ จำกัด (มหาชน)
Srivichai Vejvivat Public Company Limited

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V care V cure V can

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Vision

Vision of Vichaivej Internstionnal Hospital Group

1. We are committed to being the leader in providing an international standard of medical services with the aid of modern technology and advanced medical equipment.
2. We are committed to giving the utmost priority to the treatment, prevention, and to the development of body, mind, and spirit via the principle of Sports Medicine.
3. We are committed to promotion and integration a holistic medicine for Aging and for achieving a better quality of life.
4. We are committed to expanding our market locally and international.
5. We are committed to providing excellent service that is both efficient and ethical

V care V cure V can



ดูแลชีวิต... ด้วยจิตใจ

V care V cure V can

Business Objective

Vichaivej International Hospital Group's operation focuses on providing superb quality services for patients and others who visit the hospital and on engaging specialized medical treatment combined with preventive measures under the slogan "V care V cure V can". Our objectives are as follows.

1. Develop the hospital group to become one of the leading private hospital groups that is equipped with treatment capability in every field of medicine, with emphasis on accident and Orthopedic care. The objective is to become a medical center for specific disease and eventually escalating into Tertiary Medical Care, involving development of necessary medical personnel and modern diagnostic and treatment facilities ready to administer complicated diseases.

2. Set high standards for quality and service and focus on being customer-centric with a genuine belief that "customers are highly valued individuals which every hospital personnel has to pay close attention and ensure that they receive proper medical treatment, health care, and various services available at the hospital in a proper manner and according to professional standards, which in all creates utmost satisfied experience for the customers."

3. Establish efficient organizational management process and proper human resources management system that give priority to every single employee, by enhancing the quality, skills, and knowledge of all level staff on a regular basis, meanwhile creating a culture that allows a free exchange of ideas and opinions in order to build a sense of ownership and strong commitment among the employees with the hospital.

4. Develop quality and management operations to be more systematic and consistent by connecting and fostering joint work between management and quality development teams that will enable us to set our goal of improving the quality of medical care and service. The ensuing focus is to reduce risks in terms of medication administration and medical records, complaints, nursing practice, etc. in order to establish patient safety goal and customer satisfaction.

5. Explore opportunities for business or product line expansion by increasing the number of specialty clinics and developing such clinics to serve as integrated specialized centers, to be in line with the company's mission to expand its customer base in the country and abroad.

6. Give priority and social responsibility attention to society and community where hospital is located by promoting safety and good hygiene as well as environment protection care on a regular basis.

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บริษัท ศรีวิชัยเวชวิวัฒน์ จำกัด (มหาชน)

Message from the chairman



Assoc. Prof. Vichai Vanadurongwan, M.D.,Ph.D.,FIMS
Chairman of Srivichai Vejvivat Public Company Limited

In 2013, the operating results of the Company and its subsidiaries improved significantly when compared to 2012 with a total revenue of 1,129.63 million baht, an increase from 2012 of 103.42 million baht and net profit of 61.64 million baht, which increased from 2012 by 49.06 million baht. The increased revenue and profit has helped to ensure shareholders' confidence in the Company's efficient management.

I strongly believe that hospital business will continue to grow in line with the increasing income per capita, increasing number of more health-conscious patients, transition into senior society population, and increasing number of foreign patients who travel to Thailand to receive health care services.

However, in the era of news and information and technologies like today, this will be the key impetus for driving businesses, including hospital business, to have to adapt quickly in the midst of rapid changes that are difficult to predict. The key is really in managing to keep up with the information change whereby proper and timely IT system needs to be put in place. At the end of 2013, the Company decided to invest in developing the IT system which is an ongoing investment into 2014.

The effort is to ensure that the Company will have the right and timely information which is expected to support business development and enable the Company to be more agile, prompt, and ready for immediate changes. In all, the Company aims to achieve cost-effectiveness, business security, and profitability for the benefit of the organization and our shareholders.



Assoc. Prof. Vichai Vanadurongwan, M.D.,Ph.D.,FIMS
Chairman of Srivichai Vejvivat Public Company Limited

Board of Directors

Srivichai Vejvivat Public Company Limited

**Assoc.Prof.Vichai Vanadurongwan,
M.D. F.I.M.S.
President**

Position

- President

Age

- 74 years

Education

- Honorary philosophical Doctor of Science (Sport Medicine), Mahidol University
- F.I.M.S., International federation of sport medicine
- Diploma of the Thai Medical Board (Orthopaedic Surgery), the Medical Council, Thailand.
- Doctor of Medicine, Faculty of Medicine and Siriraj Hospital, Mahidol University, Bangkok, Thailand.
- Associate Degree of Science (Chemistry - Physics), Chulalongkorn University

Working Experience

- Advisor to Ministry of Public Health Ministry of Thailand
- Assistant to Minister of Education, Thailand
- Deputy Dean, Faculty of Medicine and Siriraj Hospital, Mahidol University
- Dean of the college of Sport Science and Technology,
- Faculty of Medicine and Siriraj Hospital Mahidol University
- Member of Mahidol Council, Mahidol University
- President of the Gymnastics Association of Thailand.
- Vice President Asian Federation of Sport Medicine (A.F.S.M)

Other Position

- The president of Srivichai Foundation
- The President of Srivichai Savings Cooperative
- President, Sports Medicine Association of Thailand (SMAT)
- Honorary Director of institute of physical education, Ministry of Tourism and Sports of Thailand
- Honorary Advisor of Office of Sports and Recreation Development, Ministry of Tourism and Sports of Thailand
- Advisor of Faculty of Medicine Siriraj Hospital

Year of appointed to be a director

- 2011

Number of shareholding

- 35.77%

Relationship among other management

- The Spouse of Associate Professor Vichai Vanadurongwan, M.D., Ph.D., FIMS and Mother in law of Mongkon Wanitphakdeedecha.MD





Asst.Prof.Saisune Vanadurongwan, M.D.
Vice President

Position

- Vice President/ Chief Executive Officer

Age

- 68 years

Education

- M.D. , Faculty of Medicine, Siriraj Hospital, Mahidol University, Thailand
- Higher certificate of clinical science in Pathology Siriraj Hospital
- Certificate of Executive Administration Project 31st Badge, Faculty of commerce and Accounting Thammasat University
- Certificate of the High Flyer 4th Badge Institute of Management and Psychology
- Certificate of Environmental Medicine, 3rd Badge Department of Medical Service, Ministry of publish Health
- Certificate of Sport Medicine, Society of Sport Medicine of Thailand
- Certificate of Alternative Medicine in Chelation Therapy, Department for Development of Thai Traditional and Alternative Medicine, Ministry of Public Health
- Certificate of Director Certification Program, Thai Institute of Director

Working Experience

- Assistant Professor of Microbiology, Department of Microbiology, Siriraj Hospital
- Medical Committee, Ministry of Laser and Social Affair
- Executive Board, Private Hospital Society
- Service Development committee of Public Services for Oversea Laser, Samutsakom Province

Other Position

- Vice President of Srivichai hospital Foundation
- Advisory Committee of Internal Security Operations Command, Samut Sakhon Province.
- Director of Public Health, The National Council of Women of Thailand
- Executive Committee of Public Health Service for Oversea Labor, Ministry of Public Health
- Management committee for Health Insurance, Health check and care for oversea Labor, Ministry of Public Health

Year of appointed to be a director

- 2011

Number of shareholding

- 35.77%

Relationship among other management

- The Spouse of Associate Professor Vichai Vanadurongwan, M.D., Ph.D., FIMS and Mother in law of Dr.Mongkon Wanitphakdeedecha



Pongsak Vathana, M.D.
Director

Position

- Director / Vice Chief Executive Officer / Vichaivej International Hospital Omnoi, Director

Age

- 74 years

Education

- The Medical Council of Thailand Certified Orthopaedic Surgeon
- Diploma of American Board of Orthopaedic Surgery
- Doctor of Medicine, Faculty of Medicine, Siriraj Hospital, Mahidol University
- Directors Certification Program (30th Intake), Thai Institute of Directors Association

Working Experience

- President of Orthopaedic Foundation Under the Royal Patronage HRH Princess Maha Chakri Sirindhorn, Lerdsin Hospital
- President of the Orthopaedic Surgeon Club of Thailand
- President of Thailand Orthopaedic Association
- President of the Royal College of Orthopaedic Surgeons of Thailand
- Director of the Orthopaedic Institute, Lerdsin Hospital
- Director of Lerdsin Hospital
- First Vice President of the Medical Council of Thailand
- Editor of Journal of ASEAN Orthopaedic association

Other Position

- Advisor to Department of Medical Services and Lerdsin Hospital

Year of appointed to be a director

- 2011

Number of shareholding

- 0.51%

Relationship among other management

- None



Vilawan Vanadurongvan
Director

Position

- Director / Vice Chief Executive Officer

Age

- 66 years

Education

- Bachelor of Faculty of Commerce and Accountancy, Chulalongkorn University
- Directors Accreditation Program, Class 84/2010 the Thai Institute of Directors Association (IOD)

Working Experience

- Information and Communication Technology, Financial sector
- Information and Communication Technology, DIGITAL MEDIA and E-BUSINESS
- Improved workflow "Process Improvement"

Other Position

- Committee, Foundation for Research in Information Technology (FRIT)
- Committee, Information Technology center of Thai Red Cross Society.
- Honorary Director, Electronic Transactions Development Agency (Public Organization)

Year of appointed to be a director

- 2012

Number of shareholding

- 0

Relationship among other management

- Sister of Associate Professor Vichai Vanadurongwan, M.D., Ph.D., FIMS



Mongkon Wanitphakdeedecha M.D., M.Sc.
Director

Position

- Director / Vice Chief Executive Officer
Vichaivej International Hospital Samutsakorn Director

Age

- 42 years

Education

- M.D., Chulalongkorn University, 1994
- Graduate Diploma in Clinical Sciences (Surgery), Chulalongkorn University 1997
- Thai Board of Surgery, 1999
- Master of Science (Technology Management), Thammasat University, 2002
- Thai Board of Family Medicine, 2002
- Certificated Fellowship of Anti-Aging Medicine, the American Academy of Anti-Aging Medicine
- Directors Certification Program, class of 52, Thai Institute of Directors Association.
- Role of the Compensation Committee (RCC), Class of 14, Thai Institute of Directors Association.

Working Experience

- General Practitioner, Department of Surgery, Bangkok Metropolitan General Hospital
- Resident, Department of Surgery, Chulalongkorn Hospital
- General Surgeon, Department of Surgery, Bangkok Metropolitan General Hospital,
- Medical Deputy Director, Srivichai 5 Hospital

Other Position

- Board of Director of Srisakornvejvivat Company Limited

Year of appointed to be a director

- 2011

Number of shareholding

- 4.91%

Relationship among other management

- Son in law of Associate Professor Vichai Vanadurongwan, M.D., Ph.D., FIMS and Assistant Prof. Dr. Saisunee Vanadurongwan



Virah Mavichak
Independent Director &
Chairman of the Audit Committee

Position

- Independent Director and Chairman of the Audit Committee

Age

- 70 years

Education

- Honorary Degree of Doctor of Science in Engineering, Dhurakij Pundit University
- Master's degree in chemical engineering, The University of Texas at Austin, USA
- Bachelor of Engineering, Chulalongkorn University.
- Directors Certification Program, Class of 26, Thai Institute Directors Association.
- Audit Committee Program (ACP) , Class of 26 , Thai Institute Directors Association.
- Role of the Chairman Program (RCP), Class of 17 , Thai Institute Directors Association
- FND - Finance for Non-Finance Directors , Class of 23 , Thai Institute Directors Association

Working Experience

- Distinguished scholar in Faculty of Engineering, Chulalongkorn University.
- The former President of the Council of Engineers
- The former members of the Senator of Thailand
- Director General, Department of Industrial Works Ministry of Industry
- Audit Committee and independent directors, TPT Petrochemicals Public Company Limited
- -The President and independent directors, TPT Petrochemicals Public Company Limited

Other Position

- Environmental consulting in Refine Tech Co.,Ltd.
- Independent Director and Chairman of the Audit Committee Global Connections Public Company Limited
- Independent Director in B.S. Metal Company Limited

Year of appointed to be a director

- 2011

Number of shareholding

- 0

Relationship among other management

- None



Visut Montriwat
Independent Director & Audit Committee

Position

- Independent Director and the Audit Committee

Age

- 67 years

Education

- Bachelor of Commerce, Chulalongkorn University
- M.B.A, Northern Illinois University
- National Defense College, Class 38

Working Experience

- Director of Credit Division, The Comptroller General's Department
- Director of State Enterprise Division, The Comptroller General's Department
- Public Debt Specialist, The Comptroller General's Department
- Deputy Comptroller-General, The Comptroller General's Department
- Deputy Director-General, The Treasury Department
- Deputy Director-General, The Excise Department
- Inspector-General, Ministry of Finance
- Deputy Permanent Secretary, Ministry of Finance
- Director-General, The Treasury Department
- Deputy Permanent Secretary
- Comptroller-General, The Comptroller-General's Department

Other Position

- Government pension of Ministry of Finance

Year of appointed to be a director

- 2011

Number of shareholding

- 0

Relationship among other management

- None



Prat Boonyawongvirot, M.D
Independent Director & Audit Committee

Position

- Independent Director and Audit Committee

Age

- 64 years

Education

- B.Sc. in Medical Science, Faculty of Medicine Mahidol University
- M.D. Siriraj Medical School. Mahidol University
- Certificate of General Medical Practiced, Thai Medical Council
- M.Sc. in Public Health Science, Mahidol University
- F.I.M.S. (Fellow of International Sport Medicine)
- F.I.C.P. (Fellow of the College of Physician of Thailand)
- Thai Board in Preventive Medicine, Thai Medical Council
- Certificate of Public Health Executive Administrator, Ministry of Public Health
- Certificate of Psychological Security Applied Psychological Institute, Supreme Command Headquarters, Ministry of Defense
- Certificate of Civil Executive Development, Civil Service Commission Office
- Diploma of National Defense College, Supreme Command Headquarters, Ministry of Defense
- Diploma of Politic and Governance in Democratic System for Executive, King Prajadhipok's Institute
- Capital Market Academy class of 8

Working Experience

- Deputy Director – General, Department of Health
- Deputy Permanent Secretary, Ministry of Mental Health
- Acting Permanent Secretary, Ministry of Public Health
- Permanent Secretary, Ministry of Public Health
- Acting Minister of Public Health
- Member of the National Legislative Council
- Permanent Secretary, Ministry of Public Health

Other Position

- Director, Office of Technical and Public Health Administration, Nakhonratchasima Provincial Health office
- Provincial Chief Medical Officer
- Chief, Social Medicine Section
- Director – General, Ministry of Public Health

Year of appointed to be a director

- 2011

Number of shareholding

- 0

Relationship among other management

- None



Surin Premamornkit
Independent Director & Audit Committee

Position

- Independent directors and Audit Committee

Age

- 65 years

Education

- B.A. (Economics in Finance and Banking), Thammasat University
- Director Accreditation Program (DAP) Class 59, Thai Institute of Directors Association (IOD)
- Certification Program (DCP) Class 147, Thai Institute of Directors Association (IOD)
- Audit Committee Program (ACP) Class 39, Thai Institute of Directors Association (IOD)
- Role of the Compensation Committee (RCC) Class 14, Thai Institute of Directors Association (IOD)
- Finance Executive 8 (FINEX 8), Thai Institute of Banking and Finance Association
- Syndicated Loans By The Euro Money Institute Hong Kong
- Boss Games Asia, Singapore

Working Experience

- Senior Executive Vice President, Bankthai Public Co., Ltd.
- Director, BT Security Co., Ltd.
- Director, BT Business Consulting Co., Ltd.
- Director, BT Asset Management Co., Ltd.
- Director, BT Insurance Co., Ltd.
- Director, KTT Leasing Co., Ltd.

Other Position

- Independent Director and Audit Director, Chukai Public Co., Ltd.
- Director, Thai-Nichi Ventures Co., Ltd.

Year of appointed to be a director

- 2011

Number of shareholding

- 0

Relationship among other management

- None



Executives Committee

Srivichai Vejvitat Public Company Limited



1 Asst.prof.Saisunee Vanadurongwan, MD.

Chief Executive Officer

2 Pongsak Vathana, M.D.

Deputy Chief Executive Officer

3 Vilawan Vanadurongvan

Deputy Chief Executive Officer

4 Mongkon Wanitphakdeedecha

Executive Committee

5 Sakda Tungchitwatanakorn

Executive Committee

6 Sunee Threerakarunwong, M.D.

Executive Committee

7 Prayad Krongaphiradee

Executive Committee

8 Sunee Joitjamrat

Executive Committee

9 Kwanyuen Saksompoj

Executive Committee

10 Rachada Fongtanakit, PhD.

Executive Committee & Secretary

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V care V cure V can

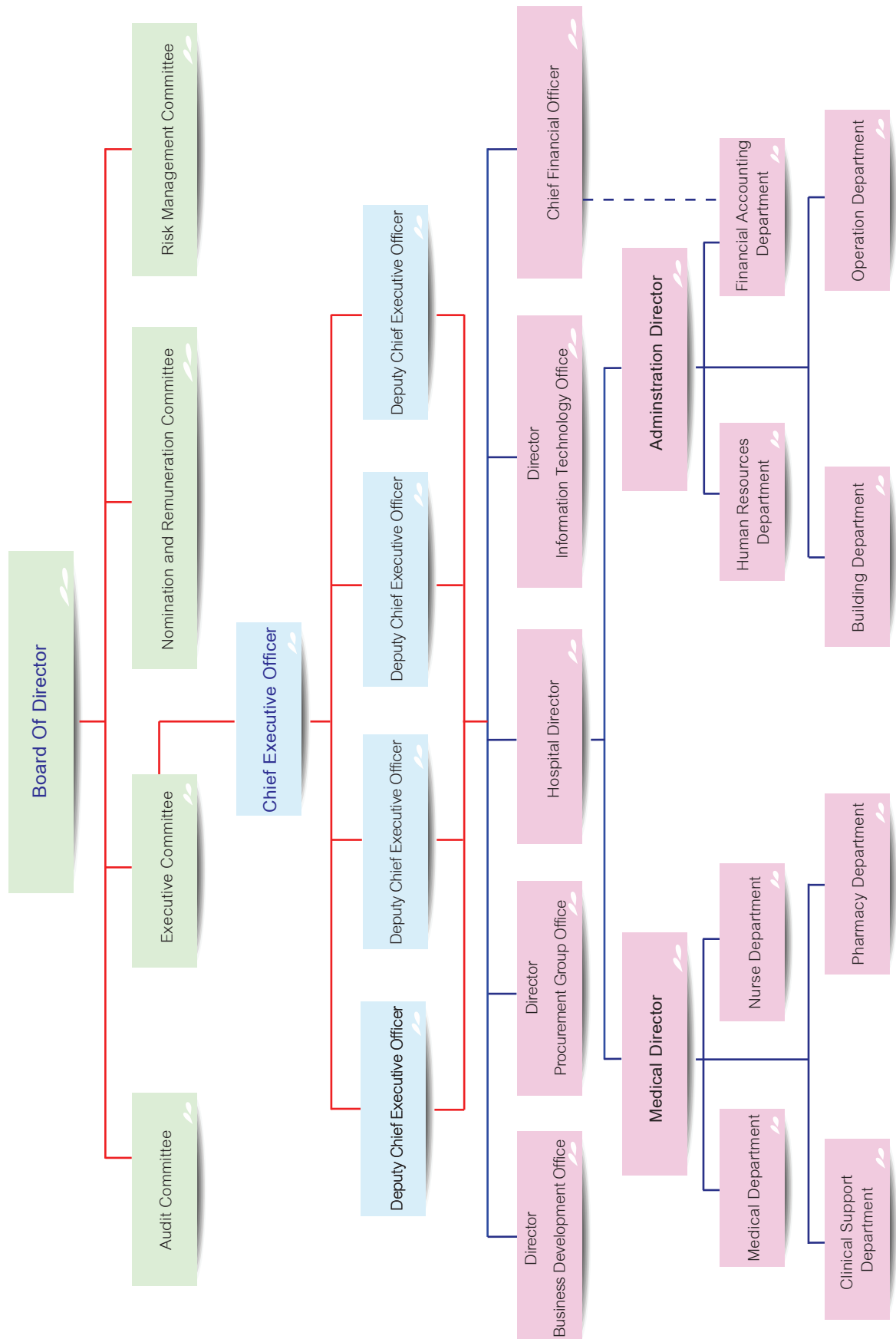
The Information of Executives and Persons with Managing Authority in Subsidiaries

Srivichai Vejvivat Public Company Limited.

No.	Name	Srivichai Vejvivat Public Company Limited	Saivichai Development Company Limited	Srisakom Vejvivat Company Limited	Srivichai Vocational School Company Limited
1.	Assoc. Prof. Vichai Vanadurongwan, M.D., Ph.D., FIMS	- President	- President - Director	- President	-
2.	Assistant Prof. Saisunee Vanadurongwan, MD	- Vice President - Chief Executive Officer - Chairman of the Nomination and Remuneration Committee and Senior Executives.	- Vice President - Director	- Vice President - Director	-
3.	Pongsak Vathana, MD	- Director - Vice Chief Executive Officer - Vichaivej International Hospital, Omnoi Director	-	-	- President
4.	Mongkon Waniphakdeedecha M.D., M.Sc.	- The Nomination and Remuneration Committee and Senior Executives. - Vice Chief Executive Officer	- Director of iSKY: Innovative Skin and laser	- Director - Vichaivej International Hospital Samutsakorn Director	-
5.	Miss Vilawan Vanadurongwan	- Director - Vice Chief Executive Officer	- Director	-	-
6.	Mr. Virah Mavichak	- Director - Independent Director and Chairman of the Audit Committee - The Nomination and Remuneration Committee and Senior Executives.	-	-	-
7.	Mr. Surin Premamomkit	- Director - Independent directors and Audit Committee - The Nomination and Remuneration Committee and Senior Executives.	-	-	-
8.	Dr. Prat Boonyawongviro	- Director - Independent directors and Audit Committee	-	-	-
9.	Mr. Visut Montivat	- Director - Independent directors and Audit Committee	-	-	-

Organization Chart

Srivichai Vejvivat Public Company Limited.



Business Overview

Vichaivej International Hospital Group, which includes 3 hospitals, 1) Vichaivej International Hospital Omnoi, 2) Vichaivej International Hospital Nongkhaem, and 3) Vichaivej International Hospital Samutsakorn, operates hospital business by providing services of General Hospital. At secondary level, the Hospital Group is equipped with qualified medical specialists in all fields of medicine and is distinguished for Orthopedic treatment and diagnosis through use of advanced and high efficiency medical equipment. Customers of the Hospital Group can be divided into 2 main types according to the characteristics of the customers, that is, 1) non-capitation customers and 2) capitation customers, comprising, Social Security Scheme, Universal Health Care Scheme and Universal Health Care Coverage for Migrant Workers.

Vichaivej International Hospital Group provides patients with 24 hours medical treatment covering every disease in order to satisfy their needs, such as Orthopedic Center, General Surgery and include Urology, Brain Center, General Medicine Clinic and its subspecialty as Cardio Vascular Medicine, Nephrology, Endocrinology, Dermatology and Neurology. Addition service include; Dental Center, Physical Rehabilitation and Plastic Surgery, etc. For inpatient treatment, the Hospital Group is equipped with 520 sickbeds divided into different room types, such as 1) special private single-bed consisting of GRAND VIP, VIP, Deluxe and Standard, 2) special private 2-beds, 3) special private 4-beds, 4) common 8-beds, 5) ICU, and 6) Infant ward.

Each hospital has different unique features in providing services as follows.

- Vichaivej International Hospital Omnoi provides different kinds of specialized treatment such as Laparoscopic Surgery Center, Orthopedic Center, Urology Center, Brain Center, Cardiology Clinic, Nephrology Center, Endocrinology Clinic, Gastrointestinal Clinic, Pediatric Clinic, Obstetrics and Gynecology clinic, Emergency and Trauma Center, Dental

Center, Check - up Center and Anti aging and Wellness Center It is the first hospital in Samutsakorn Province and nearby provinces such as Nakhon Pathom, Ratchaburi that has operating rooms under positive pressure system, 100% sterile, dust-free, and moisture-free according to international standards.

- Vichaivej International Hospital Nongkhaem has similar clinical services as Vichaivej International Hospital Omnoi with operating rooms under positive pressure system, 100% sterile, dust-free, and moisture-free according to international standards and is most modern in Thonburi zone. The hospital also has Child Development Center, Examination and Analysis Center, renown iSKY Innovative Skin & Laser Surgery Center, Comprehensive Health Check Center and services provided for foreign customers, where marketing has been promoted in several countries in Asia and the Middle East regions.

- Vichaivej International Hospital Samutsakorn is the first private hospital in Thailand and the only one in Samutsakorn Province that has been selected to participate in the health insurance scheme for migrant workers. Majority of the hospital's revenue comes from this group of customer because the hospital is located in a factory area densely populated with migrant workers. Vichaivej International Hospital Samutsakorn also has similar comprehensive clinical service capacity as Vichaivej International Hospital Omnoi and a clinic at Mae Sot District, Tak Province that serves Thai and Burmese clients.

The Vichaivej International Hospital Group also has income from rental of hospital areas by having an appropriate selection of shops lined up to meet the needs of customers such as S&P and 7-11. On a different note, Vichaivej International Hospital Samutsakorn has provided rental spaces in front of the hospital that is turned into a market selling both fresh and dry consumption goods where rent period ranges between 1-3 years.

Nature of Business

Vichaivej International Hospital Group began in 1987 through inception of Saivichai Development Company Limited which provided treatment covering all fields of medicine similar to general hospitals and known under the name Srivichai Hospital Nongkhaem. The hospital comprises 200 beds and is located on 2.8 acres of land on Petchkasem Road, Nong Kang Ploo Subdistrict, Nongkhaem District, Bangkok.

In 1993, business expanded and Srivichai Vejvivat Company Limited was established to provide general hospital services where treatment in all fields of medicine is provided under the name Srivichai Hospital Omnoi. The hospital comprises 200 beds and is located on 12.3 acres of land on Petchkasem Road, Omnoi Subdistrict, Krathumban District, Samutsakorn Province.

Expansion continued in 1994 with the establishment of Srisakorn Vejvivat Company Limited to provide medical services as general hospitals under the name Srivichai Hospital Samutsakorn, which comprises 120 beds and is located on 1.58 acres of land on Sethakit 1 Road, Tha Sai Subdistrict, Muang District, Samutsakorn Province.

At the end of 2008, the Hospital Group had restructured whereby Srivichai Vejvivat Company Limited

decided to buy common shares of Saivichai Development Company Limited and Srisakorn Vejvivat Company Limited in order to rearrange the overall investment structure of the Group to match with the nature of business operation as Hospital Group where Saivichai Development Company Limited and Srisakorn Vejvivat Company Limited act as subsidiary companies. Management policy was determined and conveyed for all Hospital Group's subsidiary companies to follow in order to ensure consistency and support for each other.

In 2011, the Company invested in another subsidiary company, that is, Srivichai Vocational School Company Limited in serving as training center for assistant nurses and human resources development center for the Company's personnel. This allowed Vichaivej International Hospital Group to continuously have medical staff that possess desired qualifications and avoid situations of staff shortage or poor quality staff.

On March 1, 2011 the Hospital Group made a decision to change the name of Srivichai Hospital Group to Vichaivej International Hospital Omnoi, Vichaivej International Hospital Nongkhaem, and Vichaivej International Hospital Samutsakorn, to be consistent with



the vision of the Company in desiring to expand its medical services to overseas customers. At present, Vichaivej International Hospital Nongkhaem has expanded its customer base in many regions.

In 2012, Vichaivej International Hospital Nongkhaem cancelled the service for Social Security Scheme customers and accommodates only general patients. This change made the number of general patients increase especially the number of foreign patients that has been rising continuously. A sports and exercise clinic was also opened with activities organized to provide knowledge to coaches and sepak takraw athletes. Afterwards, service expanded to include Anti-aging and Acupuncture Clinics.

For Vichaivej International Hospital Omnoi, the hospital had improved inpatient department. and constructed 4-storey building, which connects to the original building in order to expand the emergency department, outpatient department and inpatient department as well as Medical Care Delivery service.

Vichaivej International Hospital Samutsakhon expanded its breadth of services to alien clients at Mae Sot

District, Tak Province.

In 2013, Vichaivej International Hospital Group in conjunction with the Arthritis Foundation under the patronage organized the "Walk and Run Charity Competition Vichaivej Mini Marathon" to compete for Her Royal Highness Princess Maha Chakri Sirindhorn's Cup.

Vichaivej International Hospital Group had signed an MOU with Assumption College Thonburi which supports the project "Development of Assumption College Thonburi athletes to strive for excellence" at youth level in the global competition and signed an MOU with Baan Thongyod Badminton School to support badminton athletes.

Vichaivej International Hospital Omnoi has passed the quality system certification of Hospital Accreditation (HA) in 3rd level from the Institute of Accreditation (Public Organization).

Vichaivej International Hospital Nongkhaem signed an MOU with Integrated Medical Co., Ltd. and opened the Molecular Genetics Center for conducting health check using innovative technique that reaches deep cellular level.



Revenue Structure

Revenues and profits of the Company and its subsidiaries for the years 2011-2013 (each hospital)

Name of Hospital	2011		2012		2013	
	Thousand baht	%	Thousand baht	%	Thousand baht	%
Vichaivej International Hospital Omnoi						
: Revenue from sales and services	428,339.07	40%	466,732.18	46%	522,577.22	47%
: Net profit	31,550.88	58%	26,575.82	207%	58,828.74	83%
Vichaivej International Hospital Nongkhaem						
: Revenue from sales and services	357,770.11	34%	268,691.48	26%	300,790.84	27%
: Net profit	38.42	0%	(33,092.75)	-258%	(10,140.68)	-14%
Vichaivej International Hospital Samuttsakhon						
: Revenue from sales and services	273,472.73	26%	287,701.08	28%	299,054.51	26%
: Net profit	22,808.35	42%	19,331.92	151%	21,298.01	30%
Total revenue before elimination transaction	1,059,581.91	100%	1,023,124.74	100%	1,122,422.57	100%
Value of transaction	12,066.29		14,413.23	-	15,739.19	-
Total revenue after elimination transaction	1,047,515.62		1,008,711.51		1,106,683.38	
Total profit before elimination transaction	54,397.65	100%	12,814.99	100%	71,055.73	100%
Value of transaction	14,127.13		236.55	-	9,418.09	-
Total profit after elimination transaction	40,173.62		12,578.44		61,637.64	

Remark : Srivichai Vocational School Limited Company (its subsidiaries) in 2011, with revenue of 0.65 billion baht profit loss of 0.16 million baht. In 2012 revenues of 0.69 billion baht profit loss of 0.24 million baht and in 2013 earned 2.94 million baht profit loss to net income of 1.07 billion baht, which Srivichai Vocational School Limited Company (its subsidiaries) in the list of other income in the consolidated financial statements.

Revenues of the Company and its subsidiaries for the year 2011 - 2013 (by the type of client)

Name of Hospital	2011		2012		2013	
	Thousand baht	%	Thousand baht	%	Thousand baht	%
Vichaivej International Hospital Omnoi						
Revenues from Capitation:						
- Social Security Scheme	182,113.52	17%	182,226.95	18%	208,567.18	19%
- Universal Health Scheme	-	0%	-	0%	-	0%
- Migrant Worker Health Scheme	-	0%	-	0%	-	0%
Total Revenues from Capitation	182,113.52	17%	182,226.95	18%	208,567.18	19%
Revenues from Out-patient Non-Capitation	117,588.46	11%	135,377.27		147,129.67	13%
Revenues from In-patient Non-Capitation	128,637.09	12%	149,127.96	15%	166,880.37	15%
Total Revenues from Non-Capitation	246,225.55	23%	284,505.23	28%	314,010.04	28%
Total revenues from services	428,339.07	40%	466,732.18	46%	522,577.22	47%

Name of Hospital	2011		2012		2013	
	Thousand baht	%	Thousand baht	%	Thousand baht	%
Vichaivej International Hospital Nongkhaem						
Revenues from Capitation:						
- Social Security Scheme	161,124.16	15%	445.78	0%	3.06	0%
- Universal Health Scheme	6,662.75	1%	1,635.82	0%	1,185.89	0%
- Migrant Worker Health Scheme		0%	-	0%	-	0%
Total Revenues from Capitation	167,786.91	16%	2,081.60	0%	1,188.95	0%
Revenues from Out-patient Non-Capitation	85,871.00	8%	133,060.90	13%	137,789.48	12%
Revenues from In-patient Non-Capitation	104,112.20	10%	133,548.98	13%	161,812.41	14%
Total Revenues from Non-Capitation	189,983.20	18%	266,609.88	26%	299,601.89	27%
Total revenues from services	357,770.11	34%	268,691.48	26%	300,790.84	27%
Vichaivej International Hospital Samuttsakhon						
Revenues from Capitation:						
- Social Security Scheme	37,608.38	4%	51,039.62	5%	64,643.80	6%
- Universal Health Scheme	18,565.15	2%	22,971.56	2%	24,650.37	2%
- Migrant Worker Health Scheme	69,862.62	7%	33,929.01	3%	9,290.23	1%
Total Revenues from Capitation	126,036.15	12%	107,940.19	11%	98,584.40	9%
Revenues from Out-patient Non-Capitation	113,324.52	11%	144,723.70	14%	162,608.92	14%
Revenues from In-patient Non-Capitation	34,112.06	3%	35,037.19	3%	37,861.19	3%
Total Revenues from Non-Capitation	147,436.58	14%	179,760.89	18%	200,470.11	18%
Total revenues from services	273,472.73	26%	287,701.08	28%	299,054.51	26%
Total revenue before elimination transaction	1,059,581.90	100%	1,023,124.74	100%	1,122,422.57	100%
Value of transaction	12,066.29		14,413.23		15,739.19	
Total revenues from services of	1,047,515.62		1,008,711.51		1,106,683.38	
Vichaivej International Hospital Group						

Remark : Vichaivej International Hospital Nongkhaem cancelled the service for Social Security Scheme customers and accommodates only general patients since 1 January 2012 onwards. While Vichaivej International Hospital Omnoi and Vichaivej International Hospital Samuttsakhon revenues from providing patient Capitation and Non-Capitation. The Vichaivej International Hospital Omnoi a contract with the state, particularly in Social Security Scheme Meanwhile Vichaivej International Hospital Samuttsakhon is a party to the State Social Security Scheme, Universal Health Scheme and Migrant Worker Health Scheme.

Marketing and competition

1. Status of Industry and Competition

Amid economic fluctuation conditions in Thailand that are caused by different factors, be it from changes in values, thoughts, behaviors, growth of technology specifically communication systems, including political impact, this has caused the hospital industry in Thailand to fluctuate continuously. One of the reasons for the industry's fluctuation came from the government's policy to expand the health care coverage under the Social Security Scheme, Universal Health Coverage Scheme, Universal Health Coverage Scheme for Migrant Workers, and Civil Servant and State Enterprise Medical Benefit Scheme. At the same time, private health care providers have been adjusting their strategies in line with the market and competition conditions in order to catch up with the economic, social, and political changes that affect behavior of using health services including adaptation to the increasing number of international patients which has been driven by the government's policy in making Thailand the "Medical Hub of Asia".

For keeping pace with such changes, Vichaivej International Hospital Group has adjusted its strategy by integrating and highlighting its unique selling points in order to develop a clearer image for the hospital, and build field specialization as a new competition strategy. As part of this strategy adjustment, the hospital has created a network of business partners and form a hospital chain that enables efficient hospital operation and management which helps to manage cost and resources valuably; expanded customer base and enhanced the standard of services, medical equipment and advance technologies; the development of staff and public relation activities to promote the hospital; and organizing social responsibility campaigns such as mobile medical unit providing community cares on various occasions, the

volunteer motorcycle rescuers project, obesity in children, Clean Food Good Taste, and school tours to explain about health care, etc.

1. Marketing policy

1.1 Customer: The current customer of the hospital can be categorized into two main types: non-capitation and capitation.

1. Non-capitation: Those who live or work near the hospital and outside the hospital area, but do trust the doctor especially in orthopedic clinic, including customers whose contract party is employee of company, factory, and government offices or customers of insurance companies in which the sourced unit had entered into contract with the hospital. We also have group of foreign clients from the Middle East and ASEAN who come to use the hospital's medical treatment services including cosmetic surgery.

2. Capitation: The patients who are treated in the hospital and entitled to use flat rate per person per year through the Social Security Scheme, Universal Health Scheme, and Migrant Worker Health Scheme.



Quality service at competitive price: The entire Vichaivej International Hospital Group, focuses on service through the customer relation service center to achieve customer satisfaction which leads to customer's regular visit and create an impressive experience for customers at a suitable and competitive price.

For capitation group which has a flat income amount and inexpensive price is set by public sector, approach is to manage investment cost and set up health promotion program for insured that encourages the insured to take care of their health and lead investment cost to reduce

Medicine: Vichaivej International Hospital Group gives great weight to the recruitment of doctors who have specialized knowledge, experience and expertise in each clinical field. They are available to serve patients 24 hours a day, together with nurses and staff who have the knowledge and expertise in each job to deliver maximum benefits to customers, including tools and medical equipment that is complete and up-to-date which can enhance accuracy in the diagnosis.

Advertising and public relations: Public relations is one way of creating public awareness and understanding about the capability and service quality of Vichaivej International Hospital Group. We have established community commitment projects such as providing health knowledge in schools and workplaces annually.

In addition, the hospital will also promote at national level in order to let the reputation and expertise of the hospital be known and familiar to the public at large, by many methods, for example.

1. Preparation of 50,000 copies of health pocket book "The Health Guru: Secrets to Healthy Life" and registering the book with the National Library by gathering knowledge, health problems and disease in over 40 stories.

2. Using main and subordinate communication to promote the image and assorted activities of the hospital

3. Educating the community, such as through 2 broadcasts on local radio station FM: 96.25 MHz "Happy Hour by Vichaivej" on air every Monday to Friday 14.00 - 15.00 and FM 106.75 MHz "Happy Hour by Vichaivej" on air every Monday to Friday 16.00 - 17.00.

4. Preparation of the quarterly magazine called "V care" which is distributed to the customers of the hospital, school libraries and offices.

5. Organizing charity activities consistent with the vision of the hospital on several occasions such as the "Walk and Run Charity Competition - Vichaivej Mini Marathon" to win Her Royal Highness Princess Maha Chakri Sirindhorn's Cup. This competition was a joint collaboration between Vichaivej International Hospital Group and Arthritis Foundation under the Patronage

Sales and distribution channels: The hospital group has several distribution channels comprising direct sales that focuses on customers with cash, life insurance, counter party companies and sale of flat rate through the government sector such as Social Security Scheme.

Corporate Social Responsibility: The Hospital aims to run the business with awareness for social responsibility and contribution to community as an organization of medical care provider. Therefore, we conduct various public health activities that allow the Company to have competitive edge such as:

1. For the Happy Workplace Project or being an organization of 8-happiness, the Company supports the activities that increase happiness in 8 aspects for the employees.

2. Organization of retraining programs for volunteer motorcycle rescuers in collaboration with the Royal Police Cadet Academy to provide members of volunteer motorcycle rescuers program opportunity to develop their knowledge and quality in providing assistant for traffic victims.

3. Vichaivej International Hospital Group in conjunction with the Arthritis Foundation under the Patronage organized the “Walk and Run Charity Competition - Vichaivej Mini Marathon” to win Her Royal Highness Princess Maha Chakri Sirindhorn’s cup.

4. Vichaivej International Hospital Group collaborated with the Liver Foundation organized “Liver Lover” project to offer free liver enzyme value service to the general public..

5. Organized activities to screen diabetes condition for the general public and educate as well as give advice about diabetes.

6. Organized the Clean Food Good Taste project in the workplace

7. Organized the "Safe Sex" project in the workplace

8. Vichaivej International Hospital Group organized the “Family Planning for Insured Women” project in the workplace.

9. Vichaivej International Hospital Group organized programs on health promotion to prevent disease and disseminate knowledge about social security to employees.

10. Organized VICHAIVEJ AEROBIC CLUB

11. Organized training project to provide knowledge about health in schools and the workplace.

12. Safety Week Activities in the workplace.

13. Continuous Quality Improvement in Health Care 2012 activity

14. Vichaivej International Hospital Group has set a target for Patient Safety Goal by engaging SIMPLE principle of the Institute of Hospital Quality Improvement and Accreditation, which is easy to remember.

15. Provide health promotion in students with over nutrition and malnutrition in the project "Right nutrition for healthy Thai children".

16. Provide dental care for children under the project “We love healthy teeth”.

Finding Products and services

1. **Providing medical staff:** Doctors, nurses and staff are valuable assets in the business. Recruiting doctors also means building a good relationship with medical school and approved scholarship for student nurse. Vichaivej International Hospital Group entered in an MOU with Faculty of Nursing of various universities to become nurse producer and share academic viewpoints. In terms of nurse assistant, the Hospital Group made selection from the graduates of Sri Vichai Vocational School” (subsidiary company) to work under the hospital’s group.

2. **Procurement of medicines and medical supplies:** The procurement of medicines and medicinal supplies is considered as raw materials and cost of hospital pharmaceutical. The Pharmacy and Therapeutic Committee comprising doctors, nurses, pharmacists, and the purchasing department as well as person relating to drug application. The Procurement Committee will compare quality, price, quantity, and credibility of each distributor before ordering.

3. **Procurement of medical equipment:** Medical Equipment Committee will consider the appropriateness of the tool while the Procurement Committee is to compare quality, price, service, delivery, after sales service and credibility of each distributor before ordering. In the past, purchase consideration would cover both domestic and international sale via local distributor.



Risk Factors

The Company manages the business risk through supervision of the Risk Management Committee that is responsible for formulating risk management policy and risk management guideline, monitoring, assessing and improving operation plan in order to reduce risk caused by both internal and external factors. The Committee needs to ensure efficient risk management and control risk at an acceptable level in accordance to the Company policy, which recognizes the importance of risk management to cope with any situations and changing trends, both inside and outside the organization that change rapidly.

1. Risk from increased hospital industry competition

The private hospital business is highly competitive and is likely to be even more competitive in the future. Apart from competition with hospitals at the same level, the Company must also compete with low level private hospitals, as well as public hospitals that have also expanded their medical services such as opening after-hours clinics. Furthermore, in recent years, private hospitals and public hospitals have increased their investments to improve efficiency of service and their competitive edge. This is expected to continue in the near to medium term. The Company has to improve and develop medical services, as well as acquire state-of-the-art medical equipment in order to expand customer base. Therefore, in anticipation of possible impact from increased competition and in order to maintain competitive edge, the Company may have to make substantial investments in state-of-the-art technology and medical equipment, as well as investment in information technology system to support the Company's medical services operation.

2. Risk in losing medical personnel or key executives

Presently, the hospital business in Thailand is faced with the problem of lack of medical personnel. Great reliance is placed upon the public sector to develop medical personnel and there have not been sufficient medical personnel to meet demand. The Company has had to compete with other hospital operators in retaining and attracting skilled medical personnel, which will affect the Company's operation costs.

Anyhow, Vichaivej International Hospital Group is a medium-sized hospital network and has continued to provide financial support for education and research to medical personnel in order to improve specialized skills. We are a knowledge organization that aims to enhance medical knowledge in all areas. Moreover, the Company has set measures in determining compensation that is fair when compared to other operators in the private hospital business.

3. Risk of lawsuits

As the hospital business provides medical care services, which relates to the life and health of the patrons, the Company and network hospitals are faced with the risk of being sued by persons receiving medical services. This may affect the Company's reputation and patrons' confidence in the Company and network hospitals. Furthermore, the Act on Court Proceedings for Consumer Cases B.E. 2551 (2008) has laid out a system in considering cases that enable patients to fight for their rights. Patients who have been wronged will receive speedy remedy as the Act provides patients the right to go to court. Businesses are therefore more likely to be sued by patrons or have to pay damages for medical services provided.

Therefore, in prevention of any lawsuits in the future, physician or team of physicians would normally perform thorough examination in order to establish proper treatment plan for each individual patient as well as assess

risk, pros-cons of each treatment approach to keep the patient or patient's relatives informed. In case where a surgery is necessary, the hospital would request the patient to sign a consent form for the hospital to administer such surgery according to disease symptoms first. In addition, the Company's customer relationship unit is ready to listen to the views and recommendations of patrons while the Risk Management Committee will consider, analyze, assess the situation and take measures to prevent any lawsuits.

4. Risk from future changes in standards or regulations governing the Company

The enforcement of laws or new regulations, as well as the deliberation of the draft Patient Protection Act, which protects persons who have been wronged or received damages from health care services with the goal to compensate the patients in a timely manner without having to prove wrongdoing, may affect health care providers including the Company. There is also consideration of setting up a patient protection fund to pay for damages to patients, whereby the health care institutions have to make contribution to such fund according to the criteria and rate specified by the Patient Protection Commission. Therefore, the Company may not be able to guarantee that future changes to laws and regulations or issuance of new regulations or new policies related to the Company's business will not affect the Company's operations and business opportunities.

However, the Company and hospitals within the networks are in compliance with HA (Hospital Accreditation). Compliance with HA requires that a Committee be established to monitor the quality of patient care and ensure that it meets the standards of safety and environmental conservation, as well as monitor the various risks, especially risk in providing medical and clinical care. It would be regarded as a stringent control of clinical risk as a compliance-monitoring unit will be assigned to

ensure adherence to the laws, rules and regulations relating to health and environment. This may help to lessen the effects of changes to laws regarding health and the environment.

5. Risk of reliance on distributors of medicine and medical supplies

One of the important factors in providing medical services is the sufficient procurement of quality medicine and medical supplies. There are few major distributors of medicine and medical supplies in Thailand. The Company ordered medicine and medical supplies from the 5 major distributors. Therefore, the Company faces risk of dependence on medicine and medical supplies distributors, which may affect bargaining power or operational costs and may have material negative impact on the business, financial status, performance and business opportunities.



6. Risk in collecting medical fees

As the Company's medical services are provided prior to payment of medical fees, therefore, the Company faces risk in not being able to collect all medical fees from patients. However, the Company has the policy to reduce risk in not being able to collect medical fees, such as in the case that medical fees are likely to be high (and not for emergency care), the Company shall estimate the costs of medical care needed so that the patient will be

aware of the cost and pay a deposit prior to receiving treatment and pay the remainder in installments (in the case that the patient is personally responsible for the medical expenses). The Company also has a policy to provide credit for payment of medical services to counter parties with care by analyzing the counter party's credit history and financial status, as well as regularly reviewing contact relationship. Therefore, the Company has low risk in terms of collecting medical fees.

7. Risk of the Company's Group structure

The Company Group has entered into several related transactions. This transaction is related to a company that is connected with the joint Executive, Director, Major Shareholder or Authorized person with the Company Group (collectively called "Related Party Group"). At present the transactions between the Company Group and Related Party Group are mostly associated with the normal business operations of the Group such as inter-group transaction loan and so on.

Anyhow, the Group is well aware of such risk and has provided measures to prevent the risk by establishing guidelines for determining the need for entering in related transactions and have a clear, fair and transparent policy for all transactions as well as the pricing and terms of the transaction with regard to the benefits that the Company will receive, in comparison to similar transactions with external parties. In addition, the Company has followed the rules, regulations or other relevant provisions to ensure that the related transactions will be properly and transparently executed, such as performing asset appraisal by external appraiser, requesting approval from the Board of Directors' Meeting or the Shareholders' Meeting to enter into such transactions. As the Company Group has implemented the policy relating to related party transactions continually, this helps to ensure every party that the Company can greatly manage the risks associated with the Company Group's structure.





General and Other Important Information

General Information

Srivichai Vejvitat Public Company Limited

Type of Business	Private Hospital operating under the name "Vichaivej International Hospital Omnoi"
Location	74/5 Moo 4, Phetkasem Road, Omnoi Subdistrict, Krathumbaen District, Samutsakorn Province 74130
Telephone Number	(+662) 431-0070 and Hotline 1792
Facsimile	(+662) 431-1404
Website	www.vichaivej.com
E-mail	bod@vichaivej.com
Number of beds	200 beds
Registration Number	0107554000062
Registered Capital	535,000,000 Baht
Paid up Capital	535,000,000 Baht

General Information of Subsidiary Companies

Saivichai Development Company Limited

Type of Business	Private Hospital operating under the name "Vichaivej International Hospital Nongkhaem"
Location	456-456/8 Phetkasem Road, NongkhangPlue Subdistrict, Nongkhaem District, Bangkok 10160
Telephone Number	(+662) 441-6999
Facsimile	(+662) 421-1784
Website	www.vichaivej.com
E-mail	nongkhaem@vichaivej.com
Number of beds	200 beds
Registration Number	0105530047130
Registered Capital	150,000,000 Baht
Paid up Capital	150,000,000 Baht

General Information of Subsidiary Companies

Srisakorn Vejvitat Company Limited

Type of Business	Private Hospital operating under the name "Vichaivej International Hospital Samutsakhon"
Location	93/256 Mahachai Intersection, Sethakit 1 Road, Tasai Subdistrict, Muang Samutsakorn District, Samutsakorn Province 74000
Telephone Number	(+6634) 826-708-29
Facsimile	(+6634) 826-706
Website	www.vichaivej.com
Email	samutsakhon@vichaivej.com
Number of beds	120 beds
Registration Number	0105537019778
Registered Capital	99,200,000 Baht
Paid up Capital	99,200,000 Baht

General Information of Subsidiary Companies

Srivichai Vocational School Company Limited

Type of Business	Occupational School operating to produce child and senior caretaker personnel
Location	74/5 Moo 4, Phetkasem Road, Omnoi Subdistrict, Krathumbaen District, Samutsakorn 74130
Telephone Number	(+662) 431-0070 Ext. 1703
Facsimile	(+662) 813-4510
Website	www.srivichai.ac.th
Email	teacher@srivichai.ac.th
Registration Number	0745553005535
Registered Capital	100,000 Baht
Paid up Capital	100,000 Baht

References

Securities Registrar

Thailand Securities Depository Company Limited
4th Floor, The Stock Exchange of Thailand Building,
62Rachadapisek Road, Klongtoey District,
Bangkok 10110, Thailand
Tel. 02-229-2800 Fax 0-2359-1259

Auditor

Ernst & Young Thailand Company Limited
33rd Floor, Lake Rajada Office Complex
193/136-137 New Rajadapisek Road
Klongtoey District, Bangkok 10110, Thailand
Tel. 02-264-0777 Fax 02-264-0789-90

Shareholder

Srivichai Vejvivat Public Company Limited respects the rights of shareholders to obtain the required information to equally evaluate the Company's growth, in order to determine profitability and return for shareholder, and would disclose operating performance, financial position, as well as supporting true information as required by The Stock Exchange of Thailand (SET) and Securities and Exchange Commission, Thailand (SEC).

Relationships with shareholders and investors

Srivichai Vejvivat Public Company Limited is also responsible for providing accurate and complete information and listen to the opinion of shareholders and investors consistently. Shareholders and investors can contact us for information and provide comments directly to the Office of the Secretary of the Company at Tel. 0-2431-0070 Ext. 1707, 1708, Fax 0-2431-1404 or by e-mail: shares@vichaivej.com. The Company's annual plan has included development of channels for communication and activities to be held between the shareholders and investors and senior executives of the Company as follows.

A. The shareholders' meeting: The shareholders' meeting is important for the Company as directors and executives will attend the meeting to listen and answer questions raised by the shareholders.

B. Annual Report and information display: The Company prepares the annual report and provides information display in order for the shareholders and investors to acknowledge important corporate information. The Company also prepares the annual report in CD format to be distributed among shareholders.

C. Website: The Company offers information about the financial reports, lectures, annual reports, minutes

of the shareholders' meetings and news about the Company on the Company's website "www.vichaivej.com" to give equal access to information among all the shareholders. Through the website, shareholders, investors, and stakeholders can make comments, as well as propose meeting agenda and candidate whom they think are qualified to be directors prior to the Company sending them meeting invitation letter via the website.

D. Contact with the Board of Directors and Company Secretary: Shareholders can contact the Board of Directors, committees or directors at the address below.

Srivichai Vejvivat Public Company Limited
74/5 Moo 4 Petchkasem Road, Omnoi Subdistrict,
Krathumban District, Samutsakorn Province 74130
Tel. 0-2431-0070 Ext. 1707, 1708 Fax 0-2431-1404
or E-mail: shares@vichaivej.com

The Company Secretary is responsible for receiving documents sent to the Board of Directors and submitting them to the committee or director involved, and at the same time will prepare a summary of all suggestions and issues to be brought to the attention of the Board of Directors each month. This, however, does not include letters sent to the Audit Committee, which will be sent directly to the Audit Committee.

E. Newsletters (Media Relations): The Company disseminates information on the progress of business and public relations activities of the Company through various media relationship forms, such as radio, newspapers and public websites, as well as the website of the Company to promote activities, such as corporate social responsibility (CSR), medical knowledge sharing, community engagement, as well as other internal activities of Vichaivej Hospital. This includes having a 2 local radio waves:

- FM 96.25 MHz "Happy Hour by Vichaivej" on-air every Monday to Friday from 14:00-15:00
- FM 106.75 MHz "Happy Hour by Vichaivej" on-air every Monday to Friday from 16:00-17:00
- The Company also publishes a medical magazine "V care" issued every quarter to disseminate medical knowledge and information as well as advancements of hospitals under Vichaivej International Hospital Group.

F. Evaluation of information disclosure: Srivichai Vejvitat Public Company Limited would provide

a questionnaire to evaluate the efficiency of information disclosure every time there is a meeting with shareholders, investors and analysts, as these will serve as a guideline in determining the efficiency of the information disclosure.

Srivichai Vejvitat Public Company Limited would like to thank all shareholders and investors for providing information to the Company via different channels on how to improve the operations and make it more efficient in order to create more value to the Company and to the shareholders.



Dividend Policy

The Company's policy is to pay dividend to shareholders at a rate not less than 50 per cent of net profit after tax and net of all reserves required by law based on the separated financial statements. However, the payment of dividend will depend on the cash flow, investment plan, contract terms and conditions that the Company is bound, including legal restrictions, necessity and other matters appropriate in the future. The resolution of the Board of Directors' approval for dividend payment will have to be proposed for approval by the general meeting of shareholders, unless it is an interim dividend payment whereby the Board of Directors has authority to approve the payment. However, such interim dividend payment has to be reported to the shareholders' following meeting.

Statistical table of past dividends

Year	Number of Shares	Value per share (bath)	Registered Capital (bath)	Net Profit	Dividend / share
2548	27,000,000	6.40	172,800,000.00	13,787,138.28	0.200
2549	27,000,000	6.40	172,800,000.00	16,603,787.07	0.300
2550	27,000,000	6.40	172,800,000.00	15,394,373.98	0.400
2551	60,000,000	5.00	300,000,000.00	11,321,786.31	0.125
2552	60,000,000	5.00	300,000,000.00	34,980,094.23	0.140
2553	350,000,000	1.00	350,000,000.00	39,114,266.38	0.060
2554	350,000,000	1.00	350,000,000.00	60,282,173.85	0.060
2555	535,000,000	1.00	535,000,000.00	40,173,622.11	0.030



Shareholding and Management Structure

Shareholding Structure

The details of the registered capital of Srivichai Vejvitat Public Company Limited and subsidiaries companies are as follows.

Company	Registered Capital (Baht)	Paid up capital	Number (share)
Srivichai Vejvitat Public Company Limited	535,000,000.00	535,000,000.00	535,000,000.00
Saivichai Development Company Limited	150,000,000.00	150,000,000.00	30,000,000.00
Srisakorn Vejvitat Company Limited	99,200,000.00	99,200,000.00	19,840,000.00
Srivichai Vocational School Company Limited	100,000.00	100,000.00	20,000.00

List of major shareholders and shareholding ratio of paid-up capital of Srivichai Vejvitat Public Company Limited as at December 16, 2013 as shown in the register of shareholders is as follows:

No.	Names of Shareholders	Number of shares	%
1	Vanadurongwan Group	341,935,013	63.91
	- Asst. Prof. Saisunee Vanadurongwan	188,514,023	35.24
	- Rungsima Wanitphakdeedecha, M.D.	26,250,000	4.91
	- Pat Rojmahamomgkol, M.D.	26,250,000	4.91
	- Patcharapan Vanadurongwan, Ms	26,250,000	4.91
	- Bavornrat Vanadurongwan, M.D.	69,995,000	13.18
	- Assoc. Prof. Vichai Vanadurongwan, M.D.,Ph.D.,FIMS	4,492,800	0.84
	- Somsak Opacharoensuk, Mr	64,700	0.01
	- Viladda Vanadurongwan, Ms	64,000	0.01
	- Vicha Vanadurongwan, M.D.	53,890	0.01
2	Taveechad Chulangkul, Mr	19,929,700	3.73
3	Vijitsaengrat Group	14,365,000	2.69
	- Somchai Vijitsaengrat, Mr	13,500,000	2.52

Management Structure

1. The Board of Directors

Have primary responsibility for making decisions that will benefit the Company, shareholders and stakeholders including employees and community where the Company is located and formulating the vision, policies, and the budgets with the management.

The list of the Board of Directors of Srivichai Vejvivat Public Company Limited as at December 31, 2013 as follows:

1. President

Assoc. Prof. Vichai Vanadurongwan, M.D., Ph.D., FIMS

2. Vice President

Ass. Prof. Saisunee Vanadurongwan, M.D.

3. Director

Pongsak Vathana, M.D.

4. Director

Mongkon Wanitphakdeedecha M.D., M.Sc.

5. Director

Vilawan Vanadurongwan

6. Independent Director & Chairman, the Audit Committee

Virah Mavichak

7. Independent Director/Audit Committee

Surin Premamornkit

8. Independent Director/Audit Committee

Visut Montriwat

9. Independent Director/Audit Committee

Prat Boonyawongvirot, M.D.

Secretary

Rachada Fongtanakit, PhD.

Duties and Responsibilities of the Board of Directors

1. Supervision and management of the Company and subsidiary companies to be in accordance with the laws, objectives and regulations of the Company and its subsidiaries as well as the resolution of the shareholders,

except in matters that require approval by the shareholders before proceeding, for instance matters that need approval from the shareholders' meeting, related party transactions and purchase or sale of major assets by the rules of the Stock Exchange of Thailand and the Office of the SEC or other government agencies as required and so on.

2. Review and approve key matters namely the policy, work plan and budget, investment in projects not included in the annual budget, management structure, authority in management of policy relating to compliance transactions or any actions that may affect the financial condition, liabilities, business status and reputation of the Company and its subsidiaries, interim dividend payment as well as other matters stipulated by the Stock Exchange or the law.

3. Overseeing the management operations to comply with the policy, plan and budget that have been approved.

4. To consider and approve the appointment of a person who is qualified and has no prohibited characteristics as defined in the Public Companies Limited Act B.E. 2535 (1992) (including the amendments) and securities and exchange laws as well as notifications, provisions, and/or relevant regulations, when Director position is vacant by other causes apart from by rotation, and the appointment of the Chief Executive Officer of the Company and subsidiaries.

5. To consider appointment and assignment of the role of Committees as follows:

5.1 Establish Committees as deemed appropriate and necessary to perform the responsibilities of the Board of Directors including Audit Committee, Executive Committee, Nomination and Remuneration Committee and Risk Management Committee, etc.

5.2 Consider and approve the role of the Committees, as well as changes in the composition of Committees that have been appointed.

6. Oversee the interests of both major and minor



shareholders fairly and treat shareholders and stakeholders justly.

7. Provide a balance of management and/or major shareholder in the appropriate level. It is important to maintain a good ratio or number of independent directors on the Board of Directors of the Company.

8. Ensure that the Board of Directors receives adequate information from management to perform their authorized role, duty and responsibility fully.

9. Ensuring a transparent operation and management of the Company, including related party transactions between the Company and subsidiaries and related parties in order to prevent conflicts of interest by providing accurate and adequate information disclosure, as well as reporting to the Board of Directors regularly.

10. Consider determining and changing the names of Authorized Directors who have the authority to bind the Company and its subsidiaries.

11. To provide the accounting system, financial reporting and credible auditing, as well as a system of internal control and internal audit that is effective and efficient, and to approve changes in policies and practices that have material effect on accounting and internal control of the Company and subsidiaries.

12. Authority to do as following can only be made upon receiving approval from the shareholders' meeting first. For matter where there may be Director or person who may have disagreement, stake or conflicts of interest in the Company or subsidiaries, it is stipulated that that Director who has a stake in the matter shall have not rights to cast a vote for that matter.

12.1 The matter which the law requires the resolution of the shareholders' meeting.

12.2 To perform transaction where Director will have a stake and required by the law or the Stock Exchange of Thailand to receive the approval from the shareholders' meeting.

13. The Board of Directors may authorize a Director or many Directors or other person to perform either one act on behalf of the Board of Directors. This authorization does not include the authorization or sub-authorization that allows the Director or authorized person to approve transaction where the Director or authorized person may have conflicts of interest with the Company or subsidiaries. It is a requirement to seek approval from the shareholders' meeting in all related transactions and the acquisition or selling of important assets of the Company and its subsidiaries, in line with the requirements of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, and/or other relevant government agencies.

2. Structure of the Audit Committee

The list of Audit Committee as at December 31, 2013 as follows:

1. Chairman of the Audit Committee

Virah Mavichak

2. The Audit Committee

Surin Premamornkit

3. The Audit Committee

Visut Montriwat

4. The Audit Committee

Prat Boonyawongvirot, M.D.

Secretary

Wanna Maharpong

Duties and Responsibilities of the Audit Committee

1. Ensure that the Company's and subsidiaries' financial reports are correct and adequately disclosed, by coordinating with the external auditor and executives who are responsible for preparing quarterly and annual financial reports.

2. Ensure that the Company's and subsidiaries' system of internal control and internal audit are appropriate

and effective. Also, to consider the independence of internal audit unit and approve the appointment, transfer, dismissal of internal audit supervisor, or any other agency responsible for internal audit.

3. Ensure that the operation of Company and subsidiaries complies with the securities and exchange law, terms of the exchange or laws relating to the Company's and subsidiaries' Business.

4. Consider the selection and nominate an individual, who is independent, to act as auditors of the Company and subsidiaries. This includes consideration of the remuneration of the auditor to propose to the Board of Directors to obtain the appointment from the general meeting of shareholders and attending the meeting with the auditors without management involved shall be held at least once a year.

5. Have the authority to hire an independent consultant, if necessary, and determined as necessary to be regarded as expenses of the Company.

6. Consider list of related transactions or items with conflicts of interest in accordance with the laws and regulations of the Stock Exchange and Capital Market Supervisory Board in order to make sure that the list is reasonable and in the best interests of the Company or subsidiaries.

7. During the operation, if the Audit Committee finds or doubts any items or the following activities that may have a significant impact on the financial position or results of operations of the Company or subsidiaries, the Audit Committee must report it to Board of Directors to resolve such items or activities promptly.

7.1 List the conflicts of interest items

7.2 Fraud or significant irregularities or defects of internal control system of the Company or subsidiaries.

7.3 The violation or violations of the law on securities, notification and terms of the Stock Exchange of Thailand, the Securities and Exchange Commission

and Capital Market Supervisory Board including laws relevant to the business of the Company and subsidiaries.

If the Board of Directors or executives cannot resolve such items or activities promptly, member of the Audit Committee may report such items or activities to the Securities and Exchange Commission or the Stock Exchange of Thailand.

8. If the auditor of the Company finds a suspicious incident relating to Director, executive or any person responsible for the operation of the Company and subsidiaries that violates the law and the auditor has reported the incident to the Audit Committee, the Audit Committee shall proceed as soon as possible to investigate more and report the results of primary check to the Securities and Exchange Commission and the auditor within 30 days from the date of receipt of a report from the auditor.

9. Formulate report of the Audit Committee to disclose in the annual report of the Company whereby the Chairman of the Audit Committee has to sign in the report. The report must contain at least the following information.

9.1 Opinion on the accuracy, completeness and reliability of financial reports of the Company and subsidiaries.

9.2 Opinion on the adequacy of internal controls of the Company and subsidiaries.

9.3 Opinion on compliance with the Securities and Exchange Law, terms of the exchange and laws relating to the Company's and subsidiaries' business.

9.4 Opinion on the suitability of the auditor.

9.5 Opinion on items that may have the conflict of interest.

9.6 The number of meetings by the Audit Committee and attendance of each member of the Audit Committee.

9.7 Opinion or overall observation that the Audit Committee received from the performance of duties under the Charter.

9.8 Other transactions that shareholders and



investors should be aware of under the scope of duties and responsibilities assigned by the Board of Directors.

10. To perform any other duties assigned by the Board of Directors to be appropriate.

In the scope of duties and responsibilities the Audit Committee has the authority to invite the management, executives or employees of the Company or subsidiaries that are relevant to provide reports, comments, attend meetings, or send documents that are relevant and necessary.

3. Structure of the Executive Committee

The lists of the Executive Committee as at December, 31 2013 as follows:

1. Chief Executive Officer

Asst. Prof. Saisunee Vanadurongwan, M.D.

2. Deputy Chief Executive Officer

Pongsak Vathana, M.D.

3. Deputy Chief Executive Officer

Mongkon Wanitphakdeedecha M.D., M.Sc.

4. Deputy Chief Executive Officer

Vilawan Vanadurongvan

5. Executive Committee

Sakda Tangchitwatanakorn

6. Executive Committee

Sunee Thirakaroonwongse, M.D.

7. Executive Committee

Prayad Krongaphiradee

8. Executive Committee

Sunee Joychumras

9. Executive Committee

Kwanyuen Suksomphoj

10. Executive Committee / Secretary

Rachada Fongtanakit, PhD.

Duties and Responsibilities of the Executive Committee

1. Plan and set policy, direction, strategy, work plans

and organizational structure and management structure of the business operation of the Company and subsidiaries in accordance to economic conditions and competition in the market to present to the Board of Directors for approval.

2. Plan and prepare business plans, annual budgets and the authority in management in various job divisions of the Company and subsidiaries to propose to the Board of Directors for consideration and approval and also to consider and approve the annual budget and budget change and addition to annual expense budget. If there is an urgent necessity, proceed to present to the Board of Directors for further acknowledgement.

3. Audit and operate according to the policies and guidelines for the management of the Company and subsidiaries that has been defined to be effective and conducive for business environment.

4. Monitor the operations of the Company and subsidiaries that has been defined to proceed according to the approved business plan.

5. Consider large investment projects of the Company and subsidiaries in order to provide recommendation to the Board of Directors for approval.

6. Define the details of the selection, training, hiring and termination of employees of the Company and its subsidiaries as well as employee benefits to be appropriate with the circumstances and in accordance with the laws in use today.

7. Other duties as assigned by the Board of Directors occasionally.

The administrative power and giving authority to others which Director deems appropriate does not include the power or authorization to approve any items that the Director or related person may have any conflicts of interest, the stakes, or any other benefits that disagrees with the Company's and subsidiaries' benefits, or any items that is not normal business operations of the Company and subsidiaries. The authorization of such

items must be presented to the Board of Directors and/or shareholders' meeting of the Company to consider and approve within the guidelines, rules and regulations of the Company and relevant laws.

4. Structure of Nomination and Remuneration Committee

The list of Structure of Nomination and Remuneration Committee as at December, 31 2012

1. President

Asst. Prof. Saisunee Vanadurongwan, M.D.

2. Committee

Mongkon Wanitphakdeedecha, M.D., M.Sc.

3. Committee

Virah Mavichak

4. Committee

Surin Premamornkit

Secretary

Sirirat Chumwangwapee

Duties and Responsibilities of the Nomination and Remuneration Committee

1. Define policies, rules, procedures and processes with clarity, transparency, suitability and usefulness to the Company and subsidiaries in terms of the selection, removal or dismissal of Directors and senior executives of the Company and subsidiaries and present these to the Board of Directors for approval.

2. Consider nominating the name of a person who is qualified as a Director of the Company, Committee member and senior management to the Board of Directors in the event that such position is vacant or the term of office ends.

3. Define policy on remuneration for Director, senior executives of the Company and subsidiaries and present this to the Board of Directors for approval.

4. Consider the remuneration for the Board of Directors and committees whereby the remuneration includes

meeting attendance fee, salary, bonuses, shares and other related benefits, and present to the shareholders' meeting for consideration and approval.

5. Structure of Risk Management Committee

The list Risk Management Committee as at December 31, 2013

1. President

Vilawan Vanadurongvan

2. Advisory

Viroj Mavichak

3. Committee

Sakda Tangchitwatanakorn

4. Committee

Prayad Krongaphiradee

5. Committee

Sivakarn Tantiwongpisan

6. Committee

Tippawan Chantaseam

7. Committee

Pornsiri Ounanan

8. Committee

Prapaphan Ruenpark

9. Committee

Kanittha Porayanon

10. Committee

Kanlayanee Kanhasood

11. Committee / secretary

Prapaphan Techatanang

Duties and responsibilities of the Risk Management Committee

1. Define policies and guidelines for risk management of the Company and subsidiaries. This covers the financial risk, business and market risks, investment risk and other risks that may affect the operation and reputation of the Company, and presents this to the Board of Directors for consideration and approval.



2. Define criteria to measure risks and limit the risks that the Company and subsidiaries accept.

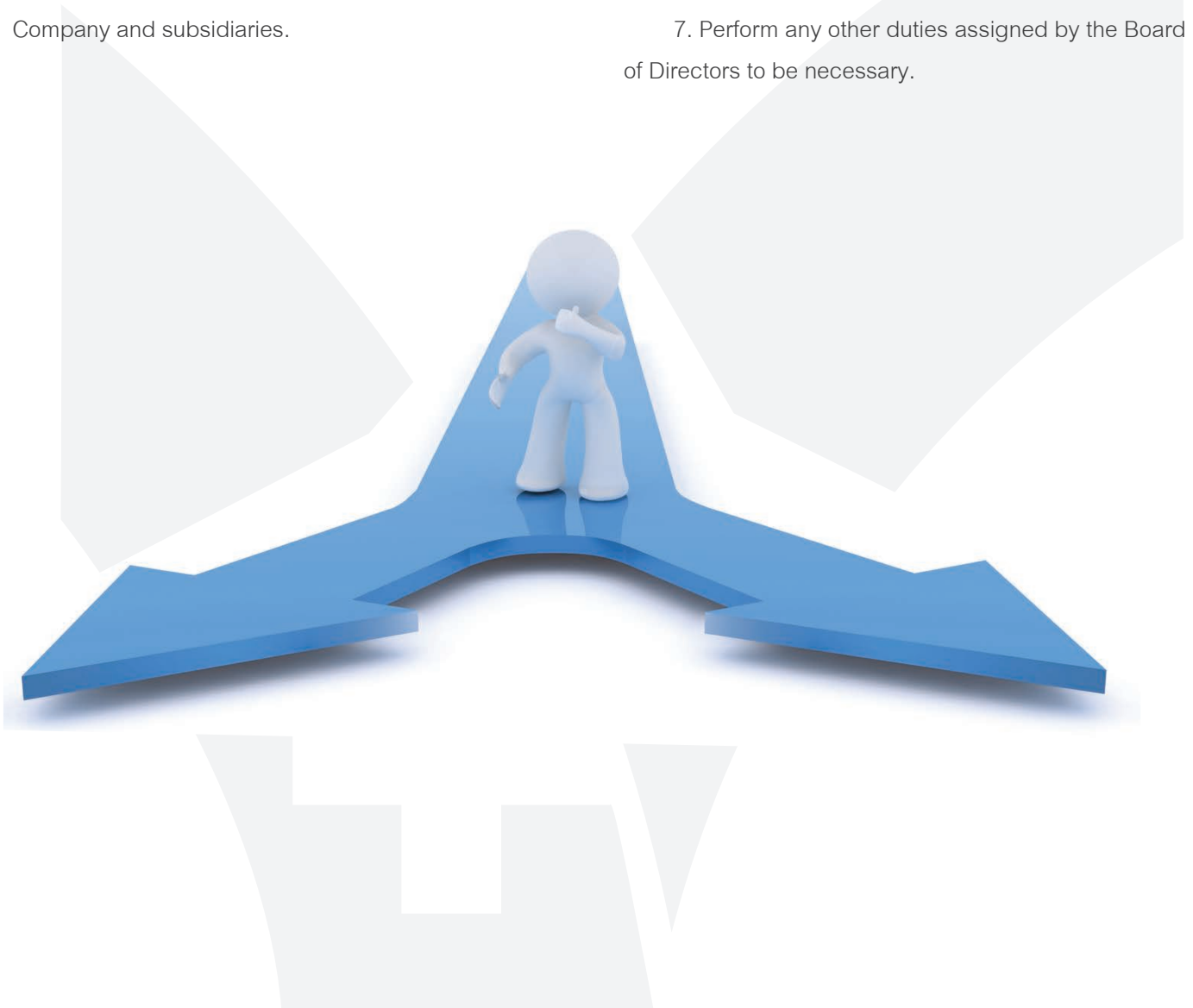
3. Consider the important risks of the Company and subsidiaries and make recommendations to prevent or reduce risk to an acceptable level.

4. Supervise, monitor and evaluate the results as well as improve action plan to reduce the risk continuously and appropriate to the business circumstances of the Company and subsidiaries.

5. Review the sufficiency of risk management policies and systems by including the effectiveness of the system and compliance with the policy set.

6. Report operations to reduce the risk to the Board of Directors regularly and for important matters where there is impact to the Company and subsidiaries significantly. These must be reported to the Board of Directors for consideration as soon as possible.

7. Perform any other duties assigned by the Board of Directors to be necessary.



Director's Remuneration

Name of Directors	Meeting attendance	Meeting Allowance
1. Assoc. Prof. Vichai Vanadurongwan,M.D.,Ph.D.,FIMS	14/14	140,000
2. Ass. Prof.Saisunee Vanadurongwan,M.D.	13/14	97,500
3. Pongsak Vathana,M.D.	12/14	60,000
4. Mongkon Wanitphakdeedecha M.D.,M.Sc.	12/14	60,000
5. Virah Mavichak	14/14	84,000
6. Surin Premamornkit	12/14	72,000
7. Prat Boonyawongvirot,M.D.	12/14	72,000
8. Visut Montriwat	12/14	72,000
9. Vilawan Vanadurongwan	13/14	78,000
Total		735,500

Audit committee's Remuneration

Name of Directors	Meeting attendance	Meeting Allowance
1. Virah Mavichak	15/15	150,000
2. Surin Premamornkit	14/15	84,000
3. Prat Boonyawongvirot,M.D.	14/15	83,400
4. Visut Montriwat	15/15	90,000
Total		407,400

Nomination and Remuneration Committee's Remuneration

Name of Directors	Meeting attendance	Meeting Allowance
1. Ass. Prof.Saisunee Vanadurongwan,M.D.	4/4	40,000
2. Virah Mavichak	4/4	24,000
3. Surin Premamornkit	4/4	24,000
4. Mongkon Wanitphakdeedecha M.D.,M.Sc.	3/4	15,000
Total		103,000



Notication

Of Srivichai Vejvivat Public Company Limited

Corporate Governance Policy

The Company will operate business through proper organization structure, workflow system, management process and operations that is highly effective. At the same time, it is necessary to show respect for equality among shareholders and commit to accountability with the stakeholders. The Company through its Board of Directors and executives who have the vision and full responsibility to their duties, will ensure that there is adequate internal control and audit systems for the organization to operate with transparency, high ethics and readiness for inspection.

In accordance with the resolution of the Board of Directors of Srivichai Vejvivat Public Company Limited Meeting No. 12/2013 held on November 12, 2013, the Board of Directors deemed appropriate to revise the policy on corporate governance by cancelling the announcement dated March 14, 2011 and adopting this policy on corporate governance covering 5 categories as follows instead.

Section 1 Rights of shareholders

To ensure protection of the rights of shareholders and provision of convenience for shareholders to exercise their rights in various matters.

1.1 The Company provides equal rights for shareholders namely:

1.1.1 The rights to vote in the shareholders meeting.

1.1.2 The rights to receive equal share of profit through dividend distribution.

1.1.3 The rights to repurchase shares back by the Company.

1.2 The Company will propose Director's remuneration

to shareholders for consideration and approval annually.

1.3 The Company will propose the policy and criteria for considering and determining the remuneration of Directors in each position so as to help shareholders make due consideration during the agenda of Director's remuneration instead of informing only the remuneration amount.

1.4 For consideration and appointment of Directors, the Company will nominate each Director and present their profile one by one to the shareholders for casting their vote to elect Directors individually.

1.5 The Company discloses the name of person verifying the vote count at the meeting of shareholders in the minutes of such meeting.

1.6 The Company allots time and supports the shareholders with an opportunity to express their comments and present questions to the Board of Directors on matters relating to the Company. The shareholders are able to propose the agenda or question that needs to be answered in the meeting in advance before the accounting period end date. The proportion of shareholding that will allow shareholders to propose an agenda cannot be less than 5%.

1.7 Preparation of invitation letter for shareholders to attend the Annual General Meeting

1.7.1 Agenda on consideration and appointment of Directors. The Company will indicate the Directors' names and summarizes profile of each Director to be nominated, such as first name and surname, education background, work profile, number of companies in which such person is a Director, nomination criteria and selection procedure, type of Director to be proposed such as

Director or Independent Director. In case of nomination of the existing Director to reassume the position, details of his/her meeting attendance in the previous year, and his/her term/years as a Director shall also be provided.

1.7.2 Agenda on appointment of auditor. The Company gives details including the name of certified public accountant, company that the auditor is from, experiences and competence as well as independence of the auditor, plus the auditor's fee that has already been screened and approved by the Audit Committee.

1.7.3 Agenda on payment of dividends. The Company discloses its dividend payment policy and proposed payment rate, together with reasons and supporting information, including the case where proposal can be to suspend dividend payment.

1.7.4 The Company will clearly indicate objectives and rationale for each agenda.

1.7.5 The Board of Directors' opinions will be stated in each agenda.

1.8 The preparation of Minutes of Shareholders Meeting

1.8.1 The Company has to show in the minutes that a report on how to vote and count votes was given to the shareholders prior to proceeding with the meeting agendas by using ballots and with shareholders attending the vote count.

1.8.2 The Company provides an opportunity for shareholders to ask questions and offer comments at a meeting of shareholders and recorded in the minutes the questions and answers raised in order for those shareholders who did not attend the meeting to acknowledge.

1.8.3 The Company arranges for vote casting and clear recording of the meeting resolution in the minutes by noting the number of votes received in each agenda that requires voting - as approved, not approved and abstain.

1.9 The Company records the names and positions of the Directors who attended the meeting of shareholders in the minutes in order to check participation of members in each shareholders meeting. As a show of responsibility toward shareholders, the Board of Directors is to attend every meeting of the shareholders to allow shareholders to ask questions relating to the Company.

1.10 The Company will disclose resolution from the shareholders meeting together with voting results on the day after the shareholders meeting by informing the Stock Exchange of Thailand and disclosing them on the Company's website. The Company will send the minutes of the shareholders meeting for review within 30 days after the date of the meeting of shareholders for acknowledgement and correction before the original minutes is produced.

1.11 The Chairman of the Board of Directors will attend every meeting of shareholders to meet and answer questions from shareholders.

1.12 Chief Executive Officer and the Company's executives would also attend the meeting every time to answer questions on issues about the management of the Company to shareholders.

1.13 Chairman of different Committees, including Chairman of Executive Committee, Chairman of Audit Committee, Chairman of Nomination and Remuneration Committee and Chairman of Risk Management Committee will attend the shareholders meeting to answer shareholders' questions relating to them.

1.14 The Chairman would invite auditors or representative of audit office to attend shareholders meeting to answer questions on issues relating to the financial statements.

1.15 The Company has created the shareholding structure to support efficient management and transparency.

1.16 For each Annual General Meeting/Extraordinary General Meeting of Shareholders, the shareholders have



the right to know the subjects to be considered in order to decide whether to attend or not, and receive information needed for decision-making prior to the meeting. The Company will avoid adding any other agendas that are not determined in advance before the shareholders meeting in order to be fair to the shareholders who do not attend the meeting.

Section 2 Equitable Treatment of Shareholders

The Company places great emphasis on treating all shareholders equitably including minority shareholders and foreign shareholders whose rights would be protected as well. The Company, therefore, focuses on the practice of protecting shareholders against the violation of their rights as follows.

2.1 The Company gives the rights to shareholders to cast one vote per one share. Shares of the same type have equal voting rights. In case the Company's shares are more than one category, the Company will disclose the voting rights of each type of shares.

2.2 For nomination and appointment of Directors, the shareholders have the rights to nominate Directors by submitting document to the Company or via the website for the Nomination and Remuneration Committee members to have a chance to consider prior to the Annual General Meeting so that shareholders are free to elect Directors to protect the interests on their behalf.

2.3 The Company's employees, executives and Board of Directors have complied with the policy relating to prevention of the use of internal information which the Company set and notified for acknowledgement.

2.4 In case of undertaking of related party transactions which are required to be disclosed, the Company has disclosed details such as name and relation of related parties, policy for determining the price and value of the transaction, as well as opinions on the transaction of the Board of Directors informed clearly to the shareholders.

In this regard, the Company has created a practice to control inter-group transaction that can cause conflicts of interest.

2.5 The Company has undertaken inter-group transaction that does not create conflicts of interest which had been confirmed by the CPA's report on financial statement audit where there was disclosure of inter-group transaction which was executed fairly and at arm's length based on market price and normal business dealing.

The execution of inter-group transaction, whether income or expenses must be less than 25 percent of the income plus expenditure, except in the case of a normal business transaction and the case of a transaction with a subsidiary or associated company where there is no related party holding more than 10% shares.

2.6 The Company provides convenience to shareholders who cannot attend the shareholders meeting in person by sending them Proxy Form together with the invitation letter of such meeting.

2.7 The Company shall specify the documents/evidence, including simple instruction and procedure for proxy-giving in the meeting invitation letter so that shareholders can be well-prepared and causes no attendance problem for the proxy, meaning no complicated conditions will be imposed on shareholders wanting to give proxy.

2.8 The Company shall send the meeting invitation letter to shareholders at least 21 days prior to the meeting and/or use the website to notify the shareholders of the schedule and agenda of the meeting of shareholders in advance as much as possible before sending an official invitation letter.

2.9 The Company set a procedure to cast vote for electing Directors by accumulation. Shareholders can allot the existing points for any one of the desired Directors or allot such points to select many Directors. This method is believed to really provide minority shareholders the

rights to elect desired person to be Director.

2.10 The Company prepares the invitation letter for shareholders meeting in English language to facilitate foreign shareholders.

2.11 The Company has no transactions that provide financial assistance to other companies that are not subsidiaries of Srivichai Vejvivat Public Company Limited.

2.12 The Company has developed criteria to prevent the use of insider trading information by Directors and executives of the Company whereby Directors, executives and employees are not allowed to use the opportunity or information obtained while working in their positions for personal gain or to establish a business competing with or relating to the Company which includes prohibiting the use of significant insider information to buy or sell shares of the Company. Moreover, Directors and executives have to report transactions of the Company's share trading and shareholding status of the individual, spouse and children who may still be a minor every time there is any change, to the Company's Secretary so that the Company's Secretary will prepare the shareholding status report to inform the Board of Directors meeting.

2.13 The Company has set practices which cautions and prevents any related transaction including buying or selling assets in a manner that is a violation/non-compliance to the criteria of the Stock Exchange of Thailand and the Securities and Exchange Commission.

Section 3 Rights of Stakeholders

The Company recognizes the importance of the rights of all stakeholders of the Company, whether it is the rights given by law or by mutual agreement, out of an awareness that the relationship and good cooperation between the Company and its stakeholders are factors that can contribute toward the Company's sustainable growth as follows.

3.1 Formulation of report on CSR responsibility or sustainable business operations of the Company.

3.2 Administration for the safety and hygiene office environment through disclosure of this practice and statistics on accident, rate of work leave and of illness from work for everyone to be informed.

3.3 Administration of remuneration and welfare of employees and disclosure of this practice for everyone to be informed.

3.4 Establishment of employee provident fund which represents the Company's long-term care for employees.

3.5 Development of knowledge and capability of the Company's employee.

3.6 Refrain from any relationship violating human rights.

3.7 Implementation of a fair and responsible practice toward customer, competitor and partner by clearly specifying the selection criteria for partners.

3.8 Non-infringement of intellectual property or copyright.

3.9 Anti-corruption and payment of bribe to gain business interests of the Company is strictly forbidden. Training will be provided for employees in order to gain some knowledge about the Company's policies and practices on anti-fraud.

3.10 Practice that is fair and socially responsible.

3.11 Activities have been organized to support activities relating to community development.

3.12 Efforts on environmental conservation and practices representing responsibility to the environment in accordance with the Corporate Social Responsibility (CSR), Facility Management System (FMS).

3.13 Using resources efficiently.

3.14 Encourages educational learning and training by employees on environmental issues.

3.15 Support employees and stakeholders in helping to keep an eye on actions that violate the principles of



good governance, that are unethical and against the rules and regulations of the Company as well as acts that violate the rights of stakeholders or may cause damage to the Company. Employees or stakeholders are advised to inform any clues of misconduct by submitting the documents or evidence indicating the first - last name of the reporter to facilitate contact and inquiries for the Chairman of Audit Committee. (If you do not specify the first – last name, the matter may not be considered). Please send such document or evidence personally, via e-mail or post mail to complaint inbox addressed:

To : Chairman of the Audit Committee

Internal Audit Department of Srivichai
Vejvivat Public Company Limited
74/5 Moo 4, Phetkasem Road, Omnoi
Subdistrict, Krathumbaen District,
Samutsakorn Province 74130
Tel. (+662) 431-0070 ext. 2426
E-mail: virah@vichaivej.com

Or Office of the Company's Secretary

Srivichai Vejvivat Public Company Limited
74/5 Moo 4, Phetkasem Road, Omnoi
Subdistrict, Krathumbaen District,
Samutsakorn Province 74130
Tel. (+662) 431-0070 ext. 1707, 1708
E-mail: bod@vichaivej.com,
shares@vichaivej.com

Procedures when the Audit Committee receives complaints, first step is to consider the preliminary cause for wrongdoing. If trace of wrongdoing is present, propose the matter to Audit Committee for consideration and report the results of a preliminary report within 14 days from receiving the complaints and report to the Board of Directors for consideration and further action.

3.16 Determining employee compensation in accordance with the results of operations of the Company.

Employees or other informants are to be protected

after they inform about a wrongdoing whereby name of the reporter shall not be disclosed unless the person is related to the complaint handling case. The Company is not allowed to consider the penalty for employee who notified of the wrongdoing

3.16 Consideration of employee compensation to be consistent with the Company's operating performance.

Section 4 Disclosure and Transparency

The Company stresses the importance of disclosures of information relating to the Company which has to be accurate, complete and timely, including sensitive information such as financial statement, overall operation, shareholding structure and corporate governance practices of the Company as follows.

4.1 The Company disclosed a transparent shareholder structure in which the shareholders/investors have the right to know the structure of ownership of company that come to invest by disclosing information in a manner that will reflect the actual person in control of the Company.

4.1.1 The Company discloses the shareholding structure transparently believing that shareholders and investors have the rights to be informed about the ownership structure of the investing company by disclosing information in a manner that will reflect the actual person in control of the Company.

4.1.2 The Company discloses the shareholdings of the Directors and executives clearly by disclosing shareholding structure of Directors, executives and spouse in the annual report.

4.2 Information disclosed in the annual report of the Company is complete and clear in order to give shareholders the benefit in considering the decision making as follows.

4.2.1 Objectives and long-term goals of the Company.

4.2.2 Financial position and results of operations

provides an analytical description about the financial position, operating results, and significant changes including the factors that cause and affect financial position and operating results of the Company.

4.2.3 Information on business nature and competition in the business of the Company.

4.2.4 Business group structure specifying clear proportion of the shareholding.

4.2.5 The Company has analyzed the risks to the Company's business, nature of the risk, causes and effects including guidelines for preventing and reducing risks.

4.2.6 Dividend payment policy

4.2.7 Policy on notifying a clue to the wrongdoing.

4.2.8 Profile of the Board of Directors and executives indicating first name - last name, position, age, education background, training on the role, duty and skills in being a Director, work experience, shareholding proportion and the number of companies assuming directorship position.

4.2.9 Identify Independent Directors and Audit Committee of the Company.

4.2.10 Criteria for paying Directors' remuneration, by outlining the type of remuneration that each Director receives.

4.2.11 Names of Directors, which indicate the number of times that each director attended the meeting.

4.3 The Company has disclosed the inter-group transaction according to the criteria stipulated by the exchange.

4.4 Directors and executives of the Company are required to report the buying/selling of shares of the Company to the Board of Directors every time.

4.5 Directors must report the stakeholding to prevent Directors, executives and employees using their status for personal gain whereby Directors, executives and employees must refrain from transactions relating to

conflicts of interest with the Company. Also Directors, executives and employees who has a stake shall not be allowed to participate in the decision making process especially Directors who are prohibited from considering or voting on matters in which he has a stakeholder interest in, including transactions between the Company and its subsidiaries with individual stakeholders that needs to be careful and no subjectivity as well.

4.6 The inter-group transaction also needs to be considered and commented by the Audit Committee before receiving approval from the Board of Directors.

4.7 The Company has hired an independent auditor with credibility and qualifications meeting the criteria of the Securities and Exchange Commission (SEC) as the auditors of the Company, These auditors shall be approved by the Securities and Exchange Commission and appointed by the shareholders meeting.

4.8 The Company would disclose audit fees payable to the auditor or audit company in the annual report as well as other fees paid to the auditor.

4.9 The financial statements of the Company have been formulated and aim to be approved with unqualified opinion by the external auditors.

4.10 The Company arranges for data communication to be done through a variety of channels in order for the shareholders/investors to have access to such information easily and with equality. The Company provides many access to data via multiple channels, such as

4.10.1 Annual Report

4.10.2 Quarterly performance report

4.10.3 The Company's website

4.10.4 Meeting and occasional press conference

4.11 The Company uses the website to communicate information to the shareholders/investors as follows.

4.11.1 The nature of the Company's business

4.11.2 Financial statements

4.11.3 Newsletter



- 4.11.4 The shareholding structure of the Company
- 4.11.5 Organization Chart
- 4.11.6 Business group structure with clear specification of shareholding proportion
- 4.11.7 Information about the Directors and executives
- 4.11.8 Investor relations information
- 4.11.9 Articles of Association of the Company
- 4.11.10 Annual Report that can be downloaded
- 4.11.11 The invitation letter for AGM can be downloaded
- 4.11.12 Creation of website in Thai and English language
- 4.11.13 Corporate governance policy
- 4.12 The Company has prepared financial reports quarterly and annually, by using the rules of the Securities and Exchange Commission as target.
- 4.13 The Company will appoint a person to act as investor relations officer where investors can contact with easily in which notification of contact channels will be informed under the Company's communication channels, such as annual reports, company websites, etc.

Section 5 Responsibilities of Board of Directors

The Company recognizes the importance of the role and functions of the Board of Directors in guiding the direction of the Company, monitoring the performance of management, and showing responsibilities of the duties as Board of Directors toward the Company and shareholders as follows.

5.1 Board of Directors has set the Corporate Governance Policy and performed the role of the Board of Directors in initiating and participating in giving comments and approving policies.

5.2 Board of Directors has set a policy on business ethics and created code of conduct guidebook for

Directors, executives and employees, where communication has to be carried out until everyone develops a common understanding in order to ensure that the policy and practices according to the guidebook have been adopted and adhered to. The Board of Directors has the duty to oversee that the Company's operation progresses correctly according to the laws and official regulations.

5.3 The Company discloses business ethics and codes of conduct guidebook for Directors, executives and employees of the Company in the Annual Report and/or the Company's website by requiring Directors, executives and employees to abide by such business ethics and code of conduct guidebook as well as to define and inform of measures to foster compliance.

5.4 Board of Directors participates in determining the vision and mission of the Company so that executives and employees aim in the same direction whereby the Board of Directors would consider revising and approving the vision and mission of the Company at least every 5 year.

5.5 The Board of Directors has clearly identified the term of Directors in which each term of the Board of Directors is no more than 3 years, however, Directors are able to be re-elected according to the resolution of the shareholders since hospital business requires personnel with specific expertise, knowledge and understanding of the Company's business.

5.6 The term of Independent Directors is 3 years and cannot be in the position for over 3 consecutive terms (in total not exceeding 9 years) and disclosure needs to be made on the date that Independent Directors assume directorship. In case there would be appointment of Independent Directors for over 9 years, the Board of Directors has to present the reasons in order to request approval from the shareholders meeting.

5.7 Directors or senior executives of the Company shall not be an employee or partner of the current external auditors of the Company in the last 2 years.

5.8 Board of Directors set up an internal audit department to be responsible for checking the internal control system and oversee operation to be accurate, transparent and efficient, by disclosing the name of the head of Internal Control Department for acknowledgement.

5.9 In order for the Board of Directors to monitor the operations of the Company efficiently, the Company requires the Internal Audit Department to report directly to the Audit Committee.

5.10 The Audit Committee is to report the major duty and comments about the inspected operations as follows.

5.10.1 Disclosure of the number of meetings of the Audit Committee each year

5.10.2 Evaluation and review of the internal control system

5.10.3 Inter-related transaction

5.10.4 Consideration and appointment of the auditor

5.10.5 Review of financial report

5.10.6 Oversee regulatory compliance and policies

5.10.7 Audit Committee prepares a summary/opinion on the overall implementation in various aspects of the Company.

5.11 Selection and appointment of new Directors, the Board of Directors appoints the Nomination and Remuneration Committee and senior executives to consider proposing individuals with proper qualification of a Director by taking into account the diversity in the structure that requires both the professional skill and specialization, gender and other necessary skills still lacking in the Board of Directors. It is possible to use consulting firm or Directors' database in that once the Board of Directors receives the name of appropriate individual, then it would propose the person to the shareholders for approval and appointment as Director further.

5.12 The Company prepares information and presentation about the Company's business as well as

other information relating to the business of the Company to inform the new Directors upon assuming their position for the first time.

5.13 The Company encourages Directors to continually improve their knowledge by participating in the training courses or seminar activities that will enhance their knowledge in work operation.

5.14 The Company has over 6 Board of Directors meetings per year by setting meeting dates in advance every year to build assurance that the Board of Directors can monitor the operation of the Company effectively.

5.15 Directors have the duty to attend meetings regularly in which each Director has at least 75 percent meeting attendance in each year. On average, each Director should attend meetings not less than 80% of all Board of Directors meeting in a year.

5.16 Resolution at the Board of Directors meeting requires not less than 2 out of 3 total member presence.

5.17 Board of Directors receives meeting documents at least five working days before the meeting of the Board of Directors.

5.18 Non-executive Directors are to meet among themselves based on necessity to discuss various issues relating to the management without management presence.

5.19 Board of Directors sets the Risk Management Policy and ensure there is adequate management and monitoring systems that are effective and cover the entire Company.

5.20 Board of Directors has provided and disclosed the internal control and risk management systems in the annual report.

5.21 The Audit Committee is to report the opinions on the adequacy of internal control and risk management systems of the Company in the annual report.

5.22 Board of Directors has distinctly separated the roles and responsibilities between Board of Directors and management.



5.23 The Company discloses the approval authority of the Board of Directors as specified in the scope of authority and responsibilities of the Board of Directors.

5.24 Board of Director is responsible for evaluating the annual performance of the Company's Chief Executive Officer to be used in determining the remuneration.

5.25 Board of Directors oversees that there is a succession plan for top corporate executive in case any incidents prevent such executive from perform his/her duties.

5.26 Remuneration of Executive Directors/senior management is approved by shareholders/Board of Directors.

5.27 Board of Directors has to appoint the Company's Secretary position which graduated in law or accounting or have been trained in courses relating to the duties of the Company's Secretary. The Secretary will provide advice on legal aspect and relevant regulations that the Board of Directors need to know. Another role is to supervise the activities of the Board of Directors as well as coordinate to ensure adherence to the resolutions of the Board of Directors. The information and role of the Company's Secretary would be disclosed in the information disclosure report, annual report and/or the Company's website.

5.28 Board of Directors has appointed the Audit Committee, all comprising of Independent Directors and at least one person in the Audit Committee has the knowledge and experience that is directly related to accounting and finance to perform the following duties.

5.28.1 Track performance in a systematic way and operates to ensure that the Company has concise and efficient internal control system.

5.28.2 Disclose information and have measures to completely prevent the risks associated with the business and financial needs as well as compliance with the law.

5.28.3 Organize meeting at least 4 times a year.

5.28.4 Disclose history and qualifications of the Audit Committee and the number of meetings and attendance results where statistics reveal each member's meeting attendance in the information disclosure report, annual report and/or the Company's website.

5.28.5 Nominate for appointment, re-election and dismissal of the external auditors.

5.28.6 Proposed appointment, transfer and dismissal of the internal auditor.

5.29 Board of Directors appointed the Nomination and Remuneration Committee as well as senior executives comprising no less than 50% of independent Directors to perform the following duties.

5.29.1 Recruiting person with the knowledge and ability to serve as Directors and executives of the Company as well as perform annual evaluation for further consideration of appropriate remuneration.

5.29.2 Meeting held at least 2 times a year.

5.30 Board of Directors established Risk Management Committee.

5.31 Board of Directors is composed of more than one-third of Independent Directors of the whole Board.

5.32 The Company has defined the Board of Directors' independence and discloses the total numbers of Directors by specifying the number of non-executive and Independent Directors for acknowledgement.

5.33 Independent Directors are independent from management and the major shareholders of the Company.

5.34 The Board of Directors will provide a report of accountability for the financial report in the annual report.

5.35 The Company participates in an alliance of Thai private sector in fight against corruption.

Corporate Social Responsibility

Srivichai Vejvivat Public Company Limited operating as a private hospital under the name Vichavej International Hospital Group is fully aware of the role, duties and responsibilities in good corporate governance whereby the Company's business policy is aligned with the responsibility for personnel, stakeholders, community and society. This includes concerns for the environmental impact caused by service and medical care processes, the safety of the service users and the health care of personnel at all levels. The company announced the policy of corporate social responsibility of 8 aspects as follows: Fair business operation, Anti-corruption, Giving respect to the human rights, Fair labor treatment, Responsibility towards the customer, Environmental protection, Joint development of the community or society and Innovation.

As an organization that provides quality medical treatment and public health services to the public in accordance with international standards and sustainable business operations, the Company also gives great importance to accountability and the need to give back to society.

Key Corporate Social Responsibility Activities (CSR) of 2013

● Vichavej International Hospital Omnoi

1. Under the Happy Workplace Project or being an organization of 8-happiness, the Company has carried out activities to enhance happiness of staff in 8 aspects.

- **Happy Body Club:** The club focuses on organization of activities for good health under the project "Goodbye Obesity" whereby 95 percent of participants who undergone training had gained a better understanding about their own health care and 80 percent of those trained actually displayed behavior of taking better care of their health. This finding resulted from the assessment measuring the participant's knowledge and health check results after the training.



- **Happy Heart Club:** The club focuses on sharing happiness such as singing happy birthday wish to employees on their birthdays and together with HR bringing gifts to such employees. This practice also applies for inpatients who have their birthdays while admitted at the hospital, the club will go around the wards singing happy birthday wish to these patients as well.

- **Happy Money Club:** The club focuses on giving knowledge on financial management that maximizes happiness by organizing training on financial management twice a year.

- **Happy Relax Club:** The club focuses on achieving the feeling of relaxation and happiness towards surrounding things by teaching handicraft-making of items such as bracelets, rings and key chains. This handicraft class is organized once in every 3 months to be held on the last Friday of that month.

- **Happy Brain Club:** The club focuses on searching and learning new knowledge from various sources to enhance self-development. One activity is through use of blogs which serve as forum for knowledge learning and sharing among employees.

- **Happy Soul Club:** The club focuses on uplifting the soul through encouraging people to adopt Dharma in everyday life so that they have something to rely on.

There will be merit-making in offering food to monks once a month on the first Friday of every month and distributing meditation book once in every six months.

- **Happy Society Club:** The club focuses on being attentive to society and community as well as having the spirit to create public benefits through volunteer activity projects such as merit-making trip to 9 temples where employees and their families are invited to join at least once a year, trip to remote places to donate goods, birthday merit-making at senior home to boost elder's morale and planting trees to reduce global warming.

- **Happy Family Club:** The club focuses on creating happiness in the family by inviting family members of employees to join activities in helping the orphanage, the disadvantaged and elderly people by donating money, clothes, food. Moreover, there is family photo contest held twice a year.

Employees can participate in activities on a voluntary basis or become member in every club. In this year, one proud achievement for Happy Body Club is that 17 employees can lose weight and restored their BMI value from over standard to standard level.

2. Organization of motorcycle rescuers volunteer program and annual retraining for motorcycle rescuers volunteer members in order to enhance their knowledge and quality for helping traffic victims. The training on



topics including traffic rules, teamwork and review of knowledge on first aid have been provided to motorcycle taxi drivers who already attended the basic class, helped 91 victims and notified 194 incident cases.

3. Vichaivej International Hospital together with Arthritis Foundation under the Patronage organized the Walk and Run Charity Competition "Vichaivej Mini Marathon" to win Her Royal Highness Princess Maha Chakri Sirindhorn's cup.



4. Vichaivej International Hospital together with the Liver Foundation organized "Liver Lover" project to provide service of Liver Enzyme Tests (ALT) to the general public for free as well as provide knowledge of proper health care to prevent liver disease which in 2013, a total of 347 people received such service.

5. Organized several activities on diabetes for general public which included diabetes screening, knowledge-sharing and advice sessions to create awareness among people on proper health care prevention of diabetes which in 2013, a total of 162 people received such service.

6. The Clean Food Good Taste project in the workplace was organized with 4 companies having joined the program and all 4 companies passed the Clean Food Good Taste quality standard assessment.



7. The "Safe Sex" project in the workplace was organized to provide workers with the knowledge and understanding on methods to prevent AIDS whereby training had been arranged for 3 companies.

8. Vichaivej International Hospital Omnoi organized the Family Planning for Insured Women project in the workplace for 10 companies totaling 2,068 people.

9. Vichaivej International Hospital Omnoi organized a project on health promotion for disease prevention and dissemination of knowledge on social security for 243 employees in 2 companies.

10. Vichaivej Aerobic Club operation which was incepted since 2006 and currently with 165 members has organized activities to promote physical exercise for people in the community of Omnoi, Omyai and Sampran to stay healthy, every Monday - Friday from 17:30 to 18:30 hrs.



11. Organization of training project to provide knowledge about health in schools and companies has been carried out annually since 2006. In 2013, there were 10 schools and 12,082 students trained and 58 companies and 8,505 people trained in this project.

12. In 2013 Safety Week activities were held in the workplace of 18 companies through means of exhibitions, health counseling and health games.

13. For Continuous Quality Improvement in Health Care activity of 2012, there were 84 registered items, out of that 5 cases are successful. In 2013, there were 12 registered items, out of that 4 cases are successful.

14. Vichaivej International Hospital Omnoi has set the Patient Safety Goal by adopting the SIMPLE principles of the Institute of Hospital Quality Improvement and Accreditation that is easy to remember.

15. Vichaivej International Hospital Omnoi provided health promotion program for students with over nutrition and malnutrition conditions under the project "Right nutrition for healthy Thai children". This year there are 5 schools trained and 614 student participants in this project.

16. Vichaivej International Hospital Omnoi joined the efforts in providing dental care for children under the project "We love healthy teeth" This year there are 10 schools trained and 2,452 student participants in this project.



● **Vichaivej International Hospital Nongkhaem**

1. The hospital has organized the project “Good health, we are your friend” by offering free health checks for the communities of Nongkhaem and Nongkangploo to instill an awareness among people of the importance of self-health care whereby 1,248 people from 24 areas had participated.



2. Vichaivej International Hospital Nongkhaem organized a project on health promotion and disease prevention (P&P) for 2013 in Bangkok area by screening risk in metabolic disease group, including diabetes, high blood pressure, cerebrovascular disease, and obesity. There were 50 companies and schools with 6,312 people that participated.

3. Vichaivej International Hospital Nongkhaem also carried out activities in cancer screening for women and family planning by providing breast cancer screening and cervical cancer screening by professional nurses. There were 28 companies with 598 people that participated.

4. Vichaivej International Hospital Nongkhaem initiated the project “Home Health Care” which provided visitation service for patients who are at risk of metabolic disease group, including diabetes, high blood pressure, cerebrovascular disease, and obesity and discovered chronic disease patients to have problems of controlling the disease or its symptoms and face complications that

need continuous care as they cannot maintain proper blood sugar level or blood pressure. This project aimed to promote good health and reduce repeated admission with the same disease of a patient whereby a total of 780 people had participated.

5. Vichaivej International Hospital Nongkhaem held training program on “First Aid” in the workplace and schools to provide participants with an understanding of the principles and methods of first aid correctly so as to help prevent accident and assist accident victims. There were 10 companies and schools with 1,202 people that participated.



6. Vichaivej International Hospital Nongkhaem organized the training project to provide knowledge about current health situations which in 2013 there were 5 workplaces and 305 participants that joined this project.

7. Vichaivej International Hospital Nongkhaem also provided training on “Child Obesity” for 300 students of Nawaminthrachinuthit Satriwitthaya School to help them change their eating behaviors and enjoy exercising more..

8. Vichaivej International Hospital Nongkhaem held a joint project with Assumption College Thonburi under the name “Mobile community health check” on the occasion of Her Majesty Queen Sirikit's 81st birthday at Louis Marie de Montfort Church by providing preliminary health check and health counseling under the program “Good health, we are your friend” where 150 people participated.



9. Vichaivej International Hospital Nongkhaem collaborated with the Liver Foundation to organize free Hepatitis B Virus Tests service to the general public whereby in 2013, 180 people received such service.

10. Vichaivej International Hospital Nongkhaem jointly with Assumption College Thonburi organized a project under the name "Health in Adolescence" to help teenagers grow properly both physically and emotionally with Dr. Gingkan Ratchatakasem, obstetrician, as guest speaker lecturing for 220 students.

11. Vichaivej International Hospital Nongkhaem organized for Nongkhaem Metropolitan Police Station free health check program for diabetes screening where 110 people had received such service.



12. Vichaivej International Hospital Nongkhaem set up diabetes screening test booth for employees of Krungthai Bank (Portochino branch, Baanpaew branch, Phantainorasingh branch, Phetkasem 84 branch, Mahachai branch, Samutsakorn branch, Phetkasem 65/1 branch, Omnoi branch, Pinklao branch totaling 279 people.



13. Vichaivej International Hospital Nongkhaem set up diabetes screening test booth and free consultation during Vegetarian Festival at Guan Yin Dhammasthan, Nongkhaem, which 53 people received such service.



• **Vichaivej International Hospital Samuttsakon**

1. Vichaivej International Hospital Samuttsakon organized a workshop for restaurant owner and food stalls of 2013 to promote accurate knowledge to the entrepreneur about the sanitation and clean food good taste standards. There were 16 restaurants and 84 food stalls that participated.



2. The hospital organized a training about health promotion to health representative employees in the workplace to equip employees with the knowledge and skills to take care of their own health correctly.



3. Vichaivej International Hospital Samuttsakon jointly with Local Administration Organization Office of Tha Sai and village health care volunteers organized the campaign on dengue control under Tha Sai dengue fight project in order to raise awareness among public about the importance of preventing the spread of dengue fever.

ดูแลชีวิต...ด้วยจิตใจ
V care V cure V can



4. Organization of the "World Heart Day" event on the World Heart Day to make people realize the importance of maintaining a healthy heart, along with providing risk screening services for non-communicable diseases, and other recreational activities such as aerobics, swimming competition and handover of rehabilitation devices (wheelchairs) to handicapped people, elderly people and chronic illness patients in which 300 people had participated.



5. Provided workshop training on first aid and people sector resuscitation to Village Health Volunteers (VHVs) and companies in Samuttsakon Province.



6. Vichaivej International Hospital Samutsakorn and the Liver Foundation organized “Liver Lover” project to provide initial Liver Enzyme Tests (ALT) service and knowledge of health care to prevent liver disease.



8. The Happy Workplace Project or being an organization of 8-happiness carried out activities covering 8 areas of happiness. One of the proud achievements for Vichaivej International Hospital Samutsakorn was the awarded complimentary prize for participation in the article contest with submission of an article on “Happiness Building with MapHR”.



7. Organization of motorcycle rescuers volunteer program to help enhance motorcycle rescuers volunteer members’ knowledge and quality for helping traffic victims. The training topics including traffic rules, teamwork and review of knowledge on first aid have been provided to motorcycle taxi drivers.



9. Vichaivej International Hospital together with Local Administration Organization Office of Tha Sai and LPN Foundation organized the “Big cleaning Day” activity in Samutsakorn Province where 300 people had participated.

Internal Control and Risk Management

The Company places great emphasis on internal control system both at the management and operator levels and thereby assigned the Internal Audit Department to be responsible for inspecting the operation of each job function in the Company. Simultaneously, the Company also requires a follow up, control and supervision of subsidiary companies. In order for the Internal Audit Department to have complete autonomy and able to audit with full balance authority, the Committee, therefore, requires the Department to report the audit findings directly to the Audit Committee.

From the Board of Directors Meeting No. 12/2013 on November 12, 2013, the Board of Directors and Audit Committee had assessed the adequacy of 2013

internal control system of the Company covering 5 aspects, namely corporate and environment, risk management, control over management operation, information system and data communication, and monitoring system, which the Board of Directors viewed that the Company already has quite efficient and adequate internal control system including policy to control matters of inter-related transactions, related party transactions, and transactions that may involve conflicts of interest.

In this regard, the Audit Committee already considered the qualifications and appropriateness in performing the duty and therefore considered approving the appointment of Ms. Arpaporn Gorchai to be the Head of Internal Audit Department of the Company.



Related Transactions

The Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are disclosed in Notes 7. Related party transactions to the financial statements, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties. Details are as follows.

1. Relationship

Subsidiary	Relationship
Srisakornvejvivat Company Limited.	Through common shareholdings and directorships
Saivichai Development Company Limited	Through common shareholdings and directorships
Srivichai Vocation School	Through common directorships

2. Pricing Policy

- 2.1 Medical service income and expenses based normal price less certain discount.
- 2.2 Service income and expenses based normal price
- 2.3 Rental income and rental expenses rate in contract price.
- 2.4 Consulting fees rate in contract price.

3. Name of directors and executives are related parties

- 1. Assoc. Prof. Vichai Vanadurongwan, M.D., Ph.D., FIMS
- 2. Asst. Prof. Saisunee Vanadurongwan, M.D.
- 3. Pongsak Vathana, M.D.
- 4. Mongkon Wanitphakdeedecha M.D., M.Sc.
- 5. Vilawan Vanadurongvan, Ms



Financial Highlights

The consolidated financial statements	2013	2012
Statements of financial position (Unit: Millions of Baht)		
Total Assets	1,123.42	1,100.88
Total Liabilities	330.60	353.15
Total Shareholder's Equity	792.82	747.73
Statements of comprehensive income (Unit: Millions of Baht)		
Service Income	1,106.68	1,008.71
Total Revenues	1,129.63	1,026.21
Net Profit	61.64	12.58
Common Share Data		
Number of common shares issued (Million shares)	535.00	535.00
Book value per share (Baht)	1.45	1.37
Basic earnings per Share (Baht)	0.11	0.03
Significant Financial Ratios		
Growth Ratio (Percent)		
Growth Rate of Service Income	9.71	(3.70)
Growth Rate of Net Profit Margin	389.98	(68.68)
Profitability Ratios (Percent)		
Gross Profit Margin	23.56	21.14
EBITDA Ratio : Earnings before interest, tax, depreciation and amortization	15.51	10.68
Net Profit Margin	5.46	1.23
Rate of Return (Percent)		
Return on Assets	8.07	3.09
Return on Equity	8.10	2.03
Management of assets and liabilities		
Current Ratio (Times)	1.27	1.22
Average Collection Period (Days)	35.45	40.06
Average Sale Period (Days)	10.12	10.77
Leverage Ratios		
Debt - Equity Ratio	0.43	0.48
Interest Coverage Ratio	7.95	2.01

Management Discussion and Analysis

The Operations result of the company, its Subsidiaries

Unit : Million Baht

List	2013	2012	Changes	Average
Revenues from hospital operations	1,106.68	1,008.71	97.97	9.71
Other Income	22.95	17.50	5.45	31.14
Total revenues	1,129.63	1,026.21	103.42	10.08
Cost of hospital operations	845.96	795.47	50.49	6.35
Selling expenses	30.96	29.88	1.08	3.61
Administrative expenses	163.01	167.25	(4.24)	(2.54)
Total expenses	1,039.93	992.60	47.33	4.77
Profit before finance cost and income tax expenses	89.70	33.61	56.09	166.88
Finance cost	11.28	16.69	(5.41)	(32.41)
Profit before income tax expenses	78.42	16.92	61.50	363.48
Income tax expenses	16.78	4.34	12.44	286.64
Net profit	61.64	12.58	49.06	389.98
Profit attributable to:				
Equity holders of the Company	61.09	13.34	47.75	357.95
Non-controlling interests of the subsidiaries	0.55	(0.76)	1.31	(172.37)

Profitability Ratio

Unit : Million Baht

List	2013	2012	Changes	Average
Gross Profit	260.72	213.24	47.48	22.27
Gross Profit Margin Ratio	23.56%	21.14%		
EBITDA	175.24	109.60	65.64	59.89
EBITDA Ratio	15.51%	10.68%		
Net Profit Margin Ratio	5.46%	1.23%		

For the Company's Performance ended December 31, 2013, the Company and its subsidiaries had a net profit of 61.64 million Baht increase from the year 2012 of 49.06 million baht or 389.98 percent.

Service Income for the year ended 31 December 2013 amounted to 1,106.68 million baht, Increase from the year 2012 of 97.97 million baht or 9.71 percent As a result of market expansion strategy focused on customer groups with medical technology and increasing medical personnel and aim for service excellence. Revenue from General Patient increased 81.88 million Baht or 11.43 percent and Revenue social security patients increased 16.07 million, resulting in total revenues of the Company and its subsidiaries increased by 103.42 million Baht or 10.08 percent from 1,026.21 million to 1,129.63 million Baht.

Cost of hospital operations in 2013 of the Company and its subsidiaries, including 845.96 million Baht, an increase from the year 2012 of 50.49 million or 6.35 percent. As results of the growing number of customers are on the rise, cost of the doctors, nurses and staff compensation. Cost of service including depreciation increased.

Selling expenses for the year ended 31 December 2013 amounted to 30.96 million baht, increase from the year 2012 of 1.08 million baht or 3.61 percent As a result of expansion of the development of excellence. And an increase in personnel to support the growth of income group customers. Resulting in employee compensation related to sales. And the cost of advertising and promotion increases.

Administrative expenses for the year ended 31 December 2013 amounted to 163.01 million baht decrease from the year 2012 of 4.24 million baht or 2.54 percent As a result of cost control with greater efficiency.

Financial cost totaled 11.28 million, a decrease from the 2012 amount of 5.41 million, or 32.41 percent because of repayment of the loan.

Income tax expenses totaled 16.78 million Baht, up from the year 2012 of 12.44 million, or 286.64 percent cause of increased earnings.

Financial Status

Unit: Million Baht

List	2013	2012	Changes	Average
Total Assets	1,123.42	1,100.88	22.54	2.05
Total Liabilities	330.60	353.15	(22.55)	(6.39)
Equity Holders of The parent	776.50	731.46	45.04	6.16
Total Shareholder's Equity	792.82	747.73	45.09	6.03

The consolidated financial statements of the Company and its subsidiaries as at December 31, 2013, total assets of 1,123.42 million baht, an increase from 2012 of 22.54 million, or 2.05 percent, Due to the Company's cash and cash equivalents increased by 7.70 million baht, trade and other receivables increased by 19.95 million baht and non-current assets increased by 6.12 million baht.

Total liabilities of the Company and its subsidiaries as at December 31, 2013 amounted to 330.60 million baht, down from 22.55 million in 2012, representing a percentage of 6.39. Due to the repayment of the loan agreement and return the promissory note to the Company.

The shareholders of the Company amounted to 776.50 million baht; an increase of 45.04 million baht in 2012 of 6.16 percent due to the Company's retained earnings increased from 123.91 million baht to 168.95 million baht.

Liquidity

List	2013	2012	Changes	Average
Net cash provided by operating activities.	142.77	84.10	58.67	69.76
Net cash provided by investing activities.	(26.11)	(119.88)	93.77	(78.22)
Net cash provided by (used in) financing activities.	(68.96)	27.58	(96.54)	(350.04)
Cash and cash equivalents as at January 1.	96.18	104.38	(8.20)	(7.86)
Cash and cash equivalents as at December 31.	143.88	96.18	47.70	49.59

Statement of cash flows for the year ended December 31, 2013, the Company and its subsidiaries in cash flow from operating activities increased from 58.67 million in 2012 of 142.77 million baht or 69.79 percent due to lower earnings from operations. Net cash used in investing activities amounted to 26.11 million baht, down from the year 2012 of 93.77 million or 78.22 percent, the cash flow from financing activities amounted to 68.96 million, an decrease from 2012 of 96.54 million equivalent 350.04 is due to receive funds from the capital increase of the Company and partly used to repay loans to financial institutions.

As at 31 December 2013 The Company and its subsidiaries has cash and cash equivalents totaled of 143.88 million baht, decrease from the year 2012 were 47.70 million Baht or 49.59 percent.



Report of Audit Committee

Dear Shareholders,

The Audit Committee has been appointed by the Board of Directors since March 18, 2011. It consists of the followings;

1. Mr.Virah	Mavichak	Chairman of the Audit Committee
2. Mr.Surin	Premamornkit	Audit Committee
3. Mr.Visut	Montriwat	Audit Committee
4. Mr.Prat	Boonyawongvirot,M.D.	Audit Committee

In 2013, the Audit Committee has altogether held 15 meetings. Some of the important outcomes are summarized as shown below.

1. The Audit Committee has reviewed the quarterly and the 2013 annual financial statements of the Company and its subsidiaries before presenting to the Board of Directors. Under the reviewing process, the Committee had discussed with the Company's management and auditors and trusted that the Company's financial statements have been duly prepared in accordance with international accounting standards.

2. The Audit Committee proposed to the Board of Directors the appointment of the Company's external auditors from the Ernst & Young Company, along with its remuneration, which was later approved by shareholders at the Annual General Meeting.

3. The Audit Committee has reviewed that the Company's and its subsidiaries were equipped with sufficient internal control and appropriate risk management system.

4. The Audit Committee has reviewed the independence of internal audit department. It also proposed the appointment, transfer and contract termination as well as performance evaluation of the head of the internal audit department. The Committee also approved the Annual Budget Charter and internal

audit plan that are in accordance with the Company's business operation nature.

5. The Audit Committee has ensured that the Company complies with laws and regulations on Securities and Stock Exchanges and those relevant to its business operation.

6. The Audit Committee has reviewed that affiliated transactions, or those that may have conflicts of interests, were conducted in line with the regulations set forth by the Securities and Exchange Commission and the Stock Exchange of Thailand. This is to ensure that such transactions are justified, transparent and beneficial to the Company.

7. The Audit Committee has reviewed its own Charter to ensure that it stays in line with the guidelines and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

8. The Audit Committee, and also the internal auditing staffs, has consistently developed its knowledge to improve its auditing and internal control capacity.

The Audit Committee has performed its assigned duty with its full capacity. And in its attempt to develop an effective internal control system, the Committee has received substantial and prompt cooperation from all of the relevant departments of the Company with the ultimate goal to bring the most benefits to the shareholders and other stakeholders of the Company.



(Virah Mavichak)

Chairman of the Audit Committee
Srivichai Vejvivat Public Company Limited

Independent Auditor's Report

To the Shareholders of Srivichavejvivat Public Company Limited

I have audited the accompanying consolidated financial statements of Srivichavejvivat Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2013, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Srivichavejvivat 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 Srivichavejvivat Public Company Limited and its subsidiaries and of Srivichavejvivat Public Company Limited as at 31 December 2013, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Emphasis of matter

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

Other matter

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

Termphong Opanaphan

Certified Public Accountant (Thailand) No. 4501

EY Office Limited

(Formerly known as "Ernst & Young Office Limited")

Bangkok: 26 February 2014

Financial Statements

Statement of financial position

Srivichaijivatt Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2013

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

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

Statement of financial position (continued)

Srivichaijivatt Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2013

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

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



Statement of financial position (continued)

Srivichaivejvivat Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2013

	Consolidated financial statements				Separate financial statements			
	As at		As at		As at		As at	
	31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012	1 January 2012	
			(Restated)			(Restated)		
Shareholders' equity								
Share capital								
Registered								
535,000,000 ordinary shares of Baht 1 each	535,000,000	535,000,000	535,000,000	535,000,000	535,000,000	535,000,000	535,000,000	
Issued and fully paid								
535,000,000 ordinary shares of Baht 1 each								
(1 January 2012: 400,000,000 ordinary shares of Baht 1 each)	21	535,000,000	400,000,000	535,000,000	535,000,000	400,000,000	400,000,000	
Share premium	21	37,938,115	10,000,000	37,938,115	37,938,115	10,000,000	10,000,000	
Retained earnings								
Appropriated - statutory reserve	22	12,513,422	8,145,074	12,513,422	9,571,985	8,145,074	8,145,074	
Unappropriated		156,437,392	126,427,542	125,960,391	86,121,876	84,972,961	84,972,961	
Other components of shareholders' equity		34,614,609	34,614,609	-	-	-	-	
Equity attributable to owners of the Company		776,503,538	731,460,848	711,411,928	668,631,976	503,118,035	503,118,035	
Non-controlling interests of the subsidiaries		16,317,234	16,272,980	-	-	-	-	
Total shareholders' equity		792,820,772	747,733,828	711,411,928	668,631,976	503,118,035	503,118,035	
Total liabilities and shareholders' equity		1,123,419,549	1,100,882,484	836,686,609	817,727,279	737,553,879	737,553,879	

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



Statement of financial position (continued)

Srivichaiavejvat Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
Profit or loss:					
Revenues					
Revenues from hospital operations		1,106,683,376	1,008,711,511	522,577,220	466,732,177
Dividend income	12	-	-	9,418,087	-
Other income		22,948,146	17,499,295	5,008,555	3,982,348
Total revenues		1,129,631,522	1,026,210,806	537,003,862	470,714,525
Expenses					
Cost of hospital operations		845,963,383	795,473,843	372,531,611	342,356,335
Selling expenses		30,956,251	29,878,124	10,504,291	10,812,136
Administrative expenses		163,008,852	167,250,345	78,294,994	76,294,724
Total expenses		1,039,928,486	992,602,312	461,330,896	429,463,195
Profit before finance cost and income tax expenses		89,703,036	33,608,494	75,672,966	41,251,330
Finance cost		(11,282,781)	(16,685,982)	(4,689,095)	(8,846,462)
Profit before income tax expenses		78,420,255	16,922,512	70,983,871	32,404,868
Income tax expenses	24	(16,782,614)	(4,344,075)	(12,155,134)	(5,829,042)
Profit for the year		61,637,641	12,578,437	58,828,737	26,575,826
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		61,637,641	12,578,437	58,828,737	26,575,826
Profit attributable to:					
Equity holders of the Company		61,091,475	13,335,508	58,828,737	26,575,826
Non-controlling interests of the subsidiaries		546,166	(757,071)	-	-
		61,637,641	12,578,437		
Earnings per share					
25					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.11	0.03	0.11	0.05

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

Statement of financial position (continued)

Srivichaijeivivat Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash flows from operating activities				
Profit before tax	78,420,255	16,922,512	70,983,871	32,404,868
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	85,535,850	75,987,120	23,917,042	20,293,038
Allowance for doubtful accounts (reversal)	(912,673)	(1,243,996)	170,143	(736,954)
Reduction of medicine and supplies to net realisable value	116,162	-	86,433	-
Loss (gain) on disposals of equipment	(1,214,122)	(1,635,442)	(773,959)	16,164
Loss on write-off of equipment	1,079,452	169,924	1,026,981	163,093
Withholding tax deducted at source written off	2,085	-	2,048	-
Provision for long-term employee benefits	2,577,027	2,091,479	841,287	680,398
Dividend income from subsidiary	-	-	(9,418,087)	-
Interest income	(1,789,682)	(1,936,598)	(1,533,172)	(1,923,101)
Interest expenses	11,282,781	16,685,982	4,689,095	8,846,462
Profit from operating activities before changes in operating assets and liabilities	175,097,135	107,040,981	89,991,682	59,743,968
Operating assets (increase) decrease				
Trade and other receivables	(19,161,985)	27,885,803	(12,330,108)	125,243
Medicine and supplies	(713,341)	604,438	(919)	1,225,305
Other current assets	325,345	(506,628)	(148,531)	568,145
Other non-current assets	(3,379,945)	1,545,568	(3,210,000)	450,072
Operating liabilities increase (decrease)				
Trade and other payables	5,855,512	(39,302,867)	5,097,091	1,073,087
Other current liabilities	254,151	213,220	106,675	59,539
Cash paid for long-term employee benefits	-	(190,700)	-	-
Cash flows from operating activities	158,276,872	97,289,815	79,505,890	63,245,359
Cash paid for income tax	(15,508,093)	(13,192,603)	(8,121,083)	(3,555,040)
Net cash flows from operating activities	142,768,779	84,097,212	71,384,807	59,690,319

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



Statement of financial position (continued)

Srivichaijvivat Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash flows from investing activities				
Decrease in restricted bank deposits	-	1,102,972	-	-
Decrease (increase) in current investments	40,000,000	(40,000,000)	40,000,000	(40,000,000)
Decrease in short-term loan to related party	-	-	-	50,000,000
Acquisition of investment properties	(67,650)	(369,020)	-	-
Acquisition of buildings improvement and equipment	(66,518,619)	(75,393,814)	(45,206,169)	(30,132,128)
Increase in leasehold rights	(1,685,424)	(8,031,874)	-	-
Acquisition of intangible assets	(1,077,490)	(808,920)	(332,674)	(442,606)
Interest income	1,918,097	1,701,004	1,670,761	1,613,238
Cash receipt from dividend of subsidiary	-	-	9,418,087	-
Proceeds from sales of equipment	1,325,768	1,923,717	804,938	32,500
Cash paid from acquisition of investment in subsidiary	-	-	-	(47,378,250)
Net cash flows from (used in) investing activities	(26,105,318)	(119,875,935)	6,354,943	(66,307,246)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts	(1,444,182)	1,444,182	-	-
Cash receipt from long-term loans from financial institution	29,000,000	20,000,000	-	-
Repayment of long-term loans from financial institution	(66,550,000)	(111,960,000)	(36,000,000)	(87,800,000)
Repayment of liabilities under finance lease agreements	(2,273,985)	(6,896,492)	(840,701)	(3,509,363)
Proceeds from increase in share capital of the Company	-	162,938,115	-	162,938,115
Cash received from increase in share capital of the subsidiary	-	2,621,750	-	-
Dividend paid	(16,088,256)	(24,000,000)	(16,091,087)	(24,000,000)
Dividend paid to non-controlling interests of the subsidiary	(501,912)	-	-	-
Interest expenses	(11,102,925)	(16,568,400)	(4,748,236)	(9,023,666)
Net cash flows from (used in) financing activities	(68,961,260)	27,579,155	(57,680,024)	38,605,086
Net increase (decrease) in cash and cash equivalents	47,702,201	(8,199,568)	20,059,726	31,988,159
Cash and cash equivalents at beginning of year	96,180,360	104,379,928	62,396,256	30,408,097
Cash and cash equivalents at end of year	143,882,561	96,180,360	82,455,982	62,396,256
	-	-	-	-
Supplemental cash flows information				
Non-cash related transactions				
Acquisition of buildings improvement and equipment for which no cash has been paid	2,005,944	5,203,195	1,526,418	2,059,000
Purchase of vehicle under finance lease agreements	3,410,750	991,000	1,516,000	-
Reclassify buildings improvement to investment properties	-	105,000	-	-

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

Statement of financial position (continued)

Srivichaijivat Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2013

(Unit: Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Difference resulting from business combination under common control	Other components of shareholders' equity			Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated	Unappropriated		Change in parent's ownership interest in subsidiaries without change in control	Change in parent's ownership interest in other components of shareholders' equity	Total			
Balance as at 31 December 2011 - as previously reported		400,000,000	10,000,000	8,145,074	126,614,807	37,530,739	(2,916,130)			34,614,609	14,366,312	593,740,802
Cumulative effect of change in accounting policy for deferred tax	4	-	-	-	(187,265)	-	-	-	-	-	41,989	(145,276)
Balance as at 31 December 2011 - as restated		400,000,000	10,000,000	8,145,074	126,427,542	37,530,739	(2,916,130)			34,614,609	14,408,301	593,595,526
Increase share capital	21	135,000,000	27,938,115	-	-	-	-	-	-	-	2,621,750	165,559,865
Statutory reserve	22	-	-	1,426,911	(1,426,911)	-	-	-	-	-	-	-
Dividend paid	28	-	-	-	(24,000,000)	-	-	-	-	-	-	(24,000,000)
Total comprehensive income for the year - restated		-	-	-	13,335,508	-	-	-	-	-	(757,071)	12,578,437
Balance as at 31 December 2012 - as restated		535,000,000	37,938,115	9,571,985	114,336,139	37,530,739	(2,916,130)			34,614,609	16,272,980	747,733,828
Balance as at 31 December 2012 - as previously reported		535,000,000	37,938,115	9,571,985	110,224,836	37,530,739	(2,916,130)			34,614,609	15,883,053	743,232,598
Cumulative effect of change in accounting policy for deferred tax	4	-	-	-	4,111,303	-	-	-	-	-	389,927	4,501,230
Balance as at 31 December 2012 - as restated		535,000,000	37,938,115	9,571,985	114,336,139	37,530,739	(2,916,130)			34,614,609	16,272,980	747,733,828
Statutory reserve	22	-	-	2,941,437	(2,941,437)	-	-	-	-	-	-	-
Dividend paid	28	-	-	-	(16,048,785)	-	-	-	-	-	(501,912)	(16,550,697)
Total comprehensive income for the year		-	-	-	61,091,475	-	-	-	-	-	546,166	61,637,641
Balance as at 31 December 2013		535,000,000	37,938,115	12,513,422	156,437,392	37,530,739	(2,916,130)			34,614,609	16,317,234	792,820,772

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

Statement of financial position (continued)

Srivilaivejvat Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2013

	Note	Separate financial statements					Total shareholders' equity
		Issued and paid-up share capital	Share premium	Retained earnings		Unappropriated	
				Appropriated	Unappropriated		
Balance as at 31 December 2011 - as previously reported		400,000,000	10,000,000	8,145,074	85,921,737	504,066,811	
Cumulative effect of change in accounting policy for deferred tax	4	-	-	-	(948,776)	(948,776)	
Balance as at 31 December 2011 - as restated		400,000,000	10,000,000	8,145,074	84,972,961	503,118,035	
Increase share capital	21	135,000,000	27,938,115	-	-	162,938,115	
Statutory reserve	22	-	-	1,426,911	(1,426,911)	-	
Dividend paid	28	-	-	-	(24,000,000)	(24,000,000)	
Total comprehensive income for the year - restated		-	-	-	26,575,826	26,575,826	
Balance as at 31 December 2012 - as restated		535,000,000	37,938,115	9,571,985	86,121,876	668,631,976	
Balance as at 31 December 2012 - as previously reported		535,000,000	37,938,115	9,571,985	89,033,049	671,543,149	
Cumulative effect of change in accounting policy for deferred tax	4	-	-	-	(2,911,173)	(2,911,173)	
Balance as at 31 December 2012 - as restated		535,000,000	37,938,115	9,571,985	86,121,876	668,631,976	
Statutory reserve	22	-	-	2,941,437	(2,941,437)	-	
Dividend paid	28	-	-	-	(16,048,785)	(16,048,785)	
Total comprehensive income for the year		-	-	-	58,828,737	58,828,737	
Balance as at 31 December 2013		535,000,000	37,938,115	12,513,422	125,960,391	711,411,928	

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

Srivichaijevivat Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2013

1. General information

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

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Percentage of Shareholding	
			2013	2012
			Percent	Percent
Saivichai Development Company Limited	Operating of hospitals	Thailand	94.76	94.76
Srisakornvejevivat Company Limited	Operating of hospitals	Thailand	94.94	94.94
Srivichai Vocational School Company Limited	Operating of vocational school	Thailand	99.98	99.98

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

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

d) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

e) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements, which present investments in subsidiaries under the cost method, have been prepared solely for the benefit of the public.

3. New accounting standards

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

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

Accounting standards:

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

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

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

Accounting Treatment Guidance for Transfers of Financial Assets

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

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiaries have changed this

accounting policy in this current period and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 4 to the financial statements.

		<u>Effective date</u>
Accounting Standards:		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
TAS 36 (revised 2012)	Impairment of Assets	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014
Financial Reporting Standards:		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets – Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014

		<u>Effective date</u>
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

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

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

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

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

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

Statements of comprehensive income

Profit or loss:

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

5 Significant accounting policies

5.1 Revenue recognition

Revenue for hospital operations

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

Rendering of services

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

Revenue from tuition fees and educational media

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

Rental income

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

Interest income

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

Dividends

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

5.2 Cash and cash equivalents

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

5.3 Trade accounts receivable

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

5.4 Medicine and supplies

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



5.5 Investments

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

5.6 Investment properties

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

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

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

5.7 Property, plant and equipment/Depreciation

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

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

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

Depreciation is included in determining income

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

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

5.8 Leasehold rights

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

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

5.9 Related party transactions

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

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

5.10 Long-term leases

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

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating

lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

5.11 Impairment of assets

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

An impairment loss is recognised in the profit or loss.

5.12 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

5.13 Provisions

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

5.14 Income tax

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

Current tax

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

Deferred tax

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

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

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

6. Significant accounting judgements and estimates

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

Leases

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

Allowance for doubtful accounts

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

Accrued social security income

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

Property, plant and equipment/Depreciation

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

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

Deferred tax assets

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

Post-employment benefits under defined benefit plans

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

Litigation

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

7. Related party transactions

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

(Unit: Thousand Baht)

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

As at 31 December 2013 and 2012, the balances of the accounts between the Company and those related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade and other receivables - related parties (Note 10)				
Subsidiaries	-	-	617	327
Related individual	6	-	-	-
Total trade and other receivables - related parties	<u>6</u>	<u>-</u>	<u>617</u>	<u>327</u>
Trade and other payables - related parties (Note 17)				
Subsidiaries	-	-	461	995
Total trade and other payables - related parties	<u>-</u>	<u>-</u>	<u>461</u>	<u>995</u>

Directors and management's benefits

During the years ended 31 December 2013 and 2012, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.



	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2013	2012	2013	2012
	Short-term employee benefits	32,438	34,322	21,467
Post-employment benefits	213	327	192	158
Total	32,651	34,649	21,659	21,094

8. Cash and cash equivalents

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

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

9. Current investments

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

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

10. Trade and other receivables

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2013	2012	2013	2012
	Trade receivables - related parties			
Aged on the basis of due dates				
Not yet due	-	-	135	87
Past due up to 3 months	-	-	477	-
Total trade receivables - related parties	-	-	612	87

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	54,313	41,458	25,022	18,897
Past due				
Up to 3 months	12,314	6,001	4,063	1,874
3 - 6 months	2,860	2,045	1,121	684
6 - 12 months	1,724	1,118	907	274
Over 12 months	586	1,475	537	344
Total	71,797	52,097	31,650	22,073
Less: Allowance for doubtful accounts	(685)	(1,471)	(560)	(342)
Total trade receivables - unrelated parties, net	71,112	50,626	31,090	21,731
Total trade receivables - net	71,112	50,626	31,702	21,818
Other receivables - related parties				
Other receivable - related party	-	-	5	240
Other accrued income - related individual	6	-	-	-
Total other receivables - related parties	6	-	5	240
Other receivables - unrelated parties				
Other receivables	2,964	1,863	2,007	589
Accrued income				
Accrued social security income	36,941	39,946	29,550	27,689
Other accrued income	6,687	5,456	2,236	3,189
Total	46,592	47,265	33,793	31,467
Less: Allowance for doubtful accounts	(263)	(390)	(63)	(111)
Total other receivables - unrelated parties, net	46,329	46,875	33,730	31,356
Total other receivables - net	46,335	46,875	33,735	31,596
Total trade and other receivables - net	117,447	97,501	65,437	53,414

11. Medicine and supplies

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

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

12. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2013	2012	2013 (%)	2012 (%)	2013	2012	2013	2012
Saivichai Development Company Limited	150,000	150,000	94.76	94.76	142,134	142,134	-	-
Srisakornvejvivat Company Limited	99,200	99,200	94.94	94.94	94,181	94,181	9,418	-
Srivichai Vocational School Company Limited	100	100	99.98	99.98	100	100	-	-
Total					236,415	236,415	9,418	-

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

13. Investment properties

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

(Unit: Thousand Baht)

	Consolidated financial statements		
	Land	Buildings and buildings improvement	Total
31 December 2013:			
Cost	22,845	8,677	31,522
<u>Less</u> Accumulated depreciation	-	(8,073)	(8,073)
Net book value	<u>22,845</u>	<u>604</u>	<u>23,449</u>
31 December 2012:			
Cost	22,845	8,609	31,454
<u>Less</u> Accumulated depreciation	-	(7,691)	(7,691)
Net book value	<u>22,845</u>	<u>918</u>	<u>23,763</u>

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

(Unit: Thousand Baht)

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

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

(Unit: Thousand Baht)

	Consolidated financial statements	
	2013	2012
Land	24,803	24,803
Buildings and buildings improvement	4,657	4,657
Total	<u>29,460</u>	<u>29,460</u>

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

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

14. Property, plant and equipment

Consolidated financial statements

(Unit: Thousand Baht)

	Land	Buildings and buildings improvement	Tools and medical instrument	Office furniture, fixtures and equipment	Motor vehicle	Assets under installation and under construction	Total
Cost:							
1 January 2012	339,820	494,598	204,643	181,873	57,762	11,950	1,290,646
Additions	-	1,944	28,681	10,949	2,939	37,076	81,589
Disposals/write-off	-	(95)	(7,096)	(5,494)	(3,401)	-	(16,086)
Transfers in (out)	-	7,156	946	3,339	1,080	(12,521)	-
Reclassify to investment properties	-	(105)	-	-	-	-	(105)
31 December 2012	339,820	503,498	227,174	190,667	58,380	36,505	1,356,044
Additions	-	1,326	14,196	12,703	4,910	38,960	72,095
Disposals/write-off	-	(1,935)	(4,369)	(6,012)	(9,790)	(60)	(22,166)
Transfers in (out)	-	21,484	8,168	4,410	2,528	(36,590)	-
31 December 2013	339,820	524,373	245,169	201,768	56,028	38,815	1,405,973
Accumulated depreciation:							
1 January 2012	-	349,379	149,866	106,153	47,513	-	652,911
Depreciation for the year	-	16,321	19,349	29,334	4,432	-	69,436
Depreciation on disposals/write-off/reclassify	-	(46)	(7,083)	(5,106)	(3,390)	-	(15,627)
31 December 2012	-	365,654	162,132	130,379	48,555	-	706,720
Depreciation for the year	-	20,569	23,440	29,428	5,119	-	78,556
Depreciation on disposals/write-off	-	(1,166)	(4,188)	(5,804)	(9,657)	-	(20,815)
31 December 2013	-	385,057	181,384	154,003	44,017	-	764,461
Net book value:							
31 December 2012	339,820	137,844	65,042	60,288	9,825	36,505	649,324
31 December 2013	339,820	139,316	63,785	47,765	12,011	38,815	641,512
Depreciation for the year							
2012 (Baht 49 million included in cost of hospital operations, and the balance in selling and administrative expenses)							69,436
2013 (Baht 58 million included in cost of hospital operations, and the balance in selling and administrative expenses)							78,556

(Unit: Thousand Baht)

Separate financial statements

	Land	Buildings and buildings improvement	Tools and medical instrument	Office furniture, fixtures and equipment	Motor vehicle	Assets under installation and under construction	Total
Cost:							
1 January 2012	286,127	258,349	63,711	38,851	22,183	9,307	678,528
Additions	-	1,689	9,816	4,720	74	15,892	32,191
Disposals/write-off	-	(95)	(3,864)	(3,402)	(58)	-	(7,419)
Transfers in (out)	-	6,354	946	3,083	-	(10,383)	-
31 December 2012	286,127	266,297	70,609	43,252	22,199	14,816	703,300
Additions	-	442	10,653	6,372	3,011	27,770	48,248
Disposals/write-off	-	(1,936)	(2,173)	(2,376)	(4,671)	(60)	(11,216)
Transfers in (out)	-	4,205	-	-	-	(4,205)	-
31 December 2013	286,127	269,008	79,089	47,248	20,539	38,321	740,332
Accumulated depreciation:							
1 January 2012	-	187,725	46,764	25,414	16,480	-	276,383
Depreciation for the year	-	5,296	6,108	6,591	1,928	-	19,923
Depreciation on disposals/write-off	-	(46)	(3,852)	(3,251)	(58)	-	(7,207)
31 December 2012	-	192,975	49,020	28,754	18,350	-	289,099
Depreciation for the year	-	6,729	8,043	6,861	2,031	-	23,664
Depreciation on disposals/write-off	-	(1,167)	(2,132)	(2,204)	(4,656)	-	(10,159)
31 December 2013	-	198,537	54,931	33,411	15,725	-	302,604
Net book value:							
31 December 2012	286,127	73,322	21,589	14,498	3,849	14,816	414,201
31 December 2013	286,127	70,471	24,158	13,837	4,814	38,321	437,728
Depreciation for the year							
2012 (Baht 14 million included in cost of hospital operations, and the balance in selling and administrative expenses)							19,923
2013 (Baht 18 million included in cost of hospital operations, and the balance in selling and administrative expenses)							23,664

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

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

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

15. Leasehold rights

(Unit: Thousand Baht)

	Consolidated financial statements			
	Land rental	Construction on leased land	Construction in progress on leased land	Total
Cost:				
1 January 2012	2,073	147,704	8,462	158,239
Additions	-	-	8,077	8,077
Transfers in (out)	-	6,639	(6,639)	-
31 December 2012	2,073	154,343	9,900	166,316
Additions	-	43	1,687	1,730
Transfers in (out)	-	11,587	(11,587)	-
31 December 2013	2,073	165,973	-	168,046
Accumulated amortisation:				
1 January 2012	1,459	14,936	-	16,395
Amortisation for the year	70	5,712	-	5,782
31 December 2012	1,529	20,648	-	22,177
Amortisation for the year	70	6,103	-	6,173
31 December 2013	1,599	26,751	-	28,350
Net book value:				
31 December 2012	544	133,695	9,900	144,139
31 December 2013	474	139,222	-	139,696
Amortisation for the year				
2012 (Baht 5 million included in cost of hospital operations, and the balance in selling and administrative expenses)				5,782
2013 (Baht 5 million included in cost of hospital operations, and the balance in selling and administrative expenses)				6,173

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

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

16. Bank overdrafts

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated financial statements	
		2013	2012
Bank overdrafts	MOR to MOR+1	-	1,444
Total		<u>-</u>	<u>1,444</u>

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

18. Long-term loans

(Unit: Thousand Baht)

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

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

19. Liabilities under finance lease agreements

(Unit: Thousand Baht)

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

The Company and its subsidiaries have entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are 4 to 5 years.

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

(Unit: Thousand Baht)

	As at 31 December 2013					
	Consolidated financial statements			Separate financial statements		
	Less than 1 year	1-4 years	Total	Less than 1 year	1-4 years	Total
Future minimum lease payments	3,213	2,172	5,385	733	951	1,684
Deferred interest expenses	(218)	(165)	(383)	(84)	(75)	(159)
Present value of future minimum lease payments	<u>2,995</u>	<u>2,007</u>	<u>5,002</u>	<u>649</u>	<u>876</u>	<u>1,525</u>

(Unit: Thousand Baht)

	As at 31 December 2012					
	Consolidated financial statements			Separate financial statements		
	Less than 1 year	1-4 years	Total	Less than 1 year	1-4 years	Total
Future minimum lease payments	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	<u>1,320</u>	<u>2,202</u>	<u>3,522</u>	<u>451</u>	<u>289</u>	<u>740</u>

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

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

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

Principal actuarial assumptions at the valuation date were as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	4.23	4.23	4.23	4.23
Future salary increase rate	5.00	5.00	5.00	5.00
Staff turnover rate (depending on age)	6.10 - 10.26	6.10 - 10.26	6.10 - 10.26	6.10 - 10.26

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

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

21. Share capital/share premium

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

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

22. Statutory reserve

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

23. Expenses by nature

Significant expenses by nature are as follows:

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

24. Income tax

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

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

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

(Unit: Thousand Baht)

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

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

(Unit: Thousand Baht)

Statements of financial position

	Consolidated financial statements			Separate financial statements		
	As at 31 December 2013	As at 31 December 2012 (Restated)	As at 31 December 2012	As at 31 December 2013	As at 31 December 2012 (Restated)	As at 31 December 2012
Deferred tax assets						
Allowance for doubtful accounts	170	256	390	120	68	127
Allowance for diminution in value of medicine and supplies	23	-	-	17	-	-
Provision for employee benefits	2,823	2,257	1,853	897	707	568
Unused tax loss	11,511	8,214	-	-	-	-
Others	-	159	538	-	-	197
Total	14,527	10,886	2,781	1,034	775	892
Deferred tax liabilities						
Accumulated depreciation - Plant	11,078	6,319	2,926	5,424	3,620	1,841
Others	-	66	-	-	66	-
Total	11,078	6,385	2,926	5,424	3,686	1,841

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

25. Earnings per share

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

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Profit for the year (Thousand Baht)	61,091	13,336	58,829	26,576
Weighted average number of ordinary shares (Thousand shares)	535,000	489,262	535,000	489,262
Earnings per share (Baht per share)	0.11	0.03	0.11	0.05

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26. Segment information

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

Geographic information

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

Major customer

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

27. Provident fund

The Company, its subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees, the Company and its subsidiaries contribute to the fund monthly at the rate of 2 percent of basic salary. The fund, which is managed by the American International Assurance Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2013, the Company, its subsidiaries and its employees contributed Baht 3 million (2012: Baht 2 million) (the Company only: Baht 1 million, 2012: Baht 1 million) to the fund.

28. Dividends

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

29. Commitments and contingent liabilities

29.1 Capital commitments

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



29.2 Operating lease commitments

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

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

Unit: Million Baht)

As at 31 December

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Payable:				
In up to 1 year	5.2	4.7	0.3	0.2
In over 1 and up to 5 years	16.4	12.1	0.2	-
In over 5 years	39.0	41.9	-	-

29.3 Service commitments

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

As at 31 December 2013, future minimum payments required under those service contracts due within one year was contracting to Baht 10 million (2012: Baht 4 million) (The Company only: Baht 5 million, 2012: Baht 1 million)

29.4 Guarantees

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Bank guarantees for the medical treatment service contracts with the Social Security Office	25	29	17	17
Bank guarantees for electricity use	3	3	1	1

29.5 Litigation

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

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the management and the legal adviser of the Company believe that the litigation will not result in the Company incurring any material loss, and the Company therefore did not record any liabilities in the accounts.

30. Financial instruments

30.1 Financial risk management

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

Credit risk

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

Interest rate risk

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

Foreign currency risk

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

30.2 Fair values of financial instruments

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

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

31. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2013, the Group's debt-to-equity ratio was 0.42:1 (2012: 0.47:1) and the Company's was 0.18:1 (2012: 0.22:1).

32. Approval of financial statements

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



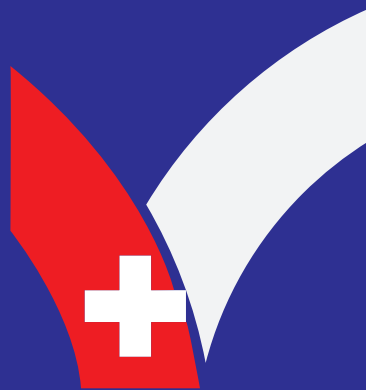
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Srivichaivejvivat Public Company Limited

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